
FEBRUARY 1975

FEDERAL RESERVE
BULLETIN

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Nonbank Thrift Institutions in 1974

Changing pressures in financial markets and in general economic conditions caused major shifts in flows of funds into savings and loan associations, mutual savings banks, and credit unions during 1974. As a result of these pressures, there were substantial changes not only in the composition of the assets held by these financial intermediaries but also in the structure of their deposits.

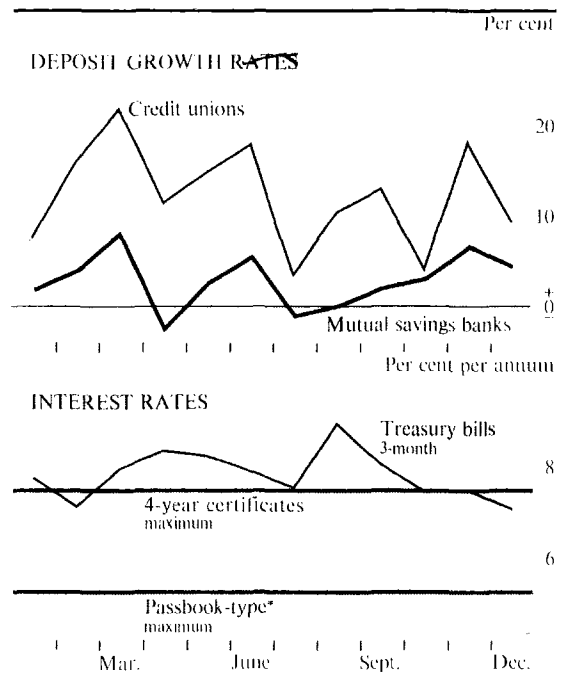
During the second and third quarters of 1974 deposit growth at thrift institutions was sharply curtailed, but in recent months the growth rate has improved markedly. For savings and loan associations and mutual savings banks, the renewed flow of savings has permitted some rebuilding of depleted liquid asset portfolios, repayment of debt, and an expansion of commitments to make mortgage loans to the housing sector, which had been adversely affected by limited credit availability and a number of other nonfinancial factors. For credit unions—with only one-tenth the assets of savings and loan associations, yet the fastest growing of the thrift institutions—the improved flow of deposits has made possible a continuation of their growing importance in providing consumer credit.

MAJOR DEVELOPMENTS

Early in 1974, when the peak 7½ per cent ceiling rate available on 4-year accounts at major thrift institutions was especially attractive relative to yields on competing market securities, thrift institutions experienced rather favorable net deposit inflows. After the end of the Arab oil embargo, demands by businesses for credit mounted and monetary policy tightened in the face of intensifying inflationary pressures. As yields on market instruments moved well above the maximum 7½ per cent ceiling on

depository claims at savings and loan associations and mutual savings banks, inflows to these intermediaries slowed dramatically and for a time during the summer became negative. The combined deposit growth rate for savings and loan associations and mutual savings banks dropped from 8.2 per cent in the first quarter, seasonally adjusted, to 4.2 per cent in the second quarter and 2.5 per cent in the third. Thereafter, monetary policy became more accommodative, recessionary forces in the economy began to take hold, and business credit demands diminished; as a result, market rates fell and deposit growth at these intermediaries rebounded—rising to a seasonally adjusted rate

Selected DEPOSIT GROWTH RATES and INTEREST RATES, 1974



*At mutual savings banks and Federally insured savings and loan associations.
Seasonally adjusted annual rates.

of 8.1 per cent in the fourth quarter—and this trend continued during early 1975. Deposit growth at credit unions followed a similar pattern, although the decline in growth during the third quarter was less severe than for the other institutions.

Pressures on thrift institutions during last summer's period of weak deposit flows were aggravated by offerings of a variety of new, highly competitive marketable debt instruments that were designed to attract funds from individuals. Bank holding companies offered more than \$1 billion of relatively small-denomination, variable-rate notes that pay nearly 10 per cent, or even more, in their first year. Mutual funds investing in money market instruments were also expanding rapidly over the summer. And individuals with limited amounts of funds to invest showed substantial interest in the new notes offered by the Treasury in its August refinancing; these notes carried 9 per cent coupons and were available in denominations of \$1,000. However, even before the Congress empowered the Federal Reserve to regulate variable-rate notes issued by bank holding companies and their affiliates, signs of a general downturn in interest rates had already begun to reduce the investment appeal of such flexible-rate instruments.

With diminished inflows of funds to savings and loan associations and mutual savings banks, which are major sources of housing credit, the supply of funds for residential mortgage loans became extremely limited. Housing activity was depressed by this reduced supply of funds and also by rising land and construction costs, declining consumer real incomes, prior overbuilding in some areas, and the effects of increased costs of energy. In May housing starts fell below 1.5 million units at an annual rate, down considerably from the more than 2 million units started in 1973. Because of this deterioration in housing, a number of actions were taken by Federal housing agencies and the Congress to provide special public assistance to this segment of the economy. Early in the year the Government National Mortgage Association revised its commitment program to permit the purchase of \$6.6 billion of Federally guaranteed mortgages bearing rates of interest below those prevailing

in the market. This program was further expanded in May, bringing to nearly \$10 billion the amount of Government-insured below-market-rate mortgages that GNMA was willing to buy. Later in the year—in October—a similar program was initiated to cover conventional mortgages under terms of the Emergency Home Purchase Assistance Act of 1974.

Two other programs to support housing were also begun in May. The Federal Home Loan Mortgage Corporation committed \$3 billion to purchase conventional mortgages at subsidized rates, and the Federal home loan banks began a \$4 billion program to lend funds to member savings and loan associations at rates that were as much as 50 basis points below borrowing costs of the Federal home loan banks. Savings and loan associations made active use of this source of funds from June through the remainder of the year. Even so, the housing industry suffered its worst contraction since World War II. Housing starts fell below an annual rate of 1 million units in both November and December.

Throughout this critical period, the Federal Reserve, in its role as lender of last resort, stood ready to provide liquidity to the Federal home loan banks and to mutual savings banks should these institutions exhaust their access to other sources of funds. Arrangements to extend emergency credit were formalized, and financial developments at savings and loan associations and mutual savings banks were closely monitored.

Finally, several regulatory changes during the latter half of the year made it possible for the major thrift institutions to compete more effectively for funds against market securities. The Federal Reserve Board of Governors, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board adopted regulations that permitted commercial banks, mutual savings banks, and savings and loan associations to begin offering in late December a new 6-year certificate with a rate ceiling $\frac{1}{4}$ of a percentage point more than that on the 4-year certificate.

The competitive position of depository institutions was further strengthened when the Congress passed legislation raising the amount

of insurance coverage on public and private deposits at Federally insured commercial banks, mutual savings banks, and savings and loan associations. Effective November 27 the amount of insurance was raised from \$20,000 to \$40,000 on private deposits and to \$100,000 on deposits of governmental units. In response to this change, the regulatory authorities established a new rate ceiling— presently equal to 7½ per cent— on all time deposit accounts, regardless of maturity, of public bodies. For passbook savings of such governmental units, the interest rate ceilings continue to be the same as for individuals.

SAVINGS AND LOAN ASSOCIATIONS

Disintermediation and the subsequent improvement in deposit flows had major effects on the sources and uses of funds for savings and loan associations. During the first quarter of 1974— when deposit flows were improving from the depressed levels of the previous summer—

savings and loan associations repaid borrowings and rebuilt liquid asset portfolios. Gross acquisitions of mortgages increased as outstanding commitments were taken down, and substantial amounts of new mortgage commitments were made for takedown later in the year.

As deposit inflows began to decline in the second quarter, savings and loan associations increased their borrowing sharply and reduced their cash and liquid assets in an effort to meet commitments for mortgage loans. New commitments of funds were also curtailed; as a result, outstanding commitments reached a peak for the year in April and then declined over the remainder of the quarter.

Pressures on liquidity intensified in the third quarter when net deposit outflows were sustained. Thus the associations were forced to rely even more on borrowed funds and to reduce their liquid assets still further to meet previous mortgage loan commitments. Outstanding commitments fell dramatically as these takedowns continued at a substantial pace and the associations made few new agreements to lend funds in the future.

As is customary, the increases in borrowings by savings and loan associations during the second and third quarters came primarily from the Federal home loan banks. Thus, of the total of nearly \$7.4 billion borrowed in that interval, \$5.7 billion came from those banks and the remainder from commercial banks. More than half of the funds provided by the home loan banks were loaned under the special program, noted earlier, at rates below the prevailing market level. Even so, average rates on new advances made by the home loan banks during the period were still in excess of 9 per cent.

Two factors made it possible for savings and loan associations to reduce their borrowings in the fourth quarter. First, deposit inflows picked up again. Second, mortgage acquisitions dropped sharply, along with the decline in housing, to the lowest rate for any quarter of the year. These developments made it possible for the associations to begin to rebuild their liquidity and reduce outstanding borrowings, a process that continued into early 1975.

For 1974 as a whole, virtually all of the deposit growth at savings and loan associations

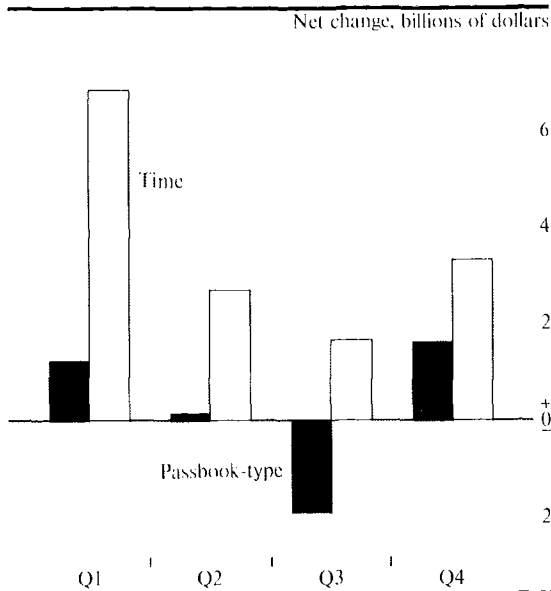
TABLE 1
Federally insured savings and loan associations:
Sources and uses of funds

In billions of dollars, not seasonally adjusted

Funds	1974			
	Q1	Q2	Q3	Q4
Sources:				
Deposits ¹	7.9	2.9	-2	5.0
Borrowed funds	-.4	3.6	3.8	.7
Subtotal	7.5	6.5	3.6	5.7
Gross mortgage repayments ²	5.9	7.8	6.9	6.1
Other sources, net ³	-.3	-.4	-1.2	-2.0
Total	13.0	13.9	9.3	9.8
Uses:				
Cash and liquid assets ...	2.7	-2.0	-1.8	2.3
Other investment securities	.2	1.0	.1	-.3
Gross mortgage acquisitions	10.2	14.9	11.0	7.8
Total	13.1	13.9	9.3	9.8

¹Net change in deposits, including interest credited.
²Includes, in addition to repayments, proceeds from sales of loans and participations and miscellaneous credits. Excludes interest, taxes and minor miscellaneous items.
³Includes net changes in loans process, reserves and surplus, and other liabilities minus the net changes in miscellaneous loans and assets not set out separately in the "uses" statement.

Deposit mix, SAVINGS AND LOANS: 1974



Not seasonally adjusted.

occurred in certificate accounts. The 4-year certificates were particularly important. A survey of large associations shows that 4-year certificates at these institutions increased during each month of 1974. Even during the weakest months of the year—July and August—there were substantial gains in 4-year certificates, in spite of the fact that total savings at these institutions declined. The recently inaugurated 6-year certificate, which carries a higher rate ceiling, may provide depository institutions with an additional instrument that may be especially attractive to savers.

MUTUAL SAVINGS BANKS

The experience of mutual savings banks in 1974 largely paralleled that of savings and loan associations. However, there were several differences, the most striking of which was the actual shrinkage of total assets at these banks during the third quarter.

The shrinkage in assets during the July–September period can be explained by two factors. First, most mutual savings banks are located in the northeastern part of the United States and their depositors are more aware than many

others of the market instruments that are worthwhile alternatives to depository claims. The savings banks are therefore particularly vulnerable to reduced deposit flows when market rates of interest rise above ceiling rates on thrift claims. Second, the mutual savings banks cannot obtain borrowed funds so easily as can savings and loan associations that are members of the Federal Home Loan Bank System. Only about 10 per cent of all mutual savings banks are members of this System; the others rely on commercial bank lines of credit.

In the first quarter of 1974 deposits of mutual savings banks grew at a relatively moderate pace. Apart from meeting takedowns of outstanding mortgage loan commitments, these banks used funds primarily to increase their holdings of liquid assets and to purchase other investment securities, mostly corporate bonds. In contrast to the savings and loan associations, the mutual savings banks did not increase their mortgage commitments over this period, and

TABLE 2

Mutual savings banks: Sources and uses of funds

In billions of dollars, not seasonally adjusted

Funds	1974			
	Q1	Q2 ¹	Q3	Q4 ²
Sources:				
Deposits ²	2.1	.4	-.8	1.2
Borrowings	-.1	.2	.4	...
Other sources, net ³ .....	.2	-.1	.1	-.2
Total	2.2	.5	-.3	1.0
Uses:				
Net change in mortgage holdings .....	.8	.9	.5	.1
Cash and liquid assets ⁴ ..	.5	-.7	-.7	.6
Other securities ⁵ .....	.9	.3	-.1	.3
Total	2.2	.5	-.3	1.0

¹Data are adjusted for conversions of 3 mutual savings banks to commercial banks during April and May.

²Net change in deposits, including interest credited.

³Includes net changes in other liabilities and general reserve accounts minus the net change in other assets not set out separately in the "uses" statement.

⁴Includes net changes in cash, U.S. Govt. securities, Federal agency securities, and "other loans." "Other loans" include open market paper, Federal funds, and other nonmortgage loans.

⁵Includes net changes in State and municipal securities, corporate and other bonds, corporate stock, and GNMA mortgage-backed securities.

⁶Estimated.

thus avoided locking themselves into future mortgage acquisitions.

As a result, when deposit flows dropped off sharply in the second quarter, mutual savings banks were in a much better position than in previous periods of disintermediation. They were able to meet takedowns of outstanding mortgage commitments by reducing their liquid assets and by increasing their borrowings only a small amount.

The severity of the deposit losses in the third quarter, though, placed heavy pressures on savings banks—forcing them to borrow funds from commercial banks, to reduce their liquid assets by a sizable further amount, and to sell some corporate bonds. Even with this liquidation of other assets, the net increase in mortgages during the quarter was the smallest for any quarter in the preceding 3 years.

Throughout most of 1974 mutual savings banks reduced the amount of their outstanding commitments to make mortgage loans. So few new commitments were made during the previous quarters that holdings of mortgage debt increased less during the fourth quarter than in

the previous 3 months. Meanwhile, liquid asset holdings increased only slightly because the improvement in deposit flows in the fourth quarter was relatively modest.

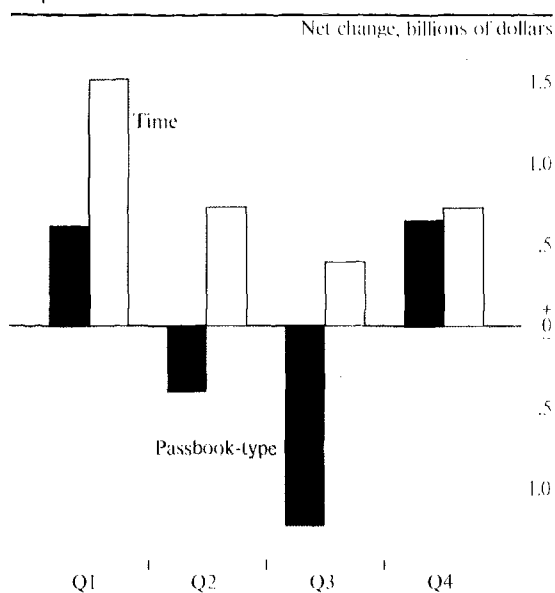
All of the growth in mutual savings bank deposits was in time deposit accounts—as it had been at savings and loan associations. Reports indicate that much of the growth in time deposits was concentrated in 4-year certificates. For the year as a whole, deposits in passbook accounts actually declined.

CREDIT UNIONS

Growth of deposits at credit unions in 1974 fluctuated in much the same way as at mutual savings banks and savings and loan associations—but around a significantly higher trend. During the first quarter deposits at credit unions were growing at an annual rate of more than 15 per cent. By the third quarter, when the impact of high market interest rates was the strongest, deposits at credit unions grew at an annual rate of 9 per cent.

The ability of credit unions to sustain a high rate of deposit inflows reflects several factors. For one, most credit unions are organized for the employees of a particular firm or institution and hence are located in or near the individual's place of work; this makes it convenient for individuals to save. Also, accounts are smaller, on the average, than those at other thrift institutions, and holders of smaller accounts tend to be less interest sensitive. Moreover, many credit union members have funds automatically deducted from their paychecks, and most individuals do not change their payroll deductions very often. Finally, credit unions pay higher deposit rates, up to 7 per cent, on their only type of account—passbook savings. Higher rates are possible because these institutions generally make only relatively short-term consumer loans with relatively high rates of return. Other non-bank thrift institutions have asset portfolios that consist largely of long-term mortgages, many of which were made when mortgage interest rates were at much lower levels.

Deposit mix, MUTUAL SAVINGS BANKS: 1974



Not seasonally adjusted.

Statements to Congress

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Ways and Means, U.S. House of Representatives, January 30, 1975.

I am pleased to meet with this distinguished committee to discuss with you the difficult fiscal problems now confronting our Nation. The specific issue with which the committee is now grappling involves the \$16 billion of tax reductions recommended by the President to stimulate the economy. The larger question that you and your colleagues in the Congress must face is how to deal with the current recession and yet maintain the fiscal discipline needed to end the inflation that has been weakening our economic and financial institutions.

The tax reductions proposed by the President raise fundamental issues of economic stabilization policy. Let me say at once that I support the principle of temporary tax cuts under current conditions. I remain convinced, nevertheless, that defeat of inflationary forces must remain a major goal of public policy. We cannot realistically expect a lasting resurgence in economic activity until our people regain confidence in the stability of their currency. The critical task is to find ways to cushion recessionary forces without undermining our ability to bring inflation under control. Unless we succeed in that, the economy may be plunged before long into even deeper trouble.

The economy is now in the midst of a serious decline in business activity. Over the past several months employment and production have decreased about as rapidly as at any time during the postwar period. Unemployment has risen sharply, to over 7 per cent of the labor force, and the length of the workweek in manufac-

turing industries has also been substantially reduced.

As so often happens in a recession, consumer demand for new homes, autos, household furnishings, and other durable goods—items whose purchase can be most easily postponed—has declined markedly. Moreover, weakness has also been evident in markets for clothing and other nondurable consumer goods. In an effort to avoid a build-up of unsold inventories, business firms have cut back sharply on their production schedules and on their orders for materials and supplies. Sales have fallen so rapidly, however, that a substantial involuntary build-up of inventories occurred during the fourth quarter of last year. Consequently, efforts to trim excess stocks will probably continue for several months.

A more serious concern is the mounting evidence that many businesses are postponing or canceling plans for constructing new facilities or for installing new machinery and equipment. Larger business expenditures for fixed capital are now needed to add to the number of jobs and expand personal incomes, thereby strengthening consumer purchasing power. Larger investment expenditures are also needed to provide, later on, the modernized industrial plants and the additional productive capacity that are essential to combating inflationary pressures and raising our living standards.

With the demand for goods and services weak in most major sectors of the economy simultaneously, we are likely to see some further decline of economic activity in the months immediately ahead. Evidence is accumulating, however, that the corrective forces needed to lay the basis for an upturn in economic activity are even now under way. For example, in recent weeks the volume of new car production by domestic manufacturers has fallen below the

volume of sales. New car inventories, therefore, began to decline in December. Significant price rebates by auto manufacturers, moreover, should help to bolster lagging sales, and thus speed the working down of excess stocks. No less important, many business managers are responding to declining profits by concentrating production in more efficient plants, by economizing on labor and materials, by encouraging their employees to work more diligently, by working harder themselves, and thus improving the current productivity of their enterprises or laying the basis for later improvement in unit costs of production.

Furthermore, conditions in financial markets have been easing rather steadily since last summer. Interest rates have declined, especially on short-term securities; stock prices have recently recovered; savings inflows to banks and thrift institutions have resumed; more funds are now available for mortgages and other loans; and financial institutions have begun to rebuild their liquidity—an essential preparation for a subsequent expansion in lending.

These are encouraging developments, but a solid economic recovery may well await evidence of greater progress in checking the relentless upward march of prices. During 1974 as a whole, the average level of wholesale prices rose by 21 per cent and the average level of consumer prices by 12 per cent. The rate of advance in consumer prices has, however, lessened in recent months, and the wholesale price index actually declined last month. Despite these indications of progress, it would be premature to assume that the menace of inflation is, or soon will be, behind us. The sorry fact is that although substantial slack now exists in both labor and product markets, inflation is continuing to erode the real value of wages, business profits, and accumulated savings.

The inflation in which we are so deeply enmeshed began to spread across the economy some 10 years ago when our Government embarked on a highly expansionary fiscal policy. The grave consequences of letting inflation get out of hand did not become fully evident, however, until recently. Two years ago inflation in the United States began to accelerate rapidly, as it did also in most other industrial countries.

Soon thereafter, the rate of economic expansion showed signs of faltering both here and abroad, and many nations around the world now find themselves caught in the grip of contractionary forces.

In our own country, the corrosive effects of inflation spread across the economy. The sharply rising demands for credit drove interest rates to unprecedented heights. Stock prices fell. Many workers found that their real earnings, and also the real value of their savings, had begun to decline, and they reacted by postponing or canceling plans for buying durable goods. Sales of new autos turned down as early as the spring of 1973, and so too did purchases of mobile homes and of furniture and household appliances. The market for new conventional homes, meanwhile, was rocked by the combined effect of declining real incomes of workers, waning consumer confidence, rising land and construction costs, and the shortage of mortgage credit that developed as higher market interest rates pulled funds away from the specialized mortgage lenders.

Once widespread weakness begins to develop in consumer markets, general business activity is apt to follow. For a time, however, business managers failed to perceive the ominous trend of events—perhaps because shortages of industrial materials continued to be acute; perhaps because prices were rising so sharply, particularly after the removal of controls in April 1974; perhaps, more fundamentally, because inflation tends to cloud business thinking. Inflation creates the illusion of rising sales and profits, when the real volume of sales and profits may in fact be declining. Inflation also creates the appearance of a reasonable balance between inventories and sales, when the physical volume of stocks relative to sales may in fact be rising. Whatever the reason, the failure of business firms to adjust the scale of their operations more promptly to the declining real volume of sales led to serious imbalances in many lines of activity among stocks, sales, orders, and rates of production. These imbalances set the stage for the severe decline in production and employment that began last October.

Public policy is now confronted with a most difficult problem. A recession has developed,

and a stimulus to private spending is needed to ensure that a cumulative contraction will not take place. But great care must be taken to avoid aggravating the underlying inflationary forces that have produced our present problems.

Action to reduce taxes temporarily is, I believe, an appropriate course for public policy at the present time. Because of the inflation many individuals have moved into higher tax brackets, even though their real incomes have declined or remained unchanged. Unless tax rates are reduced, that trend will continue and the automatic budgetary stabilizers we normally count on to moderate recessionary tendencies will therefore not function effectively. Moreover, inflation has created fictitious profits for businesses because capital goods used up in production are valued at original rather than replacement cost and also because many businesses still pursue accounting practices that make no allowance for the effects of inflation on the cost of replacing inventories bought in earlier periods. Thus, while a substantial part of recently reported corporate profits is illusory, it is still being taxed by the Government.

The President's fiscal program recognizes the need to deal with the current recession and yet avoid releasing a new wave of inflation. Both the tax rebate to individuals and the increase in the investment tax credit will provide a temporary boost to aggregate demand without adding to Federal deficits over the longer run. Increases in Federal expenditures, moreover, are to be limited in several ways—by postponing new program initiatives apart from the energy area, by various rescissions and deferrals

of spending for existing programs, and by ceilings on increases in social security benefits and on Federal pensions and salaries. The over-all program is thus designed with an eye to minimizing the inflationary effects of the proposed fiscal stimuli. Moreover, the temporarily larger incentives for business capital expenditures should also help moderate inflation—by adding to our capacity to produce industrial materials, supplies of energy, and other goods.

In view of the massive Federal deficits in prospect for this and the next fiscal year, I would, however, urge the Congress to scrutinize Federal expenditures with special care and to look for ways to hold Federal spending well below the levels projected in the President's state of the Union message. Such a step would improve the prospects for moderating the rate of inflation and would also bolster the confidence of our people by indicating the clear intent of the Congress to stick to a course of fiscal prudence.

I cannot emphasize strongly enough the need for moderation in our fiscal affairs at this critical time. Our people are weary of the inflation that has been robbing them over the past decade; they are confused and disturbed by the huge budget deficits that are in the making this fiscal year and next; and they are anxiously awaiting evidence that their Government can and will take the necessary steps to restore fiscal order and general price stability. Your committee's efforts to maintain a sense of discipline in Federal finances can make the difference between success or failure in our national effort to regain lasting prosperity. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Currency and Housing, U.S. House of Representatives, February 6, 1975.

The Board of Governors of the Federal Reserve System appreciates the opportunity to comment

on H.R. 212. This bill has far-reaching implications for the workings of our economy. It raises momentous issues with respect to monetary and credit policies, the role of the Federal Reserve System, and whether its traditional insulation from political pressures should continue. I therefore hope that this committee will take whatever time is needed to arrive at a full and just understanding of the proposed legislation.

MONEY SUPPLY

Section 2 of the proposed bill requests the Federal Reserve Board and the Federal Open Market Committee to "direct their efforts in the first half of 1975 toward maintaining an increase in the money supply (demand deposits and currency outside banks) of no less than 6 per cent at an annual rate, over each 3-month period. . . ." This section further requires the Board and Open Market Committee to report to the House and Senate Banking Committees whenever the money supply deviates from the specified target for either technical or substantive reasons.

I want to make it clear at the outset that the Board fully supports the general objective of maintaining adequate growth of the monetary aggregates. Indeed, the Board and the Open Market Committee have adopted policies in recent months to encourage greater expansion in the whole family of monetary and credit aggregates. The Board is also well aware of its responsibility to the Congress, and we would welcome the opportunity of clarifying our actions and policies.

In our judgment, however, this purpose can be best served through congressional hearings or other communications with the Congress. As the members of the committee know, the Congress has not found it easy to legislate fiscal policy. If the Congress now sought to legislate monetary policy as well, it would enter a vastly more intricate, highly sensitive, and rapidly changing field—with consequences that could prove very damaging to our Nation's economy.

In the past few years the Federal Reserve System has paid more attention to the growth of monetary aggregates than it did in earlier times. We appreciate the fact that an expanding economy requires an expanding supply of money, that any protracted shrinkage of the money supply may well lead to shrinkage of economic activity, and that attempts to encourage growth in money and credit will lead to a decline of short-term interest rates when economic activity is weak. But, while the Federal Reserve recognizes all this, we are also mindful of the lesson of history that rapid growth of the money supply will lay the base for a new wave

of inflation, and that interest rates on long-term loans will tend to rise when a higher rate of inflation is expected by the business and financial community.

As these comments indicate, the Board and the Open Market Committee pay close attention to monetary aggregates. We do not, however, confine ourselves to the particular monetary aggregate on which H.R. 212 focuses—namely, demand deposits plus currency outside of banks. The reason is that this concept of the money supply, however significant it may have been 10 or 20 years ago, no longer captures adequately the forms in which liquid balances—or even just transaction balances—are currently held. Financial technology in our country has been changing rapidly. Corporate treasurers have learned how to get along with a minimum of demand deposits, and to achieve the liquidity they need by acquiring interest-earning assets. For the public at large, savings deposits at commercial banks, shares in savings and loan associations, certificates of deposit, Treasury bills, and other liquid instruments have become very close substitutes for demand deposits. Nowadays, a corporate treasurer is likely to see to it that the size of his demand deposit is no larger than the working balance required by his bank. He knows that a telephone call to his bank will suffice to convert promptly any negotiable CD in his possession into a demand deposit, and he is therefore apt to keep the bulk of his transactions and precautionary balances in the form of interest-earning assets—that is, CD's or other highly liquid paper.

Let me try to make what I've just said a little more concrete. During the final quarter of 1974, the narrowly defined money supply on which H.R. 212 focuses grew at an annual rate of 4.3 per cent. Meanwhile, time and savings deposits of commercial banks, exclusive of large certificates of deposit, grew at a rate of 9 per cent; the deposits of nonbank thrift institutions grew at a rate of 7 per cent; credit union shares grew at a rate of 9 per cent; large negotiable CD's issued by commercial banks grew at a rate of 26 per cent, and so on. We at the Federal Reserve are concerned with all these aggregates because the narrowly defined money supply, taken by itself, is an inadequate—and at times

a misleading—indicator of what is happening to the stock of highly liquid assets available to *American families and business firms*. Since the demands by the public for currency, demand deposits, savings deposits, and various liquid market instruments keep changing, monetary policy has to concern itself with a large family of monetary aggregates. The aggregate specified in H.R. 212 is only one of these.

Moreover, the condition of credit markets also weighs heavily in decisions on monetary policy. There is a school of thought that holds that the Federal Reserve need pay no attention to interest rates, that the only thing that matters is how this or that monetary aggregate is behaving. We at the Federal Reserve cannot afford the luxury of any such mechanical rule. As the Nation's central bank, we have a vital role to play as the lender of last resort. It is our duty to avert liquidity or banking crises. It is our duty to protect the integrity of both the domestic value of the dollar and its foreign-exchange value. In discharging these functions, we at times need to set aside temporarily our objectives with regard to the monetary aggregates.

In particular, we pay close attention to interest rates because of their profound effects on the workings of the economy. The Federal Reserve's ability to influence interest rates is far more limited than is commonly believed; but in exercising whatever influence we do have, we must think of tomorrow as well as today. If, for example, we presently encourage a sharp decline of interest rates on top of the decline that has already occurred in recent months, we would run the risk of seeing short-term interest rates move back up while the economy is still receding. There is, moreover, a very real possibility that, as a result of such a policy, a monetary base would be established for a new wave of inflation in the future and that market expectations of such a development would lead rather promptly to a rise of long-term interest rates.

It should be clear from these comments that the Board is deeply concerned about proposals to legislate monetary targets. Economic and financial conditions change, public preferences for liquidity change, and what constitutes an appropriate monetary response changes. More-

over, the rate of turnover of money—that is, the rate at which the public is willing to use the existing stock of money—is typically much more important than the size of the stock over periods of 6 months, a year, or even somewhat longer.

Changes in the public's willingness to use the existing stock of money are a highly dynamic force in economic life. The turnover or velocity of money depends heavily on the state of confidence and varies widely in the course of a business cycle. If the public lacks confidence, increasing injections of money will tend to be offset by a decline in the turnover of money. The economy will not be immediately stimulated; but a large build-up of the money stock will lay the base for an inflationary upsurge in the demand for goods and services at a later time.

As these comments indicate, it would be unwise for the Nation's monetary authority to concentrate on just one aspect of financial life—namely, the achievement of this or that rate of growth of the narrowly defined money supply, as specified by H.R. 212. There are also technical problems of importance on which I shall not dwell, but which I must at least call to the committee's attention. First, H.R. 212 assumes that the Federal Reserve can control the rate of growth of demand deposits plus currency in public circulation over periods as short as 3 months. This we are unable to do. All that we can control over such brief periods is the growth of member bank reserves; but a given rate of growth of reserves may be accompanied by any of a wide range of growth rates of the narrowly defined money supply. A second technical problem is that measures of the growth of the money supply over periods as short as 3 months are surrounded by very considerable uncertainty—a fact that H.R. 212 overlooks.

In view of the formidable difficulties, both conceptual and technical, that surround the section of H.R. 212 that I have been discussing, it is the Board's judgment that congressional concerns with regard to money supply behavior will be better served by careful periodic review of the Federal Reserve's stewardship. I can assure you that we at the Federal Reserve are willing to report fully on the factors that have

been influencing growth in money—both narrowly and more broadly defined—and also on how we evaluate monetary expansion in relation to economic and financial circumstances. This reporting could be done on a periodic basis, or whenever special circumstances warrant it.

CREDIT ALLOCATION

Let us turn next to Section 3(a) of the bill, which makes it mandatory for the Board to allocate credit toward “national priority uses” and away from “inflationary uses.” Certain broad categories of priority uses and inflationary uses are specified. The Board is given the power to add to or subtract from the listed categories by notifying both Houses of Congress. If not disapproved within a 60 day period, the Board’s proposals would become effective.

It is important to note that this section of the proposed legislation amends the Credit Control Act. As the Credit Control Act now stands, the President must make a specific determination before the Board can regulate extensions of credit—namely, that this is necessary “for the purpose of preventing or controlling inflation generated by the extension of credit in excessive volume.” This provision of law is eliminated by the proposed legislation. As we understand it, therefore, the proposed bill would require the Board to undertake immediately and maintain in force a program of credit allocation that may apply to any or all markets and any or all financial institutions. In carrying out this mandate, the Board would have available to it an extremely wide range of regulatory options, as currently enumerated in Section 206 of the Credit Control Act. Supplementary reserve requirements on member banks of the Federal Reserve System would be specifically added to that list by Section 3(b) of H.R. 212.

Our financial markets are highly competitive and they have served our Nation well over the years. Nevertheless, the Board recognizes that the workings of financial markets are imperfect. We have therefore been generally sympathetic to efforts aiming to improve the flow of credit into socially desirable uses through special Federal credit agencies—as in the fields of housing, agriculture, and small business. In early 1972

the Board submitted to the Congress, after a thorough inquiry, recommendations for moderating fluctuations in the availability of housing finance. More recently, in September 1974, the Board circulated to all member banks a statement on appropriate bank lending policies prepared by the Federal Advisory Council—a statutory body established under the Federal Reserve Act. The Board felt that the Council’s statement could be helpful to commercial banks in shaping their lending policies under the conditions of credit restraint then prevailing.

But as we read H.R. 212, it envisages a comprehensive intrusion of the Federal Government into private credit markets, and thus goes much further than anything that has been seriously considered in the past. The bill delegates enormous and virtually dictatorial power to the Federal Reserve. Implementation of the bill could undermine the market system and wreck all chances for economic recovery. And it is even highly doubtful whether H.R. 212 could achieve the objectives being sought—that is, larger credit flows to certain uses, such as essential capital investment, small businesses, and agriculture, at low interest rates.

Decisions as to social priorities in the use of credit are inherently political in character. If such decisions are to be made at all, they should be made by the Congress—not by an administrative and nonpolitical body such as the Federal Reserve. After all, tilting credit in favor of some borrowers implies denying credit to someone else. Our economy has developed by relying mainly on the market to make such decisions. The market reflects the interaction of many thousands of borrowers and lenders. If the day ever arrives when governmental decisions are to be substituted for individual preferences expressed in the market place, then the priorities should be set explicitly by the Congress.

The specifications of H.R. 212 are so vague and general that they would inevitably involve the Board in political judgments—an area in which it obviously has no special competence. For example, the bill requires the Board to allocate credit toward “essential and productive investment.” But how are we to evaluate the credit needs of public utilities relative to the needs of defense contractors? Are we to favor

the credit needs of "small business and agriculture," as the Act requires, even if that means that large corporations will be denied the credit needed to keep their employees working? Are we to favor the automobile manufacturer who turns out cars that suit our concept of what is socially desirable and punish the manufacturer whose cars fail to pass our test of social utility? And since the Act requires the Board to move credit away from financial activities such as corporate acquisitions, would we have to deny credit to finance a merger of two firms, even though such a merger is expected to result in a strong enterprise that can better expand job opportunities in its area? Questions such as these may be multiplied by the hundreds and thousands.

Moreover, would it really be wise in an interdependent world to discourage loans to foreigners? Such a policy would handicap our exporters and importers; it would lead to retaliation by other countries; it could cause goodwill toward our Nation to vanish; and it would surely diminish, as the entire bill before us would tend to do, confidence in the dollar.

I must add that administration of the credit control program envisaged in H.R. 212 would be enormously complex and costly. I doubt whether it is even feasible. In view of the variety of financial channels available to borrowers and lenders, controls would have to be comprehensive if they were to be at all effective. They would need to include not only the banks but also other institutional lenders, such as the thrift institutions, finance companies, insurance companies, and pension funds. They would need to cover financing through the public markets for debt and equity securities. They would need to embrace the entire network of trade credit. They would have to regulate access to lending and investing alternatives abroad. Such a task has not been attempted in the history of this country—not even in wartime.

The ultimate difficulty is that a comprehensive allocation program would disrupt the orderly processes of financial markets. It could well create serious industrial imbalances and depress sharply the economic activity of many industries and communities. In the Board's judgment, there is no good substitute for the decision-

making process provided by our highly developed, sensitive, and intensely competitive financial system.

Nevertheless, as noted earlier, the Board recognizes the *worthwhile nature of special governmental efforts* to strengthen market processes or supplement private credit flows—as in the case of housing. The need for such special efforts varies with economic and over-all financial conditions. The need is most evident in periods of general credit restraint when the supply of credit falls short of demand. On the other hand, when credit conditions are easing, as at present, market processes typically assure that credit for commercially feasible projects of a productive and socially useful character will be in reasonably ample supply.

There is no evidence that a significant amount of credit is being squandered on wanton or speculative enterprises. In the latter part of January, the Board addressed an inquiry to a sample of banks to gauge their response to the principles suggested earlier by the Federal Advisory Council—recognizing, of course, that credit and economic conditions change. The inquiry covered questions on the demands by bank customers for the kinds of loans specified by the Federal Advisory Council as well as questions on bank policies with respect to approval or disapproval of such loan requests.

Not all of the banks have as yet replied, but we do have responses from about 80 per cent of the sample on the questions pertaining to credit demands and credit policies. On the basis of a preliminary tabulation of these results, about three-fourths of the banks report that loan requests for purely financial or speculative purposes, a category that figures prominently in H.R. 212, were significantly fewer in December 1974 than in previous years or that none were in fact received. Moreover, about 90 per cent of the banks report that they have become more restrictive in their attitude toward such loans.

Our preliminary assessment of the survey thus suggests that bank loan policies are generally consistent with the Federal Advisory Council's statement. I believe that even in the absence of this statement most banks would have put in place similar policies in view of the limited funds available to them, their risk exposure, and

their sense of obligation to the local community and the Nation. As soon as tabulation and analysis of this special inquiry are completed, the results will be forwarded to this committee and made available to other interested parties.

I believe that allocation of credit among competing uses is becoming a less serious problem for our banks. For credit demands have diminished, interest rates have declined substantially from their peaks of last summer, and many banks and other financial institutions have recently improved their liquidity positions.

I realize that some might argue that H.R. 212 would increase the flow of funds to high priority areas and perhaps even reduce interest rates for those areas. Such an argument would have to assume that a comprehensive, leak-proof credit control program can be devised and enforced. That is impossible in a complex economy possessing highly developed credit and money markets. Inflation, if nothing else, will lead lenders to seek every possible avenue to increase their yields. Gray markets will flourish as borrowers also attempt to protect themselves against credit shortages. In addition, both lenders and borrowers will inevitably turn to foreign credit markets. The ones who would probably suffer most are small businesses and homebuyers. In short, the Board firmly believes that credit allocation, as envisaged in the proposed legislation, will injure our economy, besides failing to achieve the purposes it seeks to promote.

SUPPLEMENTARY RESERVE REQUIREMENTS

In addition to the already substantial list of regulatory measures available under the Credit Control Act, H.R. 212 enables the Board to impose reserve requirements on assets with a view to rechanneling credit flows. The bill would permit the Board to require a member bank to maintain, besides the reserves required to support its deposits, a supplemental cash reserve whose size would depend on the distribution of the bank's loans and investments. A supplemental cash reserve would be held against loans and investments other than the so-called "national priority uses," while a reserve credit

would be given for "national priority" loans and investments. The total of any such credit, however, could not exceed a bank's supplemental reserve.

Suggestions for redistributing credit flows through differential reserve requirements on bank assets have been advanced from time to time during recent years. The logic of these proposals may seem simple and even appealing. Banks would be encouraged to channel more funds into high priority uses, and away from others, because the structure of reserve requirements would make it profitable to do so. A market device—rather than compulsion—would thus be employed to accomplish a desired social objective.

Careful reflection on the implications of these proposals, however, reveals that they would seriously weaken the capacity of the Federal Reserve to control the growth of the monetary aggregates. Furthermore, while they would impose enormous administrative costs on the banking system, they would be rather ineffective in redistributing credit flows among the various sectors of the economy.

As this committee knows, a major function of the Federal Reserve is to control the growth of bank reserves so as to maintain a rate of expansion of monetary aggregates that is consistent with the economy's needs. That is what reserve requirements are for. To exercise this function effectively, there must be a reasonably precise relation between the volume of bank reserves, on the one hand, and the volume of money and bank credit on the other.

I have noted on a number of occasions that the Federal Reserve's control over the monetary aggregates is already less precise than it can or should be because of differences in reserve requirements on the deposits of member and nonmember banks. The consequence of these differences is that shifts of deposits between member and nonmember banks alter the total quantity of commercial bank deposits that can be supported by a given volume of bank reserves.

Differential reserve requirements on assets would introduce yet another element of uncertainty in the link between bank reserves and the monetary aggregates. Every shift in the compo-

sition of bank loans and investments between "national priority" and other uses would alter the total quantity of bank deposits that could be supported by the existing volume of bank reserves, and therefore lead either to a contraction or to an expansion in bank assets and liabilities. Since changes in the structure of bank assets from one reserve period to the next could hardly be predicted, the Federal Reserve would have much greater difficulty in judging what additions to total reserves were needed to achieve any desired growth rate of the monetary aggregates. H.R. 212 would thus weaken further the Federal Reserve's control over money and credit.

This would be a large price to pay, even if reserve requirements on the assets of member banks could be used effectively to rechannel credit flows. There is every reason to believe, however, that reliance on reserve supplements and credits for this purpose would set off myriad adjustments in other lending markets—adjustments that would tend to frustrate the intended effects of the program.

Let us see how markets would react. To the extent that member banks were induced by differential reserve requirements to shift funds toward certain priority uses, yields on those assets would decline, while yields on other classes of loans and investments would rise. The many lenders to whom the asset reserve requirements did not apply—such as nonmember commercial banks, mutual savings banks, life insurance companies, pension funds, and so on—would therefore be encouraged to direct their loanable funds away from projects of the priority type. Borrowers displaced at member banks, meanwhile, would turn to other lenders or to the open market for credit, thereby forcing up yields and thus encouraging individuals and other lenders to supply them with funds. These offsets would be so substantial, in my judgment, that they would largely negate the results of the supplemental reserve requirements. Moreover, I need hardly say that exemption of nonmember banks from the provisions of Section 3(b) would induce some, perhaps many, member banks to change their status.

Finally, this committee should consider carefully the administrative costs and problems that

would be encountered in any serious effort to implement a supplemental reserve program effectively and equitably. Very likely, it would be necessary to require that member banks report detailed data on the structure of their assets on a daily basis, just as they now do for deposits. Otherwise, a bank could acquire an asset eligible for a reserve credit one day and sell it to another lender the next—thereby benefiting from the reserve credit, but contributing nothing meaningful to expansion of credit supplies of the desired kind. Also, it might well become necessary to attach supplemental reserve requirements and credits to particular loans, rather than to the dollar amount of loans in any given category, and this would require the development of elaborate bookkeeping systems for keeping track of many millions of individual loans.

CONCLUDING COMMENTS

In conclusion, let me state once again that the Board recognizes that adequate expansion of money and credit is needed to cushion recessionary forces and to encourage early recovery in economic activity. I must warn you, however, that the course of monetary policy cannot be guided effectively by a single measure of the money supply, as this bill would require. A careful weighing of the behavior of various monetary and credit aggregates is essential.

The Board also recognizes that the Nation's best interests are served when credit flows are channeled into productive uses and away from speculative channels. The market itself is a good disciplinarian in this respect, though it often works with a lag. Developments in credit markets of late have been moving in a constructive direction. Banks and other business enterprises have come to recognize that decisions made in a euphoric inflationary environment are not always those that contribute most to their own benefit or that of the national economy. If inflationary pressures continue to unwind this year, as I believe they will, managerial talent will be concentrated more intensively on efficiency in business enterprise, and participants in financial markets will seek to avoid the speculative excesses of the recent past. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee, February 7, 1975.

I am pleased to meet with the Joint Economic Committee once again to present the views of the Board of Governors on the condition of the national economy.

Our Nation today is suffering from a serious economic recession. It is also in the midst of an inflation that is threatening the very fabric of our society.

Public policy is thus confronted with a grave and profoundly difficult problem. There is an immediate need for measures to cushion the recession. Yet, we cannot ignore the longer-run implications of our actions for the rate of inflation or for the other adverse trends that in recent years have hampered the Nation's economic performance.

Let me turn, first, to the immediate economic situation and then move to some of our longer-range economic problems.

Since last fall, general business activity has deteriorated. The decline in the real gross national product in the fourth quarter was unusually large. Reductions in production and employment over recent months have been about as rapid as at any time in the postwar period. Cutbacks in activity have been especially sharp in the auto industry, but they have been substantial also in the production of other consumer goods, business equipment, construction products, and industrial materials.

Total employment increased during the first 10 months of 1974; but there has been a marked decline in recent months, and unemployment has risen sharply. Overtime work has also been reduced, and an increasing number of workers have been able to find only part-time employment.

As so often happens in a recession, consumer demands for autos, furniture, household appliances, and other durable goods have declined sharply. Sales of domestic-type autos in January—although up from December—were at an annual rate of only 6.6 million units, nearly one-fourth below last summer's pace. Weakness in consumer demand has extended also to

clothing and other nondurable goods. Total retail sales expressed in current dollars fell more than 3 per cent from the third to the fourth quarter of last year, and the decline in real terms was even larger. Actually, the physical volume of retail trade has been moving on a downward trend since the spring of 1973.

Residential construction was notably weak throughout 1974. New housing starts in December were at an annual rate of only 870,000 units, the lowest rate since 1966. However, conditions in the mortgage credit markets are rapidly improving, and there has been some tendency for new building permits to stabilize recently. Thus, we may reasonably expect some upturn in homebuilding before very long.

Business capital spending, on the other hand, will probably decline this year in real terms—although dollar outlays may be rising moderately further. Of late, business firms have been canceling or postponing plans for construction of new facilities and for the purchase of new machinery and equipment. This has resulted in a drop of new orders for capital equipment, and of contracts for commercial and industrial construction.

The decline in final sales during recent months has been unusually large—when we allow for the advance in prices—so that inventories continued to pile up despite substantial cutbacks in production. However, business firms are working strenuously to cut back excess stocks—through further curtailments of output, special promotions, and price concessions—and it appears that we are now moving into a period of inventory liquidation. This adjustment of inventories will have a temporary depressing effect on production and employment, but it is an essential precondition for an upturn in business activity later on.

As the economy weakened during the course of 1974, the behavior of prices began to reflect it. Sensitive prices of industrial raw materials started to decline in the spring of last year. Last fall the effects of declining business activity began to show up in wholesale prices of intermediate materials, supplies, and components, and later on in prices of finished goods. In December wholesale prices of industrial commodities were unchanged, agricultural prices

declined, and the over-all wholesale price index turned down.

The rise in consumer prices has also slowed, partly because the run-up in prices of energy items associated with the rise in the cost of imported crude oil has been tapering off. There have also been substantial price concessions by automobile dealers and other retailers to help stimulate sales and thus bring inventories down.

It would be premature to conclude, however, that the menace of inflation is, or soon will be, behind us. Agricultural products are still in short supply, in large part because of a series of disappointing crop harvests both here and abroad. Also, in some sectors of the economy, such as the service area, prices are continuing to respond to past increases in costs. A major source of inflationary pressure now is the run-up of wage rates. Recent increases in wages greatly exceed the long-run growth trend of productivity. To make matters worse, productivity has declined substantially over the past year, and unit labor costs consequently rose by almost 15 per cent in 1974.

Other industrial countries have also been beset by the dual problem of recession and inflation. With the notable exception of Germany, the rate of inflation in other industrial nations has been about the same or higher than in the United States. Most major countries also experienced a leveling-off or decline in employment and output last year, and these tendencies were increasingly apparent as the year progressed.

Despite the weakening in economic activity around the world, our export markets held up well last year. Merchandise exports increased considerably, even after allowance for the rise in prices. Our trade balance would have improved had it not been for the higher price of imported oil, which moved it into substantial deficit. And the exchange value of the dollar has slipped in recent months, due in some measure to capital flows caused by the sharper decline of market interest rates here than abroad.

Mainly because of higher oil prices, most oil-importing countries have had large current-account deficits during the past year, and some have experienced difficulty in obtaining needed financing. For poorer countries, financing prob-

lems have become particularly acute. Recent international understandings to extend the oil facility of the International Monetary Fund, to increase Fund quotas, and to create a \$25 billion safety net among member countries of the Organization for Economic Cooperation and Development will help to cope with the international financial problems of 1975. But new strains could develop in international financial markets. Private banking systems handled a huge volume of international financing last year, and it is unlikely that they can repeat this performance in 1975.

Both here and in other industrial countries, monetary policy has responded to the weakening in economic activity by encouraging easier conditions in financial markets. In the United States that easing has proceeded somewhat faster than has generally been the case abroad. Federal Reserve open market operations began to be more accommodative last summer, and short-term market interest rates began to move down from the exceptionally high levels reached in July. As the year progressed, evidence accumulated that economic activity was weakening and that advances in commodity prices were beginning to moderate. Open market operations were, therefore, steadily directed towards a more ample provision of reserves to the banking system.

More recently, open market policy has been reinforced by other monetary instruments. The discount rate was reduced on three occasions—in early December, early January, and again this week—from 8 per cent to 6¾ per cent. Reductions in member bank reserve requirements were also ordered—in September, November, and January, releasing a total of nearly \$2½ billion of reserves and thus helping to improve the liquidity position of the banking system.

Since last July, these policy actions—together with weaker demands for credit by businesses and consumers—have resulted in a sharp decline of short-term market interest rates. Downward movements have continued in recent weeks, even though Treasury financing needs have grown and market participants have begun to anticipate massive Federal deficits that, unhappily, are now in prospect.

Long-term interest rates have also declined,

but much less than short-term rates. Lenders are still demanding a sizable inflationary premium to supply long-term funds. Moreover, corporations have issued in recent months exceptionally large amounts of long-term bonds—in part reflecting their need to lengthen debt and thereby improve their liquidity position. Demands for long-term capital by State and local governments have also been well sustained.

The beneficial effects of easier conditions in financial markets are not all registered in the movement of interest rates. For example, member banks responded initially to the greater availability of reserves by repaying their borrowings from the Federal Reserve and by taking other steps that improved their liquidity. Banks became overextended during the 1971-74 credit expansion, and an improvement of their financial position was needed to lay the basis for a subsequent expansion of lending. Reductions in the prime rate of interest, therefore, have lagged behind the decline in open market rates, as banks encouraged businesses to meet their credit needs in the open market.

Growth of the monetary aggregates has reflected this cautious behavior on the part of banks. Despite a series of expansive monetary actions, the narrowly defined money stock (M_1) grew at an annual rate of only $1\frac{1}{2}$ per cent in the third quarter of 1974 and $4\frac{1}{4}$ per cent in the fourth quarter. In January of this year, moreover, a decline occurred in M_1 , probably because demands for bank credit were unusually weak during the month.

Broader measures of money have shown more strength than has M_1 . With interest rates declining, net inflows of consumer-type time and savings deposits at banks and at nonbank thrift institutions have improved markedly. Growth in M_2 —which includes consumer-type time and savings deposits at commercial banks—rose at an annual rate of about 7 per cent in the fourth quarter, compared with a $4\frac{1}{2}$ per cent rate in the third. Expansion in M_3 —a still broader measure of money that also includes deposits at nonbank thrift institutions—showed similar acceleration. Furthermore, the volume of large-denomination certificates of deposit and other liquid instruments bought by major investors has continued to increase at a brisk pace.

Enlarged inflows of deposits to savings and loan associations have permitted these suppliers of home mortgage funds to reduce their borrowing and to replenish liquid assets, thereby laying the base for renewed expansion in mortgage lending. The full benefits of these developments will not be felt for some time, but the improved deposit inflows have already had an effect on mortgage interest rates. Rates on new conventional home mortgages have declined by almost a full percentage point from the peaks of early autumn, and lenders are also more active now in seeking out borrowers.

In short, financial conditions have eased in a variety of ways over recent months. The liquidity of banks and other thrift institutions has improved; short-term interest rates have dropped sharply; a large volume of long-term securities has been successfully marketed; uncertainties afflicting financial markets earlier last year have diminished, and stock prices of late have been rising again.

Despite this marked improvement in financial markets, some further decline in economic activity has to be expected. Consumer willingness to spend is likely to be held back by the effects of widespread unemployment on personal incomes; business spending for fixed capital and inventories will be adversely influenced by the deterioration in sales, profits, and internal cash flows; even residential construction activity may remain depressed for a short time in view of the continuing decline in housing starts.

Evidence is accumulating, however, that the corrective forces needed to lay the basis for economic recovery are already under way. Price rebates on autos and other products are helping to stimulate sales. Consumer incomes are being sustained by enlarged unemployment compensation as well as by an expanded public service employment program. The adjustments in financial markets to which I have referred should be of major benefit in supplying funds for housing and for other purposes. And the upturn in the stock market is serving to improve the state of confidence.

For their part, businessmen have responded to declining sales and profits by making strenuous efforts to work off excessive inventories, by concentrating production in more efficient

plants, and by economizing on labor and materials. In the manufacturing sector, productivity actually improved somewhat during the last quarter of 1974, despite a sharp decline in output. This is a most encouraging development.

Thus, while business activity is likely to slide off further in the months immediately ahead, there is reason to expect an upturn later this year. The stimulative fiscal actions proposed by the President would serve to increase the likelihood of a turnaround in the course of the economy. The personal tax rebate, if enacted promptly, should have a stimulative effect on spending by late spring or summer, and the effects on business capital expenditures of a liberalized investment tax credit should soon follow. The resulting expansion in investment would help to provide more jobs later this year and would also contribute to moderating inflation over the longer run by improving the capacity and efficiency of our industrial plant.

I cannot stress strongly enough the importance of measures to increase productivity at our Nation's business enterprises. This is the first of several longer-range problems to which I want to direct the committee's attention.

For some time now, the trend of productivity in the private nonfarm economy has tended to flatten out. During the past decade, the average annual increase in output per manhour was less than 2 per cent, compared with nearly 3 per cent in the previous 10 years. Within the past decade, the rate of improvement in productivity has diminished also. This development has a significant bearing on the living standards of our people and also on the impact that rising wage rates have on costs of production and prices.

The unsatisfactory record of productivity improvement stems in large part from inadequate investment by business firms in new plant and equipment. Business profits have fallen increasingly short of the amounts needed to finance the growth and modernization of our Nation's industrial plant. Environmental and safety regulations, while desirable in their own right, have often delayed fulfillment of capital spending plans and at times have forced adoption of less efficient methods of production. Productivity improvement has also been hampered by

changes in the attitude of the labor force and some laxity in management. Workers nowadays are well trained, but many of them work with less energy than they should, and absenteeism has become a more serious problem.

These changed attitudes toward work are to some degree the outgrowth of a second disturbing trend in our economy—namely, the fact that taxes have progressively reduced the rewards for working, while government at the same time has increased the share of national output going to persons who are not productively employed. Twenty-five years ago, a typical worker with three dependents gave up about 1 per cent of his gross weekly earnings in Federal income and social security taxes. Since then, that fraction has risen steadily and reached 13 per cent in 1974.

Any large increase in the absorption of private incomes by government poses a threat to individual incentives—all the more so when taxes are levied on persons who work and produce, and the funds are then transferred to others who remain idle. Over the past 25 years transfer payments by all governmental units—in such forms as public welfare, social security benefits, unemployment insurance, and other public assistance—have risen about twice as fast as total wages and salaries. These transfer payments now amount to almost one-fifth of the aggregate of wage and salary disbursements, and the fraction is steadily increasing. A society as affluent as ours can ill afford to neglect the poor, the elderly, the unemployed, or other disadvantaged persons. But neither can it afford to neglect the fundamental precept that there must be adequate rewards to stimulate individual effort.

Besides weakening individual enterprise, massive increases in governmental expenditures—for social welfare, defense, and what-not—have been a major cause of intensifying inflationary pressures. This is the third of the longer-run problems that our Nation must confront. Inflation has been a problem in this country through most of the postwar period; however, the upward march of prices began to accelerate during the middle 1960's when our Government embarked on a highly expansionary fiscal policy. Since 1965 total Federal expenditures have risen about 50 per cent faster than

the gross national product; budget deficits have become chronic; interest rates have soared to unprecedented heights; expectations of rising prices have gotten built into wages and other contracts; and inflation has emerged as the most dangerous economic ailment of our time.

There can be little doubt that inflation is the principal cause of the decline in economic activity in which we now find ourselves. The havoc wrought in our economy by inflation, however, goes well beyond the immediate loss of production and employment. Because of its capricious incidence on income and wealth, inflation has caused disillusionment and discontent among our citizens. And because of its distorting effects on business decisions, inflation has brought into question the liquidity of some major business and financial institutions.

There is no easy way out of the inflationary morass into which we have allowed ourselves to sink. Unwinding from an inflationary process built up over a decade will take time and will cause further hardships for our people. But defeat of inflationary forces must remain a major goal of public policy. We cannot realistically expect to regain lasting prosperity until businesses and consumers glimpse some end to the inflation that has been damaging our economy.

Lasting prosperity will also require steps to reverse the deterioration in corporate profits that has taken place over the past decade or more. This is another longer-run problem of major importance.

The condition of business profits is widely misunderstood. Profits are thought by some observers to be ample or even overabundant. The fact is, however, that profit margins of nonfinancial businesses have been declining rather steadily for many years and profits in the aggregate have been far too low in recent years to supply the financing needed for a vigorous expansion in capital investment.

The major source of confusion about the recent behavior of corporate profits is not hard to find. Last year the estimated pre-tax profits of all nonfinancial corporations from their domestic operations were 16 per cent higher than in 1973 and 46 per cent higher than in 1972. The dominant factor in this rise, however, was an enormous increase in inventory profits—an

element of earnings that is illusory. It stems from the fact that the accounting practices of many corporations still do not allow for the fact that inventories used up in production must be replaced at higher prices during a period of inflation. As a consequence, costs of operation have been understated, and fictitious profits have been created that are being taxed by the Federal Government.

Excluding this illusory inventory profit, the after-tax domestic profits of nonfinancial corporations did not rise last year. On the contrary, they declined by 20 per cent and were smaller than 8 or 10 years earlier—when the dollar value of the output of these corporations was about half what it is today.

Last year, in fact, the after-tax profits of nonfinancial business corporations—adjusted for inventory gains—were no larger than the amount of dividends these firms paid to their stockholders. Worse still, when allowance is made for the fact that depreciation schedules for fixed capital are also based on historical costs—rather than replacement costs—and thus contribute yet another illusory element to book profits, these firms actually paid out more in dividends to their stockholders than they earned from current production.

As I noted earlier, this slump in corporate profits is a major reason why business capital investment has been impeded and why the rate of productivity improvement has been sluggish. But there has been another ominous consequence of deteriorating business profits—namely, some decline in the financial strength of our Nation's business firms. This is the fifth long-run problem to which this committee's attention should be directed.

Years ago, when their profit positions were more adequate, our Nation's major business corporations financed much of their capital investment from internal sources rather than from borrowed funds. However, dependence on borrowed funds has been rising steadily for more than a decade. In the past 5 years, funds borrowed in the money and capital markets by all nonfinancial corporations averaged nearly 70 per cent of the amount raised internally, and in 1974 their borrowings appear to have exceeded their internal funds.

This growing reliance on borrowed money has brought with it a steep rise in the amount of debt owed by business firms relative to their equity positions. In 1950 total liabilities of manufacturing corporations amounted to less than half of the book value of the stockholders' equity. Today, the magnitudes of debt and equity for manufacturing corporations are almost equal. Moreover, a large part of the indebtedness piled up by business firms has been in the form of short-term debts, and these, in turn, have grown much more rapidly than holdings of current assets. The liquidity position of non-financial businesses has thus been weakened.

These are disturbing trends. The balance sheets of many of our business corporations have become distorted by the need to finance capital investment from external sources. Moreover, the issuance of new stock has been inhibited by unreceptive markets and by tax considerations. The consequence has been that margins of equity have been significantly reduced, and many large businesses no longer have the resiliency they once had to resist economic and financial adversity.

The sixth longer-range problem of major concern to the Nation is the foreign exchange value of the dollar. Actually, the dollar began weakening many years before its formal devaluation in 1971. Earlier there had been an enormous rise in the dollar holdings of foreign central banks because our balance of payments was in deficit for a prolonged period. Capital outflows—some of them speculative—were large, and they were not offset by surpluses in our current account because costs and prices in the United States were rising rapidly. The devaluation of 1971 and also that of 1973 were thus a consequence of trends that had been under way for many years.

Following the second devaluation in 1973, the foreign-exchange value of the dollar has fluctuated fairly widely, but without much net change. Such fluctuations make it more difficult for foreign traders and investors to make rational plans for the future. We must bear this in mind, and also the fact that any appreciable decline in the external value of the dollar would add to our domestic inflationary problem. The Federal Reserve and other central banks

occasionally do intervene to smooth out movements in exchange rates. But a substantially greater degree of exchange-rate stability will not be achieved until underlying economic and financial conditions have been put in better order.

Let me now turn, in conclusion, to the implications for public policy of our immediate and longer-range economic difficulties. The most urgent need at the present time is for measures to cushion recessionary forces. But great care must be taken to avoid aggravating the underlying inflationary forces that have produced our present problems.

Action to reduce income taxes temporarily is an appropriate course at the present time. Because of inflation, many individuals have moved into higher tax brackets even though their real incomes have declined or remained unchanged. Unless personal tax rates are reduced, that trend will continue and the automatic budgetary stabilizers we normally count on to moderate recessionary tendencies will therefore not function effectively. Also, action is needed to reduce business taxes in view of the serious deterioration in corporate profits, and the taxing of illusory profits by the Federal Government.

The President's fiscal program recognizes the need to deal with the current recession and yet avoid releasing a new wave of inflation. Both the tax rebate to individuals and the increase in the investment tax credit will provide a temporary boost to aggregate demand without adding to Federal deficits over the longer run. Moreover, increases in Federal expenditures are to be limited in several ways—by postponing new program initiatives apart from the energy area, by various rescissions and deferrals of spending for existing programs, and by ceilings on increases in social security benefits and on Federal pensions and salaries. Even so, Federal expenditures should be scrutinized with special care in an effort to hold spending well below the levels projected in the President's budget message. Such a step would improve the prospects for moderating the rate of inflation and would also bolster the confidence of our people by indicating the clear intent of the Congress to stick to a course of fiscal prudence.

These same considerations must guide the course of monetary policy in the months ahead.

The Federal Reserve intends to encourage recovery by providing for an adequate expansion in supplies of money and bank credit. Relatively soon, growth in the monetary aggregates—including the narrowly defined money supply—should strengthen. Let me assure this committee, however, that we have no intention of permitting an explosion in money and credit no matter how large private or public financing demands may become. Such a reckless course of action might hold short-term interest rates down for a time, but it would before long plunge our economy into deeper trouble.

This committee would be well advised to focus a large part of its attention on the course of public policy needed to cope with the serious longer-range problems facing the Nation. The issues at stake are large and complex, and solutions will not be readily found. Besides a major national program to deal with the critical problem of energy—which I have not discussed—it seems clear that efforts to gain a

better measure of discipline in Federal finances have become a matter of great urgency. Ways must be found to curb the ever increasing share of the national income absorbed by governmental programs—especially programs that transfer funds from persons who work to those who are not productively employed. Ways must be found also to strengthen business profits and the state of business finances, and to increase the incentives for expansion of productive capacity and for modernization of our Nation's industrial plant.

Above all, ways must be found to bring an end to inflation and thus lay the basis for a lasting prosperity at home and a strengthening of our position in international markets. Our people are weary of inflation; they are confused and disturbed by the huge budget deficits that are in the making this fiscal year and next; and they are anxiously awaiting evidence that their Government can and will take the necessary steps to restore economic and financial stability.

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON NOVEMBER 19, 1974

Domestic policy directive

The information reviewed at this meeting suggested that real output of goods and services—which had declined at an annual rate of about 3 per cent in the third quarter of the year and of about 4.5 per cent in the first half—was falling significantly further in the current quarter while prices and wages were continuing to rise at a rapid pace. Staff projections, like those of 5 weeks earlier, suggested that contraction in real economic activity would persist during the first half of 1975 and that the rate of increase in prices would remain rapid, although not so rapid as throughout 1974.

After having changed little since May, industrial production declined in October as a result of widespread decreases among consumer goods as well as industrial and construction materials; although auto output increased somewhat in October, it was being curtailed in November because of declining sales and a record level of inventories. Total retail sales edged down in October, reflecting the weakness in auto sales. Nonfarm payroll employment changed little. However, the unemployment rate rose further, from 5.8 to 6.0 per cent, and in late October and early November claims for unemployment insurance continued to increase. Although a new labor contract had just been negotiated in the coal industry, the length of the strike that had begun on November 12 was uncertain because of the need for ratification by the union membership; a prolonged strike could induce substantial curtailments in output and employment in other industries.

Wholesale prices of industrial commodities rose substantially further in October—reflecting increases in motor vehicles, machinery, and chemicals—but as in September, the rise was well below the extraordinarily rapid rate earlier in the year. Wholesale prices of farm and food products increased sharply after having declined moderately in September. The index of average hourly earnings for private nonfarm production workers continued to advance at

a relatively rapid pace. In September the consumer price index had increased substantially further.

Staff projections for the first half of 1975 were similar to those made 5 weeks earlier: it was still anticipated that the rise in both disposable personal income and personal consumption expenditures would be little, if any, greater than the increase in consumer prices; that the expansion in business fixed investment would taper off; and that the pace of business inventory investment would moderate. However, residential construction activity now was expected to decline somewhat less in the first quarter and then to turn up in the second quarter.

The exchange rate for the dollar against leading foreign currencies—which had turned down in early September—continued downward between mid-October and mid-November, in part because of a decline in interest rates in the United States relative to rates in most other countries. The U.S. merchandise trade deficit, already sizable in the second quarter of the year, increased substantially in the third quarter, reflecting a large decline in exports of agricultural commodities and a further rise in imports. However, U.S. banks and U.S. agencies and branches of foreign banks sharply reduced their lending abroad.

Total loans and investments at U.S. commercial banks, after having declined in September, were unchanged in October. The growth in outstanding business loans was moderate—as prime business borrowers continued to be attracted to the commercial paper market by declines in rates in that market—and bank holdings of Treasury securities declined further. Banks reduced their Euro-dollar borrowings and their outstanding volume of large-denomination CD's. Between mid-October and mid-November, most banks reduced the prime rate applicable to large corporations in four steps from 11¾ per cent to 10¾ per cent, but the reduction was substantially less than the decline in commercial paper rates.

On November 13 the Board of Governors announced a restructuring of member bank reserve requirements that would release reserves to the banking system in the week beginning December 12 and thus would help to meet the seasonal need for reserves over the following weeks.¹ The action also was designed to improve

¹On November 18 the Board announced a modification of the restructuring of reserve requirements.

the liquidity of the banking system by encouraging banks to alter the structure of their time deposits in favor of the longer-term maturities; toward that end, reserve requirements on longer-term time deposits were reduced and those on shorter-term time deposits were raised.

The narrowly defined money stock (M_1)² rose at an annual rate of about 5 per cent in October, compared with rates of about 1.5 per cent in the third quarter and 6 per cent in the first half of the year.³ Net inflows of consumer-type time and savings deposits to banks and to nonbank thrift institutions also picked up in October, and the more broadly defined measures of the money stock (M_2 ⁴ and M_3 ⁵) expanded appreciably.

The Treasury raised new money on October 23 by auctioning \$1 billion of 4½-year notes at an average price to yield 7.89 per cent. In its regular quarterly financing the Treasury auctioned \$4.85 billion of notes and bonds to refund \$4.3 billion of publicly held securities having mid-November maturities and to raise \$550 million of new money: on November 6, 7, and 8, respectively, it sold \$2.5 billion of 3-year notes at an average price to yield 7.85 per cent; \$1.75 billion of 7-year notes at an average price to yield 7.82 per cent; and \$600 million of a reopened 24½-year bond at an average price to yield 8.21 per cent to maturity. On November 14 the Treasury announced that later in the month it would raise more new money by auctioning \$3.5 billion of April and June tax-anticipation bills and \$1 billion of a strip of bills made up of additions to the weekly bills maturing in late December and early January.

System open market operations since the October meeting had been guided by the Committee's decision to seek bank reserve and money market conditions consistent with a resumption of moderate growth in monetary aggregates over the months ahead, while

²Private demand deposits plus currency in circulation.

³Growth rates cited are calculated on the basis of the daily-average level in the last month of the period relative to that in the last month preceding the period. Measures of the money stock subsequently were revised to reflect new benchmark data for deposits at nonmember banks; on the revised basis M_1 grew at an annual rate of about 4 per cent in October.

⁴ M_1 plus commercial bank time and savings deposits other than large-denomination CD's.

⁵ M_2 plus time and savings deposits at mutual savings banks and at savings and loan associations.

taking account of the forthcoming Treasury financing and of developments in domestic and international financial markets. Data that had become available a few days after that meeting suggested that in the October–November period M_1 would grow at a rate in the lower part of the $4\frac{3}{4}$ to $7\frac{1}{4}$ per cent range of tolerance that had been specified by the Committee. In accordance with the understanding that the weekly average rate for Federal funds would be permitted to decline to about the midpoint of its specified range of 9 to $10\frac{1}{2}$ per cent so long as the monetary aggregates did not appear to be growing at rates at or above the upper limits of their specified ranges, System operations had been directed toward some further easing in bank reserve and money market conditions. In the final days of October the funds rate was about $9\frac{3}{4}$ per cent, compared with an average of about $10\frac{1}{8}$ per cent in the statement week ending October 16.

On October 31 the available data suggested that in the October–November period the annual rate of growth in M_1 would be at the midpoint of the specified range, reflecting an expectation that growth in M_1 would accelerate in November from an October rate that was estimated to be near the lower limit of the range. The rate of growth in M_2 in the 2-month period appeared to be at the upper limit of its range. In view of the behavior of the aggregates, the System ordinarily would have become more restrictive in its reserve-supplying operations—to the extent consistent with even-keel considerations—expecting that the weekly average Federal funds rate would rise slightly above $9\frac{3}{4}$ per cent. However, a majority of the members concurred in the Chairman's recommendation of October 31 that the target for the funds rate be reduced to $9\frac{1}{2}$ per cent for the time being, in view of the evidence of additional weakness in economic activity, restraint in the lending policies of banks and other institutions, and the severe financial problems of the construction industry. In the days before this meeting the funds rate was about $9\frac{1}{2}$ per cent.

Most short-term market interest rates declined considerably further in the inter-meeting period—despite the large additions to the supplies of Treasury bills—in response to the continuing decline in the Federal funds rate. However, Treasury bill rates moved up again following the November 14 announcement that the Treasury would auction a substantial volume of tax-anticipation bills to raise

new money. On the day before this meeting the rate on 3-month Treasury bills was 7.52 per cent, compared with 7.17 per cent on November 14 and with 7.63 per cent on the last market day before the October meeting.

Markets for long-term securities also improved, as many investors concluded that long-term rates had passed their peaks. Yields on Treasury and corporate bonds declined, although the volume of public offerings of corporate bonds in October and in prospect for November was unusually large. Contract interest rates on new commitments for conventional home mortgages in the primary market turned down in October, while yields on commitments in the secondary market for Federally underwritten home mortgages continued to decline.

The Committee concluded that the economic situation and outlook called for moderate growth in the monetary aggregates over the longer run. A staff analysis suggested that growth in M_1 —although still relatively sluggish in October—would be fairly rapid in the November–December period, reflecting the cumulative impact of the decline in interest rates that had occurred in recent months and the temporary effects of a substantial decline in U.S. Government deposits. Nevertheless, it appeared likely that if M_1 were to grow at a rate consistent with the Committee's longer-run objectives for the monetary aggregates, money market conditions would have to ease slightly further in the period immediately ahead. Such easing probably would be accompanied by little, if any, further decline in other market interest rates.

The staff analysis suggested that net inflows to banks of time and savings deposits other than large-denomination CD's, which had picked up sharply in October, would remain substantial in the period immediately ahead and that net inflows to nonbank thrift institutions would improve further. Expansion in bank credit was likely to be moderate, in part because banks had adopted more cautious loan and investment policies.

Taking account of the staff analysis and in light of the recent relatively slow growth of the monetary aggregates, the Committee concluded that its objective of moderate monetary growth could be furthered with relatively rapid rates of expansion in the November–December period. Specifically, the Committee adopted ranges of tolerance for the November–December period of $6\frac{1}{2}$ to $9\frac{1}{2}$ per

cent and 8 to 10½ per cent for the annual rates of growth in M_1 and M_2 , respectively. The members agreed that such growth rates would be likely to involve growth in reserves available to support private nonbank deposits (RPD's) within a range of tolerance of 2½ to 5½ per cent. They decided that in the period until the next meeting the weekly average Federal funds rate be permitted to vary in an orderly fashion from as low as 8½ per cent to as high as 10 per cent, if necessary, in the course of operations.

The members also agreed that, in the conduct of operations, account should be taken of developments in domestic and international financial markets. It was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives and constraints.

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

The information reviewed at this meeting suggests that real output of goods and services is falling significantly further in the current quarter while price and wage increases are continuing large. In October industrial production declined—after having changed little since May— and the unemployment rate increased further, from 5.8 to 6.0 per cent. In recent weeks sizable cutbacks in automobile production have been announced, and claims for unemployment insurance have continued to increase. There are major uncertainties concerning the duration of the coal strike; a lengthy shutdown would have substantial effects on other industries. The October rise in wholesale prices of industrial commodities, although substantial, remained well below the extraordinarily rapid rate in the first 8 months of the year; prices of farm products and foods increased sharply.

In recent weeks the dollar has declined further against leading foreign currencies. In the third quarter the U.S. foreign trade deficit was substantially larger than in the second quarter, but U.S. banks sharply reduced their foreign lending.

Growth of the narrowly defined money stock picked up from the slow pace of the third quarter to an annual rate of about 5 per cent in October. Net inflows of consumer-type time and savings deposits at banks and at nonbank thrift institutions also improved in October, and the money supply measures more broadly defined

expanded appreciably. Bank credit outstanding changed little, and banks reduced their borrowing through Euro-dollars and large-denomination CD's. Since mid-October markets for short- and long-term securities have improved, despite heavy Treasury financing and a large volume of corporate security issues. Interest rates on market securities in general have declined further, and mortgage yields also have fallen somewhat. On November 13 the Board of Governors announced a restructuring of member bank reserve requirements, which will have the effect of releasing reserves to the banking system in the week beginning December 12.

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

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

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

MEETING HELD ON DECEMBER 16-17, 1974¹**Domestic policy directive**

The information reviewed at this meeting suggested that real output of goods and services—after declining at an annual rate of 2 per cent in the third quarter of the year and about 4.5 per cent in the first half—was falling substantially further in the current quarter, only in small part because of the 4-week coal strike. Price and wage increases were continuing large, although not so large as in the first three quarters of the year. Staff projections suggested that real economic activity would recede significantly further in the first half of 1975 and that the rate of increase in prices, while still rapid, would moderate.

In November retail sales declined for the third consecutive month. The index of industrial production fell sharply further, reflecting curtailments in output of some types of business equipment as well as of consumer goods and industrial materials. Reductions in employment were widespread, especially in manufacturing, and the unemployment rate rose further, from 6.0 to 6.5 per cent. In recent weeks additional production cutbacks and layoffs had been announced.

Wholesale prices of industrial commodities rose substantially further in November—reflecting for the most part increases in machinery and chemicals—but as in September and October, the rise was below the extraordinarily rapid pace earlier in the year. Wholesale prices of farm and food products continued to increase. As in October, the advance in the index of average hourly earnings for private nonfarm production workers was less rapid than in the second and third quarters of the year. The consumer price index had increased substantially further in October, although the rise in prices of nonfood commodities had moderated.

The latest staff projections for the first half of 1975 suggested that economic activity would contract significantly more than anticipated at the time of the last meeting, and consequently that nominal GNP would rise appreciably less. For the most part, the greater weakness now expected reflected a substantial reduction

¹This meeting began on the afternoon of December 16 and continued on the following day.

in the rate of business inventory investment in the first quarter—from an unusually high rate estimated for the current quarter, in association with a sharp weakening in final purchases of goods—and then a shift to inventory liquidation in the second quarter. In addition, the expansion in business fixed investment now was expected to fall short of the rise in prices. It was still anticipated that the rise both in disposable personal income and in personal consumption expenditures would be little, if any, greater than the increase in consumer prices and that residential construction activity would decline somewhat further in the first quarter and then turn up in the second.

The exchange rate for the dollar against leading foreign currencies—which had been declining since early September—declined somewhat further between mid-November and mid-December, reflecting in part upward pressure on the German mark and the Swiss franc. In October the U.S. merchandise trade deficit had narrowed, for the second consecutive month, as exports of nonagricultural commodities expanded sharply while total imports increased little. Inflows of bank-reported private capital had continued, although at a pace somewhat below that during the third quarter, and on balance, oil-exporting countries had added to their investments in the United States.

At U.S. commercial banks, total loans expanded at a moderate pace in November and holdings of securities increased slightly. The growth in outstanding business loans slowed, as many prime business borrowers continued to be attracted to the commercial paper market by the relatively lower cost of funds. Although most banks reduced the prime rate applicable to large corporations from 10¾ per cent to 10½ per cent in late November, reductions in the prime rate continued to lag behind declines in commercial paper rates.

The narrowly defined money stock (M_1)² grew at an annual rate of about 7 per cent in November, compared with rates of about 4 per cent in October and of 1.5 per cent in the third quarter.³

²Private demand deposits plus currency in circulation.

³The growth rate cited for the quarter is calculated on the basis of the daily-average level in the last month of the quarter relative to that in the last month of the preceding quarter.

In November net inflows of consumer-type time and savings deposits remained strong at banks and continued to improve at nonbank thrift institutions, and the more broadly defined measures of the money stock (M_2 ⁴ and M_3 ⁵) again expanded appreciably.

System open market operations since the November 19 meeting had been guided by the Committee's decision to seek bank reserve and money market conditions consistent with moderate growth in monetary aggregates over the months ahead, while taking account of developments in domestic and international financial markets. Data that had become available a few days after the November meeting suggested that in the November–December period the aggregates would grow at rates near the lower limits of the ranges of tolerance that had been specified by the Committee. Consequently, System operations were directed toward some further easing in bank reserve and money market conditions. Through the first week after the meeting, however, the Federal funds rate remained near its pre-meeting level of 9½ per cent, as banks elected to hold large excess reserves over the Thanksgiving holiday. Thereafter, the funds rate declined to about 8¾ per cent.

Short-term market interest rates turned up in late November, apparently because market participants were disappointed in their expectations that the Federal funds rate would continue to decline. However, rates turned down again around the end of the month, following resumption of the decline in the funds rate. At the time of this meeting the market rate of 3-month Treasury bills was 7.14 per cent, compared with 7.52 per cent on the day before the November meeting and with 7.17 per cent on November 14, before the Treasury announced that it would raise a considerable amount of new money in the short-term market. Federal Reserve discount rates were reduced at 2 Reserve Banks from 8 to 7¾ per cent, effective on December 9; shortly thereafter, rates were reduced at the remaining 10 Banks.

Yields on long-term corporate and Treasury issues rose in late November and subsequently declined, along with short-term market

⁴ M_1 plus commercial bank time and savings deposits other than money market CD's.

⁵ M_2 plus time and savings deposits at mutual savings banks and at savings and loan associations.

rates, but yields on State and local government bonds were subjected to upward pressures throughout the period. The volume of public offerings of corporate and State and local government securities remained exceptionally large in November, and a substantial volume was in prospect for December. In mortgage markets, contract interest rates on new commitments for conventional home mortgages in the primary market and yields on commitments in the secondary market for Federally underwritten home mortgages continued to decline during the period from early November to early December.

The Committee concluded that the economic situation and outlook called for somewhat more rapid growth in monetary aggregates over the months ahead than had occurred in recent months. The longer-run growth rates for the aggregates adopted by the Committee were raised slightly from those contemplated at other recent meetings.

A staff analysis suggested that, in view of the weaker expansion in nominal GNP now projected, some further easing in money market conditions probably would be required in the period immediately ahead if M_1 were to grow at a rate consistent with the Committee's longer-run objectives for the monetary aggregates. Such easing was likely to be accompanied by only modest declines in other market interest rates because credit demands—although tending to moderate—would still be strong. It was expected that net inflows to banks of time and savings deposits other than large-denomination CD's would remain substantial and that net inflows to nonbank thrift institutions would continue to improve.

The Committee concluded that growth in M_1 and M_2 over the December–January period at annual rates within ranges of tolerance of 5 to 7 per cent and 7½ to 10 per cent, respectively, would be consistent with its longer-run objectives for the monetary aggregates. The members agreed that such growth rates would be likely to involve growth in reserves available to support private nonbank deposits (RPD's) within a range of tolerance of 9 to 11 per cent. They decided that in the period until the next meeting the weekly average Federal funds rate be permitted to vary in an orderly fashion from as low as 7½ per cent to as high as 9 per cent, if necessary, in the course of operations.

The members also agreed that, in the conduct of operations,

account should be taken of developments in domestic and international financial markets. It was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives and constraints.

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

The information reviewed at this meeting suggests that real output of goods and services is falling substantially further in the current quarter. Price and wage increases are continuing large, although not so large as earlier this year. In November declines in industrial production and employment were sharp and widespread, and the unemployment rate increased further, from 6.0 to 6.5 per cent. In recent weeks additional production cutbacks and layoffs have been announced. The November rise in wholesale prices of industrial commodities, although substantial, remained well below the extraordinarily rapid rate in the first 8 months of the year.

Since mid-November the dollar has declined somewhat further against leading foreign currencies. In October the U.S. foreign trade deficit was reduced sharply for the second consecutive month, while there were continued net inflows of bank-reported private capital and of investments by oil-exporting countries.

Growth of the narrowly defined money stock increased in November to an annual rate of about 7 per cent. Net inflows of consumer-type time and savings deposits remained strong at banks and continued to improve at nonbank thrift institutions, and the more broadly defined money supply measures again expanded appreciably. Bank loans increased only moderately. Most market interest rates, after rising in the second half of November, subsequently turned down again. Yields on State and local government securities, however, continued under upward pressure. Effective December 9, Federal Reserve discount rates were reduced from 8 to 7¾ per cent.

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

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks

to achieve bank reserve and money market conditions consistent with somewhat more rapid growth in monetary aggregates over the months ahead than has occurred in recent months.

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

Messrs. Mitchell and Wallich, who dissented from this action, both believed that the economic situation and outlook called for a more stimulative monetary policy. In Mr. Mitchell's opinion, the primary objective should be to achieve a level of interest rates that would encourage the increased volume of borrowing in mortgage and capital markets essential to the kind of revival in economic activity needed in 1975. Mr. Wallich believed that for a limited period it would be desirable to seek a higher rate of monetary growth than favored by the majority.

Subsequent to the meeting, on January 9, the available data suggested that in December M_1 and M_2 had grown at rates of about 2 and 2.5 per cent, respectively, and that growth rates for the December-January period would be well below the lower limits of the ranges of tolerance that had been specified by the Committee. In the statement week ending January 8, the Federal funds rate had averaged slightly below $7\frac{3}{4}$ per cent, and the System currently was conducting reserve-supplying operations thought to be consistent with a weekly average rate of about $7\frac{1}{2}$ per cent, the lower limit of its range of tolerance. Against that background, and to give the Manager greater flexibility, Chairman Burns recommended on January 9 that the lower limit of the funds rate constraint be reduced to $7\frac{1}{8}$ per cent for the period remaining until the next Committee meeting. The members concurred in the Chairman's recommendation.

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

Directory of Federal Reserve Banks and Branches

Following is a list of the directorates of the Federal Reserve Banks and Branches as at present constituted. The list shows, in addition to the name of each director, his principal business affiliation, the class of directorship, and the date when his term expires. Each Federal Reserve Bank has nine directors; three Class A and three Class B directors, who are elected by the stockholding member banks, and three Class C directors, who are appointed by the Board of Governors of the Federal Reserve System. Class A directors are representative of the stockholding member banks. Class B directors at the time of their election must be actively engaged in their district in commerce, agriculture, or some industrial pursuit, and may not be officers, directors, or employees of any bank.

For the purpose of electing Class A and Class B directors, the member banks of each Federal Reserve district are classified by the Board of Governors of the Federal Reserve System into

three groups, each of which consists of banks of similar capitalization, and each group elects one Class A and one Class B director. Class C directors may not be officers, directors, employees, or stockholders of any bank. One Class C director is designated by the Board of Governors as Chairman of the Board of Directors and Federal Reserve Agent and another is appointed Deputy Chairman. Federal Reserve Branches have either five or seven directors, of whom a majority are appointed by the Board of Directors of the parent Federal Reserve Bank; the others are appointed by the Board of Governors of the Federal Reserve System. One of the directors appointed by the Board of Governors at each Branch is designated annually as Chairman of the Board in such a manner as the Federal Reserve Bank may prescribe.

Names followed by footnote 1 (¹) are Chairmen and those by footnote 2 (²) are Deputy Chairmen. Names in capital letters indicate new appointments; all others are reappointments.

District 1—FEDERAL RESERVE BANK OF BOSTON

*Term
expires
Dec. 31*

CLASS A:

WILLIAM M. HONEY	President, The Martha's Vineyard National Bank, Vineyard Haven, Mass.	1975
FRANCIS N. SOUTHWORTH	Chairman of the Board, President, Concord National Bank, Concord, N.H.	1976
JAMES F. ENGLISH, JR.	Chairman, The Connecticut Bank and Trust Company, Hartford, Conn.	1977

CLASS B:

ALFRED W. VAN SINDEREN	President, The Southern New England Telephone Company, New Haven, Conn.	1975
G. WILLIAM MILLER	President, Textron Inc., Providence, R.I.	1976
WESTON P. FIGGINS	Chairman of the Board, Wm. Filene's Sons Company, Boston, Mass.	1977

CLASS C:

LOUIS W. CABOT ¹	Chairman of the Board, Cabot Corporation, Boston, Mass.	1975
KENNETH I. GUSCOTT	President, Ken Guscott Associates, Boston, Mass.	1976
ROBERT M. SOLOW ²	Institute Professor, Massachusetts Institute of Technology, Cambridge, Mass.	1977

District 2—FEDERAL RESERVE BANK OF NEW YORK

Term
expires
Dec. 31

CLASS A:

NEWMAN E. WATT, JR.	President, The Adirondack Trust Company, Saratoga Springs, N.Y.	1975
DAVID ROCKEFELLER	Chairman, The Chase Manhattan Bank, N.A., New York, N.Y.	1976
STUART McCARTY	President, First-City National Bank of Binghamton, N.Y.	1977

CLASS B:

JACK B. JACKSON	President, J. C. Penney Co., Inc., New York, N.Y.	1975
MAURICE F. GRANVILLE	Chairman of the Board, Texaco Inc., New York, N.Y.	1976
WILLIAM S. SNEATH	President, Union Carbide Corporation, New York, N.Y.	1977

CLASS C:

FRANK R. MILLIKEN ²	President, Kennecott Copper Corporation, New York, N.Y.	1975
ALAN PIFER	President, Carnegie Corporation of New York, N.Y.	1976
ROSWELL L. GILPATRICK ¹	Partner, Cravath, Swaine & Moore, Esqs., New York, N.Y.	1977

BUFFALO BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

CLAUDE F. SHUCHTER	Chairman and Chief Executive Officer, Manufacturers and Traders Trust Company, Buffalo, N.Y.	1975
J. WALLACE ELY	President, Security Trust Company, Rochester, N.Y.	1976
DANIEL G. RANSOM	President, The Wm. Hengerer Co., Buffalo, N.Y.	1976
STEPHEN T. CHRISTIAN	President, Marine Midland Bank—Chautauqua, N.A., Jamestown, N.Y.	1977

APPOINTED BY BOARD OF GOVERNORS:

DONALD NESBITT ¹	Owner-Operator, Silver Creek Farms, Albion, N.Y.	1975
RUPERT WARREN	Former President, Trico Products Corporation, Buffalo, N.Y.	1976
PAUL A. MILLER	President, Rochester Institute of Technology, Rochester, N.Y.	1977

District 3—FEDERAL RESERVE BANK OF PHILADELPHIA

CLASS A:

JOHN HASSLER	President, The City National Bank & Trust Company of Salem, N.J.	1975
THOMAS L. MILLER	President, Upper Dauphin National Bank, Millersburg, Pa.	1976
WILLIAM B. EAGLESON, JR.	Chairman and President, Girard Bank, Philadelphia, Pa.	1977

CLASS B:

HAROLD A. SHAUB	President, Campbell Soup Co., Camden, N.J.	1975
WILLIAM S. MASLAND	President, C. H. Masland & Sons, Carlisle, Pa.	1976
C. GRAHAM BERWIND, JR.	President, Chief Executive Officer, Berwind Corporation, Philadelphia, Pa.	1977

District 3—FEDERAL RESERVE BANK OF PHILADELPHIA—Continued

	<i>Term expires Dec. 31</i>
<i>CLASS C:</i>	
EDWARD J. DWYER ² Chairman of the Board, ESB Incorporated, Philadelphia, Pa.	1975
JOHN R. COLEMAN ¹ President, Haverford College, Haverford, Pa.	1976
EDWARD W. ROBINSON, JR. President and Chief Executive Officer, Provident Home Industrial Mutual Life Insurance Co., Philadelphia, Pa.	1977

District 4—FEDERAL RESERVE BANK OF CLEVELAND

CLASS A:

DAVID L. BRUMBACK, JR. President, Van Wert National Bank, Van Wert, Ohio	1975
EDWARD W. BARKER Chairman of the Board, Chief Executive Officer, First National Bank of Middletown, Ohio	1976
MERLE E. GILLIAND Chairman of the Board and Chief Executive Officer, Pittsburgh National Bank, Pittsburgh, Pa.	1977

CLASS B:

RENE C. MCPHERSON Chairman of the Board, Chief Executive Officer, Dana Corporation, Toledo, Ohio	1975
CHARLES Y. LAZARUS Chairman of the Board, Chief Executive Officer, The F. & R. Lazarus Co., Columbus, Ohio	1976
DONALD E. NOBLE Chairman of the Board, Chief Executive Officer, Rubbermaid Incorporated, Wooster, Ohio	1977

CLASS C:

OTIS A. SINGLETARY President, University of Kentucky, Lexington, Ky.	1975
ROBERT E. KIRBY ² Chairman and Chief Executive Officer, Westinghouse Electric Corporation, Pittsburgh, Pa.	1976
HORACE A. SHEPARD ¹ Chairman of the Board, Chief Executive Officer, TRW Inc., Cleveland, Ohio	1977

CINCINNATI BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

PAUL W. CHRISTENSEN, JR. President, The Cincinnati Gear Company, Cincinnati, Ohio	1975
ROBERT E. HALL President, The First National Bank & Trust Company, Troy, Ohio	1975
JOSEPH F. RIPPE President, The Provident Bank, Cincinnati, Ohio	1976
JOE D. BLOUNT President, National Bank of Cynthiana, Ky.	1977

APPOINTED BY BOARD OF GOVERNORS:

PHILLIP R. SHRIVER ¹ President, Miami University, Oxford, Ohio	1975
CLAIR F. VOUGH Vice President, IBM Corporation, Lexington, Ky.	1976
L. H. ROGERS, II President and Director, Taft Broadcasting Company, Cincinnati, Ohio	1977

District 4—FEDERAL RESERVE BANK OF CLEVELAND—Continued

PITTSBURGH BRANCH

Term
expires
Dec. 31

APPOINTED BY FEDERAL RESERVE BANK:

ROBINSON F. BARKER	Chairman of the Board, Chief Executive Officer, PPG Industries, Inc., Pittsburgh, Pa.	1975
JERRY A. HALVERSON	President, The First National Bank & Trust Co. of Wheeling, W. Va.	1975
MALCOLM E. LAMBING, JR.	President, Chief Executive Officer, The First National Bank of Pennsylvania, Erie, Pa.	1976
RICHARD D. EDWARDS	President, The Union National Bank, Pittsburgh, Pa.	1977

APPOINTED BY BOARD OF GOVERNORS:

ROBERT J. BUCKLEY	President, Allegheny Ludlum Industries, Inc., Pittsburgh, Pa.	1975
G. JACKSON TANKERSLEY ¹	President, Consolidated Natural Gas Company, Pittsburgh, Pa.	1976
ARNOLD R. WEBER	Dean, Graduate School of Industrial Administration and Provost, Carnegie-Mellon University, Pittsburgh, Pa.	1977

District 5—FEDERAL RESERVE BANK OF RICHMOND

CLASS A:

JOHN H. LUMPKIN	Chairman of the Board, Chief Executive Officer, The South Carolina National Bank, Columbia, S.C.	1975
PLATO P. PEARSON, JR.	Chairman and President, The Citizens National Bank in Gastonia, N.C.	1976
JAMES A. HARDISON, JR.	Chairman and President, The First National Bank of Anson County, Wadesboro, N.C.	1977

CLASS B:

OSBY L. WEIR	Retired General Manager, Metropolitan Washington-Baltimore Area, Sears, Roebuck and Company, Bethesda, Md.	1975
ANDREW L. CLARK	President, Andy Clark Ford, Inc., Princeton, W. Va.	1976
HENRY C. HOFHEIMER, II	Chairman, Virginia Real Estate Investment Trust, Norfolk, Va.	1977

CLASS C:

ROBERT W. LAWSON, JR. ¹	Senior Partner, Charleston Office, Steptoe and Johnson, Attorneys, Charleston, W. Va.	1975
E. ANGUS POWELL	President, Chesterfield Land & Timber Corporation, Richmond, Va.	1976
E. CRAIG WALL ²	Chairman of the Board, Canal Industries, Inc., Conway, S.C.	1977

BALTIMORE BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

J. R. CHAFFINCH, JR.	President, The Denton National Bank, Denton, Md.	1975
J. STEVENSON PECK	Chairman of the Board, Union Trust Company of Maryland, Baltimore, Md.	1976
LACY I. RICE, JR.	President, The Old National Bank of Martinsburg, W. Va., and President, Suburban National Bank of Martinsburg, W. Va.	1976
J. PIERRE BERNARD	Chairman of the Board, The Annapolis Banking and Trust Company, Annapolis, Md.	1977

District 5—FEDERAL RESERVE BANK OF RICHMOND—Continued Term
expires
Dec. 31
~~CINCINNATI~~ CINCINNATI BRANCH—Continued

APPOINTED BY BOARD OF GOVERNORS:

DAVID W. BARTON, JR.	President, The Barton-Gillet Company, Baltimore, Md.	1975
I. E. KILLIAN	Manager, Eastern Region, Exxon Company, U.S.A., Baltimore, Md.	1976
JAMES G. HARLOW ¹	President, West Virginia University, Morgantown, W. Va.	1977

CHARLOTTE BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

WILLIAM W. BRUNER	Chairman and President, First National Bank of South Carolina, Columbia, S.C.	1975
THOMAS L. BENSON	President, The Conway National Bank, Conway, S.C.	1976
W. B. APPLE, JR.	President and Trust Officer, First National Bank of Reidsville, N.C.	1976
JOHN T. FIELDER	Executive Vice President, J. B. Ivey and Company, Charlotte, N.C.	1977

APPOINTED BY BOARD OF GOVERNORS:

ROBERT C. EDWARDS	President, Clemson University, Clemson, S.C.	1975
CHARLES W. DEBELL ¹	General Manager, North Carolina Works, Western Electric Company, Inc., Winston-Salem, N.C.	1976
CHARLES F. BENBOW	Senior Vice President, R. J. Reynolds Industries, Inc., Winston-Salem, N.C.	1977

District 6—FEDERAL RESERVE BANK OF ATLANTA

CLASS A:

SAM I. YARNELL	Chairman, American National Bank and Trust Company, Chattanooga, Tenn.	1975
JOHN T. OLIVER, JR.	President, First National Bank of Jasper, Ala.	1976
JACK P. KEITH	President, First National Bank of West Point, Ga.	1977

CLASS B:

GEORGE W. JENKINS	Chairman, Publix Super Markets, Inc., Lakeland, Fla.	1975
ROBERT T. HORNBECK	Manager, Tennessee Operations, Aluminum Company of America, Alcoa, Tenn.	1976
ULYSSES V. GOODWYN	Executive Vice President, Southern Natural Resources, Inc., Birmingham, Ala.	1977

CLASS C:

F. EVANS FARWELL	President, Milliken & Farwell, Inc., New Orleans, La.	1975
CLIFFORD M. KIRTLAND, JR. ²	President, Cox Broadcasting Corporation, Atlanta, Ga.	1976
H. G. PATILLO ¹	President, Patillo Construction Company, Inc., Decatur, Ga.	1977

District 6—FEDERAL RESERVE BANK OF ATLANTA—Continued

BIRMINGHAM BRANCH

Term
expires
Dec. 31

APPOINTED BY FEDERAL RESERVE BANK:

JOHN ALEXANDER, JR.	President, City National Bank of Birmingham, Ala.	1975
CLARENCE L. TURNIPSEED	President, First National Bank of Brewton, Ala.	1976
JOHN MAPLES, JR.	Executive Vice President, Union Bank & Trust Co., Montgomery, Ala.	1976
D. C. WADSWORTH, JR.	President, The American National Bank of Gadsden, Ala.	1977

APPOINTED BY BOARD OF GOVERNORS:

FRANK P. SAMFORD, JR. ¹	Chairman of the Board, Liberty National Life Insurance Company, Birmingham, Ala.	1975
DAVID MATHEWS	President, University of Alabama, University, Ala.	1976
HAROLD B. BLACH, JR.	President, J. Blach & Sons, Inc., Birmingham, Ala.	1977

JACKSONVILLE BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

MICHAEL J. FRANCO	Chairman of the Board, City National Bank of Miami, Fla.	1975
MAC DONNELL TYRE	President, Sun First National Bank of Orlando, Fla.	1976
RICHARD A. COOPER	Chairman of the Board, First National Bank of New Port Richey, Fla.	1976
CHAUNCEY W. LEVER	President and Chairman, Florida National Banks of Florida, Inc., Jacksonville, Fla.	1977

APPOINTED BY BOARD OF GOVERNORS:

JAMES E. LYONS ¹	President, Lyons Industrial Corporation, Winter Haven, Fla.	1975
EGBERT R. BEALL	President, Beall's Department Stores, Bradenton, Fla.	1976
GERT H. W. SCHMIDT	President, TeLeVision 12 of Jacksonville, Fla.	1977

NASHVILLE BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

ROBERT E. CURRY	President, First National Bank of Pulaski, Tenn.	1975
T. SCOTT FILLEBROWN, JR.	President, First American National Bank of Nashville, Tenn.	1976
FRED R. LAWSON	President, Blount National Bank of Maryville, Tenn.	1976
W. M. JOHNSON	President, First National Bank, Sparta, Tenn.	1977

APPOINTED BY BOARD OF GOVERNORS:

JOHN C. TUNE ¹	Partner, Butler, Tune and Entrekin, Attorneys, Nashville, Tenn.	1975
JAMES W. LONG	President, Robertson County Farm Bureau, Springfield, Tenn.	1976
JAMES R. LAWSON	President, Fisk University, Nashville, Tenn.	1977

NEW ORLEANS BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

ERNEST F. LADD, JR.	Chairman, The Merchants National Bank, Mobile, Ala.	1975
JAMES H. JONES	Chairman of the Board and Chief Executive Officer, First National Bank of Commerce, New Orleans, La.	1976
CHARLES W. MCCOY	Chairman of the Board and President, Louisiana National Bank, Baton Rouge, La.	1976
R. B. LAMPTON	President, First National Bank of Jackson, Miss.	1977

District 6—FEDERAL RESERVE BANK OF ATLANTA—Continued

Term
expires
Dec. 31

NEW ORLEANS BRANCH—Continued

APPOINTED BY BOARD OF GOVERNORS:

EDWIN J. CAPLAN	President, Caplan's Men's Shops, Inc., Alexandria, La.	1975
FLOYD W. LEWIS ¹	President and Chief Executive Officer, Middle South Utilities, Inc., New Orleans, La.	1976
FRED ADAMS, JR.	President, Cal-Maine Foods, Inc., Jackson, Miss.	1977

District 7—FEDERAL RESERVE BANK OF CHICAGO

CLASS A:

EDWARD BYRON SMITH	Chairman of the Board, The Northern Trust Company, Chicago, Ill.	1975
JAY J. DELAY	President, Huron Valley National Bank, Ann Arbor, Mich.	1976
JOHN F. SPIES	President, Iowa Trust and Savings Bank, Emmetsburg, Iowa	1977

CLASS B:

OSCAR G. MAYER	Chairman of the Executive Committee, Oscar Mayer & Co., Inc., Madison, Wis.	1975
PAUL V. FARVER	President, Rolscreen Company, Pella, Iowa	1976
JOHN T. HACKETT	Executive Vice President, Cummins Engine Company, Inc., Columbus, Ind.	1977

CLASS C:

PETER B. CLARK ¹	Chairman of the Board and President, The Evening News Association, Detroit, Mich.	1975
ROBERT H. STROTZ ²	President, Northwestern University, Evanston, Ill.	1976
LEO H. SCHOENHOFEN	Chairman of the Board, Marcor Inc., Chicago, Ill.	1977

DETROIT BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

JOSEPH B. FOSTER	President, Ann Arbor Bank, Ann Arbor, Mich.	1975
ROLAND A. MEWHORT	Director, Consultant, Manufacturers National Bank of Detroit, Mich.	1975
ROBERT M. SURDAM	Chairman of the Board, National Detroit Corporation, Detroit, Mich.	1976
HAROLD A. ELGAS	President, Gaylord State Bank, Gaylord, Mich.	1977

APPOINTED BY BOARD OF GOVERNORS:

W. M. DEFOE ¹	Chairman of the Board, Defoe Shipbuilding Company, Bay City, Mich.	1975
JORDAN B. TATTER	District Horticultural Agent, Cooperative Extension Service—Michigan State University, Paw Paw, Mich.	1976
TOM KILLEFER	Vice President-Finance, General Counsel, Chrysler Corporation, Detroit, Mich.	1977

District 8—FEDERAL RESERVE BANK OF ST. LOUIS

*Term
expires
Dec. 31*

CLASS A:

WM. E. WEIGEL	Executive Vice President, 1st National Bank and Trust Company, Centralia, Ill.	1975
RAYMOND C. BURROUGHS	President, The City National Bank of Murphysboro, Ill.	1976
DONALD N. BRANDIN	Chairman of the Board and President, The Boatmen's National Bank of St. Louis, Mo.	1977

CLASS B:

TOM K. SMITH, JR.	Group Vice President, Monsanto Company, St. Louis, Mo.	1975
FRED I. BROWN, JR.	President, Arkansas Foundry Company, Little Rock, Ark.	1976
RALPH C. BAIN	Vice President and General Manager, Arkla Industries, Inc., Evansville, Ind.	1977

CLASS C:

SAM COOPER ²	President, Humko Products, Division of Kraftco Corporation, Memphis, Tenn.	1975
HARRY M. YOUNG, JR.	Melrose Farms, Herndon, Ky.	1976
EDWARD M. SCHNUCK ¹	Chairman of the Board, Schnuck Markets, Inc., Bridgeton, Mo.	1977

LITTLE ROCK BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

THOMAS G. VINSON	Executive Vice President, The Citizens Bank, Batesville, Ark.	1975
FIELD WASSON	President, First National Bank, Siloam Springs, Ark.	1975
HERBERT H. MCADAMS, II	Chairman of the Board and Chief Executive Officer, Union National Bank of Little Rock, Ark.	1976
THOMAS E. HAYS, JR.	President, Chief Executive Officer, First National Bank of Hope, Ark.	1977

APPOINTED BY BOARD OF GOVERNORS:

W. M. PIERCE ¹	President, Arkansas Business Development Corporation, Little Rock, Ark.	1975
ROLAND R. REMMEL	Chairman of the Board, Southland Building Products Co., Little Rock, Ark.	1976
RONALD W. BAILEY	Executive Vice President and General Manager, Producers Rice Mill, Inc., Stuttgart, Ark.	1977

LOUISVILLE BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

HERBERT J. SMITH	President, The American National Bank and Trust Company of Bowling Green, Ky.	1975
TOM G. VOSS	President, The Seymour National Bank, Seymour, Ind.	1975
HAROLD E. JACKSON	President, The Scott County State Bank, Scottsburg, Ind.	1976
J. DAVID GRISSOM	President and Chief Operating Officer, Citizens Fidelity Corporation, Louisville, Ky.	1977

District 8—FEDERAL RESERVE BANK OF ST. LOUIS—Continued

*Term
expires
Dec. 31*

LOUISVILLE BRANCH—Continued

APPOINTED BY BOARD OF GOVERNORS:

JAMES H. DAVIS ¹	Chairman and Chief Executive Officer, Porter Paint Co., Louisville, Ky.	1975
WILLIAM H. STROUBE	Associate Dean, College of Science and Technology, Western Kentucky University, Bowling Green, Ky.	1976
JAMES C. HENDERSHOT	President, Reliance Universal Inc., Louisville, Ky.	1977

MEMPHIS BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

RIDLEY ALEXANDER	Chairman of the Board, Second National Bank, Jackson, Tenn.	1975
WILLIAM W. MITCHELL	Chairman of the Board, First National Bank of Memphis, Tenn.	1975
WILLIAM M. CAMPBELL	Chairman of the Board and Chief Executive Officer, First National Bank of Eastern Arkansas, Forrest City, Ark.	1976
CHARLES S. YOUNG-BLOOD	President and Chief Executive Officer, First Columbus National Bank, Columbus, Miss.	1977

APPOINTED BY BOARD OF GOVERNORS:

JEANNE L. HOLLEY ¹	Associate Professor of Business Education, University of Mississippi, University, Miss.	1975
ROBERT E. HEALY	Partner-in-Charge of the Mid-South Area, Price Waterhouse & Co., Memphis, Tenn.	1976
(VACANCY)		1977

District 9—FEDERAL RESERVE BANK OF MINNEAPOLIS

CLASS A:

DAVID M. SMITH	President, First National Bank of River Falls, Wis.	1975
CHARLES T. UNDLIN	President, First National Bank of the Black Hills, Rapid City, S.D.	1976
WILLIAM E. RYAN	President, The Citizens State Bank of Ontonagon, Mich.	1977

CLASS B:

DAVID M. HESKETT	President, Montana-Dakota Utilities Co., Bismarck, N.D.	1975
WARREN B. JONES	Secretary-Treasurer and General Manager, Two Dot Land & Livestock Co., Harlowton, Mont.	1976
DONALD P. HELGESON	Secretary-Treasurer, Jack Frost, Inc., St. Cloud, Minn.	1977

CLASS C:

JAMES P. McFARLAND ²	Chairman of the Board, General Mills, Inc., Minneapolis, Minn.	1975
HOWARD R. SWEARER	President, Carleton College, Northfield, Minn.	1976
BRUCE B. DAYTON ¹	Chairman of the Executive Committee, Dayton Hudson Corporation, Minneapolis, Minn.	1977

District 9—FEDERAL RESERVE BANK OF MINNEAPOLIS—Continued

HELENA BRANCH

Term
expires
Dec. 31

APPOINTED BY FEDERAL RESERVE BANK:

DONALD E. OLSSON	President, Ronan State Bank, Ronan, Mont.	1975
JOHN REICHEL	President, First National Bank, Great Falls, Mont.	1976
GEORGE H. SELOVER	President and General Manager, Selover Buick-Jeep, Inc., Billings, Mont.	1976

APPOINTED BY BOARD OF GOVERNORS:

WILLIAM A. CORDINGLEY ¹	Publisher, President, Great Falls Tribune, Great Falls, Mont.	1975
JAMES C. GARLINGTON	Partner, Garlington, Lohn & Robinson, Attorneys, Missoula, Mont.	1976

District 10—FEDERAL RESERVE BANK OF KANSAS CITY

CLASS A:

ROGER D. KNIGHT, JR.	Chairman of the Board, Chief Executive Officer, United Banks of Colorado, Inc., Denver, Colo.	1975
PHILIP HAMM	President, First National Bank & Trust Company, El Dorado, Kans.	1976
CRAIG BACHMAN	President, The First National Bank of Centralia, Kans.	1977

CLASS B:

CECIL O. EMRICH	President, C. O. Emrich Enterprises, Norfolk, Nebr.	1975
DONALD J. HALL	President, Hallmark Cards, Inc., Kansas City, Mo.	1976
FRANK C. LOVE	Of Counsel—Crowe, Dunlevy, Thweatt, Swinford, Johnson and Burdick, Oklahoma City, Okla.	1977

CLASS C:

HAROLD W. ANDERSEN ²	President, Omaha World-Herald Co., Omaha, Nebr.	1975
ROBERT T. PERSON ¹	Chairman of the Board, President, Public Service Co. of Colorado, Denver, Colo.	1976
JOSEPH H. WILLIAMS	President, The Williams Companies, Tulsa, Okla.	1977

DENVER BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

FELIX BUCHENROTH, JR.	President, The Jackson State Bank, Jackson, Wyo.	1975
DALE R. HINMAN	Chairman and Chief Executive Officer, The Greeley National Bank, Greeley, Colo.	1976
WILLIAM H. VERNON	Chairman of the Board, Chief Executive Officer, Santa Fe National Bank, Santa Fe, N.M.	1976

APPOINTED BY BOARD OF GOVERNORS:

MAURICE B. MITCHELL ¹	Chancellor, University of Denver, Denver, Colo.	1975
EDWARD R. LUCERO	President and Chairman, Colorado Economic Development Association, Inc., Denver, Colo.	1976

District 10—FEDERAL RESERVE BANK OF KANSAS CITY—Continued

OKLAHOMA CITY BRANCH

*Term
expires
Dec. 31*

APPOINTED BY FEDERAL RESERVE BANK:

W. H. McDONALD	Chairman of the Executive Committee, The First National Bank and Trust Company of Oklahoma City, Okla.	1975
HUGH C. JONES	Executive Vice President, The Bank of Woodward, Okla.	1976
V. M. THOMPSON, JR.	President, Utica National Bank and Trust Company, Tulsa, Okla.	1976

APPOINTED BY BOARD OF GOVERNORS:

JAMES G. HARLOW, JR.	President Oklahoma Gas and Electric Company, Oklahoma City, Okla.	1975
HARLEY CUSTER	General Manager, Oklahoma Livestock Marketing Association, Oklahoma City, Okla.	1976

OMAHA BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

GLENN YAUSSE	Vice Chairman of the Board, National Bank of Commerce Trust & Savings, Lincoln, Nebr.	1975
ROY G. DINSDALE	Chairman of the Board, The Farmers National Bank of Central City, Nebr.	1975
F. PHILLIPS GILTNER	President, First National Bank of Omaha, Nebr.	1976

APPOINTED BY BOARD OF GOVERNORS:

DURWARD B. VARNER ¹	President, University of Nebraska, Lincoln, Nebr.	1975
EDWARD F. OWEN	President, Paxton & Vierling Steel Co., Omaha, Nebr.	1976

District 11—FEDERAL RESERVE BANK OF DALLAS

CLASS A:

ROBERT H. STEWART, III	Chairman of the Board, First International Bancshares, Inc., Dallas, Tex.	1975
GENE D. ADAMS	President, First National Bank, Seymour, Tex.	1976
FRANK JUNELL	Chairman of the Board, The Central National Bank of San Angelo, Tex.	1977

CLASS B:

THOMAS W. HERRICK	Independent Cattleman, Amarillo, Tex.	1975
STEWART ORTON	President, Foley's, Inc., Houston, Tex.	1976
GERALD D. HINES	Owner, Gerald D. Hines Interests, Houston, Tex.	1977

CLASS C:

CHARLES T. BEAIRD ²	Chairman of the Board, Beaird-Poulan Division, Emerson Electric Co., Shreveport, La.	1975
JOHN LAWRENCE ¹	Chairman of the Board, Dresser Industries, Inc., Dallas, Tex.	1976
IRVING A. MATHEWS	Chairman of the Board and Chief Executive Officer, Frost Bros., Inc., San Antonio, Tex.	1977

District 11—FEDERAL RESERVE BANK OF DALLAS—Continued

EL PASO BRANCH

*Term
expires
Dec. 31*

APPOINTED BY FEDERAL RESERVE BANK:

REED H. CHITTIM	President, First National Bank of Lea County, Hobbs, N.M.	1975
SAM D. YOUNG, JR.	President, El Paso National Bank, El Paso, Tex.	1975
C. J. KELLY	President and Chairman of the Board, The First National Bank of Midland, Tex.	1976
WAYNE STEWART	President, First National Bank in Alamogordo, N.M.	1977

APPOINTED BY BOARD OF GOVERNORS:

J. LUTHER DAVIS	Chairman of the Board, President, Tucson Gas & Electric Company, Tucson, Ariz.	1975
HERBERT M. SCHWARTZ ¹	President, Popular Dry Goods Co., Inc., El Paso, Tex.	1976
GAGE HOLLAND	Owner, Gage Holland Ranch, Alpine, Tex.	1977

HOUSTON BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

BOOKMAN PETERS	President, The City National Bank of Bryan, Tex.	1975
NAT S. ROGERS	President, First City National Bank of Houston, Tex.	1975
PAGE K. STUBBLEFIELD	President, Victoria Bank & Trust Company, Victoria, Tex.	1976
SETH W. DORBANDT	Chairman and President, First National Bank in Conroe, Tex.	1977

APPOINTED BY BOARD OF GOVERNORS:

ALVIN I. THOMAS	President, Prairie View A&M University, Prairie View, Tex.	1975
THOMAS J. BARILOW ¹	President and Chief Executive Officer, Anderson, Clayton & Co., Houston, Tex.	1976
GENE M. WOODFIN	Chairman of the Board, President, and Chief Executive Officer, Marathon Manufacturing Company, Houston, Tex.	1977

SAN ANTONIO BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

RICHARD W. CALVERT	President, National Bank of Commerce of San Antonio, Tex.	1975
W. O. ROBERSON	Chairman of the Board, First National Bank at Brownsville, Tex.	1975
BEN R. LOW	President, First National Bank of Kerrville, Tex.	1976
LEON STONE	President, The Austin National Bank, Austin, Tex.	1977

APPOINTED BY BOARD OF GOVERNORS:

PETE J. MORALES, JR. ¹	President and General Manager, Morales Feed Lots, Inc., Devine, Tex.	1975
MARGARET SCARBROUGH WILSON	Chairman of the Board and Chief Executive Officer, Scarbroughs Department Stores, Austin, Tex.	1976
MARSHALL BOYKIN, III	Senior Partner, Wood, Boykin & Wolter, Lawyers, Corpus Christi, Tex.	1977

District 12—FEDERAL RESERVE BANK OF SAN FRANCISCO

*Term
expires
Dec. 31*

CLASS A:

JAMES E. PHILLIPS	President, First National Bank in Port Angeles, Wash.	1975
A. W. CLAUSEN	President, Chief Executive Officer, Bank of America NT & SA, San Francisco, Calif.	1976
CARL E. SCHROEDER	President, The First National Bank of Orange County, Orange, Calif.	1977

CLASS B:

JOSEPH ROSENBLATT	Honorary Chairman of the Board, The Eimco Corporation, Salt Lake City, Utah	1975
CLAIR L. PECK	Chairman of the Board, C. L. Peck Contractor, Los Angeles, Calif.	1976
CHARLES R. DAHL	President and Chief Executive Officer, Crown Zellerbach Cor- poration, San Francisco, Calif.	1977

CLASS C:

JOSEPH F. ALIBRANDI ²	President and Chief Executive Officer, Whittaker Corporation, Los Angeles, Calif.	1975
O. MEREDITH WILSON ¹	President, Director, Center for Advanced Study in the Behavioral Sciences, Stanford, Calif.	1976
(VACANCY)		1977

LOS ANGELES BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

W. GORDON FERGUSON	President, National Bank of Whittier, Calif.	1975
LINUS E. SOUTHWICK	President, Valley National Bank, Glendale, Calif.	1976
ROBERT A. BARLEY	President, United California Bank, Los Angeles, Calif.	1976
RAYBURN S. DEZEMBER	Chairman of the Board, President, American National Bank, Bakersfield, Calif.	1977

APPOINTED BY BOARD OF GOVERNORS:

HARVEY A. PROCTOR	Chairman of the Board, Southern California Gas Company, Los Angeles, Calif.	1975
ARMANDO M. RODRIGUEZ	President, East Los Angeles College, Los Angeles, Calif.	1976
JOSEPH R. VAUGHAN ¹	President, Knudsen Corporation, Los Angeles, Calif.	1977

PORTLAND BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

LEROY B. STAVER	Retired Chairman, United States National Bank of Oregon, Portland, Ore.	1975
FRANK L. SERVOSS	President, Crater National Bank of Medford, Ore.	1976
JAMES H. STANARD	Executive Vice President, First National Bank of McMinnville, Ore.	1976

District 12—FEDERAL RESERVE BANK OF SAN FRANCISCO—Continued

Term
expires
Dec. 31

PORTLAND BRANCH—Continued

APPOINTED BY BOARD OF GOVERNORS:

LORAN I. STEWART ¹	President, Bohemia Inc., Eugene, Ore.	1975
JOHN R. HOWARD	President, Lewis and Clark College, Portland, Ore.	1976

SALT LAKE CITY BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

JOSEPH BIANCO	Chairman of the Board, President, Bank of Idaho, N.A., Boise, Idaho	1975
ROY W. SIMMONS	President, Zions First National Bank, Salt Lake City, Utah	1976
DAVID P. GARDNER	President, University of Utah, Salt Lake City, Utah	1976

APPOINTED BY BOARD OF GOVERNORS:

THEODORE C. JACOBSEN	Partner, Jacobsen Construction Company, Inc., Salt Lake City, Utah	1975
SAM BENNION ¹	President, V-1 Oil Company, Idaho Falls, Idaho	1976

SEATTLE BRANCH

APPOINTED BY FEDERAL RESERVE BANK:

JOSEPH C. BAILLARGEON	Chairman of the Board, Chief Executive Officer, Seattle Trust and Savings Bank, Seattle, Wash.	1975
HARRY S. GOODFELLOW	Chairman of the Board, President, Old National Bank of Washington, Spokane, Wash.	1976
(VACANCY)		1976

APPOINTED BY BOARD OF GOVERNORS:

THOMAS T. HIRAI	President and Director, Quality Growers Company, Woodinville, Wash.	1975
MALCOLM T. STAMPER ¹	President, The Boeing Company, Seattle, Wash.	1976

Law Department

Statutes, regulations, interpretations, and decisions

RESERVES OF MEMBER BANKS

The Board of Governors has amended its Regulation D to reduce by one-half of 1 percentage point reserves required on all categories of net demand deposits up to \$400 million, and to reduce by 1 percentage point the reserves required on deposits of more than \$400 million.

AMENDMENT TO REGULATION D

Effective January 30, 1975, Regulation D is amended to read as follows:

SECTION 204.5—RESERVE REQUIREMENTS

(a) * * *

(1) if not in a reserve city—

* * * * *

(iii)(a) 7½ per cent of its net demand deposits

if its aggregate net demand deposits are \$2 million or less, (b) \$150,000 plus 10 per cent of its net demand deposits in excess of \$2 million if its aggregate net demand deposits are in excess of \$2 million but less than \$10 million, (c) \$950,000 plus 12 per cent of its net demand deposits in excess of \$10 million if its aggregate net demand deposits are in excess of \$10 million but less than \$100 million, or (d) \$11,750,000 plus 13 per cent of its net demand deposits in excess of \$100 million.

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

* * * * *

(iii) \$50,750,000 plus 16½ per cent of its net demand deposits in excess of \$400 million.

* * * * *

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

ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

DEXTER BANKING COMPANY,
DEXTER, KANSAS

Order Denying Formation of Bank Holding Company

Dexter Banking Company, Dexter, Kansas, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 95 per cent or more of the voting shares of The Farmers & Merchants State Bank of Dexter, Dexter, Kansas ("Bank").

Applicant has also applied, pursuant to § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to retain the assets of the former Kemp-McFall Agency, a company that engages in the activities of a general insurance agency in a community with a population not exceeding 5,000. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(9)(iii)(a)).

Notice of receipt of these applications, affording an opportunity for interested persons to submit comments and views, has been given in accordance with §§ 3 and 4 of the Act (39 Fed. Reg. 41308 (1974)). The time for filing comments and

views has expired, and the Board has considered the applications and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and the considerations specified in § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant presently conducts general insurance agency activities in Dexter, Kansas. Bank, with deposits of about \$2.3 million,¹ is the sixth largest of eight banks in the relevant banking market,² controlling approximately 2.7 per cent of the total deposits in commercial banks in the market. Since the proposal represents a restructuring of the ownership of Bank from individuals to a corporation owned by the same individuals and Applicant has no present subsidiaries, consummation of the proposal would have no significantly adverse effects on competition in any relevant area.

The Board has indicated on previous occasions that it believes a holding company should provide a source of strength for its subsidiary bank(s) and that it will examine closely the condition of the Applicant in each case with this view in mind. Applicant proposes to service the debt that it will incur as a result of the acquisition of Bank over a period of 11 years through dividends from Bank, tax savings, and income from its insurance agency activities. In the Board's view, the debt retirement program, which contemplates significant dividends from Bank, does not provide Applicant with the necessary financial flexibility to service the acquisition debt while maintaining Bank's capital at an acceptable level. Furthermore, those financial requirements could place an undue strain on the financial condition of Bank and thus impair Bank's ability to remain a viable banking organization in meeting the banking needs of the community which it serves. Similarly, Applicant's debt structure would effectively preclude it from rendering financial assistance to Bank if the need should arise. In addition, it is noted that the principals of Applicant appear to lack any previous banking experience. The Board is unable to conclude, therefore, that managerial considerations lend any weight toward approval of the application. Accordingly, on the basis of the facts of record, the Board concludes that the above considerations relating to the banking factors weigh against approval of the application.

¹ All banking data are as of June 30, 1974.

² The relevant banking market is approximated by Cowley County.

The proposed formation represents merely a restructuring of the ownership of Bank with no significant changes in Bank's operations or the services offered to customers. Consequently, considerations relating to the convenience and needs of the community to be served lend no weight toward approval of the application.

On the basis of all the circumstances concerning this application, the Board concludes that the banking considerations involved in the proposal present adverse factors bearing on the financial condition and prospects of Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits which would result in serving the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application for approval to become a bank holding company should be denied.³

By order of the Board of Governors, effective January 23, 1975.

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

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

FIRSTBANK HOLDING COMPANY,
MARIETTA, OKLAHOMA

*Order Approving Formation of Bank
Holding Company*

Firstbank Holding Company, Marietta, Oklahoma, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 80 per cent or more of the voting shares of Firstbank of Marietta, Marietta, Oklahoma ("Bank").

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

³In view of the Board's action with respect to the application to become a bank holding company, consideration of the § 4(c)(8) application to retain the insurance activities becomes moot.

the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant is a nonoperating corporation organized for the purpose of becoming a bank holding company through acquisition of Bank, deposits of \$10 million, representing 0.1 of 1 per cent of the total commercial bank deposits in Oklahoma.¹ Bank is the only bank located in the Love County banking market, which has a population of approximately 5,600 persons. The proposal represents a corporate reorganization with no change in the management of Bank. Since Applicant has no present operations, consummation of the proposal would have no effect on existing or potential competition.

Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The financial condition and managerial resources of Applicant are dependent upon these same conditions as they exist in Bank. Bank's financial condition and management are satisfactory and, based upon Bank's past earnings, the projected dividends from Bank appear sufficient to provide the necessary funds for retirement of the debt that Applicant would incur as a result of this proposal without placing a burden on Bank's capital position. Prospects for Applicant and Bank appear favorable. In addition, the Board notes that Applicant will be assuming a preferential interest rate on certain bank stock loans made to Bank's major shareholders. Although the Board had expressed some concern about such loans in the past, there is no evidence in the record indicating that the loans in this case have resulted in any abuses to Bank or its minority shareholders. Accordingly, considerations relating to the conveniences and needs of the communities to be served are consistent with approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective January 29, 1975.

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

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

[SEAL]

*Dissenting Statement of
Governors Mitchell and Sheehan*

We would deny the application of Firstbank Holding Company to become a bank holding company through acquisition of Firstbank of Marietta ("Bank") based on our view that the interest rate (7 per cent) on certain loans that Applicant will assume as a result of this proposal is preferential. The loans in question were made by Bank's primary correspondent bank, The Liberty National Bank and Trust Company of Oklahoma City, to three principals of Applicant, each of whom pledged their respective shares of Bank's stock as collateral for the indebtedness. Applicant now proposes to acquire approximately 95 per cent of the shares of Bank on an even exchange of one share of Applicant for one share of Bank and to assume the existing indebtedness on such shares of Applicant's principals. We are concerned that preferential interest rates on bank stock loans may involve conflicts of interests or a breach of fiduciary duty on the part of the borrowing official if the favorable interest rate is conditioned upon the maintenance of correspondent balances with the lending bank or some other indirect financial advantage to the lender and particularly if such rates are not available on an equivalent basis to all shareholders of the borrowing official's bank. Accordingly, it is our view that the potential evils inherent in the granting and receiving of a preferential interest rate on a bank stock loan indicate that such loans are not in the public interest.

Another ground for denial is our assessment that the proposed acquisition debt to be assumed by Applicant is high in relation to its equity. Applicant is a newly formed corporation and the earnings of Bank would serve as its primary source of funds. The large debt servicing requirements for the purchase of approximately 95 per cent of the stock of Bank could place an undue strain on the financial condition of Bank and impede Bank's ability to provide adequate banking services to the community. In our view, the projected earnings

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

of Applicant (derived from Bank) do not provide Applicant with the necessary financial flexibility to meet its annual debt servicing requirements as well as any unexpected financial needs that might arise at Bank.

For the foregoing reasons, we do not regard the proposal as being in the public interest, and we would deny the application.

NBC CORPORATION,
ALTUS, OKLAHOMA

*Order Approving Formation of
Bank Holding Company*

NBC Corporation, Altus, Oklahoma, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842)(a)(1)) of formation of a bank holding company through acquisition of more than 80 per cent of the voting shares of The National Bank of Commerce, Altus, Oklahoma ("Bank").

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

Applicant is a recently-organized corporation formed for the purpose of becoming a bank holding company through the acquisition of Bank. The proposed transaction essentially involves the transfer of ownership from individuals to a corporation owned by the same individuals with no change in Bank's management or operations. Bank (deposits \$15.6 million)¹ is the second largest among six banking organizations competing in its banking market,² and holds about 28.4 per cent of the market's total commercial deposits. Upon acquisition of Bank, Applicant would control about 0.2 per cent of total commercial bank deposits in the State. Applicant's principal shareholders also control the First State Bank, Grandfield, Oklahoma; however, that bank is located 75 miles southeast of Bank in a separate market area and does not compete with Bank. Since the subject proposal represents merely a restructuring of existing ownership interests, its consummation

would not eliminate any existing competition, nor would it appear to have any adverse effects on other banks or on the development of competition in the relevant market. Therefore, competitive considerations are consistent with approval of the application.

The financial condition and managerial resources of Applicant and Bank are considered to be generally satisfactory and the prospects of each appear favorable. The Board notes that the Comptroller of the Currency has expressed some concern that consummation of this proposal may result in a burden upon Bank's earnings. However, on the basis of the Board's review of the financial resources of Bank and Applicant, the Board is of the view that, although Applicant will incur debt in the acquisition of Bank, Applicant appears to be able to service the debt without impairing the financial condition of Bank. In addition, it appears that Applicant will be assuming a preferential interest rate on certain bank stock loans made to Bank's major shareholders. Although the Board has expressed some concern about such loans in the past, there is no evidence in the record indicating that the loans in this case have resulted in any abuses to Bank or the minority shareholders. Considerations relating to the banking factors are consistent with approval of the application. Although there will be no immediate change or increase in the services offered by Bank as a result of the shifting of Bank's ownership to a corporation, considerations relating to the convenience and needs of the communities to be served are consistent with approval of the application. It is the Board's judgment that the proposed transaction is consistent with the public interest and that the application should be approved.

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

By order of the Board of Governors, effective January 23, 1975.

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

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

[SEAL.]

¹Deposit data are as of December 31, 1973.

²The relevant market is approximated by Jackson County.

*Dissenting Statement of
Governors Mitchell and Sheehan*

We would deny the application of NBC Corporation to acquire The National Bank of Commerce ("Bank") since we believe that it is not in the public interest to sanction an arrangement wherein it appears that Bank's resources are being used to subsidize the personal interests of the principal shareholders of Bank. Specifically, the owners of a majority of the shares of Bank, who will also become the majority shareholders of Applicant, secured loans from Liberty National Bank and Trust Company of Oklahoma City, Bank's principal correspondent, at a preferential interest rate.

Under this proposal, Applicant will assume the outstanding indebtedness of Bank's majority shareholders, along with the preferential interest rate, and Bank will continue its correspondent relationship with Liberty National. In our view, such an arrangement could result in a conflict of interest or breach of fiduciary duty on the part of the borrowing officials if the setting of the preferential interest rate, by formal or informal arrangement between the lending bank and Bank, entails Bank assuming a portion of the interest costs of its major stockholders. This could be accomplished by various means, including maintenance by Bank of an inflated correspondent balance at the lending bank, sales by Bank of Federal funds to the lending Bank at below market rates, or placing of certificates of time deposit at below market rates. On the other hand, if such arrangements are not entered into between the lending bank and Bank, the lending bank's stockholders are placed at an obvious disadvantage as a result of their management making loans well below prevailing rates of interest.

Bank stock loans at competitive rates are appropriate as short-term credits, or "bridge loans", while longer term financing of the take-over is being arranged. However, when such credit is for an extended period or, as a result of renewals, amounts to permanent financing, the basic strength of a local or regional banking system can be weakened. The use of one bank's depositors' funds to make loans which constitute a significant source of another bank's capital dilutes one of the major elements of financial support for the banking system—capital funds which are wholly external to it.

Finally, we are concerned about the sizable debt that Applicant will assume under this proposal. In our view, the debt servicing requirements imposed on Applicant could place an undue strain on Bank's financial condition and thus impair its ability to continue to serve as a viable banking organization in meeting the needs of its community.

For the foregoing reasons, we would deny the application.

ARCHER-DANIELS-MIDLAND COMPANY,
DECATUR, ILLINOIS, AND
NATIONAL CITY BANCORPORATION,
MINNEAPOLIS, MINNESOTA

Order Denying Acquisition of Bank

Archer-Daniels-Midland Company, Decatur, Illinois ("ADM"), and its wholly-owned subsidiary National City Bancorporation, Minneapolis, Minnesota ("NCB"), bank holding companies within the meaning of the Bank Holding Company Act, have applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 100 per cent (less directors' qualifying shares) of the voting shares of National City Bank of Ridgedale, Minnetonka, Minnesota ("Bank"), a proposed new bank. The proposed acquisition would be made directly by NCB and, as a result, ADM would indirectly acquire voting shares of the Bank.

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

Applicants control one bank with aggregate deposits of approximately \$131 million, representing about 1 per cent of the commercial bank deposits in Minnesota.¹ Since Bank is a proposed new bank, its acquisition by Applicants would not significantly increase their share of deposits in any relevant area.

NCB is the fifth largest commercial banking organization in the relevant banking market, which is approximated by the Minneapolis-St. Paul

¹Banking data are as of December 31, 1973, and reflect holding company acquisitions approved through July 31, 1974.

RMA. Its present subsidiary bank, National City Bank, controls about 2 per cent of deposits in that market and is located approximately 12 miles east of Bank. Because Bank is a proposed *de novo* bank, no existing competition would be eliminated. In addition, it does not appear that any significant potential competition would be foreclosed as a result of consummation of the proposal. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicants, their subsidiary bank and Bank are satisfactory and consistent with approval of the applications. Considerations relating to convenience and needs lend some weight for approval of the applications, since the area to be served by Bank has undergone considerable growth and there are currently no banks in the immediate vicinity.

While the considerations discussed above indicate that approval of the applications would be consistent with the factors set forth in § 3 of the Bank Holding Company Act, other considerations in the record indicate that approval of the proposal would be contrary to the general purposes of the Act and, therefore, the applications should be denied.

ADM is one of the largest domestic soybean processors and operates one of the largest flour mills in the United States. As a result of the 1970 Amendments to the Bank Holding Company Act, ADM became a bank holding company and, pursuant to § 4(c)(12) of the Act and § 225.4(d) of the Board's Regulation Y, has filed with the Board an irrevocable declaration that it will cease to be a bank holding company by 1981. As a result of the filing of this declaration, ADM has available to it expedited procedures and greater latitude in acquiring additional non-banking interests than it would have otherwise. In the Board's view, permitting ADM to expand its banking interests while ADM is relatively free to pursue its non-banking interests without regard to the prohibitions in § 4 of the Act would be clearly contrary to one of the major purposes of the Act, i.e., the separation of banking and commerce, and such action should not be sanctioned.

The Board has, however, approved such an application in the past based upon a commitment from the applicant that it would separate its banking and non-banking interests at a date earlier than

that to which it was already committed under its irrevocable declaration.² Although ADM, in its original application to the Board, presented a plan whereby it would "spin off" its shares of NCB to ADM's shareholders, this plan has now been postponed indefinitely and it does not appear that ADM's divestiture of its banking interests will occur at an early date. Accordingly, it is the Board's judgment that approval of the applications would frustrate the purposes of the Act, namely, the separation of banking and commerce, and should therefore be denied.

On the basis of all the facts in the record, it is the Board's judgment that approval of the subject applications would not be in the public interest. Accordingly, the applications are denied for the reasons summarized above.

By order of the Board of Governors, effective January 13, 1975.

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

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

ESSEX BANCORP, INC.,
PEABODY, MASSACHUSETTS

Order Denying Acquisition of Bank

Essex Bancorp, Inc., Peabody, Massachusetts, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of Saugus Bank and Trust Company, Saugus, Massachusetts.

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

Applicant, the eleventh largest banking organization in Massachusetts, controls one bank with deposits of about \$127 million, representing .9 per cent of the total deposits held by commercial banks

²See Board Order approving application of Jacobus Company to acquire Heritage Bank-Mayfair, Wauwatosa, Wisconsin, 1972 Federal Reserve BULLETIN 306.

in the State.¹ Acquisition of Bank (\$21.3 million) would not change Applicant's rank among the banking organizations in the State, nor would it result in a significant increase in the concentration of banking resources.

Bank operates its three offices in the town of Saugus in Essex County and is the 36th largest banking organization in the Boston market² wherein it holds about .2 of one per cent of the total commercial bank deposits. Applicant's sole subsidiary bank, Essex County Bank and Trust Company ("Essex Bank"), is also located in the Boston banking market and is the eighth largest banking organization in that market. All of Essex Bank's thirteen offices are located in the southern portion of Essex County, including one office in Saugus. From the facts of record, it appears that significant existing competition between Applicant and Bank would be eliminated as a result of the consummation of the proposal. In fact, Essex Bank and Bank are the only banks represented in Saugus and are directly in competition with one another. This proposal would thus eliminate the only alternative source of banking services in Saugus. Accordingly, on the basis of the record, the Board concludes that consummation of the proposal would have adverse effects on existing competition. These considerations lend weight toward denial of the proposal.

While the managerial resources and prospects of Applicant, its subsidiary bank, and Bank appear to be satisfactory, the Board is concerned about Applicant's ability to serve as a source of financial strength for Bank as well as for Essex Bank. In the Board's view, Essex Bank is in need of some additional capital. Expansion by Applicant at this time through the subject acquisition could impair Applicant's ability to augment the capital of its existing subsidiary. These financial considerations strongly suggest that Applicant should direct its efforts towards strengthening its present subsidiary rather than expanding its interests at this time. Accordingly, the Board finds that financial considerations also lend weight toward denial of the application.

With respect to convenience and needs considerations, Applicant states that it intends to expand

Bank's services. Applicant, however, is already offering such services in Saugus through the Essex Bank. Therefore, this consideration alone does not outweigh the other adverse factors reflected in the record. Accordingly, it is the Board's judgment that consummation of the proposed transaction would not be in the public interest, and that the application should be denied.

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

By order of the Board of Governors, effective January 27, 1975.

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

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

TEXAS COMMERCE BANCSHARES, INC.,
HOUSTON, TEXAS

Order Denying Acquisition of Banks

Texas Commerce Bancshares, Inc., Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval in two separate applications under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 100 per cent of the voting shares (less directors' qualifying shares) of The Austin National Bank, Austin, Texas ("Austin Bank") and Oak Hill National Bank, Oak Hill, Texas ("Oak Hill Bank") through the acquisition of all the assets, properties and businesses of Austin Bancshares Corporation, Austin, Texas ("Austin Bancshares").

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

Applicant presently controls 25 banks with aggregate deposits of \$2.5 billion, representing 6.3 per cent of the total commercial bank deposits in Texas, and is the third largest banking organization in the State. (Unless otherwise indicated, all banking data are as of June 30, 1974, and reflect holding company formations and acquisitions approved through December 31, 1974.) Applicant's acquisition of Oak Hill Bank would not increase appreciably Applicant's share of deposits nor its

¹All banking data are as of June 30, 1974 and reflect bank holding company formations and acquisitions approved by the Board through December 31, 1974.

²The Boston banking market is approximated by the Boston RMA.

rank in the State since this recently organized bank was opened for business on March 1, 1974, and held deposits of only \$1.4 million on June 30, 1974. However, as a result of the acquisition of Austin Bank, Applicant's share of commercial bank deposits in Texas would increase from 6.3 per cent to 7.1 per cent, and it would become the second largest banking organization in Texas. The increase in the concentration of banking resources in the State of Texas which would result from such acquisition is viewed with some degree of concern by the Board.

This proposal represents Applicant's initial entry in the Austin banking market, which is approximated by Travis and Hays Counties. Austin Bank is located in downtown Austin and Oak Hill Bank is located nine miles southwest of downtown Austin. Austin Bank is the largest of 17 market banks¹ and holds deposits of \$301 million. Applicant's closest existing subsidiary to the Austin and Oak Hill banks is located 160 miles southeast of Austin. Since Oak Hill Bank and Austin Bank are each subsidiaries of Austin Bancshares, there is no meaningful existing competition between them. In addition, it appears that there is no existing competition between any of Applicant's present subsidiaries and the banks proposed to be acquired that would be eliminated by consummation of the proposal.

Although the acquisition of Austin Bank would have no adverse effect on existing competition, the Board is concerned with the adverse effects that the acquisition would have on potential competition. In addition, the Board has some concern for the increase in the concentration of banking resources which would result from this proposal. In recent denials of applications by Texas' first and second largest banking organizations to acquire leading banks in local markets, the Board noted that approval of such proposals would result in an increase in the share of deposits held by the State's largest organizations as well as an increase in the size disparity between those financial institutions and the State's other bank holding companies.²

¹In addition, three *de novo* banks have been opened during 1974.

²Board's Orders denying the applications of First International Bancshares, Inc., Dallas, Texas, to acquire Citizens First National Bank of Tyler, Tyler, Texas (1974 Federal Reserve BULLETIN 43); and First National Bank of Waco, Waco, Texas (1974 Federal Reserve BULLETIN 290); and First City Bancorporation of Texas, Inc., Houston, Texas, to acquire The Lufkin National Bank, Lufkin, Texas (1974 Federal Reserve BULLETIN 450).

As noted above, the Board views with some concern the effect of Applicant's acquisition of the Austin Bank on banking competition and concentration in the State as a whole. However, the Board is *primarily* concerned with the significantly adverse effects that Applicant's acquisitions of Austin Bank would have on the concentration of banking resources within the Austin banking market and on potential competition within that market. Turning first to the subject of concentration, approval of the proposal would establish Applicant as the largest banking organization in the market with control of the market's largest bank in terms of deposits. Austin Bank, as the largest of 19 market banks, controls approximately 23 per cent of the market's total deposits. While Applicant's acquisition of Oak Hill and Austin Bank may not have an immediate effect on the concentration of banking resources in the market, the Board views the acquisition of such a significant competitor as Austin Bank in a concentrated market by one of the State's leading competitors as reducing appreciably the likelihood that the market would become less concentrated and more competitive in the future.

In addition to reducing the likelihood that the market would become less concentrated, Applicant's acquisition of Austin Bank would have significantly adverse effects on potential competition. At the present time, Austin Bank appears to be a viable and effective competitor in the Austin market. It sponsored the formation of a bank holding company and has recently expanded that holding company's operations by establishing a new bank (Oak Hill) within the market. The consummation of the subject proposal would eliminate Austin Bank as a lead bank for a bank holding company that would be able to continue to serve as a meaningful competitor in the Austin market as well as possibly to expand into a regional holding company in Texas.

Even though this proposal represents Applicant's initial entry into the Austin market, the Board is unable to conclude that the proposal is competitively preferable to alternative means of entry available to Applicant. Due in part to its position as the State's capital, the Austin area has experienced exceptionally rapid growth, and the banking market appears particularly attractive for new entry. Applicant has indicated that *de novo* entry into the central business district of Austin is not feasible. However, the record indicates that a charter for a bank in Austin's central business district was recently approved. Furthermore, the

ratios of population to banking office and deposits per banking office are more than twice the State-wide averages. Given this economic climate, as well as the size and expertise of Applicant, it is the Board's view that Applicant's *de novo* entry into the market is a realistic and viable alternative to the acquisition of the market's largest bank. Also, there are smaller independent banks in the market which could serve as entry vehicles for Applicant some time in the future. Accordingly, the Board is of the view that there are reasonable alternative means of entry available to Applicant that would be conducive to promoting competition within the Austin market. Such alternative entry by Applicant would introduce a new and aggressive banking competitor to the market and, ultimately, could serve to reduce the concentration level within the market.

On the basis of the foregoing and other facts of record, the Board concludes that Applicant's acquisition of the Austin Bank would have significantly adverse effects on the concentration of banking resources and on potential competition with respect to the Austin banking market. Accordingly, it is the Board's view that considerations relating to the competitive factors weigh against approval of Applicant's proposal to acquire Austin Bank.

Regarding Applicant's application to acquire Oak Hill Bank, the Board finds that the proposed acquisition would have no significantly adverse effects on either existing or future competition. Accordingly, competitive considerations are consistent with approval of that application.

The financial and managerial resources and future prospects of Austin Bank and Oak Hill Bank, and of Applicant and its present subsidiary banks, are regarded as satisfactory and consistent with approval of the applications. Although the proposed affiliation of Applicant with Austin Bank and with Oak Hill Bank would make available to these institutions Applicant's expertise in various banking services, these considerations relating to the convenience and needs of the communities to be served do not, in the Board's judgment, outweigh the significantly adverse competitive effect of Applicant's proposal to acquire Austin Bank. Under the terms of the agreement entered into between Applicant and Austin Bancshares, Applicant may not make a partial acquisition of the assets of Austin Bancshares. Accordingly, the applications to acquire both Austin Bank and Oak Hill Bank are denied on the grounds hereinbefore

stated relating to Austin Bank.

On the basis of the record, it is the Board's judgment that consummation of the proposal would not be in the public interest, and the applications are denied for the reasons summarized above.

By order of the Board of Governors, effective January 22, 1975.

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

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

Dissenting Statement of Governor Sheehan

I would approve the applications of Texas Commerce Bancshares to acquire Austin National Bank and Oak Hill National Bank. I disagree with the majority in its conclusion that the proposed acquisitions would adversely affect competition and the concentration of banking resources. On the contrary, I believe the proposed acquisitions would foster competition by providing the State's capital and the Austin banking market with a larger and more aggressive source of banking services, thereby producing significant benefits to the public. Moreover, the proposal will enhance the ability of Texas Commerce to compete in national markets.

Reviewing the issues of competition and concentration, it should be noted that Applicant's nearest existing banking office to Austin is located 160 miles southeast in Houston, Texas. The potential for meaningful competition developing between Austin Bank and Applicant's other offices is remote, if not nonexistent. It is also significant that the data indicates that Applicant would not control the dominant bank in the market through its acquisition of Austin Bank. A subsidiary of the BanCapital Financial Corporation in Austin, Texas, at midyear 1974, had total assets in excess of those held by Austin National, and held deposits comparable to those of Austin Bank. Moreover, the absolute size of the Austin Bank is mitigated to some extent by the nature of its deposit structure. For example, about \$73 million of its total deposits are represented by deposits from the State government and political subdivisions and another \$20 million represents correspondent bank accounts. If these deposits are disregarded, Austin Bank emerges as a relatively small bank in terms

of the other large banks in the more important banking markets in Texas. Accordingly, in view of the above facts, I would not conclude, as does the majority, that the proposal would have an adverse effect on competition and the concentration of banking resources.

The Board's majority indicates its preference that Applicant should enter the Austin market either by *de novo* expansion or through the acquisition of a smaller bank. I disagree. Approval of the present proposal to acquire Austin Bank is a reasonable means whereby Applicant could have an immediate and meaningful impact in fostering the economic development in this important State market. Approval would also enhance Applicant's ability to serve the national and international needs of the large Texas corporations which are, to a large extent, presently served by out-of-State banking institutions. *De novo* expansion or acquisition of one of the smaller banks in the market would not produce such similar beneficial effects on the economy of Texas and the Austin area. The proposed affiliation would immediately expand Austin Bank's credit capabilities, thereby enabling it to meet the financial needs of the large commercial customers in the area. Applicant would also make available to Austin Bank its expertise in services involving international banking, trusts, and investments. Also, Applicant's consumer related services would be available to Austin Bank and Oak Hill Bank. In my opinion, it is imperative that financial institutions operating in Texas and in Austin, the State capital, possess the expertise and financial capabilities of meeting the expanding needs of the Texas economy.

For the foregoing reasons, I would approve the applications.

ORDER UNDER SECTION 4 OF BANK HOLDING COMPANY ACT

UNION BOND & MORTGAGE COMPANY,
PORT ANGELES, WASHINGTON

*Order Denying Acquisition of
Union Bond Insurance Agency, Inc.*

Union Bond & Mortgage Company, Port Angeles, Washington, a bank holding company

within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y to acquire 51 per cent of the shares of Union Bond Insurance Agency, Inc., Port Angeles, Washington ("Agency") and thereafter to engage in the sale as agent or broker in the following types of insurance: credit life and disability insurance; auto insurance covering collision, fire, theft, property damage, bodily injury, uninsured motorist, and medical payments on occupants; commercial and residential fire insurance; marine insurance; trailer and mobile home insurance; cycle insurance; general liability insurance; commercial insurance including blanket bond and registered mail liability, fidelity bonds, and a small percentage of noncredit-related insurance of the types mentioned above as a matter of convenience to the public (excepting credit life and disability insurance). The sale of certain insurance coverages is an activity that has previously been determined by the Board to be closely related to banking (12 CFR 225.4(a)(9)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (39 FR 21090). The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those of the National Association of Insurance Agents, Inc., the Independent Insurance Agents and Brokers of Washington, and the Clallam County Insurance Agents Association, in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant controls four banks holding aggregate deposits of \$86.8 million representing about 1 per cent of the total deposits in commercial banks in Washington. Applicant is the eleventh largest banking organization in the State.

Agency was organized in 1954 to assume the insurance business formerly operated by Applicant's lead bank. Agency presently operates as a general insurance agency in a community with a population in excess of 20,000 persons. Its annual gross premiums represent less than 3 per cent of the total gross premiums accounted for by members of the Clallam County Insurance Agents Association. The operation of a general insurance agency is an activity not previously determined by the Board to be closely related to banking. Moreover, Board authorization permitting a bank holding company to engage in the sale of insurance

otherwise sold as a matter of convenience to the purchaser is not designed to permit entry into the general insurance agency business (see 12 CFR 225.128(e)). It appears that Agency's current scope of operations includes the sale of certain insurance coverages which have not previously been determined by the Board to be permissible under § 225.4(a)(9) of Regulation Y. Such insurance coverages currently being offered by Agency include registered mail liability, comprehensive blanket policies for commercial vendors, miscellaneous indemnity bonds, and court bonds.

Applicant has provided a summary of the total insurance premiums obtained by Agency in 1973 which indicates that approximately 60 per cent of its insurance premiums were derived through the sale of insurance that was directly related to extensions of credit by its lead bank, First National Bank of Port Angeles. In addition, 4.6 per cent of Agency's premiums in 1973 were derived through the sale of insurance covering the First National Bank of Port Angeles and its employees; the remainder of all insurance sold by Agency appears to be noncredit-related. Approximately 4.9 per cent of Agency's premium income is classified by Applicant as "walk-in" business representing new business that Agency had not solicited through any business relationship, while the remainder, approximating 30 per cent, is classified as "renewal" business representing a continuation of insurance policies *originated* through extensions of credit but which are no longer credit related and do not require a loss payee endorsement.

In order to approve the subject application, § 4(c)(8) of the Act requires the Board to determine initially that the activities of Agency are so closely related to banking or managing or controlling banks as to be a proper incident thereto. It appears that many of the insurance coverages sold by Agency protect collateral in which Applicant's lead bank has a security interest as a result of an extension of credit and therefore would qualify as permissible insurance agency activities under § 225.4(a)(9)(ii)(a) of the Board's Insurance Regulation. However, as noted above, approximately 30 per cent of Agency's premium income is derived from renewal business that originally supported the lending transactions of a bank or bank-related firm in the holding company system but is sold now only as a convenience to the purchaser since the credit extension has been repaid. Applicant contends that such renewal business does not

constitute a significant portion of the aggregate insurance premium income since it was originally credit related.

The Board has previously indicated through an interpretation to § 225.4(a)(9) of Regulation Y that a renewal of insurance, after the credit extension has been repaid, would be regarded as closely related to banking only to the extent that such renewal is permissible under § 225.4(a)(9)(ii)(c) of Regulation Y (12 CFR 225.128(c)(3)). In the Board's judgment, the nexus between insurance protecting collateral in which a bank or bank-related firm has a security interest and an extension of credit or provision of other financial service by such bank or bank-related firm is severed upon repayment of the credit extension or termination of the financial service. Consequently, the permissibility of such renewal business, and its close relationship to banking, is dependent upon its ability to qualify as "convenience" sales under § 225.4(a)(9)(ii)(c) of the Insurance Regulation, which limits the sale of such insurance to:

Insurance that is otherwise sold as a matter of convenience to the purchaser, so long as the premium income from sales within . . . subdivision (ii)(c) does not constitute a significant portion of the aggregate insurance premium income of the holding company from insurance sold pursuant to this subdivision (ii).

The Board has previously defined the term "significant portion" as used with regard to premium income attributable to convenience sales of the holding company as income amounting to "less than 5 per cent of the aggregate insurance premium income of the holding company system from insurance sold pursuant to § 225.4(a)(9)(ii)." (See 12 CFR 225.128(c)(3)). The Board hereby reaffirms its view that this limitation, or one similar to it, is a necessary and proper means of insuring that the close relationship originally found between banking and certain insurance agency activities deemed permissible under the Insurance Regulation continues to exist.¹ The proposal now before

¹The Board's view in this respect would not be affected by a proposed revision to clarify the definition of insurance sold as a matter of convenience to borrowers under Regulation Y which would, in effect, limit the amount of convenience insurance sold by each insurance-selling subsidiary office to less than 5 per cent of that office's total insurance premium income (see 39 F.R. 28536 and 39 F.R. 34682). The Board's decision in the instant Order is based solely on the Insurance Regulation as presently drafted; no determination has been made by the Board on the proposed revision, nor is any implied herein.

the Board goes well beyond the prescribed limitation for "convenience" sales, as Agency's renewal business alone represents 30 per cent of its total premium income. Accordingly, the Board is unable to find a close relationship between the activities of Agency and the business of banking or managing or controlling banks.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8), that the insurance agency activities conducted by Agency are not closely related to banking and that the application should be, and hereby is, denied.

By order of the Board of Governors, effective January 8, 1975.

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

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

ORDER UNDER BANK MERGER ACT

CHEMICAL BANK, NEW YORK,
NEW YORK

Order Approving Acquisition of Assets

Chemical Bank, New York, New York (total deposits \$17.6 billion) a member State bank of the Federal Reserve System, has applied, pursuant to the Bank Merger Act (12 U.S.C. 1828(c)), for the Board's approval to acquire substantially all of the assets and assume substantially all of the liabilities of Security National Bank, Hempstead, New York ("Security") (total deposits \$1.3 billion) and, as an incident thereto, to operate the present offices of Security as branches.

Published notice of the proposed acquisition of assets and assumption of liabilities and requests for reports on the competitive factors involved therein have been dispensed with as authorized by the Bank Merger Act.

The Board has considered all relevant material contained in the record in the light of the factors set forth in the Act, including the effect of the proposal on competition, the financial and managerial resources and prospects of the banks involved, and the convenience and needs of the communities to be served.

On the basis of the information before the Board, including information from the Comptroller of the Currency, the Board finds that an emergency situation exists so as to require that the Board act immediately pursuant to the provisions of the Bank Merger Act.

Such anticompetitive effects as will be attributable to consummation of the transaction will be clearly outweighed in the public interest by considerations relating to and involved in the emergency situation found to exist. From the record in the case, it does not appear that there are reasonable alternative acquisition possibilities available at this time. Accordingly, it is the Board's judgment that any disposition of the application other than approval would be inconsistent with the public interest, and the Board concludes that the proposed transaction should be approved on a basis that would not preclude immediate consummation of the proposal.

It is hereby ordered, on the basis of the record, that the application be and hereby is approved and that the acquisition of assets and assumption of liabilities and the establishment of the branch offices may be consummated immediately but in no event later than three months after the date of this Order unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors, effective January 19, 1975.

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

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

ORDERS NOT PRINTED IN THIS ISSUE

During January 1975, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies of the orders are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Gracemont Bankcorporation, Inc., Gracemont, Oklahoma	The First National Bank of Gracemont, Gracemont, Oklahoma	1/6/75	40 F.R. 2766 1/15/75
Southwest National Corporation, Albuquerque, New Mexico	The Carlsbad National Bank, Carlsbad, New Mexico; The Bank of Las Vegas, Las Vegas, New Mexico; and Southwest National Bank, Albuquerque, New Mexico	1/22/75	40 F.R. 5405 2/5/75

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
First International Bancshares, Inc., Dallas, Texas	North Austin State Bank, Austin, Texas	1/17/75	40 F.R. 4189 1/28/75
KAYCO Investment Corporation, Nevada, Missouri	The First National Bank of Golden City, Golden City, Missouri	1/17/75	40 F.R. 4191 1/28/75
Worcester Bancorp, Inc., Worcester, Massachusetts	The Peoples National Bank of Marlborough, Marlborough, Massachusetts	1/13/75	40 F.R. 3343 1/21/75

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

<i>Applicant</i>	<i>Nonbanking company (or activity)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Equitable Bancorporation, Baltimore, Maryland	Equiban Life Insurance Company, Phoenix, Arizona	1/20/75	40 F.R. 4047 1/27/75
Union Commerce Corporation, Cleveland, Ohio	Union Commerce Life Insurance Company, Phoenix, Arizona	1/21/75	40 F.R. 3343 1/21/75

**ORDERS UNDER SECTIONS 3 AND 4 OF BANK HOLDING COMPANY ACT—
APPLICATIONS TO FORM BANK HOLDING COMPANY AND ENGAGE IN NON-
BANKING ACTIVITIES**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Nonbanking company (or activity)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
BBHC, Ltd., Anamosa, Iowa	Onslow Savings Bank, Onslow Iowa	Insurance agency activities	1/29/75	40 F.R. 5826 2/7/75
Coronado, Inc., Sterling, Kansas	The Farmers State Bank, Sterling, Kansas	The Farmers State Agency, Sterling, Kansas	1/29/75	40 F.R. 5827 2/7/75
F.N.B. Corporation, Sharon, Pennsylvania	First National Bank of Mercer County, Green- ville, Pennsylvania	Citizens Budget Co. Youngstown, Youngs- town, Ohio	1/20/75	40 F.R. 4190 1/28/75
LaCrosse Insurance, Inc., LaCrosse, Kansas	The Farmers and Merchants State Bank of Rush County, LaCrosse, Kansas	LaCrosse Insurance Agency, LaCrosse, Kansas	1/24/75	40 F.R. 5403 2/5/75
Mingo Insurance Agency, Mingo, Iowa	Mingo Trust and Savings Bank, Mingo, Iowa	Insurance agency activities	1/24/75	40 F.R. 5403 2/5/75
United Kentucky, Inc., Louisville, Kentucky	The Louisville Trust Company, Louisville, Kentucky	Louisville Mortgage Service Corporation, Louisville, Kentucky	1/6/75	40 F.R. 2767 1/15/75
PBC Financial Corpo- ration, Oklahoma City, Oklahoma	Farmers & Mer- chants Bank, Eufaula, Oklahoma	Finance company activities	1/22/75	40 F.R. 4365 1/29/75

**ORDER UNDER BANK MERGER ACT—
APPLICATION TO MERGE, CONSOLIDATE, OR ACQUIRE ASSETS**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
The Louisville Trust Company, Louisville, Kentucky	The Louisville Trust Bank Company, Louisville, Kentucky	1/6/75	40 F.R. 2766 1/15/75

ORDERS ISSUED BY FEDERAL RESERVE BANKS

During January, 1975, applications were approved by the Federal Reserve Banks under delegated authority as listed below. The orders have been published in the Federal Register, and copies of the orders are available upon request to the Reserve Bank.

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Broward Bancshares, Inc., Fort Lauderdale, Florida	Northwood Bank of West Palm Beach, West Palm Beach, Florida	Atlanta	1/3/75	40 F.R. 2624 1/14/75
Florida Bankshares, Inc., Hollywood, Florida	First National Bank of Miramar, Miramar, Florida	Atlanta	1/3/75	40 F.R. 2624 1/14/75
First Community Bancor- poration, Joplin, Missouri	Bank of Wheaton, Wheaton, Missouri	Kansas City	1/21/75	40 F.R. 3341 1/21/75

Announcements

CHANGE IN DISCOUNT RATE

The Board of Governors approved actions by the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Minneapolis, Dallas, and San Francisco, reducing the discount rates of those Banks from $7\frac{1}{4}$ to $6\frac{3}{4}$ per cent, effective February 5. The Board of Governors approved similar actions by the directors of the Federal Reserve Bank of Chicago effective February 6, 1975, and by the directors of the Federal Reserve Banks of St. Louis and Kansas City effective February 7. At that time the rate was $6\frac{3}{4}$ per cent at all Reserve Banks.

The Board's action was taken in recognition of the reductions that have occurred over recent weeks in other short-term interest rates.

The discount rate is the interest rate charged member commercial banks for borrowings from their district Federal Reserve Banks.

(The Board of Governors had previously approved action by the directors of the Federal Reserve Bank of Kansas City reducing the discount rate of that Bank from $7\frac{1}{4}$ per cent to $7\frac{1}{4}$ per cent, effective January 24, 1975.)

FEDERAL OPEN MARKET COMMITTEE MINUTES

The Federal Reserve announced on January 27, 1975, that minutes of discussions and actions at the meetings of the Federal Open Market Committee during 1969 were being transferred to the National Archives.

These minutes are contained in approximately 1,400 pages of typed material. Their transfer was arranged on the understanding that the National Archives will make them available for inspection by interested persons under its usual rules and procedures.

Similar records for earlier years are already

available at the National Archives on the same basis. The National Archives will furnish complete microfilm copies of these earlier minutes for a fee, and will be prepared later to furnish similar copies of the 1969 minutes.

Copies of the minutes for 1969 will also be made available later for public inspection at the Board's offices in Washington and at each Federal Reserve Bank and branch, the same procedure followed with respect to earlier records. Meanwhile, a work copy is available for inspection at the Board's offices, and another at the Federal Reserve Bank of New York.

Release of the minutes from 1962 on has presented special problems involving international financial relationships. A number of passages have been deleted from the minutes for 1962 through 1969, with a footnote in each case indicating the general nature or subject of the deleted matter.

CHANGES IN BOARD STAFF

The Board of Governors has announced the following appointments to its official staff:

John H. Kalchbrenner, Assistant Vice President and Senior Economist, Federal Reserve Bank of Chicago, has been named an Associate Adviser in the Division of Research and Statistics. Mr. Kalchbrenner received his B.A. and M.A. degrees at the University of Iowa and his Ph.D. from the University of Wisconsin. He was employed at the Board from 1968 until 1972 when he transferred to the Federal Reserve Bank of Chicago.

Tyler E. Williams, Jr., has been appointed Assistant Controller in the Office of the Controller, effective February 16, 1975. Mr. Williams, formerly employed by the Office of the Secretary of Defense, has been associated with the Office of the Army Comptroller and the Department of Commerce. He holds a B.S. and M.S. from the Illinois Institute of Technology.

ADMISSION OF STATE BANKS
TO MEMBERSHIP IN THE
FEDERAL RESERVE SYSTEM

The following banks were admitted to membership
in the Federal Reserve System during the period
January 16, 1975, through February 15, 1975:

Florida

Lake Wales American Bank
of Lake Wales

North Carolina

Eden Bank of Eden

Industrial Production

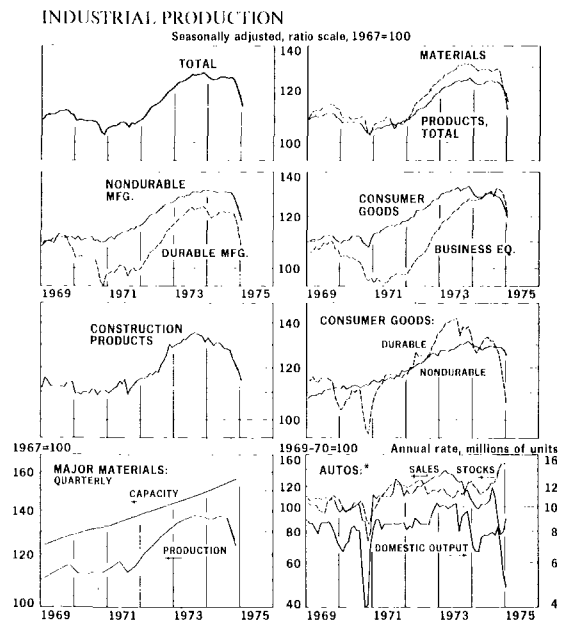
Released for publication February 13

Industrial production declined by an estimated 3.6 per cent in January following a drop of 3.1 per cent (revised) in December. The total index in January at 113.7 per cent of the 1967 average was 9½ per cent below September 1974. As in November and December, the January curtailments were large and widespread among consumer goods, business equipment, and industrial materials.

Auto assemblies dropped one-tenth further last month to an annual rate of 4.8 million units. At the same time sales of new cars increased about one-tenth from December, and at the end of January the large overhang of new car stocks was down 12 per cent from a month earlier. Output of other durable and nondurable consumer goods also declined in January. Production of business equipment was reduced about 4½ per cent, following a 3 per cent decline in December, and was 8½ per cent below the September 1974 high. Output of construction products dropped further in January.

Production of industrial materials was again curtailed very sharply, reflecting widespread efforts to reduce excessive inventories. Output of steel, other metal materials, textiles, paper, and

chemicals was reduced substantially. Coal production, however, rose 37 per cent with the final settlement of work stoppages.



Industrial production	Seasonally adjusted 1967 = 100			Per cent changes from		Per cent changes, annual rate		
	1974		1975	Month ago	Year ago	1974		
	Nov.	Dec. ^b	Jan. ^c			Q2	Q3	Q4
Total	121.7	117.9	113.7	3.6	9.3	1.9	-1.3	-12.4
Products, total	121.4	118.7	115.2	-2.9	-6.3	2.6	.6	-8.4
Final products	120.9	118.1	114.5	3.0	-5.6	3.0	2.0	-6.9
Consumer goods	126.5	123.3	119.8	2.8	7.3	2.5	0	10.8
Durable goods	120.1	112.1	105.3	6.1	17.9	14.7	4.5	-34.5
Nondurable goods	128.8	127.5	125.4	-1.6	3.2	2.2	2.2	-2.2
Business equipment	130.9	127.0	121.1	4.6	-4.5	7.2	4.0	-2.4
Intermediate products	122.9	121.1	117.7	2.8	-8.9	1.2	3.7	-15.3
Construction products	121.3	118.9	115.0	3.3	13.5	2.7	7.7	21.0
Materials	121.9	116.3	111.5	4.1	14.0	.3	-.9	-20.2

^aPreliminary.

^cEstimated.

Financial and Business Statistics

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SYMBOLS AND ABBREVIATIONS

e	Estimated	N.S.A.	Monthly (or quarterly) figures not adjusted for seasonal variation
c	Corrected	IPC	Individuals, partnerships, and corporations
p	Preliminary	SMSA	Standard metropolitan statistical area
r	Revised	A	Assets
rp	Revised preliminary	L	Liabilities
I, II,		S	Sources of funds
III, IV	Quarters	U	Uses of funds
n.e.c.	Not elsewhere classified	*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
A.R.	Annual rate	....	(1) Zero, (2) no figure to be expected, or (3) figure delayed
S.A.	Monthly (or quarterly) figures adjusted for seasonal variation		

GENERAL INFORMATION

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

A heavy vertical rule is used in the following instances: (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures

also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

The footnotes labeled NOTE (which always appear last) provide (1) the source or sources of data that do not originate in the System; (2) notice when figures are estimates; and (3) information on other characteristics of the data.

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MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS

(In millions of dollars)

Period or date	Factors supplying reserve funds								Treasury currency outstanding	
	Reserve Bank credit outstanding						Gold stock	Special Drawing Rights certificate account		
	U.S. Govt. securities ¹			Loans	Float ³	Other F.R. assets ⁴				Total ⁵
	Total	Bought outright ²	Held under repurchase agreement							
Averages of daily figures										
1939—Dec.....	2,510	2,510	.....	8	83	.....	2,612	17,518	.....	2,956
1941—Dec.....	2,219	2,219	.....	5	170	.....	2,404	22,759	.....	3,239
1945—Dec.....	23,708	23,708	.....	381	652	.....	24,744	20,047	.....	4,322
1950—Dec.....	20,345	20,336	9	142	1,117	.....	21,606	22,879	.....	4,629
1960—Dec.....	27,248	27,170	78	94	1,665	.....	29,060	17,954	.....	5,396
1968—Dec.....	52,529	52,454	75	765	3,251	.....	56,610	10,367	.....	6,810
1969—Dec.....	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367	.....	6,841
1970—Dec.....	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Dec.....	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.....	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Dec.....	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Jan.....	80,793	80,608	185	1,044	3,385	1,258	86,568	11,567	400	8,705
Feb.....	80,801	80,551	250	1,186	2,300	1,117	85,493	11,567	400	8,747
Mar.....	80,686	80,184	502	1,352	1,816	960	84,943	11,567	400	8,767
Apr.....	81,567	80,873	694	1,714	2,295	1,160	86,907	11,567	400	8,807
May.....	83,434	82,037	1,397	2,580	2,025	1,093	89,405	11,567	400	8,838
June.....	82,812	81,859	953	3,000	2,114	1,106	89,254	11,567	400	8,877
July.....	84,313	83,496	817	3,308	2,267	1,343	91,554	11,567	400	8,905
Aug.....	84,493	84,221	272	3,351	1,983	1,258	91,367	11,567	400	8,951
Sept.....	84,384	84,049	335	3,287	2,239	1,349	91,617	11,567	400	8,992
Oct.....	83,735	83,303	432	1,793	2,083	2,984	90,971	11,567	400	9,041
Nov.....	84,052	83,395	657	1,285	2,409	3,171	91,302	11,567	400	9,113
Dec.....	86,679	85,202	1,477	703	2,734	3,129	93,967	11,630	400	9,179
1975—Jan.....	86,039	85,369	670	390	2,454	3,391	93,000	11,647	400	9,235
Week ending—										
1974—Nov. 6.....	83,662	83,217	445	1,125	2,086	3,466	90,658	11,567	400	9,080
13.....	82,421	82,421	.....	1,097	2,466	3,484	89,689	11,567	400	9,099
20.....	83,959	83,480	479	1,367	3,018	2,967	91,667	11,567	400	9,118
27.....	85,212	84,076	1,136	1,479	2,060	2,917	92,159	11,567	400	9,128
Dec. 4.....	85,559	83,967	1,592	1,070	2,768	3,113	93,186	11,567	400	9,168
11.....	85,445	84,925	520	648	2,545	3,053	92,238	11,603	400	9,163
18.....	85,842	85,157	685	818	2,569	3,047	92,859	11,652	400	9,178
25.....	88,242	85,761	2,481	662	2,285	3,141	95,124	11,652	400	9,194
1975—Jan. 1.....	87,903	85,746	2,157	561	3,261	3,205	95,962	11,652	400	9,221
8.....	86,317	85,587	730	312	3,456	3,291	94,076	11,652	400	9,216
15.....	85,520	85,381	139	608	2,628	3,309	92,698	11,652	400	9,235
22.....	86,105	85,191	914	594	2,100	3,443	92,956	11,652	400	9,239
29.....	86,341	85,448	893	143	1,965	3,490	92,730	11,635	400	9,246
End of month										
1974—Nov.....	85,709	84,471	1,238	1,225	2,565	2,899	93,009	11,567	400	9,206
Dec.....	85,714	84,760	954	299	2,001	3,195	92,208	11,652	400	9,253
1975—Jan.....	86,134	85,076	1,058	101	1,360	3,518	92,079	11,635	400	9,264
Wednesday										
1974—Nov. 6.....	84,592	83,253	1,339	839	2,553	3,479	91,869	11,567	400	9,075
13.....	81,175	81,175	.....	625	3,676	3,379	89,071	11,567	400	9,104
20.....	83,472	82,325	1,147	2,536	3,742	2,913	93,234	11,567	400	9,118
27.....	86,764	83,948	2,816	1,756	2,112	2,922	94,384	11,567	400	9,136
Dec. 4.....	82,271	81,447	824	315	2,927	2,947	89,068	11,567	400	9,141
11.....	86,187	84,878	1,309	1,159	3,077	3,047	94,204	11,652	400	9,170
18.....	87,967	85,679	2,288	1,384	3,117	3,248	96,433	11,652	400	9,184
25.....	89,258	85,985	3,273	426	2,463	3,154	96,164	11,652	400	9,208
1975—Jan. 1.....	85,714	84,760	954	299	2,001	3,195	92,208	11,652	400	9,253
8.....	82,726	82,726	.....	125	2,910	3,460	89,815	11,652	400	9,235
15.....	85,176	85,048	128	2,889	2,636	3,493	94,864	11,652	400	9,237
22.....	89,306	85,325	3,981	2,444	2,063	3,928	98,724	11,652	400	9,242
29.....	86,305	85,141	1,164	159	2,636	3,598	93,577	11,635	400	9,264

¹ Includes Federal agency issues held under repurchase agreements beginning Dec. 1, 1966, and Federal agency issues bought outright beginning Sept. 29, 1971.

² Excludes (if any), securities sold and scheduled to be bought back under matched sale-purchase transactions, but includes (if any), beginning 1969, securities loaned—fully guaranteed by U.S. Govt. securities pledged with F.R. Banks.

³ Beginning with 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p. 164.

⁴ Beginning Apr. 16, 1969, "Other F.R. assets" and "Other F.R. liabilities and capital" are shown separately; formerly, they were

on Wed. and end-of-month dates, see table on F.R. Banks on p. A-12. See also note 3.

⁵ Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with F.R. Banks in connection with voluntary participation by nonmember institutions in the Federal Reserve System's program of credit restraint.

As of Dec. 12, 1974, the amount of voluntary nonmember and foreign agency and branch deposits at F.R. Banks that are associated with marginal reserves are no longer reported. However, deposits voluntarily held by agencies and branches of foreign banks operating in the United States

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS—Continued

(In millions of dollars)

Factors absorbing reserve funds										Period or date
Currency in circulation	Treasury cash holdings	Deposits, other than member bank reserves, with F.R. Banks			Other F.R. accounts ⁴	Other F.R. liabilities and capital ⁴	Member bank reserves			
		Treasury	Foreign	Other ^{3,6}			With F.R. Banks	Currency and coin ⁷	Total ⁸	
Averages of daily figures										
7,609	2,402	616	739		248		11,473		11,473	1939—Dec.
10,985	2,189	592	1,531		292		12,812		12,812	1941—Dec.
28,452	2,269	625	1,247		493		16,027		16,027	1945—Dec.
27,806	1,290	615	920	353	739		17,391		17,391	1950—Dec.
33,019	408	522	250	495	1,029		16,688	2,595	19,283	1960—Dec.
50,609	756	360	225	458	-1,105		22,484	4,737	27,221	1968—Dec.
53,591	656	1,194	146	458		2,192	23,071	4,960	28,031	1969—Dec.
57,013	427	849	145	735		2,265	23,925	5,340	29,265	1970—Dec.
61,060	453	1,926	290	728		2,287	25,653	5,676	31,329	1971—Dec.
66,060	350	1,449	272	631		2,362	24,830	6,095	31,353	1972—Dec.
71,646	323	1,892	406	717		2,942	28,352	6,635	35,068	1973—Dec.
70,962	349	2,488	427	713		2,904	29,396	7,192	36,655	1974—Jan.
70,411	342	2,972	293	682		2,932	28,574	6,601	35,242	Feb.
71,081	334	1,803	311	699		2,998	28,450	6,450	34,966	Mar.
72,176	308	1,712	328	702		2,985	29,469	6,402	35,929	Apr.
72,876	286	3,000	320	699		3,168	29,861	6,600	36,519	May
73,749	293	2,015	491	691		3,187	29,672	6,668	36,390	June
74,556	275	2,795	296	773		3,216	30,514	6,824	37,338	July
74,709	283	2,633	326	831		3,240	30,264	6,765	37,029	Aug.
75,098	303	2,451	456	766		3,345	30,156	6,920	37,076	Sept.
75,654	315	1,601	294	869		3,260	29,985	6,811	36,796	Oct.
77,029	302	864	370	770		3,149	29,898	6,939	36,837	Nov.
78,931	220	1,741	357	874		3,266	29,767	7,174	36,941	Dec.
77,780	221	2,087	336	884		3,264	29,711	7,829	37,540	1975—Jan. ^p
Week ending—										
76,060	295	1,049	302	811		3,312	29,875	7,120	36,995	1974—Nov. 6
77,025	300	159	302	703		3,038	29,227	7,252	36,479	13
77,209	300	649	512	781		3,060	30,240	6,572	36,812	20
77,328	307	1,346	303	788		3,174	30,007	6,762	36,769	27
77,952	316	1,464	453	1,024		3,250	29,861	7,100	36,961	Dec. 4
78,496	266	1,303	320	893		3,090	29,035	7,258	36,293	11
78,926	182	926	407	821		3,213	29,615	7,147	36,762	18
79,368	180	2,471	345	752		3,399	29,855	6,990	36,845	25
79,655	189	2,606	333	896		3,339	30,218	7,370	37,588	1975—Jan. 1 ^p
78,922	192	1,850	324	986		3,071	29,999	7,346	37,345	8 ^p
78,191	226	1,352	446	901		3,194	29,678	8,567	38,245	15 ^p
77,431	244	1,618	279	828		3,366	30,481	7,837	38,318	22 ^p
76,666	252	3,005	272	798		3,395	29,623	7,736	37,359	29 ^p
End of month										
77,789	306	1,495	626	799		3,303	29,860	7,100	36,960	1974—Nov. 11
79,743	185	3,113	418	1,275		2,935	25,843	7,370	33,213	Dec. 11
76,341	212	3,540	391	748		3,415	28,731	7,466	36,197	1975—Jan. ^p
Wednesday										
76,710	307	*	318	707		3,046	31,822	7,120	38,942	1974—Nov. 6
77,461	312	256	272	763		2,997	28,080	7,252	35,332	13
77,331	313	1,349	499	639		3,098	31,090	6,572	37,662	20
77,841	327	1,315	274	745		3,259	31,726	6,762	38,488	27
78,349	323	1,568	411	841		3,211	25,473	7,100	32,573	Dec. 4
79,009	207	690	358	924		3,149	31,089	7,258	38,347	11
79,293	192	2,209	266	816		3,332	31,562	7,147	38,709	18
79,842	183	2,671	450	775		3,463	30,040	6,990	37,030	25
79,743	185	3,113	418	1,275		2,935	25,843	7,370	33,213	1975—Jan. 1
78,710	235	741	381	766		3,058	27,211	7,346	34,557	8 ^p
77,946	240	1,366	950	731		3,232	31,689	8,567	40,256	15 ^p
77,136	261	1,857	230	906		3,618	36,010	7,838	43,848	22 ^p
76,638	261	3,442	334	708		3,446	30,047	7,736	37,783	29 ^p

⁷ Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning Jan. 1963, figures are estimated except for weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

⁸ Beginning with week ending Nov. 15, 1972, includes \$450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J

as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, \$279 million; Q2, \$172 million; Q3, \$112 million; Q4, \$84 million. Beginning 1974, Q1, \$67 million, Q2, \$58 million. Transition period ended after second quarter, 1974.

For other notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Large banks ²						All other banks		
	Reserves			Borrowings		New York City		City of Chicago		Other		Excess	Borrowings	
	Total held ¹	Re-quired	Excess ¹	Total	Seasonal	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings			
1939—Dec.	11,473	6,462	5,011	3	.....	2,611	.....	540	.....	1,188	.....	671	3
1941—Dec.	12,812	9,422	3,390	5	.....	989	.....	295	.....	1,303	.....	804	4
1945—Dec.	16,027	14,536	1,491	334	.....	48	.....	192	.....	418	.....	1,011	46
1950—Dec.	17,391	16,364	1,027	142	.....	125	.....	58	.....	232	.....	663	29
1960—Dec.	19,283	18,527	756	87	.....	29	.....	19	.....	4	.....	100	20
1965—Dec.	22,719	22,267	452	454	.....	41	.....	111	.....	15	.....	67	228
1967—Dec.	25,260	24,915	345	238	.....	18	.....	40	.....	8	.....	13	50
1968—Dec.	27,221	26,766	455	765	.....	100	.....	230	.....	15	.....	85	90
1969—Dec.	28,031	27,774	257	1,086	.....	56	.....	259	.....	18	.....	27	6
1970—Dec.	29,265	28,993	272	321	.....	34	.....	25	.....	7	.....	4	42
1971—Dec.	31,329	31,164	165	107	.....	25	.....	35	.....	1	.....	8	-35
1972—Dec.	31,353	31,134	219	1,049	.....	-20	.....	301	.....	13	.....	55	-42
1973—Dec.	35,068	34,806	262	41	.....	-23	.....	74	.....	43	.....	28	282
1974—Jan.	36,655	36,419	236	1,044	.....	18	.....	65	.....	135	.....	-44	17
Feb.	35,242	35,053	189	1,186	.....	17	.....	51	.....	87	.....	-19	18
Mar.	34,966	34,790	176	1,352	.....	32	.....	21	.....	113	.....	-61	65
Apr.	35,929	35,771	158	1,714	.....	50	.....	19	.....	114	.....	69	41
May	36,519	36,325	194	2,580	.....	102	.....	-20	.....	772	.....	29	20
June	36,390	36,259	131	3,000	.....	130	.....	-26	.....	1,303	.....	-8	51
July	37,338	37,161	177	3,308	.....	149	.....	45	.....	1,457	.....	19	70
Aug.	37,029	36,851	178	3,351	.....	165	.....	-58	.....	1,464	.....	6	23
Sept.	37,076	36,885	191	3,287	.....	139	.....	133	.....	1,662	.....	20	17
Oct.	36,796	36,705	91	1,793	.....	117	.....	-49	.....	502	.....	-18	36
Nov.	36,837	36,379	258	1,285	.....	67	.....	-8	.....	257	.....	38	14
Dec.	36,941	36,602	339	703	.....	32	.....	132	.....	80	.....	5	18
1975—Jan. ^p	37,540	37,582	-42	390	.....	13	.....	-200	.....	156	.....	-23	16
Week ending—														
1974—Jan. 2	35,656	35,268	388	1,210	.....	31	.....	80	.....	140	.....	-6	141
9	36,296	36,210	86	776	.....	19	.....	2	.....	271	.....	-47	44
16	37,702	37,374	328	988	.....	20	.....	59	.....	45	.....	16	.....
23	36,610	36,693	-83	1,182	.....	13	.....	-114	.....	183	.....	-12	.....
30	36,139	35,880	259	1,220	.....	17	.....	104	.....	20	.....	-57	.....
1974—July 3	37,274	36,905	369	3,435	.....	127	.....	9	.....	1,412	.....	111	137
10	36,868	36,590	278	2,640	.....	136	.....	90	.....	1,339	.....	1	52
17	37,824	37,840	-16	3,175	.....	150	.....	-75	.....	1,536	.....	26	15
24	37,417	37,302	115	3,641	.....	156	.....	17	.....	1,538	.....	-41	80
31	37,204	37,020	184	3,690	.....	163	.....	33	.....	1,431	.....	1	38
Aug. 7	36,920	36,692	228	3,089	.....	174	.....	-7	.....	1,420	.....	9	24
14	36,936	36,823	113	3,041	.....	160	.....	20	.....	1,431	.....	8	24
21	37,156	36,947	209	3,437	.....	167	.....	-32	.....	1,447	.....	-2	23
28	37,066	36,920	146	3,533	.....	161	.....	105	.....	1,457	.....	31	21
Sept. 4	37,239	36,918	321	3,906	.....	152	.....	-66	.....	1,729	.....	40	19
11	36,737	36,628	109	3,084	.....	132	.....	127	.....	1,567	.....	-35	20
18	37,086	37,004	82	2,921	.....	134	.....	-150	.....	1,517	.....	15	16
25	36,946	36,872	74	3,531	.....	141	.....	80	.....	1,782	.....	12	10
Oct. 2	37,533	37,077	456	3,218	.....	143	.....	67	.....	1,756	.....	9	17
9	36,601	36,656	-55	2,245	.....	132	.....	-26	.....	1,245	.....	-20	10
16	37,415	37,088	327	1,744	.....	121	.....	41	.....	219	.....	27	135
23	36,456	36,615	-159	1,322	.....	108	.....	-101	.....	148	.....	-12	2
30	36,819	36,576	243	1,638	.....	105	.....	109	.....	96	.....	-9	11
Nov. 6	36,995	36,672	323	1,125	.....	78	.....	54	.....	68	.....	-32	.....
13	36,479	36,335	144	1,097	.....	70	.....	-15	.....	188	.....	-29	30
20	36,812	36,785	27	1,367	.....	64	.....	-16	.....	465	.....	8	29
27	36,769	36,459	310	1,479	.....	63	.....	69	.....	243	.....	27	.....
Dec. 4	36,961	36,678	283	1,070	.....	51	.....	141	.....	226	.....	4	.....
11	36,293	36,452	-159	648	.....	35	.....	-173	.....	73	.....	-36	26
18	36,762	36,545	217	818	.....	31	.....	59	.....	60	.....	23	54
25	36,845	36,416	429	662	.....	29	.....	137	.....	72	.....	52	.....
1975—Jan. 1	37,588	37,011	577	561	.....	24	.....	-8	.....	83	.....	61	.....
8 ^p	37,345	37,167	178	312	.....	19	.....	-80	.....	36	.....	-67	.....
15 ^p	38,245	38,258	-13	608	.....	13	.....	-147	.....	317	.....	4	69
22 ^p	38,318	38,075	243	594	.....	12	.....	-11	.....	328	.....	-4	.....
29 ^p	37,359	37,174	185	143	.....	10	.....	-94	.....	.....	.....	-4	.....

¹ Beginning with week ending Nov. 15, 1972, includes \$450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, \$279 million; Q2, \$172 million; Q3, \$112 million; Q4, \$84 million. Beginning 1974, Q1, \$67 million, Q2, \$58 million. Transition period ended after second quarter, 1974.

² Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the *Bulletin*

for July 1972, p. 626. Categories shown here as "Large" and "All other" parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Monthly and weekly data are averages of daily figures within the month or week, respectively.

Borrowings at F.R. Banks: Based on closing figures.

Effective Apr. 19, 1963, the Board's Regulation A, which governs lending by F.R. Banks, was revised to assist smaller member banks to meet the seasonal borrowing needs of their communities.

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending—	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess reserves ¹	Less—		Net—		Gross transactions		Total (two-way transactions) ²	Net transactions		Loans to dealers ³	Borrowings from dealers ⁴	Net loans
		Borrowings at F.R. Banks	Net inter-bank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Purchases	Sales		Purchases of net buying banks	Sales of net selling banks			
<i>Total—46 banks</i>													
1974—Dec. 4.....	311	218	15,382	-15,289	91.1	21,459	6,077	5,297	16,162	780	3,217	956	2,261
11.....	18	91	17,786	-17,860	106.6	23,158	5,372	5,262	17,896	111	3,826	940	2,886
18.....	31	257	17,004	-17,229	99.5	22,575	5,571	4,809	17,766	762	3,952	739	3,213
25.....	261	121	15,512	-15,372	90.1	21,048	5,536	4,619	16,429	917	3,068	767	2,301
1975—Jan. 1.....	271	185	13,872	-13,786	78.6	20,142	6,270	5,124	15,018	1,146	3,042	538	2,505
8.....	136	76	15,609	-15,550	87.9	21,570	5,961	5,239	16,330	722	3,278	565	2,713
15.....	-91	330	15,890	-16,310	88.6	21,062	5,172	4,854	16,208	318	3,121	604	2,516
22.....	-11	244	15,213	-15,468	84.7	20,563	5,350	4,812	15,752	538	2,584	860	1,724
29.....	4	8	13,212	-13,216	74.9	19,233	6,021	5,319	13,915	703	2,548	919	1,629
<i>8 in New York City</i>													
1974—Dec. 4.....	200	82	5,518	-5,400	77.8	6,445	927	927	5,518	.....	1,588	619	969
11.....	-61	37	7,147	-7,245	104.9	7,987	840	840	7,147	.....	2,097	584	1,514
18.....	-22	.....	6,682	-6,704	91.3	7,601	918	918	6,682	.....	2,247	474	1,773
25.....	139	.....	5,383	-5,243	74.0	6,258	876	854	5,405	22	1,493	538	955
1975—Jan. 1.....	67	21	4,816	-4,771	64.7	5,994	1,178	1,178	4,816	.....	1,193	270	923
8.....	72	.....	5,289	-5,218	69.7	6,483	1,193	1,194	5,289	.....	1,459	291	1,167
15.....	-70	206	5,358	-5,633	72.8	6,401	1,043	1,043	5,358	.....	1,388	350	1,037
22.....	-47	203	5,603	-5,853	75.3	6,376	773	773	5,603	.....	1,197	365	832
29.....	-28	.....	4,685	-4,713	63.5	6,004	1,319	1,320	4,684	.....	1,269	427	842
<i>38 outside New York City</i>													
1974—Dec. 4.....	111	136	9,864	-9,889	100.4	15,014	5,150	4,370	10,644	780	1,629	337	1,292
11.....	79	54	10,639	-10,614	107.8	15,171	4,533	4,422	10,749	111	1,729	357	1,373
18.....	53	257	10,322	-10,525	105.6	14,975	4,653	3,891	11,083	762	1,704	265	1,440
25.....	122	121	10,130	-10,129	101.4	14,790	4,660	3,766	11,024	894	1,575	229	1,346
1975—Jan. 1.....	204	164	9,056	-9,016	88.6	14,148	5,092	5,092	10,202	1,146	1,850	268	1,582
8.....	64	76	10,320	-10,332	101.3	15,087	4,768	4,046	11,041	722	1,820	274	1,546
15.....	-21	124	10,532	-10,677	100.1	14,662	4,130	3,812	10,850	318	1,733	254	1,479
22.....	36	41	9,610	-9,616	91.7	14,187	4,677	4,039	10,148	538	1,386	495	891
29.....	32	8	8,528	-8,504	83.1	13,229	4,702	3,999	9,230	703	1,279	492	787
<i>5 in City of Chicago</i>													
1974—Dec. 4.....	37	.....	3,643	-3,606	197.7	4,559	916	916	3,643	.....	346	.....	346
11.....	-14	24	4,233	-4,271	238.5	5,024	791	791	4,233	.....	344	.....	344
18.....	12	54	3,935	-3,977	209.3	4,685	750	750	3,935	.....	302	.....	302
25.....	62	.....	3,642	-3,580	194.1	4,440	798	798	3,642	.....	283	.....	283
1975—Jan. 1.....	99	.....	3,408	-3,309	173.0	4,202	795	795	3,408	.....	287	.....	287
8.....	-19	.....	3,993	-4,013	206.4	4,796	802	803	3,993	.....	329	.....	329
15.....	.....	68	4,031	-4,099	198.7	4,722	691	691	4,031	.....	294	.....	294
22.....	-2	.....	3,405	-3,407	171.8	4,284	879	879	3,406	.....	296	.....	296
29.....	-14	.....	3,384	-3,397	177.5	4,214	830	831	3,384	.....	352	.....	352
<i>33 others</i>													
1974—Dec. 4.....	73	136	6,221	-6,284	78.3	10,455	4,234	3,453	7,001	780	1,283	337	946
11.....	93	30	6,406	-6,343	78.8	10,147	3,742	3,631	6,516	111	1,385	357	1,029
18.....	42	203	6,386	-6,548	81.2	10,289	3,903	3,141	7,148	762	1,403	265	1,138
25.....	59	121	6,488	-6,549	80.4	10,350	3,862	2,968	7,382	894	1,291	229	1,063
1975—Jan. 1.....	105	164	5,648	-5,707	69.1	9,945	4,297	3,151	6,794	1,146	1,563	268	1,295
8.....	83	76	6,326	-6,319	76.6	10,291	3,965	3,243	7,048	722	1,491	274	1,217
15.....	-21	56	6,501	-6,578	76.4	9,940	3,439	3,121	6,819	318	1,439	254	1,185
22.....	34	41	6,205	-6,209	73.0	9,903	3,699	3,160	6,743	538	1,090	495	595
29.....	46	8	5,144	-5,106	61.4	9,015	3,871	3,169	5,847	703	927	492	435

¹ Based upon reserve balances, including all adjustments applicable to the reporting period. Prior to Sept. 25, 1968, carryover reserve deficiencies, if any, were deducted. Excess reserves for later periods are net of all carry-over reserves.

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

³ Federal funds loaned, net funds supplied to each dealer by clearing

banks, repurchase agreements (purchases of securities from dealers subject to resale), or other lending arrangements.

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

NOTE.—Weekly averages of daily figures. For description of series and back data, see Aug. 1964 BULLETIN, pp. 944-74.

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks—									Loans to all others under last par. Sec. 13 ⁴		
	Under Secs. 13 and 13a ¹			Under Sec. 10(b) ²								
				Regular rate			Special rate ³					
	Rate on 1/31/75	Effective date	Previous rate	Rate on 1/31/75	Effective date	Previous rate	Rate on 1/31/75	Effective date ³	Previous rate	Rate on 1/31/75	Effective date	Previous rate
Boston.....	7¼	1/6/75	7¾	7¾	1/6/75	8¼	9	1/6/75	9½	10	4/30/74	9½
New York.....	7¼	1/10/75	7¾	7¾	1/10/75	8¼	9	1/10/75	9½	10	4/25/74	9½
Philadelphia.....	7¼	1/6/75	7¾	7¾	1/6/75	8¼	9	1/6/75	9½	10	4/25/74	9½
Cleveland.....	7¼	1/6/75	7¾	7¾	1/6/75	8¼	9	1/6/75	9½	10	4/25/74	9½
Richmond.....	7¼	1/6/75	7¾	7¾	1/6/75	8¼	9	1/6/75	9½	10	4/25/74	9½
Atlanta.....	7¼	1/13/75	7¾	7¾	1/13/75	8¼	9	1/13/75	9½	10	4/29/74	9½
Chicago.....	7¼	1/10/75	7¾	7¾	1/10/75	8¼	9	1/10/75	9½	10	4/26/74	9½
St. Louis.....	7¼	1/10/75	7¾	7¾	1/10/75	8¼	9	1/10/75	9½	10	4/26/74	9½
Minneapolis.....	7¼	1/10/75	7¾	7¾	1/10/75	8¼	9	1/10/75	9½	10	4/26/74	9½
Kansas City.....	7¼	1/24/75	7¾	7¾	1/24/75	8¼	9	1/24/75	9½	10	4/25/74	9½
Dallas.....	7¼	1/6/75	7¾	7¾	1/6/75	8¼	9	1/6/75	9½	10	4/25/74	9½
San Francisco.....	7¼	1/6/75	7¾	7¾	1/6/75	8¼	9	1/6/75	9½	10	4/25/74	9½

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

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

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

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

SUMMARY OF EARLIER CHANGES

(Per cent per annum)

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1955.....	2½	2½	1964—Nov. 24.....	3½-4	4	1971—Nov. 11.....	4¾-5	5
1956—Apr. 13.....	2½-3	2¾	30.....	4	19.....	4¾	4¾	
20.....	2¾-3	2¾	1965—Dec. 6.....	4 -4½	4½	Dec. 13.....	4½-4¾	4¾
Aug. 24.....	2¾-3	3	13.....	4½	17.....	4½-4¾	4½	
31.....	3	3	1967—Apr. 7.....	4 -4½	4	24.....	4½	4½
1957—Aug. 9.....	3 -3½	3	14.....	4	1973—Jan. 15.....	5	5	
23.....	3½	3½	20.....	4 -4½	4½	Feb. 26.....	5 -5½	5½
Nov. 15.....	3 -3½	3	27.....	4½	4½	Mar. 2.....	5½	5½
Dec. 2.....	3	3	1968—Mar. 15.....	4½-5	4½	Apr. 23.....	5½-5¾	5½
1958—Jan. 22.....	2¾-3	3	22.....	5	5	May 4.....	5¾	5¾
24.....	2¾-3	2¾	Apr. 19.....	5 -5½	5½	11.....	5¾-6	6
Mar. 7.....	2¾-3	2¾	26.....	5½	5½	18.....	6	6
13.....	2¾-3	2¾	Aug. 16.....	5¼-5½	5½	June 11.....	6 -6½	6½
21.....	2¾-3	2¾	30.....	5¼	5¼	15.....	6½	6½
Apr. 18.....	1¾-2¼	1¾	Dec. 18.....	5¼-5½	5½	July 2.....	7	7
May 9.....	1¾	1¾	20.....	5½	5½	Aug. 14.....	7 -7½	7½
Aug. 15.....	1¾-2	1¾	1969—Apr. 4.....	5½-6	6	23.....	7½	7½
Sept. 12.....	1¾-2	2	8.....	6	6	1974—Apr. 25.....	7½-8	8
23.....	2	2	1970—Nov. 11.....	5¾-6	6	30.....	8	8
Oct. 24.....	2 -2½	2	13.....	5¾-6	5¾	Dec. 9.....	7¾-8	7¾
Nov. 7.....	2½	2½	16.....	5¾	5¾	16.....	7¾	7¾
1959—Mar. 6.....	2½-3	3	Dec. 1.....	5½-5¾	5¾	1975—Jan. 6.....	7¼-7¾	7¾
16.....	3	3	4.....	5½-5¾	5½	10.....	7¼-7¾	7¼
May 29.....	3 -3½	3½	11.....	5½	5½	24.....	7¼	7¼
June 12.....	3½	3½	1971—Jan. 8.....	5¼-5½	5¼	In effect, Jan. 31, 1975.....	7¼	7¼
Sept. 11.....	3½-4	4	15.....	5¼	5¼			
18.....	4	4	19.....	5 -5¼	5¼			
1960—June 3.....	3½-4	4	22.....	5 -5¼	5			
10.....	3½-4	3½	29.....	5	5			
14.....	3½	3½	Feb. 13.....	4¾-5	5			
Aug. 12.....	3 -3½	3	19.....	4¾	4¾			
Sept. 9.....	3	3	July 16.....	4¾-5	5			
1963—July 17.....	3 -3½	3½	23.....	5	5			
26.....	3½	3½						

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1956, see *Banking and Monetary Statistics*, 1943, pp. 439-42, and Supplement to Section 12, p. 31.

RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS

(Deposit intervals are in millions of dollars. Requirements are in per cent of deposits.)

Effective date ¹	Net demand ²				Time ³ (all classes of banks)		
	Reserve city		Other		Savings	Other time	
	0-5	Over 5	0-5	Over 5		0-5	Over 5
In effect Jan. 1, 1963.....	16½		12			4	
1966—July 14, 21..... Sept. 8, 15.....					4	4	5
1967—Mar. 2..... Mar. 16.....					3½ 3	3½ 3	6
1968—Jan. 11, 18.....	16½	17	12	12½			
1969—Apr. 17.....	17	17½	12½	13			
1970—Oct. 1.....							5

Beginning Nov. 9, 1972

Effective date	Net demand ^{2,4}					Savings	Time ³		
	0-2	2-10	10-100	100-400	Over 400		0-5	Other time	
								30-179 days	180 days and over
1972—Nov. 9..... Nov. 16.....	8	10	12	⁶ 16½ 13	17½	7 3	7 3	7 5	
1973—July 19.....		10½	12½	13½	18				
1974—Dec. 12.....					17½			6 3	
In effect Jan. 31, 1975 ⁸	8	10½	12½	13½	17½	3	3	6 3	

Present legal limits:

	Minimum	Maximum
Net demand deposits, reserve city banks.....	10	22
Net demand deposits, other banks.....	7	14
Time deposits.....	3	10

¹ When two dates are shown, the first applies to the change at reserve city banks and the second to the change at country banks. For changes prior to 1963 see Board's *Annual Reports*.

² (a) Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

(b) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank.

(c) Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Since June 21, 1973, loans aggregating \$100,000 or less to any U.S. resident have been excluded from computations, as have total loans of a bank to U.S. residents if not exceeding \$1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. The reserve percentage applicable to each of these classifications is 8 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, and was reduced to the current 8 per cent effective June 21, 1973. Initially certain base amounts were exempted in the computation of the requirements, but effective Mar. 14, 1974, the last of these reserve-free bases were eliminated. For details, see Regulations D and M.

³ Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits. For other notes see 2(b) and 2(c) above.

⁴ Effective Nov. 9, 1972, a new criterion was adopted to designate reserve cities, and on the same date requirements for reserves against net demand deposits of member banks were restructured to provide that each member bank will maintain reserves related to the size of its net demand

deposits. The new reserve city designations are as follows: A bank having net demand deposits of more than \$400 million is considered to have the character of business of a reserve city bank, and the presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of \$400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see Regulation D and appropriate supplements and amendments.

⁵ A marginal reserve requirement was in effect between June 21, 1973, and Dec. 11, 1974, against increases in the aggregate of the following types of obligations: (a) outstanding time deposits of \$100,000 or more, (b) outstanding funds obtained by the bank through issuance by a bank's affiliate of obligations subject to existing reserve requirements on time deposits, and (c) beginning July 12, 1973, funds from sales of finance bills. The requirement applied to balances above a specified base, but was not applicable to banks having obligations of these types aggregating less than \$10 million. For details, including percentages and maturity classifications, see "Announcements" in BULLETINS for May, July, Sept., and Dec. 1973 and Sept. and Nov. 1974.

⁶ The 16½ per cent requirement applied for one week, only to former reserve city banks. For other banks, the 13 per cent requirement was continued in this deposit interval.

⁷ See columns above for earliest effective date of this rate.

⁸ For changes in reserves required to be maintained beginning Feb. 13, 1975, see "Announcements" on p. 51 of the Jan. 1975 BULLETIN.

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

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966—June 30, 1973					Rates beginning July 1, 1973				
Type of deposit	Effective date				Type and size of deposit	Effective date			
	July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970		July 1, 1973	Nov. 1, 1973	Nov. 27, 1974	Dec. 23, 1974
Savings deposits.....	4	4	4	4½	Savings deposits.....	5	5	5	5
Other time deposits: ¹					Other time deposits (multiple- and single-maturity):				
Multiple maturity: ²					Less than \$100,000:				
30-89 days.....	4	4	4	4½	30-89 days.....	5	5	5	5
90 days to 1 year.....	5	5	5	5½	90 days to 1 year.....	5½	5½	5½	5½
1-2 years.....					6	6	6	6	
2 years or more.....					6½	6½	6½	6½	
Single-maturity:					Minimum denomination of \$1,000:				
Less than \$100,000:					4-6 years.....	(4)	7¼	7¼	7¼
30 days to 1 year.....	5½	5	5	5½	6 years or more.....	(3)			
1-2 years.....					5¾	(3)	7½	7½	
2 years or more.....					6	(3)	7¼	(3)	
\$100,000 or more:					Governmental units.....	(3)	(3)	(3)	(3)
30-59 days.....	5½	5½	5½	(3)	\$100,000 or more.....	(3)	(3)	(3)	(3)
60-89 days.....					5¾	(3)			
90-179 days.....					6	(3)			
180 days to 1 year.....					6¼	(3)			
1 year or more.....						(3)			

¹ For exceptions with respect to certain foreign time deposits, see BULLETIN for Feb. 1968, p. 167.

² Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.

³ Maximum rates on all single-maturity time deposits in denominations of \$100,000 or more have been suspended. Rates that were effective Jan. 21, 1970, and the dates when they were suspended are:

30-59 days	6¼ per cent	June 24, 1970
60-89 days	6½ per cent	
90-179 days	6¾ per cent	
180 days to 1 year	7 per cent	May 16, 1973
1 year or more	7½ per cent	

Rates on multiple-maturity time deposits in denominations of \$100,000 or more were suspended July 16, 1973, when the distinction between single- and multiple-maturity deposits was eliminated.

⁴ Between July 1 and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of \$1,000. The amount of such certificates that a bank could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount were subject to the 6½ per cent ceiling that applies to time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, a ceiling rate of 7¼ per cent was imposed on certificates maturing in 4 years or more with minimum denominations of \$1,000. There is no limitation on the amount of these certificates that banks may issue.

⁵ Prior to Nov. 27, 1974, no distinction was made between the time deposits of governmental units and of other holders, insofar as Regulation Q ceilings on rates payable were concerned. Effective Nov. 27, 1974, governmental units were permitted to hold savings deposits and could receive interest rates on time deposits with denominations under \$100,000, irrespective of maturity, as high as the maximum rate permitted on such deposits at any Federally insured depository institution.

NOTE.—Maximum rates that may be paid by member banks are established by the Board of Governors under provisions of Regulation Q; however, a member bank may not pay a rate in excess of the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Beginning Feb. 1, 1936, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

For previous changes, see earlier issues of the BULLETIN.

MARGIN REQUIREMENTS

(Per cent of market value)

Period		For credit extended under Regulations T (brokers and dealers), U (banks), and G (others than brokers, dealers, or banks)						
Beginning date	Ending date	On margin stocks			On convertible bonds			On short sales (T)
		T	U	G	T	U	G	
1937—Nov. 1	1945—Feb. 4		40					50
1945—Feb. 5	July 4		50					50
July 5	1946—Jan. 20		75					75
1946—Jan. 21	1947—Jan. 31		100					100
1947—Feb. 1	1949—Mar. 29		75					75
1949—Mar. 30	1951—Jan. 16		50					50
1951—Jan. 17	1953—Feb. 19		75					75
1953—Feb. 20	1955—Jan. 3		50					50
1955—Jan. 4	Apr. 22		60					60
Apr. 23	1958—Jan. 15		70					70
1958—Jan. 16	Aug. 4		50					50
Aug. 5	Oct. 15		70					70
Oct. 16	1960—July 27		90					90
1960—July 28	1962—July 9		70					70
1962—July 10	1963—Nov. 5		50					50
1963—Nov. 6	1968—Mar. 10		70					70
1968—Mar. 11	June 7		70			50		70
June 8	1970—May 5		80			60		80
1970—May 6	1971—Dec. 3		65			50		65
1971—Dec. 6	1972—Nov. 22		55			50		55
1972—Nov. 24	1974—Jan. 2		65			50		65
Effective Jan. 3, 1974			50			50		50

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

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

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Period	Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale-purchase transactions)														
	Treasury bills 1			Others within 1 year 2			1-5 years			5-10 years			Over 10 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts
1970.....	11,074	5,214	2,160	99	.....	-3,483	848	.....	5,430	249	.....	-1,845	93	.....	-102
1971.....	8,896	3,642	1,064	1,036	.....	-6,462	1,338	.....	4,672	933	.....	685	311	.....	150
1972.....	8,522	6,467	2,545	125	.....	2,933	789	.....	-1,405	539	.....	-2,094	167	.....	250
1973.....	15,517	4,880	3,405	1,396	.....	-140	579	.....	-2,028	500	.....	895	129	.....	87
1974.....	11,660	5,830	4,550	450	.....	-1,314	797	.....	-697	434	.....	1,675	196	.....	205
1973—Dec....	1,919	70	10	75	.....	34	116	.....	-34	35	.....	.....	.....	.....	.....
1974—Jan....	1,340	335	1,402	9	.....	.....	93	.....	.....	77	.....	.....	.....	.....	.....
Feb....	768	391	410	.....	.....	687	30	.....	-922	.....	.....	200	.....	.....	35
Mar....	664	566	165	.....	.....	.....	109	.....	.....	56	.....	.....	25	.....	.....
Apr....	1,237	49	407	.....	.....	.....	172	.....	.....	.....	.....	.....	.....	.....	.....
May....	737	100	.....	112	.....	2,563	26	.....	-2,663	31	.....	.....	38	.....	100
June....	614	954	204	48	.....	.....	34	.....	.....	78	.....	.....	16	.....	.....
July....	988	211	.....	27	.....	.....	53	.....	.....	9	.....	.....	36	.....	.....
Aug....	1,652	850	.....	.....	.....	2,867	.....	.....	1,057	.....	.....	1,940	.....	.....	-130
Sept....	717	565	786	22	.....	-200	65	.....	2,007	53	.....	.....	37	.....	.....
Oct....	547	1,110	1,063	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nov....	1,422	273	1,067	148	.....	-1,623	92	.....	1,757	78	.....	-465	25	.....	200
Dec....	973	426	6	85	.....	126	123	.....	-126	53	.....	.....	20	.....	.....

Period	Total outright 1			Matched sale-purchase transactions (U.S. Govt. securities)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations			Bankers acceptances, net		Net change 3
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales		Outright		Repurchase agreements, net	Outright	Repurchase agreements	
									Gross purchases	Sales or redemptions				
1970.....	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988	.....	.....	.....	-6	.....	4,982
1971.....	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076	485	.....	101	22	181	8,866
1972.....	10,142	6,467	2,862	23,319	23,319	31,103	32,228	-312	1,197	370	-88	-9	-145	272
1973.....	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	-2	-36	9,227
1974.....	13,537	5,830	4,682	64,229	62,801	71,333	70,947	1,984	3,087	322	469	511	420	6,149
1973—Dec....	2,145	70	10	3,435	3,435	9,523	10,202	1,387	212	84	-126	23	-26	1,386
1974—Jan....	1,519	335	1,402	2,590	2,590	4,442	4,500	-276	29	39	-42	.....	.....	-328
Feb....	798	391	410	2,393	2,393	4,265	4,265	-3	120	46	.....	1	.....	72
Mar....	854	566	165	702	702	6,248	5,124	1,246	170	48	185	4	223	1,780
Apr....	1,409	49	407	.....	.....	8,069	8,498	524	360	48	33	8	-89	789
May....	944	100	.....	4,586	4,586	9,192	8,648	1,388	201	15	424	16	142	2,155
June....	790	954	204	4,580	4,580	6,124	6,667	-911	309	72	-372	.....	-70	1,115
July....	1,113	211	.....	2,587	.....	4,269	4,965	-2,381	761	35	-270	121	-207	-2,011
Aug....	1,652	850	.....	9,061	11,287	2,096	2,096	3,028	238	3	.....	59	.....	3,322
Sept....	893	565	786	9,420	9,782	3,551	3,551	-96	207	.....	.....	.....	187	322
Oct....	547	1,110	1,063	12,574	12,516	4,618	4,618	-1,684	.....	.....	.....	-100	-185	-1,970
Nov....	1,765	273	238	6,880	6,404	6,990	6,121	1,647	331	.....	369	174	218	2,739
Dec....	1,254	426	6	8,855	7,962	11,470	11,895	-498	360	.....	142	188	201	393

1 Before Nov. 1973 BULLETIN, included matched sale-purchase transactions, which are now shown separately.

2 Includes special certificates acquired when the Treasury borrows directly from the Federal Reserve, as follows: June 1971, 955; Sept. 1972, 38; Aug. 1973, 351; Sept. 1973, 836; Nov. 1974, 131.

3 Net change in U.S. Govt. securities, Federal agency obligations, and bankers' acceptances.

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

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Belgian francs	Canadian dollars	French francs	German marks	Italian lire	Japanese yen	Mexico pesos	Netherlands guilders	Swiss francs
1970.....	257	154	*	*	.....	98	.....	1	.....	*	4
1971.....	18	3	3	*	.....	2	.....	1	.....	.....	8
1972.....	192	*	*	*	.....	164	.....	1	.....	20	6
1973—Oct....	4	*	.....	*	.....	*	.....	1	.....	.....	3
Nov....	4	*	.....	*	.....	*	.....	1	.....	.....	3
Dec....	4	*	.....	*	.....	*	.....	1	.....	.....	3
1974—Jan....	1	*	.....	*	.....	*	.....	1	.....	.....	.....
Feb....	32	*	20	*	.....	10	.....	1	.....	.....	.....
Mar....	6	*	5	*	.....	*	.....	1	.....	.....	.....
Apr....	6	*	5	*	.....	*	.....	1	.....	.....	.....
May....	63	*	5	*	.....	57	.....	1	.....	.....	.....
June....	90	*	5	*	.....	84	.....	1	.....	.....	.....
July....	8	*	1	*	.....	6	.....	1	.....	.....	.....
Aug....	220	*	*	*	.....	39	.....	1	180	.....	.....
Sept....	242	*	*	*	.....	61	.....	1	180	.....	.....
Oct....	190	*	1	*	.....	8	.....	1	180	.....	.....

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1975					1975	1974	
	Jan. 29	Jan. 22	Jan. 15	Jan. 8	Jan. 1	Jan. 31	Dec. 31	Jan. 31
Assets								
Gold certificate account.....	11,635	11,652	11,652	11,652	11,652	11,635	11,652	11,460
Special Drawing Rights certificate account.....	400	400	400	400	400	400	400	400
Cash.....	309	291	272	248	240	328	240	311
Loans:								
Member bank borrowings.....	159	2,444	2,889	125	299	101	299	961
Other.....								
Acceptances:								
Bought outright.....	658	646	615	588	579	682	579	68
Held under repurchase agreements.....	221	337	55	6	420	284	420	
Federal agency obligations:								
Bought outright.....	4,688	4,688	4,688	4,688	4,702	4,688	4,702	1,927
Held under repurchase agreements.....	151	664	60		511	102	511	
U.S. Govt. securities:								
Bought outright:								
Bills.....	36,739	36,923	36,646	34,730	36,765	36,674	36,765	36,500
Certificates—Special.....								
Other.....								
Notes.....	40,403	40,403	40,403	40,024	40,009	40,403	40,009	38,591
Bonds.....	3,311	3,311	3,311	3,284	3,284	3,311	3,284	3,149
Total bought outright.....	1,280,453	1,280,637	1,280,360	1,278,038	1,280,058	1,280,388	1,280,058	178,240
Held under repurchase agreements.....	1,013	3,317	68		443	956	443	
Total U.S. Govt. securities.....	81,466	83,954	80,428	78,038	80,501	81,344	80,501	78,240
Total loans and securities.....	^p 87,343	^p 92,733	^p 88,735	^p 83,445	87,012	^p 87,201	87,012	81,196
Cash items in process of collection.....	7,402	7,327	8,213	8,394	8,329	5,732	8,329	6,778
Bank premises.....	267	266	265	264	263	268	263	224
Other assets:								
Denominated in foreign currencies.....	2	2	2	2	2	2	2	1
All other.....	3,329	3,660	3,226	3,194	2,930	3,248	2,930	1,104
Total assets.....	^p 110,687	^p 116,331	^p 112,765	^p 107,599	110,828	^p 108,814	110,828	101,474
Liabilities								
F.R. notes.....	67,944	68,446	69,220	69,958	70,916	67,617	70,916	61,687
Deposits:								
Member bank reserves.....	^p 30,047	^p 36,010	^p 31,689	^p 27,211	25,843	^p 28,923	25,843	28,241
U.S. Treasury—General account.....	3,442	1,857	1,366	741	3,113	3,540	3,113	2,844
Foreign.....	334	230	950	381	418	391	418	392
Other:								
All other.....	3708	3906	3731	3766	31,275	3748	31,275	657
Total deposits.....	^p 34,531	^p 39,003	^p 34,736	^p 29,099	30,649	^p 33,602	30,649	32,134
Deferred availability cash items.....	4,766	5,264	5,577	5,484	6,328	4,180	6,328	4,552
Other liabilities and accrued dividends.....	1,191	1,475	1,201	1,138	1,141	1,112	1,141	974
Total liabilities.....	^p 108,432	^p 114,188	^p 110,734	^p 105,679	109,034	^p 106,511	109,034	99,347
Capital accounts								
Capital paid in.....	901	900	898	897	897	901	897	850
Surplus.....	897	897	897	897	897	897	897	844
Other capital accounts.....	457	346	236	126		505		433
Total liabilities and capital accounts.....	^p 110,687	^p 116,331	^p 112,765	^p 107,599	110,828	^p 108,814	110,828	101,474
Contingent liability on acceptances purchased for foreign correspondents.....	395	487	597	757	981	384	981	589
Marketable U.S. Govt. securities held in custody for foreign and international accounts.....	34,980	34,645	33,419	33,119	32,836	35,085	32,836	24,592

Federal Reserve Notes—Federal Reserve Agents' Accounts

F.R. notes outstanding (issued to Bank).....	76,641	74,928	75,130	75,236	75,116	75,116	75,116	67,151
Collateral held against notes outstanding:								
Gold certificate account.....	3,047	3,047	3,140	3,365	3,055	3,055	3,055	2,485
Special Drawing Rights certificate account.....	93	93	93	93	93	93	93	
Acceptances.....	425	425	425	550	550	550	550	
U.S. Govt. securities.....	72,760	72,730	72,680	72,224	72,555	72,555	72,555	66,485
Total collateral.....	76,325	76,295	76,338	76,232	76,253	76,253	76,253	68,970

¹ See note 8 on p. A-5.² See note 9 on p. A-5.³ See note 5 on p. A-4.

**MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES
HELD BY FEDERAL RESERVE BANKS**

(In millions of dollars)

Item	Wednesday					End of month		
	1975					1975	1974	
	Jan. 29	Jan. 22	Jan. 15	Jan. 8	Jan. 1	Jan. 31	Dec. 31	Jan. 31
Loans - Total	159	2,444	2,889	125	301	101	301	959
Within 15 days	148	2,444	2,882	91	275	91	275	940
16-90 days	11		7	34	26	10	26	19
91 days to 1 year								
Acceptances - Total	879	983	670	594	999	966	999	68
Within 15 days	405	513	177	77	489	457	489	28
16-90 days	375	376	427	454	436	397	436	40
91 days to 1 year	99	94	66	63	74	112	74	
U.S. Govt. securities - Total	81,466	83,954	80,428	78,038	80,501	81,344	80,501	78,240
Within 15 days ¹	6,652	8,141	4,236	4,385	4,939	6,324	4,464	4,869
16-90 days	18,563	19,746	20,080	18,735	20,265	18,535	20,740	18,668
91 days to 1 year	20,948	20,764	20,809	20,007	20,401	21,182	20,401	22,233
1-5 years	23,440	23,440	23,440	23,135	23,120	23,440	23,120	23,128
5-10 years	9,673	9,673	9,673	9,612	9,612	9,673	9,612	7,580
Over 10 years	2,190	2,190	2,190	2,164	2,164	2,190	2,164	1,762
Federal agency obligations - Total	4,839	5,352	4,748	4,688	5,213	4,790	5,213	1,927
Within 15 days ¹	202	716	65	6	535	153	535	39
16-90 days	217	216	266	266	272	260	266	104
91 days to 1 year	616	616	581	580	574	573	580	234
1-5 years	2,313	2,313	2,344	2,344	2,340	2,313	2,340	819
5-10 years	990	990	991	991	991	990	991	492
Over 10 years	501	501	501	501	501	501	501	239

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

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts ¹ (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others ²				N.Y.	6 others ²		
1973—Dec.	18,641.3	8,097.7	4,462.8	10,543.6	6,080.8	110.2	269.8	115.0	75.8	60.6
1974—Jan.	18,817.7	8,081.0	4,517.1	10,736.8	6,219.6	111.5	270.3	116.2	77.3	62.2
Feb.	19,813.7	8,896.2	4,582.1	10,917.5	6,335.4	118.0	294.2	119.9	79.3	63.7
Mar.	20,166.9	8,914.4	4,718.0	11,252.5	6,534.6	118.3	292.5	120.8	80.3	64.7
Apr.	20,062.3	8,637.9	4,747.6	11,424.3	6,676.7	115.4	274.6	119.7	80.2	65.0
May	20,564.7	8,970.1	4,820.8	11,594.6	6,773.8	117.1	275.3	122.3	81.1	65.4
June	20,457.3	9,065.7	4,768.0	11,391.6	6,623.6	116.9	279.9	120.0	79.8	64.3
July	20,899.6	9,140.4	4,892.1	11,759.2	6,867.1	119.8	282.1	123.5	82.8	67.0
Aug.	21,478.3	9,240.8	5,173.0	12,237.5	7,064.5	123.4	286.4	132.0	86.3	68.8
Sept.	22,017.5	9,970.8	5,092.1	12,046.7	6,954.7	125.1	310.5	127.5	83.7	66.9
Oct.	22,348.8	10,271.1	5,084.7	12,077.6	6,993.0	127.0	316.8	127.3	84.1	67.5
Nov.	22,918.7	10,538.9	5,160.2	12,379.8	7,219.5	131.8	324.6	131.5	87.5	70.6
Dec.	22,193.0	9,931.8	5,152.8	12,261.1	7,108.4	128.2	312.8	132.4	86.7	69.3

¹ Excludes interbank and U.S. Govt. demand deposit accounts.
² Boston, Philadelphia, Chicago, Detroit, San Francisco-Oakland, and Los Angeles-Long Beach.

NOTE.—Total SMSA's includes some cities and counties not designated as SMSA's.
For back data see pp. 634-35 of July 1972 BULLETIN.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Month or week	Seasonally adjusted			Not seasonally adjusted		
	M ₁	M ₂	M ₃	M ₁	M ₂	M ₃
Composition of measures is described in the NOTE below.						
1971—Dec.....	235.3	473.1	727.9	241.9	477.9	730.9
1972—Dec.....	255.8	525.7	823.2	263.0	530.7	826.3
1973—Dec.....	271.5	572.2	895.3	279.1	577.3	898.5
1974—Jan.....	270.9	575.5	900.7	277.8	581.4	905.9
Feb.....	273.1	580.8	907.7	270.2	578.5	905.4
Mar.....	275.2	585.5	914.9	272.5	584.9	915.7
Apr.....	276.6	589.4	920.5	278.2	593.5	926.7
May.....	277.6	591.5	923.0	272.9	589.6	922.6
June.....	279.7	596.7	929.5	277.9	596.1	930.6
July.....	280.2	599.4	933.4	279.7	599.0	934.5
Aug.....	280.5	602.0	936.6	277.3	598.5	932.6
Sept.....	280.8	603.6	938.9	279.0	600.4	934.6
Oct.....	281.7	607.8	944.3	281.2	605.9	941.1
Nov.....	283.3	612.6	951.1	284.8	610.8	946.9
Dec. ^a	283.8	613.9	955.0	291.7	619.0	958.2

NOTE.—Composition of the money stock measures is as follows:

M₁: Averages of daily figures for (1) demand deposits of commercial banks other than domestic interbank and U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of commercial banks.

M₂: Averages of daily figures for M₁ plus savings deposits, time deposits open account, and time certificates other than negotiable CD's of \$100,000 of large weekly reporting banks.

M₃: M₂ plus the average of the beginning- and end-of-month figures for deposits of mutual savings banks and for savings capital of savings and loan associations.

Latest monthly and weekly figures are available from the Board's H-6 release.

For description and back data, see "Revision of Money Stock Measures and Member Bank Reserves and Deposits" on pp. 817-27 of the Dec. 1974 BULLETIN.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Month or week	Seasonally adjusted						Not seasonally adjusted						U.S. Govt. deposits ³			
	Cur-rency	Commercial banks					Non-bank thrift institutions ²	Cur-rency	Commercial banks					Non-bank thrift institutions ²		
		De-mand deposits	Time and savings deposits			Total			Demand deposits			Time and savings deposits				
			CD's ¹	Other	Total				Total	Mem-ber	Do-mestic-non-member	CD's ¹			Other	Total
1971—Dec.....	52.6	182.7	33.5	237.7	271.2	254.9	53.5	188.4	142.6	44.1	33.8	236.0	269.8	253.0	6.9	
1972—Dec.....	56.9	198.9	43.9	269.9	313.8	297.5	57.9	205.1	152.4	51.4	44.2	267.6	311.8	295.6	7.4	
1973—Dec.....	61.6	209.9	63.8	300.7	364.5	323.1	62.7	216.4	157.0	56.6	64.0	298.2	362.2	321.2	6.3	
1974—Jan.....	62.0	208.9	66.4	304.6	371.0	325.2	61.6	216.2	156.4	56.9	65.8	303.6	369.4	324.5	8.1	
Feb.....	62.7	210.4	68.2	307.7	375.9	326.9	61.9	208.3	151.1	54.6	66.1	308.3	374.3	326.9	6.6	
Mar.....	63.3	211.9	68.0	310.3	378.3	329.5	62.7	209.8	152.4	54.7	66.7	312.4	379.1	330.8	6.4	
Apr.....	63.9	212.8	73.9	312.7	386.7	331.1	63.5	214.7	155.8	56.2	71.8	315.3	387.1	333.2	6.0	
May.....	64.3	213.2	78.5	314.0	392.5	331.5	64.1	208.7	151.3	54.8	77.2	316.7	393.9	333.0	7.6	
June.....	64.6	215.0	81.3	317.0	398.4	332.7	64.8	213.1	153.6	56.1	79.6	318.3	397.9	334.7	6.1	
July.....	64.8	215.4	83.6	319.2	402.8	334.0	65.3	214.4	154.4	56.5	82.8	319.2	402.0	335.6	5.4	
Aug.....	65.4	215.1	83.8	321.5	405.3	334.5	65.7	211.6	152.4	56.2	87.1	321.2	408.3	334.2	4.0	
Sept.....	65.8	215.0	84.8	322.8	407.6	335.3	65.8	213.2	153.5	56.8	88.7	321.4	410.2	334.1	5.4	
Oct.....	66.4	215.3	86.2	326.1	412.3	336.6	66.4	214.8	154.6	57.4	88.8	324.7	413.5	335.2	3.7	
Nov.....	67.3	216.0	85.5	329.3	414.9	338.5	67.8	217.1	156.0	58.0	87.1	325.9	413.0	336.2	3.3	
Dec. ^a	67.7	216.1	90.3	330.1	420.4	341.1	68.9	222.8	160.5	59.4	90.5	327.3	417.7	339.3	4.6	

¹ Negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

² Average of the beginning and end-of-month figures for deposits of mutual savings banks and savings capital at savings and loan associations.

³ At all commercial banks.

See also NOTE above

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS
(In billions of dollars)

Period	Member bank reserves, S.A. ¹				Deposits subject to reserve requirements ³								Total member bank deposits plus nondeposit items ⁴	
	Total	Non-borrowed	Re-quired	Avail-able ²	S.A.				N.S.A.					
					Total	Time and savings	Demand		Total	Time and savings	Demand			
							Private	U.S. Govt.			Private	U.S. Govt.		
1970—Dec.....	29.20	28.87	28.95	27.13	321.3	178.9	136.0	6.4	325.2	178.1	141.1	6.0	333.4	337.2
1971—Dec.....	31.33	31.20	31.15	29.03	360.3	210.7	143.8	5.8	364.6	209.7	149.2	5.7	365.2	369.5
1972—Dec.....	31.46	30.41	31.17	29.09	402.0	242.0	154.5	5.6	406.8	240.7	160.1	6.1	406.4	411.2
1973—Dec.....	35.16	33.87	34.86	32.97	442.2	280.0	158.2	3.9	447.5	278.5	164.0	5.0	448.7	454.0
1974—Jan.....	35.82	34.77	35.66	32.82	446.8	284.1	157.5	5.1	453.0	283.1	163.4	6.5	453.3	459.5
Feb.....	35.12	33.92	34.93	32.90	447.5	287.4	157.9	2.2	447.1	285.7	156.3	5.1	454.4	454.0
Mar.....	34.98	33.66	34.84	33.13	450.4	288.6	158.7	3.2	450.4	288.6	156.9	4.9	457.9	457.9
Apr.....	35.88	34.15	35.70	33.66	461.2	296.6	160.0	4.6	462.5	296.2	161.5	4.8	469.2	470.6
May.....	36.52	33.93	36.34	34.26	467.0	302.3	159.1	5.6	464.7	303.0	155.6	6.1	475.8	473.5
June.....	36.74	33.73	36.54	34.71	472.9	307.0	160.6	5.3	470.0	306.4	158.9	4.7	481.2	478.4
July.....	37.40	34.10	37.24	34.96	475.7	310.7	160.7	4.2	474.3	310.1	160.0	4.1	484.9	483.5
Aug.....	37.27	33.93	37.08	35.27	478.5	312.4	159.9	6.2	475.1	315.3	157.0	2.9	487.5	484.2
Sept.....	37.28	34.00	37.09	35.30	480.6	314.4	159.9	6.3	479.6	317.2	158.3	4.1	489.1	488.2
Oct.....	36.86	35.04	36.73	34.89	480.5	317.2	159.5	3.7	480.5	318.6	159.1	2.7	488.3	488.3
Nov.....	36.87	35.62	36.67	34.87	483.6	318.4	160.6	4.6	481.2	317.4	161.4	2.4	491.2	488.8
Dec.....	36.90	36.18	36.65	34.63	485.9	323.3	160.8	1.8	491.7	321.7	166.7	3.4	494.3	500.1

¹ Averages of daily figures. Member bank reserve series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Required reserves were increased by \$660 million effective Apr. 16, 1969, and \$400 million effective Oct. 16, 1969; were reduced by \$500 million (net) effective Oct. 1, 1970. Required reserves were reduced by approximately \$2.5 billion, effective Nov. 9, 1972; by \$1.0 billion, effective Nov. 15; and increased by \$300 million effective Nov. 22.

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

³ Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined

by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

⁴ "Total member bank deposits" subject to reserve requirements, plus Euro-dollar borrowings, loans sold to bank-related institutions, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE.—For description of revised series and for back data, see article "Revision of Money Stock Measures and Member Bank Reserves and Deposits" on pp. 817-27 of the Dec. 1974 BULLETIN.

Due to changes in Regulations M and D, member bank reserves include reserves held against nondeposit funds beginning Oct. 16, 1969. Back data may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS
(In billions of dollars)

Date	Seasonally adjusted						Not seasonally adjusted							
	Total loans and investments ¹	Loans				Securities		Total loans and investments ¹	Loans				Securities	
		Total ¹	Plus loans sold ²	Commercial and industrial ³		U.S. Treasury	Other ⁴		Total ¹	Plus loans sold ²	Commercial and industrial ³		U.S. Treasury	Other ⁴
				Total	Plus loans sold ²						Total	Plus loans sold ²		
1970—Dec. 31....	435.5	291.7	294.7	110.0	112.1	57.9	85.9	446.8	299.0	301.9	112.5	114.6	61.7	86.1
1971—Dec. 31....	484.8	320.3	323.1	115.9	117.5	60.1	104.4	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972—Dec. 31....	556.4	377.8	380.4	129.7	131.4	61.9	116.7	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973—Dec. 31....	630.3	447.3	451.6	155.8	158.4	52.8	130.2	647.3	458.5	462.8	159.4	162.0	58.3	130.6
1974—Feb 27.....	647.4	458.3	463.3	159.5	162.2	56.4	132.7	642.1	452.7	457.7	157.9	160.6	57.7	131.7
Mar 27.....	657.5	468.2	473.1	165.1	167.9	56.4	132.9	654.0	463.0	467.9	164.9	167.7	57.5	133.5
Apr 24.....	666.9	476.3	481.7	169.5	172.6	57.1	133.5	664.2	473.0	478.4	170.2	173.3	56.4	134.7
May 29.....	673.4	481.4	487.1	172.9	176.0	57.2	134.8	669.8	480.3	485.9	172.3	175.4	54.1	135.5
June 30 ⁵	677.5	484.5	489.9	174.6	177.5	56.4	136.6	681.6	491.8	497.2	177.2	180.1	52.1	137.6
July 31 ⁶	686.6	494.3	499.7	177.9	180.8	55.8	136.5	685.4	496.6	502.0	178.3	181.2	52.2	136.6
Aug 28.....	692.0	500.2	505.5	180.7	183.6	55.3	136.5	687.5	499.3	504.6	179.1	182.0	52.0	136.2
Sept 25 ⁶	687.0	498.2	503.5	180.8	183.6	52.2	136.6	686.6	499.2	504.5	180.9	183.7	50.6	136.7
Oct 30 ⁶	687.1	499.5	504.7	182.5	185.3	49.7	137.9	685.8	498.2	503.4	181.3	184.1	50.6	137.0
Nov 27 ⁶	688.5	500.9	505.8	183.0	185.7	49.3	138.3	688.2	499.1	504.1	182.0	184.7	52.2	136.8
Dec 31 ⁶	681.2	494.1	498.9	180.5	183.3	48.8	138.3	699.6	506.5	511.3	184.7	187.5	54.4	138.8
1975—Jan. 29 ⁶	686.1	498.3	502.9	181.7	184.4	48.9	138.9	685.1	493.5	498.1	179.6	182.3	53.7	138.0

¹ Adjusted to exclude domestic commercial interbank loans.

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

³ Reclassification of loans at one large bank reduced these loans by about \$400 million as of June 30, 1972.

⁴ Farmers Home Administration insured notes included in "Other securities" rather than in loans beginning June 30, 1971, when such notes totaled about \$700 million.

⁵ Data beginning June 30, 1974, include one large mutual savings bank that merged with a nonmember commercial bank. As of that date there were increases of about \$500 million in loans, \$100 million in "Other securities," and \$600 million in "Total loans and investments."

⁶ As of Oct. 31, 1974, "Total loans and investments" of all commercial banks were reduced by \$1.5 billion in connection with the liquidation of one large bank. Reductions in other items were: "Total loans," \$1.0 billion (of which \$0.6 billion was in "Commercial and industrial loans"), and "Other securities," \$0.5 billion. In late November "Commercial and industrial loans" were increased by \$0.1 billion as a result of loan reclassifications at another large bank.

ASSETS BY CLASS OF BANK, JUNE 30, 1974

(Amounts in millions of dollars)

Account	All commercial banks	Insured commercial banks	Member banks ¹					Non-member banks ¹
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Cash bank balances, items in process.....	126,487	123,536	108,971	36,265	4,217	38,075	30,415	17,516
Currency and coin.....	8,378	8,350	6,245	460	131	1,983	3,671	2,133
Reserves with Federal Reserve banks.....	30,146	30,146	30,146	6,204	1,319	12,459	10,165	.....
Demand balances with banks in United States.....	31,853	29,824	19,732	7,560	741	3,503	7,928	12,121
Other balances with banks in United States.....	2,517	2,080	1,295	99	71	456	669	1,222
Balances with banks in foreign countries.....	1,386	1,011	884	221	70	498	96	502
Cash items in process of collection.....	52,207	52,125	50,669	21,722	1,885	19,176	7,886	1,538
Total securities held—Book value.....	189,762	188,480	135,326	15,193	5,266	44,738	70,129	54,436
U.S. Treasury.....	52,114	51,832	35,934	3,715	1,207	11,586	19,426	16,180
Other U.S. Government agencies.....	31,359	31,001	20,523	2,123	923	5,960	11,518	10,835
States and political subdivisions.....	99,870	99,466	74,457	8,578	2,930	25,850	37,099	25,413
All other securities.....	6,420	6,180	4,412	777	206	1,342	2,087	2,008
Trade-account securities.....	6,370	6,368	6,281	2,162	539	3,293	288	88
U.S. Treasury.....	707	705	691	—	141	531	42	16
Other U.S. Government agencies.....	1,472	1,472	1,462	505	148	774	35	10
States and political subdivisions.....	3,921	3,921	3,876	1,616	250	1,802	207	45
All other.....	269	269	253	63	.....	186	4	17
Bank investment portfolios.....	183,393	182,112	129,045	13,031	4,727	41,445	69,842	54,348
U.S. Treasury.....	51,407	51,127	35,243	3,738	1,066	11,056	19,384	16,164
Other U.S. Government agencies.....	29,886	29,528	19,061	1,617	775	5,182	11,483	10,825
States and political subdivisions.....	95,949	95,545	70,581	6,962	2,680	24,047	36,892	25,368
All other.....	6,151	5,911	4,159	714	206	1,156	2,083	1,992
Federal funds sold and securities resale agreements.....	35,307	33,225	25,374	1,944	1,239	11,939	10,251	9,933
Commercial banks.....	31,612	29,530	21,780	1,692	900	9,379	9,808	9,832
Brokers and dealers.....	2,658	2,658	2,628	82	227	1,956	361	30
Others.....	1,037	1,037	966	170	112	602	82	72
Other loans.....	494,104	488,199	390,017	76,484	23,502	147,030	143,001	104,087
Real estate loans.....	126,173	125,914	92,093	7,698	1,260	35,201	47,934	34,079
Secured by farmland.....	5,797	5,777	2,599	6	2	340	2,251	3,199
Secured by residential.....	78,752	78,544	58,923	4,174	833	23,742	30,175	19,829
1- to 4-family residences.....	71,577	71,387	52,993	2,888	774	20,874	28,457	18,584
FHA insured.....	6,297	6,250	5,472	261	40	3,065	2,106	824
VA guaranteed.....	3,350	3,301	2,851	196	20	1,505	1,130	499
Other.....	61,930	61,836	44,669	2,431	714	16,304	25,221	17,260
Multifamily.....	7,175	7,157	5,930	1,286	59	2,868	1,717	1,245
FHA insured.....	1,064	1,046	954	179	28	491	256	110
Other.....	6,112	6,110	4,976	1,107	31	2,378	1,461	1,135
Secured by other properties.....	41,623	41,593	30,572	3,519	425	11,119	15,509	11,052
Loans to domestic and foreign banks.....	13,110	11,218	10,784	5,191	954	4,027	612	2,325
Loans to other financial institutions.....	33,567	33,418	31,997	11,881	4,509	12,956	2,651	1,570
Loans on securities to brokers and dealers.....	5,317	5,294	5,176	3,189	794	1,023	170	141
Other loans for purch./carry securities.....	4,217	4,175	3,533	623	338	1,597	974	684
Loans to farmers.....	18,444	18,423	10,885	140	222	2,622	7,901	7,558
Commercial and industrial loans.....	177,184	174,304	149,154	39,229	12,907	58,205	38,812	28,030
Loans to individuals.....	102,615	102,165	74,285	5,104	1,410	26,254	41,517	28,330
Instalment loans.....	78,947	78,565	56,485	2,874	735	20,051	32,825	22,462
Passenger automobiles.....	33,902	33,648	22,953	458	161	7,243	15,091	10,948
Residential-repair/modernize.....	5,151	5,142	3,788	197	38	1,522	2,030	1,363
Credit cards and related plans.....	9,458	9,458	8,408	969	299	4,703	2,436	1,050
Charge-account credit cards.....	7,017	7,016	6,322	689	272	3,541	1,820	694
Check and revolving credit plans.....	2,442	2,442	2,086	280	27	1,162	617	356
Other retail consumer goods.....	15,364	15,340	10,890	151	111	3,723	6,906	4,474
Mobile homes.....	8,847	8,845	6,399	76	57	2,261	4,004	2,448
Other.....	6,518	6,495	4,492	74	54	1,462	2,902	2,026
Other instalment loans.....	15,072	14,977	10,445	1,099	126	2,859	6,362	4,627
Single-payment loans to individuals.....	23,668	23,600	17,801	2,230	676	6,203	8,692	5,868
All other loans.....	13,479	13,288	12,109	3,428	1,107	5,144	2,430	1,370
Total loans and securities.....	719,173	709,904	550,717	93,621	30,008	203,707	223,381	168,456
Fixed assets—Buildings, furniture, real estate.....	14,168	14,092	10,808	1,115	431	4,358	4,903	3,360
Investments in subsidiaries not consolidated.....	1,595	1,586	1,568	716	121	674	57	27
Customer acceptances outstanding.....	6,645	6,500	6,249	3,739	359	1,900	251	396
Other assets.....	16,688	16,367	14,216	3,539	771	6,537	3,368	2,472
Total assets.....	884,755	871,986	692,529	138,996	35,906	255,251	262,376	192,227

¹ Member banks exclude and nonmember banks include two noninsured trust companies that are members of the Federal Reserve System, and member banks exclude two national banks outside the continental United States.

² See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 26.

³ Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Figures for total loans and for individual categories of securities are reported on a gross basis—that is, before deduction of valuation reserves.

Back data in lesser detail were shown in previous BULLETINS. Beginning with the fall Call Report, data for future spring and fall Call Reports will be available from the Data Production Section of the Division of Data Processing.

Details may not add to totals because of rounding.

LIABILITIES AND CAPITAL BY CLASS OF BANK, JUNE 30, 1974

(Amounts in millions of dollars)

Account	All commercial banks	Insured commercial banks	Member banks ¹				Non-member banks ¹	
			Total	Large banks				All other
				New York City	City of Chicago	Other large		
Demand deposits	302,816	299,114	239,480	60,522	9,014	81,359	88,585	63,337
Mutual savings banks	1,298	1,186	1,103	472	1	171	459	196
Other individuals, partnerships, and corporations	216,285	215,421	165,670	26,762	6,871	61,031	71,006	50,615
U.S. Government	8,367	8,355	6,624	882	226	2,893	2,622	1,743
States and political subdivisions	19,379	19,249	14,264	1,346	202	4,076	8,640	5,116
Foreign governments, central banks, etc.	1,698	1,534	1,514	1,307	17	182	8	185
Commercial banks in United States	34,586	33,562	32,576	18,867	1,335	9,135	3,240	2,010
Banks in foreign countries	6,131	5,786	5,532	4,332	127	955	118	598
Certified and officers' checks, etc.	15,072	14,020	12,197	6,553	235	2,916	2,493	2,875
Time and savings deposits	407,561	404,653	307,881	44,468	16,233	111,622	135,559	99,679
Savings deposits	133,129	132,868	96,488	6,165	2,039	33,834	54,450	36,641
Accumulated for personal loan payments ²	460	457	330	.....	.....	63	267	130
Mutual savings banks	486	465	456	275	32	129	20	30
Other individuals, partnerships, and corporations	207,331	206,061	159,052	25,950	10,969	58,285	63,848	48,279
U.S. Government	446	446	334	53	31	100	149	111
States and political subdivisions	47,711	47,551	35,192	2,088	1,655	14,963	16,487	12,518
Foreign governments, central banks, etc.	9,581	8,843	8,668	5,074	874	2,686	33	913
Commercial banks in United States	7,502	7,301	6,784	4,437	606	1,461	280	718
Banks in foreign countries	915	661	578	426	27	100	25	338
Total deposits	710,377	703,767	547,361	104,990	25,247	192,980	224,144	163,016
Federal funds purchased and securities sold under agreements to repurchase	57,064	55,983	53,652	11,115	5,641	28,973	7,922	3,412
Other liabilities for borrowed money	10,483	9,531	9,184	3,665	141	4,193	1,185	1,299
Mortgage indebtedness	1,192	1,188	1,002	78	5	386	533	189
Bank acceptances outstanding	6,916	6,761	6,509	3,980	362	1,914	253	407
Other liabilities	29,091	25,767	21,338	4,583	2,015	8,053	6,689	7,752
Total liabilities	815,123	802,997	639,046	128,411	33,410	236,499	240,726	176,076
Minority interest in consolidated subsidiaries	4	4	1	.....	.....	.....	1	3
Total reserves on loans/securities	8,005	7,982	6,535	1,449	428	2,428	2,231	1,470
Reserves for bad debts (IRS)	7,709	7,691	6,347	1,448	427	2,368	2,104	1,362
Other reserves on loans	125	125	79	1	1	8	69	47
Reserves on securities	171	166	110	.....	.....	52	58	61
Total capital accounts	61,623	61,003	46,946	9,136	2,068	16,323	19,418	14,677
Capital notes and debentures	4,310	4,203	3,419	752	57	1,682	929	891
Equity capital	57,313	56,801	43,526	8,384	2,012	14,641	18,490	13,786
Preferred stock	64	59	41	18	.....	11	12	23
Common stock	14,525	14,423	10,886	2,167	562	3,542	4,614	3,640
Surplus	24,408	24,272	18,655	3,458	1,140	6,705	7,351	5,753
Undivided profits	17,398	17,196	13,329	2,737	268	4,130	6,194	4,069
Other capital reserves	917	851	616	4	41	253	318	301
Total liabilities, reserves, minority interest, capital accounts	884,755	871,986	692,529	138,996	35,906	255,251	262,376	192,227
Demand deposits adjusted ³	207,657	205,072	149,611	19,051	5,569	50,155	74,837	58,046
Average total deposits (past 15 days)	693,902	687,496	532,535	96,854	24,780	189,299	221,602	161,366
Average total loans (past 15 days)	501,628	493,909	390,178	75,995	23,483	147,258	143,441	111,450
Selected ratios:								
Percentage of total assets								
Cash and balances with other banks	14.3	14.2	15.7	26.1	11.7	14.9	11.6	9.1
Total securities held	21.4	21.6	19.6	10.9	14.7	17.5	26.7	28.3
Trading account securities . . . . .	.7	.7	.9	1.6	1.5	1.3	.1	.....
U.S. Treasury . . . . .	.1	.1	.1	.....	.4	.2	.....	.....
States and political subdivisions . . . . .	.4	.4	.6	1.2	.7	.7	.1	.....
All other trading account securities . . . . .	.2	.2	.2	.4	.4	.4	.....	.....
Bank investment portfolios	20.7	20.9	18.6	9.4	13.2	16.2	26.6	28.3
U.S. Treasury	5.8	5.9	5.1	2.7	3.0	4.3	7.4	8.4
States and political subdivisions	10.8	11.0	10.2	5.0	7.5	9.4	14.1	13.2
All other portfolio securities	4.1	4.1	3.4	1.7	2.7	2.5	5.2	6.7
Other loans and Federal funds sold	59.8	59.8	60.0	56.4	68.9	62.3	58.4	59.3
All other assets	4.4	4.4	4.7	6.6	4.7	5.3	3.3	3.3
Total loans and securities	81.3	81.4	79.5	67.4	83.6	79.8	85.1	87.6
Reserves for loans and securities . . . . .	.9	.9	.9	1.0	1.2	1.0	.9	.8
Equity capital—Total	6.5	6.5	6.3	6.0	5.6	5.7	7.0	7.2
Total capital accounts	7.0	7.0	6.8	6.6	5.8	6.4	7.4	7.6
Number of banks	14,337	14,108	5,761	13	9	156	5,583	8,576

For notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and investments	Loans															
		Federal funds sold, etc. ¹						Other									Real estate
		Total	To commercial banks	To brokers and dealers involving		To others	Total	Commercial and industrial	Agricultural	For purchasing or carrying securities				To nonbank financial institutions			
				U.S. Treasury securities	Other securities					To brokers and dealers		To others		Pers. and sales financ. cos., etc.	Other		
U.S. Treasury secs.	Other secs.									U.S. Treasury secs.	Other secs.						
<i>Large banks - Total</i>																	
<i>1974</i>																	
Jan. 2	379,628	19,908	18,026	969	683	230	272,736	111,085	3,684	819	5,670	155	2,772	9,440	18,609	55,247	
9	373,653	16,403	13,960	1,911	350	182	269,689	110,502	3,698	1,491	5,162	158	2,752	8,530	17,988	55,256	
16	372,236	15,834	14,027	1,105	549	153	269,264	110,519	3,703	847	5,185	150	2,754	8,705	18,146	55,542	
23	369,178	13,981	12,612	843	352	174	267,962	109,940	3,731	855	4,765	160	2,750	8,358	18,186	55,614	
30	369,660	15,702	14,275	927	299	201	266,872	109,758	3,734	604	4,602	156	2,743	8,127	18,154	55,685	
Dec. 4	406,143	19,979	15,172	2,660	1,178	969	301,397	130,047	3,677	2,251	4,339	86	2,595	10,518	21,627	60,042	
11	405,624	18,877	15,357	1,519	1,169	832	300,334	130,072	3,674	1,060	4,254	84	2,571	10,347	21,847	60,197	
18	408,014	18,129	14,563	1,411	1,328	827	302,397	131,118	3,670	981	4,299	82	2,563	11,329	21,933	60,183	
25	406,284	17,695	14,109	1,309	1,437	840	301,526	130,880	3,657	775	3,676	85	2,592	11,179	21,782	60,224	
31 (Tues.)	410,502	20,223	15,849	1,957	1,401	1,016	303,400	131,334	3,746	788	4,188	92	2,578	11,119	22,198	60,307	
<i>1975</i>																	
Jan. 8 ^o	407,687	19,546	14,921	2,392	1,459	774	300,419	130,242	3,722	2,353	3,496	86	2,533	10,478	21,395	60,061	
15 ^o	402,933	18,676	14,693	1,865	1,260	858	297,329	129,083	3,690	1,216	3,597	86	2,489	10,417	21,381	60,074	
22 ^o	395,866	17,434	14,389	1,271	840	934	293,277	127,873	3,645	550	2,945	84	2,449	10,141	21,047	60,049	
29 ^o	393,582	17,313	13,819	1,414	1,167	913	292,219	126,923	3,599	898	3,380	83	2,453	9,922	20,886	60,107	
<i>New York City</i>																	
<i>1974</i>																	
Jan. 2	82,400	1,786	1,756	5	.....	25	64,563	31,740	128	672	3,362	44	629	3,102	6,402	6,372
9	81,204	1,092	1,087	5	.....	7	63,666	31,647	133	1,304	3,066	42	626	2,708	6,212	6,386
16	80,482	1,346	1,334	5	.....	7	63,113	31,639	136	719	3,088	33	632	2,860	6,198	6,413
23	79,841	1,372	1,342	26	.....	4	62,410	31,352	151	725	2,895	44	623	2,685	6,134	6,393
30	79,049	1,707	1,630	76	.....	1	61,751	31,438	150	513	2,710	43	622	2,610	6,236	6,395
Dec. 4	94,067	1,453	1,232	152	.....	69	77,578	39,999	115	1,767	2,959	19	549	3,806	8,476	7,450
11	93,729	1,365	1,183	114	.....	68	77,028	40,340	108	925	2,956	19	538	3,857	8,444	7,494
18	95,603	1,618	1,394	122	.....	102	77,695	40,667	106	807	2,976	18	536	4,142	8,534	7,473
25	94,507	1,606	1,383	99	.....	124	77,320	40,917	102	680	2,437	19	555	4,003	8,401	7,504
31 (Tues.)	95,377	1,962	1,689	48	.....	225	78,425	41,384	115	641	2,853	25	540	3,899	8,572	7,507
<i>1975</i>																	
Jan. 8 ^o	94,211	1,406	1,322	28	38	18	77,323	40,894	126	1,980	2,277	21	534	3,536	8,282	7,514	
15 ^o	93,408	2,506	2,402	62	.....	42	75,986	40,396	126	1,085	2,349	21	507	3,591	8,330	7,508
22 ^o	90,188	2,067	1,814	93	.....	160	73,681	39,812	125	482	1,868	20	502	3,428	8,207	7,531
29 ^o	89,669	1,977	1,774	108	.....	95	73,479	39,477	121	754	2,231	20	499	3,288	8,192	7,509
<i>Outside New York City</i>																	
<i>1974</i>																	
Jan. 2	297,228	18,122	16,270	964	683	205	208,173	79,345	3,556	147	2,308	111	2,143	6,338	12,207	48,875	
9	292,449	15,311	12,873	1,906	350	182	206,023	78,855	3,565	187	2,096	116	2,126	5,822	11,776	48,870	
16	291,754	14,488	12,693	1,100	549	146	206,151	78,880	3,567	128	2,097	117	2,122	5,845	11,948	49,129	
23	289,337	12,609	11,270	817	352	170	205,552	78,588	3,580	130	1,870	116	2,127	5,673	12,052	49,221	
30	290,611	13,995	12,645	851	299	200	205,121	78,320	3,584	91	1,892	113	2,121	5,517	11,918	49,290	
Dec. 4	312,076	18,526	13,940	2,508	1,178	900	223,819	90,048	3,562	484	1,380	67	2,046	6,712	13,151	52,592	
11	311,895	17,512	14,174	1,405	1,169	764	223,306	89,732	3,566	135	1,298	65	2,033	6,835	13,403	52,703	
18	312,411	16,511	13,169	1,289	1,328	725	224,702	90,451	3,564	174	1,323	64	2,027	7,187	13,399	52,710	
25	311,777	16,089	12,726	1,210	1,437	716	224,206	89,963	3,555	95	1,239	66	2,037	7,176	13,381	52,720	
31 (Tues.)	315,125	18,261	14,160	1,909	1,401	791	224,975	89,950	3,631	147	1,335	67	2,038	7,220	13,626	52,800	
<i>1975</i>																	
Jan. 8 ^o	313,476	18,140	13,599	2,364	1,421	756	223,096	89,348	3,596	373	1,219	65	1,999	6,942	13,113	52,547	
15 ^o	309,525	16,170	12,291	1,803	1,260	816	221,341	88,687	3,564	131	1,248	65	1,982	6,826	13,051	52,566	
22 ^o	305,678	15,367	12,575	1,178	840	774	219,596	88,061	3,520	68	1,077	64	1,947	6,713	12,840	52,518	
29 ^o	303,913	15,336	12,045	1,306	1,167	818	218,740	87,446	3,478	144	1,149	63	1,954	6,634	12,694	52,598	

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Cash items in process of collection	Re-serves with F.R. Banks	Cur-rency and coin	Bal-ances with do-mestic banks	Invest-ments in sub-sidiar-ies not con-sol-idated	Other assets	Total assets/total liabil-ities	Deposits										
								Demand					Total ⁶	IPC	States and political sub-division-s	U.S. Govt.	Domestic interbank	
								Com-mer-cial	Mutual sav-ings									
<i>Large banks—Total</i>																		
1974																		
Jan. 2	39,584	25,685	5,030	12,455	1,435	22,343	486,160	184,565	128,210	7,352	7,161	25,286	804					
9	32,447	22,606	4,681	12,222	1,439	20,622	467,670	163,212	115,362	6,657	3,115	23,945	893					
16	34,685	25,158	4,529	12,341	1,440	20,328	470,717	165,560	117,005	6,463	3,874	23,598	805					
23	29,979	24,096	4,563	11,940	1,440	20,116	461,312	156,027	109,352	6,032	4,465	22,783	668					
30	30,161	23,753	4,501	11,950	1,443	20,724	462,192	158,015	109,059	6,238	5,688	22,815	689					
Dec. 4	33,788	19,483	4,525	11,799	1,604	32,585	509,927	164,190	118,105	6,071	2,213	24,565	659					
11	33,648	24,015	4,971	11,176	1,630	33,112	514,176	162,876	118,140	6,181	1,496	22,116	738					
18	34,483	25,564	4,996	11,162	1,648	32,228	518,095	166,790	119,151	6,204	3,619	23,329	610					
25	35,249	24,369	4,886	11,241	1,647	32,675	516,351	163,663	119,774	6,331	2,327	22,738	655					
31 (Tues.)	42,052	19,603	5,410	16,409	1,677	33,698	529,351	185,302	129,490	7,055	1,456	31,849	931					
1975																		
Jan. 8 ^p	32,437	21,305	5,043	12,027	1,649	31,879	512,027	164,441	117,685	6,409	1,571	24,801	834					
15 ^p	34,809	25,141	4,910	11,711	1,681	32,103	513,288	165,873	118,990	6,474	1,656	23,842	745					
22 ^p	30,355	29,437	4,884	10,846	1,673	32,617	505,678	155,281	112,595	6,108	2,601	21,054	677					
29 ^p	28,315	23,430	4,888	10,801	1,653	32,829	495,498	152,882	110,620	5,992	2,013	20,611	635					
<i>New York City</i>																		
1974																		
Jan. 2	12,856	8,834	565	5,276	667	6,695	117,293	51,771	28,419	581	1,666	10,969	454					
9	11,559	6,326	540	5,806	669	5,723	111,827	46,187	24,669	476	527	12,028	521					
16	11,861	7,007	524	6,433	670	5,695	112,672	47,047	25,100	376	707	11,502	456					
23	11,064	7,086	508	6,094	668	5,449	110,710	44,802	23,839	346	781	11,452	362					
30	11,824	6,846	511	6,198	670	5,777	110,875	46,677	23,909	429	1,082	11,789	388					
Dec. 4	10,906	6,328	533	4,383	725	11,194	128,136	46,549	26,081	327	375	11,901	341					
11	12,691	7,300	557	4,738	730	11,610	131,355	47,306	26,759	312	231	10,609	440					
18	12,409	7,481	571	4,472	730	11,185	132,451	48,864	27,293	379	677	11,395	327					
25	10,557	7,591	536	4,107	748	11,134	129,180	45,235	26,509	455	271	10,445	394					
31 (Tues.)	14,437	4,637	578	7,695	748	11,868	135,340	54,353	29,922	473	147	14,685	545					
1975																		
Jan. 8 ^p	10,970	6,357	576	4,813	756	11,145	128,828	46,839	26,020	322	155	12,073	463					
15 ^p	12,906	7,653	568	5,264	758	11,341	131,898	48,942	26,696	410	252	12,347	416					
22 ^p	11,156	9,385	544	4,641	757	11,459	128,130	44,254	25,238	287	489	10,308	375					
29 ^p	10,963	6,189	550	4,662	764	11,747	124,544	44,729	25,164	338	332	10,226	355					
<i>Outside New York City</i>																		
1974																		
Jan. 2	26,728	16,851	4,465	7,179	768	15,648	368,867	132,794	99,791	6,771	5,495	14,317	350					
9	20,888	16,280	4,141	6,416	770	14,899	355,843	117,025	90,693	6,181	2,588	11,917	372					
16	22,824	18,151	4,005	5,908	770	14,633	358,045	118,513	91,905	6,087	3,167	12,096	349					
23	18,915	17,010	4,055	5,846	772	14,667	350,602	111,225	85,513	5,686	3,684	11,331	306					
30	18,337	16,907	3,990	5,752	773	14,947	351,317	111,338	85,150	5,809	4,606	11,026	301					
Dec. 4	22,882	13,155	3,992	7,416	879	21,391	381,791	117,641	92,024	5,744	1,838	12,664	318					
11	20,957	16,715	4,414	6,438	900	21,502	382,821	115,570	91,381	5,869	1,265	11,507	298					
18	22,074	18,083	4,425	6,690	918	21,043	385,644	117,926	91,858	5,825	2,942	11,934	283					
25	24,692	16,778	4,350	7,134	899	21,541	387,171	118,428	93,265	5,876	2,056	12,293	261					
31 (Tues.)	27,615	14,966	4,832	8,714	929	21,830	394,011	130,949	99,568	6,582	1,309	17,164	386					
1975																		
Jan. 8 ^p	21,467	14,948	4,467	7,214	893	20,734	383,199	117,602	91,665	6,087	1,416	12,728	371					
15 ^p	21,903	17,488	4,342	6,447	923	20,762	381,390	116,931	92,294	6,064	1,404	11,495	329					
22 ^p	19,199	20,052	4,340	6,205	916	21,158	377,548	111,027	87,357	5,821	2,112	10,746	302					
29 ^p	17,352	17,241	4,338	6,139	889	21,082	370,954	108,153	85,456	5,654	1,681	10,385	280					

For notes see page A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits (cont.)										Borrowings from—		Other liabilities, etc. ⁸	Wednesday
Demand (cont.)			Time and savings					Federal funds purchased, etc. ⁷	I.R. Banks	Others			
Foreign	Certified and officers' checks	Total ⁶	IPC		States and political subdivisions	Domestic inter-bank	Foreign govts. ²						
Govts., etc. ²			Commercial banks	Savings				Other					
Large banks—Total													
1974													
1,156	4,978	9,618	189,645	57,087	95,395	22,840	5,554	8,311	51,993	754	5,154	17,322	..... Jan. 2
1,077	4,461	7,702	190,965	57,064	96,519	23,458	5,361	8,123	52,666	1,941	5,276	16,835	..... 9
1,062	4,338	8,415	191,407	56,955	96,969	23,510	5,385	8,102	53,193	1,083	5,501	17,187	..... 16
994	4,155	7,578	192,742	56,918	98,297	23,608	5,291	8,081	51,138	2,408	5,231	16,862	..... 23
1,190	4,640	7,696	193,137	56,801	98,892	23,552	5,153	8,121	50,708	1,316	5,327	16,785	..... 30
1,245	5,301	6,031	219,316	57,920	117,907	23,713	7,385	10,458	53,828	122	4,896	28,187	..... Dec. 4
1,313	5,391	7,501	221,705	57,890	119,264	24,012	7,722	10,843	56,532	926	4,886	27,836	..... 11
1,529	5,377	6,971	224,104	57,916	120,224	24,785	7,798	11,346	54,315	1,093	4,616	27,866	..... 18
1,273	5,425	5,140	225,947	57,947	121,018	25,236	8,124	11,631	53,992	207	4,557	28,656	..... 25
1,838	6,117	6,566	228,110	58,494	122,232	25,442	8,182	11,761	44,269	152	4,261	27,740	..... (Tues.) 31
1975													
1,415	5,397	6,329	228,210	58,672	122,148	25,625	8,260	11,441	51,886	17	4,053	23,847	..... Jan. 8 ^P
1,369	5,535	7,262	227,146	58,607	121,422	25,243	8,192	11,498	48,885	2,771	4,126	24,908	..... 15 ^P
1,315	4,811	6,120	227,222	58,658	120,883	25,301	8,651	11,502	52,805	2,271	4,102	24,378	..... 22 ^P
1,316	5,197	6,498	226,716	58,740	120,987	25,114	8,255	11,550	48,371	46	4,053	23,719	..... 29 ^P
New York City													
1974													
951	3,801	4,930	34,400	5,008	19,560	2,019	3,513	4,214	13,606	155	2,437	5,521	..... Jan. 2
892	3,286	3,788	35,084	5,012	20,160	2,297	3,363	4,168	12,574	941	2,503	5,119	..... 9
774	3,218	4,814	35,114	5,020	20,291	2,206	3,351	4,159	12,972	60	2,503	5,557	..... 16
893	3,088	4,141	35,520	5,017	20,916	1,988	3,358	4,157	11,767	1,232	2,514	5,387	..... 23
1,001	3,613	4,466	35,522	5,013	21,122	1,900	3,284	4,120	11,447	105	2,379	5,252	..... 30
1,003	4,034	2,487	46,699	4,993	28,051	1,815	4,174	6,282	13,301	.....	1,938	9,264	..... Dec. 4
1,099	4,076	3,780	47,206	4,994	28,367	1,768	4,259	6,412	15,047	260	1,930	9,211	..... 11
1,300	4,010	3,483	47,950	4,987	28,619	1,743	4,219	6,922	14,422	.....	1,686	9,151	..... 18
981	4,035	2,145	48,320	4,999	28,607	1,732	4,341	7,151	13,599	.....	1,695	9,977	..... 25
1,433	4,510	2,638	49,237	5,059	29,445	1,663	4,329	7,233	9,856	75	1,623	9,882	..... (Tues.) 31
1975													
1,092	3,988	2,726	49,187	5,082	29,497	1,651	4,409	7,067	12,750	.....	1,385	8,261	..... Jan. 8 ^P
1,112	4,093	3,616	48,636	5,090	28,966	1,599	4,314	7,120	11,341	1,440	1,566	9,580	..... 15 ^P
1,102	3,534	2,921	48,216	5,095	28,680	1,536	4,302	7,075	13,712	1,445	1,562	8,541	..... 22 ^P
1,109	3,785	3,420	48,060	5,101	28,567	1,524	4,181	7,168	11,653	.....	1,526	8,160	..... 29 ^P
Outside New York City													
1974													
205	1,177	4,688	155,245	52,079	75,835	20,821	2,041	4,097	38,387	599	2,717	11,801	..... Jan. 2
185	1,175	3,914	155,881	52,052	76,359	21,161	1,998	3,955	40,092	1,000	2,773	11,716	..... 9
188	1,120	3,601	156,293	51,935	76,678	21,304	2,034	3,943	40,221	1,023	2,998	11,630	..... 16
201	1,067	3,437	157,222	51,901	77,381	21,620	1,933	3,924	39,371	1,176	2,717	11,475	..... 23
189	1,027	3,230	157,615	51,788	77,770	21,652	1,869	4,001	39,261	1,211	2,948	11,533	..... 30
242	1,267	3,544	172,617	52,927	89,856	21,898	3,211	4,176	40,527	122	2,958	18,923	..... Dec. 4
214	1,315	3,721	174,499	52,896	90,897	22,244	3,463	4,431	41,485	666	2,956	18,625	..... 11
229	1,367	3,488	176,154	52,929	91,605	23,042	3,579	4,424	39,893	1,093	2,930	18,715	..... 18
292	1,390	2,995	177,627	52,948	92,411	23,504	3,783	4,474	40,393	207	2,862	18,679	..... 25
405	1,607	3,928	178,873	53,435	92,787	23,779	3,853	4,528	34,413	77	2,638	17,858	..... (Tues.) 31
1975													
323	1,409	3,603	179,023	53,590	92,651	23,974	3,851	4,374	39,136	17	2,668	15,586	..... Jan. 8 ^P
257	1,442	3,646	178,510	53,517	92,456	23,644	3,878	4,378	37,544	1,331	2,560	15,328	..... 15 ^P
213	1,277	3,199	179,006	53,563	92,203	23,765	4,349	4,427	39,093	826	2,540	15,837	..... 22 ^P
207	1,412	3,078	178,656	53,639	92,420	23,590	4,074	4,382	36,718	46	2,527	15,559	..... 29 ^P

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Reserves for—		Total capital accounts	Total loans (gross) adjusted ⁹	Total loans and investments (gross) adjusted ⁹	Demand deposits adjusted ¹⁰	Memoranda						
	Loans	Securities					Large negotiable time CD's included in time and savings deposits ¹¹			All other large time deposits ¹²			Gross liabilities of banks to their foreign branches
							Total	Issued to IPC's	Issued to others	Total	Issued to IPC's	Issued to others	
<i>Large banks—Total</i>													
1974													
Jan. 2	4,702	65	31,960	270,545	357,529	112,534	64,626	43,223	21,403				1,158
9	4,886	69	31,820	267,890	355,451	103,705	65,578	44,094	21,484				1,322
16	4,906	74	31,806	267,011	354,149	103,403	65,637	44,341	21,296				2,040
23	4,919	74	31,911	265,271	352,506	98,800	66,458	45,278	21,180				2,004
30	4,927	83	31,894	264,401	351,487	99,351	66,936	45,745	21,191				1,686
Dec. 4	5,234	78	34,076	302,898	387,665	103,624	88,035	60,856	27,179				3,353
11	5,222	62	34,131	300,510	386,923	105,616	89,823	62,072	27,751				3,245
18	5,196	66	34,049	302,536	390,024	105,359	91,017	62,856	28,161				3,951
25	5,144	62	34,123	301,748	388,811	103,349	92,380	63,551	28,829				3,997
31 (Tues.)	5,142	60	34,315	304,470	391,349	109,945	92,978	64,322	28,656	33,895	18,420	15,475	3,553
1975													
Jan. 8 ^p	5,273	62	34,238	301,672	389,394	105,632	92,613	64,305	28,308	37,567	20,826	16,741	2,822
15 ^p	5,310	61	34,208	298,148	385,076	105,566	91,797	63,455	28,342	37,331	20,583	16,748	3,453
22 ^p	5,396	111	34,112	293,091	378,246	101,271	91,805	62,965	28,840	37,610	20,857	16,753	2,585
29 ^p	5,447	60	34,204	292,528	376,578	101,943	91,584	62,907	28,677	37,395	20,843	16,552	2,065
<i>New York City</i>													
1974													
Jan. 2	1,281		8,122	62,920	78,971	26,280	20,307	12,848	7,459				800
9	1,311		8,108	62,045	78,491	22,073	20,987	13,433	7,554				942
16	1,331		8,088	61,585	77,608	22,977	20,982	13,559	7,423				1,578
23	1,340		8,148	60,895	76,954	21,505	21,346	14,065	7,281				1,484
30	1,341		8,152	60,403	75,994	21,982	21,341	14,247	7,094				1,226
Dec. 4	1,465		8,920	76,255	91,291	23,367	30,133	20,198	9,935				1,249
11	1,452		8,943	75,605	90,941	23,775	30,675	20,526	10,149				1,374
18	1,443		8,935	76,254	92,544	24,383	31,271	20,805	10,466				1,710
25	1,433		8,921	75,961	91,542	23,962	31,707	20,857	10,850				2,204
31 (Tues.)	1,397		8,917	77,102	92,092	25,084	32,245	21,514	10,731	9,324	5,554	3,770	1,712
1975													
Jan. 8 ^p	1,487		8,919	75,808	91,290	23,641	32,161	21,592	10,569	9,466	5,644	3,822	1,268
15 ^p	1,485		8,908	74,565	89,481	23,437	31,524	21,014	10,510	9,547	5,675	3,872	2,124
22 ^p	1,524		8,876	72,390	86,830	22,301	31,218	20,827	10,391	9,407	5,560	3,847	1,323
29 ^p	1,520		8,896	72,134	86,347	23,208	31,106	20,703	10,403	9,386	5,582	3,804	1,080
<i>Outside New York City</i>													
1974													
Jan. 2	3,421	65	23,838	207,625	278,558	86,254	44,319	30,375	13,944				358
9	3,575	69	23,712	205,845	276,960	81,632	44,591	30,661	13,930				380
16	3,575	74	23,718	205,426	276,541	80,426	44,655	30,782	13,873				462
23	3,579	74	23,763	204,376	275,552	77,295	45,112	31,213	13,899				520
30	3,586	83	23,742	203,998	275,493	77,369	45,595	31,498	14,097				460
Dec. 4	3,769	78	25,156	226,643	296,374	80,257	57,902	40,658	17,244				2,104
11	3,770	62	25,188	224,905	295,982	81,841	59,148	41,546	17,602				1,871
18	3,753	66	25,114	226,282	297,480	80,976	59,746	42,051	17,695				2,041
25	3,711	62	25,202	225,787	297,269	79,387	60,673	42,694	17,979				1,793
31 (Tues.)	3,745	60	25,398	227,368	299,257	84,861	60,733	42,808	17,925	24,571	12,866	11,705	1,841
1975													
Jan. 8 ^p	3,786	62	25,319	225,864	298,104	81,991	60,452	42,713	17,739	28,101	15,182	12,919	1,554
15 ^p	3,825	61	25,300	223,583	295,595	82,129	60,273	42,441	17,832	27,784	14,908	12,876	1,329
22 ^p	3,872	111	25,236	220,701	291,416	78,970	60,587	42,138	18,449	28,203	15,297	12,906	1,262
29 ^p	3,927	60	25,308	220,394	290,231	78,735	60,478	42,204	18,274	28,009	15,261	12,748	985

¹ Includes securities purchased under agreements to resell.

² Includes official institutions and so forth.

³ Includes short-term notes and bills.

⁴ Federal agencies only.

⁵ Includes corporate stocks.

⁶ Includes U.S. Govt. and foreign bank deposits, not shown separately.

⁷ Includes securities sold under agreements to repurchase.

⁸ Includes minority interest in consolidated subsidiaries.

⁹ Exclusive of loans and Federal funds transactions with domestic commercial banks.

¹⁰ All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.

¹¹ Certificates of deposit issued in denominations of \$100,000 or more.

¹² All other time deposits issued in denominations of \$100,000 or more (not included in large negotiable CD's).

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during								
	1975					1974					1974			
	Jan. 29	Jan. 22	Jan. 15	Jan. 8	Dec. 31 (Tues.)	Jan.	Dec. 31	Nov.	IV ¹	III	II	2nd half	1st half	
Durable goods manufacturing:														
Primary metals	1,964	1,960	1,925	1,987	2,004	40	69	64	76	63	23	139	56	
Machinery	8,289	8,427	8,518	8,563	8,739	-450	-85	145	129	349	779	220	1,848	
Transportation equipment	3,828	3,813	3,849	3,838	3,808	20	329	-40	361	340	229	701	587	
Other fabricated metal products	2,851	2,859	2,877	2,847	2,913	-62	-12	104	176	253	236	77	503	
Other durable goods	4,674	4,720	4,823	4,848	4,859	185	176	26	265	512	560	247	909	
Nondurable goods manufacturing:														
Food, liquor, and tobacco	4,338	4,418	4,532	4,681	4,920	-582	356	135	483	500	344	983	220	
Textiles, apparel, and leather	3,206	3,265	3,333	3,355	3,513	-307	-333	-142	722	107	339	615	909	
Petroleum refining	2,244	2,213	2,197	2,242	2,250	-16	318	32	473	494	67	967	108	
Chemicals and rubber	3,284	3,322	3,395	3,385	3,377	-93	87	100	60	311	355	251	610	
Other nondurable goods	2,414	2,408	2,442	2,497	2,507	-93	56	-46	134	158	222	24	338	
Mining, including crude petroleum and natural gas	4,819	4,860	4,949	4,944	5,037	-218	235	166	556	290	75	846	387	
Trade: Commodity dealers	1,723	1,738	1,867	1,986	2,077	-354	-58	372	703	-195	-630	508	-273	
Other wholesale	6,214	6,235	6,361	6,516	6,725	-511	160	155	346	135	364	481	829	
Retail	6,454	6,475	6,394	6,456	6,707	-253	598	156	246	-219	557	465	1,099	
Transportation	6,226	6,229	6,229	6,263	6,387	-161	299	-20	262	22	34	284	139	
Communication	2,277	2,319	2,427	2,458	2,498	-221	278	22	89	92	326	3	475	
Other public utilities	7,942	8,220	8,632	8,663	8,619	-677	574	320	610	1,088	1,335	1,698	1,044	
Construction	5,666	5,669	5,684	5,683	6,100	-434	295	51	344	234	623	110	657	
Services	11,642	11,702	11,781	11,801	11,953	-311	139	1	166	137	405	303	594	
All other domestic loans	9,932	10,033	9,827	10,107	10,125	-193	156	28	380	357	576	737	1,117	
Bankers' acceptances	1,813	1,694	1,640	1,641	1,661	152	19	189	309	365	381	56	443	
Foreign commercial and industrial loans	4,264	4,179	4,226	4,313	4,227	34	-41	116	249	208	506	457	611	
Total classified loans	106,051	106,758	107,908	109,074	111,006	4,955	1,477	1,186	2,489	4,271	6,972	6,760	12,554	
Comm. paper included in total class. loans ¹	1,288													
Total commercial and industrial loans of large commercial banks	126,923	127,873	129,083	130,242	131,334	4,411	1,695	1,296	2,822	4,809	7,718	7,631	13,582	

See NOTE to table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding								Net change during					
	1975	1974							1974					
	Jan. 29	Dec. 31 (Tues.)	Nov. 27	Oct. 30	Sept. 25	Aug. 28	July 31	June 26	May 29	IV	III	II	I	2nd half
Durable goods manufacturing:														
Primary metals	1,249	1,210	1,176	1,107	1,133	1,104	1,116	1,105	1,111	77	28	41	40	105
Machinery	4,138	4,151	4,049	3,970	3,896	3,789	3,572	3,286	3,213	255	610	172	248	865
Transportation equipment	1,737	1,681	1,586	1,570	1,535	1,419	1,373	1,410	1,424	146	125	45	81	271
Other fabricated metal products	1,246	1,195	1,113	1,093	1,066	1,000	996	954	960	129	112	43	17	241
Other durable goods	2,301	2,431	2,361	2,339	2,268	2,198	2,169	2,107	2,012	163	161	192	143	324
Nondurable goods manufacturing:														
Food, liquor, and tobacco	1,707	1,768	1,674	1,661	1,649	1,604	1,604	1,571	1,584	119	78	42	38	197
Textiles, apparel, and leather	1,124	1,144	1,179	1,187	1,151	1,171	1,182	1,128	1,120	7	23	39	86	16
Petroleum refining	1,542	1,518	1,272	1,208	1,097	1,048	996	963	954	421	134	18	12	555
Chemicals and rubber	1,839	1,883	1,818	1,820	1,778	1,790	1,760	1,737	1,686	105	41	134	42	146
Other nondurable goods	1,227	1,265	1,170	1,187	1,204	1,189	1,149	1,171	1,157	61	33	32	57	94
Mining, including crude petroleum and natural gas	3,449	3,697	3,620	3,468	3,339	3,319	3,197	3,130	3,172	358	209	115	287	567
Trade: Commodity dealers	169	155	171	157	139	166	155	141	144	16	-2	1	13	14
Other wholesale	1,469	1,491	1,431	1,488	1,449	1,419	1,446	1,406	1,404	42	43	83	133	85
Retail	2,379	2,598	2,602	2,578	2,527	2,529	2,512	2,428	2,514	71	99	52	274	170
Transportation	4,455	4,555	4,379	4,370	4,349	4,322	4,353	4,425	4,474	206	-76	8	97	130
Communication	1,161	1,120	1,076	1,047	1,029	1,021	1,030	1,030	1,033	91	1	64	106	90
Other public utilities	3,885	3,966	3,987	3,810	3,672	3,664	3,539	3,443	3,356	294	229	289	-98	523
Construction	2,224	2,309	2,281	2,237	2,272	2,218	2,183	2,130	1,984	37	142	232	7	179
Services	5,327	5,309	5,417	5,340	5,350	5,301	5,275	5,273	5,263	159	77	197	27	236
All other domestic loans	3,045	3,191	3,255	3,215	3,122	3,074	3,058	3,017	2,945	69	105	209	206	174
Foreign commercial and industrial loans	2,524	2,445	2,473	2,487	2,401	2,500	2,565	2,548	2,396	44	147	198	16	103
Total loans	48,197	49,282	48,090	47,339	46,426	45,845	45,230	44,403	43,906	2,856	2,023	1,872	1,738	4,879

¹ New item to be reported as of the last Wednesday of each month.

NOTE.—About 160 weekly reporting banks are included in this series; these banks classify, by industry, commercial and industrial loans amounting to about 90 per cent of such loans held by all weekly reporting banks and about 70 per cent of those held by all commercial banks.

For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1957 BULL. 118, p. 209.

Commercial and industrial "term" loans are all outstanding loans with an original maturity of more than 1 year and all outstanding loans granted under a formal agreement—revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.

GROSS DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS¹

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, IPC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
All insured commercial banks:						
1970—Dec.....	17.3	92.7	53.6	1.3	10.3	175.1
1971—Mar.....	18.3	86.3	54.4	1.4	10.5	170.9
June.....	18.1	89.6	56.2	1.3	10.5	175.8
Sept.....	17.9	91.5	57.5	1.2	9.7	177.9
Dec.....	18.5	98.4	58.6	1.3	10.7	187.5
1972—June.....	17.9	97.6	60.5	1.4	11.0	188.4
Sept.....	18.0	101.5	63.1	1.4	11.4	195.4
Dec.....	18.9	109.9	65.4	1.5	12.3	208.0
1973—Mar.....	18.6	102.8	65.1	1.7	11.8	200.0
June.....	18.6	106.6	67.3	2.0	11.8	206.3
Sept.....	18.8	108.3	69.1	2.1	11.9	210.3
Dec.....	19.1	116.2	70.1	2.4	12.4	220.1
1974—Mar.....	18.9	108.4	70.6	2.3	11.0	211.2
June.....	18.2	112.1	71.4	2.2	11.1	215.0
Sept.....	17.9	113.9	72.0	2.1	10.9	216.8
Dec.....	19.1	119.2	73.8	2.3	11.9	226.3
Weekly reporting banks:						
1971—Dec.....	14.4	58.6	24.6	1.2	5.9	104.8
1972—Dec.....	14.7	64.4	27.1	1.4	6.6	114.3
1973—Dec.....	14.9	66.2	28.0	2.2	6.8	118.1
1974—Jan.....	15.2	63.8	28.4	2.3	6.7	116.5
Feb.....	14.1	62.1	26.9	2.3	6.2	111.5
Mar.....	14.7	61.5	27.6	2.1	6.3	112.1
Apr.....	14.7	62.2	29.6	2.1	6.2	114.7
May.....	14.2	62.3	28.0	2.1	6.1	112.7
June.....	14.1	63.4	28.1	2.0	6.3	113.9
July.....	14.4	63.5	28.5	2.1	6.5	115.1
Aug.....	14.1	62.6	28.0	1.9	5.8	112.5
Sept.....	13.9	64.4	28.4	2.0	6.3	115.0
Oct.....	14.7	64.6	28.2	2.0	6.4	115.8
Nov.....	14.6	65.9	28.5	2.1	6.5	117.7
Dec.....	14.9	66.8	29.0	2.3	6.8	119.8

¹ Including cash items in process of collection.

NOTE.—Daily-average balances maintained during month as estimated

from reports supplied by a sample of commercial banks. For a detailed description of the type of depositor in each category, see June 1971 BULLETIN, p. 466.

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank					Class of bank				
	Dec. 31, 1972	Dec. 31, 1973	June 30, 1974	Oct. 15, 1974		Dec. 31, 1972	Dec. 31, 1973	June 30, 1974	Oct. 15, 1974
All commercial.....	559	507	460	.....	All member—Cont.				
Insured.....	554	503	457	407	Other large banks ¹	69	58	63	66
National member.....	311	288	265	247	All other member ¹	313	294	267	220
State member.....	71	64	65	39	All nonmember.....	177	155	130	.....
All member.....	381	352	330	286	Insured.....	172	152	127	121
					Noninsured.....	5	3	3	.....

¹ Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Other large" and "All other member" parallel the previous "Reserve City" (other than in New York City and the City of Chicago) and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and "Loans" in the monthly (and year-end) series as shown on pp. A-16; from the figures for weekly reporting banks as shown on pp. A-20-A-24 (consumer instalment loans); and from the figures in the table at the bottom of p. A-15. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-16-A-19.

LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To selected related institutions ¹			
	Total	By type of loan		
		Commercial and industrial	Real estate	All other
1974 Oct. 2	5,277	2,867	179	2,231
9	5,321	2,845	181	2,295
16	5,168	2,793	178	2,197
23	5,157	2,780	175	2,202
30	5,192	2,768	178	2,246
Nov. 6	5,168	2,756	182	2,230
13	5,169	2,786	182	2,201
20	5,077	2,779	186	2,112
27	4,920	2,740	186	1,994
Dec. 4	4,775	2,568	178	2,029
11	4,765	2,592	182	1,991
18	4,837	2,678	182	1,977
25	4,901	2,821	180	1,900
1975 Jan. 1	4,809	2,746	182	1,881
8	4,641	2,679	184	1,778
15	4,663	2,703	181	1,779
22	4,664	2,691	181	1,792
29	4,641	2,723	181	1,737

¹ To bank's own foreign branches, nonconsolidated non-bank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

NOTE: Series changed on Aug. 28, 1974. For a comparison of the old and new data for that date, see p. 741 of the Oct. 1974 BULLETIN. Revised figures received since Oct. 1974 that affect that comparison are shown in note 2 to this table in the Dec. 1974 BULLETIN, p. A 27.

COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial paper						Dollar acceptances									
	All issuers	Financial companies ¹		Non-financial companies ⁴	Bank-related ⁵		Total	Held by —						Based on —		
		Dealer-placed ²	Directly-placed ³		Dealer-placed	Directly-placed		Accepting banks			F.R. Banks		Others	Imports into United States	Exports from United States	All other
								Total	Own bills	Bills bought	Own acct.	Foreign corr.				
1966	13,645	2,332	10,556	757	.....	3,603	1,198	983	215	193	191	2,022	997	829	1,778	
1967	17,085	2,790	12,184	2,111	.....	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241	
1968	21,173	4,427	13,972	2,774	.....	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053	
1969	32,600	6,503	20,741	5,356	1,160	3,134	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408
1970	33,071	5,514	20,424	7,133	352	1,997	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895
1971	32,126	5,297	20,582	6,247	524	1,449	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509
1972	34,721	5,655	22,098	6,968	1,226	1,411	6,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458
1973-Nov	42,945	5,811	27,977	9,157	1,951	3,021	8,493	2,566	2,129	437	71	604	5,252	2,320	3,340	2,833
Dec.	41,073	5,487	27,204	8,382	1,938	2,943	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120
1974-Jan.	45,491	6,367	29,353	9,771	1,960	3,541	9,101	2,706	2,251	454	68	589	5,738	2,334	3,492	3,275
Feb.	47,164	7,201	29,169	10,794	1,923	3,606	9,364	2,854	2,328	525	69	592	5,850	2,434	3,182	3,748
Mar.	44,690	6,571	28,869	9,250	2,137	3,908	10,166	2,986	2,413	573	296	684	6,200	2,827	2,979	4,361
Apr.	44,677	6,228	28,752	9,697	2,270	4,564	10,692	3,232	2,744	488	216	700	6,544	2,900	2,833	4,959
May	46,171	5,699	30,426	10,046	1,978	5,106	11,727	3,089	2,642	447	373	732	7,532	2,952	2,899	5,876
June	44,846	4,955	30,344	10,562	1,465	5,385	13,174	3,535	3,066	469	304	795	8,540	3,287	3,219	6,668
July	45,561	4,655	30,344	10,562	1,465	5,385	15,686	3,499	2,983	516	218	1,023	10,947	3,589	3,774	8,323
Aug.	47,967	5,308	31,774	10,885	2,425	6,350	16,167	3,388	2,866	522	277	1,202	11,300	3,585	3,933	8,649
Sept.	49,087	5,333	31,095	12,659	2,185	6,446	16,035	3,347	2,942	405	504	1,459	10,724	3,526	3,806	8,703
Oct.	51,754	5,242	32,509	14,003	2,046	6,408	16,882	3,291	2,872	419	218	2,037	11,335	3,793	3,759	9,330
Nov.	51,883	4,860	32,491	14,532	1,947	6,697	16,553	3,789	3,290	499	611	1,702	10,452	3,810	3,709	9,035

¹ Financial companies are 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.

² As reported by dealers; includes all financial company paper sold in the open market.

³ As reported by financial companies that place their paper directly with investors.

⁴ Nonfinancial companies include public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

⁵ Included in dealer- and directly-placed financial company columns.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate	Effective date	Rate	Effective date	Rate	Effective date	Rate
1974—Jan. 7.....	9½-9¾■	1974—Apr. 11.....	9¾-9¾/10-	1974—June 3.....	11½■-11¾/10-	1974—Oct. 28.....	10¾-11-
14.....	9½-9¾■	15.....	10■-10¼/10-	7.....	11¾-11½■		11¼■-
29.....	9¾/10	19.....	10■-10¼	10.....	11¾/10	Nov. 4.....	10¾-11■
Feb. 11.....	9-9¼■	Apr. 23.....	10¼■-10¼/10	21.....	11¾-11½■	11.....	10½-10¾■-
19.....	9■-9¼	24.....	10¼■	24.....	11½■-11¾	14.....	10½-10¾■-
25.....	8¾/10-8¾■-9		10¼/10	25.....	11½■-11¾-	11.....	11
26.....	8¾/10-8¾■	25.....	10½	26.....	11¾-11¾■	18.....	10-10½-
Mar. 4.....	8½-8¾/10-	26.....	10¼-10¼/10-	28.....	11¾/10	19.....	10-10¼-
5.....	8¾■		10½	July 3.....	11¾■-11¾/10-	25.....	10-10¼-
19.....	8¾■-8¾/10		10½/10-	5.....	12		10¾■
21.....	8¾■-8¾/10-9	30.....	10½■-	9.....	11¾-11¾/10-	Dec. 2.....	9¾-10-10¼
22.....	8¾/10-9■		10¾-11	23.....	11¾-12■		-10½■
26.....	9■	May 2.....	10½-10¾/10-	Aug. 20.....	10¾-12■	1975 -Jan. 9.....	9½-10-
28.....	9■-9¼	3.....	10¾/10-10¾-	Sept. 26.....	10¾-11½-		10¼■
29.....	9-9¼■-9½	6.....	10¾/10-10¾-	Oct. 7.....	10¾-11½-	13.....	9½-9¾-10-
Apr. 2.....	9¼■-9¼/10-	7.....	11■	15.....	10¾-11¾-	15.....	9½-9¾
3.....	9½	10.....	11-11¾■	21.....	11¾■-12	20.....	10■-10¼
4.....	9½/10-9½■-	13.....	11¼■-11¼/10		11¾-	28.....	9½■-9¾■-10
5.....	9¾	17.....	11¼-11¼/10		11½-	29.....	9½■-9¾
8.....	9¾/10-9¾/10-	20.....	11½■-11½		11¾■		
	10				11¾		

NOTE.—Beginning Nov. 1971, several banks adopted a floating prime rate keyed to money market variables. ■ denotes the predominant prime rate quoted by commercial banks to large businesses.

Effective Apr. 16, 1973, with the adoption of a two tier or "dual prime rate," this table shows only the "large-business prime rate," which is the range of rates charged by commercial banks on short-term loans to large businesses with the highest credit standing.

RATES ON BUSINESS LOANS OF BANKS

Center	Size of loan (in thousands of dollars)											
	All sizes		1-9		10-99		100-499		500-999		1,000 and over	
	Nov. 1974	Aug. 1974	Nov. 1974	Aug. 1974	Nov. 1974	Aug. 1974	Nov. 1974	Aug. 1974	Nov. 1974	Aug. 1974	Nov. 1974	Aug. 1974
Short-term												
35 centers.....	11.64	12.40	11.81	11.74	12.04	12.34	11.97	12.60	11.80	12.49	11.44	12.34
New York City.....	11.35	12.38	12.31	12.14	12.11	12.82	12.05	12.85	11.56	12.35	11.21	12.32
7 Other Northeast.....	12.22	13.17	13.03	13.07	12.84	13.20	12.46	13.34	12.34	13.29	11.91	13.05
8 North Central.....	11.66	12.36	11.54	11.25	11.99	12.42	11.93	12.68	11.77	12.49	11.53	12.25
7 Southeast.....	11.52	11.85	11.44	11.41	11.34	11.60	11.43	11.84	11.62	11.84	11.62	12.00
8 Southwest.....	11.56	11.95	10.87	10.83	11.64	11.62	11.77	12.02	11.74	12.15	11.36	11.99
4 West Coast.....	11.48	12.15	12.26	12.38	11.99	12.29	11.86	12.30	11.56	12.33	11.32	12.07
Revolving credit												
35 centers.....	11.60	12.46	12.71	12.06	12.00	12.45	11.99	12.47	11.60	12.35	11.56	12.48
New York City.....	11.60	12.48	12.25	12.72	11.97	12.49	11.89	12.60	11.77	12.58	11.57	12.46
7 Other Northeast.....	12.26	12.38	12.08	13.60	11.98	12.86	11.68	12.04	11.75	11.57	12.50	12.49
8 North Central.....	11.82	12.72	13.34	12.38	12.29	12.31	12.57	12.45	11.79	12.06	11.72	12.87
7 Southeast.....	11.53	12.44		9.54	11.41	11.42	13.09	11.03	10.98	11.74	11.25	13.27
8 Southwest.....	12.06	12.81	13.03	12.74	12.33	12.43	12.28	11.03	11.82	12.57	12.06	12.88
4 West Coast.....	11.39	12.35	12.70	12.69	11.89	12.60	11.68	12.53	11.57	12.49	11.33	12.31
Long-term												
35 centers.....	12.16	13.08	11.74	11.76	12.04	12.03	12.09	12.30	11.71	12.59	12.23	13.03
New York City.....	11.96	13.65	8.87	10.43	11.45	12.56	12.37	12.72	12.02	12.26	11.93	13.81
7 Other Northeast.....	12.35	12.74	12.66	12.70	12.52	11.83	11.98	12.60	11.55	12.20	12.61	13.01
8 North Central.....	12.29	13.12	10.90	11.27	11.89	11.47	11.90	12.27	11.75	12.70	12.44	13.40
7 Southeast.....	13.81	10.27	11.21	11.05	11.45	10.83	12.14	11.69	12.02	11.06	17.29	8.30
8 Southwest.....	12.27	13.43	12.39	12.09	12.18	12.84	12.28	12.06	12.68	12.41	12.49	14.22
4 West Coast.....	12.01	12.41	12.75	11.38	11.99	13.09	12.04	11.82	11.60	13.43	12.06	12.32

MONEY MARKET RATES

(Per cent per annum)

Period	Prime commercial paper ¹		Finance co. paper placed directly, 3 to 6 months ²	Prime bankers acceptances, 90 days ³	Federal funds rate ⁴	U.S. Government securities ⁵						
	90-119 days	4 to 6 months				3-month bills ⁶		6-month bills ⁶		9- to 12-month issues		3- to 5-year issues ⁷
						Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield) ⁶	Other ⁷	
1967.....		5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968.....		5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969.....		7.83	7.16	7.61	8.21	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970.....		7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971.....		5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972.....		4.66	4.69	4.52	4.44	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973.....		8.20	8.15	7.40	8.08	8.74	7.041	7.178	7.20	7.01	7.30	6.92
1974.....		10.05	9.87	8.62	9.92	10.51	7.886	7.84	7.926	7.95	8.25	7.81
1974—Jan.....	8.86	8.66	7.92	8.72	9.65	7.755	7.77	7.627	7.65	7.01	7.46	6.94
Feb.....	8.00	7.83	7.40	7.83	8.97	7.060	7.12	6.874	6.96	6.51	6.93	6.77
Mar.....	8.64	8.42	7.76	8.43	9.35	7.986	7.96	7.829	7.83	7.34	7.86	7.33
Apr.....	9.92	9.79	8.43	9.61	10.51	8.229	8.33	8.171	8.32	8.08	8.66	7.99
May.....	10.82	10.62	8.94	10.68	11.31	8.430	8.23	8.496	8.40	8.21	8.78	8.24
June.....	11.18	10.96	9.00	10.79	11.93	8.145	7.90	8.232	8.12	8.16	8.71	8.14
July.....	11.93	11.72	9.00	11.88	12.92	7.752	7.55	8.028	7.94	8.04	8.89	8.39
Aug.....	11.79	11.65	9.31	12.08	12.01	8.744	8.96	8.853	9.11	8.88	9.54	8.64
Sept.....	11.36	11.23	9.41	11.06	11.34	8.363	8.06	8.599	8.53	8.52	8.95	8.38
Oct.....	9.55	9.36	9.03	9.34	10.06	7.244	7.46	7.559	7.74	7.59	8.04	7.98
Nov.....	8.95	8.81	8.50	9.03	9.45	7.585	7.47	7.551	7.52	7.29	7.67	7.65
Dec.....	9.18	8.98	8.50	9.19	8.53	7.179	7.15	7.091	7.11	6.79	7.33	7.22
1975—Jan.....	7.39	7.30	7.31	7.54	7.13	6.493	6.26	6.525	6.36	6.27	6.74	7.29
Week ending—												
1974—Oct. 5.....	10.40	10.18	9.45	9.79	11.04	6.385	6.64	7.439	7.66	7.97	8.34	8.13
12.....	9.85	9.70	9.20	9.61	10.43	6.698	7.24	7.364	7.70	7.53	7.92	7.98
19.....	9.50	9.31	9.13	9.31	10.11	7.722	7.73	7.829	7.79	7.60	8.04	7.95
26.....	9.15	8.90	8.80	9.12	9.81	7.524	7.60	7.398	7.62	7.40	7.90	7.90
Nov. 2.....	8.95	8.83	8.53	8.95	9.72	7.892	7.95	7.766	7.86	7.51	8.02	7.98
9.....	9.00	8.88	8.50	8.83	9.63	7.880	7.66	7.857	7.65	7.38	7.81	7.83
16.....	8.94	8.81	8.50	8.93	9.37	7.604	7.26	7.552	7.39	7.29	7.63	7.67
23.....	8.88	8.73	8.50	9.00	9.34	7.528	7.46	7.427	7.42	7.19	7.55	7.53
30.....	9.00	8.81	8.50	9.41	9.46	7.328	7.45	7.369	7.57	7.26	7.62	7.50
Dec. 7.....	9.23	9.05	8.50	9.55	9.02	7.524	7.44	7.564	7.34	7.15	7.65	7.46
14.....	8.95	8.78	8.50	9.03	8.86	7.172	7.24	6.911	7.04	6.79	7.26	7.16
21.....	9.20	9.00	8.50	9.03	8.72	7.058	6.92	6.858	6.99	6.56	7.16	7.06
28.....	9.28	9.06	8.50	9.16	8.45	6.963	7.01	7.032	7.11	6.67	7.26	7.17
1975—Jan. 4.....	9.13	8.84	8.47	9.08	7.35	7.113	6.96	7.101	6.99	6.70	7.17	7.26
11.....	7.95	7.83	7.98	8.33	7.70	6.698	6.59	6.682	6.64	6.45	6.91	7.23
18.....	7.63	7.53	7.65	7.66	7.22	6.678	6.54	6.646	6.54	6.44	6.95	7.32
25.....	6.85	6.85	6.78	7.03	7.17	6.369	5.98	6.373	6.14	6.15	6.66	7.36
Feb. 1.....	6.55	6.48	6.38	6.59	6.99	5.606	5.68	5.825	5.92	5.87	6.31	7.23

¹ Averages of the most representative daily offering rate quoted by dealers.

² Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90-179 day range.

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

⁴ Seven-day averages for week ending Wednesday. Beginning with statement week ending July 25, 1973, weekly averages are based on the daily average of the range of rates on a given day weighted by the volume

of transactions at these rates. For earlier statement weeks, the averages were based on the daily effective rate—the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

⁵ Except for new bill issues, yields are averages computed from daily closing bid prices.

⁶ Bills quoted on bank-discount-rate basis.

⁷ Selected note and bond issues.

NOTE.—Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds					Corporate bonds						Stocks			
	United States (long-term)	State and local			Aaa utility		Total ¹	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total ¹	Aaa	Baa	New issue	Recently offered		Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
1970.....	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.46
1971.....	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	6.75	3.14	5.41
1972.....	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	7.27	2.84	5.50
1973.....	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.83	7.23	3.06	7.12
1974.....	6.99	6.19	5.89	6.53	9.33	9.34	8.98	8.57	9.50	8.78	8.98	9.27	8.23	4.47	.....
1974—Jan.....	6.56	5.23	5.03	5.49	8.21	8.21	8.15	7.83	8.58	7.97	8.34	8.27	7.60	3.64	.....
Feb.....	6.54	5.25	5.05	5.49	8.12	8.23	8.17	7.85	8.59	8.01	8.27	8.33	7.47	3.81	.....
Mar.....	6.81	5.44	5.20	5.71	8.46	8.44	8.27	8.01	8.65	8.12	8.35	8.44	7.56	3.65	8.96
Apr.....	7.04	5.76	5.45	6.06	8.99	8.95	8.50	8.25	8.88	8.39	8.51	8.68	7.83	3.86	.....
May.....	7.07	6.06	5.89	6.30	9.24	9.13	8.68	8.37	9.10	8.55	8.73	8.86	8.11	4.00	.....
June.....	7.03	6.17	5.95	6.41	9.38	9.40	8.85	8.47	9.34	8.69	8.89	9.08	8.25	4.02	10.30
July.....	7.18	6.70	6.34	7.10	10.20	10.04	9.10	8.72	9.55	8.95	9.08	9.35	8.40	4.42	.....
Aug.....	7.33	6.70	6.38	7.10	10.07	10.19	9.36	9.00	9.77	9.16	9.30	9.70	8.61	4.90	.....
Sept.....	7.30	6.77	6.49	7.18	10.38	10.30	9.67	9.24	10.12	9.44	9.46	10.11	8.93	5.45	14.58
Oct.....	7.22	6.56	6.21	6.99	10.16	10.23	9.80	9.27	10.41	9.53	9.64	10.31	8.78	5.38	.....
Nov.....	6.93	6.54	6.06	7.01	9.21	9.34	9.60	8.89	10.50	9.30	9.59	10.14	8.60	5.13	.....
Dec.....	6.78	7.04	6.65	7.50	9.53	9.56	9.56	8.89	10.55	9.23	9.59	10.02	8.78	5.43	.....
1975—Jan.....	6.68	6.89	6.39	7.45	9.36	9.45	9.55	8.83	10.02	9.19	9.52	10.10	8.41	5.07	.....
Week ending—															
1974—Dec. 7.....	6.89	6.89	6.40	7.45	9.50	9.39	9.55	8.90	10.51	9.24	9.58	9.98	8.61	5.43	.....
14.....	6.75	7.14	6.80	7.55	9.59	9.57	9.54	8.87	10.50	9.23	9.60	9.97	8.77	5.42	.....
21.....	6.70	7.07	6.70	7.50	9.51	9.59	9.55	8.85	10.56	9.21	9.58	10.02	8.78	5.41	.....
28.....	6.77	7.07	6.70	7.50	.....	9.64	9.58	8.90	10.61	9.24	9.60	10.09	8.87	5.50	.....
1975—Jan. 4.....	6.77	7.07	6.70	7.55	.....	9.67	9.60	8.93	10.62	9.26	9.58	10.13	8.89	5.37	.....
11.....	6.68	7.01	6.60	7.50	9.62	9.45	9.60	8.91	10.63	9.24	9.55	10.17	8.62	5.25	.....
18.....	6.66	6.97	6.55	7.50	9.38	9.55	9.56	8.84	10.63	9.17	9.54	10.15	8.25	5.10	.....
25.....	6.69	6.75	6.10	7.40	9.45	9.47	9.52	8.78	10.62	9.16	9.52	10.07	8.27	5.14	.....
Feb. 1.....	6.67	6.63	6.00	7.30	9.00	9.21	9.48	8.74	10.59	9.16	9.46	10.00	8.56	4.79	.....
Number of issues ²	12	20	5	5	.....	.....	121	20	30	41	30	40	14	500	500

¹ Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.

² Number of issues varies over time; figures shown reflect most recent count.

NOTE.—Annual yields are averages of monthly or quarterly data. Bonds: Monthly and weekly yields are computed as follows: (1) U.S. Govt.: Averages of daily figures for bonds maturing or callable in 10 years or more; from Federal Reserve Bank of New York. (2) State and local

govt., general obligations only, based on Thurs. figures, from Moody's Investors Service. (3) Corporate, rates for "New issue" and "Recently offered" Aaa utility bonds, weekly averages compiled by the Board of Governors of the Federal Reserve System and rates for seasoned issues, averages of daily figures from Moody's Investors Service.

Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures. Earnings/price ratios as of end of period. Preferred stock ratio based on 8 median yields for a sample of non-callable issues—12 industrial and 2 public utility. Common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

NOTES TO TABLES ON OPPOSITE PAGE:

Security Prices:

NOTE.—Annual data are averages of monthly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: U.S. Govt. bonds, derived from average market yields in table on p. A-30 on basis of an assumed 3 per cent, 20-year bond. Municipal and corporate bonds, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. Common stocks, derived from component common stock prices. Average daily volume of trading, normally conducted 5 days per week for 5½ hours per day, or 27½ hours per week. In recent years shorter days and/or weeks have cut total weekly trading to the following number of hours:

Stock Market Customer Financing:

¹ Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (see Dec. 1970 BULLETIN). Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.

² In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

³ Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of over the counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

⁴ Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

SECURITY PRICES

Period	Common stock prices												American Stock Exchange total index (Aug. 31, 1973=100)	Volume of trading in stocks (thousands of shares)	
	Bond prices (per cent of par)			New York Stock Exchange											
	U.S. Govt. (long-term)	State and local	Corporate AAA	Standard and Poor's index (1941-43=10)				New York Stock Exchange index (Dec. 31, 1965=50)							
				Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility	Finance			
1970.....	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.03	32.14	37.24	54.64	96.63	10,532	3,376
1971.....	67.73	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38	113.40	17,429	4,234
1972.....	68.71	84.4	65.9	109.20	121.79	44.11	56.90	60.29	65.73	50.17	38.48	78.35	129.10	16,487	4,447
1973.....	62.80	85.4	63.7	107.43	120.44	38.05	53.47	57.42	63.08	37.74	37.69	70.12	103.80	16,374	3,004
1974 ^a	57.45	76.3	58.8	82.85	92.91	37.53	38.91	43.84	48.08	31.89	29.82	49.67	79.97	13,883	1,908
1974—Jan.....	60.66	85.2	62.3	96.11	107.18	44.37	48.60	51.39	55.77	36.85	35.89	64.80	95.32	16,506	2,757
Feb.....	60.83	85.3	62.0	93.45	104.13	41.85	48.13	50.01	54.02	36.26	35.27	62.81	95.11	13,517	2,079
Mar.....	58.70	83.5	61.3	97.44	108.98	42.57	47.90	52.15	56.80	38.39	35.22	64.47	99.10	14,745	2,123
Apr.....	57.01	80.2	60.3	92.46	103.66	40.26	44.03	49.21	53.95	35.87	32.59	58.72	93.57	12,109	1,752
May.....	56.81	77.3	59.7	89.67	101.17	37.04	39.35	47.35	52.53	33.62	30.25	52.85	84.71	12,512	1,725
June.....	57.11	76.2	59.5	89.79	101.62	37.31	37.46	47.14	52.63	33.76	29.20	51.20	82.88	12,268	1,561
July.....	55.97	71.9	58.5	82.82	93.54	35.63	35.37	43.27	48.35	31.01	27.50	44.23	77.92	12,459	1,610
Aug.....	54.95	71.6	57.6	76.03	85.51	35.06	34.00	39.86	44.19	29.41	26.72	40.11	74.97	12,732	1,416
Sept.....	55.13	71.0	56.2	68.12	76.54	31.55	30.93	35.69	39.29	25.86	24.94	36.42	65.70	13,998	1,808
Oct.....	55.69	72.7	55.9	69.44	77.57	33.70	33.80	36.62	39.81	27.26	26.76	39.28	66.78	16,396	1,880
Nov.....	57.80	72.6	56.3	71.74	80.17	35.95	34.45	37.98	41.24	28.40	27.60	41.89	63.72	14,341	1,823
Dec.....	58.96	68.6	56.1	67.07	74.80	34.81	32.85	35.41	38.32	26.02	26.18	39.27	59.88	15,007	2,359
1975—Jan.....	59.70	70.9	56.4	72.56	80.50	37.31	38.19	38.56	41.29	28.12	29.55	44.85	68.31	19,661	2,117
Week ending—															
1975—Jan. 4.....	59.06	68.4	56.2	69.17	77.05	35.79	34.42	36.47	39.43	26.57	27.20	40.34	61.06	17,389	2,807
11.....	59.72	69.0	56.3	71.18	78.98	36.75	37.31	37.75	40.43	27.51	29.05	43.43	65.22	18,051	1,969
18.....	59.84	70.0	56.4	71.83	79.58	37.36	38.31	38.23	40.81	27.90	29.59	45.02	67.61	16,869	1,849
25.....	59.67	72.3	56.5	71.71	79.43	37.25	38.37	38.19	40.77	27.89	29.58	45.00	69.20	16,436	1,889
Feb. 1.....	59.83	72.6	56.5	76.37	84.84	38.29	39.74	40.60	43.61	29.60	30.60	47.34	73.51	29,138	2,978

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks ¹										Unregulated ³	Free credit balances at brokers ⁴	
	Regulated ²												
	By source			By type									
	Total	Brokers	Banks	Margin stock		Convertible bonds		Subscription issues						Nonmargin stock credit at banks
Brokers				Banks	Brokers	Banks	Brokers	Banks					
											Margin accts.	Cash accts.	
1973—Nov.....	6,774	5,671	1,003	5,460	1,027	197	60	14	16	1,917	464	1,685	
Dec.....	6,382	5,251	1,131	5,050	1,070	189	46	12	15	1,866	454	1,700	
1974—Jan.....	6,343	5,323	1,020	5,130	961	182	45	11	14	1,845	445	1,666	
Feb.....	6,462	5,423	1,039	5,230	977	183	46	10	16	1,843	420	1,604	
Mar.....	6,527	5,519	1,008	5,330	944	180	48	9	16	1,869	425	1,583	
Apr.....	6,567	5,558	1,009	5,370	952	179	44	9	13	1,868	415	1,440	
May.....	6,381	5,361	1,020	5,180	963	172	44	9	13	1,858	395	1,420	
June.....	6,297	5,260	1,037	5,080	991	172	34	8	12	2,072	395	1,360	
July.....	5,948	4,925	1,023	4,760	978	158	33	7	12	2,091	402	1,391	
Aug.....	5,625	4,672	953	4,510	912	156	29	6	12	2,119	429	1,382	
Sept.....	5,097	3,173	924	4,020	881	148	31	5	12	2,060	437	1,354	
Oct.....	4,996	4,080	916	3,930	872	145	32	5	12	2,024	431	1,419	
Nov.....		4,103		3,960		139		4			410	1,447	

For notes see opposite page.

EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars) ¹	Equity class (per cent)					
		80 or more	70-79	60-69	50-59	40-49	Under 40
1973—Oct.	5,690	7.2	10.0	19.9	22.6	22.1	18.2
Nov.	5,460	5.4	6.1	12.0	16.9	19.5	40.1
Dec.	5,050	5.8	7.7	14.4	17.4	20.3	34.2
1974—Jan.	5,130	5.5	8.0	14.2	22.6	25.8	24.0
Feb.	5,230	5.4	7.4	13.3	22.6	28.0	23.3
Mar.	5,330	5.0	7.0	11.4	19.4	30.2	27.1
Apr.	5,370	4.4	6.0	9.9	16.5	26.5	37.0
May.	5,180	4.2	5.1	8.5	13.7	23.3	45.3
June.	5,080	4.0	5.0	7.7	12.6	21.8	49.1
July.	4,760	4.0	4.8	7.9	13.3	22.2	47.9
Aug.	4,510	3.5	4.0	6.6	11.2	18.4	56.3
Sept.	4,020	3.5	3.9	6.1	10.2	18.0	58.3
Oct.	3,930	4.6	5.5	9.4	16.8	27.3	36.4
Nov.	3,960	4.2	5.1	8.5	14.8	24.4	42.8

¹ Note 1 appears at the bottom of p. A-30.

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

SPECIAL MISCELLANEOUS ACCOUNT BALANCES AT BROKERS, BY EQUITY STATUS OF ACCOUNTS

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status		Total balance (millions of dollars)
		60 per cent or more	Less than 60 per cent	
1973—Oct.	38.5	46.7	14.8	5,860
Nov.	37.5	42.2	20.3	5,882
Dec.	39.4	40.0	20.6	5,935
1974—Jan.	38.3	42.7	18.0	6,596
Feb.	39.4	43.3	24.9	6,740
Mar.	40.0	41.2	18.9	6,784
Apr.	39.6	42.3	19.4	6,526
May.	37.8	40.0	22.2	6,544
June.	40.3	37.4	22.4	6,538
July.	40.2	36.5	23.2	6,695
Aug.	39.9	34.0	26.0	6,783
Sept.	40.7	31.2	27.0	7,005
Oct.	40.9	35.1	24.0	7,248
Nov.	40.0	34.6	25.3	6,926

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

MUTUAL SAVINGS BANKS

(In millions of dollars)

End of period	Loans		Securities			Cash	Other assets	Total assets—Total liabilities and general reserve accts.	Deposits	Other liabilities	General reserve accounts	Mortgage loan commitments ² classified by maturity (in months)				
	Mortgage	Other	U.S. Govt.	State and local govt.	Corporate and other ¹							3 or less	3-6	6-9	Over 9	Total
1970.	57,775	2,255	3,151	197	12,876	1,270	1,471	78,995	71,580	1,690	5,726	619	322	302	688	1,931
1971.	62,069	2,808	3,334	385	17,674	1,389	1,711	89,369	81,440	1,810	6,118	1,047	627	463	1,310	3,447
1972 ³	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624	4,539
1973.	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1973—Nov.	72,760	4,424	2,948	925	21,150	1,519	2,264	105,991	95,259	3,201	7,530	1,272	685	479	1,079	3,515
Dec.	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1974—Jan.	73,440	4,161	2,925	936	21,623	1,686	2,312	107,083	96,792	2,665	7,626	1,171	587	439	998	3,196
Feb.	73,647	4,584	2,846	942	21,923	1,618	2,316	107,877	97,276	2,919	7,681	1,232	562	407	952	3,153
Mar.	73,957	4,825	2,851	934	22,302	1,634	2,373	108,876	98,557	2,595	7,724	1,302	525	413	929	3,168
Apr.	74,181	4,425	2,852	951	22,366	1,601	2,347	108,722	98,035	2,943	7,744	1,214	584	401	994	3,193
May.	74,011	4,388	2,750	893	22,241	1,656	2,355	108,295	97,391	3,173	7,731	1,129	608	400	1,014	3,151
June.	74,281	4,274	2,758	880	22,324	1,651	2,488	108,654	98,190	2,688	7,776	1,099	602	328	1,001	3,031
July.	74,541	4,311	2,650	884	22,383	1,402	2,487	108,660	97,713	3,144	7,803	990	586	316	1,076	2,968
Aug.	74,724	4,031	2,604	879	22,292	1,334	2,519	108,383	97,067	3,475	7,841	949	496	417	977	2,839
Sept.	74,790	4,087	2,574	876	22,218	1,303	2,573	108,420	97,425	3,089	7,906	932	382	450	904	2,668
Oct.	74,835	3,981	2,525	870	22,190	1,303	2,608	108,313	97,252	3,158	7,904	775	374	360	792	2,301
Nov.	74,913	4,226	2,553	877	22,201	1,406	2,633	108,809	97,582	3,291	7,936	724	398	317	743	2,182

¹ Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

² Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans.

³ Balance sheet data beginning 1972 are reported on a gross-of-valuation-reserves basis. The data differ somewhat from balance sheet data previously reported by National Assn. of Mutual Savings Bank, which

were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—NAMSAB data; figures are estimates for all savings banks in the United States and differ somewhat from those shown elsewhere in the BULLETIN; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies.

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mortgages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign ¹	Total	Bonds	Stocks				
1970.....	207,254	11,068	4,574	3,306	3,188	88,518	73,098	15,420	74,375	6,320	16,064	10,909
1971.....	222,102	11,000	4,455	3,363	3,182	99,805	79,198	20,607	75,496	6,904	17,065	11,832
1972.....	239,730	11,372	4,562	3,367	3,443	112,985	86,140	26,845	76,948	7,295	18,003	13,127
1973.....	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,369	7,693	20,199	14,057
1973—Oct.....	251,925	11,456	4,421	3,397	3,638	119,885	92,105	27,780	79,677	7,713	19,870	13,324
Nov.....	251,178	11,574	4,514	3,404	3,656	118,100	92,265	25,835	80,371	7,771	20,039	13,323
Dec.....	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,369	7,693	20,199	14,057
1974—Jan.....	253,531	11,465	4,410	3,463	3,592	119,079	93,082	25,997	81,490	7,816	20,242	13,439
Feb.....	254,739	11,535	4,429	3,518	3,588	119,715	93,672	26,043	81,745	7,825	20,382	13,537
Mar.....	255,847	11,766	4,595	3,511	3,660	119,936	94,037	25,899	81,971	7,831	20,538	13,805
Apr.....	256,583	11,594	4,317	3,526	3,751	120,466	95,010	25,456	82,469	7,795	20,830	13,429
May.....	257,518	11,606	4,318	3,538	3,750	120,642	95,721	24,921	82,750	7,840	21,067	13,613
June.....	258,398	11,617	4,290	3,562	3,765	120,526	95,934	24,592	83,228	7,878	21,321	13,828
July.....	259,187	11,675	4,301	3,572	3,802	120,404	96,507	23,897	83,697	7,924	21,581	13,906
Aug.....	258,951	11,725	4,338	3,577	3,810	119,139	96,723	22,416	84,119	7,998	21,888	14,088
Sept.....	258,668	11,718	4,306	3,596	3,816	117,740	96,861	20,879	84,509	8,055	22,202	14,444
Oct.....	261,778	11,748	4,319	3,603	3,826	120,198	97,515	22,683	85,054	8,087	22,503	14,188

¹ Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

Figures are annual statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total in "Other assets."

Note.—Institute of Life Insurance estimates for all life insurance companies in the United States.

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets - Total liabilities	Liabilities					Mortgage loan commitments outstanding at end of period ⁴
	Mortgages	Investment securities ¹	Cash	Other		Savings capital	Net worth ²	Borrowed money ³	Loans in process	Other	
1970.....	150,331	13,020	3,506	9,326	176,183	146,404	12,401	10,911	3,078	3,389	4,452
1971.....	174,250	18,185	2,857	10,731	206,023	174,171	13,592	8,992	5,029	4,213	7,328
1972.....	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973 ⁵	231,733	21,055		19,117	271,905	226,968	17,056	17,172	4,667	6,042	9,526
1973—Dec.....	231,733	21,055		19,117	271,905	226,968	17,056	17,172	4,667	6,042	9,526
1974—Jan.....	232,607	22,403		19,392	274,402	229,145	17,281	16,735	4,371	6,870	9,781
Feb.....	234,052	23,352		19,788	277,192	230,971	17,571	16,503	4,294	7,853	10,731
Mar.....	236,136	23,993		20,316	280,445	235,136	17,435	16,725	4,481	6,668	12,006
Apr.....	238,645	23,544		20,787	282,976	234,918	17,709	18,159	4,796	7,394	12,918
May.....	241,263	23,705		21,421	286,389	235,429	18,019	19,355	5,038	8,548	12,480
June.....	243,400	23,003		21,614	288,017	238,114	17,838	20,347	5,033	6,685	11,732
July.....	245,135	23,052		21,926	290,113	237,631	18,101	21,708	4,867	7,806	10,844
Aug.....	246,713	22,081		22,361	291,155	236,472	18,377	22,891	4,584	8,831	9,851
Sept.....	247,624	21,166		22,758	291,548	237,877	18,201	24,136	4,226	7,108	9,126
Oct.....	248,189	22,126		23,016	293,331	238,304	18,444	24,544	3,809	8,230	8,127
Nov.....	248,711	23,249		23,306	295,266	239,530	18,674	24,550	3,444	9,068	7,723
Dec. ⁶	249,303	23,231		23,112	295,646	242,921	18,477	24,809	3,204	6,235	7,447

¹ Excludes stock of the Federal Home Loan Bank Board. Compensating changes have been made in "Other assets."

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

³ Advances from FHLBB and other borrowing.

⁴ Data comparable with those shown for mutual savings banks (on opposite page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

⁵ Beginning 1973, participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, loans and notes insured by the Farmers Home Administration, and certain other Govt.-insured mortgage-type investments, previously included in mortgage loans, are included

in other assets. The effect of this change was to reduce the mortgage total by about \$0.6 billion.

Also, GNMA-guaranteed, mortgage-backed securities of the pass-through type, previously included in "Cash" and "Investment securities" are included in "Other assets." These amounted to about \$2.4 billion at the end of 1972.

Note.—FHLBB data; figures are estimates for all savings and loan assns. in the United States. Data are based on monthly reports of insured assns. and annual reports of noninsured assns. Data for current and preceding year are preliminary even when revised.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget			Means of financing									
	Receipts	Outlays	Surplus or deficit (-)	Borrowings from the public						Less: Cash and monetary assets		Other means of financing, net ³	
				Public debt securities	Agency securities	Less: Invest-ments by Govt. accounts ¹		Less: Special notes ²	Equals: Total	Treasury operating balance	Other		
						Special issues	Other						
Fiscal year:													
1971.....	188,392	211,425	-23,033	27,211	-347	6,616	801	.....	19,448	710	-710	3,587
1972.....	208,649	231,876	-23,227	29,131	-1,269	6,796	1,623	.....	19,442	1,362	1,108	6,003
1973.....	232,225	246,526	-14,301	30,881	216	11,712	109	.....	19,275	2,459	-1,613	-4,129
1974.....	264,932	268,392	-3,460	16,918	903	13,673	1,140	.....	3,009	-3,417	898	-2,063
Half year:													
1973—Jan.—June.....	126,164	127,947	-1,784	8,843	7661	5,716	577	.....	1,889	1,503	-93	1,305
July—Dec.....	124,256	130,362	-6,106	11,756	478	5,376	845	.....	6,014	-2,202	7-319	-2,429
1974—Jan.—June.....	140,679	138,032	2,647	5,162	426	8,297	295	.....	-3,004	-1,215	1,089	231
July—Dec.....	139,870	153,399	-13,591	18,429	-646	2,840	150	.....	14,794	-3,228	248	-4,183
Month:													
1973—Dec.....	21,990	19,681	2,309	5,861	-176	5,584	-3,025	.....	3,126	5,693	7-599	7-341
1974—Jan.....	23,476	23,671	-195	-1,714	12	-1,069	139	.....	-773	168	544	1,681
Feb.....	20,226	21,030	-804	2,503	-17	2,489	159	.....	-162	-2,877	-84	-1,995
Mar.....	16,818	22,905	-6,086	3,813	394	-155	52	.....	4,309	690	191	2,657
Apr.....	29,657	22,273	7,384	-2,597	37	-93	35	.....	-2,502	3,125	1,319	-438
May.....	19,243	23,981	-4,739	2,773	-28	2,947	-211	.....	8	-5,032	-1,120	-1,423
June.....	31,259	24,172	7,087	385	29	4,178	121	.....	-3,886	2,711	239	-252
July.....	20,939	24,411	-3,472	1,109	-126	-858	198	.....	1,644	-2,705	-658	-1,534
Aug.....	23,620	25,408	-1,787	6,447	-56	4,133	-25	.....	2,283	-1,012	83	-1,425
Sept.....	28,377	24,712	3,666	-326	-167	-1,311	250	.....	569	3,244	797	-194
Oct.....	19,633	26,460	-6,827	-1,242	-242	-2,053	-152	.....	721	-6,445	-338	-677
Nov.....	22,292	24,965	-2,673	5,139	-17	653	-31	.....	4,500	816	96	-915
Dec.....	24,946	27,442	-2,496	7,300	-38	2,276	-90	.....	5,077	2,874	268	561

End of period	Selected balances										Memo: Debt of Govt.-sponsored corps.—Now private ⁵
	Treasury operating balance				Borrowing from the public.						
	F.R. Banks	Tax and loan accounts	Other depositaries ⁴	Total	Public debt securities	Agency securities	Less: Investments of Govt. accounts ¹		Less: Special notes ²	Equals: Total	
							Special issues	Other			
Fiscal year:											
1971.....	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	37,086
1972.....	2,344	7,934	139	10,117	427,260	10,894	89,536	24,023	825	323,770	41,814
1973.....	4,038	8,433	106	12,576	458,142	11,109	101,248	24,133	825	343,045	51,325
1974.....	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
Calendar year:											
1973.....	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857
1974.....	3,113	2,749	70	5,932	492,664	11,367	117,761	25,423	(6)	360,847	.....
Month:											
1973—Dec.....	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857
1974—Jan.....	2,844	7,628	69	10,542	468,184	11,598	105,555	25,117	825	348,285	59,566
Feb.....	2,017	5,579	69	7,665	470,687	11,581	108,044	25,276	825	348,123	59,282
Mar.....	1,372	6,915	69	8,356	474,500	11,975	107,889	25,328	825	352,433	59,897
Apr.....	2,814	8,576	89	11,480	471,903	12,012	107,796	25,363	825	349,931	61,151
May.....	3,134	3,226	88	6,448	474,675	11,984	110,743	25,152	825	349,939	62,650
June.....	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
July.....	3,822	2,544	88	6,454	6475,344	11,895	114,063	25,471	(6)	347,706	68,243
Aug.....	3,303	2,049	91	5,443	481,792	11,831	118,196	25,446	.....	349,980	69,951
Sept.....	3,209	5,386	92	8,687	481,466	11,664	116,885	25,696	.....	350,549	73,068
Oct.....	787	1,381	71	2,239	480,224	11,422	114,832	25,544	.....	351,270	75,343
Nov.....	1,495	1,563	.....	3,058	485,364	11,404	115,485	25,513	.....	355,770	75,706
Dec.....	3,113	2,749	70	5,932	492,664	11,367	117,761	25,423	.....	360,847	.....

¹ With the publication of the Oct. 1974, Federal Reserve BULLETIN, these series have been corrected (beginning in fiscal year 1971) to exclude special issues held by the Federal home loan banks and the General Services Adm. Participation Certificate Trust, which are not Govt. accounts.

² Represents non-interest-bearing public debt securities issued to the International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.

³ Includes accrued interest payable on public debt securities, deposit funds, miscellaneous liability and asset accounts, and seigniorage.

⁴ As of Jan. 3, 1972, the Treasury operating balance was redefined to exclude the gold balance and to include previously excluded "Other deposi-

ties" (deposits in certain commercial depositaries that have been converted from a time to a demand basis to permit greater flexibility in Treasury cash management).

⁵ Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), and Federal intermediate credit banks and banks for cooperatives (both beginning Dec. 1968).

⁶ Beginning July 1974, public debt securities excludes \$825 million of notes issued to International Monetary Fund to conform with Office of Management and Budget's presentation of the budget.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt ¹	Public issues (interest-bearing)										Special issues ⁵
		Total	Marketable					Con-vertible bonds	Nonmarketable			
			Total	Bills	Certifi-cates	Notes	Bonds ²		Total ³	Foreign issues ⁴	Savings bonds and notes	
1967—Dec.	344.7	284.0	226.5	69.9	.....	61.4	95.2	2.6	54.9	3.1	51.7	57.2
1968—Dec.	358.0	296.0	236.8	75.0	.....	76.5	85.3	2.5	56.7	4.3	52.3	59.1
1969—Dec.	368.2	295.2	235.9	80.6	.....	85.4	69.9	2.4	56.9	3.8	52.2	71.0
1970—Dec.	389.2	309.1	247.7	87.9	.....	101.2	58.6	2.4	59.1	5.7	52.5	78.1
1971—Dec.	424.1	336.7	262.0	97.5	.....	114.0	50.6	2.3	72.3	16.8	54.9	85.7
1972—Dec.	449.3	351.4	269.5	103.9	.....	121.5	44.1	2.3	79.5	20.6	58.1	95.9
1973—Dec.	469.9	360.7	270.2	107.8	.....	124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974—Jan.	468.2	360.1	270.1	107.8	.....	124.6	37.7	2.3	87.7	25.3	61.0	106.2
Feb.	470.7	360.0	269.7	107.9	.....	126.1	35.7	2.3	88.1	25.4	61.3	108.6
Mar.	474.5	364.2	273.6	111.9	.....	126.1	35.6	2.3	88.3	25.2	61.6	108.5
Apr.	471.9	361.7	270.5	107.3	.....	127.6	35.5	2.3	89.0	25.7	61.9	108.4
May	474.7	361.5	269.6	107.9	.....	128.4	33.2	2.3	89.6	26.0	62.1	111.3
June	475.1	357.8	266.6	105.0	.....	128.4	33.1	2.3	89.0	25.0	62.4	115.4
July	475.3	359.7	268.8	107.3	.....	128.4	33.0	2.3	88.7	24.4	62.7	114.6
Aug.	481.8	362.0	272.1	110.6	.....	127.7	33.9	2.3	87.6	23.2	62.8	118.7
Sept.	481.5	362.7	272.6	111.1	.....	127.7	33.8	2.3	87.8	23.2	63.0	117.4
Oct.	480.2	363.9	273.5	112.1	.....	127.7	33.8	2.3	88.1	23.1	63.3	115.3
Nov.	485.4	368.2	277.5	114.6	.....	129.6	33.3	2.3	88.4	23.1	63.6	115.9
Dec.	492.7	373.4	282.9	119.7	.....	129.8	33.4	2.3	88.2	22.8	63.8	118.2
1975—Jan.	494.1	377.1	286.1	120.0	.....	131.8	33.3	2.3	88.8	23.0	64.2	116.0

¹ Includes non-interest-bearing debt (of which \$616 million on Jan. 31, 1975, was not subject to statutory debt limitation).

² Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

³ Includes (not shown separately): depository bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local government bonds, and Treasury deposit funds.

⁴ Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency-series issues.

⁵ Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on Daily Statement of U.S. Treasury. See also second paragraph in NOTE to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—		Held by private investors									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Com-mercial banks	Mutual savings banks	Insur-ance companies	Other corporations	State and local govts.	Individuals		Foreign and international ¹	Other misc. investors ²
										Savings bonds	Other securities		
1967—Dec.	344.7	73.1	49.1	222.4	63.8	4.2	9.0	12.2	24.1	51.2	22.3	15.8	19.9
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.8	8.4	14.2	24.9	51.9	23.3	14.3	21.9
1969—Dec.	368.2	89.0	57.2	222.0	56.8	3.1	7.6	10.4	27.2	51.8	29.0	11.2	25.0
1970—Dec.	389.2	97.1	62.1	229.9	62.7	3.1	7.4	7.3	27.8	52.1	29.1	20.6	19.9
1971—Dec.	424.1	106.0	70.2	247.9	65.3	3.1	7.0	11.4	25.4	54.4	18.8	46.9	15.6
1972—Dec.	449.3	116.9	69.9	262.5	67.7	3.4	6.6	9.8	28.9	57.7	16.2	55.3	17.0
1973—Dec.	469.9	129.6	78.5	261.7	60.3	2.9	6.4	10.9	29.2	60.3	16.9	55.6	19.3
1974—Jan.	468.2	128.7	78.2	261.2	60.2	2.8	6.3	10.7	29.9	60.5	16.9	52.8	21.1
Feb.	470.7	131.3	78.2	261.1	58.2	2.8	6.0	10.9	30.7	60.8	17.0	53.6	21.2
Mar.	474.5	131.2	79.5	263.8	59.5	2.8	6.1	11.7	30.4	61.1	17.3	54.9	20.0
Apr.	471.9	131.1	80.0	260.7	56.8	2.7	5.9	10.5	30.1	61.4	17.8	55.9	19.7
May	474.7	133.9	81.4	259.4	54.8	2.6	5.8	11.2	29.2	61.7	18.3	57.3	18.5
June	475.1	138.2	80.5	256.4	53.2	2.6	5.9	10.8	28.3	61.9	18.8	57.7	17.3
July	475.3	137.5	78.1	259.7	53.9	2.6	5.7	11.3	28.8	62.2	19.4	56.9	18.8
Aug.	481.8	141.6	81.1	259.0	53.0	2.6	5.7	11.0	29.2	62.3	20.3	56.0	19.0
Sept.	481.5	140.6	81.0	259.8	52.9	2.5	5.7	10.5	29.3	62.5	20.8	56.0	19.5
Oct.	480.2	138.4	79.4	262.5	53.5	2.5	5.9	11.2	28.8	62.8	21.0	56.6	20.3
Nov.	485.4	139.0	81.0	265.3	54.5	2.5	5.9	11.0	28.7	63.2	21.1	58.3	20.1
Dec.	492.7	141.2	80.5	271.0	56.5	2.5	6.1	11.0	29.2	63.4	21.5	58.4	22.4

¹ Consists of investments of foreign and international accounts in the United States.

² Consists of savings and loan assns., nonprofit institutions, corporate pension trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts. Beginning in July 1974, total gross public debt includes Federal Financing Bank bills and excludes notes issued to the IMF (\$825 million).

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1-5 years	5-10 years	10-20 years	Over 20 years
		Total	Bills	Other				
All holders:								
1971—Dec. 31	262,038	119,141	97,505	21,636	93,648	29,321	9,530	10,397
1972—Dec. 31	269,509	130,422	103,870	26,552	88,564	29,143	15,301	6,079
1973—Dec. 31	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Nov. 30	277,538	143,342	114,632	28,710	84,775	27,916	14,866	6,640
Dec. 31	282,891	148,086	119,747	28,339	85,311	27,897	14,833	6,764
U.S. Govt. agencies and trust funds:								
1971—Dec. 31	18,444	1,380	605	775	7,614	4,676	2,319	2,456
1972—Dec. 31	19,360	1,609	674	935	6,418	5,487	4,317	1,530
1973—Dec. 31	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—Nov. 30	21,489	2,359	479	1,880	7,929	4,750	4,674	1,776
Dec. 31	21,391	2,400	588	1,812	7,823	4,721	4,670	1,777
Federal Reserve Banks:								
1971—Dec. 31	70,218	36,032	31,033	4,999	25,299	7,702	584	601
1972—Dec. 31	69,906	37,750	29,745	8,005	24,497	6,109	1,414	136
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Nov. 30	80,998	45,679	37,469	8,210	23,423	9,688	1,458	751
Dec. 31	80,501	45,388	36,990	8,399	23,282	9,664	1,453	713
Held by private investors:								
1971—Dec. 31	173,376	81,729	65,867	15,862	60,735	16,943	6,627	7,340
1972—Dec. 31	180,243	91,063	73,451	17,612	57,649	17,547	9,570	4,413
1973—Dec. 31	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—Nov. 30	175,051	95,304	76,684	18,620	53,423	13,478	8,734	4,113
Dec. 31	180,999	100,298	82,168	18,130	54,206	13,512	8,710	4,274
Commercial banks:								
1971—Dec. 31	51,363	14,920	8,287	6,633	28,823	6,847	555	217
1972—Dec. 31	52,440	18,077	10,289	7,788	27,765	5,654	864	80
1973—Dec. 31	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Nov. 30	40,316	12,406	4,550	7,856	22,764	4,154	724	268
Dec. 31	42,755	14,873	6,952	7,921	22,717	4,151	733	280
Mutual savings banks:								
1971—Dec. 31	2,742	416	235	181	1,221	499	281	326
1972—Dec. 31	2,609	590	309	281	1,152	469	274	124
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—Nov. 30	1,437	358	147	211	622	197	185	76
Dec. 31	1,477	399	207	192	614	174	202	88
Insurance companies:								
1971—Dec. 31	5,679	720	325	395	1,499	993	1,366	1,102
1972—Dec. 31	5,220	799	448	351	1,190	976	1,593	661
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—Nov. 30	4,566	589	293	296	1,089	1,235	1,302	352
Dec. 31	4,741	722	414	308	1,061	1,310	1,297	351
Nonfinancial corporations:								
1971—Dec. 31	6,021	4,191	3,280	911	1,492	301	16	20
1972—Dec. 31	4,948	3,604	1,198	2,406	1,198	121	25	1
1973—Dec. 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Nov. 30	4,321	2,457	1,628	829	1,580	155	59	70
Dec. 31	4,246	2,623	1,859	764	1,423	115	26	59
Savings and loan associations:								
1971—Dec. 31	3,002	629	343	286	1,449	587	162	175
1972—Dec. 31	2,873	820	498	322	1,140	605	226	81
1973—Dec. 31	2,103	576	121	455	1,011	320	151	45
1974—Nov. 30	1,722	382	92	290	844	295	178	23
Dec. 31	1,663	350	87	263	835	282	173	23
State and local governments:								
1971—Dec. 31	9,823	4,592	3,832	760	2,268	783	918	1,263
1972—Dec. 31	10,904	6,159	5,203	956	2,033	816	1,298	598
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Nov. 30	7,794	4,354	3,421	933	1,518	741	866	315
Dec. 31	7,864	4,121	3,319	802	1,796	815	800	332
All others:								
1971—Dec. 31	94,746	56,261	49,565	6,696	23,983	6,933	3,329	4,237
1972—Dec. 31	101,249	61,014	55,506	5,508	23,171	8,906	5,290	2,868
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Nov. 30	114,895	74,758	66,553	8,205	25,006	6,701	5,420	3,009
Dec. 31	118,253	77,210	69,330	7,880	25,760	6,664	5,479	3,141

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting: (1) 5,578 commercial banks, 476 mutual savings

banks, and 733 insurance companies combined, each about 90 per cent; (2) 466 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 503 State and local govts., about 40 per cent. "All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

DAILY-AVERAGE DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1-5 years	5-10 years	Over 10 years	U.S. Govt. securities dealers	U.S. Govt. securities brokers	Commercial banks	All other ¹	
1973—Dec.....	3,889	3,167	348	317	58	675	1,051	1,123	1,040	869
1974—Jan.....	3,659	3,074	325	215	45	706	889	1,103	962	695
Feb.....	4,229	3,192	402	561	74	795	1,058	1,299	1,077	1,019
Mar.....	3,697	2,814	450	369	64	744	892	1,071	991	733
Apr.....	3,338	2,682	438	173	45	614	836	951	937	710
May.....	3,542	2,645	693	133	72	711	905	951	936	861
June.....	3,084	2,549	385	110	41	693	759	877	755	978
July.....	2,566	2,114	348	66	38	490	685	681	710	1,044
Aug.....	3,097	2,407	389	238	64	554	876	789	878	856
Sept.....	4,114	3,327	472	265	50	683	1,351	1,022	1,058	1,227
Oct.....	3,543	2,802	498	193	50	607	1,087	928	920	1,150
Nov.....	3,977	2,872	635	384	86	560	1,049	1,144	1,224	1,186
Dec.....	4,111	3,126	550	369	67	671	1,196	1,120	1,124	1,087
Week ending—										
1974—Dec. 4.....	4,221	3,386	476	330	30	695	1,062	1,069	1,395	818
11.....	4,811	3,576	643	516	77	717	1,647	1,294	1,153	1,368
18.....	4,280	3,289	499	425	68	724	1,386	1,108	1,062	1,568
25.....	7,134	2,224	488	297	105	7474	916	820	924	793
1975—Jan. 1.....	3,546	2,778	554	176	38	639	643	1,154	1,111	545
8.....	5,622	3,944	1,422	188	68	914	1,657	1,538	1,513	1,087
15.....	5,126	3,351	1,421	242	112	846	1,371	1,486	1,423	1,236
22.....	4,825	3,618	972	176	59	827	1,390	1,311	1,298	1,448
29.....	5,650	3,337	2,059	193	62	945	1,663	1,552	1,489	1,185

¹ Since Jan. 1972 has included transactions of dealers and brokers in securities other than U.S. Govt.

They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York.

DAILY-AVERAGE DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1-5 years	5-10 years	Over 10 years	
1973—Dec.....	4,441	3,697	223	396	124	1,400
1974—Jan.....	3,653	3,210	51	262	130	1,324
Feb.....	4,081	2,707	537	647	190	1,435
Mar.....	2,587	2,149	50	287	102	1,045
Apr.....	1,536	1,577	-121	62	17	719
May.....	495	421	-33	66	41	791
June.....	594	447	52	78	16	1,226
July.....	263	219	-50	90	4	935
Aug.....	2,487	1,819	228	356	84	1,073
Sept.....	3,060	2,317	334	340	69	1,216
Oct.....	2,870	2,149	430	260	31	1,445
Nov.....	4,513	2,999	728	618	169	1,531
Dec.....	4,831	3,100	975	559	197	1,803
Week ending—						
1974—Nov. 6.....	3,084	2,529	353	232	-30	1,515
13.....	4,885	2,993	982	774	136	1,495
20.....	4,230	2,458	798	722	252	1,583
27.....	5,267	3,716	699	626	226	1,550
Dec. 4.....	4,615	3,135	650	620	210	1,408
11.....	4,642	3,121	743	575	203	1,634
18.....	5,391	3,829	802	550	210	1,855
25.....	4,663	3,023	927	523	190	1,995

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.

Average of daily figures based on number of trading days in the period.

DAILY-AVERAGE DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks		Corporations ¹	All other
		New York City	Elsewhere		
1973—Dec.....	5,468	2,322	1,147	671	1,329
1974—Jan.....	4,802	1,747	1,253	658	1,143
Feb.....	4,837	1,545	1,501	533	1,257
Mar.....	3,817	1,196	952	485	1,185
Apr.....	2,449	600	728	287	833
May.....	1,637	26	486	213	913
June.....	2,477	241	884	268	1,083
July.....	1,710	6	596	216	892
Aug.....	4,138	988	1,248	548	1,354
Sept.....	4,709	1,312	1,247	480	1,671
Oct.....	4,621	1,194	1,003	571	1,853
Nov.....	5,626	1,466	1,245	561	2,355
Dec.....	6,904	2,061	1,619	691	2,534
Week ending—					
1974—Nov. 6.....	4,812	1,112	1,146	445	2,110
13.....	6,010	1,924	1,426	513	2,147
20.....	6,211	1,848	1,400	725	2,238
27.....	5,569	1,150	1,145	569	2,705
Dec. 4.....	5,346	1,191	1,173	575	2,406
11.....	6,843	2,051	1,862	854	2,077
18.....	7,738	2,786	1,927	775	2,250
25.....	7,244	2,219	1,466	613	2,947

¹ All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the table on the left.

OUTSTANDING ISSUES OF FEDERALLY SPONSORED CREDIT AGENCIES, DECEMBER 31, 1974

Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)
Federal home loan banks			Federal National Mortgage Association—Cont.			Banks for cooperatives		
Bonds:			Debentures:			Bonds:		
1/26/71 - 2/25/75	6.10	250	11/10/70 - 3/10/75	7.55	300	7/1/74 - 1/2/75	9.25	420
11/27/72 - 2/25/75	5 3/4	400	10/12/71 - 3/10/75	6.35	600	8/1/74 - 2/3/75	9.45	581
9/21/73 - 2/25/75	8.20	500	4/12/71 - 6/10/75	5.25	500	9/3/74 - 3/3/75	9.85	548
4/12/73 - 5/25/75	7.15	700	10/13/70 - 9/10/75	7.50	350	10/1/74 - 4/1/75	9.55	424
8/25/70 - 5/26/75	6.80	265	3/12/73 - 9/10/75	6.80	650	11/4/74 - 5/1/75	8.55	677
2/25/74 - 5/27/75	7.95	300	3/10/72 - 12/10/75	5.70	500	12/2/74 - 6/2/75	8.05	511
7/27/70 - 8/25/75	7.95	300	9/10/73 - 12/10/75	8.25	300	10/1/73 - 4/4/77	7.70	200
7/25/73 - 8/25/75	7 3/4	500	3/11/71 - 3/10/76	5.65	500	12/2/74 - 10/1/79	8.00	201
10/25/73 - 8/25/75	7.15	400	6/12/73 - 3/10/76	7.13	400			
12/18/70 - 11/25/75	6.50	350	6/10/71 - 6/10/76	6.70	250			
5/25/73 - 11/25/75	7.05	600	2/10/72 - 6/10/76	5.85	450			
5/28/74 - 11/25/75	9.10	700	9/10/74 - 6/10/76	10.00	700			
6/21/74 - 2/25/76	8.70	400	11/10/71 - 9/10/76	6.13	300			
8/27/71 - 2/25/76	7 3/4	300	6/12/72 - 9/10/76	5.85	500	Federal intermediate credit banks		
8/27/73 - 2/25/76	8 3/4	300	12/10/74 - 9/10/76	7.50	200	Bonds:		
8/26/74 - 2/25/76	9.20	600	7/12/71 - 12/10/76	7.45	300	5/1/72 - 1/2/75	6.05	240
6/22/73 - 5/25/76	7.20	600	12/11/72 - 12/10/76	6.25	500	4/1/74 - 1/2/75	8.15	608
11/27/73 - 5/25/76	7.45	300	6/10/74 - 12/10/76	8.45	600	5/1/74 - 2/3/75	8.80	689
7/25/73 - 8/25/76	7.80	500	2/13/62 - 2/10/77	4 1/2	198	6/3/74 - 3/3/75	9.00	796
9/25/74 - 8/25/76	9.55	700	9/11/72 - 3/10/77	6.30	500	7/1/74 - 4/1/75	9.25	811
10/25/74 - 11/26/76	8.60	600	3/11/74 - 3/10/77	7.05	400	8/1/74 - 5/1/75	9.45	766
7/25/74 - 11/26/76	9.55	500	12/10/70 - 6/10/77	6.38	250	9/3/74 - 6/2/75	9.80	714
10/25/73 - 2/25/77	7.20	500	5/10/71 - 6/10/77	6.50	150	10/1/74 - 7/1/75	9.60	769
11/25/74 - 2/25/77	8.05	500	12/10/73 - 6/10/77	7.20	300	1/31/72 - 7/1/75	5.70	302
6/21/74 - 5/25/77	8.70	500	9/10/71 - 9/12/77	6.88	300	1/14/74 - 8/4/75	8.45	713
6/25/71 - 5/25/77	6.95	200	9/10/73 - 9/12/77	7.85	400	12/2/74 - 9/2/75	8.05	768
4/12/73 - 8/25/77	7.15	300	9/10/73 - 12/12/77	7.35	500	3/1/73 - 1/5/76	6.65	261
5/28/74 - 8/25/77	8.80	600	10/1/73 - 12/12/77	7.55	500	7/2/73 - 1/3/77	7.10	236
2/26/73 - 11/25/77	6 3/4	300	6/10/74 - 3/12/78	8.45	650	1/1/74 - 4/4/77	8.70	321
11/27/73 - 11/25/77	7.45	300	6/12/73 - 6/12/78	7.15	550	7/2/74 - 1/3/78	7.10	406
8/26/74 - 11/25/77	9.15	700	3/11/74 - 9/11/78	7.15	550			
9/25/74 - 2/27/78	9.38	400	10/12/71 - 12/11/78	6.75	300	Federal land banks		
9/21/73 - 5/25/78	7.60	500	7/10/74 - 12/11/78	8.95	450	Bonds:		
8/26/74 - 11/27/78	9.10	500	12/10/73 - 3/12/79	7.25	500	2/20/70 - 1/20/75	8 3/4	220
6/21/74 - 2/26/79	8.65	600	9/10/73 - 6/11/79	7.85	300	4/23/73 - 1/20/75	7.15	300
9/25/74 - 2/26/79	9.45	600	9/10/74 - 6/11/79	9.80	600	4/20/65 - 4/21/75	4 3/4	200
10/25/74 - 5/25/79	8.65	500	6/12/72 - 9/10/79	6.40	300	7/10/73 - 4/21/75	7.65	300
5/28/74 - 5/25/79	8 3/4	400	12/10/74 - 9/10/79	7.80	700	2/15/72 - 7/21/75	5.70	425
7/25/74 - 8/27/79	9.50	500	12/10/71 - 12/10/79	6.55	350	4/22/74 - 7/21/75	8.30	300
11/25/74 - 11/26/79	8.15	500	2/10/72 - 3/10/80	6.88	250	7/20/71 - 10/23/75	7.20	300
12/23/74 - 11/26/79	7.50	500	6/10/74 - 6/10/80	8.50	600	10/23/73 - 10/20/75	7.40	362
3/25/70 - 2/25/80	7.75	350	2/16/73 - 7/31/80	5.19	1	4/20/72 - 1/20/76	6 3/4	300
2/15/74 - 2/25/80	7.05	300	2/16/73 - 9/31/80	3.18	9	7/22/74 - 1/20/76	9.20	650
10/15/70 - 10/15/80	7.80	200	10/1/73 - 9/10/80	7.50	400	1/22/73 - 2/24/76	5.00	123
10/27/71 - 11/27/81	6.60	200	1/6/73 - 10/30/80	4.46	5	4/22/74 - 4/20/76	6 3/4	373
10/25/74 - 11/25/81	8.65	400	12/11/72 - 12/10/80	6.60	300	7/20/66 - 7/20/76	5 3/4	400
4/12/73 - 5/25/83	7.30	184	6/29/72 - 1/29/81	6.15	156	1/21/74 - 7/20/76	7.05	360
5/28/74 - 5/25/84	8 3/4	300	3/12/73 - 3/10/81	7.05	350	4/23/73 - 10/20/76	7.15	450
10/25/73 - 11/26/93	7 3/4	400	4/18/73 - 4/10/81	6.59	26	4/22/74 - 4/20/77	8 3/4	565
			3/21/73 - 5/1/81	4.50	18	7/20/73 - 7/20/77	7 3/4	550
			3/21/73 - 6/10/81	5.77	2	10/20/71 - 10/20/77	6.35	300
						2/20/63 - 2/20/73-78	4 3/4	148
						5/24/66 - 4/20/78	5 3/4	150
						7/20/72 - 7/20/78	6.40	269
						7/22/74 - 7/20/78	9.15	350
						10/23/73 - 10/19/78	7.35	550
						2/20/67 - 1/22/79	5.00	285
						1/21/74 - 1/22/79	7.10	300
						9/15/72 - 4/23/79	6.85	235
						2/20/74 - 7/23/79	7.15	389
						10/23/72 - 10/23/79	6.80	400
						1/22/73 - 1/21/80	6.70	300
						7/20/73 - 7/21/80	7 1/2	250
						10/21/74 - 10/20/80	8.70	400
						2/23/71 - 4/20/81	6.70	224
						7/22/74 - 7/20/81	9.10	265
						4/20/72 - 4/20/82	6.90	200
						4/23/73 - 10/20/82	7.30	239
						10/23/73 - 10/20/83	7.30	300

Note.—These securities are not guaranteed by the U.S. Govt.; see also note to table at top of p. A-40.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks						Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Assets			Liabilities and capital			Mortgage loans (A)	Debentures and notes (L)	Loans to cooperatives (A)	Bonds (L)	Loans and dis-counts (A)	Bonds (L)	Mortgage loans (A)	Bonds (L)
	Ad-vances to mem-bers	Invest-ments	Cash and de-posits	Bonds and notes	Mem-ber de-posits	Capital stock								
1970.....	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971.....	7,936	2,520	142	7,139	1,789	1,618	17,791	17,701	2,076	1,801	5,669	5,503	7,917	7,063
1972.....	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973.....	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974-Jan...	15,188	2,843	121	14,556	1,692	2,246	24,424	23,131	3,123	2,741	7,163	6,956	11,245	10,048
Feb...	14,904	2,680	116	13,906	1,936	2,294	24,541	23,092	3,211	2,828	7,277	7,029	11,402	10,282
Mar...	14,995	2,779	124	13,906	2,027	2,306	24,888	23,515	3,143	2,878	7,545	7,162	11,467	10,282
Apr...	16,020	1,615	82	13,902	2,067	2,337	25,264	23,668	2,891	2,810	7,850	7,403	11,878	10,843
May...	17,103	1,956	96	14,893	2,215	2,376	25,917	25,089	2,694	2,674	8,195	7,585	12,142	10,843
June...	17,642	2,564	115	16,393	2,158	2,413	26,559	25,232	2,733	2,449	8,479	7,860	12,400	10,843
July...	18,582	2,578	150	17,390	1,954	2,450	27,304	25,878	3,008	2,477	8,706	8,212	12,684	11,782
Aug...	19,653	2,052	80	18,759	1,935	2,495	28,022	26,639	3,026	2,622	8,548	8,381	12,941	11,782
Sept...	20,772	2,681	135	20,647	2,160	2,543	28,641	27,312	3,092	2,835	8,931	8,502	13,185	11,782
Oct...	21,409	3,224	105	22,058	2,129	2,580	29,139	27,543	3,598	2,855	8,838	8,482	13,418	12,427
Nov...	21,502	2,568	106	21,474	2,182	2,603	29,407	28,024	3,573	3,295	8,700	8,441	13,643	12,427
Dec...	21,804	3,094	144	21,878	2,484	2,624	29,709	28,201	3,575	3,561	8,848	8,400	13,643	12,427

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly

offered securities (excluding, for FHLB's, bonds held within the FHLB System) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table on preceding page. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)								Total amount delivered ³	Issues for new capital						
	Total	Type of issue				Type of issuer				Total	Use of proceeds					
		General obligations	Revenue	HAA ¹	U.S. Govt. loans	State	Special district and stat. auth.	Other ²			Education	Roads and bridges	Utilities ⁴	Housing ⁵	Veterans' aid	Other purposes
1971.....	24,962	15,220	8,681	1,000	62	5,999	8,714	10,246	24,495	5,278	2,642	5,214	2,068	9,293		
1972.....	23,652	13,305	9,332	959	57	4,991	9,496	9,165	22,073	4,981	1,689	4,638	1,910	6,741		
1973.....	23,970	12,257	10,632	1,022	58	4,212	9,507	10,249	22,408	4,311	1,458	5,654	2,639	8,335		
1974.....	23,705	13,204	9,961	461	79	4,659	8,499	10,470	20,210	4,709	767	5,513	1,045	8,176		
1973-Dec...	2,089	919	995	173	1	450	1,022	616	1,954	372	165	487	344	582		
1974-Jan...	2,257	1,407	848	.....	2	208	865	1,182	2,178	595	36	372	56	1,119	
Feb...	2,007	1,209	794	.....	4	473	564	967	1,939	460	53	612	39	775	
Mar...	2,029	1,181	617	227	4	344	793	887	1,906	366	258	363	241	678		
Apr...	2,406	1,708	689	.....	9	360	862	1,177	2,361	516	9	595	178	1,063	
May...	2,313	1,101	1,203	.....	9	451	1,097	756	2,237	442	18	711	8	1,058	
June...	2,171	1,075	856	234	6	580	721	864	2,079	220	62	664	334	799		
July...	1,465	859	599	.....	7	540	158	759	1,455	314	58	154	.....	929
Aug...	1,107	576	527	.....	4	141	398	563	1,065	228	85	257	15	480	
Sept...	1,694	865	825	.....	4	448	635	607	1,663	251	11	380	21	1,000	
Oct...	2,488	1,413	1,070	.....	5	328	892	1,263	2,418	343	110	236	110	1,619	
Nov...	2,339	1,106	1,230	.....	3	564	989	783	2,254	682	3	740	9	820	
Dec...	1,429	704	703	.....	22	222	525	662	1,404	292	64	429	34	585	

¹ Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.
² Municipalities, counties, townships, school districts.
³ Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

⁴ Water, sewer, and other utilities.
⁵ Includes urban redevelopment loans.

NOTE.—Security Industries Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated. Components may not add to totals due to rounding.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues ¹										
	Total	Noncorporate				Corporate					
		U.S. Govt. ²	U.S. Govt. agency ³	State and local (U.S.) ⁴	Other ⁵	Total	Bonds			Stock	
							Total	Publicly offered	Privately placed	Preferred	Common
1970.....	88,666	14,831	16,181	17,762	949	38,945	30,315	25,384	4,931	1,390	7,240
1971.....	105,233	17,325	16,283	24,370	2,165	45,090	32,123	24,775	7,354	3,670	9,291
1972.....	96,522	17,080	12,825	23,070	1,589	41,957	28,896	19,434	9,462	3,367	9,694
1973.....	100,417	19,057	23,883	22,700	1,385	33,391	22,268	13,649	8,620	3,372	7,750
1973—Oct.....	8,924	485	2,612	2,232	196	3,398	2,358	1,805	553	355	685
Nov.....	12,553	4,521	2,200	2,224	45	3,563	2,257	1,669	589	637	668
Dec.....	6,635	148	1,032	1,966	251	3,238	2,469	1,552	917	196	573
1974—Jan. ⁶						3,341	2,908	2,115	794	152	278
Feb.....						2,690	2,104	1,683	421	268	318
Mar. ^r						3,216	2,457	2,020	437	398	362
Apr. ^r						3,067	2,265	1,594	671	355	446
May. ^r						3,164	2,957	2,350	607	65	142
June. ^r						2,982	2,455	1,939	516	113	413
July. ^r						3,253	2,698	2,086	612	228	327
Aug. ^r						2,643	2,316	2,042	274	107	220
Sept. ^r						1,617	1,203	897	306	126	288
Oct.....						4,492	3,640	3,423	217	196	656

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1970.....	9,192	1,320	1,963	2,540	2,213	47	8,016	3,001	5,053	83	3,878	1,638
1971.....	9,426	2,152	2,272	2,390	1,998	420	7,605	4,195	4,227	1,592	6,601	2,212
1972.....	4,821	1,809	2,645	2,882	2,862	185	6,392	4,965	3,692	1,125	8,485	2,095
1973.....	4,329	643	1,283	1,559	1,881	43	5,585	4,661	3,535	1,369	5,661	2,860
1973—Oct.....	472	52	63	147	114	.....	342	608	633	46	734	193
Nov.....	383	93	61	92	241	4	584	496	296	499	692	122
Dec.....	485	18	145	285	226	6	569	319	350	27	693	115
1974—Jan. ⁶	867	29	136	124	89	.....	1,192	249	142	4	485	27
Feb.....	354	36	55	143	5	1	536	293	372	25	783	87
Mar. ^r	479	161	52	71	76	.....	850	449	310	21	691	58
Apr. ^r	1,193	9	238	56	6	.....	446	685	289	5	95	47
May. ^r	847	15	332	71	44	.....	837	75	660	3	239	44
June. ^r	434	44	311	139	5	15	859	288	355	1	491	39
July. ^r	1,051	43	251	93	62	1	318	300	240	53	776	65
Aug. ^r	597	4	35	62	14	.....	862	217	364	.....	445	44
Sept. ^r	186	2	44	47	50	5	384	296	324	18	216	47
Oct.....	658	3	90	29	301	.....	1,383	695	435	36	772	90

¹ Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

² Includes guaranteed issues.

³ Issues not guaranteed.

⁴ See NOTE to table at bottom of opposite page.

⁵ Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

⁶ Beginning Jan. 1974 noncorporate figures are no longer published by the SEC.

NOTE.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers ¹								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1970.....	38,707	9,079	29,628	29,495	6,667	22,825	9,213	2,411	6,801
1971.....	46,687	9,507	37,180	31,917	8,190	23,728	14,769	1,318	13,452
1972.....	42,306	10,224	32,082	27,065	8,003	19,062	15,242	2,222	13,018
1973.....	33,559	11,804	21,754	21,501	8,810	12,691	12,057	2,993	9,064
1973—III.....	6,532	2,150	4,382	4,521	1,579	2,941	2,012	571	1,441
IV.....	10,711	4,378	6,334	7,013	3,786	3,227	3,698	591	3,107
1974—I.....	8,973	2,031	6,942	6,810	1,442	5,367	2,163	588	1,575
II.....	9,637	2,048	7,589	7,847	1,584	6,263	1,790	465	1,326
III.....	8,452	2,985	5,467	6,611	1,225	5,386	1,841	1,759	82

Period	Type of issues											
	Manu- facturing		Commercial and other ²		Transpor- tation ³		Public utility		Communi- cation		Real estate and financial ¹	
	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks
1971.....	6,585	2,534	827	2,290	900	800	6,486	4,206	3,925	1,600	5,005	2,017
1972.....	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973.....	801	658	-109	1,411	1,044	-93	4,265	4,509	3,165	1,399	3,523	1,181
1973—III.....	165	450	108	247	414	-44	1,217	557	752	77	284	154
IV.....	-131	147	-162	460	176	-13	1,068	1,506	1,051	575	1,225	431
1974—I.....	906	324	-11	363	-37	-35	2,172	827	675	76	1,662	20
II.....	1,921	-12	698	213	-13	12	1,699	1,038	1,080	-7	877	82
III.....	1,479	-421	189	-664	49	-6	1,358	862	1,116	222	1,194	88

¹ Excludes investment companies.

² Extractive and commercial and miscellaneous companies.

³ Railroad and other transportation companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on preceding page, new issues

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

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other		Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other
1963.....	2,460	1,504	952	25,214	1,341	23,873	1973—Dec...	349	392	-43	46,518	4,002	42,516
1964.....	3,404	1,875	1,528	29,116	1,329	27,787	1974—Jan...	334	325	9	47,094	4,226	42,863
1965.....	4,359	1,962	2,395	35,220	1,803	33,417	Feb...	215	303	-88	45,958	4,447	41,511
1966.....	4,671	2,005	2,665	34,829	2,971	31,858	Mar...	297	346	-49	44,423	4,406	40,017
1967.....	4,670	2,745	1,927	44,701	2,566	42,135	Apr...	262	327	-65	42,679	4,426	38,253
1968.....	6,820	3,841	2,979	52,677	3,187	49,490	May...	323	320	3	41,015	4,389	36,626
1969.....	6,717	3,661	3,056	48,291	3,846	44,445	June...	337	276	61	40,040	4,461	35,579
1970.....	4,624	2,987	1,637	47,618	3,649	43,969	July...	442	352	90	37,669	4,609	33,060
1971.....	5,145	4,751	394	55,045	3,038	52,007	Aug...	446	339	107	35,106	4,953	30,153
1972.....	4,892	6,563	-1,671	59,831	3,035	56,796	Sept...	499	292	207	31,985	5,078	26,907
1973.....	4,358	5,651	-1,261	46,518	4,002	42,516	Oct...	816	311	505	37,115	5,652	31,463
1974.....	5,346	3,937	1,409	35,777	5,637	30,140	Nov...	619	335	284	36,366	5,804	30,562
							Dec...	736	411	325	35,777	5,637	30,140

¹ Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.

² Market value at end of period less current liabilities.

³ Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

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

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹
1968.....	87.6	39.9	47.8	23.6	24.2	46.8	1972—IV...	108.2	45.2	63.1	28.2	34.9	68.2
1969.....	84.9	40.1	44.8	24.3	20.5	51.9							
1970.....	74.0	34.8	39.3	24.7	14.6	56.0	1973—I....	120.4	48.9	71.5	28.7	42.8	69.2
1971.....	83.6	37.5	46.1	25.0	21.1	60.4	II....	124.9	50.9	74.0	29.1	44.9	70.8
1972.....	99.2	41.5	57.7	27.3	30.3	66.3	III....	122.7	49.9	72.9	29.8	43.1	71.6
1973.....	122.7	49.8	72.9	29.6	43.3	71.2	IV....	122.7	49.5	73.2	30.7	42.5	73.1
1974.....	141.0	55.8	85.2	32.7	52.5	76.7	1974—I....	135.4	52.2	83.2	31.6	51.6	74.1
							II....	139.0	55.9	83.1	32.5	50.5	75.7
							III....	157.0	62.7	94.3	33.2	61.1	77.6

¹ Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets							Current liabilities				
		Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt. ¹	Other				U.S. Govt. ¹	Other		
1970.....	187.4	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6
1971.....	204.9	518.8	55.7	10.7	3.5	208.8	200.3	39.7	313.9	4.9	207.3	12.2	89.5
1972—III.....	219.2	547.5	57.7	7.8	2.9	224.1	212.2	42.8	328.3	4.7	212.1	12.7	98.8
IV.....	224.3	563.1	60.5	9.9	3.4	230.5	215.1	43.6	338.8	4.0	221.6	14.1	99.1
1973—I.....	231.8	579.2	61.2	10.8	3.2	235.7	222.8	45.5	347.4	4.1	222.8	15.7	104.7
II.....	237.7	596.8	62.3	9.6	2.9	245.6	230.3	46.0	359.1	4.5	232.5	13.9	108.1
III.....	241.9	613.6	62.2	9.5	3.0	254.2	238.2	46.6	371.7	4.4	240.8	15.3	111.2
IV.....	245.3	631.4	65.2	10.7	3.5	255.8	247.0	49.3	386.1	4.3	252.0	16.6	113.3
1974—I.....	253.2	653.9	62.8	11.7	3.2	265.6	258.9	51.6	400.7	4.5	256.7	18.7	120.7
II.....	257.4	673.3	62.2	10.4	3.4	278.7	269.7	48.8	415.8	4.7	268.4	17.4	125.3
III.....	263.6	696.0	63.9	10.7	3.5	284.1	282.7	51.1	432.4	5.1	276.6	20.5	130.2

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

NOTE.—Based on Securities and Exchange Commission estimates.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other ¹	Total (S.A. A.R.)
		Durable	Non-durable		Railroad	Air	Other	Electric	Gas and other			
1971.....	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.86	2.44	10.77	18.05	.....
1972.....	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	.....
1973.....	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.94	2.76	12.85	21.40	.....
1974.....	111.92	22.67	23.13	3.10	2.48	1.97	2.03	17.65	2.95	13.86	22.08	.....
1972—III.....	21.86	3.86	3.87	.59	.38	.61	.35	3.67	.72	2.84	4.97	87.67
IV.....	25.20	4.77	4.61	.63	.47	.63	.40	4.01	.73	3.39	5.57	91.94
1973—I.....	21.50	3.92	3.88	.63	.46	.52	.32	3.45	.50	2.87	4.94	96.19
II.....	24.73	4.65	4.51	.71	.46	.72	.43	3.91	.68	3.27	5.40	97.76
III.....	25.04	4.84	4.78	.69	.48	.57	.44	4.04	.77	3.19	5.24	100.90
IV.....	28.48	5.84	5.59	.71	.56	.60	.47	4.54	.82	3.53	5.83	103.74
1974—I.....	24.10	4.74	4.75	.68	.50	.47	.34	3.85	.52	3.19	5.05	107.27
II.....	28.16	5.59	5.69	.78	.64	.61	.49	4.56	.75	3.60	5.46	111.40
III.....	28.23	5.65	5.96	.80	.64	.43	.58	4.42	.78	3.39	5.57	113.99
IV ²	31.44	6.69	6.73	.83	.72	.45	.63	4.82	.90	9.67	5.57	114.40

¹ Includes trade, service, construction, finance, and insurance.

² Anticipated by business.

NOTE.—Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

MORTGAGE DEBT OUTSTANDING BY TYPE OF HOLDER

(In millions of dollars)

Type of holder, and type of property	End of year			End of quarter				
	1970	1971	1972	1974				
				r IV	r I	r II	r III	IV
ALL HOLDERS	451,726	499,758	564,825	634,955	646,116	664,287	677,902	687,190
1- to 4-family.....	280,175	307,200	345,384	386,241	391,770	402,165	409,924	414,181
Multifamily ¹	58,023	67,367	76,496	85,401	86,591	88,269	90,232	91,884
Commercial.....	82,292	92,333	107,508	123,965	127,384	132,122	134,719	136,818
Farm.....	31,236	32,858	35,437	39,348	40,371	41,731	43,027	44,307
PRIVATE FINANCIAL INSTITUTIONS ..	355,929	394,239	450,000	505,401	513,946	528,212	536,868	541,724
1- to 4-family.....	231,317	253,540	288,053	322,048	326,863	335,442	340,597	342,994
Multifamily ¹	45,796	52,498	59,204	64,730	65,386	66,594	67,806	68,462
Commercial.....	68,697	78,345	92,222	107,128	110,047	114,185	116,182	117,801
Farm.....	10,119	9,856	10,521	11,495	11,650	11,991	12,283	12,467
<i>Commercial banks</i> ²	<i>73,275</i>	<i>82,515</i>	<i>99,314</i>	<i>119,068</i>	<i>121,882</i>	<i>127,320</i>	<i>129,943</i>	<i>131,047</i>
1- to 4-family.....	42,329	48,020	57,004	67,998	69,374	72,253	73,539	73,950
Multifamily ¹	3,311	3,984	5,778	6,932	7,046	7,313	7,415	7,430
Commercial.....	23,284	26,306	31,751	38,696	39,855	41,926	43,011	43,639
Farm.....	4,351	4,205	4,781	5,442	5,607	5,828	5,978	6,028
<i>Mutual savings banks</i>	<i>57,948</i>	<i>61,978</i>	<i>67,556</i>	<i>73,231</i>	<i>73,957</i>	<i>74,264</i>	<i>74,792</i>	<i>75,065</i>
1- to 4-family.....	37,342	38,641	41,650	44,247	44,462	44,426	44,593	44,754
Multifamily ¹	12,594	14,386	15,490	16,843	17,011	17,081	17,202	17,265
Commercial.....	7,893	8,901	10,354	12,084	12,425	12,698	12,938	12,986
Farm.....	119	50	62	57	59	59	59	60
<i>Savings and loan associations</i>	<i>150,331</i>	<i>174,250</i>	<i>206,182</i>	<i>231,733</i>	<i>236,136</i>	<i>243,400</i>	<i>247,624</i>	<i>249,303</i>
1- to 4-family.....	124,970	142,275	167,049	187,750	191,223	197,008	200,551	201,910
Multifamily ¹	13,830	17,355	20,783	22,524	22,763	23,342	23,623	23,784
Commercial.....	11,531	14,620	18,350	21,459	22,150	23,050	23,450	23,609
<i>Life insurance companies</i>	<i>74,375</i>	<i>75,496</i>	<i>76,948</i>	<i>81,369</i>	<i>81,971</i>	<i>83,228</i>	<i>84,509</i>	<i>86,309</i>
1- to 4-family.....	26,676	24,604	22,350	22,053	21,804	21,755	21,914	22,380
Multifamily ¹	16,061	16,773	17,153	18,431	18,566	18,858	19,566	19,983
Commercial.....	25,989	28,518	31,767	34,889	35,617	36,511	36,783	37,567
Farm.....	5,649	5,601	5,678	5,996	5,984	6,104	6,246	6,379
FEDERAL AND RELATED AGENCIES ..	32,992	39,357	45,790	55,664	58,430	62,535	67,694	72,246
1- to 4-family.....	21,993	26,453	30,147	35,454	37,168	39,784	43,188	45,748
Multifamily ¹	3,359	4,555	6,086	8,489	8,923	9,643	10,644	11,790
Commercial.....	16	11						
Farm.....	7,624	8,338	9,557	11,721	12,339	13,108	13,862	14,708
<i>Government National Mortgage Association</i>	<i>5,222</i>	<i>5,323</i>	<i>5,113</i>	<i>4,029</i>	<i>3,604</i>	<i>3,618</i>	<i>4,052</i>	<i>4,848</i>
1- to 4-family.....	2,902	2,770	2,490	1,330	1,189	1,194	1,337	1,600
Multifamily ¹	2,304	2,542	2,623	2,699	2,415	2,424	2,715	3,248
Commercial.....	16	11						
<i>Farmers Home Administration</i>	<i>767</i>	<i>819</i>	<i>837</i>	<i>1,200</i>	<i>1,300</i>	<i>1,400</i>	<i>1,500</i>	<i>1,600</i>
1- to 4-family.....	330	398	387	550	596	642	688	734
Farm.....	437	421	450	650	704	758	812	866
<i>Federal Housing and Veterans Administrations</i>	<i>3,505</i>	<i>3,389</i>	<i>3,338</i>	<i>3,476</i>	<i>3,514</i>	<i>3,619</i>	<i>3,765</i>	<i>3,900</i>
1- to 4-family.....	2,771	2,517	2,199	2,013	1,964	1,980	2,037	2,083
Multifamily ¹	734	872	1,139	1,463	1,550	1,639	1,728	1,817
<i>Federal National Mortgage Association</i>	<i>15,502</i>	<i>17,791</i>	<i>19,791</i>	<i>24,175</i>	<i>24,875</i>	<i>26,559</i>	<i>28,641</i>	<i>29,578</i>
1- to 4-family.....	15,181	16,681	17,697	20,370	20,516	21,691	23,258	23,778
Multifamily ¹	321	1,110	2,094	3,805	4,359	4,868	5,383	5,800
Federal land banks (farm only).....	7,187	7,917	9,107	11,071	11,635	12,350	13,050	13,842
<i>Federal Home Loan Mortgage Corporation</i>	<i>357</i>	<i>964</i>	<i>1,789</i>	<i>2,604</i>	<i>2,637</i>	<i>3,191</i>	<i>3,713</i>	<i>4,586</i>
1- to 4-family.....	357	934	1,754	2,446	2,472	2,951	3,414	4,217
Multifamily ¹		30	35	158	165	240	299	369
<i>GNMA Pools</i>	<i>452</i>	<i>3,154</i>	<i>5,815</i>	<i>9,109</i>	<i>10,865</i>	<i>11,798</i>	<i>12,973</i>	<i>13,892</i>
1- to 4-family.....	452	3,153	5,620	8,745	10,431	11,326	12,454	13,336
Multifamily ¹		1	195	364	434	472	519	556
INDIVIDUALS AND OTHERS ³	62,805	66,162	69,035	73,890	73,740	73,540	73,340	73,220
1- to 4-family.....	26,865	27,207	27,184	28,739	27,739	26,939	26,139	25,439
Multifamily ¹	8,868	10,314	11,206	12,182	12,282	12,032	11,782	11,632
Commercial.....	13,579	13,977	15,286	16,837	17,337	17,937	18,537	19,017
Farm.....	13,493	14,664	15,359	16,132	16,382	16,632	16,882	17,132

¹ Structure of 5 or more units.² Includes loans held by nondeposit trust companies but not bank trust departments.³ Includes some U.S. agencies for which amounts are small or separate data are not readily available.

NOTE.—Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, where not reported directly, and interpolations and extrapolations where required, estimated mainly by Federal Reserve.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION—
SECONDARY MORTGAGE MARKET ACTIVITY**

(In millions of dollars)

End of period	FNMA							FHLMC						
	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments		Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total ¹	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Out-standing	Total	FHA VA	Conventional	Purchases	Sales	Made during period	Out-standing
1971.....	17,791	12,681	5,110	3,574	336	9,828	6,497	968	821	147	778	64	.....	182
1972.....	19,791	14,624	5,112	3,699	211	8,797	8,124	1,789	1,503	286	1,298	408	1,606	198
1973.....	24,175	16,852	6,352	6,127	71	8,914	7,889	2,604	1,743	861	1,334	409	1,629	186
1974.....	29,578	19,189	8,310	6,953	5	10,765	7,960	4,586	1,904	2,682	2,191	52	4,553	2,390
1973—Dec...	24,175	16,852	6,352	410	40	158	7,889	2,604	1,743	861	50	2	43	186
1974—Jan...	24,424	17,008	6,348	350	.....	110	6,715	2,621	1,736	885	34	8	26	161
Feb...	24,529	17,050	6,336	242	.....	489	6,768	2,625	1,730	895	21	6	49	185
Mar...	24,875	17,315	6,340	462	1	1,646	7,913	2,638	1,724	914	29	2	595	748
Apr...	25,263	17,450	6,503	526	.....	2,154	9,292	2,722	1,756	967	101	.....	400	1,037
May...	25,917	17,725	6,794	821	.....	1,145	9,475	2,986	1,827	1,159	281	.....	1,486	2,221
June...	26,559	17,966	7,079	770	.....	537	9,019	3,191	1,877	1,314	222	.....	628	2,598
July...	27,304	18,250	7,384	886	.....	1,175	9,044	3,309	1,883	1,426	129	.....	1,127	3,583
Aug...	28,022	18,526	7,704	868	2	1,202	9,115	3,451	1,886	1,565	155	.....	81	3,500
Sept...	28,641	18,758	7,994	760	.....	997	9,043	3,713	1,896	1,817	273	.....	69	3,278
Oct...	29,139	18,966	8,206	612	.....	878	8,987	4,107	1,910	2,197	410	7	30	2,871
Nov...	29,407	19,083	8,291	379	.....	201	8,532	4,352	1,908	2,445	270	12	28	2,621
Dec...	29,578	19,189	8,310	278	.....	231	7,960	4,586	1,904	2,682	266	16	34	2,390

¹ Includes conventional loans not shown separately.
 NOTE.—Data from FNMA and FHLMC, respectively.
 For FNMA: Holdings include loans used to back bond issues guaranteed by GNMA. Commitments include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA Tandem Plan (Program 18).

For FHLMC: Data for 1970 begin with Nov. 26, when the FHLMC became operational. Holdings and transactions cover participations as well as whole loans. Holdings include loans used to back bond issues guaranteed by GNMA. Commitments cover the conventional and Govt.-underwritten loan programs.

TERMS AND YIELDS ON NEW HOME MORTGAGES

Period	Conventional mortgages							Yields (per cent) in primary market		FHA-insured loans—Yield in private secondary market ⁵
	Terms ¹				Purchase price (thous. of dollars)			FHLMC series ³	HUD series ⁴	
	Contract rate (per cent)	Fees and charges (per cent) ²	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)				
1970.....	8.27	1.03	25.1	71.7	35.5	25.2	8.44	8.52	9.03	
1971.....	7.60	.87	26.2	74.3	36.3	26.5	7.74	7.75	7.70	
1972.....	7.45	.88	27.2	76.8	37.3	28.1	7.60	7.64	7.52	
1973.....	7.78	1.11	26.3	77.3	37.1	28.1	7.95	8.30	.....
1973—Dec.....	8.31	1.12	25.6	75.5	37.7	28.0	8.49	8.75	8.78	
1974—Jan.....	8.33	1.16	26.4	76.3	38.8	28.9	8.52	8.65	.....
Feb.....	8.40	1.33	25.9	76.5	37.8	28.5	8.62	8.55	8.54	
Mar.....	8.43	1.35	26.4	77.3	39.1	29.5	8.64	8.60	8.66	
Apr.....	8.47	1.21	26.1	77.3	38.5	29.2	8.67	8.90	9.17	
May.....	8.55	1.20	25.8	76.8	37.9	28.8	8.74	9.15	9.46	
June.....	8.65	1.25	26.3	76.9	39.7	30.1	8.85	9.25	9.46	
July.....	8.75	1.28	26.1	74.4	40.5	29.6	8.96	9.40	9.85	
Aug.....	8.87	1.32	26.4	75.3	40.2	29.5	9.09	9.60	10.30	
Sept.....	8.97	1.30	26.1	74.8	42.4	31.1	9.19	9.80	10.38	
Oct.....	8.95	1.37	26.7	74.7	42.3	30.7	9.17	9.70	10.13	
Nov.....	9.04	1.40	26.2	73.6	41.3	30.2	9.27	9.55	.....
Dec. ²	9.06	1.52	28.0	76.6	42.7	32.0	9.31	9.45	9.51	

¹ Weighted averages based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes, as compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are not strictly comparable with earlier figures beginning Jan. 1973.

² Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, but exclude closing costs related solely to transfer of property ownership.

³ Effective rate, reflecting fees and charges as well as contract rates

(as shown in first column of this table) and an assumed prepayment at end of 10 years.

⁴ Rates on first mortgages, unweighted and rounded to the nearest 5 basis points.

⁵ Based on opinion reports submitted by field offices of prevailing local conditions as of the first of the succeeding month. Yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates.

NOTE TO TABLE AT BOTTOM OF PAGE A-46:

American Life Insurance Association data for new commitments of \$100,000 and over each on mortgages for multifamily and nonresidential nonfarm properties located largely in the United States. The 15 companies account for a little more than one-half of both the total assets and the nonfarm mortgages held by all U.S. life insurance companies. Averages, which are based on number of loans, vary in part with loan composition by type and location of property, type and purpose of loan, and loan

amortization and prepayment terms. Data for the following are limited to cases where information was available or estimates could be made: capitalization rate (net stabilized property earnings divided by property value); debt coverage ratio (net stabilized earnings divided by debt service); and per cent constant (annual level payment, including principal and interest, per \$100 of debt). All statistics exclude construction loans, increases in existing loans in a company's portfolio, reapprovals, and loans secured by land only.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES

Item	Date of auction											
	1974										1975	
	Aug. 26	Sept. 9	Sept. 23	Oct. 7	Oct. 21	Nov. 4	Nov. 18	Dec. 2	Dec. 16	Dec. 30	Jan. 13	Jan. 27
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered ¹	309.6	176.1	57.2	46.6	34.5	47.8	25.7	52.5	49.6	35.7	25.3	41.4
Accepted.....	93.0	98.6	38.2	29.7	26.0	24.7	17.6	23.3	43.3	31.8	21.2	28.6
Conventional loans												
Offered ¹	59.0	46.5	22.1	26.1	14.1	20.4	20.6	24.0	20.1	17.2	17.9	11.1
Accepted.....	24.9	30.9	19.0	23.3	12.2	12.1	6.8	12.0	18.5	10.1	14.9	10.6
Average yield (per cent) on short-term commitments ²												
Govt.-underwritten loans.....	10.38	10.59	10.56	10.32	10.11	9.93	9.81	9.61	9.52	9.47	9.37	9.12
Conventional loans.....	10.42	10.71	10.66	10.46	10.27	10.11	9.92	9.80	9.72	9.59	9.50	9.39

¹ Mortgage amounts offered by bidders are total bids received.
² Average accepted bid yield (before deduction of 38 basis-point fee paid for mortgage servicing) for home mortgages assuming a prepayment period of 12 years for 30-year loans, without special adjustment for FNMA commitment fees and FNMA stock purchase and holding requirements. Commitments mature in 4 months.

MAJOR HOLDERS OF FHA-INSURED AND VA-GUARANTEED RESIDENTIAL MORTGAGE DEBT

(End of period, in billions of dollars)

Holder	Dec. 31, 1972	June 30, 1973	Sept. 30, 1973	Dec. 31, 1973	Mar. 31, 1974	June 30, 1974	Sept. 30, 1974
All holders.....	131.1	133.6	133.8	135.0	136.7	137.8	138.6
FHA.....	86.4	86.4	85.6	85.0	85.0	84.9	84.1
VA.....	44.7	47.2	48.2	50.0	51.7	52.9	54.5
Commercial banks.....	11.7	11.7	11.7	11.5	11.1	11.0	10.8
FHA.....	8.5	8.5	8.4	8.2	7.8	7.6	7.4
VA.....	3.2	3.2	3.3	3.3	3.3	3.4	3.4
Mutual savings banks.....	28.6	28.7	28.6	28.4	28.2	27.9	27.7
FHA.....	16.0	15.8	15.7	15.5	15.3	15.1	14.9
VA.....	12.6	12.9	12.9	12.9	12.9	12.8	12.8
Savings and loan assns.....	28.9						
FHA.....	15.4						
VA.....	13.5	29.8	30.1	29.7	29.8	29.7	29.8
Life insurance cos.....	14.7	14.0	13.7	13.6	13.3	13.1	12.9
FHA.....	10.0	9.5	9.3	9.2	9.0	8.8	8.7
VA.....	4.7	4.5	4.4	4.4	4.3	4.3	4.2
Others.....	47.2	49.4	50.0	52.1	54.3	56.1	57.4
FHA.....	36.5						
VA.....	10.7						

NOTE.—VA-guaranteed residential mortgage debt is for 1- to 4-family properties while FHA-insured includes some debt in multifamily structures. Detail by type of holder partly estimated by Federal Reserve for first and third quarters, and for most recent quarter.

COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES

Period	Number of loans	Total amount committed (millions of dollars)	Averages						
			Loan amount (thousands of dollars)	Contract interest rate (per cent)	Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1970.....	912	2,341.1	2,567	9.93	22/8	74.7	10.8	1.32	11.1
1971.....	1,664	3,982.5	2,393	9.07	22/10	74.9	10.0	1.29	10.4
1972.....	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1973.....	2,140	4,833.3	2,259	8.76	23/3	74.3	9.5	1.29	10.0
1973—Sept.....	176	351.5	1,997	8.94	22/6	73.7	9.3	1.23	10.3
Oct.....	161	203.3	1,263	9.09	22/6	73.6	9.4	1.24	10.3
Nov.....	95	313.5	3,300	9.17	22/2	74.3	9.7	1.25	10.4
Dec.....	55	152.8	2,778	9.18	23/3	74.8	9.9	1.27	10.3
1974—Jan.....	61	91.5	1,501	9.07	20/11	73.7	9.7	1.24	10.4
Feb.....	90	209.4	2,327	9.10	23/1	73.6	9.8	1.33	10.2
Mar.....	117	238.8	2,041	8.99	21/11	74.2	9.6	1.31	10.1
Apr.....	141	306.7	2,175	9.02	21/9	73.8	9.9	1.33	10.2
May.....	148	352.4	2,381	9.31	21/11	74.2	10.0	1.30	10.4
June.....	147	287.5	1,956	9.35	20/10	75.7	10.1	1.24	10.7
July.....	121	234.6	1,939	9.60	20/0	74.1	10.1	1.26	10.8
Aug.....	105	312.4	2,975	9.80	22/10	74.3	10.2	1.31	10.7
Sept.....	95	241.6	2,543	10.04	20/11	74.4	10.3	1.29	11.1

See NOTE on p. A-45.

TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment					Noninstalment				
		Total	Auto-mobile paper	Other consumer goods paper	Home improvement loans ¹	Personal loans	Total	Single-payment loans	Charge accounts		Service credit
									Retail outlets	Credit cards ²	
1965.....	89,883	70,893	28,437	18,483	3,736	20,237	18,990	7,671	5,724	706	4,889
1966.....	96,239	76,245	30,010	20,732	3,841	21,662	19,994	7,972	5,812	874	5,336
1967.....	100,783	79,428	29,796	22,389	4,008	23,235	21,355	8,558	6,041	1,029	5,727
1968.....	110,770	87,745	32,948	24,626	4,239	25,932	23,025	9,532	5,966	1,227	6,300
1969.....	121,146	97,105	35,527	28,313	4,613	28,652	24,041	9,747	5,936	1,437	6,921
1970.....	127,163	102,064	35,184	31,465	5,070	30,345	25,099	9,675	6,163	1,805	7,456
1971.....	138,394	111,295	38,664	34,353	5,413	32,865	27,099	10,585	6,397	1,953	8,164
1972.....	157,564	127,332	44,129	40,080	6,201	36,922	30,232	12,256	7,055	1,947	8,974
1973.....	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1974.....	190,121	156,124	51,689	52,009	8,162	44,264	33,997	12,979	8,012	2,122	10,884
1973—Dec.....	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1974—Jan.....	178,686	146,575	50,617	47,303	7,303	41,352	32,111	13,117	6,894	1,981	10,119
Feb.....	177,522	145,927	50,386	46,781	7,343	41,417	31,595	13,159	6,136	1,882	10,418
Mar.....	177,572	145,768	50,310	46,536	7,430	41,492	31,804	13,188	6,097	1,842	10,677
Apr.....	179,495	147,047	50,606	47,017	7,573	41,851	32,448	13,315	6,556	1,878	10,699
May.....	181,680	148,852	51,076	47,588	7,786	42,402	32,828	13,331	6,948	1,999	10,550
June.....	183,425	150,615	51,641	48,099	7,930	42,945	32,810	13,311	7,002	2,104	10,393
July.....	184,805	152,142	52,082	48,592	8,068	43,400	32,663	13,192	6,936	2,204	10,331
Aug.....	187,369	154,472	52,772	49,322	8,214	44,164	32,897	13,202	6,983	2,282	10,430
Sept.....	187,906	155,139	52,848	49,664	8,252	44,375	32,767	13,131	6,876	2,277	10,483
Oct.....	188,023	155,328	52,736	49,986	8,287	44,319	32,695	13,003	7,027	2,156	10,509
Nov.....	188,084	155,166	52,325	50,401	8,260	44,180	32,918	12,950	7,174	2,144	10,650
Dec.....	190,121	156,124	51,689	52,009	8,162	44,264	33,997	12,979	8,012	2,122	10,884

¹ Holdings of financial institutions; holdings of retail outlets are included in "Other consumer goods paper."
² Service station and miscellaneous credit-card accounts and home-heating-oil accounts.

NOTE.—Consumer credit estimates cover loans to individuals for household, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and BULLETINS for Dec. 1968 and Oct. 1972.

CONSUMER CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total	Instalment							Noninstalment			
		Total	Automobile paper		Other consumer goods paper			Home improvement loans		Personal loans		Single-payment loans
			Purchased	Direct	Mobile homes	Credit cards	Other			Check credit	Other	
1965.....	35,652	28,962	10,209	5,659	4,166			2,571	6,357		6,690	
1966.....	38,265	31,319	11,024	5,956	4,681			2,647	7,011		6,946	
1967.....	40,630	33,152	10,972	6,232	5,469			2,731	7,748		7,478	
1968.....	46,310	37,936	12,324	7,102	1,307			2,858	798	8,160	8,374	
1969.....	50,974	42,421	13,133	7,791	2,639			6,082	1,081	8,699	8,553	
1970.....	53,867	45,398	12,918	7,888	3,792			7,113	3,071	1,336	9,280	
1971.....	60,556	51,240	13,837	9,277	4,423			4,501	3,236	1,497	10,050	
1972.....	70,640	59,783	16,320	10,776	5,786			5,288	3,544	1,789	11,158	
1973.....	81,248	69,495	19,038	12,218	7,223			6,649	6,054	3,982	12,187	
1974.....	84,010	72,510	18,582	11,787	7,645			8,242	6,414	4,458	12,958	
1973—Dec.....	81,248	69,495	19,038	12,218	7,223			6,649	6,054	3,982	12,187	
1974—Jan.....	81,081	69,429	18,885	12,113	7,237			6,826	6,041	3,944	12,216	
Feb.....	80,909	69,246	18,770	12,028	7,285			6,770	6,063	3,937	12,220	
Mar.....	80,918	69,232	18,775	11,985	7,333			6,667	6,082	3,958	12,263	
Apr.....	81,750	69,944	18,896	12,039	7,399			6,761	6,208	4,028	12,433	
May.....	82,527	70,721	19,037	12,100	7,491			6,887	6,323	4,135	12,549	
June.....	83,417	71,615	19,220	12,169	7,564			7,076	6,420	4,224	12,712	
July.....	84,078	72,384	19,377	12,250	7,623			7,222	6,484	4,316	12,846	
Aug.....	84,982	73,302	19,511	12,344	7,681			7,491	6,541	4,409	13,013	
Sept.....	85,096	73,455	19,389	12,314	7,706			7,638	6,527	4,445	13,088	
Oct.....	84,887	73,372	19,246	12,195	7,709			7,749	6,530	4,480	13,087	
Nov.....	84,360	72,896	18,981	12,031	7,700			7,846	6,469	4,490	13,017	
Dec.....	84,010	72,510	18,582	11,787	7,645			8,242	6,414	4,458	12,958	

See also NOTE to table above.

INSTALMENT CREDIT HELD BY NONBANK LENDERS

(In millions of dollars)

End of period	Finance companies					Other financial lenders			Retail outlets			
	Total	Auto-mobile paper	Other consumer goods paper		Home improvement loans	Personal loans	Total	Credit unions	Miscellaneous lenders ¹	Total	Auto-mobile dealers	Other retail outlets
			Mobile homes	Other								
1965.....	23,851	9,218	4,343		232	10,058	8,289	7,324	965	9,791	315	9,476
1966.....	24,796	9,342	4,925		214	10,315	9,315	8,255	1,060	10,815	277	10,538
1967.....	24,576	8,627	5,069		192	10,688	10,216	9,003	1,213	11,484	287	11,197
1968.....	26,074	9,003	5,424		166	11,481	11,717	10,300	1,417	12,018	281	11,737
1969.....	27,846	9,412	5,775		174	12,485	13,722	12,028	1,694	13,116	250	12,866
1970.....	27,678	9,044	2,464	3,237	199	12,734	15,088	12,986	2,102	13,900	218	13,682
1971.....	28,883	9,577	2,561	3,052	247	13,446	17,021	14,770	2,251	14,151	226	13,925
1972.....	32,088	10,174	2,916	3,589	497	14,912	19,511	16,913	2,598	15,950	261	15,689
1973.....	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1974.....	38,925	12,435	3,570	4,751	993	17,176	25,216	22,116	3,100	19,473	286	19,187
1973—Dec.....	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1974—Jan.....	37,140	11,754	3,392	4,460	940	16,594	22,301	19,429	2,872	17,705	296	17,409
Feb.....	37,148	11,710	3,406	4,486	968	16,578	22,413	19,430	2,983	17,120	293	16,827
Mar.....	37,005	11,624	3,324	4,497	1,018	16,542	22,562	19,550	3,012	16,969	292	16,677
Apr.....	37,291	11,684	3,364	4,547	1,057	16,639	22,753	19,704	3,049	17,059	293	16,766
May.....	37,751	11,810	3,413	4,583	1,097	16,848	23,203	20,053	3,150	17,177	294	16,883
June.....	38,159	11,957	3,449	4,626	1,114	17,013	23,630	20,501	3,129	17,211	296	16,915
July.....	38,479	12,040	3,505	4,664	1,118	17,152	23,968	20,825	3,143	17,311	297	17,014
Aug.....	38,943	12,267	3,539	4,680	1,097	17,360	24,677	21,402	3,275	17,550	299	17,251
Sept.....	38,921	12,345	3,573	4,662	1,073	17,268	25,085	21,792	3,293	17,678	298	17,380
Oct.....	38,901	12,458	3,597	4,658	1,054	17,134	25,204	21,893	3,311	17,851	296	17,555
Nov.....	38,803	12,462	3,603	4,611	1,021	17,106	25,195	21,975	3,220	18,272	292	17,980
Dec.....	38,925	12,435	3,570	4,751	993	17,176	25,216	22,116	3,100	19,473	286	19,187

¹ Savings and loan associations and mutual savings banks.

See also NOTE to table at top of preceding page.

FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT

(Per cent per annum)

Month	Commercial banks					Finance companies				
	New automobiles (36 mos.)	Mobile homes (84 mos.)	Other consumer goods (24 mos.)	Personal loans (12 mos.)	Credit-card plans	Automobiles		Mobile homes	Other consumer goods	Personal loans
						New	Used			
1972—Oct.....	10.01	10.66	12.38	12.70	17.23	11.86	16.67	.....	.....	.....
Nov.....	10.02	10.85	12.44	12.63	17.23	11.89	16.78	12.41	18.90	21.22
Dec.....	10.01	10.69	12.55	12.77	17.24	11.92	16.87	.....	.....	.....
1973—Jan.....	10.01	10.54	12.46	12.65	17.13	11.89	16.08	12.51	19.04	21.00
Feb.....	10.05	10.76	12.51	12.76	17.16	11.86	16.20	.....	.....	.....
Mar.....	10.04	10.67	12.48	12.71	17.19	11.85	16.32	12.54	18.92	20.79
Apr.....	10.04	10.64	12.50	12.74	17.19	11.88	16.44	.....	.....	.....
May.....	10.05	10.84	12.48	12.78	17.22	11.91	16.52	12.73	18.88	20.76
June.....	10.08	10.57	12.57	12.78	17.24	11.94	16.61	.....	.....	.....
July.....	10.10	10.84	12.51	12.75	17.21	12.02	16.75	12.77	18.93	20.55
Aug.....	10.25	10.95	12.66	12.84	17.22	12.13	16.86	.....	.....	.....
Sept.....	10.44	11.06	12.67	12.96	17.23	12.28	16.98	12.90	18.69	20.52
Oct.....	10.53	10.98	12.80	13.02	17.23	12.34	17.11	.....	.....	.....
Nov.....	10.49	11.19	12.75	12.94	17.23	12.40	17.21	13.12	18.77	20.65
Dec.....	10.49	11.07	12.86	13.12	17.24	12.42	17.31	.....	.....	.....
1974—Jan.....	10.55	11.09	12.78	12.96	17.25	12.39	16.56	13.24	18.90	20.68
Feb.....	10.53	11.25	12.82	13.02	17.24	12.33	16.62	.....	.....	.....
Mar.....	10.50	10.92	12.82	13.04	17.23	12.29	16.69	13.15	18.69	20.57
Apr.....	10.51	11.07	12.81	13.00	17.25	12.28	16.76	.....	.....	.....
May.....	10.63	10.96	12.88	13.10	17.25	12.36	16.86	13.07	18.90	20.57
June.....	10.81	11.21	13.01	13.20	17.23	12.50	17.06	.....	.....	.....
July.....	10.96	11.46	13.14	13.42	17.20	12.58	17.18	13.21	19.24	20.78
Aug.....	11.15	11.71	13.10	13.45	17.21	12.67	17.32	.....	.....	.....
Sept.....	11.31	11.72	13.20	13.41	17.15	12.84	17.61	13.42	19.30	20.93
Oct.....	11.53	11.94	13.28	13.60	17.17	12.97	17.78	.....	.....	.....
Nov.....	11.57	11.87	13.16	13.47	17.16	13.06	17.88	13.60	19.49	21.11
Dec.....	11.62	11.71	13.27	13.60	17.16	13.10	17.89	.....	.....	.....

NOTE.—Rates are reported on an annual percentage rate basis as specified in Regulation Z (Truth in Lending) of the Board of Governors. Commercial bank rates are "most common" rates for direct loans with

specified maturities; finance company rates are weighted averages for purchased contracts (except personal loans). For back figures and description of the data, see Bulletin for Sept. 1973.

INSTALMENT CREDIT EXTENDED AND REPAID

(In millions of dollars)

Period	Total	Type				Holder			
		Automobile paper	Other consumer goods paper	Home improvement loans	Personal loans	Commercial banks	Finance companies	Other financial lenders	Retail outlets
Extensions									
1966.....	82,832	27,192	26,329	2,223	27,088	30,073	25,897	10,368	16,494
1967.....	87,171	26,320	29,504	2,369	28,978	31,382	26,461	11,238	18,090
1968.....	99,984	31,083	33,507	2,534	32,860	37,395	30,261	13,206	19,122
1969.....	109,146	32,553	38,332	2,831	35,430	40,955	32,753	15,198	20,240
1970.....	112,158	29,794	43,873	2,963	35,528	42,960	31,952	15,720	21,526
1971.....	124,281	34,873	47,821	3,244	38,343	51,237	32,935	17,966	22,143
1972.....	142,951	40,194	55,599	4,006	43,152	59,339	38,464	20,607	24,541
1973.....	165,083	46,453	66,859	4,728	47,043	69,726	43,221	23,414	28,722
1974.....	166,478	42,756	71,077	4,650	47,995	69,554	41,809	24,510	30,605
1973—Dec.....	12,677	3,315	5,254	429	3,679	5,124	3,279	1,897	2,377
1974—Jan.....	13,714	3,492	5,662	373	4,187	5,715	3,693	1,911	2,395
Feb.....	13,541	3,389	5,647	409	4,096	5,794	3,656	1,861	2,230
Mar.....	13,823	3,484	5,933	424	3,982	5,710	3,497	1,976	2,640
Apr.....	14,179	3,545	6,034	447	4,153	5,838	3,671	2,054	2,616
May.....	14,669	3,769	6,156	468	4,276	6,023	3,832	2,140	2,674
June.....	14,387	3,731	6,043	425	4,188	6,076	3,729	2,040	2,542
July.....	14,635	3,812	6,164	416	4,243	6,129	3,685	2,201	2,620
Aug.....	14,394	3,887	5,993	388	4,126	6,034	3,476	2,290	2,594
Sept.....	14,089	3,835	5,935	302	4,017	6,050	3,408	2,079	2,552
Oct.....	13,626	3,369	5,948	348	3,961	5,600	3,229	2,160	2,637
Nov.....	12,609	3,062	5,700	321	3,526	5,390	2,823	1,863	2,533
Dec.....	12,702	3,205	5,798	294	3,405	5,012	3,240	1,901	2,549
Repayments									
1966.....	77,480	25,619	24,080	2,118	25,663	27,716	24,952	9,342	15,470
1967.....	83,988	26,534	27,847	2,202	27,405	29,549	26,681	10,337	17,421
1968.....	91,667	27,931	31,270	2,303	30,163	32,611	28,763	11,705	18,588
1969.....	99,786	29,974	34,645	2,457	32,710	36,470	30,981	13,193	19,142
1970.....	107,199	30,137	40,721	2,506	33,835	40,398	31,705	14,354	20,742
1971.....	115,050	31,393	44,933	2,901	35,823	45,395	31,730	16,033	21,892
1972.....	126,914	34,729	49,872	3,218	39,095	50,796	35,259	18,117	22,742
1973.....	144,978	39,452	59,409	3,577	42,540	60,014	38,066	20,358	26,540
1974.....	157,791	42,197	66,598	3,840	45,156	66,539	40,127	21,861	29,264
1973—Dec.....	12,267	3,338	5,001	332	3,596	5,088	3,151	1,766	2,262
1974—Jan.....	12,797	3,433	5,193	356	3,815	5,254	3,418	1,823	2,302
Feb.....	12,870	3,394	5,340	323	3,813	5,430	3,423	1,692	2,325
Mar.....	13,206	3,544	5,596	308	3,758	5,479	3,452	1,827	2,448
Apr.....	13,026	3,498	5,483	312	3,733	5,470	3,375	1,784	2,397
May.....	13,407	3,601	5,607	315	3,884	5,573	3,528	1,855	2,451
June.....	13,301	3,577	5,615	335	3,774	5,564	3,405	1,835	2,497
July.....	13,310	3,563	5,610	320	3,817	5,541	3,513	1,819	2,437
Aug.....	12,882	3,443	5,444	309	3,686	5,463	3,166	1,851	2,402
Sept.....	13,412	3,604	5,700	279	3,829	5,808	3,371	1,723	2,510
Oct.....	13,224	3,470	5,499	321	3,934	5,542	3,250	1,962	2,470
Nov.....	13,009	3,423	5,561	325	3,700	5,671	2,981	1,860	2,497
Dec.....	13,516	3,668	6,037	341	3,470	5,803	3,308	1,822	2,583
Net change									
1966.....	5,352	1,573	2,249	105	1,425	2,357	945	1,026	1,024
1967.....	3,183	-214	1,657	167	1,573	1,833	-220	901	669
1968.....	8,317	3,152	2,237	231	2,697	4,784	1,498	1,501	534
1969.....	9,360	2,579	3,687	374	2,720	4,485	1,772	2,005	1,098
1970.....	4,959	-343	3,152	457	1,693	2,977	-168	1,366	784
1971.....	9,231	3,480	2,888	343	2,520	5,842	1,205	1,933	251
1972.....	16,037	5,465	5,727	788	4,057	8,543	3,205	2,490	1,799
1973.....	20,105	7,001	7,450	1,151	4,503	9,712	5,155	3,056	2,182
1974.....	8,687	559	4,479	810	2,839	3,015	1,682	2,649	1,341
1973—Dec.....	410	-23	253	97	83	36	128	131	115
1974—Jan.....	917	59	469	17	372	461	275	88	93
Feb.....	671	-5	307	86	283	364	233	169	-95
Mar.....	617	-60	337	116	224	231	45	149	192
Apr.....	1,153	47	551	135	420	368	296	270	219
May.....	1,262	168	549	153	392	450	304	285	223
June.....	1,086	154	428	90	414	512	324	205	45
July.....	1,325	249	554	96	426	588	172	382	183
Aug.....	1,512	444	549	79	440	571	310	439	192
Sept.....	677	231	235	23	188	242	37	356	42
Oct.....	402	-101	449	27	27	58	-21	198	167
Nov.....	-400	-361	139	-4	-174	-281	-158	3	36
Dec.....	-814	-463	-239	-47	-65	-791	-68	79	-34

NOTE.—Monthly estimates are seasonally adjusted and include adjustments for differences in trading days. Annual totals are based on data not seasonally adjusted.

Estimates are based on accounting records and often include finance charges. Renewals and refinancing of loans, purchases and sales of in-

stalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding.

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics, 1965*, and BULLETINS for Dec. 1968 and Oct. 1972.

SELECTED BUSINESS INDEXES

(1967=100, except as noted)

Period	Industrial production										Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Non-agricultural employment—Total ¹	Manufacturing ²		Total retail sales ³	Prices ⁴	
	Total	Market						In-dustry	Manu-facturing	Employ-ment				Pay-rolls	Con-sumer		Wholesale commodity	
		Products																
		Total	Final		Inter-mediate	Mate-rials	Manu-facturing											
Total	Con-sumer goods	Equip-ment																
1955.....	58.5	56.6	54.9	59.5	48.9	62.6	61.5	58.2	90.0	76.9	92.9	61.1	59	80.2	87.8			
1956.....	61.1	59.7	58.2	61.7	53.7	65.3	63.1	60.5	88.2	79.6	93.9	64.6	61	81.4	90.7			
1957.....	61.9	61.1	59.9	63.2	55.9	65.3	63.1	61.2	84.5	80.3	92.2	65.4	64	84.3	93.3			
1958.....	57.9	58.6	57.1	62.6	50.0	63.9	56.8	56.9	75.1	78.0	83.9	60.3	64	86.6	94.6			
1959.....	64.8	64.4	62.7	68.7	54.9	70.5	65.5	64.1	81.4	81.0	88.1	67.8	69	87.3	94.8			
1960.....	66.2	66.2	64.8	71.3	56.4	71.0	66.4	65.4	80.1	82.4	88.0	68.8	70	88.7	94.9			
1961.....	66.7	66.9	65.3	72.8	55.6	72.4	66.4	65.6	77.6	82.1	84.5	68.0	70	89.6	94.5			
1962.....	72.2	72.1	70.8	77.7	61.9	76.9	72.4	71.4	81.4	84.4	87.3	73.3	75	90.6	94.8			
1963.....	76.5	76.2	74.9	82.0	65.6	81.1	77.0	75.8	83.0	86.1	87.8	76.0	79	91.7	94.5			
1964.....	81.7	81.2	79.6	86.8	70.1	87.3	82.6	81.2	85.5	89.4	88.6	80.1	83	92.9	94.7			
1965.....	89.2	88.1	86.8	93.0	78.7	93.0	91.0	89.1	89.0	93.2	92.3	93.9	88.1	91	94.5	96.6		
1966.....	97.9	96.8	96.1	98.6	93.0	99.2	99.8	98.3	91.9	94.8	97.1	99.9	97.8	97	97.2	99.8		
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	87.9	100.0	100.0	100.0	100.0	100	100.0	100.0		
1968.....	105.7	105.8	105.8	106.6	104.7	105.7	105.7	105.7	87.7	113.2	103.2	101.4	108.3	109	104.2	102.5		
1969.....	110.7	109.7	109.0	111.1	106.1	112.0	112.4	110.5	86.5	123.7	106.9	103.2	116.6	114	109.8	106.5		
1970.....	106.6	106.0	104.5	110.3	96.3	111.7	107.7	105.2	78.3	123.1	107.7	98.1	114.1	120	116.3	110.4		
1971.....	106.8	106.4	104.7	115.7	89.4	112.6	107.4	105.2	75.0	145.4	108.1	94.2	116.7	122	121.2	113.9		
1972.....	115.2	113.8	111.9	123.6	95.5	121.1	117.4	114.0	78.6	165.3	111.9	97.6	131.5	142	125.3	119.8		
1973.....	125.6	123.4	121.3	131.7	106.7	131.1	129.3	125.2	83.0	181.3	116.7	103.1	148.9	.....	133.1	134.7	
1973—Dec.....	126.5	124.0	122.6	131.3	110.0	129.1	130.7	126.4	82.6	161.0	118.3	104.4	155.8	161	138.5	141.8		
1974—Jan.....	125.4	122.9	121.2	129.2	109.8	129.2	129.7	125.3	80.5	155.0	118.3	104.0	151.4	164	139.7	146.6		
Feb.....	124.6	122.4	120.6	128.3	109.9	129.1	128.3	124.5	187.0	187.0	118.5	103.2	153.1	165	141.5	149.5		
Mar.....	124.7	122.6	121.0	128.5	110.1	128.2	128.8	124.6	181.0	181.0	118.6	102.9	152.5	168	143.1	151.4		
Apr.....	124.9	122.7	120.8	128.5	110.1	129.4	128.7	124.8	167.0	167.0	118.8	103.0	149.8	169	143.9	152.7		
May.....	125.7	123.8	122.4	129.7	112.2	129.2	129.1	125.7	80.1	188.0	119.0	103.0	156.5	172	145.5	155.0		
June.....	125.8	124.0	122.6	130.2	112.0	128.9	128.8	125.6	166.0	166.0	119.1	103.2	157.5	170	146.9	155.7		
July.....	125.5	124.0	122.6	130.0	113.0	127.8	128.0	125.2	177.0	177.0	119.2	103.0	158.4	177	148.0	161.7		
Aug.....	125.2	123.5	122.1	129.8	111.4	128.6	128.5	125.2	79.4	170.0	119.4	102.6	160.3	180	149.9	167.4		
Sept.....	125.6	123.6	122.6	128.8	113.8	127.6	129.3	125.5	187.0	187.0	119.7	102.5	162.3	176	151.7	167.2		
Oct.....	124.8	122.9	122.3	128.2	114.0	125.3	128.1	124.6	148.0	148.0	119.8	101.7	163.0	175	153.0	170.2		
Nov.....	121.7	121.4	120.9	126.5	113.2	122.9	121.9	121.0	75.9	154.0	119.1	99.4	160.6	170	154.3	171.9		
Dec.....	117.9	118.7	118.1	123.3	110.8	121.1	116.3	116.7	176.0	176.0	118.0	96.4	153.5	171	155.4	171.5		
1975—Jan.....	113.7	115.2	114.5	119.8	107.0	117.7	111.5	112.3	.....	.....	117.4	93.5	146.9	172	.....	171.8

¹ Employees only; excludes personnel in the Armed Forces.
² Production workers only. Revised back to 1968.
³ F.R. index based on Census Bureau figures.
⁴ Prices are not seasonally adjusted. Latest figure is final.
⁵ Figure is for 4th quarter 1973.
 NOTE.—All series: Data are seasonally adjusted unless otherwise noted.
 Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Dept. of Commerce.

Construction contracts: McGraw-Hill Informations Systems Company F.W. Dodge Division, monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering; does not include data for Alaska and Hawaii.
 Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.
 Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1972	1973	1974												
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Total construction ¹	90,979	100,071	6,133	5,954	6,610	7,911	8,929	10,158	8,480	9,295	8,416	8,359	7,227	6,179	7,304
By type of ownership:															
Public.....	24,043	26,686	1,855	2,135	2,212	2,481	2,336	3,082	2,968	3,242	3,311	3,273	2,720	2,391	2,496
Private ²	66,936	73,385	4,277	3,819	4,398	5,430	6,593	7,076	5,512	6,053	5,105	5,086	4,508	3,788	4,809
By type of construction:															
Residential building ¹	44,975	46,246	2,341	2,231	2,678	3,374	3,924	3,862	3,546	3,350	3,060	2,503	2,457	1,931	1,715
Nonresidential building.....	27,021	31,761	2,210	2,307	2,260	2,752	2,842	3,120	2,989	3,698	3,246	3,320	2,710	2,618	2,451
Nonbuilding.....	18,983	22,064	1,581	1,415	1,672	1,785	2,163	3,176	1,945	2,247	2,110	2,536	2,061	1,630	3,139
Private housing units authorized..... (In thousands, S.A., A.R.)	2,219	1,820	1,285	1,282	1,325	1,410	1,296	1,120	1,106	1,017	900	823	782	730	802

¹ Because of improved procedures for collecting data for 1-family homes, some totals are not strictly comparable with those prior to 1968. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE.—Dollar value of construction contracts as reported by the McGraw-Hill Informations Systems Company, F.W. Dodge Division. Totals of monthly data exceed annual totals because adjustments—negative—are made in accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 14,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				
		Total	Residential	Nonresidential				Other	Total	Military	Highway	Conservation and development	Other ²
				Total	Industrial	Commercial	Other buildings ¹						
1965	73,412	51,350	27,934	23,416	5,118	6,739	4,735	6,824	22,062	830	7,550	2,019	11,663
1966	76,002	51,995	25,715	26,280	6,679	6,879	5,037	7,685	24,007	727	8,405	2,194	12,681
1967	77,503	51,967	25,568	26,399	6,131	6,982	4,993	8,293	25,536	695	8,591	2,124	14,126
1968	86,626	59,021	30,565	28,456	6,021	7,761	4,382	10,292	27,605	808	9,321	1,973	15,503
1969	93,728	65,404	33,200	32,204	6,783	9,401	4,971	11,049	27,964	879	9,250	1,783	16,052
1970	94,167	66,071	31,864	34,207	6,538	9,754	5,125	12,790	28,096	718	9,981	1,908	15,489
1971	109,950	80,079	43,267	36,812	5,423	11,619	5,437	14,333	29,871	901	10,658	2,095	16,217
1972	124,077	93,893	54,288	39,605	4,676	13,462	5,898	15,569	30,184	1,087	10,429	2,172	16,496
1973	135,456	102,894	57,623	45,271	6,243	15,453	5,888	17,687	32,562	1,170	10,559	2,313	18,520
1973—Nov.	135,692	102,270	54,548	47,722	7,080	16,054	5,727	18,861	33,422	1,060	10,952	2,362	19,048
1973—Dec.	133,222	100,110	52,357	47,753	7,343	15,890	5,913	18,607	33,112	1,082	11,168	2,314	18,548
1974—Jan.	132,608	97,768	49,688	48,080	6,831	15,762	6,058	19,429	34,840	1,305	12,043	2,044	19,448
1974—Feb.	136,282	98,770	48,873	49,897	7,869	16,650	6,143	19,235	37,512	1,361	12,465	2,510	21,176
1974—Mar.	135,069	98,631	48,643	49,988	7,500	16,652	6,336	19,500	36,438	1,401	10,985	2,463	21,589
1974—Apr.	136,399	97,445	48,164	49,281	6,920	16,296	6,264	19,801	38,954	1,505	12,209	2,665	22,575
1974—May	138,163	97,889	47,971	49,918	7,606	16,408	5,890	20,014	40,274	1,181	12,322	2,692	24,079
1974—June	136,889	98,404	48,269	50,135	8,027	16,425	6,034	19,649	38,485	1,169	11,632	3,306	22,378
1974—July	137,935	97,980	48,938	49,042	7,158	15,953	5,915	20,016	39,955	1,131	.....	.....	.....
1974—Aug.	134,503	96,303	48,284	48,019	7,616	15,053	5,691	19,659	36,974	978	.....	.....	.....
1974—Sept.	132,891	94,591	45,858	48,733	7,677	15,668	5,776	19,612	38,300	1,167	.....	.....	.....
1974—Oct.	134,917	94,166	43,300	50,866	8,294	16,300	5,799	20,473	40,751	1,065	.....	.....	.....
1974—Nov.	131,318	92,527	40,890	51,637	8,767	16,282	5,956	20,632	38,791	.....	.....	.....	.....

¹ Includes religious, educational, hospital, institutional, and other buildings.
² Sewer and water, formerly shown separately, now included in "Other."

NOTE.—Census Bureau data; monthly series at seasonally adjusted annual rates.

PRIVATE HOUSING ACTIVITY

(In thousands of units)

Period	Starts			Completions			Under construction (end of period)			Mobile home shipments	New 1-family homes sold and for sale ¹			
	Total	1-family	2-or-more family	Total	1-family	2-or-more family	Total	1-family	2-or-more family		Units		Median prices (in thousands of dollars) of units	
											Sold	For sale (end of period)	Sold	For sale
1965	1,473	964	509	.....	.....	.....	.....	.....	.....	217	575	228	20.0	21.3
1966	1,165	779	386	.....	.....	.....	.....	.....	.....	217	461	196	21.4	22.8
1967	1,292	844	448	.....	.....	.....	.....	.....	.....	240	487	190	22.7	23.6
1968	1,508	899	608	1,320	859	461	.....	.....	.....	318	490	218	24.7	24.6
1969	1,467	811	656	1,399	808	592	885	350	535	413	448	228	25.6	27.0
1970	1,434	813	621	1,418	802	617	922	381	541	401	485	227	23.4	26.2
1971	2,052	1,151	901	1,706	1,014	692	1,254	505	749	497	656	294	25.2	25.9
1972	2,357	1,309	1,048	1,972	1,143	828	1,586	640	947	576	718	416	27.6	28.3
1973	2,045	1,132	913	2,014	1,174	840	1,599	583	1,016	567	620	456	32.5	32.9
1973—Dec.	1,403	767	636	1,873	1,050	823	1,638	613	1,025	456	433	446	35.7	32.9
1974—Jan.	1,464	793	671	1,916	1,026	890	1,608	599	1,009	469	474	450	34.2	33.4
1974—Feb.	1,922	1,056	866	1,891	1,018	873	1,611	601	1,010	449	516	459	34.9	33.5
1974—Mar.	1,499	962	537	1,885	973	912	1,567	597	970	475	585	453	36.0	34.0
1974—Apr.	1,630	996	634	1,695	883	812	1,545	600	945	435	570	449	35.7	34.3
1974—May	1,471	931	540	1,677	882	795	1,512	594	918	451	599	441	35.7	34.7
1974—June	1,596	1,014	582	1,851	1,092	759	1,480	581	899	441	532	435	35.1	35.0
1974—July	1,338	958	380	1,674	935	739	1,443	578	865	380	511	431	36.8	35.3
1974—Aug.	1,134	812	322	1,505	899	607	1,406	570	836	370	457	433	35.7	35.5
1974—Sept.	1,150	844	306	1,505	882	624	1,372	565	807	316	488	415	36.8	35.7
1974—Oct.	1,109	777	332	1,645	922	722	1,325	556	769	248	410	410	37.1	35.9
1974—Nov.	990	788	202	1,620	874	746	1,259	544	715	218	429	405	37.0	36.0
1974—Dec.	868	678	190	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

¹ Merchant builders only.

NOTE.—All series except prices, seasonally adjusted. Annual rates for starts, completions, mobile home shipments, and sales. Census data except

for mobile homes, which are private, domestic shipments as reported by the Mobile Home Manufacturers' Assn. and seasonally adjusted by Census Bureau. Data for units under construction seasonally adjusted by Federal Reserve.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total non-institutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate ² (per cent; S.A.)
				Total	Employed ¹			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1969.....	137,841	53,602	84,240	80,734	77,902	74,296	3,606	2,832	3.5
1970.....	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1971.....	142,596	55,666	86,929	84,113	79,120	75,732	3,387	4,993	5.9
1972.....	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973.....	148,263	57,222	91,040	88,714	84,409	80,957	3,452	4,304	4.9
1974.....	150,827	57,587	93,240	91,011	85,936	82,443	3,492	5,076	5.6
1974—Jan.	149,656	58,303	92,723	90,465	85,800	82,051	3,749	4,665	5.2
Feb.	149,857	58,165	92,809	90,551	85,861	82,050	3,811	4,690	5.2
Mar.	150,066	58,183	92,632	90,381	85,779	82,126	3,653	4,602	5.1
Apr.	150,283	58,547	92,567	90,324	85,787	82,272	3,515	4,537	5.0
May	150,507	58,349	92,982	90,753	86,062	82,565	3,497	4,691	5.2
June	150,710	55,952	93,069	90,857	86,088	82,755	3,333	4,769	5.2
July	150,922	55,426	93,503	91,283	86,403	82,970	3,433	4,880	5.3
Aug.	151,135	56,456	93,419	91,199	86,274	82,823	3,451	4,925	5.4
Sept.	151,367	57,706	93,922	91,705	86,402	82,913	3,489	5,303	5.8
Oct.	151,593	57,489	94,058	91,844	86,304	82,864	3,440	5,540	6.0
Nov.	151,812	57,991	93,921	91,708	85,689	82,314	3,375	6,019	6.6
Dec.	152,020	58,482	94,015	91,803	85,202	81,863	3,339	6,601	7.2
1975—Jan.	152,230	58,888	94,284	92,091	84,562	81,179	3,383	7,529	8.2

¹ Includes self-employed, unpaid family, and domestic service workers.

² Per cent of civilian labor force.

NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate

to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Government
1968.....	67,951	19,781	606	3,306	4,311	14,099	3,381	10,622	11,845
1969.....	70,442	20,167	619	3,525	4,435	14,704	3,562	11,228	12,202
1970.....	70,920	19,349	623	3,536	4,504	15,040	3,687	11,621	12,561
1971.....	71,216	18,572	603	3,639	4,457	15,352	3,802	11,903	12,887
1972.....	73,711	19,090	622	3,831	4,517	15,975	3,943	12,392	13,340
1973.....	76,833	20,054	638	4,028	4,646	16,665	4,075	12,986	13,742
SEASONALLY ADJUSTED									
1974—Jan.	77,925	20,253	658	4,098	4,710	16,851	4,132	13,236	13,987
Feb.	78,053	20,155	661	4,127	4,717	16,871	4,142	13,313	14,067
Mar.	78,089	20,116	662	4,102	4,708	16,914	4,145	13,339	14,103
Apr.	78,226	20,147	665	4,087	4,704	16,945	4,154	13,367	14,157
May	78,357	20,151	668	4,066	4,701	16,994	4,161	13,429	14,187
June	78,421	20,184	669	3,994	4,698	17,031	4,156	13,488	14,201
July	78,479	20,169	675	3,920	4,693	17,107	4,157	13,516	14,242
Aug.	78,661	20,112	676	3,965	4,701	17,140	4,168	13,573	14,326
Sept.	78,844	20,112	682	3,939	4,679	17,166	4,176	13,647	14,443
Oct.	78,865	19,982	692	3,911	4,699	17,160	4,185	13,705	14,531
Nov.	78,404	19,633	693	3,861	4,697	17,048	4,183	13,721	14,568
Dec.	77,733	19,159	660	3,800	4,672	16,933	4,183	13,728	14,598
1975—Jan.	77,295	18,711	698	3,803	4,636	16,876	4,185	13,769	14,617
NOT SEASONALLY ADJUSTED									
1974—Jan.	76,837	20,057	647	3,647	4,653	16,675	4,091	13,011	14,056
Feb.	77,011	19,971	646	3,702	4,651	16,513	4,105	13,153	14,270
Mar.	77,362	19,962	648	3,786	4,670	16,584	4,120	13,246	14,346
Apr.	77,994	20,011	659	3,919	4,671	16,851	4,137	13,380	14,366
May	78,545	20,063	669	4,058	4,701	16,964	4,161	13,536	14,393
June	79,287	20,345	684	4,190	4,759	17,108	4,202	13,677	14,322
July	78,322	20,066	688	4,187	4,740	17,064	4,219	13,665	13,693
Aug.	78,561	20,288	690	4,286	4,734	17,058	4,222	13,668	13,615
Sept.	79,097	20,350	688	4,191	4,721	17,153	4,180	13,647	14,167
Oct.	79,429	20,142	693	4,150	4,718	17,225	4,172	13,719	14,610
Nov.	79,125	19,763	693	3,981	4,702	17,342	4,309	13,707	14,771
Dec.	78,486	19,185	655	3,724	4,667	17,613	4,287	13,659	14,821
1975—Jan.	76,250	18,531	687	3,385	4,580	16,699	4,209	13,535	14,690

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons,

domestic servants, unpaid family workers, and members of Armed Forces are excluded.

Beginning with 1968, series has been adjusted to Mar. 1973 benchmark.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974 ^p	1974				
										IV	I	II	III	IV ^p
Gross national product	103.1	55.6	124.5	284.8	977.1	1,054.9	1,158.0	1,294.9	1,396.7	1,344.0	1,358.8	1,383.8	1,416.3	1,428.0
<i>Final purchases</i>	101.4	57.2	120.1	278.0	972.6	1,048.6	1,149.6	1,279.6	1,383.3	1,316.1	1,341.9	1,370.3	1,407.6	1,419.6
Personal consumption expenditures	77.2	45.8	80.6	191.0	617.6	667.1	729.0	805.2	877.0	823.9	840.6	869.1	901.3	896.8
Durable goods.....	9.2	3.5	9.6	30.5	91.3	103.9	118.4	130.3	127.8	124.3	123.9	129.5	136.1	121.5
Nondurable goods.....	37.7	22.3	42.9	98.1	263.8	278.4	299.7	338.0	380.2	352.1	364.4	375.8	389.0	391.5
Services.....	30.3	20.1	28.1	62.4	262.6	284.8	310.9	336.9	369.1	347.4	352.4	363.8	376.2	383.8
Gross private domestic investment	16.2	1.4	17.9	54.1	136.3	153.7	179.3	209.4	208.9	224.5	210.5	211.8	205.8	207.6
<i>Fixed investment</i>	14.5	3.0	13.4	47.3	131.7	147.4	170.8	194.0	195.6	195.5	193.6	198.3	197.1	193.2
<i>Nonresidential</i>	10.6	2.4	9.5	27.9	100.6	104.6	116.8	136.8	149.6	141.9	145.2	149.4	150.9	152.7
Structures.....	5.0	.9	2.9	9.2	36.1	37.9	41.1	47.0	52.2	49.3	51.3	52.2	51.0	54.3
Producers' durable equipment.....	5.6	1.5	6.6	18.7	64.4	66.6	75.7	89.8	97.4	92.6	93.9	97.2	99.9	98.4
Residential structures.....	4.0	.6	3.9	19.4	31.2	42.8	54.0	57.2	46.0	53.6	48.4	48.8	46.2	40.5
Nonfarm.....	3.8	.5	3.7	18.6	30.7	42.3	53.4	56.7	45.2	53.0	47.8	48.0	45.4	39.8
Farm.....	1.7	-1.6	4.5	6.8	4.5	6.3	8.5	15.4	13.4	28.9	16.9	13.5	8.7	14.4
Change in business inventories.....	1.8	-1.4	4.0	6.0	4.3	4.9	7.8	11.4	11.0	24.0	13.1	10.4	6.6	13.8
<i>Net exports of goods and services</i>	1.1	.4	1.3	1.8	3.6	-2	-6.0	3.9	2.0	9.3	11.3	-1.5	-3.1	1.2
Exports.....	7.0	2.4	5.9	13.8	62.9	65.4	72.4	100.4	139.4	113.6	131.2	138.5	143.6	144.3
Imports.....	5.9	2.0	4.6	12.0	59.3	65.6	78.4	96.4	137.5	104.3	119.9	140.0	146.7	143.2
Government purchases of goods and services ..	8.5	8.0	24.8	37.9	219.5	234.2	255.7	276.4	308.8	286.4	296.3	304.4	312.3	322.4
<i>Federal</i>	1.3	2.0	16.9	18.4	96.2	97.6	104.9	106.6	116.4	108.4	111.5	114.3	117.2	122.8
National defense.....			13.8	14.1	74.6	71.2	74.8	74.4	78.6	75.3	75.8	76.6	78.4	83.5
Other.....			3.1	4.3	21.6	26.5	30.1	32.2	39.7	33.1	35.7	37.7	38.8	39.3
<i>State and local</i>	7.2	6.0	7.9	19.5	123.3	136.6	150.8	169.8	192.4	177.9	184.8	190.1	195.1	199.6
Gross national product in constant (1958) dollars	203.6	141.5	263.7	355.3	722.5	746.3	792.5	839.2	821.1	845.7	830.5	827.1	823.1	803.7

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business* (generally the July issue) and the Aug. 1966 Supplement to the *Survey*.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974 ^p	1974				
										IV	I	II	III	IV ^p
National income	86.8	40.3	104.2	241.1	800.5	857.7	946.5	1,065.6	1,142.2	1,106.3	1,118.8	1,130.2	1,155.5	.....
Compensation of employees	51.1	29.5	64.8	154.6	603.9	643.1	707.1	786.0	855.7	814.8	828.8	848.3	868.2	877.3
<i>Wages and salaries</i>	50.4	29.0	62.1	146.8	542.0	573.6	626.8	691.6	750.6	717.0	727.6	744.6	761.5	768.8
Private.....	45.5	23.9	51.9	124.4	426.9	449.5	491.4	545.1	592.4	565.8	573.8	588.3	602.5	604.7
Military.....	.3	.3	1.9	5.0	19.6	19.4	20.5	20.6	21.2	21.0	21.0	20.9	20.8	22.0
Government civilian.....	4.6	4.9	8.3	17.4	95.5	104.7	114.8	126.0	137.1	130.2	132.8	135.4	138.2	142.0
<i>Supplements to wages and salaries</i>.....	.7	.5	2.7	7.8	61.9	69.5	80.3	94.4	105.0	97.7	101.2	103.7	106.7	108.5
Employer contributions for social insurance.....	.1	.1	2.0	4.0	29.7	33.1	38.6	48.4	53.6	50.1	52.3	53.2	54.5	54.6
Other labor income.....	.6	.4	.7	3.8	32.2	36.4	41.7	46.0	51.4	47.6	48.9	50.5	52.3	54.0
Proprietors' income	15.1	5.9	17.5	37.5	66.9	69.2	75.9	96.1	93.0	103.2	98.4	89.9	92.1	91.6
Business and professional.....	9.0	3.3	11.1	24.0	50.0	52.0	54.9	57.6	61.2	58.4	59.3	60.7	62.3	62.5
Farm.....	6.2	2.6	6.4	13.5	16.9	17.2	21.0	38.5	31.8	44.9	39.1	29.1	29.8	29.1
Rental income of persons	5.4	2.0	3.5	9.4	23.9	25.2	25.9	26.1	26.5	26.4	26.4	26.3	26.6	26.8
Corporate profits and inventory valuation adjustment	10.5	-1.2	15.2	37.7	69.2	78.7	92.2	105.1	105.4	106.4	107.7	105.6	105.8	.....
<i>Profits before tax</i>	10.0	1.0	17.7	42.6	74.0	83.6	99.2	122.7	141.0	122.7	135.4	139.0	157.0	.....
Profits tax liability.....	1.4	.5	7.6	17.8	34.8	37.5	41.5	49.8	55.8	49.5	52.2	55.9	62.7	.....
<i>Profits after tax</i>	8.6	.4	10.1	24.9	39.3	46.1	57.7	72.9	85.2	73.2	83.2	83.1	94.3	.....
Dividends.....	5.8	2.0	4.4	8.8	24.7	25.0	27.3	29.6	32.7	30.7	31.6	32.5	33.2	33.3
Undistributed profits.....	2.8	-1.6	5.7	16.0	14.6	21.1	30.3	43.3	52.5	42.5	51.6	50.5	61.1	.....
Inventory valuation adjustment.....	.5	-2.1	-2.5	-5.0	-4.8	-4.9	-7.0	-17.6	-35.5	-16.3	-27.7	-33.4	-51.2	-29.8
Net interest	4.7	4.1	3.2	2.0	36.5	41.6	45.6	52.3	61.6	55.5	57.5	60.1	62.8	65.9

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974 ^a	1973					1974				
										IV	I	II	III	IV ^a	I	II	III	IV ^a	
Gross national product	103.1	55.6	124.5	284.8	977.1	1,054.9	1,158.0	1,294.9	1,396.7	1,344.0	1,358.8	1,383.8	1,416.3	1,428.0					
<i>Less:</i> Capital consumption allowances	7.9	7.0	8.2	18.3	87.3	93.7	102.9	110.8	119.5	113.9	115.8	118.6	120.7	123.0					
Indirect business tax and nontax liability	7.0	7.1	11.3	23.3	93.5	102.7	110.0	119.2	126.9	121.3	122.6	125.9	129.5	129.8					
Business transfer payments . . . . .	.6	.7	.5	.8	4.0	4.3	4.6	4.9	5.2	5.0	5.1	5.2	5.3	5.3				
Statistical discrepancy . . . . .	.7	.6	.4	1.5	-6.4	-2.3	-3.8	-5.0	.0	-2.6	-6.3	.3	3.0	.....				
<i>Plus:</i> Subsidies less current surplus of government enterprises	-.1	.....	.1	.2	1.7	1.1	2.3	.6	-2.9	-.1	-2.7	-3.7	-2.4	-2.7			
Equals: National income	86.8	40.3	104.2	241.1	800.5	857.7	946.5	1,065.6	1,142.2	1,106.3	1,118.8	1,130.2	1,155.5	.....				
<i>Less:</i> Corporate profits and inventory valuation adjustment	10.5	-1.2	15.2	37.7	69.2	78.7	92.2	105.1	105.4	106.4	107.7	105.6	105.8	.....				
Contributions for social insurance . . . . .	.2	.3	2.8	6.9	57.7	63.8	73.0	91.2	101.5	93.9	99.1	100.8	103.0	103.2				
Excess of wage accruals over disbursements . . . . .	.....	.....	.....	.....	.0	.6	.0	-.1	.5	.0	.....	-.6	-1.5	.0
<i>Plus:</i> Government transfer payments . . . . .	.9	1.5	2.6	14.3	75.1	89.0	98.6	113.0	134.6	117.1	123.1	130.6	138.7	145.8				
Net interest paid by government and consumers	2.5	1.6	2.2	7.2	31.0	31.2	33.0	38.3	42.3	40.4	40.8	41.9	42.7	43.6					
Dividends	5.8	2.0	4.4	8.8	24.7	25.0	27.3	29.6	32.7	30.7	31.6	32.5	33.2	33.3					
Business transfer payments . . . . .	.6	.7	.5	.8	4.0	4.3	4.6	4.9	5.2	5.0	5.1	5.2	5.3	5.3				
Equals: Personal income	85.9	47.0	96.0	227.6	808.3	864.0	944.9	1,055.0	1,150.4	1,099.3	1,112.5	1,134.6	1,168.2	1,186.4					
<i>Less:</i> Personal tax and nontax payments	2.6	1.5	3.3	20.7	116.6	117.6	142.4	151.3	170.7	159.9	161.9	168.2	175.1	177.8					
Equals: Disposable personal income	83.3	45.5	92.7	206.9	691.7	746.4	802.5	903.7	979.7	939.4	950.6	966.5	993.1	1,008.7					
<i>Less:</i> Personal outlays	79.1	46.5	81.7	193.9	635.5	685.9	749.9	829.4	903.0	850.1	866.2	894.9	927.6	923.3					
Personal consumption expenditures	77.2	45.8	80.6	191.0	617.6	667.1	729.0	805.2	877.0	823.9	840.6	869.1	901.3	896.8					
Consumer interest payments	1.5	.5	.9	2.4	16.8	17.7	19.8	22.9	25.0	24.0	24.4	24.8	25.3	25.5					
Personal transfer payments to foreigners . . . . .	.3	.2	.2	.5	1.0	1.1	1.1	1.3	1.0	2.2	1.2	1.0	.9	.9				
Equals: Personal saving	4.2	-.9	11.0	13.1	56.2	60.5	52.6	74.4	76.7	89.3	84.4	71.5	65.5	85.4					
Disposable personal income in constant (1958) dollars	150.6	112.2	190.3	249.6	534.8	555.4	580.5	619.6	603.2	622.9	610.3	603.5	602.9	596.2					

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1973	1974 ^a	1973												
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^a	Dec.
Total personal income	1,055.0	1,150.4	1,107.1	1,107.0	1,113.4	1,117.1	1,125.2	1,135.2	1,143.5	1,159.5	1,167.2	1,178.0	1,185.0	1,184.5	1,189.7
Wage and salary disbursements	691.7	751.1	722.2	722.5	728.3	732.1	737.1	745.3	753.2	759.7	761.6	767.7	773.0	767.8	765.4
Commodity-producing industries	251.9	270.9	264.5	262.1	264.6	265.3	267.4	270.0	272.6	273.3	276.5	278.3	279.5	272.3	268.4
Manufacturing only	196.6	211.3	205.8	204.1	204.9	205.5	207.8	210.1	212.5	214.0	215.5	217.8	219.4	214.2	209.2
Distributive industries	165.1	178.9	170.9	172.0	172.8	173.9	175.3	177.8	179.1	180.8	180.7	183.1	183.8	183.9	183.8
Service industries	128.2	142.6	134.7	135.3	137.0	138.2	139.1	141.1	142.6	143.5	144.9	146.4	146.9	147.4	148.2
Government	146.6	158.8	152.1	153.0	153.8	154.6	155.3	156.3	158.9	162.1	159.5	159.9	162.8	164.2	165.0
Other labor income	46.0	51.4	48.0	48.5	48.9	49.4	49.9	50.5	51.1	51.7	52.3	52.9	53.5	54.0	54.5
Proprietors' income	96.1	93.0	103.3	100.8	98.5	96.0	92.8	89.9	86.9	90.0	93.1	93.2	91.7	91.6	91.5
Business and professional	57.6	61.2	58.4	58.7	59.4	59.9	60.2	60.8	61.2	61.9	62.5	62.5	62.5	62.5	62.5
Farm	38.5	31.8	44.9	42.1	39.1	36.1	32.6	29.1	25.7	28.1	30.6	30.7	29.2	29.1	29.0
Rental income	26.1	26.5	26.4	26.4	26.4	26.4	25.5	26.7	26.7	26.6	26.6	26.6	26.7	26.8	26.9
Dividends	29.6	32.7	31.6	31.4	31.6	31.9	32.1	32.5	33.0	33.1	33.2	33.4	33.5	33.6	32.7
Personal interest income	90.6	103.8	97.0	97.5	98.3	99.0	100.4	102.0	103.5	104.4	105.3	106.9	108.0	109.5	111.1
Transfer payments	117.8	139.8	122.6	126.7	128.4	129.5	134.6	135.8	137.0	142.5	143.6	146.0	147.6	149.8	155.9
<i>Less:</i> Personal contributions for social insurance	42.8	47.9	43.8	46.7	46.8	47.0	47.2	47.6	47.9	48.5	48.4	48.6	48.9	48.5	48.3
Nonagricultural income	1,008.0	1,108.9	1,032.9	1,055.5	1,064.9	1,071.6	1,083.1	1,096.6	1,106.8	1,121.7	1,126.8	1,137.4	1,145.9	1,145.2	1,150.3
Agricultural income	47.1	41.5	54.2	51.5	48.5	45.5	42.1	38.6	36.8	37.1	40.4	40.6	39.3	39.3	39.4

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

1. U.S. BALANCE OF PAYMENTS SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted *unless shown in italics*.)

Line	Credits (+), debits (-)	1971	1972	1973	1973		1974		
					III	IV	I	II	III ^P
1	Merchandise trade balance ¹	-2,722	-6,986	471	578	1,210	-74	-1,631	-2,557
2	Exports.....	42,754	48,768	70,277	18,152	20,216	22,299	24,089	24,634
3	Imports.....	-45,476	-55,754	-69,806	-17,574	-19,006	-22,373	-25,720	-27,191
4	Military transactions, net.....	-2,908	-3,604	-2,266	-547	-123	-493	-664	-456
5	Travel and transportation, net.....	-2,341	-3,055	-2,710	-613	-630	-533	-730	-503
6	Investment income, net ²	5,021	4,526	5,291	1,257	1,378	3,076	1,846	2,215
7	U.S. direct investments abroad.....	6,385	6,925	9,415	2,323	2,688	4,619	4,516	4,738
8	Other U.S. investments abroad.....	3,444	3,494	4,569	1,179	1,292	1,500	1,840	2,209
9	Foreign investments in the United States ²	-4,809	-5,893	-8,693	-2,245	-2,602	-3,043	-4,510	-4,732
10	Other services, net ²	2,781	3,110	3,540	984	901	921	996	962
11	Balance on goods and services ³	-170	-6,009	4,327	1,659 -195	2,736 3,800	2,897 4,018	-184 -7	-339 -2,963
12	Remittances, pensions, and other transfers.....	-1,604	-1,624	-1,943	-412	-717	-390	-467	-468
13	Balance on goods, services, and remittances.....	-1,774	-7,634	2,383	1,247 -623	2,019 3,077	2,507 3,654	-651 -476	-807 -3,448
14	U.S. Government grants (excluding military).....	-2,043	-2,173	-1,933	-485	-447	-2,561	-1,435	-781
15	Balance on current account.....	-3,817	-9,807	450	762 -1,071	1,572 2,653	4-54 1,075	-2,086 -1,952	-1,588 -4,194
16	U.S. Government capital flows excluding nonscheduled repayments, net ⁵	-2,111	-1,705	-2,938	-608	-1,066	4 1,307	335	-269
17	Nonscheduled repayments of U.S. Government assets.....	227	137	289	4	*	*	*	*
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	-478	238	1,111	206	204	36	245	274
19	Long-term private capital flows, net.....	-4,381	-98	62	1,527	-1,451	506	-973	-1,998
20	U.S. direct investments abroad.....	-4,943	-3,517	-4,872	-710	-1,374	-627	-1,527	-1,971
21	Foreign direct investments in the United States.....	-115	383	2,537	886	712	1,281	1,677	-50
22	Foreign securities.....	-966	-654	-807	-209	-525	-646	-313	-300
23	U.S. securities other than Treasury issues.....	2,289	4,507	4,051	1,173	670	687	419	169
24	Other, reported by U.S. banks.....	-862	-1,158	-647	225	-504	-11	-898	96
25	Other, reported by U.S. nonbanking concerns.....	216	341	-200	162	-430	-178	-331	58
26	Balance on current account and long-term capital ⁵	-10,559	-11,235	-1,026	1,891 222	-741 999	1,795 2,192	-2,179 -2,435	-3,581 -5,994
27	Nonliquid short-term private capital flows, net.....	-2,347	-1,541	-4,276	97	-1,253	-3,966	-5,429	-1,668
28	Claims reported by U.S. banks.....	-1,802	-1,457	-3,940	222	-1,119	-2,807	-5,324	-1,651
29	Claims reported by U.S. nonbanking concerns.....	-530	-305	-1,240	-460	-664	-1,622	-813	-110
30	Liabilities reported by U.S. nonbanking concerns.....	-15	221	904	335	530	463	708	93
31	Allocations of Special Drawing Rights (SDR's).....	717	710	.....	.....	.....	.....	.....	.....
32	Errors and omissions, net.....	-9,776	-1,790	-2,303	-336	1,125	1,118	1,686	783
33	Net liquidity balance.....	-21,965	-13,856	-7,606	1,652 637	-869 -89	-1,053 -223	-6,222 -6,607	-4,466 -5,743
34	Liquid private capital flows, net.....	-7,788	3,502	2,302	290	3,530	2,095	1,697	4,138
35	Liquid claims.....	-1,097	-1,247	-1,944	-521	-493	-2,604	-1,141	290
36	Reported by U.S. banks.....	-566	-742	-1,103	-456	-472	-2,232	-1,236	-320
37	Reported by U.S. nonbanking concerns.....	-531	-505	-841	-65	-21	-372	95	610
38	Liquid liabilities.....	-6,691	4,749	4,246	811	4,023	4,699	2,838	3,848
39	Foreign commercial banks.....	-6,908	3,716	2,952	699	3,227	4,644	1,944	2,748
40	International and regional organizations.....	682	104	377	-50	384	-585	292	221
41	Other foreigners.....	-465	929	887	162	412	640	602	879
42	Official reserve transactions balance, financed by changes in.....	-29,753	-10,354	-5,304	1,942 939	2,661 2,982	1,042 1,495	-4,525 -4,105	-328 -1,584
43	Liquid liabilities to foreign official agencies.....	27,615	9,734	4,452	-1,488	-2,145	-553	4,258	1,289
44	Other readily marketable liabilities to foreign official agencies ⁶	-551	399	1,118	11	-354	-277	182	43
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt.....	341	189	-475	-452	-147	-2	443	-1
46	U.S. official reserve assets, net.....	2,348	32	209	-13	-15	-210	-358	-1,003
47	Gold.....	866	547	.....	.....	.....	.....	.....	.....
48	SDR's.....	-249	-703	9	.....	.....	.....	-29	-123
49	Convertible currencies.....	381	35	233	.....	.....	-1	-85	-152
50	Gold tranche position in IMF.....	1,350	153	-33	13	-15	-209	-244	-728
51	Memoranda: Transfers under military grant programs (excluded from lines 2, 4, and 14).....	3,204	4,189	2,772	758	487	393	542	405
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20).....	3,157	4,521	.....	.....	.....	.....	.....	.....
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21).....	498	548	.....	.....	.....	.....	.....	.....
54	Balances excluding allocations of SDR's: Net liquidity.....	-22,682	-14,566	-7,606	637	-89	-223	-6,607	-5,743
55	Official reserve transactions.....	-30,470	-11,064	-5,304	939	2,982	1,495	-4,105	-1,584

For notes see the following page.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports ¹				Imports ²				Trade balance			
	1971	1972	1973	1974	1971	1972	1973	1974	1971	1972	1973	1974
Month:												
Jan.....	3,601	4,074	4,955	7,111	3,599	4,436	5,244	6,467	2	-361	-289	644
Feb.....	3,695	3,824	5,070	7,606	3,564	4,473	5,483	7,392	130	-649	-413	213
Mar.....	3,790	3,869	5,311	7,674	3,628	4,515	5,414	7,845	160	-647	-103	-171
Apr.....	3,631	3,820	5,494	8,234	3,774	4,417	5,360	8,141	-143	-596	+133	93
May.....	3,746	3,882	5,561	7,630	3,908	4,486	5,703	8,407	-161	-604	-142	-777
June.....	3,672	3,971	5,728	8,357	4,037	4,468	5,775	8,613	-365	-497	-47	-256
July.....	3,573	4,074	5,865	8,307	3,832	4,565	5,829	9,036	-259	-491	+37	-728
Aug.....	3,667	4,197	6,042	8,370	3,913	4,726	6,011	9,502	-247	-530	+32	-1,132
Sept.....	4,487	4,176	6,420	8,286	4,179	4,612	5,644	8,519	308	-436	+776	-233
Oct.....	2,669	4,316	6,585	8,665	3,469	4,738	5,996	8,635	-800	-421	+589	29
Nov.....	3,196	4,473	6,879	9,061	3,456	5,148	6,684	9,174	-260	-675	+195	-113
Dec.....	3,881	4,558	6,949	8,729	4,169	5,002	6,291	9,335	-228	-444	+658	-606
Quarter:												
I.....	11,086	11,767	15,337	22,390	10,792	13,403	16,140	21,704	294	-1,657	-804	686
II.....	11,049	11,673	16,783	24,220	11,719	13,370	16,838	25,161	-670	-1,697	-56	-940
III.....	11,727	12,447	18,327	24,963	11,924	13,903	17,483	27,057	-197	-1,456	+845	-2,094
IV.....	9,746	13,347	20,413	26,455	11,094	14,888	18,972	27,145	-1,348	-1,540	+1,441	-690
Year ³	43,549	49,208	70,823	97,907	45,563	55,555	69,476	100,972	-2,014	-6,347	+1,348	-3,065

¹ Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.

² General imports including imports for immediate consumption plus entries into bonded warehouses.

³ Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock ¹		Convertible foreign currencies	Reserve position in IMF	SDR's ³	End of month	Total	Gold stock		Convertible foreign currencies ⁴	Reserve position in IMF	SDR's ³
		Total ²	Treasury						Total ²	Treasury			
1960...	19,359	17,804	17,767	.....	1,555	.....	1974						
1961...	18,753	16,947	16,889	116	1,690	.....	Jan....	14,565	11,652	11,567	59	688	2,166
1962...	17,220	16,057	15,978	99	1,064	.....	Feb....	14,643	11,652	11,567	68	757	2,166
1963...	16,843	15,596	15,513	212	1,035	.....	Mar....	14,588	11,652	11,567	9	761	2,166
1964...	16,672	15,471	15,388	432	769	.....	Apr....	14,642	11,652	11,567	9	824	2,157
							May....	14,870	11,652	11,567	66	989	2,163
1965...	15,450	13,806	13,733	781	863	.....	June...	14,946	11,652	11,567	94	1,005	2,195
1966...	14,882	13,235	13,159	1,321	326	.....	July....	14,912	11,652	11,567	12	1,021	2,227
1967...	14,830	12,065	11,982	2,345	420	.....	Aug....	15,460	11,652	11,567	224	1,384	2,200
1968...	15,710	10,892	10,367	3,528	1,290	.....	Sept...	15,893	11,652	11,567	246	1,713	2,282
1969...	16,964	11,859	10,367	5,278	2,324	.....	Oct....	15,890	11,652	11,567	193	1,739	2,306
							Nov....	15,840	11,652	11,567	43	1,816	2,329
1970...	14,487	11,072	10,732	629	1,935	851	Dec....	15,883	11,652	11,652	5	1,852	2,374
1971...	612,167	10,206	10,132	6276	585	1,100							
1972...	13,151	10,487	10,410	481	465	1,958	1975—						
1973...	14,378	11,652	11,567	2	552	2,166	Jan....	15,948	11,635	11,635	2	1,908	2,403

¹ Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 5.

² Includes gold in Exchange Stabilization Fund.

³ Includes allocations by the IMF of Special Drawing Rights as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; and \$710 million on Jan. 1, 1972; plus net transactions in SDR's.

⁴ For holdings of F.R. Banks only, see p. A-11.

⁵ Includes gain of \$67 million resulting from revaluation of the German mark in Oct. 1969, of which \$13 million represents gain on mark holdings at time of revaluation.

⁶ Includes \$28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

⁷ Total reserve assets include an increase of \$1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which,

total gold stock is \$828 million (Treasury gold stock \$822 million), reserve position in IMF \$33 million, and SDR's \$155 million.

⁸ Total reserve assets include an increase of \$1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is \$1,165 million (Treas. gold stock \$1,157 million) reserve position in IMF \$54 million, and SDR's \$217 million.

⁹ Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1 = \$1.20635) SDR holdings at end of Nov. amounted to \$2,338 million, reserve position in IMF \$1,851 million, and total U.S. reserve assets, \$15,826 million.

NOTE.—See Table 20 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

NOTES TO TABLE 1 ON OPPOSITE PAGE:

¹ Adjusted to balance of payments basis; excludes exports under U.S. military agency sales contracts, and imports of U.S. military agencies.

² Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from investment income and included in "Other services."

³ Includes special military shipments to Israel that are excluded from the "net exports of goods and services" in the national income and products (GNP) accounts of the United States.

⁴ Includes under U.S. Government grants \$2 billion equivalent, rep-

resenting the refinancing of economic assistance loans to India; a corresponding reduction of credits is shown in line 16.

⁵ Includes some short-term U.S. Govt. assets.

⁶ Includes changes in long-term liabilities reported by banks in the United States and in investments by foreign official agencies in debt securities of U.S. Federally sponsored agencies and U.S. corporations.

NOTE.—Data are from U.S. Department of Commerce, Bureau of Economic Analysis. Details may not add to totals because of rounding.

4. U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales [—] or net acquisitions; in millions of dollars valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972–Sept. 1973, and at \$42.22 thereafter)

Area and country	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974					
											IV	I	II	III			
Western Europe:																	
Austria	-82	-55	-100	-25			4										
Belgium		-40	-83			-58			-110								
France	-318	-405	-884	-601		600	325	-129	-473								
Germany, Fed. Rep. of		-225	-2	-2	-2	-52	41										
Ireland					-2				2								
Italy		200	-80	-60	-85	-209	-76										
Netherlands		-60	-35			-19		-50	-25								
Spain	-130	-32	-180						51								
Switzerland		-81	-50	-2	-30	-50	-25	-50	-175								
United Kingdom	329	618	150	80	-879	-835											
Bank for Intl. Settlements							200										
Other	1	-6	-35	-49	16	-47	11	-29	-13								
Total	-399	-88	-1,299	-659	-980	-669	969	-204	-796								
Canada				200	150	50											
Latin American republics:																	
Argentina	-30			-39	-1	-25	-25	-28									
Brazil	72	54	25	-3	-1	*		-23									
Colombia		10	29	7			*	-1									
Venezuela			-25														
Other	-11	-9	-13	-6	11	-40	-29	-80	-5								
Total	32	56	17	-41	9	-65	-54	-131	-5								
Asia:																	
Iraq			-10	-4	-21	-42											
Japan				-56				-119									
Lebanon		-11		-11	-1	-95			-35								
Malaysia						-34			-10								
Philippines	25	20	*	-1		9	40	-4	-2								
Saudi Arabia						-50											
Singapore						-81	11		-30								
Other	-13	-6	-14	-14	-22	-75	-9	2-91	39	-3							
Total	12	3	-24	-86	-44	-366	42	-213	-38	-3							
All other	-36	-7	-16	-22	3-166	3-68	-1	-81	-6								
Total foreign countries	-392	-36	-1,322	-608	-1,031	-1,118	957	-631	-845	-3							
Intl. Monetary Fund⁴			5-225	177	22	-3	10	-156	-22	-544							
Grand total	-392	-36	-1,547	-431	-1,009	-1,121	967	6-787	-867	-547							

¹ Includes purchase from Denmark of \$25 million.

² Includes purchase from Kuwait of \$25 million.

³ Includes sales to Algeria of \$150 million in 1967 and \$50 million in 1968.

⁴ Includes IMF gold sales to and purchases from the United States, U.S. payment of increases in its gold subscription to IMF, gold deposits by the IMF (see note 1 (b) to Table 3), and withdrawal of deposits. The first withdrawal (\$17 million) was made in June 1968 and the last withdrawal (\$144 million) was made in Feb. 1972.

IMF sold to the United States a total of \$800 million of gold (\$200 million in 1956, and \$300 million in 1959 and in 1960) with the right of

repurchase; proceeds from these sales invested by IMF in U.S. Treasury securities. IMF repurchased \$400 million in Sept. 1970 and the remaining \$400 million in Feb. 1972.

⁵ Payment to the IMF of \$259 million increase in U.S. gold subscription less gold deposits by the IMF.

⁶ Includes the U.S. payment of \$385 million increase in its gold subscription to the IMF and gold sold by the IMF to the United States in mitigation of U.S. sales to other countries making gold payments to the IMF. The country data include U.S. gold sales to various countries in connection with the IMF quota payments. Such U.S. sales to countries and resales to the United States by the IMF totaled \$548 million each.

5. U.S. LIQUID AND OTHER LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Total	Liquid liabilities to IMF arising from gold transactions ¹	Liabilities to foreign countries										Liquid liabilities to non-monetary intl. and regional organizations ⁸
			Official institutions ²							Liquid liabilities to other foreigners			
			Total	Liquid			Nonmarketable nonconvertible U.S. Treas. bonds and notes ⁴	Other readily marketable liabilities ⁵	Liquid liabilities to commercial banks abroad ⁶	Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ^{3,7}	
				Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ³	Nonmarketable nonconvertible U.S. Treas. bonds and notes							
1962	24,268	800	12,914	11,963	751	.....	200	.....	5,346	3,013	2,565	448	2,195
1963 ⁹	26,433 26,394	800 800	14,459 14,425	12,467 12,467	1,217 1,183	703 703	63 63	9 9	5,817 5,817	3,397 3,387	3,046 3,046	351 341	1,960 1,965
1964 ⁹	29,313 29,364	800 800	15,790 15,786	13,224 13,220	1,125 1,125	1,079 1,079	204 204	158 158	7,271 7,303	3,730 3,753	3,354 3,377	376 376	1,722 1,722
1965	29,569	834	15,826	13,066	1,105	1,201	334	120	7,419	4,059	3,587	472	1,431
1966 ⁹	31,145 31,020	1,011 1,011	14,841 14,896	12,484 12,539	860 860	256 256	328 328	913 913	10,116 9,936	4,271 4,272	3,743 3,744	528 528	906 905
1967 ⁹	35,819 35,667	1,033 1,033	18,201 18,194	14,034 14,027	908 908	711 711	741 741	1,807 1,807	11,209 11,085	4,685 4,678	4,127 4,120	558 558	691 677
1968 ⁹	38,687 38,473	1,030 1,030	17,407 17,340	11,318 11,318	529 462	701 701	2,518 2,518	2,341 2,341	14,472 14,472	5,053 4,909	4,444 4,444	609 465	725 722
1969 ⁹	45,755 45,914	1,019 1,019	15,975 15,998	11,054 11,077	346 346	555 555	102,515 2,515	1,505 1,505	23,638 23,645	4,464 4,589	3,939 4,064	525 525	659 663
1970—Dec. ⁹	47,009 46,960	566 566	23,786 23,775	19,333 19,333	306 295	429 429	3,023 3,023	695 695	17,137 17,169	4,676 4,604	4,029 4,039	647 565	844 846
1971—Dec. ¹¹	67,681 67,808	544 544	51,209 50,651	39,679 39,018	1,955 1,955	6,060 6,093	3,371 3,441	144 144	10,262 10,949	4,138 4,141	3,691 3,694	447 447	1,528 1,523
1972—Dec.	82,862	.....	61,526	40,000	5,236	12,108	3,639	543	14,666	5,043	4,618	425	1,627
1973—Dec.	92,391	.....	66,810	43,919	5,701	12,319	3,210	1,661	17,647	5,931	5,501	430	2,003
1974—Jan.	89,900	.....	63,871	41,556	5,229	12,321	3,210	1,555	18,040	6,067	5,618	449	1,922
Feb.	91,857	.....	64,100	41,992	5,192	12,322	3,210	1,384	19,715	6,249	5,839	410	1,793
Mar.	95,572	.....	65,527	43,412	5,192	12,329	3,210	1,384	22,056	6,571	6,171	400	1,418
Apr.	97,368	.....	67,154	45,175	5,020	12,330	3,210	1,419	22,103	6,816	6,399	417	1,295
May.	100,929	.....	68,160	46,177	5,013	12,330	3,210	1,430	24,316	6,906	6,540	366	1,547
June.	103,731	.....	69,994	47,430	5,013	12,330	3,655	1,566	24,854	7,173	6,810	363	1,710
July.	106,757	.....	71,091	48,447	5,013	12,330	3,655	1,646	26,517	7,338	6,961	377	1,811
Aug.	109,751	.....	70,970	48,400	4,940	12,330	3,655	1,645	29,224	7,523	7,157	366	2,034
Sept.	110,366	.....	72,601	50,107	4,880	12,330	3,655	1,629	27,783	8,051	7,658	393	1,931
Oct.	111,742	.....	73,658	50,831	4,880	12,330	3,867	1,750	27,900	8,125	7,694	431	2,059
Nov.	114,484	.....	74,888	51,686	4,906	12,330	3,867	2,099	29,103	8,408	7,927	481	2,135
Dec.	116,792	.....	76,210	52,804	5,055	12,330	3,867	2,154	29,638	8,870	8,372	499	2,073

¹ Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.

² Includes BIS and European Fund.

³ Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated 1962-63.

⁴ Excludes notes issued to foreign official nonreserve agencies.

⁵ Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

⁶ Includes short-term liabilities payable in dollars to commercial banks abroad and short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.

⁷ Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad.

⁸ Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

⁹ Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those

shown for the preceding date; figures on second line are comparable with those shown for the following date.

¹⁰ Includes \$101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969 as follows: liquid, \$17 million, and other, \$84 million.

¹¹ Data on the second line differ from those on first line because certain accounts previously classified as official institutions are included with banks; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. 31, 1971.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond generally to statistics following in this section, except for the exclusion of nonmarketable, nonconvertible U.S. Treasury notes issued to foreign official nonreserve agencies, the inclusion of investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations, and minor rounding differences. Table excludes IMF holdings of dollars, and holdings of U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

6. U.S. LIQUID AND OTHER LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe 1	Canada	Latin American republics	Asia	Africa	Other countries 2
1967.....	18,194	10,321	1,310	1,582	4,428	250	303
1968 3.....	17,407	8,070	1,867	1,865	5,043	259	303
1969 3.....	17,340	8,062	1,866	1,865	4,997	248	302
1970 3.....	15,975	7,074	1,624	1,888	4,552	546	291
1971 5.....	15,998	7,074	1,624	1,911	4,552	546	291
1972.....	23,786	13,620	2,951	1,681	4,713	407	414
1973.....	23,775	13,615	2,951	1,681	4,708	407	413
1974.....	51,209	30,010	3,980	1,414	14,519	415	871
1975.....	50,651	30,134	3,980	1,429	13,823	415	870
1972.....	61,526	34,197	4,279	1,733	17,577	777	2,963
1973—Dec.....	66,810	45,717	3,853	2,544	10,884	788	3,024
1974—Jan.....	63,871	43,270	3,945	2,446	10,479	838	2,893
Feb.....	64,100	42,391	4,262	2,744	10,878	1,000	2,825
Mar.....	65,527	42,772	4,195	2,887	11,631	1,249	2,793
Apr.....	67,154	42,638	4,309	3,532	12,360	1,402	2,913
May.....	68,160	42,961	4,302	3,384	12,988	1,620	2,905
June.....	69,994	43,200	4,201	4,006	13,992	1,854	2,741
July.....	71,091	43,002	4,125	3,951	15,209	2,055	2,749
Aug.....	70,970	42,292	3,953	4,127	15,526	2,272	2,800
Sept.....	72,601	42,675	3,819	4,421	16,182	2,850	2,654
Oct.....	73,658	43,041	3,809	3,986	17,186	2,947	2,689
Nov. ^p	74,888	43,223	3,710	3,619	18,475	3,204	2,657
Dec. ^p	76,210	44,161	3,665	4,246	18,346	3,161	2,631

1 Includes Bank for International Settlements and European Fund.
 2 Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.
 3 See note 9 to Table 5.
 4 Includes \$101 million increase in dollar value of foreign currency liabilities resulting from reevaluation of the German mark in Oct. 1969.
 5 Data on second line differ from those on the first line because certain accounts previously classified as official institutions are included with banks; a number of reporting banks are included in the series for the first time; and U.S. Treasury liabilities payable in foreign currencies

to official institutions of foreign countries have been increased in value by \$110 million to reflect market exchange rates as of Dec. 31, 1971.

NOTE.—Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States; foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners								To nonmonetary international and regional organizations ⁶				
	Total 1	Payable in dollars					Payable in foreign currencies	IME gold investment ⁵	Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁴
		Total	Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁴				Demand	Time ²		
			Demand	Time ²									
1969.....	40,199	39,771	20,460	6,959	5,015	7,336	429	800	613	63	83	244	223
1970 ⁷	41,719	41,351	15,785	5,924	14,123	5,519	368	400	821	69	159	211	381
1971 ⁸	41,761	41,393	15,795	5,961	14,123	5,514	368	400	821	69	159	211	381
1972.....	55,404	55,019	10,399	5,209	33,025	6,385	386	400	1,372	73	192	210	896
1973.....	55,428	55,036	6,459	4,217	33,025	11,335	392	400	1,367	73	192	210	892
1974—Dec.....	60,697	60,201	8,290	5,603	31,850	14,458	496	.....	1,413	86	202	326	800
1975—Dec.....	69,022	68,425	11,310	6,863	31,886	18,366	597	.....	1,955	101	83	296	1,474
1974—Jan.....	67,067	66,427	10,826	6,809	29,543	19,249	640	.....	1,853	95	89	286	1,383
Feb.....	69,239	68,470	11,477	6,855	30,274	19,864	770	.....	1,693	77	63	232	1,321
Mar.....	72,790	72,024	11,656	6,986	31,444	21,938	766	.....	1,151	96	63	227	765
Apr.....	74,787	74,080	11,981	7,324	32,676	22,099	706	.....	1,109	60	57	209	783
May.....	78,365	77,712	11,675	7,629	33,983	24,425	653	.....	1,333	95	53	46	1,139
June.....	80,687	79,895	12,860	8,276	34,038	24,721	792	.....	1,593	106	66	91	1,330
July.....	83,610	82,944	12,227	8,661	34,178	27,877	666	.....	1,685	121	66	51	1,448
Aug.....	86,642	85,897	11,848	9,091	33,179	31,778	746	.....	1,861	81	68	146	1,567
Sept.....	87,388	86,693	12,771	9,220	33,467	31,235	696	.....	1,840	128	69	75	1,569
Oct.....	88,361	87,643	11,228	9,789	34,187	32,438	719	.....	1,937	125	89	93	1,630
Nov.....	90,672	89,928	12,860	9,532	35,020	32,515	744	.....	1,956	128	89	94	1,645
Dec. ^p	92,713	91,947	14,062	10,115	35,190	32,580	966	.....	1,900	139	101	25	1,633

For notes see the following page.

**7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS
IN THE UNITED STATES, BY TYPE—Continued**

(Amounts outstanding; in millions of dollars)

End of period	Total to official, banks and other foreigners					To official institutions ⁹					Payable in foreign currencies		
	Total	Payable in dollars			Payable in foreign currencies	Total	Payable in dollars			Payable in foreign currencies			
		Deposits		U.S. Treasury bills and certificates ³			Other short-term liab. ⁴	Deposits				U.S. Treasury bills and certificates ³	Other short-term liab. ⁴
		Demand	Time ²					Demand	Time ²				
1969.....	38,786	20,397	6,876	3,971	7,113	429	11,077	1,930	2,942	3,844	2,158	202	
1970.....	40,499	15,716	5,765	13,511	5,138	368	19,333	1,652	2,554	13,367	1,612	148	
1970 ⁷	40,541	15,726	5,802	13,511	5,133	368	19,333	1,652	2,554	13,367	1,612	148	
1971 ⁸	53,632	10,326	5,017	32,415	5,489	386	39,685	1,620	2,504	32,311	3,086	165	
1971 ⁸	53,661	6,386	4,025	32,415	10,443	392	39,018	1,327	2,039	32,311	3,177	165	
1972—Dec.....	59,284	8,204	5,401	31,523	13,659	496	40,000	1,591	2,880	31,453	3,905	171	
1973—Dec.....	67,067	11,209	6,780	31,590	16,892	597	43,919	2,125	3,911	31,511	6,245	127	
1974—Jan.....	65,214	10,731	6,720	29,257	17,865	640	41,556	2,379	3,705	29,152	6,192	127	
1974—Feb.....	67,546	11,399	6,792	30,042	18,543	770	41,992	2,408	3,703	29,917	5,836	127	
1974—Mar.....	71,639	11,559	6,924	31,217	21,173	766	43,412	2,631	3,800	31,064	5,790	127	
1974—Apr.....	73,677	11,921	7,267	32,467	23,315	706	45,175	2,920	3,949	32,312	5,867	127	
1974—May.....	77,033	11,580	7,576	33,937	23,287	653	46,167	2,352	4,025	33,731	5,931	127	
1974—Jun.....	79,094	12,753	8,210	33,947	23,391	792	47,430	2,643	4,277	33,745	6,338	127	
1974—Jul.....	81,925	12,107	8,596	34,128	26,429	666	48,447	2,561	4,463	31,749	7,547	127	
1974—Aug.....	84,781	11,767	9,023	33,033	30,212	746	48,400	2,473	4,447	32,687	8,665	127	
1974—Sept.....	85,548	12,643	9,151	33,392	29,666	696	50,107	2,824	4,311	32,955	9,890	127	
1974—Oct.....	86,425	11,104	9,700	34,094	30,808	719	50,831	2,168	4,483	33,634	10,418	127	
1974—Nov.....	88,716	12,732	9,443	34,927	30,871	744	51,550	2,472	4,122	34,467	10,498	127	
1974—Dec.....	90,814	13,922	10,014	35,165	30,946	766	52,671	2,947	4,330	34,656	10,610	127	

End of period	To banks ¹⁰					To other foreigners					To banks and other foreigners; Payable in foreign currencies	
	Total	Payable in dollars			Total	Payable in dollars			Total			
		Deposits		U.S. Treasury bills and certificates		Other short-term liab. ⁴	Deposits			U.S. Treasury bills and certificates		Other short-term liab. ⁴
		Demand	Time ²				Demand	Time ²				
1969.....	27,709	23,419	16,756	1,999	20	4,644	4,064	1,711	1,935	107	312	226
1970.....	21,166	16,917	12,376	1,326	14	3,202	4,029	1,688	1,886	131	325	220
1970 ⁷	21,207	16,949	12,385	1,354	14	3,197	4,038	1,688	1,895	131	325	220
1971 ⁸	13,947	10,034	7,047	850	8	2,130	3,692	1,660	1,663	96	274	221
1971 ⁸	14,643	10,721	3,399	320	8	6,995	3,694	1,660	1,666	96	271	228
1972—Dec.....	19,284	14,340	4,658	405	5	9,272	4,618	1,955	2,116	65	481	325
1973—Dec.....	23,147	17,178	6,941	515	11	9,710	5,500	2,143	2,353	68	936	469
1974—Jan.....	23,658	17,527	6,329	517	14	10,668	5,618	2,024	2,498	91	1,005	513
1974—Feb.....	25,534	19,072	6,853	526	32	11,662	5,840	2,139	2,563	93	1,045	642
1974—Mar.....	28,226	21,417	6,573	511	54	14,279	6,171	2,356	2,613	98	1,104	639
1974—Apr.....	28,501	21,524	6,603	683	63	14,174	6,400	2,398	2,635	124	1,274	579
1974—May.....	30,866	23,800	6,913	795	82	16,010	6,540	2,315	2,756	92	1,346	526
1974—June.....	31,664	24,190	7,692	1,004	95	15,398	6,810	2,419	2,929	107	1,355	665
1974—July.....	33,478	25,978	7,110	1,165	204	17,499	6,961	2,436	2,967	175	1,383	539
1974—Aug.....	36,381	28,606	6,897	1,426	200	20,083	7,156	2,397	3,150	145	1,464	618
1974—Sept.....	35,442	27,214	7,098	1,576	258	18,282	7,659	2,722	3,264	179	1,495	568
1974—Oct.....	35,594	27,309	6,361	1,796	268	18,884	7,694	2,574	3,422	193	1,505	591
1974—Nov.....	37,166	28,623	7,622	1,713	253	18,899	7,927	2,638	3,608	207	1,474	617
1974—Dec.....	38,143	29,132	8,265	1,882	232	18,753	8,372	2,710	3,802	277	1,583	639

¹ Data exclude "holdings of dollars" of the IMF.
² Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."
³ Includes nonmarketable certificates of indebtedness issued to official institutions of foreign countries.
⁴ Through 1971 (first line) principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit. See also note 8(a).
⁵ U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold was reacquired by the IMF.
⁶ Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.
⁷ Includes difference between cost value and face value of securities in IMF gold investment account.
⁸ Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

⁸ Data on second line differ from those on first line because (a) those liabilities of U.S. banks to their foreign branches and those liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, which were previously reported as deposits, are included in "Other short-term liabilities"; (b) certain accounts previously classified as official institutions are included with banks; and (c) a number of reporting banks are included in the series for the first time.
⁹ Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.
¹⁰ Excludes central banks, which are included in "Official institutions."
 NOTE: "Short term" refers to obligations payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 9. Data exclude the holdings of dollars of the International Monetary Fund; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1972	1973	1974								
	Dec.	Dec.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^a	Dec. ^b
Europe:											
Austria.....	272	161	248	298	310	482	528	595	566	557	607
Belgium-Luxembourg.....	1,094	1,483	1,795	1,739	1,827	1,819	1,928	1,924	2,038	2,286	2,497
Denmark.....	284	659	358	261	266	239	251	268	285	338	369
Finland.....	163	165	140	143	174	203	229	219	223	262	266
France.....	4,441	3,483	2,767	3,019	3,425	3,763	3,611	3,561	3,920	3,822	4,274
Germany.....	5,346	13,227	13,035	13,778	13,528	12,602	11,873	9,337	8,623	9,102	9,421
Greece.....	238	389	285	239	232	222	298	293	255	213	248
Italy.....	1,338	1,404	1,386	1,435	1,281	1,327	1,101	3,138	2,748	2,192	2,617
Netherlands.....	1,468	2,886	2,507	2,407	2,352	2,232	2,234	2,498	3,009	3,177	3,234
Norway.....	978	965	923	923	911	878	894	1,023	1,131	1,181	1,040
Portugal.....	256	534	450	452	411	429	422	435	411	338	310
Spain.....	256	305	289	365	324	362	303	377	347	332	382
Sweden.....	1,184	1,885	1,475	1,350	1,211	1,160	1,049	1,096	1,071	1,103	1,138
Switzerland.....	2,857	3,377	4,228	5,138	6,386	7,216	7,850	8,388	8,847	9,378	10,007
Turkey.....	97	98	92	95	125	134	106	100	121	102	152
United Kingdom.....	5,011	6,148	7,697	8,792	8,533	8,294	8,969	8,606	7,562	7,698	6,909
Yugoslavia.....	117	86	82	86	100	106	100	151	136	105	183
Other Western Europe ¹	1,483	3,352	3,003	2,639	2,701	2,851	2,829	3,122	3,329	3,432	4,051
U.S.S.R.....	11	22	52	28	27	27	26	40	44	33	82
Other Eastern Europe.....	81	110	95	104	126	133	147	149	136	138	208
Total.....	27,136	40,742	40,905	43,292	44,249	44,479	44,749	45,320	44,803	45,789	47,995
Canada.....	3,432	3,627	4,350	3,983	3,550	3,595	3,250	3,754	4,226	3,725	3,512
Latin America:											
Argentina.....	638	924	1,071	1,194	1,379	1,252	1,189	1,105	1,017	938	886
Bahamas.....	540	824	1,336	1,946	1,487	1,546	3,201	1,155	1,672	1,740	1,489
Brazil.....	605	860	774	731	782	778	817	873	894	951	1,035
Chile.....	137	158	226	193	240	279	253	266	270	297	276
Colombia.....	210	247	227	227	217	264	285	293	292	305	305
Cuba.....	6	7	6	6	6	7	6	7	6	7	7
Mexico.....	831	1,285	1,379	1,417	1,412	1,411	1,610	1,643	1,731	1,731	1,772
Panama.....	167	282	444	559	559	566	445	511	484	474	490
Peru.....	225	135	160	162	166	197	185	182	177	183	275
Uruguay.....	140	120	121	132	121	122	115	120	128	140	147
Venezuela.....	1,078	1,468	2,297	2,248	2,708	2,600	2,999	3,217	2,932	2,773	3,238
Other Latin American republics.....	861	884	1,151	1,059	1,080	1,183	1,066	1,214	1,115	1,176	1,316
Netherlands Antilles and Surinam.....	86	71	63	95	124	92	103	123	138	135	158
Other Latin America.....	44	359	566	424	450	671	825	549	478	777	462
Total.....	5,568	7,626	9,821	10,393	10,732	10,964	13,099	11,256	11,335	11,627	11,856
Asia:											
China, People's Rep. of (China Mainland)	39	38	39	39	33	39	40	40	43	45	50
China, Republic of (Taiwan).....	675	757	573	620	688	772	842	822	797	808	818
Hong Kong.....	318	372	453	512	462	470	490	621	470	551	530
India.....	98	85	177	264	225	172	131	158	140	156	261
Indonesia.....	108	133	305	220	257	863	785	943	1,600	1,363	1,221
Israel.....	177	327	275	267	256	226	211	217	218	279	386
Japan.....	15,843	6,954	8,668	9,060	9,419	9,974	9,894	10,115	10,385	10,869	10,890
Korea.....	192	195	253	234	262	215	277	304	313	309	385
Philippines.....	438	515	642	731	772	762	715	748	726	731	747
Thailand.....	171	247	536	517	524	451	403	362	328	333	333
Other.....	1,071	1,202	1,942	1,886	2,572	3,634	4,272	4,726	4,832	5,681	5,445
Total.....	19,131	10,826	13,861	14,350	15,470	17,578	18,062	19,056	19,851	21,125	21,066
Africa:											
Egypt.....	24	35	68	71	84	91	105	73	109	109	103
Morocco.....	12	11	15	20	39	54	63	79	73	59	38
South Africa.....	115	114	83	122	102	170	156	157	138	155	130
Zaire.....	21	87	43	52	58	46	46	43	41	82	84
Other.....	768	808	1,500	1,703	1,911	2,042	2,258	2,893	2,973	3,199	3,196
Total.....	939	1,056	1,709	1,968	2,193	2,403	2,627	3,244	3,333	3,604	3,551
Other countries:											
Australia.....	3,027	3,131	2,979	2,980	2,831	2,848	2,926	2,847	2,788	2,659	2,745
All other.....	51	59	52	68	69	58	68	72	71	86	89
Total.....	3,077	3,190	3,031	3,047	2,900	2,906	2,994	2,918	2,859	2,845	2,834
Total foreign countries.....	59,284	67,077	73,677	77,033	79,094	81,925	84,781	85,548	86,408	88,716	90,814
International and regional:											
International ³	951	1,627	840	1,038	1,250	1,328	1,512	1,479	1,610	1,677	1,632
Latin American regional.....	307	272	217	226	222	248	257	256	227	208	200
Other regional ⁴	156	57	51	69	122	108	93	103	100	71	68
Total.....	1,413	1,955	1,109	1,333	1,593	1,685	1,861	1,840	1,937	1,956	1,900
Grand Total.....	60,697	69,022	74,787	78,365	80,687	83,610	86,642	87,388	88,345	90,672	92,713

For notes see the following page.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)

Supplementary data ⁵

Area and country	1972		1973		1974	Area and country	1972		1973		1974
	Apr.	Dec.	Apr.	Dec.	Apr.		Apr.	Dec.	Apr.	Dec.	Apr.
Other Western Europe:						Other Asia—Cont.:					
Cyprus.....	2	3	9	19	10	Laos.....	3	2	3	3	.....
Iceland.....	9	9	12	8	11	Lebanon.....	60	55	55	62	68
Ireland, Rep. of.....	15	17	22	62	53	Malaysia.....	25	54	59	58	40
Other Latin American republics:						Pakistan.....	58	59	93	105	108
Bolivia.....	53	87	65	68	102	Ryukyu Islands (incl. Okinawa) ⁶	53	.....	.....	.....	.....
Costa Rica.....	70	92	75	86	88	Singapore.....	45	77	53	141	165
Dominican Republic.....	91	114	104	118	137	Sri Lanka (Ceylon).....	6	5	6	13	13
Ecuador.....	62	121	109	92	90	Vietnam.....	185	135	98	88	98
El Salvador.....	83	76	86	90	129	Oil-producing countries ⁷	227	534	486	652	1,331
Guatemala.....	123	132	127	156	245	Other Africa:					
Haiti.....	23	27	25	21	28	Algeria.....	31	32	51	111	110
Honduras.....	50	58	64	56	71	Ethiopia (incl. Eritrea).....	29	57	75	79	118
Jamaica.....	32	41	32	39	52	Ghana.....	11	10	28	20	22
Nicaragua.....	66	61	79	99	119	Kenya.....	14	23	19	23	20
Paraguay.....	17	22	26	29	40	Liberia.....	25	30	31	42	29
Trinidad and Tobago.....	15	20	17	17	21	Libya.....	296	393	312	331	.....
Other Latin America:						Nigeria.....	56	85	140	78	.....
Bermuda.....	(2)	(3)	127	242	201	Southern Rhodesia.....	2	2	1	2	1
British West Indies.....	23	36	100	109	.....	Sudan.....	5	3	3	3	2
Other Asia:						Tanzania.....	6	11	16	12	12
Afghanistan.....	17	25	19	22	11	Tunisia.....	7	10	11	7	17
Burma.....	5	2	17	12	.....	Uganda.....	10	7	19	6	11
Cambodia.....	2	3	3	2	4	Zambia.....	7	28	37	22	.....
Jordan.....	2	4	4	6	6	All other:					
						New Zealand.....	27	30	34	39	33

¹ Includes Bank for International Settlements and European Fund.
² Bermuda included with Bahamas through Dec. 1972.
³ Data exclude holdings of dollars of the International Monetary Fund.
⁴ Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."

⁵ Represent a partial breakdown of the amounts shown in the other categories (except "Other Eastern Europe").
⁶ Included in Japan after Apr. 1972.
⁷ Includes Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, Syria, and United Arab Emirates (Trucial States).

9. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries				Country or area						
			Total	Official institutions	Banks ¹	Other foreigners	Germany	United Kingdom	Other Europe	Total Latin America	Japan	Other Asia	All other countries
1970.....	1,703	789	914	695	165	53	110	42	26	152	385	137	62
1971.....	902	446	457	144	237	56	164	52	30	111	3	87	9
1972.....	1,000	562	439	93	259	87	165	63	32	136	1	32	10
1972.....	1,018	580	439	93	259	87	165	63	32	136	1	32	10
1973—Dec.....	1,467	761	706	310	296	100	165	66	245	132	5	78	16
1974—Jan.....	1,496	821	675	310	275	90	165	65	236	119	2	78	10
Feb.....	1,519	888	631	259	286	86	165	58	231	128	2	35	13
Mar.....	1,577	951	626	259	276	87	165	45	232	130	2	39	13
Apr.....	1,690	1,025	665	294	282	89	165	56	227	152	2	50	13
May.....	1,657	1,005	652	296	282	74	165	56	220	144	2	52	13
June.....	1,650	974	676	321	283	73	165	56	220	144	2	77	12
July.....	1,671	978	693	319	299	75	171	56	233	142	2	77	13
Aug.....	1,516	1,005	511	118	316	77	170	60	47	142	1	77	13
Sept.....	1,404	920	484	95	316	73	170	60	47	123	1	77	13
Oct.....	1,332	852	480	111	299	71	170	48	45	116	1	87	13
Nov. ²	1,318	832	485	112	298	75	170	48	45	116	1	88	17
Dec. ²	1,270	768	501	124	299	79	170	48	46	115	1	101	20

¹ Excludes central banks, which are included with "Official institutions."

² Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

	1973	1974											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^a	Dec. ^a
Europe:													
Belgium-Luxembourg.....	7	7	7	7	7	7	7	9	9	10	10	10	10
Sweden.....	235	235	260	260	260	260	260	260	260	250	250	276	251
Switzerland.....	34	33	32	34	33	35	34	35	34	34	30	30	30
United Kingdom.....	423	437	450	439	457	428	424	426	439	459	485	498	493
Other Western Europe.....	86	91	91	90	89	87	89	97	101	96	102	98	93
Eastern Europe.....	5	5	5	5	5	5	5	5	5	5	5	5	5
Total.....	789	808	845	835	851	823	819	832	849	854	883	917	881
Canada.....	582	597	832	847	848	849	849	851	756	706	707	711	713
Latin America:													
Latin American republics.....	11	11	11	11	11	11	11	11	11	11	11	11	12
Other Latin America.....	3	3	3	3	3	5	5	5	5	17	25	62	88
Total.....	14	14	14	14	14	16	16	16	16	28	36	74	100
Asia:													
Japan.....	4,552	4,066	3,718	3,703	3,531	3,499	3,498	3,497	3,498	3,497	3,497	3,498	3,498
Other Asia.....	11	11	11	11	11	12	12	12	12	12	12	12	212
Total.....	4,563	4,077	3,729	3,714	3,542	3,510	3,510	3,509	3,510	3,509	3,509	3,509	3,709
Africa.....	158	158	157	157	157	157	157	156	151	151	151	151	151
All other.....	25	25	25	25	25	25	25	25	25	25	25	25	.....
Total foreign countries.....	6,131	5,678	5,602	5,592	5,437	5,379	5,376	5,390	5,306	5,273	5,311	5,387	5,554
International and regional:													
International.....	1	20	51	217	141	174	57	51	102	23	71	112	113
Latin American regional.....	48	49	49	49	44	41	60	75	71	68	52	67	61
Total.....	49	69	100	267	185	214	117	126	173	91	123	179	174
Grand total.....	6,179	4,747	5,702	5,859	5,622	5,594	5,493	5,516	5,479	5,364	5,434	5,566	5,728

NOTE.—Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year, and are based on benchmark surveys of holdings and regular monthly reports of securities transactions (see Table 14).

11. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars							Payable in foreign currencies				
		Total	Loans to—			Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other	
			Total	Official institutions	Banks ¹								Others
1970.....	10,802	10,192	3,051	119	1,720	1,212	2,389	3,985	766	610	352	92	166
1971 ²	13,170	12,328	4,503	223	2,613	1,667	2,475	4,243	1,107	842	549	119	174
	13,272	12,377	3,969	231	2,080	1,658	2,475	4,254	1,679	895	548	173	174
1972 ³	15,471	14,625	5,674	163	2,975	2,535	3,269	3,204	2,478	846	441	223	182
	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
1973—Dec.....	20,726	20,064	7,689	271	4,555	2,863	4,307	4,156	3,912	662	428	119	115
1974—Jan.....	21,101	20,298	7,391	303	4,400	2,688	4,387	4,108	4,412	802	467	162	173
Feb.....	22,986	22,141	7,932	303	4,966	2,662	4,427	4,554	5,228	844	594	121	129
Mar.....	25,671	24,823	9,068	421	5,793	2,855	4,642	5,126	5,986	849	545	160	144
Apr.....	26,580	25,723	9,578	346	6,141	3,090	4,805	5,810	5,529	857	589	99	169
May.....	29,745	28,862	9,959	363	6,372	3,223	5,081	6,599	7,223	884	611	113	160
June.....	32,253	31,296	11,494	386	7,743	3,364	5,107	7,584	7,111	957	687	130	141
July.....	33,532	32,529	10,924	475	6,848	3,601	5,152	9,163	7,290	1,003	626	207	170
Aug.....	35,057	34,252	11,634	448	7,809	3,377	5,295	9,459	7,864	805	461	180	164
Sept.....	33,885	32,968	10,606	507	6,720	3,379	5,245	9,538	7,579	918	468	217	233
Oct.....	33,696	32,667	10,080	348	6,371	3,361	5,356	10,034	7,197	1,030	547	243	240
Nov. ^a	35,871	34,843	11,040	439	7,174	3,426	5,345	10,678	7,779	1,028	515	283	229
Dec. ^a	37,846	36,636	11,383	418	7,406	3,559	5,636	11,188	8,429	1,210	668	289	253

¹ Excludes central banks, which are included with "Official institutions."

² Data on second line differ from those on first line because (a) those claims of U.S. banks on their foreign branches and those claims of U.S. agencies and branches of foreign banks on their head offices and foreign branches, which were previously reported as loans, are included in other

short-term claims; and (b) a number of reporting banks are included in the series for the first time.

³ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period, Amounts outstanding; in millions of dollars)

Area and country	1972	1973	1974								
	Dec.	Dec.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ¹	Dec. ¹
Europe:											
Austria.....	8	11	40	32	104	18	72	17	21	42	21
Belgium-Luxembourg.....	120	148	188	155	231	267	208	165	301	308	384
Denmark.....	59	48	57	68	65	45	49	51	59	45	46
Finland.....	118	108	115	127	134	150	151	146	128	107	122
France.....	330	621	721	624	731	703	760	637	485	791	673
Germany.....	321	311	355	441	422	372	379	342	332	438	588
Greece.....	29	35	47	48	49	61	66	59	48	57	64
Italy.....	255	316	507	512	572	437	441	354	340	340	345
Netherlands.....	108	133	169	202	212	165	112	130	176	183	348
Norway.....	69	72	91	96	91	103	136	113	94	97	119
Portugal.....	19	23	29	33	32	30	24	26	35	25	20
Spain.....	207	222	318	322	404	392	382	253	227	201	196
Sweden.....	164	153	132	95	117	119	139	159	149	160	180
Switzerland.....	125	176	327	417	663	386	355	377	277	339	335
Turkey.....	6	10	18	8	10	26	19	15	15	14	15
United Kingdom.....	997	1,459	1,629	2,175	2,361	2,260	2,513	2,112	1,486	2,131	2,203
Yugoslavia.....	22	10	13	25	20	26	25	28	24	28	22
Other Western Europe.....	20	27	28	55	26	19	22	18	31	38	22
U.S.S.R.....	41	46	30	38	47	35	30	21	27	28	46
Other Eastern Europe.....	49	59	65	95	84	105	106	102	105	86	131
Total.....	3,067	3,988	4,878	5,570	6,374	5,720	5,986	5,124	4,358	5,459	5,878
Canada.....	1,914	1,955	2,191	2,363	2,195	2,340	2,111	2,032	2,556	2,517	2,768
Latin America:											
Argentina.....	379	499	688	646	673	686	704	695	679	704	720
Bahamas.....	519	875	1,126	1,944	1,887	1,558	2,085	2,485	2,791	2,616	2,944
Brazil.....	649	900	1,180	1,316	1,477	1,507	1,522	1,534	1,476	1,493	1,415
Chile.....	52	151	193	175	187	224	231	250	256	291	290
Colombia.....	418	397	470	488	522	601	679	665	686	675	713
Cuba.....	13	12	13	13	13	12	13	14	13	13	19
Mexico.....	1,202	1,373	1,632	1,660	1,725	1,775	1,833	1,711	1,841	1,898	1,968
Panama.....	244	266	391	407	387	394	401	410	405	402	497
Peru.....	145	178	224	265	281	353	421	408	433	486	518
Uruguay.....	40	55	38	38	40	59	50	47	46	63	63
Venezuela.....	383	518	628	558	606	644	642	627	557	643	704
Other Latin American republics.....	388	493	621	629	676	691	701	712	725	810	852
Netherlands Antilles and Surinam.....	14	13	20	27	41	38	56	64	61	74	69
Other Latin America.....	36	140	281	191	298	234	354	245	517	655	887
Total.....	4,480	5,870	7,504	8,355	8,813	8,778	9,692	9,869	10,486	10,823	11,659
Asia:											
China, People's Rep. of (China Mainland).....	1	31	19	18	23	28	22	9	7	5	4
China, Republic of (Taiwan).....	194	140	231	378	357	406	446	461	496	482	497
Hong Kong.....	93	147	179	167	208	200	271	243	214	238	223
India.....	14	16	18	25	18	20	34	17	19	16	14
Indonesia.....	87	88	71	105	115	117	120	122	128	140	157
Israel.....	105	166	140	135	158	205	205	197	200	208	250
Japan.....	4,152	6,400	8,607	9,744	10,845	12,397	12,812	12,378	11,669	12,350	12,439
Korea.....	296	403	555	638	620	641	706	733	760	835	955
Philippines.....	149	181	228	263	302	295	348	340	346	324	371
Thailand.....	191	273	434	393	421	427	429	436	414	416	441
Other.....	300	394	671	662	713	820	681	669	669	666	771
Total.....	5,584	8,238	11,153	12,467	13,780	15,556	16,073	15,605	14,921	15,680	16,121
Africa:											
Egypt.....	21	35	44	62	66	68	83	97	93	91	111
Morocco.....	4	5	9	4	5	14	10	10	11	12	18
South Africa.....	143	129	153	206	202	213	238	243	282	299	329
Zaire.....	13	60	79	72	91	93	97	94	107	101	96
Other.....	118	159	192	223	273	286	275	311	312	291	299
Total.....	299	388	477	567	637	675	702	755	806	795	854
Other countries:											
Australia.....	291	243	318	357	383	400	415	422	478	492	466
All other.....	40	43	59	66	70	63	77	76	91	104	99
Total.....	330	286	376	423	453	463	492	498	569	597	565
Total foreign countries.....	15,674	20,725	26,579	29,744	32,253	33,531	35,056	33,883	33,696	35,870	37,845
International and regional.....	3	1	1	1	1	1	1	2	1	1	.....
Grand total.....	15,676	20,726	26,580	29,745	32,253	33,532	35,057	33,885	33,696	35,871	37,846

¹ Includes Bermuda through Dec. 1972.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against

foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

13. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	Type						Country or area							
		Payable in dollars						Payable in foreign currencies	United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	All other countries ²
		Loans to—				Other long-term claims									
		Total	Official institutions	Banks ¹	Other foreigners										
1970.....	3,075	2,698	504	236	1,958	352	25	71	411	312	1,325	115	548	292	
1971.....	3,667	3,345	575	315	2,455	300	22	130	593	228	1,458	246	583	429	
1972 ³	4,954	4,539	833	430	3,276	375	40	145	704	406	1,996	319	881	503	
	5,063	4,588	844	430	3,314	435	40	150	703	406	2,020	353	918	514	
1973—Dec.....	5,962	5,412	1,145	574	3,692	478	72	148	1,107	490	2,112	251	1,320	534	
1974—Jan.....	5,907	5,359	1,132	563	3,665	469	79	147	1,109	486	2,078	259	1,319	510	
Feb.....	5,960	5,359	1,187	584	3,588	522	79	154	1,166	457	2,087	256	1,328	512	
Mar.....	6,134	5,518	1,262	640	3,616	541	75	157	1,271	473	2,151	256	1,336	491	
Apr.....	6,742	6,099	1,552	734	3,814	567	76	201	1,556	478	2,365	254	1,357	530	
May.....	6,788	6,171	1,549	755	3,867	550	67	224	1,541	467	2,428	241	1,365	521	
June.....	7,043	6,431	1,600	775	4,056	546	66	222	1,669	496	2,481	244	1,416	515	
July.....	7,072	6,460	1,469	891	4,099	545	67	249	1,586	498	2,546	269	1,406	517	
Aug.....	7,011	6,404	1,434	895	4,075	539	68	285	1,527	503	2,520	269	1,399	509	
Sept.....	6,993	6,380	1,418	853	4,108	542	71	266	1,535	543	2,473	247	1,427	502	
Oct.....	7,244	6,565	1,440	914	4,211	608	71	333	1,725	523	2,489	264	1,396	515	
Nov. ³	7,261	6,571	1,373	933	4,265	618	72	339	1,652	506	2,584	257	1,392	531	
Dec. ³	7,161	6,485	1,329	936	4,221	609	67	332	1,578	486	2,605	260	1,359	542	

¹ Excludes central banks, which are included with "Official institutions."² Includes international and regional organizations.³ Data on the two lines shown for this date differ because of changes in

reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

14. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes ¹					U.S. corporate securities ²			Foreign bonds			Foreign stocks		
	Net purchases or sales					Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales
	Total	Intl. and regional	Foreign											
			Total	Official	Other									
1971.....	1,672	130	1,542	1,661	-119	14,593	13,158	1,435	1,687	2,621	-935	1,385	1,439	-57
1972.....	3,316	57	3,258	3,281	-23	19,083	15,015	4,068	1,901	2,932	-1,031	2,532	2,123	409
1973.....	305	-165	470	465	6	18,569	13,810	4,759	1,474	2,467	-993	1,729	1,554	176
1974—Jan.—Dec. ³	-451	125	-577	-645	69	15,305	13,590	1,715	1,045	3,285	-2,241	1,899	1,718	181
1973—Dec.....	-486	1	-487	-506	19	1,336	1,359	-23	144	209	-65	159	144	15
1974—Jan.....	-432	20	-452	-472	19	1,717	1,454	263	71	364	-292	209	207	2
Feb.....	-45	31	-77	-37	-39	1,202	1,189	13	100	145	-45	206	206	-1
Mar.....	157	166	-10	.....	-10	1,672	1,484	188	102	398	-295	167	183	-16
Apr.....	-237	-82	-155	-171	16	1,126	904	222	103	323	-219	189	155	34
May.....	-28	29	-57	-7	-50	903	852	51	89	154	-64	173	174	-2
June.....	-101	-97	-3	.....	-3	1,174	923	251	74	272	-197	207	117	90
July.....	-23	9	14	.....	14	1,048	1,054	-6	94	251	-158	128	116	12
Aug.....	-37	47	-84	-73	-11	1,398	1,130	269	59	214	-155	146	117	29
Sept.....	-116	-82	-33	-60	27	1,360	1,180	180	72	152	-80	145	100	45
Oct.....	70	32	38	.....	38	1,508	1,363	145	86	362	-276	89	152	-63
Nov. ³	132	57	76	25	50	1,415	1,311	103	92	170	-78	124	102	22
Dec. ³	162	-5	167	150	17	780	744	36	101	481	-380	117	87	30

¹ Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries.² Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities

sold abroad by U.S. corporations organized to finance direct investments abroad.

NOTE.—Statistics include transactions of international and regional organizations.

15. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Pur- chases	Sales	Net pur- chases or sales (-)	France	Ger- many	Nether- lands	Switzer- land	United King- dom	Other Europe	Total Europe	Canada	Latin America	Asia	Other ¹
1971.....	11,626	10,894	731	87	131	219	168	-49	71	627	-93	37	108	52
1972.....	14,361	12,173	2,188	372	-51	297	642	561	137	1,958	-78	-32	256	83
1973.....	12,762	9,978	2,785	439	2	339	685	366	274	2,104	99	-1	577	5
1974—Jan.—Dec. ^p	7,395	7,085	310	203	39	330	36	-262	50	397	-6	-33	-58	10
1973—Dec.....	873	878	-4	30	9	32	-64	-25	7	-12	-8	-4	34	-16
1974—Jan.....	976	802	174	68	4	37	43	28	23	202	-27	-42	33	9
Feb.....	743	586	157	39	5	54	40	-6	33	165	*	1	-9	1
Mar.....	806	846	49	14	-26	40	24	14	25	91	-21	9	-29	-1
Apr.....	577	559	19	22	17	35	-3	-14	-5	21	-10	2	3	2
May.....	576	591	-15	18	7	29	5	-36	-5	19	-7	-15	-14	2
June.....	521	513	8	-15	8	33	11	-18	-3	16	13	-7	-15	2
July.....	507	508	-1	13	5	39	-9	-48	3	3	10	-2	-14	2
Aug.....	579	500	79	19	18	16	15	9	-11	65	14	9	-10	1
Sept.....	447	443	4	-9	17	9	-39	-21	-3	-1	6	4	-6	1
Oct.....	613	695	-82	17	-30	5	-39	-56	3	-89	3	2	5	-7
Nov. ^p	546	616	-71	5	1	-2	-35	-43	4	-70	-2	-5	5	1
Dec. ^p	414	427	-12	13	13	20	-10	-71	9	-25	14	10	-11	*

¹ Includes international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Ger- many	Nether- lands	Switzer- land	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. and regional
1971.....	703	15	35	-1	216	327	39	631	37	19	-2	*	-21	39
1972.....	1,881	336	77	74	135	367	315	1,303	82	22	323	2	*	148
1973.....	1,948	201	-33	-19	307	275	473	1,204	49	44	588	*	10	52
1974—Jan.—Dec. ^p	1,402	96	34	183	96	349	-64	694	50	43	459	*	10	146
1973—Dec.....	-19	9	10	4	37	60	32	152	*	16	-183	.....	*	-3
1974—Jan.....	89	3	25	*	23	117	-9	159	14	1	-104	*	*	18
Feb.....	-144	1	*	*	45	-15	30	-2	-2	-5	-119	*	*	-47
Mar.....	139	*	*	-2	6	-79	-6	-81	-1	6	-1	*	*	215
Apr.....	203	60	3	*	23	17	5	114	4	-1	*	*	*	86
May.....	66	10	*	*	8	26	1	59	3	5	3	*	*	-3
June.....	242	5	3	116	15	64	-17	185	1	4	-3	*	*	56
July.....	-5	-1	2	72	2	36	-11	100	1	5	7	*	10	-128
Aug.....	190	1	1	1	-1	29	-3	21	2	4	199	*	*	-36
Sept.....	176	1	1	-1	2	54	-3	55	4	2	-15	.....	*	130
Oct.....	226	10	1	-1	13	6	-5	25	18	5	100	*	*	79
Nov. ^p	174	4	-1	-2	-1	-20	-6	-23	11	1	349	*	*	-163
Dec. ^p	48	1	*	-4	1	54	*	52	-4	17	45	*	*	-61

NOTE.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and re- gional	Total foreign countries	Eu- rope	Canada	Latin America	Asia	Af- rica	Other countries
1971.....	-992	-310	-682	31	-275	-46	-366	-57	32
1972.....	-622	-90	-532	505	-635	-69	-296	-66	29
1973.....	-818	139	-957	-141	-569	-120	-168	3	37
1974— Jan.—Dec. ^p	-2,060	-60	-2,000	-588	-1,529	-93	180	7	22
1973—Dec.....	-50	51	-101	-45	-11	-15	-34	2	3
1974—Jan.....	-291	-4	-287	-81	-204	-2	-1	-1	2
Feb.....	-46	6	-52	-62	-11	-9	32	-4	1
Mar.....	-311	4	-315	-24	-288	-15	10	*	3
Apr.....	-185	3	-188	-49	-157	6	12	*	*
May.....	-66	5	-71	-26	-35	-22	10	*	3
June.....	-108	3	-110	-78	-121	-6	94	1	3
July.....	-146	1	-147	-63	-108	-1	24	-1	3
Aug.....	-125	2	-127	-35	-126	-9	42	-1	1
Sept.....	-35	12	-47	-41	-37	5	22	1	3
Oct.....	-340	2	-342	-81	-244	*	-18	-1	2
Nov. ^p	-56	3	-59	-21	-8	-14	21	2	3
Dec. ^p	-350	-95	-255	-27	-190	-25	-24	12	*

18. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1971—Sept.....	333	320
Dec.....	311	314
1972—Mar.....	325	379
June.....	312	339
Sept.....	286	336
Dec.....	372	405
1973—Mar.....	310	364
June.....	316	243
Sept.....	290	255
Dec.....	333	231
1974—Mar.....	383	225
June.....	354	241
Sept. ^p	298	178

NOTE.—Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

20. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Treas. securities ¹	Earmarked gold
1971.....	294	43,195	13,815
1972.....	325	50,934	215,530
1973.....	251	52,070	17,068
1974—Jan....	392	49,582	17,044
Feb....	542	50,255	17,039
Mar....	366	51,342	17,037
Apr....	517	52,642	17,026
May....	429	54,195	17,021
June....	384	54,442	17,014
July....	330	54,317	16,964
Aug....	372	53,681	16,917
Sept....	411	53,849	16,892
Oct....	376	54,691	16,875
Nov....	626	55,908	16,865
Dec....	418	55,600	16,838
1975—Jan....	391	58,001	16,837

¹ Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

² The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972, and in Oct. 1973.

NOTE.—Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

21. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars		Payable in foreign currencies		United Kingdom	Canada
		Deposits	Short-term investments ¹	Deposits	Short-term investments ¹		
1969.....	1,491	1,062	161	183	86	663	534
1970.....	1,141	697	150	173	121	372	443
1971 ²	{ 1,648	1,092	203	234	120	577	587
	{ 1,507	1,078	127	234	68	580	443
1972.....	{ 1,965	1,446	169	307	42	702	485
	{ 2,374	1,910	55	340	68	911	536
1973—Nov.....	3,239	2,602	64	437	136	1,121	922
	3,184	2,603	37	431	113	1,128	775
1974—Jan.....	2,858	2,284	59	365	149	1,091	772
	3,260	2,624	65	368	203	1,229	868
	3,701	3,027	99	358	218	1,373	1,029
	3,587	2,981	60	339	209	1,486	922
	3,683	3,051	76	331	227	1,442	979
	3,677	3,065	62	369	181	1,419	926
	3,787	3,239	74	341	133	1,442	828
	3,521	2,958	51	368	144	1,437	870
	3,066	2,483	30	363	189	1,195	864
	2,681	2,109	25	331	216	1,119	835
	2,953	2,355	15	325	258	1,283	922

¹ Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

² Data on the 2 lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 22.

22. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amount outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies	
						Deposits with banks abroad in reporter's name	Other
1970—Dec.....	2,677	2,182	496	4,160	3,579	234	348
1971—Mar.....	2,437	1,975	462	4,515	3,909	232	374
	2,375	1,937	438	4,708	4,057	303	348
	2,564	2,109	454	4,894	4,186	383	326
	{ 2,704	2,229	475	5,185	4,535	318	333
Dec.....	{ 2,763	2,301	463	5,000	4,467	289	244
1972—Mar.....	2,844	2,407	437	5,173	4,557	317	300
	2,925	2,452	472	5,326	4,685	374	268
	2,933	2,435	498	5,487	4,833	426	228
	{ 3,119	2,635	484	5,721	5,074	410	237
Dec.....	{ 3,453	2,961	492	6,366	5,699	393	274
1973—Mar.....	3,375	2,874	502	7,149	6,262	458	429
	3,375	2,807	568	7,433	6,574	499	361
	3,670	2,971	698	7,788	6,849	528	411
	4,080	3,314	765	8,556	7,645	484	428
1974—Mar.....	4,507	3,629	878	10,570	9,643	400	528
	5,188	4,173	1,015	11,165	10,235	420	510
	5,688	4,653	1,035	10,722	9,802	420	550

¹ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the

preceding date; figures on the second line are comparable with those shown for the following date.

23. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1972	1973		1974		1972	1973		1974	
	Dec.	Dec. ^r	Mar. ^r	June	Sept. ^p	Dec.	Dec. ^r	Mar. ^r	June	Sept. ^p
Europe:										
Austria.....	2	3	4	12	18	19	17	16	17	15
Belgium-Luxembourg.....	83	136	226	405	485	73	106	153	139	114
Denmark.....	7	9	17	18	23	29	46	37	27	25
Finland.....	4	7	8	9	12	25	44	42	80	91
France.....	167	168	161	204	192	231	310	413	537	492
Germany, Fed. Rep. of.....	164	236	238	222	249	195	284	337	345	322
Greece.....	15	40	21	28	28	35	51	87	76	69
Italy.....	121	116	133	143	150	202	239	330	409	432
Netherlands.....	109	125	114	104	114	84	112	103	126	143
Norway.....	14	9	9	8	10	16	18	22	35	32
Portugal.....	4	13	24	17	20	19	50	112	101	69
Spain.....	81	77	68	56	56	157	244	414	420	425
Sweden.....	13	48	43	52	40	57	71	74	106	97
Switzerland.....	105	103	94	114	105	82	101	90	78	155
Turkey.....	4	18	26	28	38	48	34	41	46	41
United Kingdom.....	1,107	932	1,123	1,219	1,405	1,223	1,543	1,869	1,869	1,767
Yugoslavia.....	7	28	31	36	34	12	49	30	41	39
Other Western Europe.....	2	3	3	6	7	12	15	19	23	20
Eastern Europe.....	3	31	26	31	78	42	104	79	97	89
Total.....	2,013	2,103	2,371	2,712	3,062	2,561	3,437	4,232	4,571	4,438
Canada.....	215	255	320	294	287	965	1,245	1,526	1,573	1,567
Latin America:										
Argentina.....	29	22	18	18	27	79	47	52	52	58
Bahamas ¹	391	419	206	307	315	662	633	760	992	516
Brazil.....	35	64	78	125	160	172	230	409	523	418
Chile.....	18	20	6	9	13	34	42	78	64	122
Colombia.....	7	9	18	22	13	39	40	44	51	49
Cuba.....	1	*	*	*	*	1	1	1	1	1
Mexico.....	26	44	72	71	59	181	235	260	263	286
Panama.....	18	13	14	19	21	85	120	178	187	195
Peru.....	4	15	17	11	15	36	47	65	60	40
Uruguay.....	7	2	3	2	2	4	5	6	5	6
Venezuela.....	21	31	45	36	49	92	134	136	171	189
Other L.A. republics.....	45	51	45	60	63	95	134	172	172	182
Neth. Antilles and Surinam.....	10	6	5	6	6	13	12	12	16	15
Other Latin America.....	4	22	37	59	50	34	214	158	136	159
Total.....	615	719	564	745	793	1,527	1,892	2,330	2,692	2,236
Asia:										
China, People's Republic of (China Mainland).....	32	42	20	39	23	*	11	8	3	8
China, Rep. of (Taiwan).....	26	34	52	72	72	65	121	184	119	131
Hong Kong.....	12	41	24	19	19	33	48	65	68	61
India.....	7	14	14	13	10	34	37	36	31	37
Indonesia.....	16	14	13	22	38	48	54	51	67	81
Israel.....	19	25	31	39	40	31	38	38	37	53
Japan.....	224	297	374	374	353	468	888	1,212	970	1,086
Korea.....	21	37	38	45	66	67	105	109	124	123
Philippines.....	16	17	9	19	28	59	73	87	86	108
Thailand.....	5	6	7	7	10	23	28	31	43	33
Other Asia.....	152	178	273	401	430	206	239	264	313	309
Total.....	530	705	855	1,050	1,089	1,035	1,642	2,087	1,860	2,030
Africa:										
Egypt.....	32	10	35	12	6	16	9	9	13	16
South Africa.....	8	14	22	24	35	52	62	69	85	90
Zaire.....	1	19	21	15	17	8	18	20	17	13
Other Africa.....	62	125	134	156	114	93	127	155	195	202
Total.....	104	168	212	206	172	170	216	253	310	321
Other countries:										
Australia.....	45	118	134	94	128	83	97	110	117	134
All other.....	14	12	22	24	32	23	25	31	39	44
Total.....	59	130	156	117	160	107	123	142	157	178
International and regional.....	*	*	29	63	125	1	*	1	1	1
Grand total.....	3,536	4,080	4,507	5,188	5,688	6,366	8,556	10,570	11,165	10,772

¹ Includes Bermuda through Dec. 1972.

Note.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States.

Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

24. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims										
		Total	Country or area									
			United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1970—Sept.....	2,786	2,885	157	720	620	180	63	586	144	284	73	58
Dec.....	3,102	2,950	146	708	669	183	60	618	140	292	71	64
1971—Mar.....	3,177	2,983	154	688	670	182	63	615	161	302	77	72
June.....	3,172	2,982	151	687	677	180	63	625	138	312	75	74
Sept.....	2,939	3,019	135	672	765	178	60	597	133	319	85	75
Dec. 1.....	3,159	3,118	128	705	761	174	60	652	141	327	86	85
Dec. 1.....	3,138	3,068	128	704	717	174	60	653	136	325	86	84
1972—Mar.....	3,093	3,141	129	713	737	175	60	665	137	359	81	85
June.....	3,300	3,206	108	712	748	188	61	671	161	377	86	93
Sept.....	3,448	3,187	128	695	757	177	63	662	132	390	89	96
Dec. 1.....	3,540	3,312	163	715	775	184	60	658	156	406	87	109
Dec. 1.....	3,631	3,409	191	755	793	187	64	692	134	395	86	111
1973—Mar.....	3,818	3,553	156	814	864	165	63	783	124	410	105	125
June.....	3,833	3,622	179	818	819	146	65	813	130	413	108	131
Sept.....	4,066	3,788	216	839	836	147	73	822	140	471	108	137
Dec.....	3,946	3,857	290	782	890	145	79	816	128	342	115	142
1974—Mar.....	3,863	4,045	368	756	927	194	81	796	123	469	119	147
June.....	3,549	3,965	362	717	947	184	138	734	122	492	122	148
Sept.....	3,341	4,084	369	720	992	181	145	779	118	529	118	133

¹ Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

OPEN MARKET RATES

(Per cent per annum)

Month	Canada		United Kingdom				France	Germany, Fed. Rep. of		Netherlands		Switzerland
	Treasury bills, 3 months ¹	Day-to-day money ²	Prime bank bills, 3 months	Treasury bills, 3 months	Day-to-day money	Clearing banks' deposit rates	Day-to-day money ³	Treasury bills, 60-90 days ⁴	Day-to-day money ⁵	Treasury bills, 3 months	Day-to-day money	Private discount rate
1973.....	5.43	5.27	10.45	9.40	8.27	7.96	8.92	6.40	10.18	4.07	4.94	5.09
1974.....	7.63	7.69	12.99	11.36	9.85	9.48	12.87	6.06	8.76	6.90	8.21	.....
1974—Jan.....	6.31	6.50	13.67	12.09	10.36	9.25	13.63	7.00	10.40	6.50	9.36	6.00
Feb.....	6.10	6.49	13.63	11.94	8.96	9.50	12.48	7.00	9.13	6.50	9.73	6.00
Mar.....	6.24	6.50	14.39	11.95	11.31	9.50	11.88	7.00	11.63	6.00	9.07	6.00
Apr.....	7.18	6.93	13.20	11.53	10.00	9.50	11.81	5.63	5.33	6.64	9.86	6.50
May.....	8.22	7.48	13.31	11.36	10.72	9.50	12.90	6.63	8.36	7.00	9.00	6.50
June.....	8.66	8.36	12.61	11.23	10.58	9.50	13.59	5.63	8.79	7.00	8.98	6.50
July.....	8.88	8.52	13.21	11.20	8.70	9.50	13.75	5.63	9.13	7.50	8.57	7.00
Aug.....	8.76	8.83	12.80	11.24	11.11	9.50	13.68	5.63	9.05	7.50	7.09	7.00
Sept.....	8.70	8.84	12.11	10.91	10.69	9.50	13.41	5.63	9.00	7.42	5.08	7.00
Oct.....	8.67	8.56	11.95	10.93	10.81	9.50	13.06	5.63	8.88	7.38	7.81	7.00
Nov.....	7.84	7.86	12.07	10.98	7.70	9.50	12.40	5.63	7.20	6.72	7.00	7.00
Dec.....	7.29	7.44	12.91	10.99	7.23	9.50	11.88	5.63	8.25	6.69	6.96	.....
1975—Jan.....	6.65	6.82	11.93	10.59	8.40	9.30	11.20	.....	7.54	6.60	6.18	.....

¹ Based on average yield of weekly tenders during month.² Based on weekly averages of daily closing rates.³ Rate shown is on private securities.⁴ Rate in effect at end of month.⁵ Monthly averages based on daily quotations.NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics, 1962*.

NOTES TO TABLES 19a AND 19b ON PAGES A-72 AND A-73 RESPECTIVELY:

¹ Cayman Islands included beginning Aug. 1973.² Total assets and total liabilities payable in U.S. dollars amounted to \$27,391 million and \$27,421 million, respectively, on Oct. 31, 1974.

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

For a given month, total assets may not equal total liabilities because some branches do not adjust the parent's equity in the branch to reflect unrealized paper profits and paper losses caused by changes in exchange rates, which are used to convert foreign currency values into equivalent dollar values.

CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of Jan. 31, 1975		Country	Rate as of Jan. 31, 1975	
	Per cent	Month effective		Per cent	Month effective
Argentina.....	18.0	Feb. 1972	Italy.....	8.0	Dec. 1974
Austria.....	6.50	May 1974	Japan.....	9.0	Dec. 1973
Belgium.....	8.75	Feb. 1974	Mexico.....	4.5	June 1942
Brazil.....	18.0	Feb. 1972	Netherlands.....	7.0	Oct. 1974
Canada.....	8.25	Jan. 1975	Norway.....	5.5	Mar. 1974
Denmark.....	9.0	Jan. 1975	Sweden.....	7.0	Aug. 1974
France.....	12.0	Jan. 1975	Switzerland.....	5.5	Jan. 1974
Germany, Fed. Rep. of.....	6.0	Dec. 1974	United Kingdom.....	11.0	Jan. 1975
			Venezuela.....	5.0	Oct. 1970

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or gov't securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations. Other rates for some of these countries follow:

Argentina—3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil—8 per cent for secured paper and 4 per cent for certain agricultural paper;

Japan—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

United Kingdom—The Bank's minimum lending rate, which is the average rate of discount for Treasury bills established at the most recent tender plus one-half per cent rounded to the nearest one-quarter per cent above.

Venezuela—2 per cent for rediscounts of certain agricultural paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (krone)	France (franc)	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)
1971.....	113.61	4.0009	2.0598	99.021	13.508	18.148	28.768	13.338	244.42	16174	28779
1972.....	119.23	4.3228	2.2716	100.937	14.384	19.825	31.364	13.246	250.08	17132	32995
1973.....	141.94	5.1649	2.5761	99.977	16.603	22.536	37.758	12.071	245.10	17192	36915
1974.....	143.89	5.3564	2.5713	102.257	16.442	20.805	38.723	12.460	234.03	15372	34302
1974—Jan.....	148.23	4.8318	2.3329	100.859	14.981	19.905	35.529	11.854	222.40	15433	33559
Feb.....	148.50	5.0022	2.4358	102.398	15.570	20.187	36.844	12.131	227.49	15275	34367
Mar.....	148.55	5.1605	2.5040	102.877	16.031	20.742	38.211	12.415	234.06	15687	35454
Apr.....	148.41	5.3345	2.5686	103.356	16.496	20.541	39.594	12.711	238.86	15720	36001
May.....	148.44	5.5655	2.6559	103.916	17.012	20.540	40.635	12.841	241.37	15808	35847
June.....	148.34	5.5085	2.6366	103.481	16.754	20.408	39.603	12.735	239.02	15379	35340
July.....	147.99	5.4973	2.6378	102.424	16.858	20.984	39.174	12.759	238.96	15522	34372
Aug.....	148.24	5.3909	2.5815	102.053	16.547	20.912	38.197	12.525	234.56	15269	33082
Sept.....	144.87	5.2975	2.5364	101.384	16.111	20.831	37.580	12.316	231.65	15103	33439
Oct.....	130.92	5.4068	2.5939	101.727	16.592	21.131	38.571	12.416	233.30	14992	33404
Nov.....	131.10	5.5511	2.6529	101.280	16.997	21.384	39.836	12.397	232.50	14996	33325
Dec.....	131.72	5.7176	2.7158	101.192	17.315	22.109	40.816	12.352	232.94	15179	33288
1975—Jan.....	132.95	5.9477	2.8190	100.526	17.816	22.893	42.292	12.300	236.23	15504	33370
Period	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1971.....	32.989	8.0056	28.650	113.71	14.205	3.5456	140.29	1.4383	19.592	24.325	244.42
1972.....	35.610	8.0000	31.153	119.35	15.180	3.7023	129.43	1.5559	21.022	26.193	250.08
1973.....	40.988	8.0000	35.977	136.04	17.406	4.1080	143.88	1.7178	22.970	31.700	245.10
1974.....	41.682	8.0000	37.267	140.02	18.119	3.9506	146.98	1.7337	22.563	33.688	234.03
1974—Jan.....	40.094	8.0000	34.009	139.08	16.739	3.7195	148.66	1.7205	20.781	29.727	222.40
Feb.....	40.489	8.0000	35.349	140.31	17.331	3.8567	148.76	1.6933	21.373	31.494	227.49
Mar.....	41.152	8.0000	36.354	143.40	17.734	3.9519	148.88	1.6927	21.915	32.490	234.06
Apr.....	41.959	8.0000	37.416	145.12	18.170	4.0232	148.85	1.7080	22.730	33.044	238.86
May.....	42.155	8.0000	38.509	146.07	18.771	4.1036	148.78	1.7409	23.388	34.288	241.37
June.....	41.586	8.0000	37.757	145.29	18.410	4.0160	148.86	1.7450	22.885	33.449	239.02
July.....	41.471	8.0000	38.043	145.15	18.519	3.9886	149.73	1.7525	22.861	33.739	238.96
Aug.....	42.780	8.0000	37.419	143.73	18.246	3.9277	146.83	1.7466	22.597	33.509	234.56
Sept.....	41.443	8.0000	36.870	139.64	17.993	3.8565	142.69	1.7339	22.333	33.371	231.65
Oct.....	41.560	8.0000	37.639	129.95	18.165	3.9246	142.75	1.7422	22.683	34.528	233.29
Nov.....	43.075	8.0000	38.438	130.42	18.404	3.9911	143.88	1.7522	23.175	36.384	232.52
Dec.....	42.431	8.0000	39.331	130.56	18.873	4.0400	144.70	1.7716	23.897	38.442	232.94
1975—Jan.....	43.359	8.0000	40.715	131.72	19.579	4.0855	145.05	1.7800	24.750	39.571	236.23

NOTE.—Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972–Sept. 1973, and at \$42.22 thereafter)

End of period	Estimated total world ¹	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Canada	China, Rep. of (Taiwan)	Denmark	Egypt
1970.....	41,275	4,339	11,072	25,865	191	140	239	714	1,470	791	82	64	85
1971.....	41,160	4,732	10,206	26,220	192	90	259	729	1,544	792	80	64	85
1972.....	44,890	5,830	10,487	28,575	208	152	281	792	1,638	834	87	69	92
1973—Dec.....	49,850	6,478	11,652	31,720	231	169	311	881	1,781	927	97	77	103
1974—Jan.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	77	103	103
Feb.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	77	103	103
Mar.....	49,840	6,478	11,652	31,710	231	169	312	882	1,781	927	97	77	103
Apr.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	77	103	103
May.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	77	103	103
June.....	49,835	6,478	11,652	31,705	231	169	312	882	1,781	927	97	77	103
July.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	76	103	103
Aug.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	76	103	103
Sept.....	49,830	6,478	11,652	31,700	231	169	312	882	1,781	927	97	76	103
Oct.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	76	103	103
Nov.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	76	103	103
Dec. ²	6,478	11,652	.....	231	169	312	882	1,781	927	97	76	103	103

End of period	France	Germany, Fed. Rep. of	Greece	India	Iran	Iraq	Italy	Japan	Kuwait	Lebanon	Libya	Mexico	Netherlands
1970.....	3,532	3,980	117	243	131	144	2,887	532	86	288	85	176	1,787
1971.....	3,523	4,077	98	243	131	144	2,884	679	87	322	85	184	1,909
1972.....	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973—Dec.....	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974—Jan.....	4,262	4,966	148	293	159	173	3,483	891	113	389	103	195	2,294
Feb.....	4,262	4,966	148	293	159	173	3,483	891	120	389	103	194	2,294
Mar.....	4,262	4,966	149	293	159	173	3,483	891	123	389	103	156	2,294
Apr.....	4,262	4,966	149	293	159	173	3,483	891	118	389	103	155	2,294
May.....	4,262	4,966	149	293	159	173	3,483	891	142	389	103	154	2,294
June.....	4,262	4,966	150	293	159	173	3,483	891	130	389	103	154	2,294
July.....	4,262	4,966	150	293	158	173	3,483	891	130	389	105	154	2,294
Aug.....	4,262	4,966	150	293	158	173	3,483	891	130	389	107	154	2,294
Sept.....	4,262	4,966	150	293	158	173	3,483	891	130	389	103	154	2,294
Oct.....	4,262	4,966	150	293	158	173	3,483	891	138	389	103	154	2,294
Nov.....	4,262	4,966	150	293	158	173	3,483	891	138	389	103	154	2,294
Dec. ²	4,262	4,966	150	293	158	173	3,483	891	138	389	103	154	2,294

End of period	Pakistan	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Bank for Intl. Settlements ²
1970.....	54	902	119	666	498	200	2,732	92	126	1,349	162	384	-282
1971.....	55	921	108	410	498	200	2,909	82	130	775	148	391	310
1972.....	60	1,021	117	681	541	217	3,158	89	136	800	133	425	218
1973—Dec.....	67	1,163	129	802	602	244	3,513	99	151	886	148	472	235
1974—Jan.....	67	1,167	129	793	602	244	3,513	99	151	886	148	472	271
Feb.....	67	1,171	129	783	602	244	3,513	99	151	886	148	472	277
Mar.....	67	1,176	129	780	602	244	3,513	99	151	886	148	472	274
Apr.....	67	1,180	129	780	602	244	3,513	99	151	886	148	472	271
May.....	67	1,180	129	777	602	244	3,513	99	151	886	148	472	247
June.....	67	1,180	129	781	602	244	3,513	99	151	886	148	472	259
July.....	67	1,180	129	788	602	244	3,513	99	151	886	148	472	259
Aug.....	67	1,180	129	778	602	244	3,513	99	141	886	148	472	255
Sept.....	67	1,180	129	778	602	244	3,513	99	151	886	148	472	259
Oct.....	67	1,180	129	786	602	244	3,513	99	151	886	148	472	271
Nov.....	67	1,180	129	774	602	244	3,513	99	151	886	148	472	251
Dec. ²	67	1,180	129	771	602	244	3,513	99	151	886	148	472	250

¹ Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and China Mainland.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

² Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

EARNINGS AND EXPENSES

(In

Item	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta
Current earnings							
Loans.....	166,071,181	5,326,387	64,013,744	6,934,854	7,237,280	15,331,149	15,441,482
Acceptances.....	29,782,219		29,782,219				
U.S. Govt. securities.....	6,043,574,972	274,123,162	1,559,494,345	328,474,022	460,596,897	448,313,740	327,835,311
Foreign currencies.....	7,533,830	279,668	2,451,117	334,213	600,280	381,877	498,217
All other.....	33,128,763	95,497	30,928,247	107,921	205,371	145,097	257,921
Total.....	6,280,090,965	279,824,714	1,686,669,672	335,851,010	468,639,828	464,171,863	344,032,931
Current expenses							
Salaries:							
Officers.....	19,263,555	1,266,230	4,160,351	1,122,580	1,045,589	1,787,556	1,674,925
Employees.....	253,213,339	16,566,663	62,354,294	12,929,961	14,746,342	20,200,840	22,634,858
Retirement and other benefits.....	45,638,036	3,161,080	10,558,371	2,356,578	2,760,163	3,586,509	3,907,846
Fees—Directors and others.....	4,297,661	158,328	1,493,042	231,223	241,289	162,605	218,957
Traveling expenses.....	4,649,188	355,458	858,188	171,745	331,530	347,275	496,285
Postage and expressage.....	67,150,817	3,695,044	9,172,306	2,762,928	6,048,277	7,041,004	7,743,027
Telephone and telegraph.....	7,617,920	388,460	1,665,858	307,556	419,357	655,877	869,094
Printing and supplies.....	24,549,244	1,502,169	4,481,925	1,109,265	1,240,193	2,381,565	3,046,161
Insurance.....	951,337	54,086	190,771	33,724	74,974	71,628	101,216
Taxes on real estate.....	11,644,304	2,522,650	1,966,215	271,610	725,705	367,634	522,814
Depreciation.....	6,791,504	143,662	464,436	76,596	1,237,844	601,638	429,509
Light, heat, power, and water.....	6,145,303	397,962	1,341,332	290,223	704,135	469,547	501,036
Maintenance and repairs.....	3,631,350	155,063	482,408	123,451	218,739	305,195	450,122
Rent.....	6,726,121	1,117,010	3,463,436	466,737	158,131	259,388	562,971
Furniture and equipment:							
Purchases.....	9,013,098	492,181	1,719,257	246,291	421,202	787,560	1,363,933
Rentals.....	38,027,730	3,154,647	5,376,328	2,486,795	2,749,572	3,349,353	3,434,241
All other.....	9,670,874	910,227	2,237,872	467,338	643,429	682,754	468,051
Inter-office expenses.....		82,432	-1,709,874	141,035	248,217	-327,168	236,800
Subtotal.....	518,981,381	36,123,352	110,276,516	25,595,636	34,014,688	42,730,760	48,661,846
F.R. currency.....	30,190,288	1,771,466	6,457,174	2,293,659	1,846,527	3,694,938	3,080,604
Assessments for Board and Governors:							
Operating expenses.....	33,590,000	1,660,700	10,517,000	2,008,600	3,623,000	2,287,600	3,045,400
Construction expenses.....	7,526,600						
Total.....	590,288,269	39,555,518	127,250,690	29,897,896	39,484,215	48,713,298	54,787,850
Less reimbursement for certain fiscal agency and other expenses.....	42,746,795	2,468,201	9,024,014	1,924,181	3,266,796	2,839,432	3,907,911
Net expenses.....	547,541,474	37,087,317	118,226,676	27,973,715	36,217,419	45,873,866	50,879,939
Profit and loss							
Current net earnings.....	5,732,549,488	242,737,397	1,568,442,996	307,877,294	432,422,408	418,297,997	293,152,992
Additions to current net earnings:							
All other.....	6,081,271	652,640	1,252,160	151,266	672,939	135,857	159,633
Total additions.....	6,081,271	652,640	1,252,160	151,266	672,939	135,857	159,633
Deductions from current net earnings:							
Losses on sales of U.S. Govt. securities.....	41,794,562	2,058,264	10,575,644	2,291,456	3,165,279	3,071,997	2,262,100
Losses on foreign exchange transactions.....	33,964,764	1,392,555	8,661,015	1,664,273	2,988,899	1,902,027	2,479,428
All other.....	8,809,179	519,243	1,598,928	2,253,557	434,655	471,146	441,915
Total deductions.....	84,568,505	3,970,062	20,835,587	6,209,286	6,588,833	5,445,170	5,183,443
Net deduction from (-) current net earnings.....	-78,487,234	-3,317,423	-19,583,427	-6,058,020	-5,915,894	-5,309,312	-5,023,810
Net earnings before payments to U.S. Treasury.....	5,654,062,254	239,419,975	1,548,859,569	301,819,274	426,506,514	412,988,684	288,129,182
Dividends paid.....	52,579,643	2,085,834	13,627,935	2,489,537	4,631,401	2,936,699	3,968,021
Payments to U.S. Treasury (interest on F.R. notes).....	5,549,999,411	236,641,641	1,515,542,484	298,993,487	418,281,863	407,257,185	277,674,711
Transferred to surplus.....	51,483,200	692,500	19,689,150	336,250	3,593,250	2,794,800	6,486,450
Surplus, January 1.....	844,023,350	34,357,750	214,962,750	41,591,600	74,328,050	46,898,000	62,004,400
Surplus, December 31.....	895,506,550	35,050,250	234,651,900	41,927,850	77,921,300	49,692,800	68,490,850

NOTE.—Details may not add to totals because of rounding.

OF FEDERAL RESERVE BANKS

(dollars)

Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco	Item
						Current earnings
14,400,307	4,300,074	2,773,174	6,711,604	7,493,763	16,107,363	..... Loans
957,845,827	225,240,678	125,726,545	233,507,713	265,390,908	837,025,824	..... Acceptances
1,071,903	231,909	156,875	279,668	375,117	872,986	..... U.S. Govt. securities
448,604	117,292	271,122	178,506	124,080	249,105	..... Foreign currencies
						..... All other
973,766,641	229,889,953	128,927,716	240,677,491	273,383,868	854,255,278	..... Total
						Current expenses
						Salaries:
1,781,779	1,332,643	995,747	1,314,765	1,135,828	1,645,562	..... Officers
32,994,794	14,707,326	9,496,159	14,296,698	11,718,967	20,566,437	..... Employees
5,813,691	2,738,027	1,669,041	2,744,324	2,156,493	4,185,913	..... Retirement and other benefits
408,140	168,871	185,037	132,532	124,033	773,604	..... Fees Directors and others
496,136	265,735	261,766	286,215	256,693	522,162	..... Traveling expenses
8,487,571	5,220,668	2,609,847	3,990,235	3,555,268	6,824,642	..... Postage and expressage
943,132	373,178	303,074	603,902	506,002	582,430	..... Telephone and telegraph
3,268,318	1,750,872	925,460	1,622,821	1,084,118	2,136,377	..... Printing and supplies
103,575	62,227	30,275	50,812	51,547	126,502	..... Insurance
1,537,754	443,754	1,564,171	561,558	419,100	741,339	..... Taxes on real estate
484,619	573,369	1,565,942	660,008	314,681	239,200	..... Depreciation
753,628	413,978	333,696	396,096	255,829	287,841	..... Light, heat, power, and water
321,576	703,188	266,835	160,938	90,273	353,562	..... Maintenance and repairs
451,980	111,231	137	20,469	3,819	110,812	..... Rent
						Furniture and equipment:
842,805	850,683	361,790	652,587	477,548	797,261	..... Purchases
4,915,900	2,542,181	1,495,878	2,587,142	2,617,556	3,318,137	..... Rentals
1,625,764	297,037	439,586	365,054	901,334	633,791	..... All other
465,164	115,822	75,845	130,917	168,068	371,379	..... Inter-office expenses
65,696,326	32,670,790	22,580,286	30,577,073	25,837,157	44,216,951	..... Subtotal
2,827,823	1,348,230	1,076,282	1,376,585	1,469,198	2,947,802	..... F.R. currency
6,422,600	1,385,100	966,500	1,702,600	2,244,000	5,253,500	Assessments for Board of Governors: Operating expenses Construction expenses
74,946,749	35,404,120	24,623,068	33,656,258	29,550,355	52,418,253	..... Total
6,574,313	2,672,075	1,483,229	2,716,089	1,382,209	4,788,345	Less reimbursement for certain fiscal agency and other expenses
68,372,436	32,732,045	23,439,839	30,940,169	28,168,146	47,629,908	..... Net expenses
						Profit and loss
908,394,205	197,157,908	105,487,877	209,737,322	245,215,722	806,625,370	..... Current net earnings
394,831	415,781	152,422	1,844,730	96,935	152,077	Additions to current net earnings: All other
394,831	415,781	152,422	1,844,730	96,935	152,077	..... Total additions
6,681,914	1,563,903	869,243	1,617,958	1,842,937	5,793,867	Deductions from current net earnings: Losses on sales of U.S. Govt. securities
5,332,468	1,154,802	781,190	1,392,555	1,868,062	4,347,490	..... Losses on foreign exchange transactions
3,905,001	111,426	207,304	129,893	162,691	573,420	..... All other
13,919,383	2,830,131	1,857,737	3,140,406	3,873,690	10,714,777	..... Total deductions
-13,524,552	-2,414,350	-1,705,315	-1,295,676	-3,776,755	-10,562,700	..... Net deduction from (-) current net earnings
891,869,653	194,743,558	103,782,562	208,441,646	241,438,967	796,062,670	..... Net earnings before payment to U.S. Treasury
8,130,874	1,763,500	1,261,592	2,187,849	2,851,470	6,644,931	..... Dividends paid
878,637,779	191,433,108	100,438,520	203,752,847	235,544,447	785,801,339	..... Payments to U.S. Treasury (interest on F.R. notes)
5,101,000	1,546,950	2,082,450	2,500,950	3,043,050	3,616,400	..... Transferred to surplus
132,422,100	28,484,650	19,648,300	34,902,100	46,116,200	108,307,450	..... Surplus, January 1
137,523,100	30,031,600	21,730,750	37,403,050	49,159,250	111,923,850	..... Surplus, December 31

NUMBER OF BANKING OFFICES IN THE UNITED STATES

Type of office and type of change	All banks	Commercial banks							Mutual savings banks	
		Total	Member			Nonmember			Insured ²	Non-insured
			Total	National ¹	State	Total	Insured	Non-insured		
Banks (head office):										
Dec. 31, 1934	16,063	15,484	6,442	5,462	980	9,042	7,699	1,343	68	511
Dec. 31, 1941	14,826	14,278	6,619	5,117	1,502	7,662	6,810	852	52	496
Dec. 31, 1947 ³	14,714	14,181	6,923	5,005	1,918	7,261	6,478	783	194	339
Dec. 31, 1951	14,618	14,089	6,840	4,939	1,901	7,252	6,602	650	202	327
Dec. 31, 1965	14,309	13,804	6,221	4,815	1,406	7,583	7,320	263	328	177
Dec. 31, 1970	14,181	13,688	5,768	4,621	1,147	7,920	7,735	185	328	165
Dec. 31, 1971	14,273	13,784	5,728	4,600	1,128	8,056	7,875	181	326	163
Dec. 31, 1972	14,413	13,928	5,705	4,613	1,092	8,223	8,017	206	325	160
Dec. 31, 1973	14,653	14,172	5,737	4,661	1,076	8,435	8,229	206	321	160
Dec. 31, 1974	14,936	14,457	5,782	4,710	1,072	8,675	8,438	237	319	160
Branches, additional offices, and facilities:										
Dec. 31, 1934	3,133	3,007	2,224	1,243	981	783	783		126	
Dec. 31, 1941	3,699	3,564	2,580	1,565	1,015	984	932	52	32	103
Dec. 31, 1947 ³	4,332	4,161	3,051	1,870	1,181	1,110	1,043	67	124	47
Dec. 31, 1951	5,383	5,153	3,837	2,370	1,467	1,316	1,275	41	165	65
Dec. 31, 1965	16,471	15,756	12,298	8,964	3,334	3,458	3,404	54	583	132
Dec. 31, 1970	22,727	21,643	16,191	12,536	3,655	5,404	5,404	48	891	193
Dec. 31, 1971	24,299	23,104	17,085	13,272	3,813	6,019	5,979	40	983	212
Dec. 31, 1972	25,977	24,622	17,954	13,974	3,980	6,668	6,623	45	1,113	242
Dec. 31, 1973	27,946	26,454	18,966	14,916	4,050	7,488	7,442	46	1,241	251
Dec. 31, 1974	30,076	28,434	19,946	15,734	4,212	8,488	8,440	48	1,387	255
Changes Jan.-Dec. 31, 1974										
Banks:										
New banks	406	405	132	97	35	273	231	42	1	
Ceased banking operations	-3	-3				-3		-3		
Reopening of suspended bank	1	1				1	1			
Consolidations and absorptions:										
Banks converted into branches	-106	-105	-53	-41	-12	-52	-52		-1	
Other	-15	-13	-4	-2	-2	-9	-7	-2	-2	
Interclass changes:										
Nonmember to national			8	8		-8	-8			
Nonmember to State member			10		10	-10	-9	-1		
State member to national				7	-7					
State member to nonmember			-28		-28	28	28			
National to nonmember			-20	-20		20	20			
Noninsured to insured							5	-5		
Net change	283	285	45	49	-4	240	209	31	-2	
Number of banks, Dec. 31, 1974	14,936	14,457	5,782	4,710	1,072	8,675	8,438	237	319	160
Branches and additional offices:										
De novo	2,207	2,017	1,167	932	235	850	847	3	185	5
Banks converted	106	106	67	57	10	39	39			
Discontinued	-181	-148	-116	-87	-29	-32	-31	-1	-32	-1
Sale of branch	-4	-4	-5	-1	-4	1	1			
Interclass changes:										
Nonmember to national			56	56		-56	-56			
Nonmember to State member			114		114	-114	-114			
State member to national				142	-142					
State member to nonmember			-52		-52	52	52			
National to State member				-26	26					
National to nonmember			-261	-261		261	261			
Insured mutual to national		6	6						-6	
Other	6	7	5	-1	6	2	2		-1	
Facilities reclassified as branches	2	2	1	1		1	1			
Net change	2,136	1,986	982	818	164	1,004	1,002	2	146	4
Number of branches and additional offices, Dec. 31, 1974	29,879	28,237	19,780	15,578	4,202	8,457	8,409	48	1,387	255
Banking facilities:⁴										
Facilities reclassified as branches	-2	-2	-1	-1		-1	-1			
Discontinued	-4	-4	-2	-2		-2	-2			
Interclass changes:										
Nonmember to national			1	1		-1	-1			
State member to national				2	-2					
Net change	-6	-6	-2	-2		-4	-4			
Number of facilities, Dec. 31, 1974	197	197	166	156	10	31	31			

¹ National bank figures include 1 bank in Puerto Rico and 1 bank in Virgin Islands.

² Insured mutual savings banks figures include 1 to 3 member mutual savings banks, 1941 to 1962 inclusive, not reflected in total commercial bank figures.

³ Series revised as of June 30, 1947. The revision resulted in an addition of 115 banks and 9 branches.

⁴ Provided at military and other Govt. establishments through arrangements made by the Treasury Dept.

NOTE.—Beginning with 1959, figures include all banks in Alaska and Hawaii, but nonmember banks in territories and possessions are excluded.

NUMBER OF PAR AND NONPAR BANKING OFFICES

F.R. district, State, or other area	Total		Par						Nonpar (nonmember)	
			Total		Member		Nonmember			
	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices
Total, including other areas:										
Dec. 31, 1973	14,062	26,687	13,915	26,594	5,737	19,015	8,178	7,579	147	93
Dec. 31, 1974	14,334	28,684	14,247	28,627	5,782	20,012	8,465	8,615	87	57
F.R. districts, Dec. 31, 1974										
Boston	376	1,972	376	1,972	203	1,270	173	702		
New York ¹	484	4,405	484	4,405	322	3,826	162	579		
Philadelphia	404	2,088	404	2,088	265	1,362	139	726		
Cleveland	767	2,459	767	2,459	458	1,967	309	492		
Richmond	787	4,088	782	4,088	401	2,459	381	1,629	5	
Atlanta	1,941	2,396	1,900	2,353	645	1,362	1,255	991	41	43
Chicago	2,682	2,939	2,682	2,939	935	1,870	1,747	1,069		
St. Louis	1,420	1,362	1,420	1,362	430	681	990	681		
Minneapolis	1,394	371	1,394	371	504	196	890	175		
Kansas City	2,169	571	2,169	571	821	300	1,348	271		
Dallas	1,465	419	1,424	405	658	204	766	201	41	14
San Francisco	445	5,614	445	5,614	140	4,515	305	1,099		
State or area, Dec. 31, 1974:										
Alabama	293	417	293	417	112	291	181	126		
Alaska	10	81	10	81	5	70	5	11		
Arizona	17	425	17	425	4	292	13	133		
Arkansas	259	281	259	281	83	162	176	119		
California	186	3,485	186	3,485	63	2,995	123	490		
Colorado	263	50	263	50	144	30	119	20		
Connecticut	71	547	71	547	26	331	45	216		
Delaware	17	130	17	130	5	4	12	126		
District of Columbia	16	126	16	126	14	116	2	10		
Florida	710	121	710	121	315	38	395	83		
Georgia	447	656	447	656	73	393	374	263		
Hawaii	8	148	8	148	2	10	6	138		
Idaho	24	191	24	191	10	161	14	30		
Illinois	1,197	193	1,197	193	491	110	706	83		
Indiana	409	842	409	842	172	493	237	349		
Iowa	664	385	664	385	146	115	518	270		
Kansas	613	127	613	127	198	62	415	65		
Kentucky	342	471	342	471	91	273	251	198		
Louisiana	249	542	177	485	61	269	116	216	72	57
Maine	45	277	45	277	23	157	22	120		
Maryland	114	703	114	703	47	428	67	275		
Massachusetts	152	885	152	885	91	658	61	227		
Michigan	347	1,481	347	1,481	210	1,191	137	290		
Minnesota	744	32	744	32	230	18	514	14		
Mississippi	181	502	181	502	45	231	136	271		
Missouri	696	262	696	262	175	84	521	178		
Montana	152	14	152	14	99	9	53	5		
Nebraska	448	83	448	83	129	45	319	38		
Nevada	8	105	8	105	5	89	3	16		
New Hampshire	80	98	80	98	48	80	32	18		
New Jersey	218	1,335	218	1,335	145	1,130	73	205		
New Mexico	76	189	76	189	41	115	35	74		
New York	299	3,087	299	3,087	224	2,913	75	174		
North Carolina	91	1,547	91	1,547	28	761	63	786		
North Dakota	170	80	170	80	47	20	123	60		
Ohio	498	1,613	498	1,613	331	1,337	167	276		
Oklahoma	456	96	456	96	208	60	248	36		
Oregon	49	420	49	420	8	290	41	130		
Pennsylvania	403	2,192	403	2,192	265	1,513	138	679		
Rhode Island	16	214	16	214	5	114	11	100		
South Carolina	91	582	86	582	24	299	62	283	5	
South Dakota	158	115	158	115	58	82	100	33		
Tennessee	337	727	337	727	90	399	247	328		
Texas	1,312	123	1,302	123	607	31	695	92	10	
Utah	54	186	54	186	16	132	38	54		
Vermont	33	131	33	131	17	46	16	85		
Virginia	288	1,112	288	1,112	174	843	114	269		
Washington	92	661	92	661	28	542	64	119		
West Virginia	214	26	214	26	129	16	85	10		
Wisconsin	620	326	620	326	161	104	459	222		
Wyoming	74	2	74	2	57	1	17	1		
Other areas:										
American Samoa ²		2		2				2		
Guam ²	1	15	1	15				6		
Puerto Rico ³	14	214	14	214	1	22	13	192		
Virgin Islands ³	8	29	8	29	1	28	7	1		

¹ Includes 19 New York City branches of 3 insured nonmember Puerto Rican banks.

² American Samoa and Guam assigned to the San Francisco District for check clearing and collection purposes. All member branches in Guam are branches of California and New York Banks.

³ Puerto Rico and the Virgin Islands assigned to the New York District for purposes of Regulation J, "Check Clearing and Collection." Member branches in Puerto Rico and all except 7 in the Virgin Islands are branches of banks located in California, New York and Pennsylvania. Certain branches of Canadian banks (2 in Puerto Rico and 5 in Virgin Islands

are included above in the table as nonmember banks; and nonmember branches in Puerto Rico include 8 branches of Canadian banks.

NOTE.—Includes all commercial banking offices in the United States, Puerto Rico, and the Virgin Islands on which checks are drawn, including 197 banking facilities. Number of banks and branches differs from that in the table on page A-82 of the Feb. 1975 BULLETIN, because this table includes banks in Puerto Rico and the Virgin Islands but excludes banks and trust companies on which no checks are drawn.

BOND AND STOCK YIELDS

(Per cent per annum)

Period, or week ending	Government bonds						Corporate bonds							Stocks		
	United States (long-term)	State and local			Aaa utility		Total ¹	By selected rating		By group			Dividend/ price ratio		Earnings/ price ratio	
		Total ¹	Aaa	Baa	New issue	Recently offered		Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common	
																Seasoned issues
		Seasoned issues	Seasoned issues	Seasoned issues	Seasoned issues	Seasoned issues		Seasoned issues	Seasoned issues	Seasoned issues	Seasoned issues	Seasoned issues	Seasoned issues	Seasoned issues	Seasoned issues	Seasoned issues
1974-Jan.	6.56	5.23	5.03	5.49	8.21	8.21	8.15	7.83	8.58	7.97	8.34	8.27	7.60	3.64		
Feb.	6.54	5.25	5.05	5.49	8.12	8.23	8.17	7.85	8.59	8.01	8.27	8.33	7.47	3.81		
Mar.	6.81	5.44	5.20	5.71	8.46	8.44	8.27	8.01	8.65	8.12	8.34	8.44	7.56	3.65		
Apr.	7.04	5.76	5.45	6.06	8.99	8.95	8.50	8.25	8.88	8.39	8.51	8.68	7.83	3.86		
May	7.07	6.06	5.89	6.31	9.24	9.13	8.68	8.37	9.10	8.55	8.73	8.86	8.11	4.00		
June	7.03	6.17	5.95	6.41	9.38	9.40	8.85	8.47	9.34	8.69	8.89	9.08	8.25	4.02		
July	7.18	6.70	6.34	7.10	10.20	10.04	9.10	8.72	9.55	8.95	9.08	9.35	8.40	4.42		
Aug.	7.33	6.70	6.38	7.10	10.07	10.19	9.36	9.00	9.77	9.16	9.30	9.70	8.61	4.90		
Sept.	7.30	6.77	6.49	7.18	10.38	10.30	9.67	9.24	10.12	9.44	9.46	10.11	8.93	5.45		
Oct.	7.22	6.56	6.21	6.99	10.16	10.23	9.80	9.27	10.41	9.53	9.64	10.31	8.78	5.38		
Nov.	6.93	6.54	6.06	7.01	9.21	9.34	9.60	8.89	10.50	9.44	9.59	10.11	8.60	5.13		
Dec.	6.78	7.04	6.65	7.50	9.53	9.56	9.56	8.89	10.55	9.23	9.59	10.02	8.78	5.43		
1973-Dec. 29.	6.47	5.11	4.85	5.40	.....	8.10	8.08	7.73	8.52	7.87	8.31	8.21	7.90	3.64	
1974-Jan. 5.	6.52	5.16	4.90	5.50	.....	8.14	8.10	7.73	8.54	7.87	8.35	8.22	7.81	3.56	
12.	6.57	5.24	5.05	5.50	.....	8.17	8.12	7.77	8.56	7.92	8.37	8.23	7.55	3.73	
19.	6.57	5.24	5.05	5.45	.....	8.27	8.21	8.16	7.85	8.58	7.98	8.35	8.26	7.51	3.65
26.	6.57	5.28	5.10	5.50	.....	8.25	8.26	8.18	7.88	8.60	8.02	8.31	8.32	7.49	3.60
Feb. 2.	6.55	5.24	5.05	5.50	.....	8.11	8.18	8.18	7.87	8.58	8.01	8.29	8.33	7.62	3.65
9.	6.50	5.18	4.95	5.45	.....	8.13	8.19	8.16	7.82	8.57	7.99	8.28	8.31	7.54	3.81
16.	6.50	5.24	5.05	5.45	.....	8.05	8.25	8.17	7.85	8.59	8.00	8.28	8.33	7.49	3.92
23.	6.56	5.28	5.10	5.50	.....	8.10	8.24	8.18	7.87	8.61	8.03	8.26	8.34	7.47	3.82
30.	6.93	5.61	5.35	5.90	.....	8.64	8.67	8.36	8.11	8.44	8.22	8.39	8.53	7.72	3.71
Mar. 2.	6.62	5.29	5.10	5.55	.....	8.30	8.29	8.18	7.87	8.59	8.03	8.25	8.35	7.39	3.70
9.	6.71	5.31	5.10	5.55	.....	8.37	8.27	8.21	7.92	8.29	8.05	8.28	8.38	7.39	3.64
16.	6.75	5.38	5.15	5.65	.....	8.33	8.37	8.25	7.99	8.31	8.08	8.33	8.41	7.50	3.58
23.	6.88	5.46	5.26	5.75	.....	8.59	8.52	8.30	8.05	8.35	8.14	8.37	8.46	7.63	3.67
30.	6.93	5.61	5.35	5.90	.....	8.64	8.67	8.36	8.11	8.44	8.22	8.39	8.53	7.72	3.71
Apr. 6.	7.02	5.73	5.40	6.00	.....	8.78	8.75	8.43	8.17	8.79	8.30	8.42	8.62	7.75	3.80
13.	7.04	5.83	5.50	6.15	.....	8.92	8.92	8.49	8.25	8.87	8.36	8.48	8.69	7.81	3.88
20.	6.99	5.69	5.40	6.00	.....	8.91	8.95	8.51	8.26	8.89	8.41	8.51	8.66	7.83	3.80
27.	7.07	5.80	5.51	6.10	.....	8.98	9.08	8.55	8.28	8.94	8.45	8.57	8.71	7.91	3.95
May 4.	7.11	6.00	5.80	6.25	.....	9.27	9.15	8.62	8.34	8.99	8.52	8.64	8.76	8.04	3.90
11.	7.09	6.11	5.90	6.40	.....	9.27	9.11	8.64	8.38	9.02	8.54	8.69	8.77	8.08	3.91
18.	7.02	6.06	5.90	6.30	.....	9.23	9.13	8.67	8.36	9.07	8.53	8.73	8.83	8.12	3.96
25.	7.08	6.06	5.90	6.30	.....	9.34	9.10	8.71	8.38	9.16	8.56	8.77	8.89	8.10	4.12
June 1.	7.06	6.09	5.95	6.30	.....	9.09	9.15	8.75	8.39	9.23	8.60	8.81	8.95	8.20	4.13
8.	7.04	6.03	5.90	6.25	.....	9.23	9.14	8.78	8.40	9.26	8.61	8.85	9.00	8.25	3.98
15.	6.99	6.11	5.95	6.30	.....	9.28	9.18	8.81	8.40	9.29	8.64	8.88	9.02	8.19	3.91
22.	7.01	6.18	5.96	6.39	.....	9.49	9.45	8.87	8.49	9.36	8.72	8.90	9.10	8.24	4.06
29.	7.07	6.35	6.00	6.70	.....	9.50	9.82	8.94	8.57	9.44	8.80	8.93	9.19	8.32	4.14
July 6.	7.12	6.61	6.20	7.00	.....	9.79	9.79	8.99	8.62	9.47	8.85	8.95	9.25	8.22	4.30
13.	7.23	6.90	6.50	7.25	.....	10.25	10.16	9.04	8.66	9.49	8.90	9.01	9.30	8.29	4.54
20.	7.24	6.80	6.50	7.15	.....	10.10	10.02	9.10	8.71	9.55	8.95	9.09	9.36	8.43	4.35
27.	7.12	6.48	6.15	7.00	.....	10.09	10.09	9.16	8.77	9.61	9.02	9.16	9.40	8.52	4.29
Aug. 3.	7.24	6.69	6.40	7.05	.....	10.31	10.28	9.23	8.86	9.67	9.07	9.23	9.48	8.55	4.61
10.	7.31	6.60	6.25	7.00	.....	10.82	10.15	9.29	8.93	9.70	9.12	9.27	9.57	8.50	4.47
17.	7.35	6.64	6.30	7.05	.....	10.10	10.02	9.34	8.98	9.74	9.12	9.30	9.67	8.52	4.82
24.	7.30	6.71	6.35	7.15	.....	10.26	10.28	9.39	9.03	9.78	9.17	9.30	9.77	8.64	5.05
31.	7.36	6.88	6.60	7.25	.....	9.99	10.26	9.47	9.07	9.86	9.25	9.34	9.87	8.76	5.24
Sept. 7.	7.33	6.86	6.60	7.20	.....	10.31	10.24	9.53	9.13	9.95	9.32	9.37	9.96	9.02	5.40
14.	7.31	6.79	6.50	7.20	.....	10.27	10.30	9.61	9.20	10.05	9.40	9.43	10.05	8.92	5.42
21.	7.31	6.76	6.45	7.20	.....	10.37	10.26	9.69	9.29	10.17	9.49	9.47	10.14	8.94	5.49
28.	7.27	6.68	6.40	7.10	.....	10.46	10.27	9.75	9.32	10.26	9.52	9.53	10.24	8.78	5.50
Oct. 5.	7.31	6.73	6.50	7.10	.....	10.61	10.52	9.81	9.37	10.32	9.56	9.62	10.30	8.88	5.87
12.	7.26	6.55	6.20	7.00	.....	10.36	10.36	9.84	9.38	10.39	9.58	9.66	10.33	8.93	5.49
19.	7.22	6.49	6.15	6.95	.....	10.44	10.36	9.82	9.29	10.43	9.54	9.65	10.34	8.68	5.27
26.	7.18	6.49	6.10	6.90	.....	10.03	10.02	9.77	9.19	10.44	9.49	9.62	10.30	8.61	5.24
Nov. 2.	7.12	6.55	6.10	7.00	.....	9.42	9.82	9.73	9.09	10.48	9.44	9.64	10.25	8.78	5.03
9.	7.04	6.56	6.10	7.00	.....	9.00	9.28	9.67	8.99	10.49	9.35	9.61	10.20	8.69	4.90
16.	6.92	6.50	6.05	6.90	.....	8.87	9.17	9.61	8.89	10.50	9.26	9.58	10.15	8.61	5.00
23.	6.87	6.46	6.00	6.90	.....	9.17	9.29	9.56	8.84	10.49	9.21	9.56	10.08	8.57	5.39
30.	6.88	6.65	6.10	7.25	.....	9.68	9.38	9.54	8.84	10.52	9.23	9.56	10.02	8.53	5.23
Dec. 7.	6.89	6.89	6.40	7.45	.....	9.50	9.39	9.55	8.90	10.51	9.24	9.58	9.98	8.61	5.43
14.	6.75	7.14	6.80	7.55	.....	9.59	9.57	9.54	8.87	10.50	9.23	9.60	9.97	8.77	5.42
21.	6.70	7.07	6.70	7.50	.....	9.52	9.59	9.55	8.85	10.56	9.21	9.58	10.02	8.78	5.41
28.	6.77	7.07	6.70	7.50	.....	9.64	9.58	9.58	8.90	10.61	9.24	9.60	10.09	8.87	5.50

¹ Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.

Note.—Annual yields are averages of monthly or quarterly data.
Bonds: Monthly and weekly yields are computed as follows: (1) U.S. Govt., averages of daily figures for bonds maturing or callable in 10 years or more, from Federal Reserve Bank of New York; (2) State and local govt., general obligations only, based on Thurs. figures, from Moody's Investors Service; (3) Corporate, rates for "New issue" and "Recently

offered" Aaa utility bonds, weekly averages compiled by the Board of Governors of the Federal Reserve System and rates for seasoned issues, averages of daily figures from Moody's Investors Service.

Stocks: Standard and Poor's corporate series. Dividend/price ratios based on Wed. figures. Earnings/price ratios as of end of period. Preferred stock ratio based on 8 median yields for a sample of noncallable issues—12 industrial and 2 public utility. Common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

**DETAILED DEBIT AND CREDIT BALANCES AND RELATED ITEMS AT BROKERS CARRYING MARGIN
ACCOUNTS, JUNE 30, 1967-74¹**

(In millions of dollars)

Item	1967	1968	1969	1970	1971	1972	1973	1974
DEBIT BALANCES								
Cash on hand and in banks.....	686	879	1,003	746	633	591	582	440
Securities—								
Borrowed.....	805	1,361	1,247	668	888	1,030	840	762
Sold, delivery pending (failed to deliver).....	1,588	3,843	2,268	804	1,413	1,089	745	543
Net debit balances due from member firms of national securities exchanges.....	291	507	524	224	318	344	253	217
Debit balances due from all other customers, exclusive of exchange members or allied exchange members in reporting firms—Total.....	6,232	2 9,287	8,356	5,615	7,142	10,438	8,567	6,876
In stock margin accounts.....		6,150	5,002	3,836	4,743	7,689	6,131	5,025
In convertible bond margin accounts.....		101	162	198	208	243	212	168
In subscription accounts.....		105	85	48	41	36	20	9
In cash accounts.....		2,690	2,682	1,162	1,842	1,866	1,558	1,083
In other accounts.....		241	424	372	308	604	645	591
Net debit balances in individual investment and trading accounts of exchange members or allied exchange members in reporting firms..	109	102	133	81	120	144	81	66
Debit balances in—								
Firm investment accounts.....	477	682	743	665	647	642	490	422
Firm trading and underwriting accounts.....	1,618	1,801	2,471	2,651	3,615	5,225	4,149	2,664
Commodity margins on deposit with banks, and commodity guaranty funds on deposit.....	49	67	83	74	83	80	157	146
All other debit balances.....	1,024	1,112	1,429	1,313	1,313	1,380	1,648	1,397
Total.....	12,880	19,640	18,258	12,841	16,172	20,963	17,522	13,534
CREDIT BALANCES								
Money borrowed—Total ³	3,690	4,144	4,394	3,872	4,995	9,145	7,139	4,450
From banks and trust companies:								
In New York City.....	2,215	2,460	2,780	2,083	2,924	5,463	4,117	2,607
Elsewhere in the United States.....	903	966	825	892	989	2,393	2,163	1,417
From U.S. agencies of foreign banks.....	494	601	517	303	337	411	197	81
From other lenders (not including members of national securities exchanges).....	79	117	272	594	746	878	662	344
Securities—								
Loaned.....	674	1,544	1,357	704	931	1,071	800	587
Bought, delivery pending (failed to receive).....	1,660	4,127	2,485	894	1,548	1,161	789	636
Net credit balances due to member firms of national securities exchanges.....	309	446	396	203	288	423	252	274
Credit balances due to other customers exclusive of exchange members or allied exchange members in reporting firms—Total.....	3,363	5,499	5,398	3,642	3,925	3,640	3,370	2,987
In free credit balances in cash accounts.....		2,932	2,563	1,761	2,045	1,870	1,443	1,363
In free credit balances in stock and convertible bond margin accounts.....		619	718	512	401	312	299	261
In credit balances in short accounts.....		1,072	931	633	585	603	593	586
In other net credit balances.....		1,100	1,186	736	895	855	1,035	777
Credit balances and money borrowed which are subordinated to general creditors under approved agreements.....	190	248	381	454	504	634	729	646
Net credit balances in the individual investment and trading accounts of exchange members or allied exchange members in reporting firms..	81	112	134	121	87	74	84	79
Credit balances in firm investment and trading accounts.....	556	616	752	595	769	1,020	1,064	646
Net balance in capital accounts ⁴ and profit and loss accounts and general partners' or voting stockholders' drawing accounts.....	1,353	1,748	1,987	1,639	2,023	2,530	2,257	2,097
All other credit balances.....	704	1,052	973	717	1,103	1,266	1,040	1,131
Total.....	12,880	19,471	18,258	12,841	16,172	21,963	17,522	13,533
MEMO:								
Money borrowed, according to collateral:								
Secured by customers' collateral:								
Entirely by obligations of U.S. Govt. or its agencies.....	13	63	127	31	25	60	66	37
Entirely by bonds other than convertible bonds and U.S. Govt. securities.....	103	30	56	53	50	199	101	35
By nonexempt securities or mixed collateral.....	2,184	2,817	2,868	1,971	2,215	4,922	3,729	2,478
Secured by collateral of the firm or of exchange members or allied exchange members in reporting firms:								
Entirely by obligations of U.S. Govt. or its agencies.....	336	142	302	805	1,514	1,884	1,609	222
Entirely by bonds other than convertible bonds and U.S. Govt. securities.....	127	102	109	283	296	598	368	361
By nonexempt securities or mixed collateral.....	926	972	903	709	874	1,414	1,166	1,233
Unsecured borrowing other than subordinated to general creditors...	1	16	30	19	21	67	99	84
Total.....	3,690	4,144	4,394	3,872	4,995	9,145	7,139	4,450
Amount to be repaid for securities sold under repurchase agreements...	326	450	550	1,223	1,197	1,926	1,585	1,087
Number of firms.....	326	365	371	363	313	310	279	244

¹ Member firms of either NYSE or AMEX. Prior to 1968, annual totals do not include data for firms which were members of AMEX but not NYSE.

² Because of a change in reporting format in 1968, the items "debit balances due from all other customers exclusive of general partners or voting stockholders" and "credit balances of other customers exclusive of general partners or voting stockholders" for prior years are not comparable with those for 1968. The difference results essentially from a change in the procedure of netting credit balances against debit balances for customers with more than one account at a brokerage firm. The sub-item of debit balances "in stock margin accounts" is conceptually equivalent to credit extended to margin customers by brokers, as reported

monthly in the table on Stock Market Customer Financing, p. A-31, but the data differ somewhat because of sampling error in the monthly series, statistical discrepancies in reporting, and differences in the date of reporting.

³ Excluding subordinated borrowing.

⁴ Excluding subordinated indebtedness included in the item "Credit balances and money borrowed, etc.," above.

NOTE.—End-of-month figures. For a discussion of customer debit balances and other figures in this table, see, respectively, "Margin Account Credit," June 1968 BULLETIN, and "Statistics on Margin Accounts," Sept. 1936 BULLETIN.

SECURITY CREDIT REPORTED BY LENDERS SUBJECT TO MARGIN REGULATIONS, JUNE 30, 1974

(In millions of dollars)

Type of credit	Regulation T			Regulation U ¹			Regulation G	Total
	NYSE members	Other brokers and dealers ²	Total	Commercial banks	Other banks ³	Total		
Margin credit:								
Subject to margin requirements:								
Margin stock ⁴	5,015	70	5,085	908	4	912	161	6,158
Convertible bonds.....	167	5	172	34		34		206
Subscription issues.....	9	1	10	10	2	12		22
"Plan lenders" ⁵							64	64
Total.....	(5,191)	(76)	(5,267)	(952)	(6)	(958)	(225)	(6,450)
Not subject to margin requirements:								
Nonmargin stock ⁶				2,070	2	2,072		2,072
Total.....	(5,191)	(76)	(5,267)	(3,022)	(8)	(3,030)	(225)	(8,522)
At banks reporting less than \$250,000 n.e.c. ⁷				265	2	267		267
Total.....	5,191	76	5,267	3,287	10	3,297	225	8,789

¹ Excludes loans to brokers and dealers.

² Includes data for firms that are members of the American Stock Exchange but not of the New York Stock Exchange that report directly to the Board of Governors of the Federal Reserve System and for other broker-dealers reporting voluntarily to the National Association of Securities Dealers.

³ Includes U.S. agencies of foreign banks and mutual savings banks.

⁴ Includes bank loans for which part of the collateral was not restricted. Such loans may contain some credit to purchase or carry convertible bonds.

⁵ Credit extended to finance purchases through qualified stock option and employee stock purchase plans.

⁶ Loans to purchase or carry over-the-counter (OTC) stock not on the Federal Reserve Board's OTC margin stock list and secured by restricted collateral in whole or in part.

⁷ Security credit extended under Regulation U by banks reporting less than \$250,000 of such loans, not, included in detail above.

NOTE.—Details may not add to totals due to rounding.

MARGIN CREDIT BY SOURCE

(In millions of dollars)

Outstanding on June 30	Brokers	Banks	Others	Total
1969.....	5,233			
1970.....	4,117	2,046	245	6,408
1971.....	5,050	2,035	266	7,351
1972.....	8,061	2,552	254	10,867
1973.....	6,432	3,139	213	9,784
1974.....	5,267	3,287	225	8,789

NOTE.—See footnotes to table above.

SECURITY CREDIT AT BANKS BY TYPE¹

(In millions of dollars)

Category	June 30		
	1972	1973	1974
Loans to purchase or carry margin stock, secured by—			
a. Stocks (except as described in (c) below).....	840	885	912
b. Convertible bonds.....	51	53	34
c. Stocks acquired with subscription rights.....	15	15	12
d. Restricted collateral, in part.....	49	61	80
Total.....	955	1,014	1,038
Loans to purchase or carry nonmargin stock, secured by			
a. Bank stock, entirely or in part ²	958	1,262	1,412
b. Other restricted collateral, entirely.....	528	542	504
c. Other restricted collateral, in part.....	158	169	156
Total.....	1,644	1,973	2,072
All other loans to purchase or carry securities ³	1,274		
Total.....	3,873	2,987	3,110

¹ Includes all banks reporting total security credit of \$250,000, or more.

² Series available beginning June 1972.

³ Series discontinued June 1973.

NOTE.—Details may not add to totals due to rounding.

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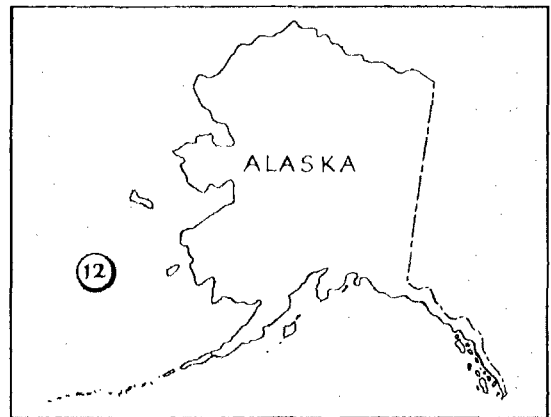
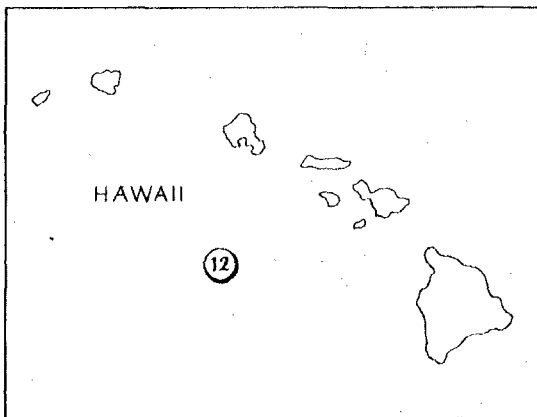
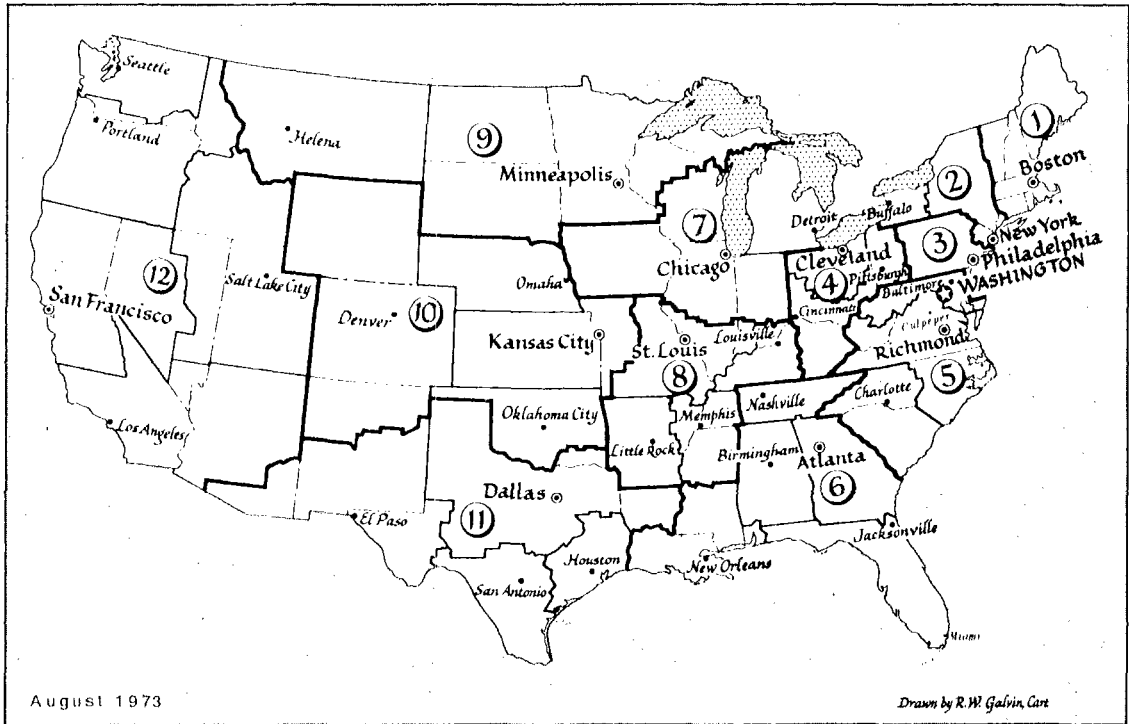
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The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facilities