
JULY 1975

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BULLETIN

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Recent Trends in Federal Budget Policy

This article was prepared in the Government Finance Section of the Division of Research and Statistics.

Prospects for a more effective Federal fiscal policy were enhanced with the enactment of the Congressional Budget and Impoundment Control Act of 1974. This legislation requires the Congress to establish over-all Federal budget targets—for receipts, expenditures, and the resulting surplus or deficit—that appear to be consistent with the broad requirements of national economic policy. Previously, congressional budget machinery has tended to encourage a fragmented focus on specific Federal expenditure and tax programs, with insufficient emphasis on the economic consequences of the budget as a whole. Thus, the conscious determination of an appropriate, general Federal fiscal policy has seldom been an integral part of the congressional budget process.

Official implementation of the new budget machinery is not scheduled until the fiscal year 1977. However, in order to gain needed experience for next year, the Congress is approaching the budget for the current fiscal year as if the new law were already in effect. New congressional budget committees have been established, and they are currently engaged in the task of specifying appropriate fiscal goals.

This new approach to fiscal policy faces obvious challenges. It is being initiated against the backdrop of the most serious economic recession since before World War II. In addition, the need to curb inflationary pressures persists, and at the same time, considerable differences of opinion remain regarding the extent to which fiscal measures should be used to promote energy policy. Finally, rapid growth in Federal expenditures stemming from the sweeping social legislation of the 1960's is intensifying

problems of both short- and long-term budgetary control.

This article sketches the nature and dimensions of these longer-run fiscal trends, describes the recent enactment of tax reductions, and discusses in some detail the new budget control procedures that offer considerable promise for improved fiscal policy.

TRENDS IN FEDERAL SPENDING

Within the last 10 years Federal outlays have expanded at an unusually fast pace—from \$118 billion in fiscal 1965 to about \$325 billion in the fiscal year just ended. This represents an increase of 175 per cent, or an average annual growth rate of about 11 per cent. In contrast, Federal revenues have increased by only 140 per cent during the period, with the growth of receipts varying considerably from year to year. The recession of this year, in particular, has dampened growth of receipts while accelerating that of expenditures.

While these budget totals provide a useful general impression of the thrust of budget activity, they conceal a number of rather diverse influences on the Federal budget. In the latter half of the 1960's, for example, growth in Federal outlays was dominated by the war in Vietnam and by the inauguration of new social welfare programs. Expenditure growth in the first half of the 1970's, on the other hand, while reflecting the continued evolution of the social programs initiated earlier, has also been strongly reinforced by the effects of accelerated inflation. Most recently, the recession has induced a substantial volume of compensatory outlays.

Chart 1 shows the growing importance of social outlays in the Federal budget over the

past 10 years and the resulting changes in importance of other key budget items. The proportion of outlays allocated to national defense has declined steadily, from 42 per cent in fiscal 1965 to 27 per cent in fiscal 1975. Even though defense expenditures in fiscal 1965 had not yet reflected much of the build-up associated with the war in Vietnam, the data indicate that the proportion of expenditures for national defense today is substantially lower than in the period just prior to our Vietnam involvement.

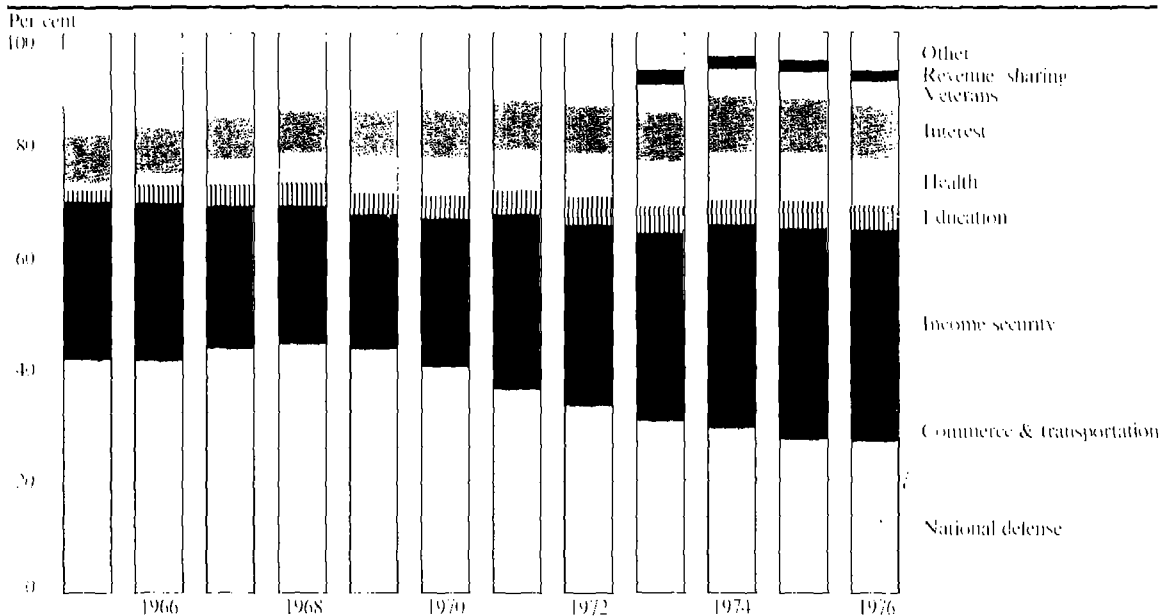
In the area of social outlays, the most significant gains for the period have occurred in expenditures for income security. This functional category includes social security and unemployment insurance programs, public assistance, and supplements to low-income families for food and housing. As a proportion of total outlays, this category has increased from 22 per cent in fiscal 1965 to 33 per cent in fiscal 1975. Other significant increases have occurred in the areas of health and education.

Table I provides additional perspective on the shift in relative spending priorities over the period and relates Federal spending to the level

of aggregate economic activity. As shown, the ratio of Federal outlays to gross national product has increased somewhat in 1975. However, this increase is accounted for largely by the surge in spending induced by the downturn in economic activity. The final line of Table I adjusts for this factor and presents the ratio of expenditures to GNP under conditions of sustained, high employment. These data would indicate that the share of Federal expenditures has tended to be stable during the first half of the 1970's.

The increased relative importance of Federal spending for social programs, while reflecting the evolution of national priorities, introduces problems of control in the management of Federal fiscal policy. Spending for most of these programs is open-ended in character since it is funded under a so-called "entitlement authority." When the Congress creates such programs, it specifies levels of benefit payments and defines the population eligible to receive them. As a result an automatic entitlement, or right, to benefits is created whenever eligibility requirements are met. Public assistance, food stamps, and certain unemployment compensa-

CHART I
Functional classification of budget outlays



Fiscal data from *The Budget of the United States Government, Fiscal Year 1976* (Feb. 1975).

TABLE 1

Federal outlays as per cent of GNP

Item	1970	1971	1972	1973	1974	1975	1976
Social programs (education, income security, health, veterans)	7.6	8.9	9.5	9.5	9.8	11.3	11.1
National defense	8.3	7.6	7.0	6.1	5.8	5.9	5.9
Net interest	1.5	1.5	1.4	1.4	1.6	1.6	1.6
Other	3.2	2.9	3.1	3.1	2.7	3.1	3.3
Total outlays	20.6	20.9	21.0	20.1	19.9	21.9	21.9
Memo							
Full employment expenditures/full employment GNP ¹	20.0	19.6	19.7	20.4	19.7	20.0	20.5

¹As estimated in the *Budget of the United States Government, Fiscal Year 1976* (Feb 1975).

²National income accounts basis.

tion and veterans programs are examples of transfer payments funded by this type of authority.

With the substantial growth in these types of programs, the share of total Federal spending that is mandatory or automatic in the short run has become increasingly important. In this sense these programs, and a number of others, are sometimes described as "uncontrollable." Over the past 5 years the share of Federal outlays that fall in this uncontrollable category has increased from about 65 per cent to nearly 75 per cent. The payment of interest on the public debt is another spending category that responds automatically to external events without the need for explicit congressional action and that is included in the uncontrollable category. Also payments under long-term contracts for defense and public works, once obligated, may be uncontrollable for extended periods. In terms of the various functional budget categories, more than 90 per cent of the outlays for income security, health, and veterans benefits are determined by established legislation. And, of course, 100 per cent of the interest payment on the public debt falls in this category. In contrast, only about 40 per cent of defense-related outlays can be classified as "uncontrollable" in that they do not require new congressional appropriations each year.

Of course, it is misleading to assert that any budget outlay is wholly uncontrollable, since the Congress may change any item in the budget

by legislative action. However, because income security programs have generally been established to meet long-run needs and are often financed by specifically earmarked taxes, any major changes in the scope of these programs would entail prolonged legislative consideration. It is true, of course, that the Congress would also be subjected to substantial pressures if it attempted to make substantial cuts in the controllable sector of the budget.

Outlays in the sectors of the Federal budget that do require annual appropriations have, of course, been greatly inflated over the past decade by the general advance in prices. Although benefit payments in Federal social programs are typically legislated in nominal dollars, they too have been strongly affected by inflation, since Congress generally responds to the pinch of higher prices by liberalizing benefit payments. Moreover, in recent years, the Congress has turned increasingly to indexation as a means of keeping benefit payments more current with rising prices. Federal retirement pay, social security, and several other types of income maintenance programs are now all tied to the movement of the consumer price index.

One of the important implications of this trend toward indexation of expenditures is that it tends to blunt the restrictive effects of the so-called "built-in stabilizers" in the Federal budget. Government spending on unemployment benefits and other income maintenance programs is generally expected to shrink during

periods of expanding economic activity and rising employment, and thus helps to temper inflationary pressures. With indexation, however, spending in these areas tends to be maintained during periods of inflation, which creates a problem when inflation is being stimulated by a general overheating of the economy. Most recently, however, with inflation and underutilization of resources occurring simultaneously, indexation in the various income transfer programs has tended to cushion the fall of purchasing power, and thus to moderate declining economic activity.

In any event, the recent combination of recession and inflation has strongly accentuated the growth in Federal outlays. As a result, in the fiscal year just ended, outlays expanded by nearly one-fifth, accounting in the process for approximately two-fifths of the over-all growth in Federal spending since the beginning of the 1970's. A slowing in the growth of budget outlays is now projected for the current fiscal year, due both to an expected, further abatement of inflation and to a projected moderation in outlays for unemployment insurance as economic activity improves. In addition, the President's program calls for explicit curbs on spending growth. Since, however, the bulk of Federal outlays are now mandatory under existing laws, the possibilities for sizable short-range cutbacks are quite limited.

IMPACT OF INFLATION ON FEDERAL RECEIPTS

In addition to their impact on outlays, recent trends in economic activity have also exerted pervasive effects on the course of Federal receipts. Most importantly, inflation has tended to increase tax receipts by more than the gain in private incomes.

The experience of 1973-74 illustrates the influence of inflation on receipts. In those years effective tax rates on incomes of individuals rose significantly (Table 2). This rise reflects two factors. First, personal exemptions as well as the legislated minimum and maximum standard deductions are stated in fixed-dollar terms; when nominal incomes are pushed higher in the course

TABLE 2

Effective income tax rates for individuals

Calendar year	Individuals ¹
1970	11.9
1971	11.3
1972	11.2
1973	11.8
1974	12.7

¹ Calculated on a cash flow basis as the ratio of (tax receipts net of refunds) to (personal income less transfer payments). The 1970 rate has been adjusted to remove the effect of the surtax, since its inclusion would overstate the impact of the 1971 Act. Also in 1972, an \$8.0 billion adjustment was made for overwithholding, since its inclusion would understate the impact of the 1971 Act in 1972.

of inflation, these fixed-dollar allowances constitute an increasingly smaller share of the total; thus an increasingly greater share of income becomes subject to tax. Second, when inflation causes nominal incomes to grow, the progressive character of the income tax structure forces taxpayers into higher marginal tax brackets; as a result, tax liabilities rise faster than taxable incomes.

This second influence affects taxpayers across a wide range of income levels, but the first factor exerts its greatest percentage impact on individuals in lower tax brackets. Low-income families are most affected because tax allowances stated in fixed-dollar terms bulk larger as a share of their total incomes. In addition, individuals with higher income levels are more likely to itemize their deductions, the dollar value of which tends to rise somewhat in response to inflation.

In the case of corporations, the impact of inflation on effective tax rates is of a different character. Because corporate accounting procedures often do not allow adequately for rising replacement costs, higher recorded corporate profits frequently exaggerate available internal funds during periods of inflation. Despite mounting corporate cash needs in such periods, tax liabilities remain at high levels.

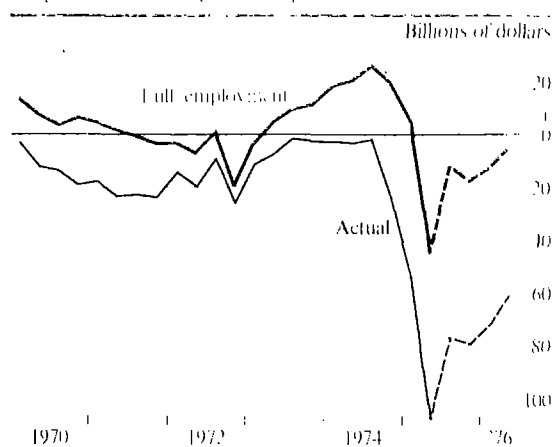
A corporate cash squeeze due to high tax liabilities can occur in two ways. First, since deductions for depreciation are recorded on a historical cost basis, the real cost of capital consumption is underestimated. Second, when prices are rising steeply, many corporations show substantial "paper profits" on inventories that are valued without adequate regard for

replacement costs. Real corporate profits have thus tended to be overstated because of depreciation methods and the treatment of inventory profits. It should be noted however, that inflation introduces an additional, partially offsetting influence. During periods of rising prices, conventional accounting practices fail to reflect the gains that accrue to debtors as a result of the decline in the real value of outstanding, fixed-dollar debt obligations. To the extent that the corporate sector is in a net debtor position, this fact may be significant.

The inventory effect has been important in recent years because many firms use the "first-in, first-out" (FIFO) accounting method for measuring the cost of goods sold. Under the FIFO approach, goods sold are valued at the prices paid for the inventory acquired earliest. During periods of rapid inflation, therefore, goods sold are assigned a value well below their replacement costs, leading to an overstatement of profits relative to the funds that are available to pay taxes on these profits. Table 3 indicates the increased importance of inventory profits in the 1973-74 period. Because of this distortion, many firms have recently elected to switch to a "last-in, first-out" (LIFO) method of inventory valuation. Under this procedure, goods sold are valued at the price paid for the most recent additions to inventory.

Inflation has thus increased effective tax rates considerably for both individuals and corporations, particularly during 1973 and 1974. Much of the \$20 billion shift toward a smaller deficit—from \$23 billion to \$3 billion—that developed in the unified Federal budget between

CHART 2
Surplus/deficit budget concepts



The full employment budget is based on the series published by the Federal Reserve Bank of St. Louis. Beginning in 1973, adjustments were made to the St. Louis series to include the impact of inflation on inventory profits. The projections of the actual and full employment budgets for fiscal year 1976 are based on the First Concurrent Resolution on the Budget presented by Congress in May 1975.

fiscal 1972 and fiscal 1974 was attributable to this influence.

The significance of inflation for effective tax receipts is also suggested by the so-called "full-employment" budget, shown in Chart 2. This analytical measure attempts to focus on the stance of discretionary Federal fiscal policy by abstracting from the automatic effects on budget totals of fluctuations in general economic activity. In other words, the full-employment budget seeks to show what the position of the budget would have been—given the same discretionary fiscal policies—if the economy had followed a steady growth path close to full employment. As indicated in the chart, the full-employment budget strongly suggests a shift toward a more restrictive fiscal policy between 1972 and 1974.

Full-employment budget totals, however, have to be interpreted with particular care during periods of inflation. A sizable part of the marked 1974 shift to surplus in the full-employment budget, for example, clearly did not result from discretionary fiscal actions designed to achieve greater restraint. The observed move toward surplus simply reflected an uptrend in effective tax rates caused by the inflation of nominal incomes.

TABLE 3

Inventory profits and taxes

Calendar year	Inventory profits: ¹ total corporate profits ¹	Estimated tax due on inventory profits (in billions of dollars)
1970	6.5	1.9
1971	5.8	1.9
1972	7.1	2.6
1973	14.3	6.2
1974	25.0	12.3

¹ Calculated as the ratio of inventory valuation adjustment to total corporate profits before taxes.

Increases in revenues resulting from inflation have traditionally been viewed as desirable, automatic fiscal stabilizers. Unfortunately, recent economic conditions do not fit neatly into this traditional framework of fiscal analysis. In 1974 rapid inflation occurred during a period of economic stagnation, and the source of the inflation was not excess demand. In these circumstances the tendency for the automatic stabilizers to increase effective tax rates and to dampen spending was counterproductive in that it reinforced the weakening of the economy.

RECENT BUDGET DEVELOPMENTS

Since 1974 the full-employment budget has shifted substantially toward deficit, as Chart 2 shows. For all of fiscal 1975 the actual budget deficit moved up sharply to about \$45 billion, and for the current fiscal year it is now forecast to rise further, possibly to \$70 billion.

The latter figure would represent the largest absolute dollar deficit in U.S. history. As a share of GNP, it has been exceeded only by the deficits incurred during the full mobilization period of World War II. To a considerable extent the record proportions of this prospective deficit simply reflect the impact of deep recession on the automatic budget stabilizers. As employment and incomes have fallen, outlays for unemployment compensation and other entitlement programs have risen, while tax receipts have weakened.

In addition, however, the marked recent shift toward fiscal stimulus reflects new fiscal policy initiatives. In the Federal budget presented in February, the administration requested (1) temporary tax reductions to help stimulate economic recovery, (2) cutbacks in certain types of Federal spending to help curb inflation over the longer run, and (3) a system of excise taxes and import fees on petroleum and natural gas to help promote self-sufficiency in energy. Among these proposals, those designed to stimulate the economy received prompt congressional attention, but legislative action on the energy program has been deferred. Moreover, the Congress has shown little inclination to

support the administration's proposed reductions in spending.

In his budget message for the fiscal year 1976 the President requested temporary tax reductions of \$16 billion, with three-fourths of the amount going to individuals and one-fourth to businesses—roughly the shares of total Federal income tax receipts already accounted for by each of these sectors. The recommended tax reductions consisted of a rebate of up to 12 per cent on 1974 personal tax liabilities and a temporary increase in the investment tax credit to 12 per cent.

These provisions were modified and supplemented by the Congress in the Tax Reduction Act of 1975, which was passed in April of this year. This Act provided for approximately \$20 billion in net tax relief with about \$17 billion going to individuals.

A part of this legislation took the form of an \$8.1 billion tax rebate on 1974 personal taxes. Other provisions applied to taxes for the calendar year 1975. To ameliorate the effects of inflation on taxpayers in the low- and middle-income tax brackets, the Act increased both the standard deduction and the low-income allowance. A \$30 tax credit for each exemption was also introduced, and a refundable tax credit of 10 per cent, with a maximum of \$400, was provided to alleviate the burden of growing social insurance taxes on low-income families. Finally, to stimulate the housing industry, a 5 per cent tax credit, with a maximum of \$2,000, was provided on the purchase of a new home.

To stimulate business investment, the investment tax credit was increased to 10 per cent, and smaller businesses were assisted by a reduction in tax rates on corporate profits of less than \$50,000. Some of this tax relief to business was offset by the repeal of most depletion allowances on petroleum and natural gas and by increased limitations on the use of foreign tax credits.

Current discussion regarding future tax policy revolves chiefly around the question of whether cuts in tax liabilities provided in the Tax Reduction Act should be extended into 1976. Other fiscal policy debate centers on the level of aggregate spending thought to be appropriate for promoting an extended noninflationary recov-

ery. The manner in which these issues are ultimately settled will be influenced strongly by the extent to which the new machinery established by the Congressional Budget and Impoundment Control Act is successfully implemented.

PREVIOUS EXPENDITURE CONTROL ACTIONS

The need for improved congressional control over the Federal budget has long been recognized. Impetus for reform of the budget-making process, however, came from the executive, rather than the legislative, branch when, during the early years of the 1970's, the President made a growing practice of impounding funds appropriated by the Congress.

Presidential impoundment of appropriated funds was not a creation of the 1970's. Legislative authority for this practice was provided at least in a limited way by the Anti-Deficiency Act of 1950. That Act permitted the President to establish budgetary reserves in order to provide for contingencies and to allow savings in congressionally appropriated funds. Impoundments of this type were for the purpose of enhancing managerial efficiency, since it was recognized that funds appropriated under some programs might exceed the actual level of expenditures needed to complete them. However, the Act does not permit impoundment for the purpose of program curtailment or cancellation. During the 1960's most executive impoundments involved withholding of funds from high-way trust funds or for defense-related projects.

During the early years of the current decade, the character of presidential impoundments underwent a quantitative and qualitative change. In this period impoundments were justified by the administration not only for purposes of managerial efficiency but also as a means of implementing an anti-inflation policy. It was argued that impoundment for this purpose was sanctioned by the Employment Act of 1946 as well as by the Economic Stabilization Act of 1971.

The expanded use of impoundments during the 1970's, and a growing congressional con-

cern that the administration was becoming overly selective in its impoundment choices, provoked a congressional response in the form of anti-impoundment legislation. It soon became evident, however, that if such legislation were to be effective, it would have to be accompanied by new procedures that would reorganize the congressional budget process itself. An important related development that promoted this recognition was the rapid growth in uncontrollable budget outlays discussed earlier.

Prior to enactment of the new budget law, the ability of the Congress to view the budget as a whole was severely limited. Since no single committee was charged with responsibility for reviewing the entire budget, spending totals in any given year were largely the result of uncoordinated actions by a number of separate committees and subcommittees. This fragmentation of budget decisions made it virtually impossible for the Congress to establish a consistent set of spending priorities. Hence it was most difficult to achieve an over-all budget posture consistent with economic policy needs.

HIGHLIGHTS OF THE NEW LEGISLATION

The Congressional Budget and Impoundment Control Act significantly improves the budget-making process. It establishes standing budget committees in each House of Congress empowered to study and to recommend changes in the budget submitted by the President. In effect, these committees are charged with the task of formulating a congressional budget appropriate to the requirements of economic stabilization. To help implement this new responsibility, the Act creates the Congressional Budget Office, paralleling the Office of Management and Budget in the Executive Office of the President.

In order both to lengthen the time period over which the President's January budget proposal can be considered by the Congress and to assure that actions on appropriations are completed before the start of the fiscal year, the Act also changes the start of the fiscal year from July 1 to October 1. The Act is scheduled for full

Congressional Budget Timetable

<i>On or before</i>	<i>Action to be completed</i>
Nov. 10	Presidential submission of "current services budget" that includes expectations for next fiscal year—given current economic forecasts and an assumption of no further legislative action on spending programs.
15th day after Congress convenes	President submits his budget proposal for the next fiscal year.
Mar. 15	Congressional committees and joint committees report to the budget committees on the President's budget and the economic outlook.
Apr. 1	Congressional Budget Office submits report to budget committees recommending requisite budget totals.
Apr. 15	Budget committees report to their respective Houses the first concurrent resolution on the budget establishing key budget totals.
May 15	Committees report bills and resolutions authorizing new budget authority, and Congress passes the first concurrent budget resolution.
7th day after Labor Day	Congress completes action on all bills and resolutions from legislative and appropriations committees providing new budget and spending authority.
Sept. 15	Congress completes action on a second concurrent resolution of the budget.
Sept. 25	Congress completes action on a reconciliation bill or resolution implementing the second concurrent resolution on the budget.
Oct. 1	Fiscal year begins.

implementation when the Congress considers its budget for fiscal 1977.

As shown in the accompanying timetable, the Act establishes a tight schedule for congressional budget actions within a new fiscal year. A brief review of the major steps involved in meeting this demanding timetable will help to explain its essentials. Basically, the process falls into four stages.

In the first stage, the Congress considers the President's "current services budget," which is submitted in November, 3 months before the regular administration budget. The current services budget is a projection of receipts and outlays for the coming fiscal year, assuming continuation of Federal benefits, services, purchases, and taxes as provided under existing law. This forecast is based on economic assumptions provided by the latest projections of

the Council of Economic Advisers. The "no-program change" assumption of the current services budget provides a convenient base for use by the Congress in evaluating the President's February budget proposal, since the February budget is both a forecast of ongoing programs and a statement incorporating proposed new spending and tax initiatives.

The second stage in the new budget process involves the formulation of an initial congressional budget—or as it is termed in the Act, the first concurrent resolution on the budget. This resolution is a preliminary working budget that is intended to serve as a set of guidelines for the appropriations committees. The initial budget resolution, as adopted, sets target figures for total outlays, tax revenues, appropriations, changes in outstanding debt, and the budget surplus or deficit. The formulation of the first concurrent resolution is a key stage in the new budget-making process. At this point the Congress will, for the first time, explicitly consider the Federal budget as a whole and relate its budgetary decisions to the goals of full employment and price stability. This focus on the over-all thrust of fiscal policy is a radical change from past budgetary practice.

After passage of this initial budget resolution, the budget process enters its third stage. In this stage, the Congress acts on appropriations measures through its usual procedures: moving from subcommittees to the full committee, to action by the House and Senate, and to a final conference resolution. Final passage of these appropriation measures is held up, however, until all appropriations bills have been reported and a summary has been prepared. Once this is done, final approval of the appropriations bills must be provided in quick succession, since all appropriations actions must be cleared by the Congress no later than the seventh day after Labor Day.

The fourth and final stage of the new budget process begins in mid-September. Having completed action on all appropriations measures, the Congress must then review the budget as a whole. At this point, and in view of possible changes in economic conditions, the targets of the initial budget resolution prepared in May are

reviewed and are either revised or reaffirmed. If the separate appropriations actions exceed the targets of the initial budget resolution (or fail to reach them), the Congress may then decide to alter targets for appropriations, revenues, or the debt ceiling. The budget process for the fiscal year is concluded with enactment of a reconciliation bill. This bill adjusts separate committee actions on outlays and receipts to the over-all budget targets affirmed by the Congress. Once the final concurrent budget resolution is enacted, all new budget authority must be within the limits established by that resolution.

Thus, the final stage of the new budget process is especially important. At this stage the Congress is expected to exercise the greatest amount of self-discipline and, if necessary, to challenge the traditional and established prerogatives of regular committees.

IMPOUNDMENTS

A special section of the Act establishes new procedures for monitoring presidential withholdings of appropriated funds. Impoundments are to be classified by the executive as either a deferral of spending to a later period or a recommended cancellation of budget authority, defined as a rescission. To override a presidential deferral, a simple majority vote in either the House or the Senate is required. In the case of a rescission, however, the new law requires passage of an enabling bill within 45 days of the presidential request. Without such a bill, the President is required to disburse the funds previously appropriated.

Regardless of whether a given action is a deferral or a rescission, the President is required to report the action to the Congress. Ultimately, suit may be brought in the courts by the Comptroller General if the President fails to comply with an override of an impoundment decision.

While the provisions of the new law clearly represent a significant effort to regulate the impoundment process, some potential problem areas remain. As mentioned earlier, a large number of impoundments are routinely initiated under the Anti-Deficiency Act of 1950. The Congress probably does not intend to restrict

the President's authority in this area. The new law makes no distinction, however, between routine and nonroutine impoundments. Since the executive branch is now required to report all impoundments, the Congress may find that the task of monitoring funds that have been withheld and of ascertaining the validity of each separate action is more difficult under the new law. Moreover, while the Act distinguishes between a deferral and a rescission of spending, the distinction between the two actions may not be so clear in practice as its definition would imply. Budget authority for most programs has a fixed expiration date. If spending for such a program is deferred, it is possible that the funds cannot be fully or efficiently obligated in the time remaining. Furthermore, during a period of price inflation, deferral of a spending program may effectively curtail the scope of the program when funds are ultimately released.

Since a rescission requires an approval by both Houses of Congress, whereas a deferral is valid in the absence of a veto from either House, it would seem that, as a matter of strategy, the executive branch would make relatively greater use of the deferral provision if it is intent on controlling spending by means of the impoundment mechanism.

PROSPECTS FOR THE NEW PROCEDURES

At this juncture it is difficult to evaluate the likely impact of the new congressional budget procedures, since the enabling statute will not be fully implemented until the Congress considers its budget for the fiscal year 1977. As noted earlier, however, the Congress is partially implementing the new approach in formulating its budget for fiscal 1976. The Congressional Budget Office has been established and is already engaged in reviewing many aspects of Federal fiscal policy. Moreover, the budget committees in both Houses of Congress have formulated their first concurrent resolution on the budget for the current fiscal year. As passed by Congress, this resolution provides for a unified budget deficit of nearly \$69 billion, ap-

proximately \$9 billion in excess of the President's recommended deficit but significantly less than many forecasters had anticipated.

To some extent, the deviation from the President's estimates reflects alternative assumptions regarding the likely strength of the economic recovery. But the congressional program also differs in important respects as to recommendations for spending, including the ceilings that the administration has proposed on some programs.

Congressional implementation of the new

Budget Act to date represents an impressive beginning. A more significant test of the new machinery will, of course, come in the fall when the Congress is forced to reconcile its various spending and tax decisions with the targets that it has affirmed in the concurrent resolution. If the Congress continues to implement successfully the provisions of the Act, this new approach promises to produce a more flexible fiscal policy- one that is capable of responding more effectively to the often difficult requirements of economic stabilization. □ !

APPENDIX TABLES

APPENDIX TABLE 1

Unified budget totals

Fiscal year data, in billions of dollars

Budget item	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975 ^a	1976 ^a
Receipts	116.8	130.9	149.6	153.7	187.8	193.7	188.4	208.6	232.2	264.9	281.0	299.0
Outlays	118.4	134.7	158.3	178.8	184.5	196.6	211.4	231.9	246.5	268.4	323.6	358.9
Surplus, or deficit ()	1.6	3.8	-8.7	25.2	3.2	2.8	23.0	23.2	14.3	3.5	42.6	59.9

^a Estimates from *Mid Session Review of the 1976 Budget*, released May 30, 1975.

SOURCE: Office of Management and Budget.

APPENDIX TABLE 2

Major revenue actions since 1969¹

Measure	Date recommended	Date enacted	Nature of change
Tax Reform Act of 1969	Jan. 1969	Dec. 1969	Increased the personal exemption from \$600 to \$625 in 1970, to \$650 in 1971, to \$700 in 1972; and to \$750 in 1973 and thereafter. The standard deduction was increased from 10 to 15 per cent over a 3-year period, beginning in 1971. Introduced a maximum marginal rate of 50 per cent on earned income; the maximum rate on unearned income remained at 70 per cent. Extended the surtax from Jan. 1, 1970, to June 30, 1970, at a 5 per cent rate. Postponed scheduled reductions in the excise tax rates on automobiles and telephone services until Jan. 1, 1971. Generally repealed the investment tax credit for property constructed, reconstructed, or acquired after Apr. 18, 1969.
Excise, Estate and Gift Tax Adjustment Act of 1970	May 1970	Dec. 1970	Extended the excise tax rates on automobiles and telephone services, previously scheduled for repeal, at their respective 7 and 10 per cent levels until Jan. 1972. Sped up collection of estate and gift taxes.
Treasury's Asset Depreciation Range Guidelines Revenue Act of 1971	Jan. 1971	June 1971 ²	Gave firms the option of raising or lowering the "guideline lives" of depreciable assets by up to 20 per cent. The reserve ratio test was abandoned.
	Aug. 1971	Dec. 1971	Accelerated by 1 year scheduled increases in personal exemptions and the standard deduction. Repealed 7 per cent automobile excise tax retroactive to Aug. 15, 1971, and the excise tax on small trucks and transit buses retroactive to Sept. 22, 1971. Reinstated the 7 per cent investment tax credit.
Tax Reduction Act of 1975	Feb. 1975	Mar. 1975	Defined and granted the Domestic International Sales Corporations the option of indefinite deferral of the Federal tax due on "export related operations." Provided for a 10 per cent rebate on 1974 taxes up to a maximum of \$200 for individuals. Provided tax cuts retroactively to Jan. 1975 for both individuals and corporations. Individual cuts were in the form of increased standard deductions, a \$30 exemption credit, a 5 per cent housing credit, an earned income credit for certain low-income families, and an increase to 10 per cent in the investment tax credit for corporations and public utilities. In addition to the increased investment credit for corporations, a higher surtax exemption and normal tax rate decrease provided some relief that was partially offset by the phaseout of percentage depletion on oil and natural gas and increased limitations on the use of foreign tax credits in connection with income derived from foreign oil and gas operations.

¹ Excludes changes in social security tax rates shown in Appendix Table 3.² This administrative action was, in large part, incorporated in legislation when the Revenue Act of 1971 was enacted.

APPENDIX TABLE 3

Major changes in benefit schedules of, and tax rates for, social security trust funds
January 1970 to January 1976

Effective	Increased benefits	Increased tax rates	Billions of dollars ¹
Apr. 1970	15 per cent OASDI benefit increase and other liberalization		24.4
July 1970		Voluntary supplementary medicare insurance premiums increased to \$5.30 per month .....	.3
Jan. 1971		Combined tax rate increased to 10.40 per cent	3.3
June 1971	10 per cent OASDI benefit increase		23.6
July 1971		Supplementary medicare premiums increased to \$5.60 per month .....	.1
Jan. 1972		Amount of earnings subject to tax increased to \$9,000	3.0
July 1972		Supplementary medicare insurance premiums increased to \$5.80 monthly .....	.1
Oct. 1972	20 per cent OASDI benefit increase		8.5
Jan. 1973	Substantial liberalization of social security benefits, especially for widows and widowers		2.3
Jan. 1973		Maximum earnings subject to tax increased to \$10,800 and combined rate increased to 11.70 per cent	11.1
July 1973	Medicare benefits increased, including liberalization of benefits		2.0
Aug. 1973		Supplementary medicare insurance premiums increased to \$6.30 monthly .....	.1
Jan. 1974		Maximum earnings subject to tax increased to \$13,200	4.0
Apr. 1974	7 per cent OASDI benefit increase		3.7
June 1974	4 per cent OASDI benefit increase		2.1
July 1974		Supplementary medicare insurance premiums increased to \$6.70 monthly .....	.3
Jan. 1975 ²		Maximum earnings subject to tax increased to \$14,100	1.5
July 1975	8 per cent scheduled OASDI benefit increase		5.0
Oct. 1975		Supplementary medicare insurance premiums scheduled to increase to \$7.00 monthly .....	.2
Jan. 1976		Maximum earnings subject to tax scheduled to increase to \$15,000	1.5

¹First full year of operation.

²This amount shows the increase in OASDI benefits payments beginning Apr. 1 at an annual rate. In addition, in late Apr. a lump-sum retroactive payment was disbursed in the amount of \$0.7 billion.

³This amount shows the increase in OASDI benefits beginning June 1 at an annual rate. In addition, in late June a lump-sum retroactive payment was disbursed in the amount of \$1.1 billion.

⁴Automatic cost-of-living benefit and tax rate increases were effective Jan. 1, 1975.

Quarterly Survey of Bank Policies with Respect to Credit Use

In order to determine how banks have adapted their lending policies in light of a statement issued by the Federal Advisory Council in mid-September 1974, the Board of Governors of the Federal Reserve System has conducted two surveys of bank lending policies—one covering December 1974 and one covering March 1975. The results of the first survey were published

in the BULLETIN for March 1975, and results of the second are included here. In light of experience with the initial survey and because of changes in economic and financial conditions since late 1974, some modifications were made in the questionnaire for March.

In the fall of 1974, when the Federal Advisory Council published its statement, monetary

TABLE 1
Bank responses to credit allocation questions,
March 1975 compared with same month in preceding years

Number of banks; Figures in parentheses indicate percentage distribution of total banks reporting

Item	Total number of banks	Significantly larger	Essentially unchanged	Significantly smaller	None received	None approved
Urgency of credit allocation as compared with mid Sept. 1974	117 (100.0)	3 (2.6)	47 (40.2)	67 (57.3)		
Purpose and nature of loans:						
<i>To meet basic credit needs for normal operations</i>						
Applications received	117 (100.0)	3 (2.6)	63 (53.8)	51 (43.6)		
Proportion approved	117 (100.0)	5 (4.3)	107 (91.4)	5 (4.3)		
<i>To finance capital investment</i>						
Applications received	117 (100.0)	2 (1.7)	44 (37.6)	71 (60.7)		
Proportion approved	117 (100.0)	2 (1.7)	98 (83.8)	17 (14.5)		
<i>To businesses suffering temporary illiquidity</i>						
Applications received	117 (100.0)	30 (25.6)	65 (55.6)	17 (14.5)	5 (4.3)	
Proportion approved	117 (100.0)	10 (8.5)	98 (83.8)	4 (3.4)		5 (4.3)
<i>To finance construction loans for residential purposes</i>						
Applications received	117 (100.0)	0 (0.0)	24 (20.5)	93 (79.5)		
Proportion approved	117 (100.0)	2 (1.7)	69 (59.0)	46 (39.3)		
<i>For permanent mortgage financing for residential property</i>						
Applications received	117 (100.0)	8 (6.8)	38 (32.5)	71 (60.7)		
Proportion approved	117 (100.0)	9 (7.7)	76 (65.0)	32 (27.3)		
<i>For basic consumer credit requirements</i>						
Applications received	117 (100.0)	4 (3.4)	36 (30.8)	77 (65.8)		
Proportion approved	117 (100.0)	2 (1.7)	82 (70.1)	33 (28.2)		
<i>For purely financial activities</i>						
Applications received	117 (100.0)	3 (2.6)	21 (17.9)	59 (50.4)	34 (29.1)	
Proportion approved	117 (100.0)	2 (1.7)	15 (12.8)	35 (29.9)		65 (55.6)
<i>For speculative purposes</i>						
Applications received	117 (100.0)	0 (0.0)	22 (18.8)	71 (60.7)	24 (20.5)	
Proportion approved	117 (100.0)	0 (0.0)	13 (11.1)	42 (35.9)		62 (53.0)

policy was restrictive, and credit availability at banks was still quite restrictive in December of that year. Since then, however, the situation has eased considerably. In the initial survey two-thirds of the respondent banks indicated that the urgency of credit allocation problems in December was essentially unchanged from the situation in mid-September, but at the time of the March survey three-fifths of the banks reported that credit allocation had become a significantly less urgent problem.

Bank responses to a series of qualitative questions on the trend in numbers of loan applications and the proportion of such requests approved in March, as compared with the normal March loan experience, are summarized in Table 1. The results suggest a weakening of loan demand in all the categories covered in the survey, particularly in loans to businesses for basic credit needs and for capital investment. Whereas 13 per cent of the banks had reported a significantly smaller-than-normal number of applications for loans to meet basic credit needs of businesses in December 1974, about 44 per cent of the banks reported a decline in this category in March. Three-fifths of the banks indicated that demand for loans to finance productive capital investment was significantly smaller in March, in contrast to 24 per cent in December 1974. Temporary liquidity problems appeared to be less pressing in March, however, since only one-quarter of the banks reported a substantially larger-than-usual demand for such loans, as compared with 51 per cent in December. About 90 per cent of the banks approved at least as many, or significantly more than usual, business loan applications for these purposes.

Applications for loans to finance homebuilding and consumer needs were again significantly lower than normal for March at a majority of the banks. In order to focus more clearly on the problems of the housing sector, the second survey included separate questions on construction loans and on permanent mortgage financing. In both areas loan demand was weak, but banks were apparently somewhat more willing to approve mortgage loans than construction loans—a situation that undoubtedly reflects the banks' assessment of the risk of financing firms in the housing industry.

TABLE 2
Loans outstanding: Changes in selected categories (January 15, 1975- April 16, 1975)

Amounts in millions of dollars

Loan category	Change in	
	Amount	Per cent
Commercial and industrial loans adjusted ¹	2,615.6	2.60
Real estate loans secured primarily by residential properties plus residential construction loans included in commercial and industrial loans	86.0	.28
Loans to nonbank financial institutions	1,324.1	4.61
Finance companies	186.9	2.09
Other	1,137.2	5.76
Loans to individuals	93.8	.34
Net change in claims on foreigners	952.5	5.84
MEMO:		
Loans to foreigners ²	635.9	5.56
Due to foreigners ³	316.6	1.14

¹Excluding residential construction loans and loans to foreign businesses (data partly estimated)

²Loans to foreign businesses plus loans to foreign commercial banks, foreign governments, and foreign official institutions

³Demand and time deposits due to foreign banks, foreign governments, foreign official institutions, and foreign individuals, partnerships, and corporations (data partly estimated), plus gross liabilities to their own foreign branches.

Loans for purely financial or for speculative purposes are normally an insignificant portion of the loan portfolio, and between 20 and 30 per cent of the banks had no such loan applications in March. As in the previous survey, almost 90 per cent of the banks surveyed approved a significantly smaller-than-usual proportion of such loans or none at all.

Changes in amounts outstanding of selected loan categories from mid-January to mid-March are given in Table 2.¹ Loans outstanding declined over the 3-month period in all categories except real estate loans, which remained virtually unchanged. Loans to foreigners continued to contract, while funds obtained from abroad rose somewhat, resulting in an increase in fund inflows to the United States. | |

¹ The time period covered was intended to be consistent with the intended quarterly timing of this and the previous survey. It should be noted that the changes in outstandings reflect loan repayments and takedowns of loan commitments that may have been made prior to the survey period, as well as new loans for which applications were received or processed during the period covered by the questionnaire.

Membership of the Board of Governors of the Federal Reserve System, 1913-75

APPOINTIVE MEMBERS¹

<i>Name</i>	<i>Federal Reserve district</i>	<i>Date of initial oath of office</i>	<i>Other dates and information relating to membership²</i>
Charles S. Hamlin	Boston	Aug. 10, 1914	Reappointed in 1916 and 1926. Served until Feb. 3, 1936, when his successor took office.
Paul M. Warburg	New York	do.....	Term expired Aug. 9, 1918.
Frederic A. Delano	Chicago	do.....	Resigned July 21, 1918.
W. P. G. Harding	Atlanta	do.....	Term expired Aug. 9, 1922.
Adolph C. Miller	San Francisco	do.....	Reappointed in 1924. Reappointed in 1934 from the Richmond District. Served until Feb. 3, 1936, when his successor took office.
Albert Strauss	New York	Oct. 26, 1918	Resigned Mar. 15, 1920.
Henry A. Moehlenpah	Chicago	Nov. 10, 1919	Term expired Aug. 9, 1920.
Edmund Platt	New York	June 8, 1920	Reappointed in 1928. Resigned Sept. 14, 1930.
David C. Wills	Cleveland	Sept. 29, 1920	Term expired Mar. 4, 1921.
John R. Mitchell	Minneapolis	May 12, 1921	Resigned May 12, 1923.
Milo D. Campbell	Chicago	Mar. 14, 1923	Died Mar. 22, 1923.
Daniel R. Crissinger	Cleveland	May 1, 1923	Resigned Sept. 15, 1927.
George R. James	St. Louis	May 14, 1923	Reappointed in 1931. Served until Feb. 3, 1936, when his successor took office.
Edward H. Cunningham	Chicago	do.....	Died Nov. 28, 1930.
Roy A. Young	Minneapolis	Oct. 4, 1927	Resigned Aug. 31, 1930.
Eugene Meyer	New York	Sept. 16, 1930	Resigned May 10, 1933.
Wayland W. Magee	Kansas City	May 18, 1931	Term expired Jan. 24, 1933.
Eugene R. Black	Atlanta	May 19, 1933	Resigned Aug. 15, 1934.
M. S. Szymczak	Chicago	June 14, 1933	Reappointed in 1936 and 1948. Resigned May 31, 1961.
J. J. Thomas	Kansas City	do.....	Served until Feb. 10, 1936, when his successor took office.
Marriner S. Eccles	San Francisco	Nov. 15, 1934	Reappointed in 1936, 1940, and 1944. Resigned July 14, 1951.
Joseph A. Broderick	New York	Feb. 3, 1936	Resigned Sept. 30, 1937.
John K. McKee	Cleveland	do.....	Served until Apr. 4, 1946, when his successor took office.
Ronald Ransom	Atlanta	do.....	Reappointed in 1942. Died Dec. 2, 1947.
Ralph W. Morrison	Dallas	Feb. 10, 1936	Resigned July 9, 1936.
Chester C. Davis	Richmond	June 25, 1936	Reappointed in 1940. Resigned Apr. 15, 1941.
Ernest G. Draper	New York	Mar. 30, 1938	Served until Sept. 1, 1950, when his successor took office.
Rudolph M. Evans	Richmond	Mar. 14, 1942	Served until Aug. 13, 1954, when his successor took office.
James K. Vardaman, Jr.	St. Louis	Apr. 4, 1946	Resigned Nov. 30, 1958.
Lawrence Clayton	Boston	Feb. 14, 1947	Died Dec. 4, 1949.
Thomas B. McCabe	Philadelphia	Apr. 15, 1948	Resigned Mar. 31, 1951.
Edward L. Norton	Atlanta	Sept. 1, 1950	Resigned Jan. 31, 1952.
Oliver S. Powell	Minneapolis	do.....	Resigned June 30, 1952.

¹For notes see p. 408.

<i>Name</i>	<i>Federal Reserve district</i>	<i>Date of initial oath of office</i>	<i>Other dates and information relating to membership²</i>
Wm. McC. Martin, Jr.	New York	Apr. 2, 1951	Reappointed for term beginning Feb. 1, 1956. Term expired Jan. 31, 1970.
A. L. Mills, Jr.	San Francisco ..	Feb. 18, 1952	Reappointed in 1958. Resigned Feb. 28, 1965.
J. L. Robertson	Kansas City	do.....	Reappointed for term beginning Feb. 1, 1964. Resigned Apr. 30, 1973.
Paul E. Miller	Minneapolis	Aug. 13, 1954	Died Oct. 21, 1954.
C. Canby Balderston	Philadelphia	Aug. 12, 1954	Served through Feb. 28, 1966.
Chas. N. Shepardson	Dallas	Mar. 17, 1955	Retired Apr. 30, 1967.
G. H. King, Jr.	Atlanta	Mar. 25, 1959	Reappointed in 1960. Resigned Sept. 18, 1963.
George W. Mitchell	Chicago	Aug. 31, 1961	Reappointed for term beginning Feb. 1, 1962.
J. Dewey Daane	Richmond	Nov. 29, 1963	Served until Mar. 8, 1974, when his successor took office.
Sherman J. Maisel	San Francisco ..	Apr. 30, 1965	Served through May 31, 1972.
Andrew F. Brimmer	Philadelphia	Mar. 9, 1966	Resigned Aug. 31, 1974.
William W. Sherrill	Dallas	May 1, 1967	Reappointed for term beginning Feb. 1, 1968. Resigned Nov. 15, 1971.
Arthur F. Burns	New York	Jan. 31, 1970	Term began Feb. 1, 1970.
John E. Sheehan	St. Louis	Jan. 4, 1972	Resigned June 1, 1975.
Jeffrey M. Bucher	San Francisco ...	June 5, 1972	
Robert C. Holland	Kansas City	June 11, 1973	
Henry C. Wallich	Boston	Mar. 8, 1974	
Philip E. Coldwell	Dallas	Oct. 29, 1974	
Philip C. Jackson, Jr.	Atlanta	July 14, 1975	

CHAIRMEN³

Charles S. Hamlin ...	Aug. 10, 1914	Aug. 9, 1916.
W. P. G. Harding ...	Aug. 10, 1916	Aug. 9, 1922.
Daniel R. Crissinger ...	May 1, 1923	Sept. 15, 1927.
Roy A. Young	Oct. 4, 1927	Aug. 31, 1930.
Eugene Meyer	Sept. 16, 1930	May 10, 1933.
Eugene R. Black	May 19, 1933	Aug. 15, 1934.
Marriner S. Eccles ...	Nov. 15, 1934	Jan. 31, 1948.
Thomas B. McCabe ...	Apr. 15, 1948	Mar. 31, 1951.
Wm. McC. Martin, Jr.	Apr. 2, 1951	Jan. 31, 1970.
Arthur F. Burns	Feb. 1, 1970	

VICE CHAIRMEN³

Frederic A. Delano ...	Aug. 10, 1914	Aug. 9, 1916
Paul M. Warburg	Aug. 10, 1916	Aug. 9, 1918
Albert Strauss	Oct. 26, 1918	Mar. 15, 1920
Edmund Platt	July 23, 1920	Sept. 14, 1930
J. J. Thomas	Aug. 21, 1934	Feb. 10, 1936
Ronald Ransom	Aug. 6, 1936	Dec. 2, 1947
C. Canby Balderston ...	Mar. 11, 1955	Feb. 28, 1966
J. L. Robertson	Mar. 1, 1966	Apr. 30, 1973
George W. Mitchell ...	May 1, 1973	

EX-OFFICIO MEMBERS⁴

SECRETARIES OF THE TREASURY

W. G. McAdoo	Dec. 23, 1913	Dec. 15, 1918
Carter Glass	Dec. 16, 1918	Feb. 1, 1920
David F. Houston ...	Feb. 2, 1920	Mar. 3, 1921
Andrew W. Mellon ...	Mar. 4, 1921	Feb. 12, 1932
Ogden L. Mills	Feb. 12, 1932	Mar. 4, 1933
William H. Woodin ...	Mar. 4, 1933	Dec. 31, 1933
Henry Morgenthau, Jr.	Jan. 1, 1934	Feb. 1, 1936

COMPTROLLERS OF THE CURRENCY

John Skelton Williams	Feb. 2, 1914	Mar. 2, 1921
Daniel R. Crissinger ...	Mar. 17, 1921	Apr. 30, 1923
Henry M. Dawes	May 1, 1923	Dec. 17, 1924
Joseph W. McIntosh ...	Dec. 20, 1924	Nov. 20, 1928
J. W. Pole	Nov. 21, 1928	Sept. 20, 1932
J. F. T. O'Connor ...	May 11, 1933	Feb. 1, 1936

¹ Under the provisions of the original Federal Reserve Act the Federal Reserve Board was composed of seven members, including five appointive members, the Secretary of the Treasury, who was ex officio chairman of the Board, and the Comptroller of the Currency. The original term of office was 10 years, and the five original appointive members had terms of 2, 4, 6, 8, and 10 years, respectively. In 1922 the number of appointive members was increased to six, and in 1933 the term of office was increased to 12 years. The Banking Act of 1935, approved Aug. 23, 1935, changed the name of the Federal Reserve Board to the Board of Governors of the Federal Reserve System and provided that the Board should be composed of seven appointive

members, that the Secretary of the Treasury and the Comptroller of the Currency should continue to serve as members until Feb. 1, 1936; that the appointive members at office on the date of that Act should continue to serve until Feb. 1, 1936, or until their successors were appointed and had qualified; and that thereafter the terms of members should be 14 years and that the designation of Chairman and Vice Chairman of the Board should be for a term of 4 years.

² Date after words "Resigned" and "Retired" denotes final day of service.

³ Chairman and Vice Chairman were designated Governor and Vice Governor before Aug. 23, 1935.

Statements to Congress

Statement by George W. Mitchell, Vice Chairman, Board of Governors of the Federal Reserve System before the Subcommittee on Commerce, Consumer and Monetary Affairs of the Committee on Government Operations, U.S. House of Representatives, June 25, 1975.

I am pleased to appear before you today to present the Board's views as to the use of Federal Reserve credit facilities in providing emergency assistance to financially troubled cities. I want to state at the outset that we interpret the System's present powers to engage in such lending operations, except as member banks are involved, to be quite narrowly circumscribed by law.

The recent financing difficulties of New York City provide a case in point. These difficulties cumulated rapidly during this past winter and spring and reflected the growing reluctance of private investors to purchase the City's short-term note issues. Since the City already had a very large amount of short-term debt outstanding and was incurring a substantial current operating deficit as well, any inability to issue new debt raised immediate problems in finding the cash to pay off maturing obligations and to meet the City's current bills. In searching for alternative means of resolving the developing financial crisis, there were at times suggestions that the Federal Reserve might be a possible source of credit in its role as an ultimate source of liquidity to the economy. However, no application for credit was received from the City, either at the Federal Reserve Bank of New York or at the offices of the Board of Governors.

If a formal request had been received by the Federal Reserve for the emergency credit accommodation of New York City under the circumstances that had prevailed, however, I am obliged to state that, in my judgment, the Fed-

eral Reserve would have had to turn it down. The City had not fully exhausted possibilities for State assistance, and its basic need for credit did not appear to be of a temporary character since no near-term means of repayment while continuing to provide the City's basic services appeared to be at hand.

Direct extensions of emergency credit to institutions that are not members of the Federal Reserve System can be provided under either paragraph 3 or paragraph 13 of Section 13 of the Federal Reserve Act. Paragraph 13 provides that any Federal Reserve Bank, subject to such regulations as the Board may prescribe, may lend to any individual, partnership, or corporation on promissory notes secured by direct obligations of the U.S. Government or an agency thereof. Loans under this paragraph are limited to 90 day maturities. Unless an entity in need of assistance possesses large amounts of direct Government obligations, the ability of a Reserve Bank to provide credit assistance under this paragraph is very limited.

Paragraph 3 of the Act empowers the Board of Governors, in "unusual and exigent circumstances" and by an affirmative vote of at least five members of the Board, to authorize the Federal Reserve Banks to make certain types of direct loans to individuals, partnerships, or corporations. Paper discounted by Federal Reserve Banks under this paragraph must be of the "kinds and maturities made eligible for discount for member banks under other provisions" of the Federal Reserve Act. This means, among other things, that the paper may not have a maturity of more than 90 days at the time of discount. The paragraph further provides that the paper shall be "endorsed or otherwise secured to the satisfaction of the Federal Reserve Bank," which the Board has construed to mean that a Reserve Bank should ascertain that the

security offered is adequate to protect the Reserve Bank against the risk of loss.

In light of these restrictions in the law and the background as to the intent of the law, the Board has concluded that in considering the extension of emergency credit to particular borrowers the following conditions must be met:

1. Unusual and exigent circumstances exist;
2. Potential borrowers have exhausted other sources of funds;
3. Borrower is solvent and has adequate collateral;
4. Borrower's need is for short-term accommodation and its basic financial position will permit early repayment; and
5. Failure to obtain Reserve Bank credit would have a significant detrimental economic and financial impact on the surrounding area, the region, or the Nation.

These criteria highlight the essentially low-risk and temporary character of System emergency lending, as well as the general economic purpose behind it. Such lending is intended primarily to provide liquidity. Though short-term needs of this type can develop among either large governmental units or business enterprises, in most cases the need can be accommodated without relying directly on the Federal Reserve simply by turning to commercial banks—who will rely on their own or Federal Reserve resources—to extend the needed credit. When this is not possible, as seemed to be the case with New York City, it is likely that the difficulties encountered in the private credit markets reflect more fundamental credit-risk problems and that temporary credit accommodation will not be sufficient to correct the situation.

In addition to the emergency lending powers contained in Section 13 of the Federal Reserve Act, Section 14(b) authorizes the individual Federal Reserve Banks to purchase and sell obligations of State and local governmental bodies. The Act requires that these governmental obligations mature in no more than 6 months from the date of purchase and that they be issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues.

The 14(b) authority had its origin in the

original 1913 version of the Federal Reserve Act. The House of Representatives report on the Act indicated that the provision was designed to open an outlet through which idle funds of Federal Reserve Banks could be profitably channeled and to provide a means to enable Federal Reserve Banks to make their discount rate effective in the market at those times when member bank borrowing was slack. There is nothing in the Act or its legislative history to indicate that this authority was intended to be used as a channel for financial assistance to public bodies. Moreover, such authority has not been used since 1933 because enactment of Section 10(b) permitted the Federal Reserve to advance credit to member banks on the strength of their own promissory notes, as well as through the discount of eligible paper. Given this background, the Board does not believe that Section 14(b) contemplates the purchase of municipal obligations as a means of aiding financially distressed communities.

In view of these existing constraints on System emergency lending, it may be asked whether it would be desirable to legislate broader powers that would permit Federal Reserve accommodation of financially distressed communities. While the Board has not considered any specific proposals toward this end, I would strongly caution against any proposals that would provide direct access to central bank credit by hard-pressed governmental units. My reasons for reaching this judgment are as follows:

First, the critical issue for particular municipalities is how governmental functions and sources of revenues are dispersed between it and the State government. Prospective sources of funds must be commensurate with the projected costs and expenditure programs in order to balance out over the longer run. Access to a source of temporary credit will not help to achieve such a balance, and it may tend to defer or to prevent the remedial actions that are necessary, difficult as they may be.

Second, central bank involvement in providing temporary credit accommodation to State and local governmental bodies will necessarily require that standards be set determining which localities will be eligible or ineligible for credit

accommodation. This would involve the System in making credit judgments on the finances of numbers of State and municipal governments, thus subjecting the Federal Reserve to intense political pressure to make exceptions for this city or that because of special circumstances. Moreover, the need to exercise administrative discipline over borrowers in order to assure timely repayment would tend to draw the System into political issues of local budgetary policy. A central bank, in our judgment, should leave this issue to other agencies of the government.

Third, increased access to central bank credit by municipalities suffering some degree of financial distress could lead to similar urgent demands for credit by other kinds of borrowers. If central bank credit is extended to our cities, for example, why not for a host of other purposes, such as the immense investment that will be required to achieve energy independence? A proliferation of demands for credit from the central bank would drastically change the character of the assets of the Federal Reserve System from prime paper of highest quality to an assortment of soft loans and, in the process, severely damage the Government's access to financing. It could undermine our ability to control the volume of bank reserves and hence the supply of money. In the extreme, the result could be a debasement of the Nation's money and ruinous domestic inflation.

For these reasons, if your committee should conclude that the financial pressures on key municipalities require the provision of special Federal financing assistance in the period ahead, the Board would strongly urge that this be done

through a separate facility rather than through the Federal Reserve. Federal monies or credits would still be expended in any such venture, but it would not involve the use of high-powered central bank funds. Such a separation would thus leave the Federal Reserve free to pursue its other responsibilities for monetary and bank regulatory policies, which are difficult enough in themselves.

I would urge caution, however, even in proposing the establishment of a special Federal financing facility to assist with the financing needs of our State and local governmental bodies. Such a facility must have sufficient oversight powers to permit it to play an effective role in correcting the fundamental financial problems of client communities, if the Federal assistance is to be productive. This would be bound to create a Federal presence in local issues of taxation and spending, a varied and shifting political and social terrain indeed.

In the spirit of our traditional system of separation of powers, it may well be better to leave local problems to local solutions. The special program of financial assistance that was developed for New York City at the State level through the formation of a new agency—the Municipal Assistance Corporation—is an illustration of State-local resourcefulness. The corporation is authorized to provide up to \$3 billion in credit to the City and, as it does so, valuable time will be gained in which the City can take the steps needed to restore its credit standing with the private investment community. I hope that the City's actions will soon make it possible to carry on needed refinancing and other debt operations in the normal manner. []

Statement by Henry C. Wallich, Member, Board of Governors of the Federal Reserve System, before the Committee on Ways and Means, U.S. House of Representatives, June 25, 1975.

It is a great pleasure to address this distinguished committee on the subject of taxes and capital

formation. I do so purely in my personal capacity.

There is widespread concern that the United States is approaching a period of capital shortage. More capital for investment will be needed in the future than has been needed in the past. Savings to finance this investment, on the other hand, have been diminishing.

Fortunately, the demand for capital is likely to increase by only a small margin. Business investment, which in the past had averaged approximately 10.5 per cent of gross national product, probably will have to average 11.5 per cent in order to provide needed jobs, protect the environment, assure the health and safety of the labor force, and meet energy needs. Meanwhile the capital requirements of homeowners and of various types of urban construction may diminish thanks to declining population growth, and less investment in inventory may be needed as inventory control methods improve.

The supply side of capital, on the other hand, presents more serious difficulties. The continued ability of the individual saver to supply capital equal to a historic 4 to 5 per cent share of GNP, to be sure, does not call for serious questioning. The ability of corporate business, however, to contribute to the flow of savings has been hurt by the diminishing share of corporate profits in the GNP and by the deteriorating quality of these profits. Taking demand for and supply of capital for the private sector as a whole, a deficit very probably is ahead. To this private capital deficit there may well have to be added a deficit in the accounts of State and local authorities.

The Federal Government therefore will play a decisive role in balancing the demand for and the supply of capital. If the Federal budget produces a sufficient surplus, this will offset private plus State and local deficits. An over-all capital shortage will have been forestalled. If the surplus is too small or if, as has happened before, the Federal budget is in deficit, we shall confront a shortage.

The corporate sector suffers, in addition to its weakened earnings, from serious financing constraints that may impede financing of investment even if adequate savings are available. Corporate liquidity has been drained. The capital structure of corporations has deteriorated, with debt rising relative to equity, and short-term debt rising relative to long-term debt. Both conditions could be remedied by a variety of measures that would improve corporate cash flows and enable corporations to improve their capital structure. Among them are such familiar proposals as an enlarged investment tax credit,

depreciation facilities more realistically recognizing inflation, an outright cut in the corporate tax rate, and, at the individual taxpayer level, adjustment of capital gains taxes for inflation and a reduction in the capital gains rate for longer holding periods. All these techniques have advantages. They mostly share the disadvantage, however, of reducing the Treasury's revenue and of shifting the distribution of income in the direction of greater inequality, or at least of partly reversing a move toward greater equality that may have occurred. A loss of Treasury revenue, besides, means more Treasury borrowing and to that extent does not help resolve the capital shortage.

If we want to avoid a loss of revenue and a shift in the income distribution, it would still be possible to improve the capital structure of corporations and facilitate financing. This could be done by removing or reducing the bias in favor of debt against equity that is a familiar feature of the corporate tax system. Two methods are available:

1. To eliminate the deductibility of interest payments by nonfinancial corporations and so to tax net operating income (income after depreciation but before interest) instead of, as now, net income (income after depreciation and interest). The tax rate then could be lowered substantially without losing revenue.

2. To make dividends deductible, the same as interest, and therefore to tax only retained income, at a rate substantially higher than the present rate.

Of these two approaches, I regard the first—taxation of net operating income—as preferable, because the second is essentially a tax on undistributed profits, which would require a number of complex provisions to keep it from becoming detrimental to capital accumulation and growth. For the implementation of the tax on net operating income, two methods are available in order to avoid the severe impact on corporations with above-average debt that would result from sudden nondeductibility of interest, even at a moderate rate. These are:

1. To phase in the change over a number of years—a growing fraction of interest paid becoming nondeductible over time and a growing

fraction of dividends being taxed at the reduced rate.

2. Application of the tax change only to debt and equity issued after enactment.

Method 1 (phasing in gradually) exerts only limited pressure toward more equity financing in the early years and for that reason seems less desirable, even though it has administrative advantages. Method 2 would immediately end the existing bias in favor of debt financing. It poses administrative difficulties because in effect there would be two tax rates, one on old debt and equity and another on new. Regulations would have to be written with a view toward closing the obvious loopholes that such a situation presents.

Financial intermediaries, whose principal business consists in receiving and paying interest, could be covered by either alternative only by means of complex arrangements and it seems preferable to give them entirely separate treatment. This would seem appropriate also in view of the lack of uniformity of the present taxation of financial intermediaries.

The foregoing tax changes would improve the structure of corporate capitalization and thereby ease corporate financing. They would not, by and of themselves, increase the supply of saving. The number of devices that have been suggested to increase saving is large, and most of them have been so thoroughly discussed that

there is no need here to pass them in review. As noted already, they share for the most part the defect of making the distribution of income more unequal. Among those that would have the desirable effect of pushing the economy in the *direction of greater equality is the type of plan that tries to convert employees into stockholders.* Here again, a wide variety of models have been presented. In my judgment, such plans are desirable if they meet the following criteria, in addition to giving the individual employee a share in the flow of corporate profits:

1. An increasing flow of equity funds for the firm:

2. A tax arrangement that allows firms to treat contributions made on behalf of its labor force as part of tax-deductible wages, even though these contributions were made in the form of stocks;

3. Diversification of holdings for the benefit of the stock-owning employees, to reduce the risks of particular stock investments;

4. Protection against excessive concentration of voting power in the hands of any particular group; and

5. Ability of the stock-owning employee to sell his stock, subject to some minimum holding period.

I believe that plans of this kind deserve examination as part of the effort to increase the supply of capital.

Statement by Jeffrey M. Bucher, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer Affairs of the Committee on Banking, Currency and Housing, U.S. House of Representatives, July 8, 1975.

Mr. Chairman and members of the committee, it is indeed a pleasure to have the opportunity of appearing before this Subcommittee on Consumer Affairs to present the Board's views on the Consumer Leasing Act of 1975, H.R. 4657. The Board is particularly pleased to see legislative action beginning in this area because the

need for consumer leasing disclosures has been of some concern to us over the last 2 years. In its Annual Report to Congress on Truth in Lending for 1973, the Board pointed out several disclosure problems in the area of consumer leasing and suggested that the Congress might wish to examine this rapidly expanding field. The additional step of recommending legislative provisions was taken by the Board in its Truth in Lending Report for 1974, and I was gratified to note that many of the provisions of the Board's proposal have been incorporated into H.R. 4657.

I would like to state at the outset that the

Board believes that consumer leasing is an appropriate method of utilizing and, in some cases, of purchasing consumer durables. Consumer leasing has experienced rapid growth within the last decade. This growing popularity suggests that the public is increasingly coming to view leasing as a viable alternative to credit purchases for some products.

Available statistics on the growth of consumer leasing indicate that the so-called "big-ticket durables" such as automobiles, color television sets, and homefurnishings—are the most common goods leased by consumers. Automobiles presently constitute the most popular leased goods, and this aspect of consumer leasing will no doubt absorb much of the subcommittee's attention during its deliberations on this legislation.

Automobile leasing has experienced rapid growth over the past decade. According to statistics from the National Automobile Dealers Association, in 1965 more than 1.5 million automobiles, some 14 per cent of the total number produced, were leased, and one-fifth of this total was leased to individuals. By 1970 the percentage of automobile production that was leased had grown to 24 per cent (2.6 million), more than a quarter of which represented leases to individuals. As of 1974, 2.8 million, about 26 per cent of the total number of cars made, were leased, and 36 per cent of this total was leased to individuals. Thus, over almost a decade, the percentage of total automobile production leased to individuals has tripled in size—from less than 3 per cent in 1965 to 9.2 per cent in 1974. Projections from auto makers in Detroit, moreover, estimate that 80 per cent of the growth in leasing through 1980 will be seen in leases to individuals.

The Board's concern with consumer leasing is that presently, except for provisions made in a few State statutes, there is no requirement that a standardized aggregate cost disclosure be given the consumer when he leases goods under a long-term contract. The major purpose of the Truth in Lending Act has been to facilitate meaningful consumer shopping of the credit market by providing standardized disclosures of credit costs. Without comparable disclosures on consumer leasing, it is difficult, if not impossi-

ble, for consumers to shop in the expanding leasing market. Our hope is that the passage of this type of legislation will help consumers not only to compare leasing alternatives but also to compare lease transactions with conventional credit sales.

The need for comparability in disclosure between lease and credit transactions is particularly important because many consumer leasing arrangements now prevalent in the market are essentially the equivalent of credit sales. The terminology of the trade, for example, refers to certain lease agreements as "financing leases." The fact that many of these leases are essentially equivalent to credit sales is not coincidental. For example, both the Comptroller of the Currency as to national banks and the Board in its rules governing bank holding company activities require that leases entered into by these institutions be the functional equivalent of a credit transaction and have thus limited the asset risk that banks and bank-related lessors may take in engaging in leasing operations. These rules, designed to protect the safety and soundness of banks in which the public deposits its funds, have the effect of placing the risk of any unforeseen deterioration or depreciation of the product leased on the lessee. Thus, legislation to protect the consumer by requiring proper disclosure of the consumer lessee's risks becomes all the more important. Otherwise, the lessee may unknowingly undertake nearly all the burdens of ownership without the benefit of title or adequate cost disclosures.

It is presently not possible as a practical matter to require adequate cost disclosures on leases under the Truth in Lending Act. The Truth in Lending Act brings certain leases within its disclosure requirements through the definition of a credit sale contained in Section 103(g). However, these requirements apply only with respect to those leases that contain provisions permitting the lessee to become the owner of the goods leased "for no other or a nominal consideration." The Board might conceivably expand this provision by adopting a broad definition of what constitutes nominal consideration. However, this would still not accomplish the purpose of assuring that adequate cost disclosures are given in all consumer leases,

such as those in which there is no option to purchase. In addition, we believe that the number of leases with nominal purchase options is quite small.

The focal point of the Board's concern is thus those long-term leases of personal property to be used for personal, family, or household purposes, which typically have a maturity approaching that of a credit-sale agreement, and potentially bind the lessee to the payment of an aggregate sum substantially equivalent to the value of the goods leased. This does not include the short-term convenience leasing such as "rent-a-car" arrangements.

We feel that standardized disclosures, comparable to those set forth under the Truth in Lending Act, should be required for lease advertisements as well as for consumer lease transactions. However, we do not believe that rate disclosures, analogous to the annual percentage rate under the Truth in Lending Act, are practical. The development of lease rate disclosures is impractical, we feel, because of the difficulty of determining what common costs should be isolated in the computation of such rates.

I would now like to comment on two sections of H.R. 4657 that we regard as highly important. The first is Section 183, which sets a limitation on a consumer lessee's liability. This provision of the bill addresses the liability that the lease may impose on a consumer lessee at the end of the lease term. It is not uncommon for consumer leases to provide that upon the expiration of the lease the product will have a stipulated depreciated value and will either be purchased by the lessee or sold to an independent party. Under the terms of such an agreement, if the product is sold and brings less than the depreciated value stipulated in the contract, the lessee is liable for the difference; if it brings more, the lessee is entitled to the surplus.

For example, a typical 2-year auto lease on a \$5,400 car might call for 24 \$100 instalment payments and set an end-term depreciated value of \$3,000 on the car. Under such an agreement, the lessee may have no understanding of how much the lease may cost unless he can accurately predict the second-hand market value of

the product. For example, in this case, the depreciated value of the car might be \$2,500, which under the lease contract would leave the lessee liable for an additional \$500 "balloon" payment. Thus, if the contract sets an unrealistically high depreciated value on the leased goods, the contingent liability of the lessee will increase accordingly, and the lessor can offer deceptively low monthly rental payments to an unwary public.

Under Section 183 the lessee's contingent liability would be limited to twice the average monthly rental payment, except for additional charges imposed for lessee default or for damage to the leased goods in excess of normal wear and tear. The section is thus designed to protect the consumer lessee in two ways. First, it is designed to notify the consumer of his maximum contract liability under the lease. Secondly, by incorporating a monthly payment factor into the computation of the maximum end-term liability figure, the section seeks to assure that the lessor will price the rental instalments of the goods leased sufficiently high to cover expected depreciation and thus avoid leaving the consumer lessee with an unduly large balloon payment at the end of the lease term.

Let me reiterate at this point what the Board stated in its 1974 Annual Report: We are not committed to a 2-month formula. Another formula, such as 3 months or 15 per cent of rental payments over the life of the lease, may work as well or better. The Board would hope that whatever formula may be chosen will reflect industry experience in accurately setting depreciated values. However, we believe that some limitation tied to instalment payments is highly desirable. Such a limitation reflects the fact that typically the lessor is better able to predict residual values than is the lessee. In addition, this limiting factor reduces the possibility of a large contingent liability on the part of the lessee and gives the lessee a "bottom line" price tag that may facilitate comparative shopping.

The second provision on which I would like to comment is Section 105 of H.R. 4657. This section places an effective date for this legislation as the first day of the second full calendar month after the date of enactment. As we have

mentioned before, we believe the time that the Congress grants to an agency to implement a given statute has a direct bearing on the quality and effectiveness of the agency's regulations. We believe the 2-month period accorded under H.R. 4657 is far too short to develop well-considered implementing regulations that are fair to the lessee and lessor alike. Time for consultation with both business and consumer groups is needed. Time is also needed to comply with the Administrative Procedure Act, which requires publication of proposed rules for comment. Responding comments must be carefully analyzed. Finally, if the regulations are to be properly complied with, industry must have some time to study them and to change business

procedures. Therefore, the Board would respectfully urge that a minimum of 12 months be provided before this Act is to become effective.

In closing, I would like to commend this committee for the action taken in this area. This new and expanding alternative to credit purchases, we feel, merits careful attention, and we are confident that the Congress will provide a statutory basis to assure that the consuming public will have the necessary information to make intelligent shopping decisions in lease transactions. The Board, of course, stands ready to assist in the implementation of such legislation, and I would be pleased to respond to any of your questions. □

Statement by Philip E. Coldwell, Member, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, July 16, 1975.

I am pleased to appear before you today to present the views of the Board of Governors on the important question of disclosure of data for investor analysis of banks and bank holding companies. We approach this subject with full appreciation of the need, as expressed in our securities laws, for providing the investor with sufficient public information to reach informed opinions on the current and prospective financial conditions of individual institutions.

The Board recognizes the primary role of the Securities and Exchange Commission (SEC) in matters of disclosure for investor purposes. Since 1964 when the Board was given responsibility for certain disclosure provisions of the Securities Exchange Act of 1934 as they apply to State member banks, our requirements have followed substantially the counterpart regulations imposed by the SEC on other corporations. With respect to other banks, very similar disclosures have been imposed by the reporting requirements of the other Federal bank supervisory agencies. A great many banks are not subject to the disclosure requirements of the 1934 Act because they have less than 500

stockholders; however, they are required by the bank supervisory agencies to file similarly detailed income and balance sheet data subject to disclosure.

In recent years, the bank supervisory agencies have acted on several occasions to expand the amount of individual bank financial data collected and released to the public. We believe that still more disclosure is needed at the present time, and our reporting requirements will be revised accordingly. Banking practices have undergone rapid modification in recent years as banks have accommodated to changes in the "state of the art" and to the economic environment, and further substantial changes are undoubtedly in store over the years to come. Accordingly, I can assure you that the question of disclosure will remain under continuing review by the Board of Governors of the Federal Reserve System and we stand ready to make further adaptations in reporting as conditions warrant.

While fully recognizing the need for disclosure, we also have been aware that, as with all worthy objectives of public policy, provision for meeting the informational needs of the investor involves certain costs. In extreme cases, those costs could far outweigh possible benefits to the investor that the additional information would provide. For banks and other depository institutions with liabilities withdrawable on demand

or on short notice, disclosure requirements need to guard against triggering unwarranted rumors that could impel large outflows of funds. Thus, the Board has approached the disclosure problem mindful of its statutory responsibilities as a bank regulator and supervisor to maintain an environment in which the banking system can adequately serve the public interest.

In providing for investor informational needs, the Board believes that the public interest will be served most effectively if essential disclosure is achieved as fully as possible through regular reporting requirements imposed by Federal bank supervisory agencies and the SEC. Only with comprehensive, standardized, periodic reporting can the necessary time series of financial information be provided that will enable the investor to discern significant trends in individual bank performance and make an adequate assessment of future prospects. Moreover, with such a factual base, substantial changes or differences in the performance of individual banks can be examined in the broad context of contemporary developments at comparable banks. More importantly, a requirement of meaningful regular reporting should help to minimize the need for *ad hoc* disclosure at the time of proposed financings. Such disclosure carries a risk that individual banks issuing securities will be required to release types of information not available for other banks that might be misleading or misinterpreted by the market.

The Board also believes that the major focus, in constructing a disclosure framework for banks and bank holding companies, should be on earnings performance as reflected in the income statement. Fundamentally, what the investor in any enterprise is purchasing is management ability and market opportunities. Over time these are effectively reflected, in distilled form, by earnings performance. In recent years the undue attention that often has been focused, by investors as well as management, on size or "footings" rather than on operating results sometimes has led to misinterpretation of the true picture of financial strengths or weaknesses of banks and bank holding companies.

To effectively serve its informational function, the income statement should portray not only what the bank or company has done but also should reveal enough of the institution's

sensitive vital signs so that the investor can make an informed estimate of the prospective income flows. The present income statement required to be filed by all Federally supervised banks provides extensive detail directed toward meeting these needs. Included in such statements are refined breakdowns of income and expenses, loan loss and recovery experience, provision of reserves against future losses on loans and securities, and segregations of income earned in certain specialized activities such as foreign branch and trading account operations.

But even more income-statement detail now seems desirable in order to enable the investor to make an adequate assessment of future earnings possibilities and to forecast an institution's ability to adjust to the more fluid market environment that has been emerging. In particular, we are contemplating additional reporting to provide for:

1. A more comprehensive measure of the cost to the banks of interest-sensitive funds,
2. A breakdown of loan charge-offs and recoveries, and
3. A measure of the effect on bank income of loans that are past due or have otherwise been subject to reduction or deferral of interest or principal because of problems associated with the borrower.

Detailed information regarding the composition of assets and liabilities of banks and bank holding companies is also an important ingredient for adequate investor analysis. Such data are needed to aid in the interpretation of the income statement, to determine trends and current status of the bank's operations, and to appraise the bank's liquidity, capital adequacy, and general financial condition. The present supervisory "Call Report," which includes over 100 separate asset and liability items, already provides the bulk of the information needed for these purposes.

Nevertheless, some additional balance sheet reporting may now be advisable to reflect recent changes in banking activity and in the environment in which banks operate. We have been discussing possible major additions to regular reporting subject to disclosure by at least the larger banking organizations. These might include:

1. A maturity breakdown for major categories of investments.
2. A classification of loans according to whether the rate charged is fixed or floating.
3. A breakdown of the outstanding amount of time deposits in denominations of \$100,000 or more, and
4. Information on the amount of outstanding loan commitments and the amount of outstanding credit under those commitments.

More frequent reporting of income and balance sheet information also seems desirable for adequate investment analysis in a rapidly changing economic environment. Accordingly, we are considering a requirement that reporting of income, now required annually, be set on a quarterly basis for large banks and semiannually for smaller banks. In addition, the spring and fall Call Reports, which currently are less detailed than those for June 30 and December 31, may be expanded to include the greater detail.

As the committee is aware, the bank supervisory agencies, at the request of the SEC, have been participating in intensive interagency consultations over the past 3 months for the purpose of seeking a common understanding regarding questions of appropriate financial disclosure for banks and bank holding companies. I think the group has made important progress toward that goal. Substantial agreement has been reached regarding the areas in which additional disclosure is needed and most of the specific types of information that would best meet investor needs. All the agencies involved have shown a keen awareness of the need to obtain increased disclosures in ways that will minimize the risk of misinterpretation or unjustified disturbance to confidence.

The interagency coordinating group has been grappling with highly complex issues, and some further discussions will be necessary. We are pressing forward as rapidly as possible, and there is every reason to expect, on the basis of progress to date, that we will soon be in a position to publish both the new disclosure guidelines and the revised bank reporting requirements.

Many suggestions for increased bank and bank holding company disclosures are being offered in the course of these congressional

hearings. I would caution that, in evaluating these suggestions, it is vital to take into account a variety of considerations that bear on the extent to which disclosure serves the public interest. Certainly the investing public must have access to all material information needed for intelligent investment decision-making. But unreasonable or excessively detailed demands for information or requirements for disclosure of information that might be misleading could be counterproductive. Such demands could fail to serve the interests of the investor, who is the intended beneficiary. More importantly, they might injure a bank's depositors and borrowers, and thus the general welfare of the community that it serves. Finally, they could create an unjustifiable and costly burden on the reporting institution.

It is most important that the type and form of disclosure imposed on banks be carefully weighed so as to avoid undermining the willingness of banks to assume risk or to avoid eroding the confidence of depositors— a critical determinant of banks' ability to attract the funds needed to finance lending activities. The evaluation and assumption of risk are basic attributes of commercial banking. Only if a bank is willing to assume reasonable risks will it be able to help its local community to grow and prosper. This can be done prudently if the institution maintains adequate diversification, so losses are relatively predictable, and if the bank's charges are commensurate with its costs, including the risk of losses that may be incurred on its portfolio of loans and investments.

We must keep in mind that some loan losses are to be expected when a bank is fully serving the needs of its customers. To overemphasize disclosure of such losses could jeopardize the depositor confidence so necessary to the health and progress of a financial institution. Release of information that the public has little or no experience in evaluating may suggest possible trouble at a bank or bank holding company and thus bring on sizable deposit outflows, especially of impersonal money market funds. We, therefore, have had to seek a fine balance between the attainment of the level of disclosure needed for intelligent investor decision-making and the avoidance of the kinds of information that might damage the public interest in main-

taining stability and responsiveness in our banking institutions.

Also of major significance, particularly at this juncture, is the potential impact that ill-conceived disclosure requirements might have on the willingness and ability of banks to acquire additional capital through public issuance of securities. Owing to rapid asset growth in recent years, capital positions at a number of banks have approached minimum acceptable levels. These banks need additional capital if they are to participate fully in meeting the loan demands that will be generated by vigorous economic recovery. But they may not be willing or able to raise the capital that is required, unless the channels for long-term market financing are kept free of artificial impediments.

In summary, we at the Board are well aware

of the need for full and meaningful disclosure of the information on the affairs of individual banks required for sophisticated and intelligent investment analysis. We intend to call for such disclosures, insofar as State member banks are concerned, and we are confident that the other agencies—all of which have benefited by the deliberations of the coordinating group—will do the same.

However, we are also most mindful of the other public policy objectives that must be served. The continued stability of our financial system, the need to encourage reasonable risk taking by our banking community, and the need to raise the additional capital required to support a vigorous expansion in bank lending in support of economic recovery are among the most important of these other considerations. † †

Statement by Robert C. Holland, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Currency and Housing, U.S. House of Representatives, July 16, 1975.

I am pleased to appear before this subcommittee, on behalf of the Board of Governors of the Federal Reserve System, to discuss the broad range of important banking regulatory and supervisory matters concerning which your distinguished chairman has requested the Board's views.

The financial experiences of the last 2 years have raised many significant issues with regard to the regulation and supervision of the Nation's banking institutions. The need for a careful review of those factors that might adversely affect the stability of the banking industry has been recognized by this subcommittee and other committees of the Congress, by the Board, and by the other banking regulatory agencies. As I reported to this subcommittee in my testimony of December 12, 1974, at the Board we have undertaken a careful analysis of the key problem areas that might tend to contribute to an unde-

sirable degree of instability within the banking system and of steps that might be taken to reduce such proclivities. A number of our colleagues in Government have been engaged in similar efforts as well. Many bank managements have also been thinking through the implications of recent financial events for their own institutions. This degree of attention and concern regarding the health of our banking system attests to the critical role banking institutions fill in our financial system and economy, and it underlines the need to insure that no significant weaknesses impair their continued well-being.

Among those financial events of recent years that have given cause for concern, the failure of the Franklin National Bank looms large. The circumstances leading to the demise of that institution have already been publicly reported, and therefore my statements on this matter will focus primarily on the role played by the Federal Reserve in cooperation with the other bank regulatory agencies.

During the period from mid-May to October of last year, the Federal Reserve Bank of New York provided emergency credit assistance to Franklin National Bank in amounts rising to a peak total of \$1,767 million. The actual

amounts loaned to Franklin varied from day to day, depending upon its liquidity needs. The Franklin National Bank was a member bank of the Federal Reserve System; as such, it merited the privilege of accommodation at our discount window under the usual rules so long as it remained solvent, and we were advised by its primary bank supervisor that such was the case. The sheer size of the loans to Franklin, however, was extraordinary.

The primary purpose of these loans to Franklin was to prevent the immediate or imminent closing of that institution because of its liquidity problems. We believed that the closing of a \$5 billion bank such as Franklin could have precipitated other bank failures with resulting large losses for many individuals and businessmen and for the Federal Deposit Insurance Corporation. This situation arose during a difficult period for financial institutions and financial markets; such a failure at that time could, in our judgment, have had serious adverse consequences for the stability of our Nation's banking system and for domestic and international financial markets in general.

With these considerations in mind, Federal Reserve credit, fully secured by Franklin National Bank collateral, was extended to Franklin to help offset the massive net withdrawals of funds that developed as that bank's difficulties became generally known. Between May 8 and October 8, 1974, when the bank was declared insolvent, it suffered an outflow of funds amounting to \$2.8 billion—over half its total "footings." By strenuous efforts, the bank succeeded in reducing its loans, investments, and cash by \$1.1 billion during this interval. The eventual \$1.7 billion in Federal Reserve credit assistance was necessary to offset the balance of the outflow.

During this 5-month period, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of Governors, together with the Federal Reserve Bank of New York, were in frequent communication with each other in a joint effort to arrive at a permanent solution to Franklin's difficulties. As you know, the Comptroller has the statutory responsibility of determining whether or not a national bank is insolvent. Upon such a determination of insolvency, the FDIC must be appointed as

receiver. The FDIC then proceeds with the winding-up of the bank's affairs, seeking to achieve an orderly transfer of the insolvent institution's assets and liabilities and as little loss as possible to the deposit insurance fund it administers.

In the Franklin case, the Comptroller began consultations in May and June with major banks that might have been capable of, and interested in, acquiring Franklin by merger. In September he obtained the additional advice of a financial consultant in an effort to determine definitely whether the bank could continue as a viable, independent institution.

In July, foreseeing the possibility that Franklin might have to be declared insolvent, the Comptroller requested the FDIC to contact other banking organizations that were potential purchasers of Franklin's assets and to develop a plan to assist such a purchasing bank in a transfer of assets and liabilities. The FDIC accordingly began negotiations with interested banks to draft an acquisition proposal upon which banks could bid competitively in the event Franklin had to be declared insolvent. Briefly, this plan, as it was developed, called for the FDIC as receiver of Franklin to transfer all of Franklin's deposits and certain other liabilities to an assuming bank; that bank would be allowed to select assets of Franklin up to an amount which, when added to the purchase price bid, would equal the liabilities it assumed. The assuming bank would be required to keep most of Franklin's offices open for at least 30 days. On its part, the FDIC would: (1) indemnify the assuming bank against losses from unassumed liabilities; (2) advance supporting capital to the bank in the form of a subordinated note; and (3) in return for the New York Reserve Bank surrendering its lien on the assets of Franklin that were transferred to the assuming bank, assume Franklin's obligations to the New York Reserve Bank, which would be repaid to the extent possible out of the remaining assets, but would in any event be fully repaid within 3 years whether or not sufficient collections had been made at that time. This last provision assured that no loss would be incurred by the Federal Reserve System as a result of either its emergency lending to Franklin or the purchase by the New York Reserve Bank of Franklin's

foreign exchange contracts. This latter purchase had been undertaken by the Federal Reserve on September 24, 1974, in order to forestall possible defaults on these contracts that could have further seriously weakened confidence in foreign exchange markets, which at that time had already been shaken by defaults by a well known German bank and by a succession of public disclosures of foreign exchange losses by Franklin and other banks throughout the world.

During the summer, one after another possibility that would have permitted Franklin National to continue as an independent institution was investigated. By October 8, 1974, every reasonable prospect of that kind had been explored and found inadequate. The Federal Reserve's loan had served its purpose of enabling Franklin to meet its day-to-day liquidity needs up to that point, but the total was approaching the limit of available collateral. The FDIC's plan for the transfer of Franklin assets and liabilities was ready. In those circumstances, the Comptroller declared the bank insolvent.¹ The FDIC as receiver thereupon proceeded to implement its plan. The outcome of its negotiations with possible purchasing institutions was that European American Bank and Trust Company purchased assets and assumed certain liabilities of Franklin National.

An orderly transition has followed, although it will be some time before all aspects of this transition will be finally completed. While in the end Franklin can be said to have failed, the provision for the uninterrupted continuation of its banking services through a successor institution minimized adverse repercussions.

Cooperation among the Federal bank regulatory agencies, combined with consultation with the Treasury and the New York State Banking Department, was instrumental in producing the results I have outlined. Each agency had a distinctive role to play, and each role generated its own concerns. We at the Federal Reserve were especially interested in the adverse market attitudes and questions about banking soundness that were being generated as the Franklin case

dragged on. We were concerned as to Franklin's vulnerability to any new shock that might come along. And we had a painful awareness of how Franklin's debt to the Federal Reserve kept climbing closer to the probable maximum loan value of the acceptable collateral that the bank could provide. For those reasons we at the Federal Reserve urged that remedial measures move forward as promptly as they could. The Comptroller and the FDIC, respectively, with their own statutory obligations to consider, had to effectively exhaust alternative solutions short of receivership and to document liabilities and minimize losses insofar as time and circumstances permitted. It should not be surprising that on occasions during those months the agencies found that their preferred priorities for actions differed. When such instances became significant, however, hard work and good will overcame them. Fortunately, no new external shocks developed, and by the time Franklin was determined to be insolvent a detailed and well-integrated plan for its succession unfolded effectively. As nearly as can be judged at this stage, not a cent of depositors' or taxpayers' money is expected to be lost in the process.

Although the Franklin National case was concluded successfully, experience made it clear that increased attention needed to be paid to stronger preventive and follow-up measures to reduce the possibility of similar situations arising. Accordingly, the Federal Reserve System strengthened its program covering banks under its jurisdiction to place increased emphasis on the identification, surveillance, and timely resolution of current and potential problem bank cases. This action had first priority among the broad sweep of studies addressing key problem areas in banking supervision and regulation that I described in my testimony before this subcommittee last December 12, and about which I will be reporting to you later in my testimony today.

Briefly, each Reserve Bank was asked, among other actions, to make special efforts to identify member banks in its district that were or might be facing difficulties with regard to the quality of their assets or the balancing of financing needs with the prospective availability of funds. Second, with respect to State member banks, a greater than usual concentration of

¹For a more detailed explanation of this action, see the affidavit dated October 8, 1974, filed by the Comptroller of the Currency in the U.S. District Court of the Eastern District of New York concerning the matter of the liquidation of Franklin National Bank.

Federal Reserve examiner time and attention was to be devoted to identified problem banks during the remainder of 1974 and also through 1975. In each such problem bank case, an appropriate and specific program for remedying its difficulties was to be established, including if need be direct discussions with the bank's directors to confirm the commitment of top management to that task. Third, any member banks experiencing unusual liquidity difficulties because of a run-off of money market funds or because of public concern about the condition of the banks were to be informed of the basis on which accommodation at the discount window would be made available.

The Federal Reserve has thus taken requisite administrative steps to insure that greater emphasis is placed on identifying, monitoring, and following up problem bank situations. It is humanly impossible—and even undesirable—for supervisors to prevent all bank problems; but it is practical to aspire, as we do, to recognizing problems early and moving promptly to try to remedy them. There remains, however, a gap in the range of feasible remedial actions that could be undertaken if preventive measures should somehow not succeed in forestalling a bank failure. In that eventuality, the most desirable ultimate action in most cases is for the bank to be taken over by another bank. Bank mergers, where permitted by State branching laws, can sometimes serve this purpose effectively. The alternative of bank holding company acquisition of a failing bank, however, even where permitted by State laws, is substantially inhibited by two Federal statutory constraints. One enforces certain time delays in the approval and consummation of all bank holding company acquisitions. The second effectively prevents any holding company acquisition of banks across State lines.

In our view, either or both of those limitations can interfere with actions needed to protect the public interest in some cases. Accordingly, the Board has recommended to the Congress substantive statutory changes, now embodied in H.R. 4008.

The first recommendation involves procedural amendments to the Bank Holding Company Act designed to permit the immediate or expeditious consummation of a transaction under that Act

in certain problem bank and bank holding company situations. The second recommendation would amend the Act to grant the Board authority to approve an acquisition of a bank across State lines by a bank holding company, when the Board determines that a large bank, or a bank holding company controlling a large bank, is in severe financial difficulty, and the public interest would best be served if the bank involved were acquired by an out-of-State holding company. I will discuss each of these recommendations in turn, referring to the current law, the main reason therefor, the key arguments for changing the law at this time, and the Board's reasons for recommending the specific amendments proposed in H.R. 4008.

Certain time schedules for the provision of notice and hearing² were enacted as part of the original Bank Holding Company Act of 1956, as a compromise between giving bank chartering authorities an absolute right to deny a holding company application to acquire a bank and giving such authorities only an informal consulting role vis-a-vis the Board's final decision in the case.

The Board in Section 1(1) of H.R. 4008 has recommended, first, that the regular 30-day notice period be shortened to 10 days if the Board advises the supervisory authority that an emergency exists requiring expeditious action. Secondly, Section 1(1) as proposed would give the Board the authority to waive notice and hearing requirements entirely if the Board finds that it must act immediately on an application to prevent the probable failure of a bank or bank holding company involved in the proposed transaction.³ Both of these suggested amend-

²Under existing law, the Board, before approving an application for the acquisition of voting shares or assets of a bank under Section 3 of the Bank Holding Company Act, must: (1) give notice to the Comptroller of the Currency if the applicant or bank involved is a national or district bank or to the appropriate State supervisory authority if the applicant or bank involved is a State bank; (2) allow 30 days within which the views and recommendations of the Comptroller of the Currency or the State supervisory authority, as the case may be, may be submitted; and (3) if the supervisory authority so notified files a written disapproval of the application within the 30 day period, provide a hearing on the application and base its decision on the record of that hearing.

³The Board's staff has noted that there apparently was an inadvertent omission in the printing of H.R.

ments parallel provisions subsequently enacted in the Bank Merger Act—provisions that have worked well in the nearly 50 instances in which they have been used over the past 10 years.

In the Board's judgment, the present requirement for 30-day notice to the relevant bank supervisor is both burdensome and unnecessary in the context of a problem bank or bank holding company situation where the public interest requires immediate or expeditious action. From a practical standpoint, the primary supervisory authority in such a situation would be actively involved in the process of screening potential acquirers and would also be desirous of having an acquisition quickly consummated. Similarly, the protracted hearing requirements in the case of recommended disapprovals by the supervisory authority are ill-suited to a failing bank or bank holding company situation where the public interest demands that decisions be made quickly on the basis of available evidence.

There is an additional statutory delay to be dealt with. Under existing law, the Board must immediately notify the Attorney General of any approval of a proposed bank acquisition, merger, or consolidation transaction under Section 3 of the Bank Holding Company Act, and such transaction may not be consummated before the 30th calendar day after the date of approval by the Board.

This requirement was added to the Bank Holding Company Act in 1966 in order to conform with the standard consummation procedures being established in the Bank Merger Act. The purpose of the provision was to eliminate conflicts between the Board's decisions under the Bank Holding Company Act and the Attorney General's enforcement of the antitrust laws, which might otherwise require the unwinding of a transaction after that transaction had been approved under the Bank Holding Company Act.

4008 and H.R. 5331, as the bills provide that notice and hearing requirements may be dispensed with if the Board finds that it must act immediately "to prevent the probable failure of a bank holding company" involved in the transaction. This provision should read "to prevent the probable failure of a *bank or* bank holding company" involved in the transaction. Thus, it is recommended that page 3, line 17, of H.R. 5331, and page 3, line 11, of H.R. 4008 be amended by inserting "bank or" before "bank holding company" in each such line.

However, the Bank Merger Act provides for an exception to this delay in problem cases, while the Bank Holding Company Act does not. The Board is recommending that, in cases involving problem banks or bank holding companies, the consummation procedures of the Bank Holding Company Act be fully conformed to those in the Bank Merger Act. Accordingly, it is proposed that, when the Board has advised a supervisory authority of an emergency requiring expeditious action, consummation be permitted five calendar days after the date of approval. In cases where the Board has found that it must act immediately to prevent the probable failure of a bank or bank holding company, it is recommended that immediate consummation be permitted. In the Board's judgment, there appears to be no public policy reason for not having parallel consummation procedures for bank mergers and bank holding company acquisitions in problem bank situations, since the same reasons exist for not waiting 30 days for the Attorney General's competitive judgment in both cases. As a practical matter, the Federal banking agencies in such situations have regularly followed the practice of informally consulting with the Attorney General in advance in any case large enough to raise substantial competitive questions.

By effectively eliminating bank holding companies from bidding in emergency bank situations, the existing statutory delay provisions in the Bank Holding Company Act have unnecessarily limited the number of potential acquirers of a problem bank. This can increase the anti-competitive risks in such acquisitions by often limiting the pool of potential acquirers to banks already in direct competition with the problem bank, for example, in the case of Franklin National Bank, other New York City banks. The holding company can be a procompetitive form of bank expansion, and its use should not be effectively foreclosed in infrequent problem bank situations because of delay requirements not similarly imposed in bank mergers. Waiver of the usual delay provisions undoubtedly would be warranted in only a small number of cases, and in those cases the waiver should produce net public benefits.

Another and more sensitive constraint on bank holding company acquisitions is geo-

graphical in nature. Under the Bank Holding Company Act, the Board may not approve any further acquisition of a bank by a bank holding company across State lines.⁴ This provision was made part of the original Bank Holding Company Act of 1956 in order to halt the further expansion of several large multi-State bank holding companies then in existence. It was based in large part on the concern of the Congress, that, unless this trend were halted, widespread and frequent acquisitions by major bank holding companies could eventually lead to an undue concentration of banking resources in the United States. In particular, it was thought that, absent this provision, holding companies would be used to avoid the multi-State branching provisions of the McFadden Act, and thus it was also intended to preserve the rights of the States in this area.⁵

The Board is of the opinion that Section 3(d) could, in the case of a large problem bank or a problem bank holding company controlling a large bank, operate in contravention of both national and local interests. The limitation to in-State bidders may, in the case of a large problem bank, severely limit the number of potential acquirers and result in an increased concentration of banking resources within a State - contrary to the intent of the Congress in

passing the Bank Holding Company Act. In most of our States the number of locally owned banks that are big and strong enough to absorb a large problem bank are very few. The only smaller banks strong enough to undertake such a venture may be those affiliated with powerful commercial or financial interests domiciled either in this country or abroad.

The problem created by the constraints imposed by Section 3(d) has been sharpened as banks, particularly large banks, have moved increasingly from asset to liability management. This shift in emphasis has led many larger institutions to search far afield for money market funds. While this has often been of considerable benefit to the customers and communities they have served - particularly in those areas where widespread branching is not permitted and local deposit generation is thereby limited - liability management has increased banks' exposure to the risks created by any substantial net outflow of such nonlocal and often volatile funds.

When adverse news triggers enough outflows of funds to significantly weaken a bank, it may become necessary in the public interest to fold it into a larger and stronger institution. As you know, this occurred in New York and California, where big in-State banks were available to acquire the problem banks involved. Had institutions of the size of Franklin National or of the United States National Bank of San Diego failed in many other States, however, no banks in those States would have been large enough to acquire them. In such circumstances, the need to be able to arrange acquisitions across State boundaries would become very real.

The Board therefore recommends several amendments to the Bank Holding Company Act designed to permit out-of-State acquisitions in certain emergency and failing bank situations involving a large bank or bank holding company controlling a large bank. Under Section 1(3) of H.R. 4008 as proposed, the Board would have the authority to make exceptions to the multi-State prohibitions of Section 3(d) whenever the Board finds that an emergency requiring expeditious action exists with respect to a bank or bank holding company, or that it must act immediately in order to prevent the probable failure of a bank or bank holding company. The proposed authority would be limited, however,

⁴The precise words of Section 3(d) provide that the Board may not approve any application under Section 3 of the Bank Holding Company Act: "... which will permit any bank holding company or any subsidiary thereof to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of an additional bank located outside of the State in which the operations of such bank holding company's banking subsidiaries were principally conducted on July 1, 1966, or the date on which such company became a bank holding company whichever is later."

⁵Under the terms of this provision, a bank holding company can only acquire a bank outside of its principal State if the State in which such bank is located takes action to specifically permit such acquisition. If a State took such action, the Board would still have to decide the application under the statutory standards of the Bank Holding Company Act. At the time of this Act's passage in 1956, no State granted such permission. Except for Iowa, which has enacted a law giving a single grandfathered multi-State bank holding company permission to acquire additional banks in that State, and Maine, which recently enacted a law that would allow acquisition of a Maine bank by an out-of-State bank holding company if a Maine bank holding company is given reciprocal rights in that holding company's State, the situation remains essentially unchanged with no other States granting such permission.

to cases involving a bank having assets in excess of \$500 million or a bank holding company controlling a bank having assets in excess of \$500 million. There are three basic reasons for limiting this authority to the case of a large bank or bank holding company controlling a large bank: first, the failure of such an institution can have damaging effects in both national and international markets and on the national economy; secondly, there may be few, if any, prospective acquirers of such an institution within any State; and thirdly, the most likely in-State acquirers are likely to be institutions of comparable or greater size, which might often pose problems under the antitrust laws and threaten an increased concentration of banking resources within the State.

The Board chose a \$500 million asset cutoff figure because it would cover major money center and regional banks—whose failure might have an adverse effect on regional, national, or even international financial markets—but yet would not be so extensive an exception as to create a potentially significant loophole to the multi-State prohibitions of the Act. Also, in cases involving smaller problem banks, local acquisitions, where appropriate, can be more readily arranged by the FDIC and State authorities than can transfers of the liabilities and assets of large institutions.

The choice of any cutoff figure involves various public policy considerations by the Congress. The Board stands ready to supply the subcommittee with additional data on this issue if that would be helpful. On the basis of data prepared by the Board's staff, a \$500 million cutoff would cover not only the large money center and regional banks but also, in most cases, the largest bank in any State.⁶ From our analysis of cases in which emergency or failing bank procedures have been used under the Bank Merger Act, it appears only three banks acquired under immediate or expeditious action procedures have had assets in excess of \$500 million (Security National Bank of Long Island, Franklin National Bank of New York, and

United States National Bank of San Diego). Thus, the Board anticipates that this provision would be applicable in only a handful of cases where there may be significant effects upon the national and international economy.

Under Section 1(3) of H.R. 4008, the Board could use this authority to approve a multi-State acquisition only when it finds, in weighing the statutory competitive and other factors, that the public interest would best be served if the bank or banks involved were acquired by an out-of-State bank holding company. The Board thus anticipates that this authority would rarely be used and only in cases presenting very special circumstances, such as those involving Franklin National Bank. In our view, these relatively rare situations would not contravene the central purpose of the multi-State prohibition of the Bank Holding Company Act, which was directed at preventing large concentrations of financial resources through frequent multi-State acquisitions of banking institutions.

The Board is sensitive to the fact that the prohibition on multi-State branching was designed to prevent the evolution of a few large banking institutions. While there would be only a very limited number of instances in which the Board would consider making exceptions to Section 3(d), the amending language could be narrowed even more than was originally suggested. A strict limit could be placed on the number of acquisitions any single bank holding company would be allowed to make under such an exception. This limit should be more than one, in order not to encourage potential bidders to wait until an ideal acquisition opportunity was presented, but it could be less than five, in order to forestall excessive expansions of financial power. In our view, this kind of limit would serve to preclude any possibility of undue concentration of economic resources being created through exceptions to Section 3(d).⁷

⁷As a corollary to its recommended amendment of Section 3(d), the Board has felt it necessary to also recommend an amendment in Section 2 of H.R. 4008 overriding certain provisions of State law in situations involving a problem bank or bank holding company where expeditious or immediate action is required.

Section 7 of the Bank Holding Company Act reserves to the States their rights to exercise such powers and jurisdiction that they now or in the future may have with respect to banks, bank holding companies, and subsidiaries thereof. In problem bank or bank holding

⁶From the Board's figures, it appears this asset cutoff would include some 210 commercial banks across the country, including the largest bank in 39 States and the District of Columbia, and the two largest banks in 35 States and the District of Columbia.

The distinguished chairman of this subcommittee has also introduced H.R. 5331, a bill that embodies the Board's recommended procedural amendments to the Bank Holding Company Act, but which omits the recommended amendments to the multi-State prohibitions of the Bank Holding Company Act. I hope I have said enough here this morning to make clear why the Board believes that the public interest would best be served if the Congress enacted both the procedural and multi-State amendments suggested. We defer to the Congress on the question of whether these amendments might better move through the legislative process separately or linked together. We do believe that they can eliminate what might otherwise at some time prove to be a fatal constraint upon the regulators' ability to preserve a problem bank's services rather than to close it.

Having discussed the reasons why the Board believes that the proposals contained in H.R. 4008 would be particularly helpful to the Board

company situations, the normal circumstances that may have led a State to enact a statute prohibiting the formation of bank holding companies within its borders or otherwise restricting the entry of out of State bank holding companies do not apply and therefore such provisions should not be controlling when the Board has approved such application under the immediate or expeditious action provisions recommended in H.R. 4008. In such cases, the national interest argues that Federal law be supreme. In practical terms, even though a State may favor an acquisition by an out-of-State holding company approved by the Board under its immediate or expeditious action provisions as an alternative to failure, it would probably be impossible either for a State legislature to enact in time any necessary amendments to its laws, or for a State court to interpret the terms of an unclear statute. The delays involved in trying to pursue either of the above courses of action could be crucial. Section 2 of H.R. 4008 would solve these problems by providing that in any case where the Board has approved an application under the immediate or expeditious action provisions of H.R. 4008, the holding company may acquire and operate the bank involved as a subsidiary notwithstanding Section 7 or any provision of State law that would otherwise prevent the acquisition or restrict the operations of that holding company.

Section 2, however, leaves intact State restrictions on multibank holding companies, so that an out-of-State bank holding company that acquired a bank with the Board's approval under the immediate or expeditious action provisions could not gain a competitive advantage over an in State holding company by acquiring a second bank under those provisions. The McFadden Act restrictions on multi-State branching would not be affected by Section 2 of H.R. 4008 as such restrictions are a matter of Federal law.

in dealing with problem bank or bank holding company situations, I would like to proceed to comment on the other studies that the Board has been conducting to develop better means for preventing such situations from occurring and resolving them as effectively as possible if they should arise. You may recall that in my testimony before this subcommittee on December 12, 1974, I described the general scope of our efforts and the problem areas on which we were focusing our attention: the attenuation of bank capital produced by the rapid expansion of bank assets; bank liquidity problems, particularly heavy reliance on liability management, the consequent creation of highly interest-and-confidence-sensitive instruments, and the making of excessive loan commitments; a deterioration in the quality of bank assets; increased foreign exchange risks; and increased risk of losses in bond trading departments of banks. (A final problem area that I touched upon at that time related to the need for more expeditious resolution of problem bank cases, but I have already commented on that subject in my previous discussion of the proposals contained in H.R. 4008.)

The Board expects very shortly to place before the Congress several proposals for legislative action that are designed to equip us, and the other bank regulatory agencies, to accomplish better our goal of more effective prevention of potentially unsafe or unsound practices. These proposals are now in the final stages of discussion among the Board, the FDIC, and the Comptroller of the Currency. I would like to outline the major ones briefly for this subcommittee to give you a clearer sense of the thrust of our efforts.

The first of the proposals we expect to be bringing before you is directed primarily at strengthening the penalties in statutes imposing constraints on transactions among the banking subsidiaries of bank holding companies, their parent firms, and other affiliates. It seeks, through amendment of the Federal Reserve Act, to subject member banks and their directors, officers, and employees, or agents to penalties for violations of, among other provisions, Sections 22 (relating to transactions between member banks and their directors and loans to executive officers) and Section 23A (involving loans

and investments in affiliates). Another provision of this proposal would amend the Bank Holding Company Act to permit the Board to seek the imposition of civil penalties on companies or individuals that violate the Act. This provision would, we believe, increase significantly the deterrents to unlawful or unsafe transactions within bank holding companies.

A second proposal addresses the problem of possible misuse of bank assets by insiders. Under this proposal, Section 22 of the Federal Reserve Act would be amended to aggregate loans by a member bank to an officer, director, or significant stockholder and to any corporations that such person controls for purposes of applying legal lending limits. This proposal would limit the amount that could be loaned to all interests controlled by one individual to the same amount as could be loaned to that person alone.

A third proposal would strengthen the Board's authority to institute executive removal actions designed to prevent the continuation of unsafe and unsound banking practices. Amendments would be made to Section 8 of the Financial Institutions Supervisory Act to eliminate the current requirement that acts of personal dishonesty be involved before officers or directors of a banking institution can be removed by a bank regulatory authority. This change would permit such individuals to be removed for gross mismanagement in the form of practices that threaten substantial financial harm to the bank.

A fourth proposal would give the Board authority to order divestiture of subsidiaries of bank holding companies when continued ownership of a bank holding company constitutes a serious risk to the financial safety, soundness, or stability of the bank holding company's subsidiary bank or banks. While such action by the Board would undoubtedly be taken only in the most serious situations, we believe the ability to require such divestitures is an important one for the Board to have. Its existence alone should serve as a strong deterrent to dangerously unsafe actions by bank holding company managements.

We believe that these proposals, and others that may be forthcoming as a result of discussions with our colleagues in the other Federal bank regulatory agencies, will be of substantial

assistance to us in implementing a program of preventive measures that should prove extremely helpful in reducing the possibilities of future unsound banking practices.

The studies that the Board has been pursuing not only have produced the legislative proposals that I have described but have also led us to undertake a series of administrative and regulatory actions, all designed to assist us in preventing troublesome situations from materializing in the key problem areas we have identified. The Board has thus taken steps within the scope of its current authority to detect potential banking problems at an early stage in their development.

One of the first of these actions I have already mentioned—the step taken last fall to improve surveillance of troublesome bank cases.

A second step to promote early detection of such cases was taken earlier this year when an interagency early warning system was instituted by the Board in cooperation with the Federal and State banking supervisory agencies. This system has enabled all the relevant bank regulators to be promptly aware of any adverse findings uncovered in supervisory examinations of bank holding companies or the bank subsidiaries thereof.

In this same area of problem bank and bank holding company situations, the Board has formally adopted guidelines delineating a graduated range of alternative procedures to be implemented in correcting problem bank holding company cases. This step has served to set out clearly and systematically the corrective actions that the Board and the Reserve Banks had already begun to employ in remedying difficult cases.

In the area of foreign exchange operations at banks, we have recognized that floating exchange rates have increased the risk of potential losses (or gains) on a given size net open position in foreign currencies. In addition, the danger of losses occurring as a result of poor judgment at the management level or as a result of unauthorized trading under inadequate internal controls probably increased with the growth in the worldwide volume of foreign exchange market transactions—in which a growing number of U.S. banks participated.

To assess better the level of foreign exchange

risks now faced by U.S. banks, a review has been conducted by the Board, in consultation with the Comptroller, of the operations of a sample of banks engaged in such activities. As a result of this survey, we have concluded that additional legislative authority is not required to improve the supervision of banks' foreign exchange operations. Steps have been taken to encourage banks, where necessary, to utilize more adequate internal audit and control procedures. Furthermore, because of the special vulnerability of foreign exchange activities, the Federal Reserve is working closely with the Comptroller to improve the surveillance of these bank operations, through examinations and reporting systems. Perhaps the most encouraging information I can relay to you in this field, however, is the stream of reports we are receiving that bank managements of their own volition have sharply tightened their prudential controls over their foreign exchange departments.

Studies are continuing on methods of improving the entire range of bank examination practices and procedures, including the use of sophisticated reporting and management information systems to supplement the bank examination process. Work is going forward on means of detecting and limiting excessive loan commitments and other off-balance-sheet promises to lend that may expose banks to undue liquidity pressures. Still other work is focused on methods to detect and discipline poor quality bank loans more effectively. Ways are also being sought to better limit the level of risk exposure in banks' bond trading activities.

As I mentioned previously, the Board has been much concerned with problems associated with the attenuation of bank capital and pressures placed on bank liquidity. Additional work is therefore under way at the Board to develop better standards of what constitutes "adequate" liquidity, both for our own better guidance and that of member banks. The Board has also recently restructured reserve requirements on time deposits to encourage more prudent liquidity management at banks.

Earlier this month the Board released for comment guidelines that we propose to apply in evaluating requests for approval of new subordinated debt issues by State member banks. These guidelines were issued in connection with

proposed regulatory changes to permit greater flexibility by banks in the issuance of notes and debentures to bolster their capital structure.

We anticipate that application of these proposed criteria should tend to promote the practice by State member banks of issuing new debt on an adequate cushion of equity capital. The guidelines should also help to prevent banks from unduly concentrating their maturing debt in any one year. In addition, these guidelines are intended to prevent the inclusion of terms in such debt issues that could be regarded as being in conflict with the public interest.

If we are successful in accomplishing those objectives with regard to issues of new subordinated debt by banks, we believe that the problems connected with the attenuation of bank capital that has been experienced over the past decade should be noticeably ameliorated.

I would also like to report briefly on the progress of the Board's efforts to improve bank holding company supervisory and regulatory policy over the longer run. I am pleased to say that considerable headway has been made in designing and moving to initial implementation of a more systematic analytical program to monitor bank holding companies' operations more closely. Reporting schedules have been developed to feed timely information covering the full range of bank holding companies' activities, including intracompany transactions, into a partially computer-based analytical system that is being designed to focus immediate attention on potential problem situations as they evolve. The information capability the Board will possess once this work has been completed should improve our capacity to detect and correct bank holding companies' problems at an early stage of their development.

The Federal Reserve is also endeavoring to look more broadly at the bank holding company movement as it has unfolded from 1970 to 1975. We are trying to determine to what extent, if any, bank holding companies and their expansion into nonbanking areas may have contributed to financial strengths and financial difficulties. We expect that this effort will shed some useful light on a subject that has at times stimulated sharp divergences of views.

I should also note that the Board has reviewed the recent and prospective growth of foreign-

owned banking operations in this country and their proper place in our structure of banking supervision. While I do not propose to cover all the details of that complex subject today, I would point out the Board's conclusion that all banks, branches, and agencies that are located in the United States but owned by foreign banking institutions would be most effectively and equitably regulated if they were brought under the provisions of the Bank Holding Company Act. The proposed legislation we have forwarded to the Congress in this area (H.R. 5617) contains provisions to this effect.

In looking back on this recent work the Board has done to strengthen our supervision and regulation of the Nation's banking institutions, the need for a large number of changes—some legislative, some regulatory, many administrative—has become evident. Some of these needed changes have been minor, others have seemed sufficiently complex or significant to warrant taking the time of this subcommittee to report. At this juncture in the history of our Nation's banks, the severe pressures to which those institutions were recently subjected have been significantly reduced. We are now at a point where it is possible, as it was not then, to consider and to undertake a range of prudent reforms to further strengthen our banking institutions and thereby to help insure the continued well-being of this country's vital banking system.

All the faults we have found were not in the banking system, however; we have found some shortcomings in ourselves as well. Focusing as we have on the key banking problem areas has also helped us to understand more clearly in what ways inadequacies in the structure of bank regulation itself may have contributed to the development of some of these problems.

When I testified before your subcommittee last December, I mentioned then that the concluding project in the Federal Reserve studies would be possible reforms of the Federal bank supervisory agencies. In the light of the work just described that has been pursued in other areas, we have turned our attention within the Board to the structure of the Federal banking agencies. We are also consulting with other agencies on this subject.

As you might imagine, there have been a

good many alternatives to be analyzed and many considerations to be explored. It might be informative to your subcommittee if I were to summarize the more plausible and thought-provoking alternatives we have considered, and outline what seem to be the key advantages and disadvantages of each. One cautionary note is in order, however, before I proceed. In this delicate subject area, there are few points on which facts can prove that one view is right and another wrong. Most of the major questions are matters of judgment, usually involving speculation as to what might happen were things to be done differently. Sometimes these are judgments on which reasonable men can and do differ. I cannot eliminate that ambiguity; I can only report to you the judgments of the majority of the Board as plainly as I can.

At one end of the spectrum of alternatives that we considered was consolidation of all Federal supervisory and regulatory functions.

A number of advantages would undoubtedly accrue from an effective consolidated Federal bank supervisory agency. The principal benefits we perceive are the following:

1. Such an agency would bring about uniformity in Federal regulation, supervision, and examination of banks. In addition it would result in uniformity on decisions concerning merger and branching applications.

2. Presumably such a consolidation would eliminate some duplication of efforts and lead to a more efficient use of supervisory and examination personnel. It would also remove any problems arising out of consultations between the agencies and resulting delays in decision-making.

3. We also believe there could be advantages from the development of consistent data that would permit fuller analysis of the banking industry as a whole and permit more prompt identification of developments that might affect the stability of the banking system.

4. Finally, the consolidation of three Federal agencies into one would preclude the possibility of banks changing their organizational status in order to obtain more favorable treatment from a different Federal supervisor.

Objections to consolidation take several forms, such as:

1. A single Federal supervisory agency would

be very powerful and might have a tendency to stultify the ability of commercial banks to adapt to changing circumstances or be inconsiderate of the equities of the parties affected by its rules. At the least, it would result in the elimination of most of the checks and balances inherent in our present bank regulatory structure, which do limit the power of individual supervisors.

2. One agency would not offer as great a possibility for experimentation and innovation in bank regulations and supervisory procedures as now exists when three agencies divide the Federal responsibilities.

3. Changing from the present arrangement to a single Federal agency could produce some serious transitional problems, such as the possibility of losing some of the valuable experienced examination and supervisory personnel now in the individual agencies. Serious personnel problems could develop in meshing the three present Washington and field-based forces.

Particular problems are also presented in considering in which agency consolidation should take place. For example, a majority of the Board of Governors would have some concern about consolidation in a new agency or one outside of the Federal Reserve System. The experiences of recent years have made members of the Board of Governors particularly conscious of the importance of involvement in bank supervision and regulation in the consideration of monetary policy. We believe that the condition of the banking system and information about individual banks is an important input for monetary policy formulation that would be lost or substantially reduced if the Federal Reserve had no role in the regulation or examination functions.

On the other hand some in the System have reservations about the consolidation of these functions in the Board of Governors. They are concerned that adding the responsibility for all bank supervision and regulation to the existing Board responsibilities might detract from the time and attention given to the Board's primary responsibility, monetary policy.

At the other extreme, we considered retaining the present regulatory and supervisory system.

By and large the advantages and disadvantages of this alternative are the converse of those

listed for consolidation. In summary, the present regulatory system permits more innovation and experimentation in new bank activities and supervisory procedures. Any adverse effects may be confined to one segment of banking during the experimentation period. If, however, the innovation is successful, the changes can then be adopted by the other agencies. Moreover, the agencies can voluntarily communicate and cooperate to the limits of their power and good will in an endeavor to formulate uniform policies and procedures and keep them consistent and up to date.

The disadvantages of the present system can be read in the number of occasions when voluntary cooperation among the agencies did not produce optimal results. Episodically over the years, voluntary cooperation has not been a sufficiently powerful incentive to consistently produce vigorous, timely Federal supervisory action that was in harmony with other supervisory policies and uniform across the Federal agencies. Moreover, the diffusion of authority among the agencies is great enough so that it is often hard to pick the agency or the officials to hold accountable for such shortfalls. In such an environment, supervisory innovations—particularly those that pinch the subject banks—can be inhibited if the banks that are adversely affected have another supervisory jurisdiction open to them.

A third alternative is to divide responsibility for Federal bank supervision and regulation between two agencies.

One possibility that has been advanced is that all Federal bank regulations should be placed in one agency and all Federal bank examination and enforcement procedures in a separate agency. Many of the advantages of complete consolidation—such as uniformity, elimination of duplication, more efficient use of personnel, and elimination of the possibility of banks shopping among Federal supervisors—could be accomplished by this change. At the same time, such a division would maintain some significant element of checks and balances in the field of bank regulation.

However, many of the disadvantages of consolidation would also be present, such as the danger of a single regulatory body becoming wedded to the past and reluctant to adapt to

changing times. The possibility of curtailed experimentation in regulatory procedures and a possible erosion of some regulatory checks and balances would also be present. In addition there is a serious risk that the separation of regulation from examination and enforcement would weaken the effectiveness of bank examinations and reduce cross fertilization between functions. Such a division could detract from the stature of the field forces and hinder field examination efforts to resolve problems. Moreover, whereas some coordination and jurisdictional problems might be eliminated with this type of structure, it is certainly possible that other problems, perhaps more serious, would be created.

A fourth alternative I might mention is to provide for representation of the Board of Governors in an expanded Office of the Comptroller.

It is possible that improved coordination of key supervisory and regulatory programs could be obtained if the Comptroller's Office were converted to a board with one member being a Governor of the Federal Reserve. Direct Board representation in the activities of the Comptroller offers some advantage, since all national banks under the supervision of the Comptroller are also member banks of the Federal Reserve System. Moreover, under present practices the Comptroller's examiners are responsible for enforcing numerous Federal Reserve regulations applicable to national banks. Conversion of the Comptroller's Office from a one man to a Board operation would also provide the benefit of group decision-making and provide a balancing of viewpoints in the supervision of national banks.

However, the creation of a board for the Comptroller's Office could well have the disadvantage of producing a less expeditious and less efficient operation—a result that can often flow from administration by a committee.

A fifth possible alternative is increased and more structured coordination of examination functions.

Our review of the other projects undertaken by the Board's Committee on Bank Regulatory and Supervisory Policy has shown that one of the most important areas calling for attention is the problem of revising and updating examination and enforcement procedures. I under-

stand that the Comptroller's studies have reached similar conclusions.

There is a need for more realism, consistency, and uniformity in examination standards and procedures. We believe that there needs to be an increased emphasis given to more timely reports and information systems that would supplement the practice of on site examinations.

Recent experience also demonstrates that some weakness exists in enforcement procedures. There needs to be more effective and consistent follow-up of examiners', and other supervisory, recommendations to banks, in order to assure that the banks take those actions necessary to correct the identified problems in reasonable time.

The resolution of these problems might be helped if each of the three Federal banking agencies were to delegate some specific decision making authority in the field of examination procedures to a representative on a new interagency group, which might be designated the Federal Bank Examination Council. The Council might be composed of Board members or senior officials responsible for bank examination from each of the three banking regulatory agencies. That group would not supplant the present Interagency Coordinating Committee, which ought to continue to provide a forum for consultation on regulatory and policy questions affecting not only banks but nonbank thrift institutions as well. The distinctive features of a new Examination Council would be that its members would be assigned responsibility for particular areas of bank examination procedures, given decision-making power in those areas, and held accountable by their agencies for the development of suitable standards and practices in such areas.

A council of this nature could foster greater uniformity and consistency in the modernization of numerous bank examination and enforcement activities without most of the disadvantages feared from complete consolidation. In addition, it would permit undertaking a limited and circumscribed consolidation effort promptly, on an experimental basis, with flexibility to allow for revisions that prove desirable.

To be sure, such a Bank Examination Council would have its disadvantages also. Because of its relatively narrow scope, a number of impor-

tant issues in bank supervision would be beyond its ability to solve. Since it would derive its authority by delegation, there is the chance that its members would be diffident in their actions out of concern for possible termination of their delegated authority. There is also the possibility that its members might show less initiative in tackling problems than would an individual agency acting on its own.

As the Board of Governors has reviewed all these alternatives, and the situations to which they are addressed, a majority of the Board has come to the following tentative conclusions on this subject.

First, some change in the present structuring of Federal bank supervision is desirable, although not essential. Federal bank supervision has done many things right, and it is not so flawed as to necessarily thwart key objectives of public policy in this field. On the other hand, the present diffusion of authority and responsibility among three Federal agencies is conducive to some confusion, uncoordinated initiatives, occasional delays and misunderstandings, and sometimes a subtle competition to relax or forego appropriate constraints on banking institutions. What is called for is measured action that ameliorates these weaknesses without sapping the strengths of the present agency structure.

Second, the Federal Reserve, as the Nation's central bank, needs to be involved in the process of bank regulation and supervision. Now, more than ever before, the Fed's key roles as monetary policy-maker and as lender of last resort reach into territory conditioned by prevailing bank supervisory and regulatory policies. Each of those sets of public policies increasingly affects the effectiveness of the other. Their close coordination is much to be desired.

Third, an appropriate step forward in the Federal bank supervisory structure at this time would be the establishment by the agencies of a Federal Bank Examination Council along the lines described above. It is, as I have said, an experimental and evolutionary idea, rather than a radical and irreversible one—and the Board believes the former rather than the latter is what is called for today.

The Board is prepared to delegate selected decision-making authority in the field of bank examination procedures to our representative on such a Council forthwith, and I hope our sister Federal banking agencies will be similarly inclined. We are further prepared to ask that Council to study several broader supervisory issues on a priority basis, with a view to developing recommendations to the parent agencies for uniform, up-dated policy positions.

Assuming that a Bank Examination Council is established, experience will soon show how productive it can be in actual practice and how far the scope of its activities might usefully be extended. The Council's success will require a sincere effort on the part of all three agencies to arrive at meaningful changes and to minimize disagreement on less essential items. Its performance will depend most of all on the competence and good will of the individuals designated to serve on it. But that *caveat* attaches likewise to virtually every other design of the structure of the Federal banking agencies.

The Board appreciates the continuing interest of this committee in the entire subject of banking regulation and supervision, and we look forward to your deliberations and recommendations. We will be glad to continue to report to you on our activities and will make recommendations for further legislation as we see such needs develop. |]

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON MAY 20, 1975

1. Domestic Policy Directive

The information reviewed at this meeting suggested that real output of goods and services—which had fallen sharply in the fourth quarter of 1974 and the first quarter of 1975—was declining much less rapidly in the current quarter and that the rise in prices was moderating further. Staff projections, like those of 5 weeks earlier, suggested that real economic activity would turn up later in the year and that the rise in prices would continue to slow.

The pace of decline in industrial production, which had been less rapid in March than in the preceding 4 months, moderated further in April. Nonfarm payroll employment changed little and total employment rose, but the unemployment rate increased further, from 8.7 to 8.9 per cent, as the labor force continued to grow at a considerable pace. According to the advance report, retail sales had risen in April, despite a further decline in the number of new cars sold.

The index of average hourly earnings for private nonfarm production workers was unchanged in April, after having risen sharply in March; over the first 4 months of the year the rate of advance in the index was considerably less rapid than that in the second half of 1974. Average wholesale prices of industrial commodities changed little in April, as in March, while wholesale prices of farm and food products increased sharply, following 5 months of large decreases. In March the rise in the consumer price index had slowed further from the pace in the first 2 months of the year.

Staff projections still suggested that in the current quarter the decline in real GNP would be small and that nominal GNP would turn up, although expectations now were for only a slight rather than a substantial increase in residential construction. It was still anticipated that inventory liquidation would moderate from the exceptional pace in the first quarter and that personal consumption expenditures would expand but that business fixed investment

would decline further. The projected upturn in real GNP in the second half reflected expectations that growth in consumption expenditures would accelerate in response to expansive fiscal policy measures, that the upturn in residential construction would gain momentum, and that the pace of inventory liquidation would moderate further.

Since mid-April the average exchange value of the dollar against leading foreign currencies had receded somewhat, but it was still slightly above the low in early March. The U.S. foreign trade balance—which had been in large deficit in the last three quarters of 1974—shifted into substantial surplus in the first quarter of this year, in considerable part because the volume of imports was reduced by the decline in business activity in this country. Net outflows of funds through banks expanded substantially in the first quarter, as outstanding loans to foreigners continued to increase while liabilities to foreigners declined.

Total loans and investments at U.S. commercial banks continued to expand at a slow pace from the end of March to the end of April. Outstanding loans to businesses declined further, as business demands for credit remained weak both at banks and in the commercial paper market; outstanding loans to nonbank financial institutions, securities dealers, and consumers also declined, while real estate loans increased by only a modest amount. As in February and March, banks increased their holdings of U.S. Government securities considerably.

Growth in both the narrowly defined and the more broadly defined money stock (M_1 and M_2) which had been substantial in March—was moderate in April, as disbursements of income tax refunds slowed to about the pace of a year earlier. The measure of the money stock that includes deposits at nonbank thrift institutions (M_3) grew more rapidly; although net inflows to thrift institutions subsided from the extremely high rates in March, they remained substantial. In April, as in the preceding 2 months, banks reduced the outstanding volume of large-denomination CD's in response to the growth in other deposits and to the continued weakness in loan demand, and the bank credit proxy grew at a relatively slow pace.

On May 1 the Treasury announced that it would auction up to \$5 billion of notes and bonds, of which \$3.8 billion represented

refunding of publicly held notes that were to mature on May 15. In auctions on May 6, 7, and 8, respectively, the Treasury sold \$2.75 billion of 3¼-year notes at an average price to yield 7.7 per cent, \$1.5 billion of 7-year notes at an average price to yield 8.0 per cent, and \$750 million of 30-year bonds at an average price to yield 8.3 per cent. The Treasury also announced on May 1 that its over-all borrowing needs for the current fiscal year would be \$5 billion less than had been previously stated, owing to larger-than-expected receipts of taxes.

System open market operations since the April 14-15 meeting had been guided by the Committee's decision to seek bank reserve and money market conditions consistent with somewhat more rapid growth in monetary aggregates over the months ahead than had occurred on average in recent months, while taking account of the forthcoming Treasury financing and of developments in domestic and international financial markets. The monetary aggregates had been expected to grow at relatively rapid rates in the April-May period because of the large volume of tax rebates scheduled to begin in May, of the rise in nominal GNP anticipated for the second quarter, and of the lagged effects on the demand for money of earlier declines in short-term interest rates—and operations initially had been directed toward maintaining about the prevailing bank reserve and money market conditions. However, data that became available subsequently suggested that in the April-May period the growth rate of M_1 would be near the lower limit of the range of tolerance that had been specified by the Committee and growth in M_2 would be below its tolerance range. Accordingly, operations were directed toward achieving some easing in bank reserve and money market conditions, although the System proceeded cautiously in order to avoid exaggerated market effects during a period of heavy Treasury financing. In the days preceding this meeting the Federal funds rate was about 5½ per cent, compared with a rate of about 5¼ per cent shortly before the April meeting.

Short-term market interest rates—which had risen a little between mid-March and mid-April—declined somewhat in early May, reflecting the Treasury's announcement of reduced borrowing needs, the easing in money market conditions, and the continued weakness in business demands for short-term credit. On the day before this meeting the market rate on 3-month Treasury bills was 5.11 per

cent, compared with 5.53 per cent at the time of the April meeting. Effective May 16, Federal Reserve discount rates were reduced from $6\frac{1}{4}$ to 6 per cent at 10 Reserve Banks; shortly thereafter, rates were reduced at the remaining 2 Banks.

Yields on longer-term securities rose in late April but turned down after the beginning of May; over the inter-meeting period they changed little. The volume of public offerings of corporate bonds in April, although smaller than in March, was still large, and an increase was in prospect for May. Offerings of State and local government issues in April and the calendar for May also were heavy. Yields on home mortgages rose somewhat during April, after having declined persistently since September of last year.

At its previous meeting, the Committee had agreed that growth in the monetary and credit aggregates on average over the period from March 1975 to March 1976 at rates within the following ranges presently appeared to be consistent with its broad economic objectives: M_1 , 5 to $7\frac{1}{2}$ per cent; M_2 , $8\frac{1}{2}$ to $10\frac{1}{2}$ per cent; M_3 , 10 to 12 per cent; and the bank credit proxy, $6\frac{1}{2}$ to $9\frac{1}{2}$ per cent. It was understood that these ranges, as well as the particular list of aggregates for which such ranges were specified, were subject to review and modification at subsequent meetings. It also was understood that from month to month the rates of growth of the various aggregates might well fall outside ranges contemplated for annual periods as a result of short run factors.

At this meeting the Committee took note of a staff analysis indicating that the rate of growth of the monetary aggregates would probably be increased temporarily during May and June by the tax rebates, totaling about \$8 billion, which the Treasury would pay out in those months. It seemed likely that a sizable portion of the rebates would be held for a time in demand balances before being used to acquire assets, repay debt, or increase spending, and that some part would be placed directly in savings accounts.

To allow for the expected temporary bulge in money holdings, the Committee agreed that relatively rapid growth in M_1 and M_2 over the May-June period - at annual rates within ranges of tolerance of 7 to $9\frac{1}{2}$ per cent and 9 to $11\frac{1}{2}$ per cent, respectively - would be acceptable. Such growth rates were thought likely to involve growth in reserves available to support private nonbank

deposits (RPD's) at a rate within a range of $1\frac{1}{2}$ to 4 per cent, and they were expected to be consistent with a weekly average Federal funds rate in a range of $4\frac{1}{2}$ to $5\frac{1}{2}$ per cent.

In the course of the Committee's discussion a number of members expressed the view that upward pressures on interest rates would be particularly undesirable at present, in light of the sensitive state of financial markets and of uncertainties with respect to the timing and strength of the economic recovery that now appeared to be in process of developing. There was no sentiment for aggressive easing operations for the purpose of reducing market interest rates further. Some members urged, however, that the System should be prepared to respond promptly should the monetary aggregates be unexpectedly weak.

The Committee decided that open market operating decisions in the period until the next meeting should be based to a greater extent than usual on the state of financial markets, with the objective of maintaining money market conditions about like those now prevailing so long as the monetary aggregates appeared to be growing at rates within acceptable ranges of tolerance. The following domestic policy directive was issued to the Federal Reserve Bank of New York:

The information reviewed at this meeting suggests that real output of goods and services—after having fallen sharply for two quarters—is declining much less rapidly in the current quarter. In April the pace of the decline in industrial production moderated considerably further, and total employment rose. However, the unemployment rate increased again, from 8.7 to 8.9 per cent, as the civilian labor force increased considerably. Average wholesale prices of industrial commodities changed little in April, as in March; prices of farm and food products rose sharply, following several months of large decreases. The advance in average wage rates so far this year has been considerably less rapid than the increase during the second half of 1974.

The foreign exchange value of the dollar has declined somewhat since mid-April, but it is still above the low of early March. U.S. imports fell sharply in the first quarter, and the foreign trade balance was in substantial surplus, in contrast to the deficits of preceding quarters. Net outflows of funds through banks were large in the first quarter, as loans to foreigners continued to increase while liabilities to foreigners declined.

Both M_1 and M_2 grew moderately in April, but M_3 grew more rapidly as inflows of deposits to nonbank thrift institutions remained substantial. Business demands for short term credit remained weak, both at banks and in the commercial paper market, while demands in the long term market continued strong. Since mid April short term market interest rates have declined somewhat. Most longer term yields have changed little on balance, and mortgage rates have risen. Federal Reserve discount rates were reduced from 6½ to 6 per cent in mid May.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to stimulating economic recovery, while resisting inflationary pressures and working toward equilibrium in the country's balance of payments.

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to maintain about the prevailing money market conditions over the period immediately ahead, provided that monetary aggregates generally appear to be growing within currently acceptable short-run ranges of tolerance.

Votes for this action: Messrs. Burns, Hayes, Baughman, Bucher, Coldwell, Eastburn, Holland, MacLaury, Mayo, Mitchell, and Wallich. Votes against this action: None.

Absent and not voting: Mr. Sheehan.

2. Amendment to Authorization for Domestic Open Market Operations

On April 30, 1975, Committee members 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 ending with the close of business on May 20, 1975.

Votes for this action: Messrs. Burns, Hayes, Coldwell, Eastburn, Holland, MacLaury, Mayo, Mitchell, Wallich, and Francis. Votes against this action: None. Abstention: Mr. Sheehan.

Absent and not voting: Messrs. Bucher and Baughman. (Mr. Francis voted as alternate for Mr. Baughman.)

This action was taken on recommendation of the System Account Manager. The Manager advised that large-scale securities purchases had been necessary to carry out the Committee's objectives in the period since the previous meeting because an extremely large volume of reserves had been absorbed by a rise in the Treasury's balances at Reserve Banks to record levels, and that a temporary increase in the leeway for System purchases appeared desirable in light of the prospective near-term needs to supply reserves.

At this meeting, the Committee decided to maintain the \$4 billion limit for the period through the close of business on June 17, 1975. This action was taken on the recommendation of the Deputy Manager for Domestic Operations, who advised that an expected sharp decrease in Treasury balances at the Reserve Banks in the period ahead might necessitate an unusually large volume of securities sales by the System to absorb reserves.

Votes for this action: Messrs. Burns, Hayes, Baughman, Bucher, Coldwell, Eastburn, Holland, MacLaury, Mayo, Mitchell, and Wallich. Votes against this action: None.

Absent and not voting: Mr. Sheehan.

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Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's *Annual Report*, are released about 45 days after the meeting and are subsequently published in the BULLETIN.

Law Department

Statutes, regulations, interpretations, and decisions

INTEREST ON DEPOSITS

The Board of Governors has amended its Regulation Q to require member banks to notify owners of time deposits that, upon maturity, the deposits will become demand deposits. The amendment also requires member banks to notify owners of automatically renewable time deposits that the deposits will be renewed at maturity unless the owner gives the bank other instructions. In addition, the Board encouraged all member banks to mail information regarding maturity of time deposits to their customers approximately 30 days prior to the maturity date.

AMENDMENTS TO REGULATION Q

1. Effective September 1, 1975, section 217.3(l) of Regulation Q is amended to read as follows:

SECTION 217.3- INTEREST ON TIME AND SAVINGS DEPOSITS

* * * * *

(l) * * * On each certificate, passbook, or other document representing a time deposit, the bank shall have printed or stamped a conspicuous statement indicating that no interest will be paid on the deposit after the maturity date or, in the case of a time deposit that is automatically renewable, a conspicuous statement indicating that the contract will be renewed automatically upon maturity, and indicating the terms of such renewal.

* * * * *

The Board of Governors has also amended its Regulation Q to permit member banks to pay a time deposit before maturity without penalty after the death of any person whose name appears (alone or with other persons) on the time deposit passbook or Certificate of Deposit and who, therefore, possesses a legal or equitable ownership interest in the account.

2. Effective June 5, 1975, section 217.4(d) of Regulation Q is amended as follows:

SECTION 217.4- PAYMENT OF TIME DEPOSITS BEFORE MATURITY

* * * * *

(d) **Penalty for early withdrawals.** Where a time deposit, or any portion thereof, is paid before maturity, a member bank may pay interest on the amount withdrawn at a rate not to exceed that currently prescribed in § 217.7 for a savings deposit: *Provided*, That the depositor shall forfeit three months of interest payable at such rate. If, however, the amount withdrawn has remained on deposit for three months or less, all interest shall be forfeited. Where necessary to comply with the requirements of this paragraph, any interest already paid to or for the account of the depositor shall be deducted from the amount requested to be withdrawn. However, upon the death of any person whose name appears on the time deposit passbook or certificate, a member bank may pay such time deposit before maturity without a reduction or forfeiture of interest as prescribed by this paragraph.⁶⁰ * * * *

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RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors has amended its Rules Regarding Delegation of Authority to grant the Board's Secretary the authority to extend the time period provided for public participation with respect to proposed regulations of the Board.

AMENDMENT TO RULES REGARDING DELEGATION OF AUTHORITY

Effective June 11, 1975, section 265.2(a) is amended by adding a new subsection (13) to read as follows:

SECTION 265.2 SPECIFIC FUNCTIONS DELEGATED TO BOARD EMPLOYEES AND TO FEDERAL RESERVE BANKS.

(a) The Secretary of the Board (or, in his absence, the Acting Secretary) is authorized:

* * * * *

(13) Under the provisions of sections 262.2(a) and (b) of the Board's Rules of Procedure, to extend, when appropriate, the time period provided for public participation with respect to proposed regulations of the Board of Governors.

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

ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

CROSS TIMBERS BANCSHARES, INC.,
GORMAN, Texas

Order Denying Formation of Bank Holding Company

Cross Timbers Bancshares, Inc., Gorman, Texas, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 96 per cent or more of the voting shares of The First National Bank of Gorman, Gorman, Texas ("Bank").

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

Applicant is a nonoperating corporation organized under the laws of Texas for the purpose of becoming a bank holding company through the acquisition of Bank. Bank, with deposits of \$5.2 million, is the smallest of five banking organizations in the Eastland banking market (approximated by the boundaries of Eastland county, located 100 miles west of Fort Worth) and holds approximately 9.7 per cent of total deposits in the market.¹ Inasmuch as this proposal represents merely a reorganization of existing ownership interests, and since Applicant has no present banking subsidiaries, the acquisition of Bank by Applicant would not have any significantly adverse effect upon either existing or potential competition within the relevant market. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The Board has indicated on previous occasions that it believes that a holding company should

provide a source of financial and managerial strength to its subsidiary bank(s), and that the Board will closely examine the condition of the Applicant in each case with this consideration in mind. In connection with this proposal, Applicant would incur a sizable acquisition debt which Applicant proposes to service over a twelve-year period primarily through dividends from Bank. It is noted that in the recent past Bank has paid no dividends. In the Board's view, the projected earnings of Applicant to service the acquisition debt over the debt-retirement period appear to be somewhat optimistic based on Bank's previous earnings and, even if actually realized would not provide Applicant with the financial flexibility necessary to meet its annual debt service requirements while maintaining adequate capital at Bank. Furthermore, the financial requirements imposed upon Applicant as a result of the debt could prevent it from resolving any unforeseen problems that may arise at Bank and thereby impair Bank's ability to continue to serve the community as a viable banking organization.

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

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

By order of the Board of Governors, effective June 25, 1975.

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

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

¹All banking data are as of December 31, 1974.

INTERMOUNTAIN BANKSHARES,
CHARLESTON, WEST VIRGINIA

*Order Determining Applicability and Effect of
State Statute*

Intermountain Bankshares Company, Charleston, West Virginia, applied for, and on August 1, 1974, received approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of all of the shares (less directors' qualifying shares) of the successors by merger to Kanawha Banking & Trust Company National Association ("Kanawha Bank"), Charleston, and Community Bank and Trust, N.A. ("Community Bank"), Fairmont, both located in West Virginia. The banks into which Kanawha Bank and Community Bank are to be merged have no significance except as means to facilitate the acquisition of shares of Kanawha Bank and Community Bank. Accordingly, the proposed acquisition of shares of each of the successor organizations is treated herein as the proposed acquisition of shares of Kanawha Bank and Community Bank, respectively.

On August 27, 1974 the West Virginia Bankers Association and nine West Virginia banks that had objected to the application during its pendency before the Board, filed a petition for review of the Board's Order of August 1, 1974 in the United States Court of Appeals for the Fourth Circuit. On February 24, 1975, during the pendency of that Court's review, the Legislature of the State of West Virginia enacted an amendment to Section 12, Article 8, Chapter 31A of the Code of West Virginia purporting to prohibit multibank holding companies in that State. On March 3, 1975, the Governor of the State of West Virginia vetoed that legislation. On March 7, 1975 the Legislature of the State of West Virginia overrode the Governor's veto. The new law, which becomes effective June 5, 1975, provides:

(b) It shall be unlawful for any individual, partnership, society, association, firm, institution, trust, syndicate, public or private corporation, or any other legal entity, or combination of entities acting in concert, to directly or indirectly own, control or hold with power to vote, twenty-five per cent or more of the voting shares of each of two or more banks, or to control in any manner the election of a majority of the directors of two or more banks: *Provided, however,* That it shall be unlawful for any financial institution, as defined in subsection (j), section two, article one of this chapter, or any other financial organization having similar purposes as those specifically mentioned in said subsection (j) to directly or indirectly own, control or hold with power to vote, twenty five per cent or more of the voting

shares of any one or more banks, or to control in any manner the election of a majority of the directors of any one or more banks, but the foregoing provisions of this provision shall not apply to shares held by a financial institution in a fiduciary capacity. It is further specifically provided that nothing herein contained shall in anywise affect the ownership or control of financial institutions other than banks and banking institutions as defined in subsection (b), section two, article one of this chapter.

(c) Any violation of any provision of this section shall constitute a misdemeanor offense punishable by applicable penalties as provided in section fifteen of article eight of this chapter.

On April 16, 1975, the United States Court of Appeals for the Fourth Circuit issued an order remanding the case before it to the Board for a determination of the "applicability and effect if any of the new statute on Intermountain Bankshares' application." The Court's Order stayed the Board's Order of August 1, 1974 pending reconsideration of the application by the Board.¹

By letters of April 23, 1975, the Board solicited the views of Applicant, the protestants, and the Attorney General of West Virginia on the applicability and effect of the amendment to the West Virginia Code. The Board has received written responses from Applicant and the protestants and those responses, as well as the record of the original application, have been considered by the Board.

In *Whitney National Bank of Jefferson Parish v. Bank of New Orleans & Trust Co.*, 379 U.S. 411, 419 (1965), the United States Supreme Court indicated that the Board may not approve an application by a bank holding company if consummation of the proposal contemplated by such application would be prohibited by a valid State law. The new West Virginia statute seems clearly to prohibit the formation of multibank holding companies after June 5, 1975, and, if read literally, would seem to prohibit the continued ownership after that date of more than 25 per cent of the stock of two banks. Thus, whether or not the transactions proposed by Intermountain were consummated before June 5, 1975, the shares so acquired could not lawfully be held by Intermountain after that date. Accordingly, consistent with the rule set down in *Whitney*, the Board is of the

¹The Board's Order of August 1, 1974, in accordance with section 11 of the Bank Holding Company Act (12 U.S.C. § 49) prohibited consummation of the acquisition of shares by Applicant for 30 days following the issuance of that Order. On February 28, 1975, the Comptroller of the Currency issued the last of the approvals required from him with respect to these transactions, and, but for the Court's stay, the acquisition could have been consummated after the lapse of 30 days from that date.

view that it must, and hereby does, vacate its order of August 1, 1974 and deny Intermountain's application.²

By order of the Board of Governors, effective June 4, 1975.

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

(Signed) THEODORE E. ALLISON,

[SEAL] Secretary of the Board.

The Board notes that § 2.2 10(b) of the West Virginia Code provides that "a statute is presumed to be prospective in its operation unless expressly made retrospective." It is arguable that by applying the new West Virginia statute as the Board has, it is giving "retrospective" effect to that law and that the Legislature did not expressly provide for retrospectivity. But for the Board's view that the new law compels the disposition stated above, and its conclusion that this application of the law is not improperly "retrospective," the Board would have reaffirmed its Order of August 1, 1974.

DETROITBANK CORPORATION, DETROIT, MICHIGAN

Order Approving Acquisition of Bank

DETROITBANK Corporation, Detroit, Michigan, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 per cent of the voting shares of The Detroit Bank, Troy, Troy, Michigan ("Bank"), a proposed new bank.

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

Applicant, the fourth largest banking organization in Michigan, controls three banks with aggregate deposits of \$2.3 billion, representing approximately 8.1 per cent of total deposits in commercial banks in the State.¹ Since Bank is a proposed new bank, its acquisition by Applicant would neither immediately increase Applicant's share of deposits, nor alter its rank, in the State.

Bank will be located in the northwest portion of Troy, Michigan, a suburb of Detroit, and will

be competing in the Detroit banking market.² Applicant presently controls three banking subsidiaries in the relevant market and ranks as the third largest banking organization in the market through its control of approximately 14.7 per cent of the total commercial deposits in the market.³ There are 41 banking organizations with a total of 638 offices competing in the Detroit banking market. The two largest banking organizations in the market (each of which is a multibank holding company) control approximately 33.2 and 15.3 per cent, respectively, of the market's commercial bank deposits; the five largest in the market control approximately 77 per cent of the market's total deposits. From the facts of record, it does not appear that consummation of this proposal would materially alter Applicant's competitive position in the market.

Although Applicant's lead bank has offices located in the vicinity of the city of Troy, Applicant is not represented in the city of Troy proper and its subsidiaries are precluded from establishing branches in Troy because of Michigan's branching law. Inasmuch as Bank is a proposed new bank, consummation of Applicant's proposal would not have adverse effects on existing competition in the relevant market. On the other hand, Applicant's *de novo* entry into Troy would increase the number of banking organizations with branching potential in that city from two to three, and would provide an alternative source of full banking services for the residents of the area. Furthermore, on the basis of the facts of record, including the past and future population growth of Troy and the fact that Applicant does not appear to be dominant in the market, the Board concludes that the proposal would not raise significant barriers to entry for other banking organizations not presently represented in the area.

In its analysis of this application, the Board has also considered the objection received from a protesting party, Protestant, First Citizens Bank (deposits of \$13.4 million), is located approximately two and one-quarter miles southwest of Bank and is a subsidiary of the fifth largest bank holding company in the State. Generally speaking, Protestant claims that consummation of the transaction would have adverse competitive effects in

¹The Detroit banking market is approximated by Macomb, Oakland, and Wayne Counties.

²Two of Applicant's subsidiary banks are recent *de novo* entrants into the Detroit banking market. In addition, Applicant has recently received Board approval to acquire First National Bank of Warren, Warren, Michigan (deposits of \$45.2 million) [See Board's Order of April 11, 1975, 40 *Federal Register* 17345 (1975); 61 *Federal Reserve Bulletin* 313 (1975)].

³All banking data are as of June 30, 1974 and reflect holding company formations and acquisitions approved through January 31, 1975.

that it would likely (1) increase concentration, (2) preclude or limit entry that could lead to deconcentration, and (3) adversely affect the competitive posture of smaller competitors.

Turning to the first contention of Protestant, the Board notes that four of the other five largest banking organizations in the market have expanded *de novo* in the market within the past two years and, due in part to such activity, it appears unlikely that any increase in market concentration would result from consummation of Applicant's proposal. Furthermore, the small size of Troy relative to the entire market and the expansion and growth that can be expected by the two banks with branching privileges presently located in Troy should competitively limit Applicant's future expansion and growth in Troy.

With respect to Protestant's second contention, it is noted that Troy's current estimated population of 59,760 is expected to reach 131,000 by 1990 and, based upon the current population per banking office ratio, the city will require additional banking offices to serve this expanding population. Since there are only two banks (one of which is Protestant) in Troy capable of branching in that city, *de novo* entry by Applicant represents, in the Board's view, a reasonable means to serve the growing needs of that city and to provide its residents with an additional banking alternative. Moreover, because of the expected growth of the area, it is unlikely that the subject proposal would either preclude or limit future entry or preempt a banking site.

Turning to Protestant's final contention, the projected growth within Troy for the next two decades should be more than sufficient to sustain the growth and profitability of both Protestant and Applicant. In addition, as mentioned above, Protestant is a subsidiary of the fifth largest banking organization in the State and the sixth largest banking organization in the relevant market. In view of its holding company affiliation, it does not appear that Protestant would be placed at a serious competitive disadvantage vis à vis Bank, even though it will be confronted with increased competition and may have to adjust its services to the residents of Troy accordingly.

It is the Board's judgment, having considered the submission of Protestant and all other facts of record, that consummation of the proposed acquisition would not have significant adverse effects on existing competition, nor foreclose the development of future competition and that, on balance, competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as satisfactory. Bank has no operating financial history; however, it will be opened with adequate capital and its prospects, as a subsidiary of Applicant, appear favorable. Accordingly, considerations relating to the banking factors are consistent with approval. Considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application since Bank will be capable of offering a full complement of banking services to its customers. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) The Detroit Bank-Troy, Troy, Michigan, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

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

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

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

MARSHALL & ILSLEY CORPORATION,
MILWAUKEE, WISCONSIN

Order Approving Acquisition of Bank

Marshall & Ilsley Corporation, Milwaukee, Wisconsin, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all (less directors' qualifying shares) of the voting shares of M&I Bank of Mount Pleasant, Mount Pleasant, Wisconsin ("Mount Pleasant Bank"), a proposed new bank.

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

has expired, and the Board has considered the application and all comments received, including those submitted on behalf of Farmers and Merchants Bank of Racine, Racine, Wisconsin ("Protestant"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the second largest banking organization in Wisconsin, controls 17 banks with aggregate deposits of approximately \$992 million, representing 7.3 per cent of the total deposits in commercial banks in the State.¹ Since Mount Pleasant Bank is a proposed new bank, its acquisition by Applicant would not immediately increase Applicant's share of commercial bank deposits in Wisconsin.

Mount Pleasant Bank is to be located in the town of Mount Pleasant, a rapidly developing area about 3½ road miles north and west of Racine, and will be competing in the Racine banking market.² Of the 15 commercial banks operating within this market, Applicant has one subsidiary, M&I American Bank and Trust Company, Racine, Wisconsin, which holds 14.6 per cent of the market's total deposits and thereby ranks as the second largest bank in the market. The largest bank in the market holds 30 per cent of the market's total deposits. Since Mount Pleasant Bank is a proposed new bank, its acquisition by Applicant would not eliminate any existing or future competition, nor would concentration of banking resources be increased in any relevant area. In addition, there is no evidence to indicate that Applicant's proposal is an attempt to preempt a site before there is a need for a bank. Therefore, the competitive considerations are consistent with approval of the application.

The financial condition and managerial resources of Applicant and its subsidiaries are considered generally satisfactory and the future prospects for each appear favorable. Mount Pleasant Bank, as a proposed new bank, has no financial or operating history; however, its future prospects as a subsidiary of Applicant appear favorable. Thus, the considerations relating to the banking factors are consistent with approval. Mount Pleasant Bank would serve as an additional source of full banking services to the residents of that community and environs. Considerations relating to

the convenience and needs of the community to be served lend some weight toward approval of the application.

In connection with its review of the subject application, the Board has considered comments filed by Protestant, a bank located in downtown Racine. Protestant has renewed the objection previously submitted by it to the State Banking Commissioner during his consideration of the charter application for Bank. After a public hearing on the charter application on January 14, 1974 (at which Protestant did not participate), the Commissioner approved the application on February 28, 1974. Protestant's position is essentially that there is no need for another bank in the Racine area and that approval of the application would impair Protestant's growth and ability to serve its immediate area.

As indicated above, Mount Pleasant, the proposed site of Mount Pleasant Bank, is one of the more rapidly growing areas in the Racine banking market. Moreover, the population per banking office ratio in the market is 6.233 as compared to the average in the State of 4,807 per banking office. It appears, therefore, that the Racine area would be capable of supporting an additional banking alternative. With respect to Protestant's second argument, the Board is unable to conclude from the record that the opening of Bank would have a serious effect on Protestant's operations. While admittedly the opening of any new bank may have a temporary effect on banks in the market, it does not appear that Applicant occupies such a significant position in the Racine market that its establishment of a *de novo* bank would have a serious effect on surrounding banks warranting denial of the application. Accordingly, having considered the comments of Protestant and on the basis of the record, it is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) M&I Bank of Mount Pleasant, Mount Pleasant, Wisconsin, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

¹All banking data are as of December 31, 1974, and reflect all holding company acquisitions and formations approved by the Board through May 31, 1975.

²The relevant geographic market is approximated by the Racine RMA.

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

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

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

[SEAL]

UNITED BANKS OF COLORADO, INC.,
DENVER, COLORADO

Order Denying Acquisition of Bank

United Banks of Colorado, Inc., Denver, Colorado, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 80 per cent or more of the voting shares of The First National Bank in Golden, Golden, Colorado ("Bank").

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

Applicant controls 19 banks with aggregate deposits of about \$924.6 million, representing approximately 13.8 per cent of the total commercial bank deposits in Colorado, and is the second largest banking organization in the State.¹ The acquisition of Bank (deposits of \$48.3 million) would increase Applicant's control of commercial bank deposits in Colorado by 0.7 per cent, and Applicant would become Colorado's largest banking organization.

Bank, which is located in Golden, approximately 15 miles from downtown Denver, competes in the Denver banking market (approximated by Denver, Adams, Arapahoe and Jefferson Counties and the Broomfield area of Boulder County) and controls approximately 1.3 per cent of total market deposits. Applicant is also represented in the Denver market and ranks therein as the second largest banking organization with six subsidiaries in the market controlling approximately 17 per cent of the total market deposits. Consummation of the proposed transaction would have some adverse effects on the concentration of

banking resources by increasing Applicant's already significant position in the market and by increasing the percentage of deposits held by the five largest organizations in the market to about 69.0 per cent of the total.

In addition to its effects on the concentration of banking resources, it appears that the proposal would also have adverse effects on existing and future competition within the Denver market. As noted above, Applicant is already represented in the relevant market with six subsidiary banks. The record indicates clearly that there is substantial competition between certain of Applicant's subsidiaries and Bank which would be eliminated by this proposal: Applicant's subsidiaries derive significant amounts of loans and deposits from the area served by Bank. Furthermore, the proposal would foreclose the development of future competition by removing Bank (the fourth largest independent competitor in the market) as an independent competitor within the Denver market. Accordingly, the Board is of the view that consummation of the proposal would have adverse effects on both existing and future competition.

On the basis of the foregoing and other facts of record, the Board concludes that competitive considerations relating to this application weigh sufficiently against approval so that it should not be approved unless the anticompetitive effects are outweighed by other positive considerations reflected in the record such as the financial and managerial resources and future prospects of Applicant and Bank or the convenience and needs of the communities to be served.

In regard to considerations relating to banking factors, the financial and managerial resources of Applicant, its subsidiaries, and Bank are generally satisfactory, and their prospects appear to be favorable. While such considerations are regarded as being consistent with approval of the application, they do not, in the Board's view, lend meaningful weight for such approval. Similarly, considerations relating to convenience and needs are deemed to be consistent with approval of the application; however, the improvements in Bank's services that Applicant proposes to initiate would not noticeably benefit the convenience and needs of the communities to be served. Accordingly, the Board concludes that the above factors are not sufficient to outweigh the adverse competitive effects that the Board finds would result from consummation of the proposal.

On the basis of all the facts in the record, and in light of the factors set forth in § 3(c) of the

¹All banking data are as of June 30, 1974, and reflect bank holding company formations and acquisitions approved by the Board through May 31, 1975.

Act, it is the Board's judgment that approval of the proposal would not be in the public interest. Accordingly, the application is denied for the reasons summarized above.

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

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

(Signed) THEODOR E. ALLISON,

[SEAL]

Secretary of the Board.

ORDERS UNDER SECTION 4 OF BANK HOLDING COMPANY ACT

CHEMICAL NEW YORK CORPORATION,
NEW YORK, NEW YORK

Order Approving Acquisition of SBMT Sunamerica Corporation

Chemical New York Corporation, 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 and § 225.4(b)(2) of the Board's Regulation Y, to acquire, through an exchange of shares, all of the voting shares of SBMT Sunamerica Corporation, Cleveland, Ohio ("Sunamerica"), a company that engages in the activities of a consumer finance company by making, acquiring or servicing loans and other extensions of credit such as would be made by a finance company; operating industrial banks in the manner authorized by the State of Colorado; providing time on its computer to firms which avail themselves of Sunamerica's computer during slack periods; acting as an insurance agent or broker in offices of Sunamerica and its subsidiaries with respect to insurance directly related to an extension of credit by such subsidiaries or otherwise sold as a matter of convenience to the purchaser, so long as the premium income from such convenience sales does not constitute a significant portion of the aggregate insurance premium income of the holding company from insurance sold pursuant to § 225.4(a)(9)(ii) of Regulation Y; and acting as underwriter for credit life insurance and credit accident and health insurance which is directly related to extensions of credit by the bank holding system. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1), (2), (8), (9) and (10)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (40 *Federal Register* 14378). The time for filing comments and views has expired, and the Board has considered all comments received in the light of the public interest factors set forth in section 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant, a multibank holding company, is the fourth largest banking organization in New York State, and the fifth largest nationally. Applicant controls Chemical Bank, New York, New York ("Bank"), and six other commercial banks which, collectively, hold deposits of \$13.1 billion, representing approximately 9.7 per cent of the total deposits in commercial banks in New York State.¹ Applicant also controls nonbanking subsidiaries which engage in equipment financing, construction lending, permanent financing of income producing properties, mortgage banking and accounts receivable financing and factoring.

Sunamerica, with total gross receivables of \$68.3 million, is a holding company for three wholly-owned subsidiaries: The Sun Finance and Loan Company, Sun States Life Insurance Company and Great Lakes Insurance Company. The Sun Finance and Loan Company operates consumer finance subsidiaries in eleven States, four industrial banks in Colorado, and two insurance agencies. The Sun Finance and Loan Company ranks as the 90th largest finance company (57th largest noncaptive finance company) in the United States. Sun States Life Insurance Company engages in the reinsurance of credit related life insurance originating from direct loan and sales finance transactions by Sun Finance and Loan Company while Great Lakes Insurance Company engages in the reinsurance of credit related accident and health insurance originating from the same sources.

With respect to Sunamerica's lending activities, approximately 66 per cent of its outstanding receivables consist of personal loans and an additional 33 per cent consist of receivables arising from the purchase from dealers of installment notes from the sale of goods and services. The geographic market for personal loans is considered to be local. Although it is possible to engage in sales finance over an unlimited geographic area, Sunamerica has only a few sales finance clients

¹Banking data for Chemical New York Corporation are as of June 30, 1974; all financial data for Sunamerica Corporation are as of December 31, 1974.

located outside the various local market areas of its personal loan offices. Sunamerica operates its 105 offices in local markets in California, Colorado, Florida, Georgia, Kentucky, Louisiana, North Carolina, Ohio, South Carolina, Tennessee and West Virginia. Applicant's seven subsidiary banks extend personal loans solely within several major markets in New York State. In addition, Bank does engage in sales finance, but competes for such business principally in the New York City metropolitan area. Thus, since there is no meaningful geographic overlap between the services offered by both Applicant and Sunamerica, consummation of the proposed transaction would not adversely affect existing competition in any relevant market.

With respect to the question of whether consummation of the proposal would eliminate any significant competition in the future, Applicant possesses the resources and expertise to penetrate the markets that are presently served by Sunamerica through *de novo* entry or through the acquisition of smaller finance companies. The loss of potential competition upon consummation of this proposal is not viewed as serious. The major markets in which Sunamerica operates contain numerous competitors and Sunamerica's share of the individual markets is small. Sunamerica has less than 3 per cent of all personal loans in nearly all the relevant markets and no more than 2.2 per cent of the sales financings in any market. In no market does Sunamerica appear to have a dominant position in either product line. The Board therefore concludes that consummation of the proposal would have only a very slight adverse effect with respect to the elimination of potential competition.

Due to the nature of Sunamerica's insurance activities, which are presently limited to extensions of credit made by Sunamerica and its subsidiaries and insurance sold to customers of Sunamerica and its subsidiaries as a matter of convenience, it does not appear that Applicant's acquisition of these insurance activities would have any significant effect on existing or potential competition.

The subject application contains a number of factors which, in the Board's view, make the financial considerations involved in the proposal consistent with approval. Foremost among these is the fact that the proposal involves a stock-for-stock acquisition and thus does not constitute a utilization of funds for expansion, which funds could be used elsewhere to strengthen Applicant's organization. Another factor which has entered

into the Board's decision is that Sunamerica will maintain its funding separate and independent of Applicant. Likewise Applicant will not guarantee or issue any debt to be utilized in Sunamerica's operation. Thus, it will not be necessary in the immediate future for Applicant to enter the debt market to support Sunamerica's activities. Furthermore, Applicant intends to defer indefinitely its original plans for *de novo* expansion of Sunamerica. It appears, therefore, that consummation of the proposal would not require Applicant to divert any significant amount of its financial or managerial resources to assure the successful operation of Sunamerica. On the other hand, the acquisition of Sunamerica should ultimately result in benefits to the overall earnings of Applicant.

In order for the Board to approve an acquisition under section 4(c)(8) of the Bank Holding Company Act it must determine that approval 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 normal public benefits which can be expected to accrue from the entry of bank holding companies into the finance company business would be expected to accrue in this case. In addition, the added managerial strength and improved efficiencies resulting from the acquisition of Sunamerica by Applicant will allow Sunamerica to increase its receivables and expand its influence within its already established markets. Furthermore, Applicant is committed to lower interest rates to all borrowers without being more restrictive in its credit standards.

As discussed hereinafter, Applicant will lower credit insurance premium rates in the States where policies are reinsured by a Sunamerica subsidiary. Applicant has proposed a rate reduction, without a reduction of policy benefits, of 5 per cent for credit accident and health insurance and a range of rate reductions of from 2 per cent to 15 per cent for credit life insurance. The Board has determined that these benefits to the public outweigh the slightly adverse potential competitive effects of the proposal and that approval of the acquisition is warranted.

On the basis of all the facts of record, including the Board's view that Applicant's commitments and assurance that the acquisition will neither result in any significant increased demand upon Applicant's financial or managerial resources nor cause any immediate alteration or expansion of Suna-

merica's present operations, the Board has determined, in accordance with the provisions of § 4(c)(8), the consummation of this proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. Accordingly, the application is hereby approved. The Board's approval 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 transaction shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, pursuant to delegated authority.

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

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

(Signed) TIMODORI E. ALVISON,
[SEAL] *Secretary of the Board.*

THE BANK OF TOKYO, LTD.,
TOKYO, JAPAN

Order Denying Acquisition of Tokyo Bancorp International (Houston), Inc.

The Bank of Tokyo, Ltd., ("Applicant"), Tokyo, Japan, a foreign bank holding company within the meaning of § 225.4(g)(1)(iii) of the Board's Regulation Y, has applied for the Board's consent, under section 4(c)(9) of the Bank Holding Company Act and § 225.4(g)(2)(iv) of the Board's Regulation Y, to acquire all of the voting shares of Tokyo Bancorp International (Houston), Inc., ("TBI"), Houston, Texas.

Applicant is a Japanese commercial bank with total assets of approximately \$19.9 billion and operates branches or agencies in 19 countries.¹ Applicant, which became a bank holding company as a result of the enactment of the Bank Holding Company Act of 1956, is a grandfathered multi-State bank holding company with banking subsidi-

aries in New York and California.² Applicant also has an agency each in New York, Los Angeles, San Francisco, as well as a branch each in Portland, Oregon, and Seattle, Washington.³

TBI would engage *de novo* in a wide variety of international and foreign banking activities usual in financing international commerce, including providing letters of credit and acceptance facilities; the negotiation and collection of checks, drafts and other means of payment payable abroad; foreign exchange services; and working capital loans to domestic importers and exporters. As part of its business, TBI would also receive so-called due-to-customer accounts. From information submitted to the Board, it appears that TBI's due-to-customer accounts are similar to credit balances received by New York Investment Companies⁴ and would serve many of the same functions as demand deposits in commercial banks and Edge Act Corporations.⁵

In general, TBI would compete with other financial institutions in Houston, including the international banking departments of the larger Texas banks and Edge Act Corporation subsidiaries of other banks. Applicant cannot acquire a majority interest in an Edge Act Corporation due to restrictions on foreign ownership in the provisions of the Edge Act,⁶ and cannot open a banking branch or agency in Houston because of specific prohibitions in the Texas Constitution.⁷

Section 4(c)(9) of the Act provides that the prohibitions of Section 4 shall not apply to the investments or activities of foreign bank holding companies that conduct the greater part of their business outside of the United States, if the Board by regulation or order determines that, under the circumstances and subject to the conditions set forth in the regulation or order, the exemption

¹Bank of Tokyo Trust Co., New York, New York, with deposits of approximately \$1.5 billion is the thirteenth largest commercial bank in the State of New York. Bank of Tokyo of California, San Francisco, California, with deposits of approximately \$914 million is the eighth largest commercial bank in California. The preceding data are as of December 31, 1974.

²Applicant also has a 4.9 per cent share interest in Chicago Tokyo Bank, Chicago, Illinois, a State chartered bank, for which prior consent of the Board was not required under § 3(a)(3) of the Act. Applicant also has a 5 per cent interest in Nomura Securities International, Inc., New York, New York, acquired pursuant to section 4(c)(6) of the Act.

³Companies organized under Article XII of the New York State Banking Law.

⁴Corporations organized under Section 25(a) of the Federal Reserve Act which are engaged in international or foreign banking or other international or foreign financial operations.

⁵12 U.S.C. 619.

⁶Article 16, § 16 of the State of Texas Constitution.

¹All banking and financial data for Applicant are as of March 31, 1974.

would not be substantially at variance with the purposes of the Act and would be in the public interest. In § 225.4(g)(2)(iv) of Regulation Y, the Board has determined that a foreign bank holding company may, with the Board's consent, own or control voting shares of any company principally engaged in the United States in financing or facilitating transactions in international or foreign commerce.

In the Board's judgment, Congress intended that section 4(c)(9) of the Act be primarily used to prevent the nonbanking prohibitions of section 4 of the Act from unnecessarily interfering with the essentially foreign activities and shareholdings of foreign bank holding companies. The subject proposal does not involve a question of the extraterritorial impact of the Act on the operations or investments of Applicant, but rather involves the question of whether Applicant may, with the Board's consent, organize a domestic corporation to engage in international and foreign banking and financing activities under section 4(c)(9) of the Act. With respect to such investments in domestic corporations under section 4(c)(9) of the Act, the Board is particularly concerned that such investments be consistent with the purposes of the Act and not give foreign banking institutions competitive advantages in the United States over domestic banking institutions.⁸

From the scope of banking and financing activities applied for in this application and the fact that TBI would accept credit balances which could serve many of the same functions as deposits in international financing, it appears to the Board that TBI would essentially function in Houston as an incorporated international banking agency of Applicant. While TBI in the Board's judgment is not necessarily a "bank" within the meaning of section 2(c) of the Act, TBI would nevertheless serve as another organizational link in Applicant's chain of interstate commercial banking operations.

Section 3(d) of the Act generally prohibits bank holding companies from acquiring an interest in a banking organization outside of their State of

principal banking operations unless affirmatively permitted by the laws of the receiving State. This provision was adopted as part of the original Bank Holding Company Act in order to halt the further multi-State expansion of certain holding companies then in existence. The only general exception to this prohibition and federal restrictions on multi State branch banking⁹ is permission for United States banking organizations to conduct a limited multi State international banking business through ownership of Edge or Agreement Corporations,¹⁰ both of which are specifically regulated as banking institutions by the Board under Federal law. While the Board believes that foreign banks such as Applicant should be permitted to own Edge Act Corporations and has so recommended to Congress, the Board does not believe that it was within the intent of Congress in enacting 4(c)(9) of the Act for the Board to use its broad discretionary authority under that section to authorize hybrid "nonbank" vehicles designed to permit the conduct of an international banking business on a multi-State basis outside of the explicit legal framework set up by the Congress in Sections 25 and 25(a) of the Federal Reserve Act. Consequently, the Board finds that approval would not be consistent with the purposes of the Bank Holding Company Act.

While approval of this application would result in the addition of another competitor in international banking in Houston, it appears that the international banking needs of the Houston area are being adequately served at the present time. Moreover, approval could lead to a competitive imbalance between TBI and its primary Edge Act Corporation competitors in Houston, since the activities proposed in the application are in some respects greater than those permitted Edge Act Corporations. While it may be feasible to define conditions that would limit the activities of TBI to virtually the equivalent of those permitted Edge Act Corporations, no exact equivalent is possible, as TBI would have certain inherent operating advantages—for example, it would be free from reserve requirements. In this regard, the Board believes that the effects of creating such a competitive imbalance between Edge Act Corporations

⁸See the Board's Order of January 9, 1974 (1974 BULLETIN 139) denying Lloyds Bank Limited's proposed retention of its investments in *Drake America Corporation and Drake America Corporation* (P.R.); the Board's Order of December 6, 1973 (1974 BULLETIN 58) denying *The Royal Trust Company's* application to permanently acquire *Information Systems Design, Inc.*; the Board's Order of September 28, 1973 (1972 BULLETIN 940) denying *Banco di Roma's* proposed retention of its investment in *Europartners Securities Corporation*, and the Board's Order of February 7, 1973 (1972 BULLETIN 312) denying *Banque Nationale de Paris's* proposed retention of its investment in *Indumut Equipment Corporation*.

⁹See 12 U.S.C. 36 for national banks, the restrictions of which are applied to State member banks under 12 U.S.C. 331.

¹⁰An "Agreement Corporation" is an international or foreign banking corporation operating pursuant to an agreement entered into with the Board under Section 25 of the Federal Reserve Act.

and foreign-owned vehicles such as TBI are not in the public interest.

Applicant has pointed to the Board's approval under section 4(c)(9) of the Act of Banque Nationale de Paris' retention of French American Banking Corporation ("FABC"), a New York Investment Company,¹¹ and Lloyds Bank Limited's retention of Balfour Williamson, Inc.¹² as, in its judgment, precedents for the subject proposal. In the Board's judgment, the case of FABC and currently operating New York Investment Companies is distinguishable from the subject proposal in many respects. In particular, New York Investment Companies are organized pursuant to a specific provision of the New York State Banking Law, and their international and foreign banking and financing activities, including the receipt of credit balance accounts, are under the supervision of the New York State banking authorities.¹³ TBI is not being organized under a specific statutory provision created by the Texas legislature to provide for the conduct of international and foreign banking and financing activities, nor is it to be supervised by the Texas banking authorities. Rather, TBI is being organized as any other Texas nonbanking corporation under a general corporate charter. Moreover, TBI would not be regulated and supervised on a comparable basis with competing Edge Act Corporations and the international banking departments of Texas banks.

Lloyds' retention of Balfour Williamson, Inc. is also distinguishable from the subject case because from the record of that application, it appears that Balfour Williamson was engaged in a much more limited international financing business and did not maintain general credit balance accounts of the type proposed in this application.

Based on the foregoing and other considerations reflected in the record, the Board is unable to determine that the subject application would not be substantially at variance with the purposes of the Act and would be in the public interest. The application is therefore denied.

By order of the Board of Governors, effective May 30, 1975.

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

(Signed) GRIFFITH L. GARWOOD,

[SEAL] Assistant Secretary of the Board.

¹¹ Board Order of February 7, 1973 (1973 BULLETIN 312).

¹² Board Order of January 9, 1974 (1974 BULLETIN 139).

¹³ See Article XII of the New York State Banking Law, Sec. 507, et seq.

Dissenting Statement of Governor Wallich

I dissent from the Board's denial of the subject application. In my judgment, Applicant's proposal would not be substantially at variance with the purposes of the Bank Holding Company Act, and would be in the public interest. The establishment of TBI in Houston would clearly be procompetitive, as it would bring the international banking and financial services and expertise of another large multinational bank to that rapidly growing area. This not only would promote an increased flow of international business into the Houston area, but also would, in this case, especially encourage and facilitate additional trade and investment between Japan and the United States.

In general, I believe the United States and its trading partners would benefit if each country were to make every effort to improve the access of foreign banks to its local and international banking markets. In this regard, I share my colleagues' hope that legislative action will be taken to permit foreign bank ownership of Edge Act Corporations. While I recognize my colleagues' concerns, in the absence of such legislation, I would use the Board's discretionary authority in section 4(c)(9) of the Act to overcome existing impediments to foreign bank entry that are ill-suited for the present international environment.

For the foregoing reasons, I conclude that the subject application should be approved.

ORDERS UNDER SECTIONS 3 AND 4 OF BANK HOLDING COMPANY ACT

FARMERS STATE CORPORATION,
MOUNTAIN LAKE, MINNESOTA

Order Approving Formation of Bank Holding Company and Acquisition of Farmers State Insurance Agency

Farmers State Corporation, Mountain Lake, Minnesota, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 93.4 per cent of the voting shares of Farmers State Bank of Mountain Lake, Mountain Lake, Minnesota ("Bank").

Applicant has also applied for the Board's approval pursuant to § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Reg-

ulation Y, to acquire the assets of Willis D. Schroeder Insurance Agency, d/b/a Farmers State Insurance Agency, Mountain Lake, Minnesota ("Agency"), and thereby to engage in the activities of a general insurance agency in Mountain Lake, Minnesota (population of less than 5,000 persons). The operation by a bank holding company of a general insurance agency in a community with a population not exceeding 5,000 persons is an activity that the Board has previously determined to be closely related to banking (12 CFR 225.4(a)(9)(iii)(a)).

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with §§ 3 and 4 of the Act (40 *Federal Register* 19542). The time for filing comments and views has expired, and the Board has considered the applications and all comments and views received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)), and the considerations specified in § 4(c)(8) of the Act.

Applicant, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company through acquisition of Bank and operating a general insurance agency. Bank (\$8.1 million in deposits) is the fifth largest of eight banks operating in the relevant banking market¹ and controls 10.8 per cent of the total deposits held by commercial banks in the market.² Upon acquisition of Bank, Applicant would control less than 0.1 per cent of the total commercial bank deposits in the State. Inasmuch as the proposed transaction involves a transfer of control of Bank from individuals to a corporation controlled by the same individuals, and since Applicant has no existing banking subsidiary, consummation of the proposal would not eliminate any existing or potential competition, nor have any adverse effects on the other banks in the relevant market. Therefore, competitive considerations are consistent with approval of the application.

By Order dated October 4, 1974, the Board denied similar applications by Applicant to become a bank holding company through acquisition of Bank and to engage in general insurance agency activities (60 *Federal Reserve Bulletin* 787). In that Order, the basis of the Board's denial related primarily to the financial requirements of Applicant's proposal, which, the Board concluded,

could have placed an undue strain on the financial condition of Bank. However, in view of the facts as now presented, the financial condition, managerial resources and future prospects of both Applicant and Bank are regarded as generally satisfactory and consistent with approval herein. Applicant's present proposal evidences a significantly reduced annual dividend rate to be paid by Bank for debt servicing purposes as well as an improved equity capital position for Bank. It appears that Applicant will have the financial flexibility to service its acquisition debt without placing an undue strain on the financial condition of Bank, as well as to assist Bank if any unexpected problems should arise. Therefore, considerations relating to banking factors are consistent with approval of the application. Applicant proposes to raise the interest rates on savings and time deposits, expand consumer installment and mortgage loans, and lengthen banking hours. While these improvements in Bank's services could likely be implemented whether or not the application to become a bank holding company is approved, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application to acquire Bank.

In connection with the application to become a bank holding company, Applicant also proposes to acquire the assets of Agency, which is presently owned by principals of Applicant, and thereby engage in the activities of a general insurance agency, pursuant to § 225.4(a)(9)(iii)(a) of Regulation Y. Approval of this application would insure the residents of Mountain Lake a continued convenient source of insurance services, which result the Board regards as being in the public interest. Furthermore, there is no evidence in the record indicating that consummation of the proposal would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest.

Based on the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8), that consummation of this proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects and the application to acquire Agency should be approved.

Accordingly, the applications are approved for the reasons summarized above. The acquisition of Bank shall not be made before the thirtieth calendar day following the effective date of this Order. The acquisition of Bank and Agency shall be made not later than three months after the effective date

¹ The relevant banking market is approximated by the eastern half of Cottonwood County and the western half of Watonwan County.

² Banking data are as of June 30, 1974.

of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Minneapolis pursuant to delegated authority. The determination as to Applicant's insurance activities is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require reports by, and make examinations of, 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 regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective June 18, 1975.

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

(Signed) THEODORE E. ALLISON,

[SEAL] *Secretary of the Board.*

*Dissenting Statement of
Vice Chairman Mitchell*

I would deny the applications of Farmers State Corporation to become a bank holding company through acquisition of Farmers State Bank of Mountain Lake ("Bank") and to acquire Farmers State Insurance Agency. In my view, the proposed acquisition debt to be assumed by Applicant in connection with the acquisition of Bank is high in relation to its equity. The high level of dividend pay-out from Bank necessary for Applicant to service such debt could inhibit growth in Bank's capital at a rate compatible with its projected asset growth and could place an undue strain on the financial condition of Bank, as well as impede Bank's ability to provide adequate banking services to the community.

In sum, I do not believe that Applicant's financial resources have improved significantly since last October 1974 when the Board denied similar applications by Applicant. Therefore, I vote again to deny the applications.

AMERICAN BANCSHARES, INCORPORATED,
NORTH MIAMI, FLORIDA

*Order Approving Merger
of Bank Holding Companies*

American Bancshares, Incorporated, North Miami, Florida ("American"), a bank holding

company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under § 3(a)(5) of the Act (12 U.S.C. 1842(a)(5)) to acquire all of the voting shares of ComBanks Corporation, Winter Park, Florida ("ComBanks"), under the charter and title of American. The factors that are considered in acting on the application are set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

American has also applied, pursuant to § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to acquire, in conjunction with the above merger, ComBanks Mortgage Company, Winter Park, Florida ("Mortgage"), a company that engages in making, acquiring or servicing for its own account or for the account of others, loans or other extensions of credit normally made in the operation of a mortgage company, such as construction, development, mortgage and other types of real estate loans. Applicant has also applied, pursuant to § 4(c)(8) of the Act (12 U.S.C. 1842(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to acquire the assets of ComBanks Data Processing Center, Winter Park, Florida ("Data"), a division of ComBanks, and thereby perform data processing services for the operations of the holding company and its subsidiaries, and storing and processing other banking, financial and related economic data, such as performing payroll, accounts receivable or payable billing services, or other similar financial services. The activities of Mortgage and Data have been determined by the Board in §§ 225.4(a)(1) and (8) of Regulation Y, respectively, as being permissible activities for bank holding companies, subject to Board approvals of individual proposals in accordance with the procedures of § 225.4(b) of Regulation Y.

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with §§ 3 and 4 of the Act (40 *Federal Register* 17344). The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

American, the fifteenth largest banking organization in Florida, controls 10 banks with aggregate deposits of approximately \$308 million, representing 1.3 per cent of the total deposits in com-

mercial banks in the State.¹ ComBanks is the 23rd largest banking organization in the State and controls seven banks with aggregate deposits of approximately \$163 million, representing 0.7 per cent of the total deposits in commercial banks in the State. Upon consummation of the proposed merger, American would control 2 per cent of the total State deposits and would become the fourteenth largest banking organization in Florida.

American's subsidiary banks are located in seven different banking markets as follows: four in the greater Miami market and one in each of the Gainesville, North Pinellas County, South Pinellas County, Tampa, North Broward County and Key Largo markets.² ComBanks' seven subsidiary banks are all located in the Orlando banking market,³ where ComBanks controls 11.8 per cent of that market's total deposits and, thereby, ranks as the second largest banking organization operating therein. Neither American nor ComBanks has any subsidiary banks located within the same market; and neither has any subsidiary banks located in adjacent markets. Thus, it appears that no meaningful competition presently exists between any of the banking subsidiaries of American and those of ComBanks, nor is any such competition likely to develop in view of the market separation and Florida's branching laws.

Although consummation of the proposed merger would foreclose the possibility that either American or ComBanks would enter the banking markets of the other, the Board finds that there is little likelihood of significant potential competition developing between the two banking organizations in the absence of the subject proposal. ComBanks has shown no inclination to expand beyond the Orlando market and does not now appear to possess the managerial resources to do so. Furthermore, it does not appear from the facts of record that American has the necessary resources

to expand into the Orlando market in the foreseeable future. Accordingly, the Board concludes that consummation of the proposal would not have any significant adverse effects on existing or potential competition in any relevant area and that the competitive considerations are consistent with approval of the application to merge the two holding companies.

The financial condition of American, ComBanks and their respective subsidiaries is considered to be generally satisfactory. Consummation of the proposed merger should result in greater investor appeal for the consolidated banking organization and thereby provide American with easier access to the equity capital markets. Furthermore, consummation of the proposal should enable American to strengthen ComBanks' present managerial resources. The future prospects for the resulting organization and its subsidiaries appear favorable. Therefore, the banking factors lend weight toward approval of the application. Although American proposes no major changes in the services presently offered as a result of this transaction, the considerations relating to the convenience and needs of the residents of the communities to be served are consistent with approval of the application. It is the Board's judgment that consummation of this transaction would be in the public interest and that the application to merge the two holding companies should be approved.

In conjunction with the proposed merger, American proposes to acquire Mortgage, a company that engages in the activities of originating, selling and servicing real estate mortgage loans in the Orlando market. As of December 31, 1974, Mortgage had a mortgage servicing portfolio of approximately \$2.2 million and had originated total loans of slightly more than \$4.2 million since its formation in January of 1974. American's non-banking subsidiary, American Bancshares Mortgage Company, Inc., North Miami, Florida ("ABMC") engages in these same activities in Broward and Dade Counties, Florida. However, neither Mortgage nor ABMC derive any significant business from the market areas in which the other operates. Therefore, the Board concludes that the proposed acquisition would not have adverse effects on existing competition. Furthermore, it does not appear that consummation of the proposal would foreclose the development of significant potential competition within the Orlando market in view of the relatively minor size of Mortgage in relation to the market and the numerous other competitors and potential competitors in the market. It is anticipated that affiliation

¹All banking data are as of December 31, 1974, and reflect all holding company formations and acquisitions approved by the Board through May 31, 1975.

²The greater Miami market is approximated by all of Dade County and the Hollywood area of Broward County; the Gainesville market is approximated by Alachua County; the North Pinellas County market is approximated by the northern half of Pinellas County; the South Pinellas County market is approximated by the southern half of Pinellas County; the Tampa market is approximated by Hillsborough County and the town of Land O'Lakes in Pasco County; the North Broward market is approximated by the northern two thirds of Broward County; and the Key Largo market is approximated by the town of Key Largo, all in Florida.

³The Orlando banking market is approximated by all of Orange and Seminole Counties, excepting therefrom the communities of Sanford and Oviedo, all in Florida.

with American will provide Mortgage with American's managerial expertise in mortgage banking and enable it to attract capital at lower rates, which factors should facilitate Mortgage's operations. These increased capabilities may be expected to result in benefits to the public in the form of improved services and lower rates.

Also in conjunction with the proposed merger, American proposes to acquire the assets of Data (total 1974 billings of \$775,000) and thereby perform certain data processing services for American, its subsidiaries and other business enterprises. American does not presently have any data processing facilities. On this basis, and other facts of record, the Board concludes that consummation of the proposal would not have significant adverse effects on competition in any relevant area. In addition, it is expected that this acquisition will result in improved internal operating efficiency for American and its subsidiaries, as well as permit American to offer such data processing services to other businesses. Furthermore, there is no evidence to indicate that the acquisition of Mortgage or Data by American would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest.

Based on the foregoing and other considerations reflected in the record, the Board has determined that the considerations affecting the competitive factors under § 3(c) of the Act and the balance

of the public interest factors the Board must consider under § 4(c)(8) both favor approval of American's proposal.

Accordingly, the applications are approved for the reasons summarized above. The proposed merger shall not be made before the thirtieth calendar day following the effective date of this Order, shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta. The determination as to American's data processing activities and the activities of Mortgage are subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require reports by, and make examinations of, 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 regulations and orders issued thereunder, or to prevent evasion thereof.

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

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

(Signed) THEODOR E. ALTONS,
Secretary of the Board.

[SEAL]

ORDERS NOT PRINTED IN THIS ISSUE

ORDERS APPROVED BY THE BOARD OF GOVERNORS

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

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Clyde Bancorporation, Inc., Clyde, Kansas	The Exchange National Bank of Clyde, Clyde, Kansas	6/11/75	40 F.R. 25640 6/17/75
Mille Laes Bancshares, Inc., Onamia, Minnesota	First State Bank of Onamia, Onamia, Minnesota	6/16/75	40 F.R. 26590 6/24/75

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Bank of Virginia Company, Richmond, Virginia	Bank of Virginia Shenandoah, Winchester, Virginia	6/20/75	40 F.R. 27532 6/30/75
Southern Bancorporation, Inc., Greenville, South Carolina	Bank of North Charleston, North Charleston, South Carolina	6/27/75	40 F.R. 28875 7/9/75

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

<i>Applicant</i>	<i>Nonbanking company (or activity)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
First Hawaiian, Inc., Honolulu, Hawaii	Hawaii Thrift & Loan, Inc., Honolulu, Hawaii	6/18/75	40 F.R. 27076 6/26/75
First National Insurance Agency, Incorporated, Exeter, Nebraska	Continue to engage in certain insurance sales activities	6/18/75	40 F.R. 27077 6/26/75
Victoria Bankshares, Inc., Victoria, Texas	Central Computers, Inc., Victoria, Texas	6/11/75	40 F.R. 26591 6/24/75

**ORDERS UNDER BANK MERGER ACT—
APPLICATIONS TO MERGE, CONSOLIDATE, OR ACQUIRE ASSETS**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
United Jersey Bank/Northwest, Dover, New Jersey	Peoples Trust of New Jersey, Hacken- sack, New Jersey	6/6/75	40 F.R. 25042 6/12/75
United Jersey Bank, Hackensack, New Jersey	The Second National Bank of Orange, Orange, New Jersey	6/20/75	40 F.R. 27532 6/30/75

ORDERS APPROVED BY THE SECRETARY OF THE BOARD

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

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Peoples Bancorporation, Hampton, Iowa	Peoples Savings Bank, Elma, Iowa	6/3/75	40 F.R. 24960 6/11/75
Sooner Bancshares, Inc., Caddo, Oklahoma	Bryan County National Bank, Caddo, Oklahoma	6/27/75	40 F.R. 28875 7/8/75

**ORDER UNDER SECTION 3(a)(3) OF BANK HOLDING COMPANY ACT—
APPLICATION FOR ACQUISITION OF BANK**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Mercantile Bancorporation Inc., St. Louis, Missouri	Home Trust Company, Perryville, Missouri	6/27/75	40 F.R. 28676 7/8/75

ORDERS APPROVED BY FEDERAL RESERVE BANKS

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

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Ames National Corporation, Ames, Iowa	First National Bank, Ames, Iowa	Chicago	6/27/75	40 F.R. 28875 7/9/75
Lein Bancorporation, Inc., Chaska, Minnesota	The First Na- tional Bank of Chaska, Chaska; State Bank of Cologne, Cologne; The Klein National Bank of Madison, Madison; First National Bank in Montevideo, Monte- video; Victoria State Bank, Victoria; The First National Bank of Waconia, Waconia; and State Bank of Young America, Young America, all located in Minnesota	Minneapolis	6/24/75	40 F.R. 28873 7/9/75

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Ameribanc, Inc., St. Joseph, Missouri	Exchange Bank of Richmond, Richmond, Missouri	Kansas City	6/5/75	40 F.R. 25639 6/17/75
Country Agencies & Invest- ments, Inc., Odessa, Missouri	Bunceton State Bank, Bunceton, Missouri	Kansas City	6/5/75	40 F.R. 25640 6/17/75
Peoples Banking Corporation, Bay City, Michigan	Frankenmuth Bank & Trust, Frankenmuth, Michigan	Chicago	6/16/75	40 F.R. 27078 6/26/75

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Nonbanking company (or activity)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Full Service Insurance Agency, Inc., Buxton, North Dakota	First State Bank of Buxton, Buxton, North Dakota	Retain its general in- surance agency activities	Minneapolis	6/9/75	40 F.R. 26589 6/24/75
Padgett Agency, Inc., Greenleaf, Kansas	The Citizens National Bank, Greenleaf, Kansas	Padgett In- surance Agency, Greenleaf, Kansas	Kansas City	6/20/75	40 F.R. 27983 7/2/75

Announcements

APPOINTMENT OF MR. JACKSON AS A MEMBER OF THE BOARD OF GOVERNORS

President Ford on May 22, 1975, announced his intention to appoint Philip C. Jackson, Jr., as a member of the Board of Governors of the Federal Reserve System. Mr. Jackson's appointment was subsequently confirmed by the Senate on June 25 and his oath of office was administered on July 14.

The text of the White House announcement follows:

The President has announced his intention to nominate Philip C. Jackson, of Birmingham, Alabama, to be a member of the Board of Governors of the Federal Reserve System. He will succeed John E. Sheehan who resigned effective June 1, 1975. He will fill the unexpired term of 14 years from February 1, 1968, to January 31, 1982.

Mr. Jackson has been the Director and Vice President in charge of the mortgage loan department of the Jackson Company in Birmingham, Alabama. He joined the firm in 1949.

Born on October 27, 1928, in Birmingham, Alabama, Mr. Jackson received his B.S. degree from the University of Alabama in 1949. He did additional graduate work at Northwestern University in Chicago.

Mr. Jackson is married to the former Barbara Ellis Ritch and they have three children.

AMENDMENTS TO REGULATION Z

The Board of Governors on July 10, 1975, announced adoption of amendments to its Regulation Z, Truth in Lending, to implement changes in the Truth in Lending Act.

The amendments to Regulation Z, to be effective August 8, 1975, are substantially the same as those published for comment last December 27. Among the amendments adopted are the following:

Advertisements concerning extensions of credit to be repaid in more than four instalments, and for which no finance charge is stated, shall state that the cost of credit is included in the price of the goods and services involved.

Credit transactions primarily for agricultural purposes, where the amount financed exceeds \$25,000, are exempt from the disclosure requirements of Regulation Z and the Truth in Lending Act.

Any unexpired right of rescission in residential real property transactions is limited to 3 years from the date of consummation of the transaction, or the sale of the property, whichever occurs earlier.

In its order the Board stated that, due to confusion evident in comments received upon its proposal concerning the right of rescission, that section had been rewritten to make it clear that the amendment does not extend the 3 day right of rescission—that is, the right to decide not to go through with the transaction—to 3 years, but only limits to 3 years these unexpired rights that previously had continued indefinitely.

PUBLICATION OF ANNUAL REPORT

The Sixty-First Annual Report of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1974, is available for distribution. Copies may be obtained upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

CHANGES IN BOARD STAFF

The Board of Governors has announced the appointment of Clyde H. Farnsworth, Jr., as Assistant Director in the Division of Federal Reserve Bank Operations, effective August 1, 1975. Prior to joining the Board's staff, Mr. Farnsworth, who has been with the Federal Reserve Bank of Richmond since 1969, was Assistant Vice President and Economist at that Bank and also adjunct faculty member of the Virginia Commonwealth

University, University of Richmond, and John Tyler Community College. He holds a B.A. and an M.S. from East Tennessee State University and a Ph.D. from the University of Missouri.

The Board has also announced the resignations of Samuel B. Chase, Jr., Adviser to the Board, Office of the Managing Director for Research and Economic Policy, and James L. Pierce, Associate Director, Division of Research and Statistics.

OPENING OF MIAMI BRANCH

The Federal Reserve Bank of Atlanta has announced the opening of its Miami Branch, effective July 1. The new branch is the first established by the Federal Reserve since 1927 when branch offices were opened at San Antonio (July 5) and Charlotte (December 1).

Directors of the new branch are:

APPOINTED BY FEDERAL RESERVE BANK

Michael J. Franco, Chairman, City National Bank of Miami, Miami, Florida

Harry Hood Bassett, Chairman of the Board, Southeast First National Bank of Miami, Miami, Florida

Thomas F. Fleming, Jr., Chairman of the

Board, First Bank & Trust Company of Boca Raton, N.A., Boca Raton, Florida

Jean McArthur Davis, President, McArthur Dairy Companies, Miami, Florida

APPOINTED BY BOARD OF GOVERNORS

Castle W. Jordan, President, Aegis Corporation, Coral Gables, Florida (Branch Chairman)

David G. Robinson, President, Edison Community College, Fort Myers, Florida

Alvaro Luis Carta, President, Gulf & Western Food Products, Vero Beach, Florida

Counties served by the Miami Branch are: Broward, Charlotte, Collier, Dade, Glades, Hendry, Indian River, Lee, Martin, Monroe, Okeechobee, Palm Beach, and St. Lucie.

ADMISSION OF STATE BANK TO MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM

The following bank was admitted to membership in the Federal Reserve System during the period June 16, 1975, through July 15, 1975:

Montana

Sidney First United Bank of Sidney

Industrial Production

Released for publication July 15

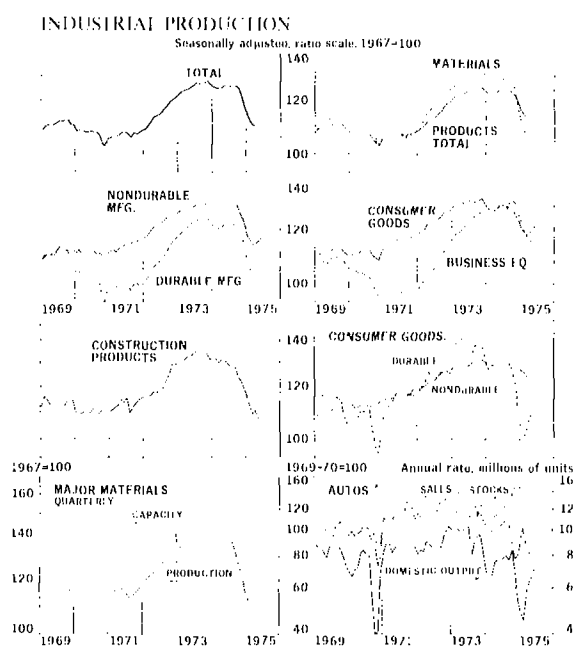
The index of industrial production increased by an estimated 0.4 per cent in June following eight consecutive months of decline. At 110.0 per cent of the 1967 average, however, the June index was 12.4 per cent below last September. Increased output of consumer goods and nondurable industrial materials in June more than offset further declines in business equipment and durable industrial materials. The level of the total index was revised upward for the previous 3 months.

Auto assemblies rose 8 per cent in June to an annual rate of 7.2 million units. July car production schedules indicate some further increase after allowance for the model changeover period. Output of household appliances and nondurable consumer goods continued to expand in June, but production of some durable consumer goods changed little.

In addition to a further decrease in business equipment, construction products continued to fall off.

Production of most durable goods materials, including steel and the equipment-supplying industries, declined further indicating continued efforts to reduce inventories. On the other hand, output of nondurable materials, especially the tex-

tile, paper, and chemical materials group, increased sharply as inventory liquidation apparently came to an end in those industries.



F.R. indexes, seasonally adjusted. Latest figures: June.
 *Auto sales and stocks include imports.

Industrial production	Seasonally adjusted 1967=100			Per cent changes from		Per cent changes, annual rate		
	1975			Month ago	Year ago	1975		
	Apr.	May ^b	June ^c			Q4	Q1	Q2
Total	109.9	109.6	110.0	.4	12.6	13.1	32.0	6.5
<i>Products, total</i>	113.0	112.9	113.1	.2	8.9	8.7	23.8	2.8
<i>Final products</i>	112.7	113.1	113.2	.1	7.6	6.5	23.2	1.8
Consumer goods	119.3	120.7	121.7	.8	6.6	10.8	22.2	5.4
Durable goods	107.8	109.9	111.8	1.7	16.3	37.0	54.2	27.7
Nondurable goods	123.7	124.8	125.4	.5	2.8	1.2	10.6	2.2
Business equipment	115.8	114.6	113.6	-.9	12.7	2.4	32.3	16.1
Intermediate products	113.9	112.4	112.5	.1	12.7	15.9	25.1	8.0
Construction products	110.4	107.0	106.5	-.5	17.8	21.6	28.8	15.3
<i>Materials</i>	105.1	104.4	105.1	.7	18.4	21.5	45.4	11.1

^aPreliminary.

^bEstimated.

Financial and Business Statistics

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

(In millions of dollars)

Period or date	Factors supplying reserve funds									
	Reserve Bank credit outstanding						Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding	
	U.S. Govt. securities ¹			Loans	Float ²	Other F.R. assets ³				Total ⁵
Total	Bought outright ⁴	Held under repurchase agreement								
Averages of daily figures										
1939—Dec.	2,510	2,510	.....	8	83	.....	2,612	17,518	.....	2,956
1941—Dec.	2,219	2,219	.....	5	170	.....	2,404	22,759	.....	3,239
1945—Dec.	23,708	23,708	.....	381	652	.....	24,744	20,047	.....	4,322
1950—Dec.	20,345	20,336	.....	9	142	.....	21,606	22,879	.....	4,629
1960—Dec.	27,248	27,170	.....	78	94	.....	29,060	17,954	.....	5,396
1969—Dec.	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367	.....	6,841
1970—Dec.	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Dec.	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Dec.	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—June	82,812	81,859	953	3,000	2,114	1,106	89,254	11,567	400	8,877
July	84,313	83,496	817	3,308	2,267	1,343	91,554	11,567	400	8,905
Aug.	84,493	84,221	272	3,351	1,983	1,258	91,367	11,567	400	8,951
Sept.	84,384	84,049	335	3,287	2,239	1,349	91,617	11,567	400	8,992
Oct.	83,735	83,303	432	1,793	2,083	2,984	90,971	11,567	400	9,041
Nov.	84,052	83,395	657	1,285	2,409	3,171	91,302	11,567	400	9,113
Dec.	86,679	85,202	1,477	703	2,734	3,129	93,967	11,630	400	9,179
1975—Jan.	86,039	85,369	670	390	2,456	3,391	93,002	11,647	400	9,235
Feb.	84,744	83,843	901	147	2,079	3,419	91,168	11,626	400	9,284
Mar.	84,847	84,398	449	106	1,994	3,142	90,819	11,620	400	9,362
Apr.	87,080	86,117	963	110	2,061	3,237	93,214	11,620	400	9,410
May	91,918	89,355	2,563	60	1,877	3,039	97,845	11,620	429	9,464
June	88,912	87,618	1,294	275	2,070	3,098	95,147	11,620	500	9,531
Week ending										
1975—Apr. 2	86,518	86,518	.....	51	2,356	3,083	92,679	11,620	400	9,400
9	84,508	84,508	.....	30	2,504	3,086	90,793	11,621	400	9,399
16	85,109	84,705	404	22	1,857	3,125	90,796	11,620	400	9,407
23	87,465	86,682	783	165	2,075	3,315	93,730	11,620	400	9,415
30	91,411	88,467	2,944	241	1,765	3,281	97,557	11,620	400	9,437
May 7	92,125	88,923	3,202	34	1,681	3,424	98,377	11,620	400	9,435
14	91,358	89,449	1,909	17	1,750	3,347	97,446	11,620	400	9,456
21	92,529	89,494	3,035	121	2,220	2,629	98,458	11,620	400	9,462
28	92,156	89,724	2,432	84	1,821	2,735	97,606	11,620	486	9,469
June 4	90,748	88,833	1,915	84	2,159	3,061	96,905	11,620	500	9,561
11	86,150	86,150	.....	38	2,122	3,026	92,044	11,620	500	9,527
18	87,281	86,957	324	78	2,174	3,140	93,357	11,620	500	9,538
25	89,859	88,434	1,425	188	1,979	3,165	95,975	11,620	500	9,542
End of month										
1975—Apr.	93,917	88,812	5,105	1,539	1,942	3,297	101,880	11,620	400	9,531
May	91,029	88,953	2,076	24	1,811	2,984	96,712	11,620	500	9,669
June	89,895	89,665	230	560	1,431	2,997	95,565	11,620	500	9,553
Wednesday										
1975—Apr. 2	86,358	86,358	.....	42	2,278	3,067	92,422	11,621	400	9,396
9	83,810	83,810	.....	14	3,035	3,134	90,643	11,620	400	9,403
16	87,741	84,915	2,826	48	2,922	3,146	94,736	11,620	400	9,412
23	88,387	86,977	1,410	1,068	2,860	3,260	96,341	11,620	400	9,419
30	93,917	88,812	5,105	1,539	1,942	3,297	101,880	11,620	400	9,531
May 7	91,579	89,209	2,370	21	2,188	3,319	98,051	11,620	400	9,453
14	91,356	89,655	1,701	20	2,342	3,417	98,079	11,620	400	9,460
21	95,465	89,505	5,960	728	2,140	2,672	102,015	11,620	400	9,468
28	94,337	89,640	4,697	481	2,118	2,939	100,751	11,620	500	9,475
June 4	89,002	88,142	860	457	2,890	3,011	96,188	11,620	500	9,481
11	84,979	84,979	.....	115	2,573	3,149	91,514	11,620	500	9,538
18	89,273	88,167	1,106	374	3,075	3,141	96,544	11,620	500	9,538
25	93,269	88,738	4,531	1,101	2,184	3,070	100,618	11,620	500	9,553

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

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

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

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

⁵ Includes industrial loans and acceptances until Aug. 21, 1959, when industrial loan program was discontinued. For holdings of acceptances

on Wed. and end-of-month dates, see table on F.R. Banks on p. A-10. See also note 3.

⁶ Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with F.R. Banks in connection with voluntary participation by nonmember institutions in the Federal Reserve System's program of credit restraint.

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

Notes continued on opposite page.

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

(In millions of dollars)

Currency in circulation	Treasury cash holdings	Factors absorbing reserve funds					Member bank reserves			Period of date
		Deposits, other than member bank reserves with F.R. Banks			Other F.R. accounts ¹	Other F.R. liabilities and capital ¹	With F.R. Banks	Currency and coin ²	Total ⁸	
		Treasury	Foreign	Other ^{3,6}						
Averages of daily figures										
7,609	2,402	616	739		248		11,473		11,473	1939 Dec.
10,985	2,189	592	1,531		292		12,812		12,812	1941 Dec.
28,452	2,269	625	1,247		493		16,027		16,027	1945 Dec.
27,806	1,290	615	920	353	739		17,391		17,391	1950 Dec.
33,019	408	522	250	495	1,029		16,688	2,595	19,283	1960 Dec.
53,591	656	1,194	146	458		2,192	23,071	4,960	28,031	1969 Dec.
57,013	477	849	145	745		2,268	23,935	5,140	29,075	1970 Dec.
61,060	453	1,926	290	728		2,287	25,683	5,676	31,359	1971 Dec.
66,060	350	1,449	272	631		2,362	24,830	6,095	31,383	1972 Dec.
71,646	323	1,892	406	717		2,942	28,152	6,635	35,068	1973 Dec.
73,749	293	2,015	491	691		3,187	29,672	6,668	36,390	1974 Jan.
74,556	275	2,795	296	773		3,216	30,514	6,824	37,338	July
74,709	283	2,633	326	841		3,240	30,264	6,765	37,029	Aug.
75,098	303	2,451	456	766		3,345	30,156	6,920	37,076	Sept.
75,654	315	1,601	394	869		3,260	29,985	6,811	36,796	Oct.
77,029	302	1,864	370	770		3,149	29,898	6,939	36,837	Nov.
78,951	220	1,741	357	874		3,266	29,767	7,174	36,941	Dec.
77,780	221	2,087	336	884		3,264	29,713	7,779	37,492	1975 Jan.
76,979	236	2,474	417	711		3,358	28,505	7,062	35,567	Feb.
77,692	277	1,887	364	958		3,076	27,948	6,841	34,789	Mar.
78,477	309	1,887	307	718		3,137	28,264	6,870	35,134	Apr.
79,102	326	8,115	262	746		3,231	27,576	6,916	34,492	May
80,603	355	3,353	272	989		3,191	28,035	6,969	35,004	June
Week ending										
78,030	307	2,836	476	1,039		3,160	28,261	6,826	35,087	1975 Apr. 2
78,355	309	1,919	159	646		2,952	27,671	6,992	34,663	9
78,672	318	976	267	642		3,094	28,284	7,041	35,295	16
78,384	306	3,523	289	660		3,194	28,809	6,440	35,249	23
78,137	302	7,902	279	576		3,342	28,477	7,018	35,495	30
78,405	307	8,960	232	688		3,141	28,698	7,139	35,237	May 7
79,095	323	8,419	277	472		3,125	27,212	7,305	34,517	14
79,203	324	7,947	258	697		3,278	28,243	6,469	34,702	21
79,439	333	7,474	266	911		3,310	27,444	6,765	34,209	28
79,904	373	5,815	285	1,294		3,297	27,618	6,893	34,511	June 4
80,476	380	1,833	258	1,108		3,009	26,627	7,080	33,707	11
80,775	363	1,464	306	1,069		3,115	27,903	7,080	34,983	18
80,685	370	4,224	243	823		3,258	28,034	6,698	34,732	25
End of month										
78,443	301	8,363	270	573		3,452	32,028	7,018	39,046	1975 Apr.
79,782	371	7,036	310	1,159		3,396	26,445	6,893	33,338	May
81,073	348	5,773	373	701		3,354	25,615	7,098	32,713	June
Wednesday										
78,322	312	2,430	429	795		2,908	28,642	6,826	35,468	1975 Apr. 2
78,164	329	467	161	595		3,030	28,644	6,992	35,606	9
78,749	308	1,638	296	615		3,166	31,396	7,041	38,437	16
78,380	308	6,191	249	640		3,261	28,751	6,440	35,191	23
78,443	301	8,363	270	573		3,452	32,028	7,018	39,046	30
78,989	330	9,162	257	482		3,080	27,223	7,139	34,362	May 7
79,382	329	6,871	251	482		3,187	29,055	7,305	36,360	14
79,400	338	7,017	253	694		3,343	32,459	6,469	38,928	21
79,972	321	7,687	294	1,318		3,392	29,362	6,765	36,127	28
80,251	390	1,858	254	1,098		3,027	30,911	6,893	37,804	June 4
80,935	383	1,057	254	1,165		3,080	26,298	7,080	33,378	11
80,879	370	2,639	295	885		3,207	29,927	7,080	37,007	18
80,972	370	5,497	294	741		3,452	30,965	6,698	37,663	25

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

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

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

For other notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Large banks ²						All other banks	
	Reserves			Borrowings		New York City		City of Chicago		Other		Excess	Borrowings
	Total held ¹	Re-quired	Excess ¹	Total	Seasonal	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings		
1939- Dec.	11,473	6,462	5,011	3		2,611		540		1,188		671	3
1941- Dec.	12,812	9,422	3,390	5		989		295		1,303	1	804	4
1945- Dec.	16,027	14,536	1,491	334		48	192	14		418	96	1,011	46
1950- Dec.	17,391	16,364	1,027	142		125	58	8	5	232	50	663	29
1960- Dec.	19,283	18,527	756	87		29	19	4	8	100	20	623	40
1965- Dec.	22,719	22,267	452	454		41	111	15	23	67	228	330	92
1967- Dec.	25,260	24,915	345	238		18	40	8	13	50	105	267	80
1968- Dec.	27,221	26,766	455	765		100	230	15	85	90	270	250	180
1969- Dec.	28,031	27,774	257	1,086		56	259	18	27	6	479	177	321
1970- Dec.	29,265	28,993	272	321		34	25	7	4	42	264	189	28
1971- Dec.	31,329	31,164	165	107		25	35	1	8	35	22	174	42
1972- Dec.	31,353	31,134	219	1,049		20	301	13	55	42	429	160	264
1973- Dec.	35,068	34,806	262	1,298	41	23	74	43	28	28	761	133	435
1974 June	36,390	36,259	131	3,000	130	26	1,303	8	51	26	799	89	847
July	37,338	37,161	177	3,308	149	45	1,457	19	70	12	848	125	933
Aug.	37,029	36,851	178	3,351	165	-58	1,464	6	23	78	860	152	1,004
Sept.	37,076	36,885	191	3,287	139	133	1,662	20	17	77	792	115	816
Oct.	36,796	36,705	91	1,793	117	49	502	18	36	36	569	122	686
Nov.	36,837	36,579	258	1,285	67	8	257	38	14	90	566	138	448
Dec.	36,941	36,602	339	703	32	132	80	5	18	39	323	163	282
1975 Jan.	37,492	37,556	-64	390	13	119	156	16	16	91	87	162	131
Feb.	35,568	35,333	235	147	10	31	37	17	10	41	29	143	71
Mar.	34,779	34,513	266	106	7	53	22	20	10	56	28	137	46
Apr.	35,134	35,014	120	110	7	32	25	23	14	4	38	115	53
May	34,492	34,493	-1	60	9	28	24	-21	89	13	37	137	23
June	35,004	34,422	582	275	11	85	90	75	3	68	114	106	68
Week ending:													
1974 June 5	36,279	36,054	225	3,054	131	37	1,210	2	15	61	846	141	983
12	35,789	35,658	131	2,729	136	26	1,296	21	40	67	629	93	764
19	36,708	36,461	247	3,223	140	31	1,385	17	139	44	984	131	715
26	36,536	36,437	99	2,788	133	8	1,221	41	17	76	690	84	860
Dec. 4	36,961	36,678	283	1,070	51	141	226	4		16	450	154	394
11	36,293	36,452	-159	648	35	173	73	36	26	50	281	100	268
18	36,762	36,545	217	818	31	59	60	23	54	39	417	174	287
25	36,845	36,416	429	662	29	137	72	52		89	333	151	257
1975 Jan. 1	37,588	37,011	577	561	24	8	83	61		223	218	301	260
8	37,412	37,175	237	311	18	55	36	-27		26	107	135	168
15	38,207	38,249	-42	609	12	130	317	1	69	89	108	176	115
22	38,265	38,079	186	594	12	29	328	1		45	130	111	136
29	37,240	37,066	174	142	10	71		13		24	33	140	109
Feb. 5	36,974	36,579	395	98	11	133		33		84	12	145	86
12	36,029	35,970	59	90	10	37	6			5	15	121	69
19	35,118	34,960	158	229	11		140	22		18	20	198	69
26	34,606	34,447	159	180	10	15		39		35	71	110	70
Mar. 5	34,795	34,386	409	70	9	117		4		90	10	198	60
12	34,482	34,252	230	60	7	122		15		20	19	113	41
19	34,510	34,490	20	167	6	96	88	37		10	36	143	43
26	34,819	34,675	144	153	7	54	8	16	44	12	58	86	45
Apr. 2	35,087	34,808	279	51	7	30		7		99	8	203	43
9	34,663	34,552	111	30	8	62		15		51	7	85	23
16	35,295	35,076	219	22	6	25		14		36	4	172	18
23	35,249	35,179	70	165	6	3	42	16	25	23	77	80	21
30	35,495	35,306	189	241	7	11	67	1	37	56	71	143	66
May 7	35,237	34,926	311	31	11	177		21		5		118	34
14	34,517	34,518	-1	17	8	106		26		17	1	148	16
21	34,702	34,631	71	121	7	33	98	9		34	2	129	21
28	34,209	34,045	164	84	9	53	9	4		5	54	112	21
June 4	34,511	34,177	334	84	9	18	61	19		137		160	23
11	33,707	33,743	-36	38	11	76		32	11	55	2	127	25
18	34,983	34,584	399	78	10	29	49	52		130		123	29
25	34,732	34,611	121	188	10	10	97	52		103	39	51	52

¹ Beginning with week ending Nov. 15, 1972, includes \$450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 2, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, \$279 million; Q2, \$172 million; Q3, \$112 million; Q4, \$84 million. Beginning 1974, Q1, \$67 million; Q2, \$58 million. Transition period ended after second quarter, 1974. 1 or weeks for which figures are preliminary, figures by class of bank do not add to the total because adjusted data by class are not available.

² Beginning Nov. 9, 1972, designation of banks as reserve city banks

for reserve-requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the Bulletin for July 1972, p. 626. Categories shown here as "Large" and "All other" parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).

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

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

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

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess reserves ¹	Less		Net		Gross transactions		Net transactions			Loans to dealers ³	Borrowings from dealers ⁴	Net loans
		Borrowings at F.R. Banks	Net interbank Federal funds trans.	Surplus or deficit	Per cent of av. required reserves	Purchases	Sales	Total two-way transactions ²	Purchases of net buying banks	Sales of net selling banks			
<i>Total 46 banks</i>													
1975- May 7	207		11,983	11,777	73.1	18,600	6,616	4,919	13,680	1,697	2,408	603	1,806
14	35	1	14,339	14,305	88.7	20,190	8,851	4,295	15,896	1,586	2,327	622	1,705
21	48	100	14,144	14,291	88.7	19,856	8,712	4,726	15,131	987	3,022	767	2,255
28	30	38	13,223	13,292	85.4	18,233	8,010	4,530	13,703	480	3,361	685	2,676
June 4	123	61	14,066	14,005	89.0	19,745	8,679	5,166	14,579	513	3,198	649	2,548
11	31	13	17,347	17,355	112.8	22,222	4,881	4,372	17,851	404	4,597	533	4,065
18	23	49	17,112	17,137	106.9	22,029	4,917	4,457	17,572	460	3,938	489	3,454
25	84	124	15,612	15,652	99.7	21,050	8,438	4,356	16,694	1,082	2,730	725	2,005
<i>8 in New York City</i>													
1975- May 7	164		2,765	2,601	39.2	4,564	1,799	1,074	3,490	724	1,140	391	741
14	18		4,758	4,743	71.0	6,049	1,291	717	5,332	525	1,177	381	796
21	33	98	3,962	4,093	60.9	5,627	1,665	1,156	4,471	509	1,504	362	1,143
28	22	9	4,003	3,990	63.2	5,113	1,110	891	4,222	219	1,269	264	1,005
June 4	15	61	4,665	4,709	72.7	5,570	906	906	4,665		1,393	241	1,152
11	57		6,343	6,499	103.0	7,110	767	560	6,550	206	1,671	220	1,451
18	19	49	5,977	6,006	91.7	6,773	797	743	6,031	84	1,734	181	1,553
25	37	97	5,933	6,013	95.2	6,683	740	730	5,953		1,269	273	996
<i>38 outside New York City</i>													
1975- May 7	43		9,218	9,175	96.8	14,036	4,817	3,845	10,190	973	1,238	212	1,064
14	21	1	9,582	9,562	101.1	14,141	4,560	3,578	10,564	982	1,150	241	909
21	14	2	10,182	10,198	108.5	14,230	4,067	3,570	10,660	477	1,518	406	1,112
28	52	30	9,230	9,302	100.5	13,121	3,901	3,640	9,481	361	2,092	420	1,671
June 4	106		9,401	9,295	100.4	14,175	4,273	4,260	9,913	513	1,805	409	1,397
11	59	13	11,003	10,957	119.3	15,117	4,116	3,916	11,201	198	2,297	313	2,611
18	3		11,435	11,331	117.5	15,256	4,121	3,715	11,541	406	2,165	208	1,956
25	48	27	9,659	9,649	102.8	14,367	3,626	3,626	10,742	1,082	1,461	451	1,010
<i>5 in City of Chicago</i>													
1975- May 7	30		3,631	3,601	208.4	4,584	954	954	3,631		267		267
14	4		4,081	4,085	234.2	4,925	844	844	4,081		332		332
21	11		4,989	5,000	286.5	5,665	676	676	4,989		377		377
28			3,876	3,876	229.3	4,700	824	824	3,876		370		370
June 4	24		3,854	3,830	224.3	4,801	920	941	3,863	9	332		332
11	17	11	3,728	3,806	224.2	4,477	698	689	3,787	9	509		509
18	6		4,451	4,445	256.0	5,079	628	621	4,459	8	423		423
25	6		4,128	4,134	245.5	4,852	723	723	4,129		364		364
<i>33 others</i>													
1975- May 7	13		5,888	5,875	71.9	9,451	3,864	2,891	6,560	973	1,012	212	800
14	24	1	5,501	5,477	71.0	9,717	2,734	2,734	6,482	982	818	241	577
21	4	2	5,193	5,199	67.9	8,564	3,371	2,894	5,671	477	1,141	406	735
28	52	30	5,645	5,426	71.9	8,421	3,076	2,815	5,605	261	1,722	470	1,301
June 4	82		5,547	5,466	72.4	9,371	3,823	3,319	6,052	504	1,473	409	1,066
11	76	2	7,225	7,151	95.6	10,641	3,416	3,227	7,413	189	2,418	313	2,105
18	21		6,684	6,686	86.4	10,146	3,492	3,094	7,082	498	1,742	708	1,533
25	53	27	5,541	5,505	71.6	9,516	2,903	2,903	6,613	1,082	1,096	451	645

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

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

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

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

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

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

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks											
	Under Secs. 13 and 13a ¹			Under Sec. 10(b) ²						Loans to all others under last par. Sec. 13 ⁴		
				Regular rate			Special rate ³					
	Rate on 6/30/75	Effective date	Previous rate	Rate on 6/30/75	Effective date	Previous rate	Rate on 6/30/75	Effective date ³	Previous rate	Rate on 6/30/75	Effective date	Previous rate
Boston	6	5/16/75	6¼	6½	5/16/75	6¼	7½	5/16/75	8	9	3/10/75	9½
New York	6	5/16/75	6¼	6½	5/16/75	6¼	7	6/24/75	7½	9	3/10/75	9½
Philadelphia	6	5/16/75	6¼	6½	5/16/75	6¼	7	6/9/75	7½	9	3/10/75	9½
Cleveland	6	5/16/75	6¼	6½	5/16/75	6¼	7	6/9/75	7½	9	3/10/75	9½
Richmond	6	5/16/75	6¼	6½	5/16/75	6¼	7	6/9/75	7½	9	3/10/75	9½
Atlanta	6	5/16/75	6¼	6½	5/16/75	6¼	7	6/3/75	7½	9	3/10/75	9½
Chicago	6	5/16/75	6¼	6½	5/16/75	6¼	7	6/9/75	7½	9	3/10/75	9½
St. Louis	6	5/16/75	6¼	6½	5/16/75	6¼	7½	5/16/75	8	9	3/10/75	9½
Minneapolis	6	5/23/75	6½	6½	5/23/75	6¼	7	6/9/75	7½	9	3/10/75	9½
Kansas City	6	5/16/75	6¼	6½	5/16/75	6¼	7½	5/16/75	8	9	3/10/75	9½
Dallas	6	5/16/75	6¼	6½	5/16/75	6¼	7	6/9/75	7½	9	3/10/75	9½
San Francisco	6	5/16/75	6¼	6½	5/16/75	6¼	7	6/24/75	7½	9	3/10/75	9½

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

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

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

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

SUMMARY OF EARLIER CHANGES

(Per cent per annum)

Effective date	Range (or level) All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level) All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level) All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1955	2½	2½	1964 Nov. 24, 30	3½-4	4	1971-Nov. 11, 19	4¾-5	5
1956 Apr. 13	2½-3	2¾	Dec. 6, 13	4-4½	4½	Dec. 13, 17, 24	4½-4¾	4¾
Aug. 24, 31	2¾-3	3	1967-Apr. 7, 14	4-4½	4	1973-Jan. 15, Feb. 26	5	5
1957-Aug. 9	3-3½	3	Nov. 20, 27	4-4½	4½	Mar. 2, Apr. 23	5-5½	5½
Nov. 15	3-3½	3	1968-Mar. 15, 22	4½-5	5	May 4, 11	5¾-6	6
Dec. 2	3	3	Apr. 19, 26	5-5½	5½	June 11, 15	6-6½	6½
1958-Jan. 22, 24	2¾-3	3	Aug. 16, 30	5¼-5½	5½	July 2, Aug. 14, 23	6½	7
Mar. 7	2¾-3	2¾	Dec. 18, 20	5¼-5½	5½	1974-Apr. 25, 30	7½-8	8
Apr. 13	2¾-2¾	2¾	1969-Apr. 4, 8	5½-6	6	Dec. 9, 16	7¾-8	7¾
Apr. 21	2¾	2¾	1970-Nov. 11, 13	5½-6	6	1975-Jan. 6, 10, 24	7¼-7¾	7¼
May 9	1¾	1¾	Dec. 1, 4, 11	5½-5¾	5¾	Feb. 5, 7	6¾-7¼	6¾
Aug. 15	1¾-2	1¾	1971-Jan. 8, 15	5¼-5½	5¼	Mar. 10, 14	6¼-6¾	6¾
Sept. 12	1¾	2	Apr. 19, 22, 29	5-5¼	5	May 16, 23	6-6½	6
Oct. 23	2	2	Feb. 13, 19	4¾-5	5	In effect, June 30, 1975	6	6
Nov. 7	2-2½	2½	July 16, 23	4¾-5	5			
1959-Mar. 6	2½-3	3						
Apr. 16	3	3						
May 29	3-3½	3½						
June 12	3½	3½						
Sept. 11	3½-4	4						
1960-June 3, 10	3½-4	4						
Apr. 14	3½	3½						
Aug. 12	3-3½	3						
Sept. 9	3	3						
1963-July 17	3-3½	3½						
Aug. 26	3½	3½						

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

RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS

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

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

Effective date	Net demand ^{2,4}					Savings	Time ³		
							Other time	Over 5 ⁵ , maturing in	
	0-2	2-10	10-100	100-400	Over 400			0-5	30-179 days	180 days and over
1972 Nov. 9.....	8	10	12	6-16½	17½	7-3	7-3	7-5	
Nov. 16.....				13					
1973 July 19.....		10½	12½	13½	18			6	3
1974 Dec. 12.....					17½				
1975 Feb. 13.....	7½	10	12	13	16½				
In effect June 30, 1975	7½	10	12	13	16½	3	3	6	3

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

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

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

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

(c) Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Since June 21, 1973, loans aggregating \$100,000 or less to any U.S. resident have been excluded from computations, as have total loans of a bank to U.S. residents if not exceeding \$1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. The reserve percentage applicable to each of these classifications is 4 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, was reduced to 8 per cent effective June 21, 1973, and was reduced to the current 4 per cent effective May 22, 1975. Initially certain base amounts were exempted in the computation of the requirements, but effective Mar. 14, 1974, the last of these reserve free bases were eliminated. For details, see Regulations D and M.

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

⁴ Effective Nov. 9, 1975, a new criterion was adopted to designate reserve cities, and on the same date requirements for reserves against net demand deposits of member banks were restructured to provide that each

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

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

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

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

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

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966 - June 30, 1973					Rates beginning July 1, 1973				
Type and size of deposit	Effective date				Type and size of deposit	Effective date			
	July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970		July 1, 1973	Nov. 1, 1973	Nov. 27, 1974	Dec. 23, 1974
Savings deposits.....	4	4	4	4½	Savings deposits.....	5	5	5	5
Other time deposits: ¹					Other time deposits (multiple- and single-maturity): ^{1, 2}				
Multiple maturity: ²					Less than \$100,000:				
30-89 days.....	4	4	4	4½	30-89 days.....	5	5	5	5
90 days to 1 year.....				5	90 days to 1 year.....	5½	5½	5½	5½
1-2 years.....	5	5	5	5½	1 2½ years.....	6	6	6	6
2 years or more.....				5¾	2½ years or more.....	6½	6½	6½	6½
Single-maturity:					Minimum denomination of \$1,000:				
Less than \$100,000:					4-6 years.....	(3)	7¼	7¼	7¼
30 days to 1 year.....				5	6 years or more.....				
1-2 years.....	5½	5	5	5½	Governmental units.....	(3)	(3)	7½	7¾
2 years or more.....				5¾	\$100,000 or more.....	(3)	(3)	(3)	(3)
\$100,000 or more:									
30-59 days.....			5½	(3)					
60-89 days.....			5¾	(3)					
90-179 days.....	5½	5½	6	(3)					
180 days to 1 year.....			6½	(3)					
1 year or more.....			6¾	(3)					

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

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

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

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

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

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

amount were subject to the 6½ per cent ceiling that applies to time deposits maturing in 2½ years or more.

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

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

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

For previous changes, see earlier issues of the BULLETIN.

MARGIN REQUIREMENTS

(Per cent of market value)

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

NOTE: Regulations G, T, and U, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended; margin requirements are the difference between the market value (100 per cent) and the maximum loan value. The term margin stocks is defined in the corresponding regulation. Regulation G and special margin requirements for bonds convertible into stocks were adopted by the Board of Governors effective Mar. 11, 1968.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale-purchase transactions)															
Period	Treasury bills ¹			Others within 1 year ²			1-5 years			5-10 years			Over 10 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts
1970.....	11,074	5,214	2,160	99		3,483	848		5,430	249	1,845	93		102	
1971.....	8,896	3,642	1,064	1,046		6,462	1,338		4,672	933	685	311		150	
1972.....	8,522	6,467	2,545	125		2,933	789		1,405	539	2,094	167		250	
1973.....	15,517	4,880	3,405	1,396		140	579		2,028	500	895	129		87	
1974.....	11,660	5,830	4,550	480		1,314	797		697	434	1,635	196		205	
1974-- May.....	737	100		112		2,553	26		2,663	31		38		100	
June.....	614	954	204	48			34			78		16			
July.....	988	211		27			53			9		36			
Aug.....	1,652	850				2,867			1,957		1,940			130	
Sept.....	717	565	786	22		200	65		200	53		37			
Oct.....	547	1,110	1,063												
Nov.....	1,422	273	107	148		1,623	92		1,757	78	465	25		200	
Dec.....	973	426	6	85		126	123		126	53		20			
1975 Jan.....	341	945	600	14			308			61		26			
Feb.....	357	460	900			2,437	129		2,816	113	249	74		150	
Mar.....	760	156	487	1,579		1,494	361		194	480		212			
Apr.....	2,119	318	506	148			485			274		164			
May.....	903	354	407	50		3,131			6,635		3,801			298	

Period	Total outright ¹			Matched sale-purchase transactions (U.S. Govt. securities)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities		Federal agency obligations			Bankers' acceptances, net		Net change ³
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales	Gross purchases	Sales or redemptions	Repurchase agreements, net	Outright	Repurchase agreements	Outright	Repurchase agreements	
1970.....	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988					6		4,982
1971.....	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076					22	181	8,866
1972.....	10,142	6,467	2,862	23,319	23,319	31,103	32,228	312	1,197	370	88	9	145	272	
1973.....	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	2	36	9,272	
1974.....	13,537	5,830	4,682	64,229	62,801	71,333	70,947	1,984	3,087	322	469	511	420	6,149	
1974-- May.....	944	100		4,586	4,586	9,192	8,648	1,388	201	15	424	16	142	2,155	
June.....	790	954	204	4,580	4,580	6,124	6,667	911	309	72	372		70	1,115	
July.....	1,113	211		2,587		4,269	4,965	2,381	761	35	270	121	207	2,011	
Aug.....	1,652	850		9,061		11,287	2,096	3,028	248	3		59		3,422	
Sept.....	893	565	786	9,420	9,782	3,551	2,096	96	207	16		40		1,970	
Oct.....	547	1,110	1,063	12,574	12,516	4,618	4,618	1,684				100	185	1,970	
Nov.....	1,765	273	238	6,880	6,404	6,990	6,121	1,647	311		369	174	218	2,739	
Dec.....	1,254	426	6	8,855	7,962	11,470	11,895	498	360		142	188	201	393	
1975 Jan.....	746	945	600	9,237	10,367	9,760	8,748	844		14	409	103	136	487	
Feb.....	673	460	900	7,167	6,644	11,267	10,305	258	376	81	246	12	39	309	
Mar.....	3,362	156	1,788	15,933	16,763	5,011	6,928	342	210	2	447	5	434	136	
Apr.....	3,189	318	506	12,375	12,216	12,774	8,551	6,438		2	883	24	496	7,829	
May.....	953	354	407	2,996	3,044	19,489	21,952	2,224		97	567	55	375	3,207	

¹ Before Nov. 1973, included matched sale-purchase transactions, which are now shown separately.
² Includes special certificates acquired when the Treasury borrows directly from the Federal Reserve, as follows: June 1971, 955; Sept. 1972, 38; Aug. 1973, 351; Sept. 1973, 836; Nov. 1974, 131; Mar. 1975, 1,560.
³ Net change in U.S. Govt. securities, Federal agency obligations, and bankers' acceptances.
 NOTE: Sales, redemptions, and negative figures reduce System holdings; all other figures increase such holdings. Details may not add to totals because of rounding.

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Belgian francs	Canadian dollars	French francs	German marks	Italian lire	Japanese yen	Mexico pesos	Netherlands guilders	Swiss francs
1970.....	257	154	*	*		98		1		*	4
1971.....	18	3	3	*		2					8
1972.....	192	*	*	*		164				20	6
1973.....	4	*	*	*		*					3
1974 Apr.....	6	*	5	*		*					
May.....	63	*	5	*		57					
June.....	90	*	5	*		84					
July.....	8	*	1	*		6					
Aug.....	220	*	*	*		220					
Sept.....	242	*	*	*		61			180		
Oct.....	190	*	1	*		8			180		
Nov.....	40	*	*	*		38					
Dec.....	2	*	*	*		1					
1975 Jan.....	2	*	*	*		1					
Feb.....	2	*	*	*		1					
Mar.....	19	*	*	*		17					

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1975					1975		1974
	June 25	June 18	June 11	June 4	May 28	June 30	May 31	June 30
Assets								
Gold certificate account.....	11,620	11,620	11,620	11,620	11,620	11,620	11,620	11,460
Special Drawing Rights certificate account.....	500	500	500	500	500	800	500	400
Cash.....	357	357	353	356	357	360	366	218
Loans:								
Member bank borrowings.....	1,101	374	115	457	481	560	24	3,210
Other.....								
Acceptances:								
Bought outright.....	681	672	698	719	740	682	744	97
Held under repurchase agreements.....	313	9		109	136		121	207
Federal agency obligations:								
Bought outright.....	5,085	5,085	5,085	5,085	5,091	5,085	5,091	2,858
Held under repurchase agreements.....	354	60		162	449	61	316	270
U.S. Govt. securities:								
Bought outright:								
Bills.....	36,869	36,631	33,443	36,606	38,098	37,172	37,411	37,274
Certificates—Special.....								
Other.....								
Notes.....	42,319	42,038	42,038	42,038	42,038	42,886	42,038	39,692
Bonds.....	4,465	4,413	4,413	4,413	4,413	4,522	4,413	2,822
Total bought outright.....	83,653	83,082	79,894	83,057	84,549	84,580	83,862	179,788
Held under repurchase agreements.....	4,177	1,046		698	4,248	169	1,760	696
Total U.S. Govt. securities.....	87,830	84,128	79,894	83,755	88,797	84,749	85,622	80,484
Total loans and securities.....	95,364	90,328	85,792	90,287	95,694	91,137	91,918	87,126
Cash items in process of collection.....	7,630	9,086	7,521	7,955	7,716	85,606	6,326	7,702
Bank premises.....	288	285	284	285	281	288	284	239
Operating equipment.....	2	2	2	2	2	2	2	
Other assets:								
Denominated in foreign currencies.....	4	10	39	16	3	25	4	90
All other.....	2,776	2,844	2,824	2,708	2,653	2,682	2,694	935
Total assets.....	118,541	115,032	108,935	113,729	118,846	112,220	113,714	108,170
Liabilities								
F.R. notes.....	72,146	72,068	72,133	71,516	71,175	72,229	70,852	65,295
Deposits:								
Member bank reserves.....	30,965	29,927	26,298	30,911	29,362	25,615	26,445	30,086
U.S. Treasury—General account.....	5,497	2,639	1,057	1,858	7,687	5,773	7,036	2,919
Foreign.....	294	295	254	254	294	373	310	384
Other:								
All other ²	741	885	1,165	1,098	1,318	701	1,159	762
Total deposits.....	37,497	33,746	28,774	34,121	38,661	32,462	34,950	34,151
Deferred availability cash items.....	5,446	6,011	4,948	5,065	5,618	4,175	4,516	5,405
Other liabilities and accrued dividends.....	1,262	1,120	1,093	1,144	1,151	1,076	1,099	1,101
Total liabilities.....	116,351	112,945	106,948	111,846	116,605	109,942	111,417	105,952
Capital accounts								
Capital paid in.....	909	910	909	909	907	909	908	878
Surplus.....	897	897	897	897	897	897	897	844
Other capital accounts.....	384	280	181	77	437	472	492	496
Total liabilities and capital accounts.....	118,541	115,032	108,935	113,729	118,846	112,220	113,714	108,170
Contingent liability on acceptances purchased for foreign correspondents.....								795
Marketable U.S. Govt. securities held in custody for foreign and international accounts.....	39,507	40,148	40,272	40,449	39,541	39,539	40,502	29,637

Federal Reserve Notes—Federal Reserve Agents' Accounts

F.R. notes outstanding (issued to Bank).....	76,755	76,571	76,333	75,836	75,526	77,001	75,777	69,490
Collateral held against notes outstanding:								
Gold certificate account.....	11,618	10,291	10,291	9,873	9,103	11,596	9,876	2,175
Special Drawing Rights certificate account.....	286	227	208	190	170	292	190	
Acceptances.....								
U.S. Govt. securities.....	68,600	69,500	69,600	69,850	70,430	68,650	69,850	68,295
Total collateral.....	80,504	80,018	80,099	79,913	79,703	80,538	79,916	70,470

¹ See note 2 on p. A-2.² See note 6 on p. A-2.

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

(In millions of dollars)

Item	Wednesday					End of month		
	1975					1975		1974
	June 25	June 18	June 11	June 4	May 28	June 30	May 31	June 30
Loans Total	1,101	1,174	1,115	1,157	1,185	1,156	1,123	1,209
Within 15 days ¹	1,097	1,170	1,109	1,148	1,180	1,152	1,120	1,157
16-90 days	4	4	6	9	5	8	3	52
91 days to 1 year								
Acceptances Total	994	681	698	828	876	682	865	404
Within 15 days ¹	199	91	106	206	226	93	279	225
16-90 days	188	190	176	184	189	183	194	79
91 days to 1 year	207	200	216	238	261	206	242	
U.S. Govt. securities Total	87,830	84,128	79,894	83,755	88,797	84,749	85,622	80,484
Within 15 days ¹	9,438	6,944	2,355	4,425	9,356	3,891	5,087	4,802
16-90 days	19,476	18,176	18,482	20,106	20,657	21,187	21,911	25,150
91 days to 1 year	20,147	20,557	20,606	20,773	20,277	20,972	20,117	20,697
1-5 years	28,560	28,407	28,407	28,407	28,463	28,466	28,463	19,914
5-10 years	7,070	6,957	6,957	6,957	6,957	7,137	6,957	7,945
Over 10 years	3,139	3,087	3,087	3,087	3,087	3,196	3,087	1,976
Federal agency obligations Total	5,439	5,145	5,085	5,247	5,540	5,146	5,407	3,128
Within 15 days ¹	401	107		199	523	109	390	275
16-90 days	283	283	225	224	189	282	189	57
91 days to 1 year	495	495	600	525	529	495	529	397
1-5 years	2,552	2,552	2,552	2,552	2,529	2,552	2,529	1,274
5-10 years	1,147	1,147	1,147	1,209	1,209	1,147	1,209	754
Over 10 years	561	561	561	561	561	561	561	371

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

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts ¹ (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others ²				N.Y.	6 others ²		
1974 May	20,564.7	8,970.1	4,820.8	11,594.6	6,773.8	117.1	275.3	122.3	81.1	65.4
June	20,457.3	9,065.7	4,768.0	11,391.6	6,623.6	116.9	279.9	120.0	79.8	64.3
July	20,899.6	9,140.4	4,892.1	11,759.2	6,867.1	119.8	282.1	123.5	82.8	67.0
Aug.	21,481.7	9,240.8	5,173.0	12,241.0	7,068.0	123.4	286.4	132.0	86.3	68.9
Sept.	22,017.5	9,970.8	5,092.1	12,046.7	6,954.7	125.1	310.5	127.5	83.8	66.9
Oct.	22,348.8	10,271.1	5,084.7	12,077.6	6,993.0	127.0	316.8	127.3	84.1	67.5
Nov.	22,918.7	10,538.9	5,160.2	12,379.8	7,219.6	131.8	324.6	131.5	87.5	70.6
Dec.	22,192.4	9,931.8	5,152.7	12,260.6	7,107.9	128.0	312.8	131.8	86.6	69.3
1975 Jan.	21,856.3	10,157.8	4,868.4	11,698.4	6,830.1	127.2	321.8	125.9	83.4	67.3
Feb.	22,952.7	10,918.0	4,992.8	12,034.7	7,041.9	133.3	343.2	127.4	85.8	69.6
Mar.	22,182.9	10,241.1	4,899.9	11,941.8	7,041.9	125.0	318.3	118.2	82.2	67.8
Apr.	22,696.7	10,810.3	4,770.6	11,886.5	7,115.9	127.6	328.2	115.5	82.0	68.7
May	22,748.5	10,826.1	4,858.9	11,922.4	7,063.5	129.3	333.9	121.5	83.1	68.2

¹ Excludes interbank and U.S. Govt. demand deposit accounts.

² Boston, Philadelphia, Chicago, Detroit, San Francisco-Oakland, and Los Angeles-Long Beach.

NOTE: Total SMSA's include some cities and counties not designated as SMSA's.

For back data see pp. 634-35 of July 1972 BULLETIN.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Period	Seasonally adjusted					Not seasonally adjusted				
	M ₁	M ₂	M ₃	M ₄	M ₅	M ₁	M ₂	M ₃	M ₄	M ₅
Composition of measures is described in the Note below.										
1972--Dec.	255.8	525.7	844.9	569.7	888.8	263.0	530.7	848.0	574.9	892.2
1973--Dec.	271.5	572.2	919.6	636.0	983.4	279.1	577.3	922.8	641.3	986.8
1974--May	277.6	591.6	948.6	670.2	1,027.1	272.9	589.7	948.2	666.9	1,025.4
June	280.0	593.1	955.8	678.4	1,037.1	278.2	596.8	957.2	676.2	1,036.8
July	280.4	599.6	959.6	683.1	1,043.2	280.0	599.2	960.9	681.9	1,043.7
Aug.	280.5	601.9	962.6	685.7	1,046.4	277.3	598.4	958.7	685.5	1,045.8
Sept.	283.7	603.4	965.0	688.2	1,049.9	278.9	600.3	960.8	689.0	1,049.5
Oct.	281.6	607.6	970.7	693.8	1,056.9	281.2	605.7	967.4	694.5	1,056.2
Nov.	283.6	611.6	976.9	697.1	1,062.5	285.1	609.8	972.8	696.8	1,059.9
Dec.	284.4	613.5	981.7	704.8	1,072.0	292.3	618.6	985.1	709.1	1,075.5
1975--Jan.	283.2	615.5	987.0	708.3	1,079.8	289.3	621.5	992.4	713.4	1,084.4
Feb.	283.5	620.3	995.6	712.4	1,087.6	280.4	617.9	993.3	707.1	1,087.5
Mar.	286.1	626.4	1,007.2	716.1	1,097.0	283.3	625.9	1,008.6	713.9	1,096.6
Apr.	287.1	630.4	1,017.2	718.8	1,105.6	288.7	634.8	1,021.9	720.6	1,109.8
May	289.7	637.3	1,029.5	722.8	1,115.1	284.9	635.5	1,029.2	719.6	1,113.3

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

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

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

M₃: M₂ plus mutual savings bank deposits, savings and loan shares, and credit union shares (nonbank thrift).

M₄: M₂ plus large negotiable CD's.

M₅: M₂ plus large negotiable CD's.

For a description of the latest revisions in M₁, M₂, and M₃, see "Revision of Money Stock Measures and Member Bank Reserves and Deposits" on pp. 817-27 of the Dec. 1974 Buletin.

Latest monthly and weekly figures are available from the Board's 11.6 release. Back data are available from the Banking Section, Division of Research and Statistics.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Period	Seasonally adjusted						Not seasonally adjusted						U.S. Govt. deposits ³		
	Commercial banks			Non-bank thrift institutions ²	Commercial banks			Non-bank thrift institutions ²	U.S. Govt. deposits ³						
	Currency	Demand deposits	Time and savings deposits		Currency	Demand deposits	Time and savings deposits								
			CD's ¹	Other	Total		Total	Member	Domestic non-member	CD's ¹	Other	Total			
1972--Dec.	56.9	198.9	43.9	269.9	313.8	319.1	57.9	205.1	152.4	51.4	44.2	267.6	311.8	317.3	7.4
1973--Dec.	61.6	209.9	63.8	300.7	364.5	347.4	62.7	216.4	157.0	56.6	64.0	298.2	362.2	345.6	6.3
1974--May	64.3	213.3	78.5	314.0	392.5	357.0	64.1	208.8	151.3	54.8	77.2	316.7	393.9	358.5	7.6
June	64.6	215.4	81.3	317.1	398.4	358.7	64.8	213.5	153.6	56.1	79.6	318.3	397.9	360.7	6.1
July	64.8	215.6	83.6	319.2	402.8	360.0	65.3	214.7	154.4	56.5	82.8	319.2	402.0	361.7	5.4
Aug.	65.5	215.0	83.8	321.5	405.2	360.7	65.7	211.6	152.3	56.1	87.1	321.1	408.2	360.3	4.0
Sept.	65.9	214.8	84.8	322.7	407.5	361.7	65.8	213.1	153.3	56.6	88.7	321.3	410.1	360.5	5.5
Oct.	66.5	215.2	86.2	325.9	412.1	363.2	66.4	214.7	154.4	57.1	88.8	324.6	413.3	361.7	3.7
Nov.	67.4	216.2	85.5	328.0	413.6	365.3	67.9	217.3	156.0	57.7	87.1	324.6	411.7	363.0	3.4
Dec.	67.9	216.5	90.3	329.1	419.4	368.2	69.0	223.3	160.4	58.9	90.5	326.3	416.8	366.5	4.9
1975--Jan.	68.2	214.0	92.7	333.3	426.0	371.5	67.8	221.5	158.9	58.7	91.9	332.2	424.1	371.0	4.0
Feb.	68.8	214.7	92.1	336.8	428.9	375.3	67.9	212.6	152.4	56.6	89.2	337.4	426.6	375.4	3.4
Mar.	69.5	216.6	89.8	340.3	430.0	380.8	68.9	214.4	154.0	57.1	88.1	342.6	430.6	382.7	3.9
Apr.	69.6	217.5	88.4	343.3	431.7	386.8	69.2	219.5	157.6	58.8	85.8	346.1	432.0	389.1	4.2
May	70.3	219.4	85.5	347.6	433.1	392.2	70.1	214.8	154.1	57.8	84.1	350.6	434.7	393.8	4.2

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

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

³ At all commercial banks.

See also NOTE above.

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

Period	Member bank reserves, S.A. ¹				Deposits subject to reserve requirements ³								Total member bank deposits plus nondeposit items ⁴	
	Total	Non-borrowed	Re-quired	Avail-able ²	S.A.				N.S.A.				S.A.	N.S.A.
					Total	Time and savings	Demand		Total	Time and savings	Demand			
							Private	U.S. Govt.			Private	U.S. Govt.		
1971 Dec....	31.33	31.20	31.15	29.03	360.3	210.7	143.8	5.8	364.6	209.7	149.2	5.7	365.2	369.5
1972 Dec....	31.46	30.41	31.17	29.09	402.0	242.0	154.5	5.6	406.8	240.7	160.1	6.1	406.4	411.2
1973 Dec....	35.16	33.87	34.86	32.97	442.2	280.0	158.2	3.9	447.5	278.5	164.0	5.0	448.7	454.0
1974 May....	36.52	33.93	36.34	34.26	467.1	302.3	159.1	5.6	464.7	303.0	155.6	6.1	475.8	473.5
June....	36.74	33.73	36.54	34.71	472.9	307.0	160.6	5.3	470.0	306.4	158.9	4.7	481.2	478.4
July....	37.40	34.10	37.24	34.95	475.7	310.7	160.7	4.2	474.3	310.1	160.0	4.1	484.9	483.5
Aug....	37.27	33.93	37.08	35.27	478.5	312.4	159.9	6.2	475.1	315.3	157.0	2.9	487.5	484.2
Sept....	37.28	34.00	37.09	35.30	480.6	314.4	159.9	6.3	479.7	317.2	158.3	4.2	489.2	488.2
Oct....	36.86	35.04	36.73	34.89	480.5	317.2	159.5	3.7	480.5	318.6	159.1	2.7	488.3	488.3
Nov....	36.87	35.62	36.67	34.87	481.6	318.4	160.6	4.6	481.2	317.4	161.4	2.4	491.2	488.8
Dec....	36.91	36.18	36.65	34.64	485.9	323.4	160.7	1.9	491.8	321.7	166.6	3.5	494.3	500.1
1975 Jan....	36.91	36.51	36.76	34.41	488.2	328.5	159.0	0.7	495.1	327.2	165.0	2.9	495.8	502.6
Feb....	35.46	35.32	35.27	33.61	489.2	328.9	159.7	0.6	487.0	326.5	158.0	2.4	495.7	493.5
Mar....	34.85	34.74	34.65	33.03	491.6	329.2	161.7	0.7	491.6	328.9	159.8	2.8	498.1	498.1
Apr....	35.08	34.97	34.93	33.11	493.5	329.7	161.7	2.1	495.4	329.1	163.2	3.1	500.2	502.2
May....	34.64	34.57	34.48	32.81	493.7	329.0	162.6	2.1	491.8	329.8	159.0	1.9	501.2	499.2

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

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

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

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

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

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

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

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

Date	Total loans and investments ¹	Seasonally adjusted				Not seasonally adjusted								
		Loans		Securities		Loans		Securities						
		Total ²	Plus loans sold ³	Commercial and industrial ³	U.S. Treasury	Other ⁴	Total	Plus loans sold ³	Commercial and industrial ³	U.S. Treasury	Other ⁴			
1971 Dec. 31....	484.8	320.3	323.1	115.9	117.5	60.1	104.4	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972 Dec. 31....	556.4	377.8	380.4	129.7	131.4	61.9	116.7	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973 Dec. 31....	630.3	447.3	451.6	155.8	158.4	52.8	130.2	647.3	458.5	462.8	159.4	162.0	58.3	130.6
1974 June 30 ⁵	677.5	484.5	489.9	174.6	177.5	56.4	136.6	681.6	491.8	497.2	177.2	180.1	52.1	137.6
July 31....	687.5	494.8	500.2	178.0	180.9	55.9	136.8	686.3	497.2	502.6	178.4	181.3	52.2	136.9
Aug. 28....	693.9	501.5	506.8	181.0	183.9	55.3	137.1	689.4	500.6	508.9	179.4	182.3	52.0	136.8
Sept. 25....	689.9	500.2	505.5	181.4	184.2	52.3	137.4	689.5	501.2	505.5	181.5	184.3	50.7	137.6
Oct. 30....	690.8	502.0	507.2	183.2	186.0	49.8	139.0	689.5	500.7	505.9	182.0	184.8	50.7	138.1
Nov. 27....	692.5	504.8	508.7	184.3	187.0	49.1	139.6	692.2	502.0	506.9	183.2	185.9	52.1	138.1
Dec. 31....	687.1	498.3	503.1	182.6	185.3	48.7	140.1	705.7	510.7	515.5	186.8	189.5	54.4	140.5
1975 Jan. 29 ⁶	689.3	500.7	505.3	183.9	186.6	48.8	139.8	688.3	495.9	500.5	181.7	184.4	53.6	138.9
Feb. 26....	691.0	497.6	502.1	182.1	184.8	54.3	140.1	685.3	491.5	496.0	180.3	183.0	54.7	139.1
Mar. 26....	694.7	496.4	501.1	180.4	183.2	58.7	139.6	690.2	490.3	495.0	180.0	182.8	59.6	140.3
Apr. 30 ⁶	696.2	492.4	497.0	179.8	182.5	64.5	139.3	695.2	490.6	495.2	180.4	183.1	63.7	140.9
May 28....	698.3	489.6	494.3	178.2	181.0	68.8	139.9	694.7	488.4	493.1	177.8	180.6	65.6	140.6
June 30 ⁶	698.8	484.5	489.2	175.3	178.2	73.0	141.3	703.0	491.8	496.5	177.9	180.8	68.8	142.4

¹ Adjusted to exclude domestic commercial interbank loans.

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

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

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

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

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

NOTE: Total loans and investments: For monthly data, Jan. 1959-June 1973, see Nov. 1973 BULLETIN, pp. A-96 A-97, and for 1948-58, Aug. 1968 BULLETIN, pp. A-94 A-97. For a description of the current seasonally adjusted series see the Nov. 1973 BULLETIN, pp. 831-32, and the Dec. 1971 BULLETIN, pp. 971-73. Commercial and industrial loans: For monthly data, Jan. 1959-June 1973, see Nov. 1973 BULLETIN, pp. A-96 A-98; for description see July 1972 BULLETIN, p. 683. Data are for last Wednesday of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

ASSETS BY CLASS OF BANK, DECEMBER 31, 1974

(Amounts in millions of dollars)

Account	Member banks ¹							Non-member banks ¹
	All commercial banks	Insured commercial banks	Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Cash bank balances, items in process.....	128,055	125,388	107,008	27,604	4,816	40,126	34,462	21,047
Currency and coin.....	11,659	11,633	8,846	691	198	2,889	5,068	2,812
Reserves with F.R. banks.....	27,112	27,112	27,112	4,960	1,781	10,356	10,011	.....
Demand balances with banks in United States.....	36,083	34,327	21,695	7,265	357	4,382	9,692	14,388
Other balances with banks in United States.....	4,173	3,872	2,602	62	275	854	1,413	1,571
Balances with banks in foreign countries.....	1,751	1,331	1,165	412	89	532	132	586
Cash items in process of collection.....	47,278	47,113	45,588	14,214	2,115	21,115	8,144	1,690
Total securities held—Book value.....	194,949	193,430	139,020	16,412	5,612	47,254	69,741	55,929
U.S. Treasury.....	54,453	54,135	38,924	5,332	1,820	13,323	18,448	15,529
Other U.S. Govt. agencies.....	32,842	32,380	20,859	2,005	874	6,450	11,529	11,984
States and political subdivisions.....	100,397	100,032	74,283	8,288	2,706	25,761	37,528	26,115
All other securities.....	7,256	6,883	4,954	787	212	1,719	2,236	2,402
Trade-account securities.....	7,989	7,984	7,916	3,040	831	3,805	240	74
U.S. Treasury.....	2,548	2,543	2,521	970	461	1,037	53	27
Other U.S. Govt. agencies.....	1,352	1,352	1,347	541	120	637	49	4
States and political subdivisions.....	3,370	3,370	3,337	1,341	250	1,612	135	34
All other.....	719	719	710	188	.....	519	3	9
Bank investment portfolios.....	186,960	185,446	131,105	13,372	4,781	43,449	69,502	55,855
U.S. Treasury.....	51,905	51,592	36,403	4,362	1,360	12,286	18,396	15,502
Other U.S. Govt. agencies.....	31,490	31,028	19,511	1,464	753	5,813	11,480	11,979
States and political subdivisions.....	97,027	96,661	70,946	6,947	2,456	24,150	37,393	26,081
All other.....	6,537	6,164	4,244	599	212	1,200	2,233	2,293
Federal funds sold and securities resale agreements.....	40,035	38,873	29,841	1,887	985	14,741	12,228	10,194
Commercial banks.....	33,800	32,638	23,745	1,052	698	10,628	11,338	10,084
Brokers and dealers.....	4,386	4,386	4,130	615	253	2,815	647	56
Others.....	1,849	1,849	1,795	220	35	1,298	243	54
Other loans.....	509,558	502,258	399,990	82,049	24,261	149,804	143,876	109,567
Real estate loans.....	130,593	130,309	94,584	8,184	1,325	35,945	49,131	36,009
Secured by farmland.....	5,904	5,887	2,634	14	2	348	2,274	3,270
Secured by residential.....	81,610	81,408	60,577	4,567	887	24,133	30,991	21,013
1- to 4-family residences.....	74,039	73,863	54,316	3,135	827	21,198	29,155	19,723
FHA insured.....	5,914	5,870	5,110	254	40	2,815	2,000	805
VA guaranteed.....	3,191	3,147	2,703	188	20	1,401	1,094	488
Other.....	64,933	64,846	46,503	2,693	766	16,982	26,061	18,430
Multifamily.....	7,572	7,545	6,262	1,432	59	2,934	1,836	1,310
FHA insured.....	941	925	823	166	27	355	275	118
Other.....	6,631	6,620	5,439	1,266	32	2,579	1,561	1,192
Secured by other properties.....	43,078	43,015	31,372	3,602	437	11,467	15,866	11,706
Loans to domestic and foreign banks.....	12,265	10,017	9,500	4,731	679	3,628	462	2,765
Loans to other financial institutions.....	35,236	35,012	33,627	12,911	5,009	14,047	2,661	1,609
Loans on securities to brokers and dealers.....	5,241	5,193	5,073	3,597	550	763	161	169
Other loans for purchase/carry securities.....	4,026	4,001	3,343	566	329	1,527	921	683
Loans to farmers.....	18,237	18,216	10,501	120	252	2,457	7,672	7,735
Commercial and industrial loans.....	186,839	182,815	156,354	43,095	13,408	60,473	39,378	30,485
Loans to individuals.....	103,215	102,956	74,465	5,213	1,558	26,751	40,943	28,750
Installment loans.....	80,245	80,036	57,443	3,177	835	20,819	32,611	22,802
Passenger automobiles.....	32,849	32,705	22,127	4,462	161	6,954	14,551	10,722
Residential repair/modernize.....	5,546	5,536	4,075	206	39	1,734	2,096	1,472
Credit cards and related plans.....	11,078	11,077	9,807	1,113	388	5,479	2,828	1,271
Charge-account credit cards.....	8,281	8,280	7,430	665	358	4,273	2,134	851
Check and revolving credit plans.....	2,797	2,797	2,377	447	30	1,206	694	420
Other retail consumer goods.....	15,381	15,357	10,831	155	118	3,799	6,758	4,549
Mobile homes.....	8,998	8,996	6,570	97	54	2,353	4,017	2,477
Other.....	6,383	6,362	4,311	59	64	1,447	2,741	2,072
Other installment loans.....	15,391	15,300	10,602	1,242	129	2,853	6,379	4,789
Single-payment loans to individuals.....	22,970	22,921	17,022	2,036	723	5,932	8,332	5,948
All other loans.....	13,906	13,738	12,544	3,641	1,152	5,214	2,546	1,362
Total loans and securities.....	744,542	734,561	568,852	100,348	30,859	211,799	225,845	175,690
Fixed assets—Buildings, furniture, real estate.....	15,106	15,027	11,374	1,116	448	4,622	5,189	3,732
Investments in subsidiaries not consolidated.....	1,763	1,739	1,723	768	134	752	69	41
Customer acceptances outstanding.....	10,857	10,648	10,364	5,629	451	3,912	372	493
Other assets.....	19,678	19,022	16,629	5,104	872	7,132	3,520	3,049
Total assets.....	920,001	906,385	715,950	140,569	37,581	268,343	269,457	204,051
Number of banks.....	14,465	14,216	5,780	13	9	155	5,603	8,685

¹ Member banks exclude and nonmember banks include 3 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

² See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 24.

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

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

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

Details may not add to totals because of rounding.

LIABILITIES AND CAPITAL BY CLASS OF BANK, DECEMBER 31, 1974

(Amounts in millions of dollars)

Account	Member banks ¹							
	All commercial banks	Insured commercial banks	Total	Large banks			All other	Non-member banks ¹
				New York City	City of Chicago	Other large		
Demand deposits	315,825	312,858	248,477	55,556	11,307	88,451	93,163	67,348
Mutual savings banks	1,363	1,197	1,121	559	3	190	370	242
Other individuals, partnerships, and corporations	235,802	234,808	180,819	30,816	7,538	67,111	78,354	54,982
U.S. Government	4,807	4,799	3,183	226	36	815	2,106	1,624
States and political subdivisions	18,615	18,485	13,126	666	218	3,889	8,354	5,489
Foreign governments, central banks, etc.	2,124	1,882	1,855	1,465	24	357	8	269
Commercial banks in United States	35,316	35,053	33,824	14,399	3,039	11,985	4,401	1,492
Banks in foreign countries	6,804	6,336	6,116	4,593	198	1,192	134	688
Certified and officers' checks, etc.	10,993	10,298	8,432	2,833	251	2,912	2,436	2,562
Time and savings deposits	432,516	428,855	327,410	51,799	17,491	119,486	138,634	108,106
Savings deposits	135,608	135,364	97,596	6,061	2,060	34,273	55,202	38,012
Accumulated for personal loan payments ²	389	387	275	275	1	69	206	115
Mutual savings banks	479	463	451	261	3	171	16	28
Other individuals, partnerships, and corporations	221,752	219,947	170,180	30,329	11,996	62,467	65,388	51,572
U.S. Government	477	477	352	39	6	146	160	125
States and political subdivisions	50,110	49,939	37,065	2,060	1,307	16,494	17,205	13,046
Foreign governments, central banks, etc.	12,683	12,049	11,891	7,369	1,315	3,174	32	292
Commercial banks in United States	8,611	8,417	7,858	4,119	775	2,546	418	753
Banks in foreign countries	2,406	1,814	1,742	1,561	29	145	7	663
Total deposits	748,341	741,713	575,887	107,355	28,799	207,936	231,797	172,454
Federal funds purchased and securities sold under agreements to repurchase	52,326	51,141	48,351	10,048	4,295	26,357	7,651	3,976
Other liabilities for borrowed money	6,049	4,852	4,505	1,571	63	2,406	464	2,544
Mortgage indebtedness	715	712	509	77	4	259	169	206
Bank acceptances outstanding	11,433	11,221	10,936	6,155	469	3,948	373	497
Other liabilities	28,788	25,047	20,426	4,397	1,346	8,029	6,653	8,362
Total liabilities	847,652	834,687	660,614	129,603	34,977	248,927	247,107	187,038
Minority interest in consolidated subsidiaries	6	5	2				2	3
Total reserves on loans/securities	8,689	8,650	7,089	1,594	488	2,668	2,338	1,600
Reserves for bad debts (IRS)	8,402	8,366	6,909	1,593	488	2,598	2,230	1,493
Other reserves on loans	116	115	70	1		17	51	46
Reserves on securities	171	169	110			53	57	60
Total capital accounts	63,655	63,043	48,244	9,372	2,115	16,748	20,010	15,410
Capital notes and debentures	4,290	4,227	3,423	755	61	1,673	933	868
Equity capital	59,364	58,817	44,822	8,616	2,054	15,076	19,076	14,542
Preferred stock	54	43	24			10	13	30
Common stock	14,821	14,724	11,015	2,188	568	3,560	4,699	3,806
Surplus	25,397	25,223	19,227	3,770	1,140	6,840	7,526	6,170
Undivided profits	18,124	17,920	13,908	2,704	301	4,398	6,504	4,216
Other capital reserves	968	904	649	4	44	267	334	319
Total liabilities, reserves, minority interest, capital accounts	920,001	906,385	715,950	140,569	37,581	268,313	269,457	204,051
Demand deposits adjusted ³	228,424	225,893	165,881	26,717	6,117	54,535	78,512	62,542
Average total deposits (past 15 days)	724,464	717,857	555,930	103,014	27,229	199,287	226,400	168,534
Average total loans (past 15 days)	519,219	510,838	401,694	81,665	24,493	150,485	145,050	117,525
Selected ratios:								
Percentage of total assets								
Cash and balances with other banks	13.9	13.8	14.9	19.6	12.8	15.0	12.8	10.3
Total securities held	21.2	21.3	19.4	11.7	14.9	17.6	25.9	27.4
Trading account securities . . . . .	.9	.9	1.1	2.2	2.2	1.4	.1	
U.S. Treasury . . . . .	.3	.3	.4	.7	1.2	.4		
States and political subdivisions . . . . .	.4	.4	.5	1.0	.7	.6		
All other trading account securities . . . . .	.2	.2	.3	.5	.3	.4		
Bank investment portfolios	20.3	20.5	18.3	9.5	12.7	16.2	25.8	27.4
U.S. Treasury	5.6	5.7	5.1	3.1	3.6	4.6	6.8	7.6
States and political subdivisions	10.5	10.7	9.9	4.9	6.5	9.0	13.9	12.8
All other portfolio securities	4.1	4.1	3.3	1.5	2.6	2.6	5.1	7.0
Other loans and Federal funds sold	59.7	59.7	60.0	59.7	67.2	61.3	57.9	58.7
All other assets	5.2	5.1	5.6	9.0	5.1	6.1	3.4	3.6
Total loans and securities	80.9	81.0	79.5	71.4	82.1	78.9	83.8	86.1
Reserves for loans and securities . . . . .	.9	1.0	1.0	1.1	1.3	1.0	.9	.8
Equity capital - Total	6.5	6.5	6.3	6.1	5.5	5.6	7.1	7.1
Total capital accounts	6.9	7.0	6.7	6.7	5.6	6.2	7.4	7.6
Number of banks	14,465	14,216	5,780	13	9	155	5,603	8,685

For notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and investments	Loans														
		Federal funds sold, etc. ¹					Other									
		Total	To commercial banks	To brokers and dealers involving:		To others	Total	Commercial and industrial	Agricultural	To brokers and dealers		To others		To nonbank financial institutions		Real estate
				U.S. Treasury securities	Other securities					U.S. Treasury secs.	Other secs.	U.S. Treasury secs.	Other secs.	Pers. and sales firms, cos., etc.	Other	
<i>Large banks Total</i>																
<i>1974</i>																
June 5	390,965	18,836	15,454	2,014	686	682	287,657	120,766	3,821	1,542	4,933	126	2,694	9,461	20,410	57,694
12	390,055	16,072	13,913	1,985	512	562	287,451	121,519	3,834	602	5,002	130	2,689	9,321	20,312	57,923
19	390,569	15,321	13,213	905	581	622	290,510	123,004	3,962	674	5,102	130	2,667	9,906	20,807	58,195
26	391,779	16,187	14,070	932	552	633	291,481	123,612	3,950	511	4,699	128	2,670	9,867	20,928	58,296
<i>1975</i>																
May 7	391,578	17,292	14,163	1,641	868	630	284,748	125,158	4,432	1,066	2,646	78	2,342	9,356	20,224	59,201
14	389,853	17,142	14,024	1,555	842	721	283,112	124,398	3,422	949	2,645	81	2,333	9,090	20,152	59,211
21	388,845	16,201	13,045	1,755	828	573	282,635	123,590	3,395	894	2,926	79	2,351	9,105	20,142	59,231
28	389,317	17,589	13,982	2,276	720	611	281,795	122,729	3,397	735	3,177	77	2,338	9,272	20,189	59,293
June 4 ^a	392,798	19,635	16,049	2,256	770	560	282,872	122,004	3,390	1,897	3,507	84	2,336	9,256	20,134	59,245
11 ^a	395,880	21,301	15,234	4,588	885	594	282,222	121,961	3,404	1,961	3,135	85	2,337	9,038	20,190	59,251
18 ^a	396,191	19,758	15,734	2,574	893	557	282,519	122,155	3,431	1,306	3,398	83	2,349	9,426	20,395	59,228
25 ^a	390,134	16,114	12,603	2,197	681	633	281,582	121,919	3,458	605	3,645	114	2,340	9,419	20,370	59,189
<i>New York City</i>																
<i>1974</i>																
June 5	85,219	1,798	1,720	8	32	38	69,326	14,735	138	1,445	2,989	28	558	3,241	7,303	6,713
12	85,784	1,707	1,677	9	21	21	68,931	15,156	146	538	2,970	28	565	3,185	7,316	6,767
19	86,289	1,252	1,144	9	104	104	70,145	15,875	145	535	3,064	28	562	3,538	7,605	6,832
26	87,799	2,233	2,163	6	64	64	70,641	16,426	138	423	2,768	26	562	3,487	7,624	6,832
<i>1975</i>																
May 7	87,135	1,604	1,446	96	62	62	70,750	18,308	100	886	1,843	19	457	3,207	7,832	7,416
14	86,730	1,605	1,444	18	143	143	69,938	17,975	98	809	1,778	19	451	3,100	7,822	7,401
21	87,078	1,804	1,662	24	118	118	69,833	17,639	92	813	2,015	17	469	3,098	7,809	7,413
28	86,011	968	773	24	171	171	69,670	17,355	91	588	2,215	18	460	3,242	7,874	7,442
June 4 ^a	87,128	1,194	1,058	31	105	105	70,509	17,165	84	1,648	2,405	18	457	3,204	7,830	7,438
11 ^a	87,652	1,107	982	5	120	120	70,353	17,255	82	1,605	2,267	18	466	3,117	7,778	7,440
18 ^a	88,724	1,258	1,000	37	72	72	70,287	17,330	82	1,099	2,341	18	478	3,328	7,906	7,422
25 ^a	87,271	691	458	79	154	154	69,986	17,331	83	516	2,575	49	470	3,380	7,863	7,422
<i>Outside New York City</i>																
<i>1974</i>																
June 5	305,746	17,038	13,734	2,006	654	644	218,331	86,031	3,683	97	1,944	98	2,136	6,220	13,107	50,981
12	304,271	15,265	12,236	1,976	512	541	218,520	86,363	3,688	64	2,032	102	2,124	6,136	12,996	51,156
19	304,280	14,064	12,069	896	581	518	220,365	87,129	3,817	139	2,038	102	2,105	6,168	13,202	51,363
26	304,480	13,954	11,907	926	552	569	220,840	87,186	3,812	88	1,931	102	2,108	6,380	13,304	51,464
<i>1975</i>																
May 7	304,443	15,688	12,717	1,535	868	568	213,998	86,850	3,332	180	803	59	1,885	6,149	12,392	51,785
14	303,123	15,537	12,580	1,537	842	578	213,174	86,423	3,324	140	867	62	1,882	5,990	12,330	51,810
21	301,767	14,397	11,383	1,731	828	455	212,802	85,951	3,303	81	911	62	1,882	6,007	12,333	51,838
28	303,306	16,621	13,209	2,252	720	440	212,125	85,374	3,306	147	962	59	1,878	6,030	12,315	51,851
June 4 ^a	305,670	18,441	14,991	2,225	770	455	212,363	84,839	3,306	249	1,102	66	1,879	6,052	12,304	51,807
11 ^a	308,228	20,194	14,252	4,583	885	474	211,869	84,706	3,322	356	1,068	67	1,871	5,911	12,412	51,811
18 ^a	307,467	18,500	14,734	2,537	744	485	212,232	84,825	3,349	207	1,057	65	1,871	6,098	12,489	51,806
25 ^a	302,863	15,423	12,145	2,118	681	479	211,596	84,588	3,375	89	1,070	65	1,870	6,039	12,507	51,767

¹For notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Loans (cont.)					Investments										Wednesday				
Other (cont.)					U.S. Treasury securities					Other securities									
To commercial banks	Domestic	Foreign	Consumer installment	Foreign govts. ²	All other	Total	Bills	Certificates	Notes and bonds maturing			Total	Obligations of States and political subdivisions			Other bonds, corp. stocks, and securities			
									Within 1 yr.	1 to 5 yrs.	After 5 yrs.		Tax warrants ³	All other		Certif. of participation ⁴	All other ⁵		
<i>Large banks Total</i>																			
<i>1974</i>																			
4,013	6,452	33,565	1,859	20,121	22,316	2,727	3,665	11,949	3,975	62,156	7,505	40,931	2,397	11,323	8,007	41,405	2,508	11,589	June 5
3,978	6,225	33,676	1,832	20,408	22,123	2,485	3,764	11,882	3,992	63,509	8,007	41,332	2,519	11,575	7,511	41,332	2,519	11,575	June 12
3,857	6,275	33,797	1,881	20,253	21,801	2,218	3,728	11,885	3,970	62,937	7,511	41,332	2,519	11,575	7,511	41,332	2,519	11,575	June 19
3,959	6,401	33,923	1,966	20,571	20,984	1,531	3,666	11,845	3,942	63,127	7,384	41,311	2,525	11,907	7,384	41,311	2,525	11,907	June 26
<i>1975</i>																			
2,657	5,387	33,833	1,435	17,933	29,314	5,953	4,034	15,875	3,452	60,224	6,107	39,620	2,400	12,097	5,908	39,367	2,433	12,080	May 7
2,509	5,271	33,851	1,229	17,971	29,511	6,052	4,151	15,864	3,444	60,088	5,908	39,367	2,433	12,080	5,908	39,367	2,433	12,080	May 14
2,467	5,289	33,821	1,328	18,017	29,794	5,891	4,211	16,077	3,615	60,215	6,039	39,549	2,451	12,176	6,039	39,549	2,451	12,176	May 21
2,297	5,377	33,838	1,148	17,728	30,235	5,769	4,296	16,589	3,581	59,698	5,919	39,501	2,415	11,863	5,919	39,501	2,415	11,863	May 28
2,614	5,295	33,793	1,341	17,976	30,590	6,628	4,596	15,951	3,415	59,701	5,859	39,593	2,396	11,853	5,859	39,593	2,396	11,853	June 4
2,467	5,235	33,770	1,333	17,865	32,150	7,669	4,632	16,485	3,364	60,207	6,067	39,721	2,429	11,990	6,067	39,721	2,429	11,990	June 11
2,395	5,154	33,795	1,267	18,137	32,723	7,975	4,880	16,442	3,426	61,191	6,519	40,168	2,422	12,082	6,519	40,168	2,422	12,082	June 18
2,420	5,134	33,866	1,314	17,789	31,934	7,533	4,781	16,353	3,267	60,504	6,480	39,644	2,408	11,972	6,480	39,644	2,408	11,972	June 25
<i>New York City</i>																			
<i>1974</i>																			
1,509	3,002	2,400	746	4,519	3,644	88	395	1,911	1,250	10,451	2,240	5,582	554	2,075	2,240	5,582	554	2,075	June 5
1,620	2,810	2,420	771	4,639	3,907	263	451	1,932	1,261	11,239	2,692	5,770	607	2,170	2,692	5,770	607	2,170	June 12
1,528	2,929	2,436	792	4,276	3,809	141	432	1,958	1,278	11,078	2,472	5,796	603	2,207	2,472	5,796	603	2,207	June 19
1,595	2,907	2,444	789	4,620	3,355	244	378	1,949	1,272	11,070	2,371	5,787	635	2,277	2,371	5,787	635	2,277	June 26
<i>1975</i>																			
1,293	2,533	2,577	676	3,603	5,889	1,223	430	3,293	943	8,892	1,562	4,689	516	2,125	1,562	4,689	516	2,125	May 7
1,221	2,399	2,580	553	3,732	6,311	1,473	535	3,283	1,020	8,876	1,540	4,637	516	2,183	1,540	4,637	516	2,183	May 14
1,168	2,383	2,586	608	3,723	6,418	1,323	553	3,530	1,012	9,023	1,609	4,777	514	2,123	1,609	4,777	514	2,123	May 21
1,097	2,447	2,575	617	3,649	6,519	1,175	599	3,754	991	8,854	1,512	4,766	514	2,062	1,512	4,766	514	2,062	May 28
1,086	2,360	2,568	601	3,645	6,588	1,559	555	3,548	926	8,837	1,442	4,835	519	2,041	1,442	4,835	519	2,041	June 4
1,103	2,303	2,577	599	3,743	6,905	1,632	605	3,756	912	9,287	1,688	4,978	526	2,095	1,688	4,978	526	2,095	June 11
1,072	2,246	2,583	501	3,881	7,199	1,717	658	3,826	998	9,980	2,084	5,227	537	2,132	2,084	5,227	537	2,132	June 18
1,096	2,278	2,590	538	3,795	7,030	1,677	665	3,787	901	9,564	1,934	4,985	532	2,113	1,934	4,985	532	2,113	June 25
<i>Outside New York City</i>																			
<i>1974</i>																			
2,504	3,450	31,165	1,113	15,802	18,672	2,639	3,270	10,038	2,725	51,705	5,265	35,349	1,843	9,248	5,265	35,349	1,843	9,248	June 5
2,358	3,415	31,256	1,061	15,769	18,216	2,222	3,313	9,950	2,731	52,270	5,315	35,635	1,901	9,419	5,315	35,635	1,901	9,419	June 12
2,329	3,346	31,361	1,089	15,977	17,992	2,077	3,296	9,927	2,692	51,859	5,039	35,536	1,916	9,368	5,039	35,536	1,916	9,368	June 19
2,364	3,494	31,479	1,177	15,951	17,629	1,775	3,288	9,896	2,670	52,057	5,013	35,524	1,890	9,630	5,013	35,524	1,890	9,630	June 26
<i>1975</i>																			
1,364	2,854	31,256	759	14,330	23,425	4,730	3,604	12,582	2,509	51,332	4,545	34,931	1,884	9,972	4,545	34,931	1,884	9,972	May 7
1,288	2,872	31,271	676	14,239	23,200	4,579	3,616	12,581	2,424	51,212	4,368	34,730	1,917	10,197	4,368	34,730	1,917	10,197	May 14
1,299	2,906	31,235	720	14,294	23,376	4,568	3,658	12,547	2,603	51,192	4,430	34,772	1,937	10,053	4,430	34,772	1,937	10,053	May 21
1,200	2,930	31,263	731	14,079	23,716	4,594	3,697	12,835	2,590	50,844	4,407	34,735	1,901	9,801	4,407	34,735	1,901	9,801	May 28
1,528	2,935	31,225	740	14,331	24,002	5,069	4,041	12,403	2,489	50,864	4,417	34,758	1,877	9,812	4,417	34,758	1,877	9,812	June 4
1,364	2,932	31,193	734	14,122	25,245	6,037	4,027	12,729	2,452	50,920	4,379	34,743	1,903	9,895	4,379	34,743	1,903	9,895	June 11
1,323	2,908	31,212	766	14,256	25,524	6,258	4,222	12,616	2,428	51,211	4,435	34,941	1,885	9,950	4,435	34,941	1,885	9,950	June 18
1,324	2,856	31,276	776	13,994	24,904	5,856	4,116	12,566	2,366	50,940	4,546	34,659	1,876	9,859	4,546	34,659	1,876	9,859	June 25

For notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Cash items in process of collection	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks	Investments in subsidiaries not consolidated	Other assets	Total assets/total liabilities	Deposits					
								Total ⁶	IPC	States and political subdivisions	Demand		
											U.S. Govt.	Commercial	Mutual savings
<i>Large banks—Total</i>													
<i>1974</i>													
June 5	32,299	21,271	4,052	12,134	1,603	24,875	487,199	157,882	111,477	6,024	2,558	22,237	687
12	32,446	24,666	4,494	10,526	1,586	25,001	488,774	156,244	113,717	5,790	1,711	21,529	671
19	32,243	21,214	4,566	11,076	1,602	24,336	485,606	159,298	112,051	5,909	5,903	22,127	629
26	31,909	22,880	4,684	10,994	1,694	25,084	489,024	158,475	112,202	6,733	4,289	21,748	651
<i>1975</i>													
May 7	30,022	21,295	4,303	12,011	1,741	35,432	496,382	155,570	111,552	6,106	1,653	22,776	872
14	33,021	23,178	4,684	11,789	1,741	35,186	499,452	157,109	116,568	5,949	1,084	21,231	674
21	30,462	25,795	4,655	11,416	1,765	34,369	497,307	154,309	113,372	5,953	1,461	20,753	676
28	35,850	23,265	4,949	11,765	1,735	35,697	502,578	161,346	117,508	5,925	1,414	22,671	767
June 4 ^a	34,689	24,526	4,291	11,832	1,730	37,553	507,419	163,432	116,625	5,991	2,622	24,159	771
11 ^a	33,455	20,231	4,734	11,823	1,735	37,372	505,230	162,574	118,749	5,933	1,537	22,867	728
18 ^a	34,358	23,545	4,711	12,261	1,739	36,389	509,194	166,493	119,008	6,130	4,992	22,767	742
25 ^a	33,053	23,987	4,921	11,869	1,761	36,766	502,491	161,396	115,656	7,115	2,116	22,495	646
<i>New York City</i>													
<i>1974</i>													
June 5	10,812	6,423	494	6,207	744	7,754	117,653	45,392	23,668	368	613	10,639	359
12	11,424	8,486	508	4,985	725	7,953	119,865	44,360	24,525	266	373	10,807	342
19	10,753	5,914	513	5,170	736	7,341	116,716	44,980	23,997	330	1,354	11,004	319
26	11,673	8,037	514	5,127	740	7,597	120,987	45,908	25,306	459	656	10,936	332
<i>1975</i>													
May 7	10,583	7,666	511	5,242	798	12,109	124,044	44,317	24,546	338	152	11,199	515
14	11,949	7,223	507	4,988	807	11,809	124,013	44,084	26,364	438	101	9,941	353
21	10,744	8,138	521	4,629	807	11,175	123,092	43,444	25,408	383	155	9,823	357
28	12,441	8,320	538	4,865	784	12,167	125,126	46,326	26,576	355	240	10,595	433
June 4 ^a	12,143	7,423	505	4,627	788	13,172	125,786	46,120	25,333	366	573	11,327	416
11 ^a	12,472	6,360	511	5,003	789	13,006	125,793	46,208	25,802	454	241	11,457	387
18 ^a	12,088	7,310	517	4,909	795	12,195	126,538	46,757	26,713	310	676	10,964	382
25 ^a	13,032	7,294	539	5,444	795	12,223	126,598	47,631	26,073	1,118	302	11,510	329
<i>Outside New York City</i>													
<i>1974</i>													
June 5	21,487	14,848	3,558	5,927	859	17,121	369,546	112,490	87,809	5,656	1,945	11,598	328
12	21,022	16,180	3,986	5,541	861	17,048	368,909	111,884	89,192	5,524	1,338	10,722	329
19	21,490	15,300	4,053	5,906	866	16,995	368,890	114,318	88,054	5,579	4,549	11,123	310
26	20,236	14,843	4,170	5,867	954	17,487	368,037	112,567	86,896	6,274	3,633	10,812	319
<i>1975</i>													
May 7	19,439	13,629	3,792	6,769	943	23,323	372,338	111,253	87,006	5,768	1,501	11,577	357
14	21,072	15,955	4,177	6,801	934	23,377	375,439	113,025	90,204	5,511	983	11,290	321
21	19,718	17,657	4,134	6,787	958	23,194	374,215	110,865	87,964	5,570	1,306	10,930	319
28	23,409	14,945	4,411	6,900	951	23,530	377,452	115,020	90,932	5,570	1,174	12,076	334
June 4 ^a	22,546	17,103	3,786	7,205	942	24,381	381,633	117,312	91,292	5,625	2,049	12,832	355
11 ^a	20,983	13,871	4,223	6,820	946	24,366	379,437	116,366	92,947	5,479	1,296	11,410	341
18 ^a	22,270	16,235	4,194	7,352	944	24,194	382,656	119,736	92,295	5,820	4,316	11,803	360
25 ^a	20,021	16,693	4,382	6,425	966	24,543	375,893	113,765	89,583	5,997	1,814	10,985	317

⁶For notes see page A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Demand (cont.)			Deposits (cont.)							Borrowings from			Other liabilities, etc. ⁸	Wednesday
Foreign		Certified and officers' checks	Total ⁶	IPC		States and political subdivisions	Domestic inter-bank	Foreign govts. ²	Federal funds purchased, etc. ⁷	F.R. Banks	Others			
Govts., etc. ²	Commercial banks			Savings	Other									
<i>Large banks Total</i>														
1974														
1,899	5,056	7,944	209,452	57,926	111,167	24,995	6,514	8,065	51,998	2,092	6,319	21,266	June 5	
1,431	4,729	6,666	209,894	57,853	111,595	24,635	6,630	8,345	54,929	2,658	5,970	20,867	12	
1,360	4,682	6,637	209,423	57,780	111,109	24,410	6,783	8,460	49,474	1,988	6,267	21,029	19	
1,220	4,759	6,873	210,558	57,886	111,888	24,364	6,947	8,542	51,325	2,341	6,358	21,863	26	
1975														
1,300	5,014	6,297	223,743	62,726	113,310	25,299	8,172	12,345	49,408	2	3,670	23,152	May 7	
1,025	5,013	5,565	225,188	63,011	114,525	25,294	8,054	12,467	49,684	5	3,674	23,021	14	
1,062	4,670	6,362	225,318	63,392	114,059	25,552	8,092	12,453	49,601	711	3,584	23,107	21	
1,208	4,681	7,172	224,647	63,714	113,410	25,412	8,011	12,541	49,060	459	3,254	23,080	28	
1,262	4,745	7,357	224,283	64,338	113,107	24,905	7,992	12,450	51,527	430	3,406	23,317	June 4 ^p	
1,197	4,431	7,142	224,776	64,629	113,458	24,559	7,987	12,595	49,960	89	3,224	23,519	11 ^p	
1,246	4,729	6,879	223,053	64,874	112,135	24,130	7,885	12,553	52,210	340	3,236	22,909	18 ^p	
1,335	4,667	7,366	223,256	64,954	112,676	23,771	7,802	12,595	50,163	972	3,190	22,601	25 ^p	
New York City														
1974														
1,652	3,800	4,293	40,521	5,073	24,561	1,808	4,216	4,553	11,678	.....	2,571	7,424	June 5
1,226	3,440	3,381	40,489	5,056	24,544	1,601	4,265	4,667	14,966	300	2,424	7,270	12	
1,145	3,435	3,396	40,468	5,037	24,310	1,620	4,339	4,757	11,533	.....	2,615	7,086	19
1,019	3,497	3,703	41,264	5,056	24,734	1,712	4,453	4,882	13,253	220	2,579	7,739	26	
1975														
1,093	3,691	2,783	45,684	5,580	25,957	1,278	3,685	7,796	13,454	.....	1,420	8,334	May 7
844	3,651	2,392	45,721	5,638	25,978	1,251	3,639	7,876	13,600	.....	1,433	8,327	14
882	3,409	3,027	45,209	5,678	25,562	1,264	3,618	7,778	13,199	685	1,400	8,326	21	
1,024	3,330	3,773	44,766	5,718	25,213	1,246	3,602	7,894	13,781	62	1,273	8,060	28	
1,015	3,422	3,668	44,399	5,815	24,939	1,244	3,581	7,807	14,396	430	1,406	8,080	June 4 ^p	
995	3,220	3,652	44,683	5,885	24,982	1,304	3,521	7,947	14,339	.....	1,303	8,291	11 ^p
1,018	3,387	3,307	44,079	5,926	24,530	1,297	3,474	7,871	15,248	340	1,292	7,892	18 ^p	
1,095	3,328	3,876	44,232	5,883	24,816	1,262	3,348	7,963	14,255	680	1,330	7,559	25 ^p	
Outside New York City														
1974														
247	1,256	1,651	168,911	52,853	86,606	23,187	2,298	3,512	40,320	2,092	3,748	13,842	June 5	
205	1,289	3,285	169,405	52,797	87,051	23,034	2,365	3,678	39,963	2,358	3,546	13,597	12	
215	1,247	3,241	168,955	52,743	86,799	22,790	2,444	3,703	37,941	1,988	3,652	13,943	19	
201	1,262	3,170	169,294	52,830	87,154	22,652	2,494	3,660	38,072	2,121	3,779	14,124	26	
1975														
207	1,323	3,514	178,059	57,146	87,353	24,021	4,487	4,549	35,954	2	2,250	14,828	May 7	
181	1,362	3,173	179,467	57,373	88,547	24,043	4,415	4,591	36,084	5	2,231	14,694	14	
180	1,261	3,335	180,109	57,714	88,497	24,288	4,474	4,675	36,402	26	2,184	14,781	21	
184	1,351	3,399	179,881	57,996	88,197	24,166	4,409	4,647	35,279	397	1,981	15,020	28	
247	1,323	3,589	179,884	58,523	88,168	23,661	4,411	4,643	37,131	.....	2,000	15,237	June 4 ^p
202	1,211	3,480	180,093	58,744	88,476	23,255	4,466	4,648	35,621	89	1,921	15,228	11 ^p	
228	1,342	3,572	178,974	58,948	87,605	22,833	4,411	4,682	36,962	.....	1,944	15,017	18 ^p
240	1,339	3,490	179,024	59,071	87,860	22,509	4,454	4,632	35,908	292	1,860	15,042	25 ^p	

For notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Reserves for		Total capital accounts	Total loans (gross) ad-justed ⁹	Total loans and invest-ments (gross) ad-justed ⁹	De-mand deposits ad-justed ¹⁰	Memoranda						
	Loans	Secur-ities					Large negotiable time CD's included in time and savings deposits ¹¹			All other large time deposits ¹²			Gross liabilities of banks to their foreign branches
							Total	Issued to IPC's	Issued to others	Total	Issued to IPC's	Issued to others	
<i>Large banks—Total</i>													
<i>1974</i>													
June 5	5,052	66	33,072	287,026	371,498	100,788	79,160	55,641	23,519			2,813	
12	5,061	61	33,090	286,832	372,164	100,558	79,647	55,969	23,678			2,410	
19	5,060	61	33,006	288,761	373,499	99,025	79,154	55,347	23,807			2,503	
26	5,065	61	32,978	289,639	373,750	100,529	80,174	55,981	24,193			3,388	
<i>1975</i>													
May 7	5,723	68	35,046	285,220	374,758	101,119	83,810	55,222	28,588	36,368	18,752	17,616	2,322
14	5,721	68	34,982	283,721	373,320	101,773	84,892	56,233	28,659	36,328	18,799	17,529	2,098
21	5,711	71	34,895	283,324	373,333	101,633	84,258	55,629	28,629	36,442	18,844	17,598	3,212
28	5,727	68	34,937	283,105	373,038	101,411	83,474	54,987	28,487	36,146	18,645	17,501	2,613
June 4 ¹	5,777	68	35,179	283,844	374,135	101,962	82,663	54,542	28,121	35,487	18,445	17,042	2,533
11 ²	5,786	68	35,234	285,822	378,179	104,715	83,122	54,862	28,260	35,214	18,286	16,928	2,545
18 ³	5,754	68	35,131	284,148	378,062	104,376	81,464	53,558	27,906	34,581	18,039	16,542	2,368
25 ⁴	5,722	68	35,123	282,673	375,111	103,732	81,708	54,000	27,708	34,339	17,962	16,377	1,891
<i>New York City</i>													
<i>1974</i>													
June 5	1,419		8,648	67,895	81,990	23,328	25,528	17,379	8,149				1,405
12	1,423		8,633	67,341	82,487	21,756	25,437	17,352	8,085				1,192
19	1,421		8,613	68,730	83,617	21,869	25,393	17,058	8,335				1,236
26	1,424		8,600	69,116	83,541	22,643	25,980	17,372	8,608				1,893
<i>1975</i>													
May 7	1,651		9,194	69,615	84,396	22,383	29,216	18,521	10,695	8,397	4,990	3,407	1,606
14	1,656		9,192	68,878	84,065	22,093	29,243	18,538	10,705	8,369	4,991	3,378	1,504
21	1,657		9,172	68,807	84,248	22,722	28,660	18,116	10,544	8,351	4,971	3,380	2,228
28	1,666		9,192	68,768	84,141	23,050	28,228	17,812	10,416	8,273	4,912	3,361	1,682
June 4 ¹	1,695		9,260	69,559	84,984	22,077	27,815	17,507	10,308	8,131	4,867	3,264	1,663
11 ²	1,705		9,264	69,375	85,567	22,038	27,922	17,556	10,366	8,279	4,895	3,384	1,856
18 ³	1,679		9,251	69,473	86,652	23,029	27,408	17,119	10,289	8,120	4,813	3,307	1,620
25 ⁴	1,664		9,247	69,123	85,717	22,787	27,596	17,350	10,246	8,083	4,816	3,267	1,225
<i>Outside New York City</i>													
<i>1974</i>													
June 5	3,633	66	24,424	219,131	289,508	77,460	53,632	38,262	15,370				1,408
12	3,638	61	24,457	219,191	289,677	78,802	54,210	38,617	15,593				1,218
19	3,639	61	24,393	220,031	289,882	77,156	53,761	38,289	15,472				1,267
26	3,641	61	24,378	220,523	290,209	77,886	54,194	38,609	15,585				1,495
<i>1975</i>													
May 7	4,072	68	25,852	215,605	290,362	78,736	54,594	36,701	17,893	27,971	13,762	14,209	716
14	4,065	68	25,790	214,843	289,255	79,680	55,649	37,695	17,954	27,959	13,808	14,151	594
21	4,054	71	25,723	214,517	289,085	78,911	55,598	37,513	18,085	28,091	13,873	14,218	984
28	4,061	68	25,745	214,337	288,897	78,361	55,246	37,175	18,071	27,873	13,733	14,140	931
June 4 ¹	4,082	68	25,919	214,285	289,151	79,885	54,848	37,035	17,813	27,356	13,578	13,778	870
11 ²	4,081	68	25,970	216,447	292,612	82,677	55,200	37,306	17,894	26,935	13,391	13,544	689
18 ³	4,075	68	25,880	214,675	291,410	81,347	54,056	36,439	17,617	26,461	13,226	13,235	748
25 ⁴	4,058	68	25,876	213,550	289,394	80,945	54,112	36,650	17,462	26,256	13,146	13,110	666

¹ Includes securities purchased under agreements to resell.

² Includes official institutions and so forth.

³ Includes short-term notes and bills.

⁴ Federal agencies only.

⁵ Includes corporate stocks.

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

⁷ Includes securities sold under agreements to repurchase.

⁸ Includes minority interest in consolidated subsidiaries.

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

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

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

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

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during									
	1975					1975		1975			1974		1975		1974
	June 25	June 18	June 11	June 4	May 28	June	May	Apr.	II	I	IV	1st half	2nd half		
Durable goods manufacturing:															
Primary metals.....	2,021	1,997	1,970	1,942	2,005	16	80	41	23	39	77	16	140		
Machinery.....	7,423	7,521	7,579	7,658	7,912	489	-201	25	665	653	127	-1,318	222		
Transportation equipment.....	3,549	3,551	3,543	3,502	3,587	48	53	165	266	7	365	273	705		
Other fabricated metal products.....	2,722	2,750	2,715	2,716	2,747	25	138	45	208	19	178	189	75		
Other durable goods.....	4,147	4,233	4,269	4,281	4,293	146	155	10	291	421	265	-712	247		
Nondurable goods manufacturing:															
Food, liquor, and tobacco.....	3,309	3,342	3,365	3,385	3,550	241	104	175	520	1,092	484	1,612	984		
Textiles, apparel, and leather.....	3,223	3,258	3,257	3,250	3,241	18	64	54	136	151	725	287	-618		
Petroleum refining.....	2,478	2,426	2,444	2,418	2,388	90	40	229	279	51	473	228	967		
Chemicals and rubber.....	3,120	3,228	3,167	3,195	3,244	124	73	132	329	67	55	-262	256		
Other nondurable goods.....	2,226	2,227	2,197	2,174	2,166	60	38	7	15	295	135	-280	23		
Mining, including crude petroleum and natural gas.....	4,865	4,852	4,825	4,771	4,796	69	59	90	100	272	556	-172	847		
Trade: Commodity dealers.....	1,106	1,067	1,031	1,053	1,159	53	172	98	323	648	703	971	508		
Other wholesale.....	5,632	5,608	5,565	5,591	5,727	95	107	341	543	553	349	1,096	484		
Retail.....	6,326	6,334	6,311	6,403	6,462	136	73	21	188	193	246	381	465		
Transportation.....	6,065	6,095	5,999	6,010	6,045	20	-164	27	171	150	261	321	283		
Communication.....	2,161	2,139	2,206	2,207	2,215	54	91	176	311	369	90	338	2		
Other public utilities.....	7,193	7,204	7,248	7,274	7,270	-77	214	116	407	1,018	609	-1,425	1,697		
Construction.....	5,576	5,593	5,561	5,578	5,586	10	-42	24	66	460	276	526	-45		
Services.....	10,858	10,915	10,858	10,878	10,841	17	-170	245	398	698	171	1,096	304		
All other domestic loans.....	9,771	9,697	9,715	9,699	9,614	157	426	198	71	290	387	361	744		
Bankers' acceptances.....	2,196	2,105	2,240	2,255	2,110	86	71	143	36	571	309	535	-56		
Foreign commercial and industrial loans.....	4,524	4,482	4,492	4,333	4,308	216	31	49	234	63	249	297	457		
Total classified loans.....	100,481	100,623	100,457	100,483	101,266	-785	2,464	733	3,982	6,562	2,578	10,544	6,842		
Comm. paper included in total classified loans ¹						240									
Total commercial and industrial loans of large commercial banks.....	121,919	122,155	121,961	122,004	122,729	810	2,620	404	3,834	6,122	3,468	-9,956	8,263		

For notes see table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding							Net change during						
	1975							1974		1975		1974	1975	
	June 25	May 28	Apr. 30	Mar. 26	Feb. 26	Jan. 29	Dec. 31	Nov. 27	Oct. 30	II	I	IV	III	1st half
Durable goods manufacturing:														
Primary metals.....	1,288	1,280	1,323	1,284	1,237	1,249	1,210	1,176	1,107	4	74	77	28	78
Machinery.....	3,977	4,269	4,302	4,071	4,117	4,138	4,145	4,049	3,970	-94	-74	249	610	168
Transportation equipment.....	1,740	1,726	1,705	1,672	1,712	1,737	1,673	1,586	1,570	68	1	138	125	67
Other fabricated metal products.....	1,222	1,245	1,280	1,312	1,323	1,243	1,197	1,113	1,093	90	115	131	112	25
Other durable goods.....	2,090	2,122	2,210	2,251	2,256	2,288	2,391	2,361	2,339	-161	140	123	161	301
Nondurable goods manufacturing:														
Food, liquor, and tobacco.....	1,514	1,616	1,571	1,561	1,614	1,703	1,763	1,674	1,661	47	202	114	78	249
Textiles, apparel, and leather.....	1,095	1,075	1,091	1,158	1,083	1,124	1,145	1,179	1,187	63	13	6	23	50
Petroleum refining.....	1,709	1,611	1,617	1,483	1,458	1,542	1,518	1,272	1,208	226	35	421	134	191
Chemicals and rubber.....	1,762	1,784	1,814	1,846	1,812	1,839	1,878	1,818	1,820	-84	-32	100	41	116
Other nondurable goods.....	1,143	1,114	1,126	1,130	1,119	1,221	1,235	1,170	1,187	13	-105	31	33	92
Mining, including crude petroleum and natural gas.....	3,734	3,646	3,626	3,537	3,446	3,523	3,701	3,620	3,468	197	-164	362	209	33
Trade: Commodity dealers.....	148	140	142	150	153	169	155	171	157	2	5	16	-2	7
Other wholesale.....	1,329	1,344	1,387	1,450	1,420	1,472	1,492	1,431	1,488	-121	42	43	43	163
Retail.....	2,136	2,143	2,192	2,283	2,298	2,369	2,594	2,602	2,578	147	311	67	99	458
Transportation.....	4,425	4,424	4,492	4,524	4,505	4,455	4,550	4,379	4,370	99	26	201	76	125
Communication.....	1,133	1,159	1,148	1,135	1,125	1,158	1,082	1,076	1,047	2	53	53	1	51
Other public utilities.....	4,045	4,047	4,017	4,034	3,870	3,885	3,963	3,987	3,810	11	71	291	229	82
Construction.....	2,314	2,291	2,272	2,197	2,191	2,224	2,294	2,281	2,237	117	97	22	142	20
Services.....	5,140	5,246	5,352	5,430	5,370	5,320	5,532	5,417	5,340	290	-102	182	77	-392
All other domestic loans.....	3,258	3,186	3,210	3,082	3,144	3,079	3,224	3,255	3,215	176	-142	102	105	34
Foreign commercial and industrial loans.....	2,594	2,547	2,596	2,528	2,544	2,524	2,457	2,473	2,487	66	71	56	147	137
Total loans.....	47,796	48,015	48,473	48,118	47,797	48,262	49,199	48,090	47,339	322	-1,081	2,773	2,024	1,403

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

For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1967 BULLETIN, p. 209.

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

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

GROSS DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS¹

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, IPC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
All insured commercial banks:						
1970-- Dec.....	17.3	92.7	53.6	1.3	10.3	175.1
1971-- June.....	18.1	89.6	56.2	1.3	10.5	175.8
Sept.....	17.9	91.5	57.5	1.2	9.7	177.9
Dec.....	18.5	98.4	58.6	1.3	10.7	187.5
1972-- Mar.....	20.2	92.6	54.7	1.4	12.3	181.2
June.....	17.9	97.6	60.5	1.4	11.0	188.4
Sept.....	18.0	101.5	63.1	1.4	11.4	195.4
Dec.....	18.9	109.9	65.4	1.5	12.3	208.0
1973-- Mar.....	18.6	102.8	65.1	1.7	11.8	200.0
June.....	18.6	106.6	67.3	2.0	11.8	206.3
Sept.....	18.8	108.3	69.1	2.1	11.9	210.3
Dec.....	19.1	116.2	70.1	2.4	12.4	220.1
1974-- Mar.....	18.9	108.4	70.6	2.3	11.0	211.2
June.....	18.2	112.1	71.4	2.2	11.1	215.0
Sept.....	17.9	113.9	72.0	2.1	10.9	216.8
Dec.....	19.0	118.8	73.3	2.3	11.7	225.0
1975-- Mar.....	18.6	111.3	73.2	2.3	10.9	216.3
Weekly reporting banks:						
1971-- Dec.....	14.4	58.6	24.6	1.2	5.9	104.8
1972-- Dec.....	14.7	64.4	27.1	1.4	6.6	114.3
1973-- Dec.....	14.9	66.2	28.0	2.2	6.8	118.1
1974-- June.....	14.1	63.4	28.1	2.0	6.3	113.9
July.....	14.4	63.5	28.5	2.1	6.5	115.1
Aug.....	14.1	62.6	28.0	1.9	5.8	112.5
Sept.....	13.9	64.4	28.4	2.0	6.3	115.0
Oct.....	14.7	64.4	28.4	2.0	6.4	115.8
Nov.....	14.6	65.9	28.7	2.1	6.5	117.7
Dec.....	14.8	66.9	29.0	2.2	6.8	119.7
1975-- Jan.....	14.8	65.6	29.2	2.2	6.6	118.3
Feb.....	14.4	63.1	27.9	2.3	6.2	113.9
Mar.....	14.1	63.2	28.2	2.2	6.4	114.1
Apr.....	15.0	63.3	30.1	2.2	6.5	117.0
May.....	14.2	63.1	29.2	2.3	6.2	115.0

¹ Including cash items in process of collection.

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

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

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1972	Dec. 31, 1973	June 30, 1974	Dec. 31, 1974	Class of bank	Dec. 31, 1972	Dec. 31, 1973	June 30, 1974	Dec. 31, 1974
Insured.....	554	503	457	387	Other large banks ¹	69	58	63	69
National member.....	311	288	265	236	All other member ¹	313	294	267	206
State member.....	71	64	65	39	All nonmember.....	177	155	130	115
All member.....	381	352	330	275	Insured.....	172	152	127	112
					Noninsured.....	5	3	3	3

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

NOTE.—Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and "Loans" in the monthly (and year-end) series as shown on p. A-14; from the figures for weekly reporting banks as shown on pp. A-18-A-22 (consumer instalment loans); and from the figures in the table at the bottom of p. A-13. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-14-A-17.

LOANS SOLD OUTRIGHT BY LARGE COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To selected related institutions ¹			
	Total	By type of loan		
		Commercial and industrial	Real estate	All other
1975 Mar. 5.....	4,688	2,741	201	1,746
12.....	4,721	2,800	201	1,720
19.....	4,693	2,769	204	1,720
26.....	4,677	2,791	204	1,682
Apr. 2.....	4,584	2,714	202	1,668
9.....	4,587	2,748	201	1,638
16.....	4,529	2,715	201	1,613
23.....	4,519	2,704	197	1,618
30.....	4,587	2,744	204	1,639
May 7.....	4,582	2,813	199	1,570
14.....	4,612	2,808	200	1,604
21.....	4,625	2,776	202	1,647
28.....	4,665	2,820	201	1,644
June 4.....	4,615	2,829	198	1,588
11.....	4,628	2,849	198	1,581
18.....	4,631	2,849	198	1,584
25.....	4,667	2,895	196	1,576

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

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

COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial paper						Dollar acceptances										
	All issuers	Financial companies ¹		Non-financial companies ⁴	Bank-related ⁵		Total	Held by—						Based on—			
		Dealer-placed ²	Directly-placed ³		Dealer-placed	Directly-placed		Accepting banks			F.R. Banks			Others	Imports into United States	Exports from United States	All other
								Total	Own bills	Bills bought	Own acct.	Foreign corr.					
1966.....	13,645	2,332	10,556	757	.....	3,603	1,198	983	215	193	191	2,022	997	829	1,778	
1967.....	17,085	2,790	12,184	2,111	.....	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241	
1968.....	21,173	4,427	13,972	2,774	.....	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053	
1969.....	32,600	6,503	20,741	5,356	1,160	3,134	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408	
1970.....	33,071	5,514	20,424	7,133	352	1,997	7,058	1,960	735	57	250	4,057	2,601	1,561	2,895		
1971.....	32,126	5,297	20,582	6,247	524	1,449	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509	
1972.....	34,721	5,655	22,098	6,968	1,226	1,411	6,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458	
1973.....	41,073	5,487	27,204	8,382	1,938	2,943	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120	
1974-Apr....	44,677	6,228	28,752	9,697	2,270	4,564	10,692	3,232	2,744	488	216	700	6,544	2,900	2,833	4,959	
May.....	46,171	5,699	30,426	10,046	1,978	5,106	11,727	3,089	2,642	447	373	732	7,532	2,952	2,899	5,876	
June.....	44,846	4,970	29,908	9,968	1,579	5,371	13,174	3,535	3,066	469	304	795	8,540	3,287	3,219	6,668	
July.....	45,561	4,655	30,344	10,562	1,465	5,585	15,686	3,499	2,983	516	218	1,023	10,947	3,589	3,774	8,323	
Aug.....	47,967	5,308	31,774	10,885	2,425	6,350	16,167	3,388	2,866	522	277	1,202	11,300	3,585	3,933	8,649	
Sept....	49,087	5,333	31,095	12,659	2,185	6,446	16,035	3,347	2,942	405	504	1,459	10,724	3,526	3,806	8,703	
Oct....	51,754	5,242	32,509	14,003	2,046	6,408	16,882	3,291	2,872	419	218	2,037	11,335	3,793	3,759	9,330	
Nov....	51,883	4,860	32,491	14,532	1,947	6,697	17,553	3,789	3,290	499	611	1,702	11,452	3,810	3,709	10,035	
Dec....	49,070	4,611	31,765	12,694	1,874	6,444	18,484	4,226	3,685	542	999	981	12,278	4,023	4,067	10,394	
1975-Jan....	51,528	5,029	31,851	14,648	1,946	6,625	18,602	4,357	3,903	454	966	384	12,894	4,120	4,314	10,168	
Feb....	52,325	5,167	32,426	14,732	1,854	7,228	18,579	4,864	4,370	494	993	130	12,593	3,974	4,210	10,396	
Mar....	50,745	5,342	31,139	14,264	1,738	7,190	18,730	4,773	4,085	688	665	37	13,255	3,845	4,296	10,589	
Apr....	51,552	5,461	32,073	14,018	1,654	6,931	18,727	4,485	3,900	585	1,185	2	13,055	3,690	4,206	10,831	

¹ Financial companies are institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

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

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

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

⁵ Included in dealer- and directly-placed financial company columns. Coverage of bank-related companies was expanded in Aug. 1974. Most of the increase resulting from this expanded coverage occurred in directly-placed paper.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate	Effective date	Rate	Effective date	Rate	Effective date	Rate
1974—Apr. 11.....	9 3/4-9 9/10-10 1/10	1974—June 3.....	11 1/2-11 9/10-11 3/4	1974—Oct. 28.....	10 3/4-11 1/4	1975—Feb. 3.....	8 1/2-9-9 1/4-9 1/2-9 3/4
15.....	10-10 1/10-10 1/4	7.....	11 1/4-11 1/2-11 1/10	11 1/2	4.....	8 1/4-9-9 1/4	
19.....	10-10 1/10-10 1/4	10.....	11 1/2	Nov. 4.....	10 3/4-11-11 1/4	10.....	8 1/4-9
Apr. 23.....	10 1/4-10 1/10-10 1/4	21.....	11 1/4-11 1/2	11.....	10 1/2-10 3/4-11	18.....	8 1/2-8 3/4-9
24.....	10 1/4-10 1/10-10 1/2	24.....	11 1/2-11 3/4	14.....	10 1/2-10 3/4-11	24.....	8 1/2-8 3/4
25.....	10 1/4-10 1/10-10 1/2	25.....	11 1/2-11 3/4-11 1/10	18.....	10-10 1/2-10 3/4	Mar. 3.....	8 1/4-8 1/2
26.....	10 1/10-10 1/2-10 3/4-11	26.....	11 1/2-11 3/4-11 1/10	19.....	10-10 1/4-10 1/2	5.....	8 1/4-8 1/2
30.....	10 1/2-10 3/4-11-10 3/4-11	28.....	11 3/4-11 9/10-12	25.....	10-10 1/4-10 1/2	6.....	7 3/4-8 1/4
May 2.....	10 1/2-10 9/10-10 3/4-11	July 3.....	11 3/4-11 9/10-12	Dec. 2.....	9 3/4-10-10 1/4-10 1/2	10.....	7 1/4-8-8 1/4
3.....	10 6/10-10 3/4-11	5.....	11 8/10-12-12 1/4	1975 Jan. 9.....	9 1/2-10-10 1/4-10 1/2	17.....	7 3/4-8
6.....	10 6/10-10 3/4-11	9.....	12-12 1/4-12 1/2	13.....	9 1/2-9 3/4-10-10 1/4	18.....	7 1/2-7 3/4-8
7.....	11	23.....	10 3/4-12-12 1/4	15.....	9 1/2-9 3/4-10-10 1/4	24.....	7 1/2-7 3/4-8
10.....	11-11 1/4	Aug. 20.....	10 3/4-12	20.....	9 1/2-9 3/4-10-10 1/4	25.....	7 1/2-7 3/4
13.....	10 3/4-11 1/4-10 1/10	Sept. 26.....	10 3/4-11 1/2-11 3/4-12	28.....	9 1/2-9 3/4-10-10 1/4	31.....	7 1/4-7 1/2-7 3/4
17.....	11 1/4-11 1/2-11 1/10	Oct. 7.....	10 3/4-11 1/2-11 3/4-12	29.....	9 1/2-9 3/4	May 20.....	7 1/4-7 1/2
20.....	11 1/2-11 3/4	15.....	10 3/4-11 1/2-11 1/10			26.....	7 1/4-7 1/2
		21.....	10 3/4-11 1/4-11 1/2-11 3/4			June 9.....	6 3/4-7-7 1/4

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

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

RATES ON BUSINESS LOANS OF BANKS

Center	Size of loan (in thousands of dollars)											
	All sizes		1-9		10-99		100-499		500-999		1,000 and over	
	May 1975	Feb. 1975	May 1975	Feb. 1975	May 1975	Feb. 1975	May 1975	Feb. 1975	May 1975	Feb. 1975	May 1975	Feb. 1975
Short-term												
35 centers.....	8.16	9.94	9.57	10.94	9.10	10.73	8.52	10.25	8.18	9.93	7.90	9.73
New York City.....	7.88	9.61	9.27	10.82	9.02	10.60	8.55	10.14	7.86	9.74	7.76	9.50
7 Other Northeast.....	8.37	10.31	10.00	12.07	9.34	11.31	8.63	10.64	8.51	10.09	7.95	9.96
8 North Central.....	8.00	9.87	9.11	10.55	8.82	10.49	8.32	10.09	7.91	9.85	7.82	9.74
7 Southeast.....	8.70	10.24	9.86	10.59	9.40	10.52	8.97	10.21	8.67	10.22	8.15	10.12
8 Southwest.....	8.34	10.01	9.35	10.36	8.89	10.47	8.32	10.11	8.24	9.83	8.15	9.84
4 West Coast.....	8.33	9.99	9.72	11.23	9.23	10.75	8.58	10.22	8.23	10.05	8.18	9.84
Revolving credit												
35 centers.....	7.95	9.20	9.59	11.03	8.91	10.56	8.58	10.14	8.23	10.18	7.84	8.98
New York City.....	7.92	7.84	9.04	10.98	8.94	10.59	8.37	9.98	8.16	9.87	7.88	7.61
7 Other Northeast.....	7.92	10.83	10.45	12.05	8.66	10.60	8.21	9.97	7.56	10.98	7.91	10.90
8 North Central.....	8.20	10.32	9.78	11.77	10.01	11.14	9.24	10.97	8.12	10.24	8.03	10.22
7 Southeast.....	8.41	9.77	9.90	10.61	8.61	10.41	8.68	10.35	7.97	9.00	8.40	9.76
8 Southwest.....	8.40	10.54	9.44	11.61	8.66	11.18	8.51	10.57	8.47	10.75	8.29	10.37
4 West Coast.....	7.84	9.52	8.91	10.67	8.54	10.13	8.44	9.77	8.40	10.17	7.69	9.40
Long-term												
35 centers.....	8.22	10.26	9.94	10.54	9.36	10.55	8.83	10.57	8.47	10.16	8.05	10.21
New York City.....	8.38	9.62	9.92	9.27	9.50	10.82	8.69	10.46	9.02	9.78	8.31	9.53
7 Other Northeast.....	8.53	10.48	9.99	10.99	9.76	10.77	9.41	10.51	7.96	10.20	8.28	10.49
8 North Central.....	7.22	11.33	9.06	10.32	8.68	10.25	8.64	10.17	8.09	9.45	6.80	11.81
7 Southeast.....	8.91	10.42	10.94	9.67	9.14	10.47	7.93	11.11	9.47	11.95	9.50	9.16
8 Southwest.....	8.47	9.87	10.74	11.99	9.86	10.12	8.37	10.46	8.68	10.09	8.28	9.60
4 West Coast.....	8.71	10.07	9.15	8.36	9.20	10.77	9.06	11.28	8.67	10.94	8.66	9.78

MONEY MARKET RATES

(Per cent per annum)

Period	Prime commercial paper ¹		Finance co. paper placed directly, 3 to 6 months ²	Prime bankers' acceptances, 90 days ³	Federal funds rate ⁴	U.S. Government securities ⁵						
	90-119 days	4 to 6 months				3-month bills ⁶		6-month bills ⁶		9- to 12-month issues		3- to 5-year issues ⁷
						Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield) ⁶	Other ⁷	
1967.....		5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968.....		5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969.....		7.83	7.16	7.61	8.21	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970.....		7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971.....		5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972.....		4.66	4.69	4.52	4.44	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973.....		8.20	8.15	7.40	8.08	8.74	7.041	7.03	7.178	7.20	7.30	6.92
1974.....		10.05	9.87	8.62	9.92	10.51	7.886	7.84	7.926	7.95	8.25	7.81
1974—June.....	11.18	10.96	9.00	10.79	11.93	8.145	7.90	8.232	8.12	8.16	8.71	8.14
July.....	11.93	11.72	9.00	11.88	12.92	7.752	7.55	8.028	7.94	8.04	8.89	8.39
Aug.....	11.79	11.65	9.31	12.08	12.01	8.744	8.96	8.853	9.11	8.88	9.54	8.64
Sept.....	11.36	11.23	9.41	11.06	11.34	8.363	8.06	8.599	8.53	8.52	8.95	8.38
Oct.....	9.55	9.36	9.03	9.34	10.06	7.244	7.46	7.559	7.74	7.59	8.04	7.98
Nov.....	8.95	8.81	8.50	9.03	9.45	7.585	7.47	7.551	7.52	7.29	7.67	7.65
Dec.....	9.18	8.98	8.50	9.19	8.53	7.179	7.15	7.091	7.11	6.79	7.33	7.22
1975—Jan.....	7.39	7.30	7.31	7.54	7.13	6.493	6.26	6.525	6.36	6.27	6.74	7.29
Feb.....	6.36	6.33	6.24	6.35	6.24	5.583	5.50	5.674	5.62	5.56	5.97	6.85
Mar.....	6.06	6.06	6.00	6.22	5.54	5.844	5.49	5.635	5.62	5.70	6.10	7.00
Apr.....	6.11	6.15	5.97	6.15	5.49	5.694	5.61	6.012	6.00	6.40	6.83	7.76
May.....	5.70	5.82	5.74	5.76	5.22	5.315	5.23	5.649	5.59	5.91	6.31	7.49
June.....	5.67	5.79	5.53	5.70	5.55	5.193	5.34	5.463	5.61	5.86	6.26	7.26
Week ending—												
1975—Mar. 1.....	6.25	6.25	6.23	6.33	6.15	5.455	5.47	5.675	5.66	5.67	6.04	6.83
8.....	6.25	6.25	6.18	6.37	5.88	5.637	5.57	5.742	5.68	5.69	6.07	6.86
15.....	6.08	6.08	6.05	6.29	5.44	5.622	5.46	5.655	5.56	5.62	6.03	6.88
22.....	5.95	5.95	5.90	6.11	5.38	5.376	5.41	5.473	5.54	5.66	6.06	7.05
29.....	5.91	5.91	5.88	6.11	5.53	5.542	5.53	5.669	5.69	5.81	6.20	7.19
Apr. 5.....	6.03	6.03	5.88	6.15	5.59	5.562	5.62	5.786	5.90	6.20	6.58	7.47
12.....	6.18	6.23	5.95	6.20	5.28	6.021	5.74	6.351	6.09	6.48	6.94	7.74
19.....	6.15	6.20	6.00	6.11	5.44	5.538	5.44	5.843	5.86	6.30	6.76	7.75
26.....	6.13	6.13	6.00	6.16	5.54	5.653	5.66	6.067	6.09	6.49	6.91	7.90
May 3.....	6.03	6.15	6.00	6.07	5.71	5.716	5.51	6.158	5.95	6.16	6.81	7.87
10.....	5.98	6.08	6.00	6.00	5.42	5.356	5.41	5.724	5.77	6.13	6.52	7.64
17.....	5.78	5.93	5.78	5.83	5.20	5.182	5.04	5.481	5.51	5.81	6.20	7.45
24.....	5.48	5.60	5.55	5.58	5.13	5.115	5.16	5.412	5.45	5.74	6.15	7.34
31.....	5.38	5.50	5.50	5.45	5.14	5.206	5.23	5.469	5.50	5.80	6.21	7.38
June 7.....	5.48	5.60	5.50	5.59	5.24	5.258	5.23	5.505	5.48	5.77	6.15	7.29
14.....	5.55	5.63	5.50	5.55	5.15	5.080	5.00	5.283	5.25	5.50	5.94	7.05
21.....	5.58	5.65	5.45	5.58	5.31	4.767	5.24	5.129	5.55	5.74	6.13	7.14
28.....	5.98	6.18	5.63	6.03	5.72	5.665	5.80	5.935	6.07	6.32	6.69	7.49

¹ Averages of the most representative daily offering rate quoted by dealers.
² Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90-179 day range.
³ Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.
⁴ Seven-day averages for week ending Wednesday. Beginning with statement week ending July 25, 1973, weekly averages are based on the daily average of the range of rates on a given day weighted by the volume

of transactions at these rates. For earlier statement weeks, the averages were based on the daily effective rate—the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.
⁵ Except for new bill issues, yields are averages computed from daily closing bid prices.
⁶ Bills quoted on bank-discount-rate basis.
⁷ Selected note and bond issues.
 NOTE.—Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds						Corporate bonds						Stocks		
	United States (long-term)	State and local			Aaa utility		Total ¹	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total ¹	Aaa	Baa	New issue	Re-recently offered		Aaa	Baa	Industrial	Rail-road	Public utility	Preferred	Common	Common
1970.....	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.46
1971.....	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	6.75	3.14	5.41
1972.....	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	7.27	2.84	5.50
1973.....	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.83	7.23	3.06	7.12
1974.....	6.99	6.19	5.89	6.53	9.33	9.34	8.98	8.57	9.50	8.78	8.98	9.27	8.23	4.47	11.60
1974—June.....	7.03	6.17	5.95	6.41	9.38	9.40	8.85	8.47	9.34	8.69	8.89	9.08	8.25	4.02	10.16
July.....	7.18	6.70	6.34	7.10	10.20	10.04	9.10	8.72	9.55	8.95	9.08	9.35	8.40	4.42	.....
Aug.....	7.33	6.70	6.38	7.10	10.07	10.19	9.36	9.00	9.77	9.16	9.30	9.70	8.61	4.90	.....
Sept.....	7.30	6.77	6.49	7.18	10.38	10.30	9.67	9.24	10.12	9.44	9.46	10.11	8.93	5.45	14.35
Oct.....	7.22	6.56	6.21	6.99	10.16	10.23	9.80	9.27	10.41	9.53	9.64	10.31	8.78	5.38	.....
Nov.....	6.93	6.54	6.06	7.01	9.21	9.34	9.60	8.89	10.50	9.30	9.59	10.14	8.60	5.13	.....
Dec.....	6.78	7.04	6.65	7.50	9.53	9.56	9.56	8.89	10.55	9.23	9.59	10.02	8.78	5.43	12.97
1975—Jan.....	6.68	6.89	6.39	7.45	9.36	9.45	9.55	8.83	10.62	9.19	9.52	10.10	8.41	5.07	.....
Feb.....	6.61	6.40	5.96	7.03	8.97	9.09	9.33	8.62	10.43	9.01	9.32	9.83	8.07	4.61	.....
Mar.....	6.73	6.70	6.28	7.25	9.35	9.38	9.28	8.67	10.29	9.05	9.25	9.67	8.04	4.42	10.18
Apr.....	7.03	6.95	6.46	7.43	9.67	9.65	9.49	8.95	10.34	9.30	9.39	9.88	8.27	4.34	.....
May.....	6.99	6.95	6.42	7.48	9.63	9.65	9.55	8.90	10.46	9.37	9.49	9.93	8.51	4.08	.....
June.....	6.86	6.96	6.28	7.48	9.20	9.33	9.45	8.77	10.40	9.29	9.40	9.81	8.34	4.02	.....
Week ending—															
1975—May 3.....	7.09	6.94	6.40	7.45	9.80	9.69	9.57	9.01	10.43	9.38	9.45	10.00	8.42	4.22	.....
10.....	6.98	6.87	6.35	7.35	9.65	9.60	9.56	8.96	10.45	9.38	9.47	9.97	8.49	4.13	.....
17.....	6.94	6.88	6.35	7.35	9.54	9.61	9.55	8.88	10.47	9.36	9.52	9.94	8.52	3.98	.....
24.....	6.98	7.03	6.50	7.50	9.61	9.66	9.53	8.85	10.46	9.37	9.50	9.89	8.44	4.12	.....
31.....	7.03	7.03	6.50	7.75	9.62	9.70	9.55	8.90	10.47	9.38	9.49	9.90	8.50	4.10	.....
June 7.....	6.96	7.01	6.35	7.55	9.41	9.53	9.51	8.85	10.47	9.36	9.46	9.89	8.50	3.98	.....
14.....	6.81	6.84	6.15	7.35	8.95	9.22	9.46	8.76	10.42	9.29	9.41	9.83	8.29	4.07	.....
21.....	6.82	6.96	6.30	7.50	9.07	9.14	9.41	8.73	10.37	9.26	9.38	9.76	8.36	4.08	.....
28.....	6.85	7.01	6.30	7.55	9.37	9.41	9.41	8.75	10.35	9.25	9.36	9.76	8.22	3.93	.....
Number of issues ²	14	20	5	5	.....	.....	121	20	30	41	30	40	14	500	500

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

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

NOTE: Annual yields are averages of weekly, monthly, or quarterly data.

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

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

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

NOTES TO TABLES ON OPPOSITE PAGE:

Security Prices:

NOTE: Annual data are averages of daily or weekly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: U.S. Govt. bonds, derived from average market yields in table on p. A-28 on basis of an assumed 3 per cent, 20-year bond. Municipal and corporate bonds, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. Common stocks, derived from component common stock prices. Average daily volume of trading, presently conducted 5 days per week for 6 hours per day.

Stock Market Customer Financing:

¹ Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (Dec. 1970 BULLETIN, p. 920). Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.

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

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

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

SECURITY PRICES

Period	Common stock prices											American Stock Exchange total index (Aug. 31, 1973=100)	Volume of trading in stocks (thousands of shares)		
	Bond prices (per cent of par)			New York Stock Exchange									NYSE	AMIX	
				Standard and Poor's index (1941-43=10)				New York Stock Exchange index (Dec. 31, 1965=50)							
	U.S. Govt. (long-term)	State and local	Corporate AAA	Total	Industrial	Rail-road	Public utility	Total	Industrial	Transportation	Utility				Finance
1970	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.01	32.14	47.24	54.64	96.63	10,532	3,476
1971	67.73	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38	113.40	15,381	4,234
1972	68.71	84.4	65.9	109.20	121.79	44.11	56.90	60.29	65.73	50.17	38.48	78.35	129.10	16,487	4,447
1973	62.80	85.4	63.7	107.43	120.44	38.05	53.47	57.42	63.08	37.74	37.69	70.12	103.80	16,374	3,004
1974	57.45	76.3	58.8	82.85	92.91	37.53	38.91	43.84	48.08	31.89	39.82	49.67	79.97	13,883	1,908
1974- June	57.11	76.2	59.5	89.79	101.62	37.31	37.46	47.14	52.63	33.76	29.20	51.20	82.88	12,268	1,561
July	55.97	71.9	58.5	82.82	93.54	35.63	35.37	43.27	48.35	31.01	27.50	44.23	77.92	12,459	1,610
Aug.	54.95	71.6	57.6	76.03	85.51	35.06	34.00	39.86	44.19	29.41	26.72	40.11	74.97	12,732	1,416
Sept.	55.13	71.0	56.2	68.12	76.54	31.55	30.93	35.69	39.29	25.86	24.94	36.42	65.70	13,998	1,808
Oct.	55.69	72.7	55.9	69.44	77.57	31.70	33.80	36.62	39.81	27.26	26.76	39.28	66.78	16,396	1,880
Nov.	57.80	72.6	56.3	71.74	80.17	35.95	34.45	37.98	41.74	28.40	27.60	41.89	63.72	14,341	1,823
Dec.	58.96	68.6	56.1	67.07	74.80	34.81	32.85	35.41	38.32	26.02	26.18	39.27	59.88	15,007	2,359
1975- Jan.	59.70	70.9	56.4	72.56	80.50	37.31	38.19	38.56	41.29	28.12	29.58	44.85	68.31	19,661	2,117
Feb.	60.77	74.1	56.6	80.10	89.29	37.80	40.37	42.48	46.00	30.21	31.31	47.59	76.08	22,311	2,545
Mar.	59.33	70.9	56.2	83.78	93.90	38.35	39.55	44.35	48.63	31.62	31.04	47.83	79.15	22,680	2,665
Apr.	57.05	69.5	55.8	84.72	95.27	38.55	38.19	44.91	49.74	31.70	30.01	47.35	82.03	20,334	2,302
May	57.40	69.6	56.6	90.10	101.05	38.92	39.69	47.76	53.22	32.28	31.02	49.97	86.94	21,785	2,521
June	58.33	69.8	56.7	92.40	103.68	38.97	43.65	49.21	54.61	30.79	32.78	52.20	90.57	17,052	2,743
Week ending -															
1975- June 7	57.56	69.2	56.6	92.65	104.17	38.93	42.59	49.25	54.90	32.61	32.14	51.24	90.11	24,708	3,376
14	58.74	71.1	56.7	90.56	101.63	39.13	42.50	48.20	53.48	32.14	32.08	50.85	89.42	18,460	2,328
21	58.62	69.4	56.9	91.41	102.45	38.70	43.93	48.71	53.88	31.87	32.83	52.44	89.97	19,880	2,104
28	58.38	69.5	56.6	94.41	105.85	39.00	45.35	50.39	55.81	32.70	33.86	53.89	92.18	22,466	3,146

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks ¹											Unregulated ³	Free credit balances at brokers ⁴	
	By source			Regulated ²						Nonmargin stock credit at banks	Margin accts.		Cash accts.	
	Total	Brokers	Banks	Margin stock		Convertible bonds		Subscription issues						
				Brokers	Banks	Brokers	Banks	Brokers	Banks					
1974- Apr.	6,567	5,558	1,009	5,370	952	179	44	9	13	1,368	415	1,440		
May	6,381	5,361	1,020	5,180	963	172	44	9	13	1,858	395	1,420		
June	6,297	5,260	1,037	5,080	991	172	34	8	12	2,072	395	1,360		
July	5,948	4,925	1,023	4,760	978	158	33	7	12	2,091	402	1,391		
Aug.	5,625	4,672	953	4,510	912	156	29	6	12	2,119	429	1,382		
Sept.	5,097	4,173	924	4,020	881	148	31	5	12	2,060	437	1,354		
Oct.	4,996	4,080	916	3,930	872	145	32	5	12	2,024	431	1,419		
Nov.	4,994	4,103	891	3,960	851	139	29	4	11	2,054	410	1,447		
Dec.	4,836	3,980	856	3,840	815	137	30	3	11	2,064	411	1,424		
1975- Jan.	4,934	4,086	848	3,950	806	134	29	2	13	1,919	410	1,446		
Feb.	5,099	4,269	830	4,130	783	136	34	3	13	1,897	478	1,604		
Mar.	5,244	4,400	844	4,260	800	134	30	6	14	1,882	515	1,760		
Apr.	5,407	4,583	824	4,440	781	138	30	5	13	1,885	505	1,790		

1 or notes see opposite page.

EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars) ¹	Equity class (per cent)					
		80 or more	70-79	60-69	50-59	40-49	Under 40
1974--May	5,260	4.2	5.1	8.5	13.7	23.3	45.3
June	5,080	4.0	5.0	7.7	12.6	21.8	49.1
July	4,760	4.0	4.8	7.9	13.3	22.2	47.9
Aug.	4,510	3.5	4.0	6.6	11.2	18.4	56.3
Sept.	4,020	3.5	3.9	6.1	10.2	18.0	58.3
Oct.	3,930	4.6	5.5	9.4	16.8	27.3	36.4
Nov.	3,960	4.2	5.1	8.5	14.8	24.4	42.8
Dec.	3,840	4.3	4.6	8.8	13.9	23.0	45.4
1975 Jan.	3,950	5.6	7.3	13.5	24.6	28.1	21.2
Feb.	4,130	5.9	7.2	14.6	25.4	28.5	18.4
Mar.	4,260	6.5	8.0	15.3	27.6	25.8	16.9
Apr.	4,440	7.1	8.7	16.1	28.7	23.5	15.9
May	4,780	7.0	9.1	16.7	31.5	21.0	13.4

¹ Note 1 appears at the bottom of p. A-28.

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

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

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status		Total balance (millions of dollars)
		60 per cent or more	Less than 60 per cent	
1974 May	37.8	40.0	22.2	6,544
June	40.3	37.4	22.4	6,538
July	40.2	36.5	23.2	6,698
Aug.	39.9	34.0	26.0	6,783
Sept.	40.7	31.2	27.0	7,005
Oct.	40.9	35.1	24.0	7,348
Nov.	40.0	31.6	25.3	6,926
Dec.	41.1	32.4	26.5	7,013
1975 Jan.	41.1	39.3	19.8	7,185
Feb.	42.2	40.1	17.8	7,303
Mar.	44.4	40.1	18.5	7,377
Apr.	45.2	41.1	13.7	7,505
May	44.5	43.2	12.3	7,601

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

MUTUAL SAVINGS BANKS

(In millions of dollars)

End of period	Loans		Securities			Cash	Other assets	Total assets—Total liabilities and general reserve accts.	Deposits	Other liabilities	General reserve accounts	Mortgage loan commitments ² classified by maturity (in months)				
	Mortgage	Other	U.S. Govt.	State and local govt.	Corporate and other ¹							3 or less	3-6	6-9	Over 9	Total
1971	62,069	2,808	3,334	385	17,674	1,389	1,711	89,369	81,440	1,810	6,118	1,047	627	463	1,310	3,447
1972	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624	4,539
1973	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1974	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1974--Apr.	74,181	4,425	2,852	951	22,366	1,601	2,347	108,722	98,035	2,943	7,744	1,214	584	401	994	3,193
May	74,011	4,388	2,750	893	22,241	1,656	2,355	108,295	97,391	3,173	7,731	1,129	608	400	1,014	3,151
June	74,281	4,274	2,758	880	22,324	1,651	2,488	108,654	98,190	2,688	7,776	1,099	602	328	1,001	3,031
July	74,541	4,311	2,650	884	22,383	1,402	2,487	108,660	97,713	3,144	7,803	990	585	316	1,076	2,968
Aug.	74,724	4,031	2,604	879	22,292	1,334	2,519	108,383	97,067	3,475	7,841	949	496	417	977	2,839
Sept.	74,790	4,087	2,574	876	22,218	1,303	2,573	108,420	97,425	3,089	7,906	932	382	450	904	2,668
Oct.	74,835	3,981	2,525	870	22,190	1,303	2,608	108,313	97,252	3,158	7,904	775	374	360	792	2,301
Nov.	74,913	4,226	2,553	877	22,201	1,406	2,633	108,809	97,582	3,291	7,936	724	398	317	743	2,182
Dec.	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1975 Jan.	74,957	4,287	2,571	967	22,979	1,706	2,663	110,130	99,211	2,948	7,971	726	400	225	620	1,971
Feb.	75,057	4,658	2,677	1,017	23,402	1,856	2,709	111,376	100,149	3,211	8,016	653	360	217	579	1,810
Mar.	75,127	4,736	2,975	1,095	24,339	2,101	2,672	113,045	102,285	2,712	8,049	824	312	294	564	1,994
Apr.	75,259	4,407	3,419	1,121	24,994	1,841	2,780	113,821	102,902	2,849	8,071	913	335	312	538	2,098

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

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

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

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

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

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mortgages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign ¹	Total	Bonds	Stocks				
1971.....	222,102	11,000	4,455	3,363	3,182	99,805	79,198	20,607	75,496	6,904	17,065	11,832
1972.....	239,730	11,372	4,562	3,367	3,443	112,985	86,140	26,845	76,948	7,295	18,003	13,127
1973.....	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,169	7,693	20,199	14,057
1974.....	263,817	11,890	4,396	3,653	3,841	119,580	97,430	22,150	86,258	8,249	22,899	14,941
1974 Mar.....	256,220	11,756	4,528	3,485	3,743	120,374	94,606	25,768	82,180	7,759	20,641	13,508
Apr.....	286,388	11,619	4,329	3,540	3,750	120,104	94,756	25,348	83,470	7,800	20,819	13,573
May.....	287,304	11,635	4,330	3,549	3,756	120,178	95,352	24,826	82,734	7,860	21,056	13,841
June.....	258,034	11,638	4,286	3,577	3,775	119,911	95,450	24,461	83,225	7,904	21,305	14,051
July.....	258,712	11,722	4,312	3,600	3,810	119,655	95,917	24,738	81,657	7,957	21,563	14,158
Aug.....	258,508	11,789	4,365	3,603	3,821	118,319	96,076	22,243	84,082	8,047	21,867	14,414
Sept.....	258,116	11,762	4,316	3,618	3,828	116,884	96,162	20,722	84,427	8,100	22,175	14,768
Oct.....	261,183	11,804	4,344	3,620	3,840	119,225	96,815	22,410	85,016	8,140	22,473	14,525
Nov.....	262,253	11,871	4,394	3,626	3,851	119,246	97,199	22,047	85,481	8,207	22,676	14,772
Dec.....	263,349	11,965	4,437	3,667	3,861	118,572	96,652	21,920	86,234	8,331	22,862	15,385
1975 Jan.....	266,823	12,065	4,461	3,669	3,935	121,986	98,876	23,110	86,526	8,313	23,058	14,875
Feb.....	269,715	12,161	4,512	3,686	3,960	124,158	99,571	24,587	86,929	8,402	23,274	14,841
Mar.....	272,143	12,338	4,581	3,712	4,045	125,512	100,116	25,396	87,187	8,582	23,391	15,133

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

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

NOTE: Institute of Life Insurance estimates for all life insurance companies in the United States.

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets- Total liabilities	Liabilities				Mortgage loan commitments outstanding at end of period ⁴	
	Mortgages	Investment securities ¹	Cash	Other		Savings capital	Net worth ²	Borrowed money ³	Loans in process		Other
1971.....	174,250	18,185	2,857	10,731	206,023	174,197	13,592	8,992	5,029	4,213	7,328
1972.....	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973 ⁵	231,733	21,055		19,117	271,905	226,968	17,056	17,172	4,667	6,042	9,526
1974.....	249,306	23,235		23,075	295,616	242,914	18,435	24,824	3,205	6,238	7,454
1974—May.....	241,263	23,705		21,421	286,389	235,429	18,019	19,355	5,038	8,548	12,480
June.....	243,400	23,003		21,614	288,017	238,114	17,838	20,347	5,033	6,685	11,732
July.....	245,115	23,052		21,926	290,113	237,631	18,101	21,708	4,867	7,806	10,844
Aug.....	246,713	22,081		22,361	291,155	236,472	18,377	22,891	4,584	8,831	9,851
Sept.....	247,624	21,166		22,758	291,548	237,877	18,201	24,136	4,226	7,108	9,126
Oct.....	248,189	22,126		23,016	293,331	238,304	18,444	24,544	3,809	8,230	8,127
Nov.....	248,711	23,249		23,306	295,266	239,530	18,674	24,550	3,444	9,068	7,723
Dec.....	249,306	23,235		23,075	295,616	242,914	18,435	24,824	3,205	6,238	7,454
1975 Jan.....	249,734	25,382		23,338	298,454	246,182	18,585	23,398	3,022	7,267	7,887
Feb.....	250,845	26,995		23,754	301,594	249,480	18,815	21,938	3,015	8,346	8,787
Mar.....	252,462	28,293		24,295	305,051	255,973	18,653	20,417	3,239	6,769	10,050
Apr.....	254,748	29,035		24,955	308,738	258,831	18,881	19,889	3,567	7,570	11,653
May.....	257,933	30,633		25,604	314,170	262,722	19,121	19,359	4,052	8,916	12,568

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

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

³ Advances from FHLBB and other borrowing.

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

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

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

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

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

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget			Means of financing							Other means of financing, net ³	
	Receipts	Outlays	Surplus or deficit (-)	Borrowings from the public					Less: Cash and monetary assets			
				Public debt securities	Agency securities	Less: Investments by Govt. accounts ¹		Less: Special notes ²	Equals: Total	Treasury operating balance		Other
						Special issues	Other					
Fiscal year:												
1971	188,392	211,425	-23,033	27,211	347	6,616	801		19,448	710	710	3,587
1972	208,649	231,876	-23,227	29,131	-1,269	6,796	1,623		19,442	1,362	1,108	6,003
1973	232,225	246,526	-14,301	30,881	216	11,712	109		19,275	2,459	1,613	4,129
1974	264,932	268,392	-3,460	16,918	903	13,673	1,140		3,009	-3,417	898	-2,063
Half year:												
1973- Jan.-June	126,164	127,947	-1,784	8,843	661	5,716	577		1,889	1,503	93	1,305
July-Dec.	124,256	130,362	-6,106	11,756	478	5,376	845		6,014	2,202	319	2,429
1974- Jan.-June	140,679	138,032	2,647	5,162	426	8,297	295		3,004	1,215	1,089	231
July-Dec.	139,870	153,399	-13,591	18,429	646	2,840	150		14,794	3,228	248	4,183
Month:												
1974- May	19,240	24,034	-4,794	2,773	28	2,947	211		8	5,032	1,120	1,423
June	31,259	24,172	7,087	385	29	4,178	121		-3,886	2,711	239	252
July	20,939	24,411	-3,472	1,109	-126	-858	198		1,644	2,705	-658	1,534
Aug.	23,620	25,408	-1,787	6,447	-56	4,133	25		2,283	1,012	83	1,425
Sept.	28,377	24,712	3,666	-326	-167	-1,311	250		569	3,244	797	-194
Oct.	19,633	26,460	-6,827	1,242	-242	2,053	152		721	6,445	-338	-677
Nov.	22,292	24,965	-2,673	5,139	-17	653	31		4,500	816	96	-915
Dec.	24,946	27,442	-2,496	7,300	38	2,276	90		5,077	2,874	268	561
1975- Jan.	25,020	28,934	-3,914	1,475	21	2,173	42		3,667	58	319	508
Feb.	19,975	26,200	-6,225	5,571	306	1,224	495		4,535	2,359	137	801
Mar.	20,134	27,986	-7,852	9,949	5	1,216	79		11,249	3,115	285	3
Apr.	31,451	29,601	1,850	7,081	37	10	451		7,485	1,666	1,847	178
May	12,793	28,186	-15,394	11,418	6	3,296	44		8,556	5,757	732	349

End of period	Selected balances										Memo: Debt of Govt.-sponsored corps.-Now private ⁵
	Treasury operating balance				Borrowing from the public						
	F.R. Banks	Tax and loan accounts	Other depositaries ⁴	Total	Public debt securities	Agency securities	Less: Investments of Govt. accounts ¹		Less: Special notes ²	Equals: Total	
						Special issues	Other				
Fiscal year:											
1971	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	37,086
1972	2,344	7,934	139	10,117	427,260	10,894	89,536	24,023	825	323,770	41,814
1973	4,038	8,433	106	12,576	458,142	11,109	101,248	24,133	825	343,045	51,325
1974	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
Calendar year:											
1973	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857
1974	3,113	2,749	70	5,932	492,664	11,367	117,761	25,423	(⁶)	360,847	
Month:											
1974- May	3,134	3,226	88	6,448	474,675	11,984	110,743	25,152	825	349,939	62,650
June	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
July	3,822	2,544	88	6,454	475,344	11,895	114,063	25,471	(⁶)	347,706	68,243
Aug.	3,304	2,049	91	5,443	481,792	11,831	118,196	25,446		349,980	69,951
Sept.	3,211	3,384	92	8,687	481,466	11,664	116,885	25,696		350,549	73,068
Oct.	1,789	1,381	71	2,241	480,224	11,422	114,832	25,544		351,270	75,343
Nov.	1,494	1,571		3,066	485,364	11,404	115,485	25,513		355,770	75,706
Dec.	3,113	2,745	70	5,928	492,664	11,367	117,761	25,423		360,847	76,459
1975- Jan.	3,541	2,115	220	5,876	494,139	11,343	115,588	25,380		364,514	76,921
Feb.	2,884	410	220	3,514	499,710	11,037	116,812	24,886		369,049	75,964
Mar.	4,269	2,140	220	6,629	509,659	11,042	115,596	24,807		380,298	76,392
Apr.	8,363	5,411	521	14,295	516,740	11,004	115,606	24,355		387,783	77,124
May	8,538	981	521	10,040	528,158	10,998	118,902	23,915		396,339	

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

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

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

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

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

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

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

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

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period		Budget receipts																																																																																																																																																																																																																																																																																																																																																																																																																																												
		Total	Individual income taxes				Corporation income taxes		Social insurance taxes and contributions					Excise taxes	Customs	State and gift	Misc. receipts																																																																																																																																																																																																																																																																																																																																																																																																																													
			With-held	Pres. Election Campaign Fund ¹	Non-with-held	Re-funds	Net total	Gross receipts	Re-funds	Employment taxes and contributions ²	Un-empl. insur.	Other net receipts ³	Net total																																																																																																																																																																																																																																																																																																																																																																																																																																	
							Pay-rol taxes	Self-empl.																																																																																																																																																																																																																																																																																																																																																																																																																																						
Fiscal year:																	1971	188,392	76,490	24,262	14,522	86,230	30,320	3,535	39,751	1,948	3,673	3,206	48,578	16,614	2,591	3,735	3,858	1972	208,649	83,200	25,679	14,143	94,737	34,926	2,760	44,088	2,032	4,357	3,437	53,914	15,477	3,287	5,436	3,633	1973	232,225	98,093	27,017	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921	1974	264,932	112,064	28,30,812	23,952	118,952	41,744	3,125	62,886	3,008	6,837	4,051	76,780	16,844	3,334	5,035	5,36	Half year:																		1973	Jan. June	126,164	52,037	22,123	14,179	52,094	23,730	1,434	30,013	2,206	3,616	1,841	37,657	8,016	1,637	2,584	1,861		July Dec.	124,256	52,964	6,207	999	58,172	16,589	1,494	29,965	2,01	2,974	1,967	35,109	8,966	1,633	2,514	2,768	1974	Jan. June	140,679	59,103	28,24,605	22,953	60,782	25,156	1,631	32,919	2,808	3,862	2,082	41,672	7,878	1,701	2,521	2,601		July Dec.	139,807	61,377	7,099	1,016	67,460	18,247	2,016	34,418	254	2,914	2,187	39,774	8,761	1,958	2,284	3,341	Month:																		1974	May	19,240	10,081	5,1,704	5,651	5,639	1,318	218	7,196	311	2,190	339	10,036	1,391	295	437	342		June	31,259	10,611	4,4,077	4,62	14,231	9,269	237	4,757	281	18	329	5,386	1,423	301	370	517		July	20,939	10,227	957	378	10,806	1,796	310	5,005	418	358	5,781	1,517	325	418	607		Aug.	23,620	10,223	491	229	10,485	1,084	256	7,813	1,363	368	9,544	1,415	355	453	540		Sept.	28,377	9,754	4,323	130	13,947	6,082	435	5,428	240	62	389	6,119	1,465	305	352	543		Oct.	19,633	10,106	561	78	10,590	1,717	511	4,558	221	363	5,142	1,401	347	370	578		Nov.	22,292	10,638	305	111	10,832	1,111	314	6,633	762	353	7,748	1,474	319	350	773		Dec.	24,946	10,428	461	90	10,799	6,458	190	4,982	14	89	356	5,441	1,489	307	341	301	1975	Jan.	25,020	10,252	1,5,366	132	15,487	1,745	557	4,802	223	245	402	5,673	1,351	307	385	629		Feb.	19,975	10,957	7,1,046	4,264	7,747	1,275	496	7,670	225	732	352	8,979	1,277	260	399	535		Mar.	20,134	9,617	8,2,661	8,152	4,134	7,228	649	6,268	208	21	173	6,870	1,160	295	356	741		Apr.	31,451	9,542	15,12,766	6,258	16,065	5,819	726	5,438	1,743	557	388	8,126	1,166	286	317	399		May	12,793	10,300	819	12,749	1,639	1,192	18	7,689	340	2,209	350	10,588	1,313	270	459	559
1971	188,392	76,490	24,262	14,522	86,230	30,320	3,535	39,751	1,948	3,673	3,206	48,578	16,614	2,591	3,735	3,858																																																																																																																																																																																																																																																																																																																																																																																																																													
1972	208,649	83,200	25,679	14,143	94,737	34,926	2,760	44,088	2,032	4,357	3,437	53,914	15,477	3,287	5,436	3,633																																																																																																																																																																																																																																																																																																																																																																																																																													
1973	232,225	98,093	27,017	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921																																																																																																																																																																																																																																																																																																																																																																																																																													
1974	264,932	112,064	28,30,812	23,952	118,952	41,744	3,125	62,886	3,008	6,837	4,051	76,780	16,844	3,334	5,035	5,36																																																																																																																																																																																																																																																																																																																																																																																																																													
Half year:																		1973	Jan. June	126,164	52,037	22,123	14,179	52,094	23,730	1,434	30,013	2,206	3,616	1,841	37,657	8,016	1,637	2,584	1,861		July Dec.	124,256	52,964	6,207	999	58,172	16,589	1,494	29,965	2,01	2,974	1,967	35,109	8,966	1,633	2,514	2,768	1974	Jan. June	140,679	59,103	28,24,605	22,953	60,782	25,156	1,631	32,919	2,808	3,862	2,082	41,672	7,878	1,701	2,521	2,601		July Dec.	139,807	61,377	7,099	1,016	67,460	18,247	2,016	34,418	254	2,914	2,187	39,774	8,761	1,958	2,284	3,341	Month:																		1974	May	19,240	10,081	5,1,704	5,651	5,639	1,318	218	7,196	311	2,190	339	10,036	1,391	295	437	342		June	31,259	10,611	4,4,077	4,62	14,231	9,269	237	4,757	281	18	329	5,386	1,423	301	370	517		July	20,939	10,227	957	378	10,806	1,796	310	5,005	418	358	5,781	1,517	325	418	607		Aug.	23,620	10,223	491	229	10,485	1,084	256	7,813	1,363	368	9,544	1,415	355	453	540		Sept.	28,377	9,754	4,323	130	13,947	6,082	435	5,428	240	62	389	6,119	1,465	305	352	543		Oct.	19,633	10,106	561	78	10,590	1,717	511	4,558	221	363	5,142	1,401	347	370	578		Nov.	22,292	10,638	305	111	10,832	1,111	314	6,633	762	353	7,748	1,474	319	350	773		Dec.	24,946	10,428	461	90	10,799	6,458	190	4,982	14	89	356	5,441	1,489	307	341	301	1975	Jan.	25,020	10,252	1,5,366	132	15,487	1,745	557	4,802	223	245	402	5,673	1,351	307	385	629		Feb.	19,975	10,957	7,1,046	4,264	7,747	1,275	496	7,670	225	732	352	8,979	1,277	260	399	535		Mar.	20,134	9,617	8,2,661	8,152	4,134	7,228	649	6,268	208	21	173	6,870	1,160	295	356	741		Apr.	31,451	9,542	15,12,766	6,258	16,065	5,819	726	5,438	1,743	557	388	8,126	1,166	286	317	399		May	12,793	10,300	819	12,749	1,639	1,192	18	7,689	340	2,209	350	10,588	1,313	270	459	559																																																																																									
1973	Jan. June	126,164	52,037	22,123	14,179	52,094	23,730	1,434	30,013	2,206	3,616	1,841	37,657	8,016	1,637	2,584	1,861																																																																																																																																																																																																																																																																																																																																																																																																																													
	July Dec.	124,256	52,964	6,207	999	58,172	16,589	1,494	29,965	2,01	2,974	1,967	35,109	8,966	1,633	2,514	2,768																																																																																																																																																																																																																																																																																																																																																																																																																													
1974	Jan. June	140,679	59,103	28,24,605	22,953	60,782	25,156	1,631	32,919	2,808	3,862	2,082	41,672	7,878	1,701	2,521	2,601																																																																																																																																																																																																																																																																																																																																																																																																																													
	July Dec.	139,807	61,377	7,099	1,016	67,460	18,247	2,016	34,418	254	2,914	2,187	39,774	8,761	1,958	2,284	3,341																																																																																																																																																																																																																																																																																																																																																																																																																													
Month:																		1974	May	19,240	10,081	5,1,704	5,651	5,639	1,318	218	7,196	311	2,190	339	10,036	1,391	295	437	342		June	31,259	10,611	4,4,077	4,62	14,231	9,269	237	4,757	281	18	329	5,386	1,423	301	370	517		July	20,939	10,227	957	378	10,806	1,796	310	5,005	418	358	5,781	1,517	325	418	607		Aug.	23,620	10,223	491	229	10,485	1,084	256	7,813	1,363	368	9,544	1,415	355	453	540		Sept.	28,377	9,754	4,323	130	13,947	6,082	435	5,428	240	62	389	6,119	1,465	305	352	543		Oct.	19,633	10,106	561	78	10,590	1,717	511	4,558	221	363	5,142	1,401	347	370	578		Nov.	22,292	10,638	305	111	10,832	1,111	314	6,633	762	353	7,748	1,474	319	350	773		Dec.	24,946	10,428	461	90	10,799	6,458	190	4,982	14	89	356	5,441	1,489	307	341	301	1975	Jan.	25,020	10,252	1,5,366	132	15,487	1,745	557	4,802	223	245	402	5,673	1,351	307	385	629		Feb.	19,975	10,957	7,1,046	4,264	7,747	1,275	496	7,670	225	732	352	8,979	1,277	260	399	535		Mar.	20,134	9,617	8,2,661	8,152	4,134	7,228	649	6,268	208	21	173	6,870	1,160	295	356	741		Apr.	31,451	9,542	15,12,766	6,258	16,065	5,819	726	5,438	1,743	557	388	8,126	1,166	286	317	399		May	12,793	10,300	819	12,749	1,639	1,192	18	7,689	340	2,209	350	10,588	1,313	270	459	559																																																																																																																																																																																			
1974	May	19,240	10,081	5,1,704	5,651	5,639	1,318	218	7,196	311	2,190	339	10,036	1,391	295	437	342																																																																																																																																																																																																																																																																																																																																																																																																																													
	June	31,259	10,611	4,4,077	4,62	14,231	9,269	237	4,757	281	18	329	5,386	1,423	301	370	517																																																																																																																																																																																																																																																																																																																																																																																																																													
	July	20,939	10,227	957	378	10,806	1,796	310	5,005	418	358	5,781	1,517	325	418	607																																																																																																																																																																																																																																																																																																																																																																																																																													
	Aug.	23,620	10,223	491	229	10,485	1,084	256	7,813	1,363	368	9,544	1,415	355	453	540																																																																																																																																																																																																																																																																																																																																																																																																																													
	Sept.	28,377	9,754	4,323	130	13,947	6,082	435	5,428	240	62	389	6,119	1,465	305	352	543																																																																																																																																																																																																																																																																																																																																																																																																																													
	Oct.	19,633	10,106	561	78	10,590	1,717	511	4,558	221	363	5,142	1,401	347	370	578																																																																																																																																																																																																																																																																																																																																																																																																																													
	Nov.	22,292	10,638	305	111	10,832	1,111	314	6,633	762	353	7,748	1,474	319	350	773																																																																																																																																																																																																																																																																																																																																																																																																																													
	Dec.	24,946	10,428	461	90	10,799	6,458	190	4,982	14	89	356	5,441	1,489	307	341	301																																																																																																																																																																																																																																																																																																																																																																																																																													
1975	Jan.	25,020	10,252	1,5,366	132	15,487	1,745	557	4,802	223	245	402	5,673	1,351	307	385	629																																																																																																																																																																																																																																																																																																																																																																																																																													
	Feb.	19,975	10,957	7,1,046	4,264	7,747	1,275	496	7,670	225	732	352	8,979	1,277	260	399	535																																																																																																																																																																																																																																																																																																																																																																																																																													
	Mar.	20,134	9,617	8,2,661	8,152	4,134	7,228	649	6,268	208	21	173	6,870	1,160	295	356	741																																																																																																																																																																																																																																																																																																																																																																																																																													
	Apr.	31,451	9,542	15,12,766	6,258	16,065	5,819	726	5,438	1,743	557	388	8,126	1,166	286	317	399																																																																																																																																																																																																																																																																																																																																																																																																																													
	May	12,793	10,300	819	12,749	1,639	1,192	18	7,689	340	2,209	350	10,588	1,313	270	459	559																																																																																																																																																																																																																																																																																																																																																																																																																													

Period		Budget outlays																																																																																																																																																																																							
		Total	National defense	Intl. affairs	General science, space, and tech.	Agri-culture	Natural re-sources, envir., and energy	Com-merce and transp.	Com-mun. and region. development	Educa-tion, man-power, and social serv.	Health and welfare	Vet-erans	Inter-est	General Govt., law en-forcement, and justice	Revenue shar. and fiscal assistance	Undis-trib. off-setting receipts ⁶																																																																																																																																																																									
Fiscal year:																1972	231,876	77,356	3,723	4,299	5,279	5,019	10,601	4,699	11,696	81,382	10,730	20,582	4,116	531	8,137	1973	246,526	75,072	2,956	4,169	4,855	5,461	9,938	5,869	11,874	91,790	12,013	22,813	4,813	7,222	12,318	1974	268,392	78,569	3,593	4,154	2,230	6,390	13,100	4,910	11,600	106,505	13,386	28,022	5,789	6,746	16,651	1975 ⁸	313,446	85,276	4,853	4,183	1,773	9,412	11,796	4,887	14,714	133,188	15,466	31,331	5,622	7,033	16,839	1976 ⁸	349,372	94,027	6,294	4,581	1,816	10,028	13,723	5,920	14,623	146,774	15,592	34,419	6,468	7,249	20,193	Month:																	1975	Feb.	26,200	7,528	382	350	156	468	666	199	1,024	11,174	1,993	2,618	467	826		Mar.	27,986	7,435	503	379	347	723	1,415	19	1,209	12,154	1,811	2,656	568	3	1,236		Apr.	29,601	7,555	109	368	275	611	1,088	309	1,838	12,379	1,466	2,716	152	1,524	1,053		May	28,186	8,000	408	384	42	679	995	383	1,647	1,616	1,468	2,607	240	873
1972	231,876	77,356	3,723	4,299	5,279	5,019	10,601	4,699	11,696	81,382	10,730	20,582	4,116	531	8,137																																																																																																																																																																									
1973	246,526	75,072	2,956	4,169	4,855	5,461	9,938	5,869	11,874	91,790	12,013	22,813	4,813	7,222	12,318																																																																																																																																																																									
1974	268,392	78,569	3,593	4,154	2,230	6,390	13,100	4,910	11,600	106,505	13,386	28,022	5,789	6,746	16,651																																																																																																																																																																									
1975 ⁸	313,446	85,276	4,853	4,183	1,773	9,412	11,796	4,887	14,714	133,188	15,466	31,331	5,622	7,033	16,839																																																																																																																																																																									
1976 ⁸	349,372	94,027	6,294	4,581	1,816	10,028	13,723	5,920	14,623	146,774	15,592	34,419	6,468	7,249	20,193																																																																																																																																																																									
Month:																	1975	Feb.	26,200	7,528	382	350	156	468	666	199	1,024	11,174	1,993	2,618	467	826		Mar.	27,986	7,435	503	379	347	723	1,415	19	1,209	12,154	1,811	2,656	568	3	1,236		Apr.	29,601	7,555	109	368	275	611	1,088	309	1,838	12,379	1,466	2,716	152	1,524	1,053		May	28,186	8,000	408	384	42	679	995	383	1,647	1,616	1,468	2,607	240	873																																																																																																					
1975	Feb.	26,200	7,528	382	350	156	468	666	199	1,024	11,174	1,993	2,618	467	826																																																																																																																																																																									
	Mar.	27,986	7,435	503	379	347	723	1,415	19	1,209	12,154	1,811	2,656	568	3	1,236																																																																																																																																																																									
	Apr.	29,601	7,555	109	368	275	611	1,088	309	1,838	12,379	1,466	2,716	152	1,524	1,053																																																																																																																																																																									
	May	28,186	8,000	408	384	42	679	995	383	1,647	1,616	1,468	2,607	240	873																																																																																																																																																																									

¹ Collections of these receipts, totaling \$2,427 million for fiscal year 1973, were included as part of nonwithheld income taxes prior to Feb. 1974.
² Old-age, disability, and hospital insurance, and Railroad Retirement accounts.
³ Supplementary medical insurance premiums and Federal employee retirement contributions.
⁴ Deposits of earnings by F. R. Banks and other miscellaneous receipts.
⁵ Budget outlays reflect the new functional classification of outlays presented in the 1976 Budget. For a description of these functions, see *Budget of the U.S. Government, Fiscal Year 1976*, pp. 64-65.

⁶ Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and Govt. contributions for employee retirement.
⁷ Contains retroactive payments of \$2,617 million for fiscal 1972.
⁸ Estimates presented in *Budget of the U.S. Government, Fiscal Year 1976*. Breakdowns do not add to totals because special allowances for contingencies, civilian agency pay raises, and energy tax equalization payments totaling \$700 million for fiscal 1975 and \$8,950 million for fiscal 1976 are not included.

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

GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt ¹	Public issues (interest-bearing)										Special issues ⁵	
		Total	Marketable					Convertible bonds	Nonmarketable				
			Total	Bills	Certificates	Notes	Bonds ²		Total ³	Foreign issues ⁴	Savings bonds and notes		
1968-Dec.	358.0	296.0	236.8	75.0			76.5	85.3	2.5	56.7	4.3	52.3	59.1
1969-Dec.	368.2	295.2	235.9	80.6			85.4	69.9	2.4	56.9	3.8	52.2	71.0
1970-Dec.	389.2	309.1	247.7	87.9			101.2	58.6	2.4	59.1	5.7	52.5	78.1
1971-Dec.	424.1	336.7	262.0	97.5			114.0	50.6	2.3	72.3	16.8	54.9	85.7
1972-Dec.	449.3	351.4	269.5	103.9			121.5	44.1	2.3	79.5	20.6	58.1	95.9
1973-Dec.	469.9	360.7	270.2	107.8			124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974-June	475.1	357.8	266.6	105.0			128.4	33.1	2.3	89.0	25.0	62.4	115.4
July	475.3	359.7	268.8	107.3			128.4	33.0	2.3	88.7	24.4	62.7	114.6
Aug.	481.8	362.0	272.1	110.6			127.7	33.9	2.3	87.6	23.2	62.8	118.7
Sept.	481.5	362.7	272.6	111.1			127.7	33.8	2.3	87.8	23.2	63.0	117.4
Oct.	480.2	363.9	273.5	112.1			127.7	33.8	2.3	88.1	23.1	63.3	115.3
Nov.	485.4	368.2	277.5	114.6			129.6	33.3	2.3	88.4	23.1	63.6	115.9
Dec.	492.7	373.4	282.9	119.7			129.8	33.4	2.3	88.2	22.8	63.8	118.2
1975-Jan.	494.1	377.1	286.1	120.0			131.8	33.3	2.3	88.8	23.0	64.2	116.0
Feb.	499.7	381.5	289.8	123.0			132.7	34.1	2.3	89.4	23.3	64.5	117.2
Mar.	509.7	392.6	300.0	124.0			141.9	34.1	2.3	90.4	24.0	64.8	116.0
Apr.	516.7	399.8	307.2	127.0			145.0	35.3	2.3	90.3	23.6	65.2	116.0
May	528.2	407.8	314.9	131.5			146.5	36.8	2.3	90.6	23.5	65.5	119.2
June	533.2	408.8	315.6	128.6			150.3	36.8	2.3	90.9	23.2	65.9	123.3

¹ Includes non-interest-bearing debt (of which \$624 million on June 30, 1975, was not subject to statutory debt limitation).

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

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

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

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

NOTE: Based on *Monthly Statement of the Public Debt of the United States*, published by U.S. Treasury. See also second paragraph in Note to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—		Held by private investors									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Commercial banks	Mutual savings banks	Insurance companies	Other corporations	State and local govts.	Individuals		Foreign and international ¹	Other misc. investors ²
										Savings bonds	Other securities		
1968-Dec.	358.0	76.6	52.9	228.5	66.0	3.8	8.4	14.2	24.9	51.9	23.3	14.3	21.9
1969-Dec.	368.2	89.0	57.2	222.0	56.8	3.1	7.6	10.4	27.2	51.8	29.0	11.2	25.0
1970-Dec.	389.2	97.1	62.1	229.9	62.7	3.1	7.4	7.3	27.8	52.1	29.1	20.6	19.9
1971-Dec.	424.1	106.0	70.2	247.9	65.3	3.1	7.0	11.4	25.4	54.4	18.8	46.9	15.6
1972-Dec.	449.3	116.9	69.9	262.5	67.7	3.4	6.6	9.8	28.9	57.7	16.2	55.3	17.0
1973-Dec.	469.9	129.6	78.5	261.7	60.3	2.9	6.4	10.9	29.2	60.3	16.9	55.6	19.3
1974-Apr.	471.9	131.1	80.0	260.7	56.8	2.7	5.9	10.5	30.1	61.4	17.8	55.9	19.7
May	474.7	133.9	81.4	259.4	54.8	2.6	5.8	11.2	29.2	61.7	18.3	57.3	18.5
June	475.1	138.2	80.5	256.4	53.2	2.6	5.9	10.8	28.3	61.9	18.8	57.7	17.3
July	475.3	137.5	78.1	259.7	53.9	2.6	5.7	11.3	28.8	62.2	19.4	56.9	18.8
Aug.	481.8	141.6	81.1	259.0	53.0	2.6	5.7	11.0	29.2	62.3	20.3	56.0	19.0
Sept.	481.5	140.6	81.0	259.8	52.9	2.5	5.7	10.5	29.3	62.5	20.8	56.0	19.5
Oct.	480.2	138.4	79.4	262.5	53.5	2.5	5.9	11.2	28.8	62.8	21.0	56.6	20.3
Nov.	485.4	139.0	81.0	265.3	54.5	2.5	5.9	11.0	28.7	63.2	21.1	58.3	20.1
Dec.	492.7	141.2	80.5	271.0	56.5	2.5	6.1	11.0	29.2	63.4	21.5	58.4	22.4
1975-Jan.	494.1	139.0	81.3	273.8	54.5	2.6	6.2	11.3	30.0	63.7	21.6	61.5	22.3
Feb.	499.7	139.8	81.1	278.9	56.9	2.7	6.2	11.4	30.5	64.0	21.3	64.6	21.3
Mar.	509.7	138.5	81.4	289.8	62.0	2.9	6.6	12.0	29.7	64.4	21.4	65.0	25.9
Apr.	516.7	138.0	87.8	290.9	63.0	3.2	6.7	12.5	29.8	64.7	21.4	64.9	24.7

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

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

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

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

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1-5 years	5-10 years	10-20 years	Over 20 years
		Total	Bills	Other				
All holders:								
1972—Dec. 31	269,509	130,422	103,870	26,552	88,564	29,143	15,301	6,079
1973—Dec. 31	270,324	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Dec. 31	282,891	148,086	119,747	28,339	85,411	27,897	14,833	6,764
1975—Apr. 30	307,702	160,981	126,907	34,074	93,444	29,354	16,688	6,835
May 31	314,886	164,160	131,541	32,619	100,926	26,834	14,549	8,418
U.S. Govt. agencies and trust funds:								
1972—Dec. 31	19,360	1,609	674	935	6,418	5,487	4,317	1,530
1973—Dec. 31	20,962	2,220	611	1,589	7,714	4,389	5,019	1,620
1974—Dec. 31	21,391	2,400	588	1,812	7,823	4,721	4,670	1,777
1975—Apr. 30	20,499	2,197	440	1,757	7,222	3,968	4,802	1,610
May 31	20,114	2,183	393	1,790	7,491	4,209	4,271	1,960
Federal Reserve Banks:								
1972—Dec. 31	69,906	37,750	29,745	8,005	24,497	6,109	1,414	136
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Dec. 31	80,501	45,388	36,990	8,399	23,282	9,664	1,453	713
1975—Apr. 30	87,846	49,764	38,429	11,335	24,082	11,077	1,705	1,348
May 31	88,622	46,603	38,287	8,316	28,925	6,994	1,375	1,725
Held by private investors:								
1972—Dec. 31	180,243	91,063	73,451	17,612	57,649	17,547	9,570	4,413
1973—Dec. 31	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—Dec. 31	180,999	100,298	82,168	18,130	54,206	13,812	8,710	4,274
1975—Apr. 30	198,857	108,820	88,138	20,682	61,670	13,209	10,181	3,977
May 31	209,150	115,374	92,861	22,513	64,510	15,631	8,903	4,733
Commercial banks:								
1972—Dec. 31	52,440	18,077	10,289	7,788	27,765	5,654	864	80
1973—Dec. 31	45,717	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Dec. 31	42,755	14,873	6,952	7,921	22,717	4,151	733	280
1975—Apr. 30	49,282	16,183	7,351	8,832	27,211	4,900	731	377
May 31	51,065	18,309	8,527	9,782	27,359	4,487	621	290
Mutual savings banks:								
1972—Dec. 31	2,609	590	309	281	1,152	469	274	134
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—Dec. 31	1,477	399	207	192	614	174	202	88
1975—Apr. 30	2,106	436	191	245	918	365	261	125
May 31	2,276	501	224	277	1,055	369	235	117
Insurance companies:								
1972—Dec. 31	5,220	799	448	351	1,190	976	1,593	661
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—Dec. 31	4,741	722	414	308	1,061	1,310	1,297	351
1975—Apr. 30	5,403	683	386	297	1,340	1,412	1,421	348
May 31	5,537	793	450	343	1,534	1,657	1,164	408
Nonfinancial corporations:								
1972—Dec. 31	4,948	3,604	1,198	2,406	1,198	121	25	1
1973—Dec. 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Dec. 31	4,246	2,623	1,859	764	1,423	315	26	59
1975—Apr. 30	5,278	2,803	2,013	790	2,107	230	98	40
May 31	5,869	3,285	2,420	865	2,174	263	101	46
Savings and loan associations:								
1972—Dec. 31	2,873	820	498	322	1,140	605	226	81
1973—Dec. 31	2,103	576	121	455	1,011	420	151	45
1974—Dec. 31	1,663	350	87	263	835	282	173	23
1975—Apr. 30	2,083	562	294	268	1,034	289	178	19
May 31	2,212	619	325	294	1,184	271	119	20
State and local governments:								
1972—Dec. 31	10,904	6,159	5,203	956	2,033	816	1,298	598
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Dec. 31	7,864	4,121	3,319	802	1,796	815	800	332
1975—Apr. 30	8,245	4,647	3,908	739	1,719	543	980	356
May 31	8,089	4,397	3,661	736	1,716	676	831	469
All others:								
1972—Dec. 31	101,249	61,014	55,506	5,508	23,171	8,906	5,290	2,868
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Dec. 31	118,253	77,210	69,130	7,880	25,760	6,664	5,479	3,141
1975—Apr. 30	126,560	83,505	73,994	9,511	27,240	6,470	6,512	2,833
May 31	134,100	87,670	77,254	10,216	29,487	7,927	5,831	3,384

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

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and pro portion re-orting: 1,556 commercial banks, 474 mutual savings

banks, and 732 insurance companies combined, each about 90 per cent (2) 459 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 502 State and local govts., about 40 per cent. "All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

DAILY-AVERAGE DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt. agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1-5 years	5-10 years	Over 10 years	U.S. Govt. securities dealers	U.S. Govt. securities brokers	Commercial banks	All other ¹	
1974—May	3,542	2,645	693	133	72	711	905	991	936	861
June	3,084	2,549	385	110	41	693	759	877	755	978
July	2,566	2,114	348	66	38	490	685	681	710	1,044
Aug.	3,097	2,407	389	238	64	554	876	789	878	856
Sept.	4,114	3,327	472	265	50	683	1,351	1,022	1,058	1,227
Oct.	3,543	2,802	498	193	50	607	1,087	928	920	1,150
Nov.	3,977	2,872	635	384	86	560	1,049	1,144	1,224	1,186
Dec.	4,111	3,126	550	369	67	671	1,196	1,120	1,124	1,087
1975—Jan.	5,415	3,495	1,514	303	104	887	1,549	1,503	1,478	1,244
Feb.	5,770	3,353	1,521	711	185	698	2,044	1,511	1,518	1,233
Mar.	4,467	2,812	994	464	197	671	1,183	1,198	1,415	928
Apr.	5,197	3,682	1,096	285	134	704	1,450	1,242	1,801	904
May	6,419	4,181	1,615	466	158	981	1,917	1,454	2,067	1,049
Week ending—										
1975—May 7	6,442	4,611	1,465	252	115	1,011	1,872	1,395	2,164	853
14	7,593	4,508	1,927	903	254	1,100	2,373	1,931	2,190	952
21	6,584	4,244	1,755	430	156	1,036	2,063	1,449	2,037	1,126
28	5,044	3,290	1,341	311	102	777	1,427	1,022	1,818	1,351
June 4	5,864	4,184	1,214	328	139	890	1,628	1,296	2,050	1,051
11	6,310	4,240	1,474	459	137	834	1,859	1,621	1,996	1,452
18	5,352	3,439	1,339	445	129	801	1,558	1,280	1,713	1,096
25	4,929	3,033	1,434	314	147	693	1,581	1,055	1,599	1,334

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

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

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

DAILY-AVERAGE DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1-5 years	5-10 years	Over 10 years	
1974—May	495	421	-33	66	41	791
June	594	447	52	78	16	1,226
July	263	219	-50	50	4	935
Aug.	2,487	1,819	228	356	84	1,073
Sept.	3,060	2,317	334	340	69	1,216
Oct.	2,870	2,149	430	260	31	1,445
Nov.	4,513	2,999	728	618	169	1,531
Dec.	4,831	3,100	975	559	197	1,803
1975—Jan.	4,634	2,689	1,236	660	113	1,578
Feb.	5,588	3,658	1,180	536	213	1,469
Mar.	5,737	3,435	1,486	618	198	1,444
Apr.	4,453	3,123	1,036	218	77	937
May	6,332	4,917	1,094	248	73	896
Week ending—						
1975—Apr. 2	5,840	3,541	1,568	498	233	1,277
9	5,599	3,564	1,437	446	152	1,084
16	4,742	3,149	1,171	319	103	941
23	3,643	2,647	870	87	39	793
30	3,011	2,725	422	90	46	838
May 7	4,773	4,573	457	136	121	806
14	6,713	4,966	1,019	583	145	879
21	7,164	5,113	1,578	324	149	940
28	6,890	5,088	1,414	258	130	942

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

DAILY-AVERAGE DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks		Corporations ¹	All other
		New York City	Elsewhere		
1974—May	1,637	26	486	213	913
June	2,477	241	884	268	1,083
July	1,710	6	596	216	892
Aug.	4,138	988	1,248	548	1,354
Sept.	4,709	1,312	1,247	480	1,671
Oct.	4,621	1,194	1,003	571	1,853
Nov.	5,626	1,466	1,245	561	2,355
Dec.	6,904	2,061	1,619	691	2,534
1975—Jan.	6,185	1,455	1,277	864	2,590
Feb.	6,295	1,672	1,077	714	2,832
Mar.	6,881	1,879	1,650	838	2,513
Apr.	5,696	1,655	1,326	583	2,132
May	6,656	1,684	1,567	452	2,953
Week ending—					
1975—Apr. 2	6,764	2,027	1,906	832	1,998
9	7,128	2,426	1,759	843	2,101
16	5,979	2,005	1,340	670	1,964
23	5,033	1,376	1,033	399	2,225
30	4,368	627	988	383	2,371
May 7	5,108	1,113	1,199	315	2,482
14	6,189	1,768	1,143	464	2,815
21	7,945	2,328	1,602	570	3,445
28	7,222	1,704	2,060	471	2,988

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

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

OUTSTANDING ISSUES OF FEDERALY SPONSORED CREDIT AGENCIES, MAY 31, 1975

Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)
Federal home loan banks			Federal National Mortgage Association--Cont.			Banks for cooperatives		
Bonds:			Debentures:			Bonds:		
7/27/70 - 8/25/75	7.95	300	4/12/71 - 6/10/75	5.25	500	12/2/74 - 6/2/75	8.05	542
7/25/73 - 8/25/75	7.88	500	10/13/70 - 9/10/75	7.50	350	1/2/75 - 1/1/75	7.40	494
10/25/74 - 8/25/75	7.15	400	3/10/72 - 12/10/75	6.80	650	2/3/75 - 8/4/75	7.05	478
12/18/70 - 11/25/75	6.50	350	3/10/72 - 12/10/75	5.70	500	3/3/75 - 9/2/75	6.05	407
5/25/73 - 11/25/75	7.05	600	3/11/71 - 3/10/76	5.65	500	4/1/75 - 10/1/75	5.85	126
5/28/74 - 11/25/75	9.10	700	9/10/73 - 12/10/75	8.25	300	5/1/75 - 11/3/75	6.15	336
6/21/74 - 2/25/76	8.70	400	6/12/73 - 3/10/76	7.13	400	10/1/73 - 4/4/77	7.70	200
8/25/71 - 2/25/76	7.48	300	6/10/71 - 6/10/76	6.70	250	12/2/74 - 10/1/79	8.00	201
8/27/73 - 2/25/76	8.75	300	2/10/72 - 6/10/76	5.85	450			
8/26/74 - 2/25/76	9.20	600	9/10/74 - 6/10/76	10.00	700			
6/22/73 - 5/25/76	7.45	300	11/10/71 - 9/10/76	6.13	300			
7/25/73 - 8/25/76	7.80	500	6/12/72 - 9/10/76	5.85	500			
9/25/74 - 8/25/76	9.55	700	12/10/74 - 9/10/76	7.50	200	9/3/74 - 6/2/75	9.80	714
10/25/74 - 11/26/76	8.60	600	7/12/71 - 12/10/76	7.45	300	10/1/74 - 7/1/75	9.60	769
7/25/74 - 11/26/76	9.55	500	12/11/72 - 12/10/76	6.25	500	1/3/72 - 7/1/75	5.70	302
10/25/73 - 11/26/76	7.20	500	6/10/74 - 12/10/76	8.45	600	11/4/74 - 8/4/75	8.45	758
11/25/74 - 2/25/77	8.05	500	3/13/62 - 2/10/77	4.50	198	12/2/74 - 9/2/75	8.05	783
6/21/74 - 5/25/77	8.70	500	9/11/72 - 3/10/77	6.30	500	1/2/75 - 10/1/75	7.35	563
6/25/71 - 5/25/77	6.95	200	3/11/74 - 3/10/77	7.05	400	2/3/75 - 11/3/75	7.05	824
4/12/73 - 8/25/77	7.15	300	12/10/70 - 6/10/77	6.38	250	3/3/75 - 12/1/75	6.15	897
5/28/74 - 8/25/77	8.80	600	5/10/71 - 6/10/77	6.50	150	3/1/73 - 1/8/76	6.65	261
2/26/73 - 11/25/77	6.75	300	12/10/73 - 6/10/77	7.20	500	4/1/75 - 1/5/76	6.05	1,079
11/27/73 - 11/25/77	9.15	300	9/10/71 - 9/12/77	6.88	300	5/1/75 - 2/2/76	6.60	909
8/26/74 - 11/25/77	9.15	700	9/10/73 - 9/12/77	7.85	400	7/2/73 - 1/3/77	7.10	236
9/25/74 - 2/27/78	9.38	400	7/10/73 - 12/12/77	7.25	500	7/1/74 - 4/4/77	8.70	321
9/21/73 - 5/25/78	7.60	500	10/1/73 - 12/12/77	7.55	500	1/2/74 - 1/3/78	7.10	406
8/26/74 - 11/27/78	9.10	500	6/10/74 - 3/10/78	8.45	650	1/2/75 - 1/2/79	7.40	410
6/21/74 - 2/26/79	8.65	600	3/10/75 - 3/10/78	6.70	350			
9/25/74 - 2/26/79	9.45	600	6/12/73 - 6/12/78	7.15	600			
10/25/74 - 5/25/79	8.65	500	3/11/74 - 9/11/78	7.15	550			
5/28/74 - 5/25/79	8.75	400	10/12/71 - 12/11/78	6.75	300			
7/25/74 - 8/27/79	9.50	500	7/10/74 - 12/11/78	8.95	450	2/15/72 - 7/21/75	5.70	425
11/25/74 - 11/26/79	8.15	500	12/10/73 - 3/12/79	7.25	500	4/22/74 - 7/21/75	8.30	300
12/23/74 - 11/26/79	7.50	500	9/10/73 - 6/11/79	7.85	300	7/20/71 - 10/20/75	7.20	300
10/25/74 - 2/25/80	7.75	350	9/10/74 - 6/11/79	9.80	600	10/21/73 - 10/20/75	7.40	362
2/25/74 - 2/25/80	7.05	300	6/12/72 - 9/10/79	6.40	300	4/20/72 - 1/20/76	6.25	300
10/15/70 - 10/15/80	7.80	200	12/10/74 - 9/10/79	7.80	700	7/23/74 - 1/20/76	9.20	650
10/27/71 - 11/27/81	6.60	200	12/10/71 - 12/10/79	6.55	350	2/21/66 - 2/24/76	5.00	123
10/25/74 - 11/25/81	8.65	400	2/10/72 - 3/10/80	6.88	250	1/22/73 - 4/20/76	6.25	373
4/12/73 - 5/25/83	7.30	183	3/10/75 - 3/10/80	7.25	750	4/22/74 - 4/20/76	8.25	400
2/25/75 - 11/25/83	8.75	300	4/1/75 - 4/10/80	7.63	300	7/20/66 - 7/20/76	5.38	150
5/28/74 - 5/25/84	8.75	300	6/10/74 - 6/10/80	8.50	600	1/21/74 - 7/20/76	7.05	360
10/25/73 - 11/26/93	7.38	400	2/16/73 - 7/31/80	5.19	1	4/23/73 - 10/20/76	7.15	480
			2/16/73 - 7/31/80	3.18	9	4/21/75 - 1/20/77	7.45	750
			10/1/73 - 9/10/80	7.50	400	4/22/74 - 4/20/77	8.25	565
			1/16/73 - 10/30/80	4.46	5	7/20/73 - 7/20/77	7.50	550
			12/11/72 - 12/10/80	6.60	300	10/20/71 - 10/20/77	6.35	300
			6/29/72 - 1/29/81	6.15	156	10/21/74 - 1/23/78	8.70	546
			3/12/73 - 3/10/81	7.05	350	2/20/63 - 2/20/73	4.13	148
			4/18/73 - 3/10/81	6.59	26	5/21/66 - 4/20/78	5.13	150
			3/21/73 - 5/1/81	4.50	18	1/20/75 - 4/20/78	7.60	713
			3/21/73 - 5/1/81	5.77	2	7/20/72 - 7/20/78	6.40	269
			1/21/71 - 6/10/81	7.25	250	7/22/74 - 7/20/78	9.15	350
			9/10/71 - 9/10/81	7.25	250	10/23/73 - 10/19/78	7.35	550
			9/10/74 - 9/10/81	9.70	300	2/20/67 - 1/22/79	5.00	285
			3/11/74 - 12/10/81	7.30	250	1/21/74 - 1/22/79	7.10	300
			7/10/74 - 3/10/82	8.88	300	9/15/72 - 4/23/79	6.85	235
			6/28/72 - 5/1/82	5.84	58	2/20/74 - 7/23/79	7.15	389
			2/10/71 - 6/10/82	6.65	250	10/23/72 - 10/23/79	6.80	400
			9/11/72 - 9/10/82	6.80	200	1/22/73 - 1/21/80	6.70	300
			12/10/73 - 12/10/82	7.35	300	7/20/73 - 7/21/80	7.50	250
			3/11/71 - 6/10/83	6.75	200	10/21/74 - 10/20/80	8.70	400
			6/12/73 - 6/10/83	7.30	300	2/23/71 - 4/20/81	6.70	224
			11/10/71 - 9/12/83	6.75	250	7/22/74 - 7/20/81	9.10	265
			4/12/71 - 6/11/84	6.25	200	1/20/75 - 1/20/82	7.80	400
			12/10/74 - 9/10/84	7.95	300	4/20/72 - 4/20/82	6.90	200
			12/10/71 - 12/10/84	6.90	250	4/21/75 - 4/20/82	8.15	300
			3/10/75 - 3/11/85	7.65	500	4/23/73 - 10/20/82	7.30	239
			3/10/72 - 3/10/92	7.00	200	10/23/73 - 10/20/83	7.30	300
			6/12/72 - 6/10/92	7.05	200			
			12/11/72 - 12/10/97-82	7.10	200			

NOTE.--These securities are not guaranteed by the U.S. Govt., see also note to table at top of page A-38.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period ¹	Federal home loan banks						Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Assets			Liabilities and capital			Mortgage loans (A)	Debentures and notes (L)	Loans to cooperatives (A)	Bonds (L)	Loans and dis- counts (A)	Bonds (L)	Mortgage loans (A)	Bonds (L)
	Ad- vances to mem- bers	Invest- ments	Cash and de- posits	Bonds and notes	Mem- ber de- posits	Capital stock								
1970.....	10,614	3,864	105	10,183	2,352	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971.....	7,936	2,520	142	7,139	1,789	1,618	17,791	17,701	2,076	1,801	5,669	5,503	7,917	7,063
1972.....	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973.....	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974- May...	17,103	1,956	96	14,893	2,215	2,376	25,917	25,089	2,694	2,674	8,195	7,585	12,142	10,843
June...	17,642	2,564	115	16,393	2,158	2,413	26,559	25,232	2,733	2,449	8,479	7,860	12,400	10,843
July...	18,582	2,578	150	17,390	1,954	2,450	27,304	25,878	3,008	2,477	8,706	8,212	12,684	11,782
Aug...	19,653	2,052	80	18,759	1,935	2,495	28,022	26,639	3,026	2,622	8,548	8,381	12,941	11,782
Sept...	20,772	2,681	135	20,647	2,160	2,543	28,641	27,312	3,092	2,835	8,931	8,502	13,185	11,782
Oct...	21,409	3,224	105	22,058	2,129	2,580	29,139	27,543	3,598	2,855	8,838	8,482	13,418	12,427
Nov...	21,502	2,568	106	21,474	2,182	2,603	29,407	28,024	3,573	3,295	8,700	8,441	13,643	12,427
Dec...	21,804	3,394	144	21,878	2,484	2,624	29,709	28,201	3,575	3,561	8,848	8,400	13,643	12,427
1975- Jan...	20,728	4,467	113	21,778	2,612	2,699	29,797	28,030	3,910	3,653	8,888	8,419	14,086	13,020
Feb...	19,460	4,838	99	20,822	2,819	2,819	29,846	27,710	3,821	3,592	9,031	8,484	14,326	13,021
Mar...	18,164	6,315	154	18,453	3,025	2,677	29,870	28,420	3,741	3,440	9,303	8,703	14,641	13,021
Apr...	17,528	6,836	98	18,448	2,651	2,660	29,931	28,257	3,650	3,329	9,520	8,277	14,917	13,571
May...	17,145	5,745	98	19,283	2,708	2,656	29,977	27,714	3,499	3,410	9,763	10,071	15,180	13,571

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

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

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)									Total amount delivered ³	Issues for new capital						
	Total	Type of issue				Type of issuer					Total	Use of proceeds					
		Gener- al obli- gations	Reve- nue	HAA ¹	U.S. Govt. loans	State	Special district and stat. auth.	Other ²	Edu- cation			Roads and bridges	Utili- ties ⁴	Hous- ing ⁵	Veter- ans' aid	Other purposes	
1971.....	24,963	15,229	8,681	1,000	62	5,999	8,714	10,246	24,495	5,278	2,642	5,214	2,068	9,293			
1972.....	23,653	13,305	9,332	959	57	4,991	9,496	9,165	19,959	4,981	1,689	4,638	1,910	6,741			
1973.....	23,968	12,257	10,632	1,022	57	4,212	9,505	10,249	22,397	4,311	1,458	5,654	2,639	8,335			
1974.....	24,315	13,563	10,212	461	79	4,784	8,638	10,817	23,508	4,730	768	5,634	1,064	11,312			
1974- May...	2,313	1,101	1,203	.....	9	451	1,097	756	2,217	442	18	711	8	1,058		
June...	2,171	1,075	856	234	6	580	721	864	2,079	220	62	604	334	799			
July...	1,466	859	600	.....	7	540	158	761	1,456	314	58	154	.....	930	
Aug...	1,109	576	529	.....	4	141	400	565	1,067	228	85	257	15	482		
Sept...	1,705	869	832	.....	4	448	641	611	1,669	257	11	380	21	1,006		
Oct...	2,865	1,703	1,153	.....	5	328	974	1,558	2,738	343	110	216	110	1,939		
Nov...	2,487	1,110	1,374	.....	3	689	1,095	789	2,403	698	4	866	9	826		
Dec...	1,500	761	717	.....	22	222	558	700	1,475	297	64	424	53	637		
1975- Jan...	2,363	1,364	993	.....	6	372	702	1,288	2,328	710	49	644	172	753		
Feb...	2,327	1,720	602	.....	5	877	582	861	2,287	432	206	417	105	1,127		
Mar...	2,088	1,288	798	.....	7	376	673	1,043	2,034	468	94	471	35	966		
Apr...	2,377	1,481	889	.....	7	368	873	1,133	2,296	405	60	727	38	1,066		
May...	2,791	1,810	976	.....	5	793	1,173	821	2,697	404	208	555	25	1,505		

¹ Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

² Municipalities, counties, townships, school districts.
³ Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

⁴ Water, sewer, and other utilities.

⁵ Includes urban redevelopment loans.

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

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues ¹										
	Total	Noncorporate				Corporate					
		U.S. Govt. ²	U.S. Govt. agency ³	State and local (U.S.) ⁴	Other ⁵	Total	Bonds			Stock	
							Total	Publicly offered	Privately placed	Preferred	Common
1971.....	105,233	17,235	16,283	24,370	2,165	44,914	31,999	24,790	7,209	3,679	9,236
1972.....	96,522	17,080	12,825	23,070	1,589	40,787	27,727	18,347	9,378	3,373	9,689
1973.....	100,417	19,057	23,883	22,700	1,385	33,391	22,268	13,649	8,620	3,372	7,750
1974 ⁷						37,851	31,563	25,337	6,226	2,253	4,035
1974—Mar.....						3,217	2,457	2,020	437	398	362
Apr.....						3,059	2,259	1,594	666	355	445
May.....						3,164	2,957	2,350	607	65	142
June.....						2,981	2,455	1,939	516	113	413
July.....						3,260	2,706	2,086	620	228	327
Aug.....						2,668	2,341	2,042	299	107	218
Sept.....						1,620	1,205	897	308	126	289
Oct.....						4,625	3,793	3,423	355	196	635
Nov.....						3,762	3,352	3,016	337	93	307
Dec.....						3,471	3,018	2,172	880	152	301
1975—Jan.....						5,275	4,685	3,657	1,028	235	341
Feb.....						4,531	3,909	3,201	708	173	449
Mar.....						5,343	4,446	3,970	476	253	644

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1971.....	9,551	2,102	2,158	2,370	2,006	434	7,576	4,201	4,222	1,596	6,484	2,204
1972.....	4,796	1,812	2,669	2,878	1,767	187	6,398	4,967	3,680	1,127	8,415	2,096
1973.....	4,329	643	1,283	1,559	1,881	43	5,585	4,661	3,535	1,369	5,661	2,860
1974 ⁷	9,890	543	1,856	958	983	22	8,872	3,964	3,710	222	6,246	587
1974—Mar.....	479	161	52	71	76		850	449	310	21	691	58
Apr.....	1,194	9	238	56	6		446	684	283	5	95	47
May.....	847	15	332	71	44		837	75	660	3	239	44
June.....	434	43	303	139	5	15	859	288	355	1	491	39
July.....	1,051	43	254	93	62	1	318	300	242	53	777	65
Aug.....	601	4	38	62	14		862	216	364		462	44
Sept.....	186	2	46	47	40	5	384	296	331	18	218	48
Oct.....	725	3	102	29	306		1,414	695	439	36	791	69
Nov.....	1,697	2	124	100	336		739	225	62	31	397	54
Dec.....	1,456	196	180	23	14		435	194	150	25	817	15
1975—Jan.....	1,845	3	153	75	84		792	507	927	5	914	
Feb.....	1,669	44	63	60	74		1,465	486	106	1	532	32
Mar.....	2,361	111	268	74	83		828	679	312		595	33

¹ Gross proceeds are derived by multiplying principal amounts or number of units by offering price.
² Includes guaranteed issues.
³ Issues not guaranteed.
⁴ See NOTE to table at bottom of opposite page.

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

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

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers ¹								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1971.....	46,687	9,507	37,180	31,917	8,190	23,728	14,769	1,318	13,452
1972.....	42,306	10,224	32,082	27,065	8,003	19,062	15,242	2,222	13,018
1973.....	33,559	11,804	21,754	21,501	8,810	12,691	12,057	2,993	9,064
1974.....	39,334	9,935	29,399	31,554	6,255	25,098	7,980	3,678	4,302
1974 I.....	8,973	2,031	6,942	6,810	1,442	5,367	2,163	588	1,575
II.....	9,637	2,048	7,589	7,847	1,584	6,263	1,790	465	1,326
III.....	8,452	2,985	5,467	6,611	1,225	5,386	1,841	1,759	82
IV.....	12,272	2,871	9,401	10,086	2,004	8,082	2,186	866	1,319
1975 I.....	15,211	2,088	13,123	12,759	1,587	11,172	2,452	501	1,951

Period	Type of issues											
	Manufacturing		Commercial and other ²		Transportation ³		Public utility		Communication		Real estate and financial ¹	
	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks
1971.....	6,585	2,534	827	2,290	900	800	6,486	4,206	3,925	1,600	5,005	2,017
1972.....	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973.....	801	658	109	1,411	1,044	-93	4,265	4,509	3,165	1,399	3,523	1,181
1974.....	7,404	17	1,116	-135	341	-20	7,308	3,834	3,499	398	5,428	207
1974 I.....	906	324	-11	363	37	-35	2,172	827	675	76	1,662	20
II.....	1,921	12	698	213	-13	12	1,699	1,038	1,080	-7	877	82
III.....	1,479	421	189	664	49	6	1,358	862	1,116	222	1,194	88
IV.....	3,098	126	240	-47	342	9	2,079	1,107	628	107	1,695	17
1975 I.....	5,134	262	373	77	1	1	2,653	1,569	1,269	24	1,742	18

¹ Excludes investment companies.
² Extractive and commercial and miscellaneous companies.
³ Railroad and other transportation companies.

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

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

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other		Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other
1963.....	2,460	1,504	952	25,214	1,341	23,873	1974—May..	323	320	3	41,015	4,389	36,626
1964.....	3,404	1,875	1,528	29,116	1,329	27,787	June..	337	276	61	40,040	4,461	35,579
1965.....	4,359	1,962	2,395	35,220	1,803	33,417	July..	442	352	90	37,669	4,609	33,060
1966.....	4,671	2,005	2,665	34,829	2,971	31,858	Aug..	446	339	127	35,106	4,953	30,153
1967.....	4,670	2,745	1,927	44,761	2,566	42,195	Sept..	499	292	207	31,985	5,078	26,907
1968.....	6,820	3,841	2,979	52,677	3,187	49,490	Oct..	816	311	505	37,115	5,652	31,463
1969.....	6,717	3,661	3,056	48,291	3,846	44,445	Nov..	619	335	284	36,366	5,804	30,562
1970.....	4,624	2,987	1,637	47,618	3,649	43,969	Dec..	736	411	325	35,777	5,637	30,140
1971.....	5,145	4,751	394	55,045	3,038	52,007	1975 Jan..	1,067	428	639	3,7407	3,889	33,518
1972.....	4,892	6,563	-1,671	59,811	3,035	56,796	Feb..	889	470	419	39,330	4,006	35,324
1973.....	4,358	5,651	-1,261	46,518	4,002	42,516	Mar..	847	623	224	40,449	3,870	36,579
1974.....	5,346	3,937	1,409	35,777	5,637	30,140	Apr..	808	791	17	42,353	3,841	38,512
							May..	677	735	58	43,829	3,876	39,953

¹ Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.
² Market value at end of period less current liabilities.
³ Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

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

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹
1968.....	87.6	39.9	47.8	23.6	24.2	46.8	1973 II....	124.9	50.9	74.0	29.1	44.9	70.8
1969.....	84.9	40.1	44.8	24.3	20.5	51.9	1973 III....	122.7	49.9	72.9	29.8	43.1	71.6
1970.....	74.0	34.8	39.3	24.7	14.6	56.0	1973 IV....	122.7	49.5	73.2	30.7	42.5	73.1
1971.....	83.6	37.5	46.1	25.0	21.1	60.4	1974 I.....	135.4	52.2	83.2	31.6	51.6	74.1
1972.....	99.2	41.5	57.7	27.3	30.3	66.3	1974 II....	139.0	55.9	83.1	32.5	50.5	75.7
1973.....	122.7	49.8	72.9	29.6	43.3	71.2	1974 III....	157.0	62.7	94.3	33.2	61.1	77.6
1974.....	140.7	55.7	85.0	32.7	52.4	76.7	1974 IV....	131.5	52.0	79.5	33.3	46.2	79.3
							1975 I.....	101.2	39.0	62.3	33.8	28.5	81.2

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

NOTE: Dept. of Commerce estimates. Quarterly data are at seasonal adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets							Current liabilities				
		Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt. ¹	Other				U.S. Govt. ¹	Other		
1970.....	187.4	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6
1971.....	204.9	518.8	55.7	10.7	3.5	208.8	200.3	39.7	313.9	4.9	207.3	12.2	89.5
1972-IV.....	224.3	563.1	60.5	9.9	3.4	230.5	215.1	43.6	338.8	4.0	221.6	14.1	99.1
1973-I.....	231.8	579.2	61.2	10.8	3.2	235.7	222.8	45.5	347.4	4.1	222.8	15.7	104.7
1973-II.....	237.7	596.8	62.3	9.6	2.9	245.6	230.3	46.0	359.1	4.5	232.5	13.9	108.1
1973-III.....	241.9	613.6	62.2	9.5	3.0	254.2	238.2	46.6	371.7	4.4	240.8	15.3	111.2
1973-IV.....	245.3	631.4	65.2	10.7	3.5	255.8	247.0	49.3	386.1	4.3	252.0	16.6	114.3
1974-I.....	253.2	653.9	62.8	11.7	3.2	265.6	258.9	51.6	400.7	4.5	256.7	18.7	120.7
1974-II.....	257.4	673.3	62.2	10.4	3.4	278.7	269.7	48.8	415.8	4.7	268.4	17.4	125.3
1974-III.....	263.6	696.0	63.9	10.7	3.5	284.1	282.7	51.1	432.4	5.1	276.6	20.5	130.2
1974-IV.....	265.9	700.2	66.4	11.4	3.5	278.5	288.8	51.7	434.3	5.2	277.4	21.0	130.7

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

NOTE: Based on Securities and Exchange Commission estimates.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other ¹	Total (S.A. A.R.)
		Durable	Non-durable		Railroad	Air	Other	Electric	Gas and other			
1971.....	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.86	2.44	10.77	18.05	.....
1972.....	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	.....
1973.....	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.94	2.76	12.85	21.40	.....
1974.....	112.40	22.62	23.39	3.18	2.54	2.00	2.12	17.63	2.92	13.96	22.05	.....
1973-I.....	21.50	3.92	3.88	.63	.46	.52	.32	3.45	.50	2.87	4.94	96.19
1973-II.....	24.73	4.65	4.51	.71	.46	.72	.43	3.91	.68	3.27	5.40	97.76
1973-III.....	25.04	4.84	4.78	.69	.48	.57	.44	4.04	.77	3.19	5.24	100.90
1973-IV.....	28.48	5.84	5.59	.71	.56	.60	.47	4.54	.82	3.53	5.83	103.74
1974-I.....	24.10	4.74	4.75	.68	.50	.47	.34	3.85	.52	3.19	5.05	107.27
1974-II.....	28.16	5.59	5.69	.78	.64	.61	.49	4.56	.75	3.60	5.46	111.40
1974-III.....	28.23	5.65	5.96	.80	.64	.43	.58	4.42	.78	3.39	5.57	113.99
1974-IV.....	31.92	6.64	6.99	.91	.78	.48	.71	4.80	.87	3.78	5.97	116.22
1975-I.....	25.82	5.10	5.74	.91	.59	.44	.62	3.84	.58	3.11	4.88	114.57
112.....	28.63	5.42	6.46	.94	.81	.54	.63	4.38	.75	8.72	.....	113.39

¹ Includes trade, service, construction, finance, and insurance.
² Anticipated by business.

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

MORTGAGE DEBT OUTSTANDING BY TYPE OF HOLDER

(In millions of dollars)

Type of holder, and type of property	End of year			End of quarter					
	1971	1972	1973	1974					1975
				I ¹	II ¹	III ¹	IV ¹	I ¹	
ALL HOLDERS	499,758	564,825	634,954	645,920	664,298	678,693	688,576	695,358	
1- to 4-family.....	307,200	345,384	386,240	391,751	402,137	410,184	414,961	418,680	
Multifamily ¹	67,367	76,496	85,401	86,582	88,258	90,270	92,043	93,016	
Commercial.....	92,333	107,508	123,965	127,384	132,122	135,048	137,281	138,179	
Farm.....	32,858	35,437	39,348	40,203	41,781	43,191	44,291	45,483	
PRIVATE FINANCIAL INSTITUTIONS ..	394,239	450,000	505,400	513,918	528,173	537,524	542,589	546,915	
1- to 4-family.....	253,540	288,053	322,047	326,844	335,414	340,857	343,374	346,090	
Multifamily ¹	52,498	59,204	64,730	65,377	66,583	67,844	68,521	69,122	
Commercial.....	78,345	92,222	107,128	110,047	114,185	116,511	118,264	119,162	
Farm.....	9,856	10,521	11,495	11,650	11,991	12,312	12,430	12,541	
<i>Commercial banks</i> ²	82,515	99,314	119,068	121,882	122,370	130,582	132,105	132,105	
1- to 4-family.....	48,020	57,004	67,598	69,374	72,253	73,987	74,758	74,740	
Multifamily ¹	3,984	5,778	6,932	7,046	7,313	7,496	7,619	7,614	
Commercial.....	26,306	31,751	38,696	39,855	41,926	43,092	43,679	43,700	
Farm.....	4,205	4,781	5,442	5,607	5,828	6,007	6,049	6,051	
<i>Mutual savings banks</i>	61,978	67,556	73,230	73,929	74,225	74,809	74,930	75,160	
1- to 4-family.....	38,641	41,650	44,246	44,443	44,398	44,604	44,670	44,796	
Multifamily ¹	14,386	15,490	16,843	17,002	17,070	17,208	17,234	17,292	
Commercial.....	8,901	10,354	12,084	12,425	12,698	12,938	12,956	12,997	
Farm.....	50	62	57	59	59	59	60	75	
<i>Savings and loan associations</i>	174,250	206,182	231,233	236,136	243,400	247,624	249,306	252,463	
1- to 4-family.....	142,275	167,049	187,750	191,223	197,008	200,352	201,564	204,116	
Multifamily ¹	17,355	20,783	22,524	22,763	23,342	23,574	23,684	23,934	
Commercial.....	14,620	18,350	21,459	22,150	23,050	23,698	24,058	24,413	
<i>Life insurance companies</i>	75,496	76,948	81,369	81,971	83,228	84,509	86,258	87,187	
1- to 4-family.....	24,604	22,350	22,053	21,804	21,755	21,914	22,382	22,438	
Multifamily ¹	16,773	17,153	18,431	18,566	18,858	19,566	19,984	20,282	
Commercial.....	28,518	31,767	34,889	35,617	36,511	36,781	37,571	38,052	
Farm.....	5,601	5,678	5,996	5,984	6,104	6,246	6,321	6,415	
FEDERAL AND RELATED AGENCIES ..	39,357	45,790	55,664	58,262	62,585	67,829	72,267	75,973	
1- to 4-family.....	26,453	30,147	35,454	37,168	39,784	43,188	45,748	47,751	
Multifamily ¹	4,555	6,086	8,489	8,923	9,643	10,644	11,790	12,662	
Commercial.....	11	11	11	11	11	11	11	11	
Farm.....	8,338	9,557	11,721	12,171	13,158	13,997	14,729	15,560	
<i>Government National Mortgage Association</i>	5,323	5,113	4,029	3,604	3,618	4,052	4,848	5,584	
1- to 4-family.....	2,770	2,490	1,330	1,189	1,194	1,337	1,600	1,843	
Multifamily ¹	2,542	2,623	2,699	2,415	2,424	2,715	3,248	3,741	
Commercial.....	11	11	11	11	11	11	11	11	
<i>Farmers Home Administration</i>	819	837	1,200	1,300	1,400	1,500	1,600	1,700	
1- to 4-family.....	398	387	550	596	642	688	734	780	
Farm.....	421	450	650	704	758	812	866	920	
<i>Federal Housing and Veterans Administrations</i>	3,389	3,338	3,476	3,514	3,619	3,765	3,900	4,025	
1- to 4-family.....	2,517	2,199	2,013	1,964	1,980	2,037	2,083	2,119	
Multifamily ¹	872	1,139	1,463	1,550	1,639	1,728	1,817	1,906	
<i>Federal National Mortgage Association</i>	17,791	19,791	24,175	24,875	26,559	28,641	29,578	29,754	
1- to 4-family.....	16,681	17,697	20,370	20,516	21,691	23,258	23,778	23,743	
Multifamily ¹	1,110	2,094	3,805	4,359	4,868	5,383	5,800	6,011	
Federal land banks (farm only).....	7,917	9,107	11,071	11,467	12,400	13,185	13,863	14,640	
<i>Federal Home Loan Mortgage Corporation</i>	964	1,789	2,604	2,637	3,191	3,713	4,586	4,608	
1- to 4-family.....	934	1,754	2,446	2,472	2,951	3,414	4,217	4,231	
Multifamily ¹	30	35	158	165	240	299	369	377	
<i>GNMA Pools</i>	3,154	5,815	9,109	10,865	11,798	12,973	13,892	15,562	
1- to 4-family.....	3,153	5,620	8,745	10,431	11,326	12,454	13,336	15,035	
Multifamily ¹	1	195	364	434	472	519	556	627	
INDIVIDUALS AND OTHERS ³	66,162	69,035	73,890	73,740	73,540	73,340	73,720	72,470	
1- to 4-family.....	27,207	27,184	28,739	27,739	26,939	26,139	25,839	24,839	
Multifamily ¹	10,314	11,206	12,182	12,282	12,032	11,782	11,732	11,232	
Commercial.....	13,977	15,286	16,837	17,337	17,937	18,537	19,017	19,017	
Farm.....	14,664	15,359	16,132	16,382	16,632	16,882	17,132	17,382	

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

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

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

(In millions of dollars)

End of period	FNMA							FHLMC						
	Mortgage holdings		Mortgage transactions (during period)			Mortgage commitments		Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total ¹	FHA-insured	VA-pur-anteed	Pur-chases	Sales	Made during period	Out-standing	Total	FHA-VA	Con-ventional	Pur-chases	Sales	Made during period	Out-standing
1971.....	17,791	12,681	5,110	3,574	336	9,828	6,497	968	821	147	778	64	.....	182
1972.....	19,791	14,624	5,112	3,699	211	8,797	8,124	1,789	1,503	286	1,298	408	1,606	198
1973.....	24,175	16,852	6,352	6,127	71	8,914	7,889	2,604	1,743	861	1,334	409	1,629	186
1974.....	29,578	19,189	8,310	6,953	5	10,765	7,960	4,586	1,904	2,682	2,191	52	4,553	2,390
1974- May..	25,917	17,725	6,794	821	.....	1,145	9,475	2,986	1,827	1,159	281	.....	1,486	2,221
June..	26,559	17,966	7,079	770	.....	537	9,019	3,191	1,877	1,314	222	.....	628	2,598
July..	27,304	18,250	7,384	886	.....	1,175	9,044	3,309	1,883	1,426	129	.....	1,127	3,583
Aug..	28,022	18,526	7,704	868	2	1,202	9,115	3,451	1,886	1,565	155	.....	81	3,500
Sept..	28,641	18,758	7,994	760	.....	997	9,043	3,713	1,896	1,817	273	.....	69	3,278
Oct..	29,139	18,966	8,206	612	.....	878	8,987	4,107	1,910	2,197	410	7	30	2,871
Nov..	29,407	19,083	8,291	379	.....	201	8,532	4,352	1,908	2,445	270	12	28	2,621
Dec..	29,578	19,189	8,310	278	.....	231	7,960	4,586	1,904	2,682	266	16	34	2,390
1975- Jan..	29,670	19,231	8,318	208	.....	146	7,285	4,744	1,900	2,845	199	26	26	2,190
Feb..	29,718	19,256	8,313	169	.....	137	6,672	4,533	1,893	2,640	113	309	21	2,070
Mar..	29,754	19,277	8,304	151	1	639	6,636	4,608	1,887	2,722	113	19	52	1,040
Apr..	29,815	19,282	8,337	211	.....	913	6,890	4,634	1,890	2,744	121	71	297	1,161
May..	29,858	19,251	8,395	247	.....	621	6,615	.....	.....	.....	.....	.....	.....	.....

¹ Includes conventional loans not shown separately.

Note: Data from FNMA and FHLMC, respectively.

For FNMA: Holdings include loans used to back bond issues guaranteed by GNMA. Commitments include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA Tandem Plan (Program 18).

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

TERMS AND YIELDS ON NEW HOME MORTGAGES

Period	Conventional mortgages						Yields (per cent) in primary market		FHA-insured loans - Yield in private secondary market ⁵	
	Contract rate (per cent)	Fees and charges (per cent) ²	Terms ¹			Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	FHBB series ³		FHUD series ⁴
			Maturity (years)	Loan/price ratio (per cent)	Loan/price ratio (per cent)					
1971.....	7.60	.87	26.2	74.3	36.3	26.5	7.74	7.75	7.70	
1972.....	7.45	.88	27.2	76.8	37.3	28.1	7.60	7.64	7.53	
1973.....	7.78	1.11	26.3	77.3	37.1	28.1	7.95	8.30	8.19	
1974.....	8.71	1.30	26.3	75.8	40.1	29.8	8.92	9.22	9.55	
1974- May..	8.55	1.20	25.8	76.8	37.9	28.8	8.74	9.15	9.46	
June..	8.65	1.25	26.3	76.9	39.7	30.1	8.85	9.25	9.46	
July..	8.75	1.28	26.1	74.4	40.5	29.6	8.96	9.40	9.85	
Aug..	8.87	1.32	26.4	75.3	40.2	29.5	9.09	9.60	10.30	
Sept..	8.97	1.40	26.1	74.8	42.4	31.1	9.19	9.80	10.38	
Oct..	8.95	1.37	26.7	74.7	42.3	30.7	9.17	9.70	10.13	
Nov..	9.04	1.40	26.2	73.6	41.3	30.2	9.27	9.55	.....
Dec..	9.13	1.44	27.5	75.5	42.4	31.3	9.37	9.45	9.51	
1975- Jan..	9.09	1.51	26.7	73.8	43.2	31.6	9.33	9.15	8.99	
Feb..	8.88	1.44	26.8	76.5	44.4	33.0	9.12	9.05	8.84	
Mar..	8.79	1.61	26.5	75.1	45.9	33.7	9.06	8.90	8.69	
Apr..	8.71	1.53	26.5	76.4	44.5	33.4	8.96	9.00	.....
May..	8.63	1.63	27.0	75.3	43.4	32.1	8.90	9.05	9.16	

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

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

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

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

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

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

NOTE TO TABLE AT BOTTOM OF PAGE A-44:

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

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES

Item	Date of auction											
	1975											
	Jan. 27	Feb. 10	Feb. 24	Mar. 10	Mar. 24	Apr. 7	Apr. 21	May 5	May 19	June 2	June 16	June 30
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered ¹	41.4	24.6	36.2	99.2	460.5	551.6	470.9	525.5	165.6	172.5	73.4	358.7
Accepted.....	28.6	18.1	23.8	60.1	321.4	277.2	247.3	280.4	115.0	80.4	38.6	246.9
Conventional loans												
Offered ¹	11.1	14.8	20.0	34.4	60.7	99.8	79.2	69.8	46.4	51.2	28.5	67.5
Accepted.....	10.6	9.1	9.1	21.1	35.8	44.6	51.3	43.9	38.4	27.1	15.7	47.3
Average yield (per cent) on short-term commitments ²												
Govt.-underwritten loans.....	9.12	8.98	8.87	8.78	8.85	8.98	9.13	9.29	9.25	9.14	9.06	9.07
Conventional loans.....	9.39	9.20	9.04	8.96	9.00	9.13	9.26	9.43	9.41	9.26	9.21	9.18

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

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

(End of period, in billions of dollars)

Holder	Sept. 30, 1973	Dec. 31, 1973	Mar. 31, 1974	June 30, 1974	Sept. 30, 1974	Dec. 31, 1974	Mar. 31, 1975
All holders.....	133.8	135.0	136.7	137.8	138.6	140.3	142.0
FHA.....	85.6	85.0	85.0	84.9	84.1	84.1	84.3
VA.....	48.2	50.0	51.7	52.9	54.5	56.2	57.7
Commercial banks.....	11.7	11.5	11.1	11.0	10.7	10.4	10.5
FHA.....	8.4	8.2	7.8	7.6	7.4	6.5	7.2
VA.....	3.3	3.3	3.3	3.4	3.3	3.2	3.3
Mutual savings banks.....	28.6	28.4	28.2	27.9	27.8	27.5	27.6
FHA.....	15.7	15.5	15.3	15.1	15.0	14.8	14.8
VA.....	12.9	12.9	12.9	12.8	12.8	12.7	12.8
Savings and loan assns.....							
FHA.....	30.1	29.7	29.8	29.7	29.8	29.8	29.8
VA.....							
Life insurance cos.....	13.7	13.6	13.3	13.1	12.9	12.7	12.5
FHA.....	9.3	9.2	9.0	8.8	8.7	8.6	8.4
VA.....	4.5	4.4	4.3	4.3	4.2	4.2	4.1
Others.....	50.0	52.1	54.3	56.1	57.4	59.9	61.6
FHA.....							
VA.....							

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

COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES

Period	Number of loans	Total amount committed (millions of dollars)	Averages						
			Loan amount (thousands of dollars)	Contract interest rate (per cent)	Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1970.....	912	2,341.1	2,567	9.93	22/8	74.7	10.8	1.32	11.1
1971.....	1,664	3,982.5	2,393	9.07	22/10	74.9	10.0	1.29	10.4
1972.....	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1973.....	2,140	4,833.3	2,259	8.76	23/3	74.3	9.5	1.29	10.0
1974—Jan.....	61	91.5	1,501	9.07	20/11	73.7	9.7	1.24	10.4
Feb.....	90	209.4	2,327	9.10	23/1	73.6	9.8	1.33	10.2
Mar.....	117	238.8	2,041	8.99	21/11	74.2	9.6	1.31	10.1
Apr.....	141	306.7	2,175	9.02	21/9	73.8	9.9	1.33	10.2
May.....	148	352.4	2,381	9.31	21/11	74.2	10.0	1.30	10.4
June.....	147	287.5	1,956	9.35	20/10	75.7	10.1	1.24	10.7
July.....	121	234.6	1,939	9.60	20/0	74.1	10.1	1.26	10.8
Aug.....	105	312.4	2,975	9.80	22/10	74.3	10.2	1.31	10.7
Sept.....	95	247.6	2,543	10.04	20/11	74.4	10.3	1.29	11.1
Oct.....	57	108.3	1,899	10.29	19/7	74.6	10.6	1.25	11.5
Nov.....	47	79.7	1,695	10.37	18/4	74.0	10.7	1.26	11.6
Dec.....	37	140.0	3,784	10.28	19/10	74.8	11.0	1.33	11.3
1975—Jan.....	31	43.8	1,414	10.44	18/4	71.9	11.0	1.33	11.9
Feb.....	46	94.6	2,057	10.08	22/11	74.3	10.9	1.34	11.0
Mar.....	46	109.6	2,382	10.37	23/1	74.1	11.3	1.34	11.3

See NOTE on preceding page.

TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment					Noninstalment				Service credit
		Total	Auto-mobile paper	Other consumer goods paper	Home improvement loans ¹	Personal loans	Total	Single-payment loans	Charge accounts		
									Retail outlets	Credit cards ²	
1965.....	89,883	70,893	28,437	18,483	3,736	20,237	18,990	7,671	5,724	706	4,889
1966.....	96,239	76,245	30,010	20,732	3,841	21,662	19,994	7,972	5,812	876	5,336
1967.....	100,783	79,428	29,796	22,389	4,008	23,235	21,355	8,558	6,041	1,029	5,727
1968.....	110,770	87,745	32,948	24,626	4,239	25,932	23,025	9,532	5,966	1,227	6,300
1969.....	121,146	97,105	35,527	28,313	4,613	28,652	24,041	9,747	5,936	1,437	6,921
1970.....	127,163	102,064	35,184	31,465	5,070	30,345	25,099	9,675	6,163	1,805	7,456
1971.....	138,394	111,295	38,664	34,353	5,413	32,865	27,099	10,585	6,397	1,953	8,164
1972.....	157,564	127,332	44,129	40,080	6,201	36,922	30,232	12,256	7,055	1,947	8,974
1973.....	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1974.....	190,121	156,124	51,689	52,009	8,162	44,264	33,997	12,979	8,012	2,122	10,884
1974- May.....	181,680	148,852	51,076	47,588	7,786	42,402	32,828	13,331	6,948	1,999	10,550
June.....	183,425	150,615	51,641	48,099	7,930	42,945	32,810	13,311	7,002	2,104	10,393
July.....	184,805	152,142	52,082	48,592	8,068	43,400	32,663	13,192	6,936	2,204	10,331
Aug.....	187,369	154,472	52,772	49,322	8,214	44,164	32,897	13,202	6,983	2,282	10,430
Sept.....	187,906	155,139	52,848	49,664	8,252	44,375	32,767	13,131	6,876	2,277	10,483
Oct.....	188,023	155,328	52,736	49,986	8,287	44,319	32,695	13,003	7,027	2,156	10,509
Nov.....	188,084	155,166	52,325	50,401	8,260	44,180	32,918	12,950	7,174	2,144	10,650
Dec.....	190,121	156,124	51,689	52,009	8,162	44,264	33,997	12,979	8,012	2,122	10,884
1975 Jan.....	187,080	153,952	50,947	51,142	8,048	43,815	33,128	12,675	7,162	2,153	11,138
Feb.....	185,381	152,712	50,884	50,136	7,966	43,726	32,669	12,560	6,468	2,074	11,567
Mar.....	184,253	151,477	50,452	49,391	7,925	43,709	32,776	12,542	6,452	2,033	11,749
Apr.....	184,344	151,271	50,360	49,247	7,880	43,784	33,073	12,526	6,735	2,062	11,750
May.....	185,010	151,610	50,465	49,329	7,908	43,908	33,400	12,443	7,268	2,073	11,616

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

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

CONSUMER CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total	Instalment							Noninstalment	
		Total	Automobile paper		Other consumer goods paper			Home improvement loans	Personal loans	
			Purchased	Direct	Mobile homes	Credit cards	Other		Check credit	Other
1965.....	35,652	28,962	10,209	5,659			4,166	2,571	6,357	6,690
1966.....	38,265	31,319	11,024	5,956			4,681	2,647	7,011	6,946
1967.....	40,630	33,152	10,972	6,232			5,469	2,731	7,748	7,478
1968.....	46,310	37,936	13,324	7,102			1,307	5,387	798	8,374
1969.....	50,974	42,421	13,133	7,791			2,639	6,082	1,081	8,553
1970.....	53,867	45,398	12,918	7,888			3,792	7,113	1,336	8,469
1971.....	60,556	51,240	13,837	9,277	4,423	4,419	4,501	3,236	1,497	9,316
1972.....	70,640	59,783	16,320	10,776	5,786	5,288	5,122	3,544	1,789	10,857
1973.....	81,248	69,495	19,038	12,218	7,223	6,649	6,054	3,982	2,144	12,187
1974.....	84,010	72,510	18,582	11,787	7,645	8,242	6,414	4,458	2,424	12,958
1974- May.....	82,527	70,721	19,037	12,100	7,491	6,887	6,323	4,135	2,199	12,549
June.....	83,417	71,615	19,220	12,169	7,564	7,076	6,420	4,224	2,230	12,712
July.....	84,078	72,384	19,377	12,250	7,623	7,222	6,484	4,316	2,266	12,846
Aug.....	84,982	73,302	19,511	12,344	7,681	7,491	6,541	4,409	2,312	13,013
Sept.....	85,096	73,455	19,389	12,314	7,706	7,638	6,527	4,445	2,348	13,088
Oct.....	84,887	73,372	19,246	12,195	7,709	7,749	6,530	4,480	2,376	13,087
Nov.....	84,360	72,896	18,981	12,031	7,700	7,846	6,469	4,490	2,362	13,017
Dec.....	84,010	72,510	18,582	11,787	7,645	8,242	6,414	4,458	2,424	12,958
1975 Jan.....	82,986	71,776	18,230	11,581	7,587	8,325	6,323	4,399	2,448	12,883
Feb.....	82,239	71,151	18,104	11,497	7,522	8,149	6,272	4,359	2,447	12,801
Mar.....	81,701	70,183	17,754	11,377	7,459	7,890	6,272	4,318	2,403	12,710
Apr.....	81,155	70,134	17,613	11,387	7,417	7,909	6,312	4,318	2,411	12,767
May.....	81,066	70,130	17,529	11,417	7,391	7,903	6,373	4,353	2,383	12,781

INSTALMENT CREDIT HELD BY NONBANK LENDERS

(In millions of dollars)

End of period	Finance companies					Other financial lenders			Retail outlets			
	Total	Auto-mobile paper	Other consumer goods paper		Home improvement loans	Personal loans	Total	Credit unions	Miscellaneous lenders ¹	Total	Auto-mobile dealers	Other retail outlets
			Mobile homes	Other								
1965	23,851	9,218	4,343		232	10,058	8,289	7,324	965	9,791	315	9,476
1966	24,796	9,342	4,925		214	10,315	9,315	8,255	1,060	10,815	277	10,538
1967	24,576	8,627	5,069		192	10,688	10,216	9,003	1,213	11,484	287	11,197
1968	26,074	9,003	5,424		166	11,481	11,717	10,300	1,417	12,018	281	11,737
1969	27,846	9,412	5,775		174	12,485	13,722	12,028	1,694	13,116	250	12,866
1970	27,678	9,044	2,464	3,237	199	12,734	15,088	12,986	2,102	13,900	218	13,682
1971	28,883	9,577	2,561	3,052	247	13,446	17,021	14,770	2,251	14,151	226	13,925
1972	32,088	10,174	2,916	3,589	497	14,912	19,511	16,913	2,598	15,950	261	15,689
1973	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1974	38,925	12,435	3,570	4,751	993	17,176	25,216	22,116	3,100	19,473	286	19,187
1974-May	37,751	11,810	3,413	4,583	1,097	16,848	23,203	20,053	3,150	17,177	294	16,883
1974-June	38,159	11,957	3,449	4,626	1,114	17,013	23,630	20,501	3,129	17,211	296	16,915
1974-July	38,479	12,040	3,505	4,664	1,118	17,152	23,968	20,825	3,143	17,311	297	17,014
1974-Aug.	38,943	12,267	3,539	4,680	1,097	17,360	24,677	21,402	3,275	17,550	299	17,251
1974-Sept.	38,921	12,345	3,573	4,662	1,073	17,268	25,085	21,792	3,293	17,678	298	17,380
1974-Oct.	38,901	12,458	3,597	4,658	1,054	17,134	25,204	21,893	3,311	17,851	296	17,555
1974-Nov.	38,803	12,462	3,603	4,611	1,021	17,106	25,195	21,975	3,220	18,272	292	17,980
1974-Dec.	38,925	12,435	3,570	4,751	993	17,176	25,216	22,116	3,100	19,473	286	19,187
1975-Jan.	38,340	12,315	3,559	4,642	967	16,857	25,032	21,966	3,066	18,804	282	18,522
1975-Feb.	38,194	12,406	3,539	4,580	923	16,746	25,213	22,089	3,124	18,154	280	17,874
1975-Mar.	37,910	12,371	3,519	4,427	903	16,690	25,506	22,227	3,279	17,878	276	17,602
1975-Apr.	37,746	12,349	3,513	4,366	867	16,651	25,623	22,415	3,208	17,768	275	17,493
1975-May	37,711	12,406	3,507	4,315	833	16,650	25,917	22,674	3,243	17,852	275	17,577

¹ Savings and loan associations and mutual savings banks.

See also NOTE to table at top of preceding page.

FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT

(Per cent per annum)

Month	Commercial banks					Finance companies				
	New automobiles (36 mos.)	Mobile homes (84 mos.)	Other consumer goods (24 mos.)	Personal loans (12 mos.)	Credit-card plans	Automobiles		Mobile homes	Other consumer goods	Personal loans
						New	Used			
1973-May	10.05	10.84	12.48	12.78	17.22	11.91	16.52	12.73	18.88	20.76
1973-June	10.08	10.57	12.57	12.78	17.24	11.94	16.61			
1973-July	10.10	10.84	12.51	12.75	17.21	12.02	16.75	12.77	18.93	20.55
1973-Aug.	10.25	10.95	12.66	12.84	17.22	12.13	16.86			
1973-Sept.	10.44	11.06	12.67	12.96	17.23	12.28	16.98	12.90	18.69	20.52
1973-Oct.	10.53	10.98	12.80	13.02	17.23	12.34	17.11			
1973-Nov.	10.49	11.19	12.75	12.94	17.23	12.40	17.21	13.12	18.77	20.65
1973-Dec.	10.49	11.07	12.86	13.12	17.24	12.42	17.31			
1974-Jan.	10.55	11.09	12.78	12.96	17.25	12.39	16.56	13.24	18.90	20.68
1974-Feb.	10.53	11.25	12.82	13.02	17.24	12.33	16.62			
1974-Mar.	10.50	10.92	12.82	13.04	17.23	12.29	16.69	13.15	18.69	20.57
1974-Apr.	10.51	11.07	12.81	13.00	17.25	12.28	16.76			
1974-May	10.63	10.96	12.88	13.10	17.25	12.36	16.86	13.07	18.90	20.57
1974-June	10.81	11.21	13.01	13.20	17.23	12.50	17.06			
1974-July	10.96	11.46	13.14	13.42	17.20	12.58	17.18	13.21	19.24	20.78
1974-Aug.	11.15	11.71	13.10	13.45	17.21	12.67	17.32			
1974-Sept.	11.31	11.72	13.20	13.41	17.15	12.84	17.61	13.42	19.30	20.93
1974-Oct.	11.53	11.94	13.28	13.60	17.17	12.97	17.78			
1974-Nov.	11.57	11.87	13.16	13.47	17.16	13.06	17.88	13.60	19.49	21.16
1974-Dec.	11.62	11.71	13.27	13.60	17.21	13.10	17.89			
1975-Jan.	11.61	11.66	13.28	13.60	17.12	13.08	17.27	13.60	19.80	21.09
1975-Feb.	11.51	12.14	13.20	13.44	17.24	13.07	17.39			
1975-Mar.	11.46	11.66	13.07	13.40	17.15	13.07	17.52	13.59	20.00	20.83
1975-Apr.	11.44	11.78	13.22	13.55	17.17	13.07	17.58			
1975-May	11.39	11.57	13.11	13.41	17.21	13.09	17.65			

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

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

INSTALMENT CREDIT EXTENDED AND REPAYD

(In millions of dollars)

Period	Total	Type				Holder			
		Automobile paper	Other consumer goods paper	Home improvement loans	Personal loans	Commercial banks	Finance companies	Other financial lenders	Retail outlets
Extensions									
1967.....	87,171	26,320	29,504	2,369	28,978	31,382	26,461	11,238	18,090
1968.....	99,984	31,083	33,507	2,534	32,860	37,395	30,261	13,206	19,122
1969.....	109,146	32,553	38,332	2,831	35,430	40,955	32,753	15,198	20,240
1970.....	112,158	29,794	43,873	2,963	35,528	42,960	31,952	15,720	21,526
1971.....	124,281	34,873	47,821	3,244	38,343	51,237	32,935	17,966	22,542
1972.....	142,951	40,194	55,599	4,006	43,152	59,339	38,464	20,607	24,541
1973.....	165,083	46,453	66,859	4,728	47,043	69,726	43,221	23,414	28,722
1974.....	166,478	42,756	71,077	4,650	47,995	69,554	41,809	24,510	30,605
1974—May.....	14,669	3,769	6,156	468	4,276	6,023	3,842	2,140	2,674
June.....	14,387	3,731	6,043	425	4,188	6,076	3,729	2,040	2,542
July.....	14,635	3,812	6,164	416	4,243	6,129	3,685	2,201	2,620
Aug.....	14,394	3,887	5,993	388	4,126	6,034	3,476	2,290	2,594
Sept.....	14,089	3,835	5,935	302	4,017	6,050	3,408	2,079	2,552
Oct.....	13,626	3,369	5,948	348	3,961	5,600	3,229	2,160	2,637
Nov.....	12,609	3,062	5,700	321	3,526	5,390	2,873	1,863	2,533
Dec.....	12,702	3,205	5,798	294	3,405	5,012	3,240	1,901	2,549
1975—Jan.....	12,859	3,348	5,430	289	3,792	5,368	3,068	2,048	2,375
Feb.....	13,465	3,856	5,561	302	3,746	5,649	3,195	2,104	2,517
Mar.....	12,797	3,419	5,535	339	3,504	5,357	2,872	2,044	2,524
Apr.....	13,181	3,454	5,584	313	3,830	5,457	3,145	2,142	2,437
May.....	13,149	3,467	5,757	334	3,591	5,473	2,985	2,032	2,689
Repayments									
1967.....	83,988	26,534	27,847	2,202	27,405	29,549	26,681	10,337	17,421
1968.....	91,667	27,931	31,270	2,303	30,163	32,611	28,763	11,705	18,588
1969.....	99,786	29,974	34,645	2,457	32,710	36,470	30,981	13,193	19,142
1970.....	107,199	30,137	40,721	2,506	33,835	40,398	31,705	14,354	20,742
1971.....	115,050	31,393	44,933	2,901	35,823	45,395	31,730	16,033	21,892
1972.....	126,914	34,729	49,872	3,218	39,095	50,796	35,259	18,117	22,742
1973.....	144,978	39,452	59,409	3,577	42,540	60,014	38,066	20,358	26,540
1974.....	157,791	42,197	66,598	3,840	45,156	66,539	40,127	21,861	29,264
1974—May.....	13,407	3,601	5,607	315	3,884	5,573	3,528	1,855	2,451
June.....	13,301	3,577	5,615	335	3,774	5,564	3,405	1,835	2,497
July.....	13,310	3,563	5,610	320	3,817	5,541	3,513	1,819	2,437
Aug.....	12,882	3,443	5,444	309	3,686	5,463	3,166	1,851	2,402
Sept.....	13,412	3,604	5,700	279	3,829	5,808	3,371	1,723	2,510
Oct.....	13,224	3,470	5,499	321	3,934	5,542	3,250	1,962	2,470
Nov.....	13,009	3,423	5,561	325	3,700	5,671	2,981	1,860	2,497
Dec.....	13,516	3,668	6,037	341	3,470	5,803	3,308	1,822	2,583
1975—Jan.....	13,260	3,534	5,549	336	3,841	5,669	3,331	1,827	2,433
Feb.....	13,228	3,605	5,632	350	3,641	5,747	3,134	1,824	2,523
Mar.....	13,234	3,772	5,708	357	3,397	5,924	2,971	1,782	2,557
Apr.....	13,423	3,719	5,632	369	3,703	5,769	3,263	1,947	2,444
May.....	13,274	3,625	5,694	349	3,606	5,737	3,169	1,894	2,474
Net change									
1967.....	3,183	-214	1,657	167	1,573	1,833	-220	901	669
1968.....	8,317	3,152	2,237	231	2,697	4,784	1,498	1,501	534
1969.....	9,360	2,579	3,687	374	2,720	4,485	1,772	2,005	1,098
1970.....	4,959	-343	3,152	457	1,693	2,977	-168	1,366	784
1971.....	9,231	3,480	2,888	343	2,520	5,842	1,205	1,933	251
1972.....	16,037	5,465	5,727	788	4,057	8,541	3,205	2,490	1,799
1973.....	20,105	7,001	7,450	1,151	4,503	9,712	5,155	3,056	2,182
1974.....	8,687	559	4,479	810	2,839	3,015	1,682	2,649	1,341
1974—May.....	1,262	168	549	153	392	450	304	285	223
June.....	1,086	154	428	90	414	512	324	205	45
July.....	1,325	249	554	96	426	588	172	382	183
Aug.....	1,512	444	549	79	440	571	310	439	192
Sept.....	677	231	235	23	188	242	37	356	42
Oct.....	402	101	449	27	27	58	21	198	167
Nov.....	-400	-361	139	-4	174	-281	158	3	36
Dec.....	-814	-463	239	-47	65	-791	-68	79	-34
1975—Jan.....	401	-186	-119	-47	49	301	263	221	58
Feb.....	237	-251	-71	-48	105	98	61	280	-6
Mar.....	437	-353	173	-18	107	567	99	262	33
Apr.....	242	-265	-48	-56	127	-312	118	195	-7
May.....	-125	-158	63	-15	-15	-264	184	138	185

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

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

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

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics, 1965*, and BULLETINS for Dec. 1968 and Oct. 1972.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public ²				
		Total	Residential	Nonresidential				Total	Military	Highway	Conservation and development	Other	
				Total	Industrial	Commercial	Other buildings ¹						Other
1966	76,002	51,995	28,715	26,280	6,679	6,879	5,037	7,685	24,007	727	8,408	2,194	12,681
1967	77,503	51,967	28,568	26,399	6,131	6,982	4,993	8,293	25,536	695	8,591	2,124	14,126
1968	86,626	59,021	30,565	28,456	6,021	7,761	4,382	10,292	27,605	808	9,321	1,973	15,503
1969	93,728	65,404	33,200	32,204	6,783	9,401	4,971	11,049	27,964	879	9,250	1,783	16,052
1970	94,167	66,071	31,864	34,207	6,538	9,784	5,135	12,790	28,096	718	9,981	1,908	18,489
1971	109,950	80,079	43,267	36,812	5,423	11,619	5,437	14,333	29,871	901	10,658	2,095	16,217
1972	124,077	93,893	54,288	39,605	4,676	13,462	5,898	15,569	30,184	1,087	10,429	2,172	16,496
1973	135,456	102,894	57,623	45,271	6,243	15,453	5,888	17,687	32,562	1,170	10,559	2,313	18,520
1974	134,814	96,388	55,020	41,368	7,745	16,029	5,951	11,643	38,426	1,188	12,105	2,781	22,352
1974 - May	138,163	97,889	47,971	49,918	7,606	16,408	5,890	20,014	40,274	1,181	12,322	2,692	24,079
June	136,889	98,404	48,269	50,135	8,027	16,425	6,034	19,649	38,485	1,169	11,475	3,310	22,531
July	137,879	97,924	48,875	49,049	7,158	15,953	5,915	20,023	39,955	1,131	12,518	2,581	23,725
Aug.	134,425	96,225	48,208	48,017	7,616	15,053	5,691	19,657	38,200	978	11,968	2,568	22,686
Sept.	133,028	94,728	46,005	48,723	7,677	15,668	5,776	19,602	38,300	1,173	13,334	2,886	20,907
Oct.	133,882	95,016	44,132	50,884	8,294	16,300	5,799	20,491	38,866	1,062	12,566	3,070	22,168
Nov.	130,991	93,390	42,205	51,185	8,670	16,037	5,854	20,624	37,601	1,053	10,842	2,871	22,835
Dec.	131,102	91,206	40,466	50,740	8,774	15,372	5,781	20,813	31,896	1,144	12,210	3,446	25,096
1975 - Jan.	131,559	89,774	38,922	50,852	8,525	15,053	5,729	21,495	31,785	1,305	12,718	2,974	24,788
Feb.	128,909	88,614	38,153	50,461	8,734	15,249	5,844	20,634	30,295	1,440	.....	.....	.....
Mar.	124,352	85,040	37,257	47,783	7,981	13,289	5,382	21,131	39,312	1,520	.....	.....	.....
Apr.	120,992	83,408	36,720	46,688	7,375	12,677	5,682	20,954	37,584	1,443	.....	.....	.....
May	122,416	83,954	37,435	46,519	8,441	12,512	5,203	20,363	38,462	1,243	.....	.....	.....

¹ Includes religious, educational, hospital, institutional, and other buildings.

² By type of ownership, State and local accounted for 86 per cent of public construction expenditures in 1974.

NOTE. Census Bureau data; monthly series at seasonally adjusted annual rates.

PRIVATE HOUSING ACTIVITY

(In thousands of units)

Period	Starts			Completions			Under construction (end of period)			Mobile home shipments	New 1-family homes sold and for sale ¹			
	Total	1-family	2-or-more family	Total	1-family	2-or-more family	Total	1-family	2-or-more family		Units		Median prices (in thousands of dollars) of units	
											Sold	For sale (end of period)	Sold	For sale
1966	1,165	779	386	.....	.....	.....	.....	.....	.....	217	461	196	21.4	22.8
1967	1,292	844	448	.....	.....	.....	.....	.....	.....	240	487	190	22.7	23.6
1968	1,508	899	608	1,320	859	461	.....	.....	.....	318	490	218	24.7	24.6
1969	1,467	811	656	1,399	807	591	885	350	536	413	448	228	25.6	27.0
1970	1,434	813	621	1,418	802	617	922	381	541	401	485	227	23.4	26.2
1971	2,052	1,151	901	1,706	1,014	692	1,254	505	749	497	656	294	25.2	25.9
1972	2,357	1,309	1,047	1,971	1,143	828	1,586	640	947	576	718	416	27.6	28.3
1973	2,045	1,132	913	2,014	1,174	840	1,599	583	1,016	567	620	456	32.5	32.9
1974	1,337	888	450	1,692	931	760	1,193	518	676	371	501	407	35.9	36.2
1974 - May	1,467	925	542	1,660	889	771	1,512	594	918	407	569	444	35.7	34.7
June	1,533	1,000	534	1,805	1,053	752	1,480	581	899	398	524	436	35.1	35.0
July	1,314	920	394	1,655	934	721	1,443	578	864	340	509	430	36.8	35.3
Aug.	1,156	826	329	1,592	919	674	1,406	570	836	316	466	425	35.7	35.5
Sept.	1,157	845	313	1,562	899	663	1,372	565	807	283	495	414	36.2	35.7
Oct.	1,106	792	314	1,627	908	719	1,322	553	769	217	433	409	37.2	35.9
Nov.	1,017	802	215	1,657	893	763	1,255	541	714	195	435	404	37.3	36.0
Dec.	880	682	198	1,606	852	754	1,229	545	684	195	382	400	37.4	36.2
1975 - Jan.	999	739	260	1,535	964	571	1,176	522	654	185	404	404	37.2	36.4
Feb.	1,000	733	267	1,320	770	550	1,156	522	634	219	412	409	38.0	36.4
Mar.	985	778	210	1,292	721	571	1,111	519	892	199	464	395	38.7	36.5
Apr.	986	770	216	1,173	724	449	1,086	516	570	194	580	386	39.5	36.7
May	1,126	886	240	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

¹ Merchant builders only.

NOTE. All series except prices, seasonally adjusted. Annual rates for starts, completions, mobile home shipments, and sales. Census data except

for mobile homes, which are private, domestic shipments as reported by the Mobile Home Manufacturers' Assn. and seasonally adjusted by Census Bureau. Data for units under construction seasonally adjusted by Federal Reserve.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total non-institutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate ² (per cent; S.A.)
				Total	Employed ¹			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1969.....	137,841	53,602	84,240	80,734	77,902	74,296	3,606	2,832	3.5
1970.....	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1971.....	142,596	55,666	86,929	84,113	79,120	75,732	3,387	4,993	5.9
1972.....	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973.....	148,263	57,222	91,040	88,714	84,409	80,957	3,452	4,304	4.9
1974.....	150,827	57,587	93,240	91,011	85,936	82,443	3,492	5,076	5.6
1974- June.....	150,710	58,952	93,069	90,857	86,088	82,755	3,333	4,769	5.2
July.....	150,922	55,426	91,503	91,283	86,403	82,970	3,433	4,880	5.3
Aug.....	151,135	56,456	93,419	91,199	86,274	82,823	3,451	4,925	5.4
Sept.....	151,367	57,706	93,922	91,705	86,402	82,913	3,489	5,303	5.8
Oct.....	151,593	57,489	94,058	91,844	86,304	82,864	3,440	5,540	6.0
Nov.....	151,812	57,991	91,921	91,708	85,689	82,314	3,375	6,019	6.6
Dec.....	152,020	58,482	94,015	91,803	85,202	81,863	3,339	6,601	7.2
1975- Jan.....	152,230	58,888	94,284	92,091	84,562	81,179	3,383	7,529	8.2
Feb.....	152,445	59,333	93,709	91,511	84,027	80,701	3,326	7,484	8.2
Mar.....	152,646	59,053	94,027	91,829	83,849	80,584	3,265	7,980	8.7
Apr.....	152,840	59,276	94,457	92,262	84,086	80,848	3,238	8,176	8.9
May.....	153,051	59,101	95,121	92,940	84,402	80,890	3,512	8,538	9.2
June.....	153,278	57,087	94,518	92,340	84,444	81,140	3,304	7,896	8.6

¹ Includes self-employed, unpaid family, and domestic service workers.
² Per cent of civilian labor force.
 Note.— Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Government
1969.....	70,442	20,167	619	3,525	4,435	14,704	3,562	11,228	12,202
1970.....	70,920	19,349	623	3,536	4,504	15,040	3,687	11,621	12,561
1971.....	71,216	18,572	603	3,639	4,457	15,352	3,802	11,903	12,887
1972.....	73,711	19,090	622	3,831	4,517	15,975	3,943	12,392	13,340
1973.....	76,833	20,054	638	4,028	4,646	16,665	4,075	12,986	13,742
1974.....	78,334	20,016	672	3,985	4,699	17,011	4,173	13,506	14,285
SEASONALLY ADJUSTED									
1974- June.....	78,421	20,184	669	3,994	4,698	17,031	4,156	13,488	14,201
July.....	78,479	20,169	675	3,920	4,693	17,107	4,157	13,516	14,242
Aug.....	78,661	20,112	676	3,965	4,701	17,140	4,168	13,573	14,326
Sept.....	78,844	20,112	682	3,939	4,679	17,166	4,176	13,647	14,443
Oct.....	78,845	19,982	692	3,911	4,699	17,160	4,185	13,705	14,531
Nov.....	78,404	19,633	693	3,861	4,697	17,048	4,183	13,721	14,568
Dec.....	77,690	19,146	662	3,798	4,668	16,912	4,182	13,734	14,588
1975- Jan.....	77,227	18,718	700	3,789	4,607	16,863	4,173	13,747	14,630
Feb.....	76,708	18,297	702	3,596	4,561	16,832	4,164	13,771	14,785
Mar.....	76,368	18,146	706	3,486	4,512	16,799	4,157	13,754	14,808
Apr.....	76,349	18,090	703	3,475	4,511	16,794	4,163	13,754	14,859
May.....	76,439	18,113	709	3,469	4,497	16,813	4,160	13,775	14,903
June.....	76,464	18,099	713	3,417	4,495	16,858	4,164	13,798	14,920
NOT SEASONALLY ADJUSTED									
1974- June.....	79,287	20,345	684	4,190	4,759	17,108	4,202	13,677	14,322
July.....	78,322	20,066	688	4,187	4,740	17,064	4,219	13,665	13,693
Aug.....	78,561	20,288	690	4,286	4,734	17,058	4,222	13,668	13,615
Sept.....	79,097	20,350	688	4,191	4,721	17,153	4,180	13,647	14,167
Oct.....	79,429	20,142	693	4,150	4,718	17,225	4,172	13,719	14,610
Nov.....	79,125	19,763	693	3,981	4,702	17,342	4,309	13,707	14,771
Dec.....	78,441	19,175	657	3,722	4,663	17,591	4,161	13,665	14,807
1975- Jan.....	76,185	18,538	689	3,372	4,552	16,687	4,131	13,513	14,703
Feb.....	75,753	18,132	687	3,229	4,497	16,475	4,127	13,606	15,000
Mar.....	75,753	18,005	691	3,218	4,476	16,509	4,132	13,658	15,066
Apr.....	76,134	17,967	697	3,333	4,476	16,664	4,146	13,768	15,080
May.....	76,654	18,035	710	3,462	4,497	16,784	4,160	13,885	15,121
June.....	77,291	18,244	729	3,584	4,553	16,934	4,210	13,991	15,046

Note.— Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons, domestic servants, unpaid family workers, and members of Armed Forces are excluded.
 Beginning with 1968, series has been adjusted to Mar. 1973 benchmark.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974	1974					1975
										I	II	III	IV	I	
Gross national product.....	103.1	55.6	124.5	284.8	977.1	1,054.9	1,158.0	1,291.9	1,397.1	1,358.8	1,388.8	1,416.3	1,430.9	1,416.6	
Final purchases.....	101.4	57.2	120.1	278.0	972.6	1,048.6	1,149.5	1,279.6	1,385.2	1,371.9	1,370.8	1,407.6	1,415.1	1,399.8	
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	617.6	667.1	729.0	805.2	876.7	840.6	869.1	901.3	895.8	913.2	
Durable goods.....	9.2	3.5	9.6	30.5	91.3	103.9	118.4	130.3	127.5	123.9	129.5	136.1	120.7	124.9	
Nondurable goods.....	37.7	22.3	42.9	98.1	263.8	278.4	299.7	338.0	380.2	364.4	375.8	389.0	391.7	398.8	
Services.....	30.3	20.1	28.1	62.4	262.6	284.8	310.9	336.9	369.0	352.4	363.8	376.2	383.5	389.5	
Gross private domestic investment.....	16.2	1.4	17.9	54.1	136.3	153.7	179.3	209.4	209.4	210.5	211.8	205.8	209.4	163.1	
Fixed investment.....	14.5	3.0	13.4	47.3	131.7	147.4	170.8	194.0	195.2	193.6	198.3	197.1	191.6	182.2	
Nonresidential.....	10.6	2.4	9.5	27.9	100.6	104.6	116.5	136.5	159.2	145.2	149.3	150.9	151.2	146.9	
Structures.....	5.0	.9	2.9	9.2	36.1	37.9	41.1	47.0	52.0	51.3	52.2	51.0	53.7	52.8	
Producers' durable equipment.....	5.6	1.5	6.6	18.7	64.4	66.6	75.7	89.8	97.1	93.9	97.2	99.9	97.5	94.2	
Residential structures.....	4.0	.6	3.9	19.4	31.2	42.8	54.0	57.2	46.0	48.4	48.8	46.2	40.4	35.3	
Nonfarm.....	3.8	.5	3.7	18.6	30.7	42.3	53.4	56.7	45.2	47.8	48.0	45.4	39.7	34.8	
Change in business inventories.....	1.7	1.6	4.5	6.8	4.5	6.3	8.5	15.4	14.2	16.9	13.5	8.7	17.8	19.2	
Nonfarm.....	1.8	1.4	4.0	6.0	4.3	4.9	7.8	11.4	11.9	13.1	10.4	6.6	17.5	17.8	
Net exports of goods and services.....	1.1	.4	1.3	1.8	3.6	.2	-6.0	3.9	2.1	11.3	-1.5	3.1	1.9	8.8	
Exports.....	7.0	2.4	5.9	13.8	62.9	65.4	72.4	100.4	140.2	131.2	138.5	143.6	147.5	142.2	
Imports.....	5.9	2.0	4.6	12.0	59.3	65.6	78.4	96.4	138.1	119.9	140.0	146.7	145.7	133.4	
Government purchases of goods and services.....	8.5	8.0	24.8	37.9	219.5	234.2	255.7	276.4	309.2	296.3	304.4	312.3	323.8	331.6	
Federal.....	1.3	2.0	16.9	18.4	96.2	104.9	106.6	116.9	111.5	117.2	117.2	124.5	126.5	126.5	
National defense.....			13.8	14.1	74.6	71.2	74.8	74.4	78.7	75.8	76.6	78.4	84.0	84.7	
Other.....			3.1	4.3	21.6	26.5	30.1	32.2	38.2	35.7	37.7	38.8	40.6	41.8	
State and local.....	7.2	6.0	7.9	19.5	123.3	136.6	150.8	169.8	192.3	184.8	190.1	195.1	199.3	205.1	
Gross national product in constant (1958) dollars.....	203.6	141.5	263.7	355.3	722.5	746.3	792.5	839.2	821.2	830.5	827.1	823.1	804.0	780.0	

NOTE.— Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the Survey of Current Business (generally the July issue) and the Aug. 1966 Supplement to the Survey.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974	1974					1975
										I	II	III	IV	I	
National income.....	86.8	40.3	104.2	241.1	800.5	857.7	946.5	1,065.6	1,142.5	1,118.8	1,130.2	1,155.5	1,165.1	1,150.7	
Compensation of employees.....	51.1	29.5	64.8	154.6	603.9	643.1	707.1	786.0	855.8	828.8	848.3	868.2	877.7	875.6	
Wages and salaries.....	50.4	29.0	62.1	146.8	542.0	573.6	626.8	691.6	759.7	727.6	744.6	761.5	769.2	765.1	
Private.....	45.5	23.9	51.9	124.4	426.9	449.5	491.4	545.1	592.4	573.8	588.3	602.5	605.1	597.4	
Military.....	.3	.3	1.9	5.0	19.6	19.4	20.5	20.6	21.2	21.0	20.9	20.8	22.0	22.0	
Government civilian.....	4.6	4.9	8.3	17.4	95.5	104.7	114.8	126.0	137.1	132.8	135.4	138.2	142.1	145.7	
Supplements to wages and salaries.....	.7	.5	2.7	7.8	61.9	69.5	80.3	94.4	105.1	101.2	103.7	106.7	108.6	110.5	
Employer contributions for social insurance.....	.1	.1	2.0	4.0	29.7	33.1	38.6	48.4	53.6	52.3	53.2	54.5	54.6	55.2	
Other labor income.....	.6	.4	.7	3.8	32.2	36.4	41.7	46.0	51.4	48.9	50.5	52.3	54.0	55.3	
Proprietors' income.....	15.1	5.9	17.5	37.5	66.9	69.2	75.9	96.1	93.0	98.4	89.9	92.1	91.6	84.9	
Business and professional.....	9.0	3.3	11.1	24.0	50.0	52.0	54.9	57.6	61.2	59.3	60.7	62.3	62.5	62.7	
Farm.....	6.2	2.6	6.4	13.5	16.9	17.2	21.0	38.5	31.8	39.1	29.1	29.8	29.1	22.2	
Rental income of persons.....	5.4	2.0	3.5	9.4	23.9	25.2	25.9	26.1	26.5	26.4	26.3	26.6	26.8	27.0	
Corporate profits and inventory valuation adjustment.....	10.5	1.2	15.2	37.7	69.2	78.7	92.2	105.1	105.6	107.7	105.6	105.8	103.4	94.3	
Profits before tax.....	10.0	1.0	17.7	42.6	74.0	83.6	99.2	122.7	140.7	135.9	139.0	157.0	131.5	101.2	
Profits tax liability.....	1.4	.5	7.6	17.8	34.8	37.5	41.5	49.8	55.7	52.2	55.9	62.7	52.0	39.0	
Profits after tax.....	8.6	.4	10.1	24.9	39.3	46.1	57.7	72.9	85.0	83.7	83.1	94.3	79.5	62.3	
Dividends.....	5.8	2.0	4.4	8.8	24.7	25.0	27.3	29.6	32.7	31.6	32.5	33.2	33.3	33.8	
Undistributed profits.....	2.8	-1.6	5.7	16.0	14.6	21.1	30.3	43.3	52.4	51.6	50.5	61.1	46.2	28.5	
Inventory valuation adjustment.....	.5	-2.1	-2.5	-5.0	-4.8	-4.9	-7.0	-17.6	-35.1	27.7	33.4	51.2	-28.1	7.0	
Net interest.....	4.7	4.1	3.2	2.0	36.5	41.6	45.6	52.3	61.6	57.5	60.1	62.8	65.9	68.9	

NOTE.— Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974	1974				1975
										I	II	III	IV	
Gross national product	103.1	55.6	124.5	284.8	977.1	1,051.9	1,158.0	1,291.9	1,397.4	1,358.8	1,383.8	1,416.3	1,430.9	1,416.6
<i>Less:</i> Capital consumption allowances.....	7.9	7.0	8.2	18.3	87.3	93.7	102.9	110.8	119.5	115.8	118.6	120.7	122.9	125.2
Indirect business tax and nontax liability.....	7.0	7.1	11.3	23.3	93.5	102.7	110.0	119.2	126.9	122.6	125.9	129.5	129.8	132.2
Business transfer payments.....	.6	.7	.5	.8	4.0	4.3	4.6	4.9	5.2	5.1	5.2	5.3	5.3	5.4
Statistical discrepancy.....	.7	.6	.4	1.5	6.4	2.3	3.8	5.0	.4	6.3	.3	3.0	4.8	1.6
<i>Plus:</i> Subsidies less current surplus of government enterprises.....	.1	.....	.1	.2	1.7	1.1	2.3	.6	2.9	2.7	-3.7	2.4	2.7	1.6
Equals: National income	86.8	40.3	104.2	241.1	800.5	857.7	946.5	1,063.6	1,142.5	1,118.8	1,130.2	1,155.5	1,165.1	1,150.7
<i>Less:</i> Corporate profits and inventory valuation adjustment.....	10.5	1.2	15.2	37.7	69.2	78.7	92.2	105.1	105.6	107.7	105.6	105.8	103.4	94.3
Contributions for social insurance.....	.2	.3	2.8	6.9	57.7	63.8	73.0	91.2	101.5	99.1	100.8	103.0	103.2	104.6
Excess of wage accruals over disbursements.....	.....	.....	.....	.....	.0	.6	.0	.1	.5	.0	.6	1.5	.0	.0
<i>Plus:</i> Government transfer payments.....	.9	4.5	2.6	14.3	75.1	89.0	98.6	113.0	134.6	123.1	130.6	138.7	145.8	158.7
Net interest paid by government and consumers.....	2.5	1.6	2.2	7.2	31.0	31.2	33.0	38.3	42.3	49.8	41.9	42.7	43.6	43.7
Dividends.....	5.8	2.0	4.4	8.8	24.7	25.0	27.3	29.6	32.7	31.6	32.5	33.2	33.3	33.8
Business transfer payments.....	.6	.7	.5	.8	4.0	4.3	4.6	4.9	5.2	5.1	5.2	5.3	5.3	5.4
Equals: Personal income	85.9	47.0	96.0	227.6	808.3	864.0	944.9	1,055.0	1,150.5	1,142.5	1,134.6	1,168.2	1,186.9	1,193.4
<i>Less:</i> Personal tax and nontax payments.....	2.6	1.5	3.3	20.7	116.6	117.6	142.4	151.3	170.8	161.9	168.2	175.1	178.1	178.0
Equals: Disposable personal income	83.3	45.5	92.7	206.9	691.7	746.4	802.5	903.7	979.7	950.6	966.5	993.1	1,008.8	1,015.5
<i>Less:</i> Personal outlays.....	79.1	46.5	81.7	193.9	635.5	685.9	749.9	829.4	902.7	866.2	894.9	927.6	922.3	939.5
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	617.6	667.1	729.0	805.2	876.7	840.6	869.1	901.3	895.8	913.2
Consumer interest payments.....	1.5	.5	.9	2.4	16.8	17.7	19.8	22.9	25.0	24.4	24.8	25.3	25.5	25.4
Personal transfer payments to foreigners.....	.3	.2	.2	.5	1.0	1.1	1.1	1.3	1.0	1.2	1.0	.9	.9	.9
Equals: Personal saving	4.2	.9	11.0	13.1	56.2	60.5	52.6	74.4	77.0	84.4	71.5	65.5	86.5	75.9
Disposable personal income in constant (1958) dollars	150.6	112.2	190.3	249.6	534.8	555.4	580.5	619.6	602.8	610.3	603.5	602.9	594.8	591.0

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1973	1974	1974								1975				
			May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May*
Total personal income	1,055.0	1,150.5	1,135.2	1,143.5	1,159.5	1,167.2	1,178.0	1,185.0	1,184.5	1,191.0	1,191.1	1,193.4	1,195.7	1,202.6	1,211.9
Wage and salary disbursements	691.7	751.2	745.3	753.2	759.7	761.6	767.7	773.0	767.8	766.6	765.7	763.6	766.0	768.0	772.5
Commodity-producing industries.....	251.9	270.9	270.0	272.6	273.3	276.5	278.3	279.5	272.3	269.3	266.4	260.7	260.5	261.2	261.5
Manufacturing only.....	196.6	211.3	210.1	212.5	214.0	215.5	217.5	219.4	213.5	209.7	206.4	202.9	203.1	203.8	204.0
Distributive industries.....	165.1	178.9	177.8	179.1	180.8	180.7	183.1	183.8	183.9	183.8	183.2	184.0	183.8	184.3	186.2
Service industries.....	128.2	142.6	141.1	142.6	143.5	144.9	146.4	146.9	147.4	148.3	149.8	151.2	152.6	152.4	153.5
Government.....	146.6	158.8	156.3	158.9	162.1	159.5	159.9	162.8	164.2	165.2	167.6	167.6	169.2	170.3	171.3
Other labor income.....	46.0	51.4	50.5	51.1	51.7	52.3	52.9	53.5	54.0	54.5	54.9	55.3	55.7	56.2	56.7
Proprietors' income.....	96.1	93.0	89.9	86.9	90.0	93.1	93.2	91.7	91.6	91.5	88.7	85.0	80.9	83.1	85.1
Business and professional.....	57.6	61.2	60.8	61.2	61.9	62.5	62.5	62.5	62.5	62.5	62.7	62.8	62.5	63.0	63.3
Farm.....	38.5	31.8	29.1	25.7	28.1	30.6	30.7	29.2	29.1	29.0	26.0	22.2	18.4	20.1	21.8
Rental income.....	26.1	26.5	26.7	26.7	26.6	26.6	26.6	26.7	26.8	26.9	27.0	27.0	27.0	27.1	27.1
Dividends.....	29.6	32.7	32.5	33.0	33.1	33.2	33.4	33.5	33.6	32.7	33.9	33.8	33.7	33.9	34.0
Personal interest income.....	90.6	103.8	102.0	103.5	104.4	105.3	106.9	108.0	109.5	111.1	111.9	112.5	113.3	114.8	116.5
Transfer payments.....	117.8	139.8	135.8	137.0	142.5	143.6	146.0	147.6	149.8	156.1	158.6	165.5	168.3	168.9	169.6
<i>Less:</i> Personal contributions for social insurance.....	42.8	47.9	47.6	47.9	48.5	48.4	48.6	48.9	48.5	48.4	49.5	49.2	49.3	49.4	49.6
Nonagricultural income	1,008.0	1,109.0	1,096.6	1,106.8	1,121.7	1,126.8	1,137.4	1,145.7	1,145.2	1,151.4	1,154.3	1,160.1	1,166.2	1,171.1	1,178.5
Agricultural income	47.0	41.5	38.6	36.8	37.1	40.4	40.6	39.3	39.3	39.5	36.8	33.3	29.6	31.5	33.4

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

1. U.S. BALANCE OF PAYMENTS SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted *unless shown in italics*.)

Line	Credits (+), debits (-)	1972 ^r	1973 ^r	1974	1974				1975
					I ^r	II ^r	III ^r	IV	
1	Merchandise trade balance ¹	-6,409	955	5,528	-200	-1,537	2,341	1,450	1,841
2	Exports.....	49,388	71,379	98,268	22,451	24,206	25,026	26,585	27,222
3	Imports.....	-55,797	-70,424	-103,796	-22,651	-25,743	-27,367	-28,035	-25,381
4	Military transactions, net.....	-3,621	-2,317	-2,158	-503	-646	-513	-498	-347
5	Travel and transportation, net.....	-3,024	2,862	2,692	-513	-717	-721	-741	-507
6	Investment income, net ²	4,321	5,179	10,121	3,245	1,964	2,354	2,559	1,325
7	U.S. direct investments abroad ²	6,416	8,841	17,679	4,500	4,399	4,700	4,080	2,189
8	Other U.S. investments abroad.....	3,746	5,157	8,389	1,629	2,048	2,354	2,358	2,157
9	Foreign investments in the United States ²	-5,841	-8,819	15,946	-2,884	4,483	4,700	-3,879	-3,021
10	Other services, net ²	2,803	3,222	3,830	886	936	960	1,049	1,032
11	Balance on goods and services ³	5,930	4,177	3,574	2,915	*	261	919	3,344
	<i>Not seasonally adjusted</i>	4,197	5	2,897	4,197	5	2,897	2,278	4,388
12	Remittances, pensions, and other transfers.....	-1,606	-1,903	-1,721	370	-457	-457	-439	-458
13	Balance on goods, services, and remittances.....	7,537	2,274	1,853	2,545	-457	718	480	2,886
	<i>Not seasonally adjusted</i>	3,857	-472	3,366	3,857	-472	3,366	1,834	3,959
14	U.S. Government grants (excluding military).....	-2,173	-1,938	-5,461	-2,596	-1,408	-808	649	-738
15	Balance on current account.....	-9,710	335	-3,608	-4,51	1,865	-1,526	169	2,148
	<i>Not seasonally adjusted</i>	1,248	-1,946	4,130	1,248	-1,946	4,130	1,219	3,211
16	U.S. Government capital flows excluding nonscheduled repayments, net ⁵	-1,706	2,933	408	41,314	273	195	-985	-1,038
17	Nonscheduled repayments of U.S. Government assets.....	137	289	1	*	*	*	*	*
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	234	1,154	710	97	211	278	125	541
19	Long-term private capital flows, net.....	-69	177	8,437	264	999	2,157	5,544	2,126
20	U.S. direct investments abroad.....	-3,530	-4,968	-7,268	-745	-1,572	-1,828	-3,123	937
21	Foreign direct investments in the United States.....	380	2,656	2,224	1,177	1,700	-1	653	326
22	Foreign securities.....	-618	-759	-1,990	-646	-313	-304	-726	2,033
23	U.S. securities other than Treasury issues.....	4,507	4,055	672	692	440	204	663	604
24	Other, reported by U.S. banks.....	-1,158	-706	-1,150	-23	906	48	-269	-444
27	Other, reported by U.S. nonbanking concerns.....	351	101	925	-191	-348	-276	110	358
26	Balance on current account and long-term capital ⁵	11,113	977	-10,927	1,624	-2,380	-3,600	-6,573	475
	<i>Not seasonally adjusted</i>	2,375	-6,123	4,660	2,375	-6,123	4,660	50	50
27	Nonliquid short-term private capital flows, net.....	1,542	-4,238	-12,949	-3,908	-5,248	1,462	-2,331	1,702
28	Claims reported by U.S. banks.....	-1,457	-3,886	-12,186	-2,817	-5,319	-1,618	-2,432	1,895
29	Claims reported by U.S. nonbanking concerns.....	306	-1,183	-2,603	1,508	-682	-276	-137	95
30	Liabilities reported by U.S. nonbanking concerns.....	221	831	1,840	417	753	432	238	98
31	Allocations of Special Drawing Rights (SDR's).....	710							
32	Errors and omissions, net.....	-1,884	-2,436	4,834	1,085	1,416	1,153	1,179	1,844
33	Net liquidity balance.....	13,829	-7,651	-19,043	-1,199	-6,212	3,909	-7,725	3,071
	<i>Not seasonally adjusted</i>	-244	-6,654	-5,551	-244	-6,654	-5,551	-6,594	4,204
34	Liquid private capital flows, net.....	3,475	2,343	10,669	1,751	2,020	4,028	2,870	6,294
35	Liquid claims.....	-1,247	-1,951	-6,113	-2,620	-1,297	-228	-1,968	-4,752
36	Reported by U.S. banks.....	-742	-1,161	-5,980	-2,343	-1,306	-732	-1,599	-5,059
37	Reported by U.S. nonbanking concerns.....	-505	-790	-133	-277	9	504	369	307
38	Liquid liabilities.....	4,722	4,294	16,782	4,371	3,317	4,256	4,838	-1,542
39	Foreign commercial banks.....	3,717	3,028	12,636	4,300	2,413	3,150	2,773	-2,619
40	International and regional organizations.....	103	377	1,295	-530	298	219	1,308	847
41	Other foreigners.....	902	889	2,851	601	606	887	757	230
42	Official reserve transactions balance, financed by changes in.....	-10,354	-5,308	-8,374	552	-4,192	119	-4,855	-3,223
	<i>Not seasonally adjusted</i>	1,406	-4,048	-1,683	1,406	-4,048	-1,683	-4,049	-2,188
43	Liquid liabilities to foreign official agencies.....	9,734	4,456	8,481	-63	3,924	750	3,872	2,753
44	Other readily marketable liabilities to foreign official agencies ⁶	399	1,118	672	-277	183	135	631	800
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt.....	189	-475	655	-2	443	1	215	4
46	U.S. official reserve assets, net.....	32	209	1,434	-210	358	-1,003	137	326
47	Gold.....	547							
48	SDR's.....	703	9	172		29	-123	20	5
49	Convertible currencies.....	35	233	3	1	-85	-152	241	-14
50	Gold tranche position in IMF.....	153	-33	-1,265	-209	-244	-728	-84	307
Memoranda:									
51	Transfers under military grant programs (excluded from lines 2, 4, and 14).....	4,492	2,809	1,811	406	564	352	490	783
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20).....	4,521	8,124						
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21).....	548	945						
54	Balances excluding allocations of SDR's: <i>Net liquidity, not seasonally adjusted</i>	-14,539	-7,651	-19,043	-244	-6,654	-5,551	6,594	4,204
55	<i>Official reserve transactions, N.S.A.</i>	-11,064	-5,308	8,374	1,406	-4,048	-1,683	-4,049	-2,188

For notes see opposite page.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports ¹				Imports ²				Trade balance			
	1972	1973	1974	1975	1972	1973	1974 ³	1975	1972	1973	1974 ³	1975
Month:												
Jan.....	4,074	4,955	7,150	9,412	4,436	5,244	6,497	9,622	361	289	1,653	211
Feb.....	3,824	5,070	7,549	8,789	4,473	5,483	7,317	7,872	649	413	1,232	917
Mar.....	3,869	5,311	7,625	8,716	4,515	5,414	7,742	7,336	647	-103	-116	1,380
Apr.....	3,820	5,494	8,108	8,570	4,417	5,360	8,025	8,013	596	1,133	1,83	1,557
May.....	3,882	5,561	7,652	8,145	4,486	5,703	8,265	7,094	604	142	612	1,052
June.....	3,971	5,728	8,317	.....	4,468	5,775	8,573	.....	497	-47	-257	.....
July.....	4,074	5,865	8,308	.....	4,565	5,829	8,918	.....	491	137	-611	.....
Aug.....	4,191	6,042	8,380	.....	4,726	6,011	9,262	.....	535	132	-882	.....
Sept.....	4,176	6,420	8,396	.....	4,612	5,644	8,698	.....	436	776	302	.....
Oct.....	4,312	6,585	8,673	.....	4,738	5,996	8,769	.....	426	589	96	.....
Nov.....	4,468	6,879	8,974	.....	5,148	6,684	8,965	.....	-680	-195	19	.....
Dec.....	4,553	6,949	8,862	.....	5,002	6,291	9,250	.....	449	-658	388	.....
Quarter:												
I.....	11,767	15,336	22,324	26,917	13,424	16,140	21,556	24,830	1,657	-804	1,768	12,087
II.....	11,673	16,783	24,077	.....	13,370	16,839	24,863	.....	-1,697	56	786	.....
III.....	12,442	18,327	25,084	.....	13,903	17,483	26,878	.....	-1,461	1,844	1,794	.....
IV.....	13,333	20,413	26,509	.....	14,888	18,972	26,983	.....	-1,555	-1,441	-474	.....
Year ⁴	49,199	70,823	97,907	.....	55,583	69,476	100,218	.....	-6,384	11,347	-2,311	.....

¹ Exports of domestic and foreign merchandise (f.a.s. value basis); excludes Department of Defense shipments under military grant-aid programs.

² General imports, which includes imports for immediate consumption plus entries into bonded warehouses. See also note 3.

³ Beginning with 1974 data, imports are reported on an f.a.s. transactions value basis; prior data are reported on a Customs import value

basis. For calendar year 1974, the f.a.s. import transactions value was \$100.2 billion, about 0.7 per cent less than the corresponding Customs import value of \$101.0 billion.

⁴ Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock ¹		Convertible foreign currencies	Reserve position in IMF	SDR's ³	End of month	Total	Gold stock		Convertible foreign currencies ⁴	Reserve position in IMF	SDR's ³
		Total ²	Treasury						Total ²	Treasury			
1961...	18,753	16,947	16,889	116	1,690	.....	1974	.....	.....	.....	.....	.....	.....
1962...	17,220	16,057	15,978	99	1,064	.....	June...	14,946	11,652	11,567	94	1,005	2,195
1963...	16,843	15,596	15,513	212	1,035	.....	July...	14,912	11,652	11,567	12	1,021	2,227
1964...	16,672	15,471	15,388	432	769	.....	Aug...	15,460	11,652	11,567	224	1,384	2,200
1965...	15,450	13,806	13,733	781	863	.....	Sept...	15,893	11,652	11,567	246	1,713	2,282
1966...	14,882	13,235	13,159	1,321	376	.....	Oct...	15,890	11,652	11,567	193	1,739	2,306
1967...	14,830	12,065	11,982	2,345	420	.....	Nov...	15,840	11,652	11,567	43	1,816	2,329
1968...	15,710	10,892	10,367	3,528	1,290	.....	Dec...	15,883	11,652	11,652	5	1,852	2,374
1969...	16,964	11,859	10,367	5,278	2,324	.....	1975	.....	.....	.....	.....	.....
1970...	14,487	11,072	10,732	629	1,935	851	Jan.....	15,948	11,635	11,635	2	1,908	2,403
1971...	612,167	10,206	10,132	6,276	585	1,100	Feb.....	16,132	11,620	11,620	2	2,065	2,444
1972...	13,151	10,487	10,410	241	465	1,958	Mar.....	16,256	11,620	11,620	19	2,194	2,423
1973 ⁸ ...	14,378	11,652	11,567	8	552	2,166	Apr.....	16,183	11,620	11,620	2	2,168	2,393
1974...	15,883	11,652	11,652	5	1,852	2,374	May.....	16,280	11,620	11,620	4	2,188	2,438
							June..... ⁹	16,242	11,620	11,620	25	2,179	2,418

¹ Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 5.

² Includes gold in Exchange Stabilization Fund.

³ Includes allocations by the IMF of Special Drawing Rights as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; and \$710 million on Jan. 1, 1972; plus net transactions in SDR's.

⁴ For holdings of F.R. Banks only, see p. A-9.

⁵ Includes gain of \$67 million resulting from revaluation of the German mark in Oct. 1969, of which \$13 million represents gain on mark holdings at time of revaluation.

⁶ Includes \$28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

⁷ Total reserve assets include an increase of \$1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which,

total gold stock is \$828 million (Treasury gold stock \$822 million), reserve position in IMF \$33 million, and SDR's \$155 million.

⁸ Total reserve assets include an increase of \$1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is \$1,165 million (Treas. gold stock \$1,157 million), reserve position in IMF \$54 million, and SDR's \$217 million.

⁹ Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1 = \$1,20635) SDR holdings at end of June amounted to \$2,381 million, reserve position in IMF, \$2,131 million, and total U.S. reserve assets, \$16,157.

NOTE.—See Table 20 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

NOTES TO TABLE 1 ON OPPOSITE PAGE:

¹ Adjusted to balance of payments basis; excludes exports under U.S. military agency sales contracts, and imports of U.S. military agencies.

² Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from investment income and included in "Other services."

³ Includes special military shipments to Israel that are excluded from the "net exports of goods and services" in the national income and products (GNP) accounts of the United States.

⁴ Includes under U.S. Government grants \$2 billion equivalent, rep-

resenting the refinancing of economic assistance loans to India; a corresponding reduction of credits is shown in line 16.

⁵ Includes some short-term U.S. Govt. assets.

⁶ Includes changes in long-term liabilities reported by banks in the United States and in investments by foreign official agencies in debt securities of U.S. Federally sponsored agencies and U.S. corporations.

NOTE.—Data are from U.S. Department of Commerce, Bureau of Economic Analysis. Details may not add to totals because of rounding.

4. GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972–Sept. 1973, and at \$42.22 thereafter)

End of period	Estimated total world ¹	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Canada	China, Rep. of (Taiwan)	Denmark	Egypt
1970.....	41,275	4,339	11,072	25,865	191	140	239	714	1,470	791	82	64	85
1971.....	41,160	4,732	10,206	26,220	192	90	259	729	1,544	792	80	64	85
1972.....	44,890	5,830	10,487	28,575	208	152	281	792	1,638	834	87	69	92
1973.....	49,850	6,478	11,652	31,720	231	169	311	881	1,781	927	97	77	103
1974—May.....	6,478	6,478	11,652	.....	231	169	312	882	1,781	927	97	77	103
June.....	49,835	6,478	11,652	31,705	231	169	312	882	1,781	927	97	77	103
July.....	6,478	6,478	11,652	.....	231	169	312	882	1,781	927	97	77	103
Aug.....	6,478	6,478	11,652	.....	231	169	312	882	1,781	927	97	76	103
Sept.....	49,830	6,478	11,652	31,700	231	169	312	882	1,781	927	97	76	103
Oct.....	6,478	6,478	11,652	.....	231	169	312	882	1,781	927	97	76	103
Nov.....	6,478	6,478	11,652	.....	231	169	312	882	1,781	927	97	76	103
Dec.....	49,790	6,478	11,652	31,660	231	169	312	882	1,781	927	97	76	103
1975—Jan.....	6,478	6,478	11,635	.....	231	169	312	882	1,781	927	97	76	.....
Feb.....	6,478	6,478	11,621	.....	231	169	312	882	1,781	927	97	76	.....
Mar.....	49,770	6,478	11,620	31,670	231	169	312	882	1,781	927	97	76	.....
Apr.....	6,478	6,478	11,620	.....	231	.....	312	882	1,781	927	97	76	.....
May ^b	6,478	6,478	11,620	.....	231	.....	312	882	1,781	927	.....	76	.....
End of period	France	Germany, Fed. Rep. of	Greece	India	Iran	Iraq	Italy	Japan	Kuwait	Lebanon	Libya	Mexico	Netherlands
1970.....	3,532	3,980	117	243	131	144	2,887	532	86	288	85	176	1,787
1971.....	3,523	4,077	98	243	131	144	2,884	679	87	322	85	184	1,909
1972.....	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973.....	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974—May.....	4,262	4,966	149	293	159	173	3,483	891	142	389	103	154	2,294
June.....	4,262	4,966	150	293	159	173	3,483	891	130	389	103	154	2,294
July.....	4,262	4,966	150	293	158	173	3,483	891	130	389	105	154	2,294
Aug.....	4,262	4,966	150	293	158	173	3,483	891	130	389	107	154	2,294
Sept.....	4,262	4,966	150	293	158	173	3,483	891	130	389	103	154	2,294
Oct.....	4,262	4,966	150	293	158	173	3,483	891	138	389	103	154	2,294
Nov.....	4,262	4,966	150	293	158	173	3,483	891	138	389	103	154	2,294
Dec.....	4,262	4,966	150	293	158	173	3,483	891	148	389	103	154	2,294
1975 Jan.....	4,262	4,966	150	293	158	173	3,483	891	140	389	103	154	2,294
Feb.....	4,262	4,966	150	293	158	173	3,483	891	140	389	103	154	2,294
Mar.....	4,262	4,966	150	293	158	173	3,483	891	154	389	103	.....	2,294
Apr.....	4,262	4,966	150	293	158	173	3,483	891	154	389	103	.....	2,294
May ^b	4,262	4,966	150	.....	158	.....	3,483	891	175	389	103	.....	2,294
End of period	Pakistan	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Bank for Intl. Settlements ²
1970.....	54	902	119	666	498	200	2,732	92	126	1,349	162	384	-282
1971.....	55	921	108	410	498	200	2,909	82	130	775	148	391	310
1972.....	60	1,021	117	681	541	217	3,158	89	136	800	133	425	218
1973.....	67	1,163	129	802	602	244	3,513	99	151	886	148	472	235
1974—May.....	67	1,180	129	777	602	244	3,513	99	151	886	148	472	247
June.....	67	1,180	129	781	602	244	3,513	99	151	886	148	472	259
July.....	67	1,180	129	788	602	244	3,513	99	151	886	148	472	259
Aug.....	67	1,180	129	778	602	244	3,513	99	151	886	148	472	255
Sept.....	67	1,180	129	778	602	244	3,513	99	151	886	148	472	259
Oct.....	67	1,180	129	786	602	244	3,513	99	151	886	148	472	271
Nov.....	67	1,180	129	774	602	244	3,513	99	151	886	148	472	251
Dec.....	67	1,180	129	771	602	244	3,513	99	151	886	148	472	250
1975—Jan.....	67	1,175	129	764	602	244	3,513	99	151	886	148	472	265
Feb.....	67	1,175	129	759	602	244	3,513	99	151	886	148	472	272
Mar.....	67	1,175	129	755	602	244	3,513	99	151	886	148	472	259
Apr.....	67	1,175	129	747	602	244	3,513	99	151	.....	.....	472	260
May ^b	67	.....	129	742	.....	244	3,513	99	.....	.....	.....	472	239

¹ Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and China Mainland.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

² Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

5. U.S. LIQUID AND OTHER LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Liabilities to foreign countries												
	Total	Liquid liabilities to IMF arising from gold transactions ¹	Official institutions ²							Liquid liabilities to other foreigners			Liquid liabilities to non-monetary incl. and regional organizations ⁸
			Total	Liquid			Nonmarketable nonconvertible U.S. Treas. bonds and notes ⁴	Other readily marketable liabilities ⁵	Liquid liabilities to commercial banks abroad ⁶	Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ^{3,7}	
				Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ³	Nonmarketable nonconvertible U.S. Treas. bonds and notes							
1963.....	26,394	800	14,425	12,467	1,183	703	63	9	5,817	3,387	3,046	341	1,965
1964 ⁹	29,313 29,364	800 800	15,790 13,220	13,224 13,220	1,125 1,125	1,079 1,079	204 204	158 158	7,271 7,303	3,730 3,753	3,354 3,377	376 376	1,722 1,722
1965.....	29,569	834	15,826	13,066	1,105	1,201	334	120	7,419	4,059	3,587	472	1,431
1966 ⁹	31,145 31,020	1,011 1,011	14,841 14,896	12,484 12,539	860 860	256 256	328 328	913 913	10,116 9,936	4,271 4,272	3,743 3,744	528 528	906 905
1967 ⁹	35,819 35,667	1,033 1,033	18,201 18,194	14,034 14,027	908 908	711 711	741 741	1,807 1,807	11,209 11,085	4,685 4,678	4,127 4,120	558 558	691 677
1968 ⁹	38,687 38,473	1,030 1,030	17,407 17,340	11,318 11,318	529 462	701 701	2,518 2,518	2,341 2,341	14,472 14,472	5,053 4,909	4,444 4,444	609 465	725 722
1969 ⁹	45,755 45,914	1,019 1,019	15,975 15,998	11,054 11,077	346 346	555 555	10,555 10,515	1,505 1,505	23,638 23,645	4,464 4,589	3,939 4,064	525 525	659 663
1970—Dec. 9.....	47,009 46,960	566 566	23,786 23,775	19,333 19,333	306 295	429 429	3,023 3,023	695 695	17,137 17,169	4,676 4,604	4,029 4,039	647 565	844 846
1971—Dec. 11.....	67,681 67,808	544 544	51,209 50,651	39,679 39,018	1,955 1,955	6,060 6,093	3,371 3,441	144 144	10,262 10,949	4,138 4,141	3,691 3,694	447 447	1,528 1,523
1972—Dec. 7.....	82,862		61,526	40,000	5,236	12,108	3,639	543	14,666	5,043	4,618	425	1,627
1973—Dec. 7.....	92,443		66,814	43,923	5,701	12,319	3,210	1,661	17,694	5,932	5,502	430	2,003
1974—May 7.....	101,317		68,193	46,209	5,013	12,330	3,210	1,431	24,644	6,877	6,511	366	1,603
June 7.....	104,059		70,030	47,465	5,013	12,330	3,655	1,867	25,119	7,139	6,776	363	1,771
July 7.....	107,116		71,117	48,435	5,013	12,330	3,655	1,664	26,816	7,312	6,935	377	1,871
Aug. 7.....	109,991		71,029	48,440	4,940	12,330	3,655	1,664	29,373	7,494	7,128	366	2,095
Sept. 7.....	110,761		72,716	50,149	4,880	12,330	3,655	1,702	28,045	8,010	7,617	393	1,990
Oct. 7.....	112,084		73,823	50,921	4,880	12,330	3,867	1,825	28,071	8,070	7,639	433	2,120
Nov. 7.....	115,762		75,185	51,858	4,906	12,330	3,867	2,224	29,770	8,336	7,855	481	2,471
Dec. 7.....	119,025		76,624	53,035	5,059	12,330	3,867	2,333	30,330	8,783	8,285	498	3,288
1975—Jan. 7.....	118,191		75,918	51,824	5,177	12,457	3,867	2,593	29,429	8,692	8,184	508	4,152
Feb. 7.....	119,528		78,625	54,200	5,359	12,457	3,867	2,742	27,649	9,050	8,440	610	4,204
Mar. 7.....	120,163		79,176	53,696	6,003	12,457	3,867	3,153	27,841	9,002	8,394	608	4,144
Apr. 7.....	121,219		79,005	53,480	5,938	12,457	3,907	3,223	29,353	8,809	8,179	630	4,052
May 7.....	121,843		79,682	52,317	6,061	12,457	5,467	3,380	28,625	9,027	8,428	599	4,209

¹ Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.

² Includes BIS and European Fund.

³ Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1963.

⁴ Excludes notes issued to foreign official nonreserve agencies.

⁵ Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

⁶ Includes short-term liabilities payable in dollars to commercial banks abroad and short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.

⁷ Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad.

⁸ Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

⁹ Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those shown for the preceding date; figures on second line are comparable with those shown for the following date.

¹⁰ Includes \$101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969 as follows: liquid, \$17 million, and other, \$84 million.

¹¹ Data on the second line differ from those on first line because certain accounts previously classified as official institutions are included with banks; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. 31, 1971.

NOTE: Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond generally to statistics following in this section, except for the exclusion of nonmarketable, nonconvertible U.S. Treasury notes issued to foreign official nonreserve agencies, the inclusion of investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations, and minor rounding differences. Table excludes IMF holdings of dollars, and holdings of U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

6. U.S. LIQUID AND OTHER LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe ¹	Canada	Latin American republics	Asia	Africa	Other countries ²
1971	50,651	30,134	3,980	1,429	13,823	415	870
1972	61,526	34,197	4,279	1,733	17,577	777	2,963
1973	66,810	45,717	3,853	2,544	10,884	788	3,024
1974—May ^r	68,193	42,951	4,302	3,409	13,006	1,620	2,905
June ^r	70,030	43,200	4,201	4,022	14,012	1,854	2,741
July ^r	71,117	43,002	4,125	3,951	15,215	2,055	2,749
Aug. ^r	71,029	42,292	3,953	4,157	15,554	2,272	2,801
Sept. ^r	72,716	42,649	3,819	4,445	16,299	2,850	2,654
Oct. ^r	73,823	43,007	3,805	4,046	17,329	2,947	2,689
Nov. ^r	75,185	43,179	3,705	3,768	18,673	3,204	2,656
Dec. ^r	76,624	44,151	3,662	4,419	18,604	3,161	2,627
1975—Jan.	75,918	43,289	3,621	3,659	19,555	3,232	2,562
Feb.	78,625	44,706	3,616	4,223	20,274	3,356	2,450
Mar.	79,176	45,823	3,546	4,390	19,396	3,433	2,588
Apr. ^p	79,005	44,983	3,251	4,506	20,062	3,493	2,710
May ^p	79,682	45,186	3,101	4,605	20,425	3,448	2,917

¹ Includes Bank for International Settlements and European Fund.² Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

NOTE.—Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States;

foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners							To nonmonetary international and regional organizations ⁶					
	Total ¹	Payable in dollars				Payable in foreign currencies	IMF gold investment ²	Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁷	
		Total	Demand	Time ²	U.S. Treasury bills and certificates ³				Demand	Time ²			
1971	55,428	55,036	6,459	4,217	33,025	11,335	392	400	1,367	73	192	210	892
1972 ^r	60,696	60,200	8,290	5,603	31,850	14,457	496	.....	1,412	86	202	326	799
1973 ^r	69,074	68,477	11,310	6,882	31,886	18,399	597	.....	1,955	101	83	296	1,474
1974—May ^r	78,752	78,098	11,672	7,609	33,983	24,835	653	.....	1,388	95	53	46	1,194
June ^r	81,014	80,222	12,856	8,253	34,038	25,074	792	.....	1,653	106	66	91	1,390
July ^r	83,951	83,285	12,222	8,643	34,178	28,241	666	.....	1,745	121	66	51	1,508
Aug. ^r	86,863	86,117	11,841	9,091	33,179	32,006	746	.....	1,921	81	68	146	1,627
Sept. ^r	87,710	87,015	12,769	9,240	33,467	31,539	696	.....	1,900	128	69	75	1,629
Oct. ^r	88,628	87,909	11,228	9,807	34,187	32,686	719	.....	1,997	125	89	93	1,690
Nov. ^r	91,816	91,072	12,860	9,550	35,212	33,450	744	.....	2,333	128	89	285	1,830
Dec. ^r	94,815	94,049	14,054	10,089	35,662	34,244	766	.....	3,165	139	105	497	2,424
1975—Jan. ^r	93,350	92,630	12,295	10,157	38,108	32,069	721	.....	3,911	123	104	1,234	2,450
Feb. ^r	94,245	93,511	12,139	10,322	40,428	30,622	733	.....	3,955	118	95	1,260	2,482
Mar.	93,404	92,722	12,324	10,143	40,094	30,161	682	.....	3,473	189	116	777	2,391
Apr.	94,604	93,862	11,699	10,390	40,424	31,349	742	.....	3,592	99	126	781	2,585
May ^p	93,209	92,544	11,924	10,368	40,628	29,624	665	.....	3,839	114	133	1,994	1,598

For notes see opposite page.

**7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS
IN THE UNITED STATES, BY TYPE—Continued**

(Amounts outstanding; in millions of dollars)

End of period	Total to official, banks and other foreigners						To official institutions ⁸						Payable in foreign currencies
	Total	Payable in dollars				Payable in foreign currencies	Total	Payable in dollars					
		Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁴			Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁷		
		Demand	Time ²					Demand	Time ²				
1971.....	53,661	6,386	4,025	32,415	10,443	392	39,018	1,327	2,039	32,311	3,177	165	
1972.....	59,284	8,204	5,401	31,523	13,659	496	40,000	1,591	2,880	31,453	3,905	171	
1973.....	67,119	11,209	6,799	31,590	16,925	597	43,923	2,125	3,911	31,511	6,248	127	
1974—May ¹	77,364	11,577	7,556	33,937	23,641	653	46,209	2,352	4,025	33,731	5,974	127	
June ¹	79,360	12,750	8,187	33,947	23,684	792	47,465	2,643	4,277	33,745	6,673	127	
July ¹	82,206	12,102	8,578	34,128	26,733	666	48,455	2,562	4,445	33,749	7,571	127	
Aug. ¹	84,941	11,760	9,023	33,033	30,379	746	48,440	2,474	4,429	32,687	8,722	127	
Sept. ¹	85,811	12,641	9,171	33,392	29,910	696	50,149	2,825	4,282	32,955	9,960	127	
Oct. ¹	86,631	11,104	9,718	34,094	30,996	719	50,921	2,168	4,400	33,634	10,591	127	
Nov. ¹	89,483	12,732	9,461	34,927	31,620	744	51,858	2,472	4,058	34,467	10,734	127	
Dec. ¹	91,650	13,915	9,984	35,165	31,821	766	53,035	2,951	4,257	34,656	11,044	127	
1975—Jan. ¹	89,439	12,172	10,053	36,874	29,619	721	51,824	2,185	4,296	36,531	8,813	.....
Feb. ¹	90,289	12,021	10,226	39,169	28,141	733	54,200	2,058	4,306	38,840	8,996	.....
Mar. ¹	89,931	12,135	10,027	39,316	27,771	682	53,696	2,323	4,303	39,015	8,054	.....
Apr. ¹	91,012	11,600	10,264	39,643	28,764	742	53,480	2,147	4,193	39,275	7,864	.....
May ¹	89,370	11,810	10,236	38,634	28,026	665	52,317	2,175	4,331	38,372	7,439	.....

End of period	To banks ⁹					To other foreigners					To banks and other foreigners Payable in foreign currencies	
	Total	Payable in dollars				Total	Payable in dollars					
		Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁴		Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁷		
		Demand	Time ²				Demand	Time ²				
1971.....	14,643	10,721	3,399	320	8	6,995	3,694	1,660	1,666	96	271	228
1972.....	19,284	14,340	4,658	405	5	9,272	4,618	1,955	2,116	65	481	325
1973.....	23,196	17,224	6,941	529	11	9,743	5,502	2,143	2,359	68	933	469
1974—May ¹	31,155	24,118	6,910	788	82	16,339	6,511	2,315	2,744	124	1,329	526
June ¹	31,895	24,454	7,689	996	95	15,675	6,776	2,418	2,915	107	1,336	665
July ¹	33,752	26,277	7,105	1,165	204	17,803	6,936	2,435	2,967	175	1,359	539
Aug. ¹	36,502	28,754	6,890	1,444	200	20,220	7,129	2,396	3,150	145	1,437	618
Sept. ¹	35,661	27,476	7,096	1,625	258	18,497	7,617	2,721	3,264	179	1,454	568
Oct. ¹	35,710	27,492	6,361	1,896	268	18,967	7,626	2,574	3,422	193	1,438	591
Nov. ¹	37,626	29,154	7,622	1,795	253	19,484	7,855	2,638	3,608	207	1,402	617
Dec. ¹	38,615	29,691	8,253	1,931	232	19,275	8,285	2,710	3,796	277	1,502	639
1975—Jan. ¹	37,614	28,710	7,362	1,998	158	19,193	8,184	2,625	3,760	186	1,613	721
Feb. ¹	36,090	26,916	7,142	2,048	129	17,596	8,441	2,820	3,872	200	1,548	733
Mar. ¹	36,235	27,160	7,072	1,808	101	18,179	8,394	2,740	3,916	200	1,537	682
Apr. ¹	37,533	28,612	6,897	2,102	148	19,465	8,179	2,556	3,969	220	1,434	742
May ¹	37,053	27,961	6,857	1,820	93	19,190	8,428	2,777	4,084	168	1,398	665

1 Data exclude "holdings of dollars" of the IMF.
 2 Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."
 3 Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
 4 Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, bankers' acceptances, commercial paper, and negotiable time certificates of deposit.
 5 U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold was reacquired by the IMF.
 6 Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.
 7 Includes difference between cost value and face value of securities in IMF gold investment account.
 8 Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.
 9 Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.
 * Excludes central banks, which are included in "Official institutions."

NOTE.—"Short term" refers to obligations payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 9. Data exclude the holdings of dollars of the International Monetary Fund; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)
Supplementary data⁴

Area and country	1973		1974		1975	Area and country	1973		1974		1975
	Apr.	Dec.	Apr.	Dec.	Apr.		Apr.	Dec.	Apr.	Dec.	Apr.
Other Western Europe:						Other Asia—Cont.:					
Cyprus.....	9	19	10	7	17	Laos.....	3	3	3	3	5
Iceland.....	12	8	11	21	20	Lebanon.....	55	62	68	119	180
Ireland, Rep. of.....	22	62	53	29	29	Malaysia.....	59	58	40	63	92
Other Latin American republics:						Pakistan.....	93	105	108	91	118
Bolivia.....	65	68	102	96	93	Singapore.....	53	141	165	240	215
Costa Rica.....	75	86	88	117	120	Sri Lanka (Ceylon).....	6	13	13	14	13
Dominican Republic.....	104	118	137	127	214	Vietnam.....	98	88	98	126	70
Ecuador.....	109	92	90	122	157	Oil-producing countries ⁵	486	652	1,331	4,640	3,941
El Salvador.....	86	90	129	129	144	Other Africa:					
Guatemala.....	127	156	245	214	255	Algeria.....	51	111	110	67	59
Haiti.....	25	21	28	35	34	Ethiopia (incl. Eritrea).....	75	79	118	95	76
Honduras.....	64	56	71	88	92	Ghana.....	28	20	22	18	13
Jamaica.....	32	39	52	69	62	Kenya.....	19	23	20	31	32
Nicaragua.....	79	99	119	127	125	Liberia.....	31	42	29	39	33
Paraguay.....	26	29	40	46	38	Libya.....	312	331	257	452	.....
Trinidad and Tobago.....	17	17	21	107	.....	Nigeria.....	140	78	736	2,295	.....
Other Latin America:						Southern Rhodesia.....	1	2	1	2	3
Bermuda.....	127	242	201	107	100	Sudan.....	3	3	2	4	14
British West Indies.....	100	109	354	116	610	Tanzania.....	16	12	12	11	21
Other Asia:						Tunisia.....	11	7	17	19	23
Afghanistan.....	19	22	11	18	19	Uganda.....	19	6	11	13	.....
Burma.....	17	12	42	65	.....	Zambia.....	37	22	66	22	18
Cambodia.....	3	2	4	4	.....	All other:					
Jordan.....	4	6	6	22	30	New Zealand.....	34	39	33	47	36

¹ Includes Bank for International Settlements and European Fund.
² Data exclude holdings of dollars of the International Monetary Fund.
³ Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."

⁴ Represent a partial breakdown of the amounts shown in the other categories (except "Other Eastern Europe").
⁵ Includes Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, Syria, and United Arab Emirates (Ucrual States).

9. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries				Country or area						
			Total	Official institutions	Banks ¹	Other foreigners	Germany	United Kingdom	Other Europe	Total Latin America	Japan	Other Asia	All other countries
1971.....	902	446	457	144	257	56	164	52	30	111	3	87	9
1972 ²	1,000	562	439	93	259	87	165	63	32	136	1	32	10
1973 ²	1,018	580	439	93	259	87	165	63	32	136	1	32	10
1973 ¹	1,462	761	700	310	291	100	159	66	245	132	5	78	16
1974—May ¹	1,644	1,005	639	296	269	74	151	56	220	144	2	52	13
June ¹	1,635	974	661	321	268	73	150	56	220	144	2	77	12
July ¹	1,673	978	695	337	284	75	155	56	231	142	2	97	13
Aug. ¹	1,498	1,005	493	136	281	76	153	55	32	141	1	97	13
Sept. ¹	1,367	920	447	93	281	73	153	55	32	123	1	70	13
Oct. ¹	1,293	849	445	111	263	71	153	43	32	116	1	87	13
Nov. ¹	1,354	905	449	112	262	75	152	43	32	116	1	88	17
Dec. ¹	1,285	822	464	124	261	79	152	43	32	115	1	101	20
1975—Jan. ¹	1,406	846	560	223	266	71	150	42	26	118	1	200	21
Feb. ¹	1,441	776	666	336	264	66	147	41	23	119	1	313	21
Mar. ¹	1,543	795	748	426	255	67	137	41	24	120	1	403	21
Apr. ¹	1,410	626	784	462	253	68	135	41	25	121	1	439	22
May ¹	1,446	585	861	544	248	69	129	41	27	121	1	519	22

¹ Excludes central banks, which are included with "Official institutions."

² Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

	1974								1975				
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^a	May ^b
Europe:													
Belgium-Luxembourg.....	7	7	9	9	10	10	10	10	11	12	14	14	14
Sweden.....	260	260	260	260	250	250	276	251	252	252	252	252	251
Switzerland.....	35	34	35	34	34	30	30	30	31	30	29	32	33
United Kingdom.....	428	424	426	439	459	485	498	493	529	578	598	611	564
Other Western Europe.....	87	89	97	101	96	102	98	97	89	83	283	300	301
Eastern Europe.....	5	5	5	5	5	5	5	5	5	3	5	5	5
Total.....	823	819	832	849	854	883	917	885	916	959	1,180	1,211	1,168
Canada.....	849	849	851	756	706	707	711	713	697	584	588	460	412
Latin America:													
Latin American republics.....	11	11	11	11	11	11	11	12	11	91	11	11	11
Other Latin America.....	5	5	5	5	17	25	62	88	88	148	114	107	100
Total.....	16	16	16	16	28	36	74	100	99	239	125	119	112
Asia:													
Japan.....	3,499	3,498	3,497	3,498	3,497	3,497	3,498	3,498	3,498	3,496	3,496	3,496	3,496
Other Asia.....	12	12	12	12	12	12	12	212	325	541	1,071	1,121	1,291
Total.....	3,510	3,510	3,509	3,510	3,509	3,509	3,509	3,709	3,822	4,037	4,567	4,617	4,787
Africa.....	157	157	156	151	151	151	151	151	151	151	151	161	181
All other.....	25	25	25	25	25	25	25	25	25	25	25	25	25
Total foreign countries.....	5,379	5,376	5,390	5,306	5,273	5,311	5,387	5,557	5,685	5,969	6,611	6,568	6,660
International and regional:													
International.....	174	57	51	102	23	71	71	61	180	190	592	383	306
Latin American regional.....	41	60	75	71	68	52	67	61	61	59	79	77	65
Total.....	214	117	126	173	91	123	138	122	240	249	671	460	371
Grand total.....	5,594	5,493	5,516	5,479	5,364	5,434	5,525	5,680	5,925	6,218	7,282	7,028	7,030

NOTE: Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year, and are based on benchmark surveys of holdings and regular monthly reports of securities transactions (see Table 14).

11. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars							Payable in foreign currencies				
		Total	Loans to:			Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, com. and finance paper	Other	
			Total	Official institutions	Banks ¹								Others ²
1971 ^c	13,272	12,377	3,969	231	2,080	1,658	2,475	4,254	1,679	895	548	173	174
1972 ^{3c}	15,471	14,625	5,674	163	2,975	2,535	3,269	3,204	2,478	846	441	223	182
1973 ^c	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
1973 ^c	20,723	20,061	7,660	284	4,538	2,838	4,307	4,160	3,935	662	428	119	115
1974—May ^c	29,925	29,041	9,875	367	6,314	3,194	5,081	6,660	7,424	884	611	113	160
June ^c	32,436	31,479	11,409	390	7,685	3,334	5,107	7,649	7,314	957	687	130	141
July ^c	33,854	32,851	10,766	480	6,715	3,571	5,152	9,205	7,729	1,003	626	207	170
Aug. ^c	35,357	34,551	11,549	453	7,750	3,346	5,295	9,481	8,227	805	461	180	164
Sept. ^c	34,451	33,533	10,557	528	6,678	3,352	5,245	9,552	8,178	918	468	217	233
Oct. ^c	34,593	33,563	10,002	371	6,299	3,332	5,356	10,050	8,155	1,030	547	243	240
Nov. ^c	36,784	35,756	10,968	439	7,102	3,426	5,345	10,717	8,726	1,028	515	283	229
Dec. ^c	38,889	37,680	11,313	382	7,352	3,579	5,637	11,223	9,506	1,210	668	289	253
1975—Jan. ^c	38,973	37,684	10,232	361	6,318	3,553	5,565	11,025	10,863	1,289	719	351	219
Feb. ^c	39,772	38,582	10,313	379	6,414	3,521	5,346	11,090	11,833	1,190	609	336	244
Mar. ^c	42,052	40,889	9,626	310	5,682	3,634	5,415	11,341	14,507	1,162	626	290	246
Apr. ^c	42,806	41,547	10,659	362	6,519	3,778	5,339	11,441	14,108	1,260	764	241	254
May ^b	45,028	43,960	11,853	365	7,639	3,849	5,546	10,961	15,601	1,068	478	301	290

¹ Excludes central banks, which are included with "Official institutions."

² Includes International and Regional Organizations.

³ Data on the 2 lines shown for this date differ because of changes

in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1973			1974			1975					
	Dec.¹	Aug.¹	Sept.²	Oct.²	Nov.²	Dec.²	Jan.²	Feb.²	Mar.²	Apr.²	May²	
Europe:												
Austria.....	11	72	17	21	42	21	18	38	22	16	19	
Belgium-Luxembourg.....	147	207	164	301	308	384	401	591	550	674	647	
Denmark.....	48	49	51	59	45	46	54	53	41	53	49	
Finland.....	108	151	146	128	107	122	132	136	137	147	137	
France.....	621	760	637	485	791	673	892	893	896	859	723	
Germany.....	311	379	342	332	438	589	390	435	387	399	389	
Greece.....	35	66	59	48	57	64	52	42	46	54	37	
Italy.....	316	441	354	340	340	345	351	277	287	334	329	
Netherlands.....	133	112	130	176	183	348	195	210	187	157	221	
Norway.....	72	136	113	94	97	119	115	106	104	114	126	
Portugal.....	23	24	26	35	25	20	16	39	32	26	25	
Spain.....	222	382	253	227	201	196	184	166	150	234	257	
Sweden.....	153	139	159	149	160	180	128	99	72	101	126	
Switzerland.....	176	355	377	277	339	335	252	267	230	277	277	
Turkey.....	10	19	15	15	14	15	23	17	19	37	30	
United Kingdom.....	1,459	2,619	2,228	1,852	2,332	2,435	2,700	2,770	2,896	3,174	3,635	
Yugoslavia.....	10	25	28	24	28	22	38	18	16	28	39	
Other Western Europe.....	25	22	18	31	38	22	22	27	24	31	25	
U.S.S.R.....	46	30	21	27	28	46	44	48	34	51	83	
Other Eastern Europe.....	44	89	102	105	86	131	124	100	110	113	117	
Total.....	3,970	6,073	5,239	4,724	5,660	6,110	6,130	6,331	6,239	6,831	7,291	
Canada.....	1,955	2,111	2,032	2,556	2,517	2,773	2,904	2,643	2,934	2,911	3,096	
Latin America:												
Argentina.....	499	704	695	679	704	720	783	808	869	958	1,007	
Bahamas.....	893	2,204	2,787	3,088	2,978	3,398	3,737	4,699	5,804	5,758	7,050	
Brazil.....	900	1,522	1,534	1,476	1,493	1,415	1,264	1,345	1,266	1,299	1,272	
Chile.....	151	231	250	256	291	290	303	351	395	431	422	
Colombia.....	397	679	665	686	675	713	706	679	695	710	702	
Cuba.....	12	13	14	13	13	14	13	18	13	13	13	
Mexico.....	1,373	1,828	1,706	1,836	1,898	1,972	1,898	2,004	2,116	2,236	2,380	
Panama.....	274	401	410	405	402	503	604	458	546	531	671	
Peru.....	178	421	408	433	486	518	504	531	555	606	590	
Uruguay.....	55	50	47	46	63	63	75	86	104	116	100	
Venezuela.....	518	642	627	557	643	704	795	747	736	757	745	
Other Latin American republics.....	493	700	711	724	810	852	873	890	902	954	960	
Netherlands Antilles and Surinam.....	13	56	64	61	74	62	45	39	39	36	44	
Other Latin America.....	144	448	370	693	920	1,138	1,451	1,549	1,571	1,678	2,165	
Total.....	5,900	9,900	10,290	10,953	11,450	12,362	13,051	14,202	15,613	16,085	18,121	
Asia:												
China, People's Rep. of (China Mainland).....	31	22	9	7	5	4	18	65	19	11	12	
China, Republic of (Taiwan).....	140	448	466	499	483	500	526	473	500	448	434	
Hong Kong.....	147	271	243	214	238	223	203	184	291	210	288	
India.....	16	34	17	19	16	14	19	22	17	21	17	
Indonesia.....	88	120	122	128	140	157	142	159	145	134	119	
Israel.....	155	192	197	200	208	256	271	284	322	299	287	
Japan.....	6,398	12,822	12,398	11,724	12,420	12,514	11,821	11,246	11,600	11,028	10,601	
Korea.....	403	706	733	760	835	955	1,116	1,286	1,356	1,503	1,415	
Philippines.....	181	348	342	347	325	372	302	342	353	398	455	
Thailand.....	273	438	439	417	428	458	391	374	406	413	374	
Other.....	392	677	669	670	666	771	739	781	846	1,007	965	
Total.....	8,224	16,078	15,635	14,986	15,765	16,224	15,545	15,216	15,855	15,472	14,969	
Africa:												
Egypt.....	35	83	97	93	91	111	106	114	122	142	138	
Morocco.....	5	10	10	11	12	18	19	15	19	10	12	
South Africa.....	129	238	243	282	299	329	364	396	413	458	475	
Zaire.....	60	97	94	107	101	98	31	38	31	37	41	
Other.....	158	275	311	311	291	299	265	291	290	326	351	
Total.....	388	702	755	804	795	855	785	853	875	973	1,018	
Other countries:												
Australia.....	243	415	422	478	492	466	433	431	436	428	440	
All other.....	43	77	76	91	104	99	125	95	99	107	89	
Total.....	286	492	498	569	597	565	558	526	535	535	528	
Total foreign countries.....	20,723	35,356	34,448	34,593	36,783	38,889	38,972	39,771	42,051	42,805	45,026	
International and regional.....	1	1	2	1	1	.....	1	1	1	1	2
Grand total.....	20,723	35,357	34,451	34,593	36,784	38,889	38,973	39,772	42,052	42,806	45,028	

NOTE. Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for

their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

13. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	Type						Country or area						
		Payable in dollars						United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	All other countries ²
		Total	Loans to:			Other long-term claims	Payable in foreign currencies							
Official institutions	Banks ¹		Other foreigners ²											
1971 ³	3,667	3,345	575	315	2,455	300	22	130	593	228	1,458	246	583	429
1972 ³	4,954	4,539	833	430	3,276	375	40	145	704	406	1,996	319	881	503
1973 ³	5,063	4,588	844	430	3,314	435	40	150	703	406	2,020	353	918	514
1974 ³	5,996	5,446	1,160	591	3,694	478	72	148	1,124	490	2,116	251	1,331	536
1974 May ³	6,830	6,214	1,570	772	3,872	550	67	224	1,559	467	2,434	241	1,381	524
June ³	7,087	6,475	1,622	792	4,061	546	66	222	1,686	496	2,487	244	1,434	518
July ³	7,115	6,502	1,490	909	4,106	545	67	249	1,603	498	2,552	269	1,423	520
Aug. ³	7,055	6,448	1,456	913	4,080	539	68	285	1,545	503	2,527	269	1,416	511
Sept. ³	6,999	6,386	1,419	853	4,113	542	71	266	1,535	543	2,479	247	1,425	505
Oct. ³	7,250	6,571	1,445	914	4,212	608	71	333	1,725	523	2,495	264	1,396	515
Nov. ³	7,251	6,561	1,377	933	4,250	618	72	339	1,652	506	2,574	257	1,392	531
Dec. ³	7,155	6,481	1,331	931	4,219	609	65	329	1,578	486	2,602	258	1,359	542
1975 Jan. ³	7,262	6,624	1,368	968	4,289	583	54	323	1,669	475	2,603	248	1,388	557
Feb. ³	7,457	6,797	1,378	1,035	4,384	606	54	347	1,749	485	2,675	248	1,355	598
Mar. ³	7,554	6,900	1,395	1,063	4,442	598	55	357	1,769	485	2,695	247	1,409	592
Apr. ³	7,583	6,896	1,239	1,110	4,547	624	63	375	1,813	490	2,786	242	1,249	630
May ³	7,852	7,176	1,287	1,185	4,703	610	66	402	1,923	458	2,848	254	1,289	677

¹ Excludes central banks, which are included with "Official institutions."² Includes international and regional organizations.³ Data on the 2 lines shown for this date differ because of changes in

reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

14. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes ¹					U.S. corporate securities ²			Foreign bonds			Foreign stocks		
	Net purchases or sales					Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales
	Total	Intl. and regional	Foreign											
		Total	Official	Other										
1972.....	3,316	57	3,258	3,281	-23	19,083	15,015	4,068	1,901	2,932	-1,031	2,532	2,123	409
1973.....	305	-165	470	465	6	18,569	13,810	4,759	1,474	2,467	-993	1,729	1,554	176
1974.....	-479	94	-573	-642	69	15,515	13,830	1,684	1,045	3,325	2,281	1,899	1,718	181
1975 Jan.-May ³	1,351	248	1,102	1,002	101	8,144	6,508	1,636	772	3,093	-2,321	729	786	-57
1974 May.....	-28	29	-57	-7	-50	903	852	51	89	154	-64	173	174	-2
June.....	-101	-97	-3	.....	-3	1,174	923	251	74	272	-197	207	117	90
July.....	23	9	14	.....	14	1,049	1,056	-7	94	251	-158	128	116	12
Aug. ³	-37	47	-84	-73	-11	1,400	1,132	268	59	214	-155	146	117	29
Sept. ³	-116	-82	-33	-60	27	1,361	1,183	178	72	152	-80	145	100	45
Oct. ³	70	32	38	.....	38	1,568	1,364	205	86	362	-276	89	152	-63
Nov. ³	132	57	76	25	50	1,415	1,311	103	92	170	-78	124	102	22
Dec. ³	134	-36	171	153	17	927	978	-50	101	524	-423	117	87	30
1975 Jan.....	245	118	127	118	9	1,207	897	309	131	1,207	-1,076	147	156	-9
Feb. ³	293	9	285	182	102	1,704	1,385	318	118	554	436	134	173	-39
Mar. ³	1,063	422	642	644	-3	1,752	1,152	600	186	647	461	148	159	-11
Apr. ³	254	-211	-43	66	23	1,636	1,394	242	167	341	-174	155	141	14
May ³	3	-89	92	123	-31	1,845	1,679	166	172	345	-173	145	157	-12

¹ Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries.² Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities

sold abroad by U.S. corporations organized to finance direct investments abroad.

NOTE.—Statistics include transactions of international and regional organizations.

15. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Purchases	Sales	Net purchases or sales ()	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Other ¹
1972.....	14,361	12,173	2,188	372	51	297	642	561	137	1,958	78	32	256	83
1973.....	12,762	9,978	2,785	439	2	339	685	366	274	2,104	99	1	577	5
1974.....	7,552	7,095	457	203	39	330	36	304	50	354	6	33	131	10
1975- Jan.-May ^a	6,107	4,509	1,596	46	78	115	341	290	44	913	78	1	584	18
1974-May.....	576	591	-15	18	7	29	5	-36	5	19	7	-15	-14	2
June.....	521	513	8	15	8	33	11	18	3	16	13	-7	15	2
July.....	508	510	-2	13	5	39	9	49	3	10	10	-2	14	2
Aug.....	580	502	78	19	18	16	15	7	11	64	14	9	10	*
Sept.....	447	445	2	9	17	21	6	22	3	3	6	4	6	1
Oct.....	673	695	-22	17	30	9	39	82	11	114	3	2	95	7
Nov.....	604	616	-12	5	1	2	35	51	4	77	2	5	70	1
Dec.....	450	429	21	13	13	20	10	76	9	30	14	10	27	*
1975- Jan.....	731	541	190	34	15	8	42	8	15	107	12	15	84	2
Feb.....	1,383	849	533	21	25	14	115	147	9	331	20	18	150	15
Mar.....	1,148	913	236	12	21	40	40	38	7	146	15	5	80	1
Apr.....	1,318	1,058	259	15	23	26	44	54	4	136	8	2	121	3
May.....	1,527	1,149	378	6	4	27	100	59	9	193	36	1	149	1

¹ Includes international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. and regional	
1972.....	1,881	336	77	74	135	367	315	1,303	82	22	323		2	*	148
1973.....	1,948	201	33	19	307	275	473	1,204	49	44	588		*	10	52
1974.....	1,395	96	33	183	96	352	59	702	50	43	557		8	10	34
1975- Jan.-May ^a	40	4	8	26	61	181	-10	145	46	*	662		*	1	524
1974-May.....	66	10	*	*	28	19	1	59	3	5	3		*	*	3
June.....	242	5	3	116	15	64	-17	185	1	4	3		*	*	56
July.....	5	1	2	72	2	36	-11	100	7	5	7		*	10	-128
Aug.....	190	1	*	1	1	29	-9	21	2	4	109		*	*	-36
Sept.....	176	1	1	2	2	54	-3	55	4	2	15		*	*	130
Oct.....	226	10	1	1	13	6	5	25	18	5	100		*	*	79
Nov.....	224	4	1	1	1	20	6	23	11	1	398		*	*	-163
Dec.....	-11	1	*	4	1	54	5	56	4	17	93		*	*	-173
1975- Jan.....	119	2	3	*	6	59	5	74	14	-1	152		*	*	-120
Feb.....	215	4	3	*	3	83	1	80	16	*	37		*	1	-189
Mar.....	365	1	1	1	10	23	1	32	4	4	322		*	*	10
Apr.....	17	1	1	26	35	99	13	100	5	3	81		*	*	7
May.....	212	3	1	1	7	81	3	72	7	1	69		*	*	218

Note: Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1972.....	-622	-90	532	505	-635	69	-296	66	29
1973.....	-818	139	957	-141	-569	120	-168	3	37
1974.....	-2,058	-60	1,999	544	-1,529	93	138	7	22
1975- Jan.-May ^a	2,378	862	-1,517	-106	912	-110	-413	18	5
1974-May.....	66	5	71	26	-35	22	10	*	3
June.....	-105	3	-107	-75	121	6	94	1	*
July.....	-146	1	-147	63	108	-1	24	1	3
Aug.....	126	2	-127	35	126	9	42	1	1
Sept.....	35	12	-47	-41	37	5	22	1	3
Oct.....	-340	2	-342	-81	-244	*	18	-1	2
Nov.....	-56	3	-59	21	8	-14	-21	2	3
Dec.....	-393	-95	298	27	190	-25	-67	12	*
1975- Jan.....	-1,085	-572	-514	-41	-405	-28	-60	20	*
Feb.....	-475	-147	-328	19	-159	97	-94	2	*
Mar.....	-473	117	-356	-66	-174	2	-112	-2	1
Apr.....	-160	-57	-103	57	6	17	-59	*	2
May.....	-185	31	-216	39	-168	*	-88	-2	2

18. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

Period	End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1972- June.....	312	339	
Sept.....	286	336	
Dec.....	372	405	
1973- Mar.....	310	364	
June.....	316	243	
Sept.....	290	255	
Dec.....	333	231	
1974- Mar.....	383	225	
June.....	354	241	
Sept.....	298	178	
Dec.....	293	193	
1975- Mar.....	349	209	

Note: Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

19a. ASSETS OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Location and currency form	Month-end	Total	Claims on U.S.			Claims on foreigners					Other
			Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Non-bank foreigners	
IN ALL FOREIGN COUNTRIES											
Total, all currencies	1972-Dec	78,202	4,678	2,113	2,565	71,304	11,504	35,773	1,594	22,432	2,224
	1973-Dec	121,866	5,091	1,886	3,205	111,974	19,177	56,368	2,693	33,736	4,800
	1974-Apr	140,020	5,980	3,504	2,476	128,823	23,119	62,901	3,753	39,050	5,211
	May	145,918	8,031	5,465	2,566	132,377	24,583	64,693	3,703	39,398	5,511
	June	147,467	6,839	4,158	2,682	134,891	25,120	64,441	3,610	41,721	5,730
	July	145,058	6,402	3,787	2,614	132,945	25,726	61,949	3,689	41,580	5,711
	Aug.	148,719	9,366	6,868	2,498	133,473	26,428	60,524	3,423	43,098	5,881
	Sept.	147,720	6,267	3,622	2,645	135,272	26,322	61,301	3,721	43,927	6,181
	Oct.	145,906	4,661	2,027	2,634	135,284	26,958	59,617	3,849	44,860	5,967
	Nov.	150,274	7,751	5,159	2,592	136,442	28,366	58,727	4,019	45,330	6,081
	Dec.	151,828	6,898	4,464	2,434	138,639	27,542	60,248	4,077	46,772	6,292
	1975-Jan	151,049	7,029	4,360	2,669	138,055	27,870	58,821	4,152	47,213	5,965
	Feb.	151,550	5,483	2,882	2,601	140,238	28,936	58,742	4,246	48,314	5,829
	Mar.	155,056	5,319	2,637	2,681	143,613	28,278	61,547	4,407	49,380	6,125
	Apr.	155,484	5,821	3,051	2,771	143,830	29,160	60,225	4,353	50,091	5,813
Payable in U.S. dollars	1972-Dec	52,636	4,419	2,091	2,327	47,444	7,869	26,251	1,059	12,264	773
	1973-Dec	79,445	4,599	1,848	2,751	73,018	12,799	39,527	1,777	18,915	1,828
	1974-Apr	94,292	5,621	3,456	2,165	86,483	16,043	44,919	2,835	22,685	2,188
	May	100,266	7,685	5,417	2,268	90,066	16,890	47,373	2,841	22,962	2,511
	June	101,704	6,518	4,107	2,410	92,568	17,478	47,819	2,803	24,467	2,619
	July	101,534	6,110	3,738	2,373	92,733	18,480	46,422	2,889	24,942	2,691
	Aug.	105,827	9,055	6,816	2,239	91,893	19,694	45,681	2,780	25,738	2,879
	Sept.	104,345	5,990	3,564	2,426	95,304	19,413	46,517	2,873	26,501	3,051
	Oct.	101,977	4,379	1,970	2,409	94,650	19,785	44,832	3,006	27,027	2,948
	Nov.	105,066	7,445	5,105	2,340	94,581	20,623	43,741	3,192	27,026	3,039
	Dec.	105,893	6,601	4,428	2,174	96,136	19,671	45,032	3,289	28,143	3,156
	1975-Jan	105,687	6,705	4,318	2,387	95,901	20,425	43,108	3,370	28,998	3,080
	Feb.	104,249	5,139	2,839	2,300	96,221	20,794	42,621	3,431	29,375	2,889
	Mar.	107,377	5,005	2,606	2,399	99,503	19,787	46,054	3,604	30,058	2,869
	Apr.	108,276	5,456	3,008	2,448	100,120	20,962	45,111	3,599	30,448	2,700
IN UNITED KINGDOM											
Total, all currencies	1972-Dec	43,467	2,234	1,138	1,096	40,214	5,659	23,842	606	10,106	1,018
	1973-Dec	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974-Apr	68,959	2,589	1,806	783	64,238	10,819	36,775	1,073	15,572	2,131
	May	71,982	3,792	2,969	823	66,008	11,759	37,920	889	15,439	2,183
	June	71,305	3,561	2,612	949	65,617	11,886	36,468	812	16,452	2,126
	July	69,197	3,046	2,205	840	63,974	12,486	34,575	718	16,195	2,177
	Aug.	70,382	3,599	2,858	741	64,496	12,790	33,942	666	17,097	2,287
	Sept.	70,965	2,860	2,087	774	65,596	12,436	34,959	829	17,372	2,509
	Oct.	68,123	1,325	502	823	64,462	12,386	33,608	887	17,581	2,336
	Nov.	69,137	3,387	2,568	818	63,571	13,122	32,128	753	17,567	2,179
	Dec.	69,804	3,248	2,472	776	64,111	12,724	32,701	788	17,898	2,445
	1975-Jan	68,451	2,633	1,902	731	63,527	12,873	32,057	854	17,743	2,291
	Feb.	67,038	1,818	1,023	796	63,250	13,246	31,641	848	17,515	1,970
	Mar.	69,654	1,798	982	817	65,693	12,806	34,260	929	17,699	2,163
	Apr.	69,248	2,017	1,126	891	65,130	13,314	33,079	919	18,018	1,902
Payable in U.S. dollars	1972-Dec	30,257		2,146		27,664	4,326	17,874		5,464	446
	1973-Dec	40,323		1,642		37,816	6,509	23,899		7,409	865
	1974-Apr	46,419		2,499		42,895	8,386	25,768		8,741	1,024
	May	49,654		3,693		44,825	9,285	26,994		8,546	1,135
	June	49,363		3,462		44,774	9,425	26,147		9,203	1,126
	July	48,158		2,958		44,061	9,932	24,698		9,432	1,138
	Aug.	49,406		3,507		44,677	10,529	24,512		9,637	1,222
	Sept.	50,075		2,774		45,960	10,305	25,720		9,937	1,339
	Oct.	47,968		1,235		45,421	10,234	25,233		9,954	1,312
	Nov.	48,710		3,277		44,198	10,796	23,551		9,852	1,235
	Dec.	49,211		3,146		44,693	10,265	24,326		10,102	1,372
	1975-Jan	47,769		2,542		43,959	10,421	23,271		10,268	1,267
	Feb.	46,019		1,697		43,244	10,615	22,575		10,055	1,077
	Mar.	48,939		1,687		46,019	10,373	25,610		10,057	1,212
	Apr.	48,797		1,885		45,923	10,995	24,711		10,217	989
IN BAHAMAS AND CAYMANS											
Total, all currencies	1972-Dec	12,642	1,486	214	1,272	10,986		6,663		4,322	170
	1973-Dec	23,771	2,210	317	1,893	21,041		12,974		8,068	520
	1974-Apr	28,778	2,390	956	1,434	25,765		16,086		9,679	623
	May	30,864	3,102	1,836	1,467	26,817		17,035		9,782	744
	June	31,219	2,427	981	1,446	28,005		17,643		10,361	787
	July	30,403	2,380	870	1,510	27,208		16,822		10,386	815
	Aug.	32,317	4,624	3,153	1,471	26,914		16,157		10,757	779
	Sept.	30,080	2,315	750	1,564	26,910		16,014		10,896	856
	Oct.	30,071	2,206	711	1,495	27,075		16,280		10,795	790
	Nov.	32,313	3,299	1,816	1,484	28,130		17,193		10,937	883
	Dec.	31,731	2,463	1,081	1,382	28,453		16,854		11,599	815
	1975-Jan	33,129	3,223	1,594	1,629	29,068		16,864		12,204	838
	Feb.	33,532	2,563	1,072	1,491	30,135		17,389		12,746	834
	Mar.	33,791	2,405	839	1,567	30,669		17,595		13,074	716
	Apr.	35,664	2,587	1,006	1,581	32,357		18,967		13,390	720

For notes see p. A-74.

19b. LIABILITIES OF FOREIGN BRANCHES OF U.S. BANKS
(In millions of dollars)

Total	To U.S.			To foreigners					Other	Month-end	Location and currency form	
	Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Non-bank foreigners				
IN ALL FOREIGN COUNTRIES												
78,203	3,501	997	2,504	72,121	11,121	41,218	8,351	11,432	2,580	.....	1972 Dec.	Total, all currencies
121,866	5,610	1,642	3,968	111,615	18,213	65,389	10,330	17,683	4,641	.....	1973 Dec.	
140,020	7,210	2,558	4,652	127,586	22,688	71,232	11,612	22,054	5,224	.....	1974 Apr.	
145,918	8,275	3,218	5,057	131,978	23,941	74,193	12,187	21,657	5,665	.....	May	
147,467	9,028	3,488	5,540	132,328	24,234	71,692	14,388	22,015	6,110	.....	June	
145,057	10,129	4,373	5,757	128,616	25,313	66,855	15,030	21,418	6,312	.....	July	
148,719	9,419	4,123	5,296	132,774	26,007	68,772	16,304	21,690	6,527	.....	Aug.	
147,720	9,981	5,058	4,923	131,016	26,337	66,071	17,488	21,121	6,723	.....	Sept.	
145,906	10,449	5,853	4,596	128,910	26,619	62,606	18,171	21,514	6,548	.....	Oct.	
150,275	11,901	6,249	5,652	131,619	27,717	63,596	19,979	20,327	6,755	.....	Nov.	
151,828	11,981	5,807	6,173	132,915	26,903	65,642	20,184	20,187	6,932	.....	Dec.	
151,049	11,830	6,354	5,476	132,688	26,988	64,093	21,682	19,924	6,532	.....	1975 Jan.	
151,550	12,560	6,606	5,954	132,486	28,154	63,327	21,950	19,055	6,505	.....	Feb.	
155,056	15,405	8,848	6,557	131,396	28,148	63,362	22,567	19,319	6,254	.....	Mar.	
155,485	14,050	7,818	6,223	135,350	30,038	62,223	23,216	19,873	6,085	.....	Apr.	
54,878	3,050	847	2,202	50,406	7,955	29,229	6,781	6,441	1,422	.....	1972 Dec.	Payable in U.S. dollars
80,374	5,027	1,477	3,550	73,189	12,554	43,641	7,491	9,502	2,158	.....	1973 Dec.	
94,921	6,640	2,378	4,262	85,619	15,783	47,847	9,195	12,794	2,662	.....	1974 Apr.	
100,714	7,685	3,021	4,664	89,848	16,694	50,848	9,817	12,490	3,181	.....	May	
102,302	8,414	3,279	5,135	90,359	17,070	48,909	11,630	12,750	3,529	.....	June	
102,432	9,494	4,160	5,334	89,264	18,438	45,768	12,337	12,721	3,675	.....	July	
106,909	8,786	3,932	4,853	94,178	19,456	48,394	11,508	12,821	3,943	.....	Aug.	
106,004	9,294	4,833	4,461	92,630	19,599	46,020	14,533	12,478	4,080	.....	Sept.	
103,934	9,905	5,650	4,255	90,136	19,481	42,690	15,076	12,889	3,893	.....	Oct.	
107,427	11,215	6,023	5,192	92,233	20,242	43,147	16,789	12,054	3,979	.....	Nov.	
107,813	11,435	5,640	5,795	92,428	19,292	43,623	17,443	12,070	3,950	.....	Dec.	
108,099	11,367	6,202	5,164	92,957	19,969	42,800	18,342	11,846	3,776	.....	1975 Jan.	
106,013	12,062	6,458	5,603	90,417	20,079	40,626	18,707	10,905	3,634	.....	Feb.	
109,360	14,794	8,659	6,135	91,207	19,814	41,160	19,302	10,931	3,365	.....	Mar.	
110,296	13,395	7,634	5,760	93,491	21,529	40,932	19,908	11,121	3,411	.....	Apr.	
IN UNITED KINGDOM												
43,467	1,453	113	1,340	41,020	2,961	24,596	6,433	7,030	994	.....	1972 Dec.	Total, all currencies
61,732	2,431	136	2,295	57,311	3,944	34,979	8,140	10,248	1,990	.....	1973 Dec.	
68,959	3,123	409	2,714	63,914	4,975	46,524	9,240	13,175	1,922	.....	1974 Apr.	
71,982	3,729	749	2,979	66,186	4,890	39,596	9,273	12,398	2,097	.....	May	
71,305	3,744	606	3,138	65,429	4,913	36,711	11,289	12,516	2,132	.....	June	
69,197	3,439	611	2,828	63,557	5,099	34,393	11,543	12,521	2,201	.....	July	
70,382	3,701	713	2,988	64,109	4,794	31,920	11,737	12,858	2,373	.....	Aug.	
70,965	3,503	635	2,867	64,919	5,428	31,766	11,544	12,181	2,543	.....	Sept.	
68,123	3,227	683	2,544	62,621	5,237	30,621	14,051	12,712	2,275	.....	Oct.	
69,137	4,376	889	3,487	62,197	5,071	30,352	15,454	11,521	2,363	.....	Nov.	
69,804	3,978	510	3,468	63,409	4,762	32,040	15,258	11,349	2,418	.....	Dec.	
68,451	3,804	873	2,931	62,360	4,567	30,266	16,419	11,108	2,287	.....	1975 Jan.	
67,038	4,376	913	3,462	60,546	4,693	29,207	16,517	10,127	2,117	.....	Feb.	
69,654	5,095	1,224	3,871	62,363	4,630	29,990	17,305	10,438	2,196	.....	Mar.	
69,248	4,596	1,342	3,254	62,625	5,394	28,666	17,812	10,753	2,026	.....	Apr.	
30,810	1,272	72	1,200	29,002	2,008	17,379	5,429	4,287	535	.....	1972 Dec.	Payable in U.S. dollars
39,689	2,173	113	2,060	36,646	2,519	22,051	5,923	6,152	870	.....	1973 Dec.	
46,323	2,878	384	2,494	42,453	3,234	23,207	7,401	8,612	992	.....	1974 Apr.	
49,301	3,481	724	2,757	44,625	3,083	26,010	7,468	8,064	1,195	.....	May	
48,970	3,516	579	2,937	44,214	3,255	23,669	9,137	8,155	1,239	.....	June	
48,018	3,176	568	2,608	43,528	3,364	22,388	9,450	8,326	1,314	.....	July	
49,481	3,448	692	2,756	44,654	3,278	22,558	10,437	8,382	1,380	.....	Aug.	
50,212	3,177	605	2,572	45,550	3,667	22,818	11,035	8,030	1,486	.....	Sept.	
48,314	2,988	651	2,337	44,033	3,690	20,203	11,444	8,696	1,294	.....	Oct.	
49,668	4,037	865	3,172	44,256	3,557	20,200	12,808	7,691	1,375	.....	Nov.	
49,666	3,744	484	3,261	44,594	3,256	20,526	13,225	7,587	1,328	.....	Dec.	
48,490	3,599	854	2,744	43,578	3,172	19,061	13,736	7,609	1,313	.....	1975 Jan.	
46,698	4,164	895	3,269	41,350	3,266	17,673	13,932	6,479	1,184	.....	Feb.	
49,533	4,805	1,189	3,616	43,546	3,072	19,128	14,688	6,658	1,183	.....	Mar.	
49,177	4,297	1,313	2,984	43,758	3,886	17,997	15,158	6,717	1,122	.....	Apr.	
IN BAHAMAS AND CAYMANS												
12,643	1,220			11,260	1,818		8,105	1,338	163	.....	1972 Dec.	Total, all currencies
23,771	1,573			21,747	5,508		14,563	1,676	451	.....	1973 Dec.	
28,778	2,283			26,017	7,102		16,809	2,106	479	.....	1974 Apr.	
30,864	2,567			27,706	8,255		17,217	2,233	591	.....	May	
31,219	2,855			27,725	7,642		17,593	2,490	639	.....	June	
30,403	3,684			26,039	7,663		16,223	2,153	681	.....	July	
32,317	2,909			28,670	8,079		18,403	2,188	738	.....	Aug.	
30,080	3,721			25,626	7,072		16,259	2,295	733	.....	Sept.	
30,071	4,311			24,995	7,211		15,650	2,135	765	.....	Oct.	
32,313	4,426			27,107	8,538		16,427	2,141	779	.....	Nov.	
31,731	4,815			26,138	7,702		16,426	2,011	778	.....	Dec.	
33,129	5,036			27,341	8,269		16,852	2,220	752	.....	1975 Jan.	
33,532	5,243			27,496	8,975		16,260	2,262	793	.....	Feb.	
33,791	7,228			25,873	8,498		15,132	2,243	690	.....	Mar.	
35,665	6,529			28,425	9,647		16,460	2,318	711	.....	Apr.	

For notes see p. A-74.

20. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Treas. securities ¹	Earmarked gold
1972.....	325	50,934	215,530
1973.....	251	52,070	217,068
1974.....	418	55,600	16,838
1974 - June...	384	54,442	17,014
July...	330	54,317	16,964
Aug...	372	53,681	16,917
Sept...	411	53,849	16,892
Oct...	376	54,691	16,875
Nov...	626	55,908	16,865
Dec...	418	55,600	16,838
1975 - Jan....	391	58,001	16,837
Feb....	409	60,864	16,818
Mar....	402	60,729	16,818
Apr....	370	60,618	16,818
May....	310	61,539	16,818
June....	373	61,406	16,803

¹ Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

² The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972, and in Oct. 1973.

Note: Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

21. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars		Payable in foreign currencies		United Kingdom	Canada
		Deposits	Short-term investments ¹	Deposits	Short-term investments ¹		
1969.....	1,491	1,062	161	183	86	663	534
1970.....	1,141	697	150	173	121	372	443
1971 ²	1,648	1,092	203	234	120	577	587
	1,507	1,078	127	234	68	580	443
1972.....	1,965	1,446	169	307	42	702	485
	2,374	1,910	55	340	68	911	536
1973.....	3,160	2,586	37	427	109	1,116	770
1974 - Apr....	3,581	2,967	60	346	209	1,487	930
May....	3,669	3,037	76	329	227	1,441	980
June....	3,661	3,049	62	369	181	1,418	927
July....	3,771	3,221	74	341	133	1,341	828
Aug....	3,504	2,941	51	369	144	1,436	872
Sept....	3,073	2,491	30	362	189	1,194	864
Oct....	2,696	2,130	25	324	216	1,118	835
Nov....	2,996	2,178	15	325	277	1,283	942
Dec....	3,293	2,572	56	403	261	1,340	943
1975 - Jan....	3,227	2,519	45	316	348	1,134	1,113
Feb....	3,328	2,512	48	356	411	1,076	1,134
Mar....	3,226	2,449	39	347	391	1,053	1,107
Apr....	3,359	2,449	39	313	559	1,065	1,277

¹ Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

² Data on the 2 lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

Note: Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 22.

22. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amount outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies	
						Deposits with banks abroad in reporter's name	Other
1971 - June.....	2,375	1,937	438	4,708	4,057	303	348
Sept.....	2,564	2,109	454	4,894	4,186	383	326
Dec. 1.....	2,704	2,229	475	5,185	4,535	318	333
	2,763	2,301	463	5,000	4,467	289	244
1972 - Mar.....	2,844	2,407	437	5,173	4,557	317	300
June.....	2,925	2,452	472	5,326	4,685	374	268
Sept.....	2,933	2,435	498	5,487	4,833	426	228
Dec. 1.....	3,119	2,635	484	5,721	5,074	410	237
	3,452	2,963	490	6,364	5,696	393	274
1973 - Mar.....	3,377	2,876	501	7,101	6,213	458	429
June.....	3,370	2,808	562	7,371	6,520	493	358
Sept.....	3,668	2,973	694	7,719	6,780	528	411
Dec.....	4,094	3,326	768	8,512	7,596	485	431
1974 - Mar.....	4,523	3,636	887	10,503	9,561	400	542
June.....	5,248	4,223	1,024	11,071	10,135	420	516
Sept.....	5,747	4,690	1,057	10,725	9,748	419	558
Dec.....	5,929	4,909	1,020	11,286	10,209	461	616

¹ Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the

preceding date; figures on the second line are comparable with those shown for the following date.

23. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1973	1974				1973	1974			
	Dec.	Mar.	June	Sept.	Dec.	Dec.	Mar.	June	Sept.	Dec.
Europe:										
Austria.....	3	5	12	18	21	17	16	17	15	25
Belgium-Luxembourg.....	136	226	405	489	516	106	153	139	114	131
Denmark.....	9	17	18	22	20	46	37	27	25	40
Finland.....	7	8	9	12	16	44	42	80	91	120
France.....	168	161	204	192	235	310	413	537	491	458
Germany, Fed. Rep. of.....	234	238	220	246	314	284	337	345	322	340
Greece.....	40	21	28	28	40	51	87	76	69	65
Italy.....	116	133	143	150	143	244	335	409	431	418
Netherlands.....	125	114	104	113	107	112	103	126	144	147
Norway.....	9	8	8	10	9	18	22	35	32	36
Portugal.....	13	24	17	20	19	49	112	101	69	81
Spain.....	77	68	56	57	66	244	414	420	424	382
Sweden.....	48	43	52	40	38	71	74	106	97	89
Switzerland.....	102	92	112	106	136	101	91	78	154	136
Turkey.....	18	26	28	38	25	34	41	46	41	45
United Kingdom.....	934	1,132	1,253	1,429	1,235	1,544	1,837	1,871	1,768	1,855
Yugoslavia.....	28	31	36	34	60	49	30	41	39	43
Other Western Europe.....	3	3	6	7	5	15	19	23	20	22
Eastern Europe.....	31	26	31	77	66	104	79	97	90	142
Total.....	2,103	2,376	2,742	3,087	3,071	3,444	4,240	4,574	4,438	4,574
Canada.....	260	330	305	297	290	1,245	1,534	1,577	1,570	1,617
Latin America:										
Argentina.....	22	19	19	28	36	47	52	53	59	69
Bahamas.....	425	208	307	325	281	626	746	977	518	594
Brazil.....	64	78	125	160	119	231	410	523	419	460
Chile.....	20	6	9	14	20	43	78	64	124	103
Colombia.....	9	18	22	13	14	40	44	51	49	50
Cuba.....	*	*	*	*	*	1	1	1	1	1
Mexico.....	46	77	76	64	64	235	260	263	287	292
Panama.....	13	14	19	21	28	61	94	84	114	132
Peru.....	15	17	11	15	13	47	65	60	40	43
Uruguay.....	2	3	2	2	2	5	6	5	6	5
Venezuela.....	36	50	43	53	49	134	136	172	190	193
Other L.A. republics.....	51	45	60	63	83	134	172	172	182	193
Neth. Antilles and Surinam.....	6	5	7	8	25	13	13	16	14	20
Other Latin America.....	22	37	59	50	81	222	167	157	169	148
Total.....	733	577	761	818	815	1,838	2,245	2,599	2,169	2,302
Asia:										
China, People's Republic of (China Mainland).....	42	20	39	23	17	11	8	3	8	19
China, Rep. of (Taiwan).....	34	52	72	72	94	120	180	119	127	137
Hong Kong.....	41	24	19	19	19	49	69	68	64	64
India.....	14	14	13	10	7	37	36	31	37	37
Indonesia.....	14	13	22	38	49	54	51	67	81	85
Israel.....	25	31	39	40	51	38	38	37	53	44
Japan.....	297	374	374	352	346	901	1,224	979	1,109	1,154
Korea.....	37	38	45	66	75	105	109	124	123	201
Philippines.....	17	9	19	28	25	73	87	86	108	94
Thailand.....	6	7	7	10	10	19	21	22	23	24
Other Asia.....	173	262	404	431	547	239	264	313	311	386
Total.....	700	844	1,054	1,089	1,240	1,646	2,089	1,850	2,043	2,246
Africa:										
Egypt.....	10	35	12	6	3	9	9	13	16	18
South Africa.....	14	22	24	35	43	62	69	85	90	101
Zaire.....	19	21	15	17	18	18	20	17	13	19
Other Africa.....	125	134	156	114	129	127	155	199	205	240
Total.....	168	212	206	172	193	216	253	314	325	378
Other countries:										
Australia.....	118	134	94	128	132	97	110	117	134	120
All other.....	12	22	24	32	30	25	31	39	44	49
Total.....	130	156	117	160	162	123	142	157	178	169
International and regional.....	*	29	63	125	159	*	1	1	1	*
Grand total.....	4,094	4,523	5,248	5,747	5,929	8,512	10,503	11,071	10,725	11,286

Note.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States.

Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

24. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims										
		Total	Country or area									
			United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1971—Mar.....	3,177	2,983	154	688	670	182	63	615	161	302	77	72
June.....	3,172	2,982	151	687	677	180	63	625	138	312	75	74
Sept.....	2,939	3,019	135	672	765	178	60	597	133	319	85	75
Dec.....	3,159	3,118	128	705	761	174	60	652	141	327	86	85
	3,138	3,068	128	704	717	174	60	653	136	325	86	84
1972—Mar.....	3,093	3,142	129	713	737	175	60	665	137	359	81	85
June.....	3,300	3,206	108	712	748	188	61	671	161	377	86	93
Sept.....	3,448	3,187	128	695	757	177	63	662	132	390	89	96
Dec.....	3,540	3,312	163	715	775	184	60	658	156	406	87	109
	3,628	3,391	191	744	793	187	64	703	143	378	86	111
1973—Mar.....	3,817	3,534	156	802	807	165	63	796	173	393	105	125
June.....	3,830	3,592	180	805	819	146	65	825	124	390	108	131
Sept.....	4,064	3,755	216	822	836	147	73	832	134	449	108	137
Dec.....	3,945	3,823	290	763	892	145	79	824	122	450	115	143
1974—Mar.....	3,859	3,940	368	736	928	194	81	800	118	448	119	147
June.....	3,550	3,938	363	696	948	184	138	742	117	477	122	149
Sept.....	3,355	4,055	370	702	992	181	145	776	114	523	118	133
Dec.....	3,514	4,231	364	636	1,021	187	143	1,015	107	505	125	129

¹ Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

25. OPEN MARKET RATES

(Per cent per annum)

Month	Canada		United Kingdom			France	Germany, Fed. Rep. of		Netherlands		Switzerland	
	Treasury bills, 3 months ¹	Day-to-day money ²	Prime bank bills, 3 months	Treasury bills, 3 months	Day-to-day money	Clearing banks' deposit rates	Day-to-day money ³	Treasury bills, 60-90 days ⁴	Day-to-day money ⁵	Treasury bills, 3 months	Day-to-day money	Private discount rate
1973.....	5.43	5.27	10.45	9.40	8.27	7.96	8.92	6.40	10.18	4.07	4.94	5.09
1974.....	7.63	7.69	12.99	11.36	9.85	9.48	12.87	6.06	8.76	6.90	8.21	6.67
1974—June.....	8.66	8.36	12.61	11.23	10.58	9.50	13.59	5.63	8.79	7.00	8.98	6.50
July.....	8.88	8.52	13.21	11.20	8.70	9.50	13.75	5.63	9.13	7.50	8.57	7.00
Aug.....	8.76	8.83	12.80	11.24	11.11	9.50	13.68	5.63	9.05	7.50	7.09	7.09
Sept.....	8.70	8.84	12.11	10.91	10.69	9.50	13.41	5.63	9.00	7.42	5.08	7.00
Oct.....	8.67	8.56	11.95	10.93	10.81	9.50	13.06	5.63	8.88	7.38	7.81	7.00
Nov.....	7.84	7.86	12.07	10.98	7.70	9.50	12.40	5.63	7.20	6.72	7.00	7.00
Dec.....	7.29	7.44	12.91	10.99	7.23	9.50	11.88	5.13	8.25	6.69	6.96	7.00
1975—Jan.....	6.65	6.82	11.93	10.59	8.40	9.30	11.20	5.13	7.54	6.60	6.18	7.00
Feb.....	6.34	6.88	11.34	9.88	7.72	9.50	9.91	3.88	4.04	6.56	7.43	7.00
Mar.....	6.29	6.73	10.11	9.99	7.53	8.22	9.06	3.38	4.87	5.94	5.87	7.00
Apr.....	6.59	6.68	9.41	9.26	7.50	7.09	8.34	3.38	4.62	5.53	4.13	6.50
May.....	6.89	6.88	10.00	9.47	7.81	6.25	7.56	3.38	5.32	3.82	1.98	6.50
June.....	6.96	6.88	9.72	9.43	7.00	6.25	7.31	.....	4.91	2.78	1.37	6.50

¹ Based on average yield of weekly tenders during month.² Based on weekly averages of daily closing rates.³ Rate shown is on private securities.⁴ Rate in effect at end of month.⁵ Monthly averages based on daily quotations.NOTE.— For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics, 1962*.

NOTES TO TABLES 19a AND 19b ON PAGES A-70 AND A-71, RESPECTIVELY:

¹ Cayman Islands included beginning Aug. 1973.² Total assets and total liabilities payable in U.S. dollars amounted to \$31,483 million and \$31,609 million, respectively, on April 30, 1975.

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

For a given month, total assets may not equal total liabilities because some branches do not adjust the parent's equity in the branch to reflect unrealized paper profits and paper losses caused by changes in exchange rates, which are used to convert foreign currency values into equivalent dollar values.

26. CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Rate as of June 30, 1975			Rate as of June 30, 1975		
Country	Per cent	Month effective	Country	Per cent	Month effective
Argentina.....	18.0	Feb. 1972	Italy.....	7.0	May 1975
Austria.....	6.0	Apr. 1975	Japan.....	8.0	June 1975
Belgium.....	6.5	May 1975	Mexico.....	4.5	June 1942
Brazil.....	18.0	Feb. 1972	Netherlands.....	6.0	Mar. 1975
Canada.....	8.75	Jan. 1975	Norway.....	5.5	Mar. 1974
Denmark.....	8.0	Apr. 1975	Sweden.....	7.0	Apr. 1974
France.....	9.5	June 1975	Switzerland.....	4.5	May 1975
Germany, Fed. Rep. of.....	4.5	May 1975	United Kingdom.....	10.0	May 1975
			Venezuela.....	5.0	Oct. 1970

NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or govt. securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations. Other rates for some of these countries follow:

Argentina 3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;
 Brazil 8 per cent for secured paper and 4 per cent for certain agricultural paper;

Japan Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

United Kingdom The Bank's minimum lending rate, which is the average rate of discount for Treasury bills established at the most recent tender plus one-half per cent rounded to the nearest one-quarter per cent above;

Venezuela 2 per cent for rediscounts of certain agricultural paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

27. FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (krone)	France (franc)	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)
1971.....	113.61	4.0009	2.0598	99.021	13.508	18.148	28.768	13.338	244.42	16174	28779
1972.....	119.23	4.3228	2.2716	100.937	14.384	19.825	31.364	13.246	250.08	17132	32995
1973.....	141.94	5.1649	2.5761	99.977	16.603	22.536	37.758	12.071	245.10	17192	36915
1974.....	143.89	5.3564	2.5713	102.257	16.442	20.805	38.723	12.460	234.03	15372	34302
1974—June.....	148.34	5.5085	2.6366	103.481	16.754	20.408	39.603	12.735	239.02	15379	35340
July.....	147.99	5.4973	2.6378	102.424	16.858	20.984	39.174	12.759	238.96	15522	34372
Aug.....	148.24	5.3909	2.5815	102.053	16.547	20.912	38.197	12.525	234.56	15269	34082
Sept.....	144.87	5.2975	2.5364	101.384	16.111	20.831	37.580	12.316	231.65	15103	33439
Oct.....	130.92	5.4068	2.5939	101.727	16.592	21.131	38.571	12.416	233.29	14992	34404
Nov.....	131.10	5.5511	2.6529	101.280	16.997	21.384	39.836	12.397	232.52	14996	33325
Dec.....	131.72	5.7176	2.7158	101.192	17.315	22.109	40.816	12.352	232.94	15179	33288
1975—Jan.....	132.95	5.9477	2.8190	100.526	17.816	22.893	42.292	12.300	236.23	15504	33370
Feb.....	134.80	6.0400	2.8753	99.957	18.064	23.390	42.981	12.550	239.58	15678	34294
Mar.....	135.85	6.0648	2.9083	99.954	18.397	23.804	43.120	12.900	241.80	15842	34731
Apr.....	134.16	5.9355	2.8433	98.913	18.119	23.806	42.092	12.686	237.07	15767	34224
May.....	134.04	6.0033	2.8631	97.222	18.299	24.655	42.546	12.391	232.05	15937	34314
June.....	131.55	6.0338	2.8603	97.426	18.392	24.971	42.726	12.210	228.01	15982	34077
Period	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1971.....	32.989	8.0056	28.650	113.71	14.205	3.5456	140.29	1.4383	19.592	24.325	244.42
1972.....	35.610	8.0000	31.153	119.35	15.180	3.7023	129.43	1.5559	21.022	26.193	250.08
1973.....	40.988	8.0000	35.977	136.04	17.406	4.1080	143.88	1.7178	22.970	31.700	245.10
1974.....	41.682	8.0000	37.267	140.02	18.119	3.9506	146.98	1.7337	22.563	33.688	234.03
1974—June.....	41.586	8.0000	37.757	145.29	18.410	4.0160	148.86	1.7450	22.885	33.449	239.02
July.....	41.471	8.0000	38.043	145.15	18.519	3.9886	149.73	1.7525	22.861	33.739	238.96
Aug.....	42.780	8.0000	37.419	143.73	18.246	3.9277	146.83	1.7466	22.597	33.509	234.56
Sept.....	41.443	8.0000	36.870	139.64	17.993	3.8565	142.69	1.7339	22.333	33.371	231.65
Oct.....	41.560	8.0000	37.639	129.95	18.165	3.9246	142.75	1.7422	22.683	34.528	233.29
Nov.....	43.075	8.0000	38.438	130.42	18.404	3.9911	143.88	1.7522	23.175	36.384	232.52
Dec.....	42.431	8.0000	39.331	130.56	18.873	4.0400	144.70	1.7716	23.897	38.442	232.94
1975—Jan.....	43.359	8.0000	40.715	131.72	19.579	4.0855	145.05	1.7800	24.750	39.571	236.23
Feb.....	44.136	8.0000	41.582	133.30	19.977	4.1139	147.16	1.7784	25.149	40.450	239.58
Mar.....	44.582	8.0000	42.124	134.31	20.357	4.1276	148.70	1.7907	25.481	40.273	241.80
Apr.....	43.797	8.0000	41.291	132.66	20.049	4.0596	147.01	1.7752	25.171	39.080	237.07
May.....	44.278	8.0000	41.581	131.66	20.198	4.0933	146.69	1.7871	25.422	39.851	232.05
June.....	43.856	8.0000	41.502	130.86	20.393	4.1124	146.31	1.7922	25.532	40.086	228.03

NOTE. Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance" Section 15 of *Survey of Banking and Monetary Statistics 1962*.

SALES, REVENUE, PROFITS, AND DIVIDENDS OF LARGE MANUFACTURING CORPORATIONS

(In millions of dollars)

Industry	1972	1973	1974	1972				1973				1974				
				IV	I	II	III	IV	I	II	III	IV				
Total (170 corps.):																
Sales.....	371,946	442,254	563,950	100,194	102,932	109,967	108,370	120,985	126,797	142,974	144,936	149,243				
Total revenue.....	376,604	448,795	572,368	101,078	104,181	111,526	109,984	123,108	128,695	145,125	147,134	151,409				
Profits before taxes.....	41,164	53,833	67,650	12,003	12,672	14,009	12,411	14,742	16,588	18,191	17,837	15,013				
Profits after taxes.....	21,753	28,772	32,502	5,931	6,769	7,491	6,762	7,750	7,739	9,280	8,420	7,068				
Memo: PAT unadj. ²	21,237	28,804	32,705	5,894	6,754	7,385	6,732	7,930	7,626	9,210	8,487	7,383				
Dividends.....	10,538	11,513	12,302	2,877	2,639	2,715	2,767	3,393	2,906	2,928	3,076	3,390				
Nonurable goods industries (86 corps.):³																
Sales.....	176,329	210,118	308,699	46,815	47,519	50,223	53,168	59,207	68,767	77,090	80,425	82,417				
Total revenue.....	178,915	213,904	314,256	47,023	48,259	51,191	54,098	60,357	70,049	78,552	81,905	83,746				
Profits before taxes.....	21,799	30,200	46,380	6,479	6,473	7,129	7,610	8,988	11,880	11,972	12,595	9,930				
Profits after taxes.....	11,154	15,538	20,536	2,946	3,390	3,667	4,018	4,463	5,056	5,728	5,464	4,291				
Memo: PAT unadj. ²	10,859	15,421	20,433	3,035	3,348	3,597	3,957	4,517	4,957	5,677	5,389	4,411				
Dividends.....	5,780	6,103	6,872	1,476	1,480	1,462	1,527	1,633	1,625	1,645	1,722	1,882				
Durable goods industries (84 corps.):⁴																
Sales.....	195,618	232,136	255,251	53,379	55,413	59,744	55,202	61,778	58,029	65,884	64,511	66,826				
Total revenue.....	197,690	234,891	258,112	54,055	55,922	60,335	55,886	62,751	58,646	66,573	65,229	67,663				
Profits before taxes.....	19,365	23,633	21,271	5,524	6,199	6,880	4,801	5,754	4,708	6,219	5,242	5,102				
Profits after taxes.....	10,599	13,234	11,966	2,984	3,379	3,824	2,744	3,287	2,683	3,552	2,956	2,776				
Memo: PAT unadj. ²	10,374	13,383	12,272	2,859	3,406	3,788	2,775	3,413	2,669	3,533	3,098	2,973				
Dividends.....	4,758	5,410	5,430	1,401	1,159	1,253	1,240	1,760	1,281	1,283	1,354	1,508				
Selected industries:																
Food and kindred prod. (28 corps.):																
Sales.....	37,624	42,628	52,753	10,039	9,561	10,183	11,014	11,871	11,885	12,729	13,663	14,476				
Total revenue.....	38,091	43,198	53,728	10,115	9,711	10,348	11,201	11,938	12,110	12,996	13,939	14,683				
Profits before taxes.....	3,573	3,957	4,603	960	897	962	1,031	1,067	1,046	1,190	1,289	1,077				
Profits after taxes.....	1,845	2,063	2,298	490	474	499	546	543	529	607	645	517				
Memo: PAT unadj. ²	1,805	2,074	2,328	452	453	501	546	573	533	610	646	540				
Dividends.....	893	935	1,010	227	230	230	236	240	243	248	253	267				
Chemical and allied prod. (22 corps.):																
Sales.....	36,638	43,208	55,084	9,593	10,153	10,693	10,828	11,534	12,507	13,892	14,606	14,078				
Total revenue.....	37,053	43,784	55,677	9,723	10,264	10,849	10,968	11,704	12,667	14,066	14,778	14,165				
Profits before taxes.....	4,853	6,266	8,264	1,280	1,487	1,606	1,599	1,572	1,856	2,293	2,194	1,920				
Profits after taxes.....	2,672	3,504	4,875	669	835	886	901	883	1,044	1,247	1,223	1,362				
Memo: PAT unadj. ²	2,671	3,469	4,745	712	834	884	871	880	1,031	1,245	1,180	1,289				
Dividends.....	1,395	1,496	1,646	378	346	359	374	417	383	405	422	437				
Petroleum refining (15 corps.):																
Sales.....	74,662	93,505	165,150	19,925	20,477	21,689	23,586	27,752	36,103	41,362	42,747	44,938				
Total revenue.....	76,133	95,722	168,680	19,845	20,892	22,258	23,988	28,584	36,913	42,261	43,659	45,847				
Profits before taxes.....	11,461	17,494	30,659	3,717	3,514	3,884	4,371	5,724	8,296	7,564	8,339	6,458				
Profits after taxes.....	5,562	8,550	11,775	1,509	1,760	1,899	2,230	2,662	3,098	3,349	3,181	2,147				
Memo: PAT unadj. ²	5,325	8,505	11,747	1,578	1,737	1,888	2,192	2,688	3,011	3,304	3,132	2,299				
Dividends.....	2,992	3,147	3,635	746	777	748	789	832	864	853	899	1,019				
Primary metals and prod. (23 corps.):																
Sales.....	34,359	42,400	54,045	9,099	9,635	10,784	10,602	11,379	11,888	13,976	14,285	13,895				
Total revenue.....	34,797	43,104	55,049	9,253	9,733	10,891	10,764	11,715	12,045	14,171	14,504	14,328				
Profits before taxes.....	1,969	3,221	5,580	589	618	885	799	919	973	1,586	1,791	1,229				
Profits after taxes.....	1,195	1,966	3,199	302	383	542	480	561	589	927	1,028	655				
Memo: PAT unadj. ²	1,109	2,039	3,485	256	397	538	496	607	607	942	1,137	799				
Dividends.....	653	789	965	168	200	178	184	227	221	209	238	297				
Machinery (27 corps.):																
Sales.....	55,615	65,041	73,452	15,018	14,828	16,035	16,306	17,871	16,830	18,836	18,853	18,935				
Total revenue.....	56,348	65,925	74,284	15,203	14,997	16,241	16,519	18,168	17,012	19,023	19,075	19,174				
Profits before taxes.....	6,358	7,669	7,643	1,810	1,705	1,880	1,936	2,149	1,829	2,074	1,943	1,797				
Profits after taxes.....	3,522	4,236	4,213	1,017	933	1,034	1,069	1,200	1,006	1,149	1,074	985				
Memo: PAT unadj. ²	3,388	4,208	4,168	902	931	1,020	1,070	1,188	996	1,137	1,096	939				
Dividends.....	1,497	1,606	1,839	375	389	401	407	410	441	441	476	481				
Motor vehicles and equipment (9 corps.):																
Sales.....	70,653	83,016	80,386	19,725	21,616	22,256	17,959	21,186	18,467	20,979	19,443	21,497				
Total revenue.....	71,139	83,671	80,882	19,946	21,752	22,415	18,142	21,362	18,597	21,146	19,593	21,545				
Profits before taxes.....	6,955	7,429	2,919	2,019	2,716	2,704	729	1,280	636	1,115	1,231	938				
Profits after taxes.....	3,626	3,992	1,686	1,060	1,405	1,446	431	789	369	657	533	527				
Memo: PAT unadj. ²	3,640	4,078	1,742	1,091	1,429	1,436	450	763	361	648	147	586				
Dividends.....	1,762	2,063	1,538	599	369	473	404	817	384	382	386	385				

¹ Selected items have been revised so that figures for quarters now add to annual totals.

² Profits after taxes (PAT) as reported by the individual companies. In contrast to other profits data in the series, these figures reflect company variations in accounting treatment of special charges and credits.

³ Includes 21 corporations in groups not shown separately.

⁴ Includes 25 corporations in groups not shown separately.

NOTE—Data are obtained from published reports of companies and

reports made to the Securities and Exchange Commission. Sales are net of returns, allowances, and discounts, and exclude excise taxes paid directly by the company. Total revenue data include, in addition to sales, income from nonmanufacturing operations and nonoperating income. Profits are before dividend payments and have been adjusted to exclude special charges and credits to surplus reserves and extraordinary items not related primarily to the current reporting period. Income taxes, (not shown) include Federal, State and local government, and foreign.

Previous series last published in June 1972 BULLETIN, p. A-50.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Class of bank and date	Loans and investments						Total assets					Deposits					Total capital accounts	Number of banks
	Total	Loans ¹	Securities		Cash assets ³	Total liabilities and capital accounts ⁴	Total ⁵	Intrabank ⁶		Other			Borrowings					
			U.S. Treasury	Other ²				Demand	Time	Demand								
										U.S. Govt.	Other							
All commercial banks:																		
1967 Dec. 30	359,903	235,954	62,473	61,477	77,928	451,012	395,008	21,883	1,314	5,234	184,066	182,511	5,777	34,384	13,722			
1968 Dec. 31	401,262	265,259	64,466	71,537	85,753	500,657	434,023	24,747	1,211	5,010	199,901	203,154	8,899	37,006	13,679			
1969 Dec. 31	421,593	295,547	54,709	71,341	89,984	530,665	435,577	27,174	735	5,054	208,870	193,744	18,360	39,978	13,661			
1970 Dec. 31	461,194	313,334	61,752	86,118	93,643	576,242	480,940	30,608	1,975	7,938	209,335	231,084	19,375	42,958	13,686			
1971 Dec. 31	516,564	346,930	64,930	104,704	99,832	640,255	537,946	32,205	2,908	10,169	220,375	272,289	25,912	47,211	13,783			
1972 Dec. 31	598,808	414,696	67,028	117,084	113,128	739,033	616,037	33,854	4,194	10,875	252,223	314,891	38,083	52,658	13,927			
1973 Dec. 31	683,799	494,947	58,277	130,574	118,276	835,224	681,847	36,839	6,773	9,865	263,367	365,002	58,994	58,128	14,171			
1974																		
Jan. 30	674,620	485,110	58,810	130,700	103,130	811,700	652,250	31,660	6,620	9,820	233,460	370,990	65,830	58,350	14,180			
Feb. 27	681,460	491,950	57,620	131,740	102,310	818,690	652,670	31,620	6,200	6,650	233,240	374,960	68,090	58,740	14,202			
Mar. 27	691,080	500,100	57,510	133,470	104,330	831,530	661,180	32,030	6,490	6,110	235,830	380,720	69,930	59,310	14,236			
Apr. 24	699,290	508,140	56,410	134,740	102,460	838,740	669,730	31,450	7,290	5,900	236,130	388,920	67,580	59,950	14,261			
May 29	703,820	514,280	54,080	135,460	115,575	851,695	683,175	34,870	8,200	5,940	238,215	395,250	69,910	60,330	14,290			
June 30	718,713	528,951	52,114	137,648	126,387	884,295	709,911	42,016	8,903	8,367	252,433	398,957	67,548	61,623	14,337			
July 31	730,730	541,580	52,200	136,920	107,850	872,560	695,230	43,580	9,680	4,160	241,800	403,740	68,030	61,530	14,367			
Aug. 28	722,110	533,320	52,010	136,780	100,610	865,740	688,490	30,530	9,970	4,070	235,180	408,130	67,230	61,500	14,383			
Sept. 25	721,160	532,890	50,690	137,580	107,990	873,710	692,820	29,760	10,610	7,380	236,550	408,530	67,920	61,850	14,398			
Oct. 30	723,330	534,520	50,740	138,080	110,770	880,750	700,420	33,150	10,180	3,080	243,090	410,920	68,350	62,180	14,422			
Nov. 27	729,640	539,400	52,140	138,100	116,220	894,530	708,150	34,230	10,310	3,910	248,730	410,920	71,470	62,210	14,440			
Dec. 31	744,152	549,203	54,453	140,496	128,055	919,612	747,951	41,483	11,496	4,807	267,534	420,630	58,375	63,655	14,465			
Members of F.R. System:																		
1967 Dec. 30	293,120	196,849	46,956	49,315	68,946	373,584	326,034	20,811	1,169	4,631	151,980	147,442	5,470	28,098	6,071			
1968 Dec. 31	325,086	220,285	47,881	56,920	73,756	412,541	355,414	23,519	1,061	4,309	163,920	162,265	8,458	30,060	5,978			
1969 Dec. 31	336,738	242,119	49,843	54,785	79,034	432,270	349,883	25,841	609	4,114	169,750	149,569	17,395	32,047	5,869			
1970 Dec. 31	365,940	253,936	45,999	66,604	81,500	465,644	384,596	29,142	1,733	6,460	168,032	179,229	18,578	34,100	5,766			
1971 Dec. 31	405,087	277,717	47,633	79,738	86,189	511,353	425,380	30,612	2,549	8,427	174,385	209,406	25,046	37,279	5,727			
1972 Dec. 31	465,788	329,548	48,715	87,524	96,566	585,125	482,124	31,958	3,561	9,024	191,817	239,763	36,357	41,228	5,704			
1973 Dec. 31	528,124	391,032	41,494	95,598	100,098	655,898	526,837	34,782	5,843	8,273	202,564	275,374	55,611	44,741	5,735			
1974																		
Jan. 30	518,541	381,344	41,699	95,498	88,960	635,219	501,260	30,003	5,690	7,621	178,457	279,489	61,585	44,829	5,744			
Feb. 27	522,816	385,879	40,922	96,015	87,251	639,172	500,113	29,751	5,273	5,084	178,731	281,272	61,865	45,054	5,747			
Mar. 27	529,961	392,461	40,537	96,963	89,568	649,129	506,641	30,083	5,558	4,817	180,862	285,321	65,427	45,491	5,754			
Apr. 24	535,917	399,092	39,273	97,552	87,005	653,285	512,792	29,396	6,363	4,733	179,927	292,362	62,859	45,896	5,763			
May 29	538,801	403,619	37,282	97,900	99,355	669,357	524,837	32,452	7,274	4,746	182,060	298,305	64,820	46,090	5,763			
June 30	550,388	415,061	35,934	99,393	108,971	692,199	547,031	39,211	7,818	6,624	192,979	299,400	62,836	46,946	5,761			
July 31	552,645	418,088	35,858	98,697	91,430	680,511	533,807	31,153	8,598	3,180	186,360	304,516	63,042	46,907	5,766			
Aug. 28	552,845	418,727	35,878	98,240	84,947	673,296	527,573	28,487	8,887	2,958	179,429	302,812	61,781	46,816	5,766			
Sept. 25	550,843	417,633	34,683	98,529	91,002	679,160	531,194	27,831	9,572	5,782	180,113	302,945	62,166	47,054	5,773			
Oct. 30	548,622	415,941	34,813	97,868	93,674	680,173	535,128	31,043	9,089	2,117	184,573	308,306	60,803	47,131	5,775			
Nov. 27	556,088	421,428	36,194	98,266	98,601	694,743	542,515	32,422	9,222	2,859	189,688	308,374	65,411	47,320	5,774			
Dec. 31	568,577	429,557	38,924	100,006	107,008	715,675	575,612	41,062	10,052	3,183	204,232	317,083	52,856	48,244	5,780			

¹ "Total loans" include Federal funds sold, and securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc.," on p. A-16 of the May 1975 BULLETIN.

² Effective June 30, 1971, Farmers Home Administration notes were classified as "Other securities" rather than "Loans." As a result of this change, approximately \$300 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

³ See also table (and notes) at the bottom of p. A-23.

⁴ See first 2 paragraphs of note 1.

⁵ Reciprocal balances excluded.

⁶ Includes items not shown separately. See also note 1.

⁷ See third paragraph of note 1 above.

⁸ Figure takes into account the following changes beginning June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis that is, before deduction of valuation reserves, rather than net as previously reported.

⁹ Member bank data for Oct. exclude assets of \$3.6 billion of one large bank.

NOTE: Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; and nondeposit trust companies.

Effective June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and nonmember commercial banks include through June 30, 1970, a small member bank engaged exclusively in trust business; beginning 1973, exclude 1 national bank in Puerto Rico.

Beginning May 1974, member banks exclude and nonmember commercial banks include 1 bank and beginning Aug. 1974, 2 banks engaged exclusively in trust business.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and by mergers, etc.

Figures are partly estimated except on call dates.

For revisions in series before Dec. 30, 1967, see earlier BULLETINS.

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(For list of tables published periodically, but not monthly, see inside back cover)

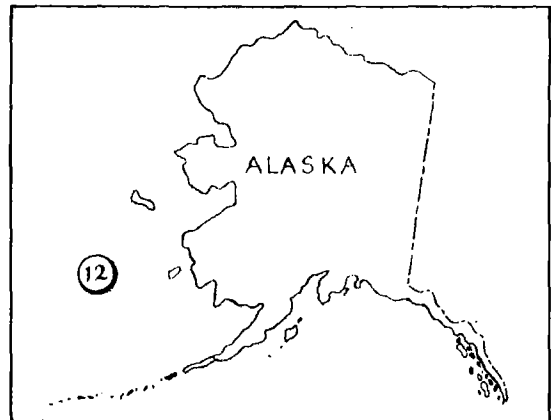
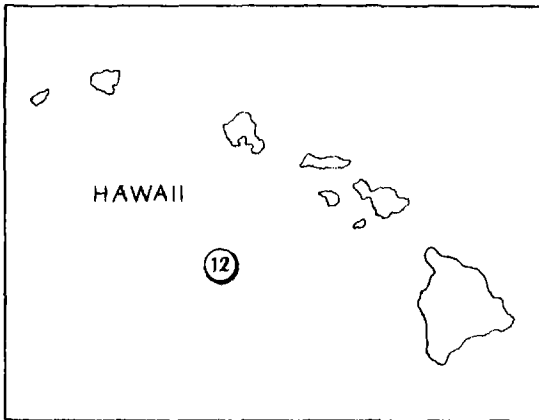
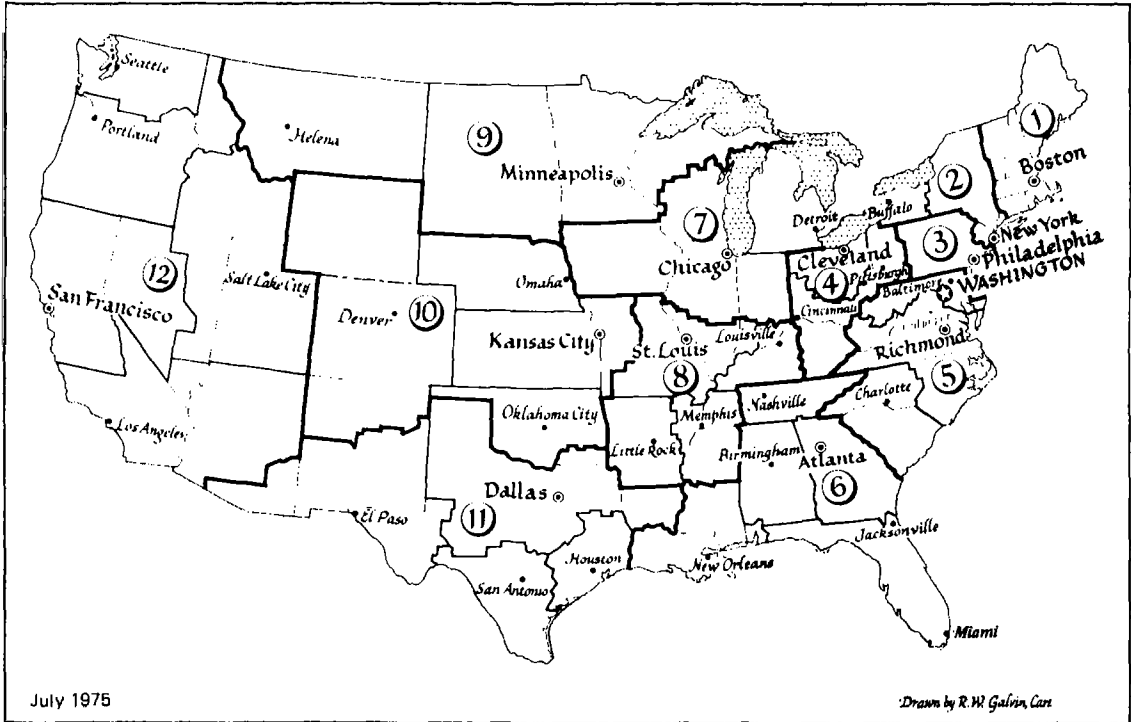
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The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility

Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

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

GENERAL INFORMATION

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

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

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

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

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

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

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