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Regulatory Responses to Changes in the Consumer Financial Services Industry

Lynn C. Goldfaden and Gerald P. Hurst of the Board's Division of Consumer and Community Affairs prepared this article.

Not long ago, consumers made payments almost exclusively by check or cash. Increasingly, they are making payments electronically, using debit cards, personal computers, and telephones. In fact, in some areas of the country, most major financial transactions can be conducted without cash or checks. Merchants, once the sole purveyors of revolving credit, have been joined by a variety of financial service providers that offer such credit by means of plastic cards. Further complicating the picture, cards once used either for obtaining cash at automated teller machines or for making purchases are now sometimes used for both. The financial services industry is changing almost constantly as financial institutions and relative newcomers to the industry examine new technologies, explore new freedoms afforded by deregulation, and create new products and services for their customers.

In administering regulations that implement the Truth in Lending Act, the Electronic Fund Transfer Act, and other consumer protection statutes, the Federal Reserve Board is challenged by these changes in technology, operations, and product offerings. Rulewriting under these conditions is often a delicate balancing act. On the one hand, the Board works to avoid regulatory roadblocks to progress in the industry; on the other, it must ensure that consumers are protected as the statutes mandate.

This article discusses the Board's recent rulewriting under Regulations Z and E to accommodate industry changes and explores some of the new and developing credit and noncredit products that may require regulatory adjustments. The article focuses on two specific efforts: actions to remove requirements that may hinder the industry's implementation of a product or service, and regulatory revisions to maintain the consumer protections intended by the Congress.

Changes in the Consumer Financial Services Industry

In the past, consumers had ready access to a limited number of financial products and services offered by a few providers. For example, in many areas of the country, consumers seeking loans could apply to only a few lenders. Except for national retailers such as Sears Roebuck and Montgomery Ward, and a few national finance companies, most creditors served only local markets. Choices for checking and deposit services also were limited. Financial institutions did not solicit funds from consumers across the country, nor did they offer customers access to their deposits through any nationally dispersed system.

Today, consumers can choose among a wider range of financial services through a variety of delivery systems. Many systems are electronic, using automated teller machines (ATMs) and personal computers. While consumers are confronting an ever more complex array of financial services, financial institutions, now paying market rates of interest on deposits, are facing the challenge of pricing their consumer products to recover the costs of providing these services. Variety will be one key characteristic of financial services for consumers; increased costs for many consumers probably will be another. Consumers increasingly will be required to pay for each service through explicit fees and charges.

As products and services continue to grow in number and complexity, consumers will face the difficult task of choosing among them in an effort to use those that best satisfy their purposes. As a result, consumers' needs for information will increase. They will want to assess the comparative costs as well as the legal protections they will have. In some cases, the consumer's access to information about the products and their costs and the guarantee of desired protections are already ensured by existing provisions in Regulations Z and E. In other cases, the information and safeguards may not be legally ensured without changes. The Board must balance the need for disclosures and protections with the need of the industry for freedom from impediments to progress.

The Changing Regulatory Environment

The regulatory environment has changed dramatically in the past several years. The latter part of the 1970s was marked by greater sensitivity to the burdens of government regulation. Among the laws enacted to reduce the costs of compliance with government regulations was the Regulatory Flexibility Act, which requires agencies to review their regulations periodically, to analyze the effects of those regulations on small businesses, and to make exceptions in coverage when appropriate.

The Congress also acted directly to reduce the burdens of compliance. For example, it simplified the Truth in Lending Act by reducing the number of required disclosures and excluding real estate brokers from the act's coverage. Other such actions may be taken. In 1984, the Senate passed a bill to simplify the Consumer Leasing Act, and it is likely that the Congress will consider such proposed legislation again in 1985. The compliance burden associated with the Home Mortgage Disclosure Act may also be reduced when that act is considered for renewal in 1985.

In spite of the increased sensitivity to regulatory burdens, no consumer statutes governing financial services have been repealed nor have any implementing regulations been eliminated, and such actions are not expected. The Board nonetheless has responded in other ways to the regulatory reform movement in its administration of these laws, as reflected in certain of its interpretations of the Truth in Lending and Electronic Fund Transfer Acts.

The Truth in Lending Act and Regulation Z

The Federal Reserve Board has primary rule-writing authority for a number of federal consumer protection statutes that affect consumer financial services. The first such authority to be assigned to the Board was under the Truth in Lending Act (TILA). The Board wrote the original Regulation Z to implement the act in 1969, and simplified it in 1981 to reflect the Truth in Lending Simplification and Reform Act. As Regulation Z states, the act's purpose is to "promote the informed use of consumer credit by requiring disclosures about its terms and cost." In addition, the TILA protects consumers from unfair practices in credit billing and in the use of credit cards.

In general, Regulation Z establishes rules for the timely disclosure of credit costs and terms. It requires disclosure before consumers become obligated on closed-end credit transactions, such as mortgages and automobile loans; on open-end credit accounts, such as overdraft checking plans and cash advance lines; and on credit card plans, such as retail credit cards. In addition, the regulation requires creditors to give consumers the right to cancel certain transactions, to maintain procedures for handling complaints about billing errors in open-end credit plans, and to issue credit cards only in response to a request. The TILA also limits a cardholder's liability for unauthorized use of a credit card to $50.

The Electronic Fund Transfer Act and Regulation E

The Electronic Fund Transfer Act (EFTA), passed in 1978, was implemented by the Board in Regulation E. As that regulation states, the act establishes "the basic rights, liabilities, and responsibilities of consumers who use electronic money transfer services and of financial institutions that offer these services." The Congress found that "the use of electronic systems to transfer funds provides the potential for substantial benefits to consumers." The Congress also found, however, that these developing systems have unique characteristics that made the application of the existing consumer protection laws unclear. The primary objective of the EFTA was to provide for individual consumer rights.

Regulation E requires that institutions offering electronic fund transfer services provide consumers with disclosures of terms and conditions before the first electronic transfer is made on the consumer's account. It also requires periodic statements of account activity. In addition, the regulation restricts the unsolicited issuance of access devices (such as automated teller machine cards), sets limits on the consumer's liability for unauthorized electronic fund transfers, and requires that institutions maintain procedures for resolving errors.

Regulation E is the most extensive regulatory action in recent years to provide protections for consumers in their dealings with the financial services industry. It applies to all consumer asset accounts—such as checking accounts and money market mutual funds—that are accessible by electronic fund transfers.

When it acted, the Congress could not be certain how the EFT systems would work and what services they would provide. For that reason, it gave the Federal Reserve Board broad rulemaking authority to ensure effective implementation of the act. The Congress directed the Board to implement the law without unnecessarily inhibiting the development of technology or imposing undue costs and burdens on financial institutions—a worthwhile goal, but a formidable task.

Regulatory Responses to Industry Change

Over the past several years, the Board has revised its regulations in response to changes in the financial products and delivery systems offered to consumers. In doing so, it has sought to close gaps in consumer protection from such changes, yet avoid hindering the industry's implementation of a new or improved product or service.

In considering amendments and interpretations of its regulations and in its recommendations to the Congress for statutory changes, the Board has become increasingly aware of the necessity of balancing the interests of industry and consumers. The following examples of regulatory actions under Regulations Z and E illustrate the need for rulemaking that is responsive to technological change.

Actions to Remove Potential Roadblocks

Generally, the issues requiring Board attention have arisen from the development of new products or from changes to make existing ones more profitable for the industry or more attractive to consumers. At times these changes have been facilitated by regulatory adjustments.

Home Equity Credit Lines. The TILA gives the consumer a three-day period in which to cancel a credit agreement secured by the consumer's home (other than a purchase money mortgage). The Congress created this right, commonly referred to as the right of rescission, to protect consumers from entering too hastily into transactions secured by their homes.

In 1968, when Regulation Z was first written, neither the Congress nor the Board contemplated the development of the open-end credit plans secured by home equity now being offered. These new open-end credit plans allow homeowners to use what may be their most valuable asset as a source of funds without liquidating it. In addition, as with all open-end lines of credit, the plans offer consumers the convenience of having preapproved credit available for ready use.

In the view of the industry, however, the TILA rescission rules posed a formidable obstacle to the new credit offering. Before a consumer could obtain a cash advance, a creditor would be required to give notice of the right to rescind the transaction, and then wait three days to see whether the consumer exercised that right. If the right of rescission were required for each transaction, and consumers thus had to wait three days, the primary advantage of the plan—immediate credit—would be eliminated. Such open-end credit plans seemingly could not work within the bounds of the traditional rescission rules.

After considering the issue, the Board amended the regulation to provide more workable rescission rules. In general, the rules provided the consumer with the right to rescind only upon the account's opening and at the time the credit limit was increased. The Board's authority to act was challenged by a consumer group and the amendment was subsequently dropped. The Congress, however, later passed legislation similar to the rules adopted by the Board.

Credit Extensions at Automated Teller Machines. Another illustration of the need for flexible rulemaking comes from ATM sharing. ATM systems have become more and more important in providing consumers access to financial services. Many financial institutions now participate in ATM networks, in which the customers of one financial institution can use their debit cards at the ATMs of other institutions, often in other cities and states. (A debit card allows withdrawals or transfers of funds from a checking, savings, or other consumer asset account.) Institutions are also allowing their customers to use credit cards to access their credit lines through ATMs of other institutions.

An institution that allows its customers to use ATMs owned by other institutions usually is assessed a fee by the system or by the ATM owner. This fee covers the use of the interchange system and compensates the ATM-operating institution. Although the fee may be only 50 or 75 cents per transaction, an institution with many customers using the service can incur substantial costs. In today's environment of explicit pricing for services, an institution typically would want to pass on the costs. The issue for the Board was whether a financial institution could impose this charge on the *credit* cardholders without treating it as a "finance charge" under Regulation Z. Such treatment would require special computations and disclosures affecting the annual percentage rate (APR) shown on the periodic statements.

After considering the advantages and disadvantages to consumers and the industry, the Board excluded the fee from the finance charge—provided the same ATM fee is imposed on customers who use debit cards. The Board was concerned that institutions might decide that the costs of including the fee in the finance charge and APR were too great to make it worthwhile to offer this convenient banking service to their customers. Nevertheless, even though the fee will not be treated as a finance charge or reflected in the APR, Regulation Z still requires its disclosure, both at the time the account is opened and on the periodic statement.

Receipt Requirements for Home Banking Transactions. Regulation E requires that consumers making transactions at electronic terminals be furnished with a receipt. This requirement is intended to provide the consumer with written documentation for use as proof of payment. It presented a problem for home banking.

Home banking allows consumers to perform banking-related transactions at home with a personal computer. If the receipt requirement had been applied to transactions at a home banking terminal, consumers would have needed a printer. Requiring institutions to condition the home banking service on the availability of a printer would have increased substantially the program's cost both to the consumer and to the financial institution. The receipt requirement might well have delayed or caused the suspension of home banking programs. To accommodate the development of these systems, the Board therefore excepted home banking terminals from the receipt requirement.

Actions to Ensure Consumer Protections

Even as the Board acts to remove regulatory roadblocks for the industry, it must also exercise flexibility to ensure that the consumer protections mandated by the Congress are applied to new products and services. Two recent regulatory amendments provide examples.

Telephone Credit Cards. One amendment addressed an issue raised by changes in the marketplace involving the deregulation of the telecommunications industry and the proliferation of telephone credit cards. AT&T alone has issued approximately 50 million cards. At the same time, the media have been reporting cases of lost or stolen telephone credit cards and thousands of dollars worth of telephone calls made with stolen cards or numbers.

The TILA prohibits the unsolicited issuance of credit cards and limits the consumer's liability for unauthorized card use. However, the TILA also generally exempts certain public utility transactions. This exemption caused uncertainty about whether the telephone cards were subject to the act's prohibition against unsolicited distribution of credit cards and to its limits on consumer liability. Other circumstances could contribute to consumer confusion: first, the physical resemblance between telephone cards and retail and bank credit cards; and second, the spreading availability of telephone services through the use of more traditional credit cards, such as travel and entertainment cards.

In November 1984, the Board amended Regulation Z to make clear that all credit card transactions are subject to the rules that prohibit unsolicited issuance and that limit consumer liability for unauthorized card use. The Board realized that, in the absence of coverage by the regulation, consumers would be without significant protections when using telephone cards. Moreover, both consumers and the industry would find it difficult to determine when the federal protections applied and when they did not.

Point-of-Sale Debit Cards. Another regulatory issue involved the tension between Regulation E's definition of an electronic fund transfer and the widening use of debit cards at point-of-sale terminals. The regulation generally covers an electronic fund transfer, defined as a transfer that is initiated electronically, and excludes a transaction that is "originated by check, draft, or similar paper instrument."

Since the enactment of the EFTA and adoption of Regulation E, the number of debit cards issued for point-of-sale transactions has increased from approximately 490,000 to more than 7 million. Equally important, the use of debit cards at the point of sale does not always involve an electronic terminal as had been anticipated earlier. Instead, debit card transactions at the point of sale are being initiated in most cases by a sales slip that is imprinted mechanically—just like a credit card. As a consequence, many financial institutions viewed the transfers as not covered by Regulation E. At best, the treatment of transfers resulting from debit card transactions was unclear. If Regulation E did not cover such debit card transactions, consumers could not be assured of the customary federal protections, such as limitations on liability for unauthorized use and error-resolution rights.

In October 1984, the Board amended Regulation E to cover all transfers resulting from debit card transactions, including those not involving electronic terminals at the time of the transaction, such as at the point of sale. In making this decision, the Board relied heavily on practical as well as policy considerations. For example, the Board concluded that the similarity between credit and debit cards, both in appearance and function, could result in confusion for consumers, who might assume that they were protected by federal law when, in fact, they were not. This uncertainty, the Board realized, could be heightened because a single debit card can be used both in transactions with electronic terminals (as anticipated by the Congress) and in paper-based transactions. Finally, the Board concluded that the primary objective of the act, to provide individual consumer rights, would be unfulfilled for an increasing number of consumers in the absence of Regulation E coverage.

A Look at the Future

The consumer financial services industry of the future is likely to reflect more changes. Electronics will play an even larger part in the way consumers manage their financial transactions. Consumers probably will find it only rarely necessary to visit the office of a financial institution. More of them will have their wages electronically deposited into an account, possibly on a daily basis. They probably will be able to obtain cash and make purchases at any merchant establishment with an all-purpose card that can function as both a debit card and a credit card. Through home banking, consumers will be able to pay their bills, transfer funds to a third party, and even apply for a loan.

As such changes occur, the Board undoubtedly will face new issues that call for adjusting regulations in accordance with both the industry's need to develop new products and services and the needs of consumers.

Home Banking

According to one count, 41 banks now offer home banking services—many of them pilot programs. Numerous others have declared their intention to enter the market. A recent survey reported approximately 33,000 consumers banking at home, an increase from 25,000 in mid-1984. This is a very small percentage of the potential market, generally estimated to be in the millions. The potential market is based on the number of consumers who own or intend to buy personal computers with modems (the devices that permit home terminals to communicate over telephone lines with host computers, making home banking possible). The degree of consumer acceptance of this new product is still undetermined. Some observers believe that institutions now offering home banking are a bit ahead of the marketplace, inasmuch as the number of households with computers is still small. Because ownership of personal computers is spreading, however, home banking is likely to play a larger role in the financial services industry of the future.

A variety of issues are likely to arise around home banking. For example, Regulations Z and E both require disclosures in writing that the consumer may retain. Traditionally, this has meant disclosures on paper that the consumer could keep forever. In contrast, home banking systems may make disclosures available on the computer screen only for a short time—for example, up to 90 days. Thus, if a consumer has a question about a debit or credit transaction, for example, five months after it takes place, the consumer may not be able to retrieve the periodic statement reflecting the transaction. Should information that is retrievable for a limited time satisfy the disclosure requirements?

Other issues arise from the ability to use the home terminal to obtain credit. If, for example, the terminal were used for unauthorized credit extensions, would the consumer be protected by the Regulation Z limit on liability for unauthorized use? Or if a consumer used the terminal to make a purchase on credit, would the consumer have the ability to assert against the creditor a claim or defense that arises out of the purchase, as the regulation provides for credit card transactions?

Other potential home banking issues related to privacy and security concerns are outside the scope of current legislation. How should home banking systems be designed to prevent unauthorized users from breaking into a consumer's asset account or line of credit and transferring funds at will? Is the information sufficiently secure to protect a consumer's right to financial privacy? The privacy and security aspects are important marketing issues: if consumers believe the systems are not secure, they may be reluctant to participate in this service.

Finally, some consumer interest groups have expressed concern that lower-income consumers, potentially unable to afford home banking systems, may be effectively denied banking services if home banking gains wide acceptance and replaces traditional services. For example, certain services may be available only through home banking, and increased use of home banking could lead to branch closings.

In the future, some of these issues may well require the Board's attention. Any resulting regulatory adjustments must reflect the Board's responsibility to maintain the consumer protections intended by the statutes and regulations, as well as the Board's commitment not to hinder the development of useful technologies.

Evolving Card-Based Payment Systems

Other issues may be raised for the Congress by the evolving card-based payment system—specifically, the increasing use of debit cards. Consumers are able to make purchases from more than 2 million merchants by using bank credit cards, and last year, the 120 million bank credit cards accounted for transactions in excess of $100 billion. Increasingly, a relatively new means of payment—the debit card—is available to consumers for use at the point of sale.

Estimates place the number of debit cards at more than 100 million. Most of these cards are usable only at ATMs, but an increasing number can be used at stores. In addition, the 7 million debit cards now issued under the VISA or MasterCard trade names can be used in the thousands of stores that also accept those credit cards. Fewer than 500,000 of these debit cards existed in 1979.

Debit cards, indistinguishable in appearance from credit cards, are likely to become increasingly important as a means of payment at the point of sale. Financial institutions will promote them because it costs less to process a debit card transaction than a check transaction. In a few years, the distinction between bank credit and debit cards will probably disappear; multipurpose cards, having both credit and debit functions, will replace the ordinary credit card.

Because either a debit or a credit card can be used to pay for purchases and because both types of cards are often processed through the same system, one issue is whether the rules for the cards should be identical. Currently, some rules in Regulation Z for credit cards differ from those in Regulation E for debit cards—for example, the limitations on liability for unauthorized use of cards and error-resolution rights. As an illustration, Regulation Z limits a consumer's liability for unauthorized use of a lost or stolen credit card to \$50. Regulation E, on the other hand, limits liability from a lost or stolen debit card to \$50 only if the consumer notifies the financial institution of the loss or theft within two business days; if the consumer fails to provide such notice, the potential liability increases to \$500, and in some cases it can be unlimited.

Whether action should be taken to eliminate the differences in the statutes, either in whole or in part, is a complex issue. Some of the questions that would have to be answered are the following: Since many institutions have procedures already in place to comply with the different requirements, would such action truly reduce compliance burdens? If identical rules were adopted, how would the burdens for institutions that already have programs in place compare with the benefits for institutions that are just now developing a credit–debit card program? Are consumers confused by the different rules? Are there good reasons for different rules for credit and debit cards? Answering such questions will require careful consideration of the advantages and disadvantages to both consumers and the industry before changes to the existing statutes can be addressed.

Conclusion

To accommodate changes in the consumer financial services industry and to ensure that the regulations continue to provide the consumer protections intended by the Congress, the Federal Reserve Board has often found it necessary to revise its consumer protection regulations. Undoubtedly, continuing developments in the industry will present new issues and will necessitate further revisions. Without revisions, the industry could face difficulties in complying with regulatory requirements; or consumers could encounter problems if the existing regulatory provisions do not provide needed protections.

Administering the regulations will be a difficult task in this period of rapid change fueled by evolving technologies. Successful regulation will allow the industry to develop products and services that are profitable and meet consumers' needs, without sacrificing the protections the Congress intended for consumers. □

Treasury and Federal Reserve Foreign Exchange Operations: Interim Report

This interim report, covering the period August through October 1984, is the twenty-fourth of a series providing information on Treasury and System foreign exchange operations to supplement the regular series of semiannual reports that are usually issued each March and September. It was prepared by Sam Y. Cross, Manager of Foreign Operations of the System Open Market Account and Executive Vice President in charge of the Foreign Group of the Federal Reserve Bank of New York and Richard F. Alford, Senior Economist.

During the three-month period from August through October, the dollar continued to advance from the levels reached in midsummer. After pausing in August, it resumed its rise to set new highs against many European currencies in September and again in October. Although it eased somewhat in the final weeks of the period, the dollar closed up on balance more than 3 percent against the German mark and other European Monetary System currencies, and 6 percent against sterling. Against the Japanese yen, the Canadian dollar, and the Swiss franc, however, the dollar registered little net change. On a trade-weighted basis the dollar closed up almost 3 percent.

Throughout this period, the dollar drew support from its role as a major medium of investment. Inflationary expectations worldwide moderated further in response both to price performance in the United States that was better than generally expected and to renewed weakness in several important commodity prices, especially petroleum. This development enhanced the climate for investment in financial assets in general and in U.S. dollar-denominated securities in particular. Dollar interest rates, after taking account of anticipated future inflation, were perceived to be relatively attractive, even though market interest rates declined almost continuously in the United States and considerably more than in most other major countries. Moreover, investors remained impressed by the current economic strength of the United States relative to Europe, by the flexibility of U.S. markets, and by the perceived lower level of labor-management conflict. They expected the administration's economic policies to be reaffirmed in the forthcoming election. The repeal of the withholding tax on foreign-held U.S. securities and anticipation of the first of the Treasury's "foreign-targeted" issues were also cited at times as stimulating interest in U.S. securities.

In the weeks after Labor Day, the dollar was bid up further in response to a variety of shorter-term factors. With the dollar firm in the face of a record U.S. trade deficit reported for July, evidence of some slowing of the domestic economy,

1. Federal Reserve reciprocal currency arrangements

Millions of dollars

Institution	Amount of facility October 31, 1983	Amount of facility October 31, 1984
Austrian National Bank	250	250
National Bank of Belgium	1,000	1,000
Bank of Canada	2,000	2,000
National Bank of Denmark	250	250
Bank of England	3,000	3,000
Bank of France	2,000	2,000
German Federal Bank	6,000	6,000
Bank of Italy	3,000	3,000
Bank of Japan	5,000	5,000
Bank of Mexico	700	700
Netherlands Bank	500	500
Bank of Norway	250	250
Bank of Sweden	300	300
Swiss National Bank	4,000	4,000
Bank for International Settlements:		
Swiss francs–dollars	600	600
Other authorized European currencies–dollars	1,250	1,250
Total	**30,100**	**30,100**

and easing U.S. interest rates, many market participants began to purchase dollars to meet their remaining requirements for the year. Recurrent reports of commercial demand for dollars, together with the investment interest, helped to turn sentiment toward the dollar decidedly more bullish. As the dollar rose to break through anticipated resistance levels, some market professionals began to position more aggressively. The dollar moved above the DM 3.00 level against the German mark by September 11 and ten days later hit an 11½ year high of DM 3.1765.

In this atmosphere, market observers decided that foreign central banks were less likely than before to resist depreciation of their currencies, either through intervention or through a tightening of domestic monetary policy. The economic recovery in Europe was viewed as disappointingly weak, with unemployment rates holding near all-time highs. The further stimulus provided to these countries' export industries was thought to be welcome. And, with inflationary expectations more subdued, the impact of a weakening of the European currencies on their domestic prices was thought to present less of a risk to the authorities' anti-inflation policies. These perceptions appeared to be confirmed during the first three weeks of September by the lack of forceful official action designed to curb the dollar's rise. In addition, market professionals interpreted statements of foreign officials as tolerating developments in the exchange markets.

On September 21, however, the Bundesbank entered the exchange market to sell aggressively a substantial amount of dollars, and the dollar fell sharply. This was the first of several highly visible Bundesbank operations that took place during the remainder of the period under review. The U.S. authorities had intervened on one occasion earlier in September to buy $50 million equivalent of marks. Following the German operation of September 21, the U.S. authorities again entered the market, and bought $135 million of marks during three days in the subsequent week.

The dollar then moved up in mid-October to test the highs reached in September. The Bundesbank again operated substantially to sell dollars. On October 17, the U.S. authorities also entered the market and bought $95 million equivalent of marks. All of these U.S. operations, which totaled $280 million during the three-month period and were evenly divided between the Federal Reserve and the Treasury, were undertaken to counter disorderly trading conditions.

In response to the operations, during September and October by various central banks, market participants were more sensitive to the possibility that the Bundesbank and other central banks might intervene, either individually or concertedly. They also came to believe that the central banks on the continent would be slow to let short-term interest rates in their countries ease in sympathy with the declines taking place in the United States, preferring to let a narrowing of adverse interest rate differentials give some further support to their currencies. Also, after mid-October the decline in U.S. short-term interest rates accelerated. The Federal Reserve was perceived as having room to be more accommodative in its monetary policy given the decline in GNP growth for the third quarter, slow monetary growth for the period under review, and further evidence of weak oil prices and moderate inflation. Market professionals therefore were more reluctant to buy dollars until they could gauge the extent that a narrowing of interest differentials would come to influence exchange rate relationships. As a result, the dollar eased somewhat in late October.

During the three-month period there were no drawings on credit facilities of the U.S. monetary authorities. On October 12, however, the Treasury Department announced that it had joined with the Bank of Japan and the Bank of Korea in arrangements to provide short-term financing to the Central Bank of the Philippines totaling $80 million in support of the Philippine economic adjustment program, which had been agreed upon with the management of the International Monetary Fund. The Treasury, through the Exchange Stabilization Fund (ESF), agreed to provide $45 million; the Bank of Japan, $30 million; and the Bank of Korea, $5 million. Drawings on the arrangements were to be made available when the Managing Director of the IMF confirmed that the IMF had received assurances of the availability of adequate financing in support of the Philippine economic adjustment program

2. Net profits or losses (−) on U.S. Treasury and Federal Reserve current foreign exchange operations

Millions of dollars

Period	Federal Reserve	U.S. Treasury Exchange Stabilization Fund
August 1 through October 31, 1984	0	0
Valuation profits and losses on outstanding assets and liabilities as of October 31, 1984	−1,233.6	−802.0

NOTE. Data are on a value-date basis.

and had formally submitted the Philippine request for a standby arrangement to the Executive Board of the IMF. It was understood that the drawings would be repaid at the time the Philippines draws from the fund. Shortly after the end of the period, the conditions for the disbursement of the funds were met and the financing provided.

From August through October, the Federal Reserve and the ESF realized no profits or losses from exchange transactions. As of October 31, cumulative bookkeeping, or valuation, losses on outstanding foreign currency balances were $1,233.6 million for the Federal Reserve and $802.0 million for the ESF. Valuation gains and losses represent the increase or decrease in the dollar value of outstanding currency assets and liabilities, using end-of-period exchange rates as compared with rates of acquisition. These valuation losses reflect the dollar's appreciation since the foreign currencies were acquired.

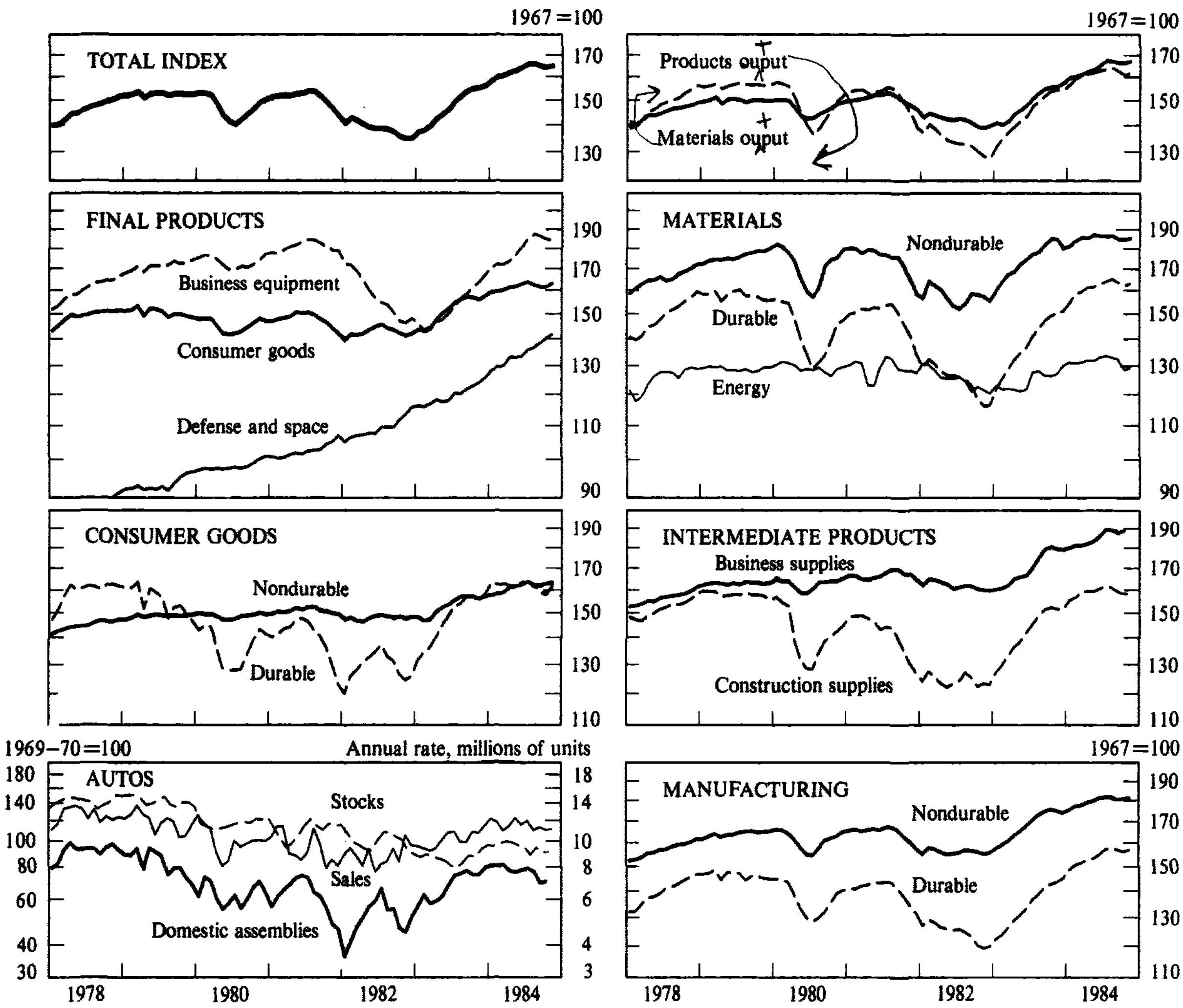
The Federal Reserve and the Treasury invest foreign currency balances acquired in the market as a result of their foreign exchange operations in a variety of instruments that yield market-related rates of return and that have a high degree of quality and liquidity. As of October 31, under the authority provided by the Monetary Control Act of 1980, the Federal Reserve had invested the equivalent of $1,121.3 million of its foreign currency resources in securities issued by foreign governments. In addition, the ESF held the equivalent of $1,683.6 million in such securities.

Industrial Production

Released for publication December 14

Industrial production increased an estimated 0.4 percent in November following declines of 0.6 percent in September and 0.4 percent in October; output levels for these two months were revised downward. In November, output of consumer goods rose 1.0 percent led by a rebound of 7½ percent in automotive products, while the production of materials increased 0.5 percent. However, the output of home goods, business equipment, and construction supplies decreased again. At 165.0 percent of the 1967 average, the index for November was 6.2 percent above a year earlier but about half a percent below the levels attained in July and August.

In market groupings, output of durable consumer goods increased 2.5 percent as auto as-



All series are seasonally adjusted and are plotted on a ratio scale. Auto sales and stocks include imports. Latest figures: November.

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, Nov. 1983 to Nov. 1984
	1984		1984					
	Oct.	Nov.	July	Aug.	Sept.	Oct.	Nov.	
	Major market groupings							
Total industrial production	**164.3**	**165.0**	**.9**	**.1**	**−.6**	**−.4**	**.4**	**6.2**
Products, total	166.5	167.1	1.3	−.1	−.5	.1	.4	7.3
Final products	164.5	165.5	1.3	−.1	−.4	.0	.6	8.0
Consumer goods	161.7	163.3	.5	−.8	−.6	.1	1.0	4.6
Durable	158.1	162.1	.1	−.7	−1.8	−.9	2.5	4.0
Nondurable	163.1	163.7	.7	−.9	.0	.4	.4	4.9
Business equipment	185.0	184.4	2.4	1.1	−.6	−.8	−.3	12.4
Defense and space	140.5	141.7	1.8	.7	1.2	1.4	.9	14.3
Intermediate products	173.8	173.4	1.3	−.4	−.9	.2	−.2	4.8
Construction supplies	158.5	158.1	.6	−.6	−1.1	−.4	−.3	4.3
Materials	161.0	161.8	.4	.3	−.8	−1.0	.5	4.7
	Major industry groupings							
Manufacturing	166.4	167.0	1.0	.2	−.6	−.1	.4	6.8
Durable	156.3	157.1	1.5	.4	−.5	−.4	.5	9.4
Nondurable	181.0	181.4	.3	−.1	−.7	.3	.2	3.8
Mining	123.4	124.4	2.3	−1.2	.1	−3.9	.8	2.7
Utilities	180.7	181.1	−1.4	−.7	.1	−.1	.2	2.7

NOTE. Indexes are seasonally adjusted.

semblies rose to an annual rate of 7.9 million units in November following the strike-depressed rates of about 7.0 million units in both September and October. Production of home goods, however, fell 0.6 percent in November following a revised 0.9 percent drop in October. Output of nondurable consumer goods rose moderately further, and defense and space equipment continued to advance strongly. Production of business equipment edged lower in November, and revised data now indicate declines for the preceding two months as well. Production of construction supplies also declined further in November.

Production of durable, nondurable, and energy materials increased in November. The November increase of 0.5 percent in the output of total materials followed declines of about 1 percent in each of the previous two months.

In industry groupings, manufacturing output increased 0.4 percent in November after a decline of 0.6 percent in September and 0.1 percent in October. Durable goods manufacturing increased 0.5 percent, largely reflecting gains in motor vehicles and parts and in steel. Mining output increased 0.8 percent in November following a decline of 3.9 percent in October. Output of utilities edged up in November.

Announcements

CHANGE IN THE DISCOUNT RATE

The Federal Reserve Board approved a reduction in the discount rate from 8½ percent to 8 percent, effective December 24, 1984.

The action is designed to bring the discount rate into more appropriate alignment with short-term market interest rates. It was taken in the general context of the moderation of growth in economic activity since midyear, continued relative stability or declines in sensitive commodity prices, and the strength of the dollar internationally. M1 and M2 have remained within desired longer-run ranges, but growth in M1 has on average been relatively sluggish in recent months.

In announcing the change, the Board voted on requests submitted by the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco. The Board subsequently approved a similar request from the Federal Reserve Bank of Atlanta, effective December 24. The discount rate is the interest rate that is charged depository institutions when they borrow from their District Federal Reserve Banks.

APPOINTMENT OF NEW MEMBERS TO CONSUMER ADVISORY COUNCIL

The Federal Reserve Board named on December 20, 1984, twelve new members to its Consumer Advisory Council to replace members whose terms are expiring or who resigned, and designated a new Chairman and Vice Chairman of the Council.

The Council advises the Board in the field of consumer financial protection laws and other consumer-related matters. Its 30 members come from all parts of the country and include a broad representation of consumer and financial industry interests.

Mr. Timothy D. Marrinan was named Chairman to succeed Mr. Willard P. Ogburn, whose term expired at year-end. Mr. Marrinan is Vice President and Senior Corporate Counsel for First Bank System, Inc., of Minneapolis, Minnesota. His term runs through December 1985.

Mr. Thomas L. Clark, Jr., was named Vice Chairman to succeed Mr. Marrinan. Mr. Clark is the Deputy Superintendent of Banks for the New York State Banking Department. His term runs through December 1985.

The twelve new members, named for three-year terms beginning January 1, 1985, are the following:

Jonathan Brown, Washington, D.C., is Acting Director/Staff Attorney for the Public Interest Research Group, a public interest advocacy organization established by Ralph Nader. In this position, Mr. Brown develops public interest positions on banking issues and on consumer and neighborhood issues. Ongoing activities include surveys on auto loan financing terms and on deposit services, draft consumer safeguards on adjustable rate mortgages, and a host of community reinvestment-related initiatives.

Theresa Faith Cummings, Springfield, Illinois, is Executive Director of Springfield/Sangamon County Community Action, Inc., a nonprofit social service agency that works to improve conditions for all community residents, particularly the low-income, the elderly, and the handicapped. In this capacity, Ms. Cummings has addressed housing and financial needs of residents. She has also been active in the local consumer credit counseling service and a local credit union. She is a member of numerous civic and professional associations.

Edward N. Lange, Seattle, Washington, is a partner in the law firm of Davis, Wright, Todd, Riese, and Jones. He represents a number of banks and other financial institutions in the state of Washington (as well as the state bankers association) on consumer credit and other regulatory matters. Mr. Lange has been active in the local and state bar associations and serves as a Trustee of the Washington Student Loan Guaranty Association.

Fred S. McChesney, Atlanta, Georgia, is Assistant Professor of Law at Emory University. He previously served as Associate Director for Policy and Evaluation of the Federal Trade Commission's Bureau of Consumer Protection, and as an associate in a Washington, D.C., law firm. Mr. McChesney is also an economist by profession and has authored many legal and economic articles.

Helen Nelson, Mill Valley, California, serves as President of the Consumer Research Foundation and is on boards of directors of the Consumer Interest Research Institute and San Francisco Consumer Action. Her long involvement with the national consumer movement includes service as President of the Consumer Federation of America and Vice President of Consumers Union. Other past positions include Professor of Economics and Director of the Center for Consumer Affairs at the University of Wisconsin Extension, and the California State Consumer Counsel.

Joseph L. Perkowski, Centerville, Minnesota, is the Chief Executive Officer of the Minneapolis Federal Employees Credit Union. He currently serves as the first Vice Chairman of the Credit Union National Association, Inc., and as Chairman of the Minnesota League of Credit Unions. He has nearly 25 years of credit union experience. Community activities include participation in the Lion's Club and in the community's zoning commission.

Brenda L. Schneider, Detroit, Michigan, is Director of Community Relations at Manufacturers National Bank. She is also a Director for the Bank Marketing Association and serves on Michigan State's Community Reinvestment Committee. Ms. Schneider was instrumental in organizing Consumer Educators of Michigan. She writes a newspaper column, "Money Go Round," which appears in more than 20 papers thoughout the state. Ms. Schneider chairs the Personal Money Management Task Force for the American Bankers Association and has authored a financial planning textbook for the American Institute of Banking, an educational arm of the American Bankers Association.

Paula A. Slimak, Cleveland, Ohio, is Director of Consumer Affairs for the city of Cleveland, and is responsible for enforcement of the city's Consumer Protection Code and for consumer education initiatives. She formerly served as an aide to Congresswoman Mary Rose Oakar and Senator Howard M. Metzenbaum and has held various positions in the communications field. Miss Slimak serves on the Executive Boards of the National Association of Consumer Agency Administrators and the Society of Professional Journalists. She is also involved in a number of community projects.

Ted L. Spurlock, New York, New York, is Vice President and Director of Credit and Consumer Banking Services for the J.C. Penney Company, Inc. He has more than 25 years' experience in the retail industry. Mr. Spurlock serves as Trustee and as Vice Chairman of the Executive Committee for the National Foundation for Consumer Credit, and as a Director for the National Retail Merchants Association and the International Consumer Credit Association. He is also on Advisory Councils for the Credit Research Center at Purdue University and for Associated Credit Bureaus, Inc.

Mel Stiller, Boston, Massachusetts, is Executive Director of the Consumer Credit Counseling Service of Eastern Massachusetts. He currently is a member of the Board of Trustees for the National Foundation for Consumer Credit, and chairs the New England and New York Regional Association of Consumer Credit Counseling Services. Mr. Stiller also serves as Chairman of the Consumer Resource Council of Massachusetts, a consortium of organizations dealing in consumer education.

Christopher J. Sumner, Salt Lake City, Utah, is President and Chief Executive Officer of Western Savings and Loan Company, which has offices in Utah, Washington, Oregon, and California. He is presently a member of the Federal Home Loan Bank Board's Savings and Loan Advisory Council and chairs the Federal National Mortgage Association's National Advisory Council. In addition, Mr. Sumner is a member of the Legislative Policy Committee of the U.S. Savings and Loan League and Chairman of the Legislation Committee of the Utah Savings and Loan League. He is also a Director for the Ticor Mortgage Insurance Company, and a Trustee at Rowland Hall–St. Mark's School. Mr. Sumner formerly served as a founding director of the Neighborhood Housing Services of Salt Lake City, as a member of the Salt Lake City Mayor's Housing Commission, as a director of the Federal Home Loan Bank of Seattle, and as a member of the Federal Home Loan Mortgage Corporation's Advisory Council. He is a graduate of Brown University and the University of Virginia Law School.

Michael Zoroya, St. Louis, Missouri, is Senior Vice President of Credit for The May Department Stores. He has been Chairman of the National Retail Merchants Association's Credit Management Division. He is also active with the American Retail Federations' Legislative Steering Committee.

FINANCIAL RESULTS OF PRICED SERVICES

The Federal Reserve Board on December 10, 1984, reported financial results of Federal Reserve priced service operations for the quarter ended September 30, 1984.

The Board issues a report on priced services annually and a priced service balance sheet and income statement quarterly. The financial state-

1. Pro forma balance sheet for priced services of Federal Reserve Banks, September 30, 1984

Millions of dollars

ASSETS		
Short-term assets		
Imputed reserve requirements on clearing balances	166.8	
Investment in marketable securities	1,223.1	
Receivables	49.6	
Materials and supplies	4.7	
Prepaid expenses	2.8	
Total short-term assets		1,446.9
Long-term assets		
Premises	175.0	
Furniture and equipment	98.9	
Leases and leasehold improvements	2.2	
Total long-term assets		276.1
Total assets		**1,723.0**
LIABILITIES		
Short-term liabilities		
Clearing balances	1,264.8	
Net deferred availability items	125.1	
Short-term debt	57.1	
Total short-term liabilities		1,446.9
Long-term liabilities		
Obligations under capital leases	.4	
Long-term debt	87.7	
Total long-term liabilities		88.1
Total liabilities		1,535.0
Equity		188.0
Total liabilities and equity		**1,723.0**

NOTE. Accompanying notes are an integral part of these financial statements.

2. Pro forma income statement for priced services of Federal Reserve Banks

Millions of dollars

Income or expense item	For three months ending September 30, 1984		For nine months ending September 30, 1984	
Income				
Services provided to depository institutions		142.7		427.7
Expenses				
Production expenses	113.6		336.8	
LESS: Board approved subsidies	1.7	111.9	4.8	332.0
Income from operations		30.8		95.7
Imputed costs				
Interest on float	3.5		20.6	
Interest on short-term debt	.7		2.3	
Interest on long-term debt	2.2		6.6	
Sales taxes	1.2		3.6	
FDIC insurance	.3	7.9	.9	34.0
Income from operations after imputed costs		22.9		61.7
Other income and expenses				
Investment income	33.3		93.2	
Earnings credits	31.9	1.4	87.7	5.5
Income before income taxes		24.3		67.1
Imputed income taxes		9.4		25.9
Net income		**14.9**		**41.2**
MEMO				
Targeted return on equity		6.0		17.9

ments are designed to reflect standard accounting practices, taking into account the nature of the Federal Reserve's activities and its unique position in this field.

NOTES TO THE FINANCIAL STATEMENTS

Balance Sheet (table 1)

Federal Reserve short-term assets represent assets such as cash and due from balances, marketable securities, receivables, materials and supplies, prepaid expenses, and items in the process of collection. Long-term assets are primarily fixed assets such as premises and equipment.

The imputed reserve requirements on clearing balances and investment in marketable securities reflect the Federal Reserve's treatment of clearing balances maintained on deposit with Reserve Banks by depository institutions and float. For balance sheet and income statement presentation, clearing balances are reported on a basis comparable with the reporting of compensating balances held by respondent institutions with correspondents.

Net items in the process of collection or net deferred availability items represent the amount of float as of the balance sheet date. The balance in this account over the quarter is used to adjust the cost base subject to recovery in accordance with the Monetary Control Act. It is the difference between items in the process of collection (including checks, coupons, securities, and ACH transactions) and deferred availability items. Conventional accounting procedures would call for the gross amount of items in the process of collection and deferred availability items to be included on a balance sheet. However, because the gross amounts have no implications for income, costs, or the private sector adjustment factor (PSAF) calculation, and because the inclusion of these amounts could lead to distortions and misinterpretations of the assets employed in the provision of priced services, they are not reflected on the pro forma balance sheet. Over an extended period of time, as the table on the following page demonstrates, float is generally an asset to the Federal Reserve. However, fractional availability schedules for checks deposited with the Federal Reserve by institutions selecting a fractional availability method to pay for float are developed based on the average length of time required to collect an item. Since the fractions established for September were lower than the actual collection experience at the end of September, float for September 30 is reflected in the liabilities section of the balance sheet.

The table on the following page shows the Federal Reserve's float performance and float recovery. The amount of float recovered through per-item fees is valued at the federal funds rate. The value of this float is then added to the cost base subject to recovery for each appropriate service.

Long-term assets that are reflected on the balance sheet have been allocated to priced services using a direct-determination basis. The direct-determination method utilizes the Federal Reserve's Planning and Control System (PACS) to identify assets used solely in priced services and to apportion assets used jointly in the provision of different services to priced and nonpriced services. Included in long-term assets are leases that have been capitalized and that are related to priced services. Additionally, resulting from changes to the PSAF methodology for 1984, an estimate of the assets of the Board of

Float Recovery of the Federal Reserve Banks, 1984:3

Daily average figures in millions of dollars

Item	Amount
Total float	542.8
Unrecovered float[1]	116.8
Float subject to recovery	426.0
Float recovered through "as of" adjustments[2]	305.0
Float recovered through direct charges[2]	107.5
Float recovered through per-item fees[3]	13.5

1. Includes float generated in providing services to government agencies or in other central bank services and float not recovered as a result of the ACH subsidy and the phase-in of other float recovery.
2. Interterritory check float may be recovered from depositing institutions through adjustments to the institution's reserve or clearing balance or by valuing the float at the federal funds rate and billing the institution directly.
3. This float is valued at the federal funds rate and has been added to the cost base subject to recovery in the second quarter.

Governors related to the development of priced services has been included in long-term assets in the premises account.

A matched-book capital structure for those assets that are not "self-financing" has been used to determine the liability and equity amounts. Short-term assets are financed with short-term debt. Long-term assets are financed with long-term debt and equity in a proportion equal to the ratio of long-term debt and equity of the bank holding companies used in the PSAF.

Other short-term liabilities include clearing balances maintained at Reserve Banks and liabilities arising from float. Other long-term liabilities consist of obligations on capital leases.

Pro Forma Income Statement (table 2)

The income statement reflects the income and expenses for priced services. Included in these amounts are Board-approved subsidies, imputed float costs, imputed financing costs, and the income and cost related to clearing balances.

Income reflects charges to depository institutions for priced services. This income is realized through one of two methods: direct charges to an institution's deposit account or charges against accumulated earnings credits. *Expenses* include production expenses and the expenses of Board staff working directly on the development of priced services that amounted to $0.5 million in the third quarter of 1984 and $1.4 million for the nine months ending September 30, 1984.

Board-approved subsidies consist of a program established for the commercial automated clearinghouse (ACH) service. The incentive pricing program established for the ACH service provides for fee structures designed to recover an increasing share of expenses. In 1984, ACH revenues were intended to recover 60 percent of costs plus the private sector adjustment. This incentive pricing program is being phased out, with complete elimination planned by the end of 1985.

Imputed float costs include the value of float that was intended to be recovered, either explicitly or through per-item fees, during the third quarter of 1984 for the commercial check, automated clearinghouse, noncash coupon collection, and book-entry securities transfer services. Also included in imputed costs is the interest on short- and long-term debt used to finance priced service assets through the PSAF and the sales taxes and FDIC insurance assessment, which the Federal Reserve would have paid had it been a private sector firm.

Other income and expenses are income on clearing balances and the cost of earnings credits granted to depository institutions. In calculating the earnings credits granted on clearing balances after October 25, 1984, the Federal Reserve will take into account the fact that reserve requirements would be applied to compensating balances held at correspondent banks. Had the reserve adjustment to earnings credits been in place in the third quarter, and assuming no resulting shift in clearing balances, the expenses of earnings credits would have been about $29.7 million with a resulting increase in net clearing balance income of $2.2 million and an increase in net income of $1.4 million to $16.3 million.

Imputed income taxes are calculated at the effective tax rate used in the PSAF calculation applied to the net income before taxes.

The *targeted return on equity* represents the after-tax rate of return on equity that the Federal Reserve would have earned based on a model of bank holding companies.

Placement of Third-Party Commercial Paper: Schedule for Final Action

The Federal Reserve Board on December 4, 1984, advised Bankers Trust Company that the Board has substantial reason to believe that the method of placing third-party commercial paper used by the bank constitutes "selling" and "underwriting" of commercial paper in violation of the Glass–Steagall Act.

The Board acted in response to a court action directing the Board to resolve the issue—whether Bankers Trust's method of placing commercial paper with third parties violates certain provisions of the Glass–Steagall Act—left undecided by a recent decision of the Supreme Court.

The Board's letter asked Bankers Trust to provide information concerning its methods of placing commercial paper with third parties.

The Board established the following schedule for final resolution of the issue:

- Bankers Trust should, within 45 days of the date of the Board's letter, provide the Board with a description of its current, or planned, commercial placement activities and legal arguments justifying them.
- The Board will accept comment from interested parties on the response by Bankers Trust for 45 days thereafter.
- Within 30 days following the end of the comment period, the Board's staff will present the matter to the Board for final decision.

Extension of Registration Period for Certain Bank Holding Companies

The Federal Reserve Board announced that it has extended the date for registration by companies that became bank holding companies as a result of the definition of the term "bank" in the Board's revisions to Regulation Y, which became effective on February 6, 1984. The extension will be effective until legal issues regarding the "bank" definition are resolved by the Congress or the courts.

The Board similarly extended the grace period for compliance with the Bank Holding Company Act that it granted upon request of certain companies that acquired banks before December 10, 1982.

The Board had previously extended the registration date until December 31, 1984.

PROPOSED ACTION

The Federal Reserve Board requested public comment through January 18, 1985, on an application by J.P. Morgan & Co., a bank holding company in New York, to engage through a subsidiary in the execution and clearance of futures contracts and options on futures contracts on stock indexes.

ERRATUM

The last sentence of the first paragraph in the second column on page 19 of the January 1985 issue of the BULLETIN should read as follows:

Of course, even if it had been, and if that curve implied a sufficiently large interest elasticity of money demand, it would still be the case that rapid money growth would have needed to be encouraged.

PUBLICATION OF REVISED EDITION OF PURPOSES AND FUNCTIONS

A completely rewritten edition of *The Federal Reserve System—Purposes and Functions* is now available. This edition, the seventh, presents a concise account of the Federal Reserve's responsibilities and operating procedures in the areas of monetary policy, international finance, banking supervision and regulation, protection of consumers in their financial transactions, and the provision of payments and other services by the Federal Reserve Banks.

Copies of the book may be obtained, free of charge, from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

CHANGES IN BOARD STAFF

The Board of Governors has announced the following changes in its official staff:

Samuel Pizer, Staff Adviser in the Division of International Finance, resigned, effective November 30, 1984. Frank O'Brien, Jr., Deputy Assistant to the Board in the Office of Board Members, retired, effective December 31, 1984. Nancy P. Jacklin, Assistant General Counsel in the Legal Division, resigned, effective January 4, 1985. Gilbert T. Schwartz, Associate General Counsel in the Legal Division, resigned, effective January 15, 1985.

SYSTEM MEMBERSHIP: ADMISSION OF STATE BANKS

The following banks were admitted to membership in the Federal Reserve System during the period December 1, 1984, through January 1, 1985:

California
- Carlsbad .... Capital Bank of Carlsbad
- Oakland .... Civic Bank of Commerce

Colorado
- Aurora .... United Bank of Aurora–South

Florida
- Miami .... Mega Bank
- Vero Beach .... First American Bank of Indian River County

Kansas
- Selden .... Selden State Bank

Nebraska
- Uehling .... Uehling State Bank

Texas
- Fort Worth .... Bank of Commerce

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON NOVEMBER 7, 1984

1. Domestic Policy Directive

The information reviewed at this meeting indicated a mixed pattern of developments but on balance suggested that economic activity was continuing to expand, though at a considerably more moderate pace than earlier in the year. Final demands appeared to have picked up a bit in early autumn after a lull during the summer. However, domestic production was apparently being damped by strong and growing competition from imported products and by partly related efforts in a few sectors to reduce inventories. Thus far in 1984, broad measures of prices generally have continued to rise at rates close to the reduced rates recorded in 1983.

Nonfarm payroll employment rose 440,000 in October, following average monthly gains of about 200,000 in the third quarter. The October advance was most pronounced in the service and retail trade industries, but employment in manufacturing also increased somewhat after falling sharply in September. The civilian unemployment rate was unchanged in October at 7.4 percent, as an increase in the civilian labor force offset a substantial rise in employment.

Industrial production fell 0.6 percent in September, after edging up 0.1 percent in August. About half of the September decline was due to a decrease in the production of motor vehicles, which had been affected by a short strike and by continuing problems related to the availability of quality parts. Production of nondurable goods and construction supplies also fell, while output of equipment for business and defense continued to advance. Available information suggested that industrial production increased little in October.

Retail sales rebounded in September, rising an estimated 1.6 percent after two consecutive monthly declines. Gains were recorded at nearly all types of retail outlets and included sharp increases at stores selling largely discretionary items such as apparel and general merchandise. Sales of new domestic automobiles, curtailed by a variety of supply factors, were at an annual rate of about 7¾ million units in September and fell in October to a rate of around 7¼ million units.

Housing starts rose substantially in September after dropping in both July and August. The advance was broadly based: starts of single-family and multifamily units rose by similar margins, and all major geographic regions of the country recorded increases. Sales of new homes rose nearly 22 percent in September, more than offsetting the declines of the previous two months.

Business fixed investment picked up in September, with shipments of equipment and expenditures on nonresidential construction both expanding appreciably. Investment spending slowed considerably during the third quarter as a whole, however, following exceptional increases over the preceding year. Recent indicators of outlays and spending plans suggested a continuation of the slower expansion in business fixed investment, and investment in inventories, which had risen relative to sales in recent months, also appeared to be slowing.

The producer price index for finished goods fell 0.2 percent in September and had remained essentially unchanged over the past two quarters. The consumer price index rose 0.4 percent in September, continuing its pattern of increasing in recent months at an annual rate of 4 to 5 percent. Various measures of wage inflation, including the index of average hourly earnings and the employment cost index, have continued to rise more slowly in 1984 than in 1983.

The foreign exchange value of the dollar fluctuated widely over the intermeeting period, rising to a new high in mid-October, but subsequently declining to a level about 2¾ percent below that prevailing at the time of the previous meeting. Factors contributing to the dollar's recent decline included an apparent perception among market participants of slower economic activity in the United States than previously anticipated and a judgment that U.S. interest rates might decline somewhat further. The U.S. foreign trade deficit in the third quarter was substantially above the rate in the first half of the year, as a sharp rise in non-oil imports exceeded further growth in exports.

At its meeting on October 2, 1984, the Committee had adopted a directive that called for maintaining the lesser degree of reserve restraint that had been sought in the weeks just before that meeting. The members expected that such an approach to policy implementation would be consistent with growth of M1, M2, and M3 at annual rates of about 6, 7½, and 9 percent respectively for the period from September to December. The Committee agreed that somewhat lesser restraint would be acceptable in the event of significantly slower growth in the monetary aggregates, evaluated in relation to the strength of the business expansion and inflationary pressures, conditions in domestic and international financial markets, and the rate of credit growth. Conversely, greater restraint might be acceptable in the event of substantially more rapid monetary growth and indications of significant strengthening of economic activity and inflationary pressures. The intermeeting range for the federal funds rate was left unchanged at 8 to 12 percent.

Growth in the monetary aggregates strengthened in September from the sluggish pace in August. But data available for October indicated that M1 declined during the month; as a result, M1 was running well below the Committee's expectations for growth in the fourth quarter. Expansion in M2 was also below the Committee's expectations, although to a much lesser extent, while growth in M3 appeared to be at a pace somewhat above the Committee's expectations.

Expansion of total domestic nonfinancial debt moderated to an estimated annual rate of about 11¼ percent in September from an average pace of about 13 percent in the preceding two months. Government borrowing remained large, while private credit growth, though relatively strong, moderated. At commercial banks, credit expansion slowed as the pace of consumer lending slackened and growth in business borrowing eased. Thus far in 1984, total domestic nonfinancial debt appeared to be growing at a rate appreciably above the Committee's monitoring range of 8 to 11 percent for the year.

Over much of the intermeeting interval borrowing by banks at the discount window averaged slightly below levels in the weeks preceding the meeting. However, despite indications of reduced pressure on reserve positions and narrowing spreads between the discount rate and short-term market rates, borrowing at times was sizable. Banks apparently became more willing borrowers at the window following the more cautious approach to reserve management, particularly on the part of large banks, that had developed in late spring. Toward the end of the intermeeting interval, open market operations were conducted to further reduce pressures to borrow in recognition of the extended weakness of M1, and to a degree M2, against the background of incoming economic and financial indicators suggesting, on balance, a marked slowing in the pace of economic expansion. As a result of these developments, together with market expectations of monetary easing and a drop in other short-term rates, the federal funds rate moved down irregularly from around 11 percent just before the October meeting to around 10 percent most recently, with trading on several days in the area of 9½ percent or below. At the same time, other short-term rates fell about 1¼ to 1½ percentage points over the period. Long-term rates on taxable securities generally declined about ¾ percentage point, responding in part to expectations of an improved outlook for inflation as oil prices weakened as well as to the signs of moderating economic expansion. Most major banks reduced their "prime" lending rate in several steps from 12¾ percent to 12 percent, and a few banks lowered their rate to 11¾ percent.

The staff projections presented at this meeting suggested that real GNP would grow somewhat more rapidly in the fourth quarter than in the third and that the expansion would continue at a moderate pace in 1985. Personal consumption expenditures were expected to pick up in the near term, and growth over the coming year was also expected to be sustained by continued expansion in business fixed investment, though at a much slower pace than in recent quarters, and by defense spending. The unemployment rate was projected to decline somewhat further over the period, and the rate of price increase was expected to rise a little from its recent pace if the dollar depreciates significantly on exchange markets following its strong rise during the past year.

In the Committee's discussion of the economic situation and outlook, members commented that a mixed pattern of developments had fostered increased uncertainty about the prospects for economic activity. While most agreed that the staff projection of moderate growth in real GNP was a reasonable expectation, much of the discussion focused on the risks of an appreciable deviation from the projection under prevailing circumstances. A few members believed that the chances of a deviation were tilted in the direction of somewhat faster expansion than the staff was projecting, but others expressed concern that the rate of growth might remain quite sluggish in the near term with some possibility of a rise in the rate of unemployment.

The outlook for consumer expenditures was cited as a key area of uncertainty. Several members felt that evidence of general improvement was still lacking after the summer slowdown. It was noted, however, that a number of retailers expected sales to improve in conjunction with the forthcoming holiday season. A failure of consumer spending to revive in line with expectations would have adverse implications for economic growth beyond the fourth quarter, as it would reinforce a recent tendency by businesses to curb their accumulation of inventories or possibly induce them to attempt to reduce previously acceptable inventory levels.

Members who were relatively optimistic about the prospects for economic activity noted the favorable impact that recent declines in interest rates were likely to have on interest-sensitive sectors of the economy such as housing. They also noted that the basic forces that had given impetus to the expansion over the last several quarters were still largely present. These included rising consumer incomes, a high degree of consumer confidence and relatively strong financial positions, a subdued rate of inflation, a favorable outlook for investment in plant and equipment, and a large federal deficit that, at least in the short run, provided a strong stimulus to the expansion. A number of members observed, however, that while underlying factors favored sustained expansion, the timing of a pickup in economic growth following the "pause" experienced in recent months remained uncertain and growth might well remain relatively sluggish in the current quarter. Moreover, even a substantial increase in retail sales over the period ahead might not contribute to significant short-run improvement in domestic production to the extent that inventories were drawn down or that a rising share of sales was accounted for by imported goods. However, a strong rise in retail sales that tended to deplete inventories would have a favorable effect on production in 1985.

Members who were somewhat less optimistic about the economic outlook noted that the surge in imports was having a strong impact on a number of important domestic industries, both in terms of inhibiting their sales and curbing their investment plans. The current value of the dollar together with relatively weak economic growth in foreign countries were also inhibiting demands for U.S. exports. Moreover, some concern was expressed that rising consumer debt burdens might tend increasingly to curtail consumer spending.

Several members commented that the outlook for inflation remained relatively favorable. While inflationary expectations appeared to have subsided further in recent months, the need to be alert to inflationary potential remained. It was noted, for instance, that a sizable decline in the foreign exchange value of the dollar, if it were to occur, would in time exert upward pressure on domestic prices.

At its meeting in July, the Committee had reviewed and reaffirmed the basic policy objectives that it had established in January for growth of the monetary and credit aggregates in 1984 and had set tentative objectives for expansion in 1985. For the period from the fourth quarter of 1983 to the fourth quarter of 1984, the policy objectives included growth of 4 to 8 percent for M1 and 6 to 9 percent for both M2 and M3. Through October, M1 grew at a rate in the lower half of the range for the year, M2 at a rate somewhat below the midpoint of its range, and M3 at a rate a bit above the upper limit of its range. For 1985 the Committee had established tentative ranges that included reductions of 1 and ½ percentage point from the upper limits of the 1984 ranges for M1 and M2 respectively and no change in the range for M3. For both years the associated range for growth in total domestic nonfinancial debt was set at 8 to 11 percent.

During the Committee's discussion of policy implementation for the weeks immediately ahead, a number of members expressed concern about the persisting weakness in M1, especially in the context of the concurrent "pause" or "lull" in the economic expansion, and they saw a need for some easing of reserve conditions to encourage a resumption in M1 growth. Other members, while not necessarily disagreeing, nonetheless noted that the recent expansion of M2 had been much closer to the Committee's expectations and that growth in M3 had been somewhat faster. A few members cautioned against putting too much emphasis on M1 in light of its typically volatile behavior, the difficulties of achieving accurate seasonal adjustments, and the often unpredictable relationship of M1 to aggregate measures of economic performance.

Most members felt that the potential for a sharp upward surge in business activity had diminished appreciably for the time being and with it the possible need for a near-term reversal of easing steps already taken. On balance, nearly all of the members favored further easing from the reduced degree of reserve restraint sought recently. While preferences with regard to the extent of such easing differed somewhat, a majority urged that the lesser restraint be implemented in limited steps, pending an evaluation of its impact on financial markets and of incoming information on the economy and the monetary aggregates. A number of members, who suggested slightly more aggressive steps, stressed that the risks of stimulating an intensification of inflationary pressures were relatively small under forseeable circumstances and that, on balance, more weight needed to be given to the risks of inadequate monetary and economic growth. With regard to the latter, some members noted that the economy appeared to have the capacity for somewhat faster expansion than was generally expected without generating significantly greater inflationary pressures.

A differing view placed more emphasis on prospects for some strengthening in economic activity, partly in light of the sizable declines in interest rates that had already occurred. In this view, little or no easing of reserve conditions would be desirable at this time, although the Committee needed to remain sensitive to possible indications of further weakness in monetary growth and in economic performance. It was pointed out that any very substantial decline of interest rates over the near term might have to be reversed later, with potentially unsettling consequences for financial markets and institutions, in order to restrain a resurgence of monetary growth and inflationary pressures.

In the course of the Committee's discussion, the members generally agreed that under prevailing economic and financial conditions, policy implementation should be particularly alert to the possible need for adjustment toward lesser restraint. It was felt that any such adjustment should be made promptly, although not automatically, depending on the behavior of the monetary aggregates and continuing indications of relatively sluggish economic activity. In this view, policy implementation should be relatively tolerant, for a time, of a substantial rebound in monetary growth, given the unexpected weakness of M1 in October. Any adjustment of operations in a tightening direction should also depend upon clear evidence of substantial strengthening in economic activity.

Members noted that, along with other interest rates, the federal funds rate had declined appreciably during recent weeks. Accordingly, most of the members favored a reduction in the intermeeting range of the federal funds rate from the current 8 to 12 percent that had been set initially at the July meeting, thus technically providing a more symmetrical range around recent levels. The members regard the federal funds range as a mechanism for initiating Committee consultation when its boundaries are persistently exceeded.

At the conclusion of the Committee's discussion, all but one member indicated that they favored or could accept a directive that called for a somewhat reduced degree of restraint on reserve positions. The members expected such an approach to policy implementation to continue to be consistent with growth of M2 and M3 at annual rates of about 7½ and 9 percent respectively as established at the early October meeting for the period from September to December. Given the appreciable decline in M1 during October, its growth over the three-month period was now expected to be at an annual rate of around 3 percent, down from the 6 percent rate anticipated at the October meeting. The members recognized the volatility of this monetary measure and indicated that more rapid growth would be acceptable for the quarter. Lesser restraint on reserve conditions would be sought if the monetary aggregates grew significantly below expectations, evaluated in the context of the strength of the business expansion and inflationary pressures, conditions in domestic and international financial markets, and the rate of growth in domestic nonfinancial debt. Conversely, greater restraint might be acceptable in the event of substantially more rapid growth in the monetary aggregates than was currently expected, provided such growth was associated with evidence that economic activity and inflationary pressures were strengthening significantly. It was agreed that the intermeeting range for the federal funds rate should be reduced by one percentage point to 7 to 11 percent.

At the conclusion of the meeting, the following domestic policy directive was issued to the Federal Reserve Bank of New York:

The information reviewed at this meeting indicates a mixed pattern of developments but on balance suggests that economic activity is continuing to expand, though at a considerably more moderate pace than earlier in the year. Nonfarm payroll employment rose substantially outside of manufacturing in October, following a moderate increase in September, and the civilian unemployment rate was unchanged at 7.4 percent. Industrial production fell in September, partly because of strikes, and available information suggests little increase in October. Retail sales and housing starts rebounded in September after two months of decline. Information on outlays and spending plans suggests slower expansion in business fixed investment, following exceptionally rapid growth earlier, and inventory investment, having risen relative to sales in recent months, also appears to be slowing. Since the beginning of the year, broad measures of prices generally have continued to rise at rates close to, or somewhat above, those recorded in 1983, and the index of average hourly earnings has risen somewhat more slowly.

Growth of the monetary aggregates strengthened in September, but data available for October indicated that M1 declined during the month, growth of M2 slowed somewhat, and expansion of M3 picked up further. From the fourth quarter of 1983 through October, M1 grew at a rate in the lower half of the Committee's range for 1984, M2 at a rate somewhat below the midpoint of its longer-run range, and M3 at a rate a bit above the upper limit of its range. Growth in total domestic nonfinancial debt appears to be continuing above the Committee's monitoring range for the year, reflecting large government borrowing; private credit growth, though relatively strong, has moderated in recent months. Interest rates have fallen substantially further since the meeting of the Committee on October 2.

Over the past month, the foreign exchange value of the dollar against a trade-weighted average of major foreign currencies has continued to fluctuate widely, rising to a new high in mid-October but subsequently declining to somewhat below its level at the time of the previous meeting. The merchandise trade deficit in the third quarter was substantially above the first-half rate as a sharp rise in non-oil imports exceeded some further growth in exports.

The Federal Open Market Committee seeks to foster monetary and financial conditions that will help to reduce inflation further, promote growth in output on a sustainable basis, and contribute to an improved pattern of international transactions. In furtherance of these objectives the Committee agreed at the July meeting to reaffirm the ranges for monetary growth that it had established in January: 4 to 8 percent for M1 and 6 to 9 percent for both M2 and M3 for the period from the fourth quarter of 1983 to the fourth quarter of 1984. The associated range for total domestic nonfinancial debt was also reaffirmed at 8 to 11 percent for the year 1984. It was anticipated that M3 and nonfinancial debt might increase at rates somewhat above the upper limits of their 1984 ranges, given developments in the first half of the year, but the Committee felt that higher target ranges would provide inappropriate benchmarks for evaluating longer-term trends in M3 and credit growth. For 1985 the Committee agreed on tentative ranges of monetary growth, measured from the fourth quarter of 1984 to the fourth quarter of 1985, of 4 to 7 percent for M1, 6 to 8½ percent for M2, and 6 to 9 percent for M3. The associated range for nonfinancial debt was set at 8 to 11 percent.

The Committee understood that policy implementation would require continuing appraisal of the relationships not only among the various measures of money and credit but also between those aggregates and nominal GNP, including evaluations of conditions in domestic credit and foreign exchange markets.

In the implementation of policy in the short run, the Committee seeks to reduce somewhat existing pressures on reserve positions. This action is expected to be consistent with growth of M2 and M3 at annual rates of around 7½ and 9 percent during the period from September to December. M1 is expected to grow over the period at an annual rate of around 3 percent, less than anticipated earlier in view of the decline in October. In light of that decline, more rapid growth of M1 would be acceptable. Lesser restraint on reserve positions would be sought in the event of significantly slower growth in the monetary aggregates, evaluated in relation to the strength of the business expansion and inflationary pressures, domestic and international financial market conditions, and the rate of credit growth. Conversely, greater restraint might be acceptable in the event of substantially more rapid monetary growth and indications of significant strengthening of economic activity and inflationary pressures. The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before the next meeting is likely to be associated with a federal funds rate persistently outside a range of 7 to 11 percent.

Votes for this action: Messrs. Volcker, Solomon, Boehne, Boykin, Corrigan, Mrs. Horn, Messrs. Martin, Partee, Rice, Ms. Seger, and Mr. Wallich. Vote against this action: Mr. Gramley.

Mr. Gramley dissented from this action because he preferred a directive that called for maintaining approximately the existing degree of reserve restraint. Despite the pause in the current expansion, underlying forces in the economy, together with the decline in interest rates that had already occurred, were likely to produce a resumption of economic expansion in the reasonably near future. In those circumstances, he was concerned that further easing of reserve positions might lead to a significant decline in interest rates that would subsequently have to be reversed as economic activity and money growth picked up again.

2. Authorization for Domestic Open Market Operations

During the intermeeting period, the Committee approved temporary increases in the $4 billion limit on changes between Committee meetings in System Account holdings of U.S. government and federal agency securities specified in paragraph 1(a) of the authorization for domestic open market operations. The first increase from $4 billion to $6 billion was effective on November 21, 1984, and the second from $6 billion to $8 billion on December 5, 1984. Both increases applied to the period ending with the close of business on December 18, 1984. They were approved on the recommendation of the Manager for Domestic Open Market Operations. During the first part of the intermeeting period, substantial net purchases of securities were undertaken to provide reserves in association with seasonal increases in required reserves and in currency in circulation. The need to provide reserves through open market operations had been augmented this year by some reduction in borrowings on an extended basis at the Federal Reserve Banks. By November 21, immediately contemplated purchases would have nearly exhausted the $4 billion leeway in the authorization and the Manager believed that additional purchases were likely to be required before the next Committee meeting. Subsequently, in early December the Manager advised that a greater need to provide reserves than previously expected had arisen from a combination of factors, all working in the same direction, that included further declines in extended credit at the discount window, anticipated changes in vault cash, currency, and required reserves, and an increased pool of overnight investment funds of foreign official accounts.

Votes for the action effective November 21, 1984: Messrs. Volcker, Solomon, Boehne, Boykin, Corrigan, Gramley, Mrs. Horn, Messrs. Martin, Partee, Rice, Ms. Seger, and Mr. Wallich. Votes against this action: None.

Votes for the action effective December 5, 1984: Messrs. Volcker, Solomon, Boehne, Boykin, Corrigan, Gramley, Martin, Partee, Rice, Ms. Seger, Messrs. Wallich and Keehn. Votes against this action: None. (Mr. Keehn voted as alternate for Mrs. Horn.)

Legal Developments

AMENDMENTS TO REGULATION A

The Board of Governors has amended its Regulation A, "Extensions of Credit by Federal Reserve Banks," for the purpose of reducing discount rates. The action is designed to bring the discout rate into more appropriate alignment with short-term market interest rates. It was taken in the general context of the moderation of growth in economic activity since mid-year, continued relative stability or declines in sensitive commodity prices, and strength of the dollar internationally. M1 and M2 have remained within desired longer run ranges, but growth in M1 has on average been relatively sluggish in recent months.

Effective on the dates listed below, Part 201 is amended to read as follows:

Part 201—Extensions of Credit by Federal Reserve Banks

1. Section 201.51 is revised to read as follows:

Section 201.51—Short Term Adjustment Credit for Depository Institutions

The rates for short term adjustment credit provided to depository institutions under § 201.3(a) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	8	December 24, 1984
New York	8	December 24, 1984
Philadelphia	8	December 24, 1984
Cleveland	8	December 24, 1984
Richmond	8	December 24, 1984
Atlanta	8	December 24, 1984
Chicago	8	December 24, 1984
St. Louis	8	December 24, 1984
Minneapolis	8	December 24, 1984
Kansas City	8	December 24, 1984
Dallas	8	December 24, 1984
San Francisco	8	December 24, 1984

2. Section 201.52 is revised to read as follows:

Section 201.52—Extended Credit to Depository Institutions

(a) The rates for seasonal credit extended to depository institutions under § 201.3(b)(1) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	8	December 24, 1984
New York	8	December 24, 1984
Philadelphia	8	December 24, 1984
Cleveland	8	December 24, 1984
Richmond	8	December 24, 1984
Atlanta	8	December 24, 1984
Chicago	8	December 24, 1984
St. Louis	8	December 24, 1984
Minneapolis	8	December 24, 1984
Kansas City	8	December 24, 1984
Dallas	8	December 24, 1984
San Francisco	8	December 24, 1984

(b) The rates for other extended credit provided to depository institutions under sustained liquidity pressures or where there are exceptional circumstances or practices involving a particular institution under § 201.3(b)(2) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	8	December 24, 1984
New York	8	December 24, 1984
Philadelphia	8	December 24, 1984
Cleveland	8	December 24, 1984
Richmond	8	December 24, 1984
Atlanta	8	December 24, 1984
Chicago	8	December 24, 1984
St. Louis	8	December 24, 1984
Minneapolis	8	December 24, 1984
Kansas City	8	December 24, 1984
Dallas	8	December 24, 1984
San Francisco	8	December 24, 1984

NOTE—These rates apply for the first 60 days of borrowing. A 1 percent surcharge applies for borrowing during the next 90 days, and a 2 percent surcharge applies for borrowing thereafter. Where credit provided to a particular depository institution is anticipated to be outstanding for an unusually prolonged period, the time period in which each rate under the structure is applied may be shortened, and the rate may be established on a more flexible basis, taking into account rates on market sources of funds.

AMENDMENTS TO RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors is amending Part 265, its Rules Regarding Delegation of Authority to authorize Reserve Banks to approve applications under the Bank Service Corporation Act ("BSC Act") (12 U.S.C. § 1861 *et seq.*). The Board is amending its Rules to allow Reserve Banks to approve BSC Act applications generally under the same terms and conditions utilized by Reserve Banks in approving applications under section 4(c)(8) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1843(c)(8)).

Effective on December 14, 1984 for all pending and all future applications, the Board amends 12 C.F.R. Part 265, its Rules Regarding Delegation of Authority, by revising paragraphs 265.2(a)(2), the introductory text of 265.2(f)(22), and 265.2(f)(22)(vi)(A) to read as follows:

Section 265.2—Specific Functions Delegated to Board Employees and to Federal Reserve Banks

(a)***

(2) Under the provisions of sections 18(c) and 18(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c) and 1828(c)(4)), sections 3(a), 4(c)(8) and 4(c)(14) of the Bank Holding Company Act (12 U.S.C. 1842(a), 1843(c)(8) and (14)), sections 5(a), 5(b) and 7(d) of the Bank Service Corporation Act (12 U.S.C. 1865(a), 1865(b) and 1867(d)), the Change in Bank Control Act (12 U.S.C. 1817(j)) and section 25 and 25(a) of the Federal Reserve Act (12 U.S.C. 601–604a and 611 *et seq.*), and §§ 225.14, 225.23, and 225.41–43 of Regulation Y (12 C.F.R. 225.14, 225.23, and 225.41–43), sections 211.3(a), 211.4(c), 211.5(c) and 211.34 of Regulation K (12 C.F.R. 211.3(a), 211.4(c), 211.5(c) and 211.34), to furnish reports on competitive factors involved in a bank merger to the Comptroller of the Currency and the Federal Deposit Insurance Corporation and to take actions the Reserve Bank could take except for the fact that the Reserve Bank may not act because a director or senior officer of any holding company, bank, or company involved in the transaction is a director of a Federal Reserve Bank or branch.

* * * * *

(f)***

(22) Under the provisions of section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), sections 3(a) and 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1842(a) and 1843(c)(8)), sections 5(a), 5(b), and 7(d) of the Bank Service Corporation Act (12 U.S.C. 1865(a), 1865(b) and 1867(d)), and §§ 225.14 and 225.23 of Regulation Y (12 C.F.R. 225.14 and 225.23), to approve applications requiring prior approval of the Board, and under the provisions of section 18(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(4)), to furnish to the Comptroller of the Currency and the Federal Deposit Insurance Corporation reports on competitive factors involved in a bank merger required to be approved by one of those agencies, unless one or more of the following conditions is present:

* * * * *

(vi) With respect to nonbank acquisitions:

(A) The nonbanking activities involved do not clearly fall within activities that the Board has designated as permissible for bank holding companies under § 225.25(b) of Regulation Y; or

* * * * *

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

Orders Issued under Section 3 of Bank Holding Company Act

The Central Bancorporation, Inc. Cincinnati, Ohio

Order Approving the Merger of Bank Holding Companies

The Central Bancorporation, Inc., Cincinnati, Ohio, a bank holding company within the meaning of the Bank Holding Company Act ("Act")(12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)) to merge with United Midwest Bancshares, Inc., Cincinnati, Ohio, and thereby acquire Southern Ohio Bank, Cincinnati, Ohio ("Bank").

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

Applicant, the eighth largest banking organization in Ohio, controls 6 banks with total deposits of approximately $2.1 billion, representing approximately 4 percent of total deposits in commercial banks in the state.[1] Bank is the 19th largest commercial banking organization in the state with total deposits of $203 million, representing approximately 0.5 percent of total deposits in commercial banks in the state. After consummation of the proposal, Applicant's share of total deposits in commercial banks in the state would increase to 4.5 percent, and Applicant would become the seventh largest commercial banking organization

1. Statewide banking data are as of June 30, 1983. Market data are as of June 30, 1983.

in the state. Accordingly, consummation of this proposal would not result in a significant increase in the concentration of banking resources in Ohio.

Applicant and Bank both operate in the Cincinnati banking market.[2] Applicant is the third largest of 39 commercial banking organizations in the market and controls $975.8 million in deposits, representing 17.2 percent of total deposits in commercial banks in the market. Bank is the fifth largest commercial banking organization in the market and controls 4.4 percent of total deposits in commercial banks in the market. Upon consummation of this transaction, Applicant would become the largest commercial banking organization in the market and would control 21.6 percent of the total deposits in commercial banks in the market.

In the Cincinnati banking market, the four largest commercial banking organizations control 54.6 percent of the deposits in commercial banks in the market. The Herfindahl-Hirschman Index ("HHI") is 1202 and would increase by 151 points to 1353 upon consummation of this proposal.[3]

Although consummation of the proposal would eliminate some existing competition between Applicant and Bank in the Cincinnati banking market, numerous other commercial banking organizations would remain as competitors after consummation of the proposal. In addition, there are 74 thrift institutions that control approximately 47 percent of the market's total deposits.[4] Thrift institutions already exert a considerable competitive influence in the market as providers of NOW accounts and consumer loans. In addition, some of the thrift institutions are engaged in the business of making commercial loans and are providing an alternative for such services in the Cincinnati market. Based upon the above considerations, the consummation of the proposal is not likely to substantially lessen competition in the Cincinnati banking market.[5]

The financial and managerial resources of Applicant and its subsidiary banks are satisfactory. Applicant will be able to provide Bank with needed financial and managerial resources after consummation of the proposal. Applicant also will provide Bank with a cash management program, a leasing program, personal trust services, and access to a regional and national ATM system. Thus, considerations relating to the convenience and needs of the communities to be served are also consistent with approval. Based on the foregoing and other facts of record, the Board has determined that consummation of 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 merger shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Cleveland pursuant to delegated authority.

By order of the Board of Governors, effective December 21, 1984.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Rice, Gramley, and Seger.

[SEAL]

WILLIAM W. WILES
Secretary of the Board

Citicorp
New York, New York

Order Approving Acquisition of Bank

Citicorp, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire, through its subsidiary Citicorp Holdings, Inc., Wilmington, Delaware ("CHI"), all of the voting shares of Citibank (Nevada), Las Vegas, Nevada ("Bank"), a proposed new bank.

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

2. The Cincinnati banking market is approximated by Hamilton and Clermont Counties and portions of Warren and Butler Counties, all in Ohio; portions of Boone, Campbell, and Kenton Counties, all in Kentucky; and Dearborn County, Indiana.

3. Under the revised Department of Justice Merger Guidelines 49 *Federal Register* 26,823 (June 29, 1984), where a market has a post-HHI of between 1000 and 1800 the Department is likely to challenge a transaction that produces an increase in the HHI of more than 100 points unless other facts of record indicate that the merger is not likely to substantially lessen competition.

4. The Board has previously indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. *National City Corporation*, 70 FEDERAL RESERVE BULLETIN 743 (1984); *NCNB Bancorporation*, 70 FEDERAL RESERVE BULLETIN 225 (1984); *General Bancshares Corporation*, 69 FEDERAL RESERVE BULLETIN 802 (1983); *First Tennessee National Corporation*, 69 FEDERAL RESERVE BULLETIN 298 (1983).

5. If 25 percent of deposits held by thrift institutions in the Cincinnati banking market were included in the calculation of market concentration, the share of total deposits held by the four largest organizations in the market would be 54.3 percent. Applicant would control 14.1 percent of the market's deposits and Bank would control 3.6 percent of the market's deposits. The HHI would increase by 102 points to 927.

Citicorp, with total consolidated assets of $145 billion, is the largest banking organization in the nation.[1] It presently operates six banking subsidiaries. Its lead bank, Citibank, N.A., New York, New York, accounts for approximately 79 percent of its consolidated assets and is a full-service commercial bank. Citibank (New York State), N.A., Buffalo, New York, is engaged principally in retail banking through branches north of the New York City metropolitan area, in New York State. Citibank (South Dakota), N.A., Sioux Falls, South Dakota, was established in 1981 principally to conduct nationwide consumer credit card activities transferred from Citibank (New York State), N.A. Citibank (Maryland), N.A., Towson, Maryland, offers various consumer credit products, commercial loans consisting primarily of factoring, and a variety of deposit products. Citibank (Delaware), Wilmington, Delaware, engages in wholesale banking nationally and internationally. Citibank (Maine), N.A., Portland, Maine, opened as a retail commercial bank on September 10, 1984. Citicorp also engages, directly and through subsidiaries, in a variety of nonbanking activities.

CHI was established by Citicorp to hold the shares of Citicorp's subsidiary banks domiciled outside of New York. CHI became a bank holding company on May 31, 1984 and currently holds shares of Citibank (South Dakota), Citibank (Maryland), and Citibank (Delaware). CHI has pending an application to acquire Citibank (Maine).

Bank is a newly established bank organized by Citicorp to engage principally in the activity of offering bank credit cards in 14 western states.[2] Bank will also engage in commercial lending, principally as a participant in loans made by other financial institutions. Bank's lending activities will be funded primarily by certificates of deposit and money market deposits offered to customers in its service area, although Bank will accept some demand deposits as well.

Section 3(d) of the Act (12 U.S.C. § 1842(d)) prohibits the Board from approving any application by a bank holding company to acquire any bank located outside of the state in which operations of the bank holding company's banking subsidiaries are principally conducted, unless the acquisition is "specifically authorized by the statute laws of the state in which such bank is located, by language to that effect and not merely by implication." Effective March 30, 1984, Nevada amended its banking laws to permit an out-of-state bank holding company to acquire a single bank located in Nevada if prior approval is received from the Administrator of the Financial Institutions Division of the Nevada Department of Commerce ("Nevada Administrator") after the Administrator makes the following determinations:

(1) the bank to be acquired will be operated in a manner not likely to attract customers from the general public in Nevada to the substantial detriment of financial institutions located in Nevada;
(2) the acquisition is fair;
(3) the acquisition is not contrary to the public interest;
(4) the acquisition will not create in Nevada an undue concentration of financial resources or a substantial reduction of financial competition;
(5) the economic advantages of the acquisition to Nevada, in terms of employment and capital investment, are adequate to permit approval.[3]

The Nevada Administrator must also enter into an agreement with the holding company setting forth the necessary conditions of the approval. The Nevada Administrator has approved the application of Citicorp to acquire Bank and found that the acquisition meets the statutory requirements for approval under Nevada law. Citicorp has signed an agreement with the Nevada Administrator, as required by the Nevada statute.

Based on the above and other facts of record, the Board has determined that the statute laws of Nevada specifically authorize the acquisition of a bank chartered in Nevada by an out-of-state bank holding company in accordance with the requirements of section 3(d) of the Act and that the proposed acquisition conforms to Nevada law.

The Nevada law is similar to South Dakota, Delaware, Virginia, and Maryland laws[4] under which the Board has previously approved acquisitions of limited purpose credit card banks by bank holding companies based on a determination that these laws are not unconstitutional.[5] Each of these laws requires that the

1. Banking data are as of September 30, 1984.

2. Bank's intended service area includes the states of Nevada, Washington, Oregon, California, Montana, Idaho, Wyoming, Utah, Colorado, Arizona, New Mexico, Nebraska, Alaska, and Hawaii. Applicant has stated that it will transfer approximately $1.5 billion of credit card receivables from Citibank (South Dakota) to Bank.

3. Ch. 2, Statutes of Nevada 1984 § 3(1)(a)-(e). If approved by the administrator, the acquisition is subject to the conditions that the total capital stock of the bank to be acquired must be at least $5,000,000, the acquired bank may not hold a license pursuant to Nev. Rev. Stat. § 677 (Nevada Thrift Companies Act), and the acquired bank must not solicit loans, deposits or other financial business from residents of Nevada unless the solicitation is part of a general solicitation which is also directed to residents of other states. The acquired bank may not solicit commercial loans in Nevada, but it may make a loan to another financial institution, or at the request of another financial institution which will also lend money to the person who will receive the loan.

4. S.D. Codified Laws Ann. § 51-16-40 (1980); Del. Code Ann., title 5, § 803 (1981); Va. Code §§ 6.1-390 to 6.1-397 (1983); Md. Fin. Inst. Code Ann. §§ 5-901 to 5-908 (1983).

5. *See, e.g., Citicorp*, 67 Federal Reserve Bulletin 181 (1981); *J.P. Morgan & Company, Inc.*, 67 Federal Reserve Bulletin 917 (1981); *Citicorp*, 68 Federal Reserve Bulletin 499 (1982); *Citicorp*, 70 Federal Reserve Bulletin 431 (1984); *First Kentucky National Corporation*, 70 Federal Reserve Bulletin 434 (1984).

bank to be acquired be operated in a manner and at a location not likely to attract customers from the general public in the state to the substantial detriment of financial institutions located in the state.

The Constitution does not permit states to regulate commerce in a manner that imposes more than an incidental burden on interstate commerce.[6] However, the power of Congress to regulate interstate commerce is plenary, and authorizes it to adopt legislation that burdens interstate commerce.[7] Congress, in the Douglas Amendment, has imposed a complete ban on interstate acquisitions of banks by bank holding companies, with an exception that allows an individual state to override the prohibition with respect to bank holding company acquisition of banks in that state. Accordingly, the Board has reasoned that as a result of the Douglas Amendment authority to lift the federally imposed prohibition on interstate acquisitions, a state law, such as the one adopted by Nevada, that partially lifts the prohibition with respect to a specific range of banking services is consistent with the Douglas Amendment.[8] Moreover, such statutes do not raise the serious constitutional questions under the Commerce Clause that are posed when states discriminate against other states based upon location of the out-of-state bank holding company that have arisen with respect to regional banking compacts in which states allow only bank holding companies in selected other states to acquire banks within the host state to engage in the full range of banking services. Accordingly, the Board finds the Nevada law to be constitutional.

Because of the limitations imposed by Nevada law, Bank is unlikely to be in extensive direct competition with banks in the local market. Since Bank will provide some banking services on a *de novo* basis, however, consummation of the transaction will result in some competitive benefits. The Board concludes that the proposal will not have adverse effects on competition in any relevant area and that the overall competitive effects of the proposal are consistent with approval.

The financial and managerial resources and future prospects of Citicorp, CHI, and Bank are regarded as satisfactory. With respect to the convenience and needs of the community to be served, Bank will offer consumer and commercial loans and a variety of deposit products throughout 14 states. Thus, the Board finds that banking and convenience and needs factors are consistent with approval of the application.

While this application is being approved, the Board believes it appropriate to express its concern about the proliferation of statutes of this type which permit the entry of out-of-state bank holding companies in order to shift jobs and revenues from other states, while limiting the in-state activities of out-of-state owned banks so as to avoid competition with in-state banking organizations. These statutes do not appear to be based on appropriate public policy considerations for assuring a stable and sound banking system locally and nationwide, and the end result of their adoption by other states can only be a serious impairment of banking standards and no net gains in jobs or revenues because of the proliferation.

Based on the foregoing and other considerations reflected in the record, the Board has determined that approval of the application under section 3(a)(3) is consistent with the public interest and that the application should be and hereby is approved. The acquisition of shares of Bank shall not be made before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, and the bank to be acquired shall be opened for business not later than six months after the effective date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of New York, under delegated authority.

By order of the Board of Governors, effective December 21, 1984.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Rice, Gramley, and Seger.

WILLIAM W. WILES
[SEAL] *Secretary of the Board*

Midwest Bancshares, Inc.
Poplar Bluff, Missouri

Order Denying Acquisition of Bank

Midwest Bancshares, Inc., Poplar Bluff, Missouri, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), 12 U.S.C. § 1841 *et seq.*, has applied for the Board's prior approval under section 3(a)(3) of the Act, 12 U.S.C. § 1842(a)(3), to acquire all of the voting shares of Bank of Piedmont, Piedmont, Missouri.

Notice of the application, affording an opportunity for interested persons to submit comments, has been given in accordance with section 3(b) of the Act. The time for filing comments has expired, and the Board

6. *Hughes v. Oklahoma*, 441 U.S. 322, 336 (1979); *Pike v. Bruce Church, Inc.*, 397 U.S. 137, 142 (1970).

7. *Wickard v. Filburn*, 317 U.S. 111 (1942); *N.L.R.B. v. Jones & Laughlin Steel Corp.*, 301 U.S. 1 (1937); *Gibbons v. Ogden*, 9 Wheat 1 (1824).

8. The Board has previously stated that "[n]othing in the history of the Douglas Amendment suggests that the states were to be permitted only to choose between not allowing out-of-state bank holding companies to enter, and allowing completely free entry." *Bank of New England Corp.*, 70 FEDERAL RESERVE BULLETIN 374, 386 (1984).

has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act, 12 U.S.C. § 1842(c).

Applicant's subsidiary bank, First State Bank of Dexter ("Dexter Bank"), Dexter, Missouri, is one of the smaller banks in Missouri. It controls total deposits of $22.9 million, which represents less than 0.1 percent of the deposits in commercial banks in the state.[1] Bank of Piedmont also is one of the smaller commercial banks in Missouri. It controls total deposits of $20.9 million, which also represents less than 0.1 percent of the deposits in commercial banks in the state. Upon consummation of this transaction, Applicant would remain one of the smaller commercial banking organizations in Missouri, and would control approximately 0.1 percent of the deposits in the state. Accordingly, the Board concludes that consummation of this transaction would have no significant effect upon the concentration of banking resources in Missouri.

Dexter Bank and Bank of Piedmont do not compete in the same market. In addition, Applicant's principals are not affiliated with any other banking organization in the relevant market. Consummation of the proposed transaction would not result in any adverse effects upon existing or potential competition. Accordingly, the Board concludes that competitive considerations are consistent with approval of this application.

One of Applicant's principals is also a principal of four other Missouri bank holding companies. Where principals of an applicant are engaged in operating a chain of banking organizations, in addition to analyzing the proposal before it, the Board also considers the entire chain and analyzes the financial and managerial resources and future prospects of the chain in light of the Board's Capital Adequacy Guidelines.[2]

Dexter Bank, Bank of Piedmont, and two of the banks in the chain have experienced a recent deterioration in performance. Applicant would incur a sizeable amount of debt to acquire the shares of Bank of Piedmont, and would increase its debt burden from 46 percent of equity to 182 percent. The Board has stated on a number of occasions that a bank holding company should serve as a source of strength to its banking subsidiaries. In this regard, it has cautioned against the assumption of substantial amounts of debt because of concern that the holding company would no longer have the financial flexibility to meet unexpected problems of its subsidiary banks or would be forced to place substantial demands on its subsidiary banks to meet its debt-servicing requirements.

In light of the recent performance of Dexter Bank and Bank of Piedmont, the Board is concerned that Applicant's projections regarding debt servicing are overly optimistic. On the basis of less optimistic projections based on the recent record of performance for Dexter Bank and Bank of Piedmont, it is the Board's judgment that Applicant would not have sufficient financial flexibility to service its debt or serve as a source of strength to Dexter Bank or Bank of Piedmont. Accordingly, the Board concludes that financial factors weigh against approval of this application.

Although Applicant's principal has recently implemented changes in the operating procedures for the banks in the chain organization, including Dexter Bank, and Bank of Piedmont's management has instituted similar changes, these changes have been in effect for only a brief period and their ultimate results are uncertain. As a result, the Board is unable at this time to conclude that managerial considerations are sufficiently favorable to outweigh the adverse financial factors connected with this proposal. Similarly, although Applicant's principal has committed to maintain the capital ratios of Bank of Piedmont and Dexter Bank at a specified level, the Board believes it is reasonable to expect an Applicant to demonstrate a record of satisfactory performance before such commitments are accepted.[3]

No significant changes in the operations of Bank of Piedmont or in the services offered to its customers are anticipated to follow from consummation of the proposed acquisition. Consequently, considerations relating to the convenience and needs of the communities to be served are consistent with, but lend no weight toward approval of this application.

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

By order of the Board of Governors, effective December 17, 1984.

Voting for this action: Vice Chairman Martin and Governors Partee and Rice. Voting against this action: Governor Gramley. Absent and not voting: Chairman Volcker and Governors Wallich and Seger.

WILLIAM W. WILES
Secretary of the Board

[SEAL]

1. As of June 30, 1984.
2. *E.g., Fourth National Corporation*, 70 FEDERAL RESERVE BULLETIN 730 (1984); *Unicorp Bancshares, Inc.*, 69 FEDERAL RESERVE BULLETIN 808 (1983); and *First Carmen Bancshares, Inc.*, 69 FEDERAL RESERVE BULLETIN 801 (1983).

3. *E.g., American National Sidney Corp.*, 66 FEDERAL RESERVE BULLETIN 159 (1980).

Dissenting Statement of Governor Gramley

I would approve this application by Midwest Bancshares, Inc., Poplar Bluff, Missouri, to acquire Bank of Piedmont, Piedmont, Missouri. The Board voted to deny the application because of a finding that Applicant would not have the financial flexibility to meet its debt-service obligations and serve as a source of strength to its banking subsidiaries. This conclusion was based upon the assessment that Applicant's projections were overly optimistic, in view of the recent performance of Bank of Piedmont and Applicant's subsidiary bank, First State Bank of Dexter.

The majority's analysis, in my view, does not take sufficient account of Applicant's plans to strengthen the management and operating procedures of Bank of Piedmont, similar actions that Applicant's principal has successfully instituted at the other banks he controls, and specific commitments by Applicant's principal to maintain capital at Bank of Piedmont and at all of the other banks that he controls. Upon approval of this proposal, Applicant would hire a new chief executive officer for Bank of Piedmont who has a well-established record in similar capacities in other banks. At other institutions that he controls, Applicant's principal has installed a strong management team and satisfactory operating procedures that appear to have resulted in improvements in the performance of these other institutions. Finally, Applicant's principal has personally committed to inject capital into all of the banks he controls, including Bank of Piedmont, that would maintain their respective primary capital ratios at a level materially above the minimum ratios required under the Board's Capital Adequacy Guidelines. Applicant's principal appears to have adequate resources to fulfill this commitment. Accordingly, I believe that the financial and managerial resources and future prospects of Applicant, its subsidiary bank, Bank of Piedmont, and the other banks in the chain are consistent with approval of this application.

I would approve this application.

December 17, 1984

Northwest Wisconsin Banco, Inc.
Spooner, Wisconsin

Order Denying Formation of Bank Holding Company

Northwest Wisconsin Banco, Inc., Spooner, Wisconsin, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring all of the voting shares of Midwestern Banco, Inc., Spooner, Wisconsin, a bank holding company within the meaning of the Act, and thereby indirectly acquire Bank of Spooner, Spooner, Wisconsin.

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

Applicant, a nonoperating Wisconsin corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of $36.7 million.[1] Upon consummation of this proposal, Applicant would control the 134th largest commercial bank in Wisconsin, holding approximately 0.1 percent of total deposits in commercial banks in the state.

Bank is the fourth largest of 15 commercial banking organizations in the Rice Lake banking market,[2] and holds 9.9 percent of total deposits in commercial banks in the market.[3] Applicant's principal is not affiliated with any other banking organization in the relevant market, and consummation of the proposed transaction would not result in any adverse effects upon competition or increase in the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations under the Act are consistent with approval.

The Board has indicated on previous occasions that a bank holding company should serve as a source of financial and managerial strength to its subsidiary bank and that the Board would closely examine the condition of an applicant in each case with this consideration in mind.[4] In connection with this proposal, Applicant would incur a sizeable amount of debt. Applicant's debt retirement projections appear to be overly optimistic. Using less optimistic projections based upon Bank's recent record of performance, the Board concludes that Applicant does not have sufficient financial flexibility to be able to reduce its indebtedness in a satisfactory manner while maintain-

1. Banking data are as of June 30, 1984, unless otherwise indicated.
2. The Rice Lake banking market is defined as all of Barron and Washburn Counties, and the western one-seventh of Sawyer County, all in Wisconsin.
3. Banking data for the Rice Lake banking market are as of September 31, 1983.
4. *See Singer & Associates*, 70 Federal Reserve Bulletin 883 (1984); *Central Minnesota Bancshares, Inc.*, 70 Federal Reserve Bulletin 877 (1984); *Cambridge Financial Corporation*, 69 Federal Reserve Bulletin (1983).

ing adequate capital levels at Bank.[5] In reaching this conclusion, the Board has considered the decline in Bank's capital ratio and the level of loan classifications.

Applicant's principal and its proposed chief executive officer have limited managerial experience and have not established a satisfactory managerial performance record.[6] These factors raise additional concerns about the sizeable debt burden that would be placed on Bank by this proposal. Based on these and other facts of record, the Board concludes that financial and managerial considerations under the Act also weigh against approval of this application.

Applicant has proposed no new services for Bank upon consummation of this proposal. Considerations relating to the convenience and needs of the community to be served are consistent with, but lend no weight toward approval of this application.

On the basis of the facts of records of this application, the Board concludes that the banking considerations involved in this proposal are adverse and are not outweighed by any relevant competitive or convenience and needs considerations. Accordingly, it is the Board's judgement that approval of the application would not be in the public interest and the application should be and hereby is denied for the reasons summerized above.

By order of the Board of Governors, effective December 21, 1984.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Rice, Gramley, and Seger.

WILLIAM W. WILES
Secretary of the Board

[SEAL]

The Queensborough Company
Louisville, Georgia

Order Approving Formation of a Bank Holding Company

The Queensborough Company, Louisville, Georgia, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company to acquire all of the voting shares of the successor by merger to The First National Bank of Louisville, Louisville, Georgia ("Bank").

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

Applicant is a nonoperating corporation, organized for the purpose of becoming a bank holding company by acquiring Bank, which holds total deposits of $32 million. Upon acquisition of Bank, Applicant would control the 151st largest commercial banking organization in Georgia and approximately 0.12 percent of the total deposits in commercial banks in the state.[1]

Bank is the largest of the four commercial banks located in the Jefferson County banking market and controls approximately 46.5 percent of the total deposits in commercial banks in the market.[2] One of Applicant's principals also controls 48.4 percent of the outstanding voting shares of the Bank of Wadley, Wadley, Georgia ("Wadley Bank"), located 10 miles from Bank and in the Jefferson County banking market. Wadley Bank ($12.2 million in deposits) is the third largest bank in the market and holds 17.7 percent of the market's commercial bank deposits.

In analyzing the competitive effects of an application to form a bank holding company where an individual, controlling more than one bank in a relevant banking market, seeks to transfer control of one of the banks to a holding company, the Board takes into consideration the competitive effects of the transaction whereby common ownership was established.[3] In this case, the Board has considered the competitive effect of the purchase in February 1972, of the shares of Wadley Bank by Applicant's principal. At that time, Bank and Wadley Bank together controlled 63.8 percent of the deposits in the market, or 45.3 percent and 18.5 percent, respectively.[4] Upon consummation of

5. The Board has previously stated that in small one-bank holding company formations, it expects, among other things, that the bank holding company's debt-to-equity ratio be reduced to no more than 30 percent within 12 years. *Policy Statement for Formation of Small One-Bank Holding Companies,* 12 C.F.R. Part 225, Appendix B.

6. The Board has previously stated that it is reasonable to expect an applicant to demonstrate a record of satisfactory managerial performance. *See Central Minnesota Bancshares, Inc., supra;* and *American National Sidney Corp.,* 66 FEDERAL RESERVE BULLETIN 159 (1980).

1. All banking data are as of December 31, 1983, unless otherwise noted.

2. The Jefferson County banking market, which consists of all of Jefferson County, Georgia, is the relevant geographic market for purposes of analyzing the competitive effects of the proposed transaction.

3. *See Mid Nebraska Bancshares, Inc. v. Board of Governors of the Federal Reserve System,* 627 F.2d 266 (D.C. Cir. 1980).

4. Banking data are as of June, 1972.

the 1972 acquisition, the Herfindahl-Hirschman Index ("HHI") of 3048 increased by 1675 points to 4723.[5]

While the Board is concerned with the anticompetitive effects of the 1972 transaction, a number of factors indicate that the anticompetitive effects in this market were clearly outweighed in the public interest by the probable effects of the transaction on the convenience and needs of the community to be served. At the time Applicant's principal acquired control of Wadley Bank, the financial and managerial resources of Wadley Bank had deteriorated and its future prospects appeared unsatisfactory. Wadley Bank's physical facilities were inadequate, and the bank was not providing many basic banking services needed by the community, such as commercial lending services. Under those circumstances and in light of the economic conditions in the market at that time, it appears that a less anticompetitive acquisition was not readily available as a means for assuring the continuation of Wadley Bank as a vehicle for serving the convenience and needs of the public.

The Board has also taken into consideration facts of record demonstrating that Wadley Bank's financial condition has improved substantially under the management of Applicant's principal and that there has also been a significant improvement in Wadley Bank's facilities and in the services offered to the public. The financial and managerial resources and future prospects of Applicant, Bank, and Wadley Bank are currently regarded as satisfactory and their prospects appear favorable. Thus, banking factors and convenience and needs considerations lend significant weight toward approval of this proposal and outweigh any adverse competitive effects resulting from the 1972 acquisition. Accordingly, it is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective December 20, 1984.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Rice, Gramley, and Seger.

[SEAL]

WILLIAM W. WILES
Secretary of the Board

United Banks of Colorado, Inc.
Denver, Colorado

Order Approving Acquisition of a Bank

United Banks of Colorado, Inc., Denver, Colorado, a bank holding company within the meaning of the Bank Holding Company Act ("Act") (12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of Intrawest Bank of Boulder, N.A., Boulder, Colorado ("Bank").

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

Applicant, the largest banking organization in Colorado, controls 29 banks with total deposits of approximately \$3.1 billion, representing approximately 17.3 percent of total deposits in commercial banks in the state.[1] Bank is the 23rd largest commercial banking organization in the state with total deposits of \$111.5 million, representing approximately 0.6 percent of total deposits in commercial banks in the state. Upon acquisition of Bank, Applicant's share of total deposits in commercial banks in the state would increase to 18 percent. Accordingly, consummation of this proposal would not result in a significant increase in the concentration of banking resources in Colorado.

Applicant and Bank both operate in the Denver-Boulder banking market.[2] Applicant is the largest of 156 commercial banking organizations in the market. Applicant operates 15 banking subsidiaries in the

5. Under the Justice Department Merger Guidelines, a market in which the post-merger HHI is above 1800 is considered highly concentrated. In such a market, the Justice Department is likely to challenge a merger producing an increase by more than 50 points unless other factors indicate that the merger will not substantially lessen competition. If the increase in the HHI exceeds 100 and the HHI substantially exceeds 1800, only in extraordinary cases will factors establish that the merger is *not* likely to lessen competition substantially.

1. All banking data are as of December 31, 1983.
2. The Denver-Boulder banking market is approximated by the Denver and Boulder RMAs.

market that control \$2.6 billion in deposits, representing 21.7 percent of total deposits in commercial banks in the market. Bank, with deposits of \$111.1 million, is the 16th largest commercial banking organization in the market and controls 1 percent of total deposits in commercial banks in the market. Upon consummation of this transaction, Applicant would control 22.7 percent of the total deposits in commercial banks in the market.

The Denver-Boulder County banking market is considered to be moderately concentrated, with the four largest commercial banking organizations controlling 60.2 percent of the deposits in commercial banks in the market. The Herfindahl-Hirschman Index ("HHI") is 1063 and would increase by 34 points to 1097 upon consummation of this proposal.[3]

Although consummation of the proposal would eliminate some existing competition between Applicant and Bank in the Denver-Boulder banking market, numerous other commercial banking organizations would remain as competitors after consummation of the proposal. In addition, the presence of sixteen thrift institutions that control approximately 37 percent of the market's total deposits mitigates the anticompetitive effects of the transaction.[4] Thrift institutions already exert a considerable competitive influence in the market as providers of NOW accounts and consumer loans. In addition, some of the thrift institutions are engaged in the business of making commercial loans and are providing an alternative for such services in the Denver-Boulder market. Based upon the above considerations, the consummation of the proposal is not likely to substantially lessen competition in the Denver-Boulder banking market.[5]

The financial and managerial resources of Applicant, its subsidiary banks, and Bank are satisfactory.

3. Under the revised Department of Justice Merger Guidelines (49 *Federal Register* 26,823 (June 29, 1984)), where a market has a post HHI of between 1000 and 1800 the Department is unlikely to challenge a transaction that produces an increase in the HHI of less than 100 points.

4. The Board has previously indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. *National City Corporation*, 70 FEDERAL RESERVE BULLETIN 743 (1984); *NCNB Bancorporation*, 70 FEDERAL RESERVE BULLETIN 225 (1984); *General Bancshares Corporation*, 69 FEDERAL RESERVE BULLETIN 802 (1983); *First Tennessee National Corporation*, 69 FEDERAL RESERVE BULLETIN 298 (1983).

5. If 50 percent of deposits held by thrift institutions in the Denver-Boulder banking market were included in the calculation of market concentration, the share of total deposits held by the four largest organizations in the market would be 46.5 percent. Applicant would control 16.8 percent of the market's deposits and Bank would control .8 percent of the market's deposits. The HHI would increase by 22 points to 733.

Considerations relating to the convenience and needs of the communities to be served are also consistent with approval. Based on the foregoing and other facts of record, the Board has determined that consummation of 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 acquisition shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, effective December 18, 1984.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Rice, Gramley, and Seger.

[SEAL]

WILLIAM W. WILES
Secretary of the Board

Whitney Holding Corporation
New Orleans, Louisiana

Order Approving Acquisition of Shares of a Bank Holding Company

Whitney Holding Corporation, New Orleans, Louisiana, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 *et seq.*) ("Act"), has applied for the Board's approval pursuant to section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of NBC Bancshares, Inc., Jefferson, Louisiana ("Company"), and indirectly of The National Bank of Commerce in Jefferson Parish, Jefferson, Louisiana ("Bank").[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been given in accordance with section 3(b) of the Act (12 U.S.C. § 1842(b)). The time for filing comments

1. The proposed acquisition will be effected by merging Whitney Acquisition, Inc., a wholly owned corporate subsidiary of Applicant to be organized in contemplation of the proposed acquisition, into Company, which will then be merged into Applicant. As a result of these transactions, Applicant will own 100 percent of the outstanding shares of Bank, and Bank will be a wholly owned subsidiary of Applicant.

has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the largest commercial banking organization in Louisiana, controls one subsidiary bank with total deposits of $1.7 billion, representing 5.9 percent of total deposits in commercial banks in the state.[2] Company is the twenty-first largest commercial banking organization in the state, with one banking subsidiary that controls deposits of $311.6 million, representing 1.1 percent of the total deposits in commercial banks in the state. Upon consummation of the proposed acquisition, Applicant would remain Louisiana's largest commercial banking organization and would control approximately 7 percent of the total deposits in commercial banks in the state. The Board has considered the effects of the proposal on the structure of banking in Louisiana and has concluded that consummation of this transaction would not have a significant adverse effect on the concentration of banking resources in the state.

Applicant and Company compete in the New Orleans banking market,[3] where all of Applicant's and Bank's offices are located. Applicant is the largest commercial banking organization in the New Orleans banking market, controlling 23.4 percent of the deposits in commercial banks in the market. Company is the seventh largest banking organization in the market and controls 4.4 percent of the deposits in commercial banks in the market. Upon consummation of the proposed acquisition, Applicant would remain the largest commercial banking organization in the market, and would control 27.8 percent of the deposits in commercial banks in the market.

The share of deposits held by the four largest commercial banking organizations in the New Orleans banking market is 65.6 percent, and the market's Herfindahl-Hirschman Index ("HHI") is 1349. Upon consummation of this proposal, the four-firm concentration ratio would increase to 70.1 percent and the HHI would increase 207 points to 1556, a level below the "highly concentrated" range defined by the Department of Justice Merger Guidelines.[4] While the proposed acquisition would eliminate some existing competition in the New Orleans banking market, the resulting degree of bank deposit concentration in the market is only moderate, and the Board believes that the anticompetitive effects of this proposal are substantially mitigated by the extent to which thrift institutions compete with commercial banks in the market.[5]

The 45 thrift institutions that compete in the New Orleans banking market hold total deposits of $4 billion, representing approximately 36 percent of the total deposits in commercial banks and thrift institutions in the market. Seven of the market's 15 largest depository institutions are thrift institutions. In 1983 the lending powers of Louisiana-chartered homestead savings and loan associations were expanded to substantially parallel the expanded powers of federally-chartered thrift institutions operating in the state under the Garn–St Germain Depository Institutions Act of 1982.[6] The record indicates that thrift institutions in the New Orleans banking market are aggressively utilizing their expanded powers to compete with commercial banks in the market, offering consumer services such as NOW accounts and consumer loans, as well as commercial and industrial loans to commercial borrowers. Based upon this and other evidence of record, the Board has concluded that the competition offered by thrift institutions in the New Orleans banking market mitigates the anticompetitive effects of this proposal and that consummation of this proposal would not have a significant adverse effect on existing competition in the market.[7]

The financial and managerial resources and future prospects of Applicant, Company, and Bank are satisfactory and consistent with approval of this application. Considerations relating to the convenience and needs of the communities to be served also are consis-

2. Banking data are as of December 31, 1983.

3. The New Orleans banking market is comprised of Jefferson, Orleans, St. Bernard, and St. Tammany Parishes in Louisiana.

4. Under the Department of Justice Merger Guidelines, a market in which the post-merger HHI is between 1000 and 1800 is considered "moderately concentrated." In such a market, where the resulting increase in the HHI is more than 100, the Department is likely to challenge a merger unless other facts of record indicate that the merger is not likely substantially to lessen competition.

5. The Board has previously determined that thrift institutions have become, or at least have the potential to become, major competitors of banks. *NCNB Corporation*, 70 FEDERAL RESERVE BULLETIN 225 (1984); *Sun Banks, Inc.*, 69 FEDERAL RESERVE BULLETIN 934 (1983); *Merchants Bancorp, Inc.*, 69 FEDERAL RESERVE BULLETIN 865 (1983); *First Tennessee National Corporation*, 69 FEDERAL RESERVE BULLETIN 298 (1983).

6. *Compare* La. Rev. Stat. Ann. § 6:822 (West Supp. 1984) *with* 12 U.S.C. § 1464(c) (1982).

7. If 50 percent of the deposits held by thrift institutions were included in the calculation of market concentration, Applicant's post-merger market share would be 21.7 percent, and the post merger HHI would be 1055, 124 points above the pre-merger HHI but only 55 points above the "unconcentrated" range under the Justice Department Merger Guidelines. After consummation of this proposal, 74 banking and thrift institutions will remain within this large banking market.

tent with approval. Based on these and other facts of record, it is the Board's judgment that consummation of the proposed transaction would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective December 5, 1984.

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

JAMES MCAFEE
[SEAL] *Associate Secretary of the Board*

Worthen Banking Corporation Little Rock, Arkansas

Order Approving Acquisition of Bank

Worthen Banking Corporation, Little Rock, Arkansas, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended ("Act") (12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire at least 88.06 percent of the voting shares of First National Bank of Fayetteville, Fayetteville, Arkansas ("Bank").

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

Applicant, the largest banking organization in Arkansas, controls 11 banks with aggregate deposits of $1.7 billion, representing 12.8 percent of total deposits in commercial banks in Arkansas.[1] Bank, the 13th largest banking organization in Arkansas, controls deposits of $187.7 million, representing 1.4 percent of total deposits in commercial banks in Arkansas. Upon consummation of this proposal, Applicant would control total deposits of $1.9 billion, representing 14.2 percent of total deposits in commercial banks in the state. The Board has considered the effects of this proposal on the structure of banking in Arkansas, which is one of the least concentrated states in the nation, and concludes that consummation of this proposal would not significantly increase the concentration of banking resources in the state.

Bank and a subsidiary of Applicant, First State Bank of Springdale, Springdale, Arkansas, both operate in the Fayetteville/Springdale banking market.[2] Bank is the second largest of 13 commercial banking organizations in the market, controlling deposits of $187.7 million, representing 15.6 percent of deposits in commercial banks there. Applicant's subsidiary is the fifth largest commercial banking organization in the market, controlling deposits of $119.5 million, representing 9.9 percent of deposits in commercial banks in the market.

The Fayetteville/Springdale banking market is considered to be moderately concentrated, with a four-firm concentration ratio of 62.2 percent and a Herfindahl–Hirschman Index ("HHI") of 1364. Upon consummation of this proposal, Applicant's share of deposits in commercial banks would increase to 25.5 percent, and Applicant would become the largest commercial banking organization in the market. The percentage of deposits held by the four largest banking organizations in the market would increase to 73.1 percent and the HHI would increase by 310 points—from 1364 to 1674.[3]

While this acquisition would eliminate some existing competition, the Board believes that the anticompetitive effects of this proposal are mitigated by the presence of thrift institutions in the market.[4] Eight thrift institutions compete in the market, including four of the ten largest depository organizations in the market. Together, the eight thrift institutions control total deposits of $519.8 million, representing 30.2 percent of the total deposits in the market. These thrift institutions offer NOW accounts and consumer loans. Five of the eight thrift institutions offer commercial

1. Banking data are as of June 30, 1984.

2. The Fayetteville/Springdale banking market is approximated by Benton and Washington Counties, Arkansas.

3. Under the Department of Justice Merger Guidelines, a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated. In such a market, where the increase in the HHI is greater than 100 points, the Department is likely to challenge a merger unless other facts of record indicate that the merger is not likely to substantially lessen competition.

4. The Board has previously determined that thrift institutions have become, or at least have the potential to become, major competitors of banks. *NCNB Corporation*, 70 FEDERAL RESERVE BULLETIN 225 (1984); *Sun Banks, Inc.*, 69 FEDERAL RESERVE BULLETIN 934 (1983); *Merchants Bancorp, Inc.*, 69 FEDERAL RESERVE BULLETIN 865 (1983); *Monmouth Financial Services, Inc.*, 69 FEDERAL RESERVE BULLETIN 867 (1983).

loans (other than commercial real estate loans) and four offer commercial checking accounts. Accordingly, in view of the facts cited above and other facts of record, the Board concludes that consummation of this proposal would not have a significant adverse effect on existing competition in the Fayetteville/Springdale banking market.[5]

Based on the foregoing and other facts of record, the Board concludes that consummation of the proposed transaction would not have any significant adverse effects on existing or potential competition and would not significantly increase the concentration of banking resources in any relevant area. Thus, competitive considerations are consistent with approval of the application.

The financial and managerial resources of Applicant and its subsidiaries and Bank are considered generally satisfactory and their prospects appear favorable. Thus, considerations relating to banking factors are consistent with approval of the application. Applicant's acquisition of Bank would make a higher lending limit available to Bank. Bank would be able to offer lower credit life and accident and health insurance rates as a result of affiliation with Applicant's insurance subsidiary. Bank would also be able to offer the resources of Applicant's Edge Act corporation and small business investment company. Thus, the Board concludes that considerations relating to the convenience and needs of the communities to be served lend some weight toward approval of this application.

Accordingly, based upon the foregoing and other facts of record, the Board has determined that this proposal should be and hereby is approved. The transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of St. Louis, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 17, 1984.

Voting for this action: Vice Chairman Martin and Governors Partee, Rice, and Gramley. Absent and not voting: Chairman Volcker and Governors Wallich and Seger.

JAMES MCAFEE
[SEAL] *Associate Secretary of the Board*

5. If 50 percent of the deposits held by thrift institutions were included in the calculation of market concentration, Applicant would control 8.2 percent of deposits and Bank would control 12.8 percent. Consummation of the proposal would increase the HHI by 210 points, from 983 to 1193, and the four-firm concentration ratio would be 60.1 percent.

Orders Issued Under Section 4 of Bank Holding Company Act

Bankers Trust New York Corporation
New York, New York

Order Approving Application to Execute and Clear Futures Contracts on a Municipal Bond Index and to Provide Futures Advisory Services

Bankers Trust New York Corporation, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act, 12 U.S.C. § 1841 *et seq.* ("BHC Act"), has applied pursuant to section 4(c)(8) of the BHC Act and section 225.23(a)(3) of the Board's Regulation Y, 12 C.F.R. § 225.23(a)(3), to engage *de novo* through its wholly owned subsidiary, BT Futures Corp. ("BT Futures"), New York, New York, in executing and clearing futures contracts on a municipal bond index. Applicant also proposes to offer futures advisory services on a fee basis or as an integrated package of services to futures commission merchant ("FCM") customers through BT Futures.

Notice of the application, affording interested persons an opportunity to submit comments on the relation of the proposed activity to banking and on the balance of the public interest factors regarding the application, has been duly published, 49 *Federal Register* 46,493 (1984). The time for filing comments has expired and the Board has considered the application and all comments received[1] in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Applicant, with consolidated assets of $43.2 billion,[2] is the sixth largest banking organization in New York. Applicant operates two subsidiary banks and engages, directly and through certain of its subsidiaries, in a broad range of permissible nonbanking activities throughout the United States. BT Futures is an FCM registered with the Commodity Futures Trading Commission ("CFTC") that engages in futures activities permissible for bank holding companies under section 225.25(b)(18) of the Board's Regulation Y, 12 C.F.R. § 225.25(b)(18). The capitalization of BT Futures is adequate to permit it to engage in the proposed nonbanking activities.

1. Comments in favor of the proposal included those submitted by Vermont National Bank, Bank of America, the Chicago Board of Trade, the First National Bank and Trust Company of Tulsa, the First National Bank of Atlanta, and Marine Midland Bank. The First National Bank & Trust Company of Beloit, Beloit, Wisconsin, and Mr. Sanford Takiff, Highland Park, Illinois, submitted comments in opposition to the proposal.

2. As of June 30, 1984.

The Board has previously approved by regulation the activity of executing and clearing futures on bullion, foreign exchange, U.S. government securities and money market instruments, 12 C.F.R. § 225.25(b)(18), primarily on the basis that banks may hold and deal in the underlying cash items. The proposed futures contract on a municipal bond index is a financial future that is based on an index of general obligation bonds and revenue bonds selected by *The Bond Buyer*. The Bond Buyer Municipal Bond Index is composed of 50 tax-exempt municipal revenue and general obligation bonds chosen on the basis of criteria that favor recently issued and actively traded bonds. The index is intended to be an accurate indicator of trends and changes in the municipal bond market. Applicant has stated that the offering of futures contracts based on the bond index would provide FCM customers a useful tool for hedging the price risk associated with a portfolio of municipal bonds.

Banks are permitted to hold and deal in general obligation bonds, and they are active participants in the cash markets for these bonds. Applicant has stated that it has long been a major participant, both for its own account and for the account of its customers, in the municipal securities cash market for general obligation bonds and revenue bonds.[3] In addition, banks have been authorized to purchase and sell municipal bond index futures for hedging purposes.[4]

The purpose for which the contract would be offered is to provide customers a device to hedge their municipal bond positions. It appears that the proposed futures contract, because it is based on a broad spectrum of municipal securities, has the potential to be a more effective hedging vehicle for municipal securities positions than any of the existing interest rate futures contracts.

The Board has determined that Applicant's proposal to execute and clear such futures contracts is substantially similar to proposals to broker other financial futures previously approved by the Board, and Applicant's prior experience in the municipal securities markets indicates that BT Futures would have the expertise to provide the proposed services. Accordingly, the Board concludes that, in the manner proposed, and subject to the conditions set forth in section 225.25(b)(18) of Regulation Y, Applicant's proposal to execute and clear futures contracts on a municipal bond index is closely related to banking.

With respect to the proposed advisory activities, the Board has previously approved by Order the provision of advisory services relating to approved FCM activities.[5] Applicant proposes to provide FCM advisory services either on a separate fee basis or as an integrated package of services to FCM customers. The services would include written or oral presentations on the historical relationship between the cash and futures markets, a demonstration of examples of financial futures uses for hedging, and assistance in structuring a hedging strategy. Applicant will deal solely with major corporations and other financial institutions in its provision of the proposed services. Approval of advisory services with respect to the proposed futures on a municipal bond index would be consistent with the Board's authorization of advisory services with respect to other approved financial options and futures traded through FCMs.

In order to approve this application, the Board is also required to determine that the performance of the proposed activities by Applicant "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects . . . ." (12 U.S.C. § 1843(c)(8)). Consummation of Applicant's proposal would provide added services to those clients of Applicant and its subsidiaries that trade in the cash, forward and futures markets for these instruments. In addition, the Board expects that the *de novo* entry of Applicant into the market for these services would increase the level of competition among providers of these services. Accordingly, the Board concludes that the performance of the proposed activities by Applicant can reasonably be expected to produce benefits to the public.

The Board also has considered the potential for adverse effects that may be associated with this proposal. It does not appear that the proposed FCM activities would entail risks or conflicts of interests different than those considered and addressed by the Board in its approvals of other FCM activities.[6] In addition, the Board has taken into account and has relied on the regulatory framework established pursu-

3. Banks are prohibited by the Glass-Steagall Act from dealing in revenue bonds, although they may hold certain municipal revenue bonds. 12 U.S.C. § 24(7). However, Applicant would not be dealing in or underwriting revenue bonds, but would be executing and clearing a futures contract on an index that includes such bonds.

4. The Board's staff recently expressed its opinion that state member banks may use futures contracts on The Bond Buyer Municipal Bond Index in hedging operations. Letter to Galen Burghardt, Jr., Chicago Mercantile Exchange, and to Scott B. Earley, Chicago Board of Trade (August 22, 1984). Similarly, staff of the Office of the Comptroller of the Currency has opined that a national bank's purchase and sale of municipal bond index futures is incidental to banking when used in a manner that is consistent with the Comptroller's policy statement on bank use of futures. Letter from Owen Carney, Office of the Comptroller of the Currency, to Roger D. Rutz, Chicago Board of Trade (April 17, 1984).

5. *Manufacturers Hanover Corporation*, 70 FEDERAL RESERVE BULLETIN 369 (1984); *J.P. Morgan & Co., Incorporated*, 70 FEDERAL RESERVE BULLETIN 780 (1984).

6. *E.g., J.P. Morgan & Co. Incorporated*, 68 FEDERAL RESERVE BULLETIN 514 (1982).

ant to law by the CFTC for the trading of futures, as well as the conditions set forth in section 225.25(b)(18) of Regulation Y with respect to executing and clearing futures contracts.

Based upon a consideration of all the relevant facts, the Board concludes that the balance of the public interest factors that the Board is required to consider under section 4(c)(8) is favorable. However, the Board notes that trading of the futures contract involved in this application has not been approved by the CFTC. Accordingly, approval of Applicant's proposal is conditioned upon CFTC approval of a contract substantially similar to that described in the application to the Board. In addition, the Board reserves authority to reconsider its actions in approving the proposal as a record of FCM experience with respect to trading if this contract develops.

This determination is also subject to all of the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b)(3) (12 C.F.R. §§ 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The transaction shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors, effective December 21, 1984.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Rice, Gramley, and Seger.

WILLIAM W. WILES
[SEAL] *Secretary of the Board*

Barclays Bank PLC and Barclays Bank International Limited, *et al.* London, England

Order Approving Joint Venture to Engage in Data Processing and Related Activities

Barclays Bank PLC and Barclays Bank International Limited, both of London, England ("Barclays"); Chemical New York Corporation, New York, New York ("Chemical"); National Westminster Bank PLC, London, England and NatWest Holdings, Inc., New York, New York (collectively, "NatWest"); Northeast Bancorp, Inc., New Haven, Connecticut ("Northeast"); Manufacturers Hanover Corporation, New York, New York ("MHC"); The Bank of New York Company, Inc., New York, New York ("BONY"); and The Hongkong and Shanghai Banking Corporation, Hong Kong, B.C.C. ("HSBC"); Kellett NV, Curacao, Netherlands Antilles; HSBC Holdings BV, Amsterdam, the Netherlands; and Marine Midland Banks, Inc., Buffalo, New York (the latter four organizations collectively, "Marine") (applicants as a group hereafter are referred to as the "Applicants"), all bank holding companies within the meaning of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("Act"), have applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. § 225.23), to acquire shares of the New York Switch Corporation ("NYSC"), Fort Lee, New Jersey, a joint venture to engage in data processing and related activities.[1]

NYSC, a *de novo* corporation, proposes to operate an electronic funds transfer ("EFT") system for interchanging financial transactions of depository institutions that contract for NYSC's services. NYSC's interchange system (the "Switch") would operate as a neutral clearing house for electronic funds transfer, payment, and withdrawal transactions at automated teller machines ("ATMs") operated by any participating institution, and would enable customers of participating institutions to complete such EFT transactions at ATMs operated by any member of the system. These ATMs are and would continue to be owned (or leased) and operated, not by NYSC, but by the participating institutions. The participating institutions, not NYSC, issue the cards used for access to ATMs in the Switch.

NYSC also proposes to offer, through the Switch, data transmission and processing services in connection with point-of-sale ("POS") transactions. Such POS transactions would involve the transfer of funds from the checking, savings, or credit card account of a participating institution's customer to a merchant's account. The proposed POS services would be the subject of agreements between merchants and participating institutions, and the POS terminals would be

1. Upon consummation of this proposal, Chemical, MHC, BONY, NatWest, and Marine each would hold a 14.44 percent interest in NYSC. Northeast and Barclays each would hold a 6.68 percent interest. The remaining 14.44 percent interest would be held by Goldome Corporation, a wholly owned subsidiary of Goldome FSB ("Goldome"), a federally chartered stock savings bank located in Buffalo, New York. Goldome, among its other operations, controls two savings and loan associations in Florida, which would participate in NYSC operations.

owned and operated by merchants or participating institutions, not by NYSC.

NYSC initially proposes to provide switching services for financial institutions located in New York, New Jersey, Connecticut and, to the limited extent permitted by state law, in Florida. It plans eventually to offer its services to institutions throughout the United States.

The proposed data processing and related activities have been determined by the Board to be closely related to banking and are permissible under section 225.25(b)(7) of Regulation Y (12 C.F.R. § 225.25(b)(7)(i) and (ii)). Notice of these applications, affording opportunity for interested persons to submit comments, has been duly published. 49 *Federal Register* 37,665 (1984). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicants are among the largest commercial banking organizations operating in the Metropolitan New York market[2]—five of the ten largest organizations in the market are included in this proposal.[3] Although all Applicants presently operate proprietary ATM networks and three also belong to shared networks, only Marine owns a network that presently provides to unaffiliated financial institutions data processing services of the kinds to be provided through the Switch. However, under the terms of the Switch agreement Marine could continue to provide such EFT switching services to nonaffiliates.

In addition, all existing proprietary ATM networks of Applicants would continue to operate, as NYSC would merely interface among those systems. Each co-venturer would retain complete control over expansion of its own ATM networks, pricing and selection of ATM services, and placement of terminals, and thus would continue to compete with the other co-venturers in the operation of ATM networks. Furthermore, the terms of the agreements between NYSC and the participating institutions permit the co-venturers and all other participating institutions to join other switching networks. In light of these and other facts of record, the Board concludes that consummation of this proposal would not have a significant adverse effect on existing competition in the provision of ATM or POS services in the Metropolitan New York and New York State markets.

The Board also has considered the effects of consummation of this proposal on probable future competition in the provision of EFT switching services, particularly in light of the fact that this application involves the use of a joint venture to engage in the relevant activities. As noted above, Applicants encompass some of the largest banking organizations in the Metropolitan New York market. Each Applicant is of sufficient size and experience in providing data processing services to be regarded as a likely potential entrant in that market. This proposal does reduce the likelihood that Applicants would organize similar regional networks independently.

Upon consummation of the proposal, however, at least 14 other nationwide, regional, and statewide shared networks would remain in the Metropolitan New York market as competitors of NYSC.[4] Moreover, a number of other large financial institutions that are not members of shared networks would be available for membership in networks presently not represented in the market. The existence of these current and potential entrants mitigates concerns that the NYSC interchange system may represent so large a proportion of possible ATM terminals in local markets that no other switches could successfully compete. Furthermore, as indicated above, Applicants are not prevented from forming shared networks independent of NYSC and thus competing with NYSC in the provision of data processing services. In light of this and other evidence of record, the Board concludes that consummation of the proposed joint venture would not have a significant adverse effect on probable future competition.

To the limited extent that the NYSC Switch will operate within the state of Florida, the Board also concludes that there would be no significant adverse effects on existing or potential competition in that

2. The Metropolitan New York market is defined to include New York City, Nassau, Putnam, Rockland, Westchester, and western Suffolk Counties in New York State; the northeastern two-thirds of Bergen County and eastern Hudson County in New Jersey; and southwestern Fairfield County in Connecticut.

3. Barclays and NatWest (ranked fourth and fifth, respectively, among the largest banking organizations in the world) are British banking organizations that operate large banks in New York City. Another Applicant, Northeast, is the third largest banking organization in Connecticut. HSBC is the 21st largest bank in the world and, through Marine, is among the ten largest banking organizations in New York State. The remaining three Applicants, Chemical, MHC, and BONY, are among the ten largest banking organizations in New York State. All Applicants operate extensively throughout (but not exclusively within) the Metropolitan New York market.

The largest competitors in that market are not part of this proposal. The Chase Manhattan Bank, N.A. ("Chase"), and Citibank, N.A., operate proprietary ATM networks; in addition, Chase is a member of the Plus System, a nationwide shared ATM network.

4. Nationwide systems include: "Nationet", "Cirrus", "Masterteller", "Plus", "The Exchange", "Vista", and "Mastercharge"; and regional systems include "Cashstream", "MAC", and "Northeast Exchange". In addition, The Chase Manhattan Corporation and Citicorp each operate networks for nonaffiliates in New York (as does one Applicant, Marine). "Yankee 24" serves Connecticut, and "The Treasurer" serves New Jersey.

market. The Board previously has examined the market for the provision of data processing services to unaffiliated financial institutions in Florida and found it to be unconcentrated, with numerous existing and potential competitors. *Atlantic Bancorporation*, 69 FEDERAL RESERVE BULLETIN 639, 641 (1983).

The Board has considered whether consummation of this proposal would result in unfair competitive practices, violations of law, or other substantially adverse effects. In this regard, the Board notes that all depository institutions would have equal access to membership in NYSC, and that the terms of the proposed contracts between NYSC and the participating institutions are reasonably related to the operations of the Switch. After review of the applications and other facts of record, the Board concludes that consummation of this proposal is not likely to result in unfair competition, conflicts of interest, or unsound banking practices.

The Board also has considered the effect of consummation of this proposal in light of state and federal laws governing the establishment of branches and the use of ATMs in a network. As described above, the NYSC network would only provide data processing services for the interchange and would neither own nor operate ATMs. Moreover, Applicants have committed that NYSC will comply with all applicable state and federal laws in offering its switching services to depository institutions.[5]

It is the Board's view that approval of these applications can reasonably be expected to produce benefits to the public. Consummation of this proposal would give individuals in New York State and in the Metropolitan New York area (and, to a limited extent, in Florida) access to a larger number of ATM terminals and would increase the availability of POS services to consumers. In addition, the economies of scale that would result from the expanded network would accrue to all participating institutions. Finally, the greatly expanded resources provided by the joint venture would enable NYSC to improve and expand its EFT services to compete effectively with other regional and national switches.

Based upon the foregoing and other facts of record, the Board has determined that the balance of public interest factors it is required to consider under section 4(c)(8) favors approval of these applications. In addition, the financial and managerial resources and future prospects of the Applicants and NYSC are considered consistent with approval. Accordingly, these applications are hereby approved. This determination is subject to all of the conditions set forth in Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

This transaction shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors, effective December 11, 1984.

Voting for this action: Vice Chairman Martin and Governors Partee and Rice. Abstaining from this action: Governor Gramley. Absent and not voting: Chairman Volcker and Governors Wallich and Seger.

WILLIAM W. WILES
[SEAL] *Secretary of the Board*

First National State Bancorporation Newark, New Jersey

Order Approving the Acquisition of an Institution Offering Checking Accounts and Consumer Lending

First National State Bancorporation, Newark, New Jersey, a bank holding company within the meaning of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("Act") has applied for approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(1) of the Board's Regulation Y (12 C.F.R. § 225.23(a)(1)) to acquire FNS Bank of New York, New York ("Bank"), a *de novo* bank that will offer demand deposit accounts, including checking accounts, and make consumer loans. These activities have been previously determined by the Board to be

5. In that regard, the Board has reviewed the state banking laws of New York, Connecticut, and New Jersey, as interpreted by those states' respective banking authorities, and all appear to permit the establishment of ATMs in-state, as well as the interstate sharing of those ATMs under the circumstances contemplated in this proposal. The Florida EFT statute that allows interstate sharing of ATMs, however, is not completely clear on its face. Fla. Stat. Ann. § 658.65(9) may be read to authorize the interstate sharing only of those ATMs located in Florida that are established by "banks" (as defined in section 658.65(1)(a) of that statute), and not those established by other types of financial institutions (*e.g.*, savings and loan associations and credit unions). There exists a question, therefore, as to whether the ATMs operated by co-venturer Goldome's savings and loan subsidiaries in Florida may be used by the customers of out-of-state banks under Florida law. Applicants have committed that they will not permit the ATMs established by Goldome's Florida subsidiaries (or by any other participating savings and loan association or credit union in Florida) to be used by the customers of out-of-state banks that are participants in the network until it is clear that such use is permitted under Florida law.

closely related to banking. (12 C.F.R. § 225.25(b)(1); *U.S. Trust Corporation*, 70 FEDERAL RESERVE BULLETIN 371 (1984)).

Notice of the application, affording opportunity for interested persons to comment, has been duly published (49 *Federal Register* 40,972 (1984)). The time for filing comments and views has expired and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant is the largest banking organization in New Jersey, with total assets of $10.2 billion.[1] Applicant operates six subsidiary banks with total deposits of approximately $6.3 billion, representing approximately 18.2 percent of deposits in commercial banks in New Jersey. Applicant is the 18th largest commercial banking organization in the Metropolitan New York banking market,[2] where it operates 48 offices with deposits of about $1 billion, representing approximately 0.6 percent of deposits in commercial banks in that market.[3]

Bank is the first nonbank bank with deposit-taking powers to receive its charter from New York State. Bank will accept demand deposits and make loans to individuals for personal, family, household or charitable purposes, but will not engage in the business of making commercial loans as that term is defined in the Board's Regulation Y. 12 C.F.R. § 225.2(a)(1)(B). On this basis, Applicant asserts that Bank will not be a "bank" under the Act and that this application is therefore filed properly under section 4(c)(8) of the Act.

In its decision earlier this year in *U.S. Trust Corporation*, the Board was constrained by the technical definition of "bank" in the Act to conclude that a bank holding company could acquire, on an interstate basis, a national bank that would accept demand deposits but not make commercial loans. The Board established the following conditions, however, to prevent the linkage or integration of the applicant's activities with those of the proposed nonbank bank, as well as transactions between the nonbank bank and its holding company affiliates, in order to limit, to the extent possible, the potential for undermining the policies of the Act:

1. Applicant will not operate the demand-deposit taking activities of the bank in tandem with any other subsidiary or other financial institution;
2. Applicant will not link in any way the demand deposit and commercial lending services that define a bank under the Act; and
3. the nonbank bank will not engage in any transactions with affiliates, other than the payment of dividends to Applicant or the infusion of capital by Applicant into the bank, without the Board's approval.

These conditions preclude the type of integrated operation that could otherwise render Bank a bank for purposes of the Act. Applicant has stated in its application that it will comply with each of these conditions.[4] Applicant does not engage in commercial lending through any office in New York and there is no evidence in the record that consummation of the proposal will result in integrated operations between Bank and any office or affiliate of Applicant or other financial institution engaged in commercial lending. On the basis of these facts and for the reasons set out more fully in the Board's decision in *U.S. Trust*, the Board is constrained, as it was in *U.S. Trust*, to conclude that Bank will not be a bank as that term is defined in the Act and that Applicant's proposal is properly filed under section 4 of the BHC Act.

Applicant has requested the Board's approval to provide internal administrative data processing and accounting services to Bank and to have certain common officers and directors with Bank. The Board has decided to consider whether to grant approval for such limited intercorporate arrangements at a public meeting to be held on January 9, 1985.

The Board finds no evidence that consummation of this proposal would result in any conflicts of interest, unfair competition, unsound banking practices, or other adverse effects. Due to the *de novo* nature of this proposal, there will not be any decrease in competition. Consummation of the proposal may reasonably be expected to result in increased competition.

The Board has previously indicated its reluctance to approve nonbank bank acquisitions in view of the potential presented by such acquisitions to significantly alter the banking structure without Congressional action on the underlying policy issues.[5] For the rea-

1. Financial data are as of June 30, 1984, unless otherwise indicated.

2. The Metropolitan New York market includes all or part of New York City, Westchester, Suffolk, Nassau, Rockland and Putnam Counties in New York State; Fairfield County in Connecticut; and Bergen and Hudson Counties in New Jersey.

3. Data concerning Applicant's size in New Jersey are as of December 31, 1982. Data concerning Applicant's size in the Metropolitan New York Banking Market are as of June 30, 1982.

4. Bank will be located on the concourse level of the World Trade Center in New York City. Applicant currently maintains an international representative office on the 21st floor of Two World Trade Center. Applicant has stated that its international representative office is not a loan production office and is not authorized to transact any banking business under New York law. Applicant has committed that there will be no sharing of quarters or personnel between the international representative office and Bank, and no contact between the international representative office's staff and customers of Bank.

5. *U.S. Trust Corporation, supra; Bankers Trust New York Corporation*, 71 FEDERAL RESERVE BULLETIN 51 (1985); *Bank of Boston Corporation*, 71 FEDERAL RESERVE BULLETIN 55 (1985); *Suburban Bancorporation*, 71 FEDERAL RESERVE BULLETIN 61 (1985).

sons stated in the Board's previous orders, the Board continues to believe that Congressional action to close the nonbank bank loophole is imperative. In approving this application, therefore, the Board does not encourage Applicant to consummate this proposal.

Based on the foregoing and all the facts of record, the Board has determined that the balance of public interest factors it is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved.

Applicant has also applied for approval under section 9 of the Federal Reserve Act, 12 U.S.C. § 321 *et seq.*, and section 208.4 of Regulation H, 12 C.F.R. § 208.4, for Bank to become a member of the Federal Reserve System. Bank appears to meet all the criteria for admission to membership, including capital requirements and considerations related to management character and quality. Accordingly, Bank's membership application is approved.

If this proposal is consummated, it shall be subject to the conditions set forth in this Order with respect to avoiding operation of an integrated institution and the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b). The approval is also subject to the Board's authority to require modification or termination of the activities of the holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof. In accordance with the provisions of section 225.23(b)(1)(iii) of Regulation Y, the Board's approval would be required for additional acquisitions by Applicant of nonbank banks or for the establishment of offices of Bank to be located outside the State of New York.

By order of the Board of Governors, effective December 19, 1984.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Rice, Gramley, and Seger.

JAMES MCAFEE
[SEAL] *Associate Secretary of the Board*

The Sanwa Bank Limited
Osaka, Japan

Order Approving the Acquisition of Nonbanking Companies

The Sanwa Bank Limited, Osaka, Japan, a registered bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) to acquire from Continental Illinois Corporation, Chicago, Illinois, the shares of Cobak Corporation, Chicago, Illinois, and Continental Illinois Leasing Corporation, Chicago, Illinois, and its wholly owned subsidiaries, CI Leasing Corporation, CI General Equipment Leasing Corporation, and CI Transportation Leasing Corporation (collectively, "Companies") and, through Companies, to engage in leasing real and personal property, and commercial financing and servicing activities primarily related to permissible leasing activities. These activities have been determined by the Board to be closely related to banking and therefore permissible for bank holding companies under the Board's Regulation Y (12 C.F.R. §§ 225.25(b)(1) and (5)).

Notice of the application, affording opportunity for interested persons to submit comments, has been duly published in the *Federal Register* (49 *Federal Register* 46,198 (1984)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the Act.

Applicant, with consolidated assets of approximately $106 billion, is the fifth largest commercial banking institution in Japan and the ninth largest commercial banking institution in the world.[1] Applicant is a registered bank holding company by virtue of its ownership of Golden State Sanwa Bank, San Francisco, California, which holds approximately $1.3 billion in total assets. Applicant also operates branches in New York and Chicago, an agency in San Francisco, and a representative office in Houston.

Companies, with total assets of approximately $647.1 million, are wholly owned subsidiaries of Continental Illinois Corporation, and are engaged nationwide in the activities listed above through offices in Chicago, Illinois; Dallas, Texas; New York, New York; Los Angeles, California; San Francisco, California; Boston, Massachusetts; and Atlanta, Georgia.

In every case involving an acquisition by a bank holding company under section 4 of the Act, the Board considers the effect of the acquisition on the financial condition and resources of the applicant. In acting on recent applications by foreign banks to acquire or expand banking or nonbanking operations in the United States, the Board has stated that these proposals raise the general question of whether the capital standards applicable to domestic bank holding companies should also be applied to foreign banking organizations making acquisitions in the United States.[2] This ques-

1. Banking data for Applicant are as of March 31, 1984. All other banking data are as of September 30, 1984.

2. *See, e.g., The Mitsubishi Bank, Limited,* 70 FEDERAL RESERVE BULLETIN 518 (1984); and *Bank of Montreal,* 70 FEDERAL RESERVE BULLETIN 664 (1984).

tion presents a number of complex issues that the Board believes require careful consideration. In this regard, the Board has initiated and is pursuing consultations with foreign bank supervisors on appropriate capital standards for banks that operate internationally.

In evaluating this application, the Board noted that the primary capital ratio of Applicant, as publicly reported, is well below the capital guidelines for U.S. multinational bank holding companies. However, after reviewing all the facts of record relating to the overall financial condition of Applicant and its U.S. banking operations, including the fact that Applicant is in compliance with the capital and other financial requirements of the appropriate supervisory authorities in Japan, that Applicant has a satisfactory record of operation in its local markets, a strong liquidity position, and a substantial portfolio of securities of publicly held Japanese companies that are carried on Applicant's books at cost, which is substantially below their current market value, and other facts of record, the Board has determined that the financial factors relating to this application are consistent with approval.

Applicant engages in the United States in commercial finance, servicing, and leasing activities. In each of these cases, Applicant's and Companies' overlapping market share is insignificant in comparison with the total market volume. Moreover, there are a large number of competitors in each of these markets, and the elimination of Applicant or Company as a competitor would not have any significant adverse effects on competitors. Accordingly, the Board has determined that consummation of the proposal would not result in significant adverse effects on existing or potential competition in any relevant market.

The Board notes that affiliation with Applicant will provide financial strength to Companies. Moreover, there is no evidence in the record to indicate that approval of this proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices, or other effects adverse to the public interest. Accordingly, the Board has determined that considerations relating to the public interest factors under section 4 of the Act are consistent with approval of this application.

Based on the foregoing and all the facts of record, the Board has determined that the application should be and hereby is approved. This determination is subject to the conditions set forth in section 225.4(d) of Regulation Y, and the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasions of, the provisions and purposes of the Act and the Board's regulations and orders issued thereunder. The proposed transaction shall be consummated not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 18, 1984.

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

WILLIAM W. WILES
[SEAL] *Secretary of the Board*

Dissenting Statement by Governor Rice

Because this case raises the same questions as were raised in the application previously considered by the Board regarding the acquisition by The Mitsubishi Bank, Limited, of BanCal Tri-State Corporation, San Francisco, California (70 FEDERAL RESERVE BULLETIN 518 (1984)), I dissent for the reasons explained in my dissent in that case. I believe that the principles of competitive equality and national treatment require that foreign banking organizations that have applied to acquire a domestic company be judged against comparable financial standards, including the Board's capital adequacy guidelines, as would be applicable to domestic banking organizations.

Accordingly, I would deny this application.

December 18, 1984

Security Pacific Corporation
Los Angeles, California

Order Approving Application to Acquire Duff & Phelps, Inc.

Security Pacific Corporation, Los Angeles, California, a bank holding company within the meaning of the Bank Holding Company Act of 1956 ("Act"), has applied for the Board's approval pursuant to section 4(c)(8) of that Act (12 U.S.C. § 1843(c)(8)) and section 225.21(a) of the Board's Regulation Y (12 C.F.R. § 225.21(a)) to acquire 100 percent of the voting shares of Duff & Phelps, Inc., Chicago, Illinois ("Company"), which engages in investment advisory, investment management, and financial advisory activities.

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (49 *Federal Register* 30,795 (1984)). The time for filing comments has expired, and the

Board has considered the application and all comments received, including the comments submitted by the Dealer Bank Association and Fitch Investors Service, Inc., in light of the factors set forth in section 4(c)(8) of the Act.

Company engages in the following nonbanking activities:

(1) investment research and advice regarding utilities, industrial firms, financial organizations, and technological and energy companies;
(2) investment management services;
(3) financial feasibility studies in connection with tax exempt revenue bond issues;
(4) financial feasibility studies for specific projects of private corporations;
(5) valuations of companies and of large blocks of stock for a variety of purposes;
(6) expert witness testimony on behalf of utility companies in rate cases; and
(7) credit ratings on bonds, preferred stock, and commercial paper.

Activities (1), (2) and (3) have been determined by the Board to be closely related to banking and permissible for bank holding companies. (12 C.F.R. § 225.25(b)(4)). Activities (4)-(7), which are described in greater detail below, have not been considered previously by the Board.

Applicant is a bank holding company by virtue of its control of Security Pacific National Bank, Los Angeles, California. With total assets of approximately $43 billion as of September 30, 1984, Applicant is the second largest banking organization in California. Through its subsidiaries, Applicant engages in various permissible nonbanking activities.

Permissibility of Activities (4)-(7)

Activity (4)—Financial Feasibility Studies

In providing financial feasibility studies for private corporations, Company evaluates all financial aspects of a particular project, including economic conditions, sales and earnings statements, balance sheets, and cash flow data. When Company is retained for such studies, its assignment is to analyze and project the income to be generated by a project.[1] Applicant contends that this activity is authorized by section 225.25(b)(4)(iv) of Regulation Y, which permits a bank holding company to act as investment or financial advisor by "furnishing general economic information and advice, general economic statistical forecasting services, and industry studies." The Board, however, believes that the proposed financial feasibility studies cannot be considered to constitute the provision of "general economic information and advice," because the studies apply analysis of general economic information and specific financial data to a particular corporate project.

Applicant also asserts that if providing financial feasibility studies is not an activity presently permitted under Regulation Y, it is nevertheless an activity "so closely related to banking as to be a proper incident thereto" and is thus permissible under section 4(c)(8) of the Act. The Board believes this activity to be functionally very similar to the financial advice traditionally offered by banks to their commercial lending customers. In providing a financial feasibility study, Company analyzes and values the potential income stream from a project—analysis that a bank engaged in project financing must complete on a routine basis. Furthermore, Applicant has provided evidence that certain major banks provide customers with similar financial feasibility analyses under a variety of names, including capital expenditure analysis and capital budgeting. Upon consideration of the entire record, including the comment submitted by the Dealer Bank Association, the Board has determined that the provision of financial feasibility studies for corporations is closely related to banking.

Section 4(c)(8) of the Act, however, also requires the Board to consider whether the performance of an activity "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices."

With regard to public benefits factors, a danger of conflicts of interest arises from the affiliation of Applicant's credit extending subsidiaries and Company as an advisor regarding the financial feasibility of capital investments.

The Board believes that concerns regarding conflicts of interest and related adverse effects that may be associated with financial feasibility studies can be substantially mitigated through the imposition of conditions designed to prevent such adverse effects. The Board finds that appropriate conditions to mitigate such adverse effects are as follows:

(1) that Company not make available to Applicant or any of its subsidiaries confidential information received from Company's clients;

1. The financial feasibility studies offered by Company differ significantly from the general management consulting services previously prohibited by the Board, 12 C.F.R. § 225.25(b)(4)(iv) n.1. Company does not assist management of a client in the planning, marketing, or research for a given project or otherwise provide general operational and managerial advice, and such studies are not provided on a continuing basis. On the contrary, Company restricts its analysis entirely to the financial aspects of a single project.

(2) that disclosure is made to each potential customer of Company that Company is an affiliate of Applicant;
(3) that advice is rendered by Company on an explicit fee basis without regard to correspondent balances maintained by a customer of Company at any depository institution subsidiary of Applicant; and
(4) that Company's financial advisory activities shall not encompass the performance of routine tasks or operations for a customer on a daily or continuous basis.

Activity (5)—Valuation Services

This activity includes the following services:
(1) the valuation of a company for purposes of acquisitions, mergers, and divestitures;
(2) tender offer evaluations;
(3) advice for management or for a bankruptcy court on the viability and capital adequacy of financially troubled companies and on the fairness of bankruptcy reorganizations;
(4) valuation opinions on transactions in publicly held securities;
(5) valuations on the fair market value of employee stock ownership trusts;
(6) periodic valuation of stock of privately owned companies held in pension or profit-sharing plans, charitable trusts, or venture capital funds;
(7) the valuation of a privately owned company, or of a large block of publicly owned securities, for estate tax purposes; and
(8) for estate tax purposes, valuations of a company's common stock and other securities for recapitalization of a privately held company.

Company also provides expert witness testimony in support of the above valuations.

Upon consideration of the entire record, the Board has determined that the activity of providing valuations of companies, as well as the expert witness testimony incidental to such valuations, is closely related to banking. The commercial lending and trust departments of banks commonly make valuations of a broad range of tangible and intangible property, including the securities of closely held companies. Further, Applicant has provided evidence that numerous banks compete directly with Company in offering corporate valuations for a fee.

The Board also has considered whether adverse effects such as conflicts of interest or unsound banking practices may be associated with the conduct of corporate valuation activities by a bank holding company subsidiary and has determined that no significant adverse effects would result from the Board's approval of these activities.

Activity (6)—Utility Rate Testimony

Company frequently provides expert witness testimony on behalf of utility firms in rate cases. Company's personnel are retained to give expert testimony on financial matters such as the cost of capital, economic conditions, and the rate of return expected by investors in utility securities. Expert testimony on these matters is based on Company's continuing analysis of the utility industry on behalf of its investment research clients.

The Board believes that to a large degree this activity may be considered incidental to Company's provision of general economic information and advice, which is permissible under section 225.25(b)(4)(iv) of Regulation Y. To the extent such rate testimony is not incidental to Company's permissible activities, the Board concludes that it is closely related to banking, in that banks routinely calculate the cost of capital for customers in order to advise them regarding financing alternatives. In addition, the Board has determined that no adverse effects would result from its approval of Applicant's proposal to provide this service.[2]

Activity (7)—Credit Ratings

Company provides credit ratings on bonds, preferred stock, and commercial paper. "Private" credit ratings are included as part of the investment research reports sold to institutional investors. In addition, Company provides "public" credit ratings, on a fee basis, for companies that request public disclosure. As part of the public rating process, the rated company is given the opportunity to make a presentation to Company's Credit Rating Committee.

Applicant argues that public credit rating activities are the subset of the activity of providing portfolio investment advice, an activity which is authorized by section 225.25(b)(4)(iii) of Regulation Y, in that public credit rating involves securities investment research, analysis, and recommendations on investment. While there is a reasonable basis for a determination that the activity of providing credit ratings does appear to be similar to activities banks generally provide for themselves as part of the analysis of creditworthiness, the Board has not found it necessary to make a determination on this point since even if the activity were closely

2. There is some potential for conflicts of interest between the provision of expert witness testimony and Applicant's commercial lending activities to the extent that Applicant may have loans outstanding to the utility involved. Expert witness testimony is usually subject to cross examination, however, and thus the Board does not regard this potential conflict as significant.

related to banking, the Board does not believe that it meets the public benefits test which the Board is required to consider under section 4(c)(8).

As noted above, this section requires an evaluation of whether the performance of an activity "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects such as . . . conflicts of interest." The Board believes that whatever public benefits may be derived from strengthening the competitive position of Company through expansion of the resources available to it through association with Applicant, these benefits are clearly outweighed by the potential conflicts of interest that seem inherent in the proposed acquisition. Company provides credit ratings for many of the largest businesses in this country and in the future expects to provide ratings for numerous municipal bond issues as well. Applicant, on the other hand, is one of the largest banks in this country and is a significant lender to many of these same customers.

In this situation, Applicant has a vested interest in the ratings of corporations to which it lends, in the ratings of the municipal bonds it underwrites, in the ratings of the commercial paper and municipal bonds for which it provides back-up lines of credit, and in the ratings of fixed-income securities which it holds or trades. Examples of possible conflicts include the release to Applicant of confidential information obtained during the credit rating process, the advance release to Applicant of credit ratings for companies to which Applicant has very large credits outstanding, the potential for pressures by Applicant on Company to modify favorably the credit rating of one of Applicant's major customers, and the subtle pressure on Company's staff resulting from ownership by Applicant, which might cause Company to temper its judgments about companies in which Applicant has a substantial interest. Similar conflicts may also arise between Company's credit rating function and Applicant's investment of trust assets.

Applicant acknowledges the potential conflicts but argues that various steps can be taken to ameliorate them and bring them within a manageable framework. To this end, Applicant has proposed a number of techniques for isolating the credit rating activities of Company from influence by the Applicant, including the establishment of a separate corporation with a number of independent directors, a prohibition on contacts between Applicant and the members of Company's credit rating committee, and certain record keeping requirements for that committee.

The Board has considered these positive suggestions as well as others to assure full disclosure of relationships between Applicant and any of the companies rated by Company as well as a prohibition on Company rating Applicant's securities, securities which Applicant has underwritten, or securities for which Applicant has provided a guarantee or back-up letter of credit. However, the Board believes that the conflicts in the relationship between a major lender and a credit rating company are so pervasive they cannot be overcome through the adoption of a "Chinese wall." The employees of Company will inevitably be aware of interests of Applicant in firms being rated by them and, it seems reasonable to assume that this knowledge may, at times, have some influence over their decisions.

The Board finds these considerations to be of particular concern in the context of the credit rating industry, which now has relatively few participants. There are significant barriers to successful entry into this activity, including the requirement for a large and credible investment research operation to support the credit rating process, that are likely, as a practical matter, to continue to limit the size of the industry to a relatively few companies. It thus appears to be particularly unwise to establish a precedent under which one or more credit rating firms would be affiliated with major lenders.

The Board's concerns regarding conflicts of interest with respect to the credit rating activity are not based on any doubts regarding the integrity of the parties to this application, but rather are based on the Board's responsibility to assess the possible adverse effects that may be associated with an affiliation between a bank holding company and a public credit rating organization. Thus, the Board is acting in furtherance of one of the general purposes of the Bank Holding Company Act, which is "to prevent possible future problems rather than to solve existing ones."[3]

Accordingly, in view of the pervasive conflicts of interest between Applicant's existing operations and Company's credit ratings business, the Board has determined not to approve the performance of public credit ratings.[4]

General Considerations Regarding Acquisition of Company

With regard to financial factors, the Board notes that Applicant would fund this acquisition entirely with

3. S. Rep. No. 91-1084, 91st Cong. 2d Sess. 4 (1970).

4. The potential for conflicts of interest associated with the provision of financial feasibility studies is not as pervasive or acute as is the case with public credit ratings. As noted above, the financial feasibility studies provided by Company are quite limited in scope, and this activity constitutes only a minor portion of Company's operations. In addition, the provision of such studies generally does not have the potential for market-wide effects that are associated with the provision of a service such as public credit ratings. Finally, the market for the provision of financial feasibility studies does not exhibit the high level of concentration that characterizes the public credit ratings market.

debt, which would be reflected by an almost equal increase in the amount of intangibles included in Applicant's capital. The Board views with concern any proposal involving a major debt-financed acquisition that reduces a bank holding company's tangible primary capital and could adversely affect its ability to serve as a source of strength to its subsidiaries. In this case, the increase in debt would be small relative to the size of Applicant's total capital, its tangible primary capital would remain above the Board's existing and proposed Capital Guidelines, and its overall capitalization would remain in Zone 1 under those Guidelines. Accordingly, the Board concludes that the financial and managerial resources of Applicant are consistent with approval.

With regard to competitive issues, Applicant and Company are both engaged in the provision of investment advice and investment management (activities (1) and (2)). The amount of direct competition between them is minimal, however, since the market for these services is characterized by a large number of competitors and neither Applicant nor Company holds a significant share of the relevant market. Applicant does not offer the remainder of the services provided by Company except as an incident to Applicant's other business activities, and does not appear to be a likely *de novo* entrant in these markets. Accordingly, the Board concludes that consummation of the proposed transaction would not have a significant impact on existing or potential competition. There is no evidence in the record to indicate that consummation of the proposal would result in other adverse effects on the public interest.

The Board finds that with the exception of the credit rating portion of Company's business, consummation of this proposal may reasonably be expected to result in public benefits. Applicant proposes to strengthen Company and expand the products that it offers. For example, Applicant plans to offer new methods of distributing Company's research through time-sharing computers.

Based on the foregoing analysis and all the facts of record, the Board has determined that the balance of the public interest factors it is required to consider under section 4(c)(8) of the Act is favorable. Accordingly, the application, with the exception of the provision of public credit ratings, should be and hereby is approved. This determination is subject to the conditions set forth in this Order for the avoidance of conflicts of interest and the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3). The approval is also subject to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The proposed activities shall be commenced not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of San Francisco pursuant to delegated authority.

By order of the Board of Governors, effective December 26, 1984.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Rice, Gramley, and Seger.

JAMES MCAFEE
[SEAL] *Associate Secretary of the Board*

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

Boatmen's Bancshares, Inc.
St. Louis, Missouri

Order Approving the Merger of Bank Holding Companies and the Acquisition of a Company Engaged in Insurance Activities

Boatmen's Bancshares, Inc., St. Louis, Missouri, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 3 of the Act (12 U.S.C. § 1842) to acquire CharterCorp, Kansas City, Missouri, and thereby indirectly acquire its 27 subsidiary banks.[1] In connection with this application, Applicant also has applied to establish BBI Bancshares, St. Louis, Missouri, which will become a bank holding company by merging with CharterCorp.

1. The banks to be acquired are as follows: First National Bank of Kansas City, Kansas City; CharterBank, St. Louis N.A., St. Louis; CharterBank Webster Groves Trust Company, Webster Groves; CharterBank of Jennings, Jennings; CharterBank of Carthage, Carthage; CharterBank of Ward Parkway N.A., Kansas City; CharterBank Springfield N.A., Springfield; CharterBank Lee's Summit, Lee's Summit; CharterBank Aurora, Aurora; CharterBank of Overland, Overland; CharterBank Cassville N.A., Cassville; CharterBank Butler, Butler; Livestock National Bank, Kansas City; CharterBank Independence, Independence; CharterBank Marshall, Marshall; CharterBank DeSoto, DeSoto; CharterBank of Ladue, Ladue; CharterBank Belton, Belton; CharterBank Lebanon N.A., Lebanon; CharterBank Clinton, Clinton; CharterBank Excelsior Springs, Excelsior Springs; CharterBank Lexington, Lexington; CharterBank Boonville N.A., Boonville; CharterBank Richmond N.A., Richmond; CharterBank Lockwood, Lockwood; CharterBank Nevada, Nevada; and CharterBank Raytown, Raytown, all located in Missouri.

Applicant also has applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(2) of the Board's Regulation Y (12 C.F.R. § 225.23(a)(2)), to acquire Charter Bankers Life Insurance Company, Kansas City, Missouri, a company engaged in the reinsurance of credit-related insurance directly related to extensions of credit by subsidiaries of CharterCorp. This activity has been determined by the Board to be closely related to banking and permissible for bank holding companies. (12 C.F.R. §§ 225.23(b)(9)).

Notice of the applications, affording opportunity for interested persons to submit comments, has been given in accordance with sections 3 and 4 of the Act (49 *Federal Register* 38,989 (1984)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)) and the considerations specified in section 4(c)(8) of the Act.

Applicant is the fourth largest commercial banking organization in Missouri with 18 subsidiary banks that control aggregate deposits of $2.5 billion, representing 7.1 percent of total deposits in commercial banks in the state.[2] CharterCorp is the fifth largest commercial banking organization in the state, with 27 banking subsidiaries that control aggregate deposits of $2.2 billion, representing 6.5 percent of total deposits in commercial banks in the state.

Upon consummation of the proposed acquisition, Applicant's share of total deposits in commercial banks in the state would increase to approximately 13.6 percent, and Applicant would become the largest commercial banking organization in the state.

Although the Board is concerned about the effect of this merger of the fourth and fifth largest commercial banking organizations in Missouri on the concentration of banking resources within the state, certain conditions existing after the proposed merger mitigate that concern. A number of other large multibank holding companies that are active throughout the state would remain upon consummation of this proposal. In addition, Missouri would remain moderately concentrated in terms of banking resources, with the share of the commercial bank deposits held by the four largest commercial banking organizations in Missouri increasing from 38.5 percent to 45 percent. Accordingly, it is the Board's view that consummation of this acquisition would not have any significantly adverse effects on the concentration of commercial banking resources in Missouri.[3]

Applicant's subsidiary banks compete directly with CharterCorp's subsidiary banks in three banking markets: the Springfield, St. Louis, and Kansas City banking markets.

In the Springfield banking market,[4] Applicant is the second largest commercial banking organization with total deposits of $261.4 million, representing 23.4 percent of the deposits in commercial banks in the market. CharterCorp is the sixth largest commercial banking organization with $67.2 million in deposits, representing 6 percent of total deposits in commercial banks in the market. After consummation of the proposal, Applicant would control approximately 29.4 percent of the deposits in commercial banks in the market.

The Springfield banking market is considered to be moderately concentrated, with the four largest commercial banks controlling 68.9 percent of the deposits in commercial banks in the market.[5] Although consummation of this proposal would eliminate some existing competition between Applicant and CharterCorp in the Springfield market, numerous other commercial banking organizations would remain as competitors after consummation of the proposal. In addition, the presence of eight thrift institutions mitigates the competitive effects of the transaction.[6] These institutions hold combined deposits of $735.1 million, or approximately 40 percent of total deposits in the market. Moreover, two of the four largest institutions in the market are thrift institutions. Thrift institutions already exert a considerable competitive influence in the market as providers of NOW accounts and con-

2. Unless otherwise indicated, deposit data are as of June 30, 1984, and reflect bank holding company acquisitions approved through October 15, 1984.

3. Missouri law prohibits a bank holding company from obtaining control of another bank if the total deposits held by the bank holding company (exclusive of certificates of deposit with a face amount of $100,000 or more, deposits from foreign sources and deposits of all other banks not controlled by the bank holding company) would result in a market share exceeding 13 percent. Mo. Ann. Stat. § 362.915 (Vernon Supp. 1984). After excluding excludable deposits, Applicant's market share after consummation of the proposal would be approximately 12 percent.

4. The Springfield banking market is approximated by the Springfield RMA.

5. The Herfindahl-Hirshman Index ("HHI") in the market is 1563 and would increase by 283 points to 1846 upon consummation of the proposal. Under the revised Department of Justice Merger Guidelines (49 *Federal Register* 26,823 (1984)), a market in which the post-merger HHI is over 1800 is considered highly concentrated. In such markets, the Department is likely to challenge a merger that produces an increase in the HHI of more than 50 points.

6. The Board has previously indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. *National City Corporation*, 70 FEDERAL RESERVE BULLETIN 743 (1984); *NCNB Bancorporation*, 70 FEDERAL RESERVE BULLETIN 225 (1984); *General Bancshares Corporation*, 69 FEDERAL RESERVE BULLETIN 802 (1983); *First Tennessee National Corporation*, 69 FEDERAL RESERVE BULLETIN 298 (1983).

sumer loans. In addition, some of the thrift institutions are engaged in the business of making commercial loans and are providing an alternative for such services in the Springfield market. Accordingly, based upon the foregoing, the Board has concluded that the effects of the proposal on competition in the Springfield market would not be substantially adverse.[7]

In the St. Louis banking market, Applicant is the fourth largest commercial banking organization, with deposits of $1.5 billion, representing approximately 9.8 percent of the total deposits in commercial banks in the market.[8] CharterCorp is the ninth largest commercial banking organization with deposits of $527.7 million, representing approximately 3.4 percent of the total deposits in commercial banks in the market. Upon consummation of the proposal, Applicant would become the third largest commercial banking organization in the market and control approximately 13.2 percent of the total deposits in commercial banks in the market. This market has a four-firm concentration ratio of 49.6 percent and is not considered concentrated.[9] Moreover, numerous other commercial banking organizations would remain in the market after consummation of the proposal. Accordingly, the effects of the proposal on competition in the St. Louis market are not regarded as substantially adverse.

In the Kansas City banking market,[10] Applicant is the sixth largest commercial banking organization with deposits of $413.1 million, representing 4.2 percent of total deposits in commercial banks in the market. CharterCorp is the third largest commercial banking organization in the market with deposits of $1.1 billion, representing 11.5 percent of the total deposits in commercial banks in the market. Upon consummation, Applicant would become the largest commercial banking organization in the market and its market share would increase to 15.6 percent. The Kansas City banking market is unconcentrated with a four-firm concentration ratio of 47 percent.[11] Moreover, numerous commercial banking alternatives would remain in the market after consummation of this proposal. Accordingly, the Board has concluded that the effects of the proposal on competition in the Kansas City market would not be substantially adverse.

The Board has considered the effects of this proposal on probable future competition in the 17 markets in which Applicant and CharterCorp do not compete directly. In none of these markets would the proposed merger require intensive analysis under the Board's proposed Guidelines.[12] After consideration of these factors in the context of the specific facts of this case, the Board concludes that consummation of this proposal would not have any significant adverse effects on probable future competition in any relevant market.

The financial and managerial resources of Applicant, CharterCorp and their subsidiaries are regarded as generally satisfactory. Although Applicant will incur some debt as a result of this transaction, this transaction will be accomplished primarily by an exchange of Applicant's shares for CharterCorp shares. Upon consummation of this transaction, Applicant's primary and total capital ratios will meet both the Board's current and proposed Capital Adequacy Guidelines.[13] Accordingly, considerations relating to banking factors are consistent with approval. Consummation of this proposal will provide CharterCorp's customers with access to a nationwide automatic teller machine service and more advanced cash management services. Accordingly, considerations relating to the convenience and needs of the communities to be served also are consistent with approval of the application.

Applicant also has applied, pursuant to section 4(c)(8) of the Act, to acquire Charter Bankers Life Insurance Company, Kansas City, Missouri ("Company"), a wholly owned subsidiary of CharterCorp, which engages in the reinsurance of credit-related insurance made by CharterCorp's subsidiaries. Although Applicant currently engages in the reinsurance of credit-related insurance, no adverse competitive effect would result from this acquisition because the

7. If 50 percent of deposits held by thrift institutions in the Springfield banking market were included in the calculation of market concentration, the share of total deposits held by the four largest organizations in the market (two of which are thrift institutions) would be 58.2 percent. Applicant would control 17.6 percent of the market's deposits and CharterCorp would control 4.5 percent of the market's deposits. The HHI would increase by 160 points to 1183.

8. The St. Louis market is approximated by the St. Louis RMA, adjusted to include all of St. Charles and Jefferson Counties, Missouri, and all of Lebanon and Mascoutah townships in St. Clair County, Illinois.

9. The HHI in the market is 748 and would increase to 815 upon consummation of the proposal. Under the revised Department of Justice Merger Guidelines, a market in which the post-merger HHI is under 1000 is considered unconcentrated. In such markets, the Department will not challenge a merger except in extraordinary circumstances.

10. The Kansas City banking market is approximated by the Kansas City RMA.

11. The HHI in the market is 662 and would increase by only 96 points to 758 as a result of the proposal.

12. "Policy Statement of the Board of Governors of the Federal Reserve System for Assessing Competitive Factors Under the Bank Merger Act and the Bank Holding Company Act," 47 *Federal Register* 9017 (1982). While the proposed policy statement has not been adopted by the Board, the Board is using the policy guidelines as part of its analysis of the effect of a proposal on probable future competition.

13. *Capital Adequacy Guidelines*, 12 C.F.R., Part 225, Appendix A; *Capital Adequacy Guidelines for Bank Holding Companies*, 49 *Federal Register* 30,322 (1984).

activities of Company would be limited to insurance directly related to extensions of credit made by the subsidiaries of CharterCorp and Applicant. Accordingly, it does not appear that Applicant's acquisition of Company would have any significant adverse effect upon existing or potential competition. Furthermore, there is no evidence in the record to indicate that approval of this proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of the public interest factors it must consider under section 4(c)(8) of the Act is favorable and consistent with approval of the application to acquire Company.

Based on the foregoing and the facts of record, the Board has determined that the applications under sections 3 and 4 of the Act should be and hereby are approved. The acquisition and merger of CharterCorp shall not be consummated before the thirtieth calendar day following the effective date of this Order or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of St. Louis pursuant to delegated authority. The determinations as to Applicant's nonbanking activities are subject to the conditions set forth in sections 225.4(d) and 225.23(b)(3) of Regulation Y (12 C.F.R. § 225.4(d) and 225.23(b)(3)) and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective December 11, 1984.

Voting for this action: Vice Chairman Martin and Governors Partee, Rice, and Gramley. Absent and not voting: Chairman Volcker and Governors Wallich and Seger.

WILLIAM W. WILES
[SEAL] *Secretary of the Board*

Louisiana Bancshares, Inc.
Baton Rouge, Louisiana

Order Approving Consolidation of Bank Holding Companies and Acquisition of Nonbanking Company

Louisiana Bancshares, Inc., Baton Rouge, Louisiana ("Louisiana Bancshares"), has applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. § 1842) for consolidation of three Louisiana bank holding companies, First Bancshares of Louisiana, Inc., Baton Rouge ("FBL"), First National Bancorp, Inc., Shreveport ("FNB"), and Ouachita National Bancshares, Inc., Monroe ("ONB"). Louisiana Bancshares would be the successor corporation formed through the consolidation of the three bank holding companies and would thereby become a bank holding company. Louisiana Bancshares has also applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. § 225.23), to acquire Louisiana National Mortgage Company, Baton Rouge, Louisiana, which currently is a mortgage banking subsidiary of FBL.

Applicant is seeking prior approval to consummate the proposed consolidation under recently enacted Louisiana legislation that permits multibank holding companies in that state. The new law will permit a bank holding company to acquire a bank located outside of the holding company's parish if the bank has been in existence for at least five years.[1]

Notice of the applications, affording opportunity for interested persons to submit comments, has been given in accordance with sections 3 and 4 of the Act (49 *Federal Register* 39,734 (1984)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)) and the considerations specified in section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

FBL is the fifth largest commercial banking organization in Louisiana. Its subsidiary, Louisiana National Bank of Baton Rouge, Baton Rouge, Louisiana, holds total domestic deposits of $858.4 million, representing 3.1 percent of deposits in commercial banks in the state.[2] FNB, the sixth largest commercial banking organization in the state, controls The First National Bank of Shreveport, Shreveport, Louisiana, which holds total domestic deposits of $827.1 million, representing 3 percent of deposits in commercial banks in the state. ONB, the thirteenth largest banking organization in the state, controls The Ouachita National Bank in Monroe, Monroe, Louisiana, which holds total domestic deposits of $430.7 million, representing 1.5 percent of deposits in commercial banks in the state. Upon consummation of the proposed consolidation, Applicant would become the largest banking

1. 1984 Louisiana Acts No. 50. The legislation provides authorization for the acquisition of *de novo* banks beginning in 1989.
2. Banking data are as of December 31, 1983.

organization in Louisiana, controlling $2.1 billion in deposits, or 7.6 percent of deposits in commercial banks in the state.

The Board has carefully considered the effects of the proposal on statewide banking structure and upon competition in the relevant markets. The proposal involves the combination of sizeable commercial banking organizations that are leading banking organizations in their respective geographic markets and are among the leading banking organizations in the state. However, with respect to statewide concentration of resources, the Board notes that the state is currently unconcentrated, with the four largest commercial banking organizations in the state controlling 18.2 percent of deposits in commercial banks in the state. Upon consummation, the state would remain unconcentrated, with a four-firm concentration ratio of 22.7 percent.

The banking subsidiaries of FBL, FNB, and ONB each operate in separate banking markets located in different areas of the state.[3] Because of state law restrictions on multiparish banking, these banking organizations heretofore have been prohibited from branching or acquiring subsidiary banks in one another's markets. Accordingly, consummation of the proposal would not eliminate significant existing competition in any relevant market.

The Board has also examined the effect of the proposed consolidation of FBL, FNB, and ONB on probable future competition in the relevant geographic markets in light of the Board's probable future competition guidelines.[4] After consideration of these factors in light of the specific facts of this case, the Board has concluded that the consummation of this proposal would not have any significant adverse effects on probable future competition in any relevant market. The Baton Rouge and Shreveport markets are not considered highly concentrated under the Board's guidelines, and there are numerous potential entrants into the Monroe banking market.

The financial and managerial resources and future prospects of FBL, FNB and ONB and their respective subsidiaries are considered satisfactory. The proposal involves the consolidation of three bank holding companies through an exchange of shares. No debt will be incurred to effect the proposal, and Applicant's primary and total capital ratios will substantially exceed the minimum levels specified in the Board's guidelines. Accordingly, the Board finds that banking factors are consistent with approval.

Applicant has stated that the affiliation of these bank holding companies will permit Applicant to provide enhanced or specialized services in the areas of electronic banking, investment services, trust services, correspondent relationships and specialized lending to a larger number of customers and will enable Applicant to build on the internal product and service development efforts of the combining organizations. The Board has determined that considerations relating to the convenience and needs of the community to be served are consistent with approval.

Louisiana Bancshares has also applied, pursuant to section 4(c)(8) of the Act, to acquire Louisiana National Mortgage Company, Baton Rouge, Louisiana ("Company"). Company currently is a subsidiary of FBL and engages in mortgage banking activities to the extent permissible for bank holding companies under section 225.25(b)(1) of Regulation Y (12 C.F.R. § 225.25(b)(1)). FNB and ONB currently offer mortgage banking services through their banking subsidiaries. In view of the presence of numerous other suppliers of these services in the region, and the small size of the market shares involved, the Board concludes that no significant existing competition would be eliminated by the proposal.

There is no evidence in the record to indicate that approval of this proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of the public interest factors it must consider under section 4(c)(8) of the Act is consistent with approval of the application to acquire Company.

Based on the foregoing and the facts of record, the Board has determined that the applications under sections 3 and 4 of the Act should be and are hereby approved. The consolidation shall not be consummated before the thirtieth calendar day following the effective date of this Order, and neither the subject consolidation nor the acquisition of Company shall be made 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 Atlanta, acting pursuant to delegated authority. The determination with respect to Louisiana Bancshares' acquisition of Company is subject to all the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b) (12 C.F.R. §§ 225.4(d) and 225.23(b)), and to the Board's authority to require such modifica-

3. FBL operates in the banking market defined as the Baton Rouge Metropolitan Statistical Area ("MSA"). FNB operates in the banking market defined as the Shreveport MSA, and ONB operates in the banking market defined as the Monroe MSA.

4. *See* "Proposed Policy Statement of the Board of Governors of the Federal Reserve System for Assessing Competitive Factors Under the Bank Merger Act and the Bank Holding Company Act," 47 *Federal Register* 9017 (1982). The proposed policy statement has not been approved by the Board. The Board has applied the criteria set forth in the proposed policy statement in its analysis of the effects of proposals on probable future competition.

tion or termination of activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective December 11, 1984.

Voting for this action: Vice Chairman Martin and Governors Partee, Rice, and Gramley. Absent and not voting: Chairman Volcker and Governors Wallich and Seger.

WILLIAM W. WILES
[SEAL] *Secretary of the Board*

Orders Issued Under Section 5 of Bank Service Corporation Act

Southeast Bank, N.A.
Miami, Florida

Southeast Credit Insurance Company
Miami, Florida

Order Approving Investment in a Bank Service Corporation

Southeast Bank, N.A. ("Bank"), the principal subsidiary of a registered bank holding company, Southeast Banking Corporation ("Southeast"), both of Miami, Florida, has applied for the Board's approval under section 5(b) of the Bank Service Corporation Act, as amended ("BSCA") (12 U.S.C. § 1861 *et seq.*), to acquire all of the capital stock of a bank service corporation, Southeast Credit Insurance Company, Miami, Florida ("Company").[1]

In addition, Company has applied under section 5(b) of the BSCA for permission to engage in an activity that would be permissible for a bank holding company under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) and section 225.25 of Regulation Y (12 C.F.R. § 225.25). Company proposes to underwrite, as reinsurer, credit life and credit accident and health insurance directly related to extensions of credit by the bank holding company system.

Section 4(f) of the BSCA, 12 U.S.C. § 1864(f), provides that a bank service corporation may perform at any geographic location any service, other than deposit taking, that the Board has determined, by regulation, to be permissible for a bank holding company under section 4(c)(8) of the Bank Holding Company Act.[2] Company proposes to engage in insurance underwriting (as reinsurer) to the extent such activities are generally permissible for bank holding companies in the Board's Regulation Y, 12 C.F.R. § 225.25(b)(9).[3] The activities of Company will be conducted at the offices of Bank and its affiliates located throughout the state of Florida. As such, Company will serve an area which is approximated by the service areas of Southeast's banking subsidiaries.

Section 5(c) of the BSCA, 12 U.S.C. § 1865(c), authorizes the Board, in acting upon applications to invest in or provide services as a bank service corporation, to consider the financial and managerial resources of the institutions involved, their prospects, and possible adverse effects, such as undue concentration of resources, unfair or decreased competition, conflicts of interest, or unsafe or unsound banking practices. The Board finds that considerations relating to these factors are consistent with approval and that there is no evidence of adverse effects.

Accordingly, on the basis of the record, the applications are approved for the reasons summarized above. This determination is subject to the Board's authority to require such modification or termination of the activities of a bank service corporation as the Board finds necessary to assure compliance with the BSCA or to prevent evasions thereof.[4] The transactions shall be consummated within three months after the date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Atlanta.

By order of the Board of Governors, effective December 10, 1984.

Voting for this action: Vice Chairman Martin and Governors Partee, Rice, and Gramley. Absent and not voting: Chairman Volcker and Governors Wallich and Seger.

JAMES MCAFEE
[SEAL] *Associate Secretary of the Board*

1. The BSCA defines a "bank service corporation" as a corporation organized to perform services authorized by this Act, all of the capital stock of which is owned by one or more insured banks.

2. Under section 4(c)(8) of the Bank Holding Company Act, 12 U.S.C. § 1843(c)(8), a bank holding company may engage in activities determined by the Board to be closely related to banking and a proper incident thereto.

3. Section 225.25(b)(9) of Regulation Y authorizes bank holding companies to underwrite (and hence to reinsure) credit life insurance and credit accident and health insurance that is directly related to extensions of credit by the bank holding company system. The regulation requires that an applicant must offer premium rate reductions or equivalent public benefit in order to engage in this activity. 12 C.F.R. § 225.25(b)(9) n.7. Company has committed to offer the required rate reductions.

4. In that regard, the Board has sought public comment regarding the proposed elimination of the rate reduction requirement from this activity. 48 *Federal Register* 53,125 (1983). Any final action taken by the Board with respect to this rule would be applicable to Bank and Company.

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Board of Governors

During December 1984 the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	Bank	Board action (effective date)
CoBank Financial Corporation, San Luis Obispo, California	Commerce Bank of San Luis Obispo, N.A., San Luis Obispo, California	December 10, 1984

By Federal Reserve Banks

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

Section 3

Applicant	Bank(s)	Reserve Bank	Effective date
Albert City Bankshares, Inc., Albert City, Iowa	Albert City Savings Bank, Albert City, Iowa	Chicago	December 7, 1984
Allied Bancshares, Inc., Houston, Texas	Allied Bank Fort Worth, Fort Worth, Texas	Dallas	November 28, 1984
Allied Bancshares, Inc., Thomson, Georgia	Bank of Thomson, Thomson, Georgia	Atlanta	December 21, 1984
American Security Bancshares, Ville Platte, Louisiana	American Security Bank of Ville Platte, Ville Platte, Louisiana	Atlanta	December 26, 1984
AmeriCorp, Inc., Savannah, Georgia	AmeriBank, N.A., Savannah, Georgia	Atlanta	December 21, 1984
Ashland Bankshares, Inc., Ashland,Kentucky,	Bank of Ashland, Inc., Ashland, Kentucky	Cleveland	December 3, 1984
Auburn Financial Corp., Auburn, Indiana	The Auburn State Bank, Auburn, Indiana	Chicago	December 10, 1984
BMC Bankcorp, Inc., Benton, Kentucky	Graves County Bank, Inc., Wingo, Kentucky	St. Louis	November 28, 1984
Campbell Bancshares, Campbell, California	Campbell National Bank, Campbell, California	San Francisco	December 10, 1984
Caraway Bancshares, Inc., Caraway, Arkansas	Caraway Bank, Caraway, Arkansas	St. Louis	November 28, 1984
CB&T Bancshares, Inc., Columbus, Georgia	Southwest Georgia Financial Corporation, Moultrie, Georgia	Atlanta	December 18, 1984

Section 3—*Continued*

Applicant	Bank(s)	Reserve Bank	Effective date
Central Banc Holding, Inc., Balch Springs, Texas	Central Banc Corporation, Balch Springs, Texas First Bank, Balch Springs, Texas Central National Bank, Dallas, Texas	Dallas	November 28, 1984
Chase County Bankshares, Inc., Strong City, Kansas	Chase County Bank, Strong City, Kansas	Kansas City	December 4, 1984
Chillicothe State Bancorp, Inc., Chillicothe, Illinois	Chillicothe State Bank, Chillicothe, Illinois	Chicago	December 5, 1984
Citadel Bancshares, Inc., Conroe, Texas	Conroe Bank, N.A., Conroe, Texas Willis Bank, Willis, Texas	Dallas	November 30, 1984
Citicorp Holdings, Inc., Wilmington, Delaware	Citicorp (Maine) Portland, Maine Citibank (Maine), N.A., South Portland, Maine	New York	December 21, 1984
Citizens Corporation, Eastman, Georgia	Citizens Bank & Trust Company, Eastman, Georgia	Atlanta	December 21, 1984
Citizens Western Corporation, San Diego, California	Citizens Western Bank, San Diego, California	San Francisco	December 5, 1984
City National Corporation, Sylacauga, Alabama	City National Bank, Sylacauga, Alabama	Atlanta	December 5, 1984
Comerica Incorporated, Detroit, Michigan	Comerica Bank-Grand Rapids, N.A., Grand Rapids, Michigan	Chicago	December 18, 1984
Community Bancorporation, Inc., Greenville, South Carolina	Community Bank, Greenville, South Carolina	Richmond	December 12, 1984
Corpus Christi Bancshares, Inc., Corpus Christi, Texas	Citizens State Bank of Corpus Christi, Corpus Christi, Texas	Dallas	December 13, 1984
Cross County Bancshares, Inc., Wynne, Arkansas	Cross County Bank, Wynne, Arkansas	St. Louis	December 3, 1984
Dawson County Bancshares, Inc., Dawsonville, Georgia	Dawson County Bank, Dawsonville, Georgia	Atlanta	December 11, 1984
Devon Bancorp, Inc., Chicago, Illinois	Devon Bank, Chicago, Illinois	Chicago	December 18, 1984
East Ridge Bancshares, Inc., East Ridge, Tennessee	The Bank of East Ridge, East Ridge, Tennessee	Atlanta	December 4, 1984
East-Tex Bancorp, Inc., Trinity, Texas	First National Bank of Highlands, Highlands, Texas	Dallas	December 4, 1984
Equitable Bankshares, Inc., Dallas, Texas	Equitable Bank, Dallas, Texas	Dallas	December 14, 1984
Elkhart Financial Company, Elkhart, Kansas	First National Bank of Elkhart, Elkhart, Kansas	Kansas City	November 26, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Executive Bancshares, Inc., Houston, Texas	First City National Bank of Paris, Paris, Texas	Dallas	November 30, 1984
Evans Bancshares, Inc., Evansdale, Iowa	First Security State Bank, Evansdale, Iowa	Chicago	December 17, 1984
Fed Gold, Inc., Hulbert, Oklahoma	First State Bank, Hulbert, Oklahoma	Kansas City	December 4, 1984
Financial Services of the Rockies, Inc., Colorado Springs, Colorado	Bank of the Rockies, N.A., Colorado Springs, Colorado	Kansas City	November 28, 1984
First Banquers Holding Company, Kenner, Louisiana	Bankers Trust of Louisiana, Kenner, Louisiana	Atlanta	November 26, 1984
First Beemer Corporation, Beemer, Nebraska	American State Bank, Homer, Nebraska	Kansas City	December 12, 1984
First Bottineau, Inc., Bottineau, North Dakota	First National Bank and Trust Company, Bottineau, North Dakota	Minneapolis	November 26, 1984
First Fontanelle Bancorporation, Fontanelle, Iowa	First National Bank, Fontanelle, Iowa	Chicago	December 11, 1984
First of Groves Corporation, Groves, Texas	First National Bank of Silsbee, Silsbee, Texas	Dallas	December 13, 1984
First Western Bancshares, Inc., Duncanville, Texas	First Continental National Bank, Houston, Texas	Dallas	November 28, 1984
FNB Banking Company, Griffin, Georgia	First Barnesville Corporation, Barnesville, Georgia	Atlanta	November 30, 1984
Forrest Bancshares, Inc., Forrest, Illinois	The Heights Bank, Peoria Heights, Illinois	Chicago	November 29, 1984
Fremont Bank Corporation, Canon City, Colorado	Centennial Bank of Blende, Pueblo, Colorado	Kansas City	December 17, 1984
Galatia Bancorp, Inc., Galatia, Illinois	Galatia Community State Bank, Galatia, Illinois	St. Louis	November 28, 1984
Guaranty Capital Corporation, Mamou, Louisiana	Guaranty Bank of Mamou, Mamou, Louisiana	Atlanta	December 21, 1984
H & R Bankshares, Inc., Charleston, West Virginia	Bank of Danville, Danville, West Virginia	Richmond	December 20, 1984
Hamilton County Bancshares, Inc., Webster City, Iowa	Farmers State Bank, Stanhope, Iowa Van Diest Financial, Ltd., Webster City, Iowa First State Bank, Webster City, Iowa	Chicago	November 30, 1984
Heritage Group, Inc., Woodridge, Illinois	Bank of Lemont, Lemont, Illinois	Chicago	December 3, 1984
Highlands Bankshares, Inc., Petersburg, West Virginia	The Grant County Bank, Petersburg, West Virginia	Richmond	December 17, 1984
Independent Community Banks, Inc., Winter Park, Florida	First National Bank, Seminole County, Longwood, Florida	Atlanta	December 7, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Indiana Bancshares, Inc., Bargersville, Indiana	The Bargersville State Bank, Bargersville, Indiana	Chicago	December 14, 1984
International Business Bancorp, San Francisco, California	International Business Bank, N.A., San Francisco, California	San Francisco	December 19, 1984
J & M Bancshares, Inc., Walton, Kansas	Walton Bancshares, Inc., Walton, Kansas Walton State Bank, Walton, Kansas	Kansas City	November 26, 1984
Jackson Bancorp, Inc., Jonesboro, Louisiana	Jackson Parish Bank, Jonesboro, Louisiana	Dallas	December 21, 1984
Keekins Corporation, Downers Grove, Illinois	Citizens National Bank of Downers Grove, Downers Grove, Illinois	Chicago	December 4, 1984
Keene Bancorp, Inc., Keene, Texas	The First National Bank of Itasca, Itasca, Texas	Dallas	December 19, 1984
Leackco Bank Holding Company, Inc., Huron, South Dakota	American State Bank, Wessington Springs, South Dakota	Minneapolis	December 20, 1984
Lenexa Bancorporation, Inc., Lenexa, Kansas	The Lenexa National Bank, Lenexa, Kansas	Kansas City	November 30, 1984
Liberty Financial Services, Inc., New Orleans, Louisiana	Liberty Bank and Trust Company, New Orleans, Louisiana	Atlanta	December 5, 1984
Lowcountry Bancshares, Inc., Varnville, South Carolina	The Hampton County Bank, Varnville, South Carolina	Richmond	November 26, 1984
Malta Bancshares, Inc., Malta, Illinois	State Bank of Paw Paw, Paw Paw, Illinois	Chicago	December 14, 1984
Mancos Bancorporation, Inc., Mancos, Colorado	Mancos State Bank, Mancos, Colorado	Kansas City	December 5, 1984
Marshall Bancshares, Inc., Hempstead, Texas	Guaranty Bond State Bank of Waller, Waller, Texas	Dallas	December 5, 1984
Medina Valley Bancshares, Inc., Devine, Texas	Medina Valley State Bank, Devine, Texas	Dallas	November 29, 1984
Mid Town Bancorp, Inc., Chicago, Illinois	Mid Town Bank and Trust Company of Chicago, Chicago, Illinois	Chicago	December 18, 1984
MidSouth Bancshares, Inc., Paragould, Arkansas	Security Bank, Paragould, Arkansas	St. Louis	November 28, 1984
Minnequa Bancorp, Inc., Pueblo, Colorado	Minnequa Bank of Pueblo, Pueblo, Colorado	Kansas City	November 30, 1984
National Penn Bancshares, Inc., Boyerstown, Pennsylvania	Chestnut Hill National Bank, Philadelphia, Pennsylvania	Philadelphia	November 30, 1984
National Penn Bancshares, Inc., Boyerstown, Pennsylvania	National Bank of the Main Line, Wayne, Pennsylvania	Philadelphia	December 14, 1984
Northwest Bancshares, Inc., Roanoke, Virginia	Northwest Bank, Roanoke, Texas	Dallas	November 26, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
O'Donnell Bancshares, Inc., O'Donnell, Texas	The First National Bank of O'Donnell, O'Donnell, Texas	Dallas	November 21, 1984
Overton Bancshares, Inc., Fort Worth, Texas	Ridglea National Bank, Fort Worth, Texas First National Bank Mansfield, Mansfield, Texas	Dallas	November 27, 1984
Peoples Bancorp, Inc., Manchester, Tennessee	Peoples Bank and Trust Company, Manchester, Tennessee	Atlanta	November 28, 1984
Peshtigo Financial Corp., Peshtigo, Wisconsin	Peshtigo State Bank, Peshtigo, Wisconsin	Chicago	November 28, 1984
PTC Financial Corporation, Peru, Indiana	The Peru Trust Company, Peru, Indiana	Chicago	November 28, 1984
Republic Financial Corporation, Wichita, Kansas	Twin Lakes State Bank, Wichita, Kansas	Kansas City	December 11, 1984
Scott County Bancorp, Inc., Winchester, Illinois	The First State Bank of Winchester, Winchester, Illinois	St. Louis	November 30, 1984
Southwest Arkansas Bancshares, Inc., Lockesburg, Arkansas	Bank of Lockesburg, Lockesburg, Arkansas	St. Louis	November 26, 1984
Southwest Bank Holding Company, Dallas, Texas	Bank of the Southwest of Dallas, Dallas, Texas	Dallas	December 17, 1984
Spectrum Financial Corporation, Wheeling, West Virginia	The First National Bank of New Martinsville, New Martinsville, West Virginia	Cleveland	December 20, 1984
Suffolk Bancorp, Riverhead, New York	Suffolk County National Bank, Riverhead, New York	New York	November 30, 1984
Sulphur Springs Bancshares, Inc., Sulphur Springs, Texas	The City National Bank of Sulphur Springs, Sulphur Springs, Texas	Dallas	December 4, 1984
Terrell Bancshares, Inc., Terrell, Texas	Terrell State Bank, Terrell, Texas	Dallas	December 17, 1984
Texas Commerce Bancshares, Inc., Houston, Texas	Texas Commerce Bank—San Antonio, N/W, N.A., San Antonio, Texas	Dallas	November 30, 1984
Texas National Bancorp, Inc., Dallas, Texas	Texas National Bank, Dallas, Texas	Dallas	December 18, 1984
Tricorp, Inc., San Antonio, Texas	Trinity National Bank, San Antonio, Texas	Dallas	November 30, 1984
United Banks of Colorado, Inc., Denver, Colorado	IntraWest Bank of Colorado Springs, N.A., Colorado Springs, Colorado	Kansas City	November 26, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
University Bancorporation, Inc., College Station, Texas	University National Bank of College Station, College Station, Texas	Dallas	November 29, 1984
Vidor Bancorporation, Inc., Vidor, Texas	First Texas Bank, Vidor, Texas	Dallas	November 28, 1984

Section 4

Applicant	Nonbanking company	Reserve Bank	Effective date
Alamo Corporation of Texas, Alamo, Texas	Alamo Trust Corporation, Alamo, Texas	Dallas	November 27, 1984
American Heritage Bancorp, Inc., El Reno, Oklahoma	general insurance activities	Kansas City	November 9, 1984
Central of Kansas, Inc., Junction City, Kansas	Central Computer Services, Inc., Junction City, Kansas	Kansas City	December 14, 1984
First Bank System, Inc., Minneapolis, Minnesota	Orcutt, Sletta, Steiner, Inc., Mankato, Minnesota	Minneapolis	December 13, 1984
Fleet Financial Group, Inc., Providence, Rhode Island	Davidge & Company, Washington, D.C.	Boston	December 11, 1984
Manufacturers Hanover Corporation, New York, New York	Courtesy Loan Finance, Inc., Binghamton, New York	New York	December 14, 1984
Mercantile Bankshares Corporation, Baltimore, Maryland	Suburban Mortgage Servicing Company, Bethesda, Maryland	Richmond	December 24, 1984
National City Bancorporation, Minneapolis, Minnesota	Northwest Marquette Investments, Inc., Minneapolis, Minnesota	Minneapolis	December 21, 1984
Security Pacific Corporation, Los Angeles, California	RMJ Securities Corp., New York, New York	San Francisco	November 30, 1984

Sections 3 and 4

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
Barclays USA Inc., New York, New York Barclays Corporation, New York, New York	Barclays Bank of California, San Francisco, California Barclays Bank of New York, N.A., New York, New York Barclays USA, New York, New York BarclaysAmericanCorporation, Charlotte, North Carolina	New York	November 30, 1984

Sections 3 and 4—Continued

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
Citizens State Bank at Mohall Employee Stock Ownership Plan, Mohall, North Dakota	CSB Bancshares, Inc., Mohall, North Dakota Citizens State Bank at Mohall, Mohall, North Dakota	Minneapolis	November 28, 1984
Franklin Capital Corporation, Wilmette, Illinois	North Shore Capital Corporation, Wilmette, Illinois The North Shore National Bank of Chicago, Chicago, Illinois NSCC Leasing Corp., Chicago, Illinois Morton Grove Bank, Morton Grove, Illinois Western Capital Corporation, Wilmette, Illinois Western National Bank of Cicero, Cicero, Illinois	Chicago	November 28, 1984
Leasing Equipment Services, Inc., Kansas City, Missouri	University State Bancshares, Inc., Lawrence, Kansas University State Bank, Lawrence, Kansas	Kansas City	December 7, 1984
River Valley Bancorporation, Inc., Rothschild, Wisconsin	Farmers State Bank, Pound, Wisconsin lending activities	Chicago	November 30, 1984
Whitewater Bancorp, Inc., Whitewater, Wisconsin	Palmyra State Bank, Palmyra, Wisconsin insurance activities	Chicago	December 21, 1984

Pending Cases Involving the Board of Governors

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

Citicorp v. Board of Governors, No. 84–445 (2d Cir., filed Oct. 12, 1984).

David Bolger Revocable Trust v. Board of Governors, No. 84–3550 (3rd Cir., filed Aug. 31, 1984).

Citicorp v. Board of Governors, No. 84–4121 (2d Cir., filed Aug. 27, 1984).

Bank of New York Co., Inc. v. Board of Governors, No. 84–4091, (2d Cir., filed June 14, 1984).

Citicorp v. Board of Governors, No. 84–4081 (2d Cir., filed May 22, 1984).

Seattle Bancorporation v. Board of Governors, No. 84–7535 (9th Cir., filed Aug. 15, 1984).

Citicorp v. Board of Governors, No. 84–4081 (2d Cir., filed May 22, 1984).

Lamb v. Pioneer First Federal Savings and Loan Association, No. C84–702 (D. Wash., filed May 8, 1984).

Girard Bank v. Board of Governors, No. 84–3262 (3rd Cir., filed May 2, 1984).

Melcher v. Federal Open Market Committee, No. 84–1335 (D.D.C., filed, Apr. 30, 1984).

Florida Bankers Association v. Board of Governors, No. 84–3269 and No. 84–3270 (11th Cir., filed Apr. 20, 1984).

Northeast Bancorp, Inc. v. Board of Governors, No. 84–363 (U.S., filed Mar. 27, 1984).

Huston v. Board of Governors, No. 84–1361 (8th Cir., filed Mar. 20, 1984); and No. 84–1084 (8th Cir. filed Jan. 17, 1984).

State of Ohio v. Board of Governors, No. 84–1270 (10th Cir., filed Jan. 30, 1984).

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9 to 5 Organization for Women Office Workers v. Board of Governors, No. 83–1171 (1st Cir., filed Dec. 30, 1980).

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1.10 RESERVES, MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Item	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[1]								
	1983	1984			1984				
	Q4	Q1[r]	Q2[r]	Q3	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.
Reserves of depository institutions[2]									
1 Total	.8	7.7	8.5	6.8	−1.5	4.6	−7.6	−12.3	11.3
2 Required	.3	5.3	10.3	6.6	3.5	2.3	−5.8	−12.1	9.1
3 Nonborrowed	8.2	9.0	−10.8	−44.6	−91.7	−72.3	21.0	32.4	66.4
4 Monetary base[3]	7.8	9.3	7.1	7.3	5.6	7.5	.1	2.3	4.0
Concepts of money, liquid assets, and debt[4]									
5 M1	4.8	7.2	6.2	4.5	−1.1	2.0	4.8	−7.4	8.6
6 M2	8.5	6.9	6.9	6.2	5.2	4.8	7.7	6.1	15.0
7 M3	9.7[r]	8.0[r]	10.5	8.2	8.9	4.4	7.2	10.5	16.0
8 L	8.6[r]	10.4[r]	12.4	n.a.	13.4	7.5	n.a.	n.a.	n.a.
9 Debt	10.8	12.9	13.1	12.7	13.1	13.2	10.2	11.4	n.a.
Nontransaction components									
10 In M2[5]	9.7	6.8	7.1	6.8	7.2	5.7	8.6	10.3	16.9
11 In M3 only[6]	14.9[r]	12.7	25.8	16.1[r]	23.6	3.1	5.1	27.9	19.8
Time and savings deposits									
Commercial banks									
12 Savings[7]	−6.4	−16.2	−6.4	−5.6	−5.6	−10.4	−3.8	−6.7	−4.8
13 Small-denomination time[8]	19.3	4.4	8.6	18.4	20.0	19.7	14.0	6.6	5.3
14 Large-denomination time[9,10]	−2.1[r]	−.3	24.3	21.6	26.0	2.4	11.7	21.4	−4.6
Thrift institutions									
15 Savings[7]	−4.4	−5.1	.5	−7.0	−10.2	−15.0	−2.8	−5.5	−4.9
16 Small-denomination time	18.8	11.8	8.9	22.7	25.9	27.6	20.1	20.5	11.7
17 Large-denomination time[9]	58.1	59.0	46.4	35.7	44.5	22.4	−14.0	32.0	39.8
Debt components[4]									
18 Federal	14.3	16.7	12.7	14.9	16.1	21.9	10.0	11.1	n.a.
19 Nonfederal	9.8	11.8	13.2	12.0	12.2	10.7	10.3	11.5	n.a.
20 Total loans and securities at commercial banks[11]	10.2	14.0	10.0	7.5	8.7	8.2	7.3	7.3	11.8

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.

2. Figures incorporate adjustments for discontinuities associated with the implementation of the Monetary Control Act and other regulatory changes to reserve requirements. To adjust for discontinuities due to changes in reserve requirements on reservable nondeposit liabilities, the sum of such required reserves is subtracted from the actual series. Similarly, in adjusting for discontinuities in the monetary base, required clearing balances and adjustments to compensate for float also are subtracted from the actual series.

3. The monetary base not adjusted for discontinuities consists of total reserves plus required clearing balances and adjustments to compensate for float at Federal Reserve Banks plus the currency component of the money stock less the amount of vault cash holdings of thrift institutions that is included in the currency component of the money stock plus, for institutions not having required reserve balances, the excess of current vault cash over the amount applied to satisfy current reserve requirements. After the introduction of contemporaneous reserve requirements (CRR), currency and vault cash figures are measured over the weekly computation period ending Monday.

Before CRR, all components of the monetary base other than excess reserves are seasonally adjusted as a whole, rather than by component, and excess reserves are added on a not seasonally adjusted basis. After CRR, the seasonally adjusted series consists of seasonally adjusted total reserves, which include excess reserves on a not seasonally adjusted basis, plus the seasonally adjusted currency component of the money stock plus the remaining items seasonally adjusted as a whole.

4. Composition of the money stock measures and debt is as follows:

M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) other checkable deposits (OCD) consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. The currency and demand deposit components exclude the estimated amount of vault cash and demand deposits respectively held by thrift institutions to service their OCD liabilities.

M2: M1 plus overnight (and continuing contract) repurchase agreements (RPs) issued by all commercial banks and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, MMDAs, savings and small-denomination time deposits (time deposits—including retail RPs—in amounts of less than $100,000), and balances in both taxable and tax-exempt general purpose and broker/dealer money market mutual funds. Excludes individual retirement accounts (IRA) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker/dealer), foreign governments and commercial banks, and the U.S. government. Also subtracted is a consolidation adjustment that represents the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposits.

M3: M2 plus large-denomination time deposits and term RP liabilities (in amounts of $100,000 or more) issued by commercial banks and thrift institutions, term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and balances in both taxable and tax-exempt, institution-only money market mutual funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also subtracted is a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper and bankers acceptances, net of money market mutual fund holdings of these assets.

Debt: Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U.S. government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments. The source of data on domestic nonfinancial debt is the Federal Reserve Board's flow of funds accounts. Debt data are on an end-of-month basis. Growth rates for debt reflect adjustments for discontinuities over time in the levels of debt presented in other tables.

5. Sum of overnight RPs and Eurodollars, money market fund balances (general purpose and broker/dealer), MMDAs, and savings and small time deposits less the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposit liabilities.

6. Sum of large time deposits, term RPs, and Eurodollars of U.S. residents, money market fund balances (institution-only), less a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.

7. Excludes MMDAs.

8. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than $100,000. All IRA and Keogh accounts at commercial banks and thrifts are subtracted from small time deposits.

9. Large-denomination time deposits are those issued in amounts of $100,000 or more, excluding those booked at international banking facilities.

10. Large-denomination time deposits at commercial banks less those held by money market mutual funds, depository institutions, and foreign banks and official institutions.

11. Changes calculated from figures shown in table 1.23. Beginning December 1981, growth rates reflect shifts of foreign loans and securities from U.S. banking offices to international banking facilities.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1984			1984						
	Sept.	Oct.	Nov.	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit**	**179,643**	**177,114**	**180,040**	**177,882**	**175,166**	**176,159**	**179,415**	**179,631**	**180,246**	**180,643**
2 U.S. government securities[1]	154,137	149,686	154,357	148,833	148,166	149,457	152,446	152,998	155,669	155,715
3 Bought outright	152,532	149,686	153,519	148,833	148,166	149,457	150,110	152,998	154,485	155,643
4 Held under repurchase agreements	1,605	0	838	0	0	0	2,336	0	1,184	72
5 Federal agency obligations	8,674	8,484	8,479	8,482	8,479	8,479	8,625	8,453	8,464	8,400
6 Bought outright	8,493	8,484	8,425	8,482	8,479	8,479	8,479	8,453	8,389	8,389
7 Held under repurchase agreements	181	0	54	0	0	0	146	0	75	11
8 Acceptances	0	0	0	0	0	0	0	0	0	0
9 Loans	7,251	5,940	4,660	6,822	5,645	5,187	5,561	4,683	4,268	4,148
10 Float	462	820	829	1,451	679	557	213	727	892	1,156
11 Other Federal Reserve assets	9,119	12,184	11,715	12,295	12,198	12,478	12,570	12,770	10,953	11,225
12 Gold stock	11,098	11,097	11,096	11,097	11,097	11,096	11,096	11,096	11,096	11,096
13 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
14 Treasury currency outstanding	16,219	16,266	16,317	16,263	16,275	16,286	16,297	16,309	16,321	16,333
ABSORBING RESERVE FUNDS										
15 Currency in circulation	176,436	176,560	178,701	177,244	176,387	175,857	176,999	178,581	179,092	179,847
16 Treasury cash holdings	465	474	490	475	475	475	480	491	490	495
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	6,117	4,021	3,177	3,702	3,136	3,803	3,191	3,128	3,509	2,984
18 Foreign	234	226	246	216	213	237	237	266	234	223
19 Service-related balances and adjustments	1,339	1,483	1,619	1,349	1,395	1,906	1,817	1,436	1,590	1,520
20 Other	476	348	520	355	287	286	606	537	497	466
21 Other Federal Reserve liabilities and capital	6,253	6,195	6,298	6,307	6,228	6,172	6,379	6,265	6,304	6,236
22 Reserve balances with Federal Reserve Banks[2]	20,258	19,789	21,020	20,214	19,035	19,422	21,717	20,951	20,566	20,919

Factors	End-of-month figures			Wednesday figures						
	1984			1984						
	Sept.	Oct.	Nov.	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
SUPPLYING RESERVE FUNDS										
23 **Reserve Bank credit**	**182,641**	**174,892**	**182,391**	**179,104**	**173,495**	**174,892**	**184,044**	**180,370**	**181,617**	**180,899**
24 U.S. government securities[1]	155,018	148,220	157,770	150,419	147,877	148,220	150,620	153,152	154,157	155,214
25 Bought outright	155,018	148,220	157,770	150,419	147,877	148,220	150,262	153,152	153,654	155,214
26 Held under repurchase agreements	0	0	0	0	0	0	358	0	503	0
27 Federal agency obligations	8,493	8,479	8,389	8,479	8,479	8,479	8,504	8,389	8,466	8,389
28 Bought outright	8,493	8,479	8,389	8,479	8,479	8,479	8,479	8,389	8,389	8,389
29 Held under repurchase agreements	0	0	0	0	0	0	25	0	77	0
30 Acceptances	0	0	0	0	0	0	0	0	0	0
31 Loans	6,633	5,060	5,073	6,425	5,164	5,060	12,193	4,968	6,732	3,750
32 Float	289	658	−16	1,580	−602	658	142	821	1,183	2,371
33 Other Federal Reserve assets	12,208	12,475	11,175	12,201	12,577	12,475	12,585	13,040	11,079	11,175
34 Gold stock	11,097	11,096	11,096	11,097	11,096	11,096	11,096	11,096	11,096	11,096
35 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
36 Treasury currency outstanding	16,237r	16,295	16,343	16,273	16,285	16,295	16,307	16,319	16,331	16,343
ABSORBING RESERVE FUNDS										
37 Currency in circulation	175,340r	176,300	179,494	177,066	176,122	176,300	177,860	179,154	179,765	179,905
38 Treasury cash holdings	465	482	500	472	475	482	491	489	493	500
Deposits, other than reserve balances with Federal Reserve Banks										
39 Treasury	8,514	3,791	2,216	4,188	2,971	3,791	4,176	3,740	2,679	3,431
40 Foreign	206	270	392	259	194	270	245	191	226	213
41 Service-related balances and adjustments	1,139	1,132	1,254	1,143	1,142	1,132	1,133	1,134	1,138	1,254
42 Other	383	321	447	318	275	321	561	494	462	456
43 Other Federal Reserve liabilities and capital	6,073	5,997	6,347	6,110	6,037	5,997	6,063	6,096	6,062	6,057
44 Reserve balances with Federal Reserve Banks[2]	22,473	18,608	23,798	21,536	18,279	18,608	25,537	21,105	22,837	21,140

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

2. Excludes required clearing balances and adjustments to compensate for float.

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

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages[8]									
	1981	1982	1983	1984						
	Dec.	Dec.	Dec.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 Reserve balances with Reserve Banks[1]	26,163	24,804	20,986	19,560	20,210	19,885	19,263	20,135	20,086[r]	20,829
2 Total vault cash[2]	19,538	20,392	20,755	20,446	20,770	21,134	21,688	21,232	21,875	21,827
3 Vault cash used to satisfy reserve requirements[3]	15,755	17,049	17,908	16,960	17,308	17,579	17,995	17,900	18,413	18,392
4 Surplus vault cash[4]	3,783	3,343	2,847	3,486	3,461	3,555	3,694	3,333	3,462	3,434
5 Total reserves[5]	41,918	41,853	38,894	36,519	37,518	37,464	37,258	38,035	38,500[r]	39,221
6 Required reserves	41,606	41,353	38,333	35,942	36,752	36,858	36,575	37,415	37,892[r]	38,544
7 Excess reserve balances at Reserve Banks[6]	312	500	561	577	767	607	683	620	607[r]	677
8 Total borrowings at Reserve Banks	642	697	774	2,988	3,300	5,924	8,017	7,242	6,017	4,617
9 Seasonal borrowings at Reserve Banks	53	33	96	196	264	308	346	319	299	212
10 Extended credit at Reserve Banks[7]	149	187	2	37	1,873	5,008	7,043	6,459	5,057	3,837
	Biweekly averages of daily figures for weeks ending									
	1984									
	Aug. 1	Aug. 15	Aug. 29	Sept. 12	Sept. 26	Oct. 10	Oct. 24	Nov. 7	Nov. 21	Dec. 5[p]
11 Reserve balances with Reserve Banks[1]	19,079	19,690	18,722	20,158	20,038	20,406	19,617	20,566[r]	20,734	21,181
12 Total vault cash[2]	21,597	21,533	21,981	20,782	21,522	21,571	22,329	21,404	22,117	21,705
13 Vault cash used to satisfy reserve requirements[3]	17,789	17,923	18,166	17,405	18,232	18,221	18,784	17,949	18,661	18,320
14 Surplus vault cash[4]	3,808	3,610	3,815	3,377	3,290	3,350	3,545	3,456	3,456	3,385
15 Total reserves[5]	36,868	37,613	36,887	37,563	38,270	38,627	38,400	38,514[r]	39,395	39,501
16 Required reserves	36,233	36,914	36,211	36,929	37,744	37,723	37,984	37,949[r]	38,800	38,611
17 Excess reserve balances at Reserve Banks[6]	635	699	677	634	527	904	416	566[r]	595	890
18 Total borrowings at Reserve Banks	7,155	7,987	8,146	7,755	7,110	6,165	6,234	5,373	4,476	4,251
19 Seasonal borrowings at Reserve Banks	340	338	360	309	328	315	305	265	204	184
20 Extended credit at Reserve Banks[7]	6,098	6,976	7,184	7,001	6,369	5,147	5,431	4,184[r]	3,888	3,488

1. Excludes required clearing balances and adjustments to compensate for float.

2. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements. Under contemporaneous reserve requirements, maintenance periods end 30 days after the lagged computation periods in which the balances are held.

3. Equal to all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.

4. Total vault cash at institutions having no required reserve balances less the amount of vault cash equal to their required reserves during the maintenance period.

5. Total reserves not adjusted for discontinuities consist of reserve balances with Federal Reserve Banks, which exclude required clearing balances and adjustments to compensate for float, plus vault cash used to satisfy reserve requirements. Such vault cash consists of all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.

6. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements less required reserves.

7. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

8. Before February 1984, data are prorated monthly averages of weekly averages; beginning February 1984, data are prorated monthly averages of biweekly averages.

NOTE. These data also appear in the Board's H.3 (502) release. For address, see inside front cover.

1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks[1]

Averages of daily figures, in millions of dollars

By maturity and source	1984 week ending Monday								
	Oct. 22	Oct. 29	Nov. 5	Nov. 12	Nov. 19	Nov. 26	Dec. 3	Dec. 10	Dec. 17
One day and continuing contract									
1 Commercial banks in United States	58,666	55,512	62,538	65,520	63,478	61,122	60,724	65,425	61,557
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	26,160	25,391	27,218	29,396	29,310[r]	30,099	30,211	29,042	28,034
3 Nonbank securities dealers	4,856	5,195	6,420	6,045	6,498	5,878	7,637	6,295	5,325
4 All other	26,481	26,717	27,833	27,548	28,937	23,077	29,157	27,050	27,334
All other maturities									
5 Commercial banks in United States	9,691	9,661	9,527	9,516	8,677	10,027	10,044	9,882	10,058
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	8,532	8,266	8,118	8,083	7,716	7,736	8,058	8,138	8,053
7 Nonbank securities dealers	7,187	7,580	7,261	7,014	6,574	7,596	5,979	5,696	6,058
8 All other	10,904	11,128	11,519	12,487	10,342	15,416	10,217	9,592	10,206
MEMO: Federal funds and resale agreement loans in maturities of one day or continuing contract									
9 Commercial banks in United States	28,594	28,125	32,333	31,489	30,583[r]	28,549	29,921	27,959	26,465
10 Nonbank securities dealers	4,864	5,284	6,343	5,907	5,520	6,190	6,693	6,652	7,175

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

Federal Reserve Bank	Short-term adjustment credit and seasonal credit			Extended credit[1]						
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days		Effective date for current rates
	Rate on 12/31/84	Effective date	Previous rate	Rate on 12/31/84	Previous rate	Rate on 12/31/84	Previous rate	Rate on 12/31/84	Previous rate	
Boston	8	12/24/84	8½	8	8½	9	9½	10	10½	12/24/84
New York		12/24/84								12/24/84
Philadelphia		12/24/84								12/24/84
Cleveland		12/24/84								12/24/84
Richmond		12/24/84								12/24/84
Atlanta		12/24/84								12/24/84
Chicago		12/24/84								12/24/84
St. Louis		12/24/84								12/24/84
Minneapolis		12/24/84								12/24/84
Kansas City		12/24/84								12/24/84
Dallas		12/24/84								12/24/84
San Francisco	8	12/24/84	8½	8	8½	9	9½	10	10½	12/24/84

Range of rates in recent years[2]

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1973	7½	7½
1974— Apr. 25	7½–8	8
30	8	8
Dec. 9	7¾–8	7¾
16	7¾	7¾
1975— Jan. 6	7¼–7¾	7¾
10	7¼–7¾	7¼
24	7¼	7¼
Feb. 5	6¾–7¼	6¾
7	6¾	6¾
Mar. 10	6¼–6¾	6¼
14	6¼	6¼
May 16	6–6¼	6
23	6	6
1976— Jan. 19	5½–6	5½
23	5½	5½
Nov. 22	5¼–5½	5¼
26	5¼	5¼
1977— Aug. 30	5¼–5¾	5¼
31	5¼–5¾	5¾
Sept. 2	5¾	5¾
Oct. 26	6	6
1978— Jan. 9	6–6½	6½
20	6½	6½
May 11	6½–7	7
12	7	7

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
1978— July 3	7–7¼	7¼
10	7¼	7¼
Aug. 21	7¾	7¾
Sept. 22	8	8
Oct. 16	8–8½	8½
20	8½	8½
Nov. 1	8½–9½	9½
3	9½	9½
1979— July 20	10	10
Aug. 17	10–10½	10½
20	10½	10½
Sept. 19	10½–11	11
21	11	11
Oct. 8	11–12	12
10	12	12
1980— Feb. 15	12–13	13
19	13	13
May 29	12–13	13
30	12	12
June 13	11–12	11
16	11	11
July 28	10–11	10
29	10	10
Sept. 26	11	11
Nov. 17	12	12
Dec. 5	12–13	13
8	13	13

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
1981— May 5	13–14	14
8	14	14
Nov. 2	13–14	13
6	13	13
Dec. 4	12	12
1982— July 20	11½–12	11½
23	11½	11½
Aug. 2	11–11½	11
3	11	11
16	10½	10½
27	10–10½	10
30	10	10
Oct. 12	9½–10	9½
13	9½	9½
Nov. 22	9–9½	9
26	9	9
Dec. 14	8½–9	9
15	8½–9	8½
17	8½	8½
1984— Apr. 9	8½–9	9
13	9	9
Nov. 21	8½–9	8½
26	8½	8½
Dec. 24	8	8
In effect Dec. 31, 1984	8	8

1. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution and to advances when an institution is under sustained liquidity pressures. As an alternative, for loans outstanding for more than 150 days, a Federal Reserve Bank may charge a flexible rate that takes into account rates on market sources of funds, but in no case will the rate charged be less than the basic rate plus one percentage point. Where credit provided to a particular depository institution is anticipated to be outstanding for an unusually prolonged period and in relatively large amounts, the time period in which each rate under this structure is applied may be shortened. See section 201.3(b)(2) of Regulation A.

2. Rates for short-term adjustment credit. For description and earlier data see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, and *1941–1970; Annual Statistical Digest, 1970–1979, 1980, 1981*, and *1982*.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of $500 million or more that had borrowed in successive weeks or in more than 4 weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. There was no surcharge until Nov. 17, 1980, when a 2 percent surcharge was adopted; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Oct. 12. As of Oct. 1, the formula for applying the surcharge was changed from a calendar quarter to a moving 13-week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

Percent of deposits

Type of deposit, and deposit interval	Member bank requirements before implementation of the Monetary Control Act	
	Percent	Effective date
Net demand[2]		
\$0 million–\$2 million	7	12/30/76
\$2 million–\$10 million	9½	12/30/76
\$10 million–\$100 million	11¾	12/30/76
\$100 million–\$400 million	12¾	12/30/76
Over \$400 million	16¼	12/30/76
Time and savings[2,3]		
Savings	3	3/16/67
Time[4]		
\$0 million–\$5 million, by maturity		
30–179 days	3	3/16/67
180 days to 4 years	2½	1/8/76
4 years or more	1	10/30/75
Over \$5 million, by maturity		
30–179 days	6	12/12/74
180 days to 4 years	2½	1/8/76
4 years or more	1	10/30/75

Type of deposit, and deposit interval[5]	Depository institution requirements after implementation of the Monetary Control Act[6]	
	Percent	Effective date
Net transaction accounts[7,8]		
\$0–\$28.9 million	3	12/29/83
Over \$28.9 million	12	12/29/83
Nonpersonal time deposits[9]		
By original maturity		
Less than 1½ years	3	10/6/83
1½ years or more	0	10/6/83
Eurocurrency liabilities		
All types	3	11/13/80

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

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

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

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

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

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

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

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

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

5. The Garn–St Germain Depository Institutions Act of 1982 (Public Law 97–320) provides that \$2 million of reservable liabilities (transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities) of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the next succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. Effective Dec. 9, 1982, the amount of the exemption was established at \$2.1 million. Effective with the reserve maintenance period beginning Jan. 12, 1984, the amount of the exemption is \$2.2 million. In determining the reserve requirements of a depository institution, the exemption shall apply in the following order: (1) nonpersonal money market deposit accounts (MMDAs) authorized under 12 CFR section 1204.122; (2) net NOW accounts (NOW accounts less allowable deductions); (3) net other transaction accounts; and (4) nonpersonal time deposits or Eurocurrency liabilities starting with those with the highest reserve ratio. With respect to NOW accounts and other transaction accounts, the exemption applies only to such accounts that would be subject to a 3 percent reserve requirement.

6. For nonmember banks and thrift institutions that were not members of the Federal Reserve System on or after July 1, 1979, a phase-in period ends Sept. 3, 1987. For banks that were members on or after July 1, 1979, but withdrew on or before Mar. 31, 1980, the phase-in period established by Public Law 97–320 ends on Oct. 24, 1985. For existing member banks the phase-in period of about three years was completed on Feb. 2, 1984. All new institutions will have a two-year phase-in beginning with the date that they open for business, except for those institutions that have total reservable liabilities of \$50 million or more.

7. Transaction accounts include all deposits on which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers (in excess of three per month) for the purpose of making payments to third persons or others. However, MMDAs and similar accounts offered by institutions not subject to the rules of the Depository Institutions Deregulation Committee (DIDC) that permit no more than six preauthorized, automatic, or other transfers per month of which no more than three can be checks—are not transaction accounts (such accounts are savings deposits subject to time deposit reserve requirements.)

8. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage increase in transaction accounts held by all depository institutions determined as of June 30 each year. Effective Dec. 31, 1981, the amount was increased accordingly from \$25 million to \$26 million; and effective Dec. 30, 1982, to \$26.3 million; and effective Dec. 29, 1983, to \$28.9 million.

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

NOTE. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmembers may maintain reserve balances with a Federal Reserve Bank indirectly on a pass-through basis with certain approved institutions.

1.16 MAXIMUM INTEREST RATES PAYABLE on Time and Savings Deposits at Federally Insured Institutions[1]

Percent per annum

Type of deposit	Commercial banks		Savings and loan associations and mutual savings banks (thrift institutions)[1]	
	In effect Dec. 31, 1984		In effect Dec. 31, 1984	
	Percent	Effective date	Percent	Effective date
1 Savings	5½	1/1/84	5½	7/1/79
2 Negotiable order of withdrawal accounts	5¼	12/31/80	5¼	12/31/80
3 Negotiable order of withdrawal accounts of $2,500 or more[2]	....	1/5/83	....	1/5/83
4 Money market deposit account[2]	...........[3]	12/14/82	...........[3]	12/14/82
Time accounts by maturity				
5 7–31 days of less than $2,500[4]	5½	1/1/84	5½	9/1/82
6 7–31 days of $2,500 or more[2]	....	1/5/83	....	1/5/83
7 More than 31 days	....	10/1/83	....	10/1/83

1. Effective Oct. 1, 1983, restrictions on the maximum rates of interest payable by commercial banks and thrift institutions on various categories of deposits were removed. For information regarding previous interest rate ceilings on all categories of accounts see earlier issues of the FEDERAL RESERVE BULLETIN, the *Federal Home Loan Bank Board Journal*, and the *Annual Report of the Federal Deposit Insurance Corporation* before November 1983.
2. Effective Dec. 1, 1983, IRA/Keogh (HR10) Plan accounts are not subject to minimum deposit requirements.
3. Effective Dec. 14, 1982, depository institutions are authorized to offer a new account with a required initial balance of $2,500 and an average maintenance balance of $2,500 not subject to interest rate restrictions. No minimum maturity period is required for this account, but depository institutions must reserve the right to require seven days notice before withdrawals. When the average balance is less than $2,500, the account is subject to the maximum ceiling rate of interest for NOW accounts; compliance with the average balance requirement may be determined over a period of one month. Depository institutions may not guarantee a rate of interest for this account for a period longer than one month or condition the payment of a rate on a requirement that the funds remain on deposit for longer than one month.
4. Deposits of less than $2,500 issued to governmental units continue to be subject to an interest rate ceiling of 8 percent.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1981	1982	1983	1984						
				Apr.	May	June	July	Aug.	Sept.	Oct.
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	13,899	17,067	18,888	3,283	610	801	0	187	3,249	507
2 Gross sales	6,746	8,369	3,420	0	2,003	0	897	1,491	71	1,300
3 Exchange	0	0	0	0	0	0	0	0	0	0
4 Redemptions	1,816	3,000	2,400	3,283	2,200	801	600	800	0	2,200
Others within 1 year										
5 Gross purchases	317	312	484	198	0	0	0	0	600	0
6 Gross sales	23	0	0	0	0	0	0	0	0	0
7 Maturity shift	13,794	17,295	18,887	347	2,739	1,069	427	3,811	872	896
8 Exchange	−12,869	−14,164	−16,553	−2,223	−1,807	0	−2,606	−2,274	0	−1,497
9 Redemptions	0	0	87	0	0	0	0	0	0	0
1 to 5 years										
10 Gross purchases	1,702	1,797	1,896	808	0	0	0	0	0	0
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shift	−10,299	−14,524	−15,533	−273	−2,279	−1,069	−345	−3,811	−872	896
13 Exchange	10,117	11,804	11,641	2,223	1,150	0	2,606	1,443	0	1,497
5 to 10 years										
14 Gross purchases	393	388	890	200	0	0	0	0	0	0
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Maturity shift	−3,495	−2,172	−2,450	−75	−383	0	−83	52	0	0
17 Exchange	1,500	2,128	2,950	0	400	0	0	500	0	0
Over 10 years										
18 Gross purchases	379	307	383	277	0	0	0	0	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	0	−601	−904	0	−77	0	0	−52	0	0
21 Exchange	1,253	234	1,962	0	257	0	0	332	0	0
All maturities										
22 Gross purchases	16,690	19,870	22,540	1,484	610	801	0	0	3,849	507
23 Gross sales	6,769	8,369	3,420	0	2,003	0	897	187	71	1,300
24 Redemptions	1,816	3,000	2,487	0	2,200	0	600	800	0	2,200
Matched transactions										
25 Gross sales	589,312	543,804	578,591	72,293	79,313	61,017	81,799	79,087	52,893	89,689
26 Gross purchases	589,647	543,173	576,908	71,754	79,608	61,331	81,143	78,842	55,776	85,884
Repurchase agreements										
27 Gross purchases	79,920	130,774	105,971	15,313	8,267	23,298	14,830	4,992	26,040	0
28 Gross sales	78,733	130,286	108,291	8,220	12,199	26,460	14,830	166	30,867	0
29 Net change in U.S. government securities	9,626	8,358	12,631	11,321	−7,228	−2,047	−2,154	2,478	1,835	−6,798
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	494	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	108	189	292	2	40	15	1[r]	5	1[r]	14
Repurchase agreements										
33 Gross purchases	13,320	18,957	8,833	1,247	616	1,819	958	381	3,743	0
34 Gross sales	13,576	18,638	9,213	820	744	2,117	958	12	4,112	0
35 Net change in federal agency obligations	130	130	−672	424	−169	−313	−1	364	−370	−14
BANKERS ACCEPTANCES										
36 Repurchase agreements, net	−582	1,285	−1,062	305	122	−426	0	0	0	0
37 Total net change in System Open Market Account	**9,175**	**9,773**	**10,897**	**12,050**	**−7,275**	**−2,786**	**−2,155**	**2,842**	**1,465**	**−6,811**

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

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1984					1984		
	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Sept.	Oct.	Nov.
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,096	11,096	11,096	11,096	11,096	11,097	11,096	11,096
2 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
3 Coin	485	481	480	477	455	478	485	451
Loans								
4 To depository institutions	5,060	12,193	4,968	6,732	3,750	6,633	5,060	5,073
5 Other	0	0	0	0	0	0	0	0
Acceptances—Bought outright								
6 Held under repurchase agreements	0	0	0	0	0	0	0	0
Federal agency obligations								
7 Bought outright	8,479	8,479	8,389	8,389	8,389	8,493	8,479	8,389
8 *Held under repurchase agreements*	0	25	0	77	0	0	0	0
U.S. government securities								
Bought outright								
9 Bills	61,689	63,731	66,621	65,648	67,208	68,487	61,689	69,764
10 Notes	64,494	64,494	64,494	65,055	65,055	64,494	64,494	65,055
11 Bonds	22,037	22,037	22,037	22,951	22,951	22,037	22,037	22,951
12 Total bought outright[1]	148,220	150,262	153,152	153,654	155,214	155,018	148,220	157,770
13 Held under repurchase agreements	0	358	0	503	0	0	0	0
14 Total U.S. government securities	148,220	150,620	153,152	154,157	155,214	155,018	148,220	157,770
15 **Total loans and securities**	**161,759**	**171,317**	**166,509**	**169,355**	**167,353**	**170,144**	**161,759**	**171,232**
16 Cash items in process of collection	7,020	6,607	10,037	8,182	8,550	7,052	7,020	6,237
17 Bank premises	565	565	566	567	567	564	565	565
Other assets								
18 Denominated in foreign currencies[2]	3,647	3,647	3,650	3,653	3,658	3,522	3,647	3,648
19 All other[3]	8,263	8,373	8,824	6,859	6,950	8,122	8,263	6,962
20 **Total assets**	**197,453**	**206,704**	**205,780**	**204,807**	**203,247**	**205,597**	**197,453**	**204,809**
LIABILITIES								
21 Federal Reserve notes	160,972	162,524	163,804	164,404	164,517	160,046	160,972	164,102
Deposits								
22 To depository institutions	19,740	26,670	22,239	23,975	22,394	23,612	19,740	25,052
23 U.S. Treasury—General account	3,791	4,176	3,740	2,679	3,431	8,514	3,791	2,216
24 Foreign—Official accounts	270	245	191	226	213	206	270	392
25 Other	321	561	494	462	456	383	321	447
26 **Total deposits**	**24,122**	**31,652**	**26,664**	**27,342**	**26,494**	**32,715**	**24,122**	**28,107**
27 Deferred availability cash items	6,362	6,465	9,216	6,999	6,179	6,763	6,362	6,253
28 Other liabilities and accrued dividends[4]	2,433	2,518	2,528	2,479	2,484	2,593	2,433	2,682
29 **Total liabilities**	**193,889**	**203,159**	**202,212**	**201,224**	**199,674**	**202,117**	**193,889**	**201,144**
CAPITAL ACCOUNTS								
30 Capital paid in	1,611	1,614	1,614	1,618	1,618	1,597	1,611	1,620
31 Surplus	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
32 Other capital accounts	488	466	489	500	490	418	488	580
33 **Total liabilities and capital accounts**	**197,453**	**206,704**	**205,780**	**204,807**	**203,247**	**205,597**	**197,453**	**204,809**
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account	119,233	118,367	117,677	117,288	118,744	115,174	119,233	117,949
	Federal Reserve note statement							
35 Federal Reserve notes outstanding	191,730	192,142	192,926	193,226	193,762	189,882	191,730	193,727
36 LESS: Held by bank	30,758	29,618	29,122	28,822	29,245	29,836	30,758	29,625
37 Federal Reserve notes, net	*160,972*	*162,524*	*163,804*	*164,404*	*164,517*	*160,046*	*160,972*	*164,102*
Collateral held against notes net:								
38 Gold certificate account	11,096	11,096	11,096	11,096	11,096	11,097	11,096	11,096
39 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. government and agency securities	145,258	146,810	148,090	148,690	148,803	144,331	145,258	148,388
42 **Total collateral**	**160,972**	**162,524**	**163,804**	**164,404**	**164,517**	**160,046**	**160,972**	**164,102**

1. *Includes* securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and *excludes* (if any) securities sold and scheduled to be bought back under matched sale-purchase transactions.
2. Assets shown in this line are revalued monthly at market exchange rates.
3. Includes special investment account at Chicago of Treasury bills maturing within 90 days.
4. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.

NOTE: Some of these data also appear in the Board's H.4.1 (503) release. For address, see inside front cover.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1984					1984		
	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Sept. 28	Oct. 31	Nov. 30
1 Loans—Total	5,060	12,173	4,968	6,732	3,750	6,633	5,060	5,073
2 Within 15 days	4,973	12,061	4,856	6,683	3,697	6,546	4,973	5,004
3 16 days to 90 days	87	112	112	49	53	87	87	69
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—*Total*	0	0	0	0	0	0	0	0
6 Within 15 days	0	0	0	0	0	0	0	0
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S. government securities—Total	148,220	150,620	153,152	154,157	155,214	155,018	148,220	157,770
10 Within 15 days[1]	5,672	5,632	9,572	7,684	7,463	7,125	5,672	4,892
11 16 days to 90 days	29,871	31,552	29,051	29,885	31,558	35,452	29,871	34,871
12 91 days to 1 year	44,811	45,570	46,663	45,193	44,798	44,305	44,811	46,797
13 Over 1 year to 5 years	33,690	33,690	33,690	37,062	37,062	33,960	33,690	36,877
14 Over 5 years to 10 years	14,808	14,808	14,808	14,100	14,100	14,808	14,808	14,100
15 Over 10 years	19,368	19,368	19,368	20,233	20,233	19,368	19,368	20,233
16 Federal agency obligations—Total	8,479	8,504	8,389	8,466	8,389	8,493	8,479	8,389
17 Within 15 days[1]	174	115	40	185	226	234	17	226
18 16 days to 90 days	560	640	617	549	473	563	560	473
19 91 days to 1 year	1,756	1,760	1,743	1,743	1,727	1,721	1,756	1,727
20 Over 1 year to 5 years	4,358	4,358	4,358	4,358	4,334	4,310	4,358	4,334
21 Over 5 years to 10 years	1,232	1,232	1,232	1,232	1,230	1,266	1,232	1,230
22 Over 10 years	399	399	399	399	399	399	399	399

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE ▲

Billions of dollars, averages of daily figures

Item	1980 Dec.	1981 Dec.	1982 Dec.	1983 Dec.	1984 Apr.	1984 May	1984 June	1984 July	1984 Aug.	1984 Sept.	1984 Oct.	1984 Nov.
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[1]	Seasonally adjusted											
1 **Total reserves[2]**	**31.07**	**32.14**	**34.34**	**36.14**	**37.11**	**37.45**	**38.28**	**38.23**	**38.38**	**38.14**	**37.74**	**38.10**
2 Nonborrowed reserves	29.38	31.51	33.70	35.36	35.87	34.46	34.98	32.31	30.36	30.89	31.73	33.48
3 Nonborrowed reserves plus extended credit[3]	29.38	31.65	33.89	35.37	35.92	34.50	36.85	37.32	37.41	37.35	36.79	37.32
4 Required reserves	30.55	31.82	33.84	35.58	36.62	36.87	37.52	37.63	37.70	37.52	37.14	37.42
5 Monetary base[4]	150.38	158.15	170.21	185.49	190.36	191.98	193.86	194.75	195.98	195.99	196.37	197.02
	Not seasonally adjusted											
6 **Total reserves[2]**	**31.77**	**32.86**	**35.06**	**36.86**	**37.48**	**36.77**	**37.79**	**37.85**	**37.69**	**37.87**	**37.94**	**38.67**
7 Nonborrowed reserves	30.08	32.23	34.43	36.09	36.24	33.78	34.49	31.92	29.67	30.63	31.92	34.06
8 Nonborrowed reserves plus extended credit[3]	30.08	32.37	34.62	36.09	36.29	33.82	36.37	36.93	36.72	37.09	36.98	37.89
9 Required reserves	31.25	32.54	34.56	36.30	36.99	36.19	37.03	37.24	37.01	37.25	37.33	38.00
10 Monetary base[4]	153.08	161.00	173.24	188.76	190.67	191.33	194.24	195.91	196.13	196.07	196.12	198.21
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[5]												
11 **Total reserves[2]**	**40.66**	**41.92**	**41.85**	**38.89**	**37.15**	**36.52**	**37.52**	**37.46**	**37.26**	**38.03**	**38.50**	**39.22**
12 Nonborrowed reserves	38.97	41.29	41.22	38.12	35.92	33.53	34.22	31.54	29.24	30.79	32.48	34.60
13 Nonborrowed reserves plus extended credit[3]	38.97	41.44	41.41	38.12	35.77	33.83	36.22	36.38	36.28	37.28	37.35	38.53
14 Required reserves	40.15	41.61	41.35	38.33	36.66	35.94	36.75	36.86	36.57	37.41	37.89	38.54
15 Monetary base[4]	163.00	170.47	180.52	192.36	190.34	191.08	193.96	195.53	195.70	196.23	196.68	198.75

▲ Figures have been revised from 1959 to date.

1. Figures incorporate adjustments for discontinuities associated with the implementation of the Monetary Control Act and other regulatory changes to reserve requirements. To adjust for discontinuities due to changes in reserve requirements on reservable nondeposit liabilities, the sum of such required reserves is subtracted from the actual series. Similarly, in adjusting for discontinuities in the monetary base, required clearing balances and adjustments to compensate for float also are subtracted from the actual series.

2. Total reserves not adjusted for discontinuities consist of reserve balances with Federal Reserve Banks, which exclude required clearing balances and adjustments to compensate for float, plus vault cash used to satisfy reserve requirements. Such vault cash consists of all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.

3. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

4. The monetary base not adjusted for discontinuities consists of total reserves plus required clearing balances and adjustments to compensate for float at Federal Reserve Banks and the currency component of the money stock less the amount of vault cash holdings of thrift institutions that is included in the currency component of the money stock plus, for institutions not having required reserve balances, the excess of current vault cash over the amount applied to satisfy current reserve requirements. After the introduction of contemporaneous reserve requirements (CRR), currency and vault cash figures are measured over the weekly computation period ending Monday.

Before CRR, all components of the monetary base other than excess reserves are seasonally adjusted as a whole, rather than by component, and excess reserves are added on a not seasonally adjusted basis. After CRR, the seasonally adjusted series consists of seasonally adjusted total reserves, which include excess reserves on a not seasonally adjusted basis, plus the seasonally adjusted currency component of the money stock and the remaining items seasonally adjusted as a whole.

5. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with implementation of the Monetary Control Act or other regulatory changes to reserve requirements.

NOTE. Latest monthly and biweekly figures are available from the Board's H.3(502) statistical release. Historical data and estimates of the impact on required reserves of changes in reserve requirements are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES
Billions of dollars, averages of daily figures

Item[1]	1980 Dec.	1981 Dec.	1982 Dec.	1983 Dec.	1984 Aug.	1984 Sept.	1984 Oct.	1984 Nov.
	Seasonally adjusted							
1 M1	414.9	441.9	480.5	525.4r	546.7	548.9	545.5	549.4
2 M2	1,632.6	1,796.6	1,965.3	2,196.3r	2,291.1	2,305.8	2,317.5r	2,346.4
3 M3	1,989.8	2,236.7	2,460.3	2,710.4r	2,873.7r	2,891.1r	2,916.3r	2,955.0
4 L	2,326.0	2,598.4	2,868.7	3,178.7r	3,435.3	n.a.	n.a.	n.a.
5 Debt[2]	3,946.9	4,323.8	4,710.1	5,224.6r	5,694.5r	5,743.1r	5,797.7r	n.a.
M1 components								
6 Currency[2]	116.7	124.0	134.1	148.0	156.0	156.7	157.2	157.5
7 Travelers checks[3]	4.2	4.3	4.3	4.9	5.2	5.1	5.0	5.1
8 Demand deposits[4]	266.5	236.2	239.7	243.7	245.5	246.4	243.8	245.7
9 Other checkable deposits[5]	27.6	77.4	102.4	128.9r	139.9r	140.8	139.6	141.1
Nontransactions components								
10 In M2[6]	1,217.7	1,354.6	1,484.8	1,670.9	1,744.4	1,756.9	1,772.0r	1,796.9
11 In M3 only[7]	357.2	440.2	495.0	514.1r	582.7r	585.2r	598.8r	608.7
Savings deposits[9]								
12 Commercial Banks	185.9	159.7	164.9	134.6	126.3	125.9	125.2	124.7
13 Thrift institutions	215.6	186.1	197.2	178.2	173.4	173.0	172.2	171.5
Small denomination time deposits[9]								
14 Commerical Banks	287.5	349.6	382.2	353.1	377.9	382.3	384.4	386.1
15 Thrift institutions	443.9	477.7	474.7	440.0	484.2	492.3	500.7r	505.6
Money market mutual funds								
16 General purpose and broker/dealer	61.6	150.6	185.2	138.2	150.5	151.9	155.5	162.1
17 Institution-only	15.0	36.2	48.4	43.2r	46.2	46.9	52.2	58.3
Large denomination time deposits[10]								
18 Commercial Banks[11]	213.9	247.3	261.8	225.1r	255.3	257.8	262.3	261.4
19 Thrift institutions	44.6	54.3	66.1	100.4	136.7	135.1	138.7	143.3
Debt components								
20 Federal debt	742.8	830.1	991.4	1,173.1	1,300.1	1,310.9	1,323.1r	n.a.
21 Non-federal debt	3,204.1	3,493.7	3,718.7	4,051.6r	4,394.4r	4,432.2r	4,474.7r	n.a.
	Not seasonally adjusted							
22 M1	424.8	452.3	491.9	537.8r	542.7	546.3	546.0	553.4
23 M2	1,635.4	1,798.7	1,967.4	2,198.1r	2,288.5	2,299.4	2,316.8r	2,344.8
24 M3	1,996.1	2,242.7	2,466.6	2,716.5r	2,871.9r	2,885.4r	2,914.4r	2,956.1
25 L	2,332.8	2,605.6	2,876.5	3,189.4r	3,424.8	n.a.	n.a.	n.a.
26 Debt[2]	3,946.9	4,323.8	4,710.1	5,218.5r	5,676.2r	5,731.9r	5,791.1r	n.a.
M1 components								
27 Currency[2]	118.8	126.1	136.4	150.5	156.5	156.5	156.7	158.6
28 Travelers checks[3]	3.9	4.1	4.1	4.6	5.7	5.4	5.0	4.8
29 Demand deposits[4]	274.7	243.6	247.3	251.6	242.9	245.3	244.9	248.0
30 Other checkable deposits[5]	27.4	78.5	104.1	131.3r	137.6r	139.1	139.4	142.0
Nontransactions components								
31 M2[6]	1,210.6	1,346.3	1,475.5	1,660.2	1,745.8	1,753.1	1,770.8r	1,791.4
32 M3 only[7]	360.7	444.1	499.2	518.4r	583.4r	586.0r	597.6r	611.3
Money market deposit accounts								
33 Commercial banks	n.a.	n.a.	26.3	230.0	242.6	243.8	247.2	256.1
34 Thrift institutions	n.a.	n.a.	16.6	145.9	141.2	139.6	139.6	141.3
Savings deposits[8]								
35 Commercial Banks	183.8	157.5	162.1	132.0	126.4	124.7	123.8	122.3
36 Thrift institutions	214.4	184.7	195.5	176.5	173.4	171.9	171.9	170.5
Small denomination time deposits[9]								
37 Commercial Banks	286.0	347.7	380.1	351.0	377.6	381.6	383.8	384.9
38 Thrift institutions	442.3	475.6	472.4	437.6	482.6	490.2	499.8r	504.2
Money market mutual funds								
39 General purpose and broker/dealer	61.6	150.6	185.2	138.2	150.5	151.9	155.5	162.1
40 Institution-only	15.0	36.2	48.4	43.2r	46.2	46.9	52.2r	58.3
Large denomination time deposits[10]								
41 Commercial Banks[11]	218.5	252.1	266.2	228.5r	255.6	258.7	263.2	263.0
42 Thrift institutions	44.3	54.3	66.2	100.7	136.9	136.9	141.7	146.1
Debt components								
43 Federal debt	742.8	830.1	991.4	1,170.2	1,295.8	1,310.5	1,323.0r	n.a.
44 Non-federal debt	3,204.1	3,943.7	3,718.7	4,048.3r	4,380.5r	4,421.4r	4,468.1r	n.a.

For notes see following page.

NOTES TO TABLE 1.21

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

M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) other checkable deposits (OCD) consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. The currency and demand deposit components exclude the estimated amount of vault cash and demand deposits respectively held by thrift institutions to service their OCD liabilities.

M2: M1 plus overnight (and continuing contract) repurchase agreements (RPs) issued by all commercial banks and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, MMDAs, savings and small-denomination time deposits (time deposits—including retail RPs—in amounts of less than $100,000), and balances in both taxable and tax-exempt general purpose and broker/dealer money market mutual funds. Excludes individual retirement accounts (IRA) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker/dealer), foreign governments and commercial banks, and the U.S. government. Also subtracted is a consolidation adjustment that represents the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposits.

M3: M2 plus large-denomination time deposits and term RP liabilities (in amounts of $100,000 or more) issued by commercial banks and thrift institutions, term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and balances in both taxable and tax-exempt, institution-only money market mutual funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also subtracted is a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper and bankers acceptances, net of money market mutual fund holdings of these assets.

Debt: Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U.S. government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments. The source of data on domestic nonfinancial debt is the Federal Reserve Board's flow of funds accounts. Debt data are on an end-of-month basis.

2. Currency outside the U.S. Treasury, Federal Reserve Banks, and vaults of commercial banks. Excludes the estimated amount of vault cash held by thrift institutions to service their OCD liabilities.

3. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers. Travelers checks issued by depository institutions are included in demand deposits.

4. Demand deposits at commercial banks and foreign-related institutions other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float. Excludes the estimated amount of demand deposits held at commercial banks by thrift institutions to service their OCD liabilities.

5. Consists of NOW and ATS balances at all depository institutions, credit union share draft balances, and demand deposits at thrift institutions. Other checkable deposits seasonally adjusted equals the difference between the seasonally adjusted sum of demand deposits plus OCD and seasonally adjusted demand deposits. Included are all ceiling free "Super NOWs," authorized by the Depository Institutions Deregulation committee to be offered beginning Jan. 5, 1983.

6. Sum of overnight RPs and overnight Eurodollars, money market fund balances (general purpose and broker/dealer), MMDAs, and savings and small time deposits, less the consolidation adjustment that represents the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposits liabilities.

7. Sum of large time deposits, term RPs and term Eurodollars of U.S. residents, money market fund balances (institution-only), less a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds.

8. Savings deposits exclude MMDAs.

9. Small-denomination time deposits—including retail RPs— are those issued in amounts of less than $100,000. All individual retirement accounts (IRA) and Keogh accounts at commercial banks and thrifts are subtracted from small time deposits.

10. Large-denomination time deposits are those issued in amounts of $100,000 or more, excluding those booked at international banking facilities.

11. Large-denomination time deposits at commercial banks less those held by money market mutual funds, depository institutions, and foreign banks and official institutions.

NOTE: Latest monthly and weekly figures are available from the Board's H.6 (508) release. Historical data are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.22 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1981[1]	1982[1]	1983[1]	1984 Apr.	1984 May	1984 June	1984 July	1984 Aug.	1984 Sept.
				Seasonally adjusted					
DEBITS TO									
Demand deposits[2]									
1 All insured banks	80,858.7	90,914.4	109,642.3	129,229.4	131,456.9	121,488.2	128,299.3	128,141.9	124,117.4
2 Major New York City banks	34,108.1	37,932.9	47,769.4	57,868.3	60,351.3	53,147.7	55,340.6	57,096.5	55,591.4
3 Other banks	46,966.5	52,981.5	61,873.1	71,361.1	71,105.6	68,340.4	72,958.7	71,045.4	68,526.0
4 ATS–NOW accounts[3]	761.0	1,036.2	1,405.5	1,432.1	1,608.9	1,515.8	1,658.9	1,851.9	1,640.6
5 Savings deposits[4]	679.6	720.3	741.4	606.5	688.8	677.9	682.4	694.5	566.8
DEPOSIT TURNOVER									
Demand deposits[2]									
6 All insured banks	285.8	324.2	379.7	441.7	442.7	401.8	433.0	436.7	424.5
7 Major New York City banks	1,116.7	1,287.6	1,528.0	2,012.5	1,938.7	1,665.2	1,774.3	1,834.6	1,822.5
8 Other banks	185.9	211.1	240.9	270.5	267.5	252.7	275.2	270.9	261.7
9 ATS–NOW accounts[3]	14.4	14.5	15.6	14.6	16.0	15.1	16.6	18.3	16.2
10 Savings deposits[4]	4.1	4.5	5.4	4.8	5.5	5.4	5.5	5.6	4.6
				Not seasonally adjusted					
DEBITS TO									
Demand deposits[2]									
11 All insured banks	81,197.9	91,031.8	109,517.6	121,514.4	132,521.7	128,522.3	124,604.3	133,844.2	120,120.8
12 Major New York City banks	34,032.0	38,001.0	47,707.4	53,514.4	60,214.5	57,168.1	54,060.5	59,743.8	54,329.0
13 Other banks	47,165.9	53,030.9	64,310.2	68,000.0	72,307.2	71,354.3	70,543.8	74,100.3	65,791.8
14 ATS–NOW accounts[3]	737.6	1,027.1	1,397.0	1,670.1	1,599.0	1,621.7	1,598.5	1,629.4	1,523.7
15 MMDA[5]	....	....	567.4	918.9	883.6	894.8	891.7	888.2	821.6
16 Savings deposits[4]	672.9	720.0	742.0	665.7	673.8	686.2	686.3	680.3	543.1
DEPOSIT TURNOVER									
Demand deposits[2]									
17 All insured banks	286.4	325.0	379.9	410.8	456.8	428.6	418.1	465.7	408.9
18 Major New York City banks	1,114.2	1,295.7	1,510.0	1,770.2	1,997.1	1,792.0	1,738.1	2,008.0	1,786.4
19 Other banks	186.2	211.5	240.5	256.0	278.1	266.3	264.3	287.6	249.8
20 ATS–NOW accounts[3]	14.0	14.4	15.5	16.4	16.1	16.2	16.0	16.4	15.2
21 MMDA[5]	....	....	2.8	3.8	3.6	3.7	3.7	3.7	3.4
22 Savings deposits[4]	4.1	4.5	5.4	5.2	5.3	5.5	5.4	5.5	4.5

1. Annual averages of monthly figures.
2. Represents accounts of individuals, partnerships, and corporations and of states and political subdivisions.
3. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS). ATS data availability starts with December 1978.
4. Excludes ATS and NOW accounts, MMDA and special club accounts, such as Christmas and vacation clubs.
5. Money market deposit accounts.

NOTE. Historical data for demand deposits are available back to 1970 estimated in part from the debits series for 233 SMSAs that were available through June 1977. Historical data for ATS–NOW and savings deposits are available back to July 1977. Back data are available on request from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

These data also appear on the Board's G.6 (406) release. For address, see inside front cover.

1.23 LOANS AND SECURITIES *All Commercial Banks*[1]

Billions of dollars; averages of Wednesday figures

Category	1982 Dec.	1983 Dec.	1984 Aug.	1984 Sept.	1984 Oct.	1984 Nov.	1982 Dec.	1983 Dec.	1984 Aug.	1984 Sept.	1984 Oct.	1984 Nov.
	Seasonally adjusted						Not seasonally adjusted					
1 **Total loans and securities**[3,4]	**1,412.0**	**1,568.1**	**1,675.5**	**1,685.6**	**1,693.7**	**1,709.1**	**1,422.4**	**1,579.5**	**1,668.8**	**1,687.2**	**1,699.6**	**1,717.3**
2 U.S. Treasury securities	130.9	188.0	184.8	183.7	182.9	183.6	131.5	188.8	182.7	183.1	181.4	182.3
3 Other securities[4]	239.2	247.5	249.6	250.9	250.7	251.3	240.6	249.0	248.8	251.0	251.0	251.8
4 Total loans and leases[3,4]	1,042.0	1,132.6	1,241.1	1,251.0	1,260.1	1,274.3	1,050.3	1,141.7	1,237.3	1,253.1	1,267.1	1,283.2
5 Commercial and industrial loans[4]	392.3	413.7	459.7	461.1	464.4	468.0	394.5	416.1	457.0	460.7	465.2	470.2
6 Real estate loans[4]	303.1	335.5	366.2	369.6	373.0	376.6	304.0	336.5	365.8	370.4	374.5	378.1
7 Loans to individuals	191.9	219.7	251.2	253.0	255.1	258.7	193.2	221.2	251.5	254.8	257.1	260.3
8 Security loans	24.7	27.3	22.3	25.6	27.5	28.7	25.5	28.2	23.0	25.3	27.3	29.3
9 Loans to nonbank financial institutions	31.1	29.7	31.0	31.0	30.7	30.7	32.1	30.6	30.9	31.1	30.9	31.1
10 Agricultural loans	36.3	39.6	41.4	41.6	41.8	42.0	36.3	39.6	41.9	42.2	42.4	42.3
11 Lease financing receivables	13.1	13.1	14.1	14.3	14.3	14.4	13.1	13.1	14.1	14.3	14.3	14.4
12 All other loans	49.5	54.0	55.2	54.7	53.3	55.2	51.5	56.3	53.2	54.4	55.5	57.6
MEMO												
13 **Total loans and securities plus loans sold**[3,4,5]	**1,415.0**	**1,570.5**	**1,678.4**	**1,688.6**	**1,696.7**	**1,712.0**	**1,425.4**	**1,581.9**	**1,671.8**	**1,690.2**	**1,702.5**	**1,720.2**
14 Total loans plus loans sold[3,4,5]	1,044.9	1,135.0	1,244.1	1,254.0	1,263.1	1,277.2	1,053.3	1,144.1	1,240.3	1,256.1	1,270.1	1,286.1
15 Total loans sold to affiliates[3]	2.9	2.4	2.9	3.0	2.9	2.9	2.9	2.4	2.9	3.0	2.9	2.9
16 Commercial and industrial loans plus loans sold[4,5]	394.5	415.5	461.8	463.3	466.5	470.1	396.8	417.9	459.1	462.8	467.3	472.3
17 Commercial and industrial loans sold[5]	2.3	1.8	2.1	2.2	2.1	2.1	2.3	1.8	2.1	2.2	2.1	2.1
18 Acceptances held	8.5	8.3	10.0	9.4	9.5	9.3	9.5	9.1	9.7	9.4	9.3	9.6
19 Other commercial and industrial loans	383.7	405.4	449.7	451.7	454.9	458.8	385.1	407.0	447.3	451.3	455.8	460.6
20 To U.S. addressees[6]	373.4	395.2	437.3	439.6	443.3	447.6	372.6	394.4	435.2	439.4	444.1	448.9
21 To non-U.S. addressees	10.3	10.3	12.4	12.1	11.7	11.1	12.4	12.6	12.1	11.9	11.8	11.7
22 Loans to foreign banks	13.5	12.7	12.4	11.5	11.6	11.9	14.5	13.6	11.9	11.8	11.8	12.1

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

2. Beginning December 1981, shifts of foreign loans and securities from U.S. banking offices to international banking facilities (IBFs) reduced the levels of several items. Seasonally adjusted data that include adjustments for the amounts shifted from domestic offices to IBFs are available in the Board's G.7 (407) *statistical release (available from Publications Services, Board of Governors of* the Federal Reserve System, Washington, D.C. 20551).

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

4. Beginning Sept. 19, 1984, a reclassification of loans decreased commercial and industrial loans and increased real estate loans by $200 million. Beginning Sept. 26, 1984, a transfer of loans from Continental Illinois National Bank to the FDIC reduced total loans and investments and total loans $1.9 billion, commercial and industrial loans $1.4 billion, and real estate loans $.4 billion.

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

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

NOTE. Data are prorated averages of Wednesday estimates for domestically chartered banks, based on weekly reports of a sample of domestically chartered banks and quarterly reports of all domestically chartered banks. For foreign-related institutions, data are averages of month-end estimates based on weekly reports from large agencies and branches and quarterly reports from all agencies, branches, investment companies, and Edge Act corporations engaged in banking. These data also appear in the Board's G.7 (407) release. For address, see inside front cover.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

Source	1982	1983	1984										
	Dec.	Dec.	Jan.	Feb.[r]	Mar.[r]	Apr.[r]	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.
Total nondeposit funds													
1 Seasonally adjusted[2]	96.3	100.3	98.2	103.7	108.1	111.8	116.9	105.5	106.1	109.8	113.0	115.8	121.8
2 Not seasonally adjusted	99.6	102.5	99.3	105.2	109.6	113.0	121.2	108.4	106.5	112.4	113.8	116.7	125.4
Federal funds, RPs, and other borrowings from nonbanks[3]													
3 Seasonally adjusted	140.8	140.7	139.4	142.8	141.9	142.3	142.4	136.8	137.5	142.7	145.0	145.8	151.2
4 Not seasonally adjusted	144.1	142.8	140.4	144.3	143.3	143.5	146.7	139.6	137.8	145.3	145.8	146.8	154.9
5 Net balances due to foreign-related institutions, not seasonally adjusted	-47.0	-42.7	-43.6	-41.6	-36.9	-33.6	-28.4	-33.9	-34.2	-35.8	-35.0	-33.0	-32.4
6 Loans sold to affiliates, not seasonally adjusted[4]	2.5	2.4	2.4	2.5	3.1	3.1	2.8	2.7	2.9	2.9	3.0	2.9	2.9
MEMO													
7 Domestically chartered banks' net positions with own foreign branches, not seasonally adjusted[5]	-43.0	-39.8	-38.8	-37.7	-34.9	-33.2	-29.9	-32.9	-33.1	-35.0	-35.1	-34.1	-32.6
8 Gross due from balances	76.5	75.3	73.2	72.2	73.8	73.6	73.5	73.8	71.2	72.8	71.4	69.7	68.3
9 Gross due to balances	33.6	35.5	34.5	34.5	38.9	40.4	43.6	40.9	38.1	37.8	36.3	35.7	35.7
10 Foreign-related institutions' net positions with directly related institutions, not seasonally adjusted[6]	-4.0	-3.0	-4.8	-3.9	-1.9	-0.4	1.6	-1.0	-1.1	-0.8	0.1	1.0	0.2
11 Gross due from balances	53.5	54.1	53.4	51.3	50.2	49.6	49.8	50.8	52.0	51.8	51.8	50.9	50.7
12 Gross due to balances	49.5	51.1	48.6	47.3	48.3	49.2	51.4	49.8	50.9	51.0	51.9	51.9	50.9
Security RP borrowings													
13 Seasonally adjusted[7]	83.3	84.8	85.5	86.9	85.5	86.9	84.0	79.0	79.9	82.7	84.2	85.9	89.6
14 Not seasonally adjusted	84.6	85.1	84.6	86.5	85.1	86.2	86.4	80.0	78.4	83.4	83.1	84.9	91.3
U.S. Treasury demand balances[8]													
15. Seasonally adjusted	12.0	13.1	16.5	20.6	16.7	15.9	12.2	12.9	11.7	12.7	16.5	8.3	17.0
16 Not seasonally adjusted	7.5	10.8	19.6	22.3	17.5	16.5	12.8	12.3	11.8	10.3	17.5	11.0	10.4
Time deposits, $100,000 or more[9]													
17 Seasonally adjusted	280.7	283.1	284.4	283.8	289.2	292.4	302.9	312.8	315.8	313.4	312.8	317.9	318.4
18 Not seasonally adjusted	283.0	288.1	287.1	285.0	288.8	288.7	298.8	307.7	311.7	314.3	315.4	320.6	321.1

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.
2. Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. Includes averages of Wednesday data for domestically chartered banks and averages of current and previous month-end data for foreign-related institutions.
3. Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans. Includes averages of daily figures for member banks and averages of current and previous month-end data for foreign-related institutions.
4. Loans initially booked by the bank and later sold to affiliates that are still held by affiliates. Averages of Wednesday data.
5. Averages of daily figures for member and nonmember banks.
6. Averages of daily data.
7. Based on daily average data reported by 122 large banks.
8. Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.
9. Averages of Wednesday figures.

NOTE. These data also appear in the Board's G.10 (411) release. For address see inside front cover.

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

Billions of dollars except for number of banks

Account	1982	1983									
	Dec.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
DOMESTICALLY CHARTERED COMMERCIAL BANKS[1]											
1 Loans and securities, excluding interbank	1,370.3	1,392.2	1,403.8	1,411.9	1,435.1	1,437.4	1,457.0	1,466.1	1,483.0	1,502.3	1,525.2
2 Loans, excluding interbank	1,000.7	1,001.7	1,005.1	1,007.5	1,025.6	1,029.1	1,043.4	1,049.7	1,060.3	1,075.5	1,095.1
3 Commercial and industrial	356.7	358.0	357.9	356.7	360.1	361.1	363.0	364.0	367.0	372.8	380.8
4 Other	644.0	643.7	647.2	650.8	665.6	668.0	680.4	685.7	693.3	702.7	714.4
5 U.S. Treasury securities	129.0	150.6	155.5	160.9	166.0	165.1	167.5	171.2	176.8	180.4	181.4
6 Other securities	240.5	239.9	243.3	243.5	243.5	243.3	246.1	245.2	245.9	246.4	248.7
7 Cash assets, total	184.4	168.9	170.1	164.5	176.9	168.7	176.9	160.0	164.0	179.0	190.5
8 Currency and coin	23.0	19.9	20.4	20.3	21.3	20.7	21.0	20.8	20.5	22.3	23.3
9 Reserves with Federal Reserve Banks	25.4	20.5	23.9	22.4	18.8	20.6	22.5	15.4	19.7	17.6	18.6
10 Balances with depository institutions	67.6	67.1	66.1	65.6	69.7	67.1	69.0	66.7	67.1	70.9	75.6
11 Cash items in process of collection	68.4	61.5	59.6	56.3	67.1	60.3	64.4	56.9	56.6	69.0	73.0
12 Other assets[2]	265.3	257.9	252.4	248.3	253.2	254.5	257.2	252.3	253.0	261.9	253.8
13 Total assets/total liabilities and capital	**1,820.0**	**1,818.9**	**1,826.3**	**1,824.8**	**1,865.2**	**1,860.6**	**1,891.0**	**1,878.4**	**1,900.0**	**1,943.9**	**1,969.5**
14 Deposits	1,361.8	1,374.2	1,368.0	1,370.8	1,402.7	1,396.5	1,420.1	1,408.1	1,419.5	1,459.2	1,482.6
15 Demand	363.9	333.4	329.2	324.5	344.4	334.2	344.7	328.1	331.3	358.1	371.0
16 Savings	296.4	419.2	426.9	440.2	445.3	447.5	449.0	448.8	451.5	458.3	460.7
17 Time	701.5	621.6	611.9	606.1	613.1	614.8	626.4	631.2	636.8	642.8	650.8
18 Borrowings	215.1	211.3	224.0	214.1	221.2	217.5	217.2	217.8	226.8	219.7	216.3
19 Other liabilities	109.2	103.5	102.3	104.7	104.3	105.5	107.6	107.1	106.5	112.6	117.9
20 Residual (assets less liabilities)	133.8	130.0	132.0	135.1	137.0	141.0	146.1	145.4	147.2	152.4	152.8
MEMO											
21 U.S. Treasury note balances included in borrowing	10.7	9.6	17.8	2.7	19.3	19.3	14.8	20.8	22.5	2.8	8.8
22 Number of banks	14,787	14,819	14,823	14,817	14,826	14,785	14,795	14,804	14,800	14,799	14,796
ALL COMMERCIAL BANKING INSTITUTIONS[3]											
23 Loans and securities, excluding interbank	1,429.7	1,451.3	1,460.8	1,467.6	1,491.5	1,494.1	1,515.4	1,525.4	1,541.8	1,563.2	1,586.8
24 Loans, excluding interbank	1,054.8	1,054.5	1,055.7	1,056.4	1,075.2	1,078.8	1,094.9	1,102.5	1,112.2	1,129.2	1,149.3
25 Commercial and industrial	395.3	395.9	393.5	391.7	395.3	397.7	400.6	402.7	405.3	412.0	420.1
26 Other	659.5	658.6	662.2	664.7	679.9	681.2	694.3	699.8	706.8	717.2	729.2
27 U.S. Treasury securities	132.8	155.3	160.2	166.1	171.3	170.3	172.7	176.1	182.0	185.9	186.9
28 Other securities	242.1	241.5	244.9	245.2	245.1	245.0	247.8	246.9	247.7	248.1	250.6
29 Cash assets, total	200.7	185.5	186.3	180.3	193.5	185.2	193.3	174.7	178.4	195.0	205.0
30 Currency and coin	23.0	19.9	20.4	20.3	21.3	20.7	21.1	20.9	20.5	22.3	23.4
31 Reserves with Federal Reserve Banks	26.8	22.0	25.4	23.8	20.0	21.9	24.0	16.6	20.8	19.1	19.7
32 Balances with depository institutions	81.4	81.0	79.8	78.9	84.0	81.2	82.8	79.3	79.5	83.6	88.0
33 Cash items in process of collection	69.4	62.6	60.7	57.3	68.2	61.4	65.4	58.0	57.6	70.0	74.0
34 Other assets[2]	341.7	325.4	317.8	309.5	318.1	318.7	324.6	320.9	318.8	329.7	321.3
35 Total assets/total liabilities and capital	**1,972.1**	**1,962.2**	**1,964.9**	**1,957.4**	**2,003.2**	**1,998.0**	**2,033.3**	**2,021.0**	**2,039.1**	**2,088.0**	**2,113.1**
36 Deposits	1,409.7	1,419.5	1,411.0	1,413.1	1,443.8	1,438.1	1,461.4	1,448.9	1,459.0	1,499.4	1,524.8
37 Demand	376.2	345.7	341.1	336.4	356.4	346.4	356.6	340.0	343.2	369.9	383.2
38 Savings	296.7	419.7	427.3	440.7	445.7	448.0	449.5	449.3	452.0	458.8	461.3
39 Time	736.7	654.1	642.6	636.0	641.6	643.8	655.3	659.5	663.8	670.6	680.4
40 Borrowings	278.3	269.9	281.3	269.5	278.2	277.9	280.5	282.6	289.6	282.5	275.1
41 Other liabilities	148.4	141.1	138.6	137.9	142.3	139.1	143.4	142.3	141.5	151.9	158.6
42 Residual (assets less liabilities)	135.7	131.9	133.9	137.0	138.9	142.9	148.0	147.3	149.1	154.2	154.7
MEMO											
43 U.S. Treasury note balances included in borrowing	10.7	9.6	17.8	2.7	19.3	19.3	14.8	20.8	22.5	2.8	8.8
44 Number of banks	15,329	15,376	15,390	15,385	15,396	15,359	15,370	15,382	15,383	15,382	15,380

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

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

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

NOTE. Figures are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Data for domestically chartered commercial banks are for the last Wednesday of the month. Data for other banking institutions are estimates made on the last Wednesday of the month based on a weekly reporting sample of foreign-related institutions and quarter-end condition report data.

1.26 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $1.4 Billion or More on December 31, 1982, Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1984								
	Oct. 24[r]	Oct. 31[r]	Nov. 7[r]	Nov. 14[r]	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19
1 Cash and balances due from depository institutions	80,443	87,266	95,361	98,498	90,825	90,183	90,606	91,223	96,008
2 Total loans, leases and securities, net	**783,915**	**797,608**	**799,662**	**799,343**	**799,883**	**792,011**	**808,881**	**800,013**	**815,741**
Securities									
3 U.S. Treasury and government agency	73,994	79,042	77,728	77,699	78,287	78,532	81,143	79,281	78,894
4 Trading account	10,708	15,158	13,875	13,870	14,599	14,762	16,592	14,886	14,597
5 Investment account, by maturity	63,285	63,884	63,853	63,829	63,688	63,770	64,551	64,394	64,298
6 One year or less	18,215	18,296	18,752	18,477	18,054	17,949	18,365	18,639	19,172
7 Over one through five years	32,296	32,826	32,379	32,608	33,151	33,206	32,986	32,527	31,800
8 Over five years	12,774	12,763	12,722	12,744	12,484	12,614	13,200	13,228	13,325
9 Other securities	47,737	47,412	46,604	46,826	47,160	46,464	46,132	46,384	47,048
10 Trading account	4,640	4,522	3,958	4,342	4,722	3,949	3,694	3,828	4,331
11 Investment account	43,097	42,890	42,646	42,484	42,438	42,515	42,437	42,555	42,718
12 States and political subdivisions, by maturity	39,048	38,884	38,538	38,474	38,332	38,302	38,203	38,319	38,328
13 One year or less	4,598	4,587	4,506	4,455	4,394	4,343	4,254	4,334	4,403
14 Over one year	34,449	34,297	34,031	34,019	33,937	33,959	33,949	33,985	33,925
15 Other bonds, corporate stocks, and securities	4,049	4,005	4,108	4,010	4,106	4,213	4,234	4,236	4,389
16 Other trading account assets	2,769	2,860	3,182	3,763	3,602	3,211	2,908	2,875	2,677
Loans and leases									
17 Federal funds sold[1]	51,442	54,283	55,697	53,208	52,429	48,116	56,112	49,430	54,708
18 To commercial banks	36,594	38,387	38,578	36,474	36,056	32,647	37,955	32,158	37,961
19 To nonbank brokers and dealers in securities	10,158	10,965	11,123	11,356	11,888	10,681	12,033	11,947	11,621
20 To others	4,691	4,931	5,996	5,378	4,484	4,788	6,124	5,325	5,126
21 Other loans and leases, gross[2]	623,472	629,616	632,135	633,540	634,077	631,430	638,386	637,884	648,278
22 Other loans, gross[2]	611,197	617,304	619,810	621,226	621,737	619,055	625,947	625,462	635,770
23 Commercial and industrial[2]	246,556	247,651	249,672	249,087	249,262	248,419	249,714	248,490	250,696
24 Bankers acceptances and commercial paper	3,343	3,883	3,860	3,914	4,320	4,055	4,353	4,209	3,810
25 All other	243,213	243,768	245,811	245,173	244,942	244,364	245,361	244,281	246,886
26 U.S. addressees	236,852	237,394	239,419	238,803	238,606	238,015	239,010	238,040	240,686
27 Non-U.S. addressees	6,361	6,375	6,393	6,369	6,336	6,349	6,351	6,241	6,200
28 Real estate loans[2]	156,260	156,860	156,927	157,572	157,706	158,126	158,363	159,002	159,281
29 To individuals for personal expenditures	106,198	106,767	107,001	107,227	107,553	108,182	109,109	109,895	111,065
30 To depository and financial institutions	37,810	39,401	39,784	40,742	39,991	39,578	40,686	40,742	41,551
31 Commercial banks in the United States	8,228	9,016	9,060	9,586	9,452	9,286	9,562	9,798	10,348
32 Banks in foreign countries	5,915	6,032	6,154	6,614	6,323	6,092	6,750	6,367	6,101
33 Nonbank depository and other financial institutions	23,666	24,352	24,570	24,542	24,216	24,200	24,373	24,577	25,102
34 For purchasing and carrying securities	13,854	15,038	14,918	13,982	14,361	12,606	15,067	15,022	19,064
35 To finance agricultural production	7,272	7,225	7,199	7,241	7,234	7,205	7,158	7,191	7,235
36 To states and political subdivisions	25,827	25,997	26,228	26,373	26,622	26,583	26,698	26,904	27,570
37 To foreign governments and official institutions	4,344	4,419	4,374	4,363	4,416	4,198	4,506	4,252	4,217
38 All other	13,076	13,946	13,708	14,638	14,592	14,158	14,645	13,964	15,092
39 Lease financing receivables	12,274	12,311	12,324	12,314	12,341	12,375	12,439	12,422	12,508
40 Less: Unearned income	5,172	5,184	5,138	5,126	5,122	5,125	5,075	5,094	5,112
41 Loan and lease reserve[2]	10,326	10,421	10,547	10,568	10,550	10,619	10,725	10,747	10,754
42 Other loans and leases, net[2]	607,974	614,011	616,449	617,847	618,405	615,686	622,586	622,043	632,412
43 All other assets	133,710	140,155	136,969	132,132	132,446	131,898	138,513	132,896	134,790
44 Total assets	**998,068**	**1,025,029**	**1,031,991**	**1,029,974**	**1,023,155**	**1,014,092**	**1,038,000**	**1,024,132**	**1,046,538**
Deposits									
45 Demand deposits	175,726	184,939	188,091	194,664	180,969	179,990	191,950	185,342	193,944
46 Individuals, partnerships, and corporations	132,896	141,373	142,587	149,288	139,217	138,781	145,067	142,642	145,114
47 States and political subdivisions	4,592	4,901	5,134	4,800	5,072	4,781	4,877	4,742	5,409
48 U.S. government	2,638	1,389	2,152	1,705	1,423	1,041	3,778	2,375	3,724
49 Depository institutions in United States	21,080	21,033	21,240	23,038	20,472	20,985	22,181	20,588	22,746
50 Banks in foreign countries	6,001	6,470	6,783	6,653	6,225	6,097	6,488	6,140	6,412
51 Foreign governments and official institutions	895	916	897	940	916	805	906	978	741
52 Certified and officers' checks	7,624	8,856	9,299	8,239	7,645	7,500	8,653	7,878	9,796
53 Transaction balances other than demand deposits (ATS, NOW, Super NOW, telephone transfers)	32,356	32,998	34,194	33,340	33,135	32,668	34,870	34,136	34,305
54 Nontransaction balances	443,822	443,875	444,655	444,280	446,231	446,042	448,910	449,351	452,284
55 Individuals, partnerships and corporations	410,096	410,105	411,029	410,544	412,284	412,111	415,243	415,206	417,694
56 States and political subdivisions	21,856	21,580	21,226	21,290	21,335	21,393	21,150	21,387	21,753
57 U.S. government	358	463	464	515	497	473	378	391	407
58 Depository institutions in the United States	8,350	8,472	8,593	8,527	8,732	8,652	8,495	8,748	8,857
59 Foreign governments, official institutions and banks	3,161	3,255	3,342	3,404	3,382	3,412	3,643	3,620	3,573
60 Liabilities for borrowed money	185,217	200,540	204,682	196,082	199,365	190,904	196,998	188,765	198,137
61 Borrowings from Federal Reserve Banks	4,620	4,550	11,739	4,639	6,328	3,250	4,810	2,910	3,300
62 Treasury tax-and-loan notes	7,093	14,203	3,972	4,746	4,582	3,460	2,643	1,870	11,183
63 All other liabilities for borrowed money[3]	173,505	181,788	188,971	186,697	188,455	184,194	189,545	183,985	183,654
64 Other liabilities and subordinated note and debentures	91,415	92,807	90,308	91,560	93,398	94,714	94,631	95,976	97,433
65 Total liabilities	**928,535**	**955,160**	**961,930**	**959,927**	**953,099**	**944,317**	**967,359**	**953,570**	**976,103**
66 Residual (total assets minus total liabilities)[4]	69,533	69,869	70,061	70,047	70,055	69,774	70,641	70,562	70,436

1. Includes securities purchased under agreements to resell.
2. Levels of major loan items were affected by the Sept. 26, 1984 transaction between Continental Illinois National Bank and the Federal Deposit Insurance Corporation. For details see the H.4.2 statistical release dated Oct. 5, 1984.
3. Includes federal funds purchased and securities sold under agreements to repurchase; for information on these liabilities at banks with assets of $1 billion or more on Dec. 31, 1977, see table 1.13.
4. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

NOTE. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.

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

Millions of dollars, Wednesday figures

Account	1984								
	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19
1 Cash and balances due from depository institutions	19,651	21,726	25,886	23,800[r]	20,576	22,724	22,892	23,196	24,347
2 **Total loans, leases and securities, net**[1]	**165,793**	**171,620**	**170,813**	**169,644**[r]	**171,040**	**168,329**	**172,836**	**170,015**	**176,671**
Securities									
3 U.S. Treasury and government agency[2]	......	......	......	......	......	......	......	......	......
4 Trading account[2]	......	......	......	......	......	......	......	......	......
5 Investment account, by maturity	9,408	9,844	9,482	9,428	9,420	9,200	10,057	9,878	9,604
6 One year or less	1,525	1,532	1,560	1,540[r]	1,500	1,496	1,522	1,761	1,985
7 Over one through five years	6,468	6,836	6,506	6,452[r]	6,684	6,445	6,517	6,121	5,550
8 Over five years	1,416	1,475	1,416	1,436	1,236	1,259	2,017	1,996	2,068
9 Other securities[2]	......	......	......	......	......	......	......	......	......
10 Trading account[2]	......	......	......	......	......	......	......	......	......
11 Investment account	9,709[r]	9,436[r]	9,364[r]	9,291[r]	9,180	9,142	9,155	9,189	9,179
12 States and political subdivisions, by maturity	8,938[r]	8,661[r]	8,584[r]	8,524[r]	8,410	8,338	8,334	8,340	8,344
13 One year or less	1,418	1,315	1,281	1,218	1,198	1,124	1,120	1,114	1,150
14 Over one year	7,520[r]	7,346[r]	7,303[r]	7,306[r]	7,212	7,214	7,214	7,226	7,195
15 Other bonds, corporate stocks and securities	770	775	780	767	770	804	821	849	834
16 Other trading account assets[2]	......	......	......	......	......	......	......	......	......
Loans and leases									
17 Federal funds sold[3]	16,180	19,757	19,365	17,735	18,956	18,520	19,087	18,097	20,163
18 To commercial banks	8,926	12,237	11,359	9,603	10,516	10,052	9,299	9,426	11,067
19 To nonbank brokers and dealers in securities	4,689	4,970	4,973	5,338	5,992	5,478	6,283	6,033	6,195
20 To others	2,565	2,550	3,033	2,794	2,448	2,990	3,505	2,638	2,901
21 Other loans and leases, gross	135,155[r]	137,220[r]	137,284[r]	137,892[r]	138,209	136,204	139,286	137,599	142,491
22 Other loans, gross	132,978[r]	135,042[r]	135,112[r]	135,718[r]	136,033	134,006	137,092	135,409	140,296
23 Commercial and industrial	64,288	64,021	64,437	64,290	63,794	63,456	64,033	63,134	63,856
24 Bankers acceptances and commercial paper	598	644	576	590	679	633	685	481	429
25 All other	63,690	63,377	63,861	63,700	63,116	62,823	63,348	62,652	63,427
26 U.S. addressees	62,672	62,351	62,798	62,598	62,029	61,761	62,275	61,640	62,463
27 Non-U.S. addressees	1,018	1,026	1,063	1,102	1,087	1,062	1,073	1,012	964
28 Real estate loans	23,356	23,597	23,567	23,781	23,853	23,891	23,974	24,318	24,239
29 To individuals for personal expenditures	15,359	15,451	15,498	15,543	15,619	15,669	15,810	15,931	16,087
30 To depository and financial institutions	11,225	11,701	11,753	12,641	12,195	12,113	12,776	11,997	12,343
31 Commercial banks in the United States	1,116	1,582	1,403	1,957	1,869	1,968	2,076	1,785	1,857
32 Banks in foreign countries	2,153	2,095	2,222	2,558	2,332	2,225	2,690	2,312	2,215
33 Nonbank depository and other financial institutions	7,956	8,023	8,127	8,126	7,994	7,920	8,010	7,901	8,271
34 For purchasing and carrying securities	6,523	7,792	7,414	6,649	7,464	6,080	7,478	7,380	10,319
35 To finance agricultural production	386	364	364	353	374	391	384	389	385
36 To states and political subdivisions	7,739[r]	7,719[r]	7,786[r]	7,828[r]	7,910	7,808	7,927	7,925	8,101
37 To foreign governments and official institutions	808	918	875	880[r]	948	760	992	789	744
38 All other	3,294	3,480	3,418	3,752	3,877	3,838	3,718	3,544	4,221
39 Lease financing receivables	2,177	2,178	2,173	2,173	2,176	2,198	2,194	2,190	2,195
40 LESS: Unearned income	1,488	1,472	1,467	1,474	1,483	1,484	1,458	1,465	1,478
41 Loan and lease reserve	3,171	3,165	3,215	3,229	3,243	3,252	3,290	3,283	3,289
42 Other loans and leases, net	130,496[r]	132,583[r]	132,602[r]	133,189[r]	133,483	131,467	134,538	132,851	137,724
43 All other assets[4]	64,419	71,134	69,303	65,534[r]	66,594	67,484	72,459	66,639	69,325
44 **Total assets**	**249,863**	**264,480**	**266,003**	**258,978**[r]	**258,210**	**258,538**	**268,188**	**259,850**	**270,343**
Deposits									
45 Demand deposits	45,249	48,564	49,054	50,400[r]	44,528	47,117	49,011	47,353	51,072
46 Individuals, partnerships, and corporations	30,012	32,744	32,641	34,687[r]	30,555	32,146	32,731	32,026	33,586
47 States and political subdivisions	667	578	722	672	772	699	791	701	770
48 U.S. government	490	196	288	244	207	167	780	501	683
49 Depository institutions in the United States	5,112	4,935	4,650	5,079[r]	4,304	5,432	4,629	4,795	5,311
50 Banks in foreign countries	4,740	5,213	5,429	5,354[r]	4,990	4,742	5,194	4,839	5,185
51 Foreign governments and official institutions	612	673	631	681[r]	673	502	706	765	555
52 Certified and officers' checks	3,616	4,224	4,692	3,682	3,025	3,428	4,179	3,726	4,981
53 Transaction balances other than demand deposits ATS, NOW, Super NOW, telephone transfers)	3,472	3,493	3,679	3,557[r]	3,556	3,520	3,723	3,678	3,711
54 Nontransaction balances	81,358	81,874	81,944	81,937	82,842	82,283	83,507	82,914	83,825
55 Individuals, partnerships and corporations	73,018	73,388	73,407	73,452	74,354	73,830	74,749	74,058	74,900
56 States and political subdivisions	4,313	4,315	4,209	4,101	4,043	3,960	4,109	4,176	4,326
57 U.S. government	30	29	29	84	68	30	37	50	46
58 Depository institutions in the United States	2,245	2,321	2,389	2,345	2,441	2,497	2,460	2,533	2,523
59 Foreign governments, official institutions and banks	1,752	1,821	1,909	1,955	1,936	1,967	2,153	2,097	2,030
60 Liabilities for borrowed money	58,700	67,882	70,070	60,724	63,462	61,497	66,875	60,766	65,959
61 Borrowings from Federal Reserve Banks	400	800	4,432	......	2,325	......	1,375	......	2,225
62 Treasury tax-and-loan notes	1,791	3,628	890	1,355	1,029	796	644	366	2,961
63 All other liabilities for borrowed money[5]	56,508	63,454	64,748	59,369	60,108	60,701	64,856	60,400	60,773
64 Other liabilities and subordinated note and debentures	38,353	39,847	38,367	39,410[r]	40,864	41,375	41,982	42,095	42,841
65 **Total liabilities**	**227,132**	**241,659**	**243,114**	**236,029**[r]	**235,251**	**235,792**	**245,099**	**236,806**	**247,408**
66 Residual (total assets minus total liabilities)[6]	22,731	22,821	22,889	22,949	22,959	22,746	23,088	23,044	22,935

1. Excludes trading account securities.
2. Not available due to confidentiality.
3. Includes securities purchased under agreements to resell.
4. Includes trading account securities.
5. Includes federal funds purchased and securities sold under agreements to repurchase.
6. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

NOTE. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1984								
	Oct. 24r	Oct. 31r	Nov. 7r	Nov. 14r	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19
BANKS WITH ASSETS OF $1.4 BILLION OR MORE									
1 Total loans and leases (gross) and investments adjusted[1]	754,592	765,810	767,708	768,977	770,047	765,821	777,164	773,898	783,298
2 Total loans and leases (gross) adjusted[1,2]	630,092	636,496	640,193	640,689	640,998	637,613	646,980	645,358	654,678
3 Time deposits in amounts of $100,000 or more	160,729	159,206	158,610	158,290	159,097	158,379	158,641	159,050	160,646
4 Loans sold outright to affiliates—total[3]	3,001	2,817	2,892	2,911	2,987	2,953	2,874	2,880	2,883
5 Commercial and industrial	2,152	1,972	2,045	2,062	2,145	2,090	2,064	2,020	2,031
6 Other	849	845	847	850	842	863	811	860	851
7 Nontransaction savings deposits (including MMDAs)	154,583	155,962	157,073	157,654	158,885	159,358	161,746	161,790	163,220
BANKS IN NEW YORK CITY									
8 Total loans and leases (gross) and investments adjusted[1,4]	160,410	162,438	162,734	162,786	163,382	161,046	166,210	163,551	168,513
9 Total loans and leases (gross) adjusted[1]	141,293	143,158	143,888	144,067	144,781	142,704	146,998	144,484	149,730
10 Time deposits in amounts of $100,000 or more	34,178	33,835	33,916	33,857	34,475	33,948	34,345	34,227	34,553

1. Exclusive of loans and federal funds transactions with domestic commercial banks.
2. Levels of major loan items were affected by the Sept. 26, 1984 transaction between Continental Illinois National Bank and the Federal Deposit Insurance Corporation. For details see the H.4.2 statistical release dated Oct. 5, 1984.
3. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
4. Excludes trading account securities.

NOTE. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.

1.30 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS WITH ASSETS OF $750 MILLION OR MORE ON JUNE 30, 1980 Assets and Liabilities ▲

Millions of dollars, Wednesday figures

Account	1984								
	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19
1 Cash and due from depository institutions	6,221	6,319	6,848r	6,530	6,884	6,669	6,884	6,468	6,884
2 Total loans and securities	47,427	43,817	43,992	43,102	43,954	43,857	42,513	42,402	44,095
3 U.S. Treasury and govt. agency securities	4,306	4,337	4,336	4,233	3,991	3,890	4,176	4,185	4,053
4 Other securities	1,058	1,189r	1,201r	1,280r	1,239	1,263	1,278	1,273	1,272
5 Federal funds sold[1]	4,081	2,656	3,059	3,072	3,841	4,336	3,112	2,808	3,378
6 To commercial banks in the United States	3,778	2,324	2,726	2,718	3,575	4,065	2,824	2,488	2,978
7 To others	303	332	333	354	266	271	289	319	400
8 Other loans, gross	37,982	35,636r	35,396r	34,517r	34,883	34,367	33,947	34,136	35,391
9 Commercial and industrial	21,260	19,606r	19,346r	19,394r	19,585	19,298	19,188	19,391	20,174
10 Bankers acceptances and commercial paper	3,002	1,380	1,358	1,304	1,380	1,221	1,493	1,480	1,445
11 All other	18,257r	18,227r	17,987r	18,090r	18,205	18,077	17,695	17,911	18,729
12 U.S. addressees	16,618r	16,765r	16,506r	16,666r	16,781	16,702	16,344	16,609	17,434
13 Non-U.S. addressees	1,639	1,462	1,481	1,423	1,424	1,375	1,351	1,302	1,295
14 To financial institutions	13,106	12,166	12,334	11,486	11,496	11,361	11,115	10,738	11,087
15 Commercial banks in the United States	10,573	9,515	9,718	9,049	9,070	8,971	8,614	8,293	8,239
16 Banks in foreign countries	1,481	1,523	1,493	1,519	1,508	1,500	1,519	1,540	1,580
17 Nonbank financial institutions	1,052	1,127	1,124	918	919	890	981	905	1,268
18 To foreign govts. and official institutions	715	712	714	705	699	693	686	690	711
19 For purchasing and carrying securities	904	1,130	978	918	1,038	958	922	1,285	1,416
20 All other	1,998	2,021	2,023	2,014	2,063	2,057	2,035	2,032	2,004
21 Other assets (claims on nonrelated parties)	18,873	18,746r	18,393r	18,360	19,204	19,506	19,119	19,371	19,169
22 Net due from related institutions	*9,580*	*10,099*	*11,201*	*10,245*	*9,920*	*8,709*	*10,098*	*10,301*	*10,487*
23 Total assets	82,102	78,981r	80,433r	78,237	79,962	78,741	78,614	78,542	80,634
24 Deposits or credit balances due to other than directly related institutions	21,293	21,726r	22,099	22,394r	22,473	22,420	23,436	24,075	24,386
25 Credit balances	148	215	130	153	122	128	130	183	141
26 Demand deposits	1,554	1,716r	1,752	1,750r	1,667	1,578	1,791	1,731	1,732
27 Individuals, partnerships, and corporations	840	867r	924	914r	852	834	885	901	892
28 Other	714	849	828	835	815	743	906	830	840
29 Time and savings deposits	19,590	19,794	20,217	20,491	20,685	20,714	21,514	22,162	22,513
30 Individuals, partnerships, and corporations	16,262	16,413	16,570	16,891	17,050	17,073	17,520	18,286	18,663
31 Other	3,328	3,382	3,647	3,599	3,635	3,641	3,994	3,876	3,851
32 Borrowings from other than directly related institutions	33,224	29,554	30,338	28,309	28,342	26,568	28,887	26,771	28,964
33 Federal funds purchased[2]	10,524	10,777	11,558	10,579	10,034	8,553	10,525	8,781	10,689
34 From commercial banks in the United States	7,845	8,644	9,266	8,118	7,841	6,424	8,804	7,095	8,598
35 From others	2,679	2,133	2,291	2,461	2,192	2,130	1,720	1,686	2,091
36 Other liabilities for borrowed money	22,700	18,777	18,780	17,730	18,308	18,015	18,362	17,990	18,274
37 To commercial banks in the United States	19,120	17,248	17,128	16,106	16,635	16,319	16,581	16,235	16,445
38 To others	3,580	1,529	1,652	1,624	1,674	1,696	1,781	1,754	1,830
39 Other liabilities to nonrelated parties	19,295	19,858	19,574r	19,320	20,174	20,541	20,101	20,344	20,457
40 Net due to related institutions	8,290	7,843	8,423r	8,214r	8,973	9,211	6,189	7,352	6,828
41 Total liabilities	82,102	78,981r	80,433r	78,237	79,962	78,741	78,614	78,542	80,634
MEMO									
42 Total loans (gross) and securities adjusted[3]	33,076	31,978	31,548	31,335	31,309	30,821	31,074	31,621	32,877
43 Total loans (gross) adjusted[3]	27,712	26,452r	26,011r	25,823r	26,079	25,668	25,621	26,163	27,552

▲ Levels of many asset and liability items were revised beginning Oct. 31, 1984. For details, see the H.4.2 (504) statistical release dated Nov. 23, 1984.

1. Includes securities purchased under agreements to resell.
2. Includes securities sold under agreements to repurchase.
3. Exclusive of loans to and federal funds sold to commercial banks in the United States.

NOTE. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.

1.31 GROSS DEMAND DEPOSITS Individuals, Partnerships, and Corporations[1]

Billions of dollars, estimated daily-average balances

Type of holder	Commercial banks									
	1979[2] Dec.	1980 Dec.	1981 Dec.	1982 Dec.	1983			1984		
					June	Sept.	Dec.	Mar.	June	Sept.
1 **All holders—Individuals, partnerships, and corporations**	**302.3**	**315.5**	**288.9**	**291.8**	**281.9**	**280.3**	**293.5**	**279.3**	**285.8**	**284.3**
2 Financial business	27.1	29.8	28.0	35.4	34.6	32.1	32.8	31.7	31.7	31.9
3 Nonfinancial business	157.7	162.8	154.8	150.5	146.9	150.2	161.1	150.3	154.9	154.7
4 Consumer	99.2	102.4	86.6	85.9	80.3	77.9	78.5	78.1	78.3	77.2
5 Foreign	3.1	3.3	2.9	3.0	3.0	2.9	3.3	3.3	3.4	3.3
6 Other	15.1	17.2	16.7	17.0	17.2	17.1	17.8	15.9	17.4	17.3
	Weekly reporting banks									
	1979[3] Dec.	1980 Dec.	1981 Dec.	1982 Dec.	1983			1984		
					June	Sept.	Dec.[4]	Mar.	June	Sept.
7 **All holders—Individuals, partnerships, and corporations**	**139.3**	**147.4**	**137.5**	**144.2**	**139.6**	**136.3**	**146.2**	**139.2**	**145.3**	**145.6**
8 Financial business	20.1	21.8	21.0	26.7	26.1	23.6	24.2	23.5	23.6	23.7
9 Nonfinancial business	74.1	78.3	75.2	74.3	72.8	72.9	79.8	76.4	79.7	79.4
10 Consumer	34.3	35.6	30.4	31.9	28.5	28.1	29.7	28.4	29.9	30.0
11 Foreign	3.0	3.1	2.8	2.9	2.8	2.8	3.1	3.2	3.2	3.2
12 Other	7.8	8.6	8.0	8.4	9.3	8.9	9.3	7.7	8.9	9.3

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

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

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

4. In January 1984 the weekly reporting panel was revised; it now includes 168 banks. Beginning with March 1984, estimates are constructed on the basis of 92 sample banks and are not comparable with earlier data. Estimates in billions of dollars for December 1983 based on the newly weekly reporting panel are: financial business, 24.4; nonfinancial business, 80.9; consumer, 30.1; foreign, 3.1; other, 9.5.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1979[1] Dec.	1980 Dec.	1981 Dec.	1982 Dec.[2]	1983 Dec.	1984[3] May	June	July	Aug.	Sept.	Oct.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**112,803**	**124,374**	**165,829**	**166,670**	**188,057**	**214,431**	**218,898**	**221,431**	**222,448**	**226,474**	**227,960**
Financial companies[4]											
Dealer-placed paper[5]											
2 Total	17,359	19,599	30,333	34,634	44,943	50,355	51,101	51,157	52,695	54,283	53,388
3 Bank-related (not seasonally adjusted)	2,784	3,561	6,045	2,516	2,441	1,696	1,944	1,799	2,010	1,959	2,060
Directly placed paper[6]											
4 Total	64,757	67,854	81,660	84,130	96,548	110,791	109,026	109,076	108,109	107,206	104,655
5 Bank-related (not seasonally adjusted)	17,598	22,382	26,914	32,034	35,566	46,338	43,960	45,090	43,665	41,066	38,112
6 Nonfinancial companies[7]	30,687	36,921	53,836	47,906	46,566	53,285	58,771	61,198	61,644	64,985	69,917
	Bankers dollar acceptances (not seasonally adjusted)[8]										
7 **Total**	**45,321**	**54,744**	**69,226**	**79,543**	**78,309**	**79,530**	**82,067**	**80,957**	**79,779**	**77,928**	**75,736**
Holder											
8 Accepting banks	9,865	10,564	10,857	10,910	9,355	9,927	10,877	10,708	10,743	11,065	11,444
9 Own bills	8,327	8,963	9,743	9,471	8,125	8,422	9,354	8,854	8,823	8,729	9,018
10 Bills bought	1,538	1,601	1,115	1,439	1,230	1,504	1,523	1,853	1,920	2,336	1,426
Federal Reserve Banks											
11 Own account	704	776	195	1,480	418	426	0	0	0	0	0
12 Foreign correspondents	1,382	1,791	1,442	949	729	679	697	611	632	686	658
13 Others	33,370	41,614	56,731	66,204	68,225	68,924	70,493	69,639	68,404	66,177	63,635
Basis											
14 Imports into United States	10,270	11,776	14,765	17,683	15,649	16,687	17,301	17,947	17,647	17,196	16,141
15 Exports from United States	9,640	12,712	15,400	16,328	16,880	15,938	16,421	15,485	15,871	15,985	16,442
16 All other	25,411	30,257	39,060	45,531	45,781	46,906	48,345	47,525	46,260	44,746	0

1. A change in reporting instructions results in offsetting shifts in the dealer-placed and directly placed financial company paper in October 1979.
2. Effective Dec. 1, 1982, there was a break in the commercial paper series. The key changes in the content of the data involved additions to the reporting panel, the exclusion of broker or dealer placed borrowings under any master note agreements from the reported data, and the reclassification of a large portion of bank-related paper from dealer-placed to directly placed.
3. Correction of a previous misclassification of paper by a reporter has created a break in the series beginning December 1983. The correction adds some paper to nonfinancial and to dealer-placed financial paper.
4. 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.
5. Includes all financial company paper sold by dealers in the open market.
6. As reported by financial companies that place their paper directly with investors.
7. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
8. Beginning October 1984, the number of respondents in the bankers acceptance survey will be reduced from 340 to 160 institutions—those with $50 million or more in total acceptances. The new reporting group accounts for over 95 percent of total acceptances activity.

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

Percent per annum

Effective date	Rate	Effective Date	Rate	Month	Average rate	Month	Average rate
1981—Nov.24	16.00	1983—Jan. 11	11.00	1982—Jan.	15.75	1983—July	10.50
Dec. 1	15.75	Feb. 28	10.50	Feb.	16.56	Aug.	10.89
		Aug. 8	11.00	Mar.	16.50	Sept.	11.00
				Apr.	16.50	Oct.	11.00
1982—Feb. 2	16.50	1984—Mar. 19	11.50	May	16.50	Nov.	11.00
18	17.00	Apr. 5	12.00	June	16.50	Dec.	11.00
23	16.50	May 8	12.50	July	16.26		
July 20	16.00	June 25	13.00	Aug.	14.39	1984—Jan.	11.00
29	15.50	Sept.27	12.75	Sept.	13.50	Feb.	11.00
Aug. 2	15.00	Oct. 17	12.50	Oct.	12.52	Mar.	11.21
16	14.50	29	12.00	Nov.	11.85	Apr.	11.93
18	14.00	Nov. 9	11.75	Dec.	11.50	May	12.39
23	13.50	28	11.25			June	12.60
Oct. 7	13.00	Dec. 20	10.75	1983—Jan.	11.16	July	13.00
Oct. 14	12.00			Feb.	10.98	Aug.	13.00
Nov.22	11.50			Mar.	10.50	Sept.	12.97
				Apr.	10.50	Oct.	12.58
				May	10.50	Nov.	11.77
				June	10.50	Dec.	11.06

NOTE. These data also appear in the Board's H.15 (519) release. For address, see inside front cover.

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 6–10, 1984

Item	All sizes	Size of loan (in thousands of dollars) 1–24	25–49	50–99	100–499	500–999	1,000 and over
SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS							
1 Amount of loans (thousands of dollars)	36,985,734	951,772	646,703	956,171	2,222,353	1,002,098	31,206,636
2 Number of loans	171,018	119,869	19,238	15,095	11,083	1,501	4,233
3 Weighted-average maturity (months)	1.2	4.0	4.4	3.9	3.6	4.3	.8
4 With fixed rates	.9	3.6	4.3	3.3	1.7	2.5	.6
5 With floating rates	1.8	5.1	4.7	4.8	4.9	5.5	1.2
6 Weighted-average interest rate (percent per annum)	13.29	15.41	15.40	14.81	14.65	14.14	13.01
7 Interquartile range[1]	12.72–13.47	14.65–16.15	14.37–16.08	13.96–15.43	13.80–15.11	13.65–14.86	12.69–13.17
8 With fixed rates	13.18	15.26	15.29	14.51	14.70	13.65	12.96
9 With floating rates	13.46	15.69	15.54	15.14	14.61	14.35	13.09
Percentage of amount of loans							
10 With floating rate	40.4	34.4	45.2	48.2	60.7	70.1	37.9
11 Made under commitment	69.4	30.4	45.0	40.5	50.8	67.8	73.4
12 With no stated maturity	9.7	10.3	19.4	15.3	37.4	34.0	6.5
13 With one-day maturity	38.7	.1	.1	.1	1.0	1.0	45.7

LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS	All sizes	1–99	100–499	500–999	1,000 and over
14 Amount of loans (thousands of dollars)	3,982,434	471,238	350,926	213,024	2,947,246
15 Number of loans	26,744	24,143	1,679	322	601
16 Weighted-average maturity (months)	49.4	35.3	41.7	52.9	52.4
17 With fixed rates	41.6	29.5	45.4	60.9	46.9
18 With floating rates	51.2	41.4	40.8	51.3	53.2
19 Weighted-average interest rate (percent per annum)	13.81	16.05	14.68	14.01	13.33
20 Interquartile range[1]	12.89–14.48	14.75–16.65	13.80–15.50	13.65–14.75	12.82–13.80
21 With fixed rates	14.27	16.16	14.59	14.55	13.01
22 With floating rates	13.70	15.92	14.70	13.91	13.38
Percentage of amount of loans					
23 With floating rate	81.5	48.0	80.8	84.0	86.7
24 Made under commitment	79.5	47.7	59.0	67.3	88.0

CONSTRUCTION AND LAND DEVELOPMENT LOANS	All sizes	1–24	25–49	50–99	100–499	500 and over
25 Amount of loans (thousands of dollars)	3,049,989	221,702	188,964	141,543	1,018,190	1,479,589
26 Number of loans	33,300	21,475	5,296	2,230	3,941	358
27 Weighted-average maturity (months)	9.2	8.8	8.7	18.1	10.1	7.8
28 With fixed rates	8.0	9.8	9.9	30.7	10.6	5.6
29 With floating rates	11.1	5.8	6.7	11.1	9.8	14.9
30 Weighted-average interest rate (percent per annum)	14.56	15.35	15.38	15.23	15.05	13.93
31 Interquartile range[1]	13.24–15.50	14.93–16.09	14.20–15.98	15.00–15.67	13.72–15.52	12.93–14.79
32 With fixed rates	13.96	15.12	14.89	15.52	14.05	13.58
33 With floating rates	15.44	15.97	16.39	15.08	15.68	14.91
Percentage of amount of loans						
34 With floating rate	40.4	27.2	32.8	66.2	61.1	26.6
35 Secured by real estate	73.3	88.9	83.0	95.0	98.0	50.6
36 Made under commitment	71.6	61.0	37.7	91.1	82.4	68.3
37 With no stated maturity	4.0	61.8	83.0	79.0	6.3	5.1
38 With one-day maturity	.2	.5	1.0	2.9	2.9	2.1
Type of construction						
39 1- to 4-family	17.9	37.7	16.1	18.1	90.8	92.8
40 Multifamily	2.2	2.3	18.0	5.9	2.5	3.4
41 Nonresidential	79.9	.0	.0	.0	.0	.4

LOANS TO FARMERS	All sizes	1–9	10–24	25–49	50–99	100–249	250 and over
42 Amount of loans (thousands of dollars)	998,347	186,662	122,404	146,481	125,457	152,701	264,643
43 Number of loans	67,803	51,876	8,086	4,675	1,793	929	445
44 Weighted-average maturity (months)	6.6	6.1	6.2	6.3	5.6	5.2	9.1
45 Weighted-average interest rate (percent per annum)	14.87	15.05	14.69	14.98	15.10	15.06	14.54
46 Interquartile range[1]	14.35–15.45	14.49–15.53	14.23–15.03	14.56–15.27	14.65–15.58	14.76–15.56	13.86–15.45
By purpose of loan							
47 Feeder livestock	14.63	14.72	14.57	14.87	14.47	14.85	14.52
48 Other livestock	15.17	15.12	14.16	15.22	(2)	(2)	(2)
49 Other current operating expenses	14.99	14.88	14.75	15.01	15.41	15.32	14.66
50 Farm machinery and equipment	14.96	15.24	14.54	14.57	(2)	(2)	(2)
51 Other	14.38	16.77	15.11	14.90	14.50	14.50	13.84

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

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

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1981	1982	1983	1984				1984, week ending				
				Aug.	Sept.	Oct.	Nov.	Nov. 2	Nov. 9	Nov. 16	Nov. 23	Nov. 30
MONEY MARKET RATES												
1 Federal funds[1,2]	16.38	12.26	9.09	11.64	11.30	9.99	9.43	9.73	9.87	9.55	9.47	9.00
2 Discount window borrowing[1,2,3]	13.42	11.02	8.50	9.00	9.00	9.00	8.83	9.00	9.00	9.00	8.93	8.50
Commercial paper[4,5]												
3 1-month	15.69	11.83	8.87	11.19	11.11	10.05	9.01	9.51	9.17	9.17	8.96	8.61
4 3-month	15.32	11.89	8.88	11.18	11.04	10.12	9.03	9.56	9.19	9.18	9.00	8.64
5 6-month	14.76	11.89	8.89	11.16	10.94	10.16	9.06	9.61	9.20	9.19	9.04	8.69
Finance paper, directly placed[4,5]												
6 1-month	15.30	11.64	8.80	11.16	10.98	9.92	8.92	9.45	9.12	9.10	8.83	8.48
7 3-month	14.08	11.23	8.70	10.61	10.62	9.87	8.83	9.35	9.04	8.98	8.67	8.49
8 6-month	13.73	11.20	8.69	10.52	10.55	9.87	8.82	9.31	9.03	8.95	8.68	8.48
Bankers acceptances[5,6]												
9 3-month	15.32	11.89	8.90	11.23	11.04	10.13	9.00	9.49	9.13	9.17	8.93	8.67
10 6-month	14.66	11.83	8.91	11.13	10.91	10.14	9.02	9.52	9.15	9.16	8.94	8.72
Certificates of deposit, secondary market[7]												
11 1-month	15.91	12.04	8.96	11.32	11.20	10.18	9.09	9.55	9.26	9.25	9.05	8.70
12 3-month	15.91	12.27	9.07	11.47	11.29	10.38	9.18	9.66	9.36	9.35	9.14	8.81
13 6-month	15.77	12.57	9.27	11.71	11.47	10.63	9.39	9.95	9.55	9.56	9.30	9.02
14 Eurodollar deposits, 3-month[8]	16.79	13.12	9.56	11.81	11.67	10.77	9.50	10.03	9.69	9.60	9.46	9.10
U.S. Treasury bills[5]												
Secondary market[9]												
15 3-month	14.03	10.61	8.61	10.47	10.37	9.74	8.61	9.10	9.50	8.68	8.55	8.41
16 6-month	13.80	11.07	8.73	10.61	10.47	9.87	8.81	9.33	8.95	8.95	8.65	8.55
17 1-year	13.14	11.07	8.80	10.71	10.51	9.93	9.01	9.43	9.15	9.15	8.85	8.78
Auction average[10]												
18 3-month	14.029	10.686	8.63	10.49	10.41	9.97	8.79	9.38	8.82	8.73	8.59	8.43
19 6-month	13.776	11.084	8.75	10.65	10.51	10.05	8.99	9.59	9.07	8.99	8.79	8.50
20 1-year	13.159	11.099	8.86	10.79	10.84	10.32	9.10	9.45	....	....	....	8.74
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds[11]												
Constant maturities[12]												
21 1-year	14.78	12.27	9.57	11.82	11.58	10.90	9.82	10.31	9.98	9.99	9.64	9.55
22 2-year	14.56	12.80	10.21	12.43	12.21	11.60	10.65	11.08	10.84	10.82	10.49	10.37
23 2-½-year[13]	....	....	....	....	....	....	....	....	11.15	....	10.90	....
24 3-year	14.44	12.92	10.45	12.50	12.34	11.85	10.90	11.33	11.06	11.05	10.75	10.67
25 5-year	14.24	13.01	10.80	12.69	12.53	12.06	11.33	11.58	11.47	11.53	11.21	11.09
26 7-year	14.06	13.06	11.02	12.75	12.60	12.16	11.49	11.69	11.63	11.66	11.36	11.32
27 10-year	13.91	13.00	11.10	12.72	12.52	12.16	11.57	11.76	11.71	11.75	11.44	11.39
28 20-year	13.72	12.92	11.34	12.71	12.42	12.04	11.66	11.69	11.73	11.84	11.58	11.54
29 30-year	13.44	12.76	11.18	12.54	12.29	11.98	11.56	11.62	11.64	11.72	11.49	11.43
Composite[14]												
30 Over 10 years (long-term)	12.87	12.23	10.84	12.23	11.97	11.66	11.25	11.32	11.34	11.42	11.17	11.12
State and local notes and bonds												
Moody's series[15]												
31 Aaa	10.43	10.88	8.80	9.58	9.58	9.72	9.78	9.65	9.70	9.90	9.90	9.75
32 Baa	11.76	12.48	10.17	10.30	10.40	10.51	10.47	10.35	10.40	10.60	10.60	10.40
33 *Bond Buyer* series[16]	11.33	11.66	9.51	9.99	10.10	10.25	10.17	10.11	10.17	10.31	10.24	10.04
Corporate bonds												
Seasoned issues[17]												
34 All industries	15.06	14.94	12.78	13.78	13.56	13.33	12.88	13.05	12.98	12.96	12.82	12.70
35 Aaa	14.17	13.79	12.04	12.87	12.66	12.63	12.29	12.50	12.43	12.42	12.20	12.05
36 Aa	14.75	14.41	12.42	13.47	13.27	13.11	12.66	12.84	12.72	12.75	12.61	12.51
37 A	15.29	15.43	13.10	14.13	13.94	13.61	13.09	13.26	13.22	13.15	12.99	12.93
38 Baa	16.04	16.11	13.55	14.63	14.35	13.94	13.48	13.61	13.55	13.52	13.48	13.34
39 A-rated, recently-offered utility bonds[18]	16.63	15.49	12.73	14.12	13.86	13.52	12.98	13.06	13.09	13.07	12.77	12.90
MEMO: Dividend/price ratio[19]												
40 Preferred stocks	12.36	12.53	11.02	11.77	11.65	11.62	11.36	11.54	11.44	11.31	11.41	11.26
41 Common stocks	5.20	5.81	4.40	4.62	4.54	4.62	4.61	4.58	4.49	4.61	4.67	4.66

1. Weekly and monthly figures are averages of all calendar days, where the rate for a weekend or holiday is taken to be the rate prevailing on the preceding business day. The daily rate is the average of the rates on a given day weighted by the volume of transactions at these rates.
2. Weekly figures are averages for statement week ending Wednesday.
3. Rate for the Federal Reserve Bank of New York.
4. Unweighted average of offering rates quoted by at least five dealers (in the case of commercial paper), or finance companies (in the case of finance paper). Before November 1979, maturities for data shown are 30–59 days, 90–119 days, and 120–179 days for commercial paper; and 30–59 days, 90–119 days, and 150–179 days for finance paper.
5. Yields are quoted on a bank-discount basis, rather than an investment yield basis (which would give a higher figure).
6. Dealer closing offered rates for top-rated banks. Most representative rate (which may be, but need not be, the average of the rates quoted by the dealers).
7. Unweighted average of offered rates quoted by at least five dealers early in the day.
8. Calendar week average. For indication purposes only.
9. Unweighted average of closing bid rates quoted by at least five dealers.
10. Rates are recorded in the week in which bills are issued. Beginning with the Treasury bill auction held on Apr. 18, 1983, bidders were required to state the percentage yield (on a bank discount basis) that they would accept to two decimal places. Thus, average issuing rates in bill auctions will be reported using two rather than three decimal places.
11. Yields are based on closing bid prices quoted by at least five dealers.
12. Yields adjusted to constant maturities by the U.S. Treasury. That is, yields are read from a yield curve at fixed maturities. Based on only recently issued, actively traded securities.
13. Each biweekly figure is the average of five business days ending on the Monday following the date indicated. Until Mar. 31, 1983, the biweekly rate determined the maximum interest rate payable in the following two-week period on 2-½-year small saver certificates. (See table 1.16.)
14. Averages (to maturity or call) for all outstanding bonds neither due nor callable in less than 10 years, including several very low yielding "flower" bonds.
15. General obligations based on Thursday figures; Moody's Investors Service.
16. General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday.
17. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
18. Compilation of the Federal Reserve. This series is an estimate of the yield on recently-offered, A-rated utility bonds with a 30-year maturity and 5 years of call protection. Weekly data are based on Friday quotations.
19. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.

NOTE. These data also appear in the Board's H.15 (519) and G.13 (415) releases. For address, see inside front cover.

1.36 STOCK MARKET Selected Statistics

Indicator	1981	1982	1983	1984 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
				Prices and trading (averages of daily figures)								
Common stock prices												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	74.02	68.93	92.63	90.66	90.67	90.07	88.28	87.08	94.49	95.68	95.09	95.85
2 Industrial	85.44	78.18	107.45	105.92	106.56	105.94	104.04	102.29	111.20	112.18	110.44	110.91
3 Transportation	72.61	60.41	89.36	86.10	83.61	81.62	79.29	76.72	86.86	86.88	86.82	87.37
4 Utility	38.90	39.75	47.00	44.83	43.86	44.22	43.65	44.17	46.69	47.47	49.02	49.93
5 Finance	73.52	71.99	95.34	89.50	88.22	85.06	80.75	79.03	87.92	91.59	92.94	95.28
6 Standard & Poor's Corporation (1941–43 = 10)[1]	128.05	119.71	160.41	157.44	157.60	156.55	153.12	151.08	164.42	166.11	164.82	166.27
7 American Stock Exchange[2] (Aug. 31, 1973 = 100)	171.79	141.31	216.48	210.09	207.66	206.39	201.24	192.82	207.90	214.50	210.39	209.47
Volume of trading (thousands of shares)												
8 New York Stock Exchange	46,967	64,617	85,418	84,328	85,874	88,170	85,920	79,156	109,892	93,108	91,676	83,692
9 American Stock Exchange	5,346	5,283	8,215	5,382	5,863	5,935	5,071	5,141	7,477	5,967	5,587	6,008
				Customer financing (end-of-period balances, in millions of dollars)								
10 **Margin credit at broker–dealers**[3]	**14,411**	**13,325**	**23,000**	**22,668**	**22,830**	**22,360**	**23,450**	**22,980**	**22,810**	**22,800**	**22,330**	**22,350**
11 Margin stock	14,150	12,980	22,720	22,460								
12 Convertible bonds	259	344	279	208	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Subscription issues	2	1	1	*								
Free credit balances at brokers[4]												
14 Margin-account	3,515	5,735	6,620	6,520	6,450	6,685	6,430	6,430	6,855	6,690	6,580	6,699
15 Cash-account	7,150	8,390	8,430	8,265	7,910	8,115	8,305	8,125	8,185	8,315	8,650	8,420
				Margin-account debt at brokers (percentage distribution, end of period)								
16 **Total**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
By equity class (in percent)[5]												
17 Under 40	37.0	21.0	41.0	46.0	47.0	53.0	50.0	52.0	40.0	42.0	44.0	47.0
18 40–49	24.0	24.0	22.0	20.0	20.0	18.0	19.0	17.0	22.0	22.0	21.0	19.0
19 50–59	17.0	24.0	16.0	14.0	13.0	12.0	12.0	12.0	16.0	15.0	14.0	13.0
20 60–69	10.0	14.0	9.0	9.0	8.0	7.0	8.0	8.0	9.0	9.0	9.0	9.0
21 70–79	6.0	9.0	6.0	6.0	6.0	5.0	6.0	5.0	6.0	6.0	6.0	6.0
22 80 or more	6.0	8.0	6.0	5.0	6.0	5.0	5.0	6.0	7.0	6.0	6.0	6.0
				Special miscellaneous-account balances at brokers (end of period)								
23 **Total balances (millions of dollars)**[6]	**25,870**	**35,598**	**58,329**	**65,860**	**66,340**	**70,110**	**69,410**	**70,588**	**71,840**	**72,350**	**71,914**	**73,904**
Distribution by equity status (percent)												
24 Net credit status	58.0	62.0	63.0	61.0	60.0	60.0	56.0	57.0	58.0	58.0	59.0	59.0
Debt status, equity of												
25 60 percent or more	31.0	29.0	28.0	28.0	29.0	27.0	30.0	30.0	31.0	31.0	30.0	29.0
26 Less than 60 percent	11.0	9.0	9.0	11.0	11.0	13.0	14.0	13.0	11.0	11.0	11.0	12.0

Margin requirements (percent of market value and effective date)[7]

Indicator	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
27 Margin stocks	70	80	65	55	65	50
28 Convertible bonds	50	60	50	50	50	50
29 Short sales	70	80	65	55	65	50

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. Beginning July 5, 1983, the American Stock Exchange rebased its index effectively cutting previous readings in half.
3. Beginning July 1983, under the revised Regulation T, margin credit at broker-dealers includes credit extended against stocks, convertible bonds, stocks acquired through exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984, and margin credit at broker-dealers became the total that is distributed by equity class and shown on lines 17–22.
4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.
5. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.
6. 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.
7. Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1981	1982	1983 Dec.	1984 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
	Savings and loan associations[r]												
1 **Assets**	**664,167**	**707,646**	**773,417**	**774,414**	**781,821**	**797,849**	**808,264**	**825,557**	**840,682**	**850,780**	**860,088**	**877,642**	**881,627**
2 Mortgages	518,547	483,614	494,789	496,015	499,337	503,509	510,670	519,628	528,172	535,814	540,644	550,129	552,516
3 Cash and investment securities[1]	63,123	85,438	104,274	102,760	104,800	109,477	106,863	110,033	109,752	108,456	108,820	112,350	112,023
4 Other	82,497	138,594	174,354	175,639	177,684	184,863	190,731	195,896	202,758	206,510	210,624	215,163	217,088
5 **Liabilities and net worth**	**664,167**	**707,646**	**773,417**	**774,414**	**781,821**	**797,849**	**808,264**	**825,557**	**840,682**	**850,780**	**860,088**	**877,642**	**881,627**
6 Savings capital	525,061	567,961	634,455	640,079	644,977	656,650	660,663	670,666	681,947	687,817	691,704	704,558	708,846
7 Borrowed money	88,782	97,850	92,127	87,034	87,269	94,113	98,275	103,119	108,417	110,238	114,747	121,329	119,305
8 FHLBB	62,794	63,861	52,626	50,880	50,465	50,663	51,951	53,485	56,558	57,115	60,178	63,627	63,412
9 Other	25,988	33,989	39,501	36,154	36,804	43,450	46,324	49,634	51,859	53,123	54,569	57,702	55,893
10 Loans in process[2]	6,385	9,934	21,117	21,532	21,974	22,969	23,938	24,761	25,726	26,122	26,773	27,141	26,754
11 Other	15,544	15,602	15,968	16,415	18,146	15,548	17,524	19,832	17,586	19,970	20,599	18,050	19,894
12 Net worth[3]	28,395	26,233	30,867	30,886	31,429	31,538	31,802	31,940	32,732	32,755	33,038	33,705	33,582
13 MEMO: Mortgage loan commitments outstanding[4]	15,225	18,054	32,996	33,504	36,198	39,867	41,732	45,274	44,878	43,878	41,182	40,089	38,530
	Mutual savings banks[5]												
14 **Assets**	**175,728**	**174,197**	**193,535**	**194,217**	**195,168**	**197,178**	**198,000**	**200,087**	**198,864**	**199,128**	**200,722**	**201,445**	**203,274**
Loans													
15 Mortgage	99,997	94,091	97,356	97,703	97,895	98,472	99,017	99,881	99,433	100,091	101,211	101,621	102,704
16 Other	14,753	16,957	19,129	20,463	21,694	21,971	22,531	22,907	23,198	23,213	24,068	24,535	24,486
Securities													
17 U.S. government[6]	9,810	9,743	15,360	15,167	15,667	15,772	15,913	16,404	15,448	15,457	15,019	14,965	15,295
18 State and local government	2,288	2,470	2,177	2,180	2,054	2,067	2,033	2,024	2,037	2,037	2,055	2,052	2,080
19 Corporate and other[7]	37,791	36,161	43,580	43,542	43,439	43,547	43,122	43,200	42,479	42,682	42,632	42,605	43,003
20 Cash	5,442	6,919	6,263	4,788	4,580	5,040	5,008	5,031	5,452	4,896	4,981	4,795	4,605
21 Other assets	5,649	7,855	9,670	10,374	9,839	10,309	10,376	10,640	10,817	10,752	10,756	10,872	11,101
22 **Liabilities**	**175,728**	**174,197**	**193,535**	**194,217**	**195,168**	**197,178**	**198,000**	**200,087**	**198,864**	**199,128**	**200,722**	**201,445**	**203,274**
23 Deposits	155,110	155,196	172,665	173,636	174,370	176,044	175,875	176,253	174,972	174,823	176,085	177,345	178,624
24 Regular[8]	153,003	152,777	170,135	171,099	171,957	173,385	173,010	173,310	171,858	171,740	172,990	174,296	175,727
25 Ordinary savings	49,425	46,862	38,554	37,992	37,642	37,866	37,329	37,147	36,322	35,511	34,787	34,564	34,221
26 Time	103,578	96,369	95,129	96,519	96,005	97,339	96,920	97,236	97,168	98,410	101,270	102,934	104,151
27 Other	2,108	2,419	2,530	2,537	2,413	2,659	2,865	2,943	3,114	3,083	3,095	3,049	2,897
28 Other liabilities	10,632	8,336	10,154	9,917	10,019	10,390	11,211	12,861	12,999	13,269	13,604	12,979[r]	13,853
29 General reserve accounts	9,986	9,235	10,368	10,350	10,492	10,373	10,466	10,554	10,404	10,495	10,498	10,488	10,459
30 MEMO: Mortgage loan commitments outstanding[9]	1,293	1,285	2,387	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Life insurance companies												
31 **Assets**	**525,803**	**588,163**	**654,948**	**658,504**	**660,901**	**665,836**	**671,259**	**673,518**	**679,449**	**684,573**	**694,082**	**699,996**	n.a.
Securities													
32 Government	25,209	36,499	50,752	51,328	51,762	52,504	52,828	53,422	53,970	54,688	56,263	57,552	n.a.
33 United States[10]	8,167	16,529	28,636	29,179	30,130	31,056	31,358	31,706	32,066	32,654	33,886	35,586	n.a.
34 State and local	7,151	8,664	9,986	9,995	9,426	9,259	9,192	9,239	9,213	9,236	9,357	9,221	n.a.
35 Foreign[11]	9,891	11,306	12,130	12,154	12,206	12,189	12,278	12,477	12,691	12,798	13,020	12,745	n.a.
36 Business	255,769	287,126	322,854	328,075	328,235	331,631	334,634	334,151	338,508	341,802	348,614	350,512	n.a.
37 Bonds	208,099	231,406	257,986	263,207	265,798	268,446	271,296	273,212	276,902	281,113	283,673	285,543	n.a.
38 Stocks	47,670	55,720	64,868	64,868	62,437	63,185	63,338	60,939	61,606	60,689	64,941	64,969	n.a.
39 Mortgages	137,747	141,989	150,999	151,085	151,020	151,445	152,373	152,968	153,845	154,299	155,438	155,802	n.a.
40 Real estate	18,278	20,264	22,234	22,500	22,591	23,034	23,237	23,517	23,792	24,019	24,117	24,685	n.a.
41 Policy loans	48,706	52,961	54,063	54,089	54,170	54,254	54,365	54,399	54,430	54,441	54,517	54,551	n.a.
42 Other assets	40,094	48,571	54,046	51,939	53,123	52,968	53,822	55,061	54,904	55,324	55,133	56,894	n.a.
	Credit unions[12]												
43 **Total assets/liabilities and capital**	**60,611**	**69,585**	**81,961**	**82,496**	**83,726**	**85,789**	**86,594**	**88,350**	**90,276**	**90,145**	**90,503**	**91,651**	**91,619**
44 Federal	39,181	45,493	54,482	54,770	55,753	57,569	58,127	59,636	61,316	61,163	61,500	62,107	61,935
45 State	21,430	24,092	27,479	27,726	27,973	28,220	28,467	28,714	28,960	28,982	29,003	29,544	29,684
46 Loans outstanding	42,333	43,232	50,083	50,625	51,435	52,269	53,247	54,437	55,915	57,286	58,802	59,874	60,483
47 Federal	27,096	27,948	32,930	33,270	33,878	34,510	35,286	36,274	37,547	38,490	39,578	40,310	40,727
48 State	15,237	15,284	17,153	17,355	17,557	17,759	17,961	18,163	18,368	18,796	19,224	19,564	19,756
49 Savings	54,152	62,990	74,739	75,532	76,556	78,487	79,413	80,702	82,578	82,402	82,135	83,172	83,129
50 Federal (shares)	35,250	41,352	49,889	50,438	51,218	52,905	53,587	54,632	56,261	56,278	56,205	56,734	56,655
51 State (shares and deposits)	18,902	21,638	24,850	25,094	25,338	25,582	25,826	26,070	26,317	26,124	25,930	26,438	26,474

1.37 Continued

Account	1981	1982	1983	1984									
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
	FSLIC-insured federal savings banks												
52 **Assets**	......	6,859	64,969	69,835	72,143	75,555	77,374	78,952	81,310	83,989	87,209	82,174	87,743
53 Mortgages	......	3,353	38,698	41,754	43,371	44,708	45,900	46,791	48,084	49,996	52,039	48,841	51,554
54 Cash and investment securities[1]	......	......	10,436	11,243	11,662	12,552	12,762	12,814	13,071	13,184	13,331	12,867	13,615
55 Other	......	......	15,835	16,838	17,110	18,295	18,712	19,347	20,155	20,809	21,839	20,466	22,574
56 **Liabilities and net worth**	......	6,859	64,969	69,835	72,143	75,555	77,374	78,952	81,310	83,989	87,209	82,174	87,743
57 Savings and capital	......	5,877	53,227	57,195	59,107	61,433	62,495	63,026	64,364	66,227	68,443	65,079	70,080
58 Borrowed money	......	......	7,477	8,048	8,088	9,213	9,707	10,475	11,489	12,060	12,863	11,828	11,935
59 FHLBB	......	......	4,640	4,751	4,884	5,232	5,491	5,900	6,538	6,897	7,654	6,600	6,867
60 Other	......	......	2,837	3,297	3,204	3,981	4,216	4,575	4,951	5,163	5,209	5,228	5,068
61 Other	......	......	1,157	1,347	1,545	1,360	1,548	1,747	1,646	1,807	1,912	1,610	1,896
62 Net worth[3]	......	......	3,108	3,245	3,403	3,549	3,624	3,704	3,811	3,895	3,991	3,657	3,832
MEMO													
63 Loans in process[2]	......	98	1,264	1,387	1,531	1,669	1,716	1,787	1,839	1,901	1,895	1,505	1,457
64 Mortgage loan commitments outstanding[4]	......	......	2,151	2,974	2,704	3,253	3,714	3,763	3,583	3,988	3,860	2,970	2,925

1. Holdings of stock of the Federal Home Loan Banks are in "other assets."
2. Beginning in 1982, loans in process are classified as contra-assets and are not included in total liabilities and net worth. Total assets are net of loans in process.
3. Includes net undistributed income accrued by most associations.
4. Excludes figures for loans in process.
5. The National Council reports data on member mutual savings banks and on savings banks that have converted to stock institutions, and to federal savings banks.
6. Beginning April 1979, includes obligations of U.S. government agencies. Before that date, this item was included in "Corporate and other."
7. Includes securities of foreign governments and international organizations and, before April 1979, nonguaranteed issues of U.S. government agencies.
8. Excludes checking, club, and school accounts.
9. Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Association of the State of New York.
10. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.
11. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.
12. As of June 1982, data include only federal or federally insured state credit unions serving natural perons.

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

Mutual savings banks: Estimates of National Council of Savings Institutions for all savings banks in the United States.

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

Credit unions: Estimates by the National Credit Union Administration for a group of federal and federally insured state credit unions serving natural persons. Figures are preliminary and revised annually to incorporate recent data.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1982	Fiscal year 1983	Fiscal year 1984	Calendar year					
				1983		1984	1984		
				H1	H2	H1	Sept.	Oct.	Nov.
U.S. budget									
1 Receipts[1]	617,766	600,562	666,457	306,331	306,584	341,808	68,019	52,251	51,494
2 Outlays[1]	728,375	795,917	841,800	396,477	406,849	420,700	51,234	81,037	79,956
3 Surplus, or deficit (−)	−110,609	−195,355	−175,343	−90,146	−100,265	−78,892	16,785	−28,786	−28,462
4 Trust funds	5,456	23,056	30,565	22,680	7,745	18,080	23,861	10,055	−265
5 Federal funds[2,3]	−116,065	−218,410	−205,908	−112,822	−108,005	−96,971	−7,077	−38,842	−28,197
Off-budget entities (surplus, or deficit (−))									
6 Federal Financing Bank outlays	−14,142	−10,404	−7,277	−5,418	−3,199	−2,813	−467	154	−48
7 Other[3,4]	−3,190	−1,953	−2,719	−528	−1,206	−838	−1,507	613	−392
U.S. budget plus off-budget, including Federal Financing Bank									
8 Surplus, or deficit (−)	−127,940	−207,711	−185,339	−96,094	−104,670	−84,884	−14,811	−28,019	−28,902
Source of financing									
9 Borrowing from the public	134,993	212,425	170,817	102,538	84,020	80,592	4,167	20,754	19,353
10 Cash and monetary assets (decrease, or increase (−))[4]	−11,911	−9,889	5,636	−9,664	−16,294	−3,127	−18,978	7,564	14,780
11 Other[5]	4,858	5,176	8,885	3,222	4,358	7,418	−1	−299	−5,231
MEMO									
12 Treasury operating balance (level, end of period)	29,164	37,057	37,057	27,997r	11,817r	13,567r	30,426	22,345	5,566
13 Federal Reserve Banks	10,975	16,557	16,557	19,442	3,661r	4,397r	8,514	3,791	2,216
14 Tax and loan accounts	18,189	20,500	20,500	8,764r	8,157r	9,170r	21,913	18,553	3,350

1. Effective Feb. 8, 1982, supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other insurance receipts, have been reclassified as offsetting receipts in the health function.
2. Half-year figures are calculated as a residual (total surplus/deficit less trust fund surplus/deficit).
3. Other off-budget includes Postal Service Fund; Rural Electrification and Telephone Revolving Fund; Rural Telephone Bank; and petroleum acquisition and transportation and strategic petroleum reserve effective November 1981.
4. Includes U.S. Treasury operating cash accounts; SDRs; gold tranche drawing rights; loans to International Monetary Fund; and other cash and monetary assets.
5. Includes accrued interest payable to the public; allocations of special drawing rights; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment; and profit on the sale of gold.

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" *Treasury Bulletin*, and the *Budget of the U.S. Government, Fiscal Year 1985*.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1983	Fiscal year 1984	Calendar year 1982 H2	1983 H1	1983 H2	1984 H1	1984 Sept.	1984 Oct.	1984 Nov.
RECEIPTS									
1 **All sources**	**600,563**	**666,457**	**286,337**	**306,331**	**305,122**	**341,808**	**68,019**	**52,250**	**51,494**
2 Individual income taxes, net	288,938	295,955	145,676	144,551	147,663	144,691	31,541	25,624	24,792
3 Withheld	266,010	279,345	131,567	135,531	133,768	140,657	21,852	24,721	24,573
4 Presidential Election Campaign Fund	36	35	5	30	6	29	1	0	0
5 Nonwithheld	83,586	81,346	20,041	63,014	20,703	61,463	11,716	1,463	1,036
6 Refunds	60,692	64,771	5,938	54,024	6,815	57,458	2,027	559	816
Corporation income taxes									
7 Gross receipts	61,780	74,179	25,660	33,522	31,064	40,328	12,332	3,307	1,888
8 Refunds	24,758	17,286	11,467	13,809	8,921	10,045	441	2,371	766
9 Social insurance taxes and contributions, net	209,001	241,902	94,277	110,520	100,832	131,372	18,639	19,107	19,525
10 Payroll employment taxes and contributions[1]	179,010	203,476	85,064	90,912	88,388	106,436	16,781	17,273	16,752
11 Self-employment taxes and contributions[2]	6,756	8,709	177	6,427	398	7,667	1,209	146	0
12 *Unemployment insurance*	18,799	25,138	6,856	10,984	8,714	14,942	295	1,323	2,346
13 Other net receipts[3]	4,436	4,580	2,180	2,197	2,290	2,329	354	365	427
14 Excise taxes	35,300	37,361	16,555	16,904	19,586	18,304	3,120	3,264	3,151
15 Customs deposits	8,655	11,370	4,299	4,010	5,079	5,576	939	1,150	989
16 Estate and gift taxes	6,053	6,010	3,444	2,883	3,050	3,102	449	582	495
17 Miscellaneous receipts[4]	15,594	16,965	7,890	7,751	7,811	8,481	1,440	1,586	1,421
OUTLAYS									
18 **All types**	**795,917**	**841,800**	**390,847**	**396,477**	**406,849**	**420,700**	**51,234**	**81,037**	**79,956**
19 National defense	210,461	227,405	100,419	105,072	108,967	114,639	18,942	20,643	22,017
20 International affairs	8,927	13,313	4,406	4,705	6,117	5,426	1,698	1,995	1,423
21 General science, space, and technology	7,777	8,271	3,903	3,486	4,216	3,981	646	961	667
22 Energy	4,035	2,464	2,058	2,073	1,533	1,080	−266	562	327
23 Natural resources and environment	12,676	12,677	6,941	5,892	6,933	5,463	1,293	1,390	955
24 Agriculture	22,173	12,215	13,259	10,154	5,278	7,129	145	2,344	2,144
25 Commerce and housing credit	4,721	5,198	2,244	2,164	2,648	2,572	103	1,390	−271
26 Transportation	21,231	24,705	10,686	9,918	13,323	10,616	2,331	2,411	2,282
27 Community and regional development	7,302	7,803	4,187	3,124	4,327	3,154	850	1,106	873
28 Education, training, employment, social services	25,726	26,616	12,186	12,801	13,246	13,445	1,839	2,369	2,655
29 Health	28,655	30,435	39,072	41,206	42,150	15,748	2,337	2,891	2,515
30 Social security and medicare	223,311	235,764	133,779	143,001			4,084	21,457	19,631
31 Income security	106,211	96,714			135,579	65,212	7,615	10,493	10,880
32 Veterans benefits and services	24,845	25,640	13,240	11,334	13,621	12,849	936	2,108	3,350
33 Administration of justice	5,014	5,616	2,373	2,522	2,628	2,807	396	376	633
34 General government	4,991	4,836	2,323	2,434	2,479	2,462	468	536	143
35 General-purpose fiscal assistance	6,287	6,577	3,153	3,124	3,290	2,943	236	1,735	119
36 Net interest[6]	89,774	111,007	44,948	42,358	47,674	53,729	9,742	9,497	12,120
37 Undistributed offsetting receipts[7]	−21,424	−15,454	−8,332	−8,887	−7,262	−7,333	−2,160	−3,226	−2,508

1. Old-age, disability, and hospital insurance, and railroad retirement accounts.
2. Old-age, disability, and hospital insurance.
3. Federal employee retirement contributions and civil service retirement and disability fund.
4. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
5. In accordance with the Social Security Amendments Act of 1983, the Treasury now provides social security and medicare outlays as a separate function. Before February 1984, these outlays were included in the income security and health functions.
6. Net interest function includes interest received by trust funds.
7. Consists of rents and royalties on the outer continental shelf and U.S. government contributions for employee retirement.

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the *Budget of the U.S. Government, Fiscal Year 1985*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1982		1983				1984		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 **Federal debt outstanding**	**1,147.0**	**1,201.9**	**1,249.3**	**1,324.3**	**1,381.9**	**1,415.3**	**1,468.3**	**1,517.2**	**n.a.**
2 Public debt securities	1,142.0	1,197.1	1,244.5	1,319.6	1,377.2	1,410.7	1,463.7	1,512.7	1,572.3
3 Held by public	925.6	987.7	1,043.3	1,090.3	1,138.2	1,174.4	1,223.9	1,255.1	
4 Held by agencies	216.4	209.4	201.2	229.3	239.0	236.3	239.8	257.6	
5 Agency securities	5.0	4.8	4.8	4.7	4.7	4.6	4.6	4.5	n.a.
6 Held by public	3.7	3.7	3.7	3.6	3.6	3.5	3.5	3.4	
7 Held by agencies	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	
8 **Debt subject to statutory limit**	**1,142.9**	**1,197.9**	**1,245.3**	**1,320.4**	**1,378.0**	**1,411.4**	**1,464.5**	**1,513.4**	**1,573.0**
9 Public debt securities	1,141.4	1,196.5	1,243.9	1,319.0	1,376.6	1,410.1	1,463.1	1,512.1	1,571.7
10 Other debt[1]	1.5	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3
11 MEMO: Statutory debt limit	1,143.1	1,290.2	1,290.2	1,389.0	1,389.0	1,490.0	1,490.0	1,520.0	1,573.0

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

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

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

Billions of dollars, end of period

Type and holder	1979	1980	1981	1982	1983	1984		
					Q4	Q1	Q2	Q3
1 **Total gross public debt**	**845.1**	**930.2**	**1,028.7**	**1,197.1**	**1,410.7**	**1,463.7**	**1,512.7**	**1,572.3**
By type								
2 Interest-bearing debt	844.0	928.9	1,027.3	1,195.5	1,400.9	1,452.1	1,501.1	1,559.6
3 Marketable	530.7	623.2	720.3	881.5	1,050.9	1,097.7	1,126.6	1,176.6
4 Bills	172.6	216.1	245.0	311.8	343.8	350.2	343.3	356.8
5 Notes	283.4	321.6	375.3	465.0	573.4	604.9	632.1	661.7
6 Bonds	74.7	85.4	99.9	104.6	133.7	142.6	151.2	158.1
7 Nonmarketable[1]	313.2	305.7	307.0	314.0	350.0	354.4	374.5	383.0
8 State and local government series	24.6	23.8	23.0	25.7	36.7	38.1	39.9	41.4
9 Foreign issues[2]	28.8	24.0	19.0	14.7	10.4	9.9	8.8	8.8
10 Government	23.6	17.6	14.9	13.0	10.4	9.9	8.8	8.8
11 Public	5.3	6.4	4.1	1.7	.0	.0	.0	.0
12 Savings bonds and notes	79.9	72.5	68.1	68.0	70.7	71.6	72.3	73.1
13 Government account series[3]	177.5	185.1	196.7	205.4	231.9	234.6	253.2	259.5
14 Non-interest-bearing debt	1.2	1.3	1.4	1.6	9.8	11.6	11.6	12.7
By holder[4]								
15 U.S. government agencies and trust funds	187.1	192.5	203.3	209.4	236.3	239.8	257.6	
16 Federal Reserve Banks	117.5	121.3	131.0	139.3	151.9	150.8	152.9	
17 Private investors	540.5	616.4	694.5	848.4	1,022.6	1,073.0	1,093.7	
18 Commercial banks	88.1	112.1	111.4	131.4	188.8	189.8	183.8	
19 Money market funds	5.6	3.5	21.5	42.6	22.8	19.4	14.9	
20 Insurance companies	21.4	24.0	29.0	39.1	48.9	n.a.	n.a.	n.a.
21 Other companies	17.0	19.3	17.9	24.5	39.7	45.4	47.9	
22 State and local governments	69.9	84.4	85.6	113.4	n.a.	n.a.	n.a.	
Individuals								
23 Savings bonds	79.9	72.5	68.1	68.3	71.5	72.2	72.9	
24 Other securities	38.1	44.6	42.7	48.2	61.9	64.7	69.3	
25 Foreign and international[5]	119.0	129.7	136.6	149.5	168.9	166.3	170.9	160.1
26 Other miscellaneous investors[6]	99.6	126.3	167.8	231.4	n.a.	n.a.	n.a.	n.a.

1. Includes (not shown separately): Securities issued to the Rural Electrification Administration; depository bonds, retirement plan bonds, and individual retirement bonds.
2. Nonmarketable dollar-denominated and foreign currency-denominated series held by foreigners.
3. Held almost entirely by U.S. government agencies and trust funds.
4. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
5. Consists of investments of foreign and international accounts. Excludes non-interest-bearing notes issued to the International Monetary Fund.
6. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. government deposit accounts, and U.S. government-sponsored agencies.

SOURCES. Data by type of security, U.S. Treasury Department, *Monthly Statement of the Public Debt of the United States*; data by holder, *Treasury Bulletin*.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

	Item	1981	1982	1983	1984 Sept.	1984 Oct.r	1984 Nov.	1984 week ending Wednesday Oct. 24	Oct. 31r	Nov. 7	Nov. 14	Nov. 21	Nov. 28
	Immediate delivery[1]												
1	U.S. government securities	24,728	32,271	42,135	50,331r	61,342	71,194	83,295r	64,999	80,890	66,330	73,549	61,476
	By maturity												
2	Bills	14,768	18,398	22,393	25,701	29,935	31,328	36,257r	31,832	35,052	27,328	34,628	25,595
3	Other within 1 year	621	810	708	1,051	1,745	2,448	2,120	2,492	3,007	2,967	2,304	1,880
4	1–5 years	4,360	6,272	8,758	10,457r	14,038	18,658	21,526r	16,264	22,672	15,214	19,625	18,693
5	5–10 years	2,451	3,557	5,279	7,977	9,460	10,590	13,562r	8,482	11,746	8,508	9,730	9,229
6	Over 10 years	2,528	3,234	4,997	5,146r	6,164	8,171	9,830r	5,929	8,413	12,314	7,263	2,990
	By type of customer												
7	U.S. government securities dealers	1,640	1,769	2,257	2,654	3,673	3,683	4,949	3,479	4,059	3,686	3,687	2,990
8	U.S. government securities brokers	11,750	15,659	21,045	24,447	28,874	33,379	39,209	30,904	38,219	30,154	35,669	28,766
9	All others[2]	11,337	15,344	18,833	23,230r	28,795	34,132	39,138r	30,616	38,612	32,491	34,193	29,721
10	Federal agency securities	3,306	4,142	5,576	8,967	9,235	10,152	9,976r	8,278	10,404	12,403	11,135	8,099
11	Certificates of deposit	4,477	5,001	4,334	4,456	4,966	5,205	5,526	5,591	5,752	5,026	5,533	4,830
12	Bankers acceptances	1,807	2,502	2,642	3,792	4,186	4,027	4,200	4,287	4,644	3,389	4,320	3,763
13	Commercial paper	6,128	7,595	8,036	11,663	10,570	11,059	10,131	10,682	12,467	11,641	11,441	8,991
	Futures transactions[3]												
14	Treasury bills	3,523	5,031	6,655	5,097	4,954	6,638	5,961	5,758	8,762	6,514	6,315	4,840
15	Treasury coupons	1,330	1,490	2,501	5,117r	5,108	5,455	8,112r	4,624	5,610	5,106	4,972	5,615
16	Federal agency securities	234	259	265	254	138	242	161	233	236	288	185	292
	Forward transactions[4]												
17	U.S. government securities	365	835	1,493	1,074	1,252	1,851	2,386	590	2,320	986	2,600	1,917
18	Federal agency securities	1,370	982	1,646	2,454	2,644	3,586	2,010	2,205	3,376	5,000	4,241	2,215

1. Before 1981, data for immediate transactions include forward transactions.
2. Includes, among others, all other dealers and brokers in commodities and securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.
3. Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date.
4. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.

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

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

Item	1981	1982	1983	1984			1984 week ending Wednesday				
				Sept.	Oct.	Nov.	Sept. 26	Oct. 3	Oct. 10	Oct. 17	Oct. 24
	Positions										
Net immediate[1]											
1 U.S. government securities	9,033	9,328	6,263	11,332	14,569r	14,590	13,281	13,859	12,322	13,026	14,943
2 Bills	6,485	4,837	4,282	10,316	11,673	9,849	10,052	12,953	11,501	11,937	10,281
3 Other within 1 year	-1,526	-199	-177	310	116	-398	80	-36	23	-31	188
4 1-5 years	1,488	2,932	1,709	4,012	5,560r	7,234	6,956	4,295	4,610	3,956	6,357
5 5-10 years	292	-341	-78	-1,031	-1,554	-1,806	-1,764	-1,776	-2,066	-1,357	-1,002
6 Over 10 years	2,294	2,001	528	-2,355	-1,348	-431	-2,122	-1,666	-1,853	-1,607	-1,015
7 Federal agency securities	2,277	3,712	7,172	14,063	13,169	16,108	12,247	11,693	12,816	13,254	13,612
8 Certificates of deposit	3,435	5,531	5,839	7,894	7,620	8,509	8,195	7,922	7,417	7,607	7,392
9 Bankers acceptances	1,746	2,832	3,332	5,274	3,980	4,474	4,897	4,782	3,767	3,962	3,641
10 Commercial paper	2,658	3,317	3,159	4,531	4,683	4,959	4,352	4,493	4,013	4,047	5,214
Futures positions											
11 Treasury bills	-8,934	-2,508	-4,125	-9,478	-9,449r	-8,103	-9,631	-8,404	-8,818	-10,331	-10,407
12 Treasury coupons	-2,733	-2,361	-1,032	2,667	2,519r	1,409	2,741	2,035	2,662	2,821	3,337
13 Federal agency securities	522	-224	170	267	-248	-21	159	13	-139	-297	-371
Forward positions											
14 U.S. government securities	-603	-788	-1,935	-927	-855	-1,381	-925	-759	-318	-489	-1,258
15 Federal agency securities	-451	-1,190	-3,561	-8,599	-8,568	-9,197	-7,769	-8,166	-9,339	-8,724	-8,068
	Financing[2]										
Reverse repurchase agreements[3]											
16 Overnight and continuing	14,568	26,754	29,099	42,461	48,558	49,834	42,250	43,028	49,404	48,301	49,423
17 Term agreements	32,048	48,247	52,493	70,864	72,907	78,049	72,128	70,447	71,423	72,579	74,772
Repurchase agreements[4]											
18 Overnight and continuing	35,919	49,695	57,946	81,941	236,944	82,964	82,185	79,460	84,791	85,040	785,022
19 Term agreements	29,449	43,410	44,410	53,799	61,396	74,249	55,757	56,182	58,187	61,412	63,763

Item	1984 week ending Wednesday				
	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
	Positions				
Net immediate[1]					
1 U.S. government securities	17,845	14,212	16,598	13,727	15,235
2 Bills	11,678	8,752	10,212	10,040	10,275
3 Other within 1 year	382	486	-493	-599	-642
4 1-5 years	8,075	8,814	8,307	5,767	7,111
5 5-10 years	-1,701	-2,764	-1,686	-1,163	-1,763
6 Over 10 years	-725	-1,211	125	-465	107
7 Federal agency securities	13,645	15,005	14,875	14,758	19,525
8 Certificates of deposit	7,928	8,621	8,434	8,678	8,437
9 Bankers acceptances	3,984	4,109	3,857	4,638	5,124
10 Commercial paper	5,258	5,923	5,741	4,413	4,186
Futures positions					
11 Treasury bills	-8,874	-8,460	-8,083	-8,064	-7,837
12 Treasury coupons	1,479	2,079	1,658	1,610	950
13 Federal agency securities	-297	-10	42	13	-94
Forward positions					
14 U.S. government securities	-1,322	-945	-1,468	-1,512	-1,725
15 Federal agency securities	-8,355	-9,093	-9,007	-8,893	-10,585
	Financing[2]				
Reverse repurchase agreements[3]					
16 Overnight and continuing	50,424	51,589	51,643	43,195	50,543
17 Term agreements	74,329	74,501	75,316	85,094	78,025
Repurchase agreements[4]					
18 Overnight and continuing	87,413	88,417	88,391	59,395	91,502
19 Term agreements	65,350	66,924	67,110	96,133	69,143

1. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Prior to 1984, securities owned, and hence dealer positions, do not include all securities acquired under reverse RPs. After January 1984, immediate positions include reverses to maturity, which are securities that were sold after having been obtained under reverse repurchase agreements that mature on the same day as the securities. Before 1981, data for immediate positions include forward positions.

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

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

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

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1981	1982	1983	1984 May	1984 June	1984 July	1984 Aug.	1984 Sept.	1984 Oct.
1 **Federal and federally sponsored agencies**	**221,946**	**237,085**	**239,716**	**252,044**	**255,376**	**258,957**	**251,918**	**267,399**	**259,330p**
2 Federal agencies	31,806	33,055	33,940	34,231	34,473	34,560	34,497	34,754	35,012
3 Defense Department[1]	484	354	243	188	181	172	162	153r	149
4 Export-Import Bank[2,3]	13,339	14,218	14,853	15,344	15,604	15,611	15,606	15,733	15,721
5 Federal Housing Administration[4]	413	288	194	156	155	154	146	140r	139
6 Government National Mortgage Association participation certificates[5]	2,715	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165
7 Postal Service[6]	1,538	1,471	1,404	1,337	1,337	1,337	1,337	1,337	1,337
8 Tennessee Valley Authority	13,115	14,365	14,970	14,930	14,980	15,070	15,030	15,160	15,450
9 United States Railway Association[6]	202	194	111	111	51	51	51	51	51
10 Federally sponsored agencies[7]	190,140	204,030	205,776	217,813	220,903	224,397	217,421	232,645	224,318p
11 Federal Home Loan Banks	54,131	55,967	48,930	52,281	54,799	57,965	62,116	65,616	66,126
12 Federal Home Loan Mortgage Corporation	5,480	4,524	6,793	9,131	8,988	7,822	9,068	8,950	n.a.
13 Federal National Mortgage Association[8]	58,749	70,052	74,594	79,267	79,871	80,706	79,921	80,123	80,357
14 Farm Credit Banks	71,359	71,896	72,409	73,138	73,061	73,297	61,628	73,131	72,859
15 Student Loan Marketing Association	421	1,591	3,050	3,996	4,184	4,607	4,688	4,825	4,976
MEMO									
16 **Federal Financing Bank debt[9]**	**110,698**	**126,424**	**135,791**	**139,936**	**141,734**	**143,322**	**144,063**	**144,836**	**144,978**
Lending to federal and federally sponsored agencies									
17 Export-Import Bank[3]	12,741	14,177	14,789	15,296	15,556	15,563	15,563	15,690	15,690
18 Postal Service[6]	1,288	1,221	1,154	1,087	1,087	1,087	1,087	1,087	1,087
19 Student Loan Marketing Association	5,400	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
20 Tennessee Valley Authority	11,390	12,640	13,245	13,205	13,255	13,345	13,305	13,435	13,725
21 United States Railway Association[6]	202	194	111	111	51	51	51	51	51
Other Lending[10]									
22 Farmers Home Administration	48,821	53,261	55,266	56,476	57,701	58,856	59,196	59,511	59,021
23 Rural Electrification Administration	13,516	17,157	19,766	20,456	20,611	20,671	20,742	20,587	20,694
24 Other	12,740	22,774	26,460	28,305	28,473	28,749	29,119	29,475	29,710

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.
2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.
3. Off-budget Aug. 17, 1974, through Sept. 30, 1976; on-budget thereafter.
4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.
5. Certificates of participation issued before fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans Administration.
6. Off-budget.
7. Includes outstanding noncontingent liabilities: Notes, bonds, and debentures.
8. Before late 1981, the Association obtained financing through the Federal Financing Bank.
9. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.
10. Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1981	1982	1983	1984 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
1 **All issues, new and refunding**[1]	**47,732**	**79,138**	**86,421**	**4,599**	**5,547**	**5,617**	**7,075**	**6,657**	**7,323**	**9,803**	**7,248**
Type of issue											
2 General obligation	12,394	21,094	21,566	1,846	2,500	2,291	2,373	1,885	1,940	1,864	1,627
3 U.S. government loans[2]	34	225	96	2	2	3	3	3	3	5	9
4 Revenue	35,338	58,044	64,855	2,753	3,047	3,326	4,702	4,772	5,383	7,939	5,621
5 U.S. government loans[2]	55	461	253	2	4	8	13	15	18	21	23
Type of issuer											
6 State	5,288	8,438	7,140	935	584	886	497	447	457	691	589
7 Special district and statutory authority	27,499	45,060	51,297	2,138	3,069	2,866	3,767	3,996	5,002	6,913	4,772
8 Municipalities, counties, townships, school districts	14,945	25,640	27,984	1,526	1,894	1,865	2,811	2,214	1,864	2,199	1,887
9 **Issues for new capital, total**	**46,530**	**74,804**	**72,441**	**4,012**	**4,740**	**4,485**	**5,972**	**6,067**	**6,433**	**8,830**	**7,134**
Use of proceeds											
10 Education	4,547	6,482	8,099	352	592	475	905	764	493	601	397
11 Transportation	3,447	6,256	4,387	335	56	517	403	658	100	402	576
12 Utilities and conservation	10,037	14,259	13,588	752	1,279	681	1,428	1,172	382	992	2,023
13 Social welfare	12,729	26,635	26,910	1,134	1,100	1,203	1,385	2,120	3,719	4,294	2,802
14 Industrial aid	7,651	8,349	7,821	287	132	358	374	354	859	907	561
15 Other purposes	8,119	12,822	11,637	1,152	1,581	1,251	1,477	999	880	1,634	775

1. Par amounts of long-term issues based on date of sale.
2. Consists of tax-exempt issues guaranteed by the Farmers Home Administration.

SOURCE. Public Securities Association.

1.46 NEW SECURITY ISSUES Corporations

Millions of dollars

Type of issue or issuer, or use	1981	1982	1983	1984 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
1 **All issues**[1,2]	**70,441**	**84,638**	**98,857**	**5,442**	**6,069**	**4,051**	**7,268**	**7,600**	**10,891**	**7,729**	**12,239**
2 **Bonds**	**45,092**	**54,076**	**47,278**	**3,346**	**4,284**	**2,242**	**5,047**	**6,268**	**8,837**	**6,196**	**10,232**
Type of offering											
3 Public	38,103	44,278	47,278	3,346	4,284	2,242	5,047	6,268	8,837	6,196	10,232
4 Private placement	6,989	9,798	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Industry group											
5 Manufacturing	12,325	12,822	7,842	68	691	383	1,440	950	2,484	1,594	2,989
6 Commercial and miscellaneous	5,229	5,442	5,166	258	1,096	221	531	865	776	576	988
7 Transportation	2,052	1,491	1,039	180	69	0	225	40	183	200	161
8 Public utility	8,963	12,327	7,241	521	495	100	475	650	765	765	1,150
9 Communication	4,280	2,390	3,159	200	0	0	0	31	0	0	240
10 Real estate and financial	12,243	19,604	22,829	2,119	1,932	1,538	2,376	3,731	4,628	3,067	4,704
11 **Stocks**[3]	**25,349**	**30,562**	**51,579**	**2,096**	**1,785**	**1,809**	**2,221**	**1,332**	**2,054**	**1,533**	**2,007**
Type											
12 Preferred	1,797	5,113	7,213	227	339	579	244	209	334	155	555
13 Common	23,552	25,449	44,366	1,869	1,446	1,230	1,977	1,123	1,720	1,378	1,452
Industry group											
14 Manufacturing	5,074	5,649	14,135	387	165	442	584	204	258	212	712
15 Commercial and miscellaneous	7,557	7,770	13,112	486	732	718	316	382	558	378	489
16 Transportation	779	709	2,729	105	62	84	1	28	0	87	16
17 Public utility	5,577	7,517	5,001	134	188	116	282	136	44	92	146
18 Communication	1,778	2,227	1,822	18	94	16	11	0	123	9	69
19 Real estate and financial	4,584	6,690	14,780	966	544	433	1,027	582	1,071	755	575

1. Figures, which represent gross proceeds of issues maturing in more than one year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less than $100,000, secondary offerings, undefined or exempted issues as defined in the Securities Act of 1933, employee stock plans, investment companies other than closed-end, intracorporate transactions, and sales to foreigners.
2. Data for 1983 include only public offerings.
3. Beginning in August 1981, gross stock offerings include new equity volume from swaps of debt for equity.

SOURCE. Securities and Exchange Commission and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1982	1983	1984							
			Mar.	Apr.	May	June	July	Aug.	Sept.ʳ	Oct.
INVESTMENT COMPANIES[1]										
1 Sales of own shares[2]	45,675	84,793	8,857	9,549	8,657	8,397	7,550	9,018	8,215	9,582
2 Redemptions of own shares[3]	30,078	57,120	5,339	7,451	5,993	6,156	5,777	6,497	6,185	6,760
3 Net sales	15,597	27,673	3,518	2,098	2,664	2,241	1,773	2,521	2,030	2,822
4 Assets[4]	76,841	113,599	114,537	116,812	111,071	115,034	115,481	128,209	129,657	131,539
5 Cash position[5]	6,040	8,343	10,406	10,941	10,847	11,907	11,620	12,698	13,221	11,383
6 Other	70,801	105,256	104,131	105,871	100,224	103,127	103,861	115,511	116,436	120,156

1. Excluding money market funds.
2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.
3. Excludes share redemption resulting from conversions from one fund to another in the same group.
4. Market value at end of period, less current liabilities.
5. Also includes all U.S. government securities and other short-term debt securities.

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

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1981	1982	1983	1982	1983				1984		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3ʳ
1 Corporate profits with inventory valuation and capital consumption adjustment	189.9	159.1	225.2	151.6	179.1	216.7	245.0	260.0	277.4	291.1	282.8
2 Profits before tax	221.1	165.5	203.2	155.8	161.7	198.2	227.4	225.5	243.3	246.0	224.8
3 Profits tax liability	81.1	60.7	75.8	55.0	59.1	74.8	84.7	84.5	92.7	95.8	83.1
4 Profits after tax	140.0	104.8	127.4	100.8	102.6	123.4	142.6	141.1	150.6	150.2	141.7
5 Dividends	66.5	69.2	72.9	70.2	71.1	71.7	73.3	75.4	77.7	79.9	81.3
6 Undistributed profits	73.5	35.6	54.5	30.6	31.4	51.7	69.3	65.6	72.9	70.2	60.3
7 Inventory valuation	-23.6	-9.5	-11.2	-12.6	-4.3	-12.1	-19.3	-9.2	-13.5	-7.3	-.2
8 Capital consumption adjustment	-7.6	3.1	33.2	8.4	21.7	30.6	36.9	43.6	47.6	52.3	58.3

SOURCE. *Survey of Current Business* (Department of Commerce).

1.49 NONFINANCIAL CORPORATIONS Assets and Liabilities

Billions of dollars, except for ratio

Account	1978	1979	1980	1981	1982	1983			1984	
						Q2	Q3	Q4	Q1	Q2
1 **Current assets**	**1,043.7**	**1,214.8**	**1,327.0**	**1,418.4**	**1,432.7**	**1,468.0**	**1,522.8**	**1,557.3**	**1,600.6**	**1,630.8**
2 Cash	105.5	118.0	126.9	135.5	147.0	147.9	150.5	165.8	159.3	155.5
3 U.S. government securities	17.2	16.7	18.7	17.6	22.8	28.2	27.0	30.6	35.1	36.8
4 Notes and accounts receivable	388.0	459.0	506.8	532.0	519.2	539.3	565.0	577.8	596.9	612.6
5 Inventories	431.8	505.1	542.8	583.7	578.6	576.2	597.3	599.3	623.1	633.3
6 Other	101.1	116.0	131.8	149.5	165.2	176.4	183.0	183.7	186.3	192.5
7 **Current liabilities**	**669.5**	**807.3**	**889.3**	**970.0**	**976.8**	**990.2**	**1,026.6**	**1,043.0**	**1,079.0**	**1,111.5**
8 Notes and accounts payable	383.0	460.8	513.6	546.3	543.0	536.6	559.4	577.9	584.1	606.0
9 Other	286.5	346.5	375.7	423.7	433.8	453.6	467.2	465.2	495.0	505.5
10 **Net working capital**	**374.3**	**407.5**	**437.8**	**448.4**	**455.9**	**477.8**	**496.3**	**514.3**	**521.6**	**519.3**
11 MEMO: Current ratio[1]	1.559	1.505	1.492	1.462	1.467	1.483	1.483	1.493	1.483	1.467

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

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

All data in this table reflect the most current benchmarks. Complete data are available upon request from the Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SOURCE. Federal Trade Commission and Bureau of the Census.

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

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

Industry[1]	1982	1983	1984	1983 Q1	1983 Q2	1983 Q3	1983 Q4	1984 Q1	1984 Q2	1984 Q3	1984 Q4[1]
1 **Total nonfarm business**	**282.71**	**269.22**	**307.59**	**261.71**	**261.16**	**270.05**	**283.96**	**293.15**	**302.70**	**313.11**	**321.40**
Manufacturing											
2 Durable goods industries	56.44	51.78	63.02	50.74	48.48	53.06	54.85	58.94	60.20	65.44	67.49
3 Nondurable goods industries	63.23	59.75	67.99	59.12	60.31	58.06	61.50	63.84	67.46	69.06	71.60
Nonmanufacturing											
4 Mining	15.45	11.83	12.90	12.03	10.91	11.93	12.43	13.95	12.13	12.61	12.92
Transportation											
5 Railroad	4.38	3.92	5.32	3.35	3.64	4.07	4.63	4.41	5.64	5.80	5.41
6 Air	3.93	3.77	3.02	4.09	4.10	3.57	3.32	2.77	2.98	3.16	3.18
7 Other	3.64	3.50	4.57	3.60	3.14	3.36	3.91	4.28	4.33	4.69	4.98
Public utilities											
8 Electric	33.40	34.99	34.72	33.97	34.86	35.84	35.31	35.74	35.30	34.64	33.19
9 Gas and other	8.55	7.00	9.45	7.64	6.62	6.38	7.37	7.87	9.30	10.11	10.51
10 Commercial and other[2]	93.68	92.67	106.61	87.17	89.10	93.79	100.62	101.35	105.35	107.61	112.12

▲Trade and services are no longer being reported separately. They are included in Commercial and other, line 10.

1. Anticipated by business.

2. "Other" consists of construction; wholesale and retail trade; finance and insurance; personal and business services; and communication.

SOURCE. *Survey of Current Business* (Department of Commerce).

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1978	1979	1980	1981	1982	1983 Q3	1983 Q4	1984 Q1	1984 Q2	1984 Q3
ASSETS										
Accounts receivable, gross										
1 Consumer	52.6	65.7	73.6	85.5	89.5	92.3	92.8	96.9	99.6	103.4
2 Business	63.3	70.3	72.3	80.6	81.0	86.8	95.2	101.1	104.2	103.2
3 Total	116.0	136.0	145.9	166.1	170.4	179.0	188.0	198.0	203.8	206.6
4 LESS: Reserves for unearned income and losses	15.6	20.0	23.3	28.9	30.5	30.1	30.6	31.9	33.4	34.7
5 Accounts receivable, net	100.4	116.0	122.6	137.2	139.8	148.9	157.4	166.1	170.4	171.9
6 Cash and bank deposits	3.5									
7 Securities	1.3	24.9[1]	27.5	34.2	39.7	45.0	45.3	47.1	48.1	49.1
8 All other	17.3									
9 **Total assets**	**122.4**	**140.9**	**150.1**	**171.4**	**179.5**	**193.9**	**202.7**	**213.2**	**218.5**	**220.9**
LIABILITIES										
10 Bank loans	6.5	8.5	13.2	15.4	18.6	17.0	19.1	14.7	15.3	16.0
11 Commercial paper	34.5	43.3	43.4	51.2	45.8	49.7	53.6	58.4	62.0	60.1
Debt										
12 Short-term, n.e.c.	8.1	8.2	7.5	9.6	8.7	8.7	11.3	12.2	15.0	15.1
13 Long-term, n.e.c.	43.6	46.7	52.4	54.8	63.5	66.2	65.4	68.7	67.6	71.2
14 Other	12.6	14.2	14.3	17.8	18.7	24.4	27.1	29.8	29.0	29.2
15 Capital, surplus, and undivided profits	17.2	19.9	19.4	22.8	24.2	27.9	26.2	29.4	29.6	29.2
16 **Total liabilities and capital**	**122.4**	**140.9**	**150.1**	**171.4**	**179.5**	**193.9**	**202.7**	**213.2**	**218.5**	**220.9**

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

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

These data also appear in the Board's G.20 (422) release. For address, see inside front cover.

1.52 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Oct. 31, 1984[1]	Changes in accounts receivable 1984 Aug.	Sept.	Oct.	Extensions 1984 Aug.	Sept.	Oct.	Repayments 1984 Aug.	Sept.	Oct.
1 **Total**	**106,279**	**3,032**	**−203**	**1,215**	**30,274**	**22,676**	**28,346**	**27,242**	**22,879**	**27,131**
2 Retail automotive (commercial vehicles)	26,483	489	21	257	2,232	1,840	2,097	1,743	1,819	1,840
3 Wholesale automotive	15,566	2,533	−1,429	971	10,803	6,050	9,860	8,270	7,479	8,889
4 Retail paper on business, industrial, and farm equipment	31,126	7	554	−564	1,589	1,493	1,064	1,582	939	1,628
5 Loans on commercial accounts receivable and factored commercial accounts receivable	11,117	107	124	9	13,168	10,815	12,441	13,061	10,691	12,432
6 All other business credit	21,987	−104	527	542	2,482	2,478	2,884	2,586	1,951	2,342

1. Not seasonally adjusted.

NOTE. These data also appear in the Board's G.20 (422) release. For address, see inside front cover.

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1981	1982	1983	1984 May	June	July	Aug.	Sept.	Oct.	Nov.
	Terms and yields in primary and secondary markets									
Primary Markets										
Conventional mortgages on new homes										
Terms[1]										
1 Purchase price (thousands of dollars)	90.4	94.6	92.8	93.9	93.4	98.3	94.3	97.4	98.4r	99.1
2 Amount of loan (thousands of dollars)	65.3	69.8	69.5	72.8	72.5	74.6	71.8	72.5	74.0r	74.1
3 Loan/price ratio (percent)	74.8	76.6	77.1	79.8	79.9	78.4	78.1	77.3	78.2r	77.2
4 Maturity (years)	27.7	27.6	26.7	27.6	28.1	28.2	28.0	27.6	27.6r	27.7
5 Fees and charges (percent of loan amount)[2]	2.67	2.95	2.40	2.63	2.58	3.07	2.82	2.63	2.58r	2.62
6 Contract rate (percent per annum)	14.16	14.47	12.20	11.68	11.61	11.91	11.89	12.03	12.27r	12.30
Yield (percent per annum)										
7 FHLBB series[3]	14.74	15.12	12.66	12.18	12.10	12.50	12.43	12.53	12.77	12.80
8 HUD series[4]	16.52	15.79	13.43	14.38	14.65	14.53	14.24	13.98	13.59	13.20
Secondary Markets										
Yield (percent per annum)										
9 FHA mortgages (HUD series)[5]	16.31	15.30	13.11	15.01	14.91	14.58	14.21	13.99	13.43	12.90
10 GNMA securities[6]	15.29	14.68	12.25	13.67	14.14	13.88	13.56	13.36	13.09	12.71
	Activity in secondary markets									
Federal National Mortgage Association										
Mortgage holdings (end of period)										
11 Total	58,675	66,031	74,847	82,697	83,243	83,858	84,193	84,851	85,539	
12 FHA/VA-insured	39,341	39,718	37,393	35,309	35,153	35,049	34,938	34,844	34,791	
13 Conventional	19,334	26,312	37,454	47,388	48,090	48,809	49,255	50,006	50,749	
Mortgage transactions (during period)										
14 Purchases	6,112	15,116	17,554	1,379	1,209	1,226	820	1,145	1,087	n.a.
15 Sales	1	2	3,528	0	0	0	0	0	0	
Mortgage commitments[7]										
16 Contracted (during period)	9,331	22,105	18,607	1,233	1,995	1,976	1,227	1,142	1,638	
17 Outstanding (end of period)	3,717	7,606	5,461	4,981	5,640	6,281	6,332	6,235	6,656	
Federal Home Loan Mortgage Corporation										
Mortgage holdings (end of period)[8]										
18 Total	5,231	5,131	5,996	9,224	9,478	9,154	9,331	9,447		
19 FHA/VA	1,065	1,027	974	918	912	906	901	896		
20 Conventional	4,166	4,102	5,022	8,306	8,566	8,248	8,431	8,551		
Mortgage transactions (during period)										
21 Purchases	3,800	23,673	23,089	987	2,204	1,288	1,821	1,262	n.a.	n.a.
22 Sales	3,531	24,170	19,686	829	1,854	1,573	1,570	1,137		
Mortgage commitments[9]										
23 Contracted (during period)	6,896	28,179	32,852	1,966	2,712	3,929	3,130	3,440		
24 Outstanding (end of period)	3,518	7,549	16,964	19,139	19,649	22,311	23,639	25,468		

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups; compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.
3. Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.
4. Average contract rates on new commitments for conventional first mortgages; from Department of Housing and Urban Development.
5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.
6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.
7. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.
8. Includes participation as well as whole loans.
9. Includes conventional and government-underwritten loans. FHLMC's mortgage commitments and mortgage transactions include activity under mortgage/securities swap programs, while the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1981	1982	1983	1983 Q3	1983 Q4	1984 Q1	1984 Q2	1984 Q3
1 **All holders**	**1,583,264**	**1,655,036**	**1,826,395**	**1,775,116**	**1,826,395**	**1,869,442**	**1,926,578**	**1,982,641**[r]
2 1- to 4-family	1,065,294	1,105,717	1,214,592	1,182,071	1,214,592	1,244,157	1,278,575	1,314,134[r]
3 Multifamily	136,354	140,551	150,949	147,052	150,949	154,338	158,835	162,582
4 Commercial	279,889	302,055	351,287	336,981	351,287	360,888	378,218	394,243[r]
5 Farm	101,727	106,713	109,567	109,012	109,567	110,059	110,950	111,682[r]
6 Major financial institutions	1,040,827	1,023,611	1,109,963	1,079,604	1,109,963	1,136,168	1,179,553	1,219,737[r]
7 Commercial banks[1]	284,536	300,203	328,878	320,299	328,878	338,877	351,459	364,540
8 1- to 4-family	170,013	173,157	181,672	178,054	181,672	184,925	189,718	195,029
9 Multifamily	15,132	16,421	18,023	17,424	18,023	19,689	20,455	21,326
10 Commercial	91,026	102,219	119,843	115,692	119,843	124,571	131,235	137,796
11 Farm	8,365	8,406	9,340	9,129	9,340	9,692	10,051	10,389
12 Mutual savings banks	99,997	97,805	136,054	129,644	136,054	143,180	147,517	155,115
13 1- to 4-family	68,187	66,777	96,569	92,182	96,569	101,868	105,063	110,528
14 Multifamily	15,960	15,305	17,785	17,588	17,785	18,441	18,752	19,566
15 Commercial	15,810	15,694	21,671	19,846	21,671	22,841	23,672	24,990
16 Farm	40	29	29	28	29	30	30	31
17 Savings and loan associations	518,547	483,614	493,432	482,305	493,432	502,143	526,732	544,280
18 1- to 4-family	433,142	393,323	389,811	381,744	389,811	395,940	412,958	424,539
19 Multifamily	37,699	38,979	42,435	41,334	42,435	43,435	45,299	46,808
20 Commercial	47,706	51,312	61,186	59,227	61,186	62,768	68,475	72,933
21 Life insurance companies	137,747	141,989	151,599	147,356	151,599	151,968	153,845	155,802[r]
22 1- to 4-family	17,201	16,751	15,385	15,534	15,385	14,971	14,437	14,204[r]
23 Multifamily	19,283	18,856	19,189	18,857	19,189	19,153	19,028	18,828[r]
24 Commercial	88,163	93,547	104,279	100,209	104,279	105,270	107,796	110,149[r]
25 Farm	13,100	12,835	12,746	12,756	12,746	12,574	12,584	12,621[r]
26 Federal and related agencies	126,094	138,138	147,370	142,224	147,370	150,784	152,669	153,407[r]
27 Government National Mortgage Association	4,765	4,227	3,395	3,475	3,395	2,900	2,715	2,389[r]
28 1- to 4-family	693	676	630	639	630	618	605	594[r]
29 Multifamily	4,072	3,551	2,765	2,836	2,765	2,282	2,110	1,795[r]
30 Farmers Home Administration	2,235	1,786	2,141	600	2,141	2,094	1,344	738
31 1- to 4-family	914	783	1,159	211	1,159	1,005	281	206
32 Multifamily	473	218	173	32	173	303	463	126
33 Commercial	506	377	409	113	409	319	81	113
34 Farm	342	408	400	244	400	467	519	293
35 Federal Housing and Veterans Administration	5,999	5,228	4,894	5,050	4,894	4,832	4,753	4,801[r]
36 1- to 4-family	2,289	1,980	1,893	2,061	1,893	1,956	1,894	1,967[r]
37 Multifamily	3,710	3,248	3,001	2,989	3,001	2,876	2,859	2,834[r]
38 Federal National Mortgage Association	61,412	71,814	78,256	75,174	78,256	80,975	83,243	84,850
39 1- to 4-family	55,986	66,500	73,045	69,938	73,045	75,770	77,633	79,175
40 Multifamily	5,426	5,314	5,211	5,236	5,211	5,205	5,610	5,675
41 Federal Land Banks	46,446	50,350	51,052	51,069	51,052	51,004	51,136	51,182
42 1- to 4-family	2,788	3,068	3,000	3,008	3,000	2,982	2,958	2,954
43 Farm	43,658	47,282	48,052	48,061	48,052	48,022	48,178	48,228
44 Federal Home Loan Mortgage Corporation	5,237	4,733	7,632	6,856	7,632	8,979	9,478	9,447[r]
45 1- to 4-family	5,181	4,686	7,559	6,799	7,559	8,847	8,931	8,841[r]
46 Multifamily	56	47	73	57	73	132	547	606[r]
47 Mortgage pools or trusts[2]	163,000	216,654	285,073	272,611	285,073	296,481	305,051	317,548[r]
48 Government National Mortgage Association	105,790	118,940	159,850	151,597	159,850	166,261	170,893	175,770[r]
49 1- to 4-family	103,007	115,831	155,801	147,761	155,801	161,943	166,415	171,095[r]
50 Multifamily	2,783	3,109	4,049	3,836	4,049	4,318	4,478	4,675[r]
51 Federal Home Loan Mortgage Corporation	19,853	42,964	57,895	54,152	57,895	59,376	61,267	63,964[r]
52 1- to 4-family	19,501	42,560	57,273	53,539	57,273	58,776	60,636	63,352[r]
53 Multifamily	352	404	622	613	622	600	631	612[r]
54 Federal National Mortgage Association[3]	717	14,450	25,121	23,819	25,121	28,354	29,256	32,888
55 1- to 4-family	717	14,450	25,121	23,819	25,121	28,354	29,256	32,730
56 Multifamily	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	158
57 Farmers Home Administration	36,640	40,300	42,207	43,043	42,207	42,490	43,635	44,926
58 1- to 4-family	18,378	20,005	20,404	21,083	20,404	20,573	21,331	21,595
59 Multifamily	3,426	4,344	5,090	5,042	5,090	5,081	5,081	5,618
60 Commercial	6,161	7,011	7,351	7,542	7,351	7,456	7,764	7,844
61 Farm	8,675	8,940	9,362	9,376	9,362	9,380	9,459	9,869
62 Individual and others[4]	253,343	276,633	283,989	280,677	283,989	286,009	289,305	291,949
63 1- to 4-family[5]	167,297	185,170	185,270	185,699	185,270	185,629	186,459	187,325
64 Multifamily	27,982	30,755	32,533	31,208	32,533	32,823	33,522	33,955
65 Commercial	30,517	31,895	36,548	34,352	36,548	37,663	39,195	40,418
66 Farm	27,547	28,813	29,638	29,418	29,638	29,894	30,129	30,251

1. Includes loans held by nondeposit trust companies but not bank trust departments.
2. Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.
3. Outstanding balances on FNMA's issues of securities backed by pools of conventional mortgages held in trust. Implemented by FNMA in October 1981.
4. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or for which separate data are not readily available.
5. Includes estimate of residential mortgage credit provided by individuals.

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

1.55 CONSUMER INSTALLMENT CREDIT[1] Total Outstanding, and Net Change▲

Millions of dollars

Holder, and type of credit	1981	1982	1983	1984 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
	Amounts outstanding (end of period)										
1 **Total**	**335,691**	**355,849**	**396,082**	**402,466**	**407,671**	**418,080**	**427,565**	**435,367**	**443,537**	**450,131**	**455,318**
By major holder											
2 Commercial banks	147,622	152,490	171,978	177,625	181,022	186,668	191,519	195,265	199,654	202,452	204,582
3 Finance companies	89,818	98,693	102,862	101,619	101,119	102,967	104,460	106,219	106,881	108,437	109,289
4 Credit unions	45,953	47,253	53,471	55,892	56,962	58,517	59,893	61,151	62,679	63,808	64,716
5 Retailers[2]	31,348	32,735	35,911	33,208	33,327	33,730	34,206	34,022	34,294	34,426	34,802
6 Savings and loans	12,410	15,823	21,615	23,071	23,957	24,915	25,837	26,767	27,918	28,868	29,756
7 Gasoline companies	4,403	4,063	4,131	3,944	3,955	4,020	4,289	4,472	4,452	4,328	4,205
8 Mutual savings banks	4,137	4,792	6,114	7,107	7,329	7,263	7,361	7,471	7,659	7,812	7,968
By major type of credit											
9 Automobile	125,331	131,086	142,449	146,047	147,944	152,225	155,937	159,649	162,038	164,361	166,028
10 Commercial banks	58,081	59,555	67,557	71,237	73,016	75,787	78,018	80,103	81,786	82,706	83,620
11 Indirect paper	34,375	34,755	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Direct loans	23,706	23,472	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Credit unions	21,975	22,596	25,574	26,732	27,244	27,988	28,646	29,248	29,979	30,519	30,953
14 Finance companies	45,275	48,935	49,318	48,078	47,684	48,450	49,273	50,298	50,273	51,136	51,455
15 Revolving	64,500	69,998	80,823	79,110	80,184	82,436	84,598	85,588	87,788	89,742	91,017
16 Commercial banks	32,880	36,666	44,184	45,235	46,149	47,936	49,374	50,358	52,313	54,258	55,276
17 Retailers	27,217	29,269	32,508	29,931	30,080	30,480	30,935	30,758	31,023	31,156	31,536
18 Gasoline companies	4,403	4,063	4,131	3,944	3,955	4,020	4,289	4,472	4,452	4,328	4,205
19 Mobile home	17,958	22,254	23,680	23,661	23,850	24,104	24,427	24,751	25,178	25,482	25,484
20 Commercial banks	10,187	9,605	9,842	9,589	9,580	9,573	9,621	9,681	9,711	9,761	9,627
21 Finance companies	4,494	9,003	9,365	9,333	9,361	9,434	9,528	9,612	9,786	9,857	9,890
22 Savings and loans	2,788	3,143	3,906	4,147	4,306	4,478	4,644	4,811	5,018	5,189	5,282
23 Credit unions	489	503	567	592	603	619	634	647	663	675	685
24 Other	127,903	132,511	149,130	153,648	155,693	159,315	162,603	165,379	168,533	170,546	172,789
25 Commercial banks	46,474	46,664	50,395	51,564	52,277	53,372	54,506	55,123	55,844	55,727	56,059
26 Finance companies	40,049	40,755	44,179	44,208	44,074	45,083	45,659	46,309	46,822	47,444	47,944
27 Credit unions	23,490	24,154	27,330	28,568	29,115	29,910	30,613	31,256	32,037	32,614	33,078
28 Retailers	4,131	3,466	3,403	3,277	3,247	3,250	3,271	3,264	3,271	3,270	3,266
29 Savings and loans	9,622	12,680	17,709	18,924	19,651	20,437	21,193	21,956	22,900	23,679	24,474
30 Mutual savings banks	4,137	4,792	6,114	7,107	7,329	7,263	7,361	7,471	7,659	7,812	7,968
	Net change (during period)[3]										
31 **Total**	**18,217**	**17,886**	**40,233**	**5,870**	**6,408**	**10,233**	**7,825**	**7,106**	**5,998**	**4,283**	**6,275**
By major holder											
32 Commercial banks	607	4,442	19,488	3,422	4,015	6,065	3,835	3,192	2,631	1,384	2,756
33 Finance companies	13,062	4,504	4,169	−193	−350	1,304	1,353	1,402	1,111	1,204	1,191
34 Credit unions	1,913	1,298	6,218	1,230	1,529	1,453	962	1,566	844	686	1,216
35 Retailers[2]	1,103	651	3,176	355	278	476	471	−101	206	132	103
36 Savings and loans	1,682	2,290	5,792	813	868	979	1,069	847	1,124	769	823
37 Gasoline companies	−65	−340	68	2	2	46	89	−40	−51	−135	90
38 Mutual savings banks	−85	251	1,322	242	66	−90	46	240	133	243	96
By major type of credit											
39 Automobile	8,495	4,898	11,363	326	2,158	3,689	2,897	3,422	1,777	1,317	2,357
40 Commercial banks	−3,455	−9	8,002	432	1,766	2,807	1,907	1,852	1,150	434	1,057
41 Indirect paper	−858	225	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
42 Direct loans	−2,597	−234	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
43 Credit unions	914	622	2,978	660	734	695	461	750	405	327	581
44 Finance companies	11,033	3,505	329	−766	−342	187	529	820	222	556	719
45 Revolving	4,467	4,365	10,825	2,962	1,868	2,817	1,569	640	1,314	1,324	1,496
46 Commercial banks	3,115	3,808	7,518	2,613	1,568	2,298	1,047	764	1,159	1,323	1,279
47 Retailers	1,417	897	3,239	347	298	473	433	−84	206	136	127
48 Gasoline companies	−65	−340	68	2	2	46	89	−40	−51	−135	90
49 Mobile home	1,049	609	1,426	285	285	302	454	462	573	318	−216
50 Commercial banks	−186	−508	237	−85	27	−50	10	31	4	4	−91
51 Finance companies	749	471	430	218	110	156	258	185	346	150	−210
52 Savings and loans	466	633	763	141	132	183	174	230	214	157	72
53 Credit unions	20	14	64	10	16	13	12	16	9	7	13
54 Other	4,206	3,224	16,619	2,298	2,097	3,425	2,905	2,582	2,334	1,324	2,638
55 Commercial banks	1,133	372	3,731	463	653	1,010	871	545	318	−377	511
56 Finance companies	1,280	528	3,424	355	−118	961	566	397	543	498	682
57 Credit unions	975	662	3,176	558	780	745	489	800	430	352	622
58 Retailers	−314	−246	−63	8	−20	3	38	−17	0	−4	−24
59 Savings and loans	1,217	1,657	5,029	673	735	796	895	617	910	612	751
60 Mutual savings banks	−85	251	1,322	242	66	−90	46	240	133	243	96

▲ These data have been revised from July 1979 through February 1984.

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

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

3. For 1982 and earlier, net change equals extensions, seasonally adjusted less liquidations, seasonally adjusted. Beginning 1983, net change equals outstandings, seasonally adjusted less outstandings of the previous period, seasonally adjusted.

NOTE. Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to, not seasonally adjusted, $80.7 billion at the end of 1981, $85.9 billion at the end of 1982, and $96.9 billion at the end of 1983.

These data also appear in the Board's G.19 (421) release. For address, see *inside front cover*.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT

Percent unless noted otherwise

Item	1981	1982	1983	1984 May	1984 June	1984 July	1984 Aug.	1984 Sept.	1984 Oct.	1984 Nov.
INTEREST RATES										
Commercial banks[1]										
1 48-month new car[2]	16.54	16.83	13.92	13.53	....	....	14.08	....	....	13.91
2 24-month personal	18.09	18.65	16.68	16.35	....	....	16.75	....	....	16.63
3 120-month mobile home[2]	17.45	18.05	15.91	15.54	....	....	15.72	....	....	15.60
4 Credit card	17.78	18.51	18.73	18.71	....	....	18.81	....	....	18.82
Auto finance companies										
5 New car	16.17	16.15	12.58	14.17	14.33	14.68	15.01	15.16	15.18	....
6 Used car	20.00	20.75	18.74	17.60	17.64	17.77	17.99	18.10	18.19	....
OTHER TERMS[3]										
Maturity (months)										
7 New car	45.4	46.0	45.9	47.7	48.2	48.6	49.2	49.5	49.7	....
8 Used car	35.8	34.0	37.9	39.7	39.8	39.8	39.8	39.9	39.9	....
Loan-to-value ratio										
9 New car	86.1	85.3	86.0	88	88	88	88	89	88	....
10 Used car	91.8	90.3	92.0	92	92	92	93	93	93	....
Amount financed (dollars)										
11 New car	7,339	8,178	8,787	9,262	9,311	9,377	9,409	9,402	9,449	....
12 Used car	4,343	4,746	5,033	5,675	5,774	5,763	5,753	5,792	5,826	....

1. Data for midmonth of quarter only.
2. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.
3. At auto finance companies.

NOTE. These data also appear in the Board's G.19 (421) release. For address, see inside front cover.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

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

Transaction category, sector	1978	1979	1980	1981	1982	1983	1981	1982		1983		1984
							H2	H1	H2	H1	H2	H1
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**369.8**	**386.0**	**344.6**	**380.4**	**404.1**	**526.4**	**368.0**	**358.1**	**450.1**	**448.9**	**563.8**	**688.2**
By sector and instrument												
2 U.S. government	53.7	37.4	79.2	87.4	161.3	186.6	88.1	104.1	218.4	222.0	151.1	172.8
3 Treasury securities	55.1	38.8	79.8	87.8	162.1	186.7	88.5	105.5	218.8	222.1	151.2	173.1
4 Agency issues and mortgages	−1.4	−1.4	−.6	−.5	−.9	−.1	−.4	−1.4	−.4	−.1	−.1	−.2
5 Private domestic nonfinancial sectors	316.2	348.6	265.4	293.1	242.8	339.8	279.9	254.0	231.7	266.9	412.7	515.4
6 Debt capital instruments	199.7	211.2	192.0	159.1	158.9	239.3	140.3	140.7	177.2	214.4	264.2	268.5
7 Tax-exempt obligations	28.4	30.3	30.3	22.7	53.8	56.3	24.7	43.9	63.7	62.8	49.7	38.1
8 Corporate bonds	21.1	17.3	26.7	21.8	18.7	15.7	16.8	12.0	25.3	23.0	8.4	24.0
9 Mortgages	150.2	163.6	135.1	114.6	86.5	167.3	98.8	84.8	88.2	128.6	206.0	206.4
10 Home mortgages	112.2	120.0	96.7	76.0	52.5	108.7	62.3	53.6	51.3	83.8	133.6	132.5
11 Multifamily residential	9.2	7.8	8.8	4.3	5.5	8.4	3.8	5.1	5.8	2.8	13.9	16.6
12 Commercial	21.7	23.9	20.2	24.6	23.6	47.3	22.9	19.7	27.5	40.3	54.3	55.3
13 Farm	7.2	11.8	9.3	9.7	5.0	2.9	9.8	6.5	3.5	1.6	4.1	2.1
14 Other debt instruments	116.5	137.5	73.4	134.0	83.9	100.5	139.6	113.2	54.6	52.5	148.5	246.9
15 Consumer credit	48.8	45.4	6.3	26.7	21.0	51.3	21.9	20.6	21.4	35.9	66.6	101.4
16 Bank loans n.e.c.	37.4	51.2	36.7	54.7	55.5	27.3	65.1	69.0	42.0	13.3	41.2	91.6
17 Open market paper	5.2	11.1	5.7	19.2	−4.1	−1.2	24.1	10.0	−18.2	−10.6	8.3	31.5
18 Other	25.1	29.7	24.8	33.4	11.5	23.1	28.6	13.6	9.4	13.9	32.3	22.4
19 By borrowing sector	316.2	348.6	265.4	293.1	242.8	339.8	279.9	254.0	231.7	266.9	412.7	515.4
20 State and local governments	16.5	17.6	17.2	6.2	31.3	36.7	7.3	24.1	38.5	41.9	31.6	19.0
21 Households	172.0	179.3	122.1	127.5	94.5	175.4	113.1	94.7	94.3	134.8	216.0	231.3
22 Farm	14.6	21.4	14.4	16.3	7.6	4.3	12.2	9.6	5.6	.8	7.9	.7
23 Nonfarm noncorporate	32.4	34.4	33.7	40.2	39.5	63.9	38.7	36.6	42.3	50.1	77.6	82.8
24 Corporate	80.6	96.0	78.1	102.9	70.0	59.5	108.7	89.0	51.0	39.3	79.6	181.5
25 Foreign net borrowing in United States	33.8	20.2	27.2	27.2	15.7	18.9	24.4	10.2	21.2	15.3	22.5	18.8
26 Bonds	4.2	3.9	.8	5.4	6.7	3.8	7.6	2.4	11.0	4.6	2.9	1.1
27 Bank loans n.e.c.	19.1	2.3	11.5	3.7	−6.2	4.9	6.2	−7.6	−4.7	11.3	−1.5	−7.0
28 Open market paper	6.6	11.2	10.1	13.9	10.7	6.0	7.1	12.5	9.0	−4.6	16.5	18.9
29 U.S. government loans	3.9	2.9	4.7	4.2	4.5	4.3	3.5	3.0	6.0	3.9	4.6	5.8
30 **Total domestic plus foreign**	**403.6**	**406.2**	**371.8**	**407.6**	**419.8**	**545.3**	**392.4**	**368.3**	**471.4**	**504.2**	**586.3**	**707.0**
	Financial sectors											
31 **Total net borrowing by financial sectors**	**74.1**	**82.4**	**62.9**	**84.1**	**69.0**	**90.7**	**83.9**	**84.2**	**53.8**	**74.0**	**107.3**	**121.0**
By instrument												
32 U.S. government related	37.1	47.9	44.8	47.4	64.9	67.8	50.9	60.0	69.7	66.2	69.4	69.1
33 Sponsored credit agency securities	23.1	24.3	24.4	30.5	14.9	1.4	33.2	22.4	7.5	−4.1	6.9	30.8
34 Mortgage pool securities	13.6	23.1	19.2	15.0	49.5	66.4	15.3	36.8	62.2	70.3	62.5	38.3
35 Loans from U.S. government	.4	.6	1.2	1.9	.4	......	2.4	.8	......	......	......	......
36 Private financial sectors	37.0	34.5	18.1	36.7	4.1	22.9	33.0	24.2	−16.0	7.8	38.0	51.9
37 Corporate bonds	7.5	7.8	7.1	−.8	2.5	17.1	−1.2	−2.5	7.6	15.2	18.9	14.9
38 Mortgages	.1	*	−.1	−.5	.1	*	−.2	.1	.1	*	*	*
39 Bank loans n.e.c.	2.3	−.5	−.9	.9	1.9	−.2	−.1	3.2	.6	−2.5	2.2	.1
40 Open market paper	14.6	18.0	4.8	20.9	−1.2	13.0	19.5	12.3	−14.7	7.2	18.8	21.1
41 Loans from Federal Home Loan Banks	12.5	9.2	7.1	16.2	.8	−7.0	15.1	11.1	−9.5	−12.1	−2.0	15.7
By sector												
42 Sponsored credit agencies	23.5	24.8	25.6	32.4	15.3	1.4	35.6	23.2	7.5	−4.1	6.9	30.8
43 Mortgage pools	13.6	23.1	19.2	15.0	49.5	66.4	15.3	36.8	62.2	70.3	62.5	38.3
44 Private financial sectors	37.0	34.5	18.1	36.7	4.1	22.9	33.0	24.2	−16.0	7.8	38.0	51.9
45 Commercial banks	1.3	1.6	.5	.4	1.2	.5	.5	.7	1.7	.8	.2	4.8
46 Bank affiliates	7.2	6.5	6.9	8.3	1.9	8.6	9.7	9.7	−5.8	6.1	11.1	20.0
47 Savings and loan associations	13.5	12.6	7.4	15.5	2.5	−2.7	13.7	14.3	−9.3	−10.0	4.5	17.8
48 Finance companies	17.6	16.5	5.8	12.8	−.9	17.0	9.4	*	−1.9	11.4	22.7	9.9
49 REITs	−1.4	−1.3	−2.2	.2	.1	.2	.2	.1	.1	.2	.2	.1
	All sectors											
50 **Total net borrowing**	**477.7**	**488.7**	**434.7**	**491.8**	**488.8**	**635.9**	**476.3**	**452.5**	**525.1**	**578.2**	**693.6**	**828.0**
51 U.S. government securities	90.5	84.8	122.9	133.0	225.9	254.4	136.7	163.5	288.3	288.4	220.5	242.1
52 *State and local obligations*	28.4	30.3	30.3	22.7	53.8	56.3	24.7	43.9	63.7	62.8	49.7	38.1
53 Corporate and foreign bonds	32.8	29.0	34.6	26.4	27.8	36.5	23.2	11.8	43.8	42.8	30.3	40.0
54 Mortgages	150.2	163.5	134.9	113.9	86.5	167.2	98.5	84.8	88.2	128.5	206.0	206.3
55 Consumer credit	48.8	45.4	6.3	26.7	21.0	51.3	21.9	20.6	21.4	35.9	66.6	101.4
56 Bank loans n.e.c.	58.8	52.9	47.3	59.3	51.2	32.0	71.2	64.6	37.9	22.1	41.9	84.8
57 Open market paper	26.4	40.3	20.6	54.0	5.4	17.8	50.7	34.8	−23.9	−8.0	43.6	71.5
58 Other loans	41.9	42.4	37.8	55.8	17.2	20.3	49.5	28.5	5.9	5.7	35.0	43.9
	External corporate equity funds raised in United States											
59 **Total new share issues**	**1.9**	**−3.8**	**22.2**	**−4.1**	**35.3**	**67.8**	**−17.4**	**23.3**	**47.2**	**83.5**	**52.0**	**−37.5**
60 Mutual funds	−.1	.1	5.2	6.3	18.4	32.8	5.7	12.5	24.3	36.8	28.9	44.8
61 All other	1.9	−3.9	17.1	−10.4	16.9	34.9	−23.0	10.9	22.9	46.8	23.1	−82.3
62 Nonfinancial corporations	−.1	−7.8	12.9	−11.5	11.4	28.3	−23.8	7.0	15.8	38.2	18.4	−84.5
63 Financial corporations	2.5	3.2	2.1	.8	4.0	2.7	1.1	3.9	4.1	2.8	2.5	2.9
64 Foreign shares purchased in United States	−.5	.8	2.1	.3	1.5	4.0	−.4	−.1	3.0	5.7	2.2	−.8

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1978	1979	1980	1981	1982	1983	1981	1982		1983		1984
							H2	H1	H2	H1	H2	H1
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**369.8**	**386.0**	**344.6**	**380.4**	**404.1**	**526.4**	**368.0**	**358.1**	**450.1**	**488.9**	**563.8**	**688.2**
By public agencies and foreign												
2 Total net advances	102.3	75.2	97.0	97.7	109.1	117.1	90.3	100.8	117.3	119.7	114.6	124.0
3 U.S. government securities	36.1	−6.3	15.7	17.2	18.0	27.6	12.4	9.7	26.2	40.5	14.6	33.3
4 Residential mortgages	25.7	35.8	31.7	23.5	61.0	76.1	25.5	47.6	74.4	80.1	72.0	52.0
5 FHLB advances to savings and loans	12.5	9.2	7.1	16.2	.8	−7.0	15.1	11.1	−9.5	−12.1	−2.0	15.7
6 Other loans and securities	28.0	36.5	42.4	40.9	29.3	20.5	37.3	32.4	26.2	11.1	29.9	23.0
Total advanced, by sector												
7 U.S. government	17.1	19.0	23.7	24.1	16.0	9.7	19.8	14.8	17.1	9.1	10.3	6.7
8 Sponsored credit agencies	40.3	53.0	45.6	48.2	65.3	69.5	50.1	61.8	68.7	68.2	70.7	73.0
9 Monetary authorities	7.0	7.7	4.5	9.2	9.8	10.9	14.1	3.8	15.7	15.6	6.2	17.3
10 Foreign	38.0	−4.6	23.2	16.3	18.1	27.1	6.3	20.4	15.8	26.8	27.4	27.0
Agency and foreign borrowing not in line 1												
11 Sponsored credit agencies and mortgage pools	37.1	47.9	44.8	47.4	64.9	67.8	50.9	60.0	69.7	66.2	69.4	69.1
12 Foreign	33.8	20.2	27.2	27.2	15.7	18.9	24.4	10.2	21.2	15.3	22.5	18.8
Private domestic funds advanced												
13 Total net advances	338.4	379.0	319.6	357.3	375.6	495.9	353.0	327.5	423.8	450.8	541.1	652.2
14 U.S. government securities	54.3	91.1	107.2	115.8	207.9	226.9	124.3	153.7	262.0	247.8	205.9	208.8
15 State and local obligations	28.4	30.3	30.3	22.7	53.8	56.3	24.7	43.9	63.7	62.8	49.7	38.1
16 Corporate and foreign bonds	23.4	18.5	19.3	18.8	14.8	14.6	15.9	−.1	29.6	22.9	6.3	18.2
17 Residential mortgages	95.6	91.9	73.7	56.7	−3.2	40.9	40.6	11.0	−17.4	6.4	75.5	97.0
18 Other mortgages and loans	149.3	156.3	96.2	159.5	103.2	150.2	162.7	130.2	76.3	98.7	201.7	305.9
19 LESS: Federal Home Loan Bank advances	12.5	9.2	7.1	16.2	.8	−7.0	15.1	11.1	−9.5	−12.1	−2.0	15.7
Private financial intermediation												
20 Credit market funds advanced by private financial institutions	315.7	313.9	281.5	323.4	285.6	376.7	323.2	274.4	296.7	323.2	430.1	521.3
21 Commercial banking	128.5	123.1	100.6	102.3	107.2	136.1	112.7	99.9	114.5	121.6	150.6	193.2
22 Savings institutions	72.3	56.5	54.5	27.8	31.3	136.8	18.4	25.2	37.4	128.9	144.6	159.1
23 Insurance and pension funds	89.5	85.9	94.3	97.4	108.8	98.8	101.4	111.4	106.3	89.5	108.1	98.5
24 Other finance	25.5	48.5	32.1	96.0	38.3	5.0	90.8	37.9	38.6	−16.8	26.8	70.5
25 Sources of funds	315.7	313.9	281.5	323.4	285.6	376.7	323.2	274.4	296.7	323.2	430.1	521.3
26 Private domestic deposits and RPs	142.7	137.4	169.6	211.9	174.7	203.5	217.9	147.6	201.9	192.7	214.2	283.0
27 Credit market borrowing	37.0	34.5	18.1	36.7	4.1	22.9	33.0	24.2	−16.0	7.8	38.0	51.9
28 Other sources	136.1	142.0	93.9	74.8	106.7	150.4	72.3	102.6	110.8	122.8	177.9	186.4
29 Foreign funds	6.5	27.6	−21.7	−8.7	−26.7	22.1	−9.8	−28.3	−25.1	−14.2	58.5	17.1
30 Treasury balances	6.8	.4	−2.6	−1.1	6.1	−5.3	−10.2	−2.0	14.1	10.1	−20.8	1.4
31 Insurance and pension reserves	74.9	72.8	83.9	90.4	104.6	99.2	101.0	111.4	97.8	90.0	108.4	105.5
32 Other, net	47.9	41.2	34.2	−5.9	22.8	34.4	−8.7	21.5	24.1	36.8	31.9	62.4
Private domestic nonfinancial investors												
33 Direct lending in credit markets	59.6	99.6	56.1	70.6	94.2	142.1	62.8	77.3	111.0	135.3	148.9	182.7
34 U.S. government securities	33.5	52.5	24.6	29.3	37.4	88.7	24.5	35.3	39.5	95.9	81.4	134.4
35 State and local obligations	3.6	9.9	7.0	10.5	34.4	42.5	12.5	30.1	38.7	52.7	32.3	21.8
36 Corporate and foreign bonds	−6.3	−1.4	−5.7	−8.1	−5.2	2.0	−10.7	−17.7	7.3	−1.7	5.7	7.2
37 Open market paper	8.3	8.6	−3.1	2.7	−.1	3.9	8.2	3.5	−3.7	−8.1	15.9	−.3
38 Other	20.5	30.0	33.3	36.3	27.8	5.0	28.4	26.2	29.3	−3.4	13.5	19.7
39 Deposits and currency	153.9	146.8	181.1	221.9	181.9	222.6	229.3	152.1	211.7	214.5	230.7	294.5
40 Currency	9.3	8.0	10.3	9.5	9.7	14.3	11.2	6.7	12.7	14.8	13.8	17.7
41 Checkable deposits	16.2	18.3	5.2	18.0	15.7	21.7	13.3	1.9	29.5	48.0	−4.7	37.8
42 Small time and savings accounts	65.9	59.3	82.9	47.0	138.2	219.1	71.8	83.2	193.1	278.6	159.7	127.9
43 Money market fund shares	6.9	34.4	29.2	107.5	24.7	−44.1	110.8	39.4	10.0	−84.0	−4.2	30.2
44 Large time deposits	46.3	18.8	45.8	36.9	−7.7	−7.5	24.6	21.9	−37.3	−61.0	45.9	81.8
45 Security RPs	7.5	6.6	6.5	2.5	3.8	14.3	−2.6	1.1	6.6	11.0	17.5	5.3
46 Deposits in foreign countries	2.0	1.5	1.1	.5	−2.5	4.8	.2	−2.2	−2.9	7.0	2.7	−6.2
47 **Total of credit market instruments, deposits and currency**	**213.6**	**246.5**	**237.2**	**292.5**	**276.1**	**364.7**	**292.1**	**229.4**	**322.7**	**349.8**	**379.6**	**477.3**
48 Public holdings as percent of total	25.3	18.5	26.1	24.0	26.0	21.5	23.0	27.4	24.9	23.7	19.5	17.5
49 Private financial intermediation (in percent)	93.3	82.8	88.1	90.5	76.0	76.0	91.6	83.8	70.0	71.7	79.5	79.9
50 Total foreign funds	44.6	23.0	1.5	7.6	−8.6	49.2	−3.5	−7.9	−9.3	12.6	85.9	44.1
MEMO: Corporate equities not included above												
51 **Total net issues**	**1.9**	**−3.8**	**22.2**	**−4.1**	**35.3**	**67.8**	**−17.4**	23.3	**47.2**	**83.5**	**52.0**	**−37.5**
52 Mutual fund shares	−.1	.1	5.2	6.3	18.4	32.8	5.7	12.5	24.3	36.8	28.9	44.8
53 Other equities	1.9	−3.9	17.1	−10.4	16.9	34.9	−23.0	10.9	22.9	46.8	23.1	−82.3
54 Acquisitions by financial institutions	4.7	12.9	24.9	20.1	39.2	57.5	22.6	11.0	67.3	75.9	39.2	4.2
55 Other net purchases	−2.8	−16.7	−2.7	−24.2	−3.9	10.2	−40.0	12.3	−20.1	7.6	12.8	−41.7

NOTES BY LINE NUMBER.
1. Line 1 of table 1.58.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
26. Line 39 less lines 40 and 46.
27. Excludes equity issues and investment company shares. Includes line 19.
29. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
30. Demand deposits at commercial banks.
31. Excludes net investment of these reserves in corporate equities.
32. Mainly retained earnings and net miscellaneous liabilities.
33. Line 12 less line 20 plus line 27.
34–38. Lines 14–18 less amounts acquired by private finance. Line 38 includes mortgages.
40. Mainly an offset to line 9.
47. Lines 33 plus 39, or line 13 less line 28 plus 40 and 46.
48. Line 2/line 1.
49. Line 20/line 13.
50. Sum of lines 10 and 29.
51, 53. Includes issues by financial institutions.

NOTE. Full statements for sectors and transaction types in flows and in amounts outstanding may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1981	1982	1983	1984 Mar.	Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.[r]	Nov.
1 **Industrial production**	**151.0**	**138.6**	**147.6**	**160.8**	**162.1**	**162.8**	**164.4**	**165.9**	**166.0**	**165.0**	**164.3**	**165.0**
Market groupings												
2 Products, total	150.6	141.8	149.2	161.1	162.5	163.3	165.3	167.4	167.2	166.4	166.5	167.1
3 Final, total	149.5	141.5	147.1	158.6	160.2	161.1	163.1	165.2	165.1	164.5	164.5	165.5
4 Consumer goods	147.9	142.6	151.7	160.2	161.4	161.7	163.0	163.8	162.5	161.6	161.7	163.3
5 Equipment	151.5	139.8	140.8	156.4	158.5	160.3	163.3	167.0	168.7	168.5	168.4	168.5
6 Intermediate	154.4	143.3	156.6	170.2	171.0	171.6	173.5	175.8	175.1	173.5	173.8	173.4
7 Materials	151.6	133.7	145.2	160.4	161.5	162.0	162.9	163.5	164.0	162.7	161.0	161.8
Industry groupings												
8 Manufacturing	150.4	137.6	148.2	162.1	163.4	164.2	165.7	167.3	167.6	166.6	166.4	167.0
Capacity utilization (percent)[1]												
9 Manufacturing	79.4	71.1	75.2	81.0	81.5	81.7	82.2	82.9	82.8	82.2	82.1	n.a.
10 Industrial materials industries	80.7	70.1	75.2	82.2	82.5	82.7	82.9	83.1	83.3	82.4	81.9	n.a.
11 Construction contracts (1977 = 100)[2]	111.0	111.0	138.0	144.0	145.0	165.0	148.0	152.0	151.0	144.0	146.0	n.a.
12 Nonagricultural employment, total[3]	138.5	136.1	137.0	141.4	142.0	142.5	143.1	143.4	143.6	144.1	144.6	145.1
13 Goods-producing, total	109.4	102.2	100.4	105.5	106.2	106.6	107.1	107.5	107.7	107.3	107.6	107.8
14 Manufacturing, total	103.7	96.6	95.1	100.1	100.4	100.6	100.9	101.3	101.4	100.9	101.2	101.3
15 Manufacturing, production-worker	98.0	89.4	88.7	93.6	94.0	94.1	94.3	94.6	94.8	94.0	94.3	94.4
16 Service-producing	154.5[r]	154.7	157.1	161.1	161.6	162.2	162.8	163.1	163.4	164.2	164.9	165.5
17 Personal income, total	386.5	410.3	435.6	466.8	471.2	472.8	477.2	480.4	483.5	487.0	488.7	492.0
18 Wages and salary disbursements	349.7	367.4	388.6	413.3	418.1	419.2	422.6	424.4[r]	425.5	428.4	428.9	432.2
19 Manufacturing	287.5	285.5	294.7	318.8	322.0	321.9	323.1	324.4	326.2	325.7	326.3	328.7
20 Disposable personal income[4]	372.6	398.0	427.1	459.9	464.2	465.3	469.1	472.5[r]	475.5	479.1	480.5	483.2
21 Retail sales[5]	330.6	326.0	373.0	396.9	410.8	413.6	417.7	410.5	407.3	412.2	411.6	n.a.
Prices[6]												
22 Consumer	272.4	289.1	298.4	307.3	308.8	309.7	310.7	311.7	313.0	314.5	315.3	315.3
23 Producer finished goods	269.8	280.7	285.2	291.4	291.2	291.1	290.9[r]	292.3[r]	291.8	289.8	291.6	292.3

1. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, Department of Commerce, and other sources.
2. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.
3. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.
4. Based on data in *Survey of Current Business* (U.S. Department of Commerce).
5. Based on Bureau of Census data published in *Survey of Current Business*.
6. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

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

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

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1981	1982	1983	1984 Apr.	May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.
HOUSEHOLD SURVEY DATA											
1 **Noninstitutional population**[1]	**172,272**	**174,450**	**176,414**	**178,185**	**178,337**	**178,501**	**178,669**	**178,821**	**179,005**	**179,181**	**179,353**
2 Labor force (including Armed Forces)[1]	110,812	112,383	113,749	115,461	116,017	116,094	116,167	115,732	115,941	116,242	116,244
3 Civilian labor force	108,670	110,204	111,550	113,245	113,803	113,877	113,938	113,494	113,699	114,017	114,026
Employment											
4 Nonagricultural industries[2]	97,030	96,125	97,450	101,009	101,899	102,344	102,050	101,744	101,923	102,472	102,519
5 Agriculture	3,368	3,401	3,383	3,393	3,389	3,403	3,345	3,224	3,315	3,114	3,353
Unemployment											
6 Number	8,273	10,678	10,717	8,843	8,514	8,130	8,543	8,526	8,460	8,431	8,154
7 Rate (percent of civilian labor force)	7.6	9.7	9.6	7.8	7.5	7.1	7.5	7.5	7.4	7.4	7.2
8 Not in labor force	61,460	62,067	62,665	62,724	62,320	62,407	62,502	63,089	63,064	62,939	63,109
ESTABLISHMENT SURVEY DATA											
9 **Nonagricultural payroll employment**[3]	**91,156**	**89,566**	**90,138**	**93,449**	**93,786**	**94,135**	**94,350**	**94,523**	**94,807**	**95,150**	**95,453**
10 Manufacturing	20,170	18,781	18,497	19,530	19,570	19,629	19,696	19,725	19,616	19,681	19,704
11 Mining	1,139[r]	1,128	957	984	995	1,002	1,007	1,017	1,020	1,013	1,013
12 Contract construction	4,188[r]	3,905[r]	3,940	4,246	4,286	4,343	4,356	4,356	4,374	4,384	4,414
13 Transportation and public utilities	5,165[r]	5,082	4,958	5,129	5,144	5,163	5,175	5,202	5,213	5,225	5,250
14 Trade	20,547[r]	20,457	20,804	21,568	21,658	21,747	21,811	21,839	21,930	22,092	22,224
15 Finance	5,298[r]	5,341	5,467	5,640	5,662	5,676	5,676	5,679	5,684	5,708	5,725
16 Service	18,619[r]	19,036	19,665	20,449	20,549	20,681	20,701	20,748	20,861	20,964	21,053
17 Government	16,031[r]	15,837	15,851	15,903	15,922	15,894	15,928	15,957	16,109	16,083	16,070

1. Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Department of Labor).
2. Includes self-employed, unpaid family, and domestic service workers.
3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1983 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION
Seasonally adjusted

Series	Output (1967 = 100) 1983 Q4	1984 Q1	1984 Q2	1984 Q3r	Capacity (percent of 1967 output) 1983 Q4	1984 Q1	1984 Q2	1984 Q3	Utilization rate (percent) 1983 Q4	1984 Q1	1984 Q2	1984 Q3r
1 **Total industry**	**155.5**	**159.8**	**163.1**	**165.6**	**197.3**	**198.4**	**199.7**	**201.1**	**78.8**	**80.5**	**81.7**	**82.4**
2 Mining	121.0	124.2	125.1	128.9	165.5	165.7	165.9	166.1	73.1	75.0	75.4	83.4
3 Utilities	178.4	179.2	183.1	181.1	212.4	213.8	215.3	216.8	84.0	83.8	85.0	83.5
4 **Manufacturing**	**156.5**	**161.0**	**164.4**	**167.2**	**198.4**	**199.5**	**201.0**	**202.5**	**78.9**	**80.7**	**81.8**	**82.5**
5 Primary processing	156.4	160.5	162.5	162.2	195.8	196.5	197.2	198.0	79.9	81.7	82.4	81.9
6 Advanced processing	156.1	161.7	165.2	169.8	199.7	201.1	203.0	204.9	78.2	80.3	81.4	82.8
7 **Materials**	**154.3**	**158.8**	**162.1**	**163.4**	**194.0**	**194.7**	**195.9**	**197.2**	**79.6**	**81.6**	**82.7**	**82.9**
8 Durable goods	150.3	157.6	162.0	164.4	196.5	197.1	198.3	199.5	76.5	79.9	81.7	82.4
9 Metal materials	93.8	97.3	100.3	96.5	139.6	139.1	138.5	137.9	67.2	70.0	72.4	70.0
10 Nondurable goods	183.5	183.7	186.6	186.0	220.6	221.8	223.4	225.2	83.2	82.8	83.5	82.6
11 Textile, paper, and chemical	193.2	193.2	195.9	195.3	232.7	234.2	236.2	238.2	83.0	82.5	82.9	82.0
12 Paper	167.4	165.8	168.5	171.1	167.7	168.5	169.5	170.5	99.8	98.4	99.4	100.4
13 Chemical	235.0	236.7	240.4	239.1	300.1	302.3	305.2	308.0	78.3	78.3	78.8	77.6
14 Energy materials	127.8	131.2	132.4	133.1	155.3	155.8	156.4	157.0	82.3	84.2	84.6	84.7

Capacity utilization rate (percent)

Series	Previous cycle[1] High	Previous cycle[1] Low	Latest cycle[2] High	Latest cycle[2] Low	1983 Nov.	1984 Mar.	1984 Apr.	1984 May	1984 June	1984 July	1984 Aug.r	1984 Sept.r	1984 Oct.r	1984 Nov.
15 **Total industry**	**88.4**	**71.1**	**87.3**	**69.6**	**78.7**	**80.9**	**81.3**	**81.5**	**82.1**	**82.7**	**82.5**	**81.9**	**81.4**	**81.5**
16 Mining	91.8	86.0	88.5	69.6	73.2	74.7	74.3	75.4	76.6	78.3	77.3	77.3	74.2	74.8
17 Utilities	94.9	82.0	86.7	79.0	83.0	84.0	85.0	84.7	85.4	84.1	83.3	83.2	83.0	83.0
18 **Manufacturing**	**87.9**	**69.0**	**87.5**	**68.8**	**78.8**	**81.0**	**81.5**	**81.7**	**82.2**	**82.8**	**82.8**	**82.1**	**81.7**	**81.9**
19 Primary processing	93.7	68.2	91.4	66.2	80.0	82.2	82.2	82.4	82.6	82.3	82.1	81.5	81.5	81.4
20 Advanced processing	85.5	69.4	85.9	70.0	78.0	80.6	81.0	81.2	81.9	83.0	83.1	82.4	81.8	81.9
21 **Materials**	**92.6**	**69.3**	**88.9**	**66.6**	**79.6**	**82.2**	**82.5**	**82.7**	**82.9**	**83.1**	**83.2**	**82.3**	**81.3**	**81.5**
22 Durable goods	91.4	63.5	88.4	59.8	76.5	80.7	81.5	81.5	82.0	82.5	82.9	81.9	80.9	81.2
23 Metal materials	97.8	68.0	95.4	46.2	66.8	71.5	73.0	72.2	72.1	70.8	70.8	68.2	66.5	68.4
24 Nondurable goods	94.4	67.4	91.7	70.7	83.8	83.6	83.2	83.9	83.3	83.0	82.9	81.9	81.7	81.7
25 Textile, paper, and chemical	95.1	65.4	92.3	68.6	83.7	83.1	82.7	83.3	82.6	82.5	82.4	81.0	81.1	81.1
26 Paper	99.4	72.4	97.9	86.3	101.3	96.8	98.5	99.8	99.8	101.5	99.7	99.8	98.5	98.1
27 Chemical	95.5	64.2	91.3	64.0	79.0	79.5	78.9	79.0	78.4	77.9	78.1	76.8	77.2	77.3
28 Energy materials	94.5	84.4	88.9	78.5	81.8	84.1	84.5	84.3	85.0	85.3	84.7	84.2	81.6	82.0

1. Monthly high 1973; monthly low 1975.
2. Monthly highs 1978 through 1980; monthly lows 1982.

NOTE. These data also appear in the Board's G.3 (402) release. For address, see inside front cover.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted

Grouping	1967 proportion	1983 avg.	1983 Nov.	1983 Dec.	1984 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.r	Sept.	Oct.p	Nov.e
			Index (1967 = 100)												
MAJOR MARKET															
1 **Total index**	**100.00**	**147.6**	**155.3**	**156.2**	**158.5**	**160.0**	**160.8**	**162.1**	**162.8**	**164.4**	**165.9**	**166.0**	**165.0**	**164.3**	**165.0**
2 Products	60.71	149.2	155.8	157.4	159.7	160.4	161.1	162.5	163.3	165.3	167.4	167.2	166.4	166.5	167.1
3 Final products	47.82	147.1	153.2	155.2	157.5	158.0	158.6	160.2	161.1	163.1	165.2	165.1	164.5	164.5	165.5
4 Consumer goods	27.68	151.7	156.1	157.7	159.5	159.4	160.2	161.4	161.7	163.0	163.8	162.5	161.6	161.7	163.3
5 Equipment	20.14	140.8	149.1	151.8	154.9	156.1	156.4	158.5	160.3	163.3	167.0	168.7	168.5	168.4	168.5
6 Intermediate products	12.89	156.6	165.5	165.4	167.8	169.0	170.2	171.0	171.6	173.5	175.8	175.1	173.5	173.8	173.4
7 Materials	39.29	145.2	154.5	154.5	156.6	159.4	160.4	161.5	162.0	162.9	163.5	164.0	162.7	161.0	161.8
Consumer goods															
8 Durable consumer goods	7.89	147.5	155.9	158.6	163.4	162.5	163.1	162.2	161.4	163.6	163.7	162.6	159.6	158.1	162.1
9 Automotive products	2.83	158.2	171.5	178.4	184.5	182.1	184.1	180.9	179.8	184.3	185.0	181.8	172.8	171.1	183.7
10 Autos and utility vehicles	2.03	134.0	149.2	157.8	163.3	162.2	164.1	158.4	155.9	158.7	161.1	159.2	145.6	144.8	161.7
11 Autos	1.90	117.4	129.4	137.4	140.7	140.4	142.4	134.5	132.9	136.2	138.7	134.3	121.1	123.6	138.9
12 Auto parts and allied goods	.80	219.6	228.2	230.7	238.4	232.6	234.7	238.0	240.6	249.3	245.8	239.1	241.7	238.0	239.5
13 Home goods	5.06	141.4	147.2	147.5	151.5	151.5	151.3	151.7	151.1	152.0	151.8	151.9	152.3	150.9	150.0
14 Appliances, A/C, and TV	1.40	116.4	127.0	126.3	136.4	135.1	134.4	136.1	134.0	134.9	133.4	132.3	136.4	130.8	126.9
15 Appliances and TV	1.33	120.1	131.3	130.2	140.0	138.6	138.0	138.8	136.7	138.0	136.9	135.9	140.2	134.0	.....
16 Carpeting and furniture	1.07	178.1	182.7	184.0	183.1	178.7	180.2	181.0	179.6	179.4	179.5	180.8	179.3	179.7	.....
17 Miscellaneous home goods	2.59	139.9	143.4	143.9	146.7	149.1	148.5	148.0	148.6	150.0	150.3	150.6	149.7	149.8	149.9
18 Nondurable consumer goods	19.79	153.4	156.1	157.3	157.9	158.2	159.1	161.1	161.8	162.7	163.9	162.4	162.4	163.1	163.7
19 Clothing	4.29	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
20 Consumer staples	15.50	163.7	165.4	166.0	166.5	166.9	168.0	170.2	171.6	173.2	174.5	172.7	173.2	174.3	174.8
21 Consumer foods and tobacco	8.33	153.5	154.5	155.4	156.5	156.8	157.6	160.4	161.0	161.9	162.9	161.8	162.3	.....	.....
22 Nonfood staples	7.17	175.4	178.1	178.3	178.2	178.7	180.1	181.6	183.9	186.3	188.0	185.4	185.8	187.6	187.9
23 Consumer chemical products	2.63	231.0	232.4	229.9	231.6	231.9	231.3	233.4	235.9	241.5	247.1	244.3	247.3	250.1	.....
24 Consumer paper products	1.92	132.7	136.6	137.2	138.8	140.3	141.8	144.0	145.6	147.9	151.5	148.7	146.5	146.0	.....
25 Consumer energy products	2.62	150.9	154.1	156.5	153.4	153.3	156.8	157.1	159.8	159.0	155.3	153.3	153.0	155.3	.....
26 Residential utilities	1.45	173.4	175.8	185.2	180.0	172.8	177.7	177.4	181.1	182.4	178.6	175.0	174.1	.....	.....
Equipment															
27 Business	12.63	153.3	164.1	167.3	170.7	171.9	172.1	173.5	176.5	181.1	185.5	187.6	186.4	185.0	184.4
28 Industrial	6.77	120.4	128.6	130.8	133.7	134.6	134.8	135.9	138.5	140.4	143.1	143.3	143.5	144.0	144.6
29 Building and mining	1.44	159.3	175.8	185.3	185.1	182.0	175.2	173.6	182.9	185.8	190.0	191.6	191.1	194.8	199.5
30 Manufacturing	3.85	107.1	114.3	115.1	119.7	120.9	124.2	126.2	127.4	128.6	130.1	129.7	129.8	129.4	128.4
31 Power	1.47	117.1	119.4	118.4	120.0	123.8	122.7	124.1	124.1	126.7	131.0	131.2	133.0	132.3	133.3
32 Commercial transit, farm	5.86	191.3	205.1	209.6	213.3	215.1	215.3	217.0	220.5	228.1	234.5	238.9	235.9	232.3	230.4
33 Commercial	3.26	273.2	292.5	298.9	303.2	305.9	306.9	309.6	315.5	326.3	333.4	339.2	336.5	332.3	329.0
34 Transit	1.93	95.2	103.2	106.0	110.1	110.1	109.2	108.9	109.7	115.1	120.4	124.5	121.4	117.7	117.8
35 Farm	.67	69.5	73.5	73.5	73.6	75.7	75.0	78.0	77.1	76.1	81.8	80.3	76.4	76.0	.....
36 Defense and space	7.51	119.9	124.0	125.7	128.3	129.5	130.1	133.2	133.1	133.5	135.9	136.8	138.5	140.5	141.7
Intermediate products															
37 Construction supplies	6.42	142.5	151.6	151.5	155.5	156.6	159.1	159.6	159.5	160.9	161.9	160.9	159.2	158.5	158.1
38 Business supplies	6.47	170.7	179.4	179.3	180.1	181.3	181.3	182.3	183.5	186.1	189.5	189.1	187.6	188.9	.....
39 Commercial energy products	1.14	184.3	187.6	188.0	192.1	191.6	187.0	190.0	190.8	195.3	194.9	193.3	194.5	193.4	.....
Materials															
40 Durable goods materials	20.35	138.6	150.3	151.3	154.6	158.6	159.5	161.3	161.6	163.0	164.2	165.3	163.8	162.3	163.1
41 Durable consumer parts	4.58	113.6	125.0	127.9	131.6	133.1	133.0	133.2	132.6	134.7	135.1	136.6	136.3	136.6	139.1
42 Equipment parts	5.44	176.4	192.5	193.4	198.2	204.0	206.7	210.9	210.6	214.0	218.8	220.1	218.9	217.0	216.0
43 Durable materials n.e.c.	10.34	129.9	139.3	139.5	141.8	146.0	146.3	147.7	148.6	148.7	148.3	149.2	147.0	144.8	146.0
44 Basic metal materials	5.57	90.2	97.1	96.9	97.7	103.0	103.0	105.7	104.5	104.1	103.4	102.0	98.4	95.5	.....
45 Nondurable goods materials	10.47	174.5	184.8	180.3	181.2	184.1	185.9	185.7	187.4	186.7	186.5	186.7	184.9	184.9	185.5
46 Textile, paper, and chemical materials	7.62	182.6	194.7	189.6	190.5	193.9	195.3	195.0	196.8	195.8	195.9	196.3	193.6	194.2	194.9
47 Textile materials	1.85	116.2	121.9	121.3	119.9	119.9	120.6	118.9	121.9	119.6	118.8	120.1	115.7	116.2	.....
48 Paper materials	1.62	158.2	169.8	166.0	167.0	166.8	163.5	166.7	169.2	169.5	172.8	170.0	170.5	168.6	.....
49 Chemical materials	4.15	221.7	237.0	229.3	231.3	237.6	241.1	240.0	241.1	240.2	239.3	240.6	237.4	239.1	.....
50 Containers, nondurable	1.70	167.9	176.6	173.0	173.5	173.0	176.0	175.7	176.6	176.7	176.6	175.3	175.8	174.9	.....
51 Nondurable materials n.e.c.	1.14	130.5	130.6	129.5	130.5	135.2	137.7	138.6	140.5	140.5	138.8	139.6	140.7	137.3	.....
52 Energy materials	8.48	124.8	127.1	130.0	131.3	131.0	131.3	132.1	131.9	133.2	133.7	133.0	132.5	128.6	129.2
53 Primary energy	4.65	114.7	115.5	117.6	119.3	121.3	119.6	119.5	119.8	120.1	122.7	121.8	121.3	113.6	.....
54 Converted fuel materials	3.82	137.0	141.1	145.1	145.8	142.8	145.4	147.3	146.5	149.0	147.1	146.8	146.1	146.7	.....
Supplementary groups															
55 Home goods and clothing	9.35	129.9	135.9	137.6	140.1	140.3	140.1	141.0	139.8	139.6	139.7	139.6	139.1	138.1	137.8
56 Energy, total	12.23	135.9	138.5	141.1	141.6	141.4	141.9	142.8	143.3	144.5	144.0	143.0	142.6	140.3	140.7
57 Products	3.76	161.0	164.3	166.0	165.1	164.9	166.0	167.1	169.2	170.0	167.3	165.4	165.5	166.8	.....
58 Materials	8.48	124.8	127.1	130.0	131.3	131.0	131.3	132.1	131.9	133.2	133.7	133.0	132.5	128.6	129.2

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value—Continued

Grouping	SIC code	1967 proportion	1983 avg.	1983 Nov.	1983 Dec.	1984 Jan.	1984 Feb.	1984 Mar.	1984 Apr.	1984 May	1984 June	1984 July	1984 Aug.[r]	1984 Sept.	1984 Oct.[p]	1984 Nov.[e]
				Index (1967 = 100)												
MAJOR INDUSTRY																
1 Mining and utilities	......	12.05	142.9	147.2	151.5	151.4	148.9	150.4	151.3	152.1	154.1	154.4	153.0	153.2	150.5	151.2
2 Mining	......	6.36	116.6	121.1	123.7	124.8	124.1	123.8	123.3	125.0	127.0	129.9	128.3	128.4	123.4	124.4
3 Utilities	......	5.69	172.4	176.3	182.5	181.0	176.5	180.0	182.7	182.3	184.3	181.8	180.6	180.8	180.7	181.1
4 Electric	......	3.88	196.0	200.2	208.0	206.8	200.0	204.6	207.7	206.8	209.6	205.9	204.0	204.4	203.9	204.3
5 Manufacturing	......	87.95	148.2	156.4	156.8	159.5	161.4	162.1	163.4	164.2	165.7	167.3	167.6	166.6	166.4	167.0
6 Nondurable	......	35.97	168.1	174.8	173.9	175.2	177.2	177.6	179.1	179.9	181.3	181.8	181.7	180.5	181.0	181.4
7 Durable	......	51.98	134.5	143.6	145.0	148.6	150.5	151.4	152.6	153.3	154.9	157.2	157.8	157.0	156.3	157.1
Mining																
8 Metal	10	.51	80.9	84.6	82.3	89.4	97.4	100.0	98.5	98.0	96.8	96.4	83.4	84.3	82.4	.....
9 Coal	11.12	.69	136.3	144.8	145.2	151.5	163.2	164.0	151.4	153.9	161.5	176.5	171.7	173.7	127.8	128.5
10 Oil and gas extraction	13	4.40	116.6	119.8	123.4	123.1	119.6	118.2	118.8	120.4	121.6	122.8	122.5	122.0	122.5	123.4
11 Stone and earth minerals	14	.75	122.8	132.2	133.9	134.8	133.0	135.8	140.4	144.0	147.9	151.9	153.5	154.8	152.9	.....
Nondurable manufactures																
12 Foods	20	8.75	156.4	157.1	157.7	159.4	160.0	161.2	163.1	164.2	165.1	164.9	164.7	164.5	.....	.....
13 Tobacco products	21	.67	112.1	109.5	112.3	116.4	110.9	111.8	113.3	112.8	118.3	115.1	113.8	113.1	.....	.....
14 Textile mill products	22	2.68	140.8	145.8	145.0	143.9	142.3	143.5	140.0	140.5	140.7	139.8	140.3	136.0	135.4	.....
15 Apparel products	23	3.31	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
16 Paper and products	26	3.21	164.3	172.1	170.1	172.3	176.6	173.8	172.4	174.1	174.6	176.7	176.7	177.6	176.0	176.5
17 Printing and publishing	27	4.72	152.5	162.0	161.7	163.4	164.8	165.2	166.3	167.5	169.0	172.6	173.1	171.3	172.0	172.6
18 Chemicals and products	28	7.74	215.0	225.6	221.1	221.5	224.8	225.0	228.3	227.9	231.0	232.0	231.6	230.8	232.7	.....
19 Petroleum products	29	1.79	120.3	125.4	114.4	118.8	127.6	127.0	126.8	127.9	127.5	124.7	124.3	122.6	125.3	125.4
20 Rubber and plastic products	30	2.24	291.9	309.1	314.4	317.2	318.5	323.8	328.0	334.1	341.0	341.4	341.5	338.4	337.1	.....
21 Leather and products	31	.86	61.9	63.2	66.0	61.4	63.9	63.9	63.5	61.4	60.0	60.6	59.1	57.9	56.8	.....
Durable manufactures																
22 Ordnance, private and government	19.91	3.64	95.4	99.3	99.8	99.7	99.6	100.6	101.4	100.8	101.7	102.7	105.5	106.8	107.9	109.1
23 Lumber and products	24	1.64	137.2	141.0	143.8	146.0	145.6	149.3	151.2	146.3	148.5	146.0	148.8	149.2	148.8	.....
24 Furniture and fixtures	25	1.37	170.5	177.5	177.9	183.8	185.6	184.6	186.6	190.5	191.9	192.6	195.3	194.3	196.5	.....
25 Clay, glass, stone products	32	2.74	143.4	152.7	153.8	157.8	160.4	160.2	160.0	160.6	159.7	160.9	160.0	158.6	158.1	.....
26 Primary metals	33	6.57	85.4	92.2	90.4	93.2	98.4	97.5	99.3	98.2	97.9	94.5	94.4	93.2	92.0	92.6
27 Iron and steel	331.2	4.21	71.5	79.2	74.1	80.7	86.0	84.4	84.0	83.5	83.5	76.5	77.7	75.4	74.7	.....
28 Fabricated metal products	34	5.93	120.2	128.5	129.2	131.7	132.8	134.9	135.5	136.5	138.7	140.6	140.0	139.6	140.0	139.2
29 Nonelectrical machinery	35	9.15	150.6	161.8	164.3	169.5	170.9	171.9	174.9	178.8	182.0	186.9	189.1	187.9	185.5	183.8
30 Electrical machinery	36	8.05	185.5	200.1	201.5	206.2	209.9	212.0	214.6	214.5	216.0	221.5	221.5	223.0	220.8	221.1
31 Transportation equipment	37	9.27	117.8	127.3	130.8	134.9	135.2	135.8	134.5	135.0	137.2	140.6	141.0	137.6	137.6	142.9
32 Motor vehicles and parts	371	4.50	137.1	152.9	158.9	166.3	164.4	165.8	161.9	163.0	165.3	169.0	169.6	162.4	161.7	173.3
33 Aerospace and miscellaneous transportation equipment	372–9	4.77	99.6	103.2	104.3	105.3	107.7	107.5	108.8	108.6	110.8	113.8	113.9	114.2	114.9	114.2
34 Instruments	38	2.11	158.7	163.0	164.6	167.8	168.6	169.7	171.0	171.8	174.5	176.7	177.4	178.0	177.7	178.5
35 Miscellaneous manufactures	39	1.51	146.2	148.9	149.3	151.1	152.0	152.3	152.1	151.5	150.8	152.4	149.2	147.6	147.6	147.6
	Gross value (billions of 1972 dollars, annual rates)															
MAJOR MARKET																
36 **Products, total**	......	**507.4**	**612.6**	**638.4**	**645.4**	**655.1**	**656.9**	**661.8**	**661.1**	**665.9**	**671.5**	**682.4**	**678.2**	**674.0**	**675.7**	**679.9**
37 Final	......	390.9	472.6	490.8	497.8	505.3	505.0	509.6	509.0	514.0	518.1	525.9	522.3	520.0	521.4	525.4
38 Consumer goods	......	277.5	328.7	338.3	341.9	345.3	345.3	347.7	347.8	349.5	350.9	353.2	347.4	345.8	347.9	352.3
39 Equipment	......	113.4	144.0	152.5	155.9	160.0	159.7	161.9	161.2	164.4	167.2	172.8	174.9	174.2	173.5	173.1
40 Intermediate	......	116.6	140.0	147.6	147.6	149.8	151.9	152.2	152.2	151.9	153.4	156.5	155.9	153.9	154.3	154.5

NOTE. These data also appear in the Board's G.12.3 (414) release. For address, see inside front cover.

2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

Item	1981	1982	1983	1984 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.r	Sept.r	Oct.
	Private residential real estate activity (thousands of units)												
NEW UNITS													
1 Permits authorized	986	1,000	1,605	1,799	1,902	1,727	1,758	1,745	1,768	1,565	1,506	1,440	1,418
2 1-family	564	546	902	989	1,083	974	957	913	916	823	803	841	794
3 2-or-more-family	421	454	703	810	819	753	801	832	852	742	703	599	624
4 Started	1,084	1,062	1,703	1,980	2,262	1,662	2,015	1,794	1,877	1,754	1,554	1,683	1,538
5 1-family	705	663	1,067	1,301	1,463	1,071	1,196	1,131	1,084	990	932	1,016	974
6 2-or-more-family	379	400	635	679	799	591	819	663	793	764	622	667	564
7 Under construction, end of period[1]	682	720	1,003	1,032	1,033	1,065	1,091	1,094	1,101	1,105	1,091	1,091	1,086
8 1-family	382	400	524	552	557	571	582	589	589	586	573	568	575
9 2-or-more-family	301	320	479	480	477	494	509	506	512	519	517	523	511
10 Completed	1,266	1,005	1,390	1,606	1,565	1,590	1,654	1,756	1,739	1,718	1,689	1,649	1,579
11 1-family	818	631	924	1,014	1,034	1,031	974	1,081	1,051	1,076	1,039	1,054	934
12 2-or-more-family	447	374	466	592	531	559	680	675	688	642	650	595	645
13 Mobile homes shipped	241	240	295	314	293	287	287	295	301	301	303	277	301
Merchant builder activity in 1-family units													
14 Number sold	436	413	622	681	712	682	649	616	635	615r	563	666	680
15 Number for sale, end of period[1]	278	255	304	302	320	320	328	333	339	341r	345	345	348
Price (thousands of dollars)[2]													
Median													
16 Units sold	68.8	69.3	75.5	76.2	79.2	78.4	79.6	81.4	80.5	80.7r	81.3	80.1	79.7
Average													
17 Units sold	83.1	83.8	89.9	92.2	94.4	97.7	96.2	101.9	98.8	97.1r	96.9	99.4	93.7
EXISTING UNITS (1-family)													
18 Number sold	2,418	1,991	2,719	2,890	2,910	3,020	3,090	3,060	2,960	2,770	2,700	2,670	2,670
Price of units sold (thousands of dollars)[2]													
19 Median	66.1	67.7	69.8	71.3	71.8	72.2	72.5	73.1	73.8	74.5	73.7	72.1	72.3
20 Average	78.0	80.4	82.5	84.8	84.9	85.1	86.1	86.2	87.7	88.2	87.8	85.6	86.3
	Value of new construction[3] (millions of dollars)												
CONSTRUCTION													
21 **Total put in place**	239,112	230,068	262,167	280,897	300,355	309,744	308,596	316,398	315,279	310,978	310,984	310,530	315,766
22 Private	185,761	179,090	211,369	229,972	248,104	254,958	254,057	261,182	257,789	254,778	254,492	253,180	258,011
23 Residential	86,564	74,808	111,727	121,931	137,403	141,087	136,577	138,401	136,418	135,288	133,776	131,254	134,020
24 Nonresidential, total	99,197	104,282	99,642	108,041	110,701	113,871	117,480	122,781	121,371	119,490	120,716	121,926	123,991
Buildings													
25 Industrial	17,031	17,346	12,863	12,872	13,969	14,363	13,633	15,170	14,065	13,585	14,533	14,789	14,462
26 Commercial	34,243	37,281	35,787	41,057	42,076	45,280	47,353	49,719	48,947	48,259	49,485	50,793	52,543
27 Other	9,543	10,507	11,660	12,742	12,999	13,190	13,271	13,821	13,327	12,861	12,019	12,145	12,069
28 Public utilities and other	38,380	39,148	39,332	41,370	41,657	41,038	43,223	44,071	45,032	44,785	44,679	44,199	44,917
29 Public	53,346	50,977	50,798	50,925	52,251	54,786	54,539	55,216	57,490	56,200	56,493	57,350	57,754
30 Military	1,966	2,205	2,544	2,608	2,474	2,872	2,827	2,649	2,703	2,429	2,649	2,698	2,721
31 Highway	13,599	13,428	14,225	14,240	14,993	16,205	16,781	16,949	16,824	17,161	17,050	17,366	17,354
32 Conservation and development	5,300	5,029	4,822	4,319	4,608	4,531	4,518	4,356	4,492	4,537	4,551	4,872	4,846
33 Other	32,481	30,315	29,207	29,758	30,176	31,178	30,413	31,262	33,471	32,073	32,243	32,414	32,833

1. Not at annual rates.
2. Not seasonally adjusted.
3. Value of new construction data in recent periods may not be strictly comparable with data in prior periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

NOTE. Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are those reported to the Census Bureau from 16,000 jurisdictions beginning with 1978.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (at annual rate)				Change from 1 month earlier					Index level Nov. 1984 (1967 = 100)[1]
	1983 Nov.	1984 Nov.	1983 Dec.	1984 Mar.	1984 June	1984 Sept.	1984 July	1984 Aug.	1984 Sept.	1984 Oct.	1984 Nov.	
CONSUMER PRICES[2]												
1 **All items**	**3.2**	**4.0**	**4.0**	**5.0**	**3.3**	**4.5**	**.3**	**.5**	**.4**	**.4**	**.2**	**315.3**
2 Food	2.1	4.0	4.3	9.0	−.7	3.4	.3	.6	−.1	.4	.2	304.1
3 Energy items	−.6	.5	−1.7	−1.4	.8	1.7	−.3	.1	.6	.3	.2	421.8
4 All items less food and energy	4.3	4.7	4.9	5.1	4.7	5.4	.4	.5	.4	.3	.3	306.9
5 Commodities	5.2	3.3	4.6	3.4	3.7	4.0	.2	.4	.5	.2	.0	257.0
6 Services	3.5	5.5	5.3	5.9	5.3	6.2	.6	.5	.4	.5	.4	364.0
PRODUCER PRICES												
7 Finished goods	.7	1.9	1.1	5.7	−.4	.4	.3[r]	.0[r]	−.2	−.2	.5	292.3
8 Consumer foods	1.7	4.0	5.8	16.9	−8.5	3.3	1.3[r]	.0[r]	−.4	.1	.7	272.3
9 Consumer energy	−9.0	−3.9	−10.4	−8.1	7.5	−16.7	−1.8[r]	−1.9[r]	−.8	1.5	.6	747.4
10 Other consumer goods	2.2	2.2	1.5	4.5	1.3	2.5	.2	.4	.0	−.5	.5	247.9
11 Capital equipment	2.2	2.2	1.8	3.8	2.3	2.9	.2[r]	.4[r]	.0	−.6	.2	296.3
12 Intermediate materials[3]	1.4	1.9	2.5	2.9	3.3	−1.0	−.1	−.1	.0	.2	.3	326.1
13 Excluding energy	2.7	2.5	4.1	3.8	2.0	.4	.1[r]	.0[r]	.0	.2	.3	304.9
Crude materials												
14 Foods	6.6	.6	12.1	12.5	−21.7	−4.9	.4[r]	−1.6[r]	.0	−1.1	4.9	253.4
15 Energy	−5.8	−.2	−2.3	−1.6	4.0	1.0	.4	.7	−.8	−.3	−.9	779.9
16 Other	14.6	−2.1	2.4	−9.7	31.6	−14.0	−1.8	−3.1	1.2	−1.5	−1.5	254.8

1. Not seasonally adjusted.
2. Figures for consumer prices are those for all urban consumers and reflect a rental equivalence measure of homeownership after 1982.
3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

SOURCE. Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

Billions of current dollars except as noted; quarterly data are at seasonally adjusted annual rates.

Account	1981	1982	1983	1983		1984		
				Q3	Q4	Q1	Q2	Q3r
GROSS NATIONAL PRODUCT								
1 **Total**	**2,957.8**	**3,069.3**	**3,304.8**	**3,346.6**	**3,431.7**	**3,553.3**	**3,644.7**	**3,694.6**
By source								
2 Personal consumption expenditures	1,849.1	1,984.9	2,155.9	2,181.4	2,230.2	2,276.5	2,332.7	2,361.4
3 Durable goods	235.4	245.1	279.8	284.1	299.8	310.9	320.7	317.2
4 Nondurable goods	730.7	757.5	801.7	811.7	823.0	841.3	858.3	861.4
5 Services	883.0	982.2	1,074.4	1,085.7	1,107.5	1,124.4	1,153.7	1,182.8
6 Gross private domestic investment	484.2	414.9	471.6	491.9	540.0	623.8	627.0	662.8
7 Fixed investment	458.1	441.0	485.1	496.2	527.3	550.0	576.4	591.0
8 Nonresidential	353.9	349.6	352.9	353.9	383.9	398.8	420.8	435.7
9 Structures	135.3	142.1	129.7	126.2	136.6	142.2	150.0	151.4
10 Producers' durable equipment	218.6	207.5	223.2	227.8	247.3	256.7	270.7	284.2
11 Residential structures	104.3	91.4	132.2	142.3	143.4	151.2	155.6	155.3
12 Nonfarm	99.8	86.6	127.6	137.7	138.7	146.4	150.5	150.1
13 Change in business inventories	26.0	−26.1	−13.5	−4.3	12.7	73.8	50.6	71.8
14 Nonfarm	18.2	−24.0	−3.1	11.6	14.1	60.6	47.0	63.7
15 Net exports of goods and services	28.0	19.0	−8.3	−16.4	−29.8	−51.5	−58.7	−90.6
16 Exports	369.9	348.4	336.2	342.0	346.1	358.9	362.4	368.6
17 Imports	341.9	329.4	344.4	358.4	375.9	410.4	421.1	459.3
18 Government purchases of goods and services	596.5	650.5	685.5	689.8	691.4	704.4	743.7	761.0
19 Federal	228.9	258.9	269.7	269.2	266.3	267.6	296.4	302.0
20 State and local	367.6	391.5	415.8	420.6	425.1	436.8	447.4	458.9
By major type of product								
21 Final sales, total	2,931.7	3,095.4	3,318.3	3,350.9	3,419.0	3,479.5	3,594.1	3,622.8
22 Goods	1,294.8	1,276.7	1,355.7	1,373.1	1,423.9	1,498.0	1,544.8	1,549.1
23 Durable	530.4	499.9	555.3	576.9	607.4	632.3	647.9	654.7
24 Nondurable	764.3	776.9	800.4	796.2	816.5	865.7	896.9	894.4
25 Services	1,373.0	1,510.8	1,639.3	1,654.5	1,681.3	1,713.7	1,742.6	1,783.3
26 Structures	289.9	281.7	309.8	319.0	326.5	341.6	357.2	362.1
27 Change in business inventories	26.0	−26.1	−13.5	−4.3	12.7	73.8	50.6	71.8
28 Durable goods	7.3	−18.0	−2.1	12.5	14.5	34.9	18.2	41.7
29 Nondurable goods	18.8	−8.1	−11.3	−16.8	−1.7	38.9	32.4	30.1
30 **MEMO: Total GNP in 1972 dollars**	**1,512.2**	**1,480.0**	**1,534.7**	**1,550.2**	**1,572.7**	**1,610.9**	**1,638.8**	**1,645.2**
NATIONAL INCOME								
31 **Total**	**2,363.8**	**2,446.8**	**2,646.7**	**2,684.4**	**2,766.5**	**2,873.5**	**2,944.8**	**2,984.9**
32 Compensation of employees	1,765.4	1,864.2	1,984.9	2,000.7	2,055.4	2,113.4	2,159.2	2,191.9
33 Wages and salaries	1,493.2	1,568.7	1,658.8	1,670.8	1,715.4	1,755.9	1,793.3	1,819.1
34 Government and government enterprises	284.6	306.6	328.2	330.6	335.0	342.9	347.5	352.0
35 Other	1,208.6	1,262.2	1,331.1	1,340.3	1,380.4	1,413.0	1,445.8	1,467.1
36 Supplement to wages and salaries	272.2	295.5	326.2	329.9	340.0	357.4	365.9	372.8
37 Employer contributions for social insurance	132.3	140.0	153.1	153.9	157.9	169.4	172.4	174.7
38 Other labor income	140.0	155.5	173.1	175.9	182.1	188.1	193.5	198.1
39 Proprietors' income[1]	125.1	111.1	121.7	123.3	131.9	154.9	149.8	153.7
40 Business and professional[1]	93.6	89.2	107.9	112.1	114.6	122.5	126.3	126.4
41 Farm[1]	31.5	21.8	13.8	11.2	17.3	32.5	23.4	27.3
42 Rental income of persons[2]	42.3	51.5	58.3	56.2	60.4	61.0	62.0	63.0
43 Corporate profits[1]	189.9	159.1	225.2	245.0	260.0	277.4	291.1	282.8
44 Profits before tax[3]	221.2	165.5	203.2	227.4	225.5	243.3	246.0	224.8
45 Inventory valuation adjustment	−23.6	−9.5	−11.2	−19.3	−9.2	−13.5	−7.3	−.2
46 Capital consumption adjustment	−7.6	3.1	33.2	36.9	43.6	47.6	52.3	58.3
47 Net interest	241.0	260.9	256.6	259.2	258.9	266.8	282.8	293.5

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.48.

SOURCE. *Survey of Current Business* (Department of Commerce).

2.17 PERSONAL INCOME AND SAVING

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

Account	1981	1982	1983	1983		1984		
				Q3	Q4	Q1	Q2	Q3[r]
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**2,429.5**	**2,584.6**	**2,744.2**	**2,763.3**	**2,836.5**	**2,920.5**	**2,984.6**	**3,047.3**
2 Wage and salary disbursements	1,493.1	1,568.7	1,659.2	1,671.3	1,715.4	1,755.7	1,793.1	1,819.5
3 Commodity-producing industries	509.3	509.3	519.3	523.5	539.0	555.9	567.0	573.3
4 Manufacturing	385.5	382.9	395.2	399.1	411.9	424.6	432.2	436.4
5 Distributive industries	361.6	378.6	398.6	399.7	413.2	419.2	429.5	436.4
6 Service industries	337.7	374.3	413.1	417.0	428.2	437.9	449.3	457.3
7 Government and government enterprises	284.6	306.6	328.2	331.0	335.0	342.8	347.3	352.4
8 Other labor income	140.0	155.5	173.1	175.9	182.1	188.1	193.5	198.1
9 Proprietors' income[1]	125.1	111.1	121.7	123.3	131.9	154.9	149.8	153.7
10 Business and professional[1]	93.6	89.2	107.9	112.1	114.6	122.5	126.3	126.4
11 Farm[1]	31.5	21.8	13.8	11.2	17.3	32.5	23.4	27.3
12 Rental income of persons[2]	42.3	51.5	58.3	56.2	60.4	61.0	62.0	63.0
13 Dividends	64.3	66.5	70.3	70.7	72.8	75.0	77.2	78.5
14 Personal interest income	331.8	366.6	376.3	382.3	388.2	403.9	425.6	449.3
15 Transfer payments	337.3	376.1	405.0	403.9	408.8	411.3	415.2	418.6
16 Old-age survivors, disability, and health insurance benefits	182.0	204.5	221.6	222.4	227.7	232.1	235.2	238.2
17 LESS: Personal contributions for social insurance	104.5	111.4	119.6	120.4	123.2	129.6	131.8	133.4
18 EQUALS: Personal income	2,429.5	2,584.6	2,744.2	2,763.3	2,836.5	2,920.5	2,984.6	3,047.3
19 LESS: Personal tax and nontax payments	387.7	404.1	404.2	395.8	407.9	418.3	430.3	440.9
20 EQUALS: Disposable personal income	2,041.7	2,180.5	2,340.1	2,367.4	2,428.6	2,502.2	2,554.3	2,606.4
21 LESS: Personal outlays	1,904.3	2,044.5	2,222.0	2,248.4	2,300.0	2,349.6	2,409.5	2,442.3
22 EQUALS: Personal saving	137.4	136.0	118.1	119.0	128.7	152.5	144.8	164.1
MEMO								
Per capita (1972 dollars)								
23 Gross national product	6,572.8	6,369.7	6,543.4	6,601.9	6,681.4	6,829.4	6,933.2	6,943.2
24 Personal consumption expenditures	4,131.4	4,145.9	4,302.8	4,325.2	4,386.0	4,426.5	4,502.3	4,498.4
25 Disposable personal income	4,561.0	4,555.0	4,670.0	4,694.0	4,776.0	4,865.0	4,930.0	4,965.0
26 Saving rate (percent)	6.7	6.2	5.0	5.0	5.3	6.1	5.7	6.3
GROSS SAVING								
27 **Gross saving**	**484.3**	**408.8**	**437.2**	**455.2**	**485.7**	**543.9**	**551.0**	**556.4**
28 Gross private saving	509.9	524.0	571.7	588.6	615.0	651.3	660.2	689.4
29 Personal saving	137.4	136.0	118.1	119.0	128.7	152.5	144.8	164.1
30 Undistributed corporate profits[1]	42.3	29.2	76.5	86.9	100.0	107.0	115.3	118.4
31 Corporate inventory valuation adjustment	-23.6	-9.5	-11.2	-19.3	-9.2	-13.5	-7.3	-.2
Capital consumption allowances								
32 Corporate	202.6	221.8	231.2	233.4	236.4	239.9	244.1	248.1
33 Noncorporate	127.6	137.1	145.9	149.4	150.0	151.8	156.0	158.8
34 Wage accruals less disbursements	.0	.0	.0	.0	.0	.0	.0	.0
35 Government surplus, or deficit (-), national income and product accounts	-26.7	-115.3	-134.5	-133.5	-129.3	-107.4	-109.2	-133.0
36 Federal	-64.3	-148.2	-178.6	-180.9	-180.5	-161.3	-163.7	-180.6
37 State and local	37.6	32.9	44.1	47.4	51.2	53.9	54.5	47.6
38 Capital grants received by the United States, net	1.1	.0	.0	.0	.0	.0	.0	.0
39 **Gross investment**	**490.0**	**408.3**	**437.7**	**450.3**	**480.9**	**546.1**	**542.0**	**543.4**
40 Gross private domestic	484.2	414.9	471.6	491.9	540.0	623.8	627.0	662.8
41 Net foreign	5.8	-6.6	-33.9	-41.5	-59.1	-77.7	-85.0	-119.4
42 **Statistical discrepancy**	**5.6**	**-.5**	**.5**	**-4.8**	**-4.8**	**2.2**	**-9.0**	**-13.0**

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

SOURCE. *Survey of Current Business* (Department of Commerce).

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.[1]

Item credits or debits	1981	1982	1983	1983		1984		
				Q3	Q4	Q1	Q2	Q3^p
1 Balance on current account	6,294	−9,199	−41,563	−11,846	−17,213	−19,673	−24,704	−32,900
2 Not seasonally adjusted	....	....	....	−14,498	−15,964	−18,616	−24,381	−35,471
3 Merchandise trade balance[2]	−28,001	−36,469	−61,055	−17,501	−19,407	−25,855	−25,845	−33,134
4 Merchandise exports	237,085	211,198	200,257	50,437	51,829	53,935	54,563	55,497
5 Merchandise imports	−265,086	−247,667	−261,312	−67,938	−71,236	−79,790	−80,408	−88,631
6 Military transactions, net	−1,116	195	515	−55	−273	−370	−404	−241
7 Investment income, net[3]	34,053	27,802	23,508	7,172	5,119	7,748	3,459	3,678
8 Other service transactions, net	8,191	7,331	4,121	681	434	951	243	−385
9 Remittances, pensions, and other transfers	−2,382	−2,635	−2,590	−665	−688	−717	−726	−711
10 U.S. government grants (excluding military)	−4,451	−5,423	−6,060	−1,478	−2,398	−1,430	−1,431	−2,107
11 Change in U.S. government assets, other than official reserve assets, net (increase, −)	−5,107	−6,143	−5,013	−1,204	−1,429	−2,037	−1,235	−1,474
12 Change in U.S. official reserve assets (increase, −)	−5,175	−4,965	−1,196	529	−953	−657	−565	−799
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	−1,823	−1,371	−66	−209	545	−226	−288	−271
15 Reserve position in International Monetary Fund	−2,491	−2,552	−4,434	−88	−1,996	−200	−321	−331
16 Foreign currencies	−861	−1,041	3,304	826	498	−231	44	−197
17 Change in U.S. private assets abroad (increase, −)[3]	−100,694	−107,790	−43,281	−8,548	−12,461	705	−17,237	18,297
18 Bank-reported claims	−84,175	−111,070	−25,391	−2,871	−8,239	1,955	−20,612	18,359
19 Nonbank-reported claims	−1,181	6,626	−5,333	−233	−1,671	1,659	2,120	n.a.
20 U.S. purchase of foreign securities, net	−5,714	−8,102	−7,676	−1,571	−983	637	−820	−1,167
21 U.S. direct investments abroad, net[3]	−9,624	4,756	−4,881	−3,873	−1,568	−3,546	2,075	1,105
22 Change in foreign official assets in the United States (increase, +)	5,003	3,318	5,339	−2,703	6,555	−2,784	−345	−1,022
23 U.S. Treasury securities	5,019	5,728	6,989	−611	2,603	−288	−310	−577
24 Other U.S. government obligations	1,289	−694	−487	−363	417	−8	147	85
25 Other U.S. government liabilities[4]	−300	382	199	137	161	242	448	−244
26 Other U.S. liabilities reported by U.S. banks	−3,670	−1,747	433	−1,403	3,498	−2,131	349	201
27 Other foreign official assets[5]	2,665	−351	−1,795	−463	−124	−599	−979	−487
28 Change in foreign private assets in the United States (increase, +)[3]	76,310	91,863	76,383	22,281	27,249	18,444	40,750	7,256
29 U.S. bank-reported liabilities	42,128	65,922	49,059	14,792	22,325	8,775	20,789	−3,879
30 U.S. nonbank-reported liabilities	917	−2,383	−1,318	1,311	−228	4,404	4,055	n.a.
31 Foreign private purchases of U.S. Treasury securities, net	2,946	7,062	8,731	995	1,673	1,358	6,477	5,153
32 Foreign purchases of other U.S. securities, net	7,171	6,396	8,612	1,861	1,134	1,516	587	1,684
33 Foreign direct investments in the United States, net[3]	23,148	14,865	11,299	3,322	2,345	2,391	8,842	4,298
34 Allocation of SDRs	1,093	0	0	0	0	0	0	0
35 Discrepancy	22,275	32,916	9,331	1,491	−1,748	6,002	3,336	10,642
36 Owing to seasonal adjustments	....	....	....	−2,518	2,657	−154	−104	−2,386
37 Statistical discrepancy in recorded data before seasonal adjustment	22,275	32,916	9,331	4,009	−4,405	6,156	3,440	13,028
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, −)	−5,175	−4,965	−1,196	529	−953	−657	−565	−799
39 Foreign official assets in the United States (increase, +)	5,303	2,936	5,140	−2,840	6,394	−3,026	−793	−778
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	13,581	7,291	−8,639	−2,051	−1,640	−2,447	−2,170	2,274
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	675	593	205	49	84	41	44	45

1. Seasonal factors are no longer calculated for lines 6, 10, 12–16, 18–20, 22–34, and 38–41.
2. Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing; military exports are excluded from merchandise data and are included in line 6.
3. Includes reinvested earnings.
4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.
5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE. Data are from Bureau of Economic Analysis, *Survey of Current Business* (Department of Commerce).

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1981	1982	1983	1984 Apr.	May	June	July	Aug.	Sept.	Oct.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	233,677	212,193	200,486	17,521	17,950	17,633	19,442	18,036	18,177	18,387
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	261,305	243,952	258,048	28,368	25,569	25,356	31,883	26,567	29,430	26,313
3 **Trade balance**	**−27,628**	**−31,759**	**−57,562**	**−10,846**	**−7,619**	**−7,723**	**−12,440**	**−8,531**	**−11,253**	**−7,926**

NOTE. The data through 1981 in this table are reported by the Bureau of Census data of a free-alongside-ship (f.a.s.) value basis—that is, value at the port of export. Beginning in 1981, foreign trade of the U.S. Virgin Islands is included in the Census basis trade data; this adjustment has been made for all data shown in the table. Beginning with 1982 data, the value of imports are on a customs valuation basis.

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustments are: (1) the addition of exports to Canada not covered in Census statistics, and (2) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately as indicated above.

SOURCE. FT900 "Summary of U.S. Export and Import Merchandise Trade" (Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1981	1982	1983	1984 May	June	July	Aug.	Sept.	Oct.	Nov.
1 **Total**	**30,075**	**33,958**	**33,747**	**34,713**	**34,547**	**34,392**	**34,760**	**34,306**	**34,570**	**34,727**
2 Gold stock, including Exchange Stabilization Fund[1]	11,151	11,148	11,121	11,104	11,100	11,099	11,098	11,097	11,096	11,096
3 Special drawing rights[2,3]	4,095	5,250	5,025	5,513	5,459	5,453	5,652	5,554	5,539	5,693
4 Reserve position in International Monetary Fund[2]	5,055	7,348	11,312	11,666	11,659	11,735	11,820	11,619	11,618	11,675
5 Foreign currencies[4]	9,774	10,212	6,289	6,430	6,329	6,105	6,190	6,036	6,317	6,263

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13. Gold stock is valued at $42.22 per fine troy ounce.
2. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.
3. Includes allocations by the International Monetary Fund of SDRs as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; $710 million on Jan. 1, 1972; $1,139 million on Jan. 1, 1979; $1,152 million on Jan. 1, 1980; and $1,093 million on Jan. 1, 1981; plus transactions in SDRs.
4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1981	1982	1983	1984 May	June	July	Aug.	Sept.	Oct.	Nov.
1 Deposits	505	328	190	295	238	215	242	206	270	392
Assets held in custody										
2 U.S. Treasury securities[1]	104,680	112,544	117,670	114,562	117,143	115,760	117,130	115,678	115,542	117,433
3 Earmarked gold[2]	14,804	14,716	14,414	14,268	14,266	14,270	14,258	14,256	14,260	14,265

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.
2. Earmarked gold is valued at $42.22 per fine troy ounce.

NOTE. Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1981	1982	1983	1984						
				Apr.	May[r]	June[r]	July[r]	Aug.[r]	Sept.	Oct.[p]
						All foreign countries				
1 **Total, all currencies**	**462,847**	**469,712**	**476,539**	**474,882**	**485,930**	**477,667**	**465,688**	**462,115**	**454,076**	**448,284**
2 Claims on United States	63,743	91,805	115,065	121,081	126,124	125,265	118,324	116,896	114,442	109,380
3 Parent bank	43,267	61,666	81,113	85,150	89,031	89,773	82,273	82,051	80,155	75,620
4 Other banks in United States[1]	20,476	30,139	33,952	35,931	37,093	14,536	14,529	13,560	13,264	12,740
5 Nonbanks[1]						20,956	21,522	21,285	21,023	21,020
6 Claims on foreigners	378,954	358,493	342,609	333,701	339,191	332,343	327,156	324,359	318,014	318,636
7 Other branches of parent bank	87,821	91,168	92,718	92,842	95,271	95,861	91,379	93,566	92,691	90,858
8 Banks	150,763	133,752	117,593	107,540	112,614	105,561	107,203	103,072	100,933	101,999
9 Public borrowers	28,197	24,131	24,508	24,775	24,345	23,381	23,440	22,641	22,498	22,974
10 Nonbank foreigners	112,173	109,442	107,790	108,544	106,963	107,540	105,134	105,080	101,892	102,805
11 Other assets	20,150	19,414	18,865	20,100	20,615	20,059	20,208	20,860	21,620	20,268
12 **Total payable in U.S. dollars**	**350,735**	**361,982**	**370,958**	**359,385**	**372,643**	**367,803**	**357,403**	**352,560**	**346,928**	**340,305**
13 Claims on United States	62,142	90,085	112,959	118,602	123,749	123,070	116,017	114,572	111,959	106,754
14 Parent bank	42,721	61,010	80,018	83,729	87,851	88,661	81,073	80,905	78,967	74,250
15 Other banks in United States[1]	19,421	29,075	32,941	34,873	35,898	14,294	14,195	13,211	12,871	12,448
16 Nonbanks[1]						20,115	20,749	20,456	20,121	20,056
17 Claims on foreigners	276,937	259,871	247,327	230,386	238,022	234,128	230,700	227,021	223,579	222,937
18 Other branches of parent bank	69,398	73,537	75,207	70,100	75,679	77,408	73,648	76,023	75,554	73,509
19 Banks	122,110	106,447	93,257	83,194	86,555	81,174	82,178	77,120	75,926	76,663
20 Public borrowers	22,877	18,413	17,881	17,957	17,613	17,007	17,149	16,781	16,887	17,246
21 Nonbank foreigners	62,552	61,474	60,982	59,135	58,175	58,539	57,725	57,097	55,212	55,519
22 Other assets	11,656	12,026	10,672	10,397	10,872	10,605	10,686	10,967	11,390	10,614
						United Kingdom				
23 **Total, all currencies**	**157,229**	**161,067**	**158,732**	**161,109**	**159,250**	**159,038**	**155,643**	**154,250**	**147,696**	**147,543**
24 Claims on United States	11,823	27,354	34,433	38,428	36,172	36,338	33,697	31,691	29,333	28,933
25 Parent bank	7,885	23,017	29,111	32,855	30,266	30,621	27,863	26,054	23,772	23,264
26 Other banks in United States[1]	3,938	4,337	5,322	5,573	5,906	1,252	1,273	1,087	1,327	1,214
27 Nonbanks[1]						4,465	4,561	4,550	4,234	4,455
28 Claims on foreigners	138,888	127,734	119,280	117,713	117,970	117,492	116,740	117,255	113,299	113,524
29 Other branches of parent bank	41,367	37,000	36,565	38,571	36,806	38,620	37,728	39,313	37,499	37,638
30 Banks	56,315	50,767	43,352	39,779	42,244	40,069	40,980	39,906	39,133	38,696
31 Public borrowers	7,490	6,240	5,898	6,072	5,992	5,876	5,786	5,510	5,330	5,441
32 Nonbank foreigners	33,716	33,727	33,465	33,291	32,928	32,927	32,246	32,526	31,337	31,749
33 Other assets	6,518	5,979	5,019	4,968	5,108	5,208	5,206	5,304	5,064	5,086
34 **Total payable in U.S. dollars**	**115,188**	**123,740**	**126,012**	**123,174**	**122,406**	**123,933**	**120,488**	**118,337**	**114,358**	**113,292**
35 Claims on United States	11,246	26,761	33,756	37,598	35,234	35,387	32,587	30,641	28,282	27,898
36 Parent bank	7,721	22,756	28,756	32,453	29,876	30,181	27,239	25,509	23,323	22,806
37 Other banks in United States[1]	3,525	4,005	5,000	5,145	5,358	1,144	1,149	950	1,195	1,113
38 Nonbanks[1]						4,062	4,199	4,182	3,764	3,979
39 Claims on foreigners	99,850	92,228	88,917	82,769	84,087	85,447	84,729	84,553	83,082	82,456
40 Other branches of parent bank	35,439	31,648	31,838	29,247	30,280	32,867	31,762	33,623	32,704	32,461
41 Banks	40,703	36,717	32,188	29,135	30,196	28,778	29,444	27,961	27,986	27,093
42 Public borrowers	5,595	4,329	4,194	4,408	4,296	4,284	4,288	3,983	3,879	4,063
43 Nonbank foreigners	18,113	19,534	20,697	19,979	19,315	19,518	19,235	18,986	18,513	18,839
44 Other assets	4,092	4,751	3,339	2,807	3,085	3,099	3,172	3,143	2,994	2,938
						Bahamas and Caymans				
45 **Total, all currencies**	**149,108**	**145,156**	**151,532**	**145,281**	**156,656**	**153,836**	**147,730**	**147,127**	**144,591**	**138,798**
46 Claims on United States	46,546	59,403	74,832	75,690	83,620	81,935	78,064	78,690	77,026	71,763
47 Parent bank	31,643	34,653	47,807	47,566	54,122	53,950	49,673	51,192	50,091	45,493
48 Other banks in United States[1]	14,903	24,750	27,025	28,124	29,498	12,378	12,358	11,540	11,072	10,716
49 Nonbanks[1]						15,607	16,033	15,958	15,863	15,554
50 Claims on foreigners	98,057	81,450	72,788	65,666	68,960	68,025	65,620	64,263	63,533	62,997
51 Other branches of parent bank	12,951	18,720	17,340	14,811	17,105	17,925	15,566	16,153	15,684	15,154
52 Banks	55,151	42,699	36,767	32,723	33,583	31,659	32,008	30,445	30,030	30,209
53 Public borrowers	10,010	6,413	6,084	6,005	5,922	5,993	6,000	5,883	6,119	6,040
54 Nonbank foreigners	19,945	13,618	12,597	12,127	12,350	12,448	12,046	11,782	11,700	11,594
55 Other assets	4,505	4,303	3,912	3,925	4,076	3,876	4,046	4,174	4,032	4,038
56 **Total payable in U.S. dollars**	**143,743**	**139,605**	**145,091**	**138,881**	**150,191**	**147,678**	**141,768**	**140,947**	**138,706**	**132,834**

1. Data for assets vis-a-vis other banks in the United States and vis-a-vis nonbanks are combined for dates prior to June 1984.

3.14 Continued

Liability account	1981	1982	1983	1984 Apr.	1984 May^r	1984 June^r	1984 July^r	1984 Aug.^r	1984 Sept.	1984 Oct.^p
	All foreign countries									
57 **Total, all currencies**	**462,847**	**469,712**	**476,539**	**474,882**	**485,930**	**477,667**	**465,688**	**462,115**	**454,076**	**448,284**
58 Negotiable CDs[2]	n.a.	n.a.	n.a.	n.a.	n.a.	43,437	41,311	41,649	39,857	38,512
59 To United States	137,767	179,015	187,602	184,451	191,086	162,371	155,047	152,448	147,596	140,006
60 Parent bank	56,344	75,621	80,537	75,594	80,353	80,710	77,795	76,966	75,039	74,756
61 Other banks in United States	19,197	33,405	29,107	27,151	27,851	22,818	22,051	19,693	20,091	18,913
62 Nonbanks	62,226	69,989	77,958	81,706	82,882	58,843	55,201	55,789	52,466	46,337
63 To foreigners	305,630	270,853	269,602	270,242	275,017	252,277	248,392	246,178	244,703	247,184
64 Other branches of parent bank	86,396	90,191	89,055	90,937	92,430	92,382	89,052	90,743	90,426	89,462
65 Banks	124,906	96,860	92,882	90,166	94,046	83,094	79,867	78,458	77,092	82,001
66 Official institutions	25,997	19,614	18,893	17,882	19,608	19,713	21,234	20,228	21,551	19,559
67 Nonbank foreigners	68,331	64,188	68,772	71,257	68,933	57,088	58,239	56,749	55,634	56,162
68 Other liabilities	19,450	19,844	19,335	20,189	19,827	19,582	20,938	21,840	21,920	22,582
69 **Total payable in U.S. dollars**	**364,447**	**379,270**	**387,740**	**375,443**	**390,725**	**385,140**	**374,590**	**370,090**	**364,267**	**356,236**
70 Negotiable CDs[2]	n.a.	n.a.	n.a.	n.a.	n.a.	40,868	39,004	39,603	37,620	36,127
71 To United States	134,700	175,528	183,837	180,149	186,807	157,826	150,789	147,915	143,096	135,756
72 Parent bank	54,492	73,295	78,328	73,168	77,894	78,017	75,287	74,380	72,267	72,245
73 Other banks in United States	18,883	33,040	28,573	26,564	27,198	22,228	21,418	19,019	19,428	18,259
74 Nonbanks	61,325	69,193	76,936	80,417	81,715	57,581	54,084	54,516	51,401	45,252
75 To foreigners	217,602	192,510	194,056	185,165	193,940	176,540	174,419	171,794	172,932	173,426
76 Other branches of parent bank	69,299	72,921	72,002	69,096	73,556	74,444	71,434	73,445	73,412	72,139
77 Banks	79,594	57,463	57,015	50,874	54,937	46,998	44,877	42,343	42,723	46,217
78 Official institutions	20,288	15,055	13,852	13,347	14,835	14,300	16,118	15,477	16,850	14,915
79 Nonbank foreigners	48,421	47,071	51,187	51,848	50,612	40,798	41,990	40,529	39,947	40,155
80 Other liabilities	12,145	11,232	9,847	10,129	9,978	9,906	10,378	10,778	10,619	10,927
	United Kingdom									
81 **Total, all currencies**	**157,229**	**161,067**	**158,732**	**161,109**	**159,250**	**159,038**	**155,643**	**154,250**	**147,696**	**147,543**
82 Negotiable CDs[2]	n.a.	n.a.	n.a.	n.a.	n.a.	39,840	37,998	38,265	36,600	34,948
83 To United States	38,022	53,954	55,799	56,526	55,353	31,949	29,682	29,667	27,255	26,558
84 Parent bank	5,444	13,091	14,021	16,311	17,820	18,532	16,730	18,127	16,130	16,598
85 Other banks in United States	7,502	12,205	11,328	10,542	9,487	4,701	4,277	3,548	3,422	3,388
86 Nonbanks	25,076	28,658	30,450	29,673	28,046	8,716	8,675	7,992	7,703	6,572
87 To foreigners	112,255	99,567	95,847	97,064	96,530	79,802	80,261	78,469	75,926	77,985
88 Other branches of parent bank	16,545	18,361	19,038	21,939	20,791	21,298	21,459	22,252	21,536	21,023
89 Banks	51,336	44,020	41,624	40,751	41,597	32,917	31,435	30,735	28,997	32,436
90 Official institutions	16,517	11,504	10,151	9,403	10,377	10,104	11,301	10,480	10,625	9,650
91 Nonbank foreigners	27,857	25,682	25,034	24,971	23,765	15,483	16,066	15,002	14,768	14,876
92 Other liabilities	6,952	7,546	7,086	7,519	7,367	7,447	7,702	7,849	7,915	8,052
93 **Total payable in U.S. dollars**	**120,277**	**130,261**	**131,167**	**128,369**	**128,446**	**128,922**	**126,294**	**124,260**	**119,337**	**117,957**
94 Negotiable CDs[2]	n.a.	n.a.	n.a.	n.a.	n.a.	38,463	36,757	37,219	35,398	33,736
95 To United States	37,332	53,029	54,691	55,201	54,094	30,602	28,349	28,027	25,738	25,178
96 Parent bank	5,350	12,814	13,839	16,127	17,624	18,244	16,390	17,701	15,679	16,209
97 Other banks in United States	7,249	12,026	11,044	10,292	9,200	4,486	4,018	3,244	3,102	3,144
98 Nonbanks	24,733	28,189	29,808	28,782	27,270	7,872	7,941	7,082	6,957	5,825
99 To foreigners	79,034	73,477	73,279	69,739	70,955	56,274	57,495	55,337	54,615	55,482
100 Other branches of parent bank	12,048	14,300	15,403	14,801	15,907	17,362	17,472	18,384	18,175	17,600
101 Banks	32,298	28,810	29,320	27,286	27,308	19,541	18,197	16,984	16,016	18,309
102 Official institutions	13,612	9,668	8,279	7,650	8,760	8,121	9,610	8,920	9,375	8,306
103 Nonbank foreigners	21,076	20,699	20,277	20,002	18,980	11,205	12,216	11,049	11,049	11,267
104 Other liabilities	3,911	3,755	3,197	3,429	3,397	3,583	3,693	3,677	3,586	3,561
	Bahamas and Caymans									
105 **Total, all currencies**	**149,108**	**145,156**	**151,532**	**145,281**	**156,656**	**153,836**	**147,730**	**147,127**	**144,591**	**138,798**
106 Negotiable CDs[2]	n.a.	n.a.	n.a.	n.a.	n.a.	1,081	979	898	779	870
107 To United States	85,759	104,425	110,831	107,432	114,761	110,839	106,155	103,730	100,704	95,092
108 Parent bank	39,451	47,081	50,256	43,523	46,313	45,734	44,827	42,181	42,077	42,850
109 Other banks in United States	10,474	18,466	15,711	15,208	16,930	16,633	16,184	14,742	15,459	14,143
110 Nonbanks	35,834	38,878	44,864	48,701	51,518	48,472	45,144	46,807	43,168	38,099
111 To foreigners	60,012	38,274	38,362	35,502	39,376	39,334	37,814	39,598	40,213	39,855
112 Other branches of parent bank	20,641	15,796	13,376	12,858	14,033	13,873	12,381	14,446	15,283	14,823
113 Banks	23,202	10,166	11,869	9,859	12,111	12,497	12,636	12,200	11,978	13,059
114 Official institutions	3,498	1,967	1,916	1,869	2,197	2,681	2,427	2,674	3,028	2,211
115 Nonbank foreigners	12,671	10,345	11,201	10,916	11,035	10,283	10,370	10,278	9,924	9,762
116 Other liabilities	3,337	2,457	2,339	2,347	2,519	2,582	2,782	2,901	2,895	2,981
117 **Total payable in U.S. dollars**	**145,284**	**141,908**	**147,727**	**141,040**	**152,515**	**149,766**	**143,779**	**143,102**	**140,936**	**135,164**

2. Before June 1984, liabilities on negotiable CDs were included in liabilities to the United States or liabilities to foreigners, according to the address of the initial purchaser.

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1982	1983	1984 Apr.	May	June	July	Aug.	Sept.	Oct.[p]
1 **Total**[1]	**172,718**	**177,951**[r]	**175,327**	**172,018**	**174,133**	**174,326**	**177,326**	**173,372**	**176,017**
By type									
2 Liabilities reported by banks in the United States[2]	24,989	25,534[r]	23,836	23,204	23,737	25,653	26,381	23,954	26,725
3 U.S. Treasury bills and certificates[3]	46,658	54,341	53,171	51,035	53,977	51,974	54,022	54,627	55,780
U.S. Treasury bonds and notes									
4 Marketable	67,733	68,514	70,176	69,818	68,947	69,125	70,491	68,520	67,648
5 Nonmarketable[4]	8,750	7,250	6,600	6,600	6,600	6,600	5,800	5,800	5,800
6 U.S. securities other than U.S. Treasury securities[5]	24,588	22,305[r]	21,544	21,361	20,872	20,974	20,632	20,471	20,064
By area									
7 Western Europe[1]	61,298	67,645	69,926	69,971	70,168	68,524	70,449	68,060	68,543
8 Canada	2,070	2,438	1,557	1,247	994	1,250	1,434	1,069	1,321
9 Latin America and Caribbean	6,057	6,248	7,461	6,472	7,070	7,118	8,170	7,052	8,109
10 Asia	96,034	92,572[r]	88,534	86,521	88,427	90,321	90,464	90,399	91,480
11 Africa	1,350	958	941	1,179	996	970	838	897	967
12 Other countries[6]	5,909	8,090[r]	6,908	6,628	6,478	6,143	5,971	5,895	5,597

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.

NOTE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies

Millions of dollars, end of period

Item	1980	1981	1982	1983 Dec.	1984 Mar.	June	Sept.[p]
1 Banks' own liabilities	3,748	3,523	4,844	5,219	5,672	6,402	5,901
2 Banks' own claims	4,206	4,980	7,707	7,231	9,034	9,623	9,048
3 Deposits	2,507	3,398	4,251	2,731	4,024	4,280	3,738
4 Other claims	1,699	1,582	3,456	4,501	5,010	5,344	5,310
5 Claims of banks' domestic customers[1]	962	971	676	1,059	361	227	281

1. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

NOTE. Data on claims exclude foreign currencies held by U.S. monetary authorities.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars

Millions of dollars, end of period

Holder and type of liability	1981▲	1982	1983	1984						
				Apr.	May	June	July	Aug.r	Sept.	Oct.p
1 **All foreigners**	**243,889**	**307,056**	**369,584**	**380,158**	**393,754**	**400,492**	**396,376**	**394,474**	**398,300**	**389,713**
2 Banks' own liabilities	163,817	227,089	279,002r	286,954	301,352	303,779	300,731	294,632	299,434	290,227
3 Demand deposits	19,631	15,889	17,485	17,176	17,196	17,621	16,384	16,229	17,214	16,482
4 Time deposits[1]	29,039	68,797	90,597	96,876	103,390	105,347	109,392	107,541	111,320	109,598
5 Other[2]	17,647	23,184	25,815	24,084	23,722	23,100	25,546	23,630	22,579	24,178
6 Own foreign offices[3]	97,500	119,219	145,105	148,817	157,044	157,711	149,409	147,232	148,321	139,970
7 Banks' custody liabilities[4]	80,072	79,967	90,582	93,205	92,402	96,713	95,646	99,842	98,866	99,486
8 U.S. Treasury bills and certificates[5]	55,315	55,628	68,669	69,893	68,511	72,191	71,244	74,148	73,160	73,829
9 Other negotiable and readily transferable instruments[6]	18,788	20,636	17,529	18,703	18,780	19,518	19,411	20,567	20,833	20,271
10 Other	5,970	3,702	4,385	4,608	5,112	5,003	4,990	5,127	4,873	5,386
11 **Nonmonetary international and regional organizations[7]**	**2,721**	**4,922**	**5,957**	**6,356**	**5,316**	**5,055**	**5,344**	**5,748**	**6,279**	**4,846**
12 Banks' own liabilities	638	1,909	4,632	3,528	2,229	2,920	2,612	1,960	3,305	2,098
13 Demand deposits	262	106	297	194	255	182	142	325	209	144
14 Time deposits[1]	58	1,664	3,584	2,468	1,640	2,209	2,213	1,446	2,526	1,593
15 Other[2]	318	139	750	866	335	529	257	189	570	361
16 Banks' custody liabilities[4]	2,083	3,013	1,325	2,827	3,087	2,135	2,732	3,788	2,975	2,748
17 U.S. Treasury bills and certificates	541	1,621	463	1,759	2,057	887	1,709	2,722	1,834	1,455
18 Other negotiable and readily transferable instruments[6]	1,542	1,392	862	1,068	1,030	1,248	1,023	1,067	1,140	1,292
19 Other	0	0	0	0	0	0	0	0	0	0
20 **Official institutions[8]**	**79,126**	**71,647**	**79,876**	**77,007**	**74,240**	**77,714**	**77,627**	**80,403**	**78,581**	**82,505**
21 Banks' own liabilities	17,109	16,640	19,427	17,534	16,859	16,616	18,379	18,222	16,190	19,089
22 Demand deposits	2,564	1,899	1,837	1,761	1,729	1,898	1,875	2,003	1,978	1,710
23 Time deposits[1]	4,230	5,528	7,318	7,483	7,263	7,548	7,958	8,060	7,808	8,587
24 Other[2]	10,315	9,212	10,272	8,290	7,868	7,169	8,546	8,158	6,404	8,793
25 Banks' custody liabilities[4]	62,018	55,008	60,448	59,473	57,380	61,098	59,248	62,181	62,391	63,416
26 U.S. Treasury bills and certificates[5]	52,389	46,658	54,341	53,171	51,035	53,977	51,974	54,022	54,627	55,780
27 Other negotiable and readily transferable instruments[6]	9,581	8,321	6,082	6,287	6,307	7,030	7,265	8,149	7,746	7,616
28 Other	47	28	25	15	38	91	9	10	18	20
29 **Banks[9]**	**136,008**	**185,881**	**226,810**	**234,524**	**249,204**	**251,783**	**247,716**	**241,604**	**245,863**	**234,307**
30 Banks' own liabilities	124,312	169,449	205,270	212,051	226,054	227,195	222,401	216,133	220,971	209,648
31 Unaffiliated foreign banks	26,812	50,230	60,165	63,234	69,010	69,484	72,993	68,900	72,650	69,679
32 Demand deposits	11,614	8,675	8,773	8,797	8,879	9,074	8,203	7,884	8,459	8,388
33 Time deposits[1]	8,720	28,386	37,412	40,211	45,287	45,699	48,719	46,853	49,256	46,772
34 Other[2]	6,477	13,169	13,979	14,225	14,845	14,711	16,070	14,164	14,935	14,518
35 Own foreign offices[3]	97,500	119,219	145,105	148,817	157,044	157,711	149,409	147,232	148,321	139,970
36 Banks' custody liabilities[4]	11,696	16,432	21,540	22,473	23,150	24,588	25,315	25,471	24,892	24,659
37 U.S. Treasury bills and certificates	1,685	5,809	10,178	10,795	11,182	12,771	13,022	12,766	12,234	12,362
38 Other negotiable and readily transferable instruments[6]	4,400	7,857	7,485	7,586	7,523	7,446	7,867	8,172	8,421	7,802
39 Other	5,611	2,766	3,877	4,092	4,445	4,371	4,426	4,534	4,236	4,494
40 **Other foreigners**	**26,035**	**44,606**	**56,942**	**62,272**	**64,994**	**65,940**	**65,689**	**66,719**	**67,576**	**68,055**
41 Banks' own liabilities	21,759	39,092	49,672	53,840	56,209	57,048	57,338	58,318	58,968	59,391
42 Demand deposits	5,191	5,209	6,577	6,423	6,333	6,466	6,163	6,017	6,567	6,240
43 Time deposits	16,030	33,219	42,283	46,714	49,201	49,891	50,502	51,182	51,730	52,646
44 Other[2]	537	664	813	703	675	691	672	1,120	671	506
45 Banks' custody liabilities[4]	4,276	5,514	7,269	8,431	8,785	8,892	8,351	8,401	8,609	8,664
46 U.S. Treasury bills and certificates	699	1,540	3,686	4,168	4,238	4,556	4,540	4,639	4,465	4,232
47 Other negotiable and readily transferable instruments[6]	3,265	3,065	3,100	3,763	3,919	3,795	3,255	3,180	3,525	3,560
48 Other	312	908	483	501	628	541	556	582	619	872
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	10,747	14,307	10,407	10,128	10,630	10,986	10,930	11,415	10,512	10,694

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."
2. Includes borrowing under repurchase agreements.
3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank.
4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.
5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.
8. Foreign central banks and foreign central governments, and the Bank for International Settlements.
9. Excludes central banks, which are included in "Official institutions."

3.17 Continued

Area and country	1981▲	1982	1983	1984						
				Apr.	May	June	July	Aug.r	Sept.	Oct.p
1 **Total**	**243,889**	**307,056**	**369,584**	**380,158**	**393,754**	**400,492**	**396,376**	**394,474**	**398,300**	**389,713**
2 **Foreign countries**	**241,168**	**302,134**	**363,627**	**373,803**	**388,438**	**395,437**	**391,033**	**388,726**	**392,020**	**384,867**
3 Europe	91,275	117,756	138,045	147,775	151,532	156,041	152,529	150,742	147,024	146,360
4 Austria	596	519	585	883	867	770	720	758	693	744
5 Belgium-Luxembourg	4,117	2,517	2,709	3,585	4,680	5,138	4,775	4,789	4,278	4,093
6 Denmark	333	509	466	307	378	291	429	408	341	337
7 Finland	296	748	531	485	405	1,248	947	489	638	427
8 France	8,486	8,171	9,441	10,735	12,119	11,670	12,031	11,539	11,547	11,601
9 Germany	7,645	5,351	3,599	5,205	3,990	3,663	3,961	3,758	3,036	3,331
10 Greece	463	537	520	528	594	596	600	566	567	610
11 Italy	7,267	5,626	8,462	7,813	8,315	8,155	6,960	8,370	8,266	8,976
12 Netherlands	2,823	3,362	4,290	5,043	5,030	5,735	5,615	5,116	5,334	4,420
13 Norway	1,457	1,567	1,673	1,847	1,536	2,084	1,624	2,026	1,817	1,895
14 Portugal	354	388	373	414	401	425	440	539	434	540
15 Spain	916	1,405	1,603	1,707	1,663	1,774	1,825	1,971	1,984	1,905
16 Sweden	1,545	1,390	1,799	1,673	1,962	1,486	1,833	2,095	2,008	1,945
17 Switzerland	18,716	29,066	32,219	32,769	32,704	35,137	33,311	32,876	33,005	32,505
18 Turkey	518	296	467	335	444	315	340	354	320	557
19 United Kingdom	28,286	48,172	60,683	67,841	69,006	69,885	69,767	67,976	65,306	65,489
20 Yugoslavia	375	499	562	448	511	556	525	435	514	579
21 Other Western Europe[1]	6,541	7,006	7,403	5,584	6,389	6,459	6,349	6,101	6,156	5,881
22 U.S.S.R.	49	50	65	61	53	41	31	47	41	50
23 Other Eastern Europe[2]	493	576	596	510	484	612	447	532	738	477
24 Canada	10,250	12,232	16,026	16,707	17,455	17,572	19,221	18,170	17,534	16,766
25 Latin America and Caribbean	85,223	114,163	140,174	144,076	152,187	151,684	148,023	149,072	152,252	145,968
26 Argentina	2,445	3,578	4,038	4,657	4,583	4,535	4,439	4,411	4,377	4,484
27 Bahamas	34,856	44,744	55,842	57,000	62,634	61,141	58,414	58,177	58,609	53,285
28 Bermuda	765	1,572	2,328	3,111	3,276	2,598	2,544	2,763	3,177	3,036
29 Brazil	1,568	2,014	3,168	3,808	3,568	3,690	4,120	4,697	4,427	4,717
30 British West Indies	17,794	26,381	34,545	32,974	33,847	34,678	33,953	33,789	35,832	34,260
31 Chile	664	1,626	1,842	1,972	1,887	1,970	2,176	2,070	1,874	2,052
32 Colombia	2,993	2,594	1,689	1,814	1,767	1,809	1,801	1,791	1,957	2,022
33 Cuba	9	9	8	8	10	9	7	7	8	8
34 Ecuador	434	455	1,047	969	881	908	845	951	931	924
35 Guatemala	479	670	788	850	842	825	811	831	810	856
36 Jamaica	87	126	109	127	126	157	116	126	180	122
37 Mexico	7,235	8,377	10,392	11,210	11,874	11,976	11,722	12,268	12,869	12,466
38 Netherlands Antilles	3,182	3,597	3,879	4,681	4,666	4,459	4,253	4,261	4,179	4,186
39 Panama	4,857	4,805	5,924	5,472	6,283	6,652	6,664	6,506	6,808	6,566
40 Peru	694	1,147	1,166	1,182	1,249	1,279	1,278	1,273	1,343	1,304
41 Uruguay	367	759	1,244	1,343	1,380	1,309	1,302	1,319	1,418	1,574
42 Venezuela	4,245	8,417	8,632	9,081	9,432	10,129	9,684	10,046	9,615	10,154
43 Other Latin America and Caribbean	2,548	3,291	3,535	3,817	3,882	3,559	3,895	3,786	3,839	3,951
44 Asia	49,822	48,716	58,488	55,039	57,199	60,201	61,726	61,540	66,137	66,593
China										
45 Mainland	158	203	249	302	400	469	644	671	876	861
46 Taiwan	2,082	2,761	3,997	4,388	4,364	4,578	4,797	4,799	4,970	5,041
47 Hong Kong	3,950	4,465	6,657	5,501	5,862	6,416	6,117	6,110	6,948	6,422
48 India	385	433	464	651	646	498	621	800	644	616
49 Indonesia	640	857	997	784	897	1,281	911	1,137	939	1,339
50 Israel	592	606	1,722	716	754	768	804	726	750	2,018
51 Japan	20,750	16,078	18,079	18,862	20,522	19,433	19,442	19,792	21,344	19,938
52 Korea	2,013	1,692	1,648	1,414	1,337	1,276	1,393	1,641	1,572	1,637
53 Philippines	874	770	1,234	1,015	1,130	1,032	976	1,084	1,020	1,097
54 Thailand	534	629	747	636	730	875	779	782	741	980
55 Middle-East oil-exporting countries[3]	12,992	13,433	12,970	12,269	11,615	12,341	14,748	13,200	13,756	13,797
56 Other Asia	4,853	6,789	9,725	8,501	8,943	11,234	10,496	10,796	12,577	12,847
57 Africa	3,180	3,124	2,827	3,182	3,140	3,331	3,145	3,052	3,018	3,337
58 Egypt	360	432	671	649	698	893	858	743	629	763
59 Morocco	32	81	84	127	132	133	128	119	136	115
60 South Africa	420	292	449	264	329	420	409	350	318	459
61 Zaire	26	23	87	119	124	136	99	101	148	141
62 Oil-exporting countries[4]	1,395	1,280	620	1,046	895	816	706	775	821	998
63 Other Africa	946	1,016	917	978	962	932	946	964	966	861
64 Other countries	1,419	6,143	8,067	7,023	6,925	6,609	6,389	6,150	6,055	5,843
65 Australia	1,223	5,904	7,857	6,803	6,685	6,316	6,095	5,749	5,687	5,464
66 All other	196	239	210	220	240	293	294	401	368	379
67 Nonmonetary international and regional organizations	2,721	4,922	5,957	6,356	5,316	5,055	5,344	5,748	6,279	4,846
68 International	1,661	4,049	5,273	5,641	4,741	4,436	4,740	4,973	5,411	4,131
69 Latin American regional	710	517	419	419	428	438	431	445	488	518
70 Other regional[5]	350	357	265	296	146	180	173	330	381	196

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

5. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1981▲	1982	1983	1984 Apr.	May	June	July	Aug.	Sept.	Oct.p
1 **Total**	**251,589**	**355,705**	**391,326**	**388,775**	**399,796**	**408,073**	**405,225**	**396,024r**	**393,038**	**381,571**
2 **Foreign countries**	**251,533**	**355,636**	**391,163**	**388,702**	**399,693**	**407,959**	**405,016**	**395,826r**	**392,967**	**380,889**
3 Europe	49,262	85,584	91,874	96,321	98,340	104,011	102,253	100,085r	97,658	94,638
4 Austria	121	229	401	679	456	632	646	581r	572	511
5 Belgium-Luxembourg	2,849	5,138	5,639	6,243	6,626	6,734	6,063	6,156r	6,281	5,375
6 Denmark	187	554	1,275	1,197	1,118	1,212	1,204	1,103	1,057	544
7 Finland	546	990	1,044	1,021	1,041	1,100	928	872r	882	887
8 France	4,127	7,251	8,766	8,734	9,029	9,393	9,732	10,010r	9,118	8,822
9 Germany	940	1,876	1,294	1,502	1,111	1,175	1,142	1,257r	1,219	1,096
10 Greece	333	452	476	830	940	1,036	979	974r	1,083	917
11 Italy	5,240	7,560	9,018	8,292	7,901	8,556	8,331	7,832	7,810	7,752
12 Netherlands	682	1,425	1,292	2,319	1,787	1,781	1,811	1,440r	1,470	1,204
13 Norway	384	572	690	705	719	729	648	649	650	676
14 Portugal	529	950	1,114	1,291	1,366	1,463	1,503	1,433	1,387	1,347
15 Spain	2,095	3,744	3,583	3,719	3,700	3,792	3,955	3,700	3,358	3,172
16 Sweden	1,205	3,038	3,358	3,646	2,957	3,206	2,677	2,404r	2,596	2,362
17 Switzerland	2,213	1,639	1,856	1,849	1,570	1,904	1,520	1,566r	1,741	2,067
18 Turkey	424	560	812	1,043	1,047	1,160	1,210	1,145	1,132	1,145
19 United Kingdom	23,849	45,781	47,273	49,097	52,850	55,941	55,543	54,727r	53,121	52,534
20 Yugoslavia	1,225	1,430	1,718	1,754	1,775	1,808	1,817	1,857	1,888	1,868
21 Other Western Europe[1]	211	368	477	651	565	571	800	732	664	658
22 U.S.S.R	377	263	192	179	172	175	172	175	176	162
23 Other Eastern Europe[2]	1,725	1,762	1,598	1,570	1,610	1,643	1,573	1,471	1,455	1,539
24 Canada	9,193	13,678	16,341	17,033	17,879	17,524	18,350	16,326r	16,591	16,629
25 Latin America and Caribbean	138,347	187,969	205,426	202,451	210,153	208,990	209,162	203,428r	202,734	197,437
26 Argentina	7,527	10,974	11,749	11,411	11,071	11,162	11,381	11,021	11,107	11,012
27 Bahamas	43,542	56,649	59,597	56,958	61,526	58,963	58,475	56,609	55,651	52,191
28 Bermuda	346	603	566	614	845	559	543	509r	509	551
29 Brazil	16,926	23,271	24,667	26,108	26,045	26,226	26,013	25,991r	26,140	26,132
30 British West Indies	21,981	29,101	35,488	34,477	36,788	37,490	38,754	35,356r	35,425	33,882
31 Chile	3,690	5,513	6,072	6,085	6,146	6,490	6,648	6,619r	6,836	6,782
32 Colombia	2,018	3,211	3,745	3,649	3,524	3,559	3,490	3,444	3,438	3,343
33 Cuba	3	3	0	4	0	21	0	0	0	0
34 Ecuador	1,531	2,062	2,307	2,335	2,332	2,373	2,396	2,380	2,364	2,452
35 Guatemala[3]	124	124	129	129	127	125	124	130	120	131
36 Jamaica[3]	62	181	215	227	220	216	219	216	225	234
37 Mexico	22,439	29,552	34,807	34,702	35,474	35,849	35,456	35,016	35,572	35,377
38 Netherlands Antilles	1,076	839	1,154	1,149	1,164	1,312	1,381	1,302r	1,291	1,318
39 Panama	6,794	10,210	7,848	7,679	7,990	7,843	7,660	8,202r	7,554	7,447
40 Peru	1,218	2,357	2,536	2,380	2,438	2,473	2,487	2,401	2,397	2,408
41 Uruguay	157	686	977	923	887	950	961	930	934	959
42 Venezuela	7,069	10,643	11,287	11,105	11,019	11,174	10,861	11,137	10,980	11,029
43 Other Latin America and Caribbean	1,844	1,991	2,283	2,514	2,557	2,205	2,313	2,165r	2,190	2,185
44 Asia	49,851	60,952	67,950	63,133	63,615	67,597	65,167	65,808r	65,881	62,148
China										
45 Mainland	107	214	292	428	348	554	640	639	563	411
46 Taiwan	2,461	2,288	1,908	1,654	1,562	2,202	2,011	1,573	1,650	1,582
47 Hong Kong	4,132	6,787	8,473	7,971	7,470	8,141	6,967	6,809	6,982	6,998
48 India	123	222	330	372	362	355	323	295	354	302
49 Indonesia	352	348	805	911	983	969	952	906	886	819
50 Israel	1,567	2,029	1,832	1,846	1,822	1,910	1,827	1,869	1,802	1,894
51 Japan	26,797	28,379	30,580	26,183	27,153	29,264	27,727	28,995r	30,625	26,911
52 Korea	7,340	9,387	9,962	10,306	9,595	9,653	9,799	9,558	9,609	9,262
53 Philippines	1,819	2,625	2,107	2,382	2,433	2,495	2,650	2,756	2,578	2,510
54 Thailand	565	643	1,104	1,018	1,143	949	974	1,089r	1,113	1,072
55 Middle East oil-exporting countries[4]	1,581	3,087	4,954	5,113	5,200	5,118	5,214	4,924	4,490	4,619
56 Other Asia	3,009	4,943	5,603	4,949	5,543	5,986	6,081	6,396	5,228	5,768
57 Africa	3,503	5,346	6,654	6,655	6,764	6,840	7,048	6,969r	6,829	6,869
58 Egypt	238	322	747	698	666	734	638	613	650	674
59 Morocco	284	353	440	486	561	497	549	556	545	582
60 South Africa	1,011	2,012	2,634	2,908	2,974	3,065	3,307	3,281	3,152	3,140
61 Zaire	112	57	33	26	28	39	43	30	18	18
62 Oil-exporting countries[5]	657	801	1,073	1,000	967	1,004	1,025	996	944	938
63 Other	1,201	1,802	1,727	1,536	1,568	1,502	1,485	1,493r	1,522	1,516
64 Other countries	1,376	2,107	2,918	3,109	2,942	2,996	3,036	3,210	3,274	3,168
65 Australia	1,203	1,713	2,276	2,489	2,345	2,435	2,481	2,582	2,673	2,507
66 All other	172	394	642	620	597	561	554	628	601	661
67 Nonmonetary international and regional organizations[6]	56	68	164	74	103	114	209	198	71	681

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

3. Included in "Other Latin America and Caribbean" through March 1978.

4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5. Comprises Algeria, Gabon, Libya, and Nigeria.

6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE. Data for period before April 1978 include claims of banks' domestic customers on foreigners.

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1981▲	1982	1983	1984						
				Apr.	May	June	July	Aug.r	Sept.	Oct.p
1 **Total**	**287,557**	**396,015**	**426,229**	....	....	**444,716**	....	....	**426,877**	....
2 Banks' own claims on foreigners	251,589	355,705	391,326	388,775	399,796	408,073	405,225	396,024	393,038	381,571
3 Foreign public borrowers	31,260	45,422	57,530	58,042	58,092	59,300	59,889	58,423	59,572	61,319
4 Own foreign offices[1]	96,653	127,293	146,219	146,485	155,703	157,539	156,233	153,432	151,106	141,750
5 Unaffiliated foreign banks	74,704	121,377	124,051	123,664	125,654	130,540	127,679	123,786	122,577	121,003
6 Deposits	23,381	44,223	47,066	45,106	47,066	49,724	48,337	46,990	47,451	46,773
7 Other	51,322	77,153	76,985	78,558	78,588	80,815	79,342	76,796	75,126	74,230
8 All other foreigners	48,972	61,614	63,527	60,584	60,347	60,694	61,424	60,383	59,784	57,498
9 Claims of banks' domestic customers[2]	35,968	40,310	34,903	....	....	36,643	....	....	33,839	....
10 Deposits	1,378	2,491	2,969	....	....	3,458	....	....	4,575	....
11 Negotiable and readily transferable instruments[3]	26,352	30,763	26,064	....	....	25,823	....	....	23,382	....
12 Outstanding collections and other claims	8,238	7,056	5,870	....	....	7,362	....	....	5,882	....
13 MEMO: Customer liability on acceptances	29,952	38,153	37,820	....	....	42,657	....	....	38,454	....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[4]	40,369	42,499	45,790	48,616r	47,654r	43,942r	42,606r	43,416	42,913	n.a.

1. *U.S. banks:* includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. *Agencies, branches, and majority-owned subsidiaries of foreign banks:* principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.
3. Principally negotiable time certificates of deposit and bankers acceptances.
4. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p. 550.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

NOTE. Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

Maturity; by borrower and area	1981▲	1982	1983		1984		
			Sept.	Dec.	Mar.	June	Sept.p
1 **Total**	**154,590**	**228,150**	**236,952**	**243,310**	**237,642**	**249,927**	**240,806**
By borrower							
2 Maturity of 1 year or less[1]	116,394	173,917	175,957	176,270	162,998	172,410	163,041
3 Foreign public borrowers	15,142	21,256	25,138	24,034	20,444	21,010	21,075
4 All other foreigners	101,252	152,661	150,819	152,237	142,554	151,400	141,966
5 Maturity of over 1 year[1]	38,197	54,233	60,994	67,040	74,644	77,517	77,765
6 Foreign public borrowers	15,589	23,137	28,297	32,495	36,306	37,768	37,960
7 All other foreigners	22,608	31,095	32,697	34,544	38,338	39,749	39,805
By area							
Maturity of 1 year or less[1]							
8 Europe	28,130	50,500	53,489	56,064	53,764	59,405	56,797
9 Canada	4,662	7,642	6,658	6,211	6,579	6,990	5,879
10 Latin America and Caribbean	48,717	73,291	76,099	73,637	65,559	64,780	61,502
11 Asia	31,485	37,578	33,686	34,571	31,286	34,793	32,348
12 Africa	2,457	3,680	4,570	4,199	4,472	4,790	4,798
13 All other[2]	943	1,226	1,454	1,589	1,340	1,652	1,717
Maturity of over 1 year[1]							
14 Europe	8,100	11,636	12,356	13,365	13,063	12,827	11,261
15 Canada	1,808	1,931	1,760	1,857	2,038	2,203	1,802
16 Latin America and Caribbean	25,209	35,247	39,185	43,603	50,913	54,278	56,567
17 Asia	1,907	3,185	4,735	4,828	5,133	5,107	5,128
18 Africa	900	1,494	1,819	2,286	2,291	1,865	1,857
19 All other[2]	272	740	1,139	1,101	1,206	1,237	1,150

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

1. Remaining time to maturity.
2. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1]

Billions of dollars, end of period

Area or country	1980	1981	1982		1983				1984		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June[7,r]	Sept.[p]
1 **Total**	**352.0**	**415.2**	**438.4**	**438.7**	**443.8r**	**439.9r**	**432.0r**	**438.0r**	**434.0r**	**430.3**	**408.6**
2 G–10 countries and Switzerland	162.1	175.5	175.4	179.7	182.7r	177.3r	169.1r	168.2r	165.7r	157.8	148.6
3 Belgium-Luxembourg	13.0	13.3	13.6	13.1	13.7	13.3	12.6	12.4	11.0	10.8	9.8
4 France	14.1	15.3	15.8	17.1	17.1	17.1	16.2	16.3	15.9	14.3	14.4
5 Germany	12.1	12.9	12.2	12.7	13.5	12.6	11.6	11.3	11.7	11.0	10.0
6 Italy	8.2	9.6	9.7	10.3	10.2	10.5	10.0	11.4	11.2	11.5	9.7
7 Netherlands	4.4	4.0	3.8	3.6	4.3	4.0	3.6	3.5	3.3	3.0	3.4
8 Sweden	2.9	3.7	4.7	5.0	4.3	4.7	4.9	5.1	5.2	4.3	3.5
9 Switzerland	5.0	5.5	5.1	5.0	4.6	4.8	4.2	4.3	4.3r	4.2	3.9
10 United Kingdom	67.4	70.1	70.3	72.1	73.3r	70.7r	67.8r	65.3r	64.5r	60.2	57.9
11 Canada	8.4	10.9	11.0	10.4	12.5	10.8	9.0	8.3	8.7r	8.9	8.1
12 Japan	26.5	30.2	29.3	30.2	29.2	28.7	29.2	30.1	30.0	29.5	27.9
13 Other developed countries	21.6	28.4	32.7	33.7	34.0	34.5r	34.3r	36.1r	35.7	37.1	36.3
14 Austria	1.9	1.9	2.0	1.9	2.1	2.1	1.9	1.9	2.0	2.0	1.8
15 Denmark	2.3	2.3	2.5	2.4	3.3	3.4	3.3	3.4	3.4	3.1	2.9
16 Finland	1.4	1.7	1.8	2.2	2.1	2.1	1.8	2.4	2.1	2.3	1.9
17 Greece	2.8	2.8	2.6	3.0	2.9	2.9	2.9	2.8	3.0	3.3	3.2
18 Norway	2.6	3.1	3.4	3.3	3.3	3.4	3.2	3.3	3.2	3.2	3.2
19 Portugal	.6	1.1	1.6	1.5	1.4	1.4	1.4r	1.5r	1.4r	1.7	1.6
20 Spain	4.4	6.6	7.7	7.5	7.1	7.2	7.2	7.1	7.1	7.3	6.9
21 Turkey	1.5	1.4	1.5	1.4	1.5	1.4	1.5	1.7	1.9	2.0	1.9
22 Other Western Europe	1.7	2.1	2.1	2.3	2.3	2.0	2.1	1.8	1.8	1.9	1.7
23 South Africa	1.1	2.8	3.6	3.7	3.6	3.9	4.7	4.7	4.8	4.7	5.0
24 Australia	1.3	2.5	4.0	4.4	4.6	4.6	4.4	5.5	5.2	5.7	6.2
25 OPEC countries[2]	22.7	24.8	27.3	27.4	28.5	28.3	27.2	28.9	28.6	26.7	24.9
26 Ecuador	2.1	2.2	2.3	2.2	2.2	2.2	2.1	2.2	2.1	2.1	2.1
27 Venezuela	9.1	9.9	10.4	10.5	10.4	10.4	9.8	9.9	9.7	9.5	9.0
28 Indonesia	1.8	2.6	2.9	3.2	3.5	3.2	3.4	3.8	4.0	4.0	3.8
29 Middle East countries	6.9	7.5	9.0	8.7	9.3	9.5	9.1	10.0	9.8	8.4	7.4
30 African countries	2.8	2.5	2.7	2.8	3.0	3.0	2.8	3.0	3.0	2.7	2.5
31 Non-OPEC developing countries	77.4	96.3	104.1	107.1	108.1r	108.8r	109.8r	111.5r	112.0r	113.8	111.9
Latin America											
32 Argentina	7.9	9.4	9.2	8.9	9.0	9.4	9.5	9.5	9.5	9.2	9.1
33 Brazil	16.2	19.1	22.4	22.9	23.2r	22.7r	23.1r	23.1r	25.1r	25.4	26.3
34 Chile	3.7	5.8	6.2	6.3	6.0	5.8	6.3r	6.4	6.5	6.7	7.1
35 Colombia	2.6	2.6	2.8	3.1	2.9	3.2	3.2	3.2	3.1	3.0	2.9
36 Mexico	15.9	21.6	25.0	24.5	25.1	25.3r	25.9	26.1r	25.6r	26.7	26.1
37 Peru	1.8	2.0	2.6	2.6	2.4	2.6	2.4	2.4	2.3	2.3	2.2
38 Other Latin America	3.9	4.1	4.3	4.0	4.2	4.3	4.2	4.2	4.3r	4.0	3.9
Asia											
China											
39 Mainland	.2	.2	.2	.2	.2	.2	.2	.3	.3	.6	.5
40 Taiwan	4.2	5.1	4.9	5.3	5.1	5.1	5.2	5.3	4.9	5.8	5.2
41 India	.3	.3	.5	.6	.7r	.7r	.8	1.0	1.0	1.0	1.1
42 Israel	1.5	2.1	1.9	2.3	2.0	2.3	1.7	1.9	1.6	1.9	1.7
43 Korea (South)	7.1	9.4	9.4	10.9	10.9	10.9r	10.9	11.4r	11.1	11.2	10.1
44 Malaysia	1.1	1.7	1.8	2.1	2.5	2.6	2.8	2.9	2.8	2.7	3.0
45 Philippines	5.1	6.0	6.1	6.3	6.6	6.4	6.2	6.2	6.7r	6.3	5.9
46 Thailand	1.6	1.5	1.3	1.6	1.6	1.8	1.7	2.1	1.9	1.8	1.8
47 Other Asia	.6	1.0	1.3	1.1	1.4	1.2	1.0	1.0	.9	1.1	1.2
Africa											
48 Egypt	.8	1.1	1.3	1.2	1.1	1.3	1.4	1.5	1.5	1.4	1.2
49 Morocco	.7	.7	.8	.7	.8	.8	.8	.8	.8	.8	.8
50 Zaire	.2	.2	.1	.1	.1	.1	.1	.1	.1	.1	.1
51 Other Africa[3]	2.1	2.3	2.2	2.4	2.3	2.2	2.4	2.3	2.2	1.9	1.9
52 Eastern Europe	7.4	7.8	6.3	6.2	5.7	5.8r	5.3	5.3	4.9	4.9	4.6
53 U.S.S.R.	.4	.6	.3	.3	.3	.4	.2	.2	.2	.2	.2
54 Yugoslavia	2.3	2.5	2.2	2.2	2.2	2.3	2.3	2.4r	2.3r	2.3	2.3
55 Other	4.6	4.7	3.8	3.7	3.2	3.0	2.8	2.8	2.5	2.4	2.1
56 Offshore banking centers	47.0	63.7	72.2	66.8	67.9r	69.1r	69.4r	71.1r	70.7r	72.8	65.6
57 Bahamas	13.7	19.0	21.4	19.0	18.5r	20.7r	21.8r	22.0r	24.6r	27.0	23.5
58 Bermuda	.6	.7	.8	.9	1.0	.8	.8	.9	.7	.7	1.0
59 Cayman Islands and other British West Indies	10.6	12.4	13.6	12.9	12.5r	12.6r	11.0r	12.7r	11.4r	11.6	10.2
60 Netherlands Antilles	2.1	3.2	3.3	3.3	3.1	2.6	4.1	4.2	3.3	3.3	3.3
61 Panama[4]	5.4	7.7	8.1	7.6	7.1	6.6	5.7	6.0	6.3	6.4	5.6
62 Lebanon	.2	.2	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	8.1	11.8	15.1	13.9	15.1	14.5r	15.2r	14.9	14.4	13.5	12.6
64 Singapore	5.9	8.7	9.8	9.2	10.4r	11.2r	10.5	10.3	9.9	10.2	9.5
65 Others[5]	.3	.1	.0	.0	.0	.0	.1	.0	.0	.0	.0
66 Miscellaneous and unallocated[6]	14.0	18.8	20.4	17.9	16.9r	16.2r	16.9	17.0	16.4	17.3	16.8

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

2. Besides the Organization of Petroleum Exporting Countries shown individually, this group includes other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates) as well as Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

6. Includes New Zealand, Liberia, and international and regional organizations.

7. Beginning with June 1984 data, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from $50 million to $150 million equivalent in total assets, the threshold now applicable to all reporting branches.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

	Type, and area or country	1980	1981	1982	1983			1984	
					June	Sept.	Dec.	Mar.	June[p]
1	**Total**	**29,434**	**28,618**	**25,772**	**22,886**	**24,864**	**23,763**	**29,260**	**33,282**
2	Payable in dollars	25,689	24,909	22,540	19,986	22,023	20,688	25,978	30,096
3	Payable in foreign currencies	3,745	3,709	3,232	2,900	2,841	3,076	3,282	3,186
	By type								
4	Financial liabilities	11,330	12,157	11,066	11,179	10,961	10,477	14,236	17,927
5	Payable in dollars	8,528	9,499	8,858	9,144	9,025	8,619	12,145	15,876
6	Payable in foreign currencies	2,802	2,658	2,208	2,035	1,936	1,858	2,092	2,052
7	Commercial liabilities	18,104	16,461	14,706	11,707	13,903	13,286	15,024	15,354
8	Trade payables	12,201	10,818	7,747	6,064	7,139	6,615	7,865	7,854
9	Advance receipts and other liabilities	5,903	5,643	6,959	5,643	6,763	6,672	7,159	7,500
10	Payable in dollars	17,161	15,409	13,683	10,842	12,998	12,069	13,834	14,220
11	Payable in foreign currencies	943	1,052	1,023	865	904	1,218	1,190	1,134
	By area or country								
	Financial liabilities								
12	Europe	6,481	6,825	6,501	6,335	6,014	5,675	7,081	7,068
13	Belgium-Luxembourg	479	471	505	436	379	302	426	356
14	France	327	709	783	802	785	820	933	878
15	Germany	582	491	467	457	449	498	524	571
16	Netherlands	681	748	711	728	730	581	532	589
17	Switzerland	354	715	792	606	500	486	641	581
18	United Kingdom	3,923	3,565	3,102	3,132	3,014	2,839	3,786	3,836
19	Canada	964	963	746	876	788	768	798	721
20	Latin America and Caribbean	3,136	3,356	2,751	2,623	2,737	2,609	4,907	8,631
21	Bahamas	964	1,279	904	776	784	751	1,411	3,572
22	Bermuda	1	7	14	10	13	13	51	13
23	Brazil	23	22	28	34	32	32	37	25
24	British West Indies	1,452	1,241	1,027	1,033	1,095	1,018	2,635	4,228
25	Mexico	99	102	121	151	185	215	245	239
26	Venezuela	81	98	114	124	117	124	121	124
27	Asia	723	976	1,039	1,319	1,388	1,396	1,423	1,482
28	Japan	644	792	715	943	957	962	1,013	1,031
29	Middle East oil-exporting countries[2]	38	75	169	205	201	170	170	180
30	Africa	11	14	17	17	19	19	19	16
31	Oil-exporting countries[3]	1	0	0	0	0	0	0	0
32	All other[4]	15	24	12	9	15	10	9	9
	Commercial liabilities								
33	Europe	4,402	3,770	3,682	3,395	3,426	3,153	3,567	3,397
34	Belgium-Luxembourg	90	71	52	41	47	62	40	45
35	France	582	573	598	618	523	437	488	524
36	Germany	679	545	468	439	462	427	417	501
37	Netherlands	219	220	346	342	243	268	259	265
38	Switzerland	499	424	364	357	449	241	477	246
39	United Kingdom	1,209	880	880	656	809	637	847	794
40	Canada	888	897	1,495	1,468	1,418	1,841	1,776	1,840
41	Latin America and Caribbean	1,300	1,044	1,012	1025	1,090	1,125	1,778	1,676
42	Bahamas	8	2	16	1	1	1	14	17
43	Bermuda	75	67	93	77	77	67	158	123
44	Brazil	111	67	60	49	48	44	68	31
45	British West Indies	35	2	32	22	14	6	33	5
46	Mexico	367	340	379	399	451	536	682	568
47	Venezuela	319	276	165	236	217	180	531	602
48	Asia	10,242	9,384	7,161	4,809	6,863	6,032	6,620	6,988
49	Japan	802	1,094	1,226	1,246	1,305	1,247	1,291	1,235
50	Middle East oil-exporting countries[2,5]	8,098	7,008	4,532	2,294	4,072	3,498	3,735	4,190
51	Africa	817	703	704	492	506	442	539	683
52	Oil-exporting countries[3]	517	344	277	167	204	157	243	217
53	All other[4]	456	664	651	518	600	692	743	769

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.
5. *Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.*

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type, and area or country	1980	1981	1982	1983 June	1983 Sept.	1983 Dec.	1984 Mar.	1984 June[p]
1 **Total**	**34,482**	**36,185**	**28,637**	**33,310**	**32,652**	**34,210**	**32,499**	**30,382**
2 Payable in dollars	31,528	32,582	26,002	30,653	29,772	31,174	29,611	27,417
3 Payable in foreign currencies	2,955	3,603	2,635	2,657	2,880	3,036	2,888	2,965
By type								
4 Financial claims	19,763	21,142	17,594	22,642	21,752	23,075	21,638	19,947
5 Deposits	14,166	15,081	13,058	17,819	16,907	17,954	16,602	14,878
6 Payable in dollars	13,381	14,456	12,628	17,379	16,463	17,457	16,173	14,369
7 Payable in foreign currencies	785	625	430	439	445	497	428	510
8 Other financial claims	5,597	6,061	4,536	4,824	4,845	5,121	5,036	5,068
9 Payable in dollars	3,914	3,599	2,895	3,226	3,019	3,219	3,247	3,312
10 Payable in foreign currencies	1,683	2,462	1,641	1,598	1,826	1,902	1,788	1,756
11 Commercial claims	14,720	15,043	11,042	10,668	10,899	11,135	10,862	10,436
12 Trade receivables	13,960	14,007	9,995	9,265	9,566	9,725	9,540	9,105
13 Advance payments and other claims	759	1,036	1,047	1,402	1,334	1,410	1,321	1,330
14 Payable in dollars	14,233	14,527	10,479	10,048	10,290	10,498	10,191	9,736
15 Payable in foreign currencies	487	516	563	620	609	637	671	699
By area or country								
Financial claims								
16 Europe	6,069	4,596	4,873	7,304	6,232	6,374	6,131	6,156
17 Belgium-Luxembourg	145	43	15	12	25	37	30	37
18 France	298	285	134	140	135	130	145	132
19 Germany	230	224	178	216	151	129	131	161
20 Netherlands	51	50	97	136	89	49	57	138
21 Switzerland	54	117	107	37	34	38	90	61
22 United Kingdom	4,987	3,546	4,064	6,514	5,577	5,768	5,468	5,398
23 Canada	5,036	6,755	4,287	4,885	4,958	5,836	5,400	5,009
24 Latin America and Caribbean	7,811	8,812	7,546	9,380	9,500	9,809	9,066	7,570
25 Bahamas	3,477	3,650	3,279	4,037	3,829	4,745	3,773	2,993
26 Bermuda	135	18	32	92	62	96	3	5
27 Brazil	96	30	62	48	49	53	87	83
28 British West Indies	2,755	3,971	3,255	4,065	4,457	3,830	4,302	3,674
29 Mexico	208	313	274	348	315	291	279	228
30 Venezuela	137	148	139	152	137	134	130	124
31 Asia	607	758	698	771	764	764	727	909
32 Japan	189	366	153	288	257	297	284	252
33 Middle East oil-exporting countries[2]	20	37	15	14	8	4	7	8
34 Africa	208	173	158	154	151	147	144	158
35 Oil-exporting countries[3]	26	46	48	48	45	55	42	35
36 All other[4]	32	48	31	149	148	145	169	144
Commercial claims								
37 Europe	5,544	5,405	3,828	3,473	3,412	3,678	3,608	3,542
38 Belgium-Luxembourg	233	234	151	145	132	142	173	142
39 France	1,129	776	474	497	486	459	413	407
40 Germany	599	561	357	366	382	348	363	440
41 Netherlands	318	299	350	243	282	333	308	299
42 Switzerland	354	431	360	331	292	317	336	250
43 United Kingdom	929	985	811	734	738	809	787	812
44 Canada	914	967	633	711	792	829	1,061	933
45 Latin America and Caribbean	3,766	3,479	2,526	2,728	2,870	2,695	2,419	2,042
46 Bahamas	21	12	21	30	15	8	8	4
47 Bermuda	108	223	261	111	246	190	216	89
48 Brazil	861	668	258	512	611	493	357	310
49 British West Indies	34	12	12	21	12	7	7	8
50 Mexico	1,102	1,022	775	957	898	884	745	577
51 Venezuela	410	424	351	273	282	272	268	241
52 Asia	3,522	3,959	3,050	2,867	2,938	3,071	2,997	3,085
53 Japan	1,052	1,245	1,047	949	1,037	1,122	1,186	1,178
54 Middle East oil-exporting countries[2]	825	905	751	698	719	737	701	710
55 Africa	653	772	588	528	562	585	497	536
56 Oil-exporting countries[3]	153	152	140	130	131	139	132	128
57 All other[4]	321	461	417	361	326	277	280	297

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES
Millions of dollars

Transactions, and area or country	1982	1983	1984 Jan.–Oct.	1984 Apr.	May	June	July	Aug.	Sept.	Oct.p
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	41,881	69,770	51,202	4,510	5,048	4,552	3,359	7,255r	4,046	4,659
2 Foreign sales	37,981	64,360	53,562	4,189	5,494	4,899	3,915	7,399	4,898	5,399
3 Net purchases, or sales (–)	**3,901**	**5,410**	**–2,360**	**321**	**–446**	**–347**	**–556**	**–144r**	**–852**	**–740**
4 Foreign countries	**3,816**	**5,312**	**–2,565**	**320**	**–454**	**–357**	**–565**	**–290r**	**–921**	**–751**
5 Europe	2,530	3,979	–2,471	208	–281	–317	–606	–410r	–702	–529
6 France	–143	–97	–215	38	100	–3	–45	–28	–67	–37
7 Germany	333	1,045	29	–43	–40	2	–38	–125	–63	–25
8 Netherlands	–63	–109	–271	–15	–47	–76	–34	–19r	–66	–47
9 Switzerland	–579	1,325	–1,206	90	–220	–120	–321	–358	–335	–129
10 United Kingdom	3,117	1,799	–791	137	–80	–179	–141	146	–143	–251
11 Canada	222	1,151	1,492	73	–61	158	188	129	149	150
12 Latin America and Caribbean	317	529	396	25	82	38	–58	213	9	–89
13 Middle East[1]	366	–807	–1,790	–58	–168	–215	–55	–214	–207	–270
14 Other Asia	247	394	–327	66	–28	–27	–49	–57	–160	–92
15 Africa	2	42	–9	5	–4	3	–2	–5	–6	–8
16 Other countries	131	24	143	2	6	2	16	54	–3	87
17 Nonmonetary international and regional organizations	**85**	**98**	**205**	**1**	**8**	**10**	**9**	**147**	**69**	**11**
BONDS[2]										
18 Foreign purchases	21,639	24,049	27,696	1,708	1,619	2,004	3,082	2,885r	3,356	6,794
19 Foreign sales	20,188	23,099	20,769	1,866	1,442	1,795	2,503	2,030	2,035	3,257
20 Net purchases, or sales (–)	**1,451**	**950**	**6,927**	**–159**	**178**	**208**	**579**	**855r**	**1,321**	**3,537**
21 Foreign countries	**1,479**	**935**	**6,818**	**–226**	**212**	**168**	**539**	**902r**	**1,278**	**3,557**
22 Europe	2,082	961	6,008	15	85	272	480	502r	1,004	3,559
23 France	305	–89	194	–5	0	4	33	17	8	143
24 Germany	2,110	347	1,410	68	107	122	256	181	19	609
25 Netherlands	33	51	79	–12	–1	11	3	16	2	22
26 Switzerland	157	632	209	–22	8	35	13	49	9	253
27 United Kingdom	–589	434	3,645	–246	–59	77	–80	311r	922	2,460
28 Canada	24	123	–98	–77	3	32	–35	54	3	–3
29 Latin America and Caribbean	159	100	268	–4	13	15	14	76	64	41
30 Middle East[1]	–752	–1,166	–787	–263	11	–287	–60	1	–19	–232
31 Other Asia	–22	865	1,417	102	100	135	138	265	223	192
32 Africa	–19	0	2	1	0	0	0	1	1	0
33 Other countries	7	52	8	1	0	0	1	3	3	0
34 Nonmonetary international and regional organizations	**–28**	**15**	**109**	**67**	**–34**	**40**	**41**	**–48**	**43**	**–20**
	Foreign securities									
35 Stocks, net purchases, or sales (–)	–1,341	–3,765	–163	–18	70	–40	113	–501r	–342	177
36 Foreign purchases	7,163	13,281	12,673	1,242	1,163	1,110	895	1,246r	919	1,823
37 Foreign sales	8,504	17,046	12,836	1,260	1,092	1,150	782	1,747r	1,260	1,646
38 Bonds, net purchases, or sales (–)	–6,631	–3,131	–2,396	–409	–646	241	184	–293	–435	–1,288
39 Foreign purchases	27,167	36,441	45,395	3,817	5,158	5,308	4,427	5,770	4,168	4,426
40 Foreign sales	33,798	39,572	47,791	4,226	5,804	5,066	4,243	6,062	4,604	5,714
41 Net purchases, or sales (–), of stocks and bonds	**–7,972**	**–6,896**	**–2,559**	**–427**	**–575**	**201**	**297**	**–794r**	**–777**	**–1,111**
42 Foreign countries	**–6,806**	**–6,451**	**–2,712**	**–425**	**–650**	**187**	**235**	**–631r**	**–832**	**–1,076**
43 Europe	–2,584	–5,423	–6,611	–551	–1,527	–471	–462	–623r	–710	–1,573
44 Canada	–2,363	–1,312	–70	–187	37	122	174	–7	–448	–69
45 Latin America and Caribbean	336	1,120	2,117	130	602	465	237	127	83	117
46 Asia	–1,822	–855	1,872	187	243	80	333	–134	165	463
47 Africa	–9	141	–94	–4	–16	–4	–21	11	–14	–19
48 Other countries	–364	–122	74	0	12	–6	–25	–4	92	6
49 Nonmonetary international and regional organizations	**–1,165**	**–445**	**153**	**–2**	**74**	**15**	**62**	**–163**	**55**	**–36**

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1982	1983	1984 Jan.–Oct.	1984 Apr.	1984 May	1984 June	1984 July	1984 Aug.	1984 Sept.	1984 Oct.p
				Holdings (end of period)[1]						
1 **Estimated total[2]**	**85,220**	**88,932**	....	**92,013**	**93,421**	**93,307**	**94,912**	**101,507**	**97,688**	**100,653**
2 Foreign countries[2]	80,637	83,818	....	85,427	85,810	86,782	87,960	93,536	91,799	92,921
3 Europe[2]	29,284	35,509	....	37,790	38,386	39,295	40,389	44,379	43,661	44,456
4 Belgium-Luxembourg	447	16	....	91	61	135	138	171	191	218
5 Germany[2]	14,841	17,290	....	19,201	19,649	19,735	19,627	20,663	19,915	19,876
6 Netherlands	2,754	3,129	....	3,117	2,979	3,014	3,120	3,133	3,127	3,585
7 Sweden	677	847	....	949	954	940	957	905	981	980
8 Switzerland[2]	1,540	1,118	....	1,241	1,403	1,752	2,021	2,089	2,188	2,015
9 United Kingdom	6,549	8,515	....	8,420	8,656	9,200	9,443	12,301	11,988	12,729
10 Other Western Europe	2,476	4,594	....	4,776	4,691	4,525	5,084	5,119	5,272	5,053
11 Eastern Europe	0	0	....	0	−1	−1	−1	−1	−1	−1
12 Canada	602	1,301	....	1,299	1,493	1,600	1,631	1,862	2,149	2,386
13 Latin America and Caribbean	1,076	863	....	572	777	677	134	447	611	931
14 Venezuela	188	64	....	65	65	75	75	76	79	80
15 Other Latin America and Caribbean	656	716	....	453	546	489	591	822	914	975
16 Netherlands Antilles	232	83	....	53	166	112	−532	−452	−382	−124
17 Asia	49,543	46,026	....	45,626	44,989	45,046	45,610	46,610	45,135	44,862
18 Japan	11,578	13,911	....	14,551	14,875	15,365	15,750	16,279	16,250	17,101
19 Africa	77	79	....	85	88	88	88	−11	15	15
20 All other	55	38	....	57	77	77	108	250	227	271
21 Nonmonetary international and regional organizations	4,583	5,114	....	6,586	7,611	6,525	6,952	7,971	5,889	7,732
22 International	4,186	4,404	....	5,936	6,946	5,860	6,241	7,340	5,191	6,847
23 Latin American regional	6	6	....	6	6	6	6	6	6	6
				Transactions (net purchases, or sales (−) during period)						
24 **Total[2]**	**14,972**	**3,711**	**11,721**	**2,348**	**1,407**	**−114**	**1,599**	**6,596**	**−3,820**	**2,965**
25 Foreign countries[2]	16,072	3,180	9,103	1,025	382	972	1,172	5,576	−1,736	1,122
26 Official institutions	14,550	779	−866	622	−358	−871	177	1,366	−1,971	−872
27 Other foreign[2]	1,518	2,400	9,971	403	740	1,843	994	4,210	235	1,993
28 Nonmonetary international and regional organizations	−1,097	535	2,616	1,322	1,026	−1,086	428	1,020	−2,084	1,843
MEMO: Oil-exporting countries										
29 Middle East[3]	7,575	−5,419	−4,760	−678	−1,037	67	−312	−411	−144	−955
30 Africa[4]	−552	−1	−101	0	0	0	0	−100	0	0

1. Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.
2. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on Nov. 30, 1984 Per-cent	Rate on Nov. 30, 1984 Month effective	Country	Rate on Nov. 30, 1984 Per-cent	Rate on Nov. 30, 1984 Month effective	Country	Rate on Nov. 30, 1984 Per-cent	Rate on Nov. 30, 1984 Month effective
Austria	4.5	June 1984	France[1]	10.75	Nov. 1984	Norway	8.0	June 1979
Belgium	11.0	Feb. 1984	Germany, Fed. Rep. of	4.5	June 1984	Switzerland	4.0	Mar. 1983
Brazil	49.0	Mar. 1981	Italy	16.5	Sept. 1984	United Kingdom[2]	....	....
Canada	10.75	Nov. 1984	Japan	5.0	Oct. 1983	Venezuela	11.0	May 1983
Denmark	7.0	Oct. 1983	Netherlands	5.0	Sept. 1983			

1. As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.
2. Minimum lending rate suspended as of Aug. 20, 1981.
NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1981	1982	1983	1984 May	June	July	Aug.	Sept.	Oct.	Nov.
1 Eurodollars	16.79	12.24	9.57	11.53	11.68	12.02	11.81	11.67	10.77	9.50
2 United Kingdom	13.86	12.21	10.06	9.32	9.43	11.38	11.09	10.79	10.60	9.87
3 Canada	18.84	14.38	9.48	11.52	11.86	13.03	12.41	12.20	11.99	11.09
4 Germany	12.05	8.81	5.73	6.08	6.11	6.09	6.00	5.81	6.06	5.92
5 Switzerland	9.15	5.04	4.11	3.83	4.15	4.72	4.81	5.04	5.23	5.03
6 Netherlands	11.52	8.26	5.58	6.05	6.09	6.39	6.26	6.23	6.16	5.87
7 France	15.28	14.61	12.44	12.16	12.23	11.70	11.37	11.00	10.75	10.54
8 Italy	19.98	19.99	18.95	16.80	16.75	16.73	16.50	17.28	17.13	17.13
9 Belgium	15.28	14.10	10.51	11.80	11.90	11.90	11.73	11.16	11.00	10.81
10 Japan	7.58	6.84	6.49	6.24	6.35	6.31	6.35	6.33	6.31	6.32

NOTE. Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills; and Japan, Gensaki rate.

3.28 FOREIGN EXCHANGE RATES

Currency units per dollar

Country/currency	1981	1982	1983	1984					
				June	July	Aug.	Sept.	Oct.	Nov.
1 Australia/dollar[1]	114.95	101.65	90.14	88.26	83.42	84.73	83.08	83.64	85.88
2 Austria/schilling	15.948	17.060	17.968	19.226	19.998	20.268	21.293	21.557	21.075
3 Belgium/franc	37.194	45.780	51.121	55.840	57.714	58.282	61.132	62.048	60.475
4 Brazil/cruzeiro	92.374	179.22	573.27	1,643.81	1,819.00	1994.30	2226.79	2453.64	2734.16
5 Canada/dollar	1.1990	1.2344	1.2325	1.3040	1.3238	1.3035	1.3145	1.3189	1.3168
6 China, P.R./yuan	1.7031	1.8978	1.9809	2.2178	2.2996	2.3718	2.5469	2.6488	2.6785
7 Denmark/krone	7.1350	8.3443	9.1483	10.050	10.4178	10.5174	10.9753	11.090	10.824
8 Finland/markka	4.3128	4.8086	5.5636	5.8182	6.0187	6.0626	6.2783	6.3726	6.2653
9 France/franc	5.4396	6.5793	7.6203	8.4181	8.7438	8.8567	9.3041	9.4108	9.1981
10 Germany/deutsche mark	2.2631	2.428	2.5539	2.7397	2.8492	2.8856	3.0314	3.0678	2.9985
11 Greece/drachma	n.a.	66.872	87.895	108.85	112.40	115.11	120.40	126.06	123.63
12 Hong Kong/dollar	5.5678	6.0697	7.2569	7.8131	7.8519	7.8388	7.8430	7.8242	7.8235
13 India/rupee	8.6807	9.4846	10.1040	11.064	11.371	11.556	11.858	12.027	12.078
14 Ireland/pound[1]	161.32	142.05	124.81	111.67	107.63	106.84	102.28	100.85	103.41
15 Israel/shekel	n.a.	24.407	55.865	215.06	253.14	n.a.	n.a.	n.a.	n.a.
16 Italy/lira	1138.60	1354.00	1519.30	1,694.80	1,751.18	1780.47	1870.79	1898.98	1863.05
17 Japan/yen	220.63	249.06	237.55	233.57	243.07	242.26	245.46	246.75	243.63
18 Malaysia/ringgit	2.3048	2.3395	2.3204	2.3109	2.3385	2.3331	2.3528	2.4076	2.4300
19 Mexico/peso	24.547	72.990	155.01	196.54	196.63	196.98	197.71	203.33	210.79
20 Netherlands/guilder	2.4998	2.6719	2.8543	3.0882	3.2155	3.2539	3.4188	3.4597	3.3817
21 New Zealand/dollar[1]	86.848	75.101	66.790	64.205	55.631	49.912	48.953	48.614	49.278
22 Norway/krone	5.7430	6.4567	7.3012	7.8162	8.2151	8.2991	8.6246	8.8721	8.7175
23 Philippines/peso	7.8113	8.5324	11.0940	14.250	n.a.	n.a.	n.a.	n.a.	n.a.
24 Portugal/escudo	61.739	80.101	111.610	141.83	152.17	151.02	158.45	163.36	163.10
25 Singapore/dollar	2.1053	2.1406	2.1136	2.1122	2.1473	2.1472	2.1635	2.1667	2.1554
26 South Africa/rand[1]	114.77	92.297	89.85	76.49	66.52	63.76	60.08	56.54	55.47
27 South Korea/won	n.a.	731.93	776.04	802.20	810.96	811.42	815.82	820.03	818.89
28 Spain/peseta	92.396	110.09	143.500	154.75	161.37	164.41	170.19	172.15	168.10
29 Sri Lanka/rupee	18.967	20.756	23.510	25.176	25.223	25.285	25.605	25.906	26.075
30 Sweden/krona	5.0659	6.2838	7.6717	8.0993	8.3063	8.3489	8.5892	8.6887	8.5957
31 Switzerland/franc	1.9674	2.0327	2.1006	2.2832	2.4115	2.4150	2.5049	2.5245	2.4700
32 Taiwan/Dollar	n.a.	n.a.	n.a.	39.843	39.477	39.092	39.159	39.226	39.419
33 Thailand/baht	21.731	23.014	22.991	23.010	23.020	23.018	23.013	23.020	26.736
34 United Kingdom/pound[1]	202.43	174.80	151.59	137.70	132.00	131.32	125.63	121.96	123.92
35 Venezuela/bolivar	4.2781	4.2981	10.6840	14.709	13.067	12.725	n.a.	n.a.	n.a.
MEMO									
United States/dollar[2]	102.94	116.57	125.34	134.31	139.30	140.21	145.70	147.56	144.92

1. Value in U.S. cents.
2. Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. March 1973 = 100. Weights are 1972–76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of the Weighted-Average Exchange Value of the U.S. Dollar: Revision" on p. 700 of the August 1978 BULLETIN.

NOTE. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) release. For address, see inside front cover.

Guide to Tabular Presentation, Statistical Releases, and Special Tables

Guide to Tabular Presentation

Symbols and Abbreviations

c	Corrected
e	Estimated
p	Preliminary
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
n.a.	Not available
n.e.c.	Not elsewhere classified
IPCs	Individuals, partnerships, and corporations
REITs	Real estate investment trusts
RPs	Repurchase agreements
SMSAs	Standard metropolitan statistical areas
. . . . .	Cell not applicable

General Information

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

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

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

Statistical Releases

List Published Semiannually, with Latest Bulletin Reference

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Special Tables

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114. MULTIBANK HOLDING COMPANIES: RECENT EVIDENCE ON COMPETITION AND PERFORMANCE IN BANKING MARKETS, by Timothy J. Curry and John T. Rose. Jan. 1982. 9 pp.
126. DEFINITION AND MEASUREMENT OF EXCHANGE MARKET INTERVENTION, by Donald B. Adams and Dale W. Henderson. August 1983. 5 pp.
127. U.S. EXPERIENCE WITH EXCHANGE MARKET INTERVENTION: JANUARY–MARCH 1975, by Margaret L. Greene. August 1984. 16 pp.
128. U.S. EXPERIENCE WITH EXCHANGE MARKET INTERVENTION: SEPTEMBER 1977–DECEMBER 1979, by Margaret L. Greene. October 1984. 40 pp.
129. U.S. EXPERIENCE WITH EXCHANGE MARKET INTERVENTION: OCTOBER 1980–OCTOBER 1981, by Margaret L. Greene. August 1984. 36 pp.
130. EFFECTS OF EXCHANGE RATE VARIABILITY ON INTERNATIONAL TRADE AND OTHER ECONOMIC VARIABLES: A REVIEW OF THE LITERATURE, by Victoria S. Farrell with Dean A. DeRosa and T. Ashby McCown. January 1984. 21 pp.
131. CALCULATIONS OF PROFITABILITY FOR U.S. DOLLAR–DEUTSCHE MARK INTERVENTION, by Laurence R. Jacobson. October 1983. 8 pp.
132. TIME-SERIES STUDIES OF THE RELATIONSHIP BETWEEN EXCHANGE RATES AND INTERVENTION: A REVIEW OF THE TECHNIQUES AND LITERATURE, by Kenneth Rogoff. October 1983. 15 pp.
133. RELATIONSHIPS AMONG EXCHANGE RATES, INTERVENTION, AND INTEREST RATES: AN EMPIRICAL INVESTIGATION, by Bonnie E. Loopesko. November 1983. 20 pp.
134. SMALL EMPIRICAL MODELS OF EXCHANGE MARKET INTERVENTION: A REVIEW OF THE LITERATURE, by Ralph W. Tryon. October 1983. 14 pp.
*135. SMALL EMPIRICAL MODELS OF EXCHANGE MARKET INTERVENTION: APPLICATIONS TO CANADA, GERMANY, AND JAPAN, by Deborah J. Danker, Richard A. Haas, Dale W. Henderson, Steven A. Symansky, and Ralph W. Tryon.
136. THE EFFECTS OF FISCAL POLICY ON THE U.S. ECONOMY, by Darrell Cohen and Peter B. Clark. January 1984. 16 pp.
137. THE IMPLICATIONS FOR BANK MERGER POLICY OF FINANCIAL DEREGULATION, INTERSTATE BANKING, AND FINANCIAL SUPERMARKETS, by Stephen A. Rhoades. February 1984. 8 pp.

*The availability of this study will be announced in a forthcoming BULLETIN.

138. ANTITRUST LAWS, JUSTICE DEPARTMENT GUIDELINES, AND THE LIMITS OF CONCENTRATION IN LOCAL BANKING MARKETS, by James Burke. June 1984. 14 pp.
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REPRINTS OF BULLETIN ARTICLES

Most of the articles reprinted do not exceed 12 pages.

The Commercial Paper Market since the Mid-Seventies. 6/82.
Applying the Theory of Probable Future Competition. 9/82.
International Banking Facilities. 10/82.
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Intervention in Foreign Exchange Markets: A Summary of Ten Staff Studies. 11/83.
A Financial Perspective on Agriculture. 1/84.
U.S. International Transactions in 1983. 4/84.
Survey of Consumer Finances, 1983. 9/84.
Bank Lending to Developing Countries. 10/84.
Survey of Consumer Finances, 1983: A Second Report. 12/84.

Index to Statistical Tables

References are to pages A3 through A68 although the prefix "A" is omitted in this index

Federal Reserve Banks, Branches, and Offices

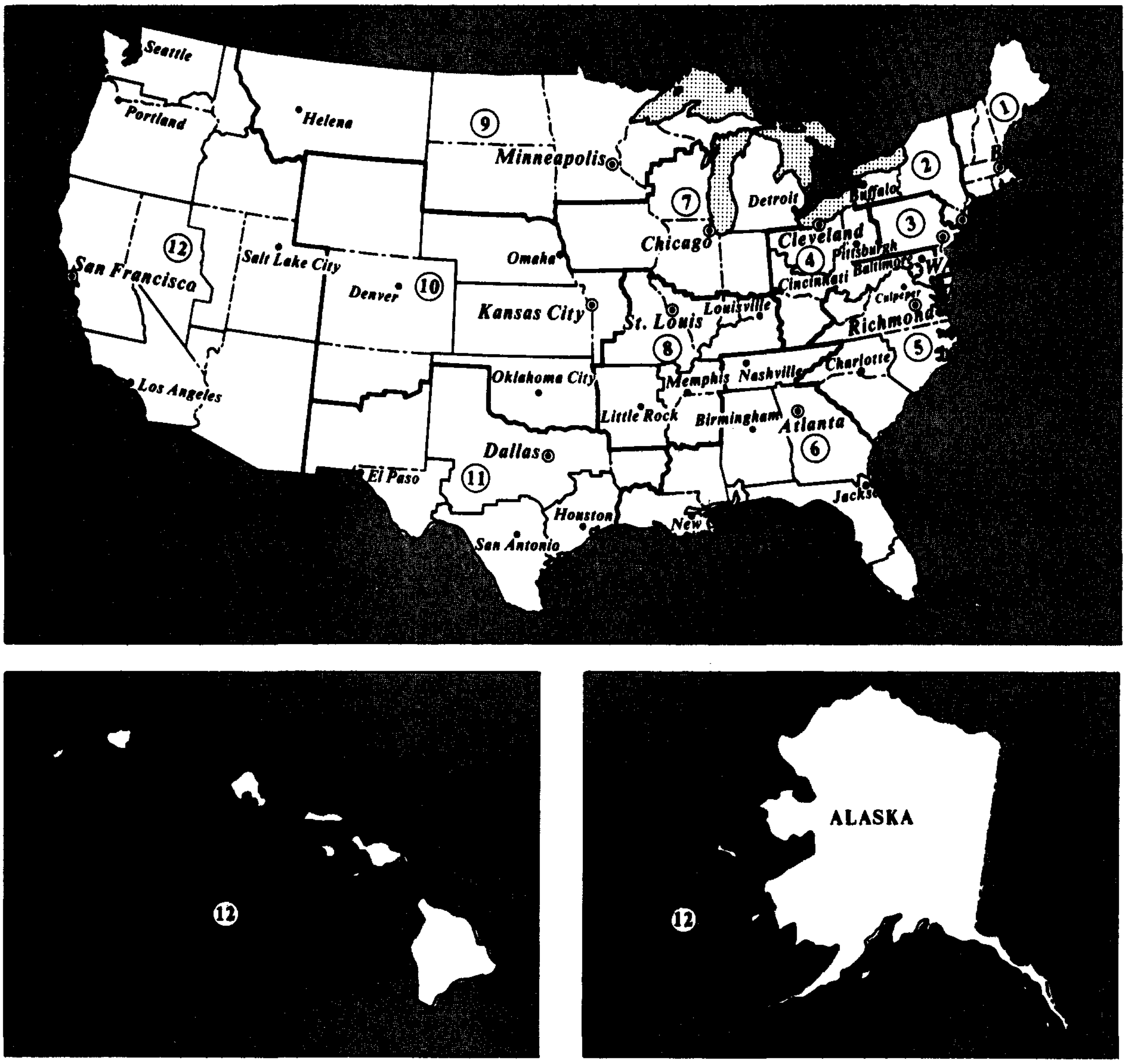
FEDERAL RESERVE BANK, branch, or *facility*	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON*	02106	Joseph A. Baute	Frank E. Morris	
		Thomas I. Atkins	Robert W. Eisenmenger	
NEW YORK*	10045	John Brademas	E. Gerald Corrigan	
		Clifton R. Wharton, Jr.	Thomas M. Timlen	
Buffalo	14240	(†)		John T. Keane
PHILADELPHIA	19105	Robert M. Landis	Edward G. Boehne	
		Nevius M. Curtis	Richard L. Smoot	
CLEVELAND*	44101	William H. Knoell	Karen N. Horn	
		E. Mandell de Windt	William H. Hendricks	
Cincinnati	45201	(†)		Charles A. Cerino
Pittsburgh	15230	(†)		Harold J. Swart
RICHMOND*	23219	Leroy T. Canoles, Jr.	Robert P. Black	
		Robert A. Georgine	Jimmie R. Monhollon	
Baltimore	21203	(†)		Robert D. McTeer, Jr.
Charlotte	28230	(†)		Albert D. Tinkelenberg
Culpeper Communications and Records Center	*22701*			John G. Stoides
ATLANTA	30301	John H. Weitnauer, Jr.	Robert P. Forrestal	
		Bradley Currey, Jr.	Jack Guynn	
Birmingham	35283	(†)		Fred R. Herr
Jacksonville	32231	(†)		James D. Hawkins
Miami	33152	(†)		Patrick K. Barron
Nashville	37203	(†)		Jeffrey J. Wells
New Orleans	70161	(†)		Henry H. Bourgaux
CHICAGO*	60690	Stanton R. Cook	Silas Keehn	
		Robert J. Day	Daniel M. Doyle	
Detroit	48231	(†)		Roby L. Sloan
ST. LOUIS	63166	W.L. Hadley Griffin	Vacancy	
		Mary P. Holt	Joseph P. Garbarini	
Little Rock	72203	(†)		John F. Breen
Louisville	40232	(†)		James E. Conrad
Memphis	38101	(†)		Paul I. Black, Jr.
MINNEAPOLIS	55480	William G. Phillips	Vacancy	
		John B. Davis, Jr.	Thomas E. Gainor	
Helena	59601	Gene J. Etchart		Robert F. McNellis
KANSAS CITY	64198	Irvine O. Hockaday, Jr.	Roger Guffey	
		Robert G. Lueder	Henry R. Czerwinski	
Denver	80217	James E. Nielson		Wayne W. Martin
Oklahoma City	73125	Patience Latting		William G. Evans
Omaha	68102	Kenneth L. Morrison		Robert D. Hamilton
DALLAS	75222	Robert D. Rogers	Robert H. Boykin	
		Bobby R. Inman	William H. Wallace	
El Paso	79999	(†)		Joel L. Koonce, Jr.
Houston	77252	(†)		J.Z. Rowe
San Antonio	78295	(†)		Thomas H. Robertson
SAN FRANCISCO	94120	Alan C. Furth	John J. Balles	
		Fred W. Andrew	Richard T. Griffith	
Los Angeles	90051	(†)		Richard C. Dunn
Portland	97208	(†)		Angelo S. Carella
Salt Lake City	84125	(†)		A. Grant Holman
Seattle	98124	(†)		Gerald R. Kelly

*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

†Branch chairmanships had not been determined at the time the BULLETIN went to press.

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- Board of Governors of the Federal Reserve System
- Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility