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# FEDERAL RESERVE BULLETIN

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# Business Fixed Investment: Recent Developments and Outlook

*This article was prepared by Garry J. Schinasi of the Board's Division of Research and Statistics. Fong-Ying Kiang provided research assistance.*

Business fixed investment in the United States has contracted sharply over the past year. Spending on many types of capital equipment has fallen, with heavy industrial machinery and transportation equipment sustaining especially severe losses. Investment in new offices and other types of nonresidential buildings, which had held up fairly well, has begun to decline recently and may contract further in 1983.

The current decline in capital spending is a continuation of the weakness that began more than three years ago. The period from 1979 to 1982 was one in which the combination of rapid inflation and the application of restrictive government policies to foster price stability curtailed the growth of output, increased borrowing costs, and reduced profits; all three of these factors inhibited investment spending.

Despite recent cyclical reductions, the share of total national output devoted to business fixed investment has been reasonably well maintained and remains substantially above the postwar average. However, the composition of capital spending has changed dramatically. Outlays for heavy machinery and new factories have grown very little during the past decade, while expenditures on communications and high-technology equipment and on office buildings have expanded rapidly.

Although business fixed investment may not recover quickly from the current recession and will probably be relatively weak in the near term, the longer-term outlook is more favorable. Increased capacity utilization, new tax incentives provided by the Economic Recovery Tax Act of 1981, continued moderation in inflation, and further improvement in the financial climate should all promote expansion in capital outlays. Howev-

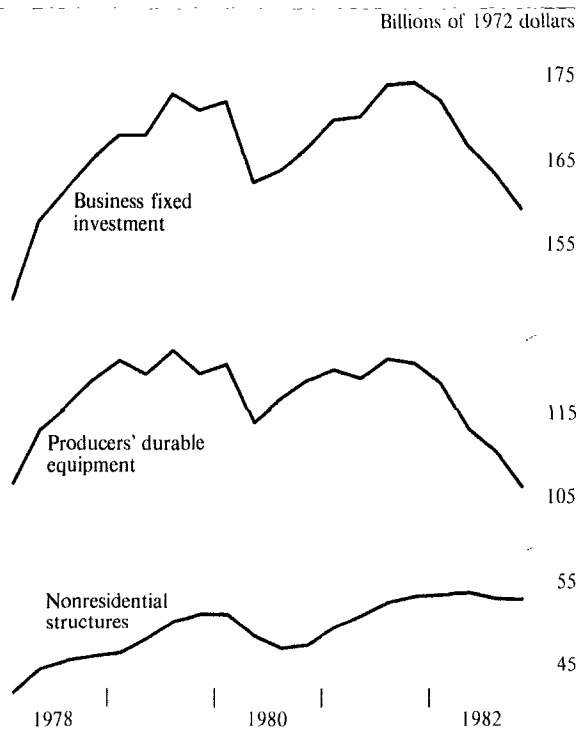
er, if certain structural problems persist, such a favorable environment for investment might not develop. In particular, a continuation of large federal government deficits could forestall a rapid expansion in overall business capital formation. Moreover, high labor costs in the United States and a weakening in competitive position in world markets could restrain capital spending in affected industries for a long time.

## *RECENT DEVELOPMENTS IN BUSINESS FIXED INVESTMENT: 1979-82*

The level of business fixed investment fell twice during the years 1979-82, a period of prolonged economic stagnation and sustained financial pressures. The first contraction in capital spending, during the 1980 recession, was relatively shallow and relatively short; but reductions in business fixed investment in the current recession have been deeper and may continue well into 1983 (see chart 1 and table 1).

The major influences on capital spending—final sales, capacity utilization, the cost of borrowing, and profitability—mirrored the overall stagnation during 1979-82 and were not favorable to expansion in capital outlays (chart 2). By the end of 1982, real final sales were no greater than they had been in mid-1979; as a result, the rate of capacity utilization in manufacturing slumped to a postwar low. Average costs of borrowing long-term funds were close to record highs during the period. Corporations, concerned about the high rates prevailing in bond markets, were reluctant to issue long-term debt and instead greatly increased their reliance on short-term financing. The combination of high rates, the increased share of debt that quickly reflected these rates, and a heavy debt burden greatly boosted the toll of interest expenses on corporate revenues. Reflecting this toll and the

## 1. Business fixed investment and its components



Shaded areas indicate periods of cyclical contraction as defined by the National Bureau of Economic Research; trough for current contraction has not been defined.

U.S. Department of Commerce data. In this and succeeding charts, Board staff estimates are used for all data for 1982:4.

cyclical weakness in sales and earnings, after-tax profits fell precipitously in the nonfinancial corporate sector starting in 1979 and remained low even in 1981 after business taxes were cut. The number of business failures, meanwhile, reached postdepression highs.

The contraction in capital spending in 1980 was relatively shallow because the recession of that year lasted only six months, about half the average duration of previous postwar recessions. Because the margin of excess capacity that developed was narrower than had been typical during postwar recessions, the slide in business fixed investment halted as soon as aggregate demand started to pick up during the second half of the year.

But the cyclical recovery in final sales was short-lived, and in the last half of 1981, economic activity again began to decline, weakening incentives to invest. The impact of the recession on investment spending was delayed until the end of the year, perhaps because businesses expected a repetition of the stop-go pattern of final sales in 1980. But once it became clear that output was not likely to recover promptly, cutbacks in capital spending began in earnest. Over the four quarters of 1982, real business fixed investment fell approximately 9 percent; and judging from

1. Contractions in business fixed investment and in its determinants, 1947-82<sup>1</sup>

Contraction	Business fixed investment		Determinant							
			Final sales		Gross national product		Ratio of after-tax profits to GDP <sup>2</sup>		Manufacturing capacity utilization	
	Reduction	Duration	Reduction	Duration	Reduction	Duration	Ratio at trough (percent)	Duration	Rate at trough (percent)	Duration
1947-48 .....	16.2	4	0	1	1.5	2	4.8	6	72.4	7
1953-54 .....	3.9	3	1.8	4	3.2	4	4.9	9	79.1	5
1957-58 .....	14.4	4	1.8	2	3.3	2	5.3	11	72.4	5
1960-61 .....	3.8	3	.1	1	1.2	3	5.9	7	73.8	4
1969-70 .....	6.9	5	.1	1	1.0	2	4.1	19	76.6	18
1974-75 .....	16.3	6	2.0	4	4.9	5	1.6	6	70.3	6
1980 .....	6.1	3	2.5	1	2.5	1	3.7	10	75.9	6
<i>Average</i>										
Excluding 1980....	10.3	4.2	1.0	2.3	2.5	3.0	4.4	9.7	74.1	7.5
Including 1980....	9.7	4.0	1.2	2.1	2.5	2.7	4.3	9.7	74.4	7.3
1981-82 <sup>3</sup> .....	6.2	3	1.8	6	2.6	2	4.4	3	69.7	6

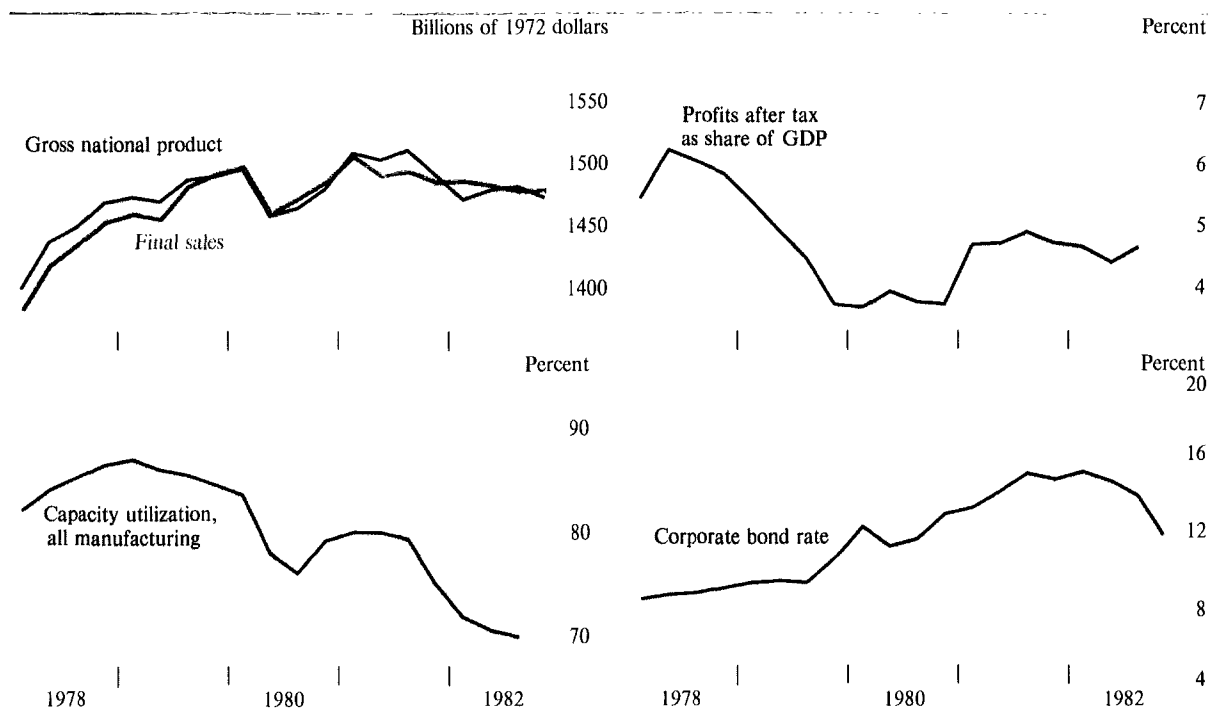
1. The reduction is measured in percent from the peak to the trough of the specific series; the duration is measured by the number of quarters the specific series declined from its peak. All calculations are made with data in constant dollars except for the profit ratio.

2. After-tax profits of the nonfinancial corporate sector, including inventory valuation adjustment and capital consumption adjustment,

as a share of gross domestic product of the nonfinancial corporate sector, both measured in current dollars. The decline in profits typically begins well in advance of a business cycle peak; such timing accounts for the unusually long average duration of nearly ten quarters.

3. Calculations for 1982 use data for the third quarter.

2. Determinants of business fixed investment



Shaded areas indicate periods of cyclical contraction as defined by the National Bureau of Economic Research.

After-tax profits of the nonfinancial corporate sector include inventory valuation and capital consumption adjustments. The corporate bond rate is the rate on Moody's seasoned Aaa bonds.

Data on gross national product, final sales, profits, and gross domestic product of the nonfinancial sector are from the U.S. Department of Commerce; profits and capacity utilization data end in 1982:3.

advance indicators such as contracts and orders and surveys of capital spending plans, it can be expected to contract through at least early 1983. The overall decline last year was close to the average total reduction during previous postwar recessions.

already exceeded the drop in 1980 and is likely to continue in the first half of 1983; moreover, it is expected that, once the decline bottoms out, it

Producers' Durable Equipment

Outlays for producers' durable equipment fell 7 percent in the 1980 recession, compared with an average decline of 14 percent for the earlier contractions (table 2). The only component of equipment that suffered a major setback during that period was transportation equipment, as business purchases of motor vehicles dropped one-third (chart 3). Spending for other components held up fairly well, falling only about 3 percent in the aggregate.

In the current contraction, reductions in outlays for producers' durable equipment have been widespread and quite sharp. The decline has

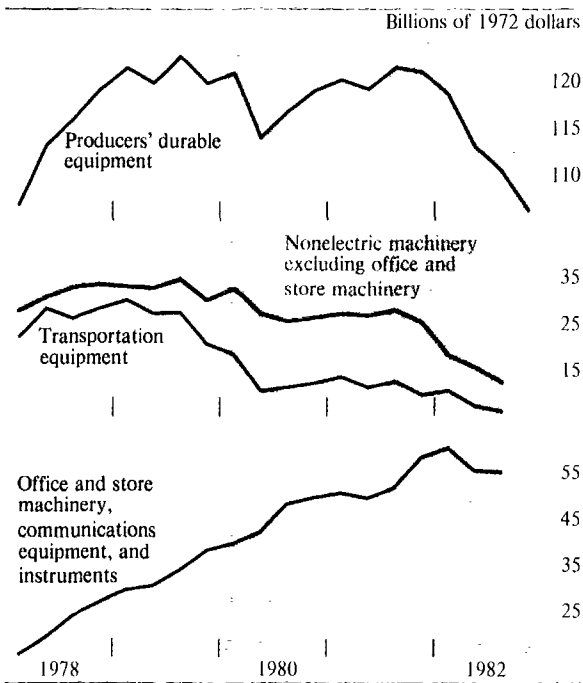
2. Contractions in the major components of real business fixed investment, 1947-82<sup>1</sup>

Contraction	Producers' durable equipment		Nonresidential structures	
	Reduction	Duration	Reduction	Duration
1947-48 .....	22.5	7	10.5	4
1953-54 .....	9.6	3	.0	2
1957-58 .....	19.3	4	9.0	7
1960-61 .....	10.8	3	2.3	4
1969-70 .....	7.7	5	7.8	9
1974-75 .....	14.3	5	22.2	7
1980 .....	7.0	3	8.0	3
<i>Average</i>				
Excluding 1980 .....	14.0	4.5	8.6	5.5
Including 1980 .....	13.0	4.3	8.5	5.1
1981-82 <sup>2</sup> .....	9.1	4	1.3	1

1. The reduction is measured in percent from the peak to the trough of the specific series; the duration is measured by the number of quarters the specific series declined from its peak. All calculations are made with data in constant dollars.

2. Calculations for 1982 use data for the third quarter.

3. Producers' durable equipment and selected components



Shaded areas indicate periods of cyclical contraction as defined by the National Bureau of Economic Research. U.S. Department of Commerce data; data for components end 1982:3.

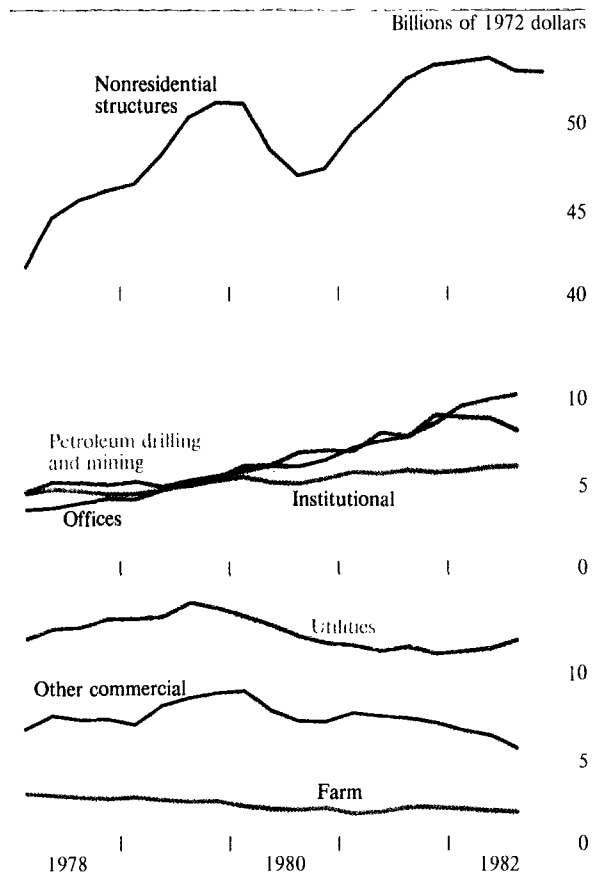
will have been greater than the average contraction experienced during previous postwar recessions. Outlays for heavy machinery, such as engines, agricultural equipment, and construction machinery, have declined one-fourth since the third quarter of 1981. Business purchases of cars and trucks, which account for about 80 percent of investment in transportation equipment, have fallen about 8 percent in that period, bringing the total decline in this component to nearly 40 percent since 1978. Spending for other transportation equipment—commercial aircraft, railroad equipment, and ships—is down one-third. At the same time, expenditures for fabricated metals and for electrical machinery other than communications equipment have been reduced substantially.

In contrast, expenditures on many types of "lighter" equipment have slackened only a little. Outlays for office and store machinery, communications equipment, and instruments, which together accounted for more than 40 percent of producers' durable equipment in 1982, have decreased only 5 percent.

Nonresidential Structures

Outlays for nonresidential structures fell 8 percent during the 1980 recession, about the same as the average contraction during previous postwar recessions. The decline reflected both cyclical influences and longer-run investment trends (chart 4). Cyclical weakness became evident in spending on office buildings and institutional structures early in 1980 after substantial growth in the late 1970s. Outlays for construction of such commercial buildings as shopping centers and other stores, also dropped; although cyclical factors played a role in the decline, the weakness probably also stemmed from overbuilding in earlier years. Expenditures on public utility structures continued a downward trend that began after the jump in oil prices during the mid-

4. Nonresidential structures and its components



Shaded areas indicate periods of cyclical contraction as defined by the National Bureau of Economic Research. U.S. Department of Commerce data; data for components end 1982:3.

seventies. The same increases in energy prices, however, helped to boost petroleum drilling and mining activity, which maintained the upward trend that had begun in the mid-1970s.

Except for drilling for oil and gas, the trends in nonresidential structures evident in 1980 continued into 1982. Reductions in capital outlays related to drilling and mining recently have accounted for most of the decline in outlays for nonresidential structures. Since their peak in the last quarter of 1981, expenditures for petroleum drilling and mining have fallen 9½ percent.

Outlays for nonresidential structures excluding petroleum drilling and mining have eased off 2 percent during the current contraction. Building activity often is not synchronized with the business cycle because of the long-term nature of building commitments. For example, construction of office buildings expanded throughout 1982 as previous commitments were fulfilled. In contrast, work on public utility structures, other commercial buildings (mostly shopping centers), and farm structures, which had been trending downward before the recession, fell further during 1982. In addition, expenditures for industrial buildings, which tend to be more cyclical, reversed their rise of 1981.

*A BROADER PERSPECTIVE ON BUSINESS FIXED INVESTMENT*

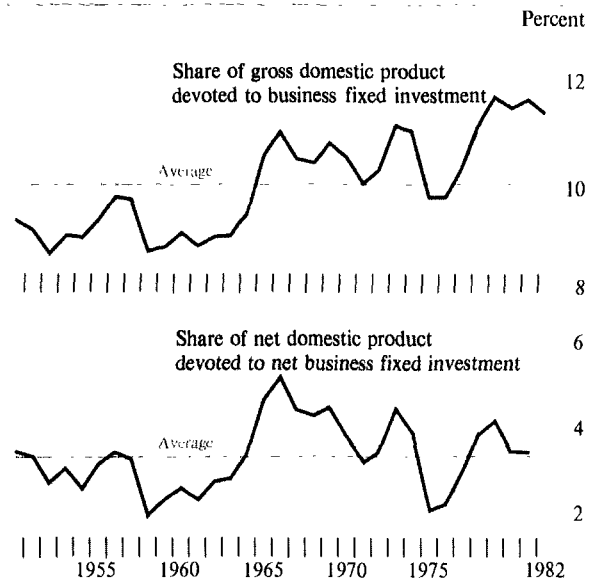
Although business fixed investment has declined substantially over the past year, this weakness appears to reflect the cyclical stagnation of overall economic activity rather than a fundamental flaw in long-run capital formation. At the same time, changes in technology, shifts in the compo-

sition of aggregate demand, and foreign competition have acted to alter the mix of investment spending. Consequently, even though the share of output used for total investment seems to be in line with historical performance, capital formation associated with heavy industry appears to have declined.

*The Adequacy of Investment*

The share of gross domestic product devoted to business fixed investment has increased substantially since the 1950s (chart 5 and table 3). In the mid-1970s, while the U.S. economy adjusted to a

5. Business investment as a share of output



U.S. Department of Commerce data. Board staff estimates of business fixed investment for 1982:4 were used for the upper panel. Data for net business fixed investment in 1982 are not available.

3. Measures of the performance of real business fixed investment, 1948-82<sup>1</sup>

Annual average in percent					
Measure	1948-55	1956-65	1966-73	1974-79	1980-82 <sup>2</sup>
1 Gross business fixed investment as share of gross domestic product .....	9.3	9.3	10.6	10.6	11.5
2 Net business fixed investment as share of net domestic product .....	3.3	3.0	4.2	3.2	3.4
Growth in business capital stock					
3 Straight-line depreciation .....	4.8	3.7	4.9	3.4	3.5
4 Discarded-capital depreciation <sup>3</sup> .....	3.7	3.2	4.5	3.8	3.9

1. All calculations are made with data in constant dollars.  
 2. Line 1 is based on staff estimates for 1982:4; lines 2, 3, and 4 end with 1981:4.  
 3. This measure assumes that capital retains all its usefulness until it is discarded.

SOURCE. Bureau of Economic Analysis. Lines 1 and 2 are from the national income and product accounts. Lines 3 and 4 are from *Fixed Reproducible Tangible Wealth in the United States, 1925-79* (March 1982), with updating provided by BEA. Line 3 corresponds to the concept of net stocks, line 4 with the concept of gross stocks used in that publication; both assume constant-cost valuation.



quadrupling of energy prices and endured a severe recession, this share fell sharply. As the economy recovered in the late seventies, however, the share of output devoted to business fixed investment increased considerably—as much as it did in the mid-sixties. In recent years, this share has moved higher despite the cyclical weakness of business spending and is now about 11½ percent.

The ratio of business fixed investment to gross domestic product may, however, overstate the adequacy of investment outlays in the United States for two reasons: First, gross investment includes capital expenditures on replacement equipment and repairs, so that as the stock of capital has risen, required replacement has increased. Second, the stock of equipment has increased more rapidly than has the stock of buildings and other long-lived capital; this shift has raised the average rate of depreciation of the capital stock as a whole. The influence of both factors can be eliminated by calculating the ratio of net business fixed investment (business fixed investment minus straight-line depreciation) to net domestic product (GDP less depreciation).

As chart 5 indicates, removing depreciation eliminates the upward trend evident in the ratio of gross investment to GDP. Nonetheless, over the long run the fraction of net domestic product devoted to net business fixed investment has remained about constant. Additions to the business capital stock were, in fact, smaller in the 1970s than in the second half of the 1960s, but investment performance during the late 1960s was strengthened by an unusually prolonged period of robust economic activity as well as by the effects of the Vietnam War. Over the past three years, the ratio of net business fixed investment to net national product has been above the postwar average, despite the cyclical contraction of output. Thus it appears that capital spending in recent years has been adequate, in the sense that the ratio of investment to output has been in line with historical norms.

Another way to assess investment performance in the long run is to analyze the growth of the capital stock. The two standard measures of that growth (table 3, lines 3 and 4) yield the same results as the investment–output ratios discussed above. In general, growth in the capital stock has

exhibited cyclical variation over the postwar period, but no discernible secular trend. Except for the cyclical swings, growth in the capital stock has been roughly constant.

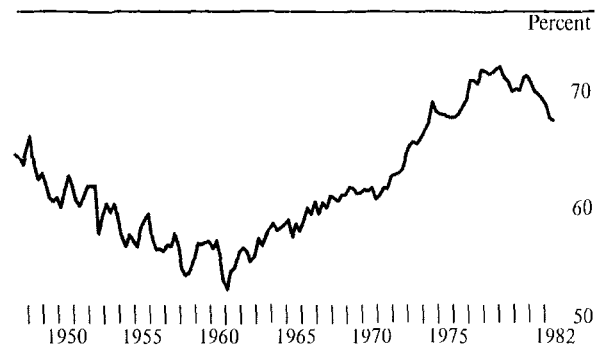
### *The Composition of Business Fixed Investment: Emerging Trends*

Although growth of overall business fixed investment during the past decade has been in line with longer-run trends, outlays for the various components have diverged widely. Outlays for producers' durable equipment grew much faster than those for nonresidential structures during the 1960s and 1970s, reversing the trend from the mid-1940s to the late 1950s (chart 6). This shift may have been a response to rising relative prices for construction or to tax policy that favored equipment spending.

The composition of spending within the equipment category also has changed dramatically, as shown in table 4 and chart 7. From 1960 to the present, outlays for communications and high-technology equipment have increased steadily, from less than 14 percent to more than 45 percent of total spending for producers' durable equipment (see table 4 for definitions of categories). At the same time, the share of heavy industrial equipment in total equipment spending has declined, from more than 35 percent to about 20 percent.

Even before the first oil-price shock, the share of equipment outlays going to heavy industrial machinery had been declining while the share of

6. Share of business fixed investment devoted to producers' durable equipment



U.S. Department of Commerce data.

4. Components of real business fixed investment, 1958-82<sup>1</sup>

Component	1958-65	1966-73	1974-79	1980-82 <sup>2</sup>
<b>Business fixed investment</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Producers' durable equipment <sup>3</sup> .....	56.6	61.9	69.7	69.8
Communications and high-technology equipment .....	9.0	12.4	19.2	28.5
Heavy industrial equipment .....	17.9	18.1	17.2	15.1
Transportation equipment .....	14.7	17.0	18.1	13.7
Construction and agricultural .....	6.8	6.6	7.0	4.4
Other .....	8.2	7.8	8.3	8.0
Nonresidential structures .....	43.5	38.1	30.2	30.2
Commercial .....	10.8	10.0	7.8	9.1
Offices .....	n.a.	n.a.	2.9	4.7
Other <sup>4</sup> .....	n.a.	n.a.	4.9	4.4
Public utilities .....	9.5	9.9	8.7	7.0
Petroleum drilling and mining .....	4.8	2.7	3.2	4.5
Industrial .....	6.8	6.7	4.4	4.3
Institutional .....	9.1	6.4	3.6	3.5
Farm .....	2.1	1.6	2.0	1.4
Other <sup>5</sup> .....	.3	.9	.6	.4

1. All calculations are made with data in constant dollars.

2. Calculations for 1982 use data for the third quarter.

3. These categories are defined as follows: communications and high-technology equipment includes office and store machinery (which is about 80 percent computers, but also includes more traditional items such as typewriters, cash registers, and calculating machines), communication equipment, scientific engineering equipment, and photographic equipment; heavy industrial equipment includes steam engines, internal combustion engines, metalworking machinery, special industry machinery, general industry machinery, transmission and distribution machinery, and fabricated metals; transportation equipment includes trucks, passenger cars, aircraft equip-

ment, ships and boats, and railroad equipment; construction and agricultural equipment includes construction tractors, construction machinery, farm tractors, and agricultural machinery; and other equipment includes service industry machinery, mining and oil field machinery, household appliances, miscellaneous electrical machinery, household furniture, other furniture, other miscellaneous, and scrap.

4. Other commercial structures include other commercial buildings and mobile homes.

5. Other structures include all other private structures, commissions, and net transfers.

n.a. Not available before 1972.

communications and high-technology equipment had been increasing. But after the U.S. economy began to conserve energy and the growth in demand for heavy industrial machinery slowed, these patterns became more pronounced.

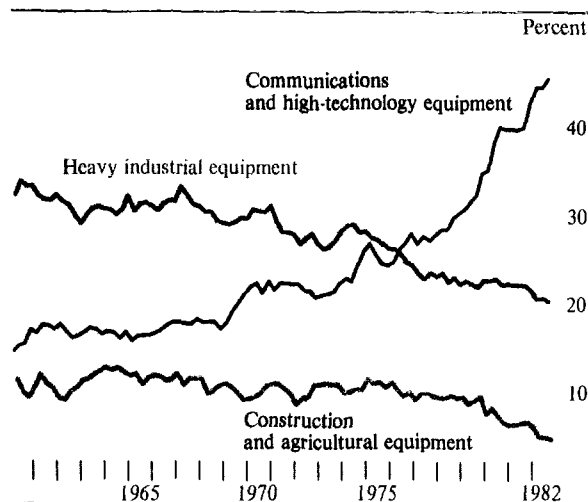
Factors besides the oil-price shock contributed to the shift away from investment in heavy industrial machinery. During the 1970s, U.S. manufacturers of steel and motor vehicles experienced intense competition from foreign producers. As labor costs rose and growth in productivity slowed in these industries, foreign competitors gained a substantial cost advantage. Responding to the loss of shares in world markets, U.S. producers shut down less efficient factories in those and related industries and canceled new capital projects; consequently, despite intensive efforts by some of these industries to modernize, growth in the demand for domestically produced heavy industrial machinery declined. Between 1980 and 1982, as the dollar appreciated against foreign currencies, other durable goods industries in the United States became less competitive. The shift away from industrial equipment

also may have occurred because the manufacturing sector began to utilize more sophisticated production techniques, such as computerized inventory control, automation, and complex communications networks, and because the economy in general was devoting a larger share of its output to services and information.

The composition of nonresidential construction also has displayed clear trends over the past decade (chart 8). Energy prices have influenced the demand for various types of business structures as well as equipment. On the one hand, as the demand for electricity grew in response to falling relative prices, expenditures for public utility structures rose as a share of total nonresidential structures from the mid-1960s to the early 1970s. After oil prices quadrupled in 1973, the growth in demand for electricity slowed dramatically and investment in new generation plants declined.

On the other hand, petroleum drilling and mining activity fell as a share of total expenditures on structures throughout the 1960s with the fall in the relative price of oil. But when the price

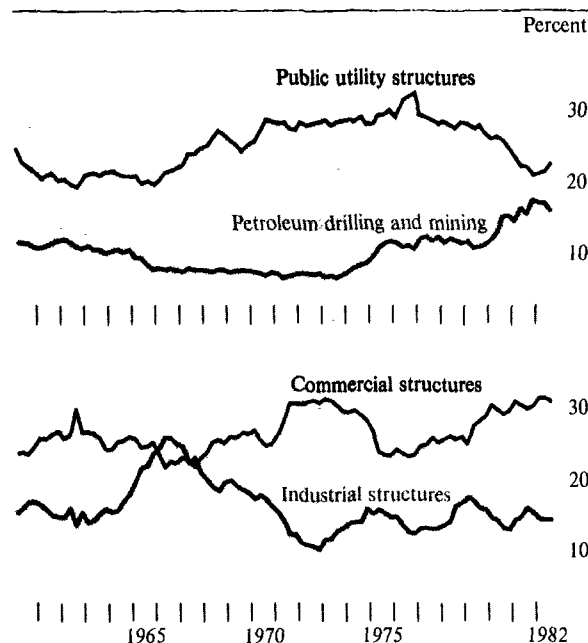
## 7. Selected components of producers' durable equipment



Percent of total producers' durable equipment, in constant dollars. U.S. Department of Commerce data; data for components end 1982:3.

of oil skyrocketed in 1973 and again in 1979, oil exploration became more profitable and the share of petroleum drilling and mining began to rise; by early 1982, it was about 16 percent of outlays for business structures, nearly two and a half times the share in 1972.

## 8. Selected components of nonresidential structures



Percent of total nonresidential structures, in constant dollars. U.S. Department of Commerce data; data for components end 1982:3.

Nonresidential building activity (that is, non-residential structures excluding petroleum drilling and mining) has shifted over the past decade toward commercial buildings. The share of outlays for offices has been expanding sharply, while the share for other commercial buildings—mostly shopping centers and other stores—has been shrinking with the slowing in population growth and in development of suburban areas. Meanwhile, outlays devoted to industrial building have remained near 15 percent of the total on nonresidential structures for the past decade; in the mid-1960s they reached a peak of a quarter of the total.

*THE OUTLOOK*

The near-term outlook for business fixed investment depends critically on the response of product and financial markets to the ongoing efforts to reduce inflation. The halving of inflation during 1982 did foster a significant drop in nominal interest rates from the cyclical peaks reached in late 1981; moreover, further progress in cutting inflation appears to be in prospect and should bring additional improvements in financial markets. The effects of the recent declines in interest rates are already being felt in some sectors of the economy, such as automobiles and housing, and a more generalized recovery in aggregate demand appears imminent. Lower costs for long-term borrowing also have allowed firms to begin needed restructuring of their balance sheets, funding of short-term debt, and rebuilding of liquid assets. The combination of an expected recovery in final demand, the easing of financial stresses, and continued improvement in credit market conditions should help encourage a sustained expansion in capital spending.

The initial recovery of business fixed investment will probably be slower than is typical after a cyclical contraction in capital spending. The moderate growth of business outlays expected during the expansion reflects the severity of the preceding recession. The severe drop in production during 1981 and 1982 left many firms with margins of unused capacity that are wider than is usual in a recession (table 1). Consequently, during the initial rebound of aggregate demand

many firms will be more likely to intensify use of existing capital than to invest in new plant and equipment. But, as overall activity follows a path of sustained recovery, the demand for new capital goods should increase more rapidly.

In the early stages of an investment recovery, spending tends to be concentrated on items that can be purchased off the shelf or that have a short production time. A similar pattern seems likely to unfold this year, with the initial expansion concentrated in business purchases of automobiles and trucks and in outlays for communications equipment and other lighter, high-technology equipment. Heavy industrial machinery will take longer to recover because of planning and production lags as well as the underlying shift in demand away from these goods. Similar lags are likely to delay the recovery of spending on nonresidential structures, although the decline in petroleum drilling and mining activity is already showing signs of easing.

Over the longer term, the outlook for capital spending is generally favorable. Current fiscal and monetary policies should encourage a recovery and expansion of output through the mid-1980s, thereby stimulating greater utilization of existing capacity and providing incentives to create new capacity in most sectors of the economy. Inflation should continue to decline, so that a more stable economic environment emerges and uncertainty decreases. This decrease in uncertainty could revive interest in longer-term investments, which lost their appeal in the turbulent seventies. And the continuing revolution in electronics will probably promote investment demand by providing new types of equipment that can be used to cut costs.

Federal tax policy toward business also should help create a favorable climate for investment spending in the 1980s. The Economic Recovery Tax Act of 1981 substantially increased allowable writeoffs for depreciation of business capital, expanded the investment tax credit, and liberalized the rules for transferring those tax breaks through leasing arrangements. Although some of the provisions of the 1981 act were repealed or modified in 1982, effective federal tax rates on business are still much lower than they were in 1980.

Declining inflation will also lower business taxes by reducing the bias that is created by historical-cost depreciation. (For example, if inflation doubles the price level in six years, the remaining tax value of depreciation on six-year-old equipment is cut in half because no allowance is made in the tax law for the shrinkage in the value of a dollar over the intervening period.) For some kinds of investment, the reduction in effective tax rates generated by a substantial improvement in price performance could be larger than that legislated in 1981.

This generally favorable outlook for the formation of additional business capital is clouded by two major problems. First, although lower inflation and lower taxes on income from capital should strengthen business investment in the 1980s, these same two factors could contribute to deeper federal deficits, thus offsetting much of their beneficial effect. The large current deficits probably can be funded by the flow of private saving—given the depressed state of markets for both personal and business investment goods; but once a recovery is solidly under way, federal financing needs can be expected to compete for savings and to keep the real cost of funds substantially higher than it otherwise would be. Unless federal deficits can be held below the substantial sums now in prospect, through either major reductions in federal expenditures or increases in federal tax rates, high borrowing costs could severely limit long-term plans for investment spending.

Second, even if the problem of persistent federal deficits is successfully handled, compositional imbalances in capital spending are likely to remain. Many heavy industries—for example, automobiles and steel—are beset by serious structural problems. Problems with costs, productivity, and output design have reduced international competitiveness, and capacity utilization in a number of industries has fallen to such a low level that investment has become unattractive. Unless these serious structural problems are addressed in a meaningful way, investment in the affected sectors may continue to decline.

Recent revisions in the federal tax law, combined with the likelihood of increased economic stability, should provide an extraordinary opportunity for capital expansion and renovation in the

1980s. However, if federal deficits are not reduced and if the entrenched structural problems of aging heavy industry are not successfully addressed, business capital formation may not achieve its potential for growth. □

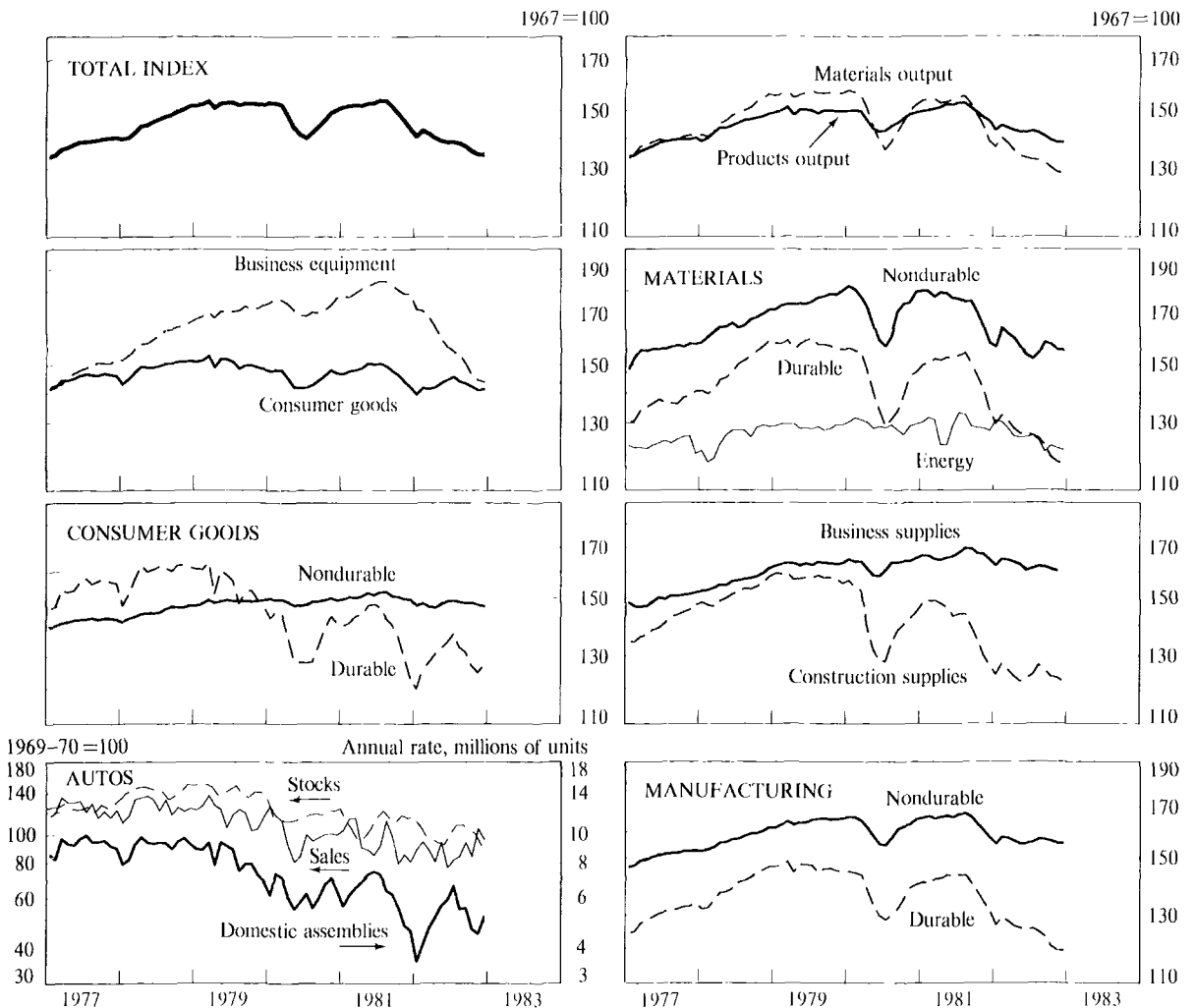
*For a detailed empirical and theoretical discussion of capital formation in the United States, see Board of Governors of the Federal Reserve System, Public Policy and Capital Formation (Board of Governors, 1981).*

# Industrial Production

Released for publication January 14

Industrial production edged down in December an estimated 0.1 percent after large declines in the preceding three months. Sizable increases occurred in the output of automotive products and defense and space equipment, but there was continuing weakness in the production of home

goods, business equipment, construction supplies, and durable materials. For November the decline in the production index is now estimated at 0.7 percent and for October at 1.1 percent, reflecting downward revisions from the previously published declines of 0.4 and 0.8 percent respectively. At 134.7 percent of the 1967 average, the December index was 12.5 percent below



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

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, Dec. 1981 to Dec. 1982
	1982		1982					
	Nov. <sup>p</sup>	Dec. <sup>e</sup>	Aug.	Sept.	Oct.	Nov.	Dec.	
	Major market groupings							
<b>Total industrial production</b> .....	<b>134.8</b>	<b>134.7</b>	<b>-.3</b>	<b>-.8</b>	<b>-1.1</b>	<b>-.7</b>	<b>-.1</b>	<b>-6.1</b>
Products, total .....	138.6	138.7	-.4	-.8	-1.0	-.6	.1	-5.1
Final products .....	137.7	138.1	-.9	-.9	-1.0	-.7	.3	-5.6
Consumer goods .....	141.1	141.4	-1.2	-.5	-.8	-.8	.2	-.4
Durable .....	124.9	127.3	-3.2	-1.2	-3.4	-1.6	1.9	3.3
Nondurable .....	147.6	147.0	-.3	-.3	.1	-.5	-.4	-1.7
Business equipment .....	144.6	144.1	-.6	-2.2	-2.7	-1.2	-.3	-19.5
Defense and space .....	113.6	116.0	.0	.0	2.1	1.6	2.1	8.4
Intermediate products .....	141.9	141.0	1.3	-.7	-.9	-.4	-.6	-3.4
Construction supplies .....	123.2	122.2	2.4	-1.3	-1.5	-.3	-.8	-3.8
Materials .....	128.9	128.4	-.2	-.6	-1.3	-1.1	-.4	-7.6
	Major industry groupings							
Manufacturing .....	134.0	133.9	-.1	-.7	-1.5	-.7	-.1	-5.7
Durable .....	119.3	119.3	-.8	-1.1	-2.4	-1.0	.0	-9.1
Nondurable .....	155.2	155.1	.8	-.1	-.4	-.5	-.1	-1.5
Mining .....	115.9	118.0	-2.7	-1.9	1.5	-.4	1.8	-17.3
Utilities .....	167.1	165.5	.5	-.6	.2	-.4	-1.0	-1.6

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

its latest high in July 1981. Annual industrial output in 1982 was about 8 percent below 1981, putting it at about the same level as in 1977.

In market groupings, output of consumer goods increased 0.2 percent in December, reflecting a sharp increase in the production of autos and light trucks. Automobiles were assembled at an annual rate of 5.1 million units—up about 13 percent from November. The auto industry has scheduled a further increase for January in response to improved sales that have diminished stocks. However, production of home goods and nondurable consumer goods contracted further in December. Output of business equipment declined 0.3 percent, a smaller reduction than in most months of 1982. Continued contractions in the output of manufacturing and power equipment were partially offset by an increase in oil and gas well drilling. Output of

defense and space equipment, which had been rising moderately during most of 1982, increased significantly for the third consecutive month. Production of intermediate goods—construction and business supplies—fell further during December.

Output of materials declined 0.4 percent—a somewhat smaller reduction than in recent months. Production of durable materials decreased 0.6 percent, with continued declines in metals. Output of nondurable materials was unchanged overall, and energy materials declined.

In industry groupings, manufacturing production edged down in December with little overall change in either durable or nondurable manufacturing. Mining activity increased, but output of electric and gas utilities was reduced, in part reflecting milder-than-usual weather in some areas of the country.

# Announcements

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## *CHANGE IN DISCOUNT RATE*

The Federal Reserve Board has announced a further reduction in the discount rate from 9 percent to 8½ percent, effective December 14, 1982. The discount rate is the interest rate that is charged for borrowings from the District Federal Reserve Banks.

The further half-point reduction in the discount rate was taken in the light of current business conditions, strong competitive pressures on prices and further moderation of cost increases, a slowing of private credit demands, and present indications of some tapering off in growth of the broader monetary aggregates.

In announcing the reduction, the Board voted on requests submitted by the boards of directors of the Federal Reserve Banks of Boston, Atlanta, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco. The Board subsequently approved similar requests from the Federal Reserve Banks of New York, Cleveland, Richmond, and Kansas City, effective December 15, and from the Federal Reserve Bank of Philadelphia, effective December 17, 1982.

## *CHECK COLLECTION SERVICE*

The Federal Reserve Board has approved a program to accelerate the collection of checks by the Federal Reserve System.

The Board also approved a revised schedule of fees for the transportation of currency and coin to depository institutions and adopted a private sector adjustment factor (PSAF) of 16 percent as an element in the pricing of its services in 1983 (unchanged from the 1982 PSAF).

As adopted, the program for speeding up check collection includes a number of changes made in response to comment received on a proposal published in August. The main elements of the program are as follows:

1. Reserve Banks will have checks available for presentment (or dispatch) to paying institutions no later than 12:00 noon local time.<sup>1</sup> The transition to later presentment will be accomplished in two steps: first, on February 24, 1983, presentment will be moved to 11:00 a.m.; and on May 2, 1983, it will be moved to 12:00 noon.

2. The later presentment policy program will be applied to regional check processing center (RCPC) and country paying institutions that receive a substantial dollar value of checks. Further, deposit deadlines for checks drawn on high dollar RCPC and country institutions will be extended beyond the deadlines that were originally published by the Reserve Banks. Generally, these deadlines will be comparable to the deadlines for checks drawn on city institutions.

3. Each Reserve office's later deposit deadlines will be made available to all depositors—intraterrestrial institutions, institutions that "direct send" to other Federal Reserve offices, and institutions using the Federal Reserve's interdistrict transportation system (ITS) network.

Under this program at least \$3 billion of checks handled by the Federal Reserve are estimated to be cleared a day earlier.

The new collection program will be put into effect in stages from February 24 through July 1, 1983. The Reserve Banks will notify depository institutions, at a later time, of the details of the program.

In adopting the program, the Board said:

Implementation of the Reserve Banks' proposal to accelerate the collection of checks, with the modifications that have been made, should provide substantial benefits to depository institutions and to the public. The program will improve the availability of funds to depository institutions and permit them to make funds available more quickly to their customers. Additionally, this program should encourage the use of electronic payment systems, since it should result in reduced check collection float.

1. Presentment indicates the time that Reserve offices will present checks at clearinghouses or make them available for pickup at the Reserve office. When deliveries must be made to city institutions outside a clearinghouse, delivery will be made as close as possible to these hours.



The Federal Reserve conducted a comprehensive review of the 557 comments received. Most of the comment supported the objectives of the proposal to accelerate the collection of checks. Support was received on the specifics of the program from 255 commenters, and 35 others approved the program in part.

The private sector adjustment factor of 16 percent adopted by the Board for inclusion in Federal Reserve pricing in 1983 assumes an average cost of capital during the year of 16.3 percent. Other factors in calculating the PSAF are the book value of related Federal Reserve assets and related financing expenses. Details of the calculation of the PSAF are available from the Reserve Banks or the Federal Reserve Board.

The fees for Federal Reserve cash transportation in 1983 will be higher than in 1982, but will not yet recover full costs, in order to provide institutions with a transition period before the Federal Reserve establishes a fee schedule that recovers full costs.

#### *REGULATION D: AMENDMENT*

The Federal Reserve Board on December 23, 1982, adopted in final form an amendment to Regulation D (Reserve Requirements of Depository Institutions) defining as transaction accounts time deposits issued in connection with an agreement permitting the depositor to obtain credit by check or similar devices for the purpose of making payments or transfers to third parties.

The final rule is substantially the same as the rule issued in temporary form, effective October 5, 1982, and amended in November to exempt such time deposits issued before October 5, 1982, that will be renewed automatically on or before December 31, 1982. In issuing the final rule, the Board clarified that it does not regard as transaction accounts time deposits pledged to secure incidental overdrafts in a checking account.

#### *REGULATION L: AMENDMENT*

The Federal Reserve Board has announced adoption in final form of an amendment to its

Regulation L (Management Official Interlocks) clarifying the circumstances under which certain interlocks among depository institutions may be continued until 1988.

The Board and the other federal supervisory agencies of depository institutions proposed this amendment to their regulations in October. The revised rule is being adopted by the five agencies as proposed.

The amendment to Regulation L will become effective upon publication jointly by the five agencies in the *Federal Register* about the middle of January.

#### *REGULATIONS D AND Q: TECHNICAL AMENDMENTS*

The Federal Reserve Board on December 29, 1982, made public a number of technical revisions of its Regulation D (Reserve Requirements of Depository Institutions) and Regulation Q (Interest on Deposits) to conform the regulations to rules adopted by the Depository Institutions Deregulation Committee.

#### *COMPLIANCE HANDBOOK SUPPLEMENT*

Supplement No. 8 to the *Federal Reserve System Compliance Handbook* is now available. The supplement replaces pages in Part I (Statutes and Regulations) and Part II (Examination and Investigation Procedures) with regard to Truth in Lending, Fair Debt Collection, and Home Mortgage Disclosure. The new material has been approved by the Federal Financial Institutions Examination Council and adopted for System use by the Board's Division of Consumer and Community Affairs.

The supplement is available without charge on request to Publication Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

#### *PROPOSED ACTION*

The Federal Reserve Board has requested comment by February 13, 1983, on a revised fee schedule for its book entry securities services

(computer recording of government securities and related wire transfers).

Ulm Financial Corporation ..... 801  
 Union Planters Corporation ..... 434

*CHANGES IN BOARD STAFF*

John M. Denkler, Staff Director for Management, has been appointed Adviser in the Office of Staff Director for Federal Reserve Bank Activities, effective February 1, 1983.

The Board has also announced the resignation of Uyless D. Black, Associate Director, Division of Data Processing, on December 31, 1982.

*ERRATUM*

The following bank holding companies were omitted from the Index to Volume 68 in the December 1982 issue of the BULLETIN, p. A88:

*SYSTEM MEMBERSHIP:  
 ADMISSION OF STATE BANKS*

The following banks were admitted to membership in the Federal Reserve System during the period December 11, 1982, through January 10, 1983:

*California*  
 Los Angeles..... Hanni Bank  
*Colorado*  
 Boulder ... Boulder Tri-State Industrial Bank  
 Denver..... Tri-State Industrial Bank  
*Florida*  
 Sarasota ..... City Commercial Bank  
*Puerto Rico*  
 San Juan..... Banco de Ponce

# Record of Policy Actions of the Federal Open Market Committee

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*MEETING HELD ON NOVEMBER 16, 1982*

## *1. Domestic Policy Directive*

The information reviewed at this meeting suggested that real GNP would change little in the fourth quarter, after increasing at an annual rate of  $\frac{3}{4}$  percent in the third quarter according to preliminary estimates of the Commerce Department. Average prices, as measured by the fixed-weight price index for gross domestic business product, were continuing to rise at a much less rapid pace than in 1981.

The nominal value of retail sales rose 0.6 percent in October, but the level was little higher than in the second and third quarters. Sales increased at automotive outlets and furniture and appliance stores, but edged down at nondurable goods stores. Unit sales of new domestic automobiles fell back to an annual rate of 5.3 million units, after having increased to an annual rate of 6.2 million units in September in response to special promotions aimed at reducing excess stocks of 1982 models.

The index of industrial production declined 0.8 percent in October, a little more than in both August and September, and was about  $1\frac{1}{2}$  percent below its recent peak in July 1981. Output of business equipment fell substantially further in October, and as in other recent months, defense and space equipment was the only major category of final products showing strength. Capacity utilization in manufacturing fell 0.8 percentage point to 68.4 percent, the lowest level in the postwar period.

Nonfarm payroll employment fell further in October, declining slightly more than the average over the previous four months. Cutbacks in employment were widespread and were especially marked in durables manufacturing. The unemployment rate rose an additional 0.3 percentage

point to 10.4 percent, with the rise concentrated among adult workers. In recent weeks, moreover, initial claims for unemployment insurance remained exceptionally high.

Private housing starts rose in September and in the third quarter as a whole were nearly 17 percent higher than in the second quarter. Most of the third-quarter increase was in the multifamily sector and was attributable mainly to a surge in federally subsidized rental units at the end of the fiscal year. In September, newly issued permits for both single-family and multifamily dwellings rose substantially. Sales of new homes also advanced appreciably, exceeding the 1981 average rate for the first time this year; sales of existing homes, however, remained at the reduced August pace.

The producer price index for finished goods rose 0.5 percent in October, following a decline of 0.1 percent in September. Most of the October increase was attributable to higher prices for motor vehicles, which had been reduced in September by end-of-year liquidation allowances and discounts on 1982 models. Prices of consumer foods and energy-related items edged down in October. Over the first ten months of the year the index rose at an annual rate of about  $3\frac{1}{4}$  percent, less than half the pace in 1981. The consumer price index rose 0.2 percent in September, as the homeownership component declined and most other categories registered relatively small increases. Over the first nine months of the year the index rose at an annual rate of about  $4\frac{3}{4}$  percent, compared with an increase of about 9 percent in 1981. In recent months the advance in the index of average hourly earnings had remained considerably less rapid than it was during 1981.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies continued to appreciate from the end

of September to mid-November. The dollar strengthened further despite somewhat greater declines, on balance, in U.S. interest rates than in foreign interest rates over the period. Moreover, release of data indicating that the U.S. merchandise trade deficit in the third quarter was more than double the rate in the first two quarters of the year apparently had little impact on exchange rates.

At its meeting on October 5, the Committee had agreed that it would seek to maintain expansion in bank reserves needed for an orderly and sustained flow of money and credit, consistent with growth of M2 (and M3) from September to December at an annual rate in a range of around  $8\frac{1}{2}$  to  $9\frac{1}{2}$  percent, and taking account of the desirability of somewhat reduced pressures in private credit markets in the light of current economic conditions. Somewhat slower growth, bringing those aggregates around the upper part of the ranges set for the year, would be acceptable and desirable in a context of declining interest rates. Should economic and financial uncertainties lead to exceptional liquidity demands, somewhat more rapid growth would be tolerated. The Committee had also decided that it would place much less than the usual weight on the movements of M1 during the period from September to December and would not set a specific objective for its growth, because its behavior would be substantially affected by special circumstances. The intermeeting range for the federal funds rate, which provides a mechanism for initiating further consultation of the Committee, was set at 7 to  $10\frac{1}{2}$  percent.

Growth of M2 and M3, which had been sluggish in September, picked up to annual rates of about 8 percent and 9 percent respectively in October; still, growth remained below the brisk pace of earlier in the year. Growth of M1 surged to an annual rate of a little over 20 percent, influenced by shifts of funds in connection with the large volume of maturing all savers certificates.

Total credit outstanding at U.S. commercial banks grew at an annual rate of about 7 percent in October, up somewhat from the reduced September pace. Banks acquired a sizable volume of U.S. Treasury securities, but growth in loans generally remained relatively weak. Total short-

term borrowing by nonfinancial businesses slowed further, as growth in business loans at banks moderated and the volume of commercial paper outstanding contracted substantially for the second month in a row. However, the weakness in short-term borrowing was offset in part by an increase in long-term financing in the bond market.

The demand for reserves was relatively strong in October, reflecting particularly the rapid growth of M1. Nonborrowed reserves grew rapidly, and adjustment borrowing (including seasonal borrowing) fell to an average of \$337 million in October from an average of \$815 million in September.

Short-term market interest rates on private instruments declined about  $1\frac{1}{2}$  percentage points on balance over the intermeeting interval, after a temporary reversal in September. Yields on short-term U.S. Treasury securities declined less, by about  $\frac{3}{4}$  to 1 percentage point, and the rate on three-month Treasury bills actually rose somewhat. Quality spreads in the money markets, after widening in September, had narrowed in recent weeks as concerns about private credit risks apparently lessened. On October 8 the Federal Reserve announced a reduction in the discount rate from 10 percent to  $9\frac{1}{2}$  percent. Shortly thereafter, and over the balance of the intermeeting interval, federal funds traded at rates close to the new discount rate, compared with a trading level somewhat above 10 percent in September and early October. In the long-term capital markets, bond yields continued to decline over the period, falling about 1 to  $1\frac{1}{4}$  percentage points; common stock prices advanced sharply, with many indexes touching new highs in early November. In home mortgage markets, average rates on new commitments for fixed-rate conventional home mortgage loans declined about  $1\frac{1}{4}$  percentage points further to around  $13\frac{3}{8}$  percent.

The staff projections presented at this meeting, like those of early October, suggested that real GNP would grow moderately during 1983, but that any recovery in economic activity in the months just ahead was likely to be quite limited. The projections for the year ahead also suggested that unemployment would remain at a high level. The rate of increase in prices, as measured by the

fixed-weight price index for gross domestic business product, was expected to drift down.

In the Committee's discussion of the economic situation and outlook, several members commented that the staff projection of moderate growth over the year ahead remained a reasonable expectation and the view was expressed that the projected growth could be exceeded. However, many members continued to stress that there were substantial risks of a shortfall from the projection. Considerable emphasis was given to the widespread signs of weakness in economic activity and to the continuing absence of evidence that an economic recovery might be under way. In the view of some members, a number of indicators of economic activity were in fact consistent with a further decline, at least over the near term. Reference was also made to the unusually sharp impact of the drop in exports—the consequence of worldwide recession and of the very high foreign exchange value of the dollar—and to expectations of a very slow recovery abroad. Moreover, the prospects for worldwide recovery were complicated by the financing difficulties of many developing countries.

Although widely held expectations of a domestic recovery had been repeatedly disappointed, the members noted that the large decline in interest rates over recent months had eased financial strains in the economy, fostered some recovery in housing and related industries, and appeared in recent weeks to have improved confidence somewhat among businessmen and consumers. One indicator of the less bearish sentiment was the decline in risk premiums in securities markets as rates on private credit instruments had fallen in recent weeks relative to those on U.S. government obligations. The improvement in attitudes was also reflected in the sharp rise of prices in the stock market. Several members commented, however, that the apparent easing of concerns was still quite tentative and could easily be reversed, with highly adverse consequences for the economy, if interest rates were to rise significantly from current levels.

Some Committee members, while acknowledging the absence of evidence of an imminent upturn in economic activity, nonetheless viewed the prospects for recovery as relatively favorable. They emphasized that fiscal policy and

monetary policy tended to exert their impacts with a lag and that the sharp turn toward fiscal stimulus and the easing of conditions in financial markets were relatively recent developments. In this connection, concern was expressed that an overly expansive combination of fiscal and monetary policies would stimulate inflationary expectations, foster a rise in long-term interest rates, and limit or abort the economic recovery.

Turning to policy, the Committee reviewed the short-run objectives for monetary growth that it had established at its meeting on October 5 calling for expansion in M2 (and M3) at an annual rate in a range of around 8½ to 9½ percent for the period from September to December. No specific objective had been set for M1 growth in the fourth quarter because of the anticipated difficulty of interpreting the behavior of that aggregate during the quarter.

In their discussion the Committee members agreed that the behavior of M1 would continue to be distorted by institutional developments. The first involved the large buildup of checkable deposits associated with the maturing of a very large volume of all savers certificates, especially in early October. The resulting bulge in M1 growth had persisted somewhat longer than some members had anticipated; but, according to a staff analysis, M1 growth could be expected to decelerate over the balance of the quarter as the transaction balances built up from maturing all savers certificates were invested or drawn down. Growth of M1 and also M2 could be positively affected in the near term, however, by a possible buildup of balances for eventual placement in the short-term deposit account that had recently been authorized by the Depository Institutions Deregulation Committee, effective December 14, 1982. It was generally expected that the new account, which would be free from interest rate ceilings and could be used to a limited extent for transaction purposes, would draw funds from regular transaction accounts, thereby tending to reduce M1 after its introduction. In view of these institutional distortions, the Committee decided that it would continue to give much less than the usual weight to M1 and that it would not set a specific objective for its growth over the fourth quarter.

The behavior of M2 and M3, though not of

their components, appeared to have been affected only marginally by the maturing of all savers certificates, and these broader aggregates were also expected to be affected much less than M1 when the new deposit account was introduced in mid-December. In reviewing the growth objectives for M2 and M3 that had been set for the fourth quarter, most of the Committee members endorsed the view that monetary growth running somewhat above the Committee's target ranges set early in the year was appropriate given the indications of continuing strong demands for liquidity during a period of relatively weak economic activity. In that connection, emphasis was placed by some members on the evidence that velocity trends over the past year or so seemed to suggest a distinct break from earlier postwar experience. While questions could be raised about the persistence of the slowdown in velocity, available evidence suggested that unusual economic and financial uncertainties, as well as lower interest rates, were inducing a greater desire to hold liquid assets than had been assumed in setting the annual targets.

With regard to the choice of specific objectives for the broader aggregates in the fourth quarter, all of the members favored growth rates that were within or slightly above the range adopted at the October 5 meeting. It was suggested that such growth rates would balance the desirability of meeting current liquidity needs and fostering economic recovery against the risk of creating excess liquidity that might later complicate the achievement of sustained progress toward price stability, particularly in light of the prospect of continuing large deficits as the economy recovered. Several members commented that further declines in interest rates would be welcome for both domestic and international reasons, but concern was also expressed that any sizable declines in association with unduly rapid monetary growth could prove to be unsustainable, with unsettling effects on financial markets and adverse consequences for inflationary expectations and the economy.

At the conclusion of its discussion the Committee agreed that, against the background of prevailing economic and financial conditions and current liquidity demands, it would seek to maintain expansion in bank reserves needed for an

orderly and sustained flow of money and credit, consistent with growth of M2 (and M3) from September to December at an annual rate of around 9½ percent. The Committee also decided that somewhat slower growth in M2 and M3, to the extent of reducing their expansion for the year to nearer the upper part of the ranges for 1982, would be acceptable and desirable if such growth were associated with declining interest rates. On the other hand, somewhat more rapid growth would be tolerated if continuing economic and financial uncertainties should appear to be reflected in exceptional liquidity demands. The intermeeting range for the federal funds rate, which provides a mechanism for initiating further consultation of the Committee, was set at 6 to 10 percent.

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

The information reviewed at this meeting suggests little change in real GNP in the fourth quarter and continuation of the rise in prices at a much less rapid pace than in 1981. In October the nominal value of retail sales edged up, but was little higher than in the second and third quarters; industrial production and nonfarm payroll employment continued to decline; and the unemployment rate rose another 0.3 percentage point to 10.4 percent. Initial claims for unemployment insurance have remained exceptionally high. In September and the third quarter as a whole, housing starts had strengthened. In recent months the advance in the index of average hourly earnings has remained considerably less rapid than during 1981.

The weighted average value of the dollar against major foreign currencies continued to appreciate from the end of September to mid-November. The U.S. merchandise trade deficit in the third quarter was more than double the rate in the first two quarters of the year.

Growth of M1, already rapid in August and September, accelerated sharply in October in association with the maturing of a large volume of all savers certificates. Growth of M2 and M3 picked up from sluggish rates in September, but remained below the brisk pace of earlier in the year. Most short-term market interest rates have declined on balance since early October, after a reversal in September, and bond yields and mortgage rates have declined further. On October 8 the Federal Reserve announced a reduction in the discount rate from 10 percent to 9½ percent. Quality spreads in the money markets, which had widened, have narrowed in recent weeks as interest rates have declined, and common stock prices have advanced sharply.

The Federal Open Market Committee seeks to foster monetary and financial conditions that will help to reduce inflation, promote a resumption of growth in output on a sustainable basis, and contribute to a sustainable pattern of international transactions. In July, the Committee agreed that these objectives would be furthered by reaffirming the monetary growth ranges for the period from the fourth quarter of 1981 to the fourth quarter of 1982 that it had set at the February meeting. These ranges were 2½ to 5½ percent for M1, 6 to 9 percent for M2, and 6½ to 9½ percent for M3. The associated range for bank credit was 6 to 9 percent. The Committee agreed that growth in the monetary and credit aggregates around the top of the indicated ranges would be acceptable in the light of the relatively low base period for the M1 target and other factors, and that it would tolerate for some period of time growth somewhat above the target range should unusual precautionary demands for money and liquidity be evident in the light of current economic uncertainties. The Committee also indicated that it was tentatively planning to continue the current ranges for 1983 but that it would review that decision carefully in the light of developments over the remainder of 1982.

Specification of the behavior of M1 over the balance of the year remains subject to substantial uncertainty because of special circumstances in connection with the reinvestment of funds from maturing all savers certificates and the public's response to the new account directly competitive with money market funds mandated by recent legislation. The difficulties in interpretation of M1 continue to suggest that much less than usual weight be placed on movements in that aggregate during the current quarter.

In all the circumstances, the Committee seeks to maintain expansion in bank reserves needed for an orderly and sustained flow of money and credit, consistent with growth of M2 (and M3) of around 9½ percent at an annual rate from September to December. Somewhat slower growth, bringing those aggregates around the upper part of the ranges set for the year, would be acceptable and desirable in a context of declining interest rates. Should economic and financial uncertainties lead to exceptional liquidity demands, somewhat more rapid growth in the broader aggregates would be tolerated. 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 6 to 10 percent.

Votes for this action: Messrs. Volcker, Solomon, Balles, Black, Gramley, Mrs. Horn, Messrs. Martin, Partee, Rice, Mrs. Teeters, and Mr. Wallich. Vote against this action: Mr. Ford.

Mr. Ford dissented from this action because he believed that it ran the risk of complementing very large budget deficits with substantial increases in the supply of money. In his view the result would be an overly stimulative combination of policies that could rekindle inflation and drive up interest rates during 1983.

## 2. *Authorization for Domestic Open Market Operations*

At this meeting the Committee voted to increase from \$3 billion to \$4 billion the 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, effective immediately, for the period from October 6, 1982, through the close of business on November 16, 1982.

Votes for this action: Messrs. Volcker, Solomon, Balles, Black, Ford, Gramley, Mrs. Horn, Messrs. Martin, Partee, Rice, Mrs. Teeters, and Mr. Wallich. Votes against this action: None.

This action was taken on the recommendation of the Manager for Domestic Operations. The Manager had advised that substantial net purchases of securities in recent weeks had reduced to about \$500 million the leeway for further purchases during the intermeeting period ending with the close of business today. Purchases of securities in excess of that leeway seemed desirable during the course of today's operations to provide reserves to meet increased seasonal needs.

# 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 adjusting discount rates. The further half-point reduction in the discount rate was taken in the light of current business conditions, strong competitive pressures on prices and further moderation of cost increases, a slowing of private credit demands, and present indications of some tapering off in growth of the broader monetary aggregates.

Effective November 22, 1982, the Board acted to amend Regulation A to reduce the discount rate to 9 per cent.

Effective December 14, 1982, sections 201.51 and 201.52 of Regulation A were amended as set forth below:

### Part 201—Extensions of Credit by Federal Reserve Banks

#### 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	8½	December 14, 1982
New York	8½	December 15, 1982
Philadelphia	8½	December 17, 1982
Cleveland	8½	December 15, 1982
Richmond	8½	December 15, 1982
Atlanta	8½	December 14, 1982
Chicago	8½	December 14, 1982
St. Louis	8½	December 14, 1982
Minneapolis	8½	December 14, 1982
Kansas City	8½	December 15, 1982
Dallas	8½	December 14, 1982
San Francisco	8½	December 14, 1982

#### 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	8½	December 14, 1982
New York	8½	December 15, 1982
Philadelphia	8½	December 17, 1982
Cleveland	8½	December 15, 1982
Richmond	8½	December 15, 1982
Atlanta	8½	December 14, 1982
Chicago	8½	December 14, 1982
St. Louis	8½	December 14, 1982
Minneapolis	8½	December 14, 1982
Kansas City	8½	December 15, 1982
Dallas	8½	December 14, 1982
San Francisco	8½	December 14, 1982

(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	8½	December 14, 1982
New York	8½	December 15, 1982
Philadelphia	8½	December 17, 1982
Cleveland	8½	December 15, 1982
Richmond	8½	December 15, 1982
Atlanta	8½	December 14, 1982
Chicago	8½	December 14, 1982
St. Louis	8½	December 14, 1982
Minneapolis	8½	December 14, 1982
Kansas City	8½	December 15, 1982
Dallas	8½	December 14, 1982
San Francisco	8½	December 14, 1982

**Note.** These rates apply for the first 60 days of borrowing. A 1 per cent surcharge applies for borrowing during the next 90 days, and a 2 per cent surcharge applies for borrowing thereafter.

## AMENDMENTS TO REGULATION D

The Board has amended Regulation D—Reserve Requirements of Depository Institutions (12 CFR Part 204) to establish reserve requirements on the money market deposit account ("MMDA"), which was established by the Depository Institutions Deregulation Committee ("DIDC"), effective December 14, 1982. The Board has determined that the same reserve requirements that apply to savings deposits will apply to an MMDA that does not permit more than six internal or third party transfers or payments per month (no more than three of which may be checks under



DIDC rules). This amendment is effective December 14, 1982.

The Board has also adopted an amendment to implement section 411 of the Garn-St Germain Depository Institutions Act of 1982 (Pub. L. 97-320; 96 Stat. 1520) ("Garn-St Germain Act"). Under this provision, the first \$2 million of reservable liabilities of each depository institution are subject to a reserve requirement of zero per cent. The amendment is effective December 9, 1982.

The Board has also adopted an amendment to revise the date for the end of the phase-in of reserve requirements for member banks to coincide with the beginning of contemporaneous reserve requirements (CRR)—February 2, 1984. The amendment is effective December 31, 1982.

Effective December 30, 1982, the Board has adopted an amendment to adjust the dollar amount of transaction accounts subject to a reserve requirement ratio of 3 per cent for depository institutions, Edge and Agreement corporations and United States branches and agencies of foreign banks, as required by the Monetary Control Act of 1980 (Title I of Pub. L. 96-221).

Effective December 14, 1982, section 204.2 is amended by revising paragraphs (b)(2), (d), and (e); effective December 9, 1982, section 204.3 is amended by adding a new paragraph (a)(3); effective December 31, 1982, section 204.4 is amended by revising paragraph (b)(2)(ii); and effective December 30, 1982, section 204.9 is amended by revising paragraph (a)(1) as set forth below:

*Part 204—Reserve Requirements of Depository Institutions*

**Section 204.2—Definitions**

\* \* \* \* \*

(b)\*\*\*

- (2) A "demand deposit" does not include:
  - (i) Checks or drafts drawn by the depository institution on the Federal Reserve or on another depository institution;
  - (ii) A deposit or account issued pursuant to (12 CFR 1204.121), including those with an original maturity or required notice period of seven to 13 days;
  - (iii) A deposit or account issued pursuant to (12 CFR 1204.122) under which the depository institution reserves the right to require at least seven days' notice of an intended withdrawal before withdrawal is made, including those with an original maturity or required notice period of one to 13 days; or

(iv) For depository institutions not subject to the rules of the Depository Institutions Deregulation Committee under (12 U.S.C. 3501 et seq.),

(A) A deposit or account issued with an original maturity or required notice period of seven to 13 days if such deposit or account is nonnegotiable, subject to a minimum balance of \$20,000, and not otherwise a transaction account under section 204.2(e) of this Part; or

(B) A deposit or account under which the depository institution reserves the right to require at least seven days' notice of an intended withdrawal before withdrawal is made, including those with an original maturity or required notice period of one to 13 days, and not otherwise a transaction account under § 204.2(e) of this Part.

\* \* \* \* \*

- (d)(1) "Savings deposit" means a deposit or account:
  - (i)(A) With respect to which the depositor is not required by the deposit contract but may at any time be required by the depository institution to give written notice of an intended withdrawal not less than 14 days before withdrawal is made, and that is not payable on a specified date or at the expiration of a specified time after the date of deposit; and
  - (B) For depository institutions subject to (12 CFR Part 217) or (12 CFR Part 329), funds deposited to the credit of, or in which any beneficial interest is held by, a corporation, association, partnership or other organization operated for profit do not exceed \$150,000 per depositor at the depository institution; or
  - (ii) Issued pursuant to (12 CFR 1204.122) under which the depository institution reserves the right to require at least seven days' notice of an intended withdrawal before withdrawal is made, or for depository institutions not subject to the rules of the Depository Institutions Deregulation Committee under (12 U.S.C. 3501 et seq.), a deposit or account under which the depository institution reserves the right to require at least seven days' notice of an intended withdrawal before withdrawal is made.
- (2) A deposit may continue to be classified as a savings deposit even if the depository institution exercises its right to require notice of withdrawal.
- (3) A "savings deposit" includes a regular share account at a credit union and a regular account at a savings and loan association.
- (4) "Savings deposit" does not include funds deposited to the credit of the depository institution's own trust department where the funds involved are uti-

lized to cover checks or drafts. Such funds are "transaction accounts."

(e)(1) "Transaction account" means a deposit or account on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone transfers, or other similar device for the purpose of making payments or transfers to third persons or others. "Transaction account" includes:

- (i) Demand deposits;
- (ii) Deposits or accounts subject to check, draft, negotiable order of withdrawal, share draft, or other similar item;
- (iii) Savings deposits or accounts in which withdrawals may be made automatically through payment to the depository institution itself or through transfer of credit to a demand deposit or other account in order to cover checks or drafts drawn upon the institution or to maintain a specified balance in, or to make periodic transfers to, such accounts (automatic transfer accounts);
- (iv) Deposits or accounts in which payments may be made to third parties by means of an automated teller machine, remote service unit or other electronic device;
- (v) Deposits or accounts in which payments may be made to third parties by means of a debit card;
- (vi) Except as provided in paragraph (e)(2) of this section, deposits or accounts under the terms of which, or which by practice of the depository institution, the depositor is permitted or authorized to make more than three withdrawals per month for purposes of transferring funds to another account or for making a payment to a third party by means of preauthorized or telephone agreement, order or instruction. An account that permits or authorizes more than three such withdrawals in a calendar month, or statement cycle (or similar period) of at least four weeks, is a "transaction account" whether or not more than three such withdrawals actually are made during such period. A "preauthorized transfer" includes any arrangement by the depository institution to pay a third party from the account of a depositor upon written or oral instruction (including an order received through an automated clearing house (ACH)), or any arrangement by a depository institution to pay a third party from the account of the depositor at a predetermined time or on a fixed schedule. An account is not a "transaction account," under paragraph (e)(1)(vi) of this section, by virtue of an arrangement that permits withdrawals for the purpose of repaying

loans and associated expenses at the same depository institution (as originator or servicer);

(vii) Deposits or accounts maintained in connection with an arrangement that permits the depositor to obtain credit directly or indirectly through the drawing of a negotiable or nonnegotiable check, draft, order or instruction or other similar device (including telephone or electronic order or instruction) on the issuing institution that can be used for the purpose of making payments or transfers to third persons or others, or to a deposit account of the depositor. Deposits that are subject to arrangements established before October 5, 1982, will not be regarded as transaction accounts (A) until the deposit issued in connection with the line of credit is extended, or matures and is renewed, or (B) if the deposit issued in connection with the line of credit matures and is automatically renewed on or before December 31, 1982; and (viii) A deposit or account issued pursuant to (12 CFR 1204.122) (or, for a depository institution that is not subject to the rules of the Depository Institutions Deregulation Committee under (12 U.S.C. 3501 et seq.), a deposit or account under which the depository institution reserves the right to require seven days' notice of an intended withdrawal prior to withdrawal) and under the terms of which, or which by practice of the depository institution, the depositor is permitted or authorized to make more than six transfers per calendar month, or statement cycle (or similar period) of at least four weeks to another account of the same depositor at the same institution, to the institution itself or to a third party by means of preauthorized, automatic, or telephone agreement, order, or instruction or, within these transfers, to draw more than three checks or drafts per calendar month or statement cycle (or similar period) of at least four weeks. An account that authorizes transfers in excess of these limits is a transaction account whether or not the depositor actually makes any transfers.

(2) Notwithstanding paragraphs (e)(1)(ii), (1)(iii), (1)(iv), and (1)(v) of this section, a "transaction account" does not include a deposit or account issued pursuant to (12 CFR 1204.122) (or, for a depository institution that is not subject to the rules of the Depository Institutions Deregulation Committee under (12 U.S.C. 3501 et seq.), a deposit or account under which the depository institution reserves the right to require seven days' notice of an intended withdrawal prior to withdrawal) under the terms of which the depositor is not permitted or authorized to make more than six transfers per calendar month, or statement cycle (or similar peri-

od) of at least four weeks, to another account of the depositor at the same institution, to the institution itself, or to a third party by means of preauthorized, automatic or telephone agreement, order, or instruction and no more than three of such six transfers may be by checks or drafts drawn by the depositor.

\* \* \* \* \*

**Section 204.3—Computation and Maintenance**

(a)\*\*\*

(3) *Allocation of exemption from reserve requirements.*

(i) In determining the reserve requirements of a depository institution, the exemption provided for in § 204.9(a) shall apply in the following order of priorities: (A) First, to net transaction accounts that are first authorized by federal law in any state after April 1, 1980, (B) Second, to other net transaction accounts; and (C) Third, to nonpersonal time deposits or Eurocurrency liabilities starting with those with the highest reserve ratio under § 204.9(a) and then to succeeding lower reserve ratios.

(ii) A depository institution, United States branches and agencies of the same foreign bank, or an Edge or Agreement corporation shall, if possible, assign the reserve requirement exemption of § 204.9(a) to only one office or to a group of offices filing a single aggregated report of deposits. If the reserve requirement exemption cannot be fully utilized by a single office or by a group of offices filing a single report of deposits, the unused portion of the exemption may be assigned to other offices of the same institution until the amount of the exemption or reservable liabilities is exhausted. A depository institution, foreign bank, or Edge or Agreement corporation shall determine this assignment subject to the restriction that if a portion of the exemption is assigned to an office in a particular state, any unused portion must first be assigned to other offices located within the same state and within the same Federal Reserve District, that is, to other offices included on the same aggregated report of deposits. The exemption may be reallocated at the beginning of a calendar year, or, if necessary to avoid underutilization of exemption, at the beginning of a calendar month. The amount of the reserve requirement exemption allocated to an office or group of offices may not exceed the amount of the low reserve tranche allocated to such office or offices under this paragraph.

\* \* \* \* \*

**Section 204.4—Transitional Adjustments**

\* \* \* \* \*

(b) *Members and former members.*

(2) \*\*\*

(i) \*\*\*

(ii) Shall increase the amount of its required reserves on all other deposits computed under § 204.3 by an amount determined by multiplying the amount by which required reserves computed using the reserve ratios that were in effect on August 31, 1980 (§ 204.9(b)), exceed the amount of required reserves computed under § 204.3, times the appropriate percentage specified below in accordance with the following schedule:

Reserve maintenance periods occurring between	Percentage <sup>1</sup>
Nov. 13, 1980 and Sept. 2, 1981	75
Sept. 3, 1981 and Mar. 3, 1982	62.5
Mar. 4, 1982 and Sept. 1, 1982	50
Sept. 2, 1982 and Mar. 2, 1983	37.5
Mar. 3, 1983 and Aug. 31, 1983	25
Sept. 1, 1983 and Feb. 1, 1984	12.5
Feb. 2, 1984 and forward	0

<sup>1</sup>Applied to difference to compute amount to be added.

\* \* \* \* \*

**Section 204.9—Reserve Requirement Ratios**

(a)(1) *Reserve percentages.* The following reserve ratios are prescribed for all depository institutions, Edge and Agreement corporations and United States branches and agencies of foreign banks:

Category	Reserve requirement
<i>Net transaction accounts:</i>	
\$0-\$26.3 million	3% of amount
Over \$26.3 million	\$789,000 plus 12 per cent of amount over \$26.3 million
<i>Nonpersonal time deposits:</i>	
By original maturity (or notice period):	
Less than 3½ years (per cent)	3
3½ years or more (per cent)	
<i>Eurocurrency liabilities (per cent)</i>	3

(2) *Exemption from reserve requirements.* Each depository institution, Edge or Agreement corporation, and U.S. branch or agency of a foreign bank is subject to a zero per cent reserve requirement on an amount of its transaction accounts subject to the low reserve tranche in paragraph (a)(1), nonpersonal

time deposits, or Eurocurrency liabilities or any combination thereof not in excess of \$2.1 million determined in accordance with § 204.3(a)(3) of this Part.

\* \* \* \* \*

*AMENDMENTS TO REGULATION Q*

The Board of Governors has amended Regulation Q—Interest on Deposits (12 CFR Part 217) to provide that all governmental units are eligible to maintain NOW (Negotiable Order of Withdrawal) accounts at member banks. This action conforms Regulation Q with provisions of the Garn-St Germain Depository Institutions Act of 1982 (Pub. L. 97-320, 96 Stat. 1469).

Effective October 15, 1982, sections 217.1 and 217.157 of Regulation Q were amended as set forth below:

*Part 217—Interest on Deposits*

**Section 217.1—Definitions**

\* \* \* \* \*

*(e) Savings deposits.\*\*\**

(3)(i) Deposits subject to negotiable orders of withdrawal may be maintained if such deposits consist of funds in which the entire beneficial interest is held by (A) one or more individuals; (B) a corporation, association, or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes and not operated for profit; or (C) the United States, any State of the United States, county, municipality, or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, any territory or possession of the United States, or any political subdivision thereof.

(ii) Deposits in which any beneficial interest is held by a corporation, partnership, association or other organization that is operated for profit or is not operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes, or that is not a governmental unit described in subparagraph (i)(C) may not be classified as deposits subject to negotiable orders of withdrawal.

\* \* \* \* \*

**Section 217.157—Eligibility for NOW Accounts**

*(a) Background.*

(1) Effective December 31, 1980, the Consumer Checking Account Equity Act of 1980 (Title III of the Depository Institutions Deregulation and Monetary Control Act of 1980; Pub. L. 96-221; 94 Stat. 146) (“Act”) authorizes depository institutions nationwide to offer interest-bearing checking (NOW) accounts to depositors where the “entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.” (12 U.S.C. 1832(a)(2)). The purpose of the Act is to extend the availability of NOW accounts throughout the nation. Previously, as an experiment, NOW accounts were authorized to be offered by depository institutions only in New England, New York, and New Jersey.

(2)(i) The NOW account experiment established by Congress in 1973 did not specify the types of customers that could maintain NOW accounts. As a result, the rules of the Federal Reserve and Federal Deposit Insurance Corporation specified the types of depositors eligible to maintain NOW accounts at member and insured nonmember banks. In enacting the NOW account provision in 1980, Congress adopted virtually the same language concerning NOW account eligibility that previously had been adopted by the Board and the Federal Deposit Insurance Corporation with regard to the types of customers permitted to maintain NOW accounts in institutions located in the NOW account experiment region. (12 CFR 217.1(e)(3) and 12 CFR 329.1(e)(2)). This definition was based upon longstanding regulatory provisions concerning eligibility criteria for savings deposits.

(ii) Effective October 15, 1982, section 706 of the Garn-St Germain Depository Institutions Act of 1982 (Pub. L. 97-320; 96 Stat. 1540) specifically extended NOW account eligibility to funds deposited by governmental units.

*(3)\*\*\**

\* \* \* \* \*

*(d) Governmental Units.* Governmental units are generally eligible to maintain NOW accounts at member banks. NOW accounts may consist of funds in which the entire beneficial interest is held by the United States, any State of the United States, county, municipality, or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, Ameri-

can Samoa, Guam, any territory or possession of the United States, or any political subdivision thereof.

\* \* \* \* \*

*AMENDMENT TO REGULATION T*

The Board of Governors has amended its Regulation T—Credit by Brokers and Dealers (12 CFR Part 220), to specify the characteristics of “private” mortgage pass-through securities (i.e., not guaranteed by agencies of the United States government) that may be used as collateral for margin credit at brokers and dealers on a “good faith” basis.

Effective January 17, 1983, section 220.2 of Regulation T is amended as set forth below:

*Part 220—Credit by Brokers and Dealers*

**Section 220.2—Definitions**

\* \* \* \* \*

- (i) The term “OTC margin bond” means:
  - (1) A debt security not traded on a national securities exchange which meets all of the following requirements:
    - (i) At the time of the extension of credit, a principal amount of not less than \$25,000,000 of the issue is outstanding;
    - (ii) The issue was registered under section 5 of the Securities Act of 1933 and the issuer either files periodic reports pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934 or is an insurance company which meets all of the conditions specified in section 12(g)(2)(G) of the act; and
    - (iii) At the time of the extension of credit, the creditor has a reasonable basis for believing that the issuer is not in default on interest or principal payments; or
  - (2) A private mortgage pass-through security (not guaranteed by an agency of the U.S. government) meeting all of the following requirements:
    - (i) An aggregate principal amount of not less than \$25,000,000 (which may be issued in series) was issued pursuant to a registration statement filed with the Securities and Exchange Commission under section 5 of the Securities Act of 1933;
    - (ii) Current reports relating to the issue have been filed with the Securities and Exchange Commission; and
    - (iii) At the time of the credit extension, the creditor has a reasonable basis for believing that mortgage interest, principal payments and other distributions are being passed through as required

and that the servicing agent is meeting its material obligations under the terms of the offering.

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

*Orders Under Section 3 of Bank Holding Company Act*

Bank of Florida Corporation,  
St. Petersburg, Florida

*Order Approving Acquisition of Bank*

Bank of Florida Corporation, St. Petersburg, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board’s approval under section 3(a)(3) of the act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the voting shares of Bank of Florida, N.A., Chiefland, Florida, a proposed de novo 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, including those submitted on behalf of Levy County Bank, Chiefland, Florida, the Comptroller of the Currency, and the Department of Banking and Finance, Division of Securities, State of Florida, in light of the factors set forth in section 3(c) of the act (12 U.S.C. § 1848(c)).

Applicant is the 49th largest banking organization in Florida and controls one bank, Bank of Florida in St. Petersburg, St. Petersburg, Florida. St. Petersburg Bank has deposits of approximately \$66.2 million, representing .32 percent of the total deposits in commercial banks in the state.<sup>1</sup> Since Bank is a de novo bank, its acquisition by Applicant would not immediately increase Applicant’s share of deposits in commercial banks in Florida.

Bank is to be located in the Levy County banking market.<sup>2</sup> Applicant’s only subsidiary bank is located approximately 125 miles away in a separate banking market. Based upon these facts, consummation of the proposal would not have any substantial adverse effects upon existing or potential competition.

The financial and managerial resources of Applicant, its subsidiary and Bank are regarded as satisfac-

1. Unless otherwise indicated, all deposit data are as of December 31, 1981.

2. The relevant banking market consists of Levy County, Florida.

tory. Bank, as a proposed de novo bank, has no financial or operating history; however, its prospects as a subsidiary of Applicant appear favorable, particularly in light of the fact that Bank will be capitalized with the proceeds of Applicant's recent securities offering. Accordingly, considerations relating to banking factors are consistent with approval of this application. As a new institution in the Levy County banking market, Bank would serve as an additional source of a full range of banking services in the market. Accordingly, considerations relating to the convenience and needs of the community to be served appear consistent with approval of the application.

In its review of the application, the Board has given careful consideration to the comments submitted on behalf of Protestant, the only bank currently operating in Chiefland, Florida, and the largest of three banks located in the market.<sup>3</sup> Protestant asserts that the financial condition of Applicant's only subsidiary bank is poor and is deteriorating and that therefore Applicant does not have the financial resources to support a new bank. Protestant also claims that Applicant lacks adequate managerial resources, noting that the Department of Banking and Finance, Division of Securities, State of Florida, issued Suspension and Cease and Desist Orders against Applicant in connection with its recent securities offering to fund its acquisition of Bank.

In its evaluation of Applicant's financial resources, the Board has reviewed relevant data from Applicant's inspection reports and the most recent three examination reports of its bank subsidiary, as well as official reports and filings with the Board. Based upon this review, the Board concludes that Applicant and its subsidiary bank are in satisfactory condition and that the proposed acquisition would not represent a significant additional burden on Applicant's financial resources, particularly in light of Applicant's recent securities offering. Therefore, the Board concludes that Applicant has the financial resources necessary to acquire Bank and make it a viable competitor without any significant adverse effects on Applicant.

With respect to Protestant's belief that the Suspension and Cease and Desist Orders issued by the State of Florida reflect adversely upon Applicant's managerial resources, Applicant and the state of Florida, on November 24, 1982, entered into a stipulation with regard to the administrative proceeding initiated by the state. The stipulation provides for the voiding of the

State's Suspension and Cease and Desist Orders of July 29, 1982, upon the performance of certain actions by Applicant, the most significant of which is an offer by Applicant to all purchasers of its shares in the recent offering to rescind their purchases of Applicant's shares. Applicant is currently performing these actions, including the rescission offer, which it made on November 29, 1982.<sup>4</sup> Thus, it appears that the Orders by the State of Florida will be voided. The Board has considered the allegations in the state's Orders and, based upon affidavits and other information furnished by Applicant and the state, as well as the Board's reports of inspection and examination, the Board concludes that the allegations do not reflect so adversely upon Applicant's managerial resources as to warrant denial of the application. Therefore, the Board's judgment is that consummation of the proposal to acquire Bank 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 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 that date, unless such period is extended for good cause by the Board of Governors or by the Federal Reserve Bank of Atlanta, pursuant to delegated authority.

By order of the Board of Governors, effective December 23, 1982.

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

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

East Peoria Community Bancorp, Inc.,  
Peoria, Illinois

*Order Approving Formation of a Bank Holding Company*

East Peoria Community Bancorp, Inc., Peoria, Illinois, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring at least 98 percent of the voting shares of Community Bank of Greater Peoria, East Peoria, Illinois.

3. Protestant also opposed Applicant's application to the Comptroller of the Currency for a national bank charter for Bank, alleging that Applicant had a poor record of compliance with the Community Reinvestment Act. The Comptroller denied Protestant's request for a hearing, found its protest to be without merit, and granted preliminary approval for Bank's charter on May 20, 1981.

4. The Board notes that as of October 10, 1982, shareholders of only 6.3 percent of Applicant's securities offering have requested rescission.

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, a nonoperating Illinois corporation, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of \$31.5 million.<sup>1</sup> Upon acquisition of Bank, Applicant would control the 522nd largest bank in Illinois and would hold 0.04 percent of the total commercial bank deposits in the state.

Bank is 12th largest of 39 banking organizations in the relevant banking market and holds 1.9 percent of the total deposits in commercial banks in the market.<sup>2</sup> Applicant's president is a director<sup>3</sup> and owns 9.2 percent of the voting shares of Northeast Bank of Peoria, Peoria, Illinois, which has total deposits of \$19.6 million. Northeast Bank is the market's 18th largest bank, controlling a 1.2 percent deposit share. Given the small relative and absolute sizes of the banks in question and the number of banking alternatives in the market, consummation of the proposal would not result in any adverse effects upon competition or increase the concentration of resources in any relevant market. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and Bank are satisfactory. Accordingly, considerations relating to banking factors are consistent with approval. Considerations relating to the convenience and needs of the community to be served also are consistent with approval. Accordingly, the Board has determined that consummation of the 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 made before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this

Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Chicago acting pursuant to delegated authority.

By order of the Board of Governors, effective December 16, 1982.

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

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

Hanil Bank,  
Seoul, Korea

*Order Approving Formation of a Bank Holding Company*

Hanil Bank, Seoul, Korea, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1841 et seq.) to become a bank holding company through retention of 82.79 percent of the voting shares of the First State Bank of Southern California, Lynwood, California.<sup>1</sup>

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the act (12 U.S.C. § 1824(b)). 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)).

Hanil, with consolidated assets of \$8.558 billion and domestic deposits of \$2.9 billion, is the third largest commercial bank in Korea and the 245th largest bank in the world.<sup>2</sup> Its domestic banking is conducted through 110 offices located throughout Korea. Hanil also operates 11 branches, agencies, and representative offices worldwide, including agencies in Los Angeles and New York.

In addition to its banking activities, Hanil presently owns 9.1 percent of the shares of Korea Associates

1. Deposit data represent total deposits in domestic offices on December 31, 1981.

2. The relevant banking market is the Peoria banking market. This market is approximated by Peoria and Tazewell Counties, the area west of Illinois Highway 117 in Woodford County, including, Partridge, Cazenovia, Metapora, Worth, Spring Bay, and Cruger townships, plus the city of Eureka and the village of Goodfield, all in Illinois.

3. This interlocking relationship began prior to November 10, 1978, and therefore is grandfathered until 1988 pursuant to (12 CFR § 212.5) of the Board's Regulation L.

1. Hanil originally acquired the shares of Bank on February 17, 1982, through foreclosure in satisfaction of a debt previously contracted in good faith. Under sections 2(a)(5)(D) and 3(a)(ii)(A) of the BHC Act (12 U.S.C. § 1841(a)(5)(D) and § 1842(a)(A)(ii)), Hanil is permitted to acquire and hold the shares of Bank for a period of two years without being regarded as a bank holding company and without obtaining the Board's prior approval of the acquisition. Hanil has filed this application so that it may retain control of Bank beyond the two-year grace period provided in those sections. Accordingly, Hanil will become a bank holding company subject to the provisions of the act 30 days after the effective date of this Order.

2. Banking data for Hanil is as of December 18, 1981.

Securities, Inc., New York, New York, a company that engages in extending credit to Korean nationals and underwriting and dealing in Korean bank securities in the United States. Inasmuch as the activities of Associates are not permissible for bank holding companies under section 4 of the act (12 U.S.C. § 1843) and section 225.4(a) of Regulation Y, Hanil has committed to reduce its share ownership of Associates to less than 5 percent within two years of the date on which it becomes a bank holding company as provided in section 4(a)(2) of the act. Hanil has also committed that it will not have any directors or officers in common with Associates or their respective subsidiaries. In light of this commitment, Hanil may retain an ownership interest in Associates of less than 5 percent under section 4(c)(6) of the act (12 U.S.C. § 1843(c)(6)).

Bank, with deposits of \$46.3 million is the 126th largest banking organization in California.<sup>3</sup> It operates three offices in the Los Angeles banking market and is the 59th largest of 112 banking organizations in the Los Angeles market,<sup>4</sup> with 0.1 percent of deposits in commercial banks in that market. While Hanil has an agency in the Los Angeles market, Agency does not take deposits and its lending activities are primarily limited to extending loans of \$200,000 or more to Korean corporations or Korean citizens. In view of the limited scope of Agency's activities in the Los Angeles banking market, the Board concludes that the proposal will not eliminate any existing competition between Hanil and Bank.

The Board has also examined the effect of the proposal upon potential or probable future competition in the Los Angeles banking market in light of the Board's proposed policy statement on market extension mergers.<sup>5</sup> The market is not considered to be highly concentrated because the three firm deposit concentration ratio is less than 75 percent. Bank is not one of the leading firms in the market and is small relative to the other institutions in the market. In addition, there are numerous other potential entrants into the market. Thus, the Board finds that intensive examination of the proposal is not warranted under the Board's proposed policy statement. Based on the foregoing, it does not appear that approval of the application by Hanil to retain Bank would have a significantly adverse effect upon potential competition in any relevant market.

The Board has evaluated the financial and managerial resources of Hanil, including its capital adequacy, in the context of the policy statement on supervision of foreign bank holding companies.<sup>6</sup> In this context, the Board notes that Hanil has an established record of operating successfully in its local market, and that it compares favorably in terms of capital strength, growth, and earnings performance with its Korean banking peers. Moreover, Hanil has recently raised \$27 million in additional equity capital through the sale of its common stock. Inasmuch as the application contemplates the retention of shares of Bank already acquired by Hanil, no debt will be incurred in connection with the proposal. Thus, in view of Bank's relatively small size, the retention of Bank would impose no significant financial burdens on Hanil. Considering these and other related factors, the Board finds that Hanil would serve as a source of strength to Bank, and concludes that the financial and managerial resources of Hanil and Bank are generally satisfactory, and their future prospects appear favorable. Accordingly, banking factors are considered consistent with approval of the application.

Hanil does not plan to make specific changes in Bank's services, although it appears that continued affiliation with Hanil will enhance Bank's ability to provide banking services to the Korean community in Los Angeles. In addition, affiliation with Hanil will provide Bank with access to Hanil's international banking expertise and contacts. Accordingly, factors relating to the convenience and needs of the community to be served are consistent with approval of the application. Based on the foregoing and other facts of record, the Board has determined that the retention of Bank by Hanil would be consistent with the public interest and that the application should be and hereby is approved.

By order of the Board of Governors, effective December 14, 1982.

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

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

3. Banking data for Bank is as of June 30, 1982.

4. The Los Angeles banking market is defined by the Los Angeles RMA.

5. 45 *Federal Register* 9017 (March 3, 1982).

6. In that policy statement the Board indicated that, in reaching a judgment on the strength of a foreign bank, the Board would consider several factors: the bank's financial condition; the record and integrity of management; its role and standing in its home country; and the opinion of the home country regulators. (1 *Federal Regulatory Service* ¶¶ 4-835 (1981)).



Hartford National Corporation,  
Hartford, Connecticut

*Order Approving Acquisition of Bank*

Hartford National Corporation, Hartford, Connecticut, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the voting shares of Mattatuck Bank and Trust Company, Waterbury, Connecticut ("Bank").

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 had 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 second largest commercial banking organization in Connecticut, controls one bank with aggregate deposits of \$2.5 billion, representing 23.2 percent of the total deposits held by commercial banks in the state.<sup>1</sup> Bank, the eighteenth largest commercial banking organization in the state, holds \$68.2 million in deposits. After consummation of the proposal, Applicant's share of statewide deposits would increase by 0.6 percent. Accordingly, consummation of this proposal would not result in a significant increase in the concentration of commercial banking resources in the state.

The relevant banking market is the Waterbury market.<sup>2</sup> The Waterbury market is highly concentrated with the four largest commercial banking organizations controlling 93.3 percent of the market. Applicant has recently merged its lead bank, Hartford National Bank, with The Connecticut National Bank, Bridgeport, Connecticut ("CNB"). As a result of the merger, Applicant is the fourth largest of eight commercial banking organizations in the market, with deposits of \$50.9 million, representing 6.7 percent of the market.

Bank is the third largest commercial banking organization in the market, and controls 9.0 percent of commercial bank deposits. Acquisition of Bank would increase Applicant's market share to 15.7 percent and would increase the proportion of market deposits held by the four largest banking organizations from 93.3 percent to 96.8 percent.

On March 22, 1982, the Board denied a similar proposal by Applicant to acquire Bank (68 FEDERAL

RESERVE BULLETIN 242 (1982)). The Board concluded that the proposal would eliminate a significant amount of existing competition on the basis of the combined market shares of Applicant and Bank and the highly concentrated nature of the market. In addition, acquisition of Bank would have removed an attractive means of entry for bank holding companies not already in the city of Waterbury, a city that is protected by Connecticut's home office protection laws, and would have reduced the number of banking alternatives in that city from four to three. The Board declined to find the presence of thrift institutions in the market to be a mitigating factor because the thrift institutions did not compete actively with commercial banks over a sufficient range of services.

In the present proposal, Applicant has offered to divest itself of CNB's main Waterbury office and a branch office in order to alleviate the anticompetitive effects. Applicant plans to sell these offices to North American Bank and Trust Company, Stratford, Connecticut ("North American"). Although North American currently operates in the Waterbury market, it holds only 3.5 percent of the deposits in the market. It is expected that approximately \$21.5 million of CNB's deposits would transfer to North American. As a result of the proposed divestiture, North American would then hold 6.3 percent of the market's deposits. North American does not have offices in the city of Waterbury, and thus consummation of the proposal will allow North American to compete more effectively in the market while leaving four competitors in the city of Waterbury.

Applicant has committed to cause the divestiture of the CNB offices at or before consummation of the proposed acquisition of Bank.<sup>3</sup> After consummation of the proposed divestiture, the combined market share of Applicant and Bank would be 12.8 percent. In light of the commitment to divest the CNB offices, the Board concludes that the proposed acquisition will not have a substantial adverse effect on existing competition in the Waterbury markets.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as generally satisfactory and future prospects appear favorable. Bank's financial and managerial resources will be strengthened, particularly in light of Applicant's commitment to provide Bank with \$1.5 million of additional capital. Thus, considerations relating to banking factors lend weight toward approval.

1. Banking data are as of June 30, 1981.

2. The Waterbury banking market includes the towns of Woodbury, Bethlehem, Morris, Watertown, and Thomaston in Litchfield County and the towns of Waterbury, Southbury, Naugatuck, Wolcott, Middlebury, Prospect, and Beacon Falls in New Haven County.

3. This commitment is in conformance with the Board's policy requiring that divestitures designed to cure significantly adverse effects on existing competition must take place prior to or concurrent with the proposed acquisition. *Barnett Banks of Florida*, 68 FEDERAL RESERVE BULLETIN 180 (1982).

Applicant proposes to introduce automated teller machines, specialized small business loans, and international banking services to Bank. Applicant would also expand Bank's trust and advisory services. Although these improvements in Bank's services do not appear significant because Applicant is a large bank holding company that is already represented in the market and can provide such services through its existing subsidiary bank, the Board finds that considerations relating to the convenience and needs of the community to be served are consistent with approval. Based on the foregoing and the other facts of record, the Board has determined that consummation of the proposed transaction would be consistent with the public interest.

Accordingly, on the basis of the record, the application is approved subject to the condition that the proposed divestiture be completed on or before consummation of this proposal. This transaction shall not be made before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Boston, under delegated authority.

By order of the Board of Governors, effective December 22, 1982.

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

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

[SEAL]

#### *Dissenting Statement of Governor Teeters*

I would again deny the application of Hartford National Corporation to acquire Mattatuck Bank and Trust Company. I continue to believe that this transaction would have substantially adverse effects on competition within the Waterbury banking market that are not outweighed by considerations relating to the convenience and needs of the community to be served.

The Waterbury market is highly concentrated with a four-firm concentration ratio of 93.3 percent and a Herfindahl-Hirschman Index ("HHI") of 4460. Consummation of this proposal will increase these figures to 96.8 percent and 4526, respectively. Hartford is now the fourth largest commercial banking organization in the market and holds 6.7 percent of the market's deposits, and Bank is the third largest commercial banking organization in the market, with 9.0 percent of commercial banks deposits. Although the proposed divestiture will lower the combined market share of

Hartford and Bank from approximately 15.7 percent to 12.8 percent, the amount of existing competition eliminated still would be substantial in view of the highly concentrated nature of the market. Moreover, this combination of competitors in a market with this level of concentration would exceed both the new and old Justice Department guidelines regarding horizontal mergers. For these reasons, I would deny this application.

December 22, 1982

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

Area Bancshares Corporation,  
Hopkinsville, Kentucky

#### *Order Approving Application to Engage in Data Processing Activities*

Area Bancshares Corporation, Hopkinsville, Kentucky, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. §§ 1841 et seq.), has applied for the Board's approval, under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire jointly with North American Financial Services, Ltd., Davenport, Iowa ("North American"), DATANET, Inc., Hopkinsville, Kentucky ("DATANET"). DATANET will engage de novo in the activity of providing data processing services, such as check and deposit sorting and posting; computation and posting of interest and other credits and charges; preparation of checks, statements, notices, and similar items; and other clerical, bookkeeping, accounting, or similar functions for financial institutions in Kentucky. Such activities have been determined by the Board to be closely related to banking and permissible for bank holding companies. (12 CFR §§ 225.4(a)(8)(ii)).

Notice of the application, affording interested persons an opportunity to submit comments and views, has been duly published (47 *Federal Register* 45963 (1982)). The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the act.

Area controls one bank, First City Bank and Trust Company, Hopkinsville, Kentucky ("Bank"), which holds total deposits of \$94.2 million, representing 0.5 percent of the total deposits in commercial banks in the state.<sup>1</sup> Bank operates in the Hopkinsville, Ken-

1. Unless otherwise indicated, banking data are as of June 30, 1982.

tucky-Clarksville, Tennessee, banking market, where it is the fourth largest of ten commercial banks.<sup>2</sup> North American, which has consolidated assets of \$3.8 million, provides data processing services to approximately 90 banks in the states of Iowa, Missouri, Illinois, Arkansas, Virginia, Georgia, Louisiana, and Florida.<sup>3</sup>

This proposal involves a de novo acquisition and normally consummation of the transaction would not have any adverse effects upon either existing or potential competition. However, in view of the fact that the proposal involves the use of a joint venture between a bank holding company and a nonbanking company, the board has analyzed the proposal with respect to its effects on existing and potential competition between Area and North American in the relevant data processing markets.<sup>4</sup>

Area does not engage in the provision of data processing services anywhere in the United States. Although North American provides data processing services for Bank, it does not provide such services for any other customers in Kentucky. Accordingly, consummation of this proposal would have no adverse effects upon existing competition in any relevant market.

With respect to potential competition, the Board finds that, absent approval of the joint venture, Area is not likely to independently enter the data processing market in Kentucky or any other state, and North American is not likely to independently enter the data processing market in Kentucky. The facts of record indicate that Area lacks the technical capability to engage in data processing activities and North American lacks the financial resources necessary to expand into the Kentucky data processing market. Thus, the Board concludes that consummation of this proposal would not have significantly adverse effects upon competition in any market. In addition, in view of the small size of the co-venturers and the limited nature of the proposed activity, consummation of this proposal would not result in an undue concentration of economic resources.

Consummation of Area's proposal may be expected to result in public benefits because the joint venture

will provide an additional source of data processing services to Kentucky financial institutions. These services would enable them to reduce the costs associated with processing loans, checks, deposits, and other similar functions. Further, there is no evidence in the record to indicate that consummation of this proposal would result in any undue concentration of resources, conflicts of interests, unsound banking practices, or other adverse effects.

Based on the foregoing and certain commitments by Area that are reflected in the record, the Board has determined that the balance of the public interest factors it is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y, and to the Board's authority to require such 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 of and purposes of the act, and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The proposed activity 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 St. Louis, pursuant to delegated authority.

By order of the Board of Governors, effective December 16, 1982.

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

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

**BancOhio Corporation,  
Columbus, Ohio**

*Order Approving Applications to Engage in Equity  
Financing and Mortgage Banking Activities*

BancOhio Corporation, Columbus, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire W. Lyman Case & Company, Columbus, Ohio ("WLC"), by acquiring the right to the name "W. Lyman Case & Company" and by purchasing certain assets and assuming certain liabilities of WLC consisting of its mortgage loan production and mortgage loan servicing activities.

2. The Hopkinsville, Kentucky-Clarksville, Tennessee, banking market consists of Todd and Christian Counties, Kentucky, and Montgomery County, Tennessee.

3. All data applying to North American are as of October 31, 1982.

4. The Board has previously expressed concerns regarding the potential for undue concentration of resources or other adverse effects that result through the combination in a joint venture of banking and nonbanking institutions. See *Deutsche Bank AG*, 67 FEDERAL RESERVE BULLETIN 449 (1981); *BankAmerica Corporation*, 60 FEDERAL RESERVE BULLETIN 517 (1974).

WLC is comprised of two general partnerships that engage in mortgage banking, commercial real estate brokerage, and property management activities.<sup>1</sup> Mortgage banking and servicing activities have been determined by the Board to be closely related to banking. (12 CFR § 225.4(a)(1) and (3)).

In addition, Applicant has applied to engage de novo in the activity of arranging equity financing. Although this activity has not been specified by the Board in Regulation Y as permissible for bank holding companies, the Board has determined by order that arranging equity financing, subject to certain conditions, is closely related to banking.<sup>2</sup>

Notice of the applications, affording interested persons an opportunity to submit comments and views on the balance of public interest factors regarding the application, has been duly published (47 *Federal Register* 49088 (1982)). The time for filing comments and views 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.

Applicant is the largest banking organization in Ohio and controls two banking subsidiaries with aggregate deposits of \$4.1 billion, representing 9.29 percent of total commercial bank deposits in the state.<sup>3</sup> Applicant also engages in various nonbanking activities, including mortgage banking activities performed by its subsidiary, BancOhio Mortgage Company ("BMC"), for which it received Board approval under section 4(c)(8) of the act and sections 225.4(a)(1) and (3) of Regulation Y.

WLC is the 183rd largest mortgage company in the United States, with loan servicing contracts totalling \$460 million, representing 0.12 percent of national loan servicing volume, as of June 30, 1982. It operates offices in Columbus and Cincinnati, Ohio, and Miami, Florida. Its business is originating and servicing mortgages for commercial and income-producing properties on a nationwide basis.

Applicant's mortgage subsidiary engages in mortgage origination and servicing for 1- to 4-family residences, including mortgages originated by Applicant's banking subsidiaries. In 1981, it originated \$1.6 million and serviced \$11 million in mortgage loans, representing 0.004 percent of national loan servicing volume. Because of its association with Applicant's

subsidiary banks, BMC's business is local, and the relevant geographic market for its services consists of approximately 40 local banking markets in Ohio in which Applicant's banking subsidiaries operate.

In view of the fact that WLC and BMC do not compete in the same product or geographic markets, consummation of the proposed acquisition would not have any significant effects on competition. Moreover, both the national and local geographic markets in which WLC and BMC provide their respective services are not concentrated and have numerous competitors. Accordingly, the proposed transaction would have no effect on potential competition in any relevant area. Based on these and other facts of record, the Board concludes that competitive considerations relating to the acquisition of WLC by Applicant are consistent with approval of the application.

Acquisition of WLC by Applicant will expand the range of mortgage banking services offered by Applicant, and will enable Applicant to become a more effective competitor in the mortgage banking industry. There is no evidence to indicate that consummation of the proposed transaction would result in any undue concentration of resources, decreased or unfair competition, unsound banking practices, or other adverse effects. Accordingly, the balance of public benefits that the Board is required to consider under section 4(c)(8) of the act is favorable, and the application should be approved.

Applicant has also applied to engage de novo through WLC in arranging equity financing on behalf of institutional investors for commercial and industrial income-producing real property. Equity financing, as proposed by Applicant, involves arranging for the financing of commercial or industrial income-producing real estate through the transfer of the title, control, and risk of the project from the owner/developer to one or more investors. WLC would represent the owner/developer and would be paid a fee by the owner/developer for this service. The service would be offered only as an alternative to traditional financing arrangements and WLC would not solicit for properties to be sold, list or advertise properties for sale, or hold itself out or advertise as a real estate broker or syndicator. This activity would be provided only with respect to commercial or industrial income producing real property and only when the financing arranged exceeds \$1 million. Only institutional or wealthy, professional individual investors would be offered the service.

In approving an application by BankAmerica Corporation to engage in arranging equity financing, the Board determined that this activity is closely related to banking, subject to certain conditions that prevent a bank holding company from engaging in real estate

1. Following consummation of the proposal, the two general partnerships would continue their commercial real estate brokerage and property management operations under a different name.

2. *BankAmerica Corporation*, 68 *FEDERAL RESERVE BULLETIN* 647 (1982).

3. Banking data are as of March 31, 1982.

brokerage, development and syndication.<sup>4</sup> Accordingly, in performing its equity financing activities, Applicant has committed to abide by all of the conditions relied on by the Board previously in finding that the activity is closely related to banking.

Specifically, Applicant has committed that WLC's function will be limited to acting as intermediary between developers and investors to arrange financing. Neither WLC nor any affiliate may acquire an interest in the real estate project for which WLC arranges equity financing nor have any role in the development of the project. Neither WLC nor any of its affiliates shall participate in managing, developing or syndicating property for which WLC arranges equity financing, nor promote or sponsor the development or syndication of such property. Neither WLC nor any of its affiliates shall provide financing to investors in connection with an equity financing arrangement. The fee WLC receives for arranging equity financing for a project shall not be based on profits derived, or to be derived, from the property and should not be larger than the fee that would be charged by an unaffiliated intermediary. In view of these conditions, the Board finds that Applicant's proposed equity financing activity will not constitute real estate brokerage, real estate development, or real estate syndication, provided that the above conditions and limitations are observed by Applicant and WLC.

There is no evidence in the record to indicate that Applicant's performance of the proposed activity would result in any undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices, or other adverse effects. Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors that the Board is required to consider under section 4(c)(8) of the act is favorable. This determination is conditioned upon Applicant strictly limiting its activities to those described in information provided in connection with this application and as provided in this Order.

Based on the foregoing, the Board has determined that the applications should be approved, and the applications are hereby approved. This determination is subject to the limitations set forth in this Order, the conditions set forth in section 225.4(c) 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 the provisions and purposes of the act, and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The proposed acquisition shall be consummated and the proposed activity 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 Cleveland.

By order of the Board of Governors, effective December 23, 1982.

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

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

Citicorp,  
New York, New York

*Order Approving Establishment of Foreign Branches of Citicorp Banking Corporation*

Citicorp, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)) to establish branches of its subsidiary, Citicorp Banking Corporation ("CBC"), Wilmington, Delaware, in Bahrain, the Channel Islands, and Hong Kong to engage in certain commercial banking activities.

Notice of the application, affording an opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (47 *Federal Register* 47323 (1982)). The time for filing comments and views has expired and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the act.

CBC, a corporation chartered under the laws of Delaware with total assets of approximately \$10 billion,<sup>1</sup> holds the shares of a number of nonbanking subsidiaries of Citicorp and engages in certain commercial banking activities through a branch in Nassau, Bahamas.<sup>2</sup>

The proposed branches in Bahrain, the Channel Islands, and Hong Kong would engage in accepting funds in dollars or foreign currency in wholesale

1. Financial data are as of June 30, 1982.

2. By Order dated March 4, 1982, the Board approved the application of Citicorp to engage through proposed branches of CBC in Nassau and Luxembourg in commercial banking activities (68 *FEDERAL RESERVE BULLETIN* 251 (1982)).

4. *Supra* at 649.

money markets in amounts over \$100,000; placing funds with and making loans and advances to subsidiary and affiliated organizations; making commercial loans in amounts over \$100,000; foreign exchange transactions; and other activities constituting commercial banking outside the United States.

Section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) authorizes a bank holding company to acquire a nonbank company where the activities of the nonbank company are determined by the Board to be "so closely related to banking or managing and controlling banks as to be a proper incident thereto." The act provides that the Board may make such determinations by order or regulation. The Board has previously determined that the activities proposed to be engaged in by the branches of CBC are closely related to banking within the meaning of section 4(c)(8)<sup>3</sup> and reaffirms that determination in this Order.

In order to approve this application by Order under section 4(c)(8), the Board is further required to determine that CBC's conduct of the proposed foreign branch activities is a proper incident to banking or managing or controlling banks. The Board must consider whether the offering of these foreign branch services pursuant to this application "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices."

The purpose of the proposal by CBC is to provide Citicorp with increased flexibility in funding its domestic operations by allowing CBC to participate in the offshore wholesale money markets. Direct access by CBC's branches to these markets will reduce the costs of funding Citicorp's nonbanking subsidiaries including those previously approved by the Board under section 4(c)(8). As noted by the Board in connection with CBC's previous application, the operation of such branches will enhance Citicorp's ability to raise funds at lower rates than is possible through other funding vehicles, thereby increasing internally generated capital, which is a major benefit of the proposal. The Board expects that Citicorp will maintain capital commensurate with its increased funding capabilities.

Citicorp has committed that the liabilities to CBC of any person, other than an affiliate, will not exceed 10 percent of the capital and surplus of CBC, and that CBC's branches will not engage in any activity outside the United States that is impermissible for a foreign

banking subsidiary of Citicorp under the Board's Regulation K (12 CFR Part 211) or is otherwise prohibited by U.S. law.<sup>4</sup> The Board is of the view that these prudential conditions are adequate to meet any supervisory concerns to which the proposal may give rise. In light of these and all the facts of record, including the commitments made by Citicorp with respect to the operations of CBC's branches, the Board has determined that the balance of public interest factors that the Board must consider under section 4(c)(8) of the act is favorable and that the application should be approved.<sup>5</sup>

The establishment of the proposed branches is subject to the necessary licensing requirements of the jurisdictions involved. In this regard, the Board again emphasizes that CBC is not considered a bank for purposes of United States law, that it is not regulated as such by the Federal Reserve System or by any domestic authority regulating depository institutions, and that, as a nondepository institution, CBC may not borrow from the Federal Reserve discount window. As a nonbank holding company subsidiary of Citicorp, CBC is thus to be distinguished from Citicorp's U.S. banking subsidiaries.

In light of the record, the application is approved for the reasons summarized above. This determination is subject to the conditions set forth in this Order and in section 225.4(c) of Regulation Y, and to the Board's authority to require reports by and make examinations of bank holding companies and their subsidiaries, and 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 Orders and regulations issued thereunder, or to prevent evasion thereof.

The proposed branch activities shall be commenced not later than three months after the effective date of

4. Citicorp has also committed to accept no placement or deposit from a United States resident, except that a placement or deposit received from a foreign branch, office, subsidiary, affiliate or other foreign establishment ("foreign affiliate") controlled by one or more domestic corporations is not regarded as a placement or deposit received from a United States resident if such funds are used in its foreign business or that of other foreign affiliates of the controlling domestic corporation(s); and extend no credit to a United States resident (other than a subsidiary or affiliated organization) except that credit extended to a foreign affiliate controlled by one or more domestic corporations is not regarded as credit extended to a United States resident if the proceeds will be used in its foreign business or that of other foreign affiliates of the controlling domestic corporation(s).

5. In connection with this action, the Board hereby delegates authority to the Federal Reserve Bank of New York to approve applications by Citicorp for additional foreign branches of CBC, to engage in the same activities approved and subject to the same limitations and restrictions imposed herein, pursuant to the procedures specified in section 225.4(b)(1) of Regulation Y (12 CFR § 225.4(b)(1)).

3. *Citicorp*, supra, n.2; *European American Bancorp*, 63 FEDERAL RESERVE BULLETIN 595 (1977) and 65 FEDERAL RESERVE BULLETIN 667 (1979).

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 2, 1982.

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

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

[SEAL]

First Security Corporation,  
Salt Lake City, Utah

*Order Approving Acquisition of Industrial Loan Companies*

First Security Corporation, Salt Lake City, Utah, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to purchase the assets and assume the liabilities of Murray First Thrift and Loan Company, Salt Lake City, Utah ("Murray Thrift"), and to acquire Capitol Thrift and Loan Company, Salt Lake City, Utah ("Capitol Thrift"). Murray Thrift and Capitol Thrift are industrial loan companies. Applicant proposes to establish de novo an industrial loan company, First Security Financial, Inc., Salt Lake City, Utah ("First Security Financial"), to acquire the two companies. First Security Financial also would engage in leasing activities previously engaged in by Murray Thrift. The Board has determined such activities to be closely related to banking. (12 CFR §§ 225.4(a)(2) and (6)).

The Commissioner of Financial Institutions for the State of Utah ("Commissioner") took possession of the business and assets of Murray Thrift on July 22, 1982, under the supervision of the Third Judicial District Court of Salt Lake County, Utah. Withdrawal of deposits in the company has been suspended since that time. On November 15, 1982, the Third Judicial District Court approved the proposed transaction as a means of disposing of Murray Thrift's assets, subject to the Board's approval.

By letter dated November 9, 1982, the Commissioner requested that the Board act expeditiously upon this application. In light of this request, the Board promptly published notice of the application in the *Federal Register* (47 *Federal Register* 51,619) providing a 15-day period for interested persons to comment on the application. The time for filing comments and views has expired, and the application and all comments

received have been considered in light of the factors set forth in section 4(c)(8) of the act.

Applicant, with total consolidated assets of \$4.1 billion, is the largest banking organization in Utah, operating two subsidiary banks in that state with \$1.59 billion in deposits.<sup>1</sup> Applicant also controls the second largest banking organization in Idaho (\$1.12 billion in deposits) and a bank subsidiary in Wyoming (\$43.8 million in deposits), and engages in a variety of permissible nonbanking activities.

Murray Thrift is a failed industrial loan company with \$64 million in assets. Capitol Thrift is an industrial loan company with \$10 million in assets. Capitol Thrift is in satisfactory financial condition. Applicant proposes to acquire Capitol Thrift as a means of obtaining the services of its officers to serve as management for First Security Financial, Inc. upon its acquisition of Murray Thrift.

The Board has previously determined that the operation of an industrial loan company in the manner authorized by state law is closely related to banking "so long as the institution does not both accept demand deposits and make commercial loans." (12 CFR § 225.4(a)(2)). Both Murray Thrift and Capitol Thrift sell thrift certificates and thrift passbook accounts as a means of funding their operations. The Board in the past has not regarded such activities as accepting demand deposits for purposes of the act. The Board does regard NOW accounts and other types of transaction accounts as demand deposits for purposes of Regulation Y. *First Bancorporation (Beehive Thrift & Loan)*, 68 FEDERAL RESERVE BULLETIN 253 (1982). In order to ensure compliance with Regulation Y, Applicant has committed that First Security Financial will not offer NOW accounts, transaction accounts, or any type of sweep account with transactional capabilities.

Before a bank holding company may engage in an activity that the Board has determined to be closely related to banking, the Board must determine that performance of the activity by the applicant or its affiliates "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." (12 U.S.C. § 1843(c)(8)).

The Board has considered the financial and managerial resources of Applicant and Capitol Thrift and has determined that the transaction would provide the necessary financial and managerial support necessary to revitalize Murray Thrift. In this regard, Applicant has committed that First Security Financial will con-

1. Banking data are as of June 30, 1981.

duct its operations in a manner generally consistent with prudent business practices for an industrial loan company. Accordingly, the proposed acquisition can reasonably be expected to foster increased competition and greater convenience to the public by restoring a failed institution as a viable competitor in the market. The Utah Commissioner also has advised the Board that the proposal would be in the best interests of Murray Thrift's depositors and would result in substantial savings to the Industrial Loan Guaranty Corporation of Utah. Accordingly, the Board has determined that the public benefits that can reasonably be expected to result from the proposal are substantial.

The Board has considered the effect of the proposal on competition. Although the proposal would eliminate existing competition between Applicant, Murray Thrift, and Capitol Thrift, the Board has determined, in view of Murray Thrift's condition, that the effects of the transaction on competition would not be so adverse as to warrant denial of the application. The Board has further determined that the proposal would not result in any undue concentration of resources, conflicts of interests, unsound banking practices, or other adverse effects. Based upon 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. This determination is subject to the conditions enumerated in this Order that First Security Financial will not offer any demand, transaction, or sweep accounts with transactional capability and will conduct its operations in a manner generally consistent with prudent business practices for an industrial loan company.

The application is hereby approved as conditioned herein. This determination is also subject to the conditions set forth in § 225.4(c) of Regulation Y 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.

The 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 6, 1982.

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

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

Guaranty Bancshares Corporation,  
Kansas City, Kansas

*Order Denying Acquisition of Guaranty Financial Services, Inc.*

Guaranty Bancshares Corporation, Kansas City, Kansas, a bank holding company within the meaning of the Bank Holding Company Act, has applied pursuant to section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(1) of the Board's Regulation Y (12 CFR § 225.4(b)(1)), for permission to engage de novo, through its subsidiary, Guaranty Financial Services, Inc., Kansas City, Kansas, in the activities of consumer and commercial lending and selling credit-related insurance in connection with such loans. Such nonbank activities have been determined by the Board to be closely related to banking and therefore permissible for bank holding companies (12 CFR § 225.4(a)(1) and (9)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published. The time for filing comments has expired, and the Board has considered the application and all comments received, including those from the Kansas Independent Bankers Association ("Protestant") in light of the public interest factors set forth in section 4(c)(8) of the act.

In order to approve an application under section 4(c)(8) of the act, the Board must determine that the proposed activity is "so closely related to banking or to managing or controlling banks as to be a proper incident thereto." Even where, as here, the proposed activities have been previously determined by regulation to be closely related to banking, the Board is also required to determine whether the performance of the proposed activities by a nonbank subsidiary of a bank holding company "can reasonably be expected to produce benefits to the public, such as a 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." This statutory test requires a positive showing by an applicant that the public benefits of its proposal outweigh the possible adverse effects.

Applicant controls one subsidiary bank, Guaranty State Bank and Trust Company, Kansas City, Kansas ("Bank"), with aggregate domestic deposits of \$37.8 million.<sup>1</sup> Bank is the 107th largest of 617 banks in Kansas, controlling .25 percent of total commercial

1. Banking data are as of December 31, 1981.



bank deposits therein. Applicant owns no nonbank subsidiaries.

Applicant proposes to engage through Company in the making of consumer and commercial loans and other extensions of credit to individuals and businesses, and the selling of credit-related life, accident and health insurance in connection with such loans. These activities would be conducted from an office located in Bank's detached deposit taking facility, also in Kansas City, Kansas, which would serve all of Wyandotte County, Kansas.

Protestant asserts that the structural, managerial and operational interrelationship of Bank and Company would constitute a unitary operation and would amount to unlawful branch banking in violation of Kansas statutes. Under Kansas law, branch banking is specifically prohibited. However, state banks are permitted to have up to three detached facilities at which deposits and withdrawals are permitted, but at which the making of loans is expressly prohibited (Kan. Stat. Ann. § 9-1111 (1981 Supp.)). Because of certain relationships between Bank and Company, and because Company proposes to engage in lending activities at Bank's detached facility (where Bank itself would not be permitted to make loans), Protestant alleges that Company is merely a "sham" corporation being used by Applicant and Bank as an additional loan facility of Bank to circumvent Kansas branch banking prohibitions.

In support of its argument, Protestant cites several proposed relationships between Bank and Company. As noted above, Company would lease space from Bank in Bank's drive-in facility. Further, Company would use Bank equipment in its operations and would use Bank employees to counsel loan applicants and to process and approve loans. Indeed, all the officers and directors of Company would be officers and directors of Bank and an assistant vice president of Bank would make all of Company's credit decisions. Finally, Protestant asserts that Company would sell 100 percent of its loans to Bank, and that such sales would be effectuated at the close of each business day. The Board notes that these relationships are supported by the record and have not been denied by Applicant.

The Board may not approve a bank holding company proposal that would, if consummated, violate federal or state law.<sup>2</sup> Consequently, if the Board finds that the proposal would violate the Kansas statutory prohibition against branch banking (Kan. Stat. Ann. § 9-1111 (Supp. 1981)), it must deny this application.

The Kansas state courts have never interpreted this statutory branch banking prohibition. However, the Kansas Attorney General has issued a letter to the Kansas Banking Department addressing the specific issue raised by Protestant in this case. This letter states that a finance company operating on the premises of a detached facility of an affiliate bank would be a branch of the bank if it acted as an agent of the bank in making loans. The Attorney General also stated that resolution of this issue necessitates a consideration of the entire course of dealing between the bank and the finance company. Finally, the Attorney General offered examples of the factors that would be relevant to making such an assessment, including the location of the finance company, the regularity with which it sold loans to its affiliated bank, and the existence of management interlocks between the finance company and the bank. After examining the proposed relationship between Company and Bank in light of the factors cited by the Attorney General and all applicable law, the Board finds that Applicant's operation of Company, as structured in this proposal, would violate the Kansas prohibition on branch banking. In this regard, the Board has considered that Company's activities are substantially integrated with those of Bank, that a Bank officer would make Company's credit decisions, that all of Company's directors would be directors of Bank, that Company would be located in a detached deposit-taking facility of Bank, and that Bank would in effect fund Company's operations through the purchase of all of Company's loans at the end of each day. The combination of these factors distinguishes this proposal from other applications that the Board has approved.<sup>3</sup>

As noted above, this proposal contemplates the formation of a new finance company subsidiary that would offer the communities it would serve an additional and convenient source of consumer and commercial credit and credit-related insurance, thereby increasing overall competition in Wyandotte County, Kansas. In the absence of evidence to the contrary, the Board views such de novo entry as a positive public benefit since it would provide an additional competitive source in the market. Accordingly, the Board notes that competitive considerations and convenience and needs factors lend weight toward approval of this application.

Despite the public benefits which would result from the consummation of this proposal, the Board, as

2. *Whitney National Bank in Jefferson Parish v. Bank of New Orleans*, 379 U.S. 411, 419 (1965).

3. In addition, it appears that Company's sale of loans to Bank would be inconsistent with the provisions of section 23A of the Federal Reserve Act, 12 U.S.C. § 371c, because it appears unlikely that Bank's purchase of such loans would be made on the basis of its independent analysis of the credit worthiness of the borrower.

discussed above, may not approve an application which would, if consummated, result in a violation of federal or state law. Accordingly, based upon the foregoing and other considerations reflected in the record, the Board has determined that the application must be denied for the reasons summarized above.

By order of the Board of Governors, effective December 9, 1982.

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

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

[SEAL]

Schroders Public Limited Company,  
London, England

*Order Approving Acquisition of Shares of  
Wainwright Econometrics, Inc.*

Schroders Public Limited Company, London, England, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, pursuant to section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b) of the Board's Regulation Y (12 CFR § 225.4(b)), to acquire indirectly through Leadenhall Securities Corporation Limited, London, England, its wholly owned venture-finance subsidiary, 35 percent of the voting shares of Wainwright Econometrics, Inc., Boston, Massachusetts, a proposed de novo corporation. The remaining shares of Company would be held by H. C. Wainwright & Co., Econometrics, Boston, Massachusetts. Company would provide general economic information and statistical forecasting services via access to a proprietary econometric model to be marketed throughout the United States and Canada. The Board has determined that this activity is closely related to banking. (12 CFR § 225.4(a)(5)(iv)).

Notice of the application, affording opportunity for interested persons to submit comments and views on public interest factors, has been duly published (47 *Federal Register* 46573 (1982)). The time for filing comments and views has expired and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the act.

Applicant, with consolidated assets of approximately \$5.2 billion, is engaged through subsidiaries in banking and nonbanking activities throughout the world. Applicant's principal subsidiary is J. Henry

Schroder Wagg & Co. Limited, London, England, a merchant bank, with total assets of \$2.5 billion.<sup>1</sup> Applicant's United States commercial banking operations are conducted through J. Henry Schroder Bank and Trust Company, New York, New York, which has approximately \$2.0 billion in assets and \$1.5 billion in deposits.<sup>2</sup> Applicant operates several domestic non-bank companies engaged in leasing and certain real estate and securities activities.<sup>3</sup> In addition, certain of Applicant's subsidiaries furnish general economic information and forecasting services in the United States as an incident to the provision of other financial services. In this regard, Applicant provides economic information and forecasting services through Bank, and investment or financial advisory activities through J. Henry Schroder Corporation, Schroder Capital Management, Inc., and Schroder Energy Associates, Inc.

Wainwright, with total assets of \$190,000, is an economic consulting and research firm which furnishes economic information and generic forecasting services and specialized industry studies to subscribing corporations, institutions and agencies through a generalized written subscription service.<sup>4</sup> The record indicates that during 1981 Wainwright generated total fee revenues of \$434,000. Because services similar to those proposed for company, including access to statistical techniques other than the proposed econometric model, are an integral part of its economic consulting and research activities, Wainwright does not intend to cease offering these services directly.

The market for providing general economic information and statistical forecasting services is considered to be at least national in scope. Neither Applicant or Wainwright controls a significant share of this market. Applicant, as mentioned above, provides these services solely as an incident to other financial activities of its subsidiaries and Wainwright is a relatively small company as measured by total assets and fee revenue. Moreover, Applicant and its subsidiaries do not market a proprietary economic model of the kind proposed to be offered and do not propose to shift any of the existing informational and forecasting services to company. Accordingly, consummation of the proposal would not have a significant effect on existing competition.

1. Data are as of December 31, 1981.

2. Data are as of June 30, 1982.

3. Applicant's authority to engage in certain real estate and securities activities, as well as certain leasing activities, is pursuant to the permanent grandfather privileges of section 4(a)(2) of the Bank Holding Company Act (12 U.S.C. § 1843(a)(2)). By order dated February 25, 1980, the Board determined that Applicant was entitled to such privileges. 66 FEDERAL RESERVE BULLETIN 252 (1980).

4. Data are as of December 31, 1981.

It also appears that consummation of this proposal would not have a substantial adverse effect on potential competition. In this regard, the Board notes that the market for providing the proposed services is highly competitive and unconcentrated as virtually all types of financial service organizations and consulting firms engage in the activity to the same extent. Also, as described earlier, Applicant and Wainwright have a relatively minor presence in the market and the industry presents no significant barriers to entry. Accordingly, the Board concludes that consummation of this proposed joint venture would not adversely affect potential competition in any relevant market.

The Board finds that consummation of the proposal can be expected to result in public benefits. Affiliation with Applicant would provide Wainwright the financial resources necessary to market its proprietary economic model. The econometric model is intended to use market price data to forecast Gross National Product, corporate profits, and other relevant economic factors. Wainwright's computerized econometric model would provide customized economic forecasting and analysis through which corporate planners and business analysts would gain a greater understanding of relevant economic factors. In addition, the lower cost and simplified use of the model may provide the public increased access to useful economic information. On the basis of these and other facts of record, the Board concludes that the benefits to the public that would result from the joint venture between Applicant and Wainwright favor approval of the application. Furthermore, in light of the *de novo* nature of the proposal, the relatively small size of Applicant and Wainwright, and the scope of the proposed activity, there is no evidence in the record to indicate that consummation of the proposal would result in undue concentration of resources, conflicts of interest, unsound banking practices, or other adverse effects on the public interest.<sup>5</sup>

Based on the foregoing and other considerations reflected in the record, the Board concludes that the balance of public interest factors that it must consider under section 4(c)(8) of the act favors approval. Accordingly, the application is approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of such

activities as the Board finds necessary to assure compliance with the provisions and purpose of the act, and the Board's regulations and Orders issued thereunder, or to prevent evasion thereof.

The proposed activity 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 New York, pursuant to delegated authority.

By order of the Board of Governors, effective December 17, 1982.

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

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

Skandinaviska Enskilda Banken,  
Stockholm, Sweden

*Order Approving Operation of New York Investment Company*

Skandinaviska Enskilda Banken, Stockholm, Sweden, a foreign bank which is subject to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) pursuant to section 8(a) of the International Banking Act of 1978 (12 U.S.C. § 3106(a)) by virtue of its indirect control of an agency in the United States, has applied for the Board's approval under section 4(c)(8) of the act and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to engage *de novo* through its subsidiary, Skandinaviska Enskilda Banken Corporation, New York, New York ("SEBC"), in certain nonbanking activities.

SEBC is an investment company organized under Article XII of the New York State Banking Law (a "New York Investment Company"), and proposes to engage in the following activities: borrowing and lending money, with or without real or personal security; as principal or agent, purchasing, discounting, acquiring, investing in, selling and disposing of bills of exchange, drafts, notes, acceptances and other obligations for the payment of money; as principal or agent, purchasing, acquiring, investing in, servicing, selling and disposing of, and making loans upon the security of, bonds and mortgages on real property; accepting bills of exchange or drafts drawn upon it; issuing letters of credit; buying and selling foreign exchange; receiving money for transmission and transmitting the same to and from the United States; receiving and maintaining credit balances incidental to, or arising out

5. The Board has previously expressed its concern, where a large banking and a large commercial organization propose to engage jointly in the provision of a wide range of activities, that such relationships could lead to an undue concentration of economic resources, and that such possible adverse effects would not be consistent with the purposes of the Bank Holding Company Act. *Deutsche Bank AG*, 67 FEDERAL RESERVE BULLETIN 449 (1981).

of, the exercise of its lawful powers; buying and selling coin and bullion; purchasing, acquiring, investing in and holding stocks of any corporation and selling and disposing of such stock, provided that (unless authorized by the Board) no such investment will exceed 5 percent of the voting securities of any corporation; entering, directly or indirectly, into leasing transactions of a type permissible for bank holding company affiliates under section 225.4 of Regulation Y; establishing branches outside the United States and engaging at those offices in transactions of the type that it can engage in at its home office; receiving time deposits at branches located outside the United States; issuing guarantees of its customers' obligations at offices outside the United States; and issuing guarantees of its customers' obligations at offices outside the United States if the guarantee or related agreement specifies a maximum monetary liability.<sup>1</sup>

Notice of the application, affording an opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (47 *Federal Register* 38634 (1982)). The time for filing comments and views has expired and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the act.

In acting on this application, the Board must first determine that these activities are closely related to banking or managing or controlling banks. The Board has not determined that the operation of a New York Investment Company per se is permissible for bank holding companies. However, the Board by Order has authorized the retention under section 4(c)(8) of a New York Investment Company by a bank holding company after considering whether each of the activities of that company was closely related to banking and, if so, whether performance of those activities would result in sufficient public benefits to outweigh any possible adverse effects. (*European American Bancorp*, 63 FEDERAL RESERVE BULLETIN 595 (1977)). In approving that application, the Board considered the unique statutory powers of New York Investment Companies, the role of such organizations in the unusual

structural and competitive milieu of the New York financial market, and the fact that the lending and banking activities involved were generally offered by commercial banks.<sup>2</sup> In this case, the activities proposed by Applicant either have been specified as permissible in sections 4(c)(6) and (7) of the act, or authorized by the Board under section 4(c)(8) of the act for bank holding companies, subject to the Board's approval of individual proposals in accordance with the procedures of section 225.4(b), or they are substantially similar to those authorized by Order in the *European American* decision. In light of the above and other facts of record, the Board is of the view that the proposed activities of SEBC are closely related to banking.

Applicant, with consolidated assets of \$22.4 billion and deposits of \$18.8 billion, ranks as the second largest bank in Sweden and the 75th largest bank in the world.<sup>3</sup> Applicant operates 365 branches in Sweden, and conducts international banking activities through direct subsidiaries in Luxembourg, Frankfurt, Singapore, Geneva, Amsterdam, and London, and indirectly through a subsidiary bank operates an agency in California. In 1980, Applicant acquired the power to vote more than 5 percent of the voting stock of Dillon Reed & Co., New York, New York ("Dillon"), an investment banking firm, as a result of the sale of its former subsidiary, Scandinavian Securities Corporation, to Dillon. However, Applicant has made specific commitments to conform its interest in Dillon to the provisions of the act.

In order to approve this application, the Board is required to determine that the performance of the proposed activities of SEBC "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." (12 U.S.C. § 1843(c)(8)).

With respect to public benefits, Applicant's proposed activities would introduce an additional source of banking services and would increase the level of competition among banking organizations in New York. There is no evidence in the record that indicates that Applicant's proposal would result in any undue concentration of resources, decreased or unfair competition, conflicts of interest or unsound banking practices. In this regard, the Board notes that Applicant's

1. The last 3 items represent a proposal to establish foreign branches and to conduct certain activities at those offices. However, Applicant has not proposed specific locations for these branches. Approval of this portion of the application therefore appears inappropriate in view of the provisions of section 225.4(c) of Regulation Y, (12 CFR § 225.4(c)), which state that activities authorized under section 4(c)(8) of the Bank Holding Company Act shall not be provided at new locations without prior approval. However, when more specific information is available, Applicant may seek approval of such branches by complying with the de novo procedures of section 225.4(b)(1) of Regulation Y, pursuant to authority hereby delegated to the Federal Reserve Bank of New York to act on such proposals.

2. *National Courier Ass'n v. Board of Governors*, 516 F.2d 1229 (D.C. Cir. 1975); *Alabama Ass'n of Insurance Agents v. Board of Governors*, 533 F.2d 729 (1977), cert. denied 433 U.S. 904 (1978).

3. Financial data are as of December 31, 1981.

Edge Act subsidiary may not fund SEBC through transactions that would be inconsistent with the purposes for which an Edge Corporation is established. Accordingly, the Board has determined that the benefits to the public, subject to the conditions and commitments noted in this Order, would outweigh any potential adverse effects.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors that the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) 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 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 not commence 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.

By order of the Board of Governors, effective December 7, 1982.

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

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

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

Barnett Banks of Florida,  
Jacksonville, Florida

#### *Order Approving the Acquisition and Merger of a Bank Holding Company*

Barnett Banks of Florida, Jacksonville, Florida ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3 of the act (12 U.S.C. § 1842) to acquire 100 percent of the voting shares of Great American Banks, North Miami, Florida ("Great American"), and to simultaneously merge with Great American. As a result of the acquisition and merger, Applicant will indirectly acquire Great American's eight subsidiary banks: Great American Bank of Dade County, North Miami, Florida; Great American Bank of North Miami Beach, North Miami, Florida; Great

American Bank of Broward County, Fort Lauderdale, Florida; Great American Bank of Davie, Davie, Florida; Great American Bank of Florida Keys, Tavernier, Florida; Great American Bank of Tampa, Tampa, Florida; Great American Bank of Pinellas, Clearwater, Florida; and Great American Bank of Gainesville, Gainesville, Florida. Applicant 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 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4 (b)(2)) to acquire Great American's nonbanking subsidiary, American Bancshares Insurance Agency, Inc., North Miami, Florida ("ABIA").<sup>1</sup> ABIA engages in the sale of credit-related insurance directly related to extensions of credit by Great American's subsidiary banks. These nonbanking activities have been determined by the Board to be closely related to banking under subsection 225.4(a)(9) of Regulation Y (12 CFR § 225.4(a)(9)).

Notice of these applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the act. The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in 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)).<sup>2</sup>

Applicant, with 23 banking subsidiaries, has consolidated assets of \$6.1 billion and deposits of \$4.9 billion.<sup>3</sup> It is the largest banking organization in Florida and controls 11.2 percent of commercial bank deposits in Florida. Great American is the 16th largest of 289 banking organizations in Florida, with consolidated assets of \$590 million and deposits of \$477 million, and controls 1.1 percent of the total deposits in commercial banks in the state. Upon acquisition of Great American, Applicant's share of statewide commercial bank deposits would increase to 12.3 percent. In the Board's view, consummation of this proposal would not have a significant effect upon the concentration of commercial banking resources in Florida.

The subsidiary banks of Great American compete directly with subsidiary banks of Applicant in the Gainesville, Pinellas County, Tampa, and Miami—Fort Lauderdale banking markets. Accordingly, the

1. Great American also has two inactive nonbanking subsidiaries and a servicing subsidiary exempt under section 4(c)(1)(C) of the act that will be acquired by Applicant (12 U.S.C. § 1843(c)(1)(C)).

2. The Board received a comment on the applications from an individual who complained of inappropriate and unresponsive conduct of one of Applicant's subsidiary banks in handling a fiduciary account for which he served as executor. In light of the facts of record, the Board does not believe that this reflects Applicant's overall management and operations, and therefore, regards the protest as non-substantive.

3. Deposit data as of June 30, 1982.

Board has examined the effects of the proposed acquisition upon existing competition in these markets.<sup>4</sup> None of these markets is highly concentrated in terms of the Herfindahl-Hirschmann Index ("HHI"), and consummation of the proposed transaction would not result in a significant increase of the HHI in any of these markets.

Applicant is the sixth largest of thirteen banking organizations in the Gainesville banking market<sup>5</sup> and controls deposits of \$24.3 million, representing 6.6 percent of the total deposits in commercial banks in the market. Great American ranks tenth in the market and controls \$13.7 million in deposits, representing 3.7 percent of total deposits in commercial banks in the market. Applicant's acquisition of Great American would increase its market share to 10.3 percent, and Applicant would become the third largest banking organization in the market.

In the Pinellas County banking market,<sup>6</sup> Applicant is the ninth largest of 28 banking organizations and controls \$144.8 million in deposits, representing 4.2 percent of the total deposits in commercial banks in the market. Great American is the 21st largest banking organization in the market with deposits of \$31.4 million, representing 0.9 percent of the total deposits in commercial banks in the market. Applicant's market share would increase to 5.1 percent upon its acquisition of Great American, and it would become the eighth largest banking organization in the market.

In the Tampa market,<sup>7</sup> Applicant is the fifth largest of 23 banking organizations and controls \$146.5 million in deposits, representing 5.4 percent of the total deposits in commercial banks in the market. Great American is the third largest banking organization in the market and holds \$232.1 million in deposits, representing 8.6 percent of the total deposits in commercial banks in the market. Upon consummation of the proposed acquisition, Applicant would become the third largest commercial banking organization in the market and would control 14.0 percent of total deposits in commercial banks in the market. The market is not highly concentrated and consummation of the proposal would increase the deposits held by the market's four largest commercial banking organizations from 58 to 64 percent.

The Board also notes that Freedom Savings and Loan Association, Tampa, Florida ("Freedom"), the

tenth largest savings and loan association in Florida, operates in the Tampa market, and that it has established a commercial lending department and has aggressively made use of the expanded banking powers granted to savings and loans under state law. Freedom is the second largest depository institution in the market and controls \$548.6 million in market deposits, or 16.9 percent of total deposits in commercial banks and state chartered savings and loan associations in the market.<sup>8</sup> In the Board's opinion, the presence of this institution mitigates the adverse effects of the proposed transaction on competition and concentration of resources in the Tampa market.<sup>9</sup>

Applicant is the second largest of 68 banking organizations in the Miami-Fort Lauderdale banking market<sup>10</sup> and controls \$1.1 billion in deposits, representing 8.8 percent of the total deposits in commercial banks in the market. Great American is the 21st largest banking organization in the market, with \$201.8 million in deposits, representing 1.6 percent of the total deposits in commercial banks in the market. Applicant's rank in the market will remain the same upon consummation of the proposal and it will control 10.4 percent of the market deposits.

Based on the foregoing, the Board's judgment is that consummation of the proposal would not have any significant effects on competition between Applicant and Great American in the Gainesville, Pinellas County, Tampa, and Miami-Fort Lauderdale markets.

The Board has examined the effect of the proposal on potential or probable future competition in the Key Largo banking market<sup>11</sup> in light of the Board's proposed policy statement on market extension mergers.<sup>12</sup> In that market, Great American is the largest of three banking organizations with \$25.7 million in deposits, representing 76.7 percent of total deposits in commercial banks in the market. There are numerous potential entrants in the Key Largo market. With respect to Great American's entry into any of the markets in which Applicant currently operates, it does not appear that Great American is a likely entrant into those markets.

8. Savings and loan data are as of March 31, 1981.

9. *First Bancorp of N.H. (The Bedford Bank)*, FEDERAL RESERVE BULLETIN 769 (1982), Order dated November 29, 1982.

10. The Miami-Fort Lauderdale banking market includes Dade and Broward Counties.

11. The Key Largo market consists of Key Largo, Florida. Applicant operates one automatic teller machine in the Key Largo market, but the Board does not view its operation as providing any significant direct competition to Great American because the ATM is limited to furnishing prearranged checkcashing and deposit-taking services to existing customers of Applicant. Even if Applicant's ATM is viewed as a direct competitor of Great American, the amount of existing competition between the two that would be eliminated by the proposed transaction is insignificant.

12. 47 *Federal Register* 9017 (March 3, 1982).

4. Individual market data as of June 30, 1981.

5. The Gainesville banking market consists of Alachua County, Florida.

6. The Pinellas County banking market consists of Pinellas County, Florida.

7. The Tampa banking market includes Hillsborough County, plus a small portion of Pasco County surrounding the town of Land O'Lakes, Florida.

Based on the foregoing and other facts of record, the Board concludes that consummation of this proposed acquisition of Great American would not have any significant adverse effect on existing or potential competition, and would not 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 are regarded as generally satisfactory, and their future prospects appear favorable. As a result of this proposal, Great American's financial and managerial resources and future prospects will be strengthened, particularly in view of the capital and managerial support that Applicant will be able to provide Great American. Thus, considerations relating to banking factors lend weight toward approval of the application.

Applicant's acquisition of Great American will result in the expansion of services presently offered by Great American's subsidiary banks. These services will include access to Applicant's statewide system of automatic teller machines, and access to Applicant's international banking department and its corporate cash management services. Thus, the Board concludes that considerations relating to the convenience and needs of the communities to be served are consistent with approval of this application. Accordingly, the Board's judgment is that under section 3 of the act the proposed transaction would be in the public interest and that the application should be approved.

With respect to the application to acquire Great American's credit-related insurance agency subsidiary, there is no evidence in the record to indicate that approval 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 public interest factors it must consider under section 4(c)(8) of the act are consistent with approval of the application, and that the application to acquire Great American's insurance subsidiary should be approved.

Based on the foregoing and the facts of the record, the applications are approved for the reasons set forth above. The acquisition and merger pursuant to section 3 of the act shall not be made before the thirtieth calendar day following the effective date of this Order; and neither the subject acquisition and merger nor the acquisition of the nonbanking subsidiaries 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, pursuant to delegated authority. The approval of Applicant's acquisition of Great American's non-

banking subsidiaries and to engage in credit-related insurance activities are subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the act and Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective December 23, 1982.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Teeters, Rice, and Gramley. Governor Wallich abstained from consideration of those portions of the application related to insurance activities.

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

[SEAL]

Manufacturers Bancorp, Inc.,  
St. Louis, Missouri

*Order Denying Acquisition of Banks,  
Formation of a Bank Holding Company and  
Acquisition of Nonbanking Companies*

Manufacturers Bancorp, Inc., St. Louis, Missouri, has applied for the Board's approval, pursuant to section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(3)), to acquire through merger with its wholly owned subsidiary, MB Sub, Inc., First Missouri Banks, Inc., Manchester, Missouri ("FMB"), and indirectly its twelve subsidiary banks. In connection with this application, MB Sub, Inc., St. Louis, Missouri, has applied for the Board's approval, under section 3(a)(1) of the act (12 U.S.C. § 1842(a)(1)), to become a bank holding company through merger with FMB. Applicant and MB Sub have also applied, pursuant to section 4(c)(8) and section 225.4(b)(2), of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire First Missouri Insurance Group, Inc., Manchester, Missouri, and St. Louis Computer Center, Inc., Creve Coeur, Missouri, both subsidiaries of FMB, and thereby engage in data processing and underwriting credit accident, health, and life insurance directly related to extensions of credit by Applicant or its subsidiaries.<sup>1</sup> Such activities have been specified by the Board in section 225.4(a)(8)(i) and (10) of Regulation Y as permissible for bank holding compa-

1. FMB also engages through a subsidiary, First Properties, Inc., Manchester, Missouri, in holding bank subsidiary properties, pursuant to section 4(c)(1)(A) of the act.

nies, subject to Board approval of individual proposals in accordance with the procedures of section 225.4(b).

In connection with the proposal, Applicant has also filed a notice with the Board under section 225.6 of the Board's Regulation Y (12 CFR § 225.6) to redeem approximately 20 percent of its voting shares simultaneously with consummation of the merger. The shares proposed to be redeemed are those of Applicant's current shareholders.

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the act (47 *Federal Register* 39247 (1982)). The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the act and the considerations specified in section 4(c)(8) of the act (12 U.S.C. §§ 1842(c) and 1843(c)(8)).

Applicant, the twentieth largest banking organization in Missouri, controls two banks with aggregate deposits of approximately \$117.5 million, representing 0.4 percent of total commercial bank deposits in the state.<sup>2</sup> FMB, the fifteenth largest banking organization in Missouri, controls 12 banks with aggregate deposits of \$255.5 million, representing 0.9 percent of total commercial bank deposits in the state.<sup>3</sup> Upon consummation of the proposal, Applicant's share of commercial bank deposits in Missouri would increase to 1.3 percent, and it would become the 13th largest banking organization in the state. Accordingly, consummation of this proposal would not result in a significant increase in the concentration of commercial banking resources in Missouri.

The competitive effects associated with this proposal must be considered within two separate banking markets—the St. Louis market<sup>4</sup> and the Union market.<sup>5</sup> The St. Louis market is considered an unconcentrated market with a Herfindahl-Hirshman Index ("HHI") level of 766 and a four-firm concentration ratio of 47.3 percent. FMB operates five subsidiary banks in the St. Louis market with total deposits of \$145.8 million, and is the 16th largest of 73 commercial banking organizations, controlling 1.1 percent of total market deposits. Applicant, with one subsidiary bank

in the market, is the 23rd largest banking organization and controls total deposits of \$105.8 million, representing 0.8 percent of the total market deposits. Consummation of the proposal would not affect the four-firm concentration ratio in the St. Louis market. Thus, in view of these facts and the small market shares controlled by FMB and Applicant, the proposed acquisition would have no adverse effects on competition in the St. Louis market.

The Union banking market is moderately concentrated with a HHI level of 1667 and a four-firm concentration ratio of 71.2 percent. FMB operates one subsidiary bank in the Union banking market and a facility of another with total deposits of \$35.2 million and is the fourth largest of nine banking organizations in the market, representing 12.5 percent of the total market deposits in commercial banks. Applicant, with one subsidiary bank, is the eighth largest banking organization in the market. Applicant has total deposits of \$11.7 million, representing 4.2 percent of total market deposits in commercial banks. Consummation of the merger would increase the four-firm concentration ratio in the Union banking market to 75.4 percent, raising the HHI level by 105 points, and would increase Applicant's market share to 16.6 percent, making it the third largest banking organization in the market.

In light of these facts, the Board finds that acquisition of FMB would eliminate some existing competition, and would increase the concentration of banking resources in the Union market. However, the Board finds that consummation of the proposal would not have significantly adverse competitive effects in the Union market. In this regard, the Board has considered the absolute and relative size of these organizations, their market shares, and the number of remaining banking alternatives that could serve as entry vehicles for banking organizations not currently represented in the market. Accordingly, in light of the above and other facts of record, the Board concludes that the effects of the proposed transaction on overall competition are not so serious as to warrant denial of the application.

The Board has indicated on previous occasions that a holding company should serve as a source of financial and managerial strength to its subsidiary bank(s), and that the Board would closely examine the condition of the applicant in each case with this consideration in mind. In this case, the Board concludes that although the current financial and managerial resources of Applicant, FMB and their subsidiaries are generally satisfactory, considerations relating to the financial resources and future prospects of Applicant in connection with its acquisition of FMB warrant denial of the applications.

2. Deposit data are as of December 31, 1981, and reflect holding company acquisitions through June 9, 1982.

3. FMB's twelve subsidiary banks include two de novo banks not yet opened: First Missouri Bank of Washington, Washington, Missouri (acquisition approved November 2, 1981), and First Missouri Bank, N.A., Valley Park, Missouri (acquisition approved August 9, 1982).

4. The St. Louis banking market is approximated by the St. Louis Ranally Metro Area.

5. The Union banking market is approximated by Franklin County, Missouri (except for the towns of Pacific and Berger), and the town of Dutzow in Warren County, Missouri.



Applicant proposes to acquire FMB's shares through a debt-free exchange of Applicant's shares and to simultaneously redeem up to 20 percent of its shares. The facts surrounding the proposed stock redemption show that the acquisition and redemption are two steps of a single integrated transaction. Thus, the Board has analyzed the effects of this integrated transaction upon the financial condition of Applicant under the standards contained in section 3(c) of the act.<sup>6</sup> With respect to Applicant's proposal, the Board is concerned by the substantial decline in the consolidated capital of Applicant that would be caused by the significant increase in parent debt used to finance Applicant's redemption of up to 20 percent of its shares. These shares represent 32 percent of Applicant's post-merger equity. In analyzing a proposal, the Board considers the capital position of the banking organization involved and the effect the overall proposal would have on the organization's capital position,<sup>7</sup> in light of the capital adequacy guidelines adopted on December 17, 1981, by the Board and the Comptroller of the Currency.<sup>8</sup>

In this regard, the Board notes that, following the redemption, Applicant's consolidated primary capital-to-asset ratio will drop below the six percent minimum

level established by the capital guidelines for community banking organizations such as Applicant. The Board has previously expressed its view that banking organizations operating with a primary capital-to-asset ratio below six percent may be undercapitalized. Generally, the Board has found that when a large parent debt causes the primary capital-to-asset ratio of a bank holding company to fall below six percent, the bank holding company will not have sufficient access to debt or equity markets to aid its subsidiary banks should the need arise. Accordingly, the ability of the bank holding company to serve as a source of strength is significantly diminished. Finally, if the decline in primary capital-to-asset ratio is substantial and the ratio falls below six percent, the bank holding company would, in the Board's opinion, be operating in an unsafe and unsound manner.

As a result of the large debt associated with the proposed redemption, Applicant's post-redemption primary capital-to-asset ratio would be less than six percent. This is substantially below Applicant's pre-redemption primary capital ratio of 7.5 percent, and below the level the Board considers prudent for community banking organizations. In the Board's judgment, the decline of Applicant's primary capital-to-asset ratio would be so substantial that Applicant's proposed redemption would result in an unsafe or unsound condition, in the short term, and would prevent Applicant from being a source of strength over the long term. Accordingly, based on the record in this case, the Board concludes that considerations relating to Applicant's financial resources and future prospects weigh against approval of this application.<sup>9</sup>

In an attempt to improve its post-redemption primary capital ratio, Applicant intends to issue, within six months of the merger, \$3 million of mandatory convertible securities. Applicant relies on guidelines recently issued by the Board and the Comptroller of the Currency as authority to issue mandatory convertible securities to replace a reduction of its total equity capital.<sup>10</sup> However, Applicant's proposal presents an issue concerning mandatory convertible securities not previously considered by the Board: that is, under what circumstances may mandatory convertible securities be used to augment the primary capital of a banking organization.

The Board does not believe that mandatory convertible securities should be used as a vehicle to replace the existing equity capital of banking organizations. The Board made the decision to allow certain manda-

6. Upon consummation of the acquisition of FMB by Applicant, FMB's 43 shareholders would own 78.2 percent of Applicant, while Applicant's 770 pre-acquisition shareholders would control the balance of 21.8 percent. Mr. James Dierberg, is chairman of the board and president of FMB and members of his immediate family control approximately 70 percent of FMB's outstanding voting shares. Mr. Dierberg would become chairman of the board of directors of Applicant and would control about 55 percent of Applicant's outstanding voting shares. The tender offer (or stock redemption) would occur simultaneously with the proposed acquisition and would be limited to the pre-acquisition shareholders of Applicant.

The proposal was presented to Applicant's shareholders in the registration statement. The shareholders of Applicant may withdraw approval for the acquisition of FMB if the Board disapproves the tender offer. The tender offer would be for \$70 per share, a price that is approximately 2.0 times the current market value of Applicant's shares, and would provide an incentive for Applicant's shareholders to sell their shares, particularly in view of the limited market for the shares following consummation of the acquisition and tender offer.

Based upon these and other facts relating to the proposal, the Board concludes that the two transactions are the functional and substantive equivalent of a traditional bank holding company acquisition of a banking organization, whereby the shareholders of the acquired banking organization are paid for their shares at the time of the acquisition. Through the proposal, Applicant's pre-acquisition shareholders are to be paid for their shares concurrently with the acquisition and Applicant's pre-acquisition subsidiaries are brought under the control of FMB's controlling shareholder. The result is no different in substance from a traditional holding company acquisition. The fact that the form of the transaction has been structured in two simultaneously occurring steps does not immunize the transaction from compliance with the financial standards prescribed under the act for expansion by a bank holding company.

7. *Northwest Bancorporation*, 68 FEDERAL RESERVE BULLETIN 519 (1982); *United Midwest Bancshares, Inc.*, 68 FEDERAL RESERVE BULLETIN 713 (1982).

8. 68 FEDERAL RESERVE BULLETIN 33 (1982).

9. The Board notes that Applicant may wish to resubmit a proposal to the Board consisting only of the debt-free exchange of shares.

10. 68 FEDERAL RESERVE BULLETIN 361 (1982).

tory convertible securities to be considered primary capital in the context of the need of the nation's largest banking organizations to improve their capital ratios at a time when they could not raise equity capital in the market. Unlike those organizations, Applicant proposes to reduce its existing equity capital and only partially replace it with mandatory convertible securities. In this context, the Board does not find Applicant's commitment to increase its primary capital by issuing mandatory convertible securities acceptable, since to do so is at variance with the purpose of the Board's capital guidelines and would encourage other organizations to follow this practice, resulting in an overall weakening of the capital structure of the nation's banking organizations.

With respect to considerations relating to the convenience and needs of the community to be served, Applicant intends to initiate trust, insurance and real estate services not presently available through FMB's subsidiary bank. Moreover, Applicant plans to develop trust services in Creve Coeur and expand its ATM's in St. Louis and Charles Counties, Missouri. Finally, Applicant intends to expand its retail lending activities in all of its local communities. 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.

With respect to the applications to acquire First Missouri Insurance Group, Inc. and St. Louis Computer Center, Inc., the Board has determined that the balance of public interest factors prescribed by section 4(c)(8) of the act warrant approval. There is no evidence that Applicant's acquisition of these nonbanking companies 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. In the context of this proposal, however, Applicant could not consummate this acquisition without acquiring control of FMB. Accordingly, the Board concludes that these applications must also be denied.

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

By order of the Board of Governors, effective December 20, 1982.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Teeters, Rice, and Gramley. Governor Wallich abstained from consideration of those portions of the applications related to insurance activities.

(Signed) JAMES MCAFEE,

*Associate Secretary of the Board.*

[SEAL]

NCNB Corporation,  
Charlotte, North Carolina

*Order approving the Acquisition of Exchange Bancorporation, Inc.*

NCNB Corporation, Charlotte, North Carolina, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3 of the act (12 U.S.C. § 1842) to acquire 100 percent of the voting shares of Exchange Bancorporation, Inc., Tampa, Florida ("Exchange").<sup>1</sup> As a result of the acquisition, NCNB will indirectly acquire 100 percent of the voting shares of Exchange's nine subsidiary banks: Exchange Bank and Trust Company of Florida, Tampa, Florida; Exchange Bank of Charlotte County, N.A., Englewood, Florida; Exchange Bank of Collier County, Naples, Florida; The Exchange National Bank of Lake County, Clermont, Florida; Exchange Bank of Lee County, Fort Myers, Florida; Exchange National Bank of Manatee County, Bradenton, Florida; The Exchange Bank of Osceola, Kissimmee, Florida; Exchange Bank of Polk County, Winter Haven, Florida; and Exchange Bank of Sarasota County, Sarasota, Florida. As part of the same proposal, Applicant 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 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)) to acquire Exchange's nonbanking subsidiaries: Exchange Financial Services, Inc., Tampa, Florida ("Exchange Financial") and Exchange Leasing, Inc., Tampa, Florida ("Exchange Leasing").<sup>2</sup> Exchange Financial acts as agent for the sale of credit life and credit accident and health insurance by Exchange's subsidiary banks in conjunction with the lending activities of those banks. Exchange Leasing solicits and services equipment leases that are funded by Exchange's subsidiary banks. These nonbanking activities have been determined by the Board to be closely related to banking under subsections 225.4(a)(9) and (6) (12 CFR § 225.4(a)(9) and (6)), respectively.

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the act. The time for filing comments and views has expired, and the Board has considered the applications and all comments received including those of the Comptroller of the Currency, in light of the factors set

1. Applicant intends to merge with Exchange after acquisition of a sufficient number of its shares.

2. Exchange also has two inactive subsidiaries that will be acquired by Applicant.

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)).

Applicant, with consolidated assets of \$8.4 billion and deposits of \$6.0 billion, has banking subsidiaries in both North Carolina and Florida.<sup>3</sup> Applicant is the largest banking organization in North Carolina and through its lead bank, North Carolina National Bank, Charlotte, North Carolina, holds \$4.0 billion in domestic deposits.<sup>4</sup> Applicant currently has three banking subsidiaries operating in Florida, and controls 1.3 percent of commercial bank deposits in Florida. Exchange, with consolidated total assets of \$1.3 billion and deposits of \$984.8 million, is the tenth largest of 298 banking organizations in Florida and controls 2.3 percent of the total deposits in commercial banks in the state. Upon acquisition of Exchange, Applicant would become the eighth largest banking organization in Florida, and would hold 3.6 percent of deposits in commercial banks in Florida. In the Board's view, consummation of this proposal would not have a significant effect upon the concentration of commercial banking resources in Florida.

Exchange operates nine subsidiary banks having a total of 43 offices in the following 13 banking markets: Tampa, Pinellas County, New Port Richey, east Pasco County, east Polk County, west Polk County, south Lake County, north Osceola County, Sarasota, Venice/Englewood, Bradenton, Naples, and Fort Meyers. Applicant operates in the Miami-Fort Lauderdale, eastern Palm Beach, and Columbia County banking markets. Inasmuch as Applicant's Florida banking subsidiaries do not operate in any of the markets in which Exchange operates, the Board's judgment is that consummation of the proposal would not eliminate any significant amount of existing competition between Applicant and Exchange.

The Board has examined the effect of the proposed acquisition upon potential or probable future competition in the relevant geographic markets in light of the Board's proposed policy statement on market extension mergers.<sup>5</sup> With respect to all of Exchange's markets, except east Pasco County, south Lake County, north Osceola County, and Naples, the three-firm

deposit concentration ratio is less than 75 percent and these markets are not therefore considered concentrated under the Board's guidelines. In the four Exchange markets with a three-firm deposit concentration exceeding 75 percent,<sup>6</sup> there are numerous large Florida banking organizations that are considered probable future entrants. NCNB controls subsidiary banks in three banking markets in Florida in which Exchange is not represented. In two of these markets the three-firm concentration ratio is less than 75 percent, and in the remaining market there are a large number of banking organizations that are probable future entrants. Thus, the Board finds that intensive examination is not required under the Board's proposed policy statement in any of the 16 markets in which Applicant or Exchange operate. Based upon the above and all the facts of record, it does not appear that consummation of this proposal would have a significantly adverse effect upon potential competition in any relevant market.

The financial and managerial resources and future prospects of Applicant, including its capital position, Exchange and their respective subsidiaries are considered generally satisfactory and consistent with approval. However, the proposed transaction represents a very large acquisition for Applicant, which coupled with another recent large acquisition, will significantly reduce the capital ratio and increase the debt level of the combined organization. While these levels are acceptable, the Board believes that Applicant should devote its attention to improvement in these areas as an essential part of any future acquisition program.

Upon consummation of this proposal, Applicant intends to improve and expand Exchange's services by including alternative rate packages on commercial loans, asset based financing, access to a nationwide ATM network and expanded international banking services. Thus, the Board concludes that considerations relating to the convenience and needs of the communities to be served lend weight towards approval of this application. Accordingly, the Board's judgment is that under section 3 of the act the proposed transaction would be in the public interest and that the application should be approved.

With respect to the applications to acquire Exchange's existing nonbank subsidiaries, the Board has determined that the balance of public interest factors prescribed by section 4(c)(8) of the BHC Act warrant

3. All banking data are as of June 30, 1982, and include acquisitions as of September 4, 1982, unless otherwise indicated.

4. Under section 3(d) of the Act, a bank holding company may not acquire an additional bank outside of the state where it conducts its principal banking operations, unless the laws of the state in which the bank to be acquired specifically permit an acquisition by an out-of-state bank holding company. By order dated December 9, 1981, the Board found that Florida law permits the acquisition by Applicant of Florida banks.

5. 45 *Federal Register* 9017 (March 3, 1982).

6. Exchange's subsidiary bank in the south Lake County market controls 51.6 percent of the deposits in commercial banks in that market. However, since this is a small isolated market with 10 probable future entrants, the acquisition of this bank by Applicant would not have a significant impact on potential competition.

approval. Through the two active subsidiaries, Exchange Financial and Exchange Leasing, Applicant intends to continue to engage in credit-related insurance activities and leasing activities, respectively. Although Applicant's consumer finance subsidiary, TransSouth Financial Corporation of Florida, ("TransSouth"), operates a total of 13 offices in eight of Exchange's banking markets, with one exception the combined market share for consumer lending is less than 5 percent in each market. In the east Polk County market where Exchange has a 6.4 percent market share and TransSouth has a 1.4 percent market share, the Board does not view the elimination of competition as significant. Finally, while it appears that there is also a slight overlap in the provision of fiduciary and leasing services by Applicant and Exchange where the relevant market is statewide or regional, the Board notes that the overlap is minor and there are numerous other competitors. Based upon these facts and all the facts of record, the Board concludes that consummation of this proposal would not have significant adverse effects upon existing or potential competition in any relevant market.

There is no evidence in the record to indicate that Applicant's acquisition of Exchange's nonbank subsidiaries would result in any adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Applicant has committed to reduce rates for credit life insurance below levels established by legislatively mandated reductions, which became effective in Florida on October 1, 1982. Accordingly, based on the foregoing and other facts of record, the Board concludes that the balance of public interest factors under section 4(c)(8) of the act is favorable, and that the application to acquire Exchange's nonbank subsidiaries should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The acquisition pursuant to section 3 of the act shall not be consummated before the thirtieth calendar day following the effective date of the Order unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Richmond pursuant to delegated authority. The approval of the applications to acquire the nonbanking subsidiaries of Exchange and to engage in credit-related insurance and leasing activities are subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a 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 thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective December 1, 1982.

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

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

PNC Financial Corp,  
Pittsburgh, Pennsylvania

*Order Approving Consolidation of Bank Holding Companies and Acquisition of Companies Engaged in Mortgage, Insurance, Leasing, Financing, and Commercial Lending Activities*

PNC Financial Corp, Pittsburgh, Pennsylvania ("PNC"), has applied for the Board's approval under section 3(a)(5) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(5)) for the consolidation of Pittsburgh National Corporation, Pittsburgh, Pennsylvania ("Pittsburgh National") and Provident National Corporation, Philadelphia, Pennsylvania ("Provident National") both registered bank holding companies under the act. PNC would be the successor corporation and would thereby become a bank holding company.

PNC 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 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire the following nonbanking companies, which are existing subsidiaries of Pittsburgh National: Kissell Company, Springfield, Ohio, which engages in the activity of originating, selling and serving mortgages; Pittsburgh National Discount Corporation, Pittsburgh, Pennsylvania, which provides financing for Pittsburgh National; PINACO, Pittsburgh, Pennsylvania, which engages in the activity of acting as an insurance agent or broker with respect to credit life insurance, property damage insurance and credit accident and health insurance, all directly related to extensions of credit made or serviced by Pittsburgh National's subsidiary bank; Pittsburgh National Leasing Corporation, Pittsburgh, Pennsylvania, which engages in the activity of leasing personal property; Pittsburgh National Life Insurance Company, Pittsburgh, Pennsylvania, which underwrites credit life and credit accident and health insurance in connection with extensions of credit by Pittsburgh National's subsidiary bank; and Pittsburgh National Commercial Corporation, Pittsburgh, Pennsylvania, which engages in corporate lending. PNC has also applied to acquire Provident National's exist-

ing nonbank subsidiaries: Provident National Investment Corporation, Wilmington, Delaware, which engages in investment and lending activities and Provident National Financial Corporation, which provides funding for Provident National and its subsidiaries. These activities have been determined by the Board to be closely related to banking (12 CFR §§ 225.4(a)(1), (3), (6), (8), and (10).

PNC has also requested that the Board approve, under section 25(a) of the Federal Reserve Act (the "Edge Act") (12 U.S.C. § 611), acquisition of the voting shares of three subsidiaries organized under that section, Pittsburgh International Bank, New York, New York and Los Angeles, California, and Provident International Corporation, Philadelphia, Pennsylvania, after consummation of the consolidation.

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the act (47 *Federal Register* 43187 (1982)). The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the act (12 U.S.C. § 1842(c)), the considerations specified in section 4(c)(8) of the act and the purposes of the Edge Act.

Pittsburgh National, the second largest commercial banking organization in Pennsylvania, controls one bank with aggregate deposits of \$4.1 billion, representing 6.0 percent of the total deposits in commercial banks in the state.<sup>1</sup> Provident National, the tenth largest commercial banking organization in Pennsylvania, controls one subsidiary bank in Pennsylvania with aggregate deposits of \$1.8 billion, representing 2.6 percent of the total deposits in commercial banks in the state.<sup>2</sup> Upon consolidation, PNC's share of commercial bank deposits in Pennsylvania would be 8.6 percent and PNC would retain Pittsburgh National's rank as the second largest commercial organization in Pennsylvania.

The Board has carefully considered the effects of the proposal on statewide banking structure and upon competition in the relevant markets. The proposal involves a combination of sizeable commercial banking organizations that are among the leading banking

organizations in the state. However, Pennsylvania is one of the least concentrated states in the United States, and would remain so upon consummation of the proposal. In addition, a large number of banking organizations of substantial size would continue to operate in the state following consummation of this proposal. On the basis of these considerations, the Board concludes that the proposed merger would have no substantial adverse effects on the concentration of banking resources in Pennsylvania.

Provident National and Pittsburgh National do not operate subsidiary banks in the same markets. As a result, consummation of the proposal would not eliminate existing competition in any relevant market.

The Board has considered the effects of this proposal on probable future competition and also examined the proposal in the light of its proposed guidelines for assessing the competitive effects of market extension mergers and acquisitions.<sup>3</sup> In evaluating the effects of a proposed merger or consolidation upon probable future competition, the Board considers market concentration, the number of probable future entrants into the market, the attractiveness of the market for de novo and/or foothold entry and the size and market position of the firm to be acquired. The Board has also considered the likelihood that the institutions would enter the market on a de novo or foothold basis absent approval of the acquisition. 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 adverse effects on probable future competition in any relevant market.

Provident National operates in one banking market, the Philadelphia market,<sup>4</sup> a market in which Pittsburgh National is not represented. In view of its size and substantial managerial and financial resources, Pittsburgh National appears to be a probable future entrant into that market. Provident National is the fourth largest banking organization in the Philadelphia market and controls 8.8 percent of the market's deposits. The Philadelphia market has a three-firm concentration ratio of 36.1 percent and is not considered concentrated. In addition, there is no evidence in the record

1. Banking data are as of June 30, 1982.

2. Provident National also controls Provident of Delaware Bank, N.A., Wilmington, Delaware, which conducts wholesale banking operations for Provident National and would also be acquired by PNC.

3. "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 (March 3, 1982). Although the proposed policy statement has not been approved 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.

4. The Philadelphia banking market is defined as Bucks, Chester, Delaware, Montgomery, and Philadelphia counties in Pennsylvania and Burlington, Camden, and Gloucester counties in New Jersey.

that indicates that the Philadelphia banking market is not competitive. The Supreme Court has indicated that "the potential competition doctrine has meaning only as applied to concentrated markets" and has no applicability if the target market is competitive.<sup>5</sup> On the basis of the low concentration ratio in the Philadelphia market and the absence of any evidence that the market is not competitive, the Board concludes that the proposal would not have substantial adverse effects on probable future competition in the Philadelphia market.

Pittsburgh National operates in seven markets<sup>6</sup> in which Provident National does not operate. It appears that Provident National has the financial and managerial resources to enter these markets. The largest of the markets in which Pittsburgh National operates is the Pittsburgh market,<sup>7</sup> the state's second largest market. The Pittsburgh market is highly concentrated with a three-firm concentration ratio of 87.1 percent. Pittsburgh National is the second largest banking organization in the market with 22.8 percent of the market's deposits. On the basis of the Board's evaluation of the structure and attractiveness of the Pittsburgh market for de novo or foothold entry and in view of the number of probable future entrants into that market, the Board concludes that the elimination of Provident as a probable future entrant will not have a substantial anticompetitive effect in the Pittsburgh market.

With regard to the other six markets in which Pittsburgh National operates, the Board finds that there are a large number of probable future entrants into each of the markets, and moreover, that five of these markets are relatively unconcentrated as measured by the Board's guidelines. On the basis of the above and other facts of record, the Board concludes that consummation of the proposed consolidation would not have such adverse effects on probable future competition in these six markets or in any market in the state to warrant denial of the proposal.

The financial and managerial resources and future prospects of PNC, Pittsburgh National, Provident National and their respective subsidiaries are considered satisfactory and consistent with approval. Although there is no evidence in the record indicating

that the banking needs of the communities to be served are not being met, PNC has indicated that new or expanded services are expected to result from approval of this acquisition, such as a wider range of international banking services, sweep accounts and automated credit and payment services. Thus, considerations relating to the convenience and needs of the community to be served are consistent with approval.

PNC has also applied, pursuant to section 4(c)(8) of the act, to acquire the nonbanking subsidiaries of Pittsburgh National and Provident National. Provident National's nonbanking subsidiaries do not derive any of their business from the markets served by Pittsburgh National. Pittsburgh National's mortgage company, The Kissell Company and its leasing subsidiary, Pittsburgh National Leasing Corporation derive less than 10 percent of their business from the Philadelphia market. Thus, the consolidation would eliminate only a small amount of competition in the residential mortgage lending and equipment leasing markets. In addition, the presence of many other suppliers of these services leads the Board to conclude that no significant existing competition in the Philadelphia market 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.

Similarly, with respect to PNC's proposal to retain three Edge Corporations, the public interest in the uninterrupted continuation of their service to customers favors approval of their retention after the consolidation of Pittsburgh National and Provident National. The financial and managerial resources of PNC are regarded as consistent with approval of the acquisition of the three corporations by PNC. Their acquisition by PNC would enable the Edge Corporations to continue the international services that are currently being provided to customers, consistent with the purposes of the Edge Act to afford at all times a means of financing international trade, to stimulate competition for international banking and financing services, and to facilitate and stimulate United States exports. Accordingly, the Board finds that the applications filed under the Edge Act for the acquisition of Pittsburgh International Bank, New York, New York and Los Angeles, California, and Provident International Corporation, Philadelphia, Pennsylvania, should be approved.

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3(a)(5) and 4(c)(8) of the act and the applica-

5. *United States v. Marine Bancorporation*, 418 U.S. 602, 630 (1974); Accord, *Mercantile Texas Corp. v. Board of Governors*, 638 F.2d 1255 (5th Cir. 1980).

6. These banking markets are the Pittsburgh, Westmoreland, Butler, Washington, Indiana, Fayette, and Somerset markets.

7. The Pittsburgh banking market is defined as all of Allegheny County and the adjoining portions of Armstrong, Beaver, Butler, Washington, and Westmoreland counties, all in Pennsylvania.

tion under the Edge Act should be and are hereby approved. The consolidation shall not be made before the thirtieth calendar day following the effective date of this Order, and neither the consolidation nor the acquisition of the nonbanking subsidiaries 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 Cleveland, pursuant to delegated authority. The determination as to PNC's acquisition of the nonbank subsidiaries is subject to the conditions set forth in section 225.4(c) of Regulation Y (12 CFR § 225.4(c)) 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 10, 1982.

Voting for this action: Vice Chairman Martin and Governors Wallich, Partee, Rice, and Gramley. Voting against this action: Governor Teeters. Absent and not voting: Chairman Volcker. Governor Wallich abstained from consideration of the application to acquire PINACO and Pittsburgh National Life Insurance Company.

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

[SEAL]

*Dissenting Statement of Governor Teeters*

I would deny this application on the grounds that the proposed consolidation of these bank holding companies would have a significant adverse effect on probable future competition in the Pittsburgh banking market. I believe Provident National Corporation has the capacity to enter Pittsburgh and its surrounding banking markets on a de novo or foothold basis. In light of the concentrated nature of the Pittsburgh market and certain of these smaller markets, the elimination of Provident as a probable future entrant is substantially anticompetitive.

The Board has proposed guidelines regarding probable future competition as a method of addressing the standards set out by the United States Court of Appeals for the Fifth Circuit in *Mercantile Texas Corporation v. Board of Governors*, 638 F.2d 1255 (5th Cir. 1981). As I have previously indicated, these guidelines will be difficult to enforce and today's action reaffirms my belief that the guidelines permit the combination of bank holding companies that, in my opinion are substantially anticompetitive.

I believe the Board should give more attention to developing and applying standards that more realistically reflect the adverse effects of the elimination of probable future competition.

Accordingly, I dissent from the Board's decision regarding this application.

December 10, 1982

*ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT*

*By the Board of Governors*

During December 1982, the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	Bank(s)	Board action (effective date)
Bank Securities, Inc., Albuquerque, New Mexico	American National Bank of Santa Fe, Santa Fe, New Mexico	December 21, 1982
First Bankers Corporation of Florida, Pompano Beach, Florida	National Trust Bank of Florida, St. Petersburg, Florida	December 27, 1982
First City Bancorporation of Texas, Inc., Houston, Texas	First City Bank-Westheimer Plaza N.A., Houston, Texas	December 21, 1982
First City Bancshares, Inc., Gainesville, Florida	First City Bank of Gainesville, Gainesville, Florida	December 23, 1982
First National Bankshares, Inc., Logansport, Indiana	The First National Bank of Logansport, Logansport, Indiana	December 21, 1982

*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
Alabanc Inc., Wadley, Alabama	First Bank, Wadley, Alabama	Atlanta	December 7, 1982
AmSouth Bancorporation, Birmingham, Alabama	State Bank of the Gulf, Gulf Shores, Alabama	Atlanta	December 21, 1982
Bancshares of Camden, Inc., Camden, Tennessee	Bank of Camden, Camden, Tennessee	St. Louis	December 9, 1982
Bancshares of Glasgow, Inc., Glasgow, Missouri	Tri-County Trust Company, Glasgow, Missouri	Kansas City	December 22, 1982
Bayard Bancorporation, Bayard, Iowa	The Farmers State Bank, Bayard, Iowa	Chicago	December 20, 1982
Capital Bancshares, Inc., Dallas, Texas	Capital Bank, Dallas, Texas	Dallas	December 6, 1982
Century Bancorp, Inc., Sommerville, Massachusetts	The Bank of Massachusetts, Chelsea, Massachusetts	Boston	December 22, 1982
Citizens Bancorporation, Inc., Plaquemine, Louisiana	Citizens Bank & Trust Co., Plaquemine, Louisiana	Atlanta	December 15, 1982



## Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Commercial National Corporation, Peoria, Illinois	The First National Bank in Champaign, Champaign, Illinois The Illinois National Bank of Springfield, Springfield, Illinois First Trust & Savings Bank of Kankakee, Kankakee, Illinois	Chicago	November 23, 1982
C & M Baneshares, Inc., Cameron, Missouri	Memphis Baneshares, Inc., Memphis, Missouri Cameron Baneshares, Inc., Cameron, Missouri	Kansas City	December 2, 1982
Donnelly Baneshares, Inc., Donnelly, Minnesota	Farmers and Merchants State Bank of Donnelly, Donnelly, Minnesota	Minneapolis	December 17, 1982
First Baneshares of Northeast Arkansas, Inc., Osecola, Arkansas	First National Bank in Osecola, Osecola, Arkansas	St. Louis	December 17, 1982
Firstbank of Illinois Co., Springfield, Illinois	First Trust and Savings Bank of Taylorville, Taylorville, Illinois	Chicago	November 24, 1982
First Chatsworth Bankshares, Inc., Chatsworth, Georgia	The First National Bank of Chatsworth, Chatsworth, Georgia	Atlanta	December 23, 1982
First Citizens Bancorporation of South Carolina, Inc., Columbia, South Carolina	Citizens Bank and Trust Company of South Carolina, Columbia, South Carolina	Richmond	December 10, 1982
First Pecos Baneshares, Inc., Midland, Texas	The First National Bank of Pecos, Pecos, Texas	Dallas	December 20, 1982
First Rockford BanCorporation, Inc., Rockford, Iowa	The First State Bank, Rockford, Iowa	Chicago	December 14, 1982
Fosston Bancorporation, Inc., Fosston, Minnesota	Farmers State Bank of Fosston, Fosston, Minnesota	Minneapolis	December 14, 1982
Hazelton Baneshares, Inc., Hazelton, Kansas	Farmers State Bank, Hazelton, Kansas	Kansas City	December 21, 1982
Humboldt Investment Corp., Humboldt, Iowa	Humboldt Trust & Savings Bank, Humboldt, Iowa	Chicago	December 14, 1982
Ina Baneshares, Inc., Cahokia, Illinois	Ina State Bank, Ina, Illinois	St. Louis	December 2, 1982
Interdec (Georgia) N.V., Curacao, Netherlands Antilles	NBG Financial Corporation, Atlanta, Georgia	Atlanta	December 3, 1982
Interdec (Georgia) Limited, Nassau, Bahamas			
Kermit State Baneshares, Inc., Kermit, Texas	Kermit State Bank, Kermit, Texas	Dallas	December 17, 1982
LaBelle Baneshares, Inc., LaBelle, Missouri	The Bank of LaBelle, LaBelle, Missouri	St. Louis	December 3, 1982
La Pryor Baneshares, Inc., La Pryor, Texas	The La Pryor State Bank, La Pryor, Texas	Dallas	December 16, 1982

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Lebanon Bancshares, Inc., Lebanon, Kentucky	The Farmers National Bank of Lebanon, Lebanon, Kentucky	St. Louis	December 13, 1982
Livermore Bancorporation, Livermore, Iowa	Livermore State Bank, Livermore, Iowa	Chicago	December 17, 1982
Lohrville Bancshares, Ltd., Lohrville, Iowa	Lohrville Savings Bank, Lohrville, Iowa	Chicago	December 2, 1982
Merchants and Manufacturers Ban- corporation, Inc., Milwaukee, Wisconsin	Lincoln State Bank, Milwaukee, Wisconsin Franklin State Bank, Franklin, Wisconsin	Chicago	December 23, 1982
Monroe Bancshares, Ltd., Monroe, Iowa	Monroe State Bank, Monroe, Iowa	Chicago	December 10, 1982
Morgan Bancorp., Inc., Berkeley Springs, West Virginia	Morgan County State Bank, Berkeley Springs, West Virginia	Richmond	December 28, 1982
Mountain Bancshares, Inc., Tracy City, Tennessee	First Bank and Trust, Tracy City, Tennessee	Atlanta	December 23, 1982
Mountain Home Bancshares, Inc., Mountain Home, Arkansas	First Bank & Trust Co. of Mountain Home, Mountain Home, Arkansas	St. Louis	December 13, 1982
New Germany Bancshares, Inc., New Germany, Minnesota	First State Bank of New Germany, New Germany, Minnesota	Minneapolis	December 10, 1982
Northeast Bancorp. Inc., New Haven, Connecticut	Security Bank & Trust, Bloomfield, Connecticut	New York	December 23, 1982
Omnibancorp., Denver, Colorado	Omnibank, Arapahoe, N.A., Arapahoe County, Colorado	Kansas City	December 20, 1982
Peoples Bank Corporation of Berea, Berea, Kentucky	Peoples Bank and Trust Company, Berea, Kentucky	Cleveland	November 29, 1982
Powell County Bancorp. Inc., Stanton, Kentucky	Powell County Bank, Stanton, Kentucky	Cleveland	December 16, 1982
Raldon, Inc., Billings, Montana	Powder River County Bank, Broadus, Montana	Minneapolis	December 23, 1982
SBI Corporation, Southgate, Michigan	Security Bancorp. Inc., Southgate, Michigan	Chicago	December 10, 1982
SBF Corporation, Savannah, Georgia	Central Bank of Georgia, Macon, Georgia	Atlanta	December 3, 1982
Scotland Holding Company, Scotland, South Dakota	Farmers & Merchants State Bank, Scotland, South Dakota	Minneapolis	December 17, 1982
Second Security Bankshares, Inc., Miami, Oklahoma	Security Holding Company, Miami, Oklahoma	Kansas City	December 21, 1982
Security Bancshares, Inc., Albany, Missouri	Albany State Bank, Albany, Missouri	Kansas City	November 29, 1982
Sherman Banc Shares, Inc., Sherman, Illinois	Sherman Community Bank, Sherman, Illinois	Chicago	December 1, 1982
SouthTrust Corporation, Birmingham, Alabama	Midland State Bank, Midland City, Alabama	Atlanta	December 10, 1982
Southwest Bancshares, Inc., Houston, Texas	The Marshall National Bank, Marshall, Texas	Dallas	December 16, 1982
Stonington Banc Shares, Inc., Stonington, Illinois	Stonington Community Bank, Stonington, Illinois	Chicago	December 7, 1982

## Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
United Bancshares, Inc., Lake Charles, Louisiana	American Bank of Commerce, Lake Charles, Louisiana	Atlanta	December 15, 1982
Vernon Center Bancshares, Inc., Vernon Center, Minnesota	State Bank of Vernon Center, Vernon Center, Minnesota	Minneapolis	December 20, 1982
Vista Banks, Inc., DeLeon Springs, Florida	DeLeon Springs Bank, DeLeon Springs, Florida	Atlanta	December 22, 1982
Walnut Ridge Bankstock Corporation, Walnut Ridge, Arkansas	Citizens National Bank, Walnut Ridge, Arkansas	St. Louis	December 13, 1982
West Branch Bancorp, Inc., West Branch, Iowa	West Branch Bank, West Branch, Iowa	Chicago	December 27, 1982

## Section 4

Applicant	Nonbanking company	Reserve Bank	Effective date
NBD Bancorp, Inc., Detroit, Michigan	Corporate Funding, Inc., Grand Rapids, Michigan	Chicago	December 6, 1982

## Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Reserve Bank	Effective date
Alexandria State Company, Aurora, Nebraska	State Bank of Alexandria, Alexandria, Nebraska	The Alexandria Insurance Agency, Alexandria, Nebraska	Kansas City	December 10, 1982
Ameribank Corporation, Shawnee, Oklahoma	AmeriCorp, Shawnee, Oklahoma	Bankers Insurance Agency, of Shawnee, Inc., Shawnee, Oklahoma	Kansas City	December 21, 1982
Drake Holding Company, Inc., Radcliffe, Iowa	Security State Bank, Radcliffe, Iowa	to engage in general insurance activities	Chicago	December 28, 1982
First State Agency of Stewart, Inc., Stewart, Minnesota	The First Bank of Minnesota, Stewart, Minnesota	to engage in general insurance agency activities	Minneapolis	December 16, 1982
First Stillwater Bancshares, Inc., Stillwater, Oklahoma	First Union Corporation, Stillwater, Oklahoma	First Union Insurance Agency, Inc., Stillwater, Oklahoma	Kansas City	December 17, 1982

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.

*Flagship Banks, Inc. v. Board of Governors*, filed October 1982, U.S.D.C. for the District of Columbia.

*Association of Data Processing Service Organizations, Inc., et al. v. Board of Governors*, filed August 1982, U.S.C.A. for the District of Columbia.

*The Philadelphia Clearing House Association, et al. v. Board of Governors*, filed July 1982, U.S.D.C. for the Eastern District of Pennsylvania.

*Richter v. Board of Governors, et al.*, filed May 1982, U.S.D.C. for the Northern District of Illinois.

*Montgomery v. Utah, et al.*, filed May 1982, U.S.D.C. for the District of Utah.

*Wyoming Bancorporation v. Board of Governors*, filed May 1982, U.S.C.A. for the Tenth Circuit.

*First Bancorporation v. Board of Governors*, filed April 1982, U.S.C.A. for the Tenth Circuit.

*Charles G. Vick v. Paul A. Volcker, et al.*, filed March 1982, U.S.D.C. for the District of Columbia.

*Jolene Gustafson v. Board of Governors*, filed March 1982, U.S.C.A. for the Fifth Circuit.

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

*Edwin F. Gordon v. Board of Governors, et al.*, filed October 1981, U.S.C.A. for the Eleventh Circuit (two consolidated cases).

*Allen Wolfson v. Board of Governors*, filed September 1981, U.S.D.C. for the Middle District of Florida.

*Option Advisory Service, Inc. v. Board of Governors*, filed September 1981, U.S.C.A. for the Second Circuit (two cases).

*Bank Stationers Association, Inc., et al. v. Board of Governors*, filed July 1981, U.S.D.C. for the Northern District of Georgia.

*Public Interest Bounty Hunters v. Board of Governors, et al.*, filed June 1981, U.S.D.C. for the Northern District of Georgia.

*Edwin F. Gordon v. John Heimann, et al.*, filed May 1981, U.S.C.A. for the Fifth Circuit.

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

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

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

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

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

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

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

*Berkovitz, et al. v. Government of Iran, et al.*, filed June 1980, U.S.D.C. for the Northern District of California.

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## 1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1981	1982			1982				
	Q4	Q1	Q2	Q3	July	Aug	Sept.	Oct.	Nov.
Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) <sup>1</sup>									
<i>Reserves of depository institutions</i>									
1 Total	3.1	7.5	6	4.8	1.6	8.8	23.6	9.4	17.5
2 Required	3.5	7.1	1.1	4.6	1.8	8.9	21.5	8.9	17.8
3 Nonborrowed	10.9	.9	4.2	11.2	14.8	14.5	10.7	23.8	13.4
4 Monetary base <sup>2</sup>	3.8	7.8	7.1	6.5	2.8	6.8	12.2	6.8	6.6
<i>Concepts of money and liquid assets<sup>3</sup></i>									
5 M1	5.7	10.4	3.3	3.5	.3	10.4	14.0	20.6 <sup>4</sup>	16.7
6 M2	8.9	9.8	9.5	9.8 <sup>4</sup>	9.7	14.3	5.1 <sup>4</sup>	8.0 <sup>4</sup>	11.7
7 M3	9.3	8.7	10.7	12.1	12.6	18.5	4.0 <sup>4</sup>	9.1 <sup>4</sup>	9.6
8 L	10.7	10.4 <sup>4</sup>	12.0	11.5 <sup>4</sup>	13.9 <sup>4</sup>	11.1 <sup>4</sup>	n.a.	n.a.	n.a.
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
9 Total	8.3	7.5	17.1	17.8	22.9	16.5	4.1 <sup>4</sup>	.4	3.3
10 Savings <sup>4</sup>	11.9	8.7	2.0	9.7	21.8	8.4	5.4	20.7	35.4
11 Small-denomination time <sup>5</sup>	20.8	9.7	23.8	21.3	29.1	20.3	8.8	-9.6	.6
12 Large-denomination time <sup>6</sup>	5.4	4.6	17.0	26.7	36.4	23.0	-1.6	2.6	22.5
13 Thrift institutions <sup>7</sup>	2.7	3.1	6.6	6.8	10.4	6.3	.3	5.8	10.9
14 Total loans and securities at commercial banks <sup>8</sup>	3.6	2.6	8.6	6.0	6.3	6.6	4.4	6.8	1.5
Interest rates (levels, percent per annum)									
1982									
	Q1	Q2	Q3	Q4	Aug	Sept.	Oct.	Nov.	Dec.
<i>Short-term rates</i>									
15 Federal funds <sup>9</sup>	14.23	14.52	11.01	9.28	10.12	10.31	9.71	9.20	8.95
16 Discount window borrowing <sup>10</sup>	12.00	12.00	10.83	9.25	10.68	10.00	9.68	9.35	8.73
17 Treasury bills (3-month market yield) <sup>11</sup>	12.81	12.42	9.32	7.90	8.68	7.92	7.71	8.07	7.94
18 Commercial paper (3-month) <sup>11,12</sup>	13.81	13.81	11.15	8.80	10.15	10.36	9.20	8.69	8.51
<i>Long-term rates</i>									
<i>Bonds</i>									
19 U.S. government <sup>13</sup>	14.27	13.74	12.94	10.72	12.91	12.16	10.97	10.57	10.62
20 State and local government <sup>14</sup>	13.02	12.33	11.39	9.90	11.23	10.66	9.69	10.06	9.96
21 Aaa utility (new issue) <sup>15</sup>	15.71	15.73	14.25	12.10	13.95	13.52	12.20	11.76	11.84
22 Conventional mortgages <sup>16</sup>	17.10	16.63	15.65	13.79	15.40	15.05	13.95	13.80	13.62

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

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

3. M1: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) traveler's 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) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

M2: M1 plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and balances of money market mutual funds (general purpose and broker/dealer).

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations and balances of institution-only money market mutual funds.

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

4. Savings deposits exclude NOW and ATS accounts at commercial banks and thrifts and CUSD accounts at credit unions.

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

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

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

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

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

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

11. Quoted on a bank-discount basis.

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

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

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

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

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

NOTE. Revisions in reserves of depository institutions reflect the transitional phase-in of reserve requirements as specified in the Monetary Control Act of 1980.

A4 Domestic Financial Statistics □ January 1983

1.11 RESERVES OF DEPOSITORY INSTITUTIONS, RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1982			1982						
	Oct.	Nov.	Dec.	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
<b>SUPPLYING RESERVE FUNDS</b>										
1 Reserve Bank credit outstanding	153,666	156,151	159,968	156,764	156,865	157,638	157,352	158,689	160,490	161,450
2 U.S. government securities <sup>1</sup>	132,374	134,461	137,248	134,879	136,095	135,689	135,508	137,166	138,177	137,766
3 Bought outright	132,093	134,207	136,139	134,626	135,261	135,689	135,508	136,700	136,751	135,808
4 Held under repurchase agreements	281	254	1,109	253	834	0	0	466	1,426	1,958
5 Federal agency securities	9,069	8,981	9,110	9,001	9,049	8,943	8,943	9,089	9,097	9,156
6 Bought outright	8,945	8,943	8,939	8,943	8,943	8,943	8,943	8,938	8,937	8,937
7 Held under repurchase agreements	124	38	171	58	106	0	0	151	160	219
8 Acceptances	112	47	281	74	129	0	0	75	204	599
9 Loans	455	579	699	742	467	622	437	703	547	691
10 Float	1,952	2,730	3,136	2,707	2,331	3,357	3,228	2,347	2,920	3,431
11 Other Federal Reserve assets	9,704	9,353	9,494	9,361	8,794	9,027	9,235	9,308	9,544	9,806
12 Gold stock	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148
13 Special drawing rights certificate account	4,218	4,371	4,431	4,418	4,418	4,418	4,418	4,418	4,418	4,418
14 Treasury currency outstanding	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786
<b>ABSORBING RESERVE FUNDS</b>										
15 Currency in circulation	149,174	151,288	154,269	151,535	151,512	152,340	152,814	153,853	154,610	155,707
16 Treasury cash holdings	436	449	436	452	451	444	440	438	434	438
Deposits, other than reserves, with Federal Reserve Banks										
17 Treasury	2,932	3,097	3,227	3,108	2,871	3,255	3,034	3,341	2,959	3,328
18 Foreign	262	273	277	259	277	276	234	272	279	331
19 Other	540	569	571	596	593	708	755	524	538	340
20 Required clearing balances	324	391	423	394	402	409	416	422	426	428
21 Other Federal Reserve liabilities and capital	4,898	4,785	5,017	4,786	4,764	4,808	5,143	4,910	4,942	5,050
22 Reserve accounts <sup>2</sup>	24,252	24,604	25,113	24,987	25,347	24,748	23,869	24,281	25,654	25,180
			End-of-month figures			Wednesday figures				
			1982			1982				
<b>SUPPLYING RESERVE FUNDS</b>										
23 Reserve Bank credit outstanding	152,760	159,079	163,659	155,157	156,292	160,217	156,735	163,802	159,227	164,141
24 U.S. government securities <sup>1</sup>	132,080	137,676	139,312	133,861	134,630	135,941	133,687	138,230	135,757	138,148
25 Bought outright	132,080	137,676	135,607	133,861	134,630	135,941	133,687	137,653	135,757	134,801
26 Held under repurchase agreements	0	0	3,705	0	0	0	0	577	0	3,347
27 Federal agency securities	8,943	8,943	9,525	8,943	8,943	8,943	8,943	9,238	8,937	9,448
28 Bought outright	8,943	8,943	8,937	8,943	8,943	8,943	8,943	8,937	8,937	8,937
29 Held under repurchase agreements	0	0	588	0	0	0	0	301	0	511
30 Acceptances	0	0	1,480	0	0	0	0	105	0	731
31 Loans	438	374	717	425	804	2,004	1,433	3,368	762	1,813
32 Float	1,168	2,401	2,735	3,324	3,031	3,654	3,310	3,277	3,909	4,048
33 Other Federal Reserve assets	10,131	9,685	9,890	8,604	8,884	9,675	9,362	9,584	9,862	9,953
34 Gold stock	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148
35 Special drawing rights certificate account	4,218	4,418	4,618	4,418	4,418	4,418	4,418	4,418	4,418	4,418
36 Treasury currency outstanding	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786
<b>ABSORBING RESERVE FUNDS</b>										
37 Currency in circulation	148,922	152,895	154,908	151,708	152,218	152,914	153,676	154,604	155,666	156,181
38 Treasury cash holdings	444	444	429	450	449	441	437	436	433	435
Deposits, other than reserves, with Federal Reserve Banks										
39 Treasury	2,309	2,247	5,033	3,836	3,394	3,321	3,850	2,918	2,226	3,620
40 Foreign	327	387	328	214	261	217	188	385	280	261
41 Other	450	717	1,033	548	595	1,105	704	516	269	259
42 Required clearing balances	356	408	436	392	405	408	415	422	426	428
43 Other Federal Reserve liabilities and capital	4,783	5,209	4,990	4,629	4,575	4,956	5,154	4,828	4,736	4,777
44 Reserve accounts <sup>2</sup>	24,321	26,124	26,053	22,733	23,747	26,207	21,663	29,045	24,542	27,532

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

2. Excludes required clearing balances.

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



## 1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1981	1982								
	Dec.	Apr.	May	June	July	Aug.	Sept.	Oct	Nov.	Dec. <sup>a</sup>
1 Reserve balances with Reserve Banks <sup>1</sup>	26,163	24,565	24,207	24,031	24,273	24,471	23,385	24,252	24,604	25,113
2 Total vault cash (estimated)	19,538	18,577	19,048	19,318	19,448	19,500	19,921	19,578	19,807	20,392
3 Vault cash at institutions with required reserve balances <sup>2</sup>	13,577	12,709	12,972	13,048	13,105	13,188	13,651	13,658	13,836	14,358
4 Vault cash equal to required reserves at other institutions	2,178	2,284	2,373	2,488	2,486	2,518	2,927	2,677	2,759	2,701
5 Surplus vault cash at other institutions <sup>3</sup>	3,783	3,584	3,703	3,782	3,857	3,794	3,343	3,243	3,212	3,333
6 Reserve balances + total vault cash <sup>4</sup>	45,701	43,142	43,255	43,349	43,721	43,971	43,306	43,830	44,411	45,505
7 Reserve balances + total vault cash used to satisfy reserve requirements <sup>4,5</sup>	41,918	39,558	39,552	39,567	39,864	40,177	39,963	40,587	41,199	42,172
8 Required reserves (estimated)	41,606	39,284	39,192	39,257	39,573	39,866	39,579	40,183	40,797	41,354
9 Excess reserve balances at Reserve Banks <sup>4,6</sup>	312	274	360	310	291	311	384	404	402	818
10 Total borrowings at Reserve Banks	642	1,581	1,105	1,205	669	510	976	455	579	699
11 Seasonal borrowings at Reserve Banks	53	167	237	239	225	119	102	86	47	33
12 Extended credit at Reserve Banks	149	245	177	103	46	94	118	141	188	187
	Weekly averages of daily figures for week ending									
	1982									
	Oct 27	Nov. 3	Nov 10	Nov 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22 <sup>a</sup>	Dec. 29 <sup>a</sup>
13 Reserve balances with Reserve Banks <sup>1</sup>	24,929	24,366	23,457	24,987	25,347	24,748	23,869	24,281	25,654	25,180
14 Total vault cash (estimated)	19,280	20,166	20,175	19,905	18,688	20,387	20,267	21,382	19,509	20,495
15 Vault cash at institutions with required reserve balances <sup>2</sup>	13,683	14,070	13,904	13,662	13,474	14,262	14,218	14,484	14,183	14,432
16 Vault cash equal to required reserves at other institutions	2,476	2,807	2,948	2,884	2,355	2,841	2,839	3,295	2,426	2,461
17 Surplus vault cash at other institutions <sup>3</sup>	3,121	3,289	3,323	3,359	2,859	3,284	3,210	3,603	2,900	3,602
18 Reserve balances + total vault cash <sup>4</sup>	44,209	44,532	43,632	44,892	44,035	45,135	44,136	45,663	45,163	45,675
19 Reserve balances + total vault cash used to satisfy reserve requirements <sup>4,5</sup>	41,088	41,243	40,309	41,533	41,176	41,851	40,926	42,060	42,263	42,073
20 Required reserves (estimated)	40,769	40,701	39,967	41,135	40,852	41,355	40,612	41,506	42,047	41,234
21 Excess reserve balances at Reserve Banks <sup>4,6</sup>	319	542	342	398	324	496	314	554	216	839
22 Total borrowings at Reserve Banks	452	458	722	742	467	622	437	703	547	691
23 Seasonal borrowings at Reserve Banks	90	73	50	48	46	35	26	24	38	44
24 Extended credit at Reserve Banks	179	196	190	188	186	185	186	189	189	191

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

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

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

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

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

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

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

A6 Domestic Financial Statistics □ January 1983

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

Averages of daily figures, in millions of dollars

By maturity and source	1982, week ending Wednesday								
	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
<i>One day and continuing contract</i>									
1 Commercial banks in United States . . . . .	55,305	61,256	59,858	55,093	54,783	59,807	60,297	60,403	57,603
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies . . . . .	25,141	25,822	25,118	24,360	23,675	22,407	24,624	23,945	22,007
3 Nonbank securities dealers . . . . .	5,619	5,144	5,589	5,155	4,565	5,689	5,503	5,028	4,501
4 All other . . . . .	23,766	24,429	24,060	23,799	21,195	24,365	23,767	23,536	20,715
<i>All other maturities</i>									
5 Commercial banks in United States . . . . .	4,515	3,900	3,837	4,192	4,338	3,828	4,100	4,466	6,134
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies . . . . .	8,516	8,821	8,917	9,072	8,585	8,671	9,296	9,516	11,067
7 Nonbank securities dealers . . . . .	5,287	4,614	4,821	4,560	5,227	4,318	4,207	3,696	3,875
8 All other . . . . .	9,683	8,779	8,724	9,426	12,224	8,799	9,461	8,855	13,650
MEMO: Federal funds and resale agreement loans in maturities of one day or continuing contract									
9 Commercial banks in United States . . . . .	25,903	25,394	25,998	21,792	23,523	23,809	23,253	24,482	21,543
10 Nonbank securities dealers . . . . .	5,166	5,453	5,431	5,896	5,186	5,537	5,630	5,415	5,115

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 <sup>1</sup>						Effective date for current rates							
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days									
	Rate on 12/31/82	Effective date	Previous rate	Rate on 12/31/82	Previous rate	Rate on 12/31/82	Previous rate	Rate on 12/31/82	Previous rate								
Boston	8½ ↑ ↓ 8½	12/14/82	9 ↑ ↓ 9	8½ ↑ ↓ 8½	9 ↑ ↓ 9	9½ ↑ ↓ 9½	10 ↑ ↓ 10	10½ ↑ ↓ 10½	11 ↑ ↓ 11	12/14/82							
New York		12/15/82								12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82
Philadelphia		12/17/82								12/17/82	12/17/82	12/17/82	12/17/82	12/17/82	12/17/82	12/17/82	12/17/82
Cleveland		12/15/82								12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82
Richmond		12/15/82								12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82
Atlanta		12/14/82								12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82
Chicago		12/14/82								12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82
St. Louis		12/14/82								12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82
Minneapolis		12/14/82								12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82
Kansas City		12/15/82								12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82	12/15/82
Dallas	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82								
San Francisco	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82	12/14/82								

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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1973	7½	7½	1978— July 3	7-7¼	7¼	1981— May 5	13-14	14
1974— Apr. 25	7½-8	8	10	7¼	7¼	8	14	14
30	8	8	Aug. 21	7¼	7¼	Nov. 2	13-14	13
Dec. 9	7¾-8	7¾	Sept. 22	8	8	6	13	13
16	7¾	7¾	Oct. 16	8-8½	8½	Dec. 4	12	12
1975— Jan. 6	7¼-7¾	7¾	20	8½	8½	1982— July 20	11½-12	11½
10	7¼-7¾	7¼	Nov. 1	8½-9½	9½	23	11½	11½
24	7¼	7¼	3	9½	9½	Aug. 2	11-11½	11
Feb. 5	6¾-7¼	6¾	1979— July 20	10	10	3	11	11
7	6¾	6¾	Aug. 17	10-10½	10½	16	10½	10½
Mar. 10	6¼-6¾	6¼	20	10½	10½	27	10-10½	10
14	6¼	6¼	Sept. 19	10½-11	11	30	10	10
May 16	6-6¼	6	21	11	11	Oct. 12	9½-10	9½
23	6	6	Oct. 8	11-12	12	13	9½	9½
1976— Jan. 19	5½-6	5½	10	12	12	Nov. 22	9-9½	9
23	5½	5½	1980— Feb. 15	12-13	13	26	9	9
Nov. 22	5¼-5½	5¼	19	13	13	Dec. 14	8½-9	9
26	5¼	5¼	May 29	12-13	13	15	8½-9	8½
1977— Aug. 30	5¼-5¾	5¼	30	12	12	17	8½	8½
31	5¼-5¾	5¼	June 13	11-12	11			
Sept. 2	5¼	5¼	16	11	11			
Oct. 26	6	6	July 28	10-11	10			
1978— Jan. 9	6-6½	6½	29	10	10			
20	6½	6½	Sept. 26	11	11			
May 11	6½-7	7	Nov. 17	12	12			
12	7	7	Dec. 5	12-13	13			
			8	13	13			
						In effect Dec. 31, 1982	8½	8½

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

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

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<sup>1</sup>

Percent of deposits

Type of deposit, and deposit interval in millions of dollars	Member bank requirements before implementation of the Monetary Control Act		Type of deposit, and deposit interval <sup>1</sup>	Depository institution requirements after implementation of the Monetary Control Act <sup>6</sup>	
	Percent	Effective date		Percent	Effective date
<i>Net demand</i> <sup>2</sup>			<i>Net transaction accounts</i> <sup>7,8</sup>		
0-2 .....	7	12/30/76	\$0-\$26.3 million .....	3	12/30/82
2-10 .....	9½	12/30/76	Over \$26.3 million .....	12	12/30/82
10-100 .....	11¾	12/30/76	<i>Nonpersonal time deposits</i> <sup>9</sup>		
100-400 .....	12¾	12/30/76	By original maturity		
Over 400 .....	16¼	12/30/76	Less than 3½ years .....	3	4/29/82
<i>Time and savings</i> <sup>2,3</sup>			3½ years or more .....	0	4/29/82
Savings .....	3	3/16/67	<i>Eurocurrency liabilities</i>		
<i>Time</i> <sup>4</sup>			All types .....	3	11/13/80
0-5, by maturity					
30-179 days .....	3	3/16/67			
180 days to 4 years .....	2½	1/8/76			
4 years or more .....	1	10/30/75			
Over 5, by maturity					
30-179 days .....	6	12/12/74			
180 days to 4 years .....	2½	1/8/76			
4 years or more .....	1	10/30/75			

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

2. 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 non-member institutions, and certain other obligations. In general, the base for the marginal reserve requirement was originally the greater of (a) \$100 million or (b) the average amount of the managed liabilities held by a member bank, Edge corporation, or family of U.S. branches and agencies of a foreign bank for the two 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. In determining the reserve requirements of a depository institution, the exemption shall apply in the following order: (1) net NOW accounts (NOW accounts less allowable deductions); (2) net other transaction accounts, and (3) 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 is about three years, depending on whether their new reserve requirements are greater or less than the old requirements. 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, money market deposit accounts (MMDAs) authorized under 12 CFR section 1204.122, 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.

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

The category of time deposit authorized by the DIDC, effective Sept. 1, 1982 (original maturity or required notice period of 7 to 31 days, required minimum deposit balance of \$20,000, and ceiling rate tied to the 91-day Treasury bill rate), is classified as a time deposit for reserve requirement purposes.

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

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

Percent per annum

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks (thrift institutions)			
	In effect December 31, 1982		Previous maximum		In effect December 31, 1982		Previous maximum	
	Percent	Effective date	Percent	Effective date	Percent	Effective date	Percent	Effective date
1 Savings	5¼	7/1/79	5	7/1/73	5½	7/1/79	5¼	(1)
2 Negotiable order of withdrawal accounts <sup>2</sup>	5¼	12/31/80	5	1/1/74	5¼	12/31/80	5	1/1/74
Time accounts <sup>3</sup>								
Fixed ceiling rates by maturity <sup>4</sup>								
3 14-89 days <sup>5</sup>	5¼	8/1/79	5	7/1/73	(6)		(6)	
4 90 days to 1 year	5¼	1/1/80	5½	7/1/73	6	1/1/80	5¼	(1)
5 1 to 2 years <sup>7</sup>			5½	1/21/70			5¼	1/21/70
6 2 to 2½ years <sup>7</sup>	6	7/1/73	5¼	1/21/70	6½	(1)	6	1/21/70
7 2½ to 4 years <sup>7</sup>	6½	7/1/73	5¼	1/21/70	6¼	(1)	6	1/21/70
8 4 to 6 years <sup>8</sup>	7¼	11/1/73	(9)		7½	11/1/73	(9)	
9 6 to 8 years <sup>8</sup>	7½	12/23/74	7¼	11/1/73	7¼	12/23/74	7½	11/1/73
10 8 years or more <sup>8</sup>	7¾	6/1/78	(6)		8	6/1/78	(6)	
11 Issued to governmental units (all maturities) <sup>10</sup>	8	6/1/78	7¼	12/23/74	8	6/1/78	7¼	12/23/74
12 IRAs and Keogh (H.R. 10) plans (3 years or more) <sup>10,11</sup>	8	6/1/78	7¼	7/6/77	8	6/1/78	7¼	7/6/77

1. July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loans.  
 2. Federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks in Massachusetts and New Hampshire were first permitted to offer negotiable order of withdrawal (NOW) accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976, in New York State on Nov. 10, 1978, New Jersey on Dec. 28, 1979, and to similar institutions nationwide effective Dec. 31, 1980.  
 3. For exceptions with respect to certain foreign time deposits see the BULLETIN for October 1962 (p. 1279), August 1965 (p. 1084), and February 1968 (p. 167).  
 4. Effective Nov. 10, 1980, the minimum notice period for public unit accounts at savings and loan associations was decreased to 14 days and the minimum maturity period for time deposits at savings and loan associations in excess of \$100,000 was decreased to 14 days. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 to 14 days at mutual savings banks.  
 5. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 to 14 days at commercial banks.  
 6. No separate account category.  
 7. No minimum denomination. Until July 1, 1979, a minimum of \$1,000 was required for savings and loan associations, except in areas where mutual savings banks permitted lower minimum denominations. This restriction was removed for deposits maturing in less than 1 year, effective Nov. 1, 1973.  
 8. No minimum denomination. Until July 1, 1979, the minimum denomination was \$1,000 except for deposits representing funds contributed to an individual retirement account (IRA) or a Keogh (H.R. 10) plan established pursuant to the Internal Revenue Code. The \$1,000 minimum requirement was removed for such accounts in December 1975 and November 1976 respectively.

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

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

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

NOTE: Before Mar. 31, 1980, the maximum rates that could be paid by federally insured commercial banks, mutual savings banks, and savings and loan associations were established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 CFR 217.329, and 526 respectively. Title II of the Depository Institutions Deregulation and Monetary Control Act of 1980 (P.L. 96-221) transferred the authority of the agencies to establish maximum rates of interest payable on deposits to the Depository Institutions Deregulation Committee. The maximum rates on time deposits in denominations of \$100,000 or more with maturities of 30-89 days were suspended in June 1970; the maximum rates for such deposits maturing in 90 days or more were suspended in May 1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the FEDERAL RESERVE BULLETIN, the Federal Home Loan Bank Board Journal, and the Annual Report of the Federal Deposit Insurance Corporation.

For deposits subject to variable ceiling rates and deposits not subject to interest rate ceilings see page A10.

1.16 Continued

TIME DEPOSITS SUBJECT TO VARIABLE CEILING RATES

*7- to 31-day time deposits.* Effective Sept. 1, 1982, depository institutions are authorized to issue nonnegotiable time deposits of \$20,000 or more with a maturity or required notice period of 7 to 31 days. The maximum rate of interest payable by thrift institutions is the rate established and announced (auction average on a discount basis) for U.S. Treasury bills with maturities of 91 days at the auction held immediately before the date of deposit or renewal ("bill rate"). Commercial banks may pay the bill rate minus 25 basis points. The interest rate ceiling is suspended when the bill rate is 9 percent or below for the four most recent auctions held before the date of deposit or renewal. The interest rate ceiling was suspended for the entire month of December 1982.

*91-day time deposits.* Effective May 1, 1982, depository institutions were authorized to offer time deposits that have a minimum denomination of \$7,500 and a maturity of 91 days. The ceiling rate of interest on these deposits is indexed to the discount rate (auction average) on most recently issued 91-day Treasury bills for thrift institutions and the discount rate minimum 25 basis points for commercial banks. The rate differential ends 1 year from the effective date of these instruments and is suspended at any time the Treasury bill discount rate is 9 percent or below for four consecutive auctions. The maximum allowable rates in December 1982 (in percent) for commercial banks and thrifts were as follows: Nov. 30, 8.280; Dec. 7, 7.956; Dec. 14, 7.995; Dec. 21, 7.857; Dec. 28, 7.975.

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

<i>Bill rate or 4-week average bill rate</i>	<i>Commercial bank ceiling</i>
7.50 percent or below	7.75 percent
Above 7.50 percent	¼ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate
	<i>Thrift ceiling</i>
7.25 percent or below	7.75 percent
Above 7.25 percent, but below 8.50 percent	½ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate
8.50 percent or above, but below 8.75 percent	9 percent
8.75 percent or above	¼ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate

TIME DEPOSITS NOT SUBJECT TO INTEREST RATE CEILINGS

*Money market deposit account.* 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. No more than six preauthorized, automatic, or other third-party transfers are permitted per month, of which no more than three can be checks. Telephone transfers to third parties or to another account of the same depositor are regarded as preauthorized transfers.

The maximum rates in December 1982 for commercial banks based on the bill rate were as follows: Nov. 30, 8.761; Dec. 7, 8.504; Dec. 14, 8.455; Dec. 21, 8.354; Dec. 28, 8.301; and based on the 4-week average bill rate were as follows: Nov. 30, 8.639; Dec. 7, 8.603; Dec. 14, 8.520; Dec. 21, 8.518; Dec. 28, 8.403. The maximum allowable rates in December 1982 for thrifts based on the bill rate were as follows: Nov. 30, 9.000; Dec. 7, 8.754; Dec. 14, 8.705; Dec. 21, 8.604; Dec. 28, 8.551; and based on the 4-week average bill rate were as follows: Nov. 30, 8.889; Dec. 7, 8.853; Dec. 14, 8.770; Dec. 21, 8.768; Dec. 28, 8.653.

*12-month all savers certificates.* Effective Oct. 1, 1981, depository institutions are authorized to issue all savers certificates (ASCs) with a 1-year maturity and an annual investment yield equal to 70 percent of the average investment yield for 52-week U.S. Treasury bills as determined by the auction of 52-week Treasury bills held immediately before the calendar week in which the certificate is issued. A maximum lifetime exclusion of \$1,000 (\$2,000 on a joint return) from gross income is generally authorized for interest income from ASCs. The annual investment yield for ASCs issued in December 1982 (in percent) was as follows: Dec. 26, 6.26.

*2½-year to less than 3½-year time deposits.* Effective Aug. 1, 1981, commercial banks are authorized to pay interest on any variable ceiling nonnegotiable time deposit with an original maturity of 2½ years to less than 4 years at a rate not to exceed ¼ of 1 percent below the average 2½-year yield for U.S. Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. Effective May 1, 1982, the maximum maturity for this category of deposits was reduced to less than 3½ years. Thrift institutions may pay interest on these certificates at a rate not to exceed the average 2½-year yield for Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. If the announced average 2½-year yield for Treasury securities is less than 9.50 percent, commercial banks may pay 9.25 percent and thrift institutions 9.50 percent for these deposits. These deposits have no required minimum denomination, and interest may be compounded on them. The ceiling rates of interest at which they may be offered vary biweekly. The maximum allowable rates in December 1982 (in percent) for commercial banks were as follows: Dec. 7, 9.65; Dec. 21, 9.45; and for thrift institutions: Dec. 7, 9.90; Dec. 21, 9.70.

Between Jan. 1, 1980, and Aug. 1, 1981, commercial banks and thrift institutions were authorized to offer variable ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of 2½ years or more. Effective Jan. 1, 1980, the maximum rate for commercial banks was ¼ percentage point below the average yield on 2½-year U.S. Treasury securities; the ceiling rate for thrift institutions was ¼ percentage point higher than that for commercial banks. Effective Mar. 1, 1980, a temporary ceiling of 11¼ percent was placed on these accounts at commercial banks and 12 percent on these accounts at savings and loans. Effective June 2, 1980, the ceiling rates for these deposits at commercial banks and savings and loans were increased ½ percentage point. The temporary ceiling was retained, and a minimum ceiling of 9.25 percent for commercial banks and 9.50 percent for thrift institutions was established.

*IRAs and Keogh (H.R. 10) plans (18 months or more).* Effective Dec. 1, 1981, depository institutions are authorized to offer time deposits not subject to interest rate ceilings when the funds are deposited to the credit of, or in which the entire beneficial interest is held by, an individual pursuant to an IRA agreement or Keogh (H.R. 10) plan. Such time deposits must have a minimum maturity of 18 months, and additions may be made to the time deposit at any time before its maturity without extending the maturity of all or a portion of the balance of the account.

*Time deposits of 3½ years or more.* Effective May 1, 1982, depository institutions are authorized to offer negotiable or nonnegotiable time deposits with a minimum original maturity of 3½ years or more that are not subject to interest rate ceilings. Such time deposits have no minimum denomination, but must be made available in a \$500 denomination. Additional deposits may be made to the account during the first year without extending its maturity.

## 1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1979	1980	1981	1982						
				May	June	July	Aug.	Sept.	Oct.	Nov
<b>U.S. GOVERNMENT SECURITIES</b>										
Outright transactions (excluding matched transactions)										
<i>Treasury bills</i>										
1 Gross purchases .....	15,998	7,668	13,899	595	1,559	1,905	1,721	425	774	2,552
2 Gross sales .....	6,855	7,331	6,746	519	0	1,175	651	674	0	0
3 Exchange .....	0	0	0	0	200	200	0	0	0	0
4 Redemptions .....	2,900	3,389	1,816	400	0	200	600	400	0	0
<i>Others within 1 year<sup>1</sup></i>										
5 Gross purchases .....	3,203	912	317	0	0	71	0	0	0	88
6 Gross sales .....	0	0	23	0	0	0	0	0	0	0
7 Maturity shift .....	17,339	12,427	13,794	1,498	988	382	4,938	733	623	2,819
8 Exchange .....	-11,308	-18,251	12,869	2,541	1,249	0	3,914	650	0	1,924
9 Redemptions .....	2,600	0	0	0	0	0	0	0	0	0
<i>1 to 5 years</i>										
10 Gross purchases .....	2,148	2,138	1,702	0	0	691	0	0	0	485
11 Gross sales .....	0	0	0	0	0	0	0	0	0	0
12 Maturity shift .....	-12,693	8,909	-10,299	1,000	988	-382	4,938	-733	623	-2,204
13 Exchange .....	7,508	13,412	10,117	1,600	1,049	200	3,078	650	0	1,515
<i>5 to 10 years</i>										
14 Gross purchases .....	523	703	393	0	0	113	0	0	0	194
15 Gross sales .....	0	0	0	0	0	0	0	0	0	0
16 Maturity shift .....	4,646	3,092	3,495	498	0	0	601	0	0	616
17 Exchange .....	2,181	2,970	1,500	941	0	0	837	0	0	250
<i>Over 10 years</i>										
18 Gross purchases .....	454	811	379	0	0	123	0	0	0	132
19 Gross sales .....	0	0	0	0	0	0	0	0	0	0
20 Maturity shift .....	0	-426	0	0	0	0	601	0	0	0
21 Exchange .....	1,619	1,869	1,253	0	0	0	0	0	0	159
<i>All maturities<sup>1</sup></i>										
22 Gross purchases .....	22,325	12,232	16,690	595	1,559	2,903	1,721	425	774	3,452
23 Gross sales .....	6,855	7,331	6,769	519	0	1,175	651	674	0	0
24 Redemptions .....	5,500	3,389	1,816	400	0	200	600	400	0	0
Matched transactions										
25 Gross sales .....	627,350	674,000	589,312	36,047	41,509	54,646	39,403	51,983	45,655	39,579
26 Gross purchases .....	624,192	675,496	589,647	36,790	37,548	58,753	37,962	51,554	46,370	41,724
Repurchase agreements										
27 Gross purchases .....	107,051	113,902	79,920	10,155	5,332	18,267	3,755	9,649	5,618	4,161
28 Gross sales .....	106,968	113,040	78,733	15,424	5,332	18,267	2,567	7,035	9,420	4,161
29 Net change in U.S. government securities .....	6,896	3,869	9,626	-4,850	2,402	5,636	217	1,535	2,313	5,596
<b>FEDERAL AGENCY OBLIGATIONS</b>										
Outright transactions										
30 Gross purchases .....	853	668	494	0	0	0	0	0	0	0
31 Gross sales .....	399	0	0	0	0	0	0	0	0	0
32 Redemptions .....	134	145	108	1	6	1	46	5	6	*
Repurchase agreements										
33 Gross purchases .....	37,321	28,895	13,320	1,305	831	4,389	1,095	1,997	1,776	739
34 Gross sales .....	36,960	28,863	13,576	2,301	831	4,389	866	1,225	2,778	739
35 Net change in federal agency obligations .....	681	555	130	-997	6	1	183	767	1,008	*
<b>BANKERS ACCEPTANCES</b>										
36 Repurchase agreements, net .....	116	73	582	-768	0	0	565	248	813	0
37 Total net change in System Open Market Account .....	7,693	4,497	9,175	-6,615	-2,408	5,634	966	2,550	-4,134	5,596

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

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

A12 Domestic Financial Statistics □ January 1983

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1982					1982		
	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29	Oct.	Nov.	Dec.
Consolidated condition statement								
ASSETS								
1 Gold certificate account.....	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148
2 Special drawing rights certificate account.....	4,418	4,418	4,418	4,418	4,418	4,218	4,418	4,618
3 Coin.....	434	433	439	457	433	468	436	438
Loans								
4 To depository institutions.....	2,004	1,433	3,368	762	1,813	438	374	717
5 Other.....	0	0	0	0	0	0	0	0
Acceptances								
6 Held under repurchase agreements.....	0	0	105	0	731	0	0	1,480
Federal agency obligations								
7 Bought outright.....	8,943	8,943	8,937	8,937	8,937	8,943	8,943	8,937
8 Held under repurchase agreements.....	0	0	301	0	511	0	0	588
U.S. government securities								
Bought outright								
9 Bills.....	54,759	52,505	56,471	54,575	53,619	51,798	56,494	54,425
10 Notes.....	62,626	62,626	62,626	62,626	62,626	62,018	62,626	62,626
11 Bonds.....	18,556	18,556	18,556	18,556	18,556	18,264	18,556	18,556
12 Total <sup>1</sup> .....	135,941	133,687	137,653	135,757	134,801	132,080	137,676	135,607
13 Held under repurchase agreements.....	0	0	577	0	3,347	0	0	3,705
14 Total U.S. government securities.....	135,941	133,687	138,230	135,757	138,148	132,080	137,676	139,312
15 Total loans and securities.....	146,888	144,063	150,941	145,456	150,140	141,461	146,993	151,034
16 Cash items in process of collection.....	11,481	9,945	10,927	12,243	11,567	8,352	11,893	9,807
17 Bank premises.....	544	546	548	548	550	544	546	549
Other assets								
18 Denominated in foreign currencies <sup>2</sup> .....	5,653	5,655	5,586	5,640	5,548	5,325	5,649	5,764
19 All other <sup>3</sup> .....	3,478	3,161	3,450	3,674	3,855	4,262	3,490	3,577
20 Total assets.....	184,044	179,369	187,457	183,584	187,659	175,778	184,573	186,935
LIABILITIES								
21 Federal Reserve notes.....	140,003	140,760	141,693	142,771	143,263	136,048	139,989	141,990
Deposits								
22 Depository institutions.....	26,619	22,079	29,469	24,970	27,961	24,678	26,533	26,489
23 U.S. Treasury—General account.....	3,321	3,850	2,918	2,226	3,620	2,309	2,247	5,033
24 Foreign—Official accounts.....	217	188	385	280	261	327	387	328
25 Other.....	1,101	703	514	267	258	449	716	1,033
26 Total deposits.....	31,258	26,820	33,286	27,743	32,100	27,763	29,883	32,883
27 Deferred availability cash items.....	7,827	6,635	7,650	8,334	7,519	7,184	9,492	7,072
28 Other liabilities and accrued dividends <sup>4</sup> .....	1,793	2,153	1,849	1,737	1,784	1,669	1,799	2,272
29 Total liabilities.....	180,881	176,368	184,478	180,585	184,666	172,664	181,163	184,217
CAPITAL ACCOUNTS								
30 Capital paid in.....	1,354	1,354	1,355	1,356	1,356	1,350	1,354	1,359
31 Surplus.....	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,359
32 Other capital accounts.....	531	369	346	365	359	486	778	0
33 Total liabilities and capital accounts.....	184,044	179,369	187,457	183,584	187,659	175,778	184,573	186,935
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account.....	103,318	105,115	105,501	107,442	106,142	101,831	101,703	106,762
Federal Reserve note statement								
35 Federal Reserve notes outstanding (issued to bank).....	159,588	160,379	161,122	160,753	160,245	157,348	159,408	159,979
36 Less: Held by bank <sup>5</sup> .....	19,585	19,619	19,429	17,982	16,982	21,300	19,419	17,989
37 Federal Reserve notes, net.....	140,003	140,760	141,693	142,771	143,263	136,048	139,989	141,990
Collateral for Federal Reserve notes								
38 Gold certificate account.....	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148
39 Special drawing rights certificate account.....	4,418	4,418	4,418	4,418	4,418	4,218	4,418	4,618
40 Other eligible assets.....	89	221	10	174	262	14	0	107
41 U.S. government and agency securities.....	124,348	124,973	126,117	127,031	127,435	120,668	124,423	126,117
42 Total collateral.....	140,003	140,760	141,693	142,771	143,263	136,048	139,989	141,990

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

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

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

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

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



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

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1982					1982		
	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29	Oct. 31	Nov. 30	Dec. 31
1 Loans—Total	2,004	1,433	3,368	762	1,813	438	374	717
2 Within 15 days	1,992	1,416	3,209	751	1,804	398	356	697
3 16 days to 90 days	12	17	159	11	9	40	18	20
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	0	0	105	0	731	0	0	1,480
6 Within 15 days	0	0	105	0	731	0	0	1,480
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	135,941	133,687	138,230	135,757	138,148	132,080	137,676	139,312
10 Within 15 days <sup>1</sup>	6,621	3,402	6,969	4,615	7,657	2,652	5,515	4,396
11 16 days to 90 days	27,401	26,987	27,134	26,965	27,649	28,465	30,242	31,088
12 91 days to 1 year	38,185	39,564	40,393	40,443	39,108	36,523	38,185	40,057
13 Over 1 year to 5 years	35,065	35,065	35,065	35,065	35,065	35,891	35,065	35,102
14 Over 5 years to 10 years	12,095	12,095	12,095	12,095	12,095	12,267	12,095	12,095
15 Over 10 years	16,574	16,574	16,574	16,574	16,574	16,282	16,574	16,574
16 Federal agency obligations—Total	8,943	8,943	9,238	8,937	9,448	8,943	8,943	9,525
17 Within 15 days <sup>1</sup>	66	66	348	189	653	83	161	730
18 16 days to 90 days	594	594	706	564	564	490	528	564
19 91 days to 1 year	2,000	2,000	1,893	1,893	1,954	1,966	1,988	1,954
20 Over 1 year to 5 years	4,821	4,821	4,820	4,820	4,780	4,962	4,804	4,780
21 Over 5 years to 10 years	944	944	953	953	979	924	944	979
22 Over 10 years	518	518	518	518	518	518	518	518

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	1978 Dec.	1979 Dec.	1980 Dec.	1981 Dec.	1982							
					May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
					Seasonally adjusted							
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS <sup>1</sup>												
1 Total reserves <sup>2</sup>	32.82	34.26	36.46	37.99	38.50	38.58	38.52	38.80	39.57	39.88	40.46	40.89
2 Nonborrowed reserves	31.95	32.79	34.77	37.35	37.39	37.37	37.83	38.29	38.63	39.40	39.84	40.26
3 Required reserves	32.59	33.93	35.95	37.67	38.15	38.27	38.21	38.49	39.18	39.47	40.06	40.37
4 Monetary base <sup>3</sup>	132.2	142.5	155.0	162.7	167.7	168.8	169.2	170.1	171.9	172.9	173.8	175.1
					Not seasonally adjusted							
5 Total reserves <sup>2</sup>	33.37	34.83	37.11	38.66	38.19	38.07	38.43	38.51	39.35	40.00	40.70	41.57
6 Nonborrowed reserves	32.50	33.35	35.42	38.03	37.07	36.86	37.74	38.00	38.42	39.52	40.06	40.94
7 Required reserves	33.13	34.50	36.59	38.34	37.83	37.76	38.12	38.20	38.97	39.59	40.28	41.05
8 Monetary base <sup>3</sup>	134.8	145.4	158.0	165.8	167.1	168.2	170.0	170.4	171.4	173.0	175.2	178.5
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS <sup>4</sup>												
9 Total reserves <sup>2</sup>	41.68	43.91	40.66	41.92	39.55	39.57	39.97	40.18	39.96	40.59	41.20	41.88
10 Nonborrowed reserves	40.81	42.43	38.97	41.29	38.43	38.36	39.28	39.66	39.03	40.11	40.58	41.24
11 Required reserves	41.45	43.58	40.15	41.60	39.19	39.26	39.65	39.87	39.58	40.18	40.80	41.35
12 Monetary base <sup>3</sup>	144.6	156.2	162.4	169.7	169.2	170.4	172.3	172.8	172.3	173.8	176.0	179.3

For notes see bottom of next page.

## 1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1978 Dec.	1979 Dec.	1980 Dec.	1981 Dec.	1982					
					July	Aug.	Sept.	Oct.	Nov.	
Seasonally adjusted										
MEASURES <sup>1</sup>										
1 M1	363.2	389.0	414.5	440.9	451.3	455.2	460.5	468.4 <sup>2</sup>	474.9	
2 M2	1,403.9	1,518.9	1,656.2	1,822.7	1,923.8 <sup>2</sup>	1,946.8 <sup>2</sup>	1,955.1 <sup>2</sup>	1,968.2 <sup>2</sup>	1,987.4	
3 M3	1,629.0	1,779.4	1,963.1	2,188.1	2,320.6 <sup>2</sup>	2,356.4 <sup>2</sup>	2,364.2 <sup>2</sup>	2,382.1 <sup>2</sup>	2,401.2	
4 L <sup>2</sup>	1,938.9	2,153.9	2,370.4	2,653.8 <sup>2</sup>	2,820.5 <sup>2</sup>	2,843.4 <sup>2</sup>	n.a.	n.a.	n.a.	
SELECTED COMPONENTS										
5 Currency	97.4	106.1	116.2	123.1	128.8	129.5	130.5	131.2	131.6	
6 Traveler's checks <sup>3</sup>	3.5	3.7	4.2	4.3	4.4	4.4	4.4	4.4	4.4	
7 Demand deposits	253.9	262.2	267.2	236.4	230.6	231.1	232.6	236.2 <sup>2</sup>	238.3	
8 Other checkable deposits <sup>4</sup>	8.4	16.9	26.9	77.0	87.4	90.2	93.0	96.5	100.7	
9 Savings deposits <sup>5</sup>	479.9	421.7	398.9	343.6	344.0	342.0 <sup>2</sup>	342.4 <sup>2</sup>	352.6	362.3	
10 Small-denomination time deposits <sup>6</sup>	533.9	652.6	751.7	854.7	919.7	930.6	932.6	923.8 <sup>2</sup>	922.9	
11 Large-denomination time deposits <sup>7</sup>	194.6	221.8	257.9	300.3	335.8	339.6	339.3 <sup>2</sup>	342.5 <sup>2</sup>	340.3	
Not seasonally adjusted										
MEASURES <sup>1</sup>										
12 M1	372.5	398.8	424.6	451.2	454.0	454.0	460.5	470.2 <sup>2</sup>	478.5	
13 M2	1,408.5	1,524.7	1,662.5	1,829.4	1,925.2 <sup>2</sup>	1,939.4 <sup>2</sup>	1,951.3 <sup>2</sup>	1,972.1 <sup>2</sup>	1,987.2	
14 M3	1,637.5	1,789.2	1,973.9	2,199.9	2,314.5 <sup>2</sup>	2,343.1 <sup>2</sup>	2,356.8 <sup>2</sup>	2,383.4 <sup>2</sup>	2,402.2	
15 L <sup>2</sup>	1,946.6	2,162.8	2,380.2	2,653.8	2,820.5 <sup>2</sup>	2,843.4 <sup>2</sup>	n.a.	n.a.	n.a.	
SELECTED COMPONENTS										
16 Currency	99.4	108.2	118.3	125.4	129.8	130.0	130.2	131.2	132.7	
17 Traveler's checks <sup>3</sup>	3.3	3.5	3.9	4.1	4.9	4.9	4.7	4.5	4.2	
18 Demand deposits	261.5	270.1	275.1	243.3	231.5	229.3	232.5 <sup>2</sup>	237.1	240.1	
19 Other checkable deposits <sup>4</sup>	8.4	17.0	27.2	78.4	87.9 <sup>2</sup>	89.8	93.2	97.3	101.5	
20 Overnight RPs and Eurodollars <sup>8</sup>	24.1	26.3	35.0	38.1	43.4	44.5	43.3 <sup>2</sup>	46.0 <sup>2</sup>	47.4	
21 Savings deposits <sup>5</sup>	478.0	420.5	398.0	343.0	348.3	346.1 <sup>2</sup>	347.4 <sup>2</sup>	357.0	363.7	
22 Small-denomination time deposits <sup>6</sup>	531.1	649.7	748.9	851.7	914.1	920.2	924.0 <sup>2</sup>	921.6 <sup>2</sup>	917.8	
Money market mutual funds										
23 General purpose and broker/dealer	7.1	34.4	61.9	151.2	171.7 <sup>2</sup>	180.6 <sup>2</sup>	182.5 <sup>2</sup>	184.1 <sup>2</sup>	186.6	
24 Institution only	3.1	9.3	13.9	33.7	36.7	43.1	43.9	44.8	45.3	
25 Large-denomination time deposits <sup>7</sup>	198.6	226.0	262.3	305.4	328.3	333.7	335.7 <sup>2</sup>	339.8 <sup>2</sup>	341.5	

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

M1: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) traveler's 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) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

M2: M1 plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks and balances of money market mutual funds (general purpose and broker/dealer).

M3: M2 plus large-denomination time deposits at all depository institutions, term RPs at commercial banks and savings and loan associations, and balances of institution-only money market mutual funds.

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

3. Outstanding amount of U.S. dollar-denominated traveler's checks of non-bank issuers.

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

5. Excludes NOW and ATS accounts at commercial banks and thrift institutions and CUSDs at credit unions.

6. Issued in amounts of less than \$100,000 and includes retail RPs.

7. Issued in amounts of \$100,000 or more and are net of the holdings of domestic banks, thrift institutions, the U.S. government, money market mutual funds, and foreign banks and official institutions.

8. Overnight (and continuing contract) RPs are those issued by commercial banks to other than depository institutions and money market mutual funds (general purpose and broker/dealer), and overnight Eurodollars are those issued by Caribbean branches of member banks to U.S. residents other than depository institutions and money market mutual funds (general purpose and broker/dealer).

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

## NOTES TO TABLE 1.20

1. Reserve aggregates include required reserves of member banks and Edge Act corporations and other depository institutions. Discontinuities associated with the implementation of the Monetary Control Act, the inclusion of Edge Act corporation reserves, and other changes in Regulation D have been removed. Beginning with the week ended December 23, 1981, reserve aggregates have been reduced by shifts of reservable liabilities to international banking facilities (IBFs). On the basis of reports of liabilities transferred to IBFs by U.S. commercial banks and U.S. agencies and branches of foreign banks, it is estimated that required reserves were lowered on average \$10 million to \$20 million in December 1981 and \$40 million to \$70 million in January 1982.

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

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

4. Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustments to eliminate the effect of changes in Regulation D including changes associated with the implementation of the Monetary Control Act. Includes required reserves of member banks and Edge Act corporations and beginning November 13, 1980, other depository institutions. Under the transition-

al phase-in program of the Monetary Control Act of 1980, the net changes in required reserves of depository institutions have been as follows: Effective Nov. 13, 1980, a reduction of \$2.9 billion; Feb. 12, 1981, an increase of \$245 million; Mar. 12, 1981, an increase of \$75 million; May 14, 1981, an increase of \$245 million; Aug. 13, 1981, an increase of \$230 million; Sept. 3, 1981, a reduction of \$1.1 billion; Nov. 12, 1981, an increase of \$210 million; Jan. 14, 1982, a reduction of \$60 million; Feb. 11, 1982 an increase of \$170 million; Mar. 4, 1982, an estimated reduction of \$2.0 billion; May 13, 1982, an estimated increase of \$150 million; Aug. 12, 1982 an estimated increase of \$140 million; and Sept. 2, 1982, an estimated reduction of \$1.2 billion. Beginning with the week ended December 23, 1981, reserve aggregates have been reduced by shifts of reservable liabilities to IBFs. On the basis of reports of liabilities transferred to IBFs by U.S. commercial banks and U.S. agencies and branches of foreign banks, it is estimated that required reserves were lowered on average by \$60 million to \$90 million in December 1981 and \$180 million to \$230 million in January 1982, mostly reflecting a reduction in reservable Eurocurrency transactions.

NOTE: Latest monthly and weekly figures are available from the Board's H.3(502) statistical release. Back data and estimates of the impact on required reserves and changes in reserve requirements are available from the Banking Section, Division of Research and Statistics, 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	1979 <sup>1</sup>	1980 <sup>1</sup>	1981 <sup>1</sup>	1982					
				June	July	Aug	Sept.	Oct.	Nov.
Seasonally adjusted									
DEBITS TO									
Demand deposits <sup>2</sup>									
1 All insured banks .....	49,903.0	62,757.8	80,858.7	87,602.3	90,280.7	95,177.9	94,480.0	97,097.0	95,475.9
2 Major New York City banks .....	18,481.7	25,156.1	33,891.9	35,729.5	36,880.8	39,525.3	37,986.3	42,077.9	38,971.6
3 Other banks .....	31,421.3	37,601.7	46,966.9	51,872.8	53,399.8	55,652.6	56,493.7	55,019.1	56,504.4
4 ATS-NOW accounts <sup>3</sup> .....	84.4	159.3	743.4	977.6	1,049.9	1,146.2	1,165.4	1,109.4	1,224.6
5 Savings deposits <sup>4</sup> .....	547.9	670.0	672.7	698.9	773.8	770.7	707.8	637.0	697.1
DEPOSIT TURNOVER									
Demand deposits <sup>2</sup>									
6 All insured banks .....	162.8	198.7	285.8	318.7	325.0	341.6	341.0	343.0	333.8
7 Major New York City banks .....	634.2	803.7	1,105.1	1,295.9	1,265.7	1,424.2	1,282.5	1,298.7	1,263.7
8 Other banks .....	113.3	132.2	186.2	209.8	214.8	221.8	228.3	219.5	221.4
9 ATS-NOW accounts <sup>3</sup> .....	7.8	9.7	14.0	14.2	15.3	16.2	15.9	14.7	15.6
10 Savings deposits <sup>4</sup> .....	2.7	3.6	4.1	4.4	5.0	5.0	4.6	4.0	4.3
Not seasonally adjusted									
DEBITS TO									
Demand deposits <sup>2</sup>									
11 All insured banks .....	49,777.3	63,124.4	81,197.9	92,867.2	91,318.9	94,968.5	95,557.1	93,543.3	91,838.3
12 Major New York City banks .....	18,487.8	25,243.1	34,032.0	38,286.7	37,502.5	39,126.7	39,634.0	39,657.6	36,893.5
13 Other banks .....	31,289.4	37,881.3	47,165.9	54,580.6	53,816.4	55,841.8	55,923.1	53,885.7	54,944.8
14 ATS-NOW accounts <sup>3</sup> .....	83.3	158.0	737.6	1,046.0	1,021.0	1,020.5	1,097.3	1,098.0	1,115.0
15 Savings deposits <sup>4</sup> .....	548.1	669.8	672.9	694.4	778.2	763.7	695.2	672.7	663.3
DEPOSIT TURNOVER									
Demand deposits <sup>2</sup>									
16 All insured banks .....	163.3	202.3	286.1	339.6	328.2	346.9	345.3	327.8	319.3
17 Major New York City banks .....	644.1	814.8	1,114.2	1,361.3	1,305.8	1,472.8	1,362.5	1,220.8	1,198.6
18 Other banks .....	113.4	134.8	186.2	222.5	215.7	225.9	225.8	213.1	213.9
19 ATS-NOW accounts <sup>3</sup> .....	7.8	9.7	14.0	15.2	14.8	14.4	15.0	14.5	14.1
20 Savings deposits <sup>4</sup> .....	2.7	3.6	4.1	4.4	4.9	4.9	4.4	4.2	4.1

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 as well as special club accounts, such as Christmas and vacation clubs.

NOTE: Historical data for demand deposits are available back to 1970 estimated in part from the debits series for 233 SMSA's 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.

A16 Domestic Financial Statistics □ January 1983

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

Billions of dollars; averages of Wednesday figures

Category	1981	1982					1981	1982				
	Dec. <sup>2</sup>	July	Aug.	Sept. <sup>3</sup>	Oct.	Nov.	Dec. <sup>2</sup>	July	Aug.	Sept. <sup>3</sup>	Oct.	Nov.
	Seasonally adjusted						Not seasonally adjusted					
<b>1 Total loans and securities<sup>4</sup></b> . . . . .	<b>1,316.3</b>	<b>1,376.1</b>	<b>1,383.1</b>	<b>1,389.4</b>	<b>1,397.5</b>	<b>1,398.6</b>	<b>1,326.1</b>	<b>1,370.4</b>	<b>1,377.7</b>	<b>1,391.0</b>	<b>1,402.8</b>	<b>1,405.4</b>
2 U.S. Treasury securities . . . . .	111.0	116.5	117.8	118.2	122.3	126.4	111.4	115.6	116.4	117.8	121.3	125.6
3 Other securities . . . . .	231.4	235.9	237.1	237.6	237.2	235.8	232.8	234.7	236.4	237.7	237.5	236.4
4 Total loans and leases <sup>4</sup> . . . . .	973.9	1,023.7	1,028.3	1,033.5	1,038.1	1,036.4	981.8	1,020.1	1,024.9	1,035.5	1,044.0	1,043.5
5 Commercial and industrial loans . . . . .	358.0	386.7	387.9	392.5	394.8	391.9	360.1	385.5	385.5	392.1	395.4	393.7
6 Real estate loans . . . . .	285.7	297.5	298.5	299.5	300.5	301.6	286.8	296.6	298.2	300.1	301.7	302.8
7 Loans to individuals . . . . .	185.1	189.2	189.5	189.6	190.0	190.5	186.4	188.3	189.7	190.9	191.5	191.6
8 Security loans . . . . .	21.9	21.0	21.4	22.6	24.2	23.4	22.7	20.5	22.0	22.3	23.9	23.9
9 Loans to nonbank financial institutions . . . . .	30.2	33.9	33.2	32.6	32.4	32.2	31.2	33.3	33.1	32.8	32.7	32.6
10 Agricultural loans . . . . .	33.0	35.7	36.0	36.3	36.3	36.3	33.0	36.1	36.5	36.8	36.8	36.5
11 Lease financing receivables . . . . .	12.7	13.2	13.1	13.1	13.1	13.1	12.7	13.2	13.1	13.1	13.1	13.1
12 All other loans . . . . .	47.2	46.4	48.7	47.4	46.8	47.5	49.2	46.7	46.8	47.5	48.9	49.3
<b>MEMO:</b>												
<b>13 Total loans and securities plus loans sold<sup>4,5</sup></b> . . . . .	<b>1,319.1</b>	<b>1,378.9</b>	<b>1,386.0</b>	<b>1,392.2</b>	<b>1,400.3</b>	<b>1,401.5</b>	<b>1,328.9</b>	<b>1,373.2</b>	<b>1,380.5</b>	<b>1,393.8</b>	<b>1,405.6</b>	<b>1,408.4</b>
14 Total loans plus loans sold <sup>4,5</sup> . . . . .	976.7	1,026.5	1,031.1	1,036.4	1,040.9	1,039.3	984.7	1,023.0	1,027.7	1,038.4	1,046.9	1,046.5
15 Total loans sold to affiliates <sup>4,5</sup> . . . . .	2.8	2.8	2.8	2.8	2.8	2.9	2.8	2.8	2.8	2.8	2.8	2.9
16 Commercial and industrial loans plus loans sold <sup>5</sup> . . . . .	360.2	389.0	390.2	394.7	397.0	394.2	362.3	387.8	387.8	394.4	397.7	396.0
17 Commercial and industrial loans sold <sup>5</sup> . . . . .	2.2	2.3	2.3	2.3	2.2	2.3	2.2	2.3	2.3	2.3	2.2	2.3
18 Acceptances held . . . . .	8.9	8.7	9.1	9.3	9.4	8.4	9.8	8.6	8.8	9.4	9.3	8.7
19 Other commercial and industrial loans . . . . .	349.1	378.1	378.8	383.1	385.3	383.5	350.3	376.9	376.7	382.7	386.1	385.0
20 To U.S. addressees <sup>6</sup> . . . . .	334.9	364.7	365.8	369.8	372.7	371.4	334.3	363.9	364.0	369.6	373.4	372.5
21 To non-U.S. addressees . . . . .	14.2	13.3	13.0	13.3	12.6	12.1	16.1	13.0	12.8	13.1	12.7	12.6
22 Loans to foreign banks . . . . .	19.0	14.8	14.6	13.8	13.9	14.0	20.0	14.5	14.1	14.2	14.2	14.1

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. Reclassification of loans beginning September 29, 1982, increased real estate loans \$0.3 billion and decreased nonbank financial loans \$0.3 billion.

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

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.

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

Monthly averages, billions of dollars

Source	1980	1981	1982									
	Dec.	Dec	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Total nondeposit funds												
1 Seasonally adjusted <sup>2</sup>	122.0	98.5	88.0	83.8	83.5	82.0	84.2	79.8	78.1	71.8	76.4	79.4
2 Not seasonally adjusted	122.6	98.9	88.5	84.8	84.3	85.5	86.3	81.8	82.6	77.5	78.7	84.7
Federal funds, RPs, and other borrowings from nonbanks <sup>3</sup>												
3 Seasonally adjusted	111.1	114.2	113.8	113.6	113.1	113.2	113.8	114.3	116.7	114.8	122.0	121.9
4 Not seasonally adjusted	111.6	114.6	114.3	114.6	113.9	116.6	115.9	116.3	121.2	120.5	124.4	127.2
5 Net balances due to foreign-related institutions, not seasonally adjusted	8.2	-18.6	28.6	-32.6	-32.5	-34.0	-32.5	37.3	41.4	45.9	-48.4	-45.4
6 Loans sold to affiliates, not seasonally adjusted <sup>4</sup>	2.7	2.8	2.8	2.8	2.8	2.8	3.0	2.8	2.8	2.8	2.8	2.9
<b>M &amp; M</b>												
7 Domestically chartered banks' net positions with own foreign branches, not seasonally adjusted <sup>5</sup>	-14.7	22.5	25.9	-28.8	29.8	29.9	29.2	33.0	-34.4	38.5	-40.4	-38.3
8 Gross due from balances	37.5	54.9	55.0	56.7	57.4	58.1	57.7	60.6	65.0	68.3	69.8	69.9
9 Gross due to balances	22.8	32.4	29.1	27.9	27.6	28.3	28.5	27.6	30.6	29.8	29.4	31.6
10 Foreign-related institutions' net positions with directly related institutions, not seasonally adjusted <sup>6</sup>	22.9	3.9	2.7	-3.8	2.7	-4.1	3.3	-4.4	-7.0	-7.3	-8.0	-7.1
11 Gross due from balances	32.5	48.1	50.5	50.0	49.1	49.5	50.2	52.6	53.4	54.1	53.9	53.6
12 Gross due to balances	55.4	52.0	47.9	46.2	46.4	45.4	46.9	48.3	46.4	46.7	45.8	46.5
<b>Security RP borrowings</b>												
13 Seasonally adjusted <sup>7</sup>	64.0	70.0	71.0	71.4	71.9	69.0	69.1	69.3	71.9	68.5	75.4	74.4
14 Not seasonally adjusted	62.3	68.2	69.1	70.0	70.4	70.0	68.7	68.9	73.9	71.7	75.2	77.1
U.S. Treasury demand balances <sup>8</sup>												
15 Seasonally adjusted	9.5	11.8	22.1	17.5	13.6	15.3	9.9	8.4	9.2	10.6	13.6	9.8
16 Not seasonally adjusted	9.0	11.2	20.0	15.5	13.8	15.4	10.8	8.3	8.2	12.4	16.5	7.1
Time deposits, \$100,000 or more <sup>9</sup>												
17 Seasonally adjusted	267.0	324.0	327.2	332.0	334.4	341.1	349.5	360.1	366.9	366.4	367.1	360.3
18 Not seasonally adjusted	272.4	330.3	335.3	337.2	335.6	340.0	344.6	350.5	359.1	361.5	364.4	361.4
<b>IBF ADJUSTMENTS FOR SELECTED ITEMS<sup>10</sup></b>												
19 Items 1 and 2		22.4	30.4	30.8	31.4	31.7	32.0	32.2	32.4	32.4		
20 Items 3 and 4		1.7	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4		
21 Item 5		20.7	28.0	28.4	29.0	29.3	29.6	29.8	30.0	30.0		
22 Item 7		3.1	4.9	4.9	5.0	5.0	5.0	5.1	5.1	5.1		
23 Item 10		17.6	23.1	23.6	24.0	24.3	24.6	24.7	24.9	24.9		

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

10. Estimated effects of shifts of foreign assets from U.S. banking offices to international banking facilities (IBFs).

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

Billions of dollars except for number of banks

	1982											
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
<b>DOMESTICALLY CHARTERED COMMERCIAL BANKS<sup>1</sup></b>												
1 Loans and securities, excluding interbank .....	1,271.2	1,285.8	1,292.6	1,300.7	1,315.4	1,313.2	1,318.8	1,337.1	1,343.0	1,347.0	1,370.9	
2 Loans, excluding interbank .....	929.1	939.9	947.2	954.3	969.1	966.6	970.6	985.9	988.5	990.4	1,001.4	
3 Commercial and industrial .....	325.6	332.4	336.7	341.9	348.7	346.4	346.2	354.4	355.2	354.8	357.2	
4 Other .....	603.5	607.5	610.5	612.4	620.4	620.3	624.4	631.5	633.3	635.6	644.2	
5 U.S. Treasury securities .....	112.3	114.5	113.0	111.5	113.4	113.4	113.7	115.0	119.4	122.2	129.0	
6 Other securities .....	229.8	231.4	232.4	234.9	232.9	233.2	234.5	236.2	235.1	234.4	240.6	
7 Cash assets, total .....	151.6	164.5	153.6	153.0	165.4	154.5	160.8	157.4	162.1	169.7	184.2	
8 Currency and coin .....	19.7	18.9	19.9	20.0	20.1	20.5	20.3	20.4	20.5	19.0	23.0	
9 Reserves with Federal Reserve Banks .....	24.8	25.7	25.5	21.7	18.2	25.1	26.1	17.0	23.5	22.0	25.4	
10 Balances with depository institutions .....	51.0	55.9	52.4	54.9	59.6	55.4	58.8	60.4	61.3	64.6	67.3	
11 Cash items in process of collection .....	56.1	64.0	55.8	56.3	67.4	53.6	55.5	59.6	56.8	64.1	68.4	
12 Other assets <sup>2</sup> .....	201.9	219.3	206.6	209.9	223.2	224.2	231.3	234.9	237.0	241.8	265.4	
13 Total assets/total liabilities and capital .....	<b>1,624.7</b>	<b>1,669.5</b>	<b>1,652.9</b>	<b>1,663.6</b>	<b>1,704.0</b>	<b>1,692.0</b>	<b>1,710.9</b>	<b>1,729.3</b>	<b>1,742.1</b>	<b>1,758.6</b>	<b>1,820.5</b>	
14 Deposits .....	1,213.7	1,250.8	1,231.0	1,244.0	1,284.8	1,266.4	1,279.1	1,290.7	1,300.2	1,316.9	1,362.4	
15 Demand .....	316.7	338.3	315.5	315.4	345.2	314.4	315.5	323.0	326.5	338.1	364.0	
16 Savings .....	222.5	229.9	226.6	227.6	228.9	227.1	229.5	230.9	238.2	244.9	296.6	
17 Time .....	674.4	682.6	688.9	701.0	710.7	724.8	734.1	736.8	735.4	733.9	701.8	
18 Borrowings .....	191.0	196.4	201.1	195.1	189.7	195.4	196.0	202.8	203.7	198.1	215.2	
19 Other liabilities .....	92.5	94.4	92.4	93.9	96.6	99.1	103.9	103.4	106.2	109.3	109.3	
20 Residual (assets less liabilities) .....	127.5	128.0	128.4	130.6	133.0	131.1	131.9	132.5	132.0	134.3	133.7	
MEMO:												
21 U.S. Treasury note balances included in borrowing .....	17.1	10.9	16.6	7.1	7.5	8.0	5.9	17.0	11.7	2.4	10.7	
22 Number of banks .....	14,702	14,709	14,710	14,722	14,736	14,752	14,770	14,785	14,797	14,782	14,787	
<b>ALL COMMERCIAL BANKING INSTITUTIONS<sup>1</sup></b>												
23 Loans and securities, excluding interbank .....	1,331.5	1,345.8	1,350.7	1,358.5	1,374.3	1,371.3	1,376.6	1,397.3	1,401.7	1,413.7	1,430.4	
24 Loans, excluding interbank .....	984.4	995.1	1,000.6	1,007.6	1,023.7	1,020.8	1,024.7	1,042.4	1,042.3	1,052.1	1,055.5	
25 Commercial and industrial .....	364.6	372.4	374.7	379.3	386.7	384.4	384.5	395.0	393.1	398.3	395.7	
26 Other .....	619.7	622.7	625.8	628.3	637.0	636.4	640.2	647.4	649.2	653.8	659.7	
27 U.S. Treasury securities .....	115.5	117.6	116.1	114.3	116.2	115.7	115.8	117.2	122.7	125.7	132.7	
28 Other securities .....	231.6	233.1	234.1	236.6	234.4	234.8	236.1	237.7	236.7	235.9	242.2	
29 Cash assets, total .....	165.8	178.8	168.1	167.7	180.3	169.3	176.2	173.7	178.7	181.2	200.4	
30 Currency and coin .....	19.7	18.9	19.9	20.0	20.2	20.5	20.4	20.4	20.5	19.0	23.0	
31 Reserves with Federal Reserve Banks .....	26.1	26.9	26.8	23.0	19.6	26.5	27.5	18.4	25.0	23.4	26.8	
32 Balances with depository institutions .....	63.0	68.0	64.6	67.3	72.2	67.8	71.8	74.2	75.3	74.4	81.1	
33 Cash items in process of collection .....	57.1	65.0	56.8	57.3	68.4	54.6	56.5	60.6	57.8	64.3	69.4	
34 Other assets <sup>2</sup> .....	278.1	295.2	280.3	285.9	300.0	299.4	306.8	310.3	313.9	323.3	341.8	
35 Total assets/total liabilities and capital .....	<b>1,775.5</b>	<b>1,819.9</b>	<b>1,799.1</b>	<b>1,812.1</b>	<b>1,854.7</b>	<b>1,840.1</b>	<b>1,859.6</b>	<b>1,881.3</b>	<b>1,894.2</b>	<b>1,918.2</b>	<b>1,972.7</b>	
36 Deposits .....	1,258.3	1,295.0	1,272.7	1,286.2	1,325.8	1,307.3	1,321.7	1,335.5	1,345.2	1,358.1	1,410.3	
37 Demand .....	329.4	350.8	327.9	327.9	357.4	326.8	327.7	335.1	338.9	344.9	376.4	
38 Savings .....	222.8	230.2	226.9	227.8	229.1	227.4	229.7	231.1	238.5	245.1	296.9	
39 Time .....	706.2	714.0	717.9	730.4	739.3	753.1	764.3	769.2	767.8	768.0	737.0	
40 Borrowings .....	255.9	260.0	260.8	255.3	253.2	260.0	260.0	267.6	268.3	267.0	278.2	
41 Other liabilities .....	131.8	135.0	135.3	138.2	140.8	139.8	144.1	143.8	146.9	156.6	148.5	
42 Residual (assets less liabilities) .....	129.4	129.9	130.3	132.5	134.9	133.0	133.8	134.4	133.9	136.6	135.6	
MEMO:												
43 U.S. Treasury note balances included in borrowing .....	17.1	10.9	16.6	7.1	7.5	8.0	5.9	17.0	11.7	2.4	10.7	
44 Number of banks .....	15,201	15,214	15,215	15,235	15,235	15,271	15,289	15,311	15,330	15,318	15,329	

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 \$750 Million or More on December 31, 1977, Assets and Liabilities, 1982

Millions of dollars, Wednesday figures

Account	Nov. 3	Nov 10	Nov. 17	Nov. 24	Dec 1 <sup>a</sup>	Dec. 8 <sup>a</sup>	Dec. 15 <sup>a</sup>	Dec. 22 <sup>a</sup>	Dec. 29 <sup>a</sup>
1 Cash items in process of collection	57,825	48,498	51,107	49,968	58,943	52,754	61,362	56,097	54,707
2 Demand deposits due from banks in the United States	8,268	6,341	7,672	7,147	8,210	7,274	8,428	8,532	9,410
3 All other cash and due from depository institutions	34,638	34,448	32,118	32,388	35,003	31,847	38,714	34,124	38,560
<b>4 Total loans and securities</b>	<b>651,704</b>	<b>643,216</b>	<b>641,496</b>	<b>638,995</b>	<b>648,709</b>	<b>651,589</b>	<b>651,576</b>	<b>654,661</b>	<b>655,556</b>
<i>Securities</i>									
5 U.S. Treasury securities	42,270	41,895	41,665	41,661	44,152	45,093	43,445	44,308	44,586
6 Trading account	9,227	8,364	8,051	7,915	9,411	9,716	7,817	8,154	7,856
7 Investment account, by maturity	33,043	33,532	33,615	33,746	34,740	35,376	35,627	36,154	36,730
8 One year or less	10,215	10,494	10,430	10,475	10,897	11,322	11,346	11,657	12,097
9 Over one through five years	20,842	21,046	21,273	21,382	21,816	21,933	22,171	22,363	22,491
10 Over five years	1,986	1,992	1,912	1,889	2,027	2,121	2,110	2,134	2,142
11 Other securities	79,850	77,701	77,221	77,092	77,899	79,797	79,400	80,242	81,274
12 Trading account	6,177	4,007	3,734	3,602	4,643	6,421	5,695	5,813	5,877
13 Investment account	73,674	73,694	73,487	73,490	73,256	73,376	73,705	74,429	75,397
14 U.S. government agencies	15,074	15,104	15,065	15,067	14,935	15,017	15,140	15,272	15,391
15 States and political subdivisions, by maturity	55,600	55,580	55,447	55,493	55,375	55,497	55,676	56,218	57,034
16 One year or less	6,969	6,913	6,929	6,871	6,872	6,980	6,882	7,018	7,161
17 Over one year	48,631	48,667	48,518	48,622	48,503	48,517	48,794	49,200	49,874
18 Other bonds, corporate stocks and securities	3,000	3,010	2,975	2,930	2,946	2,862	2,889	2,939	2,972
<i>Loans</i>									
19 Federal funds sold <sup>1</sup>	41,610	41,573	40,170	38,285	40,984	43,259	42,708	41,729	41,560
20 To commercial banks	31,534	30,487	28,500	26,441	28,815	29,763	30,395	28,543	29,247
21 To nonbank brokers and dealers in securities	9,154	8,349	9,062	9,020	9,221	10,184	9,301	10,181	9,353
22 To others	2,921	2,736	2,608	2,823	2,949	3,312	3,012	3,004	2,960
23 Other loans, gross	499,114	495,224	495,603	495,120	498,853	496,643	499,208	501,495	501,098
24 Commercial and industrial	216,879	216,749	216,183	215,394	217,027	215,834	215,863	216,689	216,863
25 Bankers acceptances and commercial paper	4,594	4,420	4,836	4,437	4,812	4,500	5,276	5,840	6,075
26 All other	212,285	212,328	211,348	210,957	212,214	211,334	210,587	210,848	210,788
27 U.S. addressees	205,390	205,406	204,446	203,947	205,337	204,480	204,684	204,036	203,973
28 Non-U.S. addressees	6,895	6,922	6,862	7,010	6,878	6,854	6,903	6,812	6,815
29 Real estate	131,738	131,675	131,874	132,082	131,987	131,966	132,132	132,257	132,316
30 To individuals for personal expenditures	73,408	73,394	73,400	73,729	73,988	74,052	74,564	75,016	75,557
To financial institutions									
31 Commercial banks in the United States	7,589	7,012	7,032	6,953	7,460	7,275	7,456	8,112	7,804
32 Banks in foreign countries	6,666	6,683	7,060	7,071	7,359	7,291	7,370	7,264	7,530
33 Sales finance, personal finance companies, etc.	11,329	11,252	11,119	10,983	11,179	10,872	10,834	10,540	10,693
34 Other financial institutions	15,983	16,160	15,926	15,837	15,838	16,018	15,968	15,926	16,231
35 To nonbank brokers and dealers in securities	9,500	8,021	7,854	8,138	8,594	8,632	9,763	9,613	8,321
36 To others for purchasing and carrying securities <sup>2</sup>	2,707	2,847	2,877	3,017	3,033	3,108	2,931	2,902	2,902
37 To finance agricultural production	6,488	6,478	6,430	6,405	6,362	6,330	6,322	6,222	6,278
38 All other	16,826	14,953	15,849	15,511	16,026	15,357	15,822	16,925	16,581
39 Less: Unearned income	5,616	5,621	5,610	5,596	5,523	5,508	5,505	5,498	5,451
40 Loan loss reserve	7,523	7,556	7,554	7,567	7,567	7,695	7,679	7,615	7,510
41 Other loans, net	485,975	482,047	482,439	481,956	485,673	483,440	486,024	488,382	488,136
42 Lease financing receivables	11,064	11,061	11,052	11,030	11,038	11,057	11,035	11,052	11,136
43 All other assets	138,377	136,413	134,069	133,022	136,150	135,652	137,504	138,532	141,048
<b>44 Total assets</b>	<b>901,878</b>	<b>879,978</b>	<b>877,514</b>	<b>872,550</b>	<b>898,052</b>	<b>890,173</b>	<b>908,619</b>	<b>902,999</b>	<b>910,418</b>
<i>Deposits</i>									
45 Demand deposits	187,996	168,264	173,171	171,809	190,848	181,304	195,131	188,725	189,553
46 Mutual savings banks	766	623	608	558	716	678	881	660	627
47 Individuals, partnerships, and corporations	139,931	128,045	131,601	128,549	143,159	134,561	144,028	140,181	139,294
48 States and political subdivisions	3,014	4,495	4,078	5,119	5,238	4,565	5,586	5,570	5,487
49 U.S. government	1,790	1,790	1,065	2,300	1,064	1,907	6,138	2,016	1,767
50 Commercial banks in the United States	22,492	17,799	20,335	20,173	23,374	20,173	22,045	22,818	23,613
51 Banks in foreign countries	5,854	5,784	5,891	6,539	6,562	6,304	6,164	6,584	6,620
52 Foreign governments and official institutions	1,224	856	850	834	1,084	1,069	943	1,077	1,310
53 Certified and officers' checks	9,324	8,871	7,942	7,737	9,653	12,046	9,346	9,820	10,833
54 Time and savings deposits	403,346	403,018	400,656	402,503	400,640	401,109	401,665	405,428	406,888
55 Savings	85,188	85,319	85,225	84,409	85,764	86,406	95,316	104,603	110,641
56 Individuals and nonprofit organizations	81,776	81,826	81,749	80,996	82,287	82,930	90,795	98,311	103,175
57 Partnerships and corporations operated for profit	2,822	2,846	2,838	2,858	2,901	2,928	3,793	5,597	6,674
58 Domestic governmental units	568	626	617	533	556	530	710	673	763
59 All Other	23	21	21	22	20	18	18	22	28
60 Time	318,158	317,699	315,431	318,094	314,876	314,703	306,349	300,824	296,247
61 Individuals, partnerships, and corporations	278,800	278,170	275,687	278,306	276,065	275,937	268,256	262,698	257,977
62 States and political subdivisions	20,953	21,108	21,414	21,461	20,892	20,883	20,497	20,582	20,636
63 U.S. government	629	645	641	638	570	580	570	567	644
64 Commercial banks in the United States	12,721	12,806	12,712	12,818	12,534	12,469	12,240	12,342	12,332
65 Foreign governments, official institutions, and banks	5,056	4,969	4,976	4,871	4,815	4,834	4,786	4,635	4,658
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	395	2,869	136	502	1,642	1,188	2,986	377	1,123
67 Treasury tax-and-loan notes	3,820	1,355	3,373	1,368	5,704	892	536	7,078	7,883
68 All other liabilities for borrowed money <sup>3</sup>	160,351	159,288	154,995	149,504	150,946	158,314	159,295	154,254	158,046
69 Other liabilities and subordinated notes and debentures	88,519	87,702	87,747	89,610	90,546	89,456	91,360	89,985	89,614
<b>70 Total liabilities</b>	<b>844,426</b>	<b>822,496</b>	<b>820,080</b>	<b>815,296</b>	<b>840,326</b>	<b>832,262</b>	<b>850,973</b>	<b>845,847</b>	<b>853,106</b>
71 Residual (total assets minus total liabilities) <sup>4</sup>	57,451	57,482	57,434	57,254	57,726	57,911	57,646	57,152	57,312

1. Includes securities purchased under agreements to resell.  
 2. Other than financial institutions and brokers and dealers.  
 3. Includes federal funds purchased and securities sold under 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. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

A20 Domestic Financial Statistics □ January 1983

1.27 LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of \$1 Billion or More on December 31, 1977. Assets and Liabilities  
Millions of dollars, Wednesday figures, 1982

Account	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1 <sup>a</sup>	Dec. 8 <sup>a</sup>	Dec. 15 <sup>a</sup>	Dec. 22 <sup>a</sup>	Dec. 29 <sup>a</sup>
1 Cash items in process of collection	54,668	46,041	48,335	47,136	55,815	50,189	58,121	52,851	51,794
2 Demand deposits due from banks in the United States	7,463	5,719	6,921	6,336	7,452	6,630	7,697	7,682	8,563
3 All other cash and due from depository institutions	32,249	31,874	29,579	29,738	32,152	29,362	35,783	31,318	35,695
<b>4 Total loans and securities</b>	<b>609,652</b>	<b>601,230</b>	<b>599,669</b>	<b>597,586</b>	<b>606,457</b>	<b>608,763</b>	<b>608,691</b>	<b>611,702</b>	<b>611,927</b>
<i>Securities</i>									
5 U.S. Treasury securities	38,671	38,144	37,903	37,907	40,388	41,253	39,637	40,499	40,746
6 Trading account	9,066	8,190	7,902	7,785	9,285	9,588	7,734	8,073	7,782
7 Investment account, by maturity	29,605	29,954	30,001	30,122	31,102	31,664	31,903	32,426	32,964
8 One year or less	9,160	9,372	9,318	9,369	9,734	10,013	10,017	10,300	10,701
9 Over one through five years	18,724	18,858	19,036	19,128	19,605	19,797	20,042	20,257	20,399
10 Over five years	1,722	1,724	1,646	1,624	1,763	1,855	1,844	1,868	1,863
11 Other securities	73,364	71,243	70,805	70,678	71,480	73,389	72,852	73,609	74,535
12 Trading account	5,981	3,857	3,557	3,436	4,461	6,247	5,486	5,583	5,649
13 Investment account	67,382	67,386	67,248	67,243	67,019	67,143	67,366	68,026	68,886
14 U.S. government agencies	13,856	13,858	13,845	13,825	13,703	13,780	13,854	14,017	14,148
15 States and political subdivisions, by maturity	50,731	50,721	50,627	50,687	50,571	50,703	50,829	51,287	51,996
16 One year or less	6,291	6,237	6,264	6,217	6,237	6,349	6,227	6,373	6,451
17 Over one year	44,440	44,484	44,363	44,470	44,334	44,354	44,602	44,914	45,545
18 Other bonds, corporate stocks and securities	2,794	2,807	2,776	2,731	2,745	2,660	2,683	2,723	2,742
<i>Loans</i>									
19 Federal funds sold <sup>1</sup>	38,676	36,900	35,617	34,138	36,287	38,024	37,781	36,881	36,367
20 To commercial banks	27,176	26,359	24,460	22,840	24,704	25,222	26,141	24,410	24,883
21 To nonbank brokers and dealers in securities	8,685	7,887	8,635	8,572	9,683	8,731	9,579	9,576	8,656
22 To others	2,814	2,654	2,523	2,727	2,852	3,119	2,882	2,894	2,828
23 Other loans, gross	471,054	467,103	467,487	467,018	470,484	468,301	470,606	472,835	472,254
24 Commercial and industrial	205,835	205,681	205,165	204,433	205,989	204,813	204,782	205,573	205,679
25 Bankers acceptances and commercial paper	4,246	4,055	4,504	4,098	4,488	4,179	4,952	5,502	5,728
26 All other	201,590	201,626	200,661	200,335	201,501	200,634	199,830	200,071	199,950
27 U.S. addressees	194,823	194,832	193,925	193,452	194,748	193,904	193,057	193,382	193,259
28 Non-U.S. addressees	6,766	6,794	6,736	6,883	6,754	6,730	6,774	6,689	6,692
29 Real estate	124,363	124,303	124,452	124,665	124,583	124,585	124,714	124,841	124,943
30 To individuals for personal expenditures	65,863	65,756	65,746	66,036	66,073	66,139	66,587	66,976	67,460
To financial institutions									
31 Commercial banks in the United States	7,420	6,847	6,867	6,805	7,322	7,117	7,299	7,935	7,621
32 Banks in foreign countries	6,585	6,603	6,994	6,989	7,285	7,224	7,283	7,196	7,464
33 Sales finance, personal finance companies, etc.	11,144	11,073	10,471	10,808	10,997	10,690	10,658	10,357	10,503
34 Other financial institutions	15,542	15,717	15,947	15,409	15,388	15,556	15,496	15,466	15,763
35 To nonbank brokers and dealers in securities	9,447	7,989	7,825	8,096	8,560	8,598	9,727	9,581	8,268
36 To others for purchasing and carrying securities <sup>2</sup>	2,472	2,618	2,650	2,791	2,807	2,785	2,884	2,706	2,681
37 To finance agricultural production	6,316	6,306	6,261	6,241	6,197	6,167	6,164	6,056	6,112
38 All other	16,067	14,210	15,109	14,744	15,283	14,629	15,011	16,148	15,760
39 Less: Unearned income	4,985	4,995	4,979	4,970	4,906	4,892	4,888	4,882	4,836
40 Loan loss reserve	7,127	7,164	7,165	7,186	7,275	7,312	7,296	7,240	7,138
41 Other loans, net	458,942	454,943	455,343	454,863	458,303	456,097	458,422	460,713	460,280
42 Lease financing receivables	10,723	10,720	10,711	10,663	10,669	10,682	10,643	10,660	10,743
43 All other assets	134,496	132,539	130,186	129,215	132,198	131,685	133,486	134,450	136,877
<b>44 Total assets</b>	<b>849,252</b>	<b>828,124</b>	<b>825,401</b>	<b>820,675</b>	<b>844,744</b>	<b>837,311</b>	<b>854,421</b>	<b>848,664</b>	<b>855,599</b>
<i>Deposits</i>									
45 Demand deposits	175,287	156,632	161,012	159,644	177,957	169,150	181,906	175,654	176,673
46 Mutual savings banks	736	604	589	538	696	659	860	638	610
47 Individuals, partnerships, and corporations	130,265	119,004	122,176	119,113	133,169	125,008	134,022	130,101	129,250
48 States and political subdivisions	4,830	4,002	4,341	4,546	4,704	4,048	4,970	4,867	4,870
49 U.S. government	2,761	1,642	917	2,123	960	1,758	5,653	1,827	1,619
50 Commercial banks in the United States	20,757	16,377	18,834	18,627	21,610	18,671	20,409	21,170	22,003
51 Banks in foreign countries	5,798	5,738	5,824	6,489	6,514	6,262	6,091	6,541	6,574
52 Foreign governments and official institutions	1,217	831	847	833	1,082	1,068	936	1,074	1,309
53 Certified and officers' checks	8,922	8,434	7,485	7,374	9,220	11,677	8,965	9,437	10,439
54 Time and savings deposits	378,307	377,727	375,473	377,334	375,664	375,878	376,030	379,450	380,729
55 Savings	78,573	78,689	78,623	77,848	79,108	79,696	87,954	96,649	102,322
56 Individuals and nonprofit organizations	75,432	75,475	75,417	74,700	75,899	76,492	83,914	90,850	95,430
57 Partnerships and corporations operated for profit	2,594	2,610	2,606	2,626	2,666	2,691	3,474	5,142	6,141
58 Domestic governmental units	524	583	580	499	523	495	548	634	722
59 All Other	23	21	21	22	20	17	18	22	28
60 Time	299,734	299,038	296,850	299,486	296,556	296,183	288,076	282,800	278,407
61 Individuals, partnerships, and corporations	262,613	261,801	259,340	261,961	259,951	259,656	252,195	246,850	242,414
62 States and political subdivisions	19,020	19,122	19,473	19,492	18,962	18,914	18,577	18,725	18,729
63 U.S. government	564	572	568	566	512	512	502	498	576
64 Commercial banks in the United States	12,481	12,574	12,489	12,596	12,316	12,268	12,016	12,092	12,030
65 Foreign governments, official institutions, and banks	5,056	4,969	4,976	4,871	4,815	4,834	4,786	4,635	4,658
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks	395	2,839	136	492	1,642	1,188	2,922	377	1,025
67 Treasury tax-and-loan notes	3,546	1,258	3,101	1,255	5,410	1,818	483	6,656	7,360
68 All other liabilities for borrowed money <sup>3</sup>	151,465	150,192	146,099	140,683	141,491	148,591	149,719	145,037	148,641
69 Other liabilities and subordinated notes and debentures	86,349	85,530	85,647	87,514	88,380	87,303	89,217	87,816	87,346
<b>70 Total liabilities</b>	<b>795,349</b>	<b>774,178</b>	<b>771,469</b>	<b>766,922</b>	<b>790,544</b>	<b>782,928</b>	<b>800,278</b>	<b>794,990</b>	<b>801,774</b>
71 Residual (total assets minus total liabilities) <sup>4</sup>	53,903	53,946	53,932	53,753	54,199	54,382	54,142	53,673	53,824

1. Includes securities purchased under agreements to resell.  
 2. Other than financial institutions and brokers and dealers.  
 3. Includes federal funds purchased and securities sold under agreement to repurchase; for information on these liabilities at banks with assets of \$1 billion or more on Dec. 31, 1977, see table 1.13.  
 4. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.



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

Millions of dollars, Wednesday figures, 1982

Account	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1 <sup>a</sup>	Dec. 8 <sup>a</sup>	Dec. 15 <sup>a</sup>	Dec. 22 <sup>a</sup>	Dec. 29 <sup>a</sup>
1 Cash items in process of collection	19,745	17,009	15,993	15,052	20,816	21,325	21,868	18,715	18,515
2 Demand deposits due from banks in the United States	1,589	1,058	1,501	979	1,678	1,560	1,431	1,392	1,513
3 All other cash and due from depository institutions	6,838	6,491	6,421	4,488	5,214	6,466	8,068	7,179	8,117
<b>4 Total loans and securities<sup>1</sup></b>	<b>147,597</b>	<b>143,318</b>	<b>144,885</b>	<b>143,362</b>	<b>147,775</b>	<b>147,579</b>	<b>148,016</b>	<b>147,748</b>	<b>146,974</b>
<i>Securities</i>									
5 U.S. Treasury securities <sup>2</sup>									
6 Trading account <sup>2</sup>									
7 Investment account, by maturity	7,999	8,047	8,271	8,330	8,498	8,655	8,660	8,646	8,686
8 One year or less	1,153	1,154	1,227	1,227	1,271	1,286	1,286	1,285	1,282
9 Over one through five years	6,322	6,363	6,565	6,671	6,794	6,838	6,840	6,827	6,870
10 Over five years	523	530	479	432	432	531	534	534	534
11 Other securities <sup>2</sup>									
12 Trading account <sup>2</sup>									
13 Investment account	13,581	13,449	13,312	13,282	13,283	13,266	13,367	13,634	13,774
14 U.S. government agencies	1,842	1,751	1,698	1,697	1,693	1,663	1,636	1,604	1,577
15 States and political subdivisions, by maturity	10,829	10,788	10,736	10,764	10,746	10,845	10,965	11,267	11,435
16 One year or less	1,179	1,175	1,166	1,180	1,202	1,309	1,333	1,485	1,390
17 Over one year	9,650	9,613	9,570	9,584	9,543	9,535	9,631	9,782	10,045
18 Other bonds, corporate stocks and securities	909	910	878	821	845	759	766	762	762
<i>Loans</i>									
19 Federal funds sold <sup>3</sup>	11,116	9,256	9,889	9,096	11,319	11,484	11,799	10,311	11,344
20 To commercial banks	5,409	4,458	4,563	3,750	5,944	5,444	6,515	4,170	6,003
21 To nonbank brokers and dealers in securities	4,580	3,814	4,195	4,183	4,190	4,946	3,818	4,653	3,756
22 To others	1,127	983	1,131	1,163	1,186	1,094	1,466	1,488	1,586
23 Other loans, gross	118,747	116,438	117,277	116,535	118,583	118,081	118,092	119,068	117,074
24 Commercial and industrial	61,390	61,312	61,314	60,875	61,644	61,316	61,024	61,003	60,750
25 Bankers acceptances and commercial paper	1,155	1,036	1,118	1,111	1,257	1,121	1,322	1,666	1,619
26 All other	60,246	60,277	60,196	59,764	60,386	60,194	59,703	59,337	59,059
27 U.S. addressees	58,756	58,701	58,678	58,149	58,845	58,679	58,126	57,875	57,614
28 Non-U.S. addressees	1,480	1,575	1,519	1,615	1,541	1,516	1,577	1,462	1,445
29 Real estate	18,770	18,756	18,884	18,946	18,831	18,879	18,878	18,990	19,086
30 To individuals for personal expenditures	11,616	11,627	11,621	11,647	11,495	11,519	11,597	11,668	11,723
To financial institutions									
31 Commercial banks in the United States	2,703	2,057	2,180	2,155	2,655	2,616	2,588	3,098	2,931
32 Banks in foreign countries	2,558	2,493	2,862	2,796	3,031	2,964	2,892	2,901	3,191
33 Sales finance, personal finance companies, etc.	4,914	4,800	4,857	4,776	4,880	4,685	4,609	4,360	4,406
34 Other financial institutions	4,919	4,989	4,928	4,877	4,848	4,837	4,827	4,712	4,818
35 To nonbank brokers and dealers in securities	6,194	5,474	5,535	5,355	5,737	5,806	6,258	6,208	6,655
36 To others for purchasing and carrying securities <sup>4</sup>	767	874	867	927	910	940	928	954	928
37 To finance agricultural production	371	392	392	380	378	376	382	372	387
38 All other	4,546	3,662	3,835	3,800	4,139	4,173	4,096	4,801	4,200
39 Less: Unearned income	1,487	1,493	1,484	1,486	1,475	1,469	1,474	1,478	1,474
40 Loan loss reserve	2,359	2,378	2,381	2,395	2,433	2,438	2,428	2,434	2,430
41 Other loans, net	114,900	112,567	113,412	112,654	114,675	114,174	114,190	115,157	113,170
42 Lease financing receivables	2,063	2,062	2,044	2,060	2,030	2,033	2,035	2,037	2,054
43 All other assets <sup>5</sup>	58,914	55,710	54,500	54,626	56,795	57,050	57,190	58,519	58,880
<b>44 Total assets</b>	<b>236,746</b>	<b>225,649</b>	<b>225,344</b>	<b>220,567</b>	<b>234,308</b>	<b>236,012</b>	<b>238,608</b>	<b>235,589</b>	<b>236,053</b>
<i>Deposits</i>									
45 Demand deposits	53,641	45,410	45,862	45,878	55,691	54,020	56,252	53,672	53,766
46 Mutual savings banks	322	297	270	252	349	321	464	312	266
47 Individuals, partnerships, and corporations	36,158	30,430	31,154	30,392	37,444	34,271	38,151	34,615	33,504
48 States and political subdivisions	574	485	433	501	552	500	626	778	516
49 U.S. government	679	490	195	497	148	473	1,507	483	442
50 Commercial banks in the United States	5,617	3,919	4,734	4,600	6,246	4,901	5,024	5,796	6,708
51 Banks in foreign countries	4,540	4,544	4,637	5,260	5,140	4,792	4,737	5,235	5,403
52 Foreign governments and official institutions	962	566	571	626	876	866	718	876	1,086
53 Certified and officers' checks	4,787	4,679	3,867	3,748	4,934	7,896	5,026	5,576	5,840
54 Time and savings deposits	75,122	75,886	74,596	74,577	74,449	74,994	74,740	74,964	74,722
55 Savings	10,784	10,870	10,925	10,487	10,672	10,789	11,527	13,009	14,040
56 Individuals and nonprofit organizations	10,429	10,464	10,537	10,150	10,339	10,460	11,190	12,388	13,210
57 Partnerships and corporations operated for profit	240	231	232	228	237	239	246	256	713
58 Domestic governmental units	124	174	154	106	94	88	89	94	116
59 All Other	1	1	1	2	1	1	1	1	1
60 Time	64,338	65,016	63,670	64,090	63,778	64,205	63,213	61,956	60,682
61 Individuals, partnerships, and corporations	54,058	54,589	52,855	53,302	53,282	53,665	53,135	51,850	50,702
62 States and political subdivisions	2,497	2,563	2,681	2,618	2,460	2,445	2,337	2,326	2,281
63 U.S. government	208	208	205	201	201	202	206	206	206
64 Commercial banks in the United States	5,475	5,575	5,810	5,938	5,840	5,877	5,581	5,685	5,602
65 Foreign governments, official institutions, and banks	2,099	2,080	2,120	2,032	1,994	2,016	1,954	1,888	1,892
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks		1,405			1,150	675	970	355	150
67 Treasury tax-and-loan notes	926	368	920	343	1,557	197	56	1,956	2,154
68 All other liabilities for borrowed money <sup>6</sup>	55,656	51,984	53,522	49,171	48,935	54,283	53,049	52,630	52,862
69 Other liabilities and subordinated notes and debentures	32,987	32,145	32,012	32,219	33,920	33,194	34,976	33,842	34,078
<b>70 Total liabilities</b>	<b>218,333</b>	<b>207,199</b>	<b>206,912</b>	<b>202,188</b>	<b>215,702</b>	<b>217,362</b>	<b>220,044</b>	<b>217,420</b>	<b>217,732</b>
71 Residual (total assets minus total liabilities) <sup>7</sup>	18,414	18,450	18,433	18,378	18,606	18,650	18,564	18,169	18,322

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

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1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures, 1982

Account	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1 <sup>a</sup>	Dec. 8 <sup>a</sup>	Dec. 15 <sup>a</sup>	Dec. 22 <sup>a</sup>	Dec. 29 <sup>a</sup>
<b>BANKS WITH ASSETS OF \$750 MILLION OR MORE</b>									
1 Total loans (gross) and securities adjusted <sup>1</sup> .....	625,720	618,894	619,128	618,765	625,613	627,754	626,909	631,119	631,466
2 Total loans (gross) adjusted <sup>1</sup> .....	503,600	499,298	500,241	500,011	503,562	502,864	504,065	506,569	505,606
3 Demand deposits adjusted <sup>2</sup> .....	104,666	100,176	100,664	99,369	107,467	106,470	105,587	107,795	109,465
4 Time deposits in accounts of \$100,000 or more .....	203,563	203,240	201,052	203,032	200,000	199,481	194,249	191,147	187,929
5 Negotiable CDs .....	144,812	144,031	141,808	143,332	140,933	139,843	136,407	134,636	132,340
6 Other time deposits .....	58,750	59,209	59,244	59,700	59,067	59,637	57,843	56,511	55,589
7 Loans sold outright to affiliates <sup>3</sup> .....	2,874	2,886	2,933	2,956	2,982	2,952	2,937	2,952	2,890
8 Commercial and industrial .....	2,238	2,252	2,308	2,345	2,375	2,329	2,319	2,254	2,235
9 Other .....	636	634	624	611	607	623	618	697	655
<b>BANKS WITH ASSETS OF \$1 BILLION OR MORE</b>									
10 Total loans (gross) and securities adjusted <sup>1</sup> .....	587,168	580,185	580,486	580,098	586,613	588,629	587,435	591,478	591,397
11 Total loans (gross) adjusted <sup>1</sup> .....	475,134	470,797	471,778	471,512	474,745	473,986	474,947	477,370	476,117
12 Demand deposits adjusted <sup>2</sup> .....	97,100	92,572	92,927	91,757	99,572	98,532	97,724	99,807	101,258
13 Time deposits in accounts of \$100,000 or more .....	194,217	193,674	191,571	193,540	190,762	190,130	185,038	181,943	178,849
14 Negotiable CDs .....	139,344	138,413	136,220	137,809	135,510	134,403	131,062	129,319	127,051
15 Other time deposits .....	54,873	55,262	55,351	55,730	55,252	55,726	53,977	52,624	51,798
16 Loans sold outright to affiliates <sup>3</sup> .....	2,800	2,815	2,862	2,884	2,915	2,884	2,876	2,882	2,823
17 Commercial and industrial .....	2,176	2,193	2,249	2,285	2,318	2,270	2,268	2,195	2,179
18 Other .....	624	622	613	599	597	614	608	687	644
<b>BANKS IN NEW YORK CITY</b>									
19 Total loans (gross) and securities adjusted <sup>1,4</sup> .....	143,331	140,675	142,008	141,338	143,084	143,427	142,816	144,391	141,945
20 Total loans (gross) adjusted <sup>1</sup> .....	121,751	119,179	120,424	119,726	121,303	121,505	120,788	122,111	119,485
21 Demand deposits adjusted <sup>2</sup> .....	27,600	23,991	24,939	25,729	28,480	27,321	27,854	28,678	28,101
22 Time deposits in accounts of \$100,000 or more .....	49,736	50,679	49,381	49,440	49,080	49,395	48,715	47,838	46,772
23 Negotiable CDs .....	38,016	38,695	37,535	37,657	37,249	37,328	37,097	36,576	35,612
24 Other time deposits .....	11,720	11,984	11,847	11,783	11,831	12,067	11,618	11,262	11,159

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

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

3. Loans sold are those sold outright to a bank's own foreign branches, 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.

## 1,291 LARGE WEEKLY REPORTING BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities

Millions of dollars, Wednesday figures, 1982

Account	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1 <sup>a</sup>	Dec. 8 <sup>a</sup>	Dec. 15 <sup>a</sup>	Dec. 22 <sup>a</sup>	Dec. 29 <sup>a</sup>
1 Cash and due from depository institutions . . . . .	7,636	7,923	7,210	6,975	7,440	7,313	7,278	7,259	7,369
2 Total loans and securities . . . . .	46,043	43,934	45,846	46,173	45,478	45,119	44,718	46,730	45,249
3 U.S. Treasury securities . . . . .	2,731	2,848	2,797	2,802	2,818	2,881	2,804	2,974	3,107
4 Other securities . . . . .	854	759	834	825	826	831	850	845	874
5 Federal funds sold <sup>1</sup> . . . . .	2,828	2,643	3,172	2,978	3,079	2,449	2,157	3,410	2,617
6 To commercial banks in United States . . . . .	2,629	2,374	2,919	2,832	2,581	2,220	2,042	3,000	2,243
7 To others . . . . .	200	270	253	146	498	229	115	409	373
8 Other loans, gross . . . . .	39,629	37,683	39,042	39,567	38,754	38,958	38,906	39,500	38,650
9 Commercial and industrial . . . . .	19,024	18,545	19,011	19,276	18,976	19,013	19,036	19,319	19,003
10 Bankers acceptances and commercial paper . . . . .	2,893	2,589	2,918	2,874	2,809	2,734	2,842	2,910	2,816
11 All other . . . . .	16,131	15,956	16,093	16,382	16,168	16,278	16,195	16,408	16,187
12 U.S. addressees . . . . .	14,046	13,999	14,122	14,446	14,263	14,351	14,244	14,381	14,217
13 Non-U.S. addressees . . . . .	2,085	1,957	1,971	1,946	1,905	1,927	1,951	2,027	1,970
14 To financial institutions . . . . .	16,078	14,886	15,931	16,145	15,599	15,575	15,604	15,861	15,463
15 Commercial banks in United States . . . . .	12,869	11,804	12,857	13,067	12,600	12,577	12,422	12,708	12,285
16 Banks in foreign countries . . . . .	2,570	2,420	2,430	2,455	2,342	2,334	2,602	2,573	2,622
17 Nonbank financial institutions . . . . .	639	661	644	623	657	664	581	579	556
18 For purchasing and carrying securities . . . . .	420	311	203	291	345	480	530	555	480
19 All other . . . . .	4,107	3,941	3,897	3,875	3,834	3,890	3,735	3,765	3,705
20 Other assets (claims on nonrelated parties) . . . . .	12,048	12,017	12,009	12,228	12,128	12,406	12,349	12,404	12,556
21 Net due from related institutions . . . . .	12,864	13,689	12,255	12,184	13,223	13,850	13,043	13,694	14,337
22 Total assets . . . . .	78,591	77,563	77,319	77,560	78,268	78,688	77,387	80,086	79,511
23 Deposits or credit balances <sup>2</sup> . . . . .	23,820	23,660	23,400	24,177	25,060	25,097	25,104	26,729	26,605
24 Credit balances . . . . .	270	246	204	213	275	293	254	251	211
25 Demand deposits . . . . .	2,234	1,941	1,987	1,903	2,463	2,298	1,999	2,440	2,104
26 Individuals, partnerships, and corporations . . . . .	1,079	903	895	944	1,165	851	849	989	871
27 Other . . . . .	1,155	1,038	1,091	960	1,298	1,446	1,150	1,441	1,233
28 Total time and savings . . . . .	21,316	21,473	21,209	22,060	22,322	22,506	22,851	24,048	24,289
29 Individuals, partnerships, and corporations . . . . .	18,071	18,380	18,131	19,054	19,209	19,379	19,631	20,670	20,933
30 Other . . . . .	3,245	3,093	3,078	3,006	3,113	3,128	3,220	3,379	3,357
31 Borrowings <sup>3</sup> . . . . .	33,694	32,018	31,632	31,788	32,016	33,030	31,590	32,383	32,220
32 Federal funds purchased <sup>4</sup> . . . . .	10,144	9,645	8,603	8,038	8,678	9,448	8,182	8,603	8,356
33 From commercial banks in United States . . . . .	9,080	8,556	7,548	6,950	7,462	8,049	6,906	7,122	6,887
34 From others . . . . .	1,064	1,089	1,056	1,087	1,216	1,399	1,277	1,481	1,479
35 Other liabilities for borrowed money . . . . .	23,550	22,373	23,028	23,750	23,337	23,582	23,407	23,780	23,864
36 To commercial banks in United States . . . . .	21,177	19,783	20,510	21,219	20,719	21,262	20,508	20,932	21,146
37 To others . . . . .	2,373	2,590	2,519	2,531	2,618	2,320	2,899	2,848	2,718
38 Other liabilities to nonrelated parties . . . . .	11,665	11,794	11,611	11,814	11,878	11,956	12,078	12,203	12,196
39 Net due to related institutions . . . . .	9,412	10,090	10,677	9,782	9,314	8,605	8,615	8,770	8,490
40 Total liabilities . . . . .	78,591	77,563	77,319	77,560	78,268	78,688	77,387	80,086	79,511
MLMO									
41 Total loans (gross) and securities adjusted <sup>5</sup> . . . . .	30,545	29,756	30,069	30,274	30,296	30,321	30,254	31,020	30,720
42 Total loans (gross) adjusted <sup>5</sup> . . . . .	26,960	26,148	26,438	26,646	26,652	26,610	26,600	27,201	26,738

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

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

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

Millions of dollars

Industry classification	Outstanding					Net change during				
	1982					1982				
	Aug. 25	Sept. 29	Oct. 27	Nov. 24	Dec. 29 <sup>p</sup>	Q3	Q4 <sup>p</sup>	Oct.	Nov.	Dec. <sup>p</sup>
1 Durable goods manufacturing .....	29,117	31,424	31,345	30,124	29,943	2,347	-1,481	-80	-1,220	-181
2 Nondurable goods manufacturing .....	24,866	25,811	24,774	24,640	23,908	512	-1,903	-1,037	-134	-732
3 Food, liquor, and tobacco .....	4,596	4,838	4,637	4,855	4,405	34	-433	-202	218	450
4 Textiles, apparel, and leather .....	5,064	4,855	4,571	4,268	3,812	-7	-1,044	-284	-303	-456
5 Petroleum refining .....	4,717	5,323	5,464	5,518	5,627	228	304	141	54	110
6 Chemicals and rubber .....	5,518	5,810	5,426	5,386	5,530	259	-280	-384	-39	143
7 Other nondurable goods .....	4,971	4,985	4,677	4,614	4,534	1	-451	-308	63	-80
8 Mining (including crude petroleum and natural gas) .....	27,313	28,406	29,266	29,633	29,583	154	1,177	860	368	-51
9 Trade .....	28,320	29,048	28,960	28,732	28,003	-142	-1,045	-88	-227	-730
10 Commodity dealers .....	1,788	1,977	2,036	2,102	2,297	116	320	60	65	196
11 Other wholesale .....	13,488	13,975	13,692	13,652	13,658	198	-316	-283	-39	6
12 Retail .....	13,044	13,096	13,231	12,978	12,047	-456	-1,049	135	-253	-932
13 Transportation, communication, and other public utilities .....	24,751	24,913	24,840	25,152	24,953	89	40	-74	313	-199
14 Transportation .....	8,964	8,976	8,913	9,025	9,103	-251	128	-62	112	78
15 Communication .....	4,905	5,153	5,254	5,297	5,258	374	106	101	43	-38
16 Other public utilities .....	10,882	10,785	10,672	10,830	10,591	-212	-194	-112	158	-239
17 Construction .....	7,825	7,815	7,757	7,759	7,863	55	48	-58	2	104
18 Services .....	28,938	29,196	29,587	29,472	30,504	466	1,308	392	-115	1,031
19 All other <sup>1</sup> .....	17,536	17,916	17,966	17,937	18,502	680	586	50	-28	565
20 Total domestic loans .....	188,667	194,530	194,494	193,452	193,259	3,982	-1,271	-36	-1,042	-193
21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans ..	87,027	89,152	89,776	89,956	89,845	-655	692	623	181	112

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

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

Billions of dollars, estimated daily-average balances

Type of holder	Commercial banks								
	1978 Dec.	1979 <sup>2</sup> Dec.	1980 Dec.	1981				1982	
				Mar. <sup>3</sup>	June <sup>4</sup>	Sept.	Dec.	Mar.	June
<b>1 All holders—Individuals, partnerships, and corporations</b>	<b>294.6</b>	<b>302.2</b>	<b>315.5</b>	<b>280.8</b>	↑	<b>277.5</b>	<b>288.9</b>	<b>268.9</b>	<b>271.5</b>
2 Financial business	27.8	27.1	29.8	30.8	↑	28.2	28.0	27.8	28.6
3 Nonfinancial business	152.7	157.7	162.3	144.3	n.a.	148.6	154.8	138.7	141.4
4 Consumer	97.4	99.2	102.4	86.7	↓	82.1	86.6	84.6	83.7
5 Foreign	2.7	3.1	3.3	3.4	↓	3.1	2.9	3.1	2.9
6 Other	14.1	15.1	17.2	15.6	↓	15.5	16.7	14.6	15.0
	Weekly reporting banks								
	1978 Dec.	1979 <sup>5</sup> Dec.	1980 Dec.	1981				1982	
				Mar. <sup>3</sup>	June <sup>4</sup>	Sept.	Dec.	Mar.	June
<b>7 All holders—Individuals, partnerships, and corporations</b>	<b>147.0</b>	<b>139.3</b>	<b>147.4</b>	<b>133.2</b>	↑	<b>131.3</b>	<b>137.5</b>	<b>126.8</b>	<b>127.9</b>
8 Financial business	19.8	20.1	21.8	21.9	↑	20.7	21.0	20.2	20.2
9 Nonfinancial business	79.0	74.1	78.3	69.8	n.a.	71.2	75.2	67.1	67.7
10 Consumer	38.2	34.3	35.6	30.6	↓	28.7	30.4	29.2	29.7
11 Foreign	2.5	3.0	3.1	3.2	↓	2.9	2.8	2.9	2.8
12 Other	7.5	7.8	8.6	7.7	↓	7.9	8.0	7.3	7.5

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

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

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

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

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

## 1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1977 Dec.	1978 Dec.	1979 <sup>1</sup> Dec.	1980 Dec.	1981 Dec.	1982					
						June	July	Aug.	Sept.	Oct.	Nov.
Commercial paper (seasonally adjusted unless noted otherwise)											
1 All issuers .....	65,051	83,438	112,803	124,524	165,508	178,842	180,669	177,182	173,836	170,253	165,534
Financial companies <sup>2</sup>											
Dealer-placed paper <sup>3</sup>											
2 Total .....	8,796	12,181	17,359	19,790	30,188	36,685	37,961	38,066	36,692	35,130	35,304
3 Bank-related (not seasonally adjusted) .....	2,132	3,521	2,784	3,561	6,045	7,188	6,427	6,038	5,924	5,791	6,232
Directly placed paper <sup>4</sup>											
4 Total .....	40,574	51,647	64,757	67,854	81,660	84,774	85,684	81,707	81,347	79,846	79,143
5 Bank-related (not seasonally adjusted) .....	7,102	12,314	17,598	22,382	26,914	30,828	31,141	28,901	27,761	25,712	27,769
6 Nonfinancial companies <sup>5</sup> .....	15,681	19,610	30,687	36,880	53,660	57,383	57,024	57,409	55,797	55,277	51,087
Bankers dollar acceptances (not seasonally adjusted)											
7 Total .....	25,450	33,700	45,321	54,744	69,226	71,765	72,559	72,709	73,818	75,811	↑ n.a. ↓
Holder											
8 Accepting banks .....	10,434	8,579	9,865	10,564	10,857	10,362	11,164	11,805	10,752	10,661	
9 Own bills .....	8,915	7,653	8,327	8,963	9,743	9,175	9,734	10,740	9,370	9,399	
10 Bills bought .....	1,519	927	1,538	1,601	1,115	1,188	1,431	1,065	1,382	1,262	
Federal Reserve Banks											
11 Own account .....	954	1	704	776	0	0	0	0	0	0	
12 Foreign correspondents .....	362	664	1,382	1,791	1,442	1,348	1,250	1,239	1,139	1,080	
13 Others .....	13,700	24,456	33,370	41,614	56,926	60,054	60,145	59,664	61,927	64,070	
Basis											
14 Imports into United States .....	6,378	8,574	10,270	11,776	14,765	15,213	15,094	14,921	16,075	16,511	
15 Exports from United States .....	5,863	7,586	9,640	12,712	15,400	15,649	16,167	15,883	15,608	16,463	
16 All other .....	13,209	17,540	25,411	30,257	39,061	40,842	41,298	41,898	42,136	42,837	

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

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

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

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

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

## 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. 3	17.50	July 20	16.00	1981—June	20.03	1982—Apr.	16.50
9	16.50	29	15.50	July	20.39	May	16.50
17	17.00	Aug. 2	15.00	Aug.	20.50	June	16.50
20	16.50	16	14.50	Sept.	20.08	July	16.26
24	16.00	18	14.00	Oct.	18.45	Aug.	14.39
Dec. 1	15.75	23	13.50	Nov.	16.84	Sept.	13.50
1982—Feb. 2	16.50	Oct. 7	13.00	Dec.	15.75	Oct.	12.52
18	17.00	14	12.00	1982—Jan.	15.75	Nov.	11.85
23	16.50	Nov. 22	11.50	Feb.	16.56	Dec.	11.50
				Mar.	16.50		

## 1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 1–6, 1982

Item	All sizes	Size of loan (in thousands of dollars)					
		1-24	25-49	50-99	100-499	500-999	1,000 and over
<b>SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS</b>							
1 Amount of loans (thousands of dollars)	37,830,563	1,004,140	642,584	562,394	2,129,432	913,862	32,578,151
2 Number of loans	170,984	123,157	20,331	9,027	12,408	1,403	4,658
3 Weighted-average maturity (months)	1.2	3.6	3.6	4.1	4.8	3.2	.8
4 Weighted-average interest rate (percent per annum)	11.26	15.63	15.32	13.80	13.85	12.93	10.79
5 Interquartile range <sup>1</sup>	10.38–11.34	14.37–16.99	13.72–16.45	12.68–14.45	12.68–15.01	12.25–13.80	10.38–10.90
<i>Percentage of amount of loans</i>							
6 With floating rate	26.4	32.5	39.5	70.8	65.4	65.0	21.6
7 Made under commitment	70.1	40.8	35.8	64.5	54.4	68.9	72.8
8 With no stated maturity	9.6	15.9	18.7	40.0	22.2	29.5	7.3
<b>LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS</b>							
1-99							
9 Amount of loans (thousands of dollars)	4,007,972		380,177		459,970	204,266	2,963,558
10 Number of loans	25,270		22,129		2,265	311	565
11 Weighted-average maturity (months)	46.2		43.9		26.4	45.3	49.6
12 Weighted-average interest rate (percent per annum)	12.24		15.17		13.98	13.02	11.54
13 Interquartile range <sup>1</sup>	10.68–13.55		13.80–16.65		13.50–14.94	12.55–13.88	10.62–12.68
<i>Percentage of amount of loans</i>							
14 With floating rate	77.8		49.0		67.9	81.6	82.7
15 Made under commitment	76.1		44.1		32.4	69.6	87.5
<b>CONSTRUCTION AND LAND DEVELOPMENT LOANS</b>							
1-24      25-49      50-99							
16 Amount of loans (thousands of dollars)	1,433,072	157,866	179,347	85,282	531,567	479,010	
17 Number of loans	25,255	16,181	4,750	1,278	2,806	241	
18 Weighted-average maturity (months)	11.1	14.4	16.0	6.4	8.3	12.2	
19 Weighted-average interest rate (percent per annum)	15.14	16.74	17.44	18.52	15.01	13.30	
20 Interquartile range <sup>1</sup>	12.73–16.09	15.02–18.10	14.75–18.97	14.23–20.57	12.69–15.58	11.82–14.50	
<i>Percentage of amount of loans</i>							
21 With floating rate	56.6	27.8	27.2	34.9	47.4	91.1	
22 Secured by real estate	71.6	75.0	85.6	92.8	69.2	64.3	
23 Made under commitment	39.6	44.4	43.1	29.7	21.5	58.7	
24 With no stated maturity	2.9	3.7	.4	4.8	2.1	4.0	
<i>Type of construction</i>							
25 1- to 4-family	43.3	74.8	64.2	72.2	56.7	5.2	
26 Multifamily	12.1	1.5	18.8	7.6	4.6	22.2	
27 Nonresidential	44.6	23.7	17.0	20.2	38.7	72.6	
<b>LOANS TO FARMERS</b>							
All sizes      1-9      10-24      25-49      50-99      100-249      250 and over							
28 Amount of loans (thousands of dollars)	1,457,533	158,122	234,089	169,062	282,570	200,860	412,831
29 Number of loans	67,611	40,418	15,969	5,177	4,206	1,304	536
30 Weighted-average maturity (months)	5.8	5.4	7.1	6.4	5.7	6.1	4.7
31 Weighted-average interest rate (percent per annum)	14.84	15.60	15.38	15.34	15.57	15.01	13.46
32 Interquartile range <sup>1</sup>	13.96–15.71	15.00–16.21	14.65–16.11	14.57–16.02	15.03–16.08	14.00–15.57	11.01–15.22
<i>By purpose of loan</i>							
33 Feeder livestock	13.90	15.48	15.19	15.22	15.01	14.35	12.66
34 Other livestock	15.49	15.46	15.42	15.34	15.58	*	*
35 Other current operating expenses	15.33	15.65	15.40	15.42	15.50	14.56	15.20
36 Farm machinery and equipment	15.68	15.53	15.16	15.76	*	*	*
37 Other	14.53	15.62	15.66	14.84	16.26	14.65	13.74

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	1980	1981	1982	1982				1982, week ending				
				Sept.	Oct.	Nov.	Dec.	Dec. 3	Dec. 10	Dec. 17	Dec. 24	Dec. 31
<b>MONEY MARKET RATES</b>												
1 Federal funds <sup>1,2</sup> .....	13.36	16.38	12.26	10.31	9.71	9.20	8.95	8.69	8.84	8.86	8.69	8.79
Commercial paper <sup>1,4</sup> .....												
2 1-month.....	12.76	15.69	11.83	9.96	9.08	8.66	8.53	8.55	8.44	8.51	8.48	8.69
3 3-month.....	12.66	15.32	11.89	10.36	9.20	8.69	8.51	8.61	8.46	8.52	8.44	8.52
4 6-month.....	12.29	14.76	11.89	10.86	9.21	8.72	8.50	8.69	8.50	8.50	8.41	8.45
Finance paper, directly placed <sup>1,4</sup> .....												
5 1-month.....	12.44	15.30	11.64	9.89	8.89	8.51	8.35	8.42	8.29	8.38	8.36	8.34
6 3-month.....	11.49	14.08	11.23	9.65	8.60	8.39	8.18	8.38	8.21	8.14	8.08	8.12
7 6-month.....	11.28	13.73	11.20	9.63	8.60	8.42	8.20	8.43	8.31	8.14	8.08	8.10
Bankers acceptances <sup>4,5</sup> .....												
8 3-month.....	12.72 <sup>7</sup>	15.32	11.89	10.40	9.24	8.76	8.54	8.64	8.53	8.54	8.50	8.54
9 6-month.....	12.25	14.66	11.83	10.82	9.21	8.77	8.50	8.78	8.54	8.50	8.41	8.40
Certificates of deposit, secondary market <sup>6</sup> .....												
10 1-month.....	12.91	15.91	12.04	10.23	9.36	8.82	8.64	8.55	8.53	8.66	8.60	8.81
11 3-month.....	13.07	15.91	12.27	10.66 <sup>7</sup>	9.51	8.95	8.66	8.79	8.67	8.70	8.59	8.57
12 6-month.....	12.99	15.77	12.57	11.46	9.67	9.13	8.80	9.09	8.84	8.80	8.73	8.65
13 Eurodollar deposits, 3-month <sup>2</sup> .....	14.00	16.79	13.12	11.74	10.43	9.77	9.47	9.76	9.48	9.56	9.56	9.36
U.S. Treasury bills <sup>4</sup> .....												
Secondary market <sup>7</sup> .....												
14 3-month.....	11.43	14.03	10.61	7.92	7.71	8.07	7.94	8.14	7.96	7.80	7.91	8.01
15 6-month.....	11.37	13.80	11.07	9.37	8.29	8.34	8.16	8.47	8.30	8.04	8.04	8.07
16 1-year.....	10.89	13.14	11.07	9.92	8.63	8.44	8.23	8.53	8.36	8.15	8.14	8.11
Auction average <sup>8</sup> .....												
17 3-month.....	11.506	14.077	10.686	8.196	7.750	8.042	8.013	8.280	7.956	7.995	7.857	7.975
18 6-month.....	11.374	13.811	11.084	9.539	8.299	8.319	8.225	8.511	8.254	8.205	8.104	8.051
19 1-year.....	10.748	13.159	11.099	10.286	9.521	8.567	8.234	8.372				8.095
<b>CAPITAL MARKET RATES</b>												
U.S. Treasury notes and bonds <sup>9</sup>												
Constant maturities <sup>10</sup>												
20 1-year.....	12.05	14.78	12.27	10.85	9.32	9.16	8.91	9.26	9.06	8.83	8.80	8.75
21 2-year.....	11.77	14.56	12.80	11.78	10.19	9.80	9.66	9.89	9.80	9.62	9.57	9.52
22 2-1/2-year <sup>11</sup> .....								9.90		9.70		9.65
23 3-year.....	11.55	14.44	12.92	12.03	10.62	9.98	9.88	10.04	9.95	9.84	9.88	9.79
24 5-year.....	11.48	14.24	13.01	12.25	10.80	10.38	10.22	10.31	10.26	10.23	10.22	10.15
25 7-year.....	11.43	14.06	13.06	12.36	10.88	10.53	10.49	10.58	10.48	10.50	10.55	10.40
26 10-year.....	11.46	13.91	13.00	12.34	10.91	10.55	10.54	10.69	10.56	10.56	10.56	10.43
27 20-year.....	11.39	13.72	12.92	12.16	10.97	10.57	10.62	10.69	10.56	10.56	10.71	10.66
28 30-year.....	11.30	13.44	12.76	12.07	11.17	10.54	10.54	10.64	10.51	10.59	10.59	10.45
29 Composite <sup>12</sup> .....												
Over 10 years (long-term).....	10.81	12.87	12.23	11.48	10.51	10.18	10.33	10.41	10.32	10.37	10.35	10.26
State and local notes and bonds												
Moody's series <sup>13</sup>												
30 Aaa.....	7.85	10.43	10.88	9.70	9.15	9.45	9.34	9.24	9.24	9.40	9.40	9.40
31 Baa.....	9.01	11.76	12.48	11.88	10.66	10.79	10.80	10.60	10.40	11.00	11.00	11.00
32 Bond Buyer series <sup>14</sup> .....	8.59	11.33	11.66	10.66	9.69	10.07	9.96	10.23	10.13	10.05	9.84	9.56
Corporate bonds												
Seasoned issues <sup>15</sup>												
33 All industries.....	12.75	15.06	14.94	14.34	13.54	13.08	13.02	13.05	13.00	13.03	13.07	12.98
34 Aaa.....	11.94	14.17	13.79	12.94	12.12	11.68	11.83	11.83	11.79	11.82	11.91	11.82
35 Aa.....	12.50	14.75	14.41	13.72	12.97	12.51	12.44	12.49	12.40	12.48	12.49	12.40
36 A.....	12.89	15.29	15.43	15.07	14.34	13.81	13.66	13.72	13.68	13.67	13.67	13.58
37 Baa.....	13.67	16.04	16.11	15.63	14.73	14.30	14.14	14.16	14.11	14.15	14.20	14.11
Aaa utility bonds <sup>16</sup>												
38 New issue.....	12.74	15.56	14.41	13.50	12.20	11.76	11.84		11.85	11.82		
39 Recently offered issues.....	12.70	15.56	14.45	13.57	12.34	11.88	11.91	11.95	11.84	11.95	11.96	11.85
MEMO: Dividend/price ratio <sup>17</sup>												
40 Preferred stocks.....	10.60	12.36	12.53	12.41	11.71	11.18	11.20	10.71	11.25	11.28	11.35	11.39
41 Common stocks.....	5.26	5.20	5.81	5.63	5.12	4.92	4.93	4.92	4.82	5.09	4.96	4.87

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1.36 STOCK MARKET Selected Statistics

Indicator	1980	1981	1982	1982								
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Prices and trading (averages of daily figures)												
<i>Common stock prices</i>												
1 New York Stock Exchange (Dec. 31, 1965 - 50)	68.06	74.02	68.93	66.97	67.07	63.10	62.82	62.91	70.21	76.10	79.75	80.30
2 Industrial	78.64	85.44	78.18	75.59	75.97	71.59	71.37	70.98	80.08	86.67	90.76	92.00
3 Transportation	60.52	72.61	60.41	57.91	56.84	53.07	53.40	53.98	61.39	66.64	71.92	73.40
4 Utility	37.35	38.90	39.75	39.20	39.40	37.34	37.20	38.19	40.36	42.67	43.46	42.93
5 Finance	64.28	73.52	71.99	71.44	69.16	63.19	61.59	62.84	69.66	80.59	88.66	86.22
6 Standard & Poor's Corporation (1941-43 - 10) <sup>1</sup>	118.71	128.05	119.71	116.31	116.35	109.70	109.38	109.65	122.43	132.66	138.10	139.37
7 American Stock Exchange (Aug. 31, 1973 - 100)	300.94	343.58	282.62	271.15	272.88	254.72	250.63	253.54	286.22	308.74	333.54	333.36
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	44,867	46,967	64,617	54,116	51,328	50,481	54,530	76,031	73,710	98,508	88,431	76,463
9 American Stock Exchange	6,377	5,346	5,283	3,937	4,292	3,720	3,611	5,567	5,064	7,828	8,672	7,475
Customer financing (end-of-period balances, in millions of dollars)												
10 Regulated margin credit at brokers-dealers <sup>2</sup>	11,619	14,721	14,411	12,202	12,237	11,783	11,729	11,396	11,208	11,728	12,459	n.a.
11 Margin stock <sup>3</sup>	11,450	14,500	14,150	11,950	11,990	11,540	11,470	11,150	10,950	11,450	12,170	n.a.
12 Convertible bonds	167	219	259	251	246	242	258	245	257	277	288	n.a.
13 Subscription issues	2	2	2	1	1	1	1	1	1	1	1	n.a.
<i>Free credit balances at brokers<sup>4</sup></i>												
14 Margin-account	1,105	2,105	3,515	4,145	4,175	4,215	4,410	4,470	4,990	5,520	5,600	n.a.
15 Cash-account	4,060	6,070	7,150	6,270	6,355	6,345	6,730	7,550	7,475	8,120	8,395	n.a.
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	n.a.
<i>By equity class (in percent)<sup>5</sup></i>												
17 Under 40	16.0	14.0	37.0	34.0	40.0	43.0	44.0	30.0	27.0	21.0	20.0	n.a.
18 40-49	29.0	30.0	21.0	25.0	24.0	21.0	23.0	26.0	26.0	24.0	21.0	n.a.
19 50-59	27.0	25.0	22.0	18.0	15.0	16.0	13.0	18.0	20.0	22.0	25.0	n.a.
20 60-69	14.0	14.0	10.0	10.0	9.0	9.0	9.0	12.0	12.0	16.0	15.0	n.a.
21 70-79	8.0	9.0	6.0	7.0	6.0	6.0	6.0	8.0	8.0	9.0	10.0	n.a.
22 80 or more	7.0	8.0	6.0	6.0	5.0	5.0	5.0	6.0	7.0	8.0	9.0	n.a.
Special miscellaneous-account balances at brokers (end of period)												
23 Total balances (millions of dollars) <sup>6</sup>	16,150	21,690	25,870	28,252	28,521	29,798	29,773	31,102	31,644	33,689	34,909	n.a.
<i>Distribution by equity status (percent)</i>												
24 Net credit status	44.2	47.8	58.0	57.0	58.0	59.0	59.0	60.0	61.0	61.0	62.0	n.a.
25 Debt status, equity of	47.0	44.4	31.0	29.0	29.0	28.0	26.0	28.0	27.0	29.0	29.0	n.a.
26 60 percent or more	8.8	7.7	11.0	13.0	13.0	13.0	14.0	12.0	12.0	10.0	9.0	n.a.
Margin requirements (percent of market value and effective date) <sup>7</sup>												
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
27 Margin stocks	70		80		65		55		65		50	
28 Convertible bonds	50		60		50		50		50		50	
29 Short sales	70		80		65		55		65		50	

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

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

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

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

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

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

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

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

A30 Domestic Financial Statistics □ January 1983

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1979	1980	1981	1982								
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. <sup>P</sup>
Savings and loan associations												
1 Assets	578,962	630,712	664,167	678,365	681,696	687,273	692,759	697,690	703,399	691,077	692,549	697,475
2 Mortgages	475,688	503,192	518,547	516,111	514,702	514,046	512,997	510,678	509,776	493,899	489,923	488,623
3 Cash and investment securities <sup>1</sup>	46,341	57,928	63,123	68,125	68,227	70,302	70,824	72,854	74,141	74,692	75,638	77,991
4 Other	56,933	69,592	82,497	94,129	98,767	102,925	108,938	114,158	119,482	122,486	126,988	130,861
5 Liabilities and net worth	578,962	630,712	664,167	678,365	681,696	687,273	692,759	697,690	703,399	691,077	692,549	697,475
6 Savings capital	470,004	511,636	525,061	536,265	533,595	535,215	538,667	539,830	542,648	547,628	547,112	548,098
7 Borrowed money	55,232	64,586	88,782	90,689	93,560	94,117	96,850	98,433	98,803	99,771	100,881	103,064
8 FHLBB	40,441	47,045	62,794	63,636	65,347	65,216	66,925	67,019	66,374	65,567	65,015	64,310
9 Other	14,791	17,541	25,988	27,053	28,213	28,901	29,925	31,414	32,429	34,204	35,866	38,754
10 Loans in process	9,582	8,767	6,385	6,418	6,568	6,766	7,116	7,250	7,491	8,084	8,484	8,997
11 Other	11,506	12,394	15,544	18,505	21,948	25,756	24,671	27,375	29,965	19,202	20,018	21,659
12 Net worth <sup>2</sup>	32,638	33,329	28,395	26,488	26,025	25,419	25,455	24,802	24,492	24,476	24,538	24,654
13 M/MO: Mortgage loan commitments outstanding <sup>3</sup>	16,007	16,102	15,225	15,582	16,375	16,622	16,828	15,924	16,943	17,256	18,407	19,668
Mutual savings banks <sup>4</sup>												
14 Assets	163,405	171,564	175,728	174,776	174,813	174,952	175,091	175,563	175,563	173,487	172,908	↑
Loans												
15 Mortgage	98,908	99,865	99,997	97,464	97,160	96,334	96,346	96,231	94,448	94,382	94,261	
16 Other	9,253	11,733	14,753	16,514	16,424	17,409	16,546	17,104	16,919	17,458	17,035	
Securities												
17 U.S. government <sup>5</sup>	7,658	8,949	9,810	10,072	10,146	9,968	10,112	10,036	9,653	9,404	9,219	
18 State and local government	2,930	2,390	2,288	2,276	2,269	2,259	2,253	2,247	2,214	2,191	2,505	
19 Corporate and other <sup>6</sup>	17,086	39,282	37,791	37,379	37,473	37,486	36,958	36,670	35,956	35,845	35,599	
20 Cash	3,156	4,334	5,442	5,219	5,494	5,469	6,040	6,167	6,405	6,695	6,749	
21 Other assets	4,412	5,011	5,649	5,852	5,846	6,027	6,836	7,109	7,185	7,514	7,540	↑
22 Liabilities	163,405	171,564	175,728	174,776	174,813	174,952	175,091	175,563	172,780	173,487	172,908	↓
23 Deposits	146,006	154,805	155,110	154,022	153,187	153,354	154,273	154,204	151,897	153,089	152,210	
24 Regular <sup>7</sup>	144,070	151,416	153,003	151,979	151,021	151,253	152,030	151,845	149,613	150,795	149,928	
25 Ordinary savings	61,123	53,971	49,425	48,412	47,733	47,895	47,942	47,534	46,856	47,496	48,520	
26 Time	82,947	97,445	103,578	103,567	103,288	103,358	104,088	104,310	102,756	103,299	101,408	
27 Other	1,936	2,086	2,108	2,043	2,166	2,101	2,243	2,359	2,285	2,294	2,283	
28 Other liabilities	5,873	6,695	10,632	11,132	12,141	12,246	11,230	11,940	11,691	11,166	11,556	
29 General reserve accounts	11,525	11,368	9,986	9,622	9,485	9,352	9,588	9,419	21,145	9,232	9,141	
30 M/MO: Mortgage loan commitments outstanding <sup>8</sup>	3,182	1,476	1,293	978	953	998	1,010	992	1,056	1,217	1,281	
Life insurance companies												
31 Assets	432,282	479,210	525,803	535,402	539,801	543,470	547,075	551,124	557,094	563,321	571,902	↑
Securities												
32 Government	338	21,378	25,209	26,958	27,346	27,835	28,243	28,694	30,263	30,759	31,791	
33 United States <sup>9</sup>	4,888	5,345	8,167	9,576	9,832	10,187	10,403	10,774	12,214	12,606	13,538	
34 State and local	6,428	6,701	7,151	7,369	7,467	7,543	7,643	7,705	7,799	7,834	7,871	
35 Foreign <sup>10</sup>	9,022	9,332	9,891	10,013	10,045	10,105	10,197	10,215	10,250	10,319	10,382	
36 Business	222,332	238,113	255,769	259,770	262,599	264,107	265,080	267,627	270,029	273,539	279,918	
37 Bonds	178,171	190,747	208,098	213,683	215,586	217,594	219,006	221,503	221,642	223,783	226,879	
38 Stocks	48,757	47,366	47,670	46,087	47,013	46,513	46,074	46,124	48,387	49,756	53,039	
39 Mortgages	119,421	131,030	137,747	138,762	139,206	139,455	139,539	140,044	140,244	140,404	140,678	
40 Real estate	13,007	15,063	18,278	19,167	19,516	19,713	19,959	20,198	20,176	20,268	20,293	
41 Policy loans	44,825	41,411	48,706	50,052	50,573	50,992	51,438	51,867	52,238	52,525	52,751	
42 Other assets	27,563	31,702	40,094	40,696	40,561	41,368	42,816	42,694	44,144	45,826	46,471	↓
Credit unions												
43 Total assets/liabilities and capital	65,854	71,709	77,682	81,055	81,351	82,858	84,107	84,423	85,102	86,554	↑	↑
44 Federal	39,934	39,801	42,382	44,263	44,371	45,077	45,705	45,931	46,310	47,076		
45 State	29,920	31,908	35,300	39,792	36,980	37,781	38,402	38,492	38,792	39,478		
46 Loans outstanding	53,125	47,774	50,448	49,668	49,533	49,556	49,919	50,133	50,733	51,047		
47 Federal	28,698	25,627	27,458	27,119	27,064	27,073	27,295	27,351	27,351	27,862	↑	↑
48 State	24,426	22,147	22,990	22,549	22,469	22,483	22,624	22,782	23,074	23,185		
49 Savings	56,232	64,399	68,871	72,218	72,569	73,602	74,834	75,088	75,331	76,874		
50 Federal (shares)	35,530	36,348	37,574	39,431	39,688	40,213	40,710	40,969	41,178	41,961		
51 State (shares and deposits)	25,702	28,051	31,297	32,787	32,881	33,389	34,124	34,119	34,153	34,913		

For notes see bottom of opposite page.

## 1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1980	Fiscal year 1981	Fiscal year 1982	Calendar year					
				1981		1982	1982		
				HI	II2	HI	Sept.	Oct.	Nov.
<i>U.S. budget</i>									
1 Receipts <sup>1</sup> .....	517,112	599,272	617,776	317,304	301,777	322,478	59,694	40,539	42,007
2 Outlays <sup>1,2</sup> .....	576,675	657,204	728,424	333,115	358,558	348,678	61,403	66,708	66,166
3 Surplus, or deficit (-) .....	59,563	57,932	110,658	-15,811	56,780	-26,200	-1,708	26,169	-24,159
4 Trust funds .....	8,801	6,817	5,456	5,797	-8,085	-17,690	10,246	-6,269	-5,750
5 Federal funds <sup>3</sup> .....	68,364	64,749	116,115	-21,608	-48,697	43,889	-11,954	-19,889	18,409
<i>Off-budget entities (surplus, or deficit (-))</i>									
6 Federal Financing Bank outlays .....	14,549	-20,769	-14,142	-11,046	8,728	7,942	-1,371	-521	559
7 Other <sup>4</sup> .....	303	-236	3,190	900	-1,752	227	1,495	226	127
<i>U.S. budget plus off-budget, including Federal Financing Bank</i>									
8 Surplus, or deficit (-) .....	73,808	78,936	-127,989	-27,757	-67,260	-33,914	-4,575	-26,462	-24,845
<i>Source or financing</i>									
9 Borrowing from the public .....	70,515	79,329	134,912	33,213	54,081	41,728	22,129	6,228	25,923
10 Cash and monetary assets (decrease, or increase (-)) <sup>5</sup> .....	-355	-1,878	-11,936	2,873	1,111	-408	-20,648	13,964	7,231
11 Other <sup>6</sup> .....	3,648	1,485	5,013	-8,328	14,290	-7,405	3,094	6,270	-8,309
<i>MIMOs:</i>									
12 Treasury operating balance (level, end of period) .....	20,990	18,670	29,164	16,389	12,046	10,999	29,164	14,078	5,210
13 Federal Reserve Banks .....	4,102	3,520	10,975	2,923	4,301	4,099	10,975	2,309	2,247
14 Tax and loan accounts .....	16,888	15,150	18,189	13,466	7,745	6,900	18,189	11,769	2,963

1. The *Budget of the U.S. Government, Fiscal Year 1983*, has reclassified supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other social insurance receipts, as offsetting receipts in the health function.

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

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

4. Other off-budget includes Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank; it also includes petroleum acquisition and transportation and strategic petroleum reserve effective November 1981.

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

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

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1983*.

## NOTES TO TABLE 1.37

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

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

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

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

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

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

7. Excludes checking, club, and school accounts.

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

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

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

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

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

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

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

## 1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1980	Fiscal year 1981	Fiscal year 1982	Calendar year					
				1981		1982	1982		
				H1	H2	H1	Sept.	Oct.	Nov.
<b>RECEIPTS</b>									
<b>1 All sources<sup>1</sup></b> .....	<b>517,112</b>	<b>599,272</b>	<b>617,766</b>	<b>317,304</b>	<b>301,777</b>	<b>322,478</b>	<b>59,694</b>	<b>40,539</b>	<b>42,007</b>
2 Individual income taxes, net .....	244,069	285,917	298,111	142,889	147,035	150,565	32,592	20,832	22,452
3 Withheld .....	223,763	256,332	267,474	126,101	134,199	133,575	21,814	19,541	22,079
4 Presidential Election Campaign Fund .....	39	41	39	36	5	34	0	0	0
5 Nonwithheld .....	63,746	76,844	85,096	59,907	17,391	66,174	11,429	1,791	1,153
6 Refunds .....	43,479	47,299	54,498	43,155	4,559	49,217	651	500	779
Corporation income taxes									
7 Gross receipts .....	72,380	73,733	65,991	44,048	31,056	37,836	8,118	2,371	1,630
8 Refunds .....	7,780	12,596	16,784	6,565	738	8,028	1,972	2,832	2,310
Social insurance taxes and contributions, net									
9 Payroll employment taxes and contributions <sup>2</sup> .....	157,803	182,720	201,131	101,316	91,592	108,079	15,608	15,157	14,902
10 Self-employment taxes and contributions <sup>3</sup> .....	133,042	156,953	172,744	83,851	82,984	88,795	14,283	14,036	12,924
11 Unemployment insurance .....	5,723	6,041	7,941	6,240	244	7,357	790	36	0
12 Other net receipts <sup>4</sup> .....	15,336	16,129	16,234	9,205	6,355	9,809	167	762	1,629
13 Excise taxes .....	3,702	3,598	4,212	2,020	2,009	2,119	368	324	349
14 Customs deposits .....	24,329	40,839	36,311	21,945	22,097	17,525	2,732	2,623	2,925
15 Estate and gift taxes .....	7,174	8,083	8,854	3,926	4,661	4,310	688	675	692
16 Miscellaneous receipts <sup>5</sup> .....	6,389	6,787	7,991	3,259	3,742	4,208	595	500	472
17 .....	12,748	13,790	16,161	6,487	8,441	7,984	1,333	1,212	1,243
<b>OUTLAYS</b>									
<b>18 All types<sup>6</sup></b> .....	<b>576,675</b>	<b>657,204</b>	<b>728,424</b>	<b>333,115</b>	<b>358,558</b>	<b>346,286</b>	<b>61,403</b>	<b>66,708</b>	<b>66,166</b>
19 National defense .....	135,856	159,765	187,397	80,005	87,421	93,154	16,983	16,283	16,937
20 International affairs .....	10,733	11,130	9,983	5,999	4,655	5,183	1,435	1,027	45
21 General science, space, and technology .....	5,722	6,359	7,096	3,314	3,388	3,370	519	603	771
22 Energy .....	6,313	10,277	4,844	5,677	4,394	2,814	71	694	504
23 Natural resources and environment .....	13,812	13,525	13,086	6,467	7,296	5,636	1,311	1,137	1,100
24 Agriculture .....	4,762	5,572	14,808	3,101	5,181	7,087	1,044	2,029	3,322
25 Commerce and housing credit .....	7,788	3,946	3,843	2,073	1,825	1,410	402	1,119	-52
26 Transportation .....	21,120	23,381	20,589	11,991	10,753	9,915	2,054	1,745	1,876
27 Community and regional development .....	10,068	9,394	7,410	4,621	4,269	3,193	708	946	718
28 Education, training, employment, social services .....	30,767	31,402	25,411	15,928	13,878	12,595	1,696	2,167	2,058
29 Health <sup>1</sup> .....	55,220	65,982	74,018	33,113	35,322	37,213	6,499	6,403	6,644
30 Income security <sup>6</sup> .....	193,100	225,099	248,807	113,490	129,269	112,782	21,612	22,186	22,987
31 Veterans benefits and services .....	21,183	22,988	23,973	10,531	12,880	10,865	1,928	1,945	2,069
32 Administration of justice .....	4,570	4,698	4,648	2,344	2,290	2,334	401	368	419
33 General government .....	4,505	4,614	4,833	2,692	2,311	2,410	365	146	524
34 General-purpose fiscal assistance .....	8,584	6,856	6,161	3,015	3,043	3,325	32	1,558	302
35 Interest .....	64,504	82,537	100,777	41,178	47,667	50,070	6,931	7,672	8,690
36 Undistributed offsetting receipts <sup>7</sup> .....	-21,933	-30,320	-29,261	-12,432	-17,281	-14,680	-1,785	-1,319	-2,750

1. The *Budget of the U.S. Government, Fiscal Year 1983* has reclassified supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other social insurance receipts, as offsetting receipts in the health function.

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

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

4. Federal employee retirement contributions and civil service retirement and disability fund.

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

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

7. Consists of interest received by trust funds, rents and royalties on the outer continental shelf, and U.S. government contributions for employee retirement.

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the *Budget of the U.S. Government, Fiscal Year 1983*.

## 1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1980		1981				1982		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 Federal debt outstanding .....	914.3	936.7	970.9	977.4	1,003.9	1,034.7	1,066.4	1,084.7	1,147.0
2 Public debt securities .....	907.7	930.2	964.5	971.2	997.9	1,028.7	1,061.3	1,079.6	1,142.0
3 Held by public .....	710.0	737.7	773.7	771.3	789.8	825.5	858.9	867.9	925.6
4 Held by agencies .....	197.7	192.5	190.9	199.9	208.1	203.2	202.4	211.7	216.4
5 Agency securities .....	6.6	6.5	6.4	6.2	6.1	6.0	5.1	5.0	5.0
6 Held by public .....	5.1	5.0	4.9	4.7	4.6	4.6	3.9	3.9	3.7
7 Held by agencies .....	1.5	1.5	1.5	1.5	1.5	1.4	1.2	1.1	1.3
8 Debt subject to statutory limit .....	908.7	931.2	965.5	972.2	998.8	1,029.7	1,062.2	1,080.5	1,142.9
9 Public debt securities .....	907.1	929.6	963.9	970.6	997.2	1,028.1	1,060.7	1,079.0	1,141.4
10 Other debt <sup>1</sup> .....	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.5
11 Memo: Statutory debt limit .....	925.0	935.1	985.0	985.0	999.8	1,079.8	1,079.8	1,143.1	1,143.1

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	1978	1979	1980	1981	1982				
					Aug.	Sept.	Oct.	Nov.	Dec.
1 Total gross public debt .....	789.2	845.1	930.2	1,028.7	1,109.2	1,142.0	1,142.8	1,161.7	1,197.1
By type									
2 Interest-bearing debt .....	782.4	844.0	928.9	1,027.3	1,108.1	1,140.9	1,136.8	1,160.5	1,195.5
3 Marketable .....	487.5	530.7	623.2	720.3	801.4	824.4	824.7	852.5	881.5
4 Bills .....	161.7	172.6	216.1	245.0	273.1	277.9	283.9	293.5	311.8
5 Notes .....	265.8	283.4	321.6	375.3	457.4	442.9	438.1	454.2	465.0
6 Bonds .....	60.0	74.7	85.4	99.9	100.9	103.6	102.7	104.7	104.6
7 Nonmarketable <sup>1</sup> .....	294.8	313.2	305.7	307.0	306.7	316.5	312.2	308.0	314.0
8 Convertible bonds <sup>2</sup> .....	2.2	2.2							
9 State and local government series .....	24.3	24.6	23.8	23.0	23.5	23.6	23.8	25.0	25.7
10 Foreign issues <sup>3</sup> .....	29.6	28.8	24.0	19.0	15.6	14.6	14.6	14.9	14.7
11 Government .....	28.0	23.6	17.6	14.9	12.5	12.2	12.2	12.5	13.0
12 Public .....	1.6	5.3	6.4	4.1	3.1	2.4	2.4	2.4	1.7
13 Savings bonds and notes .....	80.9	79.9	72.5	68.1	67.4	67.5	67.8	68.1	68.0
14 Government account series <sup>4</sup> .....	157.5	177.5	185.1	196.7	119.9	210.5	205.7	199.9	205.4
15 Non-interest-bearing debt .....	6.8	1.2	1.3	1.4	1.1	1.2	6.0	1.2	1.6
By holder <sup>5</sup>									
16 U.S. government agencies and trust funds .....	170.0	187.1	192.5	203.3	205.8	216.4			
17 Federal Reserve Banks .....	109.6	117.5	121.3	131.0	132.9	134.4			
18 Private investors .....	508.6	540.5	616.4	694.5					
19 Commercial banks .....	93.2	96.4	116.0	109.4					
20 Mutual savings banks .....	5.0	4.7	5.4	5.2					
21 Insurance companies .....	15.7	16.7	20.1	19.1					
22 Other companies .....	19.6	22.9	25.7	37.8	n.a.	n.a.	n.a.	n.a.	n.a.
23 State and local governments .....	64.4	69.9	78.8	85.6					
Individuals									
24 Savings bonds .....	80.7	79.9	72.5	68.0					
25 Other securities .....	30.3	36.2	56.7	75.6					
26 Foreign and international <sup>6</sup> .....	137.8	124.4	127.7	141.4					
27 Other miscellaneous investors <sup>7</sup> .....	58.9	90.1	106.9	152.3					

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

2. These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1/2 percent, 5-year marketable Treasury notes. Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category (line 5).

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

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

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

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

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

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

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

▲Series discontinued.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1979	1980	1981	1982			1982, week ending Wednesday					
				Sept.	Oct.	Nov.	Nov. 24 <sup>1</sup>	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
1 Immediate delivery <sup>1</sup>												
U.S. government securities	13,183	18,331	24,728	38,001	35,137	35,933	37,070	32,868	33,700	30,401	34,781	27,167
By maturity												
2 Bills	7,915	11,413	14,768	21,037	18,466	19,275	20,264	20,852	21,136	18,374	17,868	15,937
3 Other within 1 year	454	421	621	1,180	816	748	701	592	594	678	612	659
4 1-5 years	2,417	3,330	4,360	7,278	7,629	6,875	7,713	4,092	4,903	5,192	7,507	4,102
5 5-10 years	1,121	1,464	2,451	4,863	4,250	4,162	4,701	4,157	4,202	3,331	5,024	2,862
6 Over 10 years	1,276	1,704	2,528	3,643	3,976	4,873	3,690	3,176	2,865	2,825	3,771	3,607
By type of customer												
7 U.S. government securities dealers	1,448	1,484	1,640	1,849	1,614	2,151	2,235	2,338	2,162	2,093	2,102	1,893
8 U.S. government securities brokers	5,170	7,610	11,750	17,937	17,298	16,819	17,706	15,022	16,864	13,862	15,626	11,316
9 All others <sup>2</sup>	6,564	9,237	11,337	18,215	16,225	16,962	17,128	15,508	14,674	14,446	17,053	13,958
10 Federal agency securities	2,723	3,258	3,306	4,644	5,827	4,951	5,020	4,038	4,639	5,179	4,257	3,984
11 Certificates of deposit	1,764	2,472	4,477	4,542	5,273	4,848	5,878	4,651	5,404	4,317	4,935	3,406
12 Bankers acceptances			1,807	2,376	3,065	2,895	3,278	2,577	3,012	2,631	2,597	2,022
13 Commercial paper			6,128	7,669	7,342	7,392	7,692	6,562	6,502	7,125	7,382	6,309
Futures transactions <sup>3</sup>												
14 Treasury bills			3,523	5,600	4,499	387	4,946	4,649	5,301	4,571	4,645	2,969
15 Treasury coupons	n.a.	n.a.	1,330	1,678	1,922	794	1,912	2,025	1,663	1,533	2,208	1,017
16 Federal agency securities			234	262	332	195	152	231	223	341	273	243
Forward transactions <sup>4</sup>												
17 U.S. government securities			365	1,752	760	6,747	1,604	572	486	845	2,345	992
18 Federal agency securities			1,370	985	1,132	969	557	408	890	1,513	965	1,033

- Before 1981, data for immediate transactions include forward transactions.
- 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.
- 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.
- Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days

from the date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.

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

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

1.44 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

Item	1979	1980	1981	1982			1982, week ending Wednesday					
				Sept.	Oct.	Nov.	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1	
Positions												
1 Net immediate <sup>1</sup>												
U.S. government securities	3,223	4,306	9,033	2,107	3,641	8,417	4,342 <sup>2</sup>	6,843	8,078	9,414	12,190	
2 Bills	3,813	4,103	6,485	275	1,024	3,654	2,036 <sup>2</sup>	2,526	3,842	3,771	6,618	
3 Other within 1 year	-325	1,062	-1,526	534	109	593	341	414	772	692	610	
4 1-5 years	-455	434	1,488	1,423	2,612	2,850	2,484	3,412	2,138	3,224	2,559	
5 5-10 years	160	166	292	325	691	274	-969 <sup>2</sup>	604	581	-325	848	
6 Over 10 years	30	665	2,294	1,268	587	1,594	450 <sup>2</sup>	1,096	1,907	2,052	1,555	
7 Federal agency securities	1,471	797	2,277	4,416	5,241	5,680	5,626 <sup>2</sup>	5,547	5,497	5,690	6,095	
8 Certificates of deposit	2,794	3,115	3,435	6,467	6,109	5,316	5,276 <sup>2</sup>	4,999	4,942	5,222	6,509	
9 Bankers acceptances			1,746	2,778	3,283	3,240	3,488	3,080	2,974	3,226	3,673	
10 Commercial paper			2,658	3,555	3,965	3,265	3,752	3,630	3,192	2,987	2,880	
Futures positions												
11 Treasury bills			-8,934	5,250	5,347	1,761	5,694	2,196	2,388	557	738	
12 Treasury coupons	n.a.	n.a.	-2,733	-1,282	-1,141	-2,700	-1,803	2,750	-2,876	-2,889	-2,505	
13 Federal agency securities			522	569	-569	344	260	-355	451	358	-212	
Forward positions												
14 U.S. government securities			-603	2,117	-565	828	732	-661	-918	793	-1,242	
15 Federal agency securities			-451	-1,689	1,835	-2,028	-2,000 <sup>2</sup>	-2,008	2,106	-1,960	-2,092	
Financing <sup>2</sup>												
Reverse repurchase agreements <sup>3</sup>												
16 Overnight and continuing			14,568	30,477	29,581	22,186	30,105	26,066	30,714	25,399	30,548	
17 Term agreements			32,048	49,870	50,483	55,024	53,539	56,176	53,415	60,348	50,088	
Repurchase agreements <sup>4</sup>												
18 Overnight and continuing	n.a.	n.a.	35,919	45,342	51,250	43,112	53,251	34,519	51,668	31,195	51,988	
19 Term agreements			29,449	50,617	43,963	54,999	42,551	63,051	46,636	66,947	47,648	

For notes see opposite page.

## 1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1978	1979	1980	1982						
				Mar.	Apr.	May	June	July	Aug.	Sept
<b>1 Federal and federally sponsored agencies<sup>1</sup></b>	<b>137,063</b>	<b>163,290</b>	<b>193,229</b>	<b>228,749</b>	<b>232,274</b>	<b>234,593</b>	<b>238,787</b>	<b>242,565</b>	<b>n.a.</b>	<b>n.a.</b>
2 Federal agencies	23,488	24,715	28,606	31,408	31,613	31,551	32,274	32,302	32,280	32,606
3 Defense Department <sup>2</sup>	968	738	610	454	447	434	419	408	399	388
4 Export-Import Bank <sup>3,4</sup>	8,711	9,191	11,250	13,421	13,475	13,416	13,939	13,938	13,918	14,042
5 Federal Housing Administration <sup>5</sup>	588	537	477	382	376	363	358	353	345	335
6 Government National Mortgage Association participation certificates <sup>6</sup>	3,141	2,979	2,817	2,165	2,165	2,165	2,165	2,165	2,165	2,165
7 Postal Service <sup>7</sup>	2,364	1,837	1,770	1,538	1,538	1,471	1,471	1,471	1,471	1,471
8 Tennessee Valley Authority	7,460	8,997	11,190	13,250	13,410	13,500	13,715	13,760	13,775	14,010
9 United States Railway Association <sup>7</sup>	356	436	492	198	202	202	207	207	207	195
10 Federally sponsored agencies <sup>1</sup>	113,575	138,575	164,623	197,341	200,661	203,042	206,513	210,263	n.a.	n.a.
11 Federal Home Loan Banks	27,563	33,330	41,258	58,839	59,937	60,772	61,883	62,058	n.a.	n.a.
12 Federal Home Loan Mortgage Corporation	2,262	2,771	2,536	2,500	2,500	2,500	3,099	3,099	n.a.	n.a.
13 Federal National Mortgage Association	41,080	48,486	55,185	59,270	60,478	61,996	62,660	65,563	65,733	68,130
14 Federal Land Banks	20,360	16,006	12,365	8,717	8,217	8,217	8,217	7,652	7,652	7,652
15 Federal Intermediate Credit Banks	11,469	2,676	1,821	1,388	926	926	926	926	926	926
16 Banks for Cooperatives	4,843	584	584	220	220	220	220	220	220	220
17 Farm Credit Banks <sup>1</sup>	5,081	33,216	48,153	61,405	63,381	63,409	64,506	65,743	65,657	65,553
18 Student Loan Marketing Association <sup>8</sup>	915	1,505	2,720	5,000	5,000	5,000	5,000	5,000	5,000	5,000
19 Other	2	1	1	2	2	2	2	2	2	2
<b>MIMO:</b>										
<b>20 Federal Financing Bank debt<sup>1,9</sup></b>	<b>51,298</b>	<b>67,383</b>	<b>87,460</b>	<b>113,567</b>	<b>114,961</b>	<b>117,475</b>	<b>120,241</b>	<b>121,261</b>	<b>122,623</b>	<b>124,357</b>
<i>Lending to federal and federally sponsored agencies</i>										
21 Export-Import Bank <sup>4</sup>	6,898	8,353	10,654	13,305	13,305	13,305	13,829	13,829	13,821	13,954
22 Postal Service <sup>7</sup>	2,114	1,587	1,520	1,288	1,288	1,221	1,221	1,221	1,221	1,221
23 Student Loan Marketing Association <sup>8</sup>	915	1,505	2,720	5,000	5,000	5,000	5,000	5,000	5,000	5,000
24 Tennessee Valley Authority	5,635	7,272	9,465	11,525	11,685	11,775	11,990	12,035	12,050	12,285
25 United States Railway Association <sup>7</sup>	356	436	492	198	202	202	207	207	207	195
<i>Other Lending<sup>10</sup></i>										
26 Farmers Home Administration	23,825	32,050	39,431	48,681	49,356	51,056	52,346	52,711	53,311	53,736
27 Rural Electrification Administration	4,604	6,484	9,196	14,452	14,716	15,046	15,454	15,688	15,916	16,282
28 Other	6,951	9,696	13,982	19,118	19,409	19,870	20,194	20,570	21,095	21,684

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

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

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

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

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

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

and Urban Development, Small Business Administration, and the Veterans Administration.

7. Off-budget.

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

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

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

## NOTES TO TABLE 1.44

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

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

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

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

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

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1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1979	1980	1981	1982						
				Apr. <sup>1</sup>	May <sup>1</sup>	June <sup>1</sup>	July <sup>1</sup>	Aug. <sup>1</sup>	Sept.	Oct.
<b>1 All issues, new and refunding<sup>1</sup></b> .....	<b>43,365</b>	<b>48,367</b>	<b>47,732</b>	<b>6,724</b>	<b>5,708</b>	<b>5,793</b>	<b>5,624</b>	<b>6,521</b>	<b>6,478</b>	<b>8,280</b>
<i>Type of issue</i>										
2 General obligation.....	12,109	14,100	12,394	2,224	1,511	1,814	974	1,679	1,708	2,325
3 U.S. government loans <sup>2</sup> .....	53	38	34	10	10	16	22	25	30	30
4 Revenue.....	31,256	34,267	35,338	4,500	4,197	3,979	4,650	4,842	4,770	5,955
5 U.S. government loans <sup>2</sup> .....	67	57	55	32	38	45	49	52	54	57
<i>Type of issuer</i>										
6 State.....	4,314	5,304	5,288	1,061	601	1,074	257	835	1,077	1,010
7 Special district and statutory authority.....	23,434	26,972	27,499	3,884	3,048	2,867	3,735	3,667	3,424	5,045
8 Municipalities, counties, townships, school districts.....	15,617	16,090	14,945	1,779	2,059	1,852	1,632	2,019	1,977	2,225
<b>9 Issues for new capital, total</b> .....	<b>41,505</b>	<b>46,736</b>	<b>46,530</b>	<b>6,697</b>	<b>5,577</b>	<b>5,703</b>	<b>5,438</b>	<b>6,093</b>	<b>6,275</b>	<b>7,116</b>
<i>Use of proceeds</i>										
10 Education.....	5,130	4,572	4,547	460	484	727	293	516	836	531
11 Transportation.....	2,441	2,621	3,447	284	293	245	117	769	545	632
12 Utilities and conservation.....	8,594	8,149	10,037	1,369	1,364	830	1,272	685	283	1,296
13 Social welfare.....	15,968	19,958	12,729	2,342	2,101	2,307	2,745	2,512	2,511	2,642
14 Industrial aid.....	3,836	3,974	7,651	677	357	416	564	728	1,058	552
15 Other purposes.....	5,536	7,462	8,119	1,565	978	1,178	447	883	1,042	1,463

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.

1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1979	1980	1981	1982						
				Apr.	May	June	July	Aug.	Sept.	Oct.
<b>1 All issues<sup>1</sup></b> .....	<b>51,533</b>	<b>73,694</b>	<b>69,992</b>	<b>4,819</b>	<b>7,106</b>	<b>4,546</b>	<b>6,162</b>	<b>8,757</b>	<b>7,748</b>	<b>9,235</b>
<b>2 Bonds</b> .....	<b>40,208</b>	<b>53,206</b>	<b>44,643</b>	<b>2,575</b>	<b>4,420</b>	<b>2,836</b>	<b>3,919</b>	<b>6,509</b>	<b>5,486</b>	<b>6,706</b>
<i>Type of offering</i>										
3 Public.....	25,814	41,587	37,653	2,100	3,973	2,398	2,868	5,546	5,308	6,425
4 Private placement.....	14,394	11,619	6,989	475	447	438	1,051	963	178	281
<i>Industry group</i>										
5 Manufacturing.....	9,678	15,409	12,325	497	608	211	1,638	1,602	1,615	1,871
6 Commercial and miscellaneous.....	3,948	6,693	5,229	139	490	329	493	1,202	465	387
7 Transportation.....	3,119	3,329	2,054	26	74	79	43	402	64	272
8 Public utility.....	8,153	9,557	8,963	888	1,186	699	717	902	900	1,539
9 Communication.....	4,219	6,683	4,280	16	315	174	84	205	301	163
10 Real estate and financial.....	11,094	11,534	11,793	1,010	1,748	1,344	944	2,196	2,141	2,474
<b>11 Stocks</b> .....	<b>11,325</b>	<b>20,489</b>	<b>25,349</b>	<b>2,244</b>	<b>2,686</b>	<b>1,710</b>	<b>2,243</b>	<b>2,248</b>	<b>2,262</b>	<b>2,529</b>
<i>Type</i>										
12 Preferred.....	3,574	3,631	1,797	172	888	67	645	622	447	611
13 Common.....	7,751	16,858	23,522	2,072	1,798	1,643	1,598	1,627	1,815	1,918
<i>Industry group</i>										
14 Manufacturing.....	1,679	4,839	5,073	259	458	444	203	727	254	479
15 Commercial and miscellaneous.....	2,623	5,245	7,557	770	578	397	615	374	733	612
16 Transportation.....	255	549	779	15	35	52	17	62	84	80
17 Public utility.....	5,171	6,230	5,577	766	477	277	267	697	928	620
18 Communication.....	303	567	1,778	3	44	8	96	31	4	33
19 Real estate and financial.....	1,293	3,059	4,585	431	1,094	532	1,045	357	259	705

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. Beginning in August 1981, gross stock offerings include new equity volume from swaps of debt for equity. This revision first appeared in the November 1982 issue of the BULLETIN.

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



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

Millions of dollars

Item	1980	1981	1982							
			Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
INVESTMENT COMPANIES <sup>1</sup>										
1 Sales of own shares <sup>2</sup> . . . . .	15,266	20,596	2,754	2,345	3,061	3,304	4,322	4,709	5,668	5,756
2 Redemptions of own shares <sup>3</sup> . . . . .	12,012	15,866	2,293	1,854	2,038	2,145	2,335	3,052	3,046	3,510
3 Net sales . . . . .	3,254	4,730	461	491	1,023	1,159	1,987	1,657	2,622	2,246
4 Assets <sup>4</sup> . . . . .	58,400	55,207	56,026	54,889	54,238	54,592	62,212	63,783	70,964	74,726
5 Cash position <sup>5</sup> . . . . .	5,321	5,277	6,083	5,992	6,298	5,992	6,039	5,556	5,948	5,839
6 Other . . . . .	53,079	49,930	49,943	48,896	47,940	48,600	56,173	58,227	65,016	68,887

1. Excluding money market funds.

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

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

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

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

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

## 1.49 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1979	1980	1981	1981				1982		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Corporate profits with inventory valuation and capital consumption adjustment . . . . .	194.8	181.6	190.6	200.3	185.1	193.1	183.9	157.1	155.4	166.2
2 Profits before tax . . . . .	252.7	242.4	232.1	253.1	225.4	233.3	216.5	171.6	171.7	180.3
3 Profits tax liability . . . . .	87.6	84.6	81.2	91.5	79.2	82.4	71.6	56.7	55.3	60.9
4 Profits after tax . . . . .	165.1	157.8	150.9	161.6	146.2	150.9	144.9	114.9	116.3	119.4
5 Dividends . . . . .	52.7	58.1	65.1	61.5	64.0	66.8	68.1	68.8	69.3	70.5
6 Undistributed profits . . . . .	112.4	99.7	85.8	100.1	82.2	84.1	76.8	46.1	47.0	48.8
7 Inventory valuation . . . . .	43.1	- 43.0	24.6	35.5	22.8	23.0	17.1	4.4	9.4	- 10.3
8 Capital consumption adjustment . . . . .	- 14.8	17.8	- 16.8	17.3	17.5	17.1	15.5	- 10.1	6.9	3.8

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

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1.50 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1976	1977	1978	1979	1980	1981			1982	
						Q2	Q3	Q4	Q1	Q2
<b>1 Current assets</b> .....	<b>827.4</b>	<b>912.7</b>	<b>1,043.7</b>	<b>1,218.2</b>	<b>1,333.5</b>	<b>1,388.3</b>	<b>1,410.9</b>	<b>1,427.1</b>	<b>1,423.6</b>	<b>1,419.4</b>
2 Cash.....	88.2	97.2	105.5	118.0	127.1	126.2	125.1	131.7	121.3	123.4
3 U.S. government securities.....	23.5	18.2	17.3	17.0	19.3	19.9	18.0	17.9	17.1	17.4
4 Notes and accounts receivable.....	292.9	330.3	388.0	461.1	510.6	533.1	542.4	536.7	537.8	534.4
5 Inventories.....	342.5	376.9	431.6	505.5	543.7	565.3	577.0	587.1	593.8	589.2
6 Other.....	80.3	90.1	101.3	116.7	132.7	143.8	148.3	153.6	153.6	155.0
<b>7 Current liabilities</b> .....	<b>495.1</b>	<b>557.1</b>	<b>669.3</b>	<b>807.8</b>	<b>890.9</b>	<b>931.5</b>	<b>967.2</b>	<b>980.0</b>	<b>985.7</b>	<b>982.6</b>
8 Notes and accounts payable.....	282.1	317.6	382.9	461.2	515.2	525.9	549.5	562.9	555.0	554.9
9 Other.....	213.0	239.6	286.4	346.6	375.7	405.5	417.7	417.1	430.8	427.8
<b>10 Net working capital</b> .....	<b>332.4</b>	<b>355.5</b>	<b>374.4</b>	<b>410.5</b>	<b>442.6</b>	<b>456.8</b>	<b>443.7</b>	<b>447.1</b>	<b>437.9</b>	<b>436.8</b>
11 MEMO: Current ratio <sup>1</sup> .....	1.671	1.638	1.559	1.508	1.497	1.490	1.459	1.456	1.444	1.445

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

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

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

SOURCE: Federal Trade Commission.

1.51 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

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

Industry <sup>1</sup>	1980	1981	1982 <sup>1</sup>	1981			1982			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4 <sup>1</sup>
<b>1 Total nonfarm business</b> .....	<b>295.63</b>	<b>321.49</b>	<b>319.99</b>	<b>316.73</b>	<b>328.25</b>	<b>327.83</b>	<b>327.72</b>	<b>323.22</b>	<b>315.79</b>	<b>315.21</b>
<i>Manufacturing</i>										
2 Durable goods industries.....	58.91	61.84	57.95	63.10	62.58	60.78	60.84	59.03	57.14	55.80
3 Nondurable goods industries.....	56.90	64.95	64.72	62.40	67.53	66.14	67.48	64.74	62.32	64.70
<i>Nonmanufacturing</i>										
4 Mining.....	13.51	16.86	16.05	16.80	17.55	16.81	17.60	16.56	14.63	15.56
<i>Transportation</i>										
5 Railroad.....	4.25	4.24	4.12	4.38	4.18	4.18	4.56	4.73	3.94	3.33
6 Air.....	4.01	3.81	3.97	3.29	3.34	4.82	3.20	3.54	4.11	5.02
7 Other.....	3.82	4.00	3.71	4.04	4.09	4.12	4.23	4.06	3.24	3.48
<i>Public utilities</i>										
8 Electric.....	28.12	29.74	33.06	29.32	30.54	31.14	30.95	32.26	34.98	33.89
9 Gas and other.....	7.32	8.65	8.56	8.53	9.01	8.60	9.17	9.14	8.40	7.78
10 Trade and services.....	81.79	86.33	86.42	85.88	87.55	88.33	87.80	88.85	87.31	82.01
11 Communication and other <sup>2</sup> .....	36.99	41.06	41.43	39.02	41.89	42.92	41.89	40.33	39.73	43.65

1. Anticipated by business.

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

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

## 1.52 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1977	1978	1979	1980	1981			1982		
					Q2	Q3	Q4	Q1	Q2	Q3
<b>ASSETS</b>										
Accounts receivable, gross										
1 Consumer .....	44.0	52.6	65.7	73.6	79.0	84.5	85.5	85.1	88.0	88.3
2 Business .....	55.2	63.3	70.3	72.3	78.2	76.9	80.6	80.9	82.6	82.2
3 Total .....	99.2	116.0	136.0	145.9	157.2	161.3	166.1	166.0	170.6	170.5
4 Less: Reserves for unearned income and losses .....	12.7	15.6	20.0	23.3	25.7	27.7	28.9	29.1	30.2	30.4
5 Accounts receivable, net .....	86.5	100.4	116.0	122.6	131.4	133.6	137.2	136.9	140.4	140.1
6 Cash and bank deposits .....	2.6	3.5	24.9 <sup>1</sup>	27.5	31.6	34.5	34.2	35.0	37.3	39.1
7 Securities .....	.9	1.3								
8 All other .....	14.3	17.3								
9 Total assets .....	104.3	122.4	140.9	150.1	163.0	168.1	171.4	171.9	177.8	179.2
<b>LIABILITIES</b>										
10 Bank loans .....	5.9	6.5	8.5	13.2	14.4	14.7	15.4	15.4	14.5	16.8
11 Commercial paper .....	29.6	34.5	43.3	43.4	49.0	51.2	51.2	46.2	50.3	46.7
Debt										
12 Short-term, n.e.c. ....	6.2	8.1	8.2	7.5	8.5	11.9	9.6	9.0	9.3	9.9
13 Long-term, n.e.c. ....	36.0	43.6	46.7	52.4	52.6	50.7	54.8	59.0	60.3	60.9
14 Other .....	11.5	12.6	14.2	14.3	17.0	17.1	17.8	19.0	18.9	20.5
15 Capital, surplus, and undivided profits .....	15.1	17.2	19.9	19.4	21.5	22.4	22.8	23.3	24.5	24.5
16 Total liabilities and capital .....	104.3	122.4	140.9	150.1	163.0	168.1	171.4	171.9	177.8	179.2

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

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

## 1.53 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Oct. 31, 1982 <sup>1</sup>	Changes in accounts receivable			Extensions			Repayments		
		1982			1982			1982		
		Aug.	Sept.	Oct.	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.
1 Total .....	82,046	849	208	-1,215	21,549	19,991	18,041	20,700	19,783	19,256
2 Retail automotive (commercial vehicles) .....	12,018	24	-59	-82	938	869	842	914	928	924
3 Wholesale automotive .....	13,471	1,101	52	596	6,397	6,040	4,500	5,296	5,988	5,096
4 Retail paper on business, industrial, and farm equipment .....	28,270	-114	362	-608	1,448	1,148	971	1,562	786	1,579
5 Loans on commercial accounts receivable and factored commercial accounts receivable .....	9,236	-9	-78	54	11,163	10,279	10,102	11,172	10,357	10,048
6 All other business credit .....	19,051	-153	-69	17	1,603	1,655	1,626	1,756	1,724	1,609

1. Not seasonally adjusted.

1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1979	1980	1981	1982						
				May	June	July	Aug.	Sept.	Oct.	Nov.
Terms and yields in primary and secondary markets										
<b>PRIMARY MARKETS</b>										
<b>Conventional mortgages on new homes</b>										
<i>Terms<sup>1</sup></i>										
1 Purchase price (thousands of dollars) . . . . .	74.4	83.4	90.4	86.4	89.4	98.4	91.4	95.0	99.1 <sup>r</sup>	97.2
2 Amount of loan (thousands of dollars) . . . . .	53.3	59.2	65.3	64.8	66.2	73.1	66.5	71.6	74.4 <sup>r</sup>	75.4
3 Loan/price ratio (percent) . . . . .	73.9	73.2	74.8	77.4	77.0	77.3	74.1	78.7	77.9 <sup>r</sup>	79.3
4 Maturity (years) . . . . .	28.5	28.2	27.7	25.9	27.4	28.4	26.4	28.1	28.4 <sup>r</sup>	27.9
5 Fees and charges (percent of loan amount) <sup>2</sup> . . . . .	1.66	2.09	2.67	3.16	3.00	3.15	2.87	3.04	2.74 <sup>r</sup>	2.78
6 Contract rate (percent per annum) . . . . .	10.48	12.25	14.16	15.11	14.74	15.01	15.05	14.34	13.86 <sup>r</sup>	13.28
<i>Yield (percent per annum)</i>										
7 FHLBB series <sup>3</sup> . . . . .	10.77	12.65	14.74	15.89	15.40	15.70	15.68	14.98	145.41 <sup>r</sup>	13.83
8 HUD series <sup>4</sup> . . . . .	11.15	13.95	16.52	16.50	16.75	16.50	15.40	15.05	13.95 <sup>r</sup>	13.80
<b>SECONDARY MARKETS</b>										
<i>Yield (percent per annum)</i>										
9 FHA mortgages (HUD series) <sup>5</sup> . . . . .	10.92	13.44	16.31	16.19	16.73	16.29	14.61	14.03	12.99 <sup>r</sup>	12.82
10 GNMA securities <sup>6</sup> . . . . .	10.22	12.55	15.29	15.30	15.84	15.56	14.51	13.57	12.83 <sup>r</sup>	12.66
11 FNMA auctions <sup>7</sup> . . . . .										
11 Government-underwritten loans . . . . .	11.17	14.11	16.70	16.27	16.22		15.78			
12 Conventional loans . . . . .	11.77	14.43	16.64	16.33	16.73	16.85	15.78	15.36	13.92 <sup>r</sup>	13.75
Activity in secondary markets										
<b>FEDERAL NATIONAL MORTGAGE ASSOCIATION</b>										
<i>Mortgage holdings (end of period)</i>										
13 Total . . . . .	48,050	55,104	58,675	63,951	65,008	66,158	67,810	68,841	69,152	70,126
14 FHA/VA-insured . . . . .	33,673	37,365	39,341	39,808	39,829	39,853	39,922	39,871	39,523	39,174
15 Conventional . . . . .	14,377	17,725	19,334	24,143	25,179	26,305	27,888	28,970	27,629	30,952
<i>Mortgage transactions (during period)</i>										
16 Purchases . . . . .	10,812	8,099	6,112	1,006	1,223	1,354	1,931	1,670	1,449	1,681
17 Sales . . . . .	0	0	2	0	0	0	0	0	0	0
<i>Mortgage commitments<sup>8</sup></i>										
18 Contracted (during period) . . . . .	10,179	8,083	9,331	1,550	1,583	2,016	1,820	1,482	1,425	2,795
19 Outstanding (end of period) . . . . .	6,409	3,278	3,717	7,016	7,206	7,674	6,900	6,587	6,268	7,286
<i>Auction of 4-month commitments to buy</i>										
Government-underwritten loans										
20 Offered . . . . .	8,860.4	8,605.4	2,487.2	35.7	33.1	8.9	43.3	16.4	2.5	30.6
21 Accepted . . . . .	3,920.9	4,002.0	1,478.0	7.4	7.4	0.0	5.7	0.0	0.0	0.0
Conventional loans										
23 Offered . . . . .	4,495.3	3,639.2	2,524.7	37.8	59.0	37.2	70.1	27.5	13.6	22.1
24 Accepted . . . . .	2,343.6	1,748.5	1,392.3	23.0	33.1	23.6	42.9	0.0	8.9	11.4
<b>FEDERAL HOME LOAN MORTGAGE CORPORATION</b>										
<i>Mortgage holdings (end of period)<sup>9</sup></i>										
24 Total . . . . .	3,543	4,362	5,245	5,279	5,295	5,309	5,201	5,207	4,931	n.a.
25 FHA/VA . . . . .	1,995	2,116	2,236	2,232	2,225	2,232	2,216	2,225	2,174	n.a.
26 Conventional . . . . .	1,549	2,246	3,010	3,047	3,069	3,017	2,985	2,982	2,756	n.a.
<i>Mortgage transactions (during period)</i>										
27 Purchases . . . . .	5,717	3,723	3,789	1,214	1,581	2,237	2,529	1,799	2,000	n.a.
28 Sales . . . . .	4,544	2,527	3,531	1,194	1,562	2,204	2,619	1,923	2,197	n.a.
<i>Mortgage commitments<sup>10</sup></i>										
29 Contracted (during period) . . . . .	5,542	3,859	6,974	2,692	3,166	2,189	2,768	2,892	2,506	n.a.
30 Outstanding (end of period) . . . . .	797	447	3,518	7,420	8,970	8,544	9,318	10,211	10,572	n.a.

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, rounded to the nearest 5 basis points; from Department of Housing and Urban Development.  
 5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.  
 6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assum-

ing prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.  
 7. Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30-year mortgages. No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month.  
 8. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.  
 9. Includes participation as well as whole loans.  
 10. Includes conventional and government-underwritten loans.

## 1.55 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1979	1980	1981	1981			1982		
				Q2	Q3	Q4	Q1	Q2	Q3
1 All holders.....	1,337,748	1,471,786	1,583,535	1,533,196	1,561,606	1,583,535	1,603,121	1,624,169	1,635,830
2 1- to 4-family.....	891,066	986,979	1,060,469	1,028,297	1,047,626	1,060,469	1,071,889	1,085,182	1,092,274
3 Multifamily.....	128,433	137,134	141,427	139,280	140,228	141,427	142,904	143,806	144,654
4 Commercial.....	235,572	255,655	279,912	268,095	273,746	279,912	284,411	289,690	292,180
5 Farm.....	82,677	92,018	101,727	97,524	100,006	101,727	103,917	105,491	106,722
6 Major financial institutions.....	938,567	997,168	1,040,630	1,023,133	1,033,825	1,040,630	1,041,487	1,042,652	1,028,840
7 Commercial banks <sup>1</sup> .....	245,187	263,030	284,536	273,225	279,017	284,536	289,365	294,022	298,342
8 1- to 4-family.....	149,460	160,326	170,013	164,873	167,550	170,013	171,506	172,596	175,126
9 Multifamily.....	11,180	12,924	15,132	13,800	14,481	15,132	15,338	15,431	15,666
10 Commercial.....	75,957	81,081	91,026	86,091	88,588	91,026	94,256	97,522	99,050
11 Farm.....	8,590	8,699	8,365	8,461	8,398	8,365	8,421	8,473	8,500
12 Mutual savings banks.....	98,908	99,865	99,997	99,997	99,997	99,997	99,464	96,346	94,246
13 1- to 4-family.....	66,140	67,489	68,187	68,035	68,116	68,187	66,305	65,381	63,755
14 Multifamily.....	16,557	16,058	15,960	15,909	15,960	15,960	15,536	15,338	15,004
15 Commercial.....	16,162	16,278	15,810	15,999	15,909	15,810	15,594	15,598	15,458
16 Farm.....	49	40	40	50	30	40	29	29	29
17 Savings and loan associations.....	475,688	503,192	518,350	515,256	518,778	518,350	515,896	512,745	495,408
18 1- to 4-family.....	394,345	419,763	432,978	430,702	433,750	432,978	430,928	428,194	413,096
19 Multifamily.....	37,579	38,142	37,684	38,077	37,975	37,684	37,506	36,866	35,422
20 Commercial.....	43,764	45,287	47,688	46,477	47,053	47,688	47,462	47,685	46,890
21 Life insurance companies.....	118,784	131,081	137,747	134,659	136,036	137,747	138,762	139,539	140,844
22 1- to 4-family.....	16,193	17,943	17,201	17,549	17,376	17,201	17,086	16,451	16,579
23 Multifamily.....	19,274	19,514	19,283	19,495	19,441	19,283	19,199	18,982	19,130
24 Commercial.....	71,137	80,666	88,163	84,571	86,070	88,163	89,529	91,113	92,125
25 Farm.....	12,180	12,958	13,100	13,044	13,149	13,100	12,948	12,993	13,010
26 Federal and related agencies.....	97,084	114,300	126,112	119,124	121,772	126,112	128,721	132,188	136,836
27 Government National Mortgage Association.....	3,852	4,642	4,765	4,972	4,382	4,765	4,438	4,669	4,697
28 1- to 4-family.....	763	704	693	698	696	693	689	688	687
29 Multifamily.....	3,089	3,938	4,072	4,274	3,686	4,072	3,749	3,981	4,010
30 Farmers Home Administration.....	1,274	3,492	2,235	2,662	1,562	2,235	2,469	2,038	2,188
31 1- to 4-family.....	417	916	914	1,151	500	914	715	792	842
32 Multifamily.....	71	610	473	464	242	473	615	198	223
33 Commercial.....	174	411	506	357	325	506	499	444	469
34 Farm.....	612	1,555	342	690	495	342	640	604	654
35 Federal Housing and Veterans Administration.....	5,555	5,640	5,999	5,895	6,005	5,999	6,003	5,908	5,921
36 1- to 4-family.....	1,955	2,051	2,289	2,172	2,240	2,289	2,266	2,278	2,171
37 Multifamily.....	3,600	3,589	3,710	3,723	3,765	3,710	3,737	3,690	3,750
38 Federal National Mortgage Association.....	51,091	57,327	61,412	57,657	59,682	61,412	62,544	65,008	68,841
39 1- to 4-family.....	45,488	51,775	55,986	52,181	54,227	55,986	57,142	59,631	63,495
40 Multifamily.....	5,603	5,552	5,426	5,476	5,455	5,426	5,402	5,377	5,346
41 Federal Land Banks.....	31,277	38,131	46,446	42,681	44,708	46,446	47,947	49,270	49,983
42 1- to 4-family.....	1,552	2,099	2,788	2,401	2,605	2,788	2,874	2,954	3,029
43 Farm.....	29,725	36,032	43,658	40,280	42,103	43,658	45,073	46,316	46,954
44 Federal Home Loan Mortgage Corporation.....	4,035	5,068	5,255	5,257	5,433	5,255	5,320	5,295	5,206
45 1- to 4-family.....	3,059	3,873	4,018	4,025	4,166	4,018	4,075	4,042	3,944
46 Multifamily.....	976	1,195	1,237	1,232	1,267	1,237	1,245	1,253	1,262
47 Mortgage pools or trusts <sup>2</sup> .....	118,664	142,258	162,990	152,308	158,140	162,990	172,292	182,945	196,337
48 Government National Mortgage Association.....	75,787	93,874	105,790	100,558	103,750	105,790	108,592	111,459	114,396
49 1- to 4-family.....	73,853	91,602	103,007	98,057	101,068	103,007	105,701	108,487	111,348
50 Multifamily.....	1,934	2,272	2,783	2,501	2,682	2,783	2,891	2,972	3,048
51 Federal Home Loan Mortgage Corporation.....	15,180	16,854	20,560	17,565	17,936	20,560	26,745	33,249	43,254
52 1- to 4-family.....	12,149	13,471	16,605	14,115	14,401	16,605	21,781	27,193	35,686
53 Multifamily.....	3,031	3,383	3,955	3,450	3,535	3,955	4,964	6,056	7,568
54 Federal National Mortgage Association <sup>3</sup> .....	.....	.....	717	.....	.....	.....	717	2,786	4,556
55 1- to 4-family.....	.....	.....	717	.....	.....	.....	717	2,786	4,556
56 Farmers Home Administration.....	27,697	31,530	36,640	34,185	36,454	36,640	36,955	38,237	38,687
57 1- to 4-family.....	14,884	16,683	18,378	17,165	18,407	18,378	18,740	19,056	19,256
58 Multifamily.....	2,163	2,612	3,426	3,097	3,488	3,426	3,447	4,026	4,076
59 Commercial.....	4,328	5,271	6,161	5,750	6,040	6,161	6,351	6,574	6,624
60 Farm.....	6,322	6,964	8,675	8,173	8,519	8,675	8,417	8,581	8,731
61 Individual and others <sup>4</sup> .....	183,433	218,060	253,803	238,631	247,869	253,803	260,621	266,384	273,817
62 1- to 4-family <sup>5</sup> .....	110,808	138,284	167,412	155,173	162,524	167,412	172,237	177,499	183,260
63 Multifamily.....	23,376	27,345	28,286	27,782	28,272	28,286	29,275	29,636	30,149
64 Commercial.....	24,050	26,661	30,558	28,850	29,761	30,558	30,720	30,754	31,564
65 Farm.....	25,199	25,770	27,547	26,826	27,312	27,547	28,389	28,495	28,844

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. The program was 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 a new 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.

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

Millions of dollars

Holder, and type of credit	1979	1980	1981	1982						
				May	June	July	Aug.	Sept.	Oct.	Nov.
Amounts outstanding (end of period)										
1 Total .....	312,024	313,472	333,375	329,338	331,851	332,471	333,808	335,948	334,871	336,991
<i>By major holder</i>										
2 Commercial banks .....	154,177	147,013	149,300	146,147	146,775	146,745	147,275	148,280	147,926	148,270
3 Finance companies .....	68,318	76,756	89,818	91,958	93,009	93,353	93,207	93,357	92,541	93,462
4 Credit unions .....	46,517	44,041	45,954	45,472	45,882	45,698	46,154	46,846	46,645	46,832
5 Retailers <sup>2</sup> .....	28,119	28,448	29,551	26,536	26,645	26,710	26,751	26,829	27,046	27,639
6 Savings and loans .....	8,424	9,911	11,598	12,202	12,312	12,520	12,833	13,051	13,457	13,672
7 Gasoline companies .....	3,729	4,468	4,403	4,218	4,398	4,600	4,714	4,669	4,322	4,141
8 Mutual savings banks .....	2,740	2,835	2,751	2,805	2,830	2,845	2,874	2,916	2,934	2,975
<i>By major type of credit</i>										
9 Automobile .....	116,362	116,838	126,431	127,220	128,415	128,359	128,281	129,085	128,619	129,594
10 Commercial banks .....	67,367	61,536	59,181	58,099	58,140	58,131	58,222	58,762	58,796	58,996
11 Indirect paper .....	38,338	35,233	35,097	34,791	34,903	34,979	34,996	35,449	35,490	35,686
12 Direct loans .....	29,029	26,303	24,084	23,308	23,237	23,152	23,226	23,313	23,306	23,310
13 Credit unions .....	22,244	21,060	21,975	21,744	21,940	21,852	22,071	22,402	22,306	22,395
14 Finance companies .....	26,751	34,242	45,275	47,377	48,335	48,376	47,988	47,921	47,518	48,203
15 Revolving .....	56,937	58,352	63,049	58,647	59,302	59,824	60,475	60,932	60,811	61,500
16 Commercial banks .....	29,862	29,765	33,110	31,619	31,974	32,205	32,691	33,104	33,085	33,371
17 Retailers .....	23,346	24,119	25,536	22,810	22,930	23,019	23,070	23,159	23,404	23,988
18 Gasoline companies .....	3,729	4,468	4,403	4,218	4,398	4,600	4,714	4,669	4,322	4,141
19 Mobile home .....	16,838	17,322	18,486	18,479	18,543	18,601	18,741	18,778	18,814	18,821
20 Commercial banks .....	10,647	10,371	10,300	9,960	9,924	9,857	9,790	9,723	9,631	9,578
21 Finance companies .....	3,390	3,745	4,494	4,666	4,731	4,801	4,916	4,953	4,971	4,970
22 Savings and loans .....	2,307	2,737	3,203	3,369	3,400	3,458	3,544	3,604	3,716	3,775
23 Credit unions .....	494	469	489	484	488	486	491	498	496	498
24 Other .....	121,887	120,960	125,409	124,992	125,591	125,687	126,311	127,153	126,627	127,076
25 Commercial banks .....	46,301	45,341	46,709	46,469	46,737	46,552	46,572	46,691	46,414	46,325
26 Finance companies .....	38,177	38,769	40,049	39,915	39,943	40,176	40,303	40,483	40,052	40,289
27 Credit unions .....	23,779	22,512	23,490	23,244	23,454	23,360	23,592	23,946	23,844	23,939
28 Retailers .....	4,773	4,329	4,015	3,726	3,715	3,691	3,681	3,670	3,642	3,651
29 Savings and loans .....	6,117	7,174	8,395	8,833	8,912	9,063	9,289	9,447	9,741	9,897
30 Mutual savings banks .....	2,740	2,835	2,751	2,805	2,830	2,845	2,874	2,916	2,934	2,975
Net change (during period) <sup>3</sup>										
31 Total .....	38,381	1,448	19,894	1,399	1,349	570	66	1,092	-324	2,523
<i>By major holder</i>										
32 Commercial banks .....	18,161	-7,163	2,284	-13	-100	-66	-252	481	-49	904
33 Finance companies .....	14,020	8,438	13,062	1,126	874	195	-142	115	-393	1,133
34 Credit unions .....	2,185	-2,475	1,913	-39	38	-69	179	346	-32	418
35 Retailers <sup>2</sup> .....	2,132	329	1,103	68	304	297	-109	60	88	-98
36 Savings and loans .....	1,327	1,485	1,682	221	187	196	268	181	328	194
37 Gasoline companies .....	509	739	-65	-20	38	3	65	-115	-115	-39
38 Mutual savings banks .....	47	95	-85	56	8	14	57	24	25	11
<i>By major type of credit</i>										
39 Automobile .....	14,715	477	9,595	959	655	61	-402	505	78	1,816
40 Commercial banks .....	6,857	-5,830	-2,355	-305	-240	101	-146	435	52	600
41 Indirect paper .....	4,488	-3,104	-136	-52	-52	225	-129	332	72	496
42 Direct loans .....	2,369	-2,726	-2,219	-253	-188	-124	17	103	-20	104
43 Credit unions .....	1,044	-1,184	914	-34	28	-26	65	159	-12	232
44 Finance companies .....	6,814	7,491	11,033	1,298	867	-14	-321	-89	-118	984
45 Revolving .....	8,628	1,415	4,697	537	507	612	143	210	108	107
46 Commercial banks .....	5,521	-97	3,345	436	219	266	162	243	246	202
47 Retailers .....	2,598	773	1,417	121	250	343	-84	82	-23	-56
48 Gasoline companies .....	509	739	-65	-20	38	3	65	115	115	-39
49 Mobile home .....	1,603	483	1,161	70	67	63	141	10	-4	40
50 Commercial banks .....	1,102	-276	-74	-41	-58	-57	-62	-67	-97	-19
51 Finance companies .....	238	355	749	44	64	73	108	20	-7	3
52 Savings and loans .....	240	430	466	67	60	47	94	54	100	53
53 Credit unions .....	23	-25	20	0	1	0	1	3	0	3
54 Other .....	13,435	-927	4,441	-167	120	-166	184	367	-350	560
55 Commercial banks .....	4,681	-960	1,368	-103	-21	-376	-206	-130	-250	121
56 Finance companies .....	6,986	592	1,280	-216	57	136	71	184	268	146
57 Credit unions .....	1,118	-1,266	975	-5	9	-43	113	184	-20	183
58 Retailers .....	466	-444	-314	-53	54	-46	-25	-22	-65	-42
59 Savings and loans .....	1,087	1,056	1,217	154	127	149	174	127	228	141
60 Mutual savings banks .....	47	95	-85	56	8	14	57	24	25	11

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

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

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

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, \$71.3 billion at the end of 1979, \$74.8 billion at the end of 1980, and \$80.2 billion at the end of 1981.

## 1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted.

Holder, and type of credit	1979	1980	1981	1982						
				May	June	July	Aug.	Sept.	Oct	Nov.
Extensions										
1 Total .....	324,777	306,076	336,341	29,197	29,737	27,514	27,579	28,268	28,062	31,610
<i>By major holder</i>										
2 Commercial banks .....	154,733	134,960	146,186	12,765	13,460	12,485	12,499	12,750	13,322	14,616
3 Finance companies .....	61,518	60,801	66,344	6,135	5,700	4,607	4,685	4,894	4,427	6,241
4 Credit unions .....	34,926	29,594	35,444	2,902	2,887	2,711	2,904	3,092	2,897	3,418
5 Retailers <sup>1</sup> .....	47,676	49,942	53,430	4,449	4,762	4,785	4,396	4,684	4,431	4,383
6 Savings and loans .....	5,901	6,621	8,142	841	785	803	863	786	961	884
7 Gasoline companies .....	18,005	22,253	24,902	1,880	1,969	1,944	2,021	1,876	1,835	1,867
8 Mutual savings banks .....	2,018	1,905	1,893	225	174	179	211	186	189	191
<i>By major type of credit</i>										
9 Automobile .....	93,901	81,454	94,404	8,429	8,182	7,332	7,112	7,546	7,970	10,329
10 Commercial banks .....	53,554	41,109	42,792	3,317	3,404	3,687	3,454	3,702	4,296	4,796
11 Indirect paper .....	29,623	22,558	24,941	1,954	2,046	2,324	1,957	2,077	2,785	3,016
12 Direct loans .....	23,931	18,551	17,851	1,363	1,368	1,363	1,497	1,625	1,511	1,780
13 Credit unions .....	17,397	15,294	18,084	1,483	1,497	1,389	1,499	1,579	1,514	1,786
14 Finance companies .....	22,950	27,051	33,527	3,629	3,281	2,256	2,159	2,265	2,160	3,747
15 Revolving .....	120,174	28,068	140,135	12,528	13,361	12,551	12,497	12,464	12,340	12,489
16 Commercial banks .....	61,048	61,593	67,370	6,604	7,141	6,237	6,512	6,336	6,455	6,638
17 Retailers .....	41,121	44,222	47,863	4,044	4,251	4,370	3,964	4,252	4,050	3,984
18 Gasoline companies .....	18,055	22,253	24,902	1,880	1,969	1,944	2,021	1,876	1,835	1,867
19 Mobile home .....	6,471	5,093	6,028	478	459	441	581	452	476	484
20 Commercial banks .....	4,542	2,937	3,106	201	180	173	194	191	174	237
21 Finance companies .....	797	898	1,313	114	129	133	193	105	81	84
22 Savings and loans .....	948	1,146	1,432	151	137	133	181	140	207	147
23 Credit unions .....	184	113	176	12	13	12	13	16	14	16
24 Other .....	104,231	89,461	95,774	7,762	7,735	7,190	7,389	7,806	7,276	8,308
25 Commercial banks .....	35,589	29,321	32,918	2,643	2,735	2,388	2,339	2,521	2,397	2,945
26 Finance companies .....	37,771	32,852	31,504	2,392	2,290	2,218	2,333	2,524	2,186	2,400
27 Credit unions .....	17,345	14,187	17,182	1,407	1,377	1,310	1,392	1,497	1,369	1,636
28 Retailers .....	6,555	5,720	5,867	405	511	415	432	432	381	499
29 Savings and loans .....	4,953	5,476	6,710	690	648	680	682	646	754	737
30 Mutual savings banks .....	2,018	1,905	1,893	225	174	179	211	186	189	191
Liquidations										
31 Total .....	286,396	304,628	316,447	27,798	28,388	26,944	27,513	27,176	28,386	29,087
<i>By major holder</i>										
32 Commercial banks .....	136,572	142,123	143,902	12,778	13,560	12,551	12,751	12,269	13,371	13,712
33 Finance companies .....	47,498	52,363	53,282	5,009	4,826	4,412	4,827	4,779	4,820	5,098
34 Credit unions .....	32,741	32,069	33,531	2,941	2,849	2,780	2,725	2,746	2,929	3,020
35 Retailers <sup>1</sup> .....	45,544	49,613	52,327	4,381	4,458	4,488	4,505	4,624	4,519	4,481
36 Savings and loans .....	4,574	5,136	6,640	620	598	607	595	605	633	690
37 Gasoline companies .....	17,496	21,514	24,967	1,900	1,931	1,941	1,956	1,991	1,950	1,906
38 Mutual savings banks .....	1,971	1,810	1,978	169	166	165	154	162	164	180
<i>By major type of credit</i>										
39 Automobile .....	79,186	82,977	84,809	7,470	7,527	7,271	7,514	7,041	8,048	8,513
40 Commercial banks .....	46,697	46,939	45,147	3,622	3,644	3,586	3,600	3,267	4,244	4,196
41 Indirect paper .....	25,135	25,662	25,077	2,006	2,088	2,099	2,086	1,745	2,713	2,520
42 Direct loans .....	21,562	21,277	20,070	1,616	1,556	1,487	1,514	1,522	1,531	1,676
43 Credit unions .....	16,353	16,478	17,169	1,517	1,469	1,415	1,434	1,420	1,526	1,554
44 Finance companies .....	16,136	19,560	22,494	2,331	2,414	2,270	2,480	2,354	2,278	2,763
45 Revolving .....	111,546	126,653	135,438	11,991	12,854	11,939	12,354	12,254	12,232	12,382
46 Commercial banks .....	55,527	61,690	64,025	6,168	6,922	5,971	6,350	6,093	6,209	6,436
47 Retailers .....	38,523	43,449	46,446	3,923	4,001	4,027	4,048	4,170	4,073	4,040
48 Gasoline companies .....	17,496	21,514	24,967	1,900	1,931	1,941	1,956	1,991	1,950	1,906
49 Mobile home .....	4,868	4,610	4,867	408	392	378	440	442	480	444
50 Commercial banks .....	3,440	3,213	3,180	242	238	230	256	258	271	256
51 Finance companies .....	559	543	564	70	65	60	85	85	88	81
52 Savings and loans .....	708	716	966	84	77	76	87	86	107	94
53 Credit unions .....	161	138	156	12	12	12	12	13	14	13
54 Other .....	90,796	90,388	91,333	7,929	7,615	7,356	7,205	7,439	7,626	7,748
55 Commercial banks .....	30,908	30,281	31,550	2,746	2,756	2,764	2,545	2,651	2,647	2,824
56 Finance companies .....	30,803	32,260	30,224	2,608	2,347	2,082	2,262	2,340	2,454	2,254
57 Credit unions .....	16,227	15,453	16,207	1,412	1,368	1,353	1,279	1,313	1,389	1,453
58 Retailers .....	7,021	6,164	5,881	458	457	461	457	454	446	441
59 Savings and loans .....	3,866	4,420	5,493	536	521	531	508	519	526	596
60 Mutual savings banks .....	1,971	1,810	1,978	169	166	165	154	162	164	180

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





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

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

Transaction category, or sector	1976	1977	1978	1979	1980	1981	1979		1980		1981		1982
							H2	H1	H2	H1	H2	H1	
<b>1 Total funds advanced in credit markets to non-financial sectors</b>	<b>262.7</b>	<b>331.2</b>	<b>402.3</b>	<b>409.1</b>	<b>382.2</b>	<b>418.4</b>	<b>411.0</b>	<b>354.2</b>	<b>410.2</b>	<b>436.7</b>	<b>400.2</b>	<b>381.0</b>	
<i>By public agencies and foreign</i>													
2 Total net advances	49.8	79.2	101.9	74.6	95.8	95.9	101.0	104.6	87.0	98.7	93.2	91.9	
3 U.S. government securities	23.1	34.9	36.1	6.3	15.7	17.2	16.6	20.5	10.9	15.9	18.5	8	
4 Residential mortgages	12.3	20.0	25.7	35.8	31.7	23.4	36.7	34.9	28.5	21.4	25.5	47.4	
5 F.H.B. advances to savings and loans	-2.0	4.3	12.5	9.2	7.1	16.2	9.2	5.8	8.5	19.3	13.2	13.8	
6 Other loans and securities	16.4	20.1	27.6	35.9	41.3	39.1	38.6	43.4	39.1	42.1	36.0	31.5	
<i>Total advanced, by sector</i>													
7 U.S. government	7.9	10.0	17.1	19.0	23.7	24.2	18.7	24.6	22.8	27.1	21.2	15.4	
8 Sponsored credit agencies	16.8	22.4	39.9	52.4	44.4	46.0	56.9	45.2	43.7	44.3	47.7	59.0	
9 Monetary authorities	9.8	7.1	7.0	7.7	4.5	9.2	14.0	14.9	5.9	3.7	22.1	6.5	
10 Foreign	15.2	39.6	38.0	4.6	23.2	16.6	11.3	19.9	26.5	30.9	2.2	23.9	
11 Agency borrowing not included in line 1	14.3	21.9	36.7	47.3	43.6	45.1	50.8	47.3	39.8	42.5	47.8	57.9	
<i>Private domestic funds advanced</i>													
12 Total net advances	227.1	273.9	337.1	381.8	329.9	367.6	360.8	296.9	362.9	380.5	354.7	347.0	
13 U.S. government securities	60.7	45.1	54.3	91.1	107.2	115.4	80.5	90.2	124.2	108.5	122.3	156.9	
14 State and local obligations	15.7	21.9	28.4	29.8	35.9	32.9	32.8	30.7	41.0	35.1	30.6	47.9	
15 Corporate and foreign bonds	30.5	22.2	22.4	21.7	25.8	20.6	24.1	31.6	20.1	18.6	22.7	4.5	
16 Residential mortgages	55.4	81.4	95.5	92.0	73.7	59.7	84.0	69.6	77.8	78.8	40.5	17.0	
17 Other mortgages and loans	62.9	107.6	149.1	154.3	94.4	155.3	148.7	80.6	108.3	158.7	151.8	134.5	
18 1.s.s.: Federal Home Loan Bank advances	2.0	4.3	12.5	9.2	7.1	16.2	9.2	5.8	8.5	19.3	13.2	13.8	
<i>Private financial intermediation</i>													
19 Credit market funds advanced by private financial institutions	190.9	261.7	302.9	292.2	257.9	301.3	260.7	245.4	270.4	326.3	276.3	281.3	
20 Commercial banking	59.6	87.6	128.7	121.1	99.7	103.5	108.1	64.7	134.8	107.8	99.2	122.3	
21 Savings institutions	70.2	81.6	73.6	55.5	54.1	24.6	48.9	34.9	73.2	43.9	5.3	30.2	
22 Insurance and pension funds	49.7	69.0	75.0	66.4	74.4	75.8	60.1	84.3	64.4	75.8	75.8	89.0	
23 Other finance	11.4	23.5	25.6	49.2	29.8	97.4	43.6	61.5	1.9	98.8	95.9	39.7	
24 Sources of funds	190.9	261.7	302.9	292.2	257.9	301.3	260.7	245.4	270.4	326.3	276.3	281.3	
25 Private domestic deposits	124.4	138.9	141.1	142.5	167.8	211.2	145.9	162.5	173.1	212.0	210.3	177.5	
26 Credit market borrowing	8.4	26.9	38.3	33.4	17.7	35.6	25.3	10.3	25.2	43.4	27.8	34.0	
27 Other sources	58.0	96.0	123.5	116.4	72.4	54.6	89.5	72.7	72.1	70.9	38.2	69.8	
28 Foreign funds	4.7	1.2	6.3	25.6	23.0	8.8	3.4	20.0	-26.0	-7	16.8	31.1	
29 Treasury balances	1	4.3	6.8	4	2.6	1.1	-7	6.1	1.0	6.0	8.2	4.1	
30 Insurance and pension reserves	34.3	51.4	62.2	49.1	65.4	70.8	43.8	70.3	60.5	66.0	75.6	77.4	
31 Other, net	28.5	39.1	48.3	41.3	32.6	6.4	43.0	28.6	36.6	4	12.3	27.6	
<i>Private domestic nonfinancial investors</i>													
32 Direct lending in credit markets	44.7	39.0	72.5	122.9	89.7	101.9	125.4	61.7	117.7	97.5	106.2	99.8	
33 U.S. government securities	15.9	24.6	36.3	61.4	38.3	50.4	54.9	23.3	53.3	43.0	57.7	54.8	
34 State and local obligations	3.3	8	3.6	9.4	12.6	20.3	11.5	6.2	18.9	22.8	17.8	35.7	
35 Corporate and foreign bonds	11.8	-5.1	-2.9	10.2	9.3	-7.9	16.9	7.8	10.8	9.2	6.6	22.9	
36 Commercial paper	1.9	9.6	15.6	12.1	3.4	3.5	14.6	-8.1	1.4	-1.4	8.4	7.9	
37 Other	11.8	10.7	19.9	29.8	32.9	35.6	27.6	32.5	33.3	42.3	29.0	24.2	
38 Deposits and currency	133.4	148.5	152.3	151.9	179.2	221.0	149.9	172.4	186.1	218.6	221.4	177.5	
39 Currency	7.3	8.3	9.3	7.9	10.3	9.5	6.3	9.3	11.3	5.8	13.2	2.0	
40 Checkable deposits	10.4	17.2	16.3	19.2	4.2	18.3	22.5	-2.5	11.0	26.5	10.1	6.9	
41 Small time and savings accounts	123.7	93.5	63.7	61.0	79.5	46.6	50.7	73.4	85.7	26.9	66.3	78.8	
42 Money market fund shares	*	2	6.9	34.4	29.2	107.5	58.6	61.9	3.4	104.1	110.8	39.4	
43 Large time deposits	12.0	25.8	46.6	21.2	48.3	36.3	39.4	24.4	72.1	46.8	25.7	51.4	
44 Security RPs	2.3	2.2	7.5	6.6	6.5	2.5	5.3	5.3	7.8	7.7	2.6	1.0	
45 Foreign deposits	1.7	1.3	2.0	1.5	1.1	3	-2.3	6	1.7	8	-2	2.0	
<b>46 Total of credit market instruments, deposits and currency</b>	<b>178.1</b>	<b>187.5</b>	<b>224.9</b>	<b>274.8</b>	<b>269.0</b>	<b>322.8</b>	<b>275.3</b>	<b>234.1</b>	<b>303.8</b>	<b>316.1</b>	<b>329.6</b>	<b>277.2</b>	
47 Public support rate (in percent)	19.0	23.9	25.3	18.2	25.1	22.9	24.6	29.5	21.2	22.6	23.3	24.1	
48 Private financial intermediation (in percent)	84.0	95.6	89.9	76.5	78.2	82.0	72.3	82.7	74.5	85.8	77.9	81.0	
49 Total foreign funds	10.5	40.8	44.3	21.0	2	7.8	14.8	*	5	30.3	-14.6	7.2	
<i>MEMO: Corporate equities not included above</i>													
50 Total net issues	10.6	6.5	1.9	-3.8	22.1	-2.9	-1.7	16.3	27.9	11.2	-17.0	15.7	
51 Mutual fund shares	-2.4	9	-1.1	1	5.0	7.7	8	5.5	4.5	8.9	6.5	14.5	
52 Other equities	13.1	5.6	1.9	3.9	17.1	-10.6	-9	10.8	23.4	2.3	-23.5	1.2	
53 Acquisitions by financial institutions	12.5	7.4	4.6	10.4	14.6	22.9	14.2	8.6	20.7	25.3	20.5	20.7	
54 Other net purchases	-1.9	8	2.7	14.2	7.5	-25.8	15.9	7.7	7.2	-14.1	37.5	5.1	

## NOTES BY LINE NUMBER.

1. Line 2 of table 1.58.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, and 38 less lines 39 and 45.
17. Includes farm and commercial mortgages.
25. Line 38 less lines 39 and 45.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.

31. Mainly retained earnings and net miscellaneous liabilities.

32. Line 12 less line 19 plus line 26.

33-37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.

39. Mainly an offset to line 9.

46. Lines 32 plus 38, or line 12 less line 27 plus 39 and 45.

47. Line 2/line 1.

48. Line 19/line 12.

49. Sum of lines 10 and 28.

50, 52. Includes issues by financial institutions.

NOTE. Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

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2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1979	1980	1981	1982								
				Apr.	May	June	July	Aug.	Sept. <sup>a</sup>	Oct. <sup>a</sup>	Nov. <sup>a</sup>	Dec.
1 Industrial production <sup>1</sup> .....	152.5	147.0	151.0	140.2	139.2	138.7	138.8	138.4	137.3	135.8	134.8	134.7
<i>Market groupings</i>												
2 Products, total .....	150.0	146.7	150.6	142.9	142.3	142.1	142.6	142.0	140.8	139.4	138.6	138.7
3 Final, total .....	147.2	145.3	149.5	142.6	142.2	142.1	142.5	141.2	140.0	138.6	137.7	138.1
4 Consumer goods .....	150.8	145.4	147.9	142.1	143.6	144.8	145.8	144.1	143.4	142.2	141.1	141.4
5 Equipment .....	142.2	145.2	151.5	143.4	140.4	138.4	138.0	137.3	135.2	133.5	133.0	133.6
6 Intermediate .....	160.5	151.9	154.4	143.7	142.6	141.9	142.8	144.7	143.7	142.4	141.9	141.0
7 Materials .....	156.4	147.6	151.6	136.2	134.3	133.5	133.0	132.8	132.0	130.3	128.9	128.4
<i>Industry groupings</i>												
8 Manufacturing .....	153.6	146.7	150.4	138.7	137.9	137.7	138.1	138.0	137.1	135.0	134.0	133.9
Capacity utilization (percent) <sup>1,2</sup>												
9 Manufacturing .....	85.7	79.1	78.5	70.8	70.2	70.0	70.0	69.8	69.2	68.0	67.4	67.3
10 Industrial materials industries .....	87.4	80.0	79.9	70.5	69.4	68.8	68.5	68.2	67.7	66.7	65.9	65.5
11 Construction contracts (1977 = 100) <sup>3</sup> .....	121.0	106.0	107.0	88.0	94.0	111.0	98.0	112.0	117.0	105.0	122.0	n.a.
12 Nonagricultural employment, total <sup>4</sup> .....	136.5	137.4	138.5	136.9	137.0	136.5	136.1	135.7	135.7	135.0	134.8	134.5
13 Goods-producing, total .....	113.5	110.3	109.3	104.2	104.1	102.9	102.3	101.5	101.0	99.7	99.0	98.6
14 Manufacturing, total .....	108.2	104.3	103.7	98.6	98.3	97.3	96.7	96.0	95.5	94.2	93.5	93.2
15 Manufacturing, production-worker .....	105.3	99.4	98.0	91.2	90.9	89.8	89.2	88.4	87.8	86.2	85.3	85.1
16 Service-producing .....	149.1	152.6	154.4	154.8	155.1	154.9	154.6	154.5	154.7	154.4	154.4	154.2
17 Personal income, total .....	309.7	342.9	383.5	402.5	405.7	407.3	410.8	411.4	412.3	414.5	416.0	n.a.
18 Wages and salary disbursements .....	289.8	317.6	349.9	362.2	365.4	366.0	367.6	367.8	367.7	367.9	367.7	n.a.
19 Manufacturing .....	249.0	264.3	288.1	286.3	288.1	288.4	287.7	286.4	284.5	281.3	279.8	n.a.
20 Disposable personal income <sup>5</sup> .....	301.2	332.9	370.3	391.7	392.9	393.4	400.6	400.9	402.0	404.0	405.5	n.a.
21 Retail sales <sup>6</sup> .....	281.6	303.8	330.6	337.4	347.1	336.4	341.8	338.2	341.3	345.0	353.0	352.5
<i>Prices<sup>7</sup></i>												
22 Consumer .....	217.4	246.8	272.4	284.3	287.1	290.6	292.2	292.8	293.3	294.1	293.6	n.a.
23 Producer finished goods .....	217.7	247.0	269.8	277.3	277.8	279.9	281.7	282.4	281.4	284.1	284.9	n.a.

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

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

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

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

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

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

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

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

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

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1982				1982				1982			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)			
1 Manufacturing .....	139.8	138.1	137.7	134.3	195.2	196.4	197.7	198.9	71.6	70.3	69.7	67.6
2 Primary processing .....	137.1	132.3	132.4	129.5	198.6	199.5	200.4	201.3	69.1	66.3	66.1	64.3
3 Advanced processing .....	141.6	141.2	140.5	136.8	193.5	194.9	196.2	197.6	73.2	72.5	71.6	69.2
4 Materials .....	138.7	134.7	132.6	129.2	192.6	193.7	194.6	195.5	72.0	69.6	68.1	66.1
5 Durable goods .....	130.9	127.1	124.7	118.2	196.4	197.3	198.3	199.2	66.7	64.4	62.9	59.4
6 Metal materials .....	90.9	77.0	73.0	68.4	142.3	142.4	142.3	142.4	63.9	54.1	51.3	48.3
7 Nondurable goods .....	161.0	156.8	155.1	156.2	214.6	216.1	217.4	218.9	75.0	72.6	71.3	71.4
8 Textile, paper, and chemical .....	164.5	160.5	158.4	159.9	225.6	227.3	228.8	230.5	72.9	70.6	69.2	69.4
9 Textile .....	101.3	101.8	102.0	n.a.	142.1	142.4	142.8	n.a.	71.3	71.5	71.5	n.a.
10 Paper .....	146.1	142.0	145.9	n.a.	163.8	164.6	165.4	n.a.	89.2	86.3	88.2	n.a.
11 Chemical .....	200.0	194.0	188.5	n.a.	287.3	289.6	291.9	n.a.	69.6	67.0	64.6	n.a.
12 Energy materials .....	129.8	125.5	123.8	122.0	156.5	157.0	157.6	158.2	82.9	79.9	78.5	77.1

## 2.11 Continued

Series	Previous cycle <sup>1</sup>		Latest cycle <sup>2</sup>		1981	1982								
	High	Low	High	Low	Dec.	Apr.	May	June	July	Aug.	Sept. <sup>3</sup>	Oct. <sup>3</sup>	Nov. <sup>3</sup>	Dec.
Capacity utilization rate (percent)														
13 Manufacturing . . . . .	88.0	69.0	87.2	74.9	67.3	70.8	70.2	70.0	70.0	69.8	69.2	68.0	67.4	67.3
14 Primary processing . . . . .	93.8	68.2	90.1	71.0	69.6	67.2	66.1	65.7	65.7	66.1	66.4	65.1	64.1	63.8
15 Advanced processing . . . . .	85.5	69.4	86.2	77.2	75.0	72.6	72.5	72.3	72.3	71.7	70.7	69.5	69.1	69.1
16 Materials . . . . .	92.6	69.4	88.8	73.8	72.4	70.5	69.4	68.8	68.5	68.2	67.7	66.7	65.9	65.5
17 Durable goods . . . . .	91.5	63.6	88.4	68.2	68.5	65.0	64.2	64.0	63.7	63.1	61.9	60.0	59.3	58.8
18 Metal materials . . . . .	98.3	68.6	96.0	59.6	65.5	56.2	53.9	52.2	50.7	51.2	51.9	49.3	47.8	n.a.
19 Nondurable goods . . . . .	94.5	67.2	91.6	77.5	74.1	74.4	72.5	70.9	70.2	71.0	72.8	72.2	71.1	70.9
20 Textile, paper, and chemical . . . . .	95.1	65.3	92.2	75.3	72.2	72.5	70.6	68.8	68.0	68.9	70.7	70.0	69.1	69.1
21 Textile . . . . .	92.6	57.9	90.6	80.9	72.0	73.4	71.5	69.6	69.8	72.3	72.3	73.4	72.3	n.a.
22 Paper . . . . .	99.4	72.4	97.7	89.1	86.5	87.4	86.1	85.3	86.0	88.6	89.8	89.8	89.1	n.a.
23 Chemical . . . . .	95.5	64.2	91.3	70.7	69.0	69.0	66.9	65.0	63.7	63.9	66.2	64.9	64.1	n.a.
24 Energy materials . . . . .	94.6	84.8	88.3	82.7	81.6	80.2	79.9	79.8	80.0	79.0	76.6	77.7	77.1	76.7

1. Monthly high 1973; monthly low 1975.

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

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT<sup>1</sup>

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

Category	1980	1981	1982	1982						
				June <sup>3</sup>	July <sup>3</sup>	Aug. <sup>3</sup>	Sept. <sup>3</sup>	Oct. <sup>3</sup>	Nov. <sup>3</sup>	Dec.
HOUSEHOLD SURVEY DATA										
1 Noninstitutional population <sup>1</sup> . . . . .	169,847	172,272	174,451	174,363	174,544	174,707	174,888	175,069	175,238	175,381
2 Labor force (including Armed Forces) <sup>1</sup> . . . . .	109,042	110,812	112,383	112,320	112,596	112,810	113,056	112,940	113,222	113,311
3 Civilian labor force . . . . .	106,940	108,670	110,204	110,147	110,416	110,614	110,858	110,752	111,042	111,129
4 Employment . . . . .										
5 Nonagricultural industries <sup>2</sup> . . . . .	95,938	97,030	96,125	96,310	96,143	96,254	96,180	95,763	95,670	95,682
6 Agriculture . . . . .	3,364	3,368	3,401	3,371	3,445	3,429	3,363	3,413	3,466	3,411
7 Unemployment . . . . .										
8 Number . . . . .	7,637	8,273	10,678	10,466	10,828	10,931	11,315	11,576	11,906	12,036
9 Rate (percent of civilian labor force) . . . . .	7.1	7.6	9.7	9.5	9.8	9.9	10.2	10.5	10.7	10.8
10 Not in labor force . . . . .	60,805	61,460	62,061	62,043	61,948	61,897	61,832	62,129	62,016	62,070
ESTABLISHMENT SURVEY DATA										
9 Nonagricultural payroll employment <sup>3</sup> . . . . .	90,406	91,105	89,619	89,839	89,535	89,312	89,267	88,860	88,684	88,518
10 Manufacturing . . . . .	20,285	20,173	18,849	18,930	18,813	18,672	18,572	18,325	18,183	18,134
11 Mining . . . . .	1,020	1,104	1,122	1,124	1,100	1,086	1,075	1,058	1,051	1,036
12 Contract construction . . . . .	4,399	4,307	3,917	3,940	3,927	3,899	3,883	3,856	3,848	3,818
13 Transportation and public utilities . . . . .	5,143	5,152	5,057	5,078	5,044	5,025	5,031	5,007	4,994	4,979
14 Trade . . . . .	20,386	20,736	20,547	20,595	20,615	20,550	20,492	20,441	20,390	20,297
15 Finance . . . . .	5,168	5,330	5,350	5,352	5,359	5,360	5,367	5,357	5,362	5,376
16 Service . . . . .	17,901	18,598	19,000	18,988	19,042	19,048	19,084	19,074	19,125	19,143
17 Government . . . . .	16,249	16,056	15,784	15,832	15,635	15,672	15,763	15,742	15,731	15,735

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

2. Includes self-employed, unpaid family, and domestic service workers.

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1979 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).



## 2.13 Continued

Grouping	SIC code	1967 proportion	1981 avg.	1982												
				1981 Dec	Jan.	Feb.	Mar	Apr.	May	June	July	Aug.	Sept. <sup>1</sup>	Oct.	Nov. <sup>2</sup>	Dec. <sup>3</sup>
Index (1967 = 100)																
<b>MAJOR INDUSTRY</b>																
1 Mining and utilities.....		12.05	155.0	154.7	157.4	155.6	153.1	151.6	148.8	145.2	142.6	141.3	139.7	140.7	140.1	140.4
2 Mining.....		6.36	142.2	142.6	144.5	142.4	138.1	134.1	128.9	123.5	120.1	116.9	114.7	116.4	115.9	118.0
3 Utilities.....		5.69	169.1	168.2	171.8	170.4	170.0	171.0	170.9	169.4	167.7	168.5	167.5	167.8	167.1	165.5
4 Electric.....		3.88	190.9	190.2	195.2	192.5	191.7	193.1	193.4	191.6	189.2	189.9	188.2	188.9	188.1	186.2
5 Manufacturing.....		87.95	150.4	142.0	138.5	140.9	140.1	138.7	137.9	137.7	138.1	138.0	137.1	135.0	134.0	133.9
6 Nondurable.....		35.97	164.8	157.4	155.1	157.8	157.3	156.1	155.0	155.3	155.7	156.9	156.7	156.0	155.2	155.1
7 Durable.....		51.98	140.5	131.3	127.1	129.3	128.2	126.7	126.1	125.5	125.9	124.9	123.5	120.5	119.3	119.3
<i>Mining</i>																
8 Metal.....	10	51	123.1	110.9	121.3	120.8	109.9	108.8	90.0	71.8	58.1	53.4	55.4	65.1	68.4	.....
9 Coal.....	11, 12	.69	141.3	145.5	147.9	156.0	155.6	146.2	149.2	144.4	140.3	135.8	127.9	143.2	134.1	129.7
10 Oil and gas extraction.....	13	4.40	146.8	150.5	151.5	146.6	141.4	137.7	132.7	129.1	127.0	123.3	121.0	119.6	119.6	123.0
11 Stone and earth minerals.....	14	.75	129.4	115.7	115.8	120.5	121.6	119.6	114.6	106.6	103.8	105.7	106.3	108.5	109.5	.....
<i>Nondurable manufactures</i>																
12 Foods.....	20	8.75	152.1	152.8	151.1	151.7	150.8	149.7	150.5	151.0	151.0	150.7	149.0	150.6	.....	.....
13 Tobacco products.....	21	.67	122.2	112.6	112.7	126.7	126.7	116.1	118.6	123.6	121.4	120.6	113.3	108.6	.....	.....
14 Textile mill products.....	22	2.68	135.7	122.8	120.0	125.8	126.0	126.3	123.5	123.7	124.3	125.9	126.1	126.4	123.8	.....
15 Apparel products.....	23	3.31	120.4	114.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
16 Paper and products.....	26	3.21	155.0	146.6	148.3	151.5	150.6	149.8	146.5	146.8	147.0	152.5	154.3	155.0	153.9	152.9
17 Printing and publishing.....	27	4.72	144.2	145.3	145.6	146.4	145.9	144.2	143.8	142.6	143.9	145.3	144.3	142.6	142.6	144.0
18 Chemicals and products.....	28	7.74	215.6	199.8	196.7	201.3	200.3	198.6	193.6	193.2	194.1	195.6	196.4	193.7	192.8	.....
19 Petroleum products.....	29	1.79	129.7	128.3	123.3	119.5	121.3	120.8	122.2	124.3	124.7	121.4	122.6	123.9	119.9	118.2
20 Rubber and plastic products.....	30	2.24	274.0	247.3	244.7	251.8	253.4	255.1	257.0	258.9	256.8	261.1	262.0	256.4	253.7	.....
21 Leather and products.....	31	.86	69.3	65.6	63.1	64.0	61.2	60.6	61.1	62.3	62.9	60.8	60.9	59.5	58.8	.....
<i>Durable manufactures</i>																
22 Ordnance, private and government.....	19, 91	3.64	81.1	85.5	84.1	83.8	83.8	85.2	86.3	86.5	87.1	86.5	86.9	89.5	92.6	93.8
23 Lumber and products.....	24	1.64	119.1	104.8	99.2	104.9	103.5	106.2	110.6	112.2	116.9	120.3	119.9	117.2	119.4	.....
24 Furniture and fixtures.....	25	1.37	157.2	149.4	144.3	148.4	150.2	151.8	151.1	152.5	154.5	156.7	155.7	154.3	150.7	.....
25 Clay, glass, stone products.....	32	2.74	147.9	131.5	128.5	135.0	131.5	127.0	125.0	126.1	126.9	128.8	130.4	128.1	126.5	.....
26 Primary metals.....	33	6.57	107.9	89.6	89.7	88.5	83.0	76.4	75.2	72.8	72.9	72.9	73.2	70.0	67.1	65.9
27 Iron and steel.....	331, 2	4.21	99.8	79.2	79.6	78.5	73.0	65.1	62.4	58.0	58.1	57.4	56.4	54.1	51.4	.....
28 Fabricated metal products.....	34	5.93	136.4	126.1	120.7	121.4	121.1	119.1	115.8	115.0	115.5	114.3	112.3	108.5	107.4	106.5
29 Nonelectrical machinery.....	35	9.15	171.2	167.4	160.9	160.0	157.3	153.7	150.0	147.4	147.1	147.2	144.9	140.5	138.0	135.8
30 Electrical machinery.....	36	8.05	178.4	170.7	168.2	172.9	172.6	172.2	170.9	170.8	170.3	169.7	167.0	165.7	164.9	164.5
31 Transportation equipment.....	37	9.27	116.1	103.7	96.6	102.0	104.4	105.9	110.0	111.6	112.7	107.0	105.3	100.8	100.0	103.7
32 Motor vehicles and parts.....	371	4.50	122.3	100.4	90.4	98.6	105.6	110.7	119.8	124.0	127.2	116.7	113.5	103.0	101.7	108.8
33 Aerospace and miscellaneous transportation equipment.....	372, 9	4.77	110.2	106.8	102.4	105.3	103.2	101.3	100.8	99.9	99.0	97.8	97.6	98.6	98.4	98.9
34 Instruments.....	38	2.11	170.3	166.8	162.2	164.5	163.0	162.8	163.8	164.8	165.2	165.5	161.9	156.9	153.9	155.5
35 Miscellaneous manufactures.....	39	1.51	154.7	147.9	144.9	144.5	145.3	144.6	141.7	136.8	134.7	133.9	132.9	130.5	129.6	130.0
Gross value (billions of 1972 dollars, annual rates)																
<b>MAJOR MARKET</b>																
36 Products, total.....		507.4	612.3	592.8	577.4	588.1	586.8	582.1	586.1	584.1	585.8	578.5	575.3	568.6	566.4	567.8
37 Final.....		390.9	474.1	462.3	448.8	457.1	456.6	453.5	458.3	456.7	457.2	449.2	446.3	441.0	438.9	441.0
38 Consumer goods.....		277.5	318.0	307.2	298.9	306.3	306.9	306.7	312.3	313.1	314.9	309.1	309.3	305.6	304.0	305.2
39 Equipment.....		113.4	156.1	155.1	149.9	150.8	149.7	146.8	146.0	143.5	142.3	140.1	137.0	135.4	134.9	135.9
40 Intermediate.....		116.6	138.2	130.5	128.7	131.1	130.2	128.6	127.8	127.4	128.7	129.3	129.0	127.6	127.5	126.8

1. 1972 dollar value

NOTE: Published groupings include some series and subtotals not shown separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System: Washington, D.C.), December 1977.

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2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

Item	1979	1980	1981	1982							
				Apr.	May	June	July	Aug. <sup>1</sup>	Sept. <sup>1</sup>	Oct. <sup>1</sup>	Nov
Private residential real estate activity (thousands of units)											
<b>New Units</b>											
1 Permits authorized .....	1,552	1,191	986	879	944	929	1,062	888	1,003	1,172	1,243
2 1-family .....	981	710	564	450	488	516	500	497	561	651	746
3 2-or-more-family .....	570	480	421	429	456	413	562	391	442	521	497
4 Started .....	1,745	1,292	1,084	882	1,066	908	1,193	1,033	1,129	1,129	1,428
5 1-family .....	1,194	852	705	566	631	621	628	645	677	705	872
6 2-or-more-family .....	551	440	379	316	435	287	565	388	452	424	556
7 Under construction, end of period <sup>1</sup> .....	1,140	896	682	673	664	660	673 <sup>r</sup>	670	688	691	n.a.
8 1-family .....	639	515	382	393	382	384	377 <sup>r</sup>	373	379	384	n.a.
9 2-or-more-family .....	501	382	301	280	282	276	296 <sup>r</sup>	296	308	308	n.a.
10 Completed .....	1,855	1,502	1,266	962	1,138	939	1,007	1,002	925	1,117	n.a.
11 1-family .....	1,286	957	818	596	684	582	693	638	584	680	n.a.
12 2-or-more-family .....	569	545	447	366	454	357	314	364	341	437	n.a.
13 Mobile homes shipped .....	277	222	241	255	246	257	246	234	222	218	n.a.
<i>Merchant builder activity in 1-family units</i>											
14 Number sold .....	709	545	436	335	395	369	352 <sup>r</sup>	379	479	508	569
15 Number for sale, end of period <sup>1</sup> .....	402	342	278	264	259	254	250	248	248	245	243
<i>Price (thousands of dollars)<sup>2</sup></i>											
Median											
16 Units sold .....	62.8	64.7	68.8	70.2	69.3	69.3	70.9	70.1	67.8	69.3	74.2
Average											
17 Units sold .....	71.9	76.4	83.1	85.0	86.5	84.9	86.5 <sup>r</sup>	86.5	80.0	79.8	88.6
<b>EXISTING UNITS (1-family)</b>											
18 Number sold .....	3,701	2,881	2,350	1,910	1,900	1,980	1,890	1,820	1,840	1,930	2,100
<i>Price of units sold (thousands of dollars)<sup>2</sup></i>											
19 Median .....	55.5	62.1	66.1	67.1	67.8	69.4	69.2	68.9	67.3	66.9	68.2
20 Average .....	64.0	72.7	78.0	79.4	80.6	82.3	82.0	82.0	80.0	79.3	80.9
Value of new construction <sup>3</sup> (millions of dollars)											
<b>CONSTRUCTION</b>											
21 Total put in place .....	230,412	230,748	238,198	226,095	228,745	231,589	227,638 <sup>r</sup>	228,053	228,136	229,052	237,216
22 Private .....	181,622	175,701	185,221	175,142	179,941	182,651	178,734 <sup>r</sup>	176,644	177,002	177,704	184,407
23 Residential .....	99,028	87,261	86,566	72,300	75,453	75,251	73,436 <sup>r</sup>	72,139	71,451	74,064	78,388
24 Nonresidential, total .....	82,594	88,440	98,655	102,842	104,488	107,400	105,298 <sup>r</sup>	104,505	105,551	103,640	106,019
Buildings											
25 Industrial .....	14,953	13,839	17,031	15,882	17,118	18,424	16,404	16,691	16,587	17,072	17,156
26 Commercial .....	24,919	29,940	34,243	38,437	36,818	38,048	37,512	36,091	37,129	35,677	37,132
27 Other .....	7,427	8,654	9,543	9,897	10,427	10,579	10,130	10,499	10,506	10,778	11,272
28 Public utilities and other .....	35,295	36,007	37,838	38,626	40,125	40,349	41,252 <sup>r</sup>	41,224	41,329	40,113	40,459
29 Public .....	48,790	55,047	52,977	50,953	48,804	48,938	48,904 <sup>r</sup>	51,409	51,134	51,348	52,809
30 Military .....	1,648	1,880	1,966	1,706	2,140	1,901	2,261 <sup>r</sup>	2,481	2,674	2,347	2,468
31 Highway .....	11,997	13,808	13,304	12,113	11,655	13,073	14,119	13,327	13,464	14,314	13,987
32 Conservation and development .....	4,586	5,089	5,225	5,493	5,223	5,051	5,055 <sup>r</sup>	5,036	4,719	4,546	4,714
33 Other .....	30,559	34,270	32,482	31,641	29,786	28,913	27,469 <sup>r</sup>	30,565	30,277	30,141	31,640

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	12 months to		3 months (at annual rate) to				1 month to					Index level Nov. 1982 (1967 = 100) <sup>1</sup>
	1981 Nov.	1982 Nov.	1981	1982			1982					
			Dec.	Mar.	June	Sept.	July	Aug.	Sept.	Oct.	Nov.	
<b>CONSUMER PRICES<sup>2</sup></b>												
1 All items .....	9.6	4.6	5.4	1.0	9.3	4.2	.6	.3	.2	.5	.1	293.6
2 Commodities .....	6.4	3.8	3.6	.8	7.8	3.4	.6	.0	.2	.6	.3	267.8
3 Food .....	4.8	39.4	1.7	3.9	7.3	.6	.1	.3	.5	.2	.1	386.4
4 Commodities less food .....	7.0	4.0	4.3	-2.6	7.9	4.7	.8	.2	.2	.8	.3	256.0
5 Durable .....	5.7	5.7	1.2	3.5	14.1	1.5	.3	.3	.2	.5	.4	246.6
6 Nondurable .....	8.6	6.7	3.8	4.9	1.9	6.1	1.1	.2	.2	1.1	.3	278.6
7 Services .....	14.1	5.6	7.8	3.5	11.3	5.4	.6	.6	.1	.2	.1	338.6
8 Rent .....	8.4	7.1	9.0	5.9	5.6	8.0	1.0	.5	.4	.9	.6	230.2
9 Services less rent .....	15.0	5.4	7.6	3.3	11.9	5.0	.5	.6	.1	.2	.2	359.3
<i>Other groupings</i>												
10 All items less food .....	10.6	4.8	6.2	.9	9.7	4.9	.7	.4	.1	.5	.1	293.6
11 All items less food and energy .....	10.2	5.2	5.6	3.0	10.6	4.6	.6	.5	.0	.4	.2	281.2
12 Homeownership .....	11.5	3.4	.3	2.4	19.8	.4	.4	.4	.7	.1	.8	379.5
<b>PRODUCER PRICES</b>												
13 Finished goods .....	7.2	3.7	5.5	.9	4.1	4.2	.5 <sup>3</sup>	.6	-.1	.5	.6	284.9
14 Consumer .....	6.7	3.6	4.5	.6	3.7	4.2	.6 <sup>3</sup>	.6	.1	.5	.8	285.2
15 Foods .....	1.5	1.9	3.9	6.1	11.5	7.4	-1.6 <sup>3</sup>	.2 <sup>3</sup>	.5	-.2	.2	257.6
16 Excluding foods .....	8.8	4.3	7.8	1.4	.7	9.5	1.4	.7 <sup>3</sup>	.1	.8	1.1	294.6
17 Capital equipment .....	9.1	4.0	9.7	2.4	5.6	3.8	.4 <sup>3</sup>	.9 <sup>3</sup>	-.4	.2	.3	284.0
18 Intermediate materials <sup>3</sup> .....	8.7	.4	2.7	1.8	1.5	2.4	.4 <sup>3</sup>	.0 <sup>3</sup>	.1	.1	.5	315.7
<i>Crude materials</i>												
19 Nonfood .....	12.1	.6	-6.0	18.0	8.3	8.1	1.0	.0 <sup>3</sup>	1.0	.6	.7	479.0
20 Food .....	14.1	.8	25.5	23.3	24.3	-26.4	-2.7	1.0	-3.8	1.9	1.0	236.3

1. Not seasonally adjusted.

2. Figures for consumer prices are those for all urban consumers.

3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

SOURCE: Bureau of Labor Statistics.

## 2.16 GROSS NATIONAL PRODUCT AND INCOME

Billions of current dollars except as noted; quarterly data are at seasonally adjusted annual rates.

Account	1979	1980	1981	1981		1982		
				Q3	Q4	Q1	Q2	Q3 <sup>r</sup>
<b>GROSS NATIONAL PRODUCT</b>								
1 Total .....	2,417.8	2,633.1	2,937.7	2,980.9	3,003.2	2,995.5	3,045.2	3,088.2
<i>By source</i>								
2 Personal consumption expenditures .....	1,507.2	1,667.2	1,843.2	1,868.8	1,884.5	1,919.4	1,947.8	1,986.3
3 Durable goods .....	213.4	214.3	234.6	241.2	229.6	237.9	240.7	240.3
4 Nondurable goods .....	600.0	670.4	734.5	741.3	746.5	749.1	755.0	768.4
5 Services .....	693.7	782.5	874.1	886.3	908.3	932.4	952.1	977.6
6 Gross private domestic investment .....	423.0	402.4	471.5	486.0	468.9	414.8	431.5	443.3
7 Fixed investment .....	408.8	412.4	451.1	454.2	455.7	450.4	447.7	438.6
8 Nonresidential .....	290.2	309.2	346.1	353.0	360.2	357.0	352.2	344.2
9 Structures .....	98.3	110.5	129.7	132.7	139.6	141.4	143.6	141.3
10 Producers' durable equipment .....	191.9	198.6	216.4	220.2	220.6	215.6	208.6	203.0
11 Residential structures .....	118.6	103.2	105.0	101.2	95.5	93.4	95.5	94.3
12 Nonfarm .....	114.0	98.3	99.7	95.6	89.4	87.9	89.6	88.7
13 Change in business inventories .....	14.3	-10.0	20.5	31.8	13.2	-35.6	-16.2	4.7
14 Nonfarm .....	8.6	-5.7	15.0	24.6	6.0	-36.0	-15.0	3.7
15 Net exports of goods and services .....	13.2	25.2	26.1	25.9	23.5	31.3	34.9	6.9
16 Exports .....	281.4	339.2	367.3	367.2	367.9	359.9	365.8	349.5
17 Imports .....	268.1	314.0	341.3	341.3	344.4	328.6	330.9	342.5
18 Government purchases of goods and services .....	474.4	538.4	596.9	600.2	626.3	630.1	630.9	651.7
19 Federal .....	168.3	197.2	229.0	230.0	250.5	249.7	244.3	259.0
20 State and local .....	306.0	341.2	368.0	370.1	375.7	380.4	386.6	392.7
<i>By major type of product</i>								
21 Final sales, total .....	2,403.5	2,643.1	2,917.3	2,949.1	2,989.9	3,031.1	3,061.4	3,083.5
22 Goods .....	1,065.6	1,141.9	1,289.2	1,317.0	1,298.5	1,269.4	1,283.1	1,295.5
23 Durable .....	464.8	477.3	528.1	547.3	504.9	482.4	505.9	516.9
24 Nondurable .....	600.8	664.6	761.1	769.7	793.6	787.0	777.2	778.6
25 Services .....	1,089.7	1,225.6	1,364.3	1,382.1	1,421.5	1,444.4	1,476.7	1,509.5
26 Structures .....	262.5	265.7	284.2	281.9	283.3	281.7	285.3	283.2
27 Change in business inventories .....	14.3	10.0	20.5	31.8	13.2	35.6	-16.2	4.7
28 Durable goods .....	10.5	-5.2	8.7	19.8	-5.6	-30.9	-6.6	10.1
29 Nondurable goods .....	3.8	-4.8	11.8	12.0	18.9	-4.8	-9.6	-5.4
30 MEMO: Total GNP in 1972 dollars .....	1,479.4	1,474.0	1,502.6	1,510.4	1,490.1	1,470.7	1,478.4	1,481.1
<b>NATIONAL INCOME</b>								
31 Total .....	1,966.7	2,117.1	2,352.5	2,387.3	2,404.5	2,396.9	2,425.2	2,455.6
32 Compensation of employees .....	1,458.1	1,598.6	1,767.6	1,789.1	1,813.4	1,830.8	1,850.7	1,868.3
33 Wages and salaries .....	1,237.4	1,356.1	1,494.0	1,512.6	1,531.1	1,541.5	1,556.6	1,570.0
34 Government and government enterprises .....	236.2	260.2	283.1	284.0	292.3	296.3	300.0	303.5
35 Other .....	1,001.4	1,095.9	1,210.9	1,228.6	1,238.8	1,245.2	1,256.6	1,266.4
36 Supplement to wages and salaries .....	220.7	242.5	273.6	276.5	282.3	289.3	294.1	298.3
37 Employer contributions for social insurance .....	105.8	115.3	133.2	134.3	136.5	140.2	141.7	142.8
38 Other labor income .....	114.9	127.3	140.4	142.2	145.8	149.1	152.5	155.5
39 Proprietors' income <sup>1</sup> .....	132.1	116.3	124.7	127.5	124.1	116.4	117.3	118.4
40 Business and professional <sup>1</sup> .....	100.2	96.9	100.7	100.4	99.5	98.6	99.9	101.7
41 Farm <sup>1</sup> .....	31.9	19.4	24.0	27.1	24.6	17.8	17.4	16.6
42 Rental income of persons <sup>2</sup> .....	27.9	32.9	33.9	33.6	33.6	33.9	34.2	34.6
43 Corporate profits <sup>1</sup> .....	194.8	181.6	190.6	193.1	183.9	157.1	155.4	166.2
44 Profits before tax <sup>3</sup> .....	252.7	242.5	232.1	233.3	216.5	171.6	171.7	180.3
45 Inventory valuation adjustment .....	43.1	-43.0	-24.6	-23.0	-17.1	4.4	-9.4	-10.3
46 Capital consumption adjustment .....	-14.8	-17.8	-16.8	-17.1	-15.5	-10.1	6.9	-3.8
47 Net interest .....	153.8	187.7	235.7	244.0	249.5	258.7	267.5	268.1

1. With inventory valuation and capital consumption adjustments.

2. With capital consumption adjustment.

3. For after-tax profits, dividends, and the like, see table 1.49.

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



## 2.17 PERSONAL INCOME AND SAVING

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

Account	1979	1980	1981	1981		1982		
				Q3	Q4	Q1	Q2	Q3 <sup>a</sup>
<b>PERSONAL INCOME AND SAVING</b>								
<b>1 Total personal income</b> .....	<b>1,943.8</b>	<b>2,160.2</b>	<b>2,404.1</b>	<b>2,458.2</b>	<b>2,494.6</b>	<b>2,510.5</b>	<b>2,552.7</b>	<b>2,592.5</b>
2 Wage and salary disbursements .....	1,237.6	1,356.1	1,493.9	1,512.3	1,531.2	1,541.6	1,556.6	1,570.0
3 Commodity-producing industries.....	438.4	468.0	510.8	519.3	517.7	514.3	513.6	510.2
4 Manufacturing .....	333.9	354.4	386.4	392.9	388.7	385.1	385.6	383.8
5 Distributive industries .....	303.4	330.5	361.4	366.5	368.3	371.4	375.4	378.4
6 Service industries .....	259.7	297.5	338.6	342.8	352.8	359.5	367.6	377.8
7 Government and government enterprises.....	236.2	260.2	283.1	283.8	292.4	296.5	300.0	303.5
8 Other labor income.....	114.9	127.3	140.4	142.2	145.8	149.1	152.5	155.5
9 Proprietors' income <sup>1</sup> .....	132.1	116.3	124.7	127.5	124.1	116.4	117.3	118.4
10 Business and professional <sup>1</sup> .....	100.2	96.9	100.7	100.4	99.5	98.6	99.9	101.7
11 Farm <sup>1</sup> .....	31.9	19.4	24.0	27.1	24.0	17.8	17.4	16.6
12 Rental income of persons <sup>2</sup> .....	27.9	32.9	33.9	33.6	33.6	33.9	34.2	34.6
13 Dividends.....	50.8	55.9	62.5	64.1	65.2	65.8	66.1	67.2
14 Personal interest income.....	209.6	256.3	308.5	339.6	351.0	359.7	372.0	378.2
15 Transfer payments.....	250.3	297.2	336.3	344.8	350.7	354.6	365.2	381.0
16 Old-age survivors, disability, and health insurance benefits.....	131.8	154.2	182.0	190.6	192.8	194.7	197.5	209.2
17 LESS: Personal contributions for social insurance .....	81.1	88.7	104.9	106.1	107.0	110.6	111.4	112.4
18 EQUALS: Personal income.....	1,943.8	2,160.2	2,404.1	2,458.2	2,494.6	2,510.5	2,552.7	2,592.5
19 LESS: Personal tax and nontax payments.....	301.0	336.2	386.7	398.1	393.2	393.4	401.2	394.4
20 EQUALS: Disposable personal income.....	1,650.2	1,824.1	2,029.2	2,060.0	2,101.4	2,117.1	2,151.5	2,198.1
21 LESS: Personal outlays.....	1,553.5	1,717.9	1,898.9	1,925.7	1,942.7	1,977.9	2,007.2	2,046.1
22 EQUALS: Personal saving.....	96.7	106.2	130.2	134.4	158.6	139.1	144.3	152.0
<b>MEMO</b>								
23 Per capita (1972 dollars) .....	6,572	6,474	6,536	6,563	6,458	6,360	6,380	6,376
24 Gross national product.....	4,120	4,087	4,122	4,134	4,088	4,104	4,121	4,117
25 Personal consumption expenditures.....	4,512	4,472	4,538	4,557	4,559	4,527	4,552	4,555
26 Saving rate (percent) .....	5.9	5.8	6.4	6.5	7.5	6.6	6.7	6.9
<b>GROSS SAVING</b>								
27 Gross saving.....	422.8	406.3	477.5	490.0	476.3	428.8	441.5	422.4
28 Gross private saving.....	407.3	438.3	504.7	513.4	547.7	520.3	529.0	546.1
29 Personal saving.....	96.7	106.2	130.2	134.4	158.6	139.1	144.3	152.0
30 Undistributed corporate profits <sup>1</sup> .....	54.5	38.9	44.4	43.9	44.3	32.5	30.7	34.8
31 Corporate inventory valuation adjustment.....	43.1	43.0	-24.6	23.0	17.1	4.4	-9.4	10.3
<b>Capital consumption allowances</b>								
32 Corporate.....	157.5	181.2	206.2	209.7	216.0	218.9	223.4	227.5
33 Noncorporate.....	98.6	112.0	123.9	125.5	128.7	129.8	130.5	131.9
34 Wage accruals less disbursements.....	0	0	0	0	0	0	0	0
35 Government surplus, or deficit (-), national income and product accounts.....	14.3	-33.2	28.2	24.5	72.5	-90.7	-87.5	123.7
36 Federal.....	-16.1	-61.4	60.0	-58.0	-101.7	-118.4	119.6	156.0
37 State and local.....	30.4	28.2	31.7	33.5	29.1	27.7	32.1	32.3
38 Capital grants received by the United States, net.....	1.1	1.2	1.1	1.1	1.1	0	0	0
39 Gross investment.....	421.2	410.1	475.6	489.1	469.0	421.3	442.3	426.0
40 Gross private domestic.....	423.0	402.4	471.5	486.0	468.9	414.8	431.5	443.3
41 Net foreign.....	1.8	7.8	4.1	3.1	0.1	6.5	10.8	17.3
42 Statistical discrepancy.....	-1.5	3.9	-1.9	-0.8	-7.2	-7.5	.8	3.6

1. With inventory valuation and capital consumption adjustments.  
 2. With capital consumption adjustment.

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

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## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

 Millions of dollars; quarterly data are seasonally adjusted except as noted.<sup>1</sup>

Item credits or debits	1979	1980	1981	1981		1982		
				Q3	Q4	Q1	Q2	Q3 <sup>2</sup>
1 Balance on current account .....	- 466	1,520	4,471	751	- 927	1,088	2,231	4,227
2 Not seasonally adjusted.....				-1,834	1,293	742	2,841	-6,471
3 Merchandise trade balance <sup>2</sup> .....	27,346	-25,338	27,889	7,845	- 9,185	-5,873	-5,695	-12,458
4 Merchandise exports .....	184,473	224,237	236,254	57,694	57,593	55,780	55,174	52,480
5 Merchandise imports .....	211,819	-249,575	264,143	-65,539	-66,778	-61,653	-60,869	-64,938
6 Military transactions, net .....	2,035	-2,472	- 1,541	61	- 528	167	247	527
7 Investment income, net <sup>3</sup> .....	31,215	29,910	33,037	8,183	8,529	6,861	7,688	7,418
8 Other service transactions, net .....	3,262	6,203	7,472	2,160	2,127	1,981	1,731	1,939
9 Remittances, pensions, and other transfers .....	- 2,011	-2,101	- 2,104	558	562	- 575	- 671	-602
10 U.S. government grants (excluding military).....	3,549	-4,681	4,504	1,250	1,308	- 1,473	-1,069	-1,051
11 Change in U.S. government assets, other than official re- serve assets, net (increase, -) .....	-3,743	5,126	5,137	1,257	987	904	-1,547	-2,418
12 Change in U.S. official reserve assets (increase, -) .....	-1,133	- 8,155	-5,175	-4	262	1,089	1,132	-794
13 Gold .....	-65	0	0	0	0	0	0	0
14 Special drawing rights (SDRs) .....	-1,136	- 16	-1,823	-225	-134	-400	241	434
15 Reserve position in International Monetary Fund .....	-189	-1,667	2,491	-647	358	- 547	- 814	- 459
16 Foreign currencies .....	257	- 6,472	- 861	868	754	142	77	99
17 Change in U.S. private assets abroad (increase, -) <sup>3</sup> .....	59,469	- 72,746	-98,982	-15,996	46,952	- 29,208	-35,111	-23,152
18 Bank-reported claims .....	- 26,213	-46,838	- 84,531	-15,254	- 42,645	32,708	36,923	21,032
19 Nonbank-reported claims .....	-3,307	- 3,146	- 331	855	-508	4,112	304	n.a.
20 U.S. purchase of foreign securities, net .....	-4,726	-3,524	5,429	-618	-2,843	-531	441	- 3,103
21 U.S. direct investments abroad, net <sup>3</sup> .....	25,222	-19,238	8,691	979	956	- 81	2,557	983
22 Change in foreign official assets in the United States (increase, +) .....	13,697	15,442	4,785	5,835	8,119	3,122	1,998	2,102
23 U.S. Treasury securities .....	- 22,435	9,708	4,983	4,635	4,439	1,344	-2,076	4,880
24 Other U.S. government obligations .....	463	2,187	1,289	545	246	296	258	- 101
25 Other U.S. government liabilities <sup>4</sup> .....	- 73	561	- 69	-337	275	182	387	-509
26 Other U.S. liabilities reported by U.S. banks .....	7,213	159	-4,083	2,382	3,436	-1,516	3,393	-2,160
27 Other foreign official assets <sup>5</sup> .....	1,135	3,145	2,665	974	215	216	36	8
28 Change in foreign private assets in the United States (increase, +) <sup>3</sup> .....	52,157	39,042	73,136	22,715	30,988	28,202	27,621	13,952
29 U.S. bank-reported liabilities .....	32,607	10,743	41,262	16,916	20,476	25,423	22,552	10,224
30 U.S. nonbank-reported liabilities .....	1,362	6,530	532	1,006	- 457	982	2,304	n.a.
31 Foreign private purchases of U.S. Treasury securities, net .....	4,960	2,645	2,932	446	1,238	1,277	2,095	1,308
32 Foreign purchases of other U.S. securities, net .....	1,351	5,457	7,109	761	396	1,319	2,497	134
33 Foreign direct investments in the United States, net <sup>3</sup> .....	11,877	13,666	21,301	4,478	9,335	1,165	2,781	2,286
34 Allocation of SDRs .....	1,139	1,152	1,093	0	0	0	0	0
35 Discrepancy .....	25,212	28,870	25,809	-374	9,497	5,032	5,940	14,537
36 Owing to seasonal adjustments .....				2,144	2,474	899	574	1,973
37 Statistical discrepancy in recorded data before seasonal adjustment .....	25,212	28,870	25,809	1,770	7,023	5,931	5,366	16,510
MEMO:								
Changes in official assets								
38 U.S. official reserve assets (increase, -) .....	-1,133	-8,155	- 5,175	4	262	1,089	1,132	-794
39 Foreign official assets in the United States (increase, +) .....	-13,624	14,881	4,854	5,498	7,844	2,940	1,611	2,611
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above) .....	5,543	12,769	13,314	2,935	2,230	4,988	3,073	164
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above) .....	465	631	602	132	64	93	125	137

1. Seasonal factors are no longer calculated for lines 12 through 41.  
2. Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing; military exports are excluded from merchandise data and are included in line 6.  
3. Includes reinvested earnings of incorporated affiliates.

4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.

5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE: Data are from Bureau of Economic Analysis, *Survey of Current Business* (U.S. Department of Commerce).

## 3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted

Item	1979	1980	1981	1982						
				May	June	July	Aug.	Sept.	Oct.	Nov.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	181,860	220,626	233,677	18,218	18,822	18,026	17,498	17,387	16,698	15,693
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	209,458	244,871	261,305	20,558	21,310	19,559	23,494	20,644	21,096	18,936
3 Trade balance	-27,598	-24,245	-27,628	-2,340	-2,488	-1,532	-5,996	-3,257	-4,398	-3,244

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: 1990 "Summary of U.S. Export and Import Merchandise Trade" (U.S. Department of Commerce, Bureau of the Census).

## 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1979	1980	1981	1982						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Total <sup>1</sup>	18,956	26,756	30,075	30,671	31,227	31,233	31,864	31,711	34,006	33,920
2 Gold stock, including Exchange Stabilization Fund <sup>1</sup>	11,172	11,160	11,151	11,149	11,149	11,148	11,148	11,148	11,148	11,148
3 Special drawing rights <sup>2,3</sup>	2,724	2,610	4,095	4,461	4,591	4,601	4,809	4,801	4,929	5,250
4 Reserve position in International Monetary Fund <sup>2</sup>	1,253	2,852	5,055	6,062	6,386	6,433	6,406	6,367	7,185	7,318
5 Foreign currencies <sup>4,5</sup>	3,807	10,134	9,774	8,999	9,101	9,051	8,630	9,395	10,744	10,204

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.

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. Beginning November 1978, valued at current market exchange rates.

5. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies, if any.

## 3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1979	1980	1981	1982						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Deposits	429	411	505	585	982	347	396	326	386	328
Assets held in custody										
2 U.S. Treasury securities <sup>1</sup>	95,075	102,417	104,680	103,292	106,696	104,136	106,117	107,636	107,467	112,544
3 Earmarked gold	15,169	14,965	14,804	14,777	14,762	14,761	14,726	14,706	15,279	15,284

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

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	1979	1980	1981 <sup>r</sup>	1982						
				Apr. <sup>r</sup>	May <sup>r</sup>	June <sup>r</sup>	July <sup>r</sup>	Aug. <sup>r</sup>	Sept.	Oct. <sup>p</sup>
<b>All foreign countries</b>										
1 Total, all currencies .....	364,409	401,135	462,790	460,437	461,800	458,841	465,658	471,469	470,750	463,619
2 Claims on United States .....	32,302	28,460	63,743	78,139	79,701	83,573	82,250	88,875	90,175	88,932
3 Parent bank .....	25,929	20,202	43,267	55,920	57,172	58,583	55,585	60,213	60,780	61,252
4 Other .....	6,373	8,258	20,476	22,219	22,529	24,990	26,665	28,662	29,395	27,680
5 Claims on foreigners .....	317,330	354,960	378,899	362,670	362,377	356,389	364,160	362,263	360,222	354,281
6 Other branches of parent bank .....	79,662	77,019	87,821	86,101	88,380	87,163	89,446	91,593	93,283	90,040
7 Banks .....	123,420	146,448	150,708	142,394	139,535	137,614	143,081	138,521	135,374	133,453
8 Public borrowers .....	26,097	28,033	28,197	25,603	25,002	25,239	24,654	24,492	24,321	23,851
9 Nonbank foreigners .....	88,151	103,460	112,173	108,572	109,460	106,373	106,979	107,657	107,244	106,937
10 Other assets .....	14,777	17,715	20,148	19,628	19,722	18,879	19,248	20,331	20,353	20,406
11 Total payable in U.S. dollars .....	267,713	291,798	350,678	351,561	351,966	353,816	360,004	366,176	369,675	361,779
12 Claims on United States .....	31,171	27,191	62,142	76,635	78,095	82,006	80,607	87,267	88,521	87,212
13 Parent bank .....	25,632	19,896	42,721	55,464	56,687	58,086	54,906	59,532	60,115	60,507
14 Other .....	5,539	7,295	19,421	21,171	21,408	23,920	25,701	27,735	28,406	26,705
15 Claims on foreigners .....	229,120	255,391	276,882	263,027	261,928	260,530	267,586	266,503	268,250	261,969
16 Other branches of parent bank .....	61,525	58,541	69,398	69,337	70,725	70,386	72,488	74,252	77,470	74,032
17 Banks .....	96,261	117,342	122,055	113,667	110,900	110,274	115,391	111,797	110,588	107,525
18 Public borrowers .....	21,629	23,491	22,877	20,183	19,592	19,957	19,306	19,043	18,984	18,659
19 Nonbank foreigners .....	49,705	56,017	62,552	59,840	60,711	59,913	60,401	61,411	61,208	61,753
20 Other assets .....	7,422	9,216	11,654	11,899	11,943	11,280	11,811	12,406	12,904	12,598
<b>United Kingdom</b>										
21 Total, all currencies .....	130,873	144,717	157,229	159,481	161,036	158,466	164,106	164,523	167,189	164,582
22 Claims on United States .....	11,117	7,509	11,823	17,676	20,155	20,744	23,962	27,031	27,534	27,756
23 Parent bank .....	9,338	5,275	7,885	13,750	15,854	16,768	19,680	22,730	22,970	23,717
24 Other .....	1,779	2,234	3,938	3,926	4,301	3,976	4,282	4,301	4,564	4,039
25 Claims on foreigners .....	115,123	131,142	138,888	135,634	134,845	131,860	133,964	130,814	132,746	129,986
26 Other branches of parent bank .....	34,291	34,760	41,367	39,811	39,621	37,696	37,250	36,937	40,385	37,023
27 Banks .....	51,343	58,741	56,315	55,545	54,674	54,727	56,428	53,582	52,203	52,641
28 Public borrowers .....	4,919	6,688	7,490	6,822	6,663	6,595	6,456	6,286	6,086	6,157
29 Nonbank foreigners .....	24,570	30,953	33,716	33,456	33,887	32,842	33,830	34,009	34,072	34,165
30 Other assets .....	4,633	6,066	6,518	6,171	6,063	5,862	6,180	6,678	6,909	6,840
31 Total payable in U.S. dollars .....	94,287	99,699	115,188	117,914	119,586	120,002	125,247	126,344	131,129	127,517
32 Claims on United States .....	10,746	7,116	11,246	17,182	19,608	20,256	23,421	26,514	26,919	27,182
33 Parent bank .....	9,297	5,229	7,721	13,623	15,663	16,599	19,451	22,496	22,758	23,478
34 Other .....	1,449	1,887	3,525	3,559	3,945	3,657	3,970	4,018	4,161	3,704
35 Claims on foreigners .....	81,294	89,723	99,850	96,955	95,926	95,857	97,699	95,293	99,008	95,342
36 Other branches of parent bank .....	28,928	28,268	35,439	34,240	33,922	32,567	32,007	31,414	35,703	32,243
37 Banks .....	36,760	42,073	40,703	40,070	39,593	40,479	42,515	40,321	39,786	39,150
38 Public borrowers .....	3,319	4,911	5,595	4,717	4,507	4,655	4,513	4,336	4,214	4,251
39 Nonbank foreigners .....	12,287	14,471	18,113	17,568	17,904	18,156	18,664	19,222	19,305	19,698
40 Other assets .....	2,247	2,860	4,092	4,137	4,052	3,889	4,127	4,537	5,202	4,993
<b>Bahamas and Caymans</b>										
41 Total, all currencies .....	108,977	123,837	149,051	143,153	140,045	141,878	141,124	144,230	140,528	139,414
42 Claims on United States .....	19,124	17,751	46,546	55,758	54,411	56,704	52,341	56,034	55,380	55,690
43 Parent bank .....	15,196	12,631	31,643	38,370	37,119	36,608	30,865	32,728	32,068	32,904
44 Other .....	3,928	5,120	14,903	17,388	17,292	20,096	21,467	23,306	23,312	22,786
45 Claims on foreigners .....	86,718	101,926	98,002	83,104	81,297	81,170	84,734	83,918	81,051	79,536
46 Other branches of parent bank .....	9,689	13,342	12,951	12,574	14,186	15,407	17,538	17,806	17,772	17,955
47 Banks .....	43,189	54,861	55,096	45,756	43,274	42,747	44,547	43,701	41,330	40,436
48 Public borrowers .....	12,905	12,577	10,010	7,860	7,361	7,327	7,031	7,036	6,999	6,743
49 Nonbank foreigners .....	20,935	21,146	19,945	16,914	16,476	15,689	15,618	15,375	14,950	14,402
50 Other assets .....	3,135	4,160	4,503	4,291	4,337	4,004	4,049	4,278	4,097	4,188
51 Total payable in U.S. dollars .....	102,368	117,654	143,686	138,052	135,134	136,910	135,645	138,807	135,991	134,583

## 3.14 Continued

Liability account	1979	1980	1981 <sup>1</sup>	1982						
				Apr. <sup>1</sup>	May <sup>1</sup>	June	July <sup>1</sup>	Aug. <sup>1</sup>	Sept.	Oct. <sup>1</sup>
All foreign countries										
52 Total, all currencies	364,409	401,135	462,790	460,437	461,800	458,841	465,658	471,469	470,750	463,619
53 To United States	66,689	91,079	137,712	153,262	156,352	160,914	164,520	167,643	170,310	169,323
54 Parent bank	24,533	39,286	56,289	57,073	56,470	59,202	60,949	64,390	66,908	64,117
55 Other banks in United States	13,968	14,473	19,197	26,022	27,685	29,534	31,560	32,436	33,763	32,283
56 Nonbanks	28,188	37,275	62,226	70,167	72,197	72,178	72,011	70,817	69,639	72,923
57 To foreigners	283,510	295,411	305,630	286,982	284,355	278,451	281,600	283,739	280,225	274,269
58 Other branches of parent bank	77,640	75,773	86,396	84,148	85,629	84,516 <sup>1</sup>	86,776	92,191	93,753	91,666
59 Banks	122,922	132,116	124,906	111,675	107,321	105,148 <sup>1</sup>	105,963	103,433	99,920	98,289
60 Official institutions	35,668	32,473	25,997	22,340	22,703	19,914	20,239	20,004	20,277	19,440
61 Nonbank foreigners	47,280	55,049	68,331	68,819	68,702	68,873	68,622	68,111	66,275	64,874
62 Other liabilities	14,210	14,690	19,448	20,193	21,093	19,476	19,538	20,087	20,215	20,027
63 Total payable in U.S. dollars	273,857	303,281	364,390	366,867	368,544	369,380	376,153	381,934	385,394	377,091
64 To United States	64,530	88,157	134,645	150,158	153,222	157,717	161,265	164,419	167,467	166,385
65 Parent bank	23,403	37,528	54,437	55,012	54,508	57,174	58,968	62,374	65,047	62,200
66 Other banks in United States	13,771	14,203	18,883	25,685	27,270	29,198	31,228	32,173	33,508	32,041
67 Nonbanks	27,356	36,426	61,325	69,461	71,444	71,345	71,069	69,872	68,912	72,144
68 To foreigners	201,514	206,883	217,602	204,997	202,529	200,262	203,775	205,728	206,553	199,303
69 Other branches of parent bank	60,551	58,172	69,299	68,045	68,538	68,516 <sup>1</sup>	70,429	75,344	78,499	76,244
70 Banks	80,691	87,497	79,594	69,291	66,611	65,821 <sup>1</sup>	66,524	63,975	62,535	59,782
71 Official institutions	29,048	24,697	20,288	17,491	17,900	15,373	15,737	15,672	16,357	15,253
72 Nonbank foreigners	31,224	36,517	48,421	50,170	49,480	50,552	51,085	50,737	49,162	48,024
73 Other liabilities	7,813	8,241	12,143	11,712	12,793	11,401	11,113	11,787	11,374	11,403
United Kingdom										
74 Total, all currencies	130,873	144,717	157,229	159,481	161,036	158,466	164,106	164,523	167,189	164,582
75 To United States	20,986	21,785	38,022	41,886	43,882	44,086	46,965	49,001	53,919	53,774
76 Parent bank	3,104	4,225	5,444	8,006	6,694	6,323	6,679	8,022	11,336	10,568
77 Other banks in United States	7,693	5,716	7,502	8,345	8,972	9,985	11,215	11,616	13,280	12,564
78 Nonbanks	10,189	11,844	25,076	25,535	28,216	27,778	29,071	29,363	29,303	30,642
79 To foreigners	104,032	117,438	112,255	109,629	109,199	106,665	109,105	107,268	104,967	102,611
80 Other branches of parent bank	12,567	15,384	16,545	18,358	19,412	17,771	18,010	18,666	19,123	18,399
81 Banks	47,620	56,262	51,336	47,549	46,204	46,628	48,541	47,502	45,526	45,601
82 Official institutions	24,202	21,412	16,517	13,908	14,119	11,746	12,076	12,006	12,098	11,379
83 Nonbank foreigners	19,643	24,380	27,857	29,814	29,464	30,520	30,478	29,094	28,220	27,232
84 Other liabilities	5,855	5,494	6,952	7,966	7,955	7,715	8,036	8,254	8,303	8,197
85 Total payable in U.S. dollars	95,449	103,440	120,277	124,248	126,901	125,859	131,199	132,536	137,268	133,591
86 To United States	20,552	21,080	37,332	41,198	43,143	43,323	46,129	48,266	53,262	53,146
87 Parent bank	3,054	4,078	5,350	7,907	6,624	6,212	6,603	7,928	11,223	10,442
88 Other banks in United States	7,651	5,626	7,249	8,167	8,755	9,806	11,048	11,510	13,142	12,472
89 Nonbanks	9,847	11,376	24,733	25,124	27,764	27,305	28,478	28,828	28,897	30,232
90 To foreigners	72,397	79,636	79,034	79,444	79,914	78,794	81,207	79,954	80,025	76,519
91 Other branches of parent bank	8,446	10,474	12,048	14,102	14,958	13,903	14,202	14,514	15,548	14,614
92 Banks	29,424	35,388	32,298	30,415	29,965	30,557	32,364	31,898	31,187	30,404
93 Official institutions	20,192	17,024	13,612	11,568	11,829	9,843	10,200	10,322	10,762	9,806
94 Nonbank foreigners	14,335	16,750	21,076	23,359	23,162	24,491	24,441	23,220	22,528	21,695
95 Other liabilities	2,500	2,724	3,911	3,606	3,844	3,742	3,863	4,316	3,981	3,926
Bahamas and Caymans										
96 Total, all currencies	108,977	123,837	149,051	143,153	140,045	141,878	141,124	144,230	140,528	139,414
97 To United States	37,719	59,666	85,704	94,364	94,635	97,916	98,625	99,286	96,850	96,785
98 Parent bank	15,267	28,181	39,396	35,998	36,608	39,416	41,132	42,976	41,720	40,200
99 Other banks in United States	5,204	7,379	10,474	15,903	16,827	17,410	17,836	17,922	17,927	17,161
100 Nonbanks	17,248	24,106	35,834	42,463	41,200	41,090	39,657	38,388	37,203	39,424
101 To foreigners	68,598	61,218	60,012	45,786	42,026	41,204	39,748	42,058	40,964	39,793
102 Other branches of parent bank	20,875	17,040	20,641	17,364	15,887	15,855	15,018	17,348	17,690	17,421
103 Banks	33,631	29,895	23,202	14,737	13,452	12,702	11,770	11,615	10,910	10,297
104 Official institutions	4,866	4,361	3,498	2,512	2,448	2,471	2,407	2,288	2,091	2,137
105 Nonbank foreigners	9,226	9,922	12,671	11,173	10,239	10,176	10,553	10,807	10,273	9,938
106 Other liabilities	2,660	2,953	3,335	3,003	3,384	2,758	2,751	2,886	2,714	2,836
107 Total payable in U.S. dollars	103,460	119,657	145,227	139,673	136,713	138,640	137,934	140,786	137,632	136,550

## 3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1980	1981	1982						
			May	June	July	Aug.	Sept.	Oct.	Nov. <sup>p</sup>
1 Total <sup>1</sup> .....	164,578	169,702	166,972	168,355	169,835	169,231	171,226	171,264	168,808
<i>By type</i>									
2 Liabilities reported by banks in the United States <sup>2</sup> .....	30,381	26,572	27,730	28,459	25,469	26,533	26,440	26,824	25,954
3 U.S. Treasury bills and certificates <sup>3</sup> .....	56,243	52,389	42,741	43,509	45,824	44,182	44,450	43,964	42,906
4 Marketable .....	41,455	53,150	59,933	60,251	63,043	63,410	64,935	65,540	65,793
5 Nonmarketable <sup>4</sup> .....	14,654	11,791	10,750	10,150	9,750	9,350	9,350	9,350	8,750
6 U.S. securities other than U.S. Treasury securities <sup>5</sup> .....	21,845	25,800	25,818	25,986	25,749	25,756	26,051	25,586	25,405
<i>By area</i>									
7 Western Europe <sup>1</sup> .....	81,592	65,484	57,382	58,079	58,787	61,121	61,346	60,667	59,166
8 Canada .....	1,562	2,403	1,329	1,568	1,519	1,771	2,057	2,204	2,044
9 Latin America and Caribbean .....	5,688	6,954	7,248	7,692	7,124	6,734	6,385	7,080	5,884
10 Asia .....	70,784	91,790	95,887	95,466	97,120	94,891	95,960	95,299	95,041
11 Africa .....	4,123	1,829	1,381	1,437	1,485	1,326	1,303	1,452	1,371
12 Other countries <sup>6</sup> .....	829	1,242	3,745	4,113	3,799	3,388	4,175	4,563	5,303

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	1979	1980	1981	1981	1982		
				Dec.	Mar.	June	Sept.
1 Banks' own liabilities .....	1,918	3,748	3,763	3,763	4,285	4,648	4,841
2 Banks' own claims .....	2,419	4,206	5,224	5,224	5,574	6,260	6,604
3 Deposits .....	994	2,507	3,398	3,398	3,532	3,457	3,537
4 Other claims .....	1,425	1,699	1,826	1,826	2,042	2,803	3,067
5 Claims of banks' domestic customers <sup>1</sup> .....	580	962	971	971	944	921	506

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	1979	1980	1981▲	1982						
				May	June	July	Aug.	Sept. <sup>2</sup>	Oct.	Nov. <sup>2</sup>
<b>1 All foreigners</b> .....	<b>187,521</b>	<b>205,297</b>	<b>243,010</b>	<b>274,638</b>	<b>285,911</b>	<b>284,226</b>	<b>293,050</b>	<b>298,515</b>	<b>296,201</b>	<b>302,370</b>
2 Banks' own liabilities .....	117,196	124,791	162,780	203,259	212,634	208,290	217,492	220,427	217,325	224,999
3 Demand deposits .....	23,303	23,462	19,646	16,566	17,285	17,101	15,852	15,418	17,091	17,417
4 Time deposits <sup>1</sup> .....	13,623	15,076	28,816	53,667	56,007	59,517	62,103	62,332	62,087	63,028
5 Other <sup>2</sup> .....	16,453	17,583	17,474	21,187	22,146	20,308	24,232	23,520	22,803	24,042
6 Other foreign offices <sup>3</sup> .....	63,817	68,670	96,844	111,839	117,196	111,363	115,305	119,158	115,344	120,511
7 Banks' custody liabilities <sup>4</sup> .....	70,325	80,506	80,230	71,379	73,277	75,936	75,558	78,089	78,876	77,371
8 U.S. Treasury bills and certificates .....	48,573	57,595	55,316	46,487	48,817	51,211	49,646	51,572	53,373	52,138
9 Other negotiable and readily transferable instruments <sup>5</sup> .....	19,396	20,079	18,944	20,751	20,448	20,717	22,134	22,437	21,788	21,594
10 Other .....	2,356	2,832	5,970	4,141	4,011	4,009	3,778	4,080	3,715	3,639
<b>11 Nonmonetary international and regional organizations<sup>7</sup></b> .....	<b>2,356</b>	<b>2,344</b>	<b>2,721</b>	<b>3,039</b>	<b>4,001</b>	<b>4,082</b>	<b>5,073</b>	<b>5,050</b>	<b>6,036</b>	<b>6,465</b>
12 Banks' own liabilities .....	714	444	638	1,272	1,233	2,246	3,093	2,752	2,337	3,387
13 Demand deposits .....	260	146	262	185	300	343	265	194	263	257
14 Time deposits <sup>1</sup> .....	151	85	58	471	586	633	453	734	429	969
15 Other <sup>2</sup> .....	303	212	318	616	347	1,271	2,376	1,825	618	2,161
16 Banks' custody liabilities <sup>4</sup> .....	1,643	1,900	2,083	1,767	2,768	1,835	1,980	2,298	3,699	3,078
17 U.S. Treasury bills and certificates .....	102	254	541	253	1,425	487	328	676	2,160	1,774
18 Other negotiable and readily transferable instruments <sup>5</sup> .....	1,538	1,646	1,542	1,514	1,343	1,349	1,652	1,621	1,539	1,304
19 Other .....	0	0	0	0	0	0	0	0	0	0
<b>20 Official institutions<sup>8</sup></b> .....	<b>78,206</b>	<b>86,624</b>	<b>78,962</b>	<b>70,471</b>	<b>71,968</b>	<b>71,293</b>	<b>70,715</b>	<b>70,891</b>	<b>70,788</b>	<b>68,861</b>
21 Banks' own liabilities .....	18,292	17,826	16,813	17,633	18,964	15,887	16,262	16,646	16,757	16,541
22 Demand deposits .....	4,671	3,771	2,581	2,162	3,167	2,800	2,006	2,526	2,164	2,137
23 Time deposits <sup>1</sup> .....	3,050	3,612	4,146	5,769	5,500	6,061	5,749	5,312	6,005	5,504
24 Other <sup>2</sup> .....	10,571	10,443	10,086	9,702	10,297	7,026	8,507	8,809	8,588	8,900
25 Banks' custody liabilities <sup>4</sup> .....	59,914	68,798	62,149	52,838	53,004	55,406	54,453	54,245	54,031	52,320
26 U.S. Treasury bills and certificates <sup>5</sup> .....	47,666	56,243	52,389	42,741	43,509	45,824	44,182	44,540	43,964	42,906
27 Other negotiable and readily transferable instruments <sup>5</sup> .....	12,196	12,501	9,712	10,057	9,461	9,547	10,234	9,755	10,033	9,385
28 Other .....	52	54	47	40	33	36	37	39	34	28
<b>29 Banks<sup>9</sup></b> .....	<b>88,316</b>	<b>96,415</b>	<b>135,359</b>	<b>165,465</b>	<b>173,299</b>	<b>170,998</b>	<b>177,575</b>	<b>181,452</b>	<b>178,346</b>	<b>184,632</b>
30 Banks' own liabilities .....	83,299	90,456	123,640	152,893	160,594	157,327	163,365	165,627	162,840	168,360
31 Unaffiliated foreign banks .....	19,482	21,786	26,796	41,054	43,398	45,964	48,060	46,469	47,496	47,849
32 Demand deposits .....	13,285	14,188	11,614	9,700	9,274	9,384	8,765	8,138	9,887	9,829
33 Time deposits <sup>1</sup> .....	1,667	1,703	8,654	21,189	23,403	25,390	26,731	26,503	26,139	26,321
34 Other <sup>2</sup> .....	4,530	5,895	6,528	10,165	10,721	11,190	12,564	11,828	11,470	11,698
35 Own foreign offices <sup>3</sup> .....	63,817	68,670	96,844	111,839	117,196	111,363	115,305	119,158	115,344	120,511
36 Banks' custody liabilities <sup>4</sup> .....	5,017	5,959	11,718	12,573	12,706	13,671	14,209	15,825	15,506	16,272
37 U.S. Treasury bills and certificates .....	422	623	1,687	2,707	2,926	3,872	3,970	4,897	5,634	5,792
38 Other negotiable and readily transferable instruments <sup>5</sup> .....	2,415	2,748	4,421	6,100	6,520	6,661	7,102	7,916	7,069	7,788
39 Other .....	2,179	2,588	5,611	3,766	3,260	3,138	3,138	3,012	2,803	2,693
<b>40 Other foreigners</b> .....	<b>18,642</b>	<b>19,914</b>	<b>25,968</b>	<b>35,663</b>	<b>36,642</b>	<b>37,853</b>	<b>39,688</b>	<b>41,123</b>	<b>41,032</b>	<b>42,412</b>
41 Banks' own liabilities .....	14,891	16,065	21,689	31,462	31,842	32,829	34,772	35,401	35,392	36,711
42 Demand deposits .....	5,087	5,356	5,189	4,518	4,544	4,575	4,816	4,560	4,778	5,194
43 Time deposits .....	8,755	9,676	15,958	26,239	26,518	27,433	29,171	29,783	29,514	30,235
44 Other <sup>2</sup> .....	1,048	1,033	543	705	781	822	785	1,059	1,100	1,282
45 Banks' custody liabilities <sup>4</sup> .....	3,751	3,849	4,279	4,201	4,800	5,023	4,916	5,721	5,640	5,701
46 U.S. Treasury bills and certificates .....	382	474	699	786	806	957	1,028	1,167	1,548	1,666
47 Other negotiable and readily transferable instruments <sup>5</sup> .....	3,247	3,185	3,268	3,080	3,125	3,160	3,147	3,146	3,147	3,118
48 Other .....	123	190	312	335	718	835	603	1,028	878	918
<b>49 M1MO: Negotiable time certificates of deposit in custody for foreigners</b> .....	<b>10,984</b>	<b>10,745</b>	<b>10,672</b>	<b>12,652</b>	<b>12,878</b>	<b>13,029</b>	<b>13,921</b>	<b>13,533</b>	<b>14,000</b>	<b>13,390</b>

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."

▲ 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.

## 3.17 Continued

Area and country	1979	1980	1981▲	1982						
				May	June	July	Aug.	Sept. <sup>1</sup>	Oct.	Nov. <sup>2</sup>
1 Total	187,521	205,297	243,010	274,638	285,911	284,226	293,050	298,515	296,201	302,370
2 Foreign countries	185,164	202,953	240,289	271,599	281,910	280,144	287,977	293,466	290,166	295,905
3 Europe	90,952	90,897	90,951	97,469	102,699	106,284	112,022	114,263	114,895	116,881
4 Austria	413	523	587	454	434	501	531	537	508	441
5 Belgium-Luxembourg	2,375	4,019	4,117	3,075	2,869	2,957	3,218	3,259	2,782	2,498
6 Denmark	1,092	497	333	608	510	452	446	149	166	221
7 Finland	398	455	296	212	181	162	224	328	478	572
8 France	10,433	12,125	8,486	6,312	9,234	8,635	8,145	7,720	7,364	6,999
9 Germany	12,935	9,973	7,665	6,954	6,221	5,624	5,397	5,331	5,360	6,099
10 Greece	635	670	463	549	512	506	559	471	516	496
11 Italy	7,782	7,572	7,290	3,420	4,720	5,760	6,703	6,714	5,541	4,779
12 Netherlands	2,337	2,441	2,823	2,719	2,836	2,789	2,838	2,899	3,102	3,100
13 Norway	1,267	1,344	1,457	1,981	1,370	1,333	1,634	1,773	2,026	2,197
14 Portugal	557	374	354	276	365	365	453	386	356	453
15 Spain	1,259	1,500	916	1,114	1,191	1,133	1,223	1,106	1,315	1,312
16 Sweden	2,005	1,737	1,545	1,425	1,416	1,385	1,278	1,324	2,000	1,615
17 Switzerland	17,954	16,689	18,726	21,567	22,473	23,851	25,019	26,519	26,770	28,059
18 Turkey	120	242	518	204	167	222	287	301	317	255
19 United Kingdom	24,700	22,680	28,288	39,872	41,159	44,115	46,881	48,478	48,809	50,113
20 Yugoslavia	266	681	375	237	314	320	317	307	390	470
21 Other Western Europe <sup>1</sup>	4,070	6,939	6,170	6,090	6,163	5,734	6,381	6,294	6,444	6,673
22 U.S.S.R.	52	68	49	30	44	41	47	47	111	45
23 Other Eastern Europe <sup>2</sup>	302	370	493	371	521	397	440	322	541	486
24 Canada	7,379	10,031	10,250	10,621	11,541	11,168	12,194	11,623	12,163	11,725
25 Latin America and Caribbean	49,686	53,170	84,685	105,891	109,452	103,874	106,805	109,110	105,205	109,323
26 Argentina	1,582	2,132	2,445	2,207	2,030	2,088	2,636	3,359	3,381	3,432
27 Bahamas	15,255	16,381	34,400	44,756	44,615	39,482	41,502	42,164	39,800	43,537
28 Bermuda	430	670	765	1,350	1,300	1,302	1,289	1,519	1,507	1,596
29 Brazil	1,005	1,216	1,568	1,615	1,822	1,823	1,865	1,752	2,106	1,865
30 British West Indies	11,138	12,766	17,794	19,749	22,631	22,069	22,871	23,294	22,975	24,161
31 Chile	468	460	664	1,224	1,124	1,442	1,170	1,293	1,438	1,434
32 Colombia	2,617	3,077	2,993	2,515	2,700	2,699	2,636	2,516	2,407	2,426
33 Cuba	13	6	9	6	6	7	7	7	7	8
34 Ecuador	425	371	434	465	559	527	478	524	556	519
35 Guatemala	414	367	479	583	580	613	616	639	636	639
36 Jamaica	76	97	87	104	100	139	136	121	118	108
37 Mexico	4,185	4,547	7,163	9,438	8,957	9,643	9,259	8,468	8,023	8,135
38 Netherlands Antilles	499	413	3,182	3,449	3,727	3,602	3,759	3,713	3,670	3,523
39 Panama	4,483	4,718	4,847	4,338	5,357	4,884	4,656	6,172	4,702	4,689
40 Peru	383	403	694	753	1,069	931	984	974	1,031	965
41 Uruguay	202	254	367	561	542	609	665	721	844	641
42 Venezuela	4,192	3,170	4,245	9,421	9,310	9,139	9,219	8,625	8,796	8,315
43 Other Latin America and Caribbean	2,318	2,123	2,548	3,357	3,022	2,874	3,056	3,249	3,207	3,331
44 Asia	33,005	42,420	49,805	50,991	51,143	52,041	50,854	51,115	49,796	49,331
45 China	49	49	158	284	244	261	245	254	216	214
46 Mainland	1,393	1,662	2,082	2,378	2,334	2,371	2,323	2,490	2,564	2,786
47 Taiwan	1,672	2,548	3,950	4,737	4,880	4,918	4,551	4,945	4,957	4,847
48 Hong Kong	527	416	385	603	540	551	655	407	449	507
49 India	504	730	640	789	583	722	593	436	748	534
50 Indonesia	707	883	592	562	610	476	486	583	888	705
51 Japan	8,907	16,281	20,551	18,896	18,994	19,827	19,291	18,895	16,595	15,680
52 Korea	993	1,528	2,013	2,192	1,863	1,934	1,712	1,905	1,886	1,791
53 Philippines	795	919	874	785	839	660	728	712	736	768
54 Thailand	277	464	534	474	485	450	369	310	365	349
55 Middle-East oil-exporting countries <sup>3</sup>	15,300	14,453	13,174	14,400	14,267	14,243	14,106	14,026	14,053	15,131
56 Other Asia	1,879	2,487	4,852	4,891	5,503	5,629	5,795	6,152	6,341	6,020
57 Africa	3,239	5,187	3,180	2,629	2,675	2,692	2,586	2,783	3,369	3,192
58 Egypt	475	485	360	382	447	430	405	385	242	373
59 Morocco	33	33	32	37	59	52	47	63	54	66
60 South Africa	184	288	420	305	335	339	341	344	279	564
61 Zaire	110	57	26	27	37	25	25	20	23	22
62 Oil-exporting countries <sup>4</sup>	1,635	3,540	1,395	846	901	1,025	908	1,074	1,669	1,250
63 Other Africa	804	783	946	1,031	896	821	860	897	1,103	918
64 Other countries	904	1,247	1,419	3,997	4,400	4,085	3,516	4,572	4,738	5,452
65 Australia	684	950	1,223	3,752	4,172	3,831	3,317	4,355	4,530	5,224
66 All other	220	297	196	245	228	254	199	216	207	228
67 Nonmonetary international and regional organizations	2,356	2,344	2,721	3,039	4,001	4,082	5,073	5,050	6,036	6,465
68 International	1,238	1,157	1,661	2,064	2,860	3,064	3,937	3,934	5,141	5,522
69 Latin American regional	806	890	710	661	694	606	776	719	573	533
70 Other regional <sup>5</sup>	313	296	350	314	446	412	361	397	322	410

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."

▲ 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.





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	1979	1980	1981▲	1982						
				May	June	July	Aug.	Sept. <sup>r</sup>	Oct.	Nov. <sup>p</sup>
1 Total	154,030	198,698	286,404	355,093	376,443					
2 Banks' own claims on foreigners	133,943	172,592	251,035	301,247	314,381	322,831	328,555	339,367	334,145	334,192
3 Foreign public borrowers	15,937	20,882	31,294	37,630	40,001	40,684	41,678	42,682	42,587	42,224
4 Own foreign offices <sup>1</sup>	47,428	65,084	96,639	108,699	113,722	114,098	118,563	125,761	116,915	115,701
5 Unaffiliated foreign banks	40,927	50,168	74,104	97,175	101,756	108,313	109,133	111,499	114,280	115,520
6 Deposits	6,274	8,254	22,704	33,725	35,667	40,028	40,945	40,705	42,058	41,312
7 Other	34,654	41,914	51,400	63,450	66,090	68,285	68,189	70,794	72,222	74,209
8 All other foreigners	29,650	36,459	48,998	57,743	58,901	59,736	59,181	59,424	60,363	60,747
9 Claims of banks' domestic customers <sup>2</sup>	20,088	26,106	35,368	40,712				37,076		
10 Deposits	955	885	1,378	1,426				1,390		
11 Negotiable and readily transferable instruments <sup>3</sup>	13,100	15,574	25,752	31,966				28,577		
12 Outstanding collections and other claims	6,032	9,648	8,238	7,320				7,110		
13 MEMO: Customer liability on acceptances	18,021	22,714	29,565	33,180				35,103		
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States <sup>4</sup>	22,333	24,511	39,831	44,084	44,566	45,239	43,730	43,575	45,388	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	1979	1980	1981		1982		
			Sept.	Dec.▲	Mar.	June	Sept.
1 Total	86,181	106,748	122,477	153,932	174,618	200,515	213,061
<i>By borrower</i>							
2 Maturity of 1 year or less <sup>1</sup>	65,152	82,555	94,957	115,908	133,019	151,592	160,949
3 Foreign public borrowers	7,233	9,974	12,978	15,192	16,603	19,439	20,138
4 All other foreigners	57,919	72,581	81,979	100,715	116,416	132,153	140,811
5 Maturity of over 1 year <sup>1</sup>	21,030	24,193	27,520	38,023	41,598	48,923	52,112
6 Foreign public borrowers	8,371	10,152	12,564	15,645	16,843	19,995	21,928
7 All other foreigners	12,659	14,041	14,956	22,380	24,755	28,928	30,184
<i>By area</i>							
8 Maturity of 1 year or less <sup>1</sup>							
9 Europe	15,235	18,715	23,015	27,893	34,246	38,904	44,555
10 Canada	1,777	2,723	3,959	4,634	5,807	6,593	6,975
11 Latin America and Caribbean	24,928	32,034	35,590	48,473	58,243	67,967	71,536
12 Asia	21,641	26,686	29,295	31,508	30,585	33,603	33,079
13 Africa	1,077	1,757	2,324	2,457	2,890	3,308	3,624
14 All other <sup>2</sup>	493	640	774	943	1,249	1,218	1,180
9 Maturity of over 1 year <sup>1</sup>							
15 Europe	4,160	5,118	6,424	8,095	8,435	9,356	10,576
16 Canada	1,317	1,448	1,347	1,774	1,863	2,345	1,867
17 Latin America and Caribbean	12,814	15,075	17,478	25,088	27,684	32,857	34,258
18 Asia	1,911	1,865	1,550	1,902	2,245	2,465	3,370
19 Africa	655	507	548	899	1,056	1,276	1,351
20 All other <sup>2</sup>	173	179	172	267	315	625	690

1. Remaining time to maturity.

2. Includes nonmonetary international and regional organizations.

▲ 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.



3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States<sup>1</sup>

Millions of dollars, end of period

Type, and area or country	1979	1980	1981	1981		1982	
				Sept. <sup>2</sup>	Dec. <sup>2</sup>	Mar. <sup>2</sup>	June <sup>2</sup>
1 Total	17,418 <sup>a</sup>	22,212 <sup>a</sup>	22,460 <sup>a</sup>	23,593	22,460	22,366	20,843
2 Payable in dollars	14,323 <sup>a</sup>	18,481 <sup>a</sup>	18,749 <sup>a</sup>	20,374	18,749	19,605	18,102
3 Payable in foreign currencies	3,095	3,731	3,711 <sup>b</sup>	3,219	3,711	2,761	2,740
<i>By type</i>							
4 Financial liabilities	7,507 <sup>a</sup>	11,316 <sup>a</sup>	12,103 <sup>a</sup>	13,072	12,103	12,585	10,017
5 Payable in dollars	5,223 <sup>a</sup>	8,528 <sup>a</sup>	9,444 <sup>a</sup>	10,688	9,444	10,622	8,056
6 Payable in foreign currencies	2,284	2,788	2,660 <sup>b</sup>	2,384	2,660	1,963	1,961
7 Commercial liabilities	9,910 <sup>a</sup>	10,896 <sup>a</sup>	10,357 <sup>a</sup>	10,520	10,357	9,782	10,826
8 Trade payables	4,591	4,993 <sup>a</sup>	4,720 <sup>a</sup>	4,430	4,720	4,022	4,967
9 Advance receipts and other liabilities	5,320 <sup>a</sup>	5,903	5,637 <sup>a</sup>	6,091	5,637	5,760	5,859
10 Payable in dollars	9,100 <sup>a</sup>	9,953 <sup>a</sup>	9,305 <sup>a</sup>	9,686	9,305	8,983	10,047
11 Payable in foreign currencies	811	943	1,052 <sup>b</sup>	835	1,052	798	779
<i>By area or country</i>							
<i>Financial liabilities</i>							
12 Europe	4,649	6,467	6,808 <sup>a</sup>	7,957	6,808	7,874	5,947
13 Belgium-Luxembourg	322	465	460 <sup>a</sup>	495	460	596	518
14 France	175	327	709 <sup>a</sup>	929	709	924	581
15 Germany	497	582	491	430	491	503	439
16 Netherlands	829	681	748 <sup>a</sup>	664	748	755	517
17 Switzerland	170	354	715	465	715	707	661
18 United Kingdom	2,477	3,923	3,559 <sup>a</sup>	4,800	3,559	4,282	3,084
19 Canada	532	964	958	977	958	914	758
20 Latin America and Caribbean	1,514 <sup>a</sup>	3,136 <sup>a</sup>	3,353 <sup>a</sup>	3,293	3,353	3,327	2,794
21 Bahamas	404 <sup>a</sup>	964	1,279	1,019	1,279	1,095	1,003
22 Bermuda	81	1	7	6	7	6	7
23 Brazil	18	23	22	20	22	27	24
24 British West Indies	516 <sup>a</sup>	1,452	1,241 <sup>a</sup>	1,398	1,241	1,469	1,044
25 Mexico	121	99	102	107	102	67	83
26 Venezuela	72	81	98	90	98	97	100
27 Asia	804	723	957	814	957	455	502
28 Japan	726	644	792	696	792	293	340
29 Middle East oil-exporting countries <sup>3</sup>	31	38	75 <sup>a</sup>	51	75	63	66
30 Africa	4	11	3	3	3	2	3
31 Oil-exporting countries <sup>4</sup>	1	1	0	1	0	0	0
32 All other <sup>4</sup>	4	15	24	29	24	12	11
<i>Commercial liabilities</i>							
33 Europe	3,709 <sup>a</sup>	4,402	3,771	3,963	3,771	3,422	3,661
34 Belgium-Luxembourg	137	90	71 <sup>a</sup>	79	71	50	47
35 France	467	582	573	575	573	504	657
36 Germany	545	679	545	590	545	473	457
37 Netherlands	227	219	221	239	221	232	247
38 Switzerland	316	499	424	569	424	400	412
39 United Kingdom	1,080 <sup>a</sup>	1,209	880 <sup>a</sup>	925	880	824	849
40 Canada	924	888 <sup>a</sup>	897 <sup>a</sup>	853	897	884	1,116
41 Latin America and Caribbean	1,325 <sup>a</sup>	1,300 <sup>a</sup>	1,037 <sup>a</sup>	1,134	1,037	804	1,399
42 Bahamas	69	8	2	3	2	22	20
43 Bermuda	32	75	67	113	67	71	102
44 Brazil	203	111	67	61	67	83	62
45 British West Indies	21	35	2	11	2	27	1
46 Mexico	257	367 <sup>a</sup>	340 <sup>a</sup>	392	340	210	727
47 Venezuela	301	319	276	273	276	194	219
48 Asia	2,991	3,034	3,285	3,221	3,285	3,404	3,286
49 Japan	583	802	1,094	775	1,094	1,090	1,060
50 Middle East oil-exporting countries <sup>3</sup>	1,014	890	910	881	910	998	954
51 Africa	728	817	703	757	703	664	733
52 Oil-exporting countries <sup>4</sup>	384	517	344	355	344	247	340
53 All other <sup>4</sup>	233	456	664	593	664	604	630

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.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States<sup>1</sup>

Millions of dollars, end of period

Type, and area or country	1979 <sup>2</sup>	1980 <sup>2</sup>	1981 <sup>2</sup>	1981		1982	
				Sept. <sup>2</sup>	Dec. <sup>2</sup>	Mar. <sup>2</sup>	June <sup>2</sup>
1 Total .....	31,305	34,535	35,674	34,392	35,674	30,189	30,234
2 Payable in dollars .....	28,108	31,591	32,091	31,389	32,091	27,554	27,735
3 Payable in foreign currencies .....	3,197	2,944	3,584	3,003	3,584	2,635	2,500
<i>By type</i>							
4 Financial claims .....	18,404	19,816	20,756	19,399	20,756	17,752	18,215
5 Deposits .....	12,852	14,180	14,657	13,771	14,657	12,656	13,428
6 Payable in dollars .....	11,936	13,405	14,043	13,045	14,043	12,199	13,054
7 Payable in foreign currencies .....	916	775	614	727	614	457	374
8 Other financial claims .....	5,552	5,636	6,098	5,627	6,098	5,096	4,787
9 Payable in dollars .....	3,726	3,953	3,644	3,932	3,644	3,439	3,219
10 Payable in foreign currencies .....	1,826	1,683	2,454	1,695	2,454	1,657	1,568
11 Commercial claims .....	12,901	14,720	14,919	14,994	14,919	12,437	12,019
12 Trade receivables .....	12,185	13,960	13,954	14,057	13,954	11,477	10,960
13 Advance payments and other claims .....	716	759	965	937	965	960	1,058
14 Payable in dollars .....	12,447	14,233	14,403	14,412	14,403	11,917	11,461
15 Payable in foreign currencies .....	454	487	516	582	516	520	557
<i>By area or country</i>							
16 Financial claims .....							
17 Europe .....	6,191	6,094	4,533	4,819	4,533	4,511	4,486
18 Belgium-Luxembourg .....	32	145	43	26	43	16	13
19 France .....	177	312	315	348	315	422	313
20 Germany .....	409	230	224	314	224	197	148
21 Netherlands .....	53	51	50	68	50	79	56
22 Switzerland .....	73	59	67	80	67	53	63
23 United Kingdom .....	5,111	4,982	3,505	3,659	3,505	3,502	3,620
24 Canada .....	4,997	5,064	6,624	6,033	6,624	4,931	4,395
25 Latin America and Caribbean .....	6,312	7,811	8,615	7,762	8,615	7,432	8,312
26 Bahamas .....	2,773	3,477	3,925	3,284	3,925	3,537	3,845
27 Bermuda .....	30	135	18	15	18	27	42
28 Brazil .....	163	96	30	66	30	49	76
29 British West Indies .....	2,011	2,755	3,503	3,315	3,503	2,797	3,504
30 Mexico .....	157	208	313	283	313	281	274
31 Venezuela .....	143	137	148	143	148	130	134
32 Asia .....	601	607	759	500	759	680	800
33 Japan .....	199	189	363	111	363	267	327
34 Middle East oil-exporting countries <sup>3</sup> .....	16	20	37	29	37	36	33
35 Africa .....	258	208	173	169	173	164	156
36 Oil-exporting countries <sup>3</sup> .....	49	26	46	41	46	43	41
37 All other <sup>4</sup> .....	44	32	51	116	51	34	66
38 Commercial claims .....							
39 Europe .....	4,922	5,544	5,359	5,378	5,359	4,381	4,241
40 Belgium-Luxembourg .....	202	233	234	220	234	246	209
41 France .....	727	1,129	776	767	776	698	634
42 Germany .....	593	599	557	582	557	452	391
43 Netherlands .....	298	318	303	308	303	227	296
44 Switzerland .....	272	354	427	404	427	354	383
45 United Kingdom .....	901	929	969	1,034	969	1,062	893
46 Canada .....	859	914	967	1,017	967	943	707
47 Latin America and Caribbean .....	2,879	3,766	3,468	3,729	3,468	2,907	2,763
48 Bahamas .....	21	21	12	18	12	80	30
49 Bermuda .....	197	108	223	241	223	212	226
50 Brazil .....	645	861	668	726	668	417	419
51 British West Indies .....	16	34	12	13	12	23	14
52 Mexico .....	708	1,102	1,022	985	1,022	762	748
53 Venezuela .....	343	410	424	456	424	396	381
54 Asia .....	3,451	3,522	3,914	3,700	3,914	3,155	3,297
55 Japan .....	1,177	1,052	1,244	1,129	1,244	1,160	1,211
56 Middle East oil-exporting countries <sup>3</sup> .....	765	825	901	829	901	757	793
57 Africa .....	551	653	750	717	750	587	597
58 Oil-exporting countries <sup>3</sup> .....	130	153	152	154	152	143	132
59 All other <sup>4</sup> .....	240	321	461	453	461	463	413

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	1980	1981	1982							
			Jan.- Nov.	May	June	July	Aug.	Sept. <sup>1</sup>	Oct.	Nov. <sup>2</sup>
U.S. corporate securities										
STOCKS										
1 Foreign purchases .....	40,298	40,672	36,044	2,622	2,166	2,707	3,183	4,292	5,967	5,571
2 Foreign sales .....	34,870	34,844	33,060	2,186	1,863	2,695	2,650	4,399	5,675	5,245
3 Net purchases, or sales (-) .....	<b>5,427</b>	<b>5,827</b>	<b>2,984</b>	<b>436</b>	<b>303</b>	<b>12</b>	<b>532</b>	<b>-107</b>	<b>292</b>	<b>326</b>
4 Foreign countries .....	<b>5,409</b>	<b>5,803</b>	<b>2,923</b>	<b>429</b>	<b>299</b>	<b>6</b>	<b>530</b>	<b>-110</b>	<b>282</b>	<b>315</b>
5 Europe .....	3,116	3,662	1,925	306	158	303	272	268	175	69
6 France .....	492	900	-185	-48	-25	0	-7	43	-30	8
7 Germany .....	169	22	195	43	11	21	-12	43	47	26
8 Netherlands .....	-328	42	85	36	23	0	-12	62	102	24
9 Switzerland .....	310	288	-756	6	-85	-34	-53	144	-118	-209
10 United Kingdom .....	2,528	2,235	2,884	279	225	309	366	73	435	314
11 Canada .....	887	783	78	10	2	-36	73	115	5	72
12 Latin America and Caribbean .....	148	30	256	22	25	-69	121	-82	142	44
13 Middle East <sup>1</sup> .....	1,206	1,140	520	104	73	137	101	134	-98	9
14 Other Asia .....	16	287	34	-23	39	57	43	-16	22	112
15 Africa .....	-1	7	-1	1	-3	1	1	0	0	2
16 Other countries .....	38	46	110	27	6	0	5	6	35	7
17 Nonmonetary international and regional organizations .....	<b>18</b>	<b>24</b>	<b>61</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>10</b>	<b>11</b>
BONDS <sup>2</sup>										
18 Foreign purchases .....	15,425	17,290	19,316	1,929	1,483	1,738	1,513	2,088	2,778	2,088
19 Foreign sales .....	9,964	12,247	17,806	1,199	1,153	1,630	1,760	2,230	2,939	2,206
20 Net purchases, or sales (-) .....	<b>5,461</b>	<b>5,043</b>	<b>1,510</b>	<b>730</b>	<b>330</b>	<b>107</b>	<b>-247</b>	<b>-142</b>	<b>-162</b>	<b>-118</b>
21 Foreign countries .....	<b>5,526</b>	<b>4,976</b>	<b>1,527</b>	<b>690</b>	<b>356</b>	<b>72</b>	<b>-111</b>	<b>-106</b>	<b>-202</b>	<b>-127</b>
22 Europe .....	1,576	1,356	1,900	704	244	187	-27	279	429	228
23 France .....	129	11	150	46	23	5	-18	25	16	24
24 Germany .....	212	848	2,081	500	115	256	106	86	190	14
25 Netherlands .....	-65	70	30	11	5	-3	0	10	2	4
26 Switzerland .....	54	108	117	48	12	22	32	-24	-4	13
27 United Kingdom .....	1,257	181	-619	91	67	-63	109	380	240	322
28 Canada .....	135	-12	27	23	21	1	4	2	-152	10
29 Latin America and Caribbean .....	185	132	174	15	61	18	18	19	-15	36
30 Middle East <sup>1</sup> .....	3,499	3,465	-539	-112	22	-68	-78	193	-435	32
31 Other Asia .....	117	44	23	61	9	66	-31	47	30	22
32 Africa .....	5	-1	19	0	0	0	0	0	0	0
33 Other countries .....	10	7	8	0	1	0	2	5	0	0
34 Nonmonetary international and regional organizations .....	<b>-65</b>	<b>66</b>	<b>-18</b>	<b>40</b>	<b>-26</b>	<b>35</b>	<b>-136</b>	<b>-36</b>	<b>41</b>	<b>10</b>
Foreign securities										
35 Stocks, net purchases, or sales (-) .....	-2,136	-140	1,045	-115	79	44	11	160	-308	-743
36 Foreign purchases .....	7,893	9,262	6,214	486	619	452	532	545	704	765
37 Foreign sales .....	10,029	9,402	7,260	601	540	409	520	705	1,012	1,508
38 Bonds, net purchases, or sales (-) .....	-1,000	-5,446	-6,021	461	-762	-614	-1,353	-1,157	-1,332	-448
39 Foreign purchases .....	17,084	17,549	26,974	2,755	2,033	2,293	3,279	3,064	3,056	2,934
40 Foreign sales .....	18,084	22,995	32,995	2,294	2,795	2,907	4,632	4,222	4,388	3,383
41 Net purchases, or sales (-), of stocks and bonds .....	<b>-3,136</b>	<b>-5,586</b>	<b>-7,066</b>	<b>346</b>	<b>-684</b>	<b>-571</b>	<b>-1,342</b>	<b>-1,317</b>	<b>-1,640</b>	<b>-1,191</b>
42 Foreign countries .....	<b>-4,013</b>	<b>-4,574</b>	<b>-5,826</b>	<b>126</b>	<b>-305</b>	<b>-578</b>	<b>-1,144</b>	<b>-810</b>	<b>-1,248</b>	<b>-1,161</b>
43 Europe .....	-1,108	-687	-1,907	-40	425	-21	-128	-271	-520	581
44 Canada .....	1,948	-3,698	-2,216	76	-81	-265	-678	299	181	-12
45 Latin America and Caribbean .....	87	69	332	144	76	3	49	65	268	-37
46 Asia .....	-1,147	295	1,647	53	127	-303	-433	241	281	540
47 Africa .....	24	-53	-13	-1	0	3	17	1	0	4
48 Other countries .....	79	90	-374	1	2	6	29	416	3	5
49 Nonmonetary international and regional organizations .....	<b>876</b>	<b>-1,012</b>	<b>-1,241</b>	<b>219</b>	<b>-379</b>	<b>7</b>	<b>-198</b>	<b>-507</b>	<b>-392</b>	<b>-31</b>

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	1980	1981	1982							
			Jan.-Nov.	May	June	July	Aug.	Sept. <sup>1</sup>	Oct.	Nov. <sup>2</sup>
Holdings (end of period) <sup>1</sup>										
1 Estimated total <sup>2</sup> .....	57,549	70,201	77,836	78,199	79,615	80,436 <sup>3</sup>	82,047	83,715	84,583	
2 Foreign countries <sup>2</sup> .....	52,961	64,530	72,950	73,005	75,343	76,717	78,334	79,092	79,422	
3 Europe <sup>2</sup> .....	24,468	23,976	26,021	25,738	26,442	27,717	28,800	28,993	29,397	
4 Belgium-Luxembourg .....	77	543	340	152	155	576	551	834	448	
5 Germany <sup>2</sup> .....	12,327	11,861	12,974	13,022	13,535	13,959	14,520	14,493	14,706	
6 Netherlands .....	1,884	1,955	2,152	2,176	2,137	2,302	2,333	2,315	2,421	
7 Sweden .....	595	643	655	652	650	644	635	644	677	
8 Switzerland <sup>2</sup> .....	1,485	846	1,134	1,039	1,016	1,100	1,233	1,266	1,532	
9 United Kingdom .....	7,323	6,709	6,811	6,674	6,922	7,124	7,357	7,222	7,095	
10 Other Western Europe .....	777	1,419	1,954	2,023	2,028	2,012	2,171	2,218	2,519	
11 Eastern Europe .....	0	0	0	0	0	0	0	0	0	
12 Canada .....	449	514	506	410	446	353	428	482	551	
13 Latin America and Caribbean .....	999	736	938	910	848	1,166	1,204	1,086	1,234	
14 Venezuela .....	292	286	296	253	229	222	221	204	172	
15 Other Latin America and Caribbean .....	285	319	437	432	402	611	771	657	762	
16 Netherlands Antilles .....	421	131	204	224	217	333	211	225	299	
17 Asia .....	26,112	38,671	45,060	45,516	47,179	47,165	47,682	48,292	48,101	
18 Japan .....	9,479	10,780	11,396	11,137	11,289	11,247	11,395	11,381	11,295	
19 Africa .....	919	631	405	405	405	305	180	180	78	
20 All other .....	14	2	21	26	23	12	41	60	61	
21 Nonmonetary international and regional organizations .....	4,588	5,671	4,886	5,194	4,272	3,719 <sup>3</sup>	3,713	4,623	5,161	
22 International .....	4,548	5,637	4,822	5,123	4,167	3,629	3,519	4,378	4,900	
23 Latin American regional .....	36	1	-4	4	4	4	4	4	-4	
Transactions (net purchases, or sales (-) during period)										
24 Total <sup>2</sup> .....	6,066	12,652	14,382	568	362	1,416	822	1,611	1,668	868
25 Foreign countries <sup>2</sup> .....	6,906	11,568	14,892	1,025	54	2,338	1,374	1,618	757	330
26 Official institutions .....	3,865	11,694	12,644	1,474	318	2,792	367	1,525	605	253
27 Other foreign <sup>2</sup> .....	3,040	127	2,248	448	264	-454	1,007	93	152	78
28 Nonmonetary international and regional organizations .....	843	1,085	-509	457	309	922	553	7	910	538
MEMO: Oil-exporting countries										
29 Middle East <sup>3</sup> .....	7,672	11,156	7,224	907	924	1,313	257	176	199	320
30 Africa <sup>4</sup> .....	327	-289	-552	2	0	0	-100	125	0	100

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 Dec. 31, 1982		Country	Rate on Dec. 31, 1982		Country	Rate on Dec. 31, 1982	
	Per-cent	Month effective		Per-cent	Month effective		Per-cent	Month effective
Austria .....	4.75	Dec. 1982	France <sup>1</sup> .....	12.5	Dec. 1982	Norway .....	9.0	Nov. 1979
Belgium .....	11.5	Nov. 1982	Germany, Fed. Rep. of .....	5.0	Dec. 1982	Switzerland .....	4.5	Dec. 1982
Brazil .....	49.0	Mar. 1981	Italy .....	18.0	Aug. 1981	United Kingdom <sup>2</sup> .....	13.0	Sept. 1982
Canada .....	10.05	Dec. 1982	Japan .....	5.5	Dec. 1981	Venezuela .....		
Denmark .....	10.0	Nov. 1980	Netherlands .....	5.0	Dec. 1982			

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	1980	1981	1982	1982						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Eurodollars.....	14.00	16.79	12.24	15.45	14.37	11.57	11.74	10.43	9.77	9.47
2 United Kingdom.....	16.59	13.86	12.21	12.96	12.35	11.08	10.84	9.74	9.30	10.55
3 Canada.....	13.12	18.84	14.38	16.84	16.23	14.76	13.57	12.14	11.08	10.56
4 Germany.....	9.45	12.05	8.81	9.22	9.41	8.94	8.13	7.55	7.24	6.54
5 Switzerland.....	5.79	9.15	5.04	5.39	4.32	4.07	3.97	3.66	3.76	3.71
6 Netherlands.....	10.60	11.52	8.26	8.75	8.95	8.66	7.85	7.09	6.36	5.66
7 France.....	12.18	15.28	14.61	15.67	14.64	14.43	14.09	13.51	12.98	12.70
8 Italy.....	17.50	19.98	19.99	20.51	20.18	19.52	18.56	18.57	19.05	19.20
9 Belgium.....	14.06	15.28	14.10	15.38	15.22	14.00	13.06	12.75	12.50	12.25
10 Japan.....	11.45	7.58	6.84	7.14	7.15	7.14	7.19	6.97	6.98	6.96

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	1980	1981	1982	1982					
				July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Argentina/peso.....	n.a.	n.a.	20985.00	19671.43	21172.73	25961.90	29487.50	39200.00	43883.91
2 Australia/dollar <sup>1</sup> .....	114.00	114.95	101.65	101.09	97.83	95.820	94.35	94.27	96.82
3 Austria/schilling.....	12.945	15.948	17.060	17.342	17.431	17.597	17.797	17.947	16.994
4 Belgium/franc.....	29.237	37.194	45.780	47.029	47.483	48.300	49.103	49.600	47.493
5 Brazil/cruzeiro.....	n.a.	92.374	179.22	177.97	188.25	201.73	215.34	228.51	244.63
6 Canada/dollar.....	1.1693	1.1990	1.2344	1.2699	1.2452	1.2348	1.2301	1.2262	1.2385
7 Chile/peso.....	n.a.	n.a.	51.118	47.228	54.941	62.643	66.770	69.050	72.630
8 China, P.R./yuan.....	n.a.	1.7031	1.8978	1.9300	1.9432	1.9567	1.9887	2.0002	1.9445
9 Colombia/peso.....	n.a.	n.a.	64.071	65.539	65.179	65.921	66.856	68.168	69.526
10 Denmark/krone.....	5.6345	7.1350	8.3443	8.5402	8.6482	8.8038	8.9192	8.9595	8.5275
11 Finland/markka.....	3.7206	4.3128	4.8086	4.7278	4.7515	4.8014	5.3480	5.5263	5.3425
12 France/franc.....	4.2250	5.4396	6.5793	6.8560	6.9285	7.0649	7.1557	7.2152	6.8548
13 Germany/deutsche mark.....	1.8175	2.2631	2.428	2.4662	2.4813	2.5055	2.5320	2.5543	2.4193
14 Greece/drachma.....	n.a.	n.a.	66.872	69.434	70.165	70.946	71.948	72.889	70.788
15 Hong Kong/dollar.....	n.a.	5.5678	6.0697	5.9025	6.0598	6.1253	6.6038	6.6724	6.5417
16 India/rupee.....	7.8866	8.6807	9.4846	9.5633	9.5741	9.6495	9.7005	9.7968	9.6926
17 Indonesia/rupiah.....	n.a.	n.a.	660.43	659.18	662.11	662.75	670.31	680.92	687.95
18 Iran/rial.....	n.a.	79.324	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
19 Ireland/pound <sup>1</sup> .....	205.77	161.32	142.05	139.48	138.54	136.53	134.35	132.91	137.69
20 Israel/shekel.....	n.a.	n.a.	24.407	25.320	26.940	28.922	29.860	31.344	32.966
21 Italy/lira.....	856.20	1138.60	1354.00	1382.26	1392.60	1411.19	1439.94	1468.84	1398.74
22 Japan/yen.....	226.63	220.63	249.06	255.03	259.04	263.29	271.61	264.09	241.94
23 Malaysia/ringgit.....	2.1767	2.3048	2.3395	2.3554	2.3528	2.3610	2.3688	2.3647	2.3529
24 Mexico/peso.....	22.968	24.547	27.990	28.594	90.187	101.86	108.83	130.61	147.35
25 Netherlands/guilder.....	1.9875	2.4998	2.6719	2.7239	2.7295	2.7444	2.7608	2.7861	2.6698
26 New Zealand/dollar <sup>1</sup> .....	97.34	86.848	75.101	73.990	73.217	72.419	71.431	71.092	72.569
27 Norway/krone.....	4.9381	5.7430	6.4567	6.3557	6.6785	6.8999	7.1735	7.2397	7.0346
28 Peru/sol.....	n.a.	n.a.	694.59	693.56	730.97	772.08	819.14	878.66	942.47
29 Philippines/peso.....	n.a.	7.8113	8.5324	8.4802	8.5142	8.6521	8.7760	8.8733	9.0546
30 Portugal/escudo.....	50.082	61.739	80.101	84.514	85.914	87.702	89.652	91.911	92.685
31 Singapore/dollar.....	n.a.	2.1053	2.1406	2.1464	2.1594	2.1671	2.1984	2.2123	2.1522
32 South Africa/rand <sup>1</sup> .....	128.54	114.77	92.297	87.20	86.77	86.830	86.20	87.77	92.03
33 South Korea/won.....	n.a.	n.a.	731.93	743.06	744.45	743.61	743.65	745.60	746.36
34 Spain/peseta.....	71.758	92.396	110.09	111.57	112.079	113.049	115.20	119.09	126.125
35 Sri Lanka/rupee.....	16.167	18.967	20.756	20.895	20.895	20.918	20.898	21.009	21.166
36 Sweden/krona.....	4.2309	5.0659	6.2838	6.1159	6.1441	6.2313	7.1543	7.5095	7.3555
37 Switzerland/franc.....	1.6772	1.9674	2.0327	2.0960	2.1119	2.1418	2.1736	2.1931	2.0588
38 Thailand/baht.....	n.a.	21.731	23.014	23.000	23.000	23.000	23.000	23.000	23.000
39 United Kingdom/pound <sup>1</sup> .....	232.58	202.43	174.80	173.54	172.50	171.20	169.62	163.21	161.60
40 Venezuela/bolivar.....	n.a.	4.2781	4.2981	4.2951	4.2981	4.3006	4.2976	4.2996	4.2971
MEMO. United States/dollar <sup>2</sup> .....	87.39	102.94	116.57	118.91	119.63	120.93	123.16	124.27	119.22

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 page 700 of the August 1978 BUI 111111.

NOTE: Averages of certified noon buying rates in New York for cable transfers.



# Guide to Tabular Presentation, Statistical Releases, and Special Tables

## GUIDE TO TABULAR PRESENTATION

### *Symbols and Abbreviations*

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	REITs	Real estate investment trusts
		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*

	<i>Issue</i>	<i>Page</i>
Anticipated schedule of release dates for periodic releases .....	June 1982	A76

## SPECIAL TABLES

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Commercial bank assets and liabilities, March 31, 1982 .....	July 1982	A70
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Assets and liabilities of U.S. branches and agencies of foreign banks, December 31, 1981 .....	April 1982	A78
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*Special tables begin on next page.*

4.20 DOMESTIC AND FOREIGN OFFICES, Commercial Banks with Assets of \$100 Million or over<sup>1p</sup>  
 Consolidated Report of Condition; Sept. 30, 1982  
 Millions of dollars

Item	Insured	Banks with foreign offices <sup>2</sup>			Banks without foreign offices
		Total	Foreign offices <sup>3</sup>	Domestic offices	
<b>1 Total assets</b> .....	<b>1,696,396</b>	<b>1,251,046</b>	<b>387,776</b>	<b>917,287</b>	<b>445,349</b>
2 Cash and due from depository institutions .....	282,308	228,200	126,133	102,066	54,108
3 Currency and coin (U.S. and foreign) .....	14,111	8,261	245	8,016	5,850
4 Balances with Federal Reserve Banks .....	19,443	14,436	372	14,063	5,007
5 Balances with other central banks .....	3,463	3,463	3,285	178	( <sup>4</sup> )
6 Demand balances with commercial banks in United States .....	18,605	7,801	354	7,447	10,804
7 All other balances with depository institutions in United States and with banks in foreign countries .....	162,690	141,513	120,247	21,266	21,176
8 Time and savings balances with commercial banks in United States .....	19,349	10,274	6,599	3,674	9,075
9 Balances with other depository institutions in United States .....	759	561	439	121	199
10 Balances with banks in foreign countries .....	142,582	130,679	113,208	17,471	11,903
11 Foreign branches of other U.S. banks .....	( <sup>4</sup> )	20,354	16,436	3,919	( <sup>4</sup> )
12 Other banks in foreign countries .....	( <sup>4</sup> )	110,325	96,773	13,552	( <sup>4</sup> )
13 Cash items in process of collection .....	63,996	52,725	1,630	51,095	11,271
<b>14 Total securities, loans, and lease financing receivables</b> .....	<b>1,279,303</b>	<b>908,829</b>	<b>210,229</b>	<b>698,600</b>	<b>370,475</b>
15 Total securities, book value .....	238,896	128,745	10,477	118,268	110,150
16 U.S. Treasury .....	66,499	31,460	191	31,269	35,038
17 Obligations of other U.S. government agencies and corporations .....	39,416	16,028	33	15,995	23,388
18 Obligations of states and political subdivisions in United States .....	105,324	57,206	624	56,582	48,118
19 All other securities .....	27,657	24,051	9,630	14,421	3,606
20 Other bonds, notes, and debentures .....	12,022	9,519	7,657	1,862	2,502
21 Federal Reserve and corporate stock .....	1,936	1,440	186	1,253	496
22 Trading account securities .....	13,700	13,092	1,786	11,306	608
23 Federal funds sold and securities purchased under agreements to resell .....	68,112	43,768	833	42,935	24,344
24 Total loans, gross .....	981,649	737,798	198,345	539,452	243,851
25 Less: Unearned income on loans .....	14,396	7,427	1,795	5,632	6,969
26 Allowance for possible loan loss .....	10,531	7,729	321	7,409	2,802
27 <b>EQUAL<sup>5</sup> Loans, net</b> .....	<b>956,722</b>	<b>722,642</b>	<b>196,230</b>	<b>526,411</b>	<b>234,081</b>
<i>Total loans, gross, by category</i>					
28 Real estate loans .....	227,815	140,596	8,630	131,966	87,219
29 Construction and land development .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	33,958	11,445
30 Secured by farmland .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	907	1,432
31 Secured by residential properties .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	70,958	48,398
32 1- to 4-family .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	67,232	46,117
33 FHA-insured or VA-guaranteed .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	4,049	1,969
34 Conventional .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	63,182	44,148
35 Multifamily .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	3,726	2,280
36 FHA-insured .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	224	77
37 Conventional .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	3,503	2,203
38 Secured by nonfarm nonresidential properties .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	26,143	25,944
39 Loans to financial institutions .....	96,628	89,889	33,144	56,745	6,739
40 REITs and mortgage companies in United States .....	4,696	4,156	107	4,049	540
41 Commercial banks in United States .....	13,232	8,985	757	8,228	4,248
42 U.S. branches and agencies of foreign banks .....	( <sup>4</sup> )	4,425	372	4,053	( <sup>4</sup> )
43 Other commercial banks .....	( <sup>4</sup> )	4,560	385	4,175	( <sup>4</sup> )
44 Banks in foreign countries .....	46,407	45,858	25,110	20,748	549
45 Foreign branches of other U.S. banks .....	( <sup>4</sup> )	571	270	300	( <sup>4</sup> )
46 Other .....	( <sup>4</sup> )	45,287	24,840	20,447	( <sup>4</sup> )
47 Finance companies in United States .....	11,738	11,347	293	11,054	391
48 Other financial institutions .....	20,554	19,544	6,876	12,667	1,011
49 Loans for purchasing or carrying securities .....	13,599	11,758	1,758	10,000	1,840
50 Brokers and dealers in securities .....	8,830	8,481	1,298	7,184	349
51 Other .....	4,769	3,277	461	2,816	1,492
52 Loans to finance agricultural production and other loans to farmers .....	12,534	7,129	658	6,471	5,405
53 Commercial and industrial loans .....	439,156	362,680	122,854	239,826	76,475
54 U.S. addressees (domicile) .....	( <sup>4</sup> )	231,477	16,575	214,902	( <sup>4</sup> )
55 Non-U.S. addressees (domicile) .....	( <sup>4</sup> )	131,203	106,279	24,924	( <sup>4</sup> )
56 Loans to individuals for household, family, and other personal expenditures .....	140,134	77,938	6,432	71,506	62,196
57 Installment loans .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	58,782	50,833
58 Passenger automobiles .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	16,692	21,323
59 Credit cards and related plans .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	22,322	9,959
60 Retail (charge account) credit card .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	18,282	8,509
61 Check and revolving credit .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	4,040	1,450
62 Mobile homes .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	3,183	3,532
63 Other installment loans .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	16,585	16,019
64 Other retail consumer goods .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	4,204	3,247
65 Residential property repair and modernization .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	3,662	4,084
66 Other installment loans for household, family, and other personal expenditures .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	8,719	8,688
67 Single-payment loans .....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	12,725	11,363
68 All other loans .....	51,783	47,807	24,869	22,938	3,976
69 Loans to foreign government and official institutions .....	( <sup>4</sup> )	33,304	22,813	10,491	( <sup>4</sup> )
70 Other .....	( <sup>4</sup> )	14,503	2,056	12,447	( <sup>4</sup> )
71 Lease financing receivables .....	15,574	13,674	2,688	10,985	1,900
72 Bank premises, furniture and fixtures, and other assets representing bank premises .....	24,523	15,221	1,501	13,719	9,302
73 Real estate owned other than bank premises .....	2,739	1,706	90	1,616	1,033
74 All other assets .....	107,522	97,091	49,822	101,285	10,431
75 Investment in unconsolidated subsidiaries and associated companies .....	1,559	1,482	1,135	347	77
76 Customers' liability on acceptances outstanding .....	60,186	59,720	16,443	43,277	466
77 U.S. addressees (domicile) .....	( <sup>4</sup> )	18,381	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
78 Non-U.S. addressees (domicile) .....	( <sup>4</sup> )	41,339	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
79 Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries .....	( <sup>4</sup> )	( <sup>4</sup> )	20,374	33,643	( <sup>4</sup> )
80 Other .....	45,777	35,889	11,870	24,019	9,888

## 4.20 Continued

Item	Insured	Banks with foreign offices <sup>2</sup>			Banks without foreign offices
		Total	Foreign offices <sup>3</sup>	Domestic offices	
81 Total liabilities and equity capital <sup>5</sup> .....	1,696,396	1,251,046	( <sup>4</sup> )	( <sup>4</sup> )	445,349
82 Total liabilities excluding subordinated debt.....	1,599,900	1,188,231	387,519	854,728	411,669
83 Total deposits.....	1,279,114	915,316	313,540	601,777	363,798
84 Individuals, partnerships, and corporations.....	985,949	664,312	160,732	503,579	321,638
85 U.S. government.....	2,730	1,832	212	1,620	898
86 States and political subdivisions in United States.....	56,728	27,890	637	27,253	28,838
87 All other.....	221,321	212,465	151,425	61,040	8,856
88 Foreign governments and official institutions.....	27,751	27,555	20,137	7,418	196
89 Commercial banks in United States.....	78,023	69,696	32,441	37,255	8,327
90 U.S. branches and agencies of foreign banks.....	( <sup>4</sup> )	6,216	4,669	1,547	( <sup>4</sup> )
91 Other commercial banks in United States.....	( <sup>4</sup> )	63,480	27,772	35,708	( <sup>4</sup> )
92 Banks in foreign countries.....	115,547	115,213	98,847	16,367	334
93 Foreign branches of other U.S. banks.....	( <sup>4</sup> )	17,002	15,388	1,614	( <sup>4</sup> )
94 Other banks in foreign countries.....	( <sup>4</sup> )	98,212	83,459	14,753	( <sup>4</sup> )
95 Certified and officers' checks, travelers checks, and letters of credit sold for cash.....	12,386	8,818	533	8,284	3,568
96 Federal funds purchased and securities sold under agreements to repurchase in domestic offices and Edge and agreement subsidiaries.....	161,135	127,627	419	127,207	33,508
97 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money.....	52,207	46,916	15,127	31,789	5,291
98 Interest-bearing demand notes (note balances) issued to U.S. Treasury.....	17,828	14,328	( <sup>4</sup> )	14,328	3,500
99 Other liabilities for borrowed money.....	34,378	32,587	15,127	17,461	1,791
100 Mortgage indebtedness and liability for capitalized leases.....	2,309	1,550	62	1,487	759
101 All other liabilities.....	105,135	96,822	58,371	92,468	8,312
102 Acceptances executed and outstanding.....	60,375	59,909	14,166	45,743	466
103 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries.....	( <sup>4</sup> )	( <sup>4</sup> )	33,643	20,374	( <sup>4</sup> )
104 Other.....	44,760	36,913	10,562	26,351	7,847
105 Subordinated notes and debentures.....	6,102	4,473	257	4,216	1,628
106 Total equity capital <sup>5</sup> .....	90,395	58,342	( <sup>4</sup> )	( <sup>4</sup> )	32,052
107 Preferred stock.....	215	131	( <sup>4</sup> )	( <sup>4</sup> )	84
108 Common stock.....	17,300	11,329	( <sup>4</sup> )	( <sup>4</sup> )	5,971
109 Surplus.....	29,809	18,041	( <sup>4</sup> )	( <sup>4</sup> )	11,769
110 Undivided profits and reserve for contingencies and other capital reserves.....	43,070	28,842	( <sup>4</sup> )	( <sup>4</sup> )	14,228
111 Undivided profits.....	42,201	28,436	( <sup>4</sup> )	( <sup>4</sup> )	13,765
112 Reserve for contingencies and other capital reserves.....	869	406	( <sup>4</sup> )	( <sup>4</sup> )	463
MEMO					
<i>Deposits in domestic offices</i>					
113 Total demand.....	265,478	176,124	0	176,124	89,355
114 Total savings.....	156,495	80,466	0	80,466	76,029
115 Total time.....	543,601	345,187	0	345,187	198,414
116 Time deposits of \$100,000 or more.....	302,767	229,431	0	229,431	73,336
117 Certificates of deposit (CDs) in denominations of \$100,000 or more.....	264,835	195,933	0	195,933	88,901
118 Other.....	37,932	33,497	0	33,497	4,435
119 Savings deposits authorized for automatic transfer and NOW accounts.....	47,565	24,420	0	24,420	23,145
120 Money market time deposits (A) in minimum denomination of \$10,000 but less than \$100,000 with original maturities of 26 weeks, and (B) in minimum denomination of \$7,500 but less than \$100,000 with original maturities of 91 days.....	141,964	67,957	0	67,957	74,007
121 All savers certificates.....	16,414	8,605	0	8,605	7,809
122 Total Individual Retirement Accounts (IRA) and Keogh Plan accounts.....	10,881	5,358	0	5,358	5,523
123 Demand deposits adjusted <sup>6</sup> .....	175,235	103,954	0	103,954	71,281
124 Standby letters of credit, total.....	89,638	84,269	15,775	68,494	5,369
125 U.S. addressees (domicile).....	( <sup>4</sup> )	62,784	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
126 Non-U.S. addressees (domicile).....	( <sup>4</sup> )	21,485	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
127 Standby letters of credit conveyed to others through participations (included in total standby letters of credit).....	7,883	7,584	781	6,803	299
128 Holdings of commercial paper included in total gross loans.....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	348	851
<i>Average for 30 calendar days (or calendar month) ending with report date</i>					
129 Total assets.....	1,688,386	1,245,193	342,363	902,830	443,193
130 Cash and due from depository institutions.....	283,306	231,434	127,167	104,267	51,872
131 Federal funds sold and securities purchased under agreements to resell.....	67,411	42,136	823	41,313	25,275
132 Total loans.....	961,340	725,337	197,817	527,520	236,003
133 Total deposits.....	1,261,662	900,479	305,007	595,472	361,183
134 Time CDs in denominations of \$100,000 or more in domestic offices.....	265,672	( <sup>4</sup> )	( <sup>4</sup> )	197,355	68,317
135 Federal funds purchased and securities sold under agreements to repurchase.....	165,990	130,942	369	130,573	35,048
136 Other liabilities for borrowed money.....	35,487	33,682	15,115	18,567	1,805
137 Number of banks.....	1,705	197	197	197	1,508

For notes see end of table.

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of \$100 Million or over <sup>1.7p</sup>  
 Consolidated Report of Condition; Sept. 30, 1982  
 Millions of dollars

Item	Insured	Member banks			Non-member insured
		Total	National	State	
<b>1 Total assets</b>	<b>1,362,636</b>	<b>1,157,340</b>	<b>873,424</b>	<b>283,917</b>	<b>205,296</b>
2 Cash and due from depository institutions	156,175	135,171	99,341	35,830	21,003
3 Currency and coin (U.S. and foreign)	13,866	11,778	9,288	2,490	2,088
4 Balances with Federal Reserve Banks	19,070	18,074	14,480	3,594	996
5 Balances with other central banks	178	178	143	35	*
6 Demand balances with commercial banks in United States	18,251	12,555	10,035	2,519	5,696
7 All other balances with depository institutions in United States and with banks in foreign countries	42,442	33,021	24,330	8,691	9,421
8 Time and savings balances with commercial banks in United States	12,749	8,796	7,058	1,738	3,953
9 Balances with other depository institutions in United States	320	189	143	45	131
10 Balances with banks in foreign countries	29,373	24,036	17,129	6,908	5,337
11 Cash items in process of collection	62,367	59,565	41,065	18,500	2,802
<b>12 Total securities, loans, and lease financing receivables</b>	<b>1,069,075</b>	<b>896,885</b>	<b>679,902</b>	<b>216,982</b>	<b>172,190</b>
13 Total securities, book value	228,418	179,425	135,818	43,606	48,994
14 U.S. Treasury	66,308	50,523	37,273	13,250	15,784
15 Obligations of other U.S. government agencies and corporations	39,383	28,757	23,727	5,030	10,626
16 Obligations of states and political subdivisions in United States	104,700	84,132	63,978	20,154	20,568
17 All other securities	18,027	16,012	10,840	5,172	2,015
18 Other bonds, notes, and debentures	4,364	2,675	2,004	670	1,689
19 Federal Reserve and corporate stock	1,749	1,565	1,180	385	185
20 Trading account securities	11,914	11,773	7,656	4,117	141
21 Federal funds sold and securities purchased under agreements to resell	67,279	58,470	43,334	15,137	8,809
22 Total loans, gross	783,304	665,842	506,059	159,783	117,462
23 Less: Unearned income on loans	12,601	9,691	7,333	2,358	2,910
24 Allowance for possible loan loss	10,210	8,944	6,723	2,220	1,267
25 EQUALS: Loans, net	760,492	647,208	492,003	155,205	113,284
<i>Total loans, gross, by category</i>					
26 Real estate loans	219,185	176,132	144,501	31,631	43,053
27 Construction and land development	45,404	38,455	29,876	8,579	6,948
28 Secured by farmland	2,340	1,733	1,554	179	606
29 Secured by residential properties	119,355	96,073	80,271	15,802	23,282
30 1- to 4-family	113,349	91,266	76,364	14,902	22,083
31 FHA-insured or VA-guaranteed	6,019	5,378	4,395	983	641
32 Conventional	107,330	85,888	71,968	13,920	21,442
33 Multifamily	6,007	4,808	3,908	900	1,199
34 FHA-insured	301	221	119	102	80
35 Conventional	5,706	4,587	3,789	798	1,119
36 Secured by nonfarm nonresidential properties	52,087	39,870	32,800	7,070	12,217
37 Loans to financial institutions	63,484	58,916	36,904	22,012	4,569
38 REITs and mortgage companies in United States	4,589	4,358	3,122	1,236	232
39 Commercial banks in United States	12,475	9,331	6,317	3,014	3,144
40 Banks in foreign countries	21,296	20,768	11,990	8,778	528
41 Finance companies in United States	11,445	11,206	6,988	4,218	239
42 Other financial institutions	13,678	13,253	8,487	4,766	425
43 Loans for purchasing or carrying securities	11,840	11,270	6,478	4,792	570
44 Brokers and dealers in securities	7,532	7,330	3,490	3,840	203
45 Other	4,308	3,940	2,989	952	368
46 Loans to finance agricultural production and other loans to farmers	11,876	10,421	9,429	992	1,456
47 Commercial and industrial loans	316,301	276,675	204,740	71,935	39,626
48 Loans to individuals for household, family, and other personal expenditures	133,702	107,520	87,802	19,718	26,183
49 Installment loans	109,615	88,024	72,497	15,527	21,591
50 Passenger automobiles	38,015	28,836	23,561	5,275	9,179
51 Credit cards and related plans	32,281	29,164	24,018	5,146	3,117
52 Retail (charge account) credit card	26,791	24,438	20,303	4,135	2,353
53 Check and revolving credit	5,491	4,727	3,716	1,011	764
54 Mobile homes	6,714	5,369	4,910	459	1,345
55 Other installment loans	32,604	24,655	20,008	4,647	7,949
56 Other retail consumer goods	7,451	5,946	4,886	1,060	1,505
57 Residential property repair and modernization	7,746	5,550	4,501	1,049	2,196
58 Other installment loans for household, family, and other personal expenditures	17,407	13,159	10,621	2,538	4,248
59 Single-payment loans	24,087	19,396	15,305	4,091	4,592
60 All other loans	26,914	24,909	16,205	8,703	2,005
61 Lease financing receivables	12,885	11,782	8,748	3,034	1,103
62 Bank premises, furniture and fixtures, and other assets representing bank premises	23,021	18,761	15,122	3,639	4,261
63 Real estate owned other than bank premises	2,649	2,135	1,746	389	515
64 All other assets	111,716	104,389	77,312	27,077	7,327
65 Investment in unconsolidated subsidiaries and associated companies	424	382	350	32	42
66 Customers' liability on acceptances outstanding	43,743	42,981	30,498	12,483	762
67 Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	33,643	31,784	25,777	6,007	1,859
68 Other	33,907	29,243	20,688	8,555	4,664

## 4.21 Continued

Item	Insured	Member banks			Non-member insured
		Total	National	State	
<b>69 Total liabilities and equity capital<sup>a</sup></b>	<b>1,362,636</b>	<b>1,157,340</b>	<b>873,424</b>	<b>283,917</b>	<b>205,296</b>
<b>70 Total liabilities excluding subordinated debt</b>	<b>1,266,397</b>	<b>1,076,462</b>	<b>812,460</b>	<b>264,002</b>	<b>189,935</b>
71 Total deposits	965,575	795,818	616,420	179,398	169,757
72 Individuals, partnerships, and corporations	825,217	674,476	530,418	144,059	150,741
73 U.S. government	2,518	2,178	1,747	431	340
74 States and political subdivisions in United States	56,091	42,521	34,728	7,793	13,570
75 All other	69,896	66,498	43,207	23,291	3,398
76 Foreign governments and official institutions	7,614	7,368	4,401	2,967	245
77 Commercial banks in United States	45,582	42,970	30,017	12,952	2,612
78 Banks in foreign countries	16,700	16,160	8,788	7,372	540
79 Certified and officers' checks, travelers checks, and letters of credit sold for cash	11,853	10,145	6,321	3,823	1,708
80 Demand deposits	265,478	226,864	167,972	58,892	38,614
81 Mutual savings banks	883	771	441	330	112
82 Other individuals, partnerships, and corporations	207,079	173,593	131,172	42,421	33,486
83 U.S. government	1,715	1,458	1,135	322	257
84 States and political subdivisions in United States	9,815	8,104	6,473	1,631	1,711
85 All other	34,134	32,794	22,430	10,364	1,340
86 Foreign governments and official institutions	1,917	1,864	1,439	426	53
87 Commercial banks in United States	26,162	25,047	18,140	6,908	1,115
88 Banks in foreign countries	6,055	5,882	2,852	3,031	173
89 Certified and officers' checks, travelers checks, and letters of credit sold for cash	11,853	10,145	6,321	3,823	1,708
90 Time deposits	543,601	445,821	348,972	96,849	97,780
91 Mutual savings banks	240	214	116	98	27
92 Other individuals, partnerships, and corporations	462,188	378,080	300,237	77,843	84,108
93 U.S. government	747	669	561	108	78
94 States and political subdivisions in United States	44,683	33,173	27,298	5,874	11,511
95 All other	35,742	33,685	20,759	12,926	2,057
96 Foreign governments and official institutions	5,678	5,486	2,945	2,541	192
97 Commercial banks in United States	19,419	17,921	11,877	6,044	1,497
98 Banks in foreign countries	10,645	10,278	5,937	4,341	368
99 Savings deposits	156,495	123,133	99,476	23,657	33,362
100 Mutual savings banks	*	*	*	*	*
101 Other individuals, partnerships, and corporations	154,826	121,819	98,452	23,367	33,008
102 Individuals and nonprofit organizations	149,087	117,739	95,189	22,550	31,348
103 Corporations and other profit organizations	5,740	4,080	3,263	817	1,660
104 U.S. government	56	51	50	1	5
105 States and political subdivisions in United States	1,593	1,245	956	288	348
106 All other	20	19	18	1	1
107 Foreign governments and official institutions	19	18	17	*	1
108 Commercial banks in United States	1	1	*	*	*
109 Banks in foreign countries	*	*	*	*	*
110 Federal funds purchased and securities sold under agreements to repurchase	160,716	148,623	105,832	42,791	12,093
111 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money	37,080	34,630	21,765	12,865	2,450
112 Interest-bearing demand notes (note balances) issued to U.S. Treasury	17,828	16,525	12,966	3,560	1,303
113 Other liabilities for borrowed money	19,252	18,105	8,799	9,305	1,147
114 Mortgage indebtedness and liability for capitalized leases	2,246	1,883	1,587	295	364
115 All other liabilities	100,780	95,508	66,856	28,653	5,272
116 Acceptances executed and outstanding	46,209	45,446	32,914	12,532	763
117 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	20,374	19,609	11,919	7,690	765
118 Other	34,198	30,453	22,022	8,431	3,744
119 Subordinated notes and debentures	5,845	4,746	3,090	1,656	1,099
<b>120 Total equity capital<sup>a</sup></b>	<b>90,395</b>	<b>76,133</b>	<b>57,875</b>	<b>18,258</b>	<b>14,262</b>
MEMO					
121 Time deposits of \$100,000 or more	302,767	259,081	194,553	64,528	43,686
122 Certificates of deposit (CDs) in denominations of \$100,000 or more	264,835	223,522	170,945	52,577	41,313
123 Other	37,932	35,559	23,608	11,951	2,374
124 Savings deposits authorized for automatic transfer and NOW accounts	47,565	37,488	30,892	6,595	10,077
125 Money market time deposits (A) in minimum denomination of \$10,000 but less than \$100,000 with original maturities of 26 weeks, and (B) in minimum denomination of \$7,500 but less than \$100,000 with original maturities of 91 days	141,964	110,165	91,766	18,399	31,799
126 All savers certificates	16,414	12,797	10,494	2,304	3,617
127 Total Individual Retirement Accounts (IRA) and Keogh Plan accounts	10,881	8,475	7,014	1,461	2,406
128 Demand deposits adjusted <sup>b</sup>	175,235	140,794	107,633	33,162	34,441
129 Standby letters of credit	73,863	70,976	45,383	25,592	2,887
130 Conveyed to others through participation (included in standby letters of credit)	7,101	7,007	5,289	1,717	95
131 Holdings of commercial paper included in total gross loans	1,198	786	615	171	412
<i>Average for 30 calendar days (or calendar month) ending with report date</i>	<i>1,346,023</i>	<i>1,142,580</i>	<i>863,550</i>	<i>279,030</i>	<i>203,443</i>
132 Total assets	156,139	136,266	98,987	37,279	19,873
133 Cash and due from depository institutions	66,588	57,567	43,704	13,863	9,021
134 Federal funds sold and securities purchased under agreements to resell	763,523	649,262	492,201	157,061	114,261
135 Total loans	956,655	787,822	610,283	177,539	168,833
136 Total deposits	265,672	224,822	171,754	52,828	41,090
137 Time CDs in denominations of \$100,000 or more in domestic offices	165,620	153,100	112,090	41,010	12,520
138 Federal funds purchased and securities sold under agreements to repurchase	20,372	19,267	10,083	9,185	1,105
139 Other liabilities for borrowed money					
140 Number of banks	1,705	1,062	886	176	643

For notes see end of table.

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities<sup>1/2</sup>  
 Consolidated Report of Condition; Sept. 30, 1982  
 Millions of dollars

Item	Insured	Member banks			Non-member insured
		Total	National	State	
<b>1 Total assets</b>	<b>1,772,860</b>	<b>1,328,179</b>	<b>1,017,002</b>	<b>311,177</b>	<b>444,681</b>
2 Cash and due from depository institutions	191,947	151,778	113,394	38,384	40,169
3 Currency and coin (U.S. and foreign)	19,193	14,157	11,286	2,871	5,037
4 Balances with Federal Reserve Banks	21,233	19,990	16,086	3,904	1,243
5 Balances with other central banks	178	178	143	35	*
6 Demand balances with commercial banks in United States	31,589	17,189	14,043	3,146	14,399
7 All other balances with depository institutions in United States and with banks in foreign countries	54,905	39,174	29,517	9,657	15,731
8 Cash items in process of collection	64,849	61,090	42,319	18,771	3,759
<b>9 Total securities, loans, and lease financing receivables</b>	<b>1,425,037</b>	<b>1,043,514</b>	<b>803,029</b>	<b>240,486</b>	<b>381,523</b>
10 Total securities, book value	349,439	229,323	177,783	51,539	120,116
11 U.S. Treasury	106,037	66,761	50,681	16,080	39,276
12 Obligations of other U.S. government agencies and corporations	74,139	42,679	35,379	7,300	31,460
13 Obligations of states and political subdivisions in United States	149,422	103,023	80,182	22,840	46,399
14 All other securities	19,841	16,859	11,540	5,319	2,982
15 Federal funds sold and securities purchased under agreements to resell	90,130	68,648	51,829	16,820	21,482
16 Total loans, gross	1,003,806	755,960	581,710	174,250	247,845
17 Less: Unearned income on loans	19,248	12,523	9,710	2,813	6,725
18 Allowance for possible loan loss	12,350	9,865	7,509	2,356	2,485
19 <b>EQUALS: Loans, net</b>	<b>972,208</b>	<b>733,572</b>	<b>564,492</b>	<b>169,080</b>	<b>238,636</b>
<i>Total loans, gross, by category</i>					
20 Real estate loans	295,313	206,913	169,964	36,949	88,400
21 Construction and land development	50,811	40,326	31,540	8,785	10,485
22 Secured by farmland	8,525	3,787	3,181	606	4,738
23 Secured by residential properties	165,191	115,549	96,236	19,312	49,642
24 1- to 4-family	157,874	110,246	91,915	18,331	47,629
25 Multifamily	7,317	5,303	4,321	982	2,014
26 Secured by nonfarm nonresidential properties	70,786	47,251	39,007	8,245	23,535
27 Loans to financial institutions	68,243	61,037	38,800	22,237	7,206
28 Loans for purchasing or carrying securities	12,450	11,499	6,669	4,829	951
29 Loans to finance agricultural production and other loans to farmers	37,003	19,829	17,165	2,664	17,174
30 Commercial and industrial loans	372,132	299,559	224,374	75,184	72,574
31 Loans to individuals for household, family, and other personal expenditures	188,152	130,682	107,277	23,405	57,470
32 Installment loans	149,881	105,437	87,161	18,276	44,444
33 Passenger automobiles	58,582	37,562	30,926	6,636	21,020
34 Credit cards and related plans	34,030	30,286	24,936	5,350	3,744
35 Mobile homes	9,955	6,815	6,135	680	3,140
36 All other installment loans for household, family, and other personal expenditures	47,315	30,774	25,164	5,610	16,541
37 Single-payment loans	38,271	25,245	20,116	5,129	13,026
38 All other loans	30,512	26,442	17,461	8,982	4,070
39 Lease financing receivables	13,260	11,971	8,925	3,046	1,289
40 Bank premises, furniture and fixtures, and other assets representing bank premises	31,345	22,198	18,015	4,183	9,147
41 Real estate owned other than bank premises	3,732	2,543	2,076	467	1,189
42 All other assets	120,799	108,145	80,489	27,657	12,653

## 4.22 Continued

Item	Insured	Member banks			Non-member insured
		Total	National	State	
43 Total liabilities and equity capital <sup>1</sup>	1,772,860	1,328,179	1,017,002	311,177	444,681
44 Total liabilities excluding subordinated debt	1,640,054	1,232,133	943,298	288,835	407,921
45 Total deposits	1,321,647	942,980	740,229	202,751	378,667
46 Individuals, partnerships, and corporations	1,147,598	808,407	643,002	165,304	339,291
47 U.S. government	3,247	2,497	2,026	471	750
48 States and political subdivisions in United States	84,925	53,663	44,143	9,519	31,262
49 All other	71,146	67,164	43,710	23,453	3,983
50 Certified and officers' checks, travelers checks, and letters of credit sold for cash	14,731	11,350	7,346	4,004	3,380
51 Demand deposits	338,016	257,583	194,137	63,446	80,433
52 Individuals, partnerships, and corporations	271,616	201,186	154,481	46,705	70,431
53 U.S. government	2,261	1,700	1,346	353	562
54 States and political subdivisions in United States	14,650	10,164	8,231	1,933	4,485
55 All other	34,758	33,184	22,732	10,451	1,574
56 Certified and officers' checks, travelers checks, and letters of credit sold for cash	14,731	11,350	7,346	4,004	3,380
57 Time deposits	752,504	530,325	419,901	110,425	222,179
58 Other individuals, partnerships, and corporations	648,463	454,151	364,029	90,122	194,312
59 U.S. government	918	742	625	116	176
60 States and political subdivisions in United States	66,794	41,488	34,301	7,187	25,306
61 All other	36,329	33,944	20,945	12,999	2,385
62 Savings deposits	231,127	155,072	126,191	28,881	76,055
63 Corporations and other profit organizations	8,109	5,042	4,074	967	3,067
64 Other individuals, partnerships, and corporations	219,410	147,928	120,418	27,510	71,481
65 U.S. government	68	56	55	1	13
66 States and political subdivisions in United States	3,481	2,011	1,611	399	1,471
67 All other	59	35	33	3	24
68 Federal funds purchased and securities sold under agreements to repurchase	169,707	153,358	109,761	43,597	16,349
69 Interest-bearing demand notes (note balances) issued to U.S. Treasury and other liabilities for borrowed money	38,687	35,509	22,408	13,101	3,178
70 Mortgage indebtedness and liability for capitalized leases	2,643	2,028	1,702	326	615
71 All other liabilities	107,369	98,258	69,198	29,060	9,112
72 Subordinated notes and debentures	6,414	4,986	3,304	1,682	1,427
73 Total equity capital <sup>1</sup>	126,392	91,059	70,400	20,659	35,333
MEMO ITEMS					
74 Time deposits of \$100,000 or more	350,337	277,733	210,568	67,165	72,604
75 Certificates of deposit (CDs) in denominations of \$100,000 or more	309,041	240,822	185,784	55,038	68,218
76 Other	41,297	36,911	24,784	12,126	4,386
77 Savings deposits authorized for automatic transfer and now accounts	72,657	48,187	40,025	8,163	24,469
78 Money market time deposits (A) in minimum denomination of \$10,000 but less than \$100,000 with original maturities of 26 weeks, and (B) in minimum denomination of \$7,500 but less than \$100,000 with original maturities of 91 days	237,665	149,266	124,545	24,722	88,398
79 All savers certificates	23,594	15,789	12,997	2,793	7,804
80 Total Individual Retirement Accounts (IRA) and Keogh plan accounts	15,678	10,403	8,647	1,756	5,275
81 Demand deposits adjusted <sup>6</sup>	244,123	169,357	132,030	37,327	74,765
82 Total standby letters of credit	75,613	71,662	45,975	25,687	3,951
<i>Average for 30 calendar days (or calendar month) ending with report date</i>					
83 Total deposits	1,313,033	934,989	734,075	200,914	378,045
84 Number of banks	14,445	5,584	4,555	1,029	8,861

1. Effective Dec. 31, 1978, the report of condition was substantially revised for commercial banks. Commercial banks with assets less than \$100 million and with domestic offices only were given the option to complete either the abbreviated or the standard set of reports. Banks with foreign offices began reporting in greater detail on a consolidated domestic and foreign basis. These tables reflect the varying levels of reporting detail.

Beginning Dec. 3, 1981, depository institutions may establish international banking facilities (IBFs). Activity of IBFs established by U.S. commercial banks is reflected in the appropriate asset and liability line items in the domestic office portion of the tables. Activity of IBFs established by Edge Act and Agreement subsidiaries of U.S. commercial banks is reflected in the appropriate asset and liability line items in the foreign office portion of the tables. When there is a column for fully consolidated foreign and domestic data, activity of IBFs is reflected in the appropriate asset and liability line items in that portion of the tables.

2. All transactions between domestic and foreign offices of a bank are reported in "Net due from" and "Net due to" (lines 79 and 103). All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Since these intraoffice transactions are erased by consolidation, total assets and liabilities are the sum of all except intraoffice balances.

3. Foreign offices include branches in foreign countries and in U.S. territories and possessions, subsidiaries in foreign countries, and all offices of Edge Act and agreement corporations wherever located.

4. This item is unavailable for all or some of the banks because of the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices, and the absence of detail on a fully consolidated basis for banks with foreign offices.

5. Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.

6. Demand deposits adjusted equal demand deposits other than domestic commercial interbank and U.S. government less cash items in process of collection.

7. Domestic offices exclude branches in foreign countries and in U.S. territories and possessions, subsidiaries in foreign countries, and all offices of Edge Act and agreement corporations wherever located.

8. This item contains the capital accounts of U.S. banks that have no Edge or foreign operations and reflects the difference between domestic office assets and liabilities of U.S. banks with Edge or foreign operations excluding the capital accounts of their Edge or foreign subsidiaries.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 1982<sup>1</sup>

Millions of dollars

Item	All states <sup>2</sup>			New York		California, total <sup>3</sup>	Illinois, branches	Other states <sup>2</sup>	
	Total	Branches <sup>4</sup>	Agencies	Branches <sup>4</sup>	Agencies			Branches	Agencies
<b>1 Total assets<sup>5</sup></b>	<b>204,102</b>	<b>150,547</b>	<b>53,556</b>	<b>132,508</b>	<b>7,283</b>	<b>42,385</b>	<b>9,625</b>	<b>7,600</b>	<b>4,701</b>
2 Cash and due from depository institutions	29,800	27,600	2,201	25,575	425	1,505	1,773	203	320
3 Currency and coin (U.S. and foreign)	22	19	2	16	1	1	2	1	1
4 Balances with Federal Reserve Banks	1,116	1,003	113	857	68	40	31	108	13
5 Balances with other central banks	3	0	3	0	0	3	0	0	0
6 Demand balances with commercial banks in United States	1,070	929	141	869	48	70	24	33	26
7 All other balances with depository institutions in United States and with banks in foreign countries	27,501	25,566	1,935	23,758	307	1,387	1,713	58	279
8 Time and savings balances with commercial banks in United States	13,146	11,897	1,240	10,793	262	801	1,027	56	197
9 Balances with other depository institutions in United States	139	138	1	138	0	1	0	0	0
10 Balances with banks in foreign countries	14,226	13,532	694	12,827	45	584	686	2	82
11 Foreign branches of U.S. banks	1,630	1,620	10	1,554	3	13	58	0	1
12 Other banks in foreign countries	12,596	11,912	684	11,273	42	571	627	2	81
13 Cash items in process of collection	88	82	6	75	1	4	4	3	1
<b>14 Total securities, loans, and lease financing receivables</b>	<b>130,215</b>	<b>98,608</b>	<b>31,607</b>	<b>86,379</b>	<b>4,947</b>	<b>23,485</b>	<b>7,270</b>	<b>4,261</b>	<b>3,874</b>
15 Total securities, book value	4,907	4,506	401	4,294	155	251	176	28	2
16 U.S. Treasury	2,656	2,546	110	2,479	71	42	43	21	0
17 Obligations of other U.S. government agencies and corporations	502	482	20	473	4	20	0	5	1
18 Obligations of states and political subdivisions in United States	71	67	4	50	1	1	16	1	2
19 Other bonds, notes, debentures and corporate stock	1,678	1,411	267	1,292	80	188	118	0	0
20 Federal funds sold and securities purchased under agreements to resell	5,060	3,881	1,179	3,661	642	468	127	86	77
<i>By holder</i>									
21 Commercial banks in United States	4,372	3,272	1,100	3,085	604	468	94	86	36
22 Others	687	608	79	576	38	0	33	0	41
<i>By type</i>									
23 One-day maturity or continuing contract	4,943	3,765	1,179	3,547	641	468	125	86	77
24 Securities purchased under agreements to resell	194	191	3	116	2	0	0	75	0
25 Other	4,749	3,573	1,176	3,431	639	468	125	11	77
26 Other securities purchased under agreements to resell	117	116	1	114	1	0	2	0	0
27 Total loans, gross	125,511	94,240	31,271	82,209	4,803	23,283	7,105	4,235	3,877
28 Less: Unearned income on loans	204	139	65	125	12	49	11	2	5
29 EQUALS: Loans, net	125,308	94,101	31,206	82,084	4,792	23,234	7,094	4,233	3,872
<i>Total loans, gross, by category</i>									
30 Real estate loans	4,907	2,151	2,756	1,412	12	1,919	59	568	936
31 Loans to financial institutions	48,027	38,457	9,571	35,388	1,094	8,194	2,822	193	335
32 Commercial banks in United States	27,834	21,547	6,288	19,523	336	5,965	1,799	184	26
33 U.S. branches and agencies of other foreign banks	25,949	20,188	5,761	18,291	243	5,531	1,720	158	6
34 Other commercial banks	1,885	1,359	527	1,232	94	434	79	26	20
35 Banks in foreign countries	18,878	15,826	3,052	15,039	631	2,144	766	8	290
36 Foreign branches of U.S. banks	988	846	142	791	66	81	45	0	5
37 Other	17,890	14,980	2,910	14,248	565	2,063	721	8	285
38 Other financial institutions	1,315	1,084	231	826	128	85	257	1	18
39 Loans for purchasing or carrying securities	829	721	108	649	108	72	0	1	0
40 Commercial and industrial loans	57,255	40,682	16,573	33,094	2,977	11,681	3,810	3,342	2,351
41 U.S. addressees (domicile)	33,803	23,218	10,585	17,160	957	8,265	3,254	2,422	1,745
42 Non-U.S. addressees (domicile)	23,452	17,465	5,987	15,934	2,020	3,416	557	920	606
43 Loans to individuals for household, family, and other personal expenditures	208	141	67	108	13	50	8	20	9
44 All other loans	14,284	12,088	2,197	11,559	599	1,366	405	110	246
45 Loans to foreign governments and official institutions	12,022	9,937	2,086	9,478	543	1,331	375	72	223
46 Other	2,262	2,151	111	2,080	55	35	30	38	23
47 Lease financing receivables	1	1	0	1	0	0	0	0	0
48 All other assets	39,027	20,458	18,568	16,893	1,270	16,928	455	3,051	430
49 Customers' liability on acceptances outstanding	11,361	8,136	3,225	7,762	601	2,568	162	187	81
50 U.S. addressees (domicile)	5,412	3,159	2,253	2,981	58	2,178	131	32	31
51 Non-U.S. addressees (domicile)	5,949	4,977	972	4,781	542	390	31	155	50
52 Net due from related banking institutions <sup>6</sup>	20,923	6,847	14,076	4,097	431	13,406	0	2,749	239
53 Other	6,743	5,475	1,268	5,033	238	955	293	114	110



## 4.30 Continued

Item	All States <sup>2</sup>			New York		California, total <sup>3</sup>	Illinois, branches	Other states <sup>3</sup>	
	Total	Branches <sup>4</sup>	Agencies	Branches <sup>4</sup>	Agencies			Branches	Agencies
54 Total liabilities <sup>5</sup>	204,102	150,547	53,556	132,508	7,283	42,385	9,625	7,600	4,701
55 Total deposits and credit balances	86,026	77,653	8,373	70,235	2,064	5,450	2,389	4,867	1,023
56 Individuals, partnerships, and corporations	34,818	32,782	2,036	26,750	476	881	1,163	4,732	816
57 U.S. addressees (domicile)	26,088	26,016	71	20,402	40	86	938	4,611	11
58 Non-U.S. addressees (domicile)	8,730	6,766	1,964	6,347	436	795	225	121	805
59 U.S. government, states, and political subdivisions in United States	100	100	0	37	0	1	1	61	0
60 All other	51,109	44,771	6,338	43,448	1,587	4,567	1,225	74	207
61 Foreign governments and official institutions	5,652	4,889	763	4,833	496	264	33	23	3
62 Commercial banks in United States	16,731	14,388	2,343	13,743	409	1,866	601	32	80
63 U.S. branches and agencies of other foreign banks	11,662	10,052	1,610	9,600	211	1,367	433	19	32
64 Other commercial banks in United States	5,069	4,336	733	4,143	198	499	167	13	48
65 Banks in foreign countries	28,053	24,918	3,135	24,324	620	2,412	576	8	113
66 Foreign branches of U.S. banks	3,906	3,393	513	3,281	186	309	112	0	18
67 Other banks in foreign countries	24,147	21,525	2,621	21,044	434	2,102	464	8	95
68 Certified and officers' checks, traveler's checks, and letters of credit sold for cash	673	575	97	547	62	26	15	12	11
69 Demand deposits	3,173	3,181	192	2,935	62	70	100	137	69
70 Individuals, partnerships, and corporations	1,625	1,554	71	1,373	0	30	79	95	48
71 U.S. addressees (domicile)	1,013	1,013	0	846	0	6	76	84	0
72 Non-U.S. addressees (domicile)	612	541	71	526	0	24	3	11	48
73 U.S. government, states, and political subdivisions in the United States	13	13	0	7	0	0	0	6	0
74 All other	1,734	1,614	121	1,556	62	39	20	36	21
75 Foreign governments and official institutions	302	293	9	269	0	8	1	23	1
76 Commercial banks in United States	115	115	0	114	0	0	0	1	0
77 U.S. branches and agencies of other foreign banks	43	43	0	43	0	0	0	0	0
78 Other commercial banks in United States	72	72	0	71	0	0	0	1	0
79 Banks in foreign countries	644	630	14	626	0	5	3	1	9
80 Certified and officers' checks, traveler's checks, and letters of credit sold for cash	673	575	97	547	62	26	15	12	11
81 Time deposits	81,984	74,070	7,914	66,963	1,804	5,329	2,258	4,700	929
82 Individuals, partnerships, and corporations	32,730	30,929	1,801	25,143	379	803	1,053	4,608	744
83 U.S. addressees (domicile)	24,775	24,775	1	19,386	0	56	833	4,500	0
84 Non-U.S. addressees (domicile)	7,955	6,154	1,801	5,757	379	746	220	108	744
85 U.S. government, states, and political subdivisions in the United States	87	87	0	30	0	1	0	55	0
86 All other	49,167	43,054	6,113	41,790	1,424	4,526	1,204	38	185
87 Foreign governments and official institutions	5,330	4,592	739	4,560	483	254	32	0	2
88 Commercial banks in United States	16,560	14,265	2,295	13,621	363	1,865	600	31	80
89 U.S. branches and agencies of other foreign banks	11,619	10,009	1,609	9,557	211	1,367	433	19	32
90 Other commercial banks in United States	4,942	4,256	686	4,064	153	498	167	12	48
91 Banks in foreign countries	27,277	24,198	3,079	23,608	578	2,407	573	7	104
92 Savings deposits	287	256	31	193	0	25	31	26	12
93 Individuals, partnerships, and corporations	287	256	31	193	0	25	31	26	12
94 U.S. addressees (domicile)	201	201	0	145	0	3	29	24	0
95 Non-U.S. addressees (domicile)	86	55	31	48	0	22	2	2	12
96 U.S. government, states, and political subdivisions in the United States	0	0	0	0	0	0	0	0	0
97 All other	0	0	0	0	0	0	0	0	0
98 Credit balances	383	146	237	144	198	25	0	3	14
99 Individuals, partnerships, and corporations	176	43	132	41	97	23	0	3	13
100 U.S. addressees (domicile)	99	28	71	25	40	20	0	3	11
101 Non-U.S. addressees (domicile)	77	16	61	16	57	3	0	0	2
102 U.S. government, states, and political subdivisions in United States	0	0	0	0	0	0	0	0	0
103 All other	207	103	104	103	101	2	0	0	1
104 Foreign governments and official institutions	20	5	15	5	14	1	0	0	0
105 Commercial banks in United States	55	8	47	8	46	1	0	0	1
106 U.S. branches and agencies of other foreign banks	0	0	0	0	0	0	0	0	0
107 Other commercial banks in United States	55	8	47	8	46	1	0	0	1
108 Banks in foreign countries	132	90	42	90	42	0	0	0	0

For notes see end of table.

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4.30 Continued

Item	All states <sup>2</sup>			New York		California, total <sup>3</sup>	Illinois, branches	Other states <sup>2</sup>	
	Total	Branches <sup>4</sup>	Agencies	Branches <sup>4</sup>	Agencies			Branches	Agencies
109 Federal funds purchased and securities sold under agreement to repurchase	21,076	13,365	7,711	11,839	1,689	5,210	1,145	356	836
<i>By holder</i>									
110 Commercial banks in United States	19,122	12,406	6,716	10,950	1,305	5,131	1,076	357	303
111 Others	1,954	959	996	889	384	79	69	0	533
<i>By type</i>									
112 One-day maturity or continuing contract	20,278	12,757	7,520	11,250	1,594	5,114	1,126	358	836
113 Securities sold under agreements to repurchase	1,691	1,500	191	1,289	42	146	97	113	3
114 Other	18,587	11,258	7,329	9,961	1,552	4,967	1,029	244	833
115 Other securities sold under agreements to repurchase	798	608	191	588	95	96	19	0	0
116 Other liabilities for borrowed money	50,662	22,388	28,275	20,439	1,512	26,332	979	898	503
Owed to banks	48,318	20,533	27,785	18,597	1,500	25,858	977	887	498
118 U.S. addressees (domicile)	46,548	19,137	27,412	17,380	1,313	25,789	938	775	354
119 Non-U.S. addressees (domicile)	1,770	1,397	373	1,217	186	69	41	112	143
Owed to others	2,345	1,854	490	1,842	12	473	2	11	5
121 U.S. addressees (domicile)	1,878	1,462	416	1,451	2	415	0	11	0
122 Non-U.S. addressees (domicile)	466	392	74	390	10	59	2	0	5
123 All other liabilities	46,337	37,141	9,196	29,995	2,019	5,394	5,112	1,477	2,339
124 Acceptances executed and outstanding	12,661	9,299	3,362	8,924	642	2,662	164	187	82
125 Net due to related banking institutions <sup>6</sup>	29,334	24,305	5,029	17,979	1,229	2,135	4,770	1,042	2,180
126 Other	4,342	3,536	805	3,093	148	597	178	249	77
MEMO									
127 Time deposits of \$100,000 or more	63,680	59,311	4,369	52,510	21	3,651	2,002	4,660	837
128 Certificates of deposit (CDs) in denominations of \$100,000 or more	32,336	31,015	1,320	25,297	12	814	1,038	4,590	585
129 Other	31,345	28,296	3,049	27,213	9	2,837	965	71	251
130 Savings deposits authorized for automatic transfer and NOW accounts	33	19	14	5	0	6	6	7	9
131 Money market time certificates of \$10,000 and less than \$100,000 with original maturities of 26 weeks	39	32	7	0	0	8	0	31	0
132 Time certificates of deposit in denominations of \$100,000 or more with remaining maturity of more than 12 months	2,510	2,458	52	2,177	10	7	52	226	39
133 Acceptances refinanced with a U.S.-chartered bank	3,880	3,002	878	2,698	40	835	19	286	2
134 Statutory or regulatory asset pledge requirement	84,190	82,013	2,177	75,411	2,124	64	6,549	37	5
135 Statutory or regulatory asset maintenance requirement	10,526	10,282	244	6,975	34	5	297	3,008	208
136 Commercial letters of credit	7,773	5,368	2,405	4,939	359	1,985	253	168	68
137 Standby letters of credit, total	13,898	11,661	2,238	10,554	557	1,270	449	420	648
138 U.S. addressees (domicile)	11,606	9,779	1,827	9,004	409	1,028	322	264	578
139 Non-U.S. addressees (domicile)	2,292	1,882	411	1,550	148	242	126	156	70
140 Standby letters of credit conveyed to others through participation (included in total standby letters of credit)	2,958	2,778	180	2,754	91	76	18	5	12
141 Holdings of commercial paper included in total gross loans	854	757	98	724	30	68	33	0	0
142 Holdings of acceptances included in total commercial and industrial loans	5,187	3,811	1,377	3,680	81	1,263	66	64	33
143 Immediately available funds with a maturity greater than one day (included in other liabilities for borrowed money)	36,691	13,591	23,100	12,050	1,310	21,562	923	567	278
144 Gross due from related banking institutions <sup>6</sup>	82,135	55,862	26,274	49,429	5,223	20,360	2,393	3,975	756
145 U.S. addressees (domicile)	22,604	9,228	13,376	5,324	1,336	11,903	161	3,706	173
146 Branches and agencies in the United States	21,241	8,111	13,131	4,221	1,272	11,723	148	3,705	172
147 In the same state as reporter	860	380	480	340	14	456	0	40	10
148 In other states	20,381	7,731	12,650	3,881	1,258	11,267	148	3,665	162
149 U.S. banking subsidiaries <sup>7</sup>	1,362	1,117	245	1,103	64	181	14	0	1
150 Non-U.S. addressees (domicile)	59,532	46,634	12,898	44,104	3,887	8,457	2,231	269	583
151 Head office and non-U.S. branches and agencies	56,764	44,185	12,579	41,734	3,710	8,354	2,186	236	544
152 Non-U.S. banking companies and offices	2,767	2,449	319	2,370	176	103	45	33	39
153 Gross due to related banking institutions <sup>6</sup>	90,547	73,320	17,227	63,310	6,020	9,090	7,162	2,267	2,697
154 U.S. addressees (domicile)	20,946	15,349	5,597	9,922	1,248	3,253	3,424	1,694	1,405
155 Branches and agencies in the United States	18,580	13,078	5,502	7,696	1,248	3,165	3,413	1,692	1,365
156 In the same state as reporter	573	126	447	88	46	393	0	39	8
157 In other states	18,007	12,952	5,055	7,609	1,202	2,772	3,413	1,654	1,357
158 U.S. banking subsidiaries <sup>7</sup>	2,366	2,271	96	2,226	0	88	11	2	39
159 Non-U.S. addressees (domicile)	69,601	57,971	11,630	53,388	4,772	5,837	3,739	573	1,293
160 Head office and non-U.S. branches and agencies	68,465	56,912	11,553	52,366	4,752	5,799	3,733	547	1,267
161 Non-U.S. banking companies and offices	1,136	1,059	77	1,021	20	38	5	26	26

## 4.30 Continued

Item	All states <sup>2</sup>			New York		California, total <sup>3</sup>	Illinois, branches	Other states <sup>2</sup>	
	Total	Branches <sup>4</sup>	Agencies	Branches <sup>4</sup>	Agencies			Branches	Agencies
<i>Average for 30 calendar days (or calendar month) ending with report date</i>									
162 Total assets	428,594	375,850	52,744	357,902	6,887	42,053	9,527	7,619	4,607
163 Cash and due from depository institutions	28,020	25,934	2,086	23,940	366	1,417	1,748	197	351
164 Federal funds sold and securities purchased under agreements to resell	6,110	4,803	1,307	4,576	798	434	134	84	85
165 Total loans	116,628	86,649	29,979	74,940	4,718	22,267	6,822	4,220	3,660
166 Loans to banks in foreign countries	18,209	15,288	2,921	14,518	615	2,036	752	5	282
167 Total deposits and credit balances	81,565	74,155	7,411	67,064	1,764	4,865	2,277	4,656	939
168 Time CDs in denominations of \$100,000 or more	31,530	30,241	1,289	24,784	12	829	962	4,408	535
169 Federal funds purchased and securities sold under agreements to repurchase	18,885	12,030	6,855	10,662	1,313	4,465	1,040	304	1,100
170 Other liabilities for borrowed money	50,584	22,283	28,301	20,367	1,266	26,584	1,012	823	532
171 Number of reports filed <sup>8</sup>	396	213	183	133	44	106	39	31	43

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." This form was first used for reporting data as of June 30, 1980. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Agencies account for virtually all of the assets and liabilities reported in California.

4. Includes all offices that have the power to accept deposits from U.S. residents, including any such offices that are considered agencies under state law.

5. Total assets and total liabilities include *net* balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see

footnote 6). On the former *monthly* branch and agency report, available through the G.11 statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

6. "Related banking institutions" includes the foreign head office and other U.S. and foreign branches and agencies of the bank, the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly). Gross amounts due from and due to related banking institutions are shown as memo items.

7. "U.S. banking subsidiaries" refers to U.S. banking subsidiaries majority-owned by the foreign bank and by related foreign banks and includes U.S. offices of U.S.-chartered commercial banks, of Edge Act and Agreement corporations, and of New York State (Article XII) investment companies.

8. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

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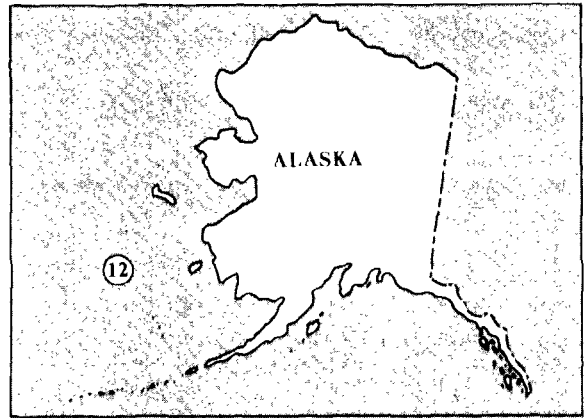
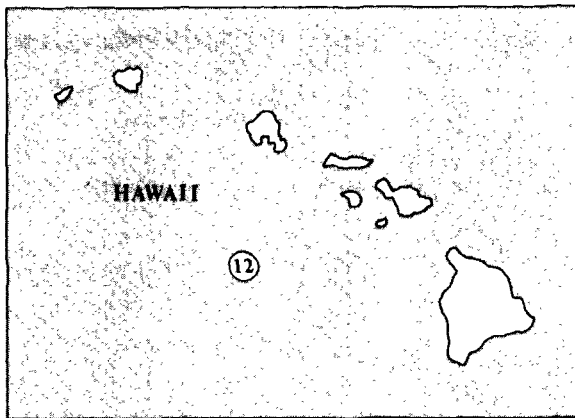
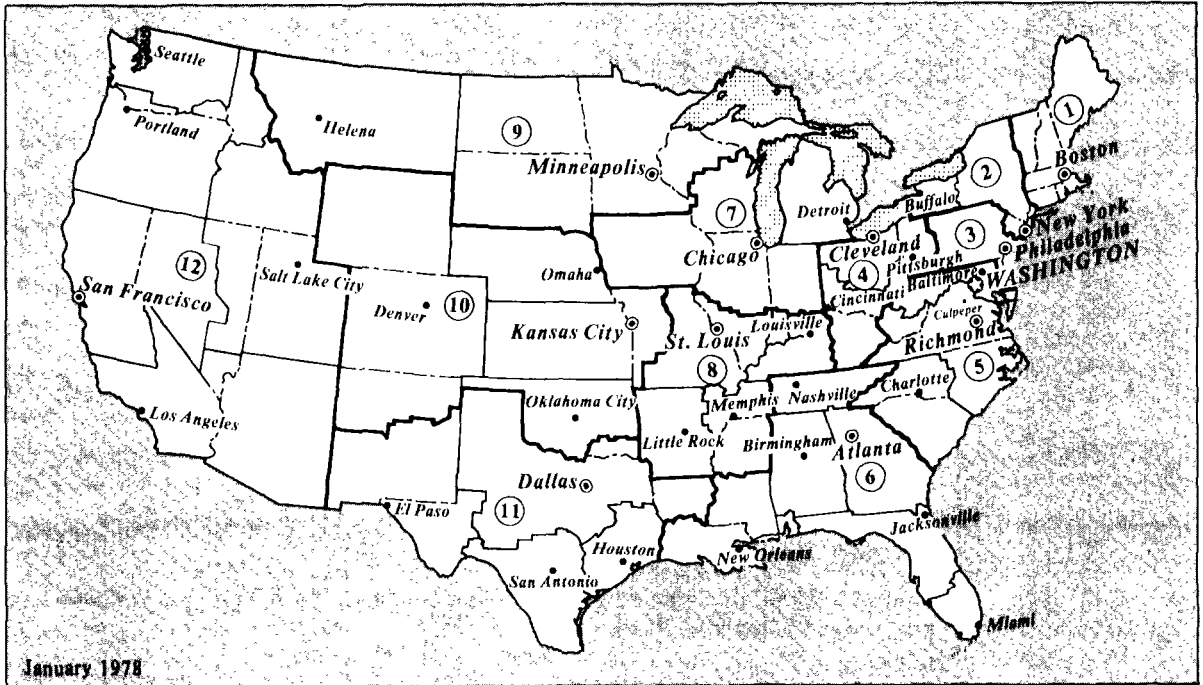
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# The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



## LEGEND

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- Boundaries of Federal Reserve Branch Territories
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- Federal Reserve Branch Cities
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