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FEDERAL RESERVE BULLETIN

An Update on the Automated Clearinghouse

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FEDERAL RESERVE BULLETIN

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

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An Update on the Automated Clearinghouse

This article was prepared by Earl G. Hamilton of the Division of Federal Reserve Bank Operations.

More than 10 years have elapsed since a group of commercial bankers in California organized the special committee on paperless entries (SCOPE) to study the exchange of payments on magnetic tape. The outgrowth of this study was the first automated clearinghouse (ACH) association comprising more than 100 California commercial banks; it marked the beginning of a mutually beneficial arrangement between the private sector of the economy and the Federal Reserve to provide electronic payments services to the public. A successful nationwide electronic clearing and settlement mechanism in which 12,000 financial institutions and 6,800 corporations participate has evolved from this arrangement, and the ACH associations have been the locus of developments in ACH operations and they are expected to continue in this important role.

Participating in the ACH mechanism are the privately incorporated ACH associations and the National Automated Clearing House Association (NACHA); the originating and receiving financial depository institutions; the corporations, governments, and consumers that use the system; and the Federal Reserve.

The ACH associations' members are depository institutions that have agreed to abide by the rules and procedures that have been established for the exchange of payments on computer tape to make the ACH attractive to users. For example, the rules established by the ACH associations for error resolution on balance are thought to provide greater consumer protection than those provided by the uniform commercial code (UCC) for check payments. The rules governing ACH payments also permit reversals, for which the check system has no provision. A final element of consumer benefit established

by ACH association rules relates to the deposit schedule for direct deposit. These rules assure availability of funds to the depositor on a specific date. In the check system the depositor may have his funds delayed by the financial institution for days after deposit of the check, as the financial institution protects itself against the check being returned.

The ACH clearing mechanism is illustrated schematically in chart 1. In an ACH operation, *originating* financial institutions create computer tapes of debit and credit items based upon instructions received from their corporate, government, and consumer customers and deliver the tapes to their local Federal Reserve clearing and settlement facility. The information on the tapes is read and edited by computer. It is then sorted on the basis of *receiving* financial institution, and debit and credit entries for settlement are made in member bank reserve accounts for both the *originating* and the *receiving* financial institution. If the *receiving* financial institution is in another Federal Reserve District, the information on tape is transmitted to the receiving ACH where it is then sorted according to the *receiving* financial institution and where settlement is arranged. When the processing has been completed, the computer creates magnetic tapes or descriptive paper listings that the Federal Reserve sends to the *receiving* financial institutions. These institutions, in turn, make the appropriate entries based on the instructions of their customers.

The Federal Reserve operates all of the clearing and settlement facilities for ACH associations, except for the New York Automated Clearing House Association. While the New York association uses Federal Reserve delivery and settlement facilities, it provides its own computer operations.

In the last 10 years the ACH concept has spread steadily. Today 36 ACH facilities provide service to all of the continental United

States except the southern half of West Virginia. (West Virginia has been opposed to any form of electronic fund transfers and until recently had a law requiring payment to be made in cash or check form. It is expected that the Mid-Atlantic Automated Clearing House Association, which currently serves the northern half of West Virginia, will soon extend service coverage to the southern half.) The members of the ACH associations include 9,722 commercial banks and 2,169 thrift institutions, most of which are receiving institutions only. Although

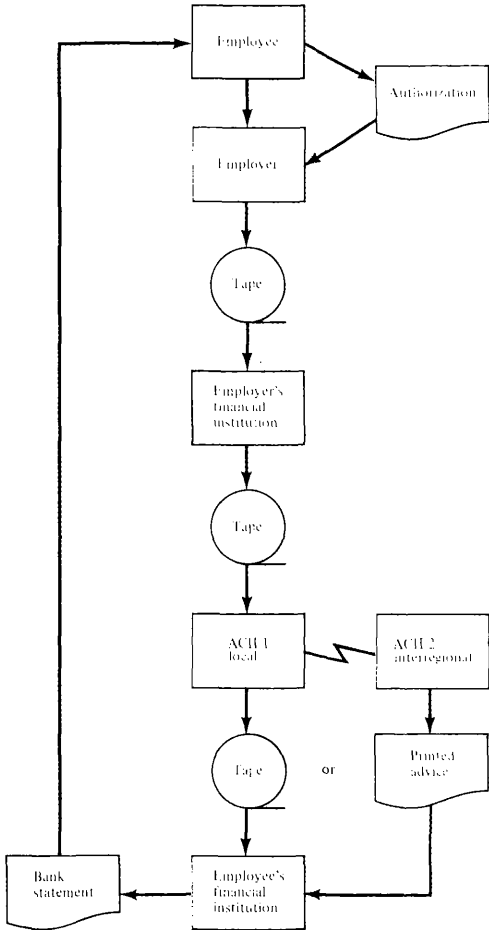
the number of originating institutions is still relatively small, it has grown by a dramatic 23.6 percent in the year ending April 1979, to more than 6,800.

ACH VOLUME

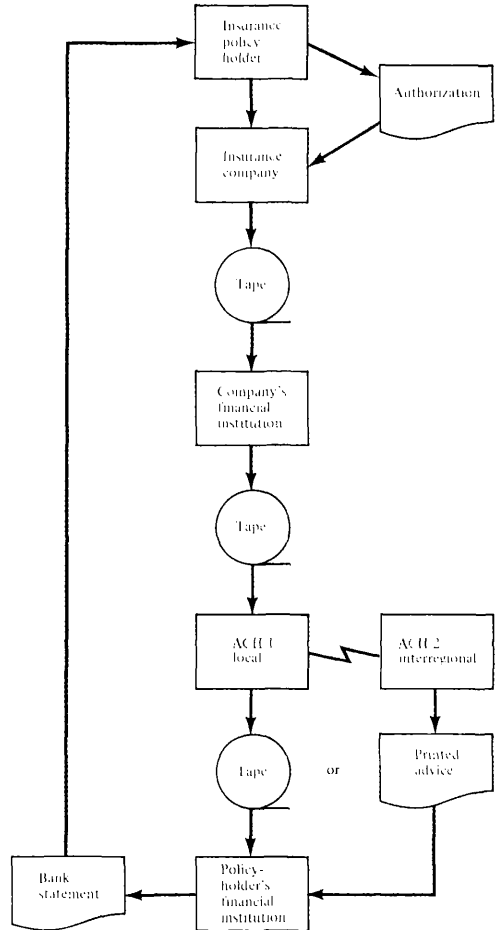
The Federal Reserve has gathered statistics on ACH operations since November 1976. Statistics for both commercial and government users are collected by each Federal Reserve District and compiled for the Federal Reserve System.

ACH processing mechanism

CREDIT ENTRY
Direct deposit of payroll



~~CREDIT~~ **ENTRY**
Preauthorized insurance premium



1. Number of commercial and government ACH items processed at Federal Reserve Banks, April 1979

Federal Reserve District	Number			Percent of System total	Percent of District total	
	Commercial	Government	Total		Commercial	Government
Boston	174,046	617,813	791,859	6.2	28.2	71.8
New York	230,381	1,044,340	1,274,721	10.0	18.1	81.9
Philadelphia	14,162	441,425	455,587	3.6	3.1	96.9
Cleveland	298,470	594,778	893,248	7.0	33.4	66.6
Richmond	243,266	771,599	1,014,865	7.9	24.0	76.0
Atlanta	184,011	1,257,691	1,441,702	11.3	12.8	87.2
Chicago	157,726	1,281,957	1,439,683	11.3	11.0	89.0
St. Louis	66,610	526,820	593,430	4.6	11.2	88.8
Minneapolis	87,914	406,914	494,828	3.9	17.8	82.2
Kansas City	233,178	804,079	1,037,257	8.1	22.5	77.5
Dallas	31,919	816,086	848,005	6.6	3.8	96.2
San Francisco	341,207	2,169,090	2,510,297	19.5	13.5	86.5
System	2,062,890	10,732,592	12,795,482	100.0	16.1	83.9

Data for the first four months of 1979 suggest that the Federal Reserve will process more than 150 million ACH items during the year as a whole, of which 130 million are government items and the remainder, commercial.

In April 1979, almost 13 million ACH items were processed at Federal Reserve Banks. On a systemwide basis, government items accounted for 83.9 percent of total ACH volume and commercial items for 16.1 percent. As table 1 shows, Federal Reserve offices in the San Francisco District, where the ACH system originated, processed the largest number of both commercial items and government items, representing 19.5 percent of the System's total.

The Federal Reserve's ACH volume is still dominated by government payments, which account for almost 97 percent of total volume in some Districts. In the Boston, Cleveland, and Richmond Districts, commercial volume is now 24 to 33 percent, and the trend is toward more balance between government and commercial volume. For the first four months of 1979, the volume of commercial payments has increased at an annual rate of 44 percent over 1978, while the volume of government payments has increased 28 percent. The growth in commercial volume was spurred, first, by improved marketing efforts by financial institutions and ACHs; and second, by the availability of a nationwide program for interregional exchange among ACH associations, which has stimulated corporate demand for both local and interregional payments. Without the nationwide program of in-

terregional exchange, many corporations would find the ACH unacceptable because they would be required to use different systems for local and national payments.

COMMERCIAL ITEMS

Commercial items processed through ACHs include debits, credits, and prenotifications of debits and credits. Commercial debits include consumer payments (such as insurance premiums, mortgages, and utilities) and corporate payments (such as accounts receivable and cash concentration). A commercial debit occurs when the originator uses the ACH to *collect* payment. Commercial credits include corporate payments to consumers (such as corporate payroll payments, dividend payments, and annuities) and corporate payments to corporations (such as accounts payable and payments to credit-card merchants). A commercial credit is created when the originator uses the ACH to *make* payment. Prenotifications are notices of pending payments, either debits or credits.

About as many debit as credit payments were distributed throughout the Reserve System as a whole, and together they account for nearly 19 of every 20 commercial items processed (table 2). Prenotifications account for a much smaller volume, 5.9 percent, of the total. Among the Districts, however, the proportions of debits and credits vary widely. For example, in the New York District where a large number of insurance premiums are originated, debits account for

2. Number of commercial ACH items processed at Federal Reserve Banks, April 1979, by type

Federal Reserve District	Number			Percent of District total		
	Debits	Credits	Prenotifications	Debits	Credits	Prenotifications
Boston	21,756	146,542	5,748	12.5	84.2	3.3
New York	189,771	16,685	23,925	82.4	7.2	10.4
Philadelphia	2,204	11,442	516	15.6	80.8	3.6
Cleveland	145,582	147,449	5,439	48.8	49.4	1.8
Richmond	141,417	89,922	11,927	58.1	37.0	4.9
Atlanta	119,171	49,015	15,825	64.8	26.6	8.6
Chicago	51,937	97,427	8,362	32.9	61.8	5.3
St. Louis	40,119	24,445	2,046	60.2	36.7	3.1
Minneapolis	20,405	65,407	2,102	23.2	74.4	2.4
Kansas City	158,103	64,489	10,586	67.8	27.7	4.5
Dallas	4,835	25,897	1,187	15.1	81.1	3.8
San Francisco	102,652	203,122	35,433	30.1	59.5	10.4
System	997,952	941,842	123,096	48.4	45.7	5.9

82.4 percent of commercial items. In the Boston District, by contrast, credits account for 84.2 percent. The differences in credit and debit volume in each District probably reflect initial marketing direction more than industry structure. Distribution percentages in each District similar to those now reflected in System totals are expected as the ACH concept develops.

Of the 2.0 million commercial payments processed by the Federal Reserve during April 1979, 73 percent were local payments. The remainder were interregional payments, which are processed twice, once by the originating District and once by the receiving District. The number of incoming and outgoing payments for each District is shown in table 3. The Federal Reserve District of New York originates 41 percent, but receives only 1.5 percent of the

interregional payments. The Richmond Federal Reserve District receives the most interregional ACH payments.

During April 1979, the Federal Reserve processed interregional ACH payments valued at \$303.8 million (table 4). The average value of an interregional transfer was \$546, with values ranging from \$71.61 for the New York District to \$1,306.70 for Chicago. The New York District originated 41 percent of the number of interregional transfer items, but these accounted for only 5.4 percent of the dollars processed interregionally.

Overall, 60 percent of the ACH dollars processed interregionally are either originated or received in two Districts, Cleveland and Richmond. The high average value for items originated or received in Cleveland, Richmond,

3. Number of local and interregional commercial ACH items processed at Federal Reserve Banks, April 1979, by direction

Federal Reserve District	Number			Percent of District total		
	Local	Interregional		Local	Interregional	
		Incoming	Outgoing		Incoming	Outgoing
Boston	144,278	38,154	29,768	68.0	18.0	14.0
New York .....	...	8,623	230,321	...	3.6	96.4
Philadelphia	13,403	12,556	759	50.2	47.0	2.8
Cleveland	191,776	77,979	106,694	50.9	20.8	28.3
Richmond	162,190	124,426	81,076	44.1	33.8	22.1
Atlanta	169,584	55,256	14,427	70.9	23.1	6.0
Chicago	124,348	70,376	33,378	54.5	30.9	14.6
St. Louis	51,800	26,989	14,810	55.4	28.8	15.8
Minneapolis	83,330	24,946	4,584	73.8	22.1	4.1
Kansas City	225,808	17,460	7,370	90.1	7.0	2.9
Dallas	28,257	32,869	3,662	43.6	50.7	5.7
San Francisco	311,559	66,863	29,648	76.3	16.4	7.3
System	1,506,333	556,497	556,497	57.6	21.2	21.2

4. Dollar value of interregional commercial ACH items processed at Federal Reserve Banks, April 1979, by direction

Federal Reserve District	Thousands of dollars		Percent of System total		Average dollar value	
	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing
Boston	4,833	8,381	1.6	2.8	126.67	281.54
New York	3,623	16,494	1.2	5.4	420.16	71.61
Philadelphia	5,283	598	1.7	.2	420.75	787.88
Cleveland	83,186	118,453	27.4	39.0	1,066.77	1,110.21
Richmond	106,138	98,858	35.0	32.5	853.02	1,219.33
Atlanta	13,903	1,360	4.6	.4	251.61	94.27
Chicago	15,947	43,615	5.2	14.4	226.60	1,306.70
St. Louis	5,533	4,011	1.8	1.3	205.00	270.83
Minneapolis	38,195	917	12.6	.3	1,531.11	200.04
Kansas City	5,526	3,005	1.8	1.0	316.49	407.73
Dallas	5,263	1,812	1.7	.6	160.12	494.81
San Francisco	16,386	6,312	5.4	2.1	245.07	212.90
System	303,816	303,816	100.0	100.0	546.00	546.00

Chicago, and Minneapolis can be explained by the types of payments involved. Cash concentration payments and direct deposits of payroll account for a significant percentage of the total interregional volume in those Districts with high average transaction values, while small payments (such as insurance premiums) predominate in those districts with low average value per payment. For example, the New York District initiates a large number of small payments such as insurance premiums, whereas the Chicago District initiates a large number of high value payments (such as corporate payroll and cash concentration transactions).

GOVERNMENT ITEMS

During April 1979, the Federal Reserve processed 10.7 million government ACH payments valued at \$4.6 billion. Because some Federal Reserve offices processed these April payments at the end of March, these numbers differ from the Treasury reports of 12.4 million items of government direct deposit payments for that month. Social security payments accounted for about 75 percent of the government ACH volume. The government's aggressive program to convert its check disbursement system to direct deposit through electronic fund transfer systems has been very successful; the rate of participation by payees in those programs that have converted to the ACH system is 25 percent. These conversions save the government 12 cents per payment.

Regular Social Security Administration payments (SSAs); current month accruals (CMAs), which are social security payments that require a later time schedule; and supplemental security income payments (SSIs) are originated once each month by regional Treasury disbursing centers, which provide local Federal Reserve offices with magnetic payment tapes on a predetermined schedule. SSAs account for 95 percent of the total ACH social security payments. As would be expected, the geographic distribution of social security payments processed by Federal Reserve Districts varies by population. The four Federal Reserve Districts with the largest population—San Francisco, Chicago, New York, and Atlanta—process 56.4 percent of the total of all types of social security ACH payments. Some of these patterns are reported in table 5.

In addition to social security ACH payments, the Federal Reserve Banks in April 1979 processed more than 2.7 million other government ACH payments, including salaries, retirement pensions, and revenue-sharing payments. Treasury disbursing offices provide magnetic payment tapes to Federal Reserve offices for all such payments except those for the military services, which operate their own disbursing offices and deal directly with the Federal Reserve.

Direct deposit programs of the Office of Personnel Management (OPM, formerly the Civil Service Commission), the Air Force, and the Veterans Administration (VA) account for 81

5. Number of government ACH items processed at Federal Reserve Banks, April 1979, by type

Federal Reserve District	Number		Percent of District total	
	Social security payments	Other government payments	Social security payments	Other government payments
Boston	512,920	104,893	83.0	17.0
New York	928,767	115,573	88.9	11.1
Philadelphia	357,453	83,972	81.0	19.0
Cleveland	402,604	192,174	67.7	32.3
Richmond	474,771	296,828	61.5	38.5
Atlanta	865,409	392,282	68.8	31.2
Chicago	1,117,741	164,216	87.2	12.8
St. Louis	404,429	122,391	76.7	23.3
Minneapolis	300,015	106,899	73.7	26.3
Kansas City	554,995	249,084	69.0	31.0
Dallas	488,239	327,847	59.8	40.2
San Francisco	1,608,971	560,119	74.2	25.8
System	8,016,314	2,716,278	79.9	20.1

percent of other government—that is, non-social security—ACH volume. The salary and retirement pension programs of the Air Force have a participation rate of 74 percent; they are followed by OPM retirement, railroad retirement, and VA benefit and compensation programs, with participation rates of 33, 21.6, and 13 percent respectively, according to the Treasury's monthly reports on volume and participation rates.

As in the case of social security payments, four Federal Reserve Districts processed more than half of all ACH items for other government agencies. District population seems to be a smaller factor in the volume distribution of other government ACH payments, although the San Francisco and Atlanta Districts, which rank first and fourth in terms of population, rank first and second in terms of volume processed, 20.6 and 14.4 percent respectively. New York and Chicago, which rank second and third in terms of District population, rank only ninth and seventh respectively in terms of other government ACH items processed. This disparity arises because other government ACH activity is composed mostly of retirement pensions. The military and government employees who receive these pensions probably retire in the areas where they worked; most military bases are located in the San Francisco, Atlanta, and Dallas Districts, and most federal government offices are in the Richmond District, thus explaining the high percentage of payments processed in these four Districts.

OUTLOOK FOR CONTINUED GROWTH

The outlook for ACH activity is for continued growth. To date, government direct deposit programs have been the success story behind the ACH movement. The Treasury, which estimates that it realizes cost savings of 12 cents for each item converted from paper check to electronic form, expects a participation rate of about 22.9 percent in 1979 and has established a goal of 40 percent by mid-1981. The achievement of such a goal would add 10 million monthly payments to ACH volume and would save the Treasury almost \$29 million annually.

Commercial use of ACHs has lagged behind government use, in spite of a potential volume that is many times greater than that of the government and potential savings that appear to be just as great as those realized by the government. The Federal Reserve conducted an informal survey that focused on cost economies achieved through ACH services by eight non-banking firms and government agencies. The results showed reductions in operating costs of between 52 and 94 percent when alternative payment instruments are converted to ACH payments. The major savings were in the costs of labor and capital and of postage.

Demand for ACH clearing will be influenced not only by productivity limits in the check system but also by continued improvement of the ACH system. One considerable improvement has been the implementation of a nation-

wide exchange for interregional transfers. Because that exchange has been fully operational only since September 1978, its full impact on ACH volume has not yet been felt. Federal Reserve surveys indicate that large nationwide corporations will actively participate in ACHs when they become more aware of these expanded capabilities.

Plans are being made to improve the schedules for funds availability and for deposit deadlines. These improvements will make such schedules competitive with those for check collection and therefore will make the ACH mechanism more attractive to potential users.

Another ACH operational improvement that will be required as volume increases, and that in turn should stimulate volume even further, will be a shift of ACH delivery from check couriers to electronic means. The number of data transmission links between Federal Reserve offices and member bank offices has increased and is expected to grow further in 1979. Data transmission links will allow faster and more reliable delivery of payment information and faster and more reliable transfers of funds between payors and payees.

Because the ACH concept is new and flexible, it is capable of adjusting to a changing environment through new applications. For example, NACHA has adopted rules and formats that have encouraged financial institutions to use ACHs to clear some customer-initiated payments that are capable of being processed in batches. These include: (1) transactions from automated teller machines when two or more financial institutions share the machine; (2) items created by telephone bill payment services; and (3) off-line transactions emanating from point-of-sale systems. Such transactions are deposited at the ACH by financial institutions on magnetic tape along with other ACH transactions. Check truncation is another potential application that could make use of ACH technology.

Pricing of Federal Reserve payment services could have a significant impact on ACH volume. Currently the Federal Reserve does not price either its check or its ACH services, but the Congress is considering legislation that requires publication of price schedules for these services. A pricing environment would encourage use of the most efficient payments mechanism, and the ACH system should benefit from competition because it is less labor intensive than the paper check system. Along with operational improvements, pricing should further strengthen the competitive position of the ACH system relative to the check system and should encourage the private sector to promote ACH services aggressively.

SUMMARY

Over the last 10 years the ACH activity has achieved remarkable growth. The 36 ACH facilities now in operation process an annual volume of 150 million payments. The government direct deposit programs, accounting for 83.9 percent of total ACH volume, have been especially successful because of an aggressive educational and promotional program. Although now growing at a faster rate than in earlier years, commercial volume has lagged far behind government volume despite comparable cost savings and significantly greater potential. Local payments constitute 73 percent of commercial volume. This large proportion may reflect only the fact that the Federal Reserve's nationwide exchange system for transfer of interregional payments has been fully operational for less than a year. As businesses become aware of the increased capabilities of the ACH, interregional volume should expand. Moreover, pricing for Federal Reserve services, in conjunction with operational improvements in the ACH system, is expected to provide a significant stimulus to private demand for automated clearing in the future. []

Staff Studies

The staffs of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects. In some instances the Federal Reserve System finances similar studies by members of the academic profession.

From time to time the results of studies that are of general interest to the professions and to others are summarized—or they may be printed in full—in this section of the FEDERAL RESERVE BULLETIN.

In all cases the analyses and conclusions set forth are those of the authors and do not necessarily indicate concurrence by the Board of Governors, by the Federal Reserve Banks, or by the members of their staffs.

Single copies of the full text of each of the studies or papers summarized in the BULLETIN are available without charge. The list of Federal Reserve Board publications at the back of each BULLETIN includes a separate section entitled "Staff Studies" that lists the studies that are currently available.

STUDY SUMMARIES

MEASUREMENT OF CAPACITY UTILIZATION: PROBLEMS AND TASKS

Frank de Leeuw—Bureau of Economic Analysis, Department of Commerce

Lawrence R. Forest, Jr.—Staff, Board of Governors

Richard D. Raddock—Staff, Board of Governors

Zoltan E. Kenessey—Staff, Board of Governors

Presented at the Round Table Conference on Capacity Utilization, Washington, D.C., December 4, 1978

As part of a program to improve and expand the coverage of its measures of industrial capacity utilization, the Federal Reserve, with the Bureau of Economic Analysis of the Department of Commerce, held a conference at which key questions relating to the measurement of capacity utilization were addressed. The conference had the following broad objectives: (1) a review of the overall progress made and an exchange of information on the latest developments in capacity utilization statistics; (2) the intensification of the cooperation among the governmental, academic, and business organizations involved in such statistics; and (3) the collection of commentaries on the current work, and suggestions about the direction of further efforts.

This study contains the four papers that were

presented and discussed at the conference, as well as a summary of the recommendations made.

First, Frank de Leeuw noted that the capacity utilization rates derived from surveys show less amplitude of swing over a business cycle than do rates based on the Federal Reserve's index of industrial production. He found that two factors explain much of the cyclical sluggishness of the survey-based rates: the overreporting of "no change" by respondents to the surveys; and the reporting of capacity utilization rates based on labor inputs rather than on output, which, because of swings in labor productivity, varies more over the cycle than does labor input. Tests showed that the adjustments to correct survey-based rates for these two

sources of bias would account for a substantial fraction of the difference in cyclical variability between measures of capacity utilization that are based on surveys and those based on the production index.

Lawrence R. Forest, Jr., related concepts of capacity to the statistical measures of capacity utilization based directly on surveys and to those derived by the Federal Reserve. Most respondents to surveys base their replies on a notion of "practical maximum" capacity that tempers the idea of an engineering maximum with economic considerations. Forest analyzed two puzzling features of survey-based measures of capacity utilization—cyclical sluggishness and the apparent persistence of excess capacity. He found that measurement error was a major reason for the cyclical sluggishness and that a variety of factors caused the utilization rate for total manufacturing to peak at levels far below 100 percent of capacity. These factors include, among other things, shortages of labor and materials, the failure of synchronization in peaks in demand among industries, fluctuations in input supplies and demand, and economies of scale.

Forest further explained how the derived Federal Reserve estimates of capacity utilization combined data on output, capacity, capital stock, and utilization rates to provide estimates of utilization rates that corrected for the cyclical bias found in the surveys. Finally, Forest discussed the rather weak correlation of utilization rates with inflation rates and the decline from earlier periods in the rate of growth of the productivity of capital during the 1970s.

The paper by Richard D. Raddock compared the statistical characteristics of various published capacity utilization measures for total

manufacturing and for industry components. Noteworthy differences were found in terms of means, variances, and cyclical variability. Raddock developed a technique for standardizing the various measures of utilization and found that, after standardization, those for total manufacturing all showed that in late 1978 reserve capacity was less than 5 percent of feasible peacetime capacity; but those for materials indicated that a little more slack existed. Raddock concluded that after adjustments for level and for sensitivity to change in output, figures from the surveys could be used to monitor Federal Reserve rates and thereby to gain the benefits of the Federal Reserve approach, such as timeliness, without the risk of large revisions.

Zoltan E. Kenessey outlined plans for extending and integrating the Board's capacity utilization statistics for manufacturing and materials into one system of rates that would cover the entire industrial sector—manufacturing, mining, and utilities. Kenessey also outlined several desirable directions of research: (1) the development of a well-documented set of utilization measures based on different concepts and approaches to measurement; (2) the analysis of capacity and utilization data in an input-output framework to point up the fact that capacity is not a unique value but a range of values that are affected by the composition of demand, availability of imports, and the technological structure of production; (3) the development of measures for analyzing regional trends in capacity; and (4) the development of new measures that, by expressing utilization in terms of aggregate levels that could be reached in times of peace, would solve the "optical" problem inherent in reported utilization rates with peaks well below 100 percent of capacity. □

THE MARKET FOR FEDERAL FUNDS AND REPURCHASE AGREEMENTS

Thomas D. Simpson—Staff, Board of Governors

Prepared as a staff paper in early 1979

The market for federal funds and repurchase agreements has expanded rapidly during the 1970s. In late 1978 borrowings in the interbank

market, which is dominated by uncollateralized federal funds transactions, was estimated to be about \$45 billion. In addition, borrowings from

nonbank sources, principally repurchase agreements against U.S. Treasury and federal agency securities, were estimated at nearly \$60 billion. Today, participation in the market for federal funds and repurchase agreements (FF-RPs) is broadly based. Many commercial banks of all sizes lend FF-RP funds to other commercial banks. Recipients of funds in the interbank market are generally large banks that view such borrowings as managed liabilities, much like certificates of deposit. Similarly, large banks are the major borrowers of FF-RP funds from nonbank sources.

This paper discusses the extent of bank and nonbank participation in the FF-RP market and includes an analysis of several major economic implications of the FF-RP market.

As a low-cost means of adjusting commercial bank balance sheets to unpredictable shifts of deposits, the interbank market promotes the overall efficiency of the banking system. By linking the vast majority of commercial banks, the interbank market also facilitates the implementation of monetary policy because of its quick transmittal of changes in reserve availability throughout the banking system.

In contrast with the interbank market, the development of the RP market may have some disturbing consequences for monetary policy. While in recent years demand deposits have apparently fluctuated with developments in the RP market, this relationship is subject to varying interpretations. One is that RPs allow commercial banks to pay explicit interest and avoid reserve requirements on funds that effectively serve as transaction balances. Another emphasizes the growing use of cash management techniques, stimulated by very high interest rates, that have permitted depositors to conduct a given volume of transactions with smaller amounts of demand deposits; demand balances are thus freed for the acquisition of highly liquid

investments, including RPs. This interpretation, however, does not consider RPs to be tantamount to transaction balances.

Whereas commercial bank RPs have probably attracted some funds that otherwise would have been held as demand balances, it is not likely that all such funds would be held as demand balances if commercial bank RPs were not available. Close substitutes for commercial bank RPs, such as nonbank-dealer RPs, Eurodollars, and commercial paper, are currently available and more would probably appear if commercial bank RPs were unavailable.

The FF-RP market tends to lower the cost of funds to commercial banks and thus perhaps bank lending rates. As a likely result, more financial intermediation is conducted through commercial banks and bank credit is enlarged.

The market for U.S. Treasury and agency obligations probably is strengthened somewhat by the RP market. However, as unsecured federal funds transactions have tended to supplant Treasury obligations as liquid buffers, commercial banks have reduced their demands for those obligations.

The FF-RP market also has implications for the stability of the banking system. In its capacity as a flexible and efficient buffer against unpredictable deposit flows among banks, it serves as a stabilizer. Given the very short maturities of most FF-RP contracts, however, banks that borrow heavily in this market to acquire longer-term and illiquid assets are vulnerable to occasional liquidity pressures and to interest rate risk. Moreover, isolated problems of even a few banks could be translated into a general concern by the public regarding the well-being of all commercial banks. These dangers tend to be moderated by the widespread use of the floating-rate contract by large borrowing banks and by a general monitoring of borrowing banks by lenders of FF-RPs. □

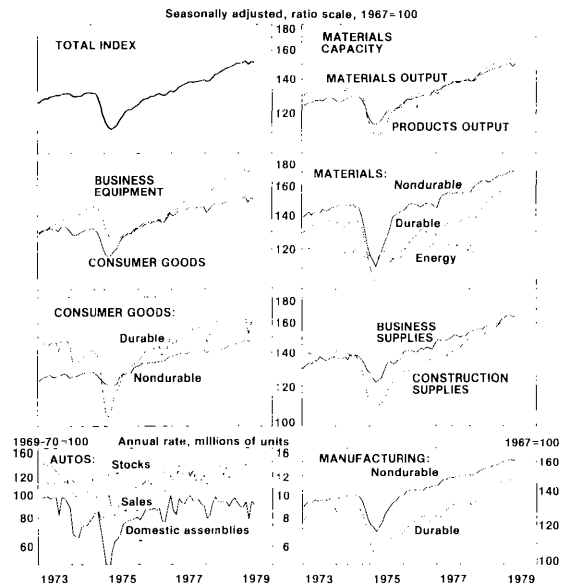
Industrial Production

Released for publication July 16

Industrial production in June declined an estimated 0.3 percent to 151.4 percent of the 1967 average—a level that is fractionally below the first-quarter average and only slightly above the level of December 1978. The June decline in industrial production was dominated by a drop of 3 percent in durable consumer goods, but small decreases were registered in output of nondurable consumer goods, intermediate products, and some materials as well. The total index for June was 4.5 percent higher than that of a year earlier; however, the 1979 second-quarter average was 0.3 percent lower than that of the first quarter. The level of the April and May indexes was revised downward by 0.2 and 0.3 index points respectively.

Output of consumer goods declined 1.0 percent in June, primarily reflecting cutbacks in the output of autos, utility vehicles, and home goods. Auto assemblies were at an annual rate of 9.1 million units in June after an annual production rate of 9.4 million in May. Although output of nondurable consumer goods declined slightly in June, the level of output was still more than 4 percent higher than that of a year earlier. Production of business equipment increased 0.2 percent, reflecting, in part, a further increase in output of transit equipment and sustained high levels of production of other equipment.

Output of durable materials was almost unchanged in June, as small increases in basic metals and equipment parts were about offset by declines in the output of consumer durable parts. Production of nondurable materials also was about unchanged in June after a rise of 0.8 percent in May. Energy materials production was unchanged again in June. Increases in coal production since February have been matched by declines in other energy components such as domestic crude oil output.



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

Industrial production	1967 - 100		Percentage change from preceding month to—						Percentage change 6/78 to 6/79
	1979		1979						
	May "	June "	Jan.	Feb.	Mar.	Apr.	May	June	
Total	151.8	151.4	.0	.2	.7	-1.5	1.2	-.3	4.5
Products, total	150.7	150.1	.2	.5	.6	-1.7	1.5	.4	4.2
Final products	147.6	146.9	.2	.4	1.0	2.0	1.8	-.5	4.1
Consumer goods	151.5	150.0	.0	.3	.7	-2.6	2.2	-1.0	2.0
Durable	161.0	156.1	.6	.2	1.2	7.3	6.4	-3.0	-2.8
Nondurable	147.8	147.5	.2	.2	.7	-.6	.6	.2	4.2
Business equipment	173.2	173.6	.6	.5	.9	1.2	1.8	.2	7.3
Intermediate products	162.2	162.1	.5	.7	-.7	.9	.6	.1	4.8
Construction supplies	159.3	158.6	.2	.1	.9	-1.2	.8	-.4	4.3
Materials	153.6	153.5	.5	.1	.9	1.2	.8	.1	4.8

pPreliminary.

eEstimated.

NOTE: Indexes are seasonally adjusted.

Statements to Congress

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, June 14, 1979.

My purpose in appearing before you today is to describe the recent Board staff study of possible tie-ins between the granting of credit and the sale of insurance by bank holding companies and other lenders. I would like also to discuss some related issues that have been raised concerning permissible insurance activities for banking organizations. The appendix attached to my statement describes the study methodology in more detail and attempts to address some of the critical comments that have been made about it.¹

The Board staff study of tie-ins has received considerable attention. It has been used—and abused—by those seeking either to expand or to limit bank and bank holding company insurance activities. The debate has at times become quite heated, and both sides have tended to overstate what they interpret the study results to show. Those seeking to expand bank and bank holding company activities argue that the study indicates there are no problems. Those seeking to limit these activities assert that the results are contradictory and meaningless. Some commentators have even charged that the study was biased in order to favor banking organizations.

In view of the current debate and the role that the Board staff study seems to be playing, I'd like to note for the record that we are not

here to defend the credit insurance industry or lenders who offer insurance. Certainly there are aspects of their activities that concern me very much. For example, I am distressed about the relatively high charges for credit insurance that seem to persist in the face of low payout rates when compared with other insurance.

It is also not our role to protect the independent insurance agents who have waged a long campaign in both the courts and state legislatures to limit entry by new competitors into their business. I believe that full competition, so long as it is fair and equitable, is the best way to assure that consumers will receive good service at the lowest price.

My purpose today is simply to report objectively my reading of the results of the Board staff study. By way of background, the Board in its 1975 *Annual Report* expressed concern that some consumer borrowers were being required to purchase credit life and disability insurance as a condition of obtaining loans. Senator Proxmire subsequently voiced this same concern and requested the Board to undertake this study of the sale of insurance by banks and bank holding companies in accordance with the anti-tying provisions of section 106 of the Bank Holding Company Act.

The study attempts to accomplish two tasks. First, it provides an analytical framework to evaluate whether or not tying is taking place. Second, it reports the results of two special surveys that were conducted. One was a survey of individual consumer borrowers. It focused on borrower experience and attitudes toward credit life and disability insurance in connection with recent loans that were still outstanding. The other survey was addressed to a small group of bank holding companies in order to gather information on their policies, procedures, and organizational patterns in selling insurance. Of particular interest was information on their activities in the property and casualty insurance

1. The appendix to this statement and the full staff study are available on request from Publications Services, Division of Support Services, Washington, D.C. 20551. A summary of the study by Robert A. Eisenbeis and Paul R. Schweitzer, *Tie-Ins between the Granting of Credit and Sale of Insurance by Bank Holding Companies and Other Lenders*, Staff Studies 101, appeared in the *BULLETIN*, vol. 65 (February 1979), pp. 110-11.

area. The sample selection and all survey questions were coordinated with and approved by the staff of the Senate Banking Committee.

The survey of consumers focused on those borrowers having outstanding closed-end credit balances with banks, finance companies, retailers, or credit unions in which the original balance had been \$200 or more. Of these, 62 percent of the borrowers had credit insurance. Retailers and banks had the lowest penetration rates, with about 40 percent and 61½ percent respectively; finance companies had the highest at 75 percent. The supporting evidence from the survey, however, suggested it was unlikely that these insurance coverage rates reflected either explicit coercion (which seemed to be virtually nonexistent) or involuntary tying. For example, relatively few consumers felt that insurance was strongly recommended or required. Among those who did, it was not possible to determine from the data whether insurance costs had in all cases been included in the annual percentage rate on the loan, as required by law.

Only a small portion of the consumers in the survey viewed credit insurance as a "bad service." Most regarded it as desirable, and more importantly, felt it was priced "about right" or even "inexpensive" for what they got, and indicated that they would recommend it to others. Finally, in response to an open-ended question about whether they had ever been treated unfairly in connection with a credit transaction, about one-fourth of the respondents cited instances that they considered unfair; none of the instances that were cited involved reports of coercion or tying in the sale of insurance. This survey result is consistent with the staff's search of the Board's complaint files, since no valid complaint of illegal tying could be found to have been filed by a consumer or business under section 106 or otherwise back to at least 1970.

With respect to the survey of bank holding companies, few if any firm generalizations can be made about the reported penetration rates because of the character of the responses to the survey. The median reported penetration rates on credit-related property and casualty insurance clustered well below the 40 percent rate, whether categorized by the type of loan or by the type of credit-originating subsidiary. These

penetration rates are lower than I would expect to see if tying were a widespread practice, and are consistent with respondents' reported policies and procedures, which our staff does not judge to be conducive to tying. Higher penetration rates were reported for credit life and disability insurance than for property and casualty insurance, but even these varied widely by lender group, type of loan, and location of company. Again, the reported patterns of conduct did not seem consistent with extensive tying. Most institutions reported that the insurance solicitation was made after the loan was approved but before the monthly payment was determined.

In sum, the results of the study led the Board's staff to conclude that explicit contractual tying was virtually nonexistent and that implicit tying did not appear to be a widespread problem. My reading of the study convinces me that these conclusions are appropriate. I think it is important also to emphasize that these are general conclusions. They do not imply that no abuses have taken place, but simply that problems are not widespread.

Because of the relationship between the tying concerns and a number of pending legislative proposals, you also asked for the Board's views of several additional issues. These include the appropriateness of the sale of credit life and health, or property and casualty insurance by banks and bank holding companies, the public benefits arising from these activities, and the effects of permitting bank officers acting as insurance agents to direct premium income to themselves that might otherwise have gone to the bank.

The Board's view continues to be that banking organizations should be allowed to sell credit-related insurance, including property and casualty insurance. We believe that the benefits of such activity outweigh any adverse effects. In the first place, the activity of banks and bank holding companies in providing this service is procompetitive. This is an industry in which additional competition would seem desirable and potentially quite productive. Second, bank sales of insurance provide a useful and convenient service to the public, including sales at locations poorly served by others. Finally, on the basis of equity, it does not seem to us that

banking organizations should be singled out as prohibited sellers among financial institutions and nonregulated lenders. Prohibiting the activity for banking organizations would inconvenience at least some of the public—namely, those borrowers who would prefer to purchase their credit-related insurance from the lender and who would be forced by the prohibition to look elsewhere for the service.

The public benefits from banking organization involvement in the credit property and casualty insurance field rest entirely on the premise that better service and enhanced public convenience represent a valuable attribute. This is especially so since the insurance industry is immune from antitrust statutes. Furthermore, little retail price competition exists because rate ceilings are set by state regulatory organizations and it is the underwriters who set the insurance rates actually charged. In the case of credit life and disability insurance, I would note that holding company applicants often agree to hold premiums below state ceilings as a precondition to Board approval of their applications.

Finally, an area where the link between insurance activities and lending is of concern to the banking agencies involves situations in which banking officials, during their working hours, use the facilities of the bank to sell insurance as agents acting on their own account. The effect is to divert insurance premium income that would have accrued to the banking organization had the officer been acting as an agent for the bank or holding company. On the other hand, such premium income can be viewed as an alternative form of compensation for the bank officer, supplementing what otherwise would be an unduly low rate of pay. At present the banking agencies have differing policies toward this practice. These differences need to be resolved, and we will be working to do so as a matter of interagency coordination in the period ahead.

Assisted by Mr. Robert A. Eisenbeis, the Board's Research Division Officer who was principally charged with overseeing the tie-in study, I will be happy to try to answer any questions. □

Statement by Philip E. Coldwell, Member, Board of Governors of the Federal Reserve System, before the Committee on Governmental Affairs, U.S. Senate, June 15, 1979.

I am pleased to appear before this committee on behalf of the Board of Governors of the Federal Reserve System to testify on S. 445, the Regulatory Reform Act of 1979. This bill sets out specific procedures for the periodic review of regulations issued by our many federal agencies, with consequent revision and restructuring when appropriate.

As your committee knows, there has been one recent significant change in the approach to regulations, the issuance of Executive Order 12044 of March 23, 1978, which requires that regulations of the executive agencies not impose unnecessary burdens on the economy, on individuals, on public or private organizations, or on state or local governments.

To achieve these objectives the executive order requires regulations to be developed

through a process, which among other things ensures that the need for the regulations is clearly established, meaningful alternatives are considered and analyzed, and compliance costs, paper work, and other burdens on the public are minimized.

In addition, the executive order mandates the periodic review of existing regulations to determine whether they are achieving the policy goals of the order.

The Federal Reserve, consistent with the purposes of the order, has adopted expanded rulemaking procedures of its own, which require, in most cases, 60-day comment periods on regulations and more detailed analyses of the potential costs and benefits of regulatory and nonregulatory alternatives.

The Board has also undertaken a regulatory improvement program that involves a substantive zero-base review of each Federal Reserve regulation to determine (1) fundamental objectives and the extent to which the regulation is meeting current policy goals, (2) costs and ben-

efits of the regulation, (3) any unnecessary burdens imposed by the regulation, and (4) nonregulatory alternatives that might be used to accomplish the same objectives. The Board's program also contemplates procedures for reviewing each regulation at least once every five years.

Our regulatory review program has enlisted the services of the Federal Reserve Banks as well as staff of the Board and has progressed rapidly. The Board has issued revised versions of Regulation K (Corporations Engaged in Foreign Banking under the Federal Reserve Act), Regulation O (Loans to Executive Officers), and Regulation V (Loan Guarantees for Defense Production). The Board, as part of its regulatory review, has also rescinded Regulation S (Bank Service Corporations) and Regulation E (State and Local Warrants).

Although much has been accomplished under Executive Order 12044, the Board supports the basic objectives of S. 445. We are keenly aware that government regulation of various aspects of economic activity may introduce distortions and inequities into the economy. Despite laudable objectives, there is little doubt that both federal legislation and the regulations implementing that legislation have sometimes resulted in a lessening in competition, a reduced resilience in dealing with economic change, and a higher and more rigid structure of costs and prices, which the consuming public must inevitably bear.

It is clear also that regulation has contributed to the inefficient use of real resources in the economy. When regulated businesses are precluded from competing directly on a price basis, they are likely to adopt indirect means of promoting their business. Banks and other depository institutions, for example, frequently offer free services and give away merchandise in their efforts to attract new funds when price competition is limited by interest rate ceilings on deposits.

Federal law and regulation have sometimes had the effect of fostering monopolistic and cartel-like behavior on the part of ostensibly competing firms by insulating these firms from the discipline of effective competition. On other occasions, regulatory action may preserve the inefficient marginal firm, or divert resources to

less than the most productive uses through the offering of special advantages to certain industries at the expense of consumers.

A balanced view needs to recognize that much federal regulation promotes the public interest and contributes to the performance of the economy. For example, regulation designed to maintain the safety and soundness of individual banks is critical to the strength of the financial system and the efficient functioning of the economy as a whole. In the area of securities regulation the Securities and Exchange Commission disclosure requirements help make needed information available to aid investor decisionmaking and increase the efficiency of securities markets. But it is an important discipline to review and evaluate outstanding regulations on a periodic basis to see whether they are still justified, can be simplified, or need to be modernized in light of recent developments.

While the Board agrees with the general thrust and objectives of S. 445, there are certain key features with respect both to its coverage and method of implementation that we believe need to be revised. We are especially concerned with the so-called sunset provisions that require the termination of, first, regulatory enforcement authority and, second, the entire agency in the event that no reform plans are enacted within the prescribed time period. There are several reasons for questioning the advisability of using such a strong forcing mechanism in order to assure that the necessary regulatory reform will take place.

First, many federal agencies, pursuant to their legislative mandates, perform a variety of functions that are not basically regulatory in nature but that may still depend in part for their implementation on enabling rules, orders, and regulations. In the case of the Federal Reserve Board, for example, such responsibilities include the following: (1) its central banking function with regard to international finance; (2) the formulation and implementation of monetary policy; (3) oversight activities with respect to the Federal Reserve Banks, which in turn play a pivotal role in the operation of the nation's payments system; (4) its rules for the administration of the discount window, through which the Federal Reserve System serves as the lender of last resort to the banking system and, in

critical situations, to the economy as a whole; and (5) the supervision of member banks and bank holding companies. In comparison with these functions, the Board's strictly regulatory responsibilities for banking and finance, including its role in consumer credit protection, account for a relatively small portion of the agency's efforts or for the impact of its actions on the economy.

The coverage of S. 445, in the case of the banking agencies, specifically refers to their "regulation of banking and finance." It would appear, therefore, that the intent is not to discontinue all nonregulatory functions, or to dismantle an entire agency, for want of reform plans to cover the agency's regulatory functions. We believe that the Congress would not want to risk the abolishment or suspension, even temporarily, of the conduct of monetary policy or the supervision of banks. Similarly, we would be deeply concerned if there were no central oversight of the operation of the Reserve Banks and the payments mechanism, or of the discount window function.

Such potential problems are by no means unique to the Federal Reserve Board. For example, what would become of the deposit insurance function of the Federal Deposit Insurance Corporation or of its role with respect to the banks requiring liquidation? I should also point out that the Comptroller of the Currency is the chartering and supervisory authority for national banks, and these activities, too, would be suspended in the event of termination of that agency. Surely these functions should continue.

For these reasons, we must assume that the bill is directed to the purely regulatory activities of the agencies and would not, in the case of the Federal Reserve Board, encompass central banking, monetary policy, oversight of the Reserve Banks, operation of the discount mechanism, bank supervision, and the incidental regulations of the Federal Reserve necessary to carry out these functions.

However, in order to avoid any doubt about the continuation of these essential functions, the Board would urge a narrower and more specific delineation of the aspects of regulation of banking and finance to be covered by the bill, to which the application of these sunset provisions would then be directed.

I understand that the committee is also interested in the Board's views on Title V of S. 2, the Sunset Act of 1979. We believe that Title V provides for a more realistic regulatory review covering fewer programs over a time span that is two years longer. In addition, the fact that the Board of Governors is not included among the agencies subject to regulatory review under section 502(a)(1) appears to confirm our assumption that the Board's functions relating to monetary policy, central banking, oversight of the Federal Reserve Banks, and use of the discount window are not subject to review and termination under the bill. In general, we believe that clarification is needed to be certain that the termination procedures of Title I are not applicable to programs that are essential to the functioning of government and the nation's economy.

The Board has a second concern about the sunset mechanism. Instead of easing the regulatory climate, the abrupt termination of even the regulatory functions of federal agencies might present obstacles to the efficient functioning of the economy. Federal statutes are generally implemented by way of agency regulations, and in many cases agency approval pursuant to those regulations is necessary before individuals or firms can participate in certain activities or markets.

In the event the sunset provisions of S. 445 were triggered by lack of action on bank regulatory reform, under one possible interpretation this would mean that institutions seeking Board approval would be hampered—not freed—for lack of a regulatory process. Thus, for example, as the Bank Holding Company Act is written, it is unlawful for a bank holding company to be formed without the express approval of the Board of Governors. Similarly, existing bank holding companies wishing to expand or to engage in new activities would be denied the opportunity to have their applications for Board approval reviewed and acted upon. The same situation would exist with respect to applications to the Board for new branch offices, to establish Edge corporations, to engage in foreign banking activities requiring Board approval, or for permission to issue new debt or equity securities—to name a few. The result could be severe inequities for firms that could

not obtain Board approval to engage in activities that may have already been authorized for their competitors.

This brings me to another question as to whether the regulatory reform proposal in itself will accomplish the desired purpose of the bill. Since most agency rules and regulations are issued pursuant to the mandates of specific laws and to carry out congressional intent, it may be that many of the economic problems and inequities caused by regulation are rooted in the enabling legislation itself, rather than in the specific form the regulations have taken.

I would suggest, therefore, that consideration be given to broadening the scope of the review contemplated in the Regulatory Reform Act to encompass, where necessary, review and reform of the enabling legislation as well as existing regulations. I believe progress in improving and simplifying our federal regulatory apparatus would often require basic amendments to underlying statutes.

It appears that the incorporation of the regulatory review procedures in Title V of S. 2 as a part of the general program review contemplated by that bill would probably lead to such a review of underlying statutes. However, we find the interrelation of Title V with the other

provisions of the bill to be somewhat vague and suggest that some clarification would be helpful.

This leads me to one final comment. The Board and its staff have devoted considerable time to the promulgation of regulations required by the Financial Institutions Regulatory and Interest Rate Control Act of 1978. Our recent experiences suggest to me that it might be desirable for the Congress to make more explicit evaluations of relative benefits and burdens to the public and to the industry that would result from new statutory requirements and when the costs of such requirements are substantial, to consider alternatives. It may also be desirable, a year or so after the promulgation of new regulations, for the appropriate committees of the Congress to review the impact of the regulations and entertain suggestions for revision of the statutory requirements when appropriate. Our objectives are the same—to reduce the burden of regulation. We hope the Congress and the regulatory agencies will work cooperatively toward this end.

In conclusion, I wish to reiterate that the Board supports the basic concepts of the Regulatory Reform Act but believes that further attention should be given to problems of its scope and implementation. []

Governor Coldwell submitted similar testimony to the Subcommittees on the Legislative Process and on Rules, U.S. House of Representatives, June 20, 1979.

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs, U.S. Senate, June 27, 1979.

I am pleased to appear today on behalf of the Federal Reserve Board to discuss S. 1347, the Depository Institutions Deregulation Act of 1979. The Board supports strongly the principles underlying each of the major provisions of the bill. Indeed, we believe that S. 1347 provides a workable framework for accomplishing desired, gradual changes in the structure of our financial system, although we would propose

several minor amendments to help ensure achievement of the bill's objectives. Before turning to our specific concerns, however, I would like to review briefly the reasons for the Board's support of the broad thrust of S. 1347; these arguments have been developed in greater detail in my testimony of May 15, 1979, before the Subcommittee on Financial Institutions of the House Banking Committee.

Our endorsement of the principle of interest payments on transactions balances at all depository institutions is based on considerations of equity and economic efficiency. Many larger depositors who are well informed already earn something approaching market rates of return

on their transactions balances, either through implicit returns in the form of banking services provided below cost or by placing some of their funds in interest-bearing, short-term investments that can be mobilized quickly for transactions purposes. As a matter of equity, it is only proper that smaller, less sophisticated depositors have similar opportunities. Moreover, authorization of the payment of interest on transactions accounts would enable financial institutions to compete directly for funds and to charge for services on the basis of costs incurred. This environment should promote a more efficient use of resources by both consumers and producers of financial services.

Although the Board thus favors the principle of permitting interest on all transactions accounts, we believe that progress toward such an environment should be gradual. Orderly change might best be achieved by extending an activity with which experience has already been gained; thus, nationwide negotiable order of withdrawal (NOW) accounts would be a logical extension of existing programs in New England and New York. Moreover, our concern with transitional problems in the move to interest on transactions accounts suggests that NOWs should be subject to a deposit-rate ceiling in the short run. Staff analysis at the Board suggests that, without deposit-rate ceilings set by coordinated action of the regulatory agencies, the actual cost of NOW account funds to financial institutions might rise temporarily by several percentage points above the rate that is sustainable in the long run in those states gaining NOW powers for the first time. While resulting earnings reductions would not pose major problems for most commercial banks, they would be serious for some individual institutions. The impact could be especially marked for thrift institutions, which could be expected to compete vigorously with banks for the new interest-bearing transactions account business. The Board therefore supports the interest rate ceiling on NOWs contained in S. 1347—a ceiling that would be phased out gradually in concert with all deposit-rate ceilings.

The Board has long advocated the gradual removal of interest rate ceilings on deposits. Most economists believe that these ceilings are

anticompetitive and that they have a particularly inequitable impact on the small saver. Moreover, by reducing the ability of depository institutions to compete for funds, ceilings subject such institutions to significant periods of disintermediation whenever market interest rates are cyclically high. However, while the elimination of deposit-rate ceilings is by itself highly desirable, this process must be a gradual one. Many of the factors that caused the Congress to establish the framework for coordinated rate ceilings in 1966 are still at work. Thrift institutions, because of constraints on the kinds of assets they hold, still are unable to pay market-oriented rates of return on all deposit liabilities when those rates are high. Before the thrifts can compete in such an environment—without jeopardizing the financial solvency and stability of individual institutions—reform of thrift asset powers is necessary.

In light of these considerations, the Board agrees that the plan for phasing out deposit-rate ceilings should proceed in tandem with expansion of the asset powers of thrift institutions. We support those provisions of S. 1347 that would accomplish this, including the temporary federal preemption of existing state usury ceilings on mortgage rates, which would oblige the states to reconsider such ceilings in light of existing economic realities. We also endorse the recent regulatory move authorizing federally chartered savings and loans to issue variable-rate mortgages and thereby achieve a more flexible return on part of their loan portfolios. And, allowing thrift institutions to hold up to 10 percent of assets in consumer loans and various money market instruments, as provided in S. 1347, would help thrift institutions to shorten the effective maturity structure of their assets, so that portfolio returns could rise and fall more nearly in unison with market rates. At the same time, this limited expansion in portfolio possibilities would not likely have a significantly adverse impact on mortgage flows, given the expanding range of sources of mortgage credit and the increasing experience of thrifts in the packaging of mortgages for sale through such devices as passthrough securities.

Let me turn now to the Board's strong endorsement of the provisions of S. 1347 requiring

NOW accounts at all financial institutions to be subject to Federal Reserve reserve requirements. The setting of reserve ratios on transactions balances is an important tool of monetary policy and, as such, needs to be controlled by the nation's central bank. Further, it is essential that required reserves on all transactions balances be held in the form of vault cash or in balances held at (or passed through to) Federal Reserve Banks; otherwise, the System's ability to control reserve availability is compromised. Finally, in order to exercise control over transactions balances, the central bank must have reasonable control over the total amount of reserves supporting these balances. In our view, universal reserve requirements on NOWs are a step in the right direction toward universal reserve requirements on all transactions balances. However, passage of S. 1347 would leave serious problems unresolved—both in terms of monetary control and institutional equity—which I will note later in my testimony.

I turn now to some particular difficulties we have with S. 1347. I will note only our major concerns and have asked Board staff to communicate other minor, technical suggestions to the committee's staff.

First, while the Board strongly supports the phasing out of deposit-rate ceilings, we believe that the regulatory agencies should be able to respond flexibly to circumstances created by the transition to a ceiling-free environment. For example, it is conceivable that, even with broadened asset powers, portfolio returns at thrift institutions might not rise as rapidly as deposit costs—leading to serious earnings squeezes at a sizable number of individual institutions. Prudence could suggest delaying an increase in ceiling rates at one or more points in the transition period to give portfolio returns a chance to catch up to deposit costs. Under our interpretation of the bill, however, any delay in implementing the scheduled phaseout would have to be fully "made up" within 12 months. Thus, following such a delay, the bill would seem to require ceiling rates to jump 50 basis points, possibly at a time when the viability of thrift institutions might be particularly strained. For this reason, the Board prefers that the "catchup" provision of the bill be deleted so

as to allow more flexibility in dealing with the problems of transition. As an alternative, we recommend that the Board, after consultation with other regulatory agencies, be permitted to waive scheduled half-yearly rate increases up to three times during the eight-year phaseout without need to reinstate the scheduled increases. This added flexibility to the phaseout schedule would, we believe, reduce the chances that earnings problems during the transition period might become crippling to financial institutions. And, even if the scheduled increases of 25 basis points need to be foregone for the maximum number of times, ceiling rates at the conclusion of the phaseout still would be 325 basis points above current rates.

A second concern we have is that the scheduled increases in ceiling rates appear to apply to money market certificates (MMCs) and to the new savings certificate with a variable rate ceiling tied to the yield on four-year government securities. These instruments are broadly designed to key permissible deposit rates of return to the market and the Board sees no reason for including them under the proposed legislation. Indeed, under the scheduled phaseout, ceilings on MMCs would quickly rise *above* the rates on corresponding Treasury instruments—which is tantamount to removing ceilings on these deposits and ignoring the problems of the transition period, which otherwise have been so carefully addressed in the bill. The Board recommends instead that the existing variable-rate instruments be exempted from the scheduled phaseout; of course, ceilings on such instruments should be eliminated, along with those on other deposit categories, by 1990.

Finally, the Board believes that the range for the reserve ratio on NOW accounts as proposed in the bill—3 to 22 percent—is much wider than is necessary. It seems highly unlikely that anything like a reserve ratio of 22 percent would be needed for the effective conduct of monetary policy, and we would suggest instead a range of 4 to 12 percent (which is the same range as is proposed in H.R. 7).

In closing, I would like to return to the issue of reserve requirements and the exposure to rapid attrition in the number of Federal Reserve member banks—a subject on which the Board

has testified with some frequency in recent months. The introduction of NOW accounts, the phaseout of deposit-rate ceilings, and the expansion of asset powers for thrift institutions all will serve to increase competition in the financial sector. The resulting downward pressure on institutional earnings, at least during an interim period, seems likely to make member banks even more acutely aware of the costs of membership and could sharply accelerate the rate of membership attrition. This outcome is suggested

by our experience of recent years in New England—where the introduction of NOWs placed particular pressure on bank earnings, and membership withdrawals in that region increased dramatically.

Thus, the Board strongly urges prompt action by the committee on S. 85 and related bills in the recognition that congressional passage of S. 1347 would exacerbate the Federal Reserve's membership problem and thereby hamper its conduct of monetary policy. □

Announcements

EMMETT J. RICE:

APPOINTMENT AS A MEMBER OF THE BOARD OF GOVERNORS

President Carter on April 12, 1979, announced his intention to appoint Emmett J. Rice as a member of the Board of Governors of the Federal Reserve System. Mr. Rice's appointment was subsequently confirmed by the Senate on June 12. The oath of office was administered on June 20 in the Board's offices and on June 26 by Vice President Mondale at a White House ceremony.

The text of the White House announcement follows:

The President announced that he will nominate Emmett J. Rice, of Washington, D.C., to be a member of the Board of Governors of the Federal Reserve System.

Rice, 59, was born in Florence, South Carolina. He received a B.B.A. (1941) and an M.B.A. (1942) from City College of New York, and a Ph.D. in economics from the University of California at Berkeley in 1955. He served in the U.S. Air Force from 1942 to 1946.

In 1950 and 1951 Rice was a research assistant in economics at Berkeley, and in 1952 he was a research associate at the Reserve Bank of India as a Fulbright Fellow. In 1953-54 he was a teaching assistant at Berkeley.

From 1954 to 1960 Rice was an assistant professor of economics at Cornell University. From 1960 to 1962 he was on leave from Cornell to work as an economist at the Federal Reserve Bank of New York. From 1962 to 1964 he was an advisor to the Central Bank of Nigeria in Lagos.

From 1964 to 1966 Rice was deputy director, then acting director, of the Treasury Department's Office of Developing Nations. From 1966 to 1970 he was U.S. alternate executive director for the International Bank for Reconstruction and Development (World

Bank), the International Development Association, and the International Finance Corporation.

From 1970 to 1971 Rice was executive director of the Mayor's Economic Development Committee for Washington, D.C., on leave from the Treasury Department. Since 1972 he has been senior vice president of the National Bank of Washington.

REGULATION K: REVISION

The Federal Reserve Board has revised its Regulation K (International Banking Operations) governing corporations engaged in international banking and financial operations, known as Edge corporations, to conform with the International Banking Act of 1978.

At the same time, the Board revised and consolidated into Regulation K provisions of other regulations dealing with foreign operations of U.S. banks (Regulation M) and foreign investments by bank holding companies (Regulation Y). Regulation K also incorporates a number of Board policy positions in the field of international banking that had previously been developed on a less formal basis.

As now constituted, Regulation K includes rules for (1) the ownership of Edge corporations and their operation in the United States, (2) overseas activities and investments of Edge corporations, member banks, and bank holding companies, (3) lending limits and capital requirements for Edge corporations and other regulatory restrictions on international operations, and (4) authorization for the establishment and operation of foreign branches of member banks.

The new regulation, which was effective June 14, 1979, thus brings together in one place the Board's rules regarding the international activities of U.S. banks, bank holding companies, and Edge corporations.

In making these changes, the Board noted:

In amending the Edge Act (Section 25(a) of the Federal Reserve Act) Congress declared that Edge Corporations are to have powers sufficiently broad to enable them to compete with foreign banks in the United States as well as abroad and to provide all segments of the United States economy a means of financing international trade, and, in particular, exports. In addition, Edge Corporations are to serve as a means of fostering the participation of regional and smaller banks in international banking and financing and, in general, to stimulate competition in making those services available throughout the United States. . . .

The regulation has been issued in furtherance of these and other objectives set forth in the International Banking Act (IBA) after consideration of comment received following publication by the Board of proposals for the new regulation in February. In addition, the Board has sought to eliminate obsolete regulations, to clarify existing rules, and to simplify relevant regulatory and supervisory standards and procedures.

The rules adopted differ in a number of respects from the proposals. The principal provisions of Regulation K are as follows.

Operation of Edge Corporations in the United States

Regulation K as revised enlarges the capabilities of Edge corporations to operate in the United States by permitting them to establish branches in the United States with the prior approval of the Board. Until now, a U.S. banking company could establish separately incorporated Edge corporations at various places, but Edge corporations were not permitted to branch. The new authority makes it more efficient and less costly for Edge corporations to enter and operate at new locations. Edge corporations are not subject to federal law that limits the power of banks to establish branches across state lines.

The Board set forth the following standards for consideration when acting on applications to form new Edge corporations or to establish domestic branches:

1. Financial condition and history of the applicant.

2. General character of the applicant's management.

3. Convenience and needs of the community to be served with respect to international banking and financial services.

4. Effects of the proposed corporation or branch on competition.

The Board will publish in the *Federal Register* notice of proposals to form new Edge corporations or to establish domestic branches.

The Board deferred action on a proposal to enlarge the capabilities of Edge corporations that would have given them authority to provide full banking services to customers principally engaged in international or foreign commerce. After further study the Board will publish a revised version for further comment.

Edge corporations may use funds held in the United States but not employed in international or foreign business in the form of cash, deposits with banks, money market instruments such as bankers acceptances, obligations of federal, state, or local governments or obligations fully guaranteed by them (and their instrumentalities), repurchase agreements, federal funds sold, and commercial paper.

The Board included in Regulation K a statement of activities that Edge corporations may conduct in the United States incidental to international transactions.

The revised regulation allows Edge corporations to finance the production of goods and services for export. This may be done when the customer has obtained export orders, or when the items to be financed are identifiable as being directly for export.

Foreign Investments by Edge Corporations, Banks, and Bank Holding Companies

The new regulation contains a list of activities that may generally be engaged in by foreign companies in which U.S. banking organizations hold a substantial ownership interest (section 211.5(d)). The activities specified in the regulation are those the Board has generally allowed foreign subsidiaries of U.S. banks because they are of a financial character or are related to international banking and financial operations.

For example, U.S. banking organizations may engage in nonbanking activities abroad that the Board has authorized under section 4(c)(8) of the Bank Holding Company Act.

Regulation K establishes uniform and simplified procedures for foreign or international investments by Edge corporations and member banks and bank holding companies. The regulation establishes expedited procedures, under general consent provisions, for investments up to \$2 million for subsidiaries or joint ventures engaged in activities permissible under the regulation. Such investments in foreign companies may be made without specific consent by the Board.

Other investments in subsidiaries and joint ventures that do not qualify under the general consent procedures but that do not exceed 10 percent of capital and surplus of the investor may be made after 60 days' notification to the Board.

All other investments must obtain the Board's prior approval.

Foreign Branches of Edge Corporations

An Edge corporation may establish branches abroad, under revised Regulation K, according to the provisions of the regulation (section 211.3) by which member banks may establish foreign branches.

Foreign Investment in Edge Corporations

The International Banking Act (section 3(f)) specifies that certain foreign or domestic financial institutions may apply to the Board for prior approval to acquire 50 percent or more of the capital stock of an Edge corporation. In acting upon applications to acquire stock of Edge corporations made by institutions that are not subject to the IBA or the Bank Holding Company Act, the Board will impose conditions regarded as necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices in the United States. A foreign financial institution may not invest more than 10 percent of the institution's capital and surplus in an Edge corporation.

Lending Limits and Capital Requirements for Edge Corporations

The Board established prudential rules for Edge corporations that accept deposits in the United States, including the following:

1. ~~Risk assets~~ of an Edge corporation engaged in banking ~~may not exceed~~ 7 percent of capital and surplus. In general, an Edge corporation's capital should be adequate in relation to the scope and character of its activities.
2. Extensions of credit to one person by Edge corporations engaged in banking may not exceed 10 percent of the corporation's capital and surplus.
3. Extensions of credit to one person by a member bank and by its Edge corporation and foreign direct and indirect subsidiaries may not exceed the member bank's lending limit.
4. Underwriting commitments shall be deemed extensions of credit for purposes of applying the lending limits. Underwritings of equities by subsidiaries may not represent more than 20 percent of an issuer's equity or amount to more than \$2 million.

Deposits in Edge Corporations

The deposits of an Edge corporation in the United States and abroad are subject to reserve requirements and interest rate ceilings as though they were member banks.

Edge corporations may receive in the United States demand, time, and savings deposits from foreign governments and their agents or instrumentalities, from persons conducting business principally at their offices abroad, and from individuals residing abroad.

Deposits of the same types may be received in the United States from other sources if the deposits are to be used for purposes specified in the regulation (section 211.4(3)(2)).

Supervision of Edge Corporations

Edge corporations will be examined once a year by Federal Reserve examiners. Organizations subject to the regulation are required to supervise and administer their foreign branches and subsidiaries so as to ensure that their activities

conform to high standards of banking and financial prudence. When investing in joint ventures, investors must keep themselves informed of the activities and condition of the joint venture and must maintain files of complete information on all transactions available to examiners. An Edge corporation must make at least two reports of its financial condition to the Board yearly, at the times and in the form prescribed by the Board. The Board may require that reports of condition or other reports be published or made available for public inspection.

Foreign Branches of Member Banks

The new Regulation K simplifies the regulatory approval process for the establishment of foreign branches by member banks. A member bank that has established branches in two or more foreign countries may establish branches in additional countries after 60 days' notice to the Board. Additional branches in the same country may be established without prior notification to the Board. The Board transferred to Regulation K provisions of Regulation M concerning the activities of foreign branches of member banks, with minor changes.

Transition Rules

Transactions that have been consummated or activities engaged in pursuant to the Board's general or specific consent prior to June 8, 1979, may be retained or continued. Extensions of credit that exceed limitations set forth in the regulation may remain outstanding until they mature. Investors that do not meet the requirements of the regulation on June 14, 1979 (sections 211.6(c) and 211.5(b)(iii) respectively), must conform their accounts and investments by June 14, 1981.

The Board has considered the question of Federal Reserve membership for Edge corporations and is sending to the Congress its views on this matter. The Board deferred action on the question of the appropriateness of foreign subsidiaries of U.S. banking organizations lending to U.S. residents for domestic purposes and will consider this matter separately.

COUNTRY EXPOSURE LENDING SURVEY

The results of a survey of foreign lending by large U.S. banks as of December 31, 1978, were made public on June 21, 1979, by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Board. The data cover claims on foreign residents held by all domestic and foreign offices of 129 U.S. banking organizations with significant foreign banking operations.

The results indicate that cross-border and nonlocal currency claims increased moderately in 1978, rising 12 percent from \$194 billion to \$217 billion. Most of the growth represented increased claims on banks, which are largely related to money market activities. Cross-border and cross-currency lending to public and private nonbank borrowers increased only \$2 billion during the year. In addition, the survey indicates that local currency lending to local borrowers by foreign offices of U.S. banks increased \$9 billion in 1978 to a total of \$58 billion. Most of the increase in both types of lending occurred in the second half.

Types of Loans

The survey concentrated on data involving lending from a bank's offices in one country to residents of another country or lending in a currency other than that of the borrower. These loans are known as cross-border and cross-currency loans.

Cross-border and cross-currency loans are those most closely associated with country risk. Such claims totaled \$217 billion at year-end 1978. Claims on residents of Switzerland and the Group of Ten (G-10) developed countries represent 42 percent of this total. Another 21 percent represents claims on residents of "other developed countries" and "offshore banking centers."¹ Claims on residents of developing countries that are not oil exporters amount to 24 percent.

1. Countries where multinational banks conduct a large international money market business.

In addition, the banks reported \$58 billion in local currency claims that were held by their foreign offices on residents of the country in which the office was located. An example would be Deutsche mark claims on German residents held by the German branch of the reporting U.S. bank. To a large extent, these local currency claims were matched by \$48 billion in local currency liabilities due local residents.

Maturities

More than two-thirds of the reported cross-border and cross-country claims had a maturity of one year or less. Only \$16 billion in claims had a maturity in excess of five years. Short-term claims are especially prominent in the G-10 countries and in the offshore banking centers where a large volume of interbank lending takes place. Such placements of deposits are usually for very short periods.

For most other groups of countries, short-term claims accounted for slightly less than half of the total claims, although the proportion varied among countries.

Type of Borrower

Business with other banks accounted for the largest amount, equaling \$116 billion. Most of the claims were on banks located in the G-10 countries and on the offshore banking centers. Private nonbank sector lending totaled \$62 billion, and loans to the public sector amounted to \$39 billion. This last category includes foreign central governments, their political subdivisions and agencies, foreign central banks, and commercial nonbank enterprises owned by government. The distribution by type of borrower varied significantly from country to country.

Guarantees

Cross-border and cross-currency claims that are guaranteed by residents of another country are reallocated from the country of residence of the borrower to another country in two major ways. First, claims on a bank branch located in one country when the head office is located in another

country are allocated to the country of the head office. Since a branch is legally a part of the parent, claims on a branch are treated as being guaranteed by the head office. Second, claims on a borrower in one country that are formally guaranteed by a resident of another country are allocated to the latter country. These reallocations are thought to provide a better approximation of country exposure in the banks' portfolios than the unadjusted figures.

Most of the reallocations are accounted for by the transfer of claims on branches (and, when guaranteed, subsidiaries) of banks to their head offices (\$41 billion out of \$53 billion). In general, the reallocations primarily affected the offshore banking centers and some of the developed countries. For example, claims on the offshore banking centers decreased from \$26 billion to \$7 billion and claims on the United Kingdom decreased from \$35 billion to \$16 billion. For most less developed countries, a relatively small portion of claims is externally guaranteed. The total of claims on foreigners by country of guarantor is about \$196 billion, or \$21 billion less than the total for claims by country of borrower. This difference results from U.S. residents guaranteeing about \$26 billion in claims on foreign residents and foreigners guaranteeing about \$5 billion in claims on U.S. residents.

Commitments to Provide Funds for Foreigners

The survey also provided information on contingent claims on foreigners. The banks were asked to report only those contingent claims for which the bank had a legal obligation to provide funds. The amounts reported total \$60 billion, 73 percent of which constituted claims on the private sector, including banks.

NEW DOLLAR COIN

The Federal Reserve Board and the Department of the Treasury have announced that the new Susan B. Anthony dollar coin went into circulation on July 2.

The joint Federal Reserve-Treasury statement is as follows:

The new Susan B. Anthony dollar coin, introduced on July 2, 1979, will result in a more economical monetary system both to the federal government and to private industry. Commercial users will find that the faster, easier handling of the new small dollar coin, as well as its anticipated widespread acceptance by vending and change-making machines, will lead to more efficient operations when compared with the dollar bill. In addition, the federal government will experience substantial savings in production costs because the dollar coin can be expected to remain in circulation in good condition for 15 years or more compared with a useful life of approximately 18 months for the dollar bill. According to Federal Reserve Board estimates, total savings that could be achieved through reductions in printing, processing, and destruction costs for dollar bills can reach as high as \$50 million a year if the coin is substituted for the dollar bill. These savings would accrue directly to the American taxpayer.

Because of these significant potential savings resulting from the increased use of the dollar coin, the Treasury Department and the Federal Reserve have initiated a study to determine the currency and coin needs of the American public in the future. The study will consider the various implications of substituting the dollar coin for the dollar bill and the possible development of specific plans for achieving that objective. Present plans call for the production of both. After ample supplies of the new dollar coin are available, public acceptance measured, and the above-mentioned study completed, continued production of both will be reappraised with an eye toward the feasibility of eventual replacement of the dollar bill with the dollar coin.

Some 500 million new dollar coins have already been minted, and supplies should be available in 94 percent of the country by the end of the week of July 1.

The new coin, which bears the likeness of Susan B. Anthony, costs somewhat more than the dollar bill to produce but lasts for 15 years. A paper bill lasts only 18 months.

The coin is slightly larger than a quarter and slightly smaller than a half dollar.

Total savings for the American taxpayer could reach as high as \$50 million a year, if the coin is substituted for the bill.

CHANGES IN BOARD STAFF

The Federal Reserve Board has announced the following official appointment, effective July 9.

Robert A. Jacobsen, Chief Examiner in charge of the Bank Examinations and Bank Analysis Departments at the Federal Reserve Bank of New York, as Assistant Director for Financial Institutions Supervision, Division of Banking Supervision and Regulation. Prior to joining the Bank's staff in 1966, Mr. Jacobsen served with the Peoples National Bank, Belleville, New Jersey, and with the Comptroller of the Currency.

The Board has also announced the resignation of Allen L. Raiken, Associate General Counsel in the Legal Division.

INTERNATIONAL STATISTICS: REVISED TABLES

Several tables in the International Statistics section of the BULLETIN have been changed to conform to major revisions in the Treasury's international capital forms filed by nonbanking business enterprises in the United States. Two new tables, 3.24, "Liabilities to Unaffiliated Foreigners," and 3.25, "Claims on Unaffiliated Foreigners," appear on pages A66 and A67. They replace table 3.24, "Short-Term Liabilities to and Claims on Foreigners," table 3.25, "Short-Term Claims on Foreigners," and table 3.26, "Long-Term Liabilities to and Claims on Foreigners." One item has been added to table 3.18, page A62, "Banks' Own and Domestic Customers' Claims on Foreigners," to incorporate a newly reported monthly figure for U.S. dollar deposits of nonbanking business enterprises in banks abroad.

The changes in general coverage and format of the tables include (1) the elimination of the distinction between long- and short-term liabilities and claims, and (2) the separation of financial liabilities and claims from commercial liabilities and claims.

Table 3.24 shows total liabilities reported by nonbanking business enterprises in the United States. Liabilities are still broken down into amounts payable in dollars and amounts payable in foreign currencies. A further distinction is

made, however, between financial and commercial liabilities, and a geographic distribution for each of the two types of liabilities is given.

Table 3.25 shows total claims reported by nonbanking business enterprises in the United States. In a format similar to new table 3.24, table 3.25 separates foreign currency claims from U.S. dollar claims and financial claims from commercial claims, and a geographic distribution is given for each of the two types of claims.

Data series begin December 1978.

SYSTEM MEMBERSHIP:

ADMISSION OF STATE BANKS

The following banks were admitted to membership in the Federal Reserve System during the period June 11 through July 10, 1979:

Alabama

Scottsboro Jackson County Bank

New Hampshire

Belmont Belknap Bank and Trust

Texas

Kerrville Bank of Kerrville

Law Department

Statutes, regulations, interpretations, and decisions

AMENDMENT TO REGULATION E

The Board of Governors has adopted an amendment to Regulation E. The amendment implements section 909 of the Electronic Fund Transfer Act, which relates to consumers' liability for unauthorized transfers.

Effective August 1, 1979, section 205.5(a) is amended to read as follows:

Section 205.5—Liability of Consumer for Unauthorized Transfers

(a) *General rule.* A consumer is liable, within the limitations described in paragraph (b) of this section, for unauthorized electronic fund transfers involving the consumer's account only if:

(1) the access device used for the unauthorized transfers is an accepted access device;

(2) the financial institution has provided a means (such as by signature, photograph, fingerprint, or electronic or mechanical confirmation) to identify the consumer to whom the access device was issued; and

(3) the financial institution has provided the following information, in writing, to the consumer:

(i) The consumer's liability under § 205.5, or under other applicable law or agreement, for unauthorized electronic fund transfers and, at the financial institution's option, notice of the advisability of prompt reporting of any loss, theft, or unauthorized transfers.

(ii) The telephone number and address of the person or office to be notified in the event the consumer believes that an unauthorized electronic fund transfer has been or may be made.

(iii) The financial institution's business days, as determined under § 205.2(d), unless applicable State law or an agreement between the consumer and the financial institution sets a liability limit not greater than \$50.

RESCISSION OF REGULATIONS K, M, AND PART OF REGULATION Y

The Board of Governors has revised its regulations governing international banking operations. Current Regulations K (12 C.F.R. Part 211), M (12 C.F.R. Part 213), and section 225.4(f) of Regulation Y (12 C.F.R. 225.4(f)) have been revised and combined in new Regulation K (12 C.F.R. Part 211).

Effective June 14, 1979, Title 12 C.F.R. is amended as follows:

1. 12 C.F.R. Part 211 is deleted in its entirety.
2. 12 C.F.R. Part 213 is deleted in its entirety.
3. Section 225.4(f) of 12 C.F.R. Part 225 is deleted in its entirety.

REVISION OF REGULATION K

The Board of Governors of the Federal Reserve System has revised its regulations governing the international operations of member banks, Edge and Agreement Corporations, and bank holding companies. The regulation updates existing regulations and combines them in one comprehensive regulation.

Effective June 14, 1979, part 211 of 12 C.F.R. is added to read as set forth below:

Contents

Section

211.1 Authority, Purpose, and Scope

211.2 Definitions

211.3 Foreign Branches of Member Banks

211.4 Edge and Agreement Corporations

211.5 Investments in Other Organizations

211.6 Lending Limits and Capital Requirements

211.7 Supervision and Reporting

Section 211.1—

Authority, Purpose, and Scope

(a) *Authority.* This Part is issued by the Board of Governors of the Federal Reserve System

(“Board”) under the authority of the Federal Reserve Act (12 U.S.C. 221 *et seq.*) (“FRA”); the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (“BHCA”); and the International Banking Act of 1978 (92 Stat. 607) (“IBA”).

(b) *Purpose and Scope.* This Part is in furtherance of the purposes of the FRA, the BHCA, and the IBA. It applies to corporations organized under section 25(a) of the FRA (12 U.S.C. 611-631), “Edge Corporations”; to corporations having an agreement or undertaking with the Board under section 25 of the FRA (12 U.S.C. 601-604(a)), “Agreement Corporations”; to member banks with respect to their foreign branches and investments in foreign banks under section 25 of the FRA (12 U.S.C. 601-604(a));¹ and to bank holding companies with respect to the exemption from the nonbanking prohibitions of the BHCA afforded by section 4(c)(13) of the BHCA (12 U.S.C. 1843(c)(13)).

Section 211.2—Definitions

For the purposes of this Part:

(a) An “affiliate” of an organization means any company of which the organization is a direct or indirect subsidiary, any other direct or indirect subsidiary of that company, and any direct or indirect subsidiary of the organization.

(b) “Capital and surplus” means paid-in and unimpaired capital and surplus, and includes undivided profits but does not include the proceeds of capital notes or debentures.

(c) “Directly or indirectly” when used in reference to activities or investments of an organization means activities or investments of the organization or of any subsidiary of the organization.

(d) An Edge Corporation is “engaged in banking” if it is ordinarily engaged in the business of accepting deposits in the United States from nonaffiliated persons.

(e) “Engaged in business in the United States” means maintaining and operating an office (other than a representative office) or subsidiary in the United States.

(f) “Foreign” or “foreign country” refers to one or more foreign nations, and includes the overseas territories, dependencies, and insular possessions of those nations and of the United States, and the Commonwealth of Puerto Rico.

(g) “Foreign bank” means an organization that: is organized under the laws of a foreign country; engages in the business of banking; is recognized as a bank by the bank supervisory or monetary authority of the country of its organization or principal banking operations; receives deposits to a substantial extent in the regular course of its business; and has the power to accept demand deposits.

(h) “Foreign branch” means an office of an institution which is located outside the country under the laws of which the institution is organized, at which a banking or financing business is conducted.

(i) “Investment” means the ownership or control of shares, including binding commitments to acquire shares, and other contributions to the capital accounts of an organization, including the holding of an organization’s subordinated debt when shares of stock of the organization are also held directly or indirectly by an investor.

(j) “Investor” means an Edge Corporation, Agreement Corporation, bank holding company, or member bank.

(k) “Joint venture” is an organization 20 per cent or more of the voting stock of which is held directly or indirectly by an investor or by an affiliate of the investor, but which is not a subsidiary of the investor.

(l) “Listed activities” means the activities specified in section 211.5(d).

(m) “Organization” means a corporation, government, partnership, association, or any other legal or commercial entity.

(n) “Person” means an individual or an organization.

(o) “Portfolio investment” means an investment in an organization other than a subsidiary or joint venture.

(p) “Subsidiary” means an organization more than 50 per cent of the voting stock of which is held directly or indirectly by the investor, or which is otherwise controlled or capable of being controlled by the investor or an affiliate of the investor.

Section 211.3—

Foreign Branches of Member Banks

(a) *Establishment of foreign branches.* A member bank may establish a foreign branch with prior approval of the Board. Unless otherwise advised by the Board: (1) a member bank that has branches in two or more foreign countries may establish initial branches in additional foreign countries after 60 days’ notice to the Board; and (2) without prior approval or prior notice, a member bank may

1. Section 25 of the FRA, which refers to national banking associations, also applies to State member banks of the Federal Reserve System by virtue of section 9 of the FRA (12 U.S.C. 321).

establish additional branches in any foreign country in which it operates one or more branches. Authority to establish branches through prior approval or prior notice shall expire one year from the earliest date on which it could have been exercised, unless extended by the Board. A member bank shall inform the Board within 30 days of the opening, closing or relocation of a branch and the address of a new or relocated foreign branch.

(b) *Further Powers of Foreign Branches.* In addition to its general banking powers, and to the extent consistent with its charter, a foreign branch of a member bank may engage in the following activities so far as usual in connection with the business of banking in the country where it transacts business:

(1) guarantee customers' debts or otherwise agree for their benefit to make payments on the occurrence of readily ascertainable events,² if the guarantee or agreement specifies a maximum monetary liability; but, except to the extent that the member bank is fully secured, it may not have liabilities outstanding for any person on account of such guarantees or agreements which when aggregated with other obligations of the same person exceed the limit contained in section 5200 of the Revised Statutes (12 U.S.C. 84);

(2) accept drafts or bills of exchange drawn upon it subject to the amount limitations of section 13 of the FRA (12 U.S.C. 372);

(3) invest in (i) the securities of the central bank, clearing houses, governmental entities, and government-sponsored development banks of the country in which the foreign branch is located, (ii) other debt securities eligible to meet local reserve or similar requirements, and (iii) shares of professional societies, schools, and the like necessary to the business of the branch; however, the branch's total investments under this provision (exclusive of securities held as required by the law of that country or as authorized under section 5136 of the Revised Statutes (12 U.S.C. 24)) shall not exceed one per cent of its total deposits on the preceding year-end call report date (or on the date of acquisition in the case of a newly established branch that has not so reported);

(4) underwrite, distribute, buy, and sell obligations of the national government of the country in which the branch is located, obligations of an agency or instrumentality of the national govern-

ment, and obligations of a municipality or other local or regional governmental entity of the country; however, no member bank may hold, or be under commitment with respect to, obligations of the government or governmental entities of a country as a result of underwriting, dealing, or purchasing for the bank's own account an aggregate amount exceeding 10 per cent of the member bank's capital and surplus;

(5) take liens or other encumbrances on foreign real estate in connection with its extensions of credit, whether or not of first priority and whether or not the real estate is improved or has been appraised, and without regard to maturity or amount limitations or amortization requirements of section 24 of the FRA (12 U.S.C. 371);

(6) extend credit up to \$100,000 or its equivalent to an officer of the bank residing in the country in which the foreign branch is located to finance the acquisition or construction of living quarters to be used as the officer's residence abroad, provided any such credit extension is reported promptly to the branch's home office; however, when necessary to meet local housing costs, such amount may be exceeded with the specific prior approval of the member bank's board of directors;

(7) act as insurance agent or broker;

(8) pay to an employee of the branch, as part of an employee benefit program, a greater rate of interest than that paid to other depositors of the branch; and

(9) engage in repurchase arrangements involving commodities and securities that are the functional equivalent of extensions of credit.

(c) *Other Permissible Activities.* A member bank that is of the opinion that activities other than those specified in this section are usual in connection with the transaction of the business of banking in the places where its branches transact business may apply to the Board for permission to engage in such activities.

(d) *Reserves.* Reserves shall be maintained against foreign branch deposits when required by Part 204 of this Chapter (Regulation D).

Section 211.4 - Edge and Agreement Corporations

(a) *Organization.* (1) A proposed Edge Corporation shall become a body corporate when the Board issues a preliminary permit approving its proposed name, articles of association, and organization certificate. The name shall include "international," "foreign," "overseas," or some

2. "Readily ascertainable events" include, but are not limited to, events such as nonpayment of taxes, rentals, customs duties, or costs of transport and loss or nonconformance of shipping documents.

similar word, but may not resemble the name of another organization to an extent that might mislead or deceive the public. The factors that will be considered by the Board in acting on a proposal to organize an Edge Corporation include:

(i) the financial condition and history of the applicant;

(ii) the general character of its management;

(iii) the convenience and needs of the community to be served with respect to international banking and financing services; and

(iv) the effects of the proposal on competition. The Board will publish in the *Federal Register* notice of any such proposal and will give interested persons an opportunity to express their views on the proposal.

(2) After the Board issues a preliminary permit, the Edge Corporation may elect officers and otherwise complete its organization, invest in obligations of the United States Government, and maintain deposit with banks, but it may not exercise any other powers until the Board has issued a final permit to commence business. No amendment to the articles of association shall become effective until approved by the Board.

(b) *Nature and Ownership of Shares.* (1) Shares of stock in an Edge Corporation may not include no-par value shares and shall be issued and transferred only on its books and in compliance with section 25(a) of the FRA. The share certificates of an Edge Corporation shall (i) name and describe each class of shares indicating their character and any unusual attributes such as preferred status or lack of voting rights; and (ii) conspicuously set forth the substance of (A) limitations upon the rights of ownership and transfer of shares imposed by section 25(a) of the FRA, and (B) rules that the Edge Corporation shall prescribe in its by-laws to ensure compliance with this paragraph. Any change in status of a shareholder that causes a violation of section 25(a) of the FRA shall be reported to the Board as soon as possible, and the Edge Corporation shall take such action as the Board may direct.

(2) One of more foreign or domestic institutions referred to in section 3(f) of the IBA may apply for the Board's prior approval to acquire a majority of the shares of the capital stock of an Edge Corporation. In acting on an application by a foreign institution that is not subject to the IBA or the BHCA, the Board will impose any conditions that are necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices in the United States. The aggregate

amount invested in Edge Corporations by a foreign institution shall not exceed 10 per cent of the foreign institution's capital and surplus.

(c) *Branches.* (1) With prior Board approval, an Edge Corporation may establish branches in the United States. In acting on a proposal to establish a branch in the United States, the Board will consider the same factors enumerated in section 211.4(a)(1). The Board will publish in the *Federal Register* notice of any proposal to establish a branch in the United States and will give interested persons an opportunity to express their views on the proposal.

(2) An Edge Corporation may establish branches abroad in accordance with the procedures in section 211.3(a).

(d) *Reserve Requirements and Interest Rate Limitations.* The deposits of an Edge Corporation are subject to Parts 204 and 217 of this Chapter (Regulations D and Q) in the same manner and to the same extent as if the Edge Corporation were a member bank.

(e) *Permissible Activities in the United States.* An Edge Corporation may engage in activities in the United States that are permitted by the sixth paragraph of section 25(a) of the FRA and in such other activities as the Board determines are incidental to international or foreign business. The following activities will ordinarily be considered incidental to an Edge Corporation's international or foreign business:

(1) *Deposits from foreign governments and persons.* An Edge Corporation may receive in the United States demand, savings, and time deposits (including negotiable certificates of deposits) from foreign governments and their agencies and instrumentalities, persons conducting business principally at their offices or establishments abroad, and individuals residing abroad.

(2) *Deposits from other persons.* An Edge Corporation may receive in the United States demand, savings, and time deposits (including negotiable certificates of deposit) if such deposits:

(i) are to be transmitted abroad;

(ii) consist of collateral or funds to be used for payment of obligations to the Edge Corporation;

(iii) consist of the proceeds of collections abroad that are to be used to pay for exported or imported goods or for other costs of exporting or importing or that are to be periodically transferred to the depositor's account at another financial institution;

(iv) consist of the proceeds of extensions of credit by the Edge Corporation; or

(v) represent compensation to the Edge Corporation for extensions of credit or services to the customer.

(3) *Use of funds in the United States.* Funds of an Edge Corporation not currently employed in its international or foreign business, if held or invested in the United States, shall be in the form of cash, deposits with banks, and money market instruments such as bankers' acceptances, obligations of or fully guaranteed by Federal, State, and local governments and their instrumentalities, repurchase agreements, Federal funds sold, and commercial paper.

(4) *General activities.* Subject to the limitations of section 25(a) of the FRA and section 211.6 of this Part, an Edge Corporation may engage in the following activities to the extent consistent with sound banking practices:

(i) issue obligations to domestic offices of other banks (including purchases of Federal funds) or to the United States or any of its agencies;

(ii) incur indebtedness from a transfer of direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof that the Edge Corporation is obligated to repurchase;

(iii) issue long-term subordinated debt that does not qualify as a "deposit" under Part 204 of this Chapter (Regulation D);

(iv) finance the following: (A) contracts, projects, or activities performed substantially abroad; (B) the importation into or exportation from the United States of goods, whether direct or through brokers or other intermediaries; (C) the domestic shipment or temporary storage of goods being imported or exported (or accumulated for export); and (D) the assembly or repackaging of goods imported or to be exported;

(v) finance the costs of production of goods and services for which export orders have been received or which are identifiable as being directly for export;

(vi) assume or acquire participations in extensions of credit, or acquire obligations arising from transactions the Edge Corporation could have financed;

(vii) guarantee a customer's debts or otherwise agree for the customer's benefit to make payments on the occurrence of readily ascertainable events,³

3. "Readily ascertainable events" include, but are not limited to, events such as nonpayment of taxes, rentals, customs duties, or costs of transport and loss or nonconformance of shipping documents.

if the guarantee or agreement specifies the maximum monetary liability thereunder and is related to a type of transaction described in paragraphs (4)(iv) and (4)(v) of this section;

(viii) receive checks, bills, drafts, acceptances, notes, bonds, coupons, and other securities for collection abroad, and collect such instruments in the United States for a customer abroad;

(ix) hold securities in safekeeping for, or buy and sell securities upon the order and for the account and risk of a person;

(x) act as paying agent for securities issued by foreign governments or other entities organized under foreign law;

(xi) act as trustee, registrar, conversion agent, or paying agent with respect to any class of securities issued to finance foreign activities and distributed solely outside the United States;

(xii) make private placements of participations in its investments and extensions of credit; however, except to the extent permissible for member banks under section 5136 of the Revised Statutes (12 U.S.C. 24), no Edge Corporation may otherwise engage in the business of selling or distributing securities in the United States; and

(xiii) buy and sell spot and forward foreign exchange.

(5) *Other permissible activities.* An Edge Corporation that is of the opinion that other activities in the United States would be incidental to its international or foreign business may apply to the Board for such a determination.

(f) *Agreement Corporations.* With the prior approval of the Board, a member bank or bank holding company may invest in a federally or State chartered corporation that has entered into an agreement or undertaking with the Board that it will not exercise any power that is impermissible for an Edge Corporation under this Part.

Section 211.5—

Investments in Other Organizations

(a) *General Policy.* Activities of investors abroad, whether conducted directly or indirectly, shall be confined to those of a banking or financial nature and those that are necessary to carry on such activities. In doing so, investors shall at all times act in accordance with high standards of banking or financial prudence, having due regard for diversification of risks, suitable liquidity, and adequacy of capital. Subject to these considerations and the other provisions of this section, it is the Board's policy to allow activities abroad

to be organized and operated as best meets corporate policies.

(b) *Investment Limitations.* (1) An investor, in accordance with the investment procedures described in paragraph (c) of this section, may directly or indirectly:

(i) invest in a subsidiary that engages solely in listed activities or in such other activities as the Board has determined in the circumstances of a particular case are permissible;

(ii) invest in a joint venture provided that, unless otherwise permitted by the Board, not more than 10 per cent of the joint venture's consolidated assets or revenues shall be attributable to activities that would not be permissible for a subsidiary;

(iii) make portfolio investments (including securities held in trading or dealing accounts) in an organization if the total direct and indirect portfolio investments in organizations engaged in activities that are not permissible for joint ventures does not at any time exceed 100 per cent of the investor's capital and surplus.⁴

(2) A member bank's direct investments under section 25 of the FRA shall be limited to foreign banks and to foreign organizations formed for the sole purpose of either holding shares of a foreign bank or performing nominee, fiduciary, or other banking services incidental to the activities of a foreign branch or foreign bank affiliate of the member bank.

(3) Subsidiaries may establish branches in accordance with the procedures set forth in section 211.3(a).

(4) In computing the amount that may be invested in any organization under this section there shall be included any unpaid amount for which the investor is liable and any investments by affiliates.

(5) An investor shall dispose of an investment promptly (unless the Board authorizes retention) if:

(i) the organization invested in (A) engages in the business of underwriting, selling or distributing securities in the United States; (B) engages in the general business of buying or selling goods, wares, merchandise, or commodities in the United States; or (C) transacts business in the United States that is not incidental to its international or foreign business;

(ii) in the case of a subsidiary, it engages in an activity other than that which the Board has

determined to be permissible; or in the case of joint venture, it engages in an impermissible activity beyond that described in paragraph (b)(1)(ii) of this section; or

(iii) after notice and opportunity for hearing, the investor is advised by the Board that its investment is inappropriate under the FRA, the BHCA, or this Part.

(c) *Investment Procedures.*⁵ Direct and indirect investments shall be made in accordance with the general consent, notice, or specific consent procedures contained in this section. The Board may at any time, upon notice, suspend the general consent and notification procedures with respect to any investor or with respect to the acquisition of shares of companies engaged in particular kinds of activities. An investor must receive prior specific consent of the Board for investment in its first subsidiary, its first joint venture, and its first portfolio investment unless an affiliate has made such investments. Authority to make investments under prior notice or prior consent shall expire one year from the earliest date on which it could have been exercised, unless extended by the Board.

(1) *General consent.* The Board grants its general consent for the following:

(i) any investment in a joint venture or subsidiary, and any portfolio investment, if:

(A) the organization is not engaged in business in the United States; and

(B) the total amount invested does not exceed the lesser of (1) \$2 million or (2) five per cent of the investor's capital and surplus in the case of a member bank, bank holding company, or Edge Corporation engaged in banking, or 25 per cent of the investor's capital and surplus in the case of an Edge Corporation not engaged in banking;

(ii) any additional investment in an organization if:

(A) the additional investment does not cause the organization to be a direct or indirect subsidiary or joint venture of the investor; and

(B) the additional amount invested does not in any calendar year exceed 10 per cent of the investor's historical cost plus dividends for that year. The amount that may be invested under this provision of the general consent may, if not exercised,

4. For this purpose, a direct subsidiary of a member bank is deemed to be an investor.

5. When necessary, the general consent and prior notification provisions of this section constitute the Board's approval under the eighth paragraph of section 25(a) of the FRA for investments in excess of the limitations therein based on capital and surplus.

be carried forward and accumulated for up to five consecutive years; or

(iii) any investment that is acquired from an affiliate at net asset value.

(2) *Prior notification.* An investment in a subsidiary or joint venture that does not qualify under the general consent procedure, may be made after the investor has given 60 days' prior written notice to the Board if the total amount to be invested does not exceed 10 per cent of the investor's capital and surplus. The notification period shall commence at the time the notice is accepted. The Board may, during the notification period, disapprove the investment, suspend the period, or require that an application be filed by the investor for the Board's specific consent.

(3) *Specific consent.* Any investment that does not qualify for either the general consent or the prior notification procedure shall not be consummated without the specific consent of the Board.

(d) *Listed Activities.* The Board has determined that the following activities are usual in connection with the transaction of banking or other financial operations abroad:

(1) commercial banking;

(2) financing, including commercial financing, consumer financing, mortgage banking, and factoring;

(3) leasing real or personal property if the lease serves as the functional equivalent of an extension of credit to the lessee of the property;

(4) acting as fiduciary;

(5) underwriting credit life insurance and credit accident and health insurance related to extensions of credit by the investor or its affiliates;

(6) performing services for other direct or indirect operations of a United States banking organization, including representative functions, sale of long term debt, name saving, and holding assets acquired to prevent loss on a debt previously contracted in good faith;

(7) holding the premises of a branch of an Edge Corporation or member bank or the premises of a direct or indirect subsidiary;

(8) providing investment, financial or economic advisory services;

(9) general insurance brokerage;

(10) data processing;

(11) managing a mutual fund if the fund's shares are not sold or distributed in the United States or to United States residents and the fund does not exercise managerial control over the firms in which it invests;

(12) performing management consulting services provided that such services when rendered with respect to the United States market shall be restricted to the initial entry;

(13) underwriting, distributing, and dealing in debt and equity securities outside the United States, provided that no underwriting commitment by a subsidiary of an investor for shares of an issuer may exceed \$2 million or represent 20 per cent of the capital and surplus or voting stock of an issuer unless the underwriter is covered by binding commitments from subunderwriters or other purchasers;

(14) engaging in other activities that the Board has determined by regulation or order are closely related to banking under section 4(c)(8) of the BHCA.

An investor that is of the opinion that other activities are usual in connection with the transaction of the business of banking or other financial operations abroad and are consistent with the FRA or the BHCA may apply to the Board for such a determination.

(c) *Debts Previously Contracted.* Shares of stock or other evidences of ownership acquired to prevent a loss upon a debt previously contracted in good faith shall not be subject to the limitations or procedures of this section; however, the shares or evidences of ownership shall be disposed of promptly, but in no event later than two years after their acquisition unless the Board authorizes retention for a longer period.

Section 211.6—

Lending Limits and Capital Requirements

(a) *Acceptances of Edge Corporations.* An Edge Corporation shall be and remain fully secured for (i) all acceptances outstanding in excess of twice its capital and surplus; and (ii) all acceptances outstanding for any one person in excess of 10 per cent of its capital and surplus. These limitations shall not apply (i) if the excess represents the international shipment of goods and the Edge Corporation is fully covered by primary obligations to reimburse it that are also guaranteed by banks or bankers, or (ii) if the Edge Corporation is covered by participation agreements from other banks.

(b) *Liabilities of One Person.* (1) Except as the Board may otherwise specify:

(i) the liabilities of any person to an Edge Corporation engaged in banking and to its direct

or indirect subsidiaries shall not exceed 10 per cent of the Edge Corporation's capital and surplus;

(ii) the total liabilities of any person to a majority owned foreign bank or Edge Corporation subsidiary of a member bank, and to majority owned subsidiaries of such foreign bank or Edge Corporation when combined with liabilities of the same person to the member bank and its majority owned subsidiaries, shall not exceed the member bank's limitation on loans to one person.

(2) "Liabilities" includes: ineligible acceptances outstanding; obligations for money borrowed; investments in another organization (valued at original cost) except where that organization is a direct or indirect subsidiary; unsecured obligations resulting from the issuance of guarantees or similar agreements; underwriting commitments to an issuer of securities; in the case of a partnership or firm, obligations of its members, in the case of a corporation, obligations incurred for its benefit by other corporations that it controls; and in the case of a foreign government, the liabilities of its departments or agencies deriving their current funds principally from general tax revenues.

(3) The limitations of this paragraph do not apply to:

(i) deposits of banks and Federal funds purchased;

(ii) bills or drafts drawn in good faith against actual goods and on which two or more parties are liable;

(iii) any acceptance that has not matured and is not held by the acceptor;

(iv) obligations to the extent secured by cash collateral; or

(v) obligations to the extent supported by the full faith and credit of the following:

(A) the United States or any of its departments, agencies, establishments, or wholly-owned corporations (including obligations to the extent insured against foreign political and credit risks by the Export-Import Bank of the United States or the Foreign Credit Insurance Association), the International Bank for Reconstruction and Development, the International Finance Corporation, the International Development Association, the Inter-American Development Bank, or the Asian Development Bank;

(B) any organization if at least 25 per cent of such an obligation or of the total credit is also supported by the full faith and credit of, or participated in by any institution designated in paragraph (b)(3)(v)(A) of this section in such manner that default to the lender will necessarily include default to that entity. The total liabilities of such

person shall at no time exceed 100 per cent of the capital and surplus of the lender or the parent Edge Corporation.

(c) *Loans to Foreign Banks.* A member bank that holds directly or indirectly shares in a foreign bank may make loans to that foreign bank without regard to section 23A of the FRA.

(d) *Capitalization.* An Edge Corporation shall at all times be capitalized in an amount that is adequate in relation to the scope and character of its activities. In the case of an Edge Corporation engaged in banking, its capital and surplus shall be not less than seven per cent of risk assets. For this purpose, risk assets shall be deemed to be all assets on a consolidated basis other than cash, amounts due from banking institutions in the United States, United States Government securities, and Federal funds sold.

Section 211.7--Supervision and Reporting

(a) *Supervision.* (1) Investors shall supervise and administer their foreign branches and subsidiaries in such a manner as to ensure that their operations conform to high standards of banking and financial prudence. Effective systems of records, controls, and reports shall be maintained to keep management informed of their activities and condition. Such systems should provide, in particular, information on risk assets, liquidity management, and operations of controls and conformance to management policies. Reports on risk assets should be sufficient to permit an appraisal of credit quality and assessment of exposure to loss, and for this purpose provide full information on the condition of material borrowers. Reports on the operations of controls should include the internal and external audits of the branch or subsidiary.

(2) Investors shall maintain sufficient information with respect to joint ventures to keep informed of their activities and condition. Such information shall include audits and other reports on financial performance, risk exposure, management policies, and operations of controls. Complete information shall be maintained on all transactions with the joint venture by the investor and its affiliates.

(3) The reports and information specified in paragraphs (1) and (2) shall be made available to examiners of the appropriate bank supervisory agencies.

(b) *Examinations.* Examiners appointed by the Board shall examine each Edge Corporation once

a year. An Edge Corporation shall make available to examiners sufficient information to assess its condition and operations and the condition and activities of any organization whose shares it holds.

(c) *Reports.* (1) Each Edge Corporation shall make at least two reports of condition annually to the Board at such times and in such form as the Board may prescribe. The Board may require that statements of condition or other reports be published or made available for public inspection.

(2) Edge Corporations, member banks, and bank holding companies shall file such reports on their foreign operations as the Board may require.

(3) A member bank, Edge Corporation or a bank holding company shall report within 30 days any acquisition or disposition of shares in a manner prescribed by the Board.

(d) *Filing Procedures.* Unless otherwise directed by the Board, applications, notifications, and reports required by this Part shall be filed with the Federal Reserve Bank of the district in which the parent bank or bank holding company is located, or if none, the Federal Reserve Bank of the district in which the applying or reporting institution is located. Instructions and forms for such applications, notifications, and reports are available from the Federal Reserve Bank.

(e) *Transition.* (1) Transactions that have been consummated or activities engaged in pursuant to the Board's general or specific consent prior to June 8, 1979, may be retained or continued. Conditions imposed or undertakings in connection with such investments that are inconsistent with this Part shall be superseded by this Part.

(2) Extensions of credit in excess of the limitations of section 211.6(b) that were outstanding on June 8, 1979, may remain outstanding until the date of maturity.

(3) Edge Corporations whose accounts or investments do not conform to sections 211.6(d) or 211.5(b) of this Part on June 14, 1979, shall conform such accounts and investments by June 14, 1981.

AMENDMENTS TO RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors, acting through its Secretary pursuant to delegated authority, has approved amendments to the Board's Rules Regard-

ing Delegation of Authority to add several previously unpublished delegations to the published rules.

Effective March 21, 1979, section 265.2(f) is amended by adding paragraphs (51)-(56) to read as follows:

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

* * * * *

(f) Each Federal Reserve Bank is authorized:

* * * * *

(51) To extend the time within which a bank holding company may acquire shares, a new bank to be acquired by a bank holding company may be opened for business, or a merger may be consummated in connection with an application approved by the Board, if no material change that is relevant to the proposal has occurred since its approval.

(52) To extend the time within which a bank holding company must file its annual report.

(53) To extend the time within which

(i) a State member bank may establish a domestic branch,

(ii) a member bank may establish a foreign branch, or

(iii) an "Edge Act" or "Agreement" corporation may establish a branch or agency, if no material change has occurred in the bank's (or corporation's) general condition since the application was approved.

(54) To extend the time within which an "Edge Act" or "Agreement" corporation or a member bank may accomplish a purchase of stock that has been authorized by the Board pursuant to section 25 or 25(a) of the Federal Reserve Act, if no material change has occurred in the general condition of the corporation or the member bank since such authorization.

(55) To extend the time within which Federal Reserve membership must be accomplished, if no material change has occurred in the bank's general condition since the application was approved.

(56) To waive the penalty for deficient reserves by a member bank if, after a review of all the circumstances relating to such deficiency, the Reserve Bank concludes that waiver of the penalty is warranted, except that in no case shall a penalty for deficient reserves be waived if the deficiency arises out of the bank's gross negligence or conduct inconsistent with the principles and purposes of reserve requirements.

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

*Orders Under Section 3
of Bank Holding Company Act*

Community Bancorp,
Creve Coeur, Missouri

*Order Approving
Formation of Bank Holding Company*

Community Bancorp, Creve Coeur, Missouri, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 80.1 percent of the voting shares of Community Bank of Morrison, Morrison, Missouri ("Bank").

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

Applicant, a nonoperating company, was organized for the purpose of becoming a bank holding company through the acquisition of Bank. Bank (\$3.4 million in deposits) is one of the smaller banks in Missouri, holding less than 0.1 percent of the total deposits in commercial banks in the state.¹

Bank is the fourth largest of six banks in the relevant banking market and holds 8.1 percent of the total commercial bank deposits in the market.² This proposal involves a reorganization of existing

ownership interests, and Applicant neither engages in any activity directly nor holds shares of any other bank. In analyzing the competitive effects of this proposal, it is necessary to consider that Applicant's principal controls, directly or indirectly, over 50 percent of the voting shares of First Missouri Bank of Gasconade County, Hermann, Missouri ("Hermann Bank"),³ located 16 miles from Bank and in the same relevant banking market. Hermann Bank (\$18.1 million in deposits) is the largest bank in the market and holds 43.6 percent of the market's commercial bank deposits.

Upon application of the competitive standards in section 3(c) of the Bank Holding Company Act to the facts of record, the Board concludes that some existing competition between Bank and Hermann Bank was eliminated when they came under the common control of Applicant's principal in 1974. However, the anticompetitive effects of common control of both banks was mitigated by the fact that at the time Bank was the fifth largest bank in the market (\$1.6 million in deposits)⁴ and was not a meaningful competitor. For example, prior to Applicant's principal's purchase of Bank in 1974, Bank's loan-to-deposit ratio was only 22 percent and it did not offer passbook savings accounts. Thus, the Board is of the view that the acquisition of control of Bank by Applicant's principal in 1974 had no more than a slightly adverse competitive effect. With respect to the present proposal, while consummation would adversely affect competition, in view of all the facts of record including the distances separating Bank from Hermann Bank, the relative size of Bank and its relative market share, the fact that four unaffiliated banking alternatives would remain in the relevant banking market, it is the Board's opinion that consummation of this proposal would have only slightly adverse competitive effects. Moreover, the slightly adverse competitive effects that resulted from the change in control of Bank in 1974 and that are associated with the present proposal are outweighed by convenience and needs considerations discussed below. Thus, the Board concludes that the overall competitive effects of the proposal are at most slightly adverse.

1. Unless otherwise indicated, all banking data are as of June 30, 1978, and reflect bank holding company formations and acquisitions approved as of March 31, 1979.

2. The relevant banking market is approximated by the northern half of Gasconade County, the northeastern quadrant of Osage County, that portion of Montgomery County south of Interstate 70, and the northwestern corner of Franklin County. Applicant has claimed that the relevant market is bounded on the east by the Gasconade River, on the north by the Missouri River, on the west by the Osage River, and on the south by Highway 50, thus excluding Hermann, Missouri, from the relevant market. The Federal Reserve Bank of St. Louis conducted a field investigation to determine the banking market. As a result of that investigation and an analysis of all of the facts of record, including loan and deposit data, commuting data, consumer trade information, communications patterns, and other economic data, the Board has concluded that the appropriate market for analyzing the competitive effects of the subject proposal is approximated by the geographic area described above.

3. Applicant's principal controls, directly or indirectly, approximately 72 percent of the voting shares of First Missouri Banks, Inc., Creve Coeur, Missouri, a registered bank holding company that owns 100 percent of Hermann Bank's voting stock. In addition to Applicant's principal's interest in Bank, Hermann Bank's president serves as a director of Bank, and an assistant vice president of Hermann Bank serves as Bank's president and director.

4. Data are as of December 31, 1974.

Since Applicant's principal acquired control of Bank in 1974, Bank's loan-to-deposit ratio has increased to 60 percent; its total deposits have more than doubled; and Bank has increased considerably the scope of its services to its customers by offering passbook savings accounts, a full range of certificates of deposit, service charge-free checking, and consumer and installment loans. Bank has also improved its banking facility and made a five-fold increase in the maximum limit of loans that it offers. It is clear to the Board that Bank has become a meaningful banking alternative in the relevant banking market. Accordingly, it is the Board's opinion that considerations relating to the convenience and needs of the community to be served lend such weight toward approval as to outweigh the slightly adverse competitive effects associated with the purchase of control of Bank in 1974 by Applicant's principal and with the subject proposal. Accordingly, it is the Board's judgment that the proposed transaction would be consistent with the public interest and that the application should be approved.

The financial and managerial resources and future prospects of Applicant are dependent upon those of Bank. It appears that Applicant would be able to service the debt to be incurred in connection with this proposal without an adverse effect upon the financial condition of Bank. Based upon the facts of record, the financial and managerial resources of Applicant and Bank as well as those of the other banks and bank holding companies with which Applicant's principal is associated are regarded as satisfactory and the future prospects of each appear favorable.⁵ Accordingly, considerations relating to banking factors are consistent with approval of the application.

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

5. With respect to financial and managerial resources, the Board has stated that in considering an application involving a bank whose principals are associated with other banks or bank holding companies, the Board looks beyond the bank that is the subject of the application and analyzes the financial and managerial resources of the other banks or bank holding companies. See Board's Order dated June 14, 1976, denying the application of Nebraska Banco, Inc., Ord., Nebraska, to become a bank holding company. Nebraska Banco, Inc., (62 FEDERAL RESERVE BULLETIN 638 (1976)).

By order of the Board of Governors, effective June 18, 1979.

Voting for this action: Chairman Miller and Governors Wallich and Partee. Voting against this action: Governors Coldwell and Teeters.

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

*Dissenting Statement of
Governors Coldwell and Teeters*

We would not approve the application of Community Bancorp to acquire the Community Bank of Morrison ("Bank") because we believe that the acquisition would perpetuate a substantially adverse competitive situation within the relevant banking market that is not outweighed by convenience and needs considerations associated with the proposal.

Our dissent is prompted by what we perceive to be the use of the holding company form to perpetuate an existing substantially adverse competitive arrangement. In this case, a principal of First Missouri Banks acquired, as an individual, control of a bank which is located in the same market as one of First Missouri's subsidiary banks, Hermann Bank. The acquisition eliminated competition between the two banks and resulted in common control of 54.8 percent of the deposits in commercial banks in the relevant market (as of December 31, 1974). Acquisition of a bank by an individual was not then subject to Board approval.¹ Applicant's principal, desiring to consolidate control of Bank and receive the benefits associated with bank holding company status, now seeks the Board's approval. It appears to us that approval in these circumstances sanctions a bank holding company's attempt to acquire a competing bank under circumstances that would not normally receive Board approval, simply by having the acquisition made in the first instance by the bank holding company's principal as an individual. To tolerate such maneuverings serves to undermine the basic policy of the Bank Holding Company

1. The Change in Bank Control Act (Title VI of the Financial Institutions Regulatory and Interest Rate Control Act of 1978) requires any person, including an individual, seeking to acquire control of an insured bank to give the appropriate federal banking agency 60 days advance notice. The appropriate federal banking agency may disapprove any proposed acquisition if it does not meet certain criteria. Among these requirements are competitive standards similar to those provided in section 3(c) of the Bank Holding Company Act. Therefore, in the future, evasion of the Bank Holding Company Act by having an individual first acquire a bank will no longer be possible.

Act and the competitive standards provided in section 3(c) of the Act.

While we recognize that denial of this proposal might not immediately alter the anticompetitive relationship existing between these two banking organizations, a denial would nevertheless strengthen the prospect that Bank and Hermann Bank would become independent and competing organizations in the future. On the other hand, approval would strengthen the common ownership of the two banks and would lessen the likelihood of disaffiliation.

We also dissent because we believe that the convenience and needs benefits enumerated in the Board's Order are not sufficient to outweigh the anticompetitive effects of the proposal. While the services instituted at Bank since 1974 might not have been initiated absent Bank's acquisition by Applicant's principal, these services are nevertheless of a basic character that can be found at any well-run bank. In our opinion, the benefits resulting from the introduction of such services cannot clearly outweigh the substantially adverse competitive effects resulting from common control of over 50 percent of the market's total commercial bank deposits.

We also believe that the Board's reliance upon Bank's existing services relative to the convenience and needs of its community is misplaced. Applicant has not stated that any new public benefits will be instituted as a result of Board approval, but instead relies upon the services and changes instituted at Bank since Applicant's principal purchased Bank. We believe that in order to outweigh the substantially adverse competitive effects of the present proposal, some additional benefits should result from Board approval.

For the above-stated reasons, we cannot support the majority's decision and would deny the subject application.

June 18, 1979.

First National Bank Shares, Ltd.,
Great Bend, Kansas

*Order Approving
Formation of Bank Holding Company*

First National Bank Shares, Ltd., Great Bend, Kansas, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 80 percent or more

of the voting shares of First National Bank and Trust Company in Great Bend, Great Bend, Kansas ("Bank").

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

Applicant, a nonoperating company with no subsidiaries, was organized for the purpose of becoming a bank holding company through the acquisition of Bank (\$50.3 million in deposits).¹ Bank is the 32nd largest bank in the State of Kansas and holds 0.45 percent of the total deposits in commercial banks in the state.

Bank is the largest of ten banks in the relevant banking market² and holds 24.3 percent of the market's commercial bank deposits. This proposal involves a reorganization of existing ownership interests, and Applicant neither engages in any activity directly nor holds shares of any other bank. Furthermore, none of Applicant's principals, officers or directors holds any interest in, or serves in a similar capacity with, any other bank located in the relevant market.³ Accordingly, it appears that consummation of the proposal would not have an adverse effect upon either competition or the concentration of resources in any relevant area. Thus, the Board concludes that the effects of the proposal on competition are consistent with approval of the application to acquire Bank.

The Board regards as generally satisfactory the financial and managerial resources and future prospects of Applicant and Bank as well as those of the other banks and bank holding company with which Applicant's principals are associated. Although Applicant will incur debt in connection with this proposal, the debt is considerably less than that proposed in an earlier application,⁴ and it appears that Applicant will have sufficient financial flexibility to service that debt while main-

1. Banking data are as of June 30, 1978.

2. The relevant banking market is approximated by Barton County and the eastern portion of Rush County.

3. Applicant's principals are associated with another one-bank holding company and with four other banks in Kansas. Each of these banks and the bank holding company compete in a separate market from Bank.

4. The Board denied Applicant's earlier application, by Order dated March 8, 1978. First National Bancshares, Ltd., (64 FEDERAL RESERVE BULLETIN 311 (1978)).

taining adequate capital in its subsidiary bank. Therefore, considerations relating to banking factors are consistent with approval of the application.

No significant changes in Bank's operation or in the services offered to its customers are anticipated to follow from consummation of the proposed acquisition. Thus, considerations relating to the convenience and needs of the community to be served lend no weight toward, but are consistent with, approval. It is the Board's judgment that consummation of the transaction would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective June 27, 1979.

This action was taken pursuant to section 265.1a(c) of the Board's Rules Regarding Delegation of Authority (to be codified in 12 C.F.R. § 265.1a(c)) by a committee of Board members. Voting for this action: Chairman Miller and Governors Coldwell and Partee.

(Signed) GRIFFITH L. GARWOOD,

[SEAL.] *Deputy Secretary of the Board.*

Moberly City Bancshares, Inc.,
Moberly, Missouri

*Order Approving
Formation of Bank Holding Company*

Moberly City Bancshares, Inc., Moberly, Missouri, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 93 percent or more of the voting shares of City Bank and Trust Company of Moberly, Moberly, Missouri ("Bank").

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

Applicant is a nonoperating corporation with no subsidiaries formed for the purpose of becoming a bank holding company through the acquisition of Bank. Bank holds approximately \$49.2 million in deposits, representing 0.2 percent of deposits in commercial banks in Missouri.¹ Upon consummation of the proposal, Applicant would become the 52nd largest commercial banking organization in the state.

Bank is the largest of five banking organizations located in the relevant banking market and controls approximately 48.7 percent of the market's commercial bank deposits.² The proposal represents a reorganization of existing ownership interests, and Applicant neither engages in any activity directly nor holds shares of any other bank or non-bank organization. Applicant's principals are not associated with any other banking organizations. Thus, it appears that consummation of the proposal would not result in an increase in the concentration of banking resources or have any adverse effects upon competition in any relevant market, and the Board concludes that the effects of the proposal on competition are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant, which are dependent upon those of Bank, are generally satisfactory. While Applicant will incur debt in connection with the proposed acquisition, it appears that dividends paid by Bank will provide Applicant with sufficient financial flexibility to meet its annual debt-servicing requirements without adversely affecting the capital position in Bank.³ Thus, considerations relating to banking factors are consistent with approval of the application.

Upon consummation of the proposal, Applicant proposes to extend Bank's hours of operation. While no other changes in Bank's services are expected to result immediately from the proposal, the Board notes that Bank has established a significant positive record of community service and has devoted particular attention and resources to the credit needs of low- and moderate-income segments of its community. The Board expects that this service to the community will continue and concludes that considerations relating to the convenience and needs of the community to be

1. All deposit data are as of June 30, 1978.

2. The relevant banking market is approximated by Randolph County, Missouri.

3. In this connection, the Board notes that principals of Applicant have committed to the Board that they will maintain an adequate capital position in Bank during the debt amortization period.

served lend weight toward approval of the application. Based on the foregoing and other considerations reflected in the record, it is the Board's judgment that the proposed acquisition is in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective June 26, 1979.

This action was taken pursuant to section 265.1a(c) of the Board's Rules Regarding Delegation of Authority (to be codified in 12 C.F.R. § 265.1a(c)) by a committee of Board members. Voting for this action: Governors Coldwell, Teeters, and Rice.

(Signed) GRIFFITH L. GARWOOD,
Deputy Secretary of the Board.

[SEAL]

Orders Under Section 4 of Bank Holding Company Act

Manufacturers Hanover Corporation,
New York, New York

Order Approving Acquisition of Merchants Industrial Bank and Merchants Acceptance Company

Manufacturers Hanover Corporation, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to acquire 100 percent of the shares of Merchants Industrial Bank ("MIB") and Merchants Acceptance Company ("MAC"), both of Denver, Colorado. Applicant proposes to acquire MIB and MAC through its wholly owned subsidiary, Ritter Financial Corporation, Wyncote, Pennsylvania ("Ritter"), and thereafter engage in the activities of making and acquiring for its own account or for the account of others, loans or other extensions of credit as would be made by a finance company or an industrial bank, and acting as agent or broker

for the sale of credit life, accident, and health insurance directly related to extensions of credit. Such activities have been determined by the Board to be closely related to banking (12 C.F.R. §§ 225.4(a)(1), (2), and (9)).

Notice of the application, affording opportunity for interested persons to submit comments on the public interest factors, has been published (44 *Federal Register* 18,286 (1979)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant is the third largest banking organization in New York and the fourth largest in the nation. Its four domestic banking subsidiaries, including Applicant's lead bank, Manufacturers Hanover Trust Company, New York, New York, hold aggregate domestic and foreign deposits of approximately \$32.7 billion.¹ In addition to Ritter, Applicant controls several other nonbanking subsidiaries; these companies engage in leasing and mortgage banking activities.

Ritter is a consumer finance company with total assets of approximately \$158 million. Ritter operates 148 offices, variously located in Indiana, Kentucky, Connecticut, New Jersey, Maryland, West Virginia, Virginia, Georgia, Pennsylvania, and North Carolina. Although it primarily engages in the activity of making direct loans to consumers, at some of its offices Ritter also engages in the activities of making mortgage loans, servicing loans or other extensions of credit, sales financing, and acting as agent or broker in the sale of credit life and credit accident and health insurance. In addition, Ritter, through Ritter Life Insurance Company, engages in the activity of acting as reinsurer of credit life and credit accident and health insurance sold at offices of Ritter in New Jersey, Pennsylvania, Virginia, West Virginia, and North Carolina.

MIB, with assets of approximately \$5.8 million (as of December 7, 1977), is the ninth largest industrial bank in Colorado. MAC is a small finance company with total assets of \$0.6 million. MIB and MAC operate out of the same office in Denver, Colorado.² While several of Applicant's subsidiaries operate in the Denver area, none of

1. Unless otherwise indicated, all data are as of December 31, 1978, and reflect bank holding company formations and acquisitions approved as of April 30, 1979.

2. The relevant geographic market for purposes of analyzing the competitive effect of the subject proposal is approximated by the greater Denver area.

the subsidiaries is engaged in consumer lending and the offering of savings deposits and thrift certificates.³ Although Applicant appears to possess the financial and managerial capabilities to engage in these activities de novo, this appears unlikely within the foreseeable future due, in part, to the difficulty associated with obtaining a Colorado industrial bank charter and the distance separating Denver from Applicant's finance company operations. Because of the size of MIB and MAC, the Board does not view the subject proposal as having any significant adverse competitive effects.

In recent years MIB and MAC have not experienced any significant growth in size or services offered; however, it is expected that upon affiliation with Applicant, the volume and type of loans that would be made by MIB and MAC would be expanded, with particular emphasis upon small consumer loans. Since MIB makes few such loans, expansion of this activity will result in increased competition in the Denver market.

Based on all of the facts of record, the Board concludes that consummation of the subject proposal would result in benefits to the public that outweigh any adverse effects on competition that may result from consummation of the proposal. Moreover, there is no evidence in the record to indicate that the proposed transaction would lead to any undue concentration of resources, conflicts of interests, unsound banking practices, or any other adverse effects upon the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and 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 authority hereby delegated.

By order of the Board of Governors, effective June 12, 1979.

Voting for this action: Chairman Miller and Governors Wallich, Partee, and Teeters. Absent and not voting: Governor Coldwell.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] Deputy Secretary of the Board.

Northwestern Financial Corporation,
North Wilkesboro, North Carolina

*Order Approving
Retention of First Atlantic Corporation*

Northwestern Financial Corporation, North Wilkesboro, North Carolina, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to retain First Atlantic Corporation ("Company"), Charlotte, North Carolina, a company that engages in the activities of mortgage banking including originating, selling and servicing for its own account and the account of others conventional and guaranteed residential, commercial construction, and land development loans. Company also acts as agent for the sale of credit life insurance, credit accident and health insurance and property and casualty insurance directly related to its extensions of credit. Such activities have been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(1), (3) and (9)).¹

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (44 *Federal Register* 4755) (1979). The time for filing comments and views has expired, and the Board has considered the application and

3. As an industrial bank, MIB issues "investment certificates" to the public. Such certificates are protected by the Industrial Bank Savings Guaranty Corporation of Colorado. Colorado industrial banks are examined twice a year by the State Bank Commissioner and must file semi-annual financial reports. In addition, minimum capital and reserve requirements are fixed by state law for such institutions.

1. Applicant also proposes to retain indirect ownership of two wholly owned subsidiaries of Company that are engaged solely in disposing of property acquired by Company in satisfaction of debts previously contracted. Company could perform such activities directly as an incident to its lending activities. As a general matter, the Board will permit, without any specific regulatory approval, the formation of a wholly owned subsidiary of an approved section 4(c)(8) company to engage in activities that such a company could itself engage in directly.

all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, a one-bank holding company, became a holding company as a result of the 1970 Amendments to the Act by virtue of its control of The Northwestern Bank ("Bank"), North Wilkesboro, North Carolina. Company (formerly Goodyear Mortgage Corporation) was acquired by Bank in 1966 and transferred to Applicant in 1969. Pursuant to the provisions of section 4 of the Act, Applicant has until December 31, 1980, to divest its interest in Company or, in the alternative, to apply to secure the Board's approval to retain such interest.²

Applicant is the fourth largest banking organization in North Carolina by virtue of its control of Bank, which holds deposits of \$1.2 billion, representing approximately 8.4 percent of total deposits in commercial banks in the state.³ In addition to engaging in mortgage banking and related insurance activities through Company, Applicant engages in a variety of nonbanking activities, including factoring and commercial financing, acting as an investment advisor to a real estate investment trust, full payout leasing and acting as agent for the sale of insurance in a community of less than 5,000 people.

The Board regards the standards under section 4(c)(8) for retention of shares of a nonbanking company to be the same as the standards for a proposed acquisition of a 4(c)(8) company. On July 31, 1966, just prior to its acquisition by Bank, Company had a real estate mortgage servicing portfolio of \$123.0 million. At that time Company operated four offices in North Carolina and one office in South Carolina. While at the time of acquisition Bank also conducted mortgage business in two of the local markets where Company had offices, from the information available, it does not appear that the effects of the acquisition on competition were significant.

Company now conducts its mortgage business from four offices in North Carolina and one office in South Carolina. As of September 30, 1978, Company, with a real estate mortgage servicing portfolio of \$253 million, ranked fifth among all mortgage companies in North Carolina and is the 164th largest mortgage banker in the country.

Company engages principally in the origination, resale, and servicing of FHA and VA guaranteed 1-4 family residential mortgage loans, and derives 90 percent of its mortgage guarantors from North Carolina. In 1977, Company originated an aggregate of \$22.8 million 1-4 family residential loans in North Carolina. Bank also engages in originating 1-4 family residential mortgages in two of the markets where Company is represented, and in 1977, Company and Bank originated an aggregate of \$58.8 million 1-4 family residential mortgages in North Carolina. Applicant cannot be regarded as dominant in the mortgage lending market in any relevant area. The Board concludes, based on all the facts of record, that Applicant's acquisition of Company did not have any adverse effects on competition in any relevant area. Furthermore, there is no evidence in the record indicating that retention would result in undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices or other adverse effects.

It appears that Applicant's acquisition of Company has produced benefits to the public such as expanded mortgage financing alternatives and greater efficiency in processing loans. These benefits to the public are consistent with approval of the subject application, and it is the Board's view that approval of Applicant's retention of Company can reasonably be expected to continue to produce benefits to the public that would outweigh possible adverse effects.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under § 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is 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 activity 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 regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective June 20, 1979.

Voting for this action: Governors Coldwell, Partee, Teeters, and Rice. Absent and not voting: Chairman Miller and Governor Wallich.

(Signed) GRIFFITH L. GARWOOD,
Deputy Secretary of the Board.

[SEAL]

2. Section 4 of the Act provides, inter alia, that nonbanking activities acquired between June 30, 1968, and December 31, 1970, by a company that became a bank holding company as a result of the 1970 Amendments may not be retained beyond December 31, 1980, without Board approval.

3. All banking data are as of June 30, 1978.

Republic Bancorporation, Inc.,
Tulsa, Oklahoma

*Order Approving
Industrial Banking Activities*

Republic Bancorporation, Inc., Tulsa, Oklahoma, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to establish a de novo office of its wholly owned subsidiary, Republic Trust and Savings Company, Tulsa, Oklahoma ("Company"). Company would operate as an industrial bank pursuant to the laws of Oklahoma. The Board has determined this activity to be closely related to banking (12 C.F.R. § 225.4(a)(2)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (44 *Federal Register* 23942). The time for filing comments and views has expired and the Board has considered the application and 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 one bank holding company, controls Republic Bank and Trust Company, Tulsa, Oklahoma ("Bank"). Bank (total deposits of \$75.3 million), is the 20th largest of 476 banks in Oklahoma and controls 0.56 percent of the total deposits in commercial banks in the state.¹ Bank is the seventh largest of 46 banking organizations in the relevant market,² controlling 2.44 percent of total market deposits.

Through Company's proposed de novo office, Applicant would engage in industrial banking activities,³ including the offering of thrift certificates and passbook savings accounts. In addition, Company would offer safety deposit boxes to its cus-

tomers.⁴ Since this proposal involves a de novo office of Company, no existing competition would be eliminated, and on the basis of the record, the Board concludes that competitive factors are consistent with approval of the application.

The Board also finds that consummation of the proposal is likely to result in public benefits. Due to its location, this new office would better serve the needs of the community. In addition, this office of Company will offer safety deposit boxes to its customers, a service not available at Company's present Tulsa office. There is no evidence in the record indicating that consummation of this proposal would result in undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects, particularly in light of certain undertakings by Applicant.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of 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 Kansas City acting pursuant to authority hereby delegated.

By order of the Board of Governors, effective June 22, 1979.

This action was taken pursuant to Section 265.1a(c) of the Board's Rules Regarding Delegation of Authority (to be codified in 12 C.F.R. § 265.1a(c)) by a committee of Board members. Voting for this action: Governors Coldwell, Teeters, and Rice. Absent and not voting: Chairman Miller and Governors Wallich and Partee.

(Signed) GRIFFITH L. GARWOOD,
Deputy Secretary of the Board.

[SEAL]

of Company would continue to perform limited services for existing customers but will refer all new business to the proposed new office.

1. Banking data are as of June 30, 1978.

2. The relevant market is the Tulsa RMA which is approximated by Tulsa County and portions of Creek, Osage, Rogers, and Wagoner Counties, all in Oklahoma.

3. Under Oklahoma law, industrial banks are subject to examination by the State Bank Commissioner once a year and must file annual financial reports. In addition, state law fixes minimum capital and reserve requirements.

4. Company presently engages in such activities (with the exception of offering safety deposit boxes) at an office in Tulsa and another office in Oklahoma City. The present Tulsa office

**ORDERS APPROVED UNDER
BANK MERGER ACT**

Society Corporation,
Cleveland, Ohio

*Order Approving
Merger of Bank Holding Companies*

Society Corporation, Cleveland, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)) of the merger of Harter BanCorp, Canton, Ohio ("BanCorp"), into Society Corporation, and the acquisition of 100 percent of the outstanding shares of The Harter Bank & Trust Company, Canton, Ohio ("Bank"), BanCorp's subsidiary bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act (12 U.S.C. § 1842(b)). The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those of the United States Department of Justice, in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)).¹

Applicant, the fourth largest banking organization in the State of Ohio, controls twelve banks with total deposits of approximately \$1.8 billion, representing approximately 4.9 percent of the total deposits in commercial banks in Ohio.² BanCorp, a one-bank holding company with no nonbank subsidiaries, is the nineteenth largest banking organization in the state. Its subsidiary, Bank, has total deposits of approximately \$356 million, representing approximately 1.0 percent of the total deposits in commercial banks in Ohio. While approval of the application would increase the share of total deposits held by the four largest banking organizations in Ohio, Applicant's rank in the state would remain unchanged. Accordingly, the Board finds that the merger would not

have any significantly adverse effects upon the concentration of banking resources in Ohio.

Bank is the largest of eleven banking organizations in the relevant banking market,³ and controlled 31.9 percent of the total market deposits on June 30, 1977. While none of Applicant's subsidiary banks compete in the relevant banking market, two of Applicant's banking subsidiaries have home offices located in banking markets contiguous to the relevant banking market. From the record, it appears that no significant competition presently exists between Applicant's banking subsidiaries and Bank, and that it is unlikely that such competition would develop in the future.

The Board notes that consummation of the proposal would eliminate some potential competition between Applicant and Bank, inasmuch as Applicant could enter the relevant market de novo either by branching⁴ or by establishing a new bank. Furthermore, Bank could branch into the two counties where subsidiary banks of Applicant currently operate. In this regard, the Board notes that only two bank holding companies presently operate in the relevant banking market and that there are numerous other bank holding companies that are potential entrants into the relevant banking market. Accordingly, in view of all the facts of record, the Board concludes that the proposed acquisition of Bank by Applicant would have only slightly adverse effects on potential competition.⁵ Moreover, the Board does not regard the overall effects of the proposal on competition as being so serious as to warrant denial of the application.

The financial and managerial resources and future prospects of Applicant, its subsidiaries and Bank are regarded as satisfactory. Considerations relating to banking factors are consistent with approval of the application. Following the merger, Applicant will assist Bank in providing new and improved services to its customers. In particular,

3. The relevant banking market is the Canton banking market, which is approximated by Stark County (except Lawrence Township and the western half of Lake Township), Ohio, and seven townships contiguous to the south and north-east border of Stark County, including Augusta, Brown, East, and Rose Townships in Carroll County, Ohio; Lawrence, and Sandy Townships in Tuscarawas County, Ohio; and Smith Township in Mahoning County, Ohio.

4. Under a recently enacted Ohio law, effective January 1, 1979, an Ohio bank may branch de novo into counties contiguous with the county in which the bank's home office is located.

5. In its comment on the application, the Department of Justice concurs in the Board's findings that consummation of the proposal will eliminate some potential competition, but contrary to the Board's findings, concludes on this basis alone that the overall effects on competition are adverse.

1. The Board received comments on various aspects of this application from Mr. Elliott A. Harkell, Cleveland, Ohio, who objected primarily to the terms of the merger, particularly the alternatives afforded the minority shareholders of BanCorp. Inasmuch as these objections do not relate to factors the Board is required to consider under the Act, the Board does not believe that the comments warrant further consideration. Cf. *Western Bancshares, Inc. v. Board of Governors*, 480 F.2d 749 (10th Cir. 1973).

2. All banking data, unless otherwise indicated, are as of June 30, 1978.

Applicant would assist Bank to expand its services to businesses and municipal governments by offering industrial bond financing, financial advisory services, and cash management programs. Upon affiliation with Applicant, Bank would have increased lending capacity through access to the financial resources of Applicant's subsidiaries. Further, affiliation with Applicant would also enable Bank to broaden its range of international banking services. These considerations relating to the convenience and needs of the community to be served do not appear to be substantial, but they do lend some weight toward approval of the application, and in the Board's view, outweigh the slightly adverse effects on competition that would result from consummation of this proposal. Accordingly, it is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective June 8, 1979.

Voting for this action: Chairman Miller and Governor Partee. Voting against this action: Governor Wallich. Present and abstaining: Governor Teeters. Absent and not voting: Governor Coldwell.

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

[SEAL.]

T.N.B. Financial Corporation,
Springfield, Massachusetts

*Order Approving
Merger of Bank Holding Companies*

T.N.B. Financial Corporation, Springfield, Massachusetts, and Pioneer Bancorp, Inc. ("Pioneer"), Greenfield, Massachusetts, bank holding companies within the meaning of the Bank Holding Company Act, have applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)) to merge under the name and charter of T.N.B. Financial Corporation ("Applicant").

Notice of the application, affording opportunity for interested persons to submit comments and

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

Applicant, the tenth largest of 93 commercial banking organizations in Massachusetts, controls four banks with aggregate deposits of \$439.5 million, representing 2.3 percent of commercial bank deposits in the state.¹ Pioneer, the 31st largest banking organization in the state, owns two subsidiary banks. Upon consummation of the proposed transaction, the resulting banking organization would rank as the eighth largest in the state, controlling about 2.6 percent of total deposits in commercial banks in Massachusetts. While the proposed merger would increase by 0.34 percent the share of total deposits held by the ten largest banking organizations in the state, it does not appear that the transaction would have any serious adverse effects on the concentration of banking resources in Massachusetts.

Applicant's lead bank, Third National Bank of Hampden County,² Springfield, Massachusetts, is the largest of nine commercial banks in the Springfield banking market³ and controls \$328.7 million in deposits.⁴ One of Pioneer's subsidiary banks, Pioneer National Bank/Hampshire, Northampton, Massachusetts, operates one branch office in the market and holds less than 0.1 percent of total market deposits, representing the smallest market share of the nine competing banks. In view of the small share of market deposits held by Pioneer's subsidiary bank and the other competitive characteristics of the market, it appears that the effect of the merger on existing competition would be only slightly adverse.

Pioneer National Bank/Franklin, Greenfield, Massachusetts, is the largest of four commercial banks competing in the Greenfield banking market,⁵ and controls \$40.6 million in deposits representing 45.2 percent of total market deposits.

1. All banking data are as of December 31, 1978, unless otherwise noted.

2. Applicant's three other subsidiary banks compete in markets separate from those markets in which Pioneer's subsidiary banks operate.

3. The Springfield banking market is approximated by the Springfield-Chicopee-Holyoke SMSA, minus the towns of Hadley, Hatfield, and Northampton City, Massachusetts, and Somers, Connecticut.

4. Deposit data for the subsidiary banks are as of June 30, 1978.

5. The Greenfield banking market comprises Greenfield and eighteen surrounding towns in Franklin County.

Applicant does not operate in this market and its nearest subsidiary operates an office more than 20 miles from Pioneer's bank in another county. The Greenfield market is not considered attractive for de novo entry at this time. Therefore, the proposed merger would have no adverse competitive effect in this market.

Pioneer National Bank/Hampshire is the third largest of four commercial banks in the Amherst-Northampton banking market.⁶ It holds \$15.4 million in deposits which represents 16.5 percent of total commercial bank deposits in the market. Applicant does not compete in this market, but the market is somewhat attractive for de novo entry and Applicant has the resources to establish de novo branches and compete there effectively. However, in view of the size of the Pioneer bank and the nature of the market, it appears that competitive effects of the merger in this market would be only slightly adverse. Accordingly, based on the above and other facts of record, the Board has determined that consummation of this proposal would have only a slightly adverse effect on competition.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are considered generally satisfactory. Affiliation with Applicant is expected to increase the earnings retention of Pioneer's subsidiary banks and their financial condition can be expected to improve. Thus, considerations relating to banking factors lend some weight toward approval of the application.

Following consummation of the proposed transaction, Applicant proposes to expand the services offered by Pioneer's bank, including offering six-month money market certificates, Christmas Club and Christmas Savings plans, and combined statements. Applicant also intends to expand the mortgage lending of Pioneer's banks to include mortgage loans on one-to-four family owner-occupied dwellings. Applicant also proposes to make available through Pioneer's subsidiaries expanded floor plan and accounts receivable financing and leasing, and new services in the area of trust management. The Board concludes that considerations relating to the convenience and needs of the communities to be served lend sufficient weight toward approval to outweigh any slightly adverse competitive effects associated with this proposal. Based upon the foregoing and other considerations reflected in

the record it is the Board's judgment that the proposed merger is in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective June 8, 1979.

Voting for this action: Chairman Miller and Governors Wallich, Partee, and Teeters. Absent and not voting: Governor Coldwell.

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

[SEAL]

*CERTIFICATIONS PURSUANT TO THE
BANK HOLDING COMPANY TAX ACT OF 1976*

C.I.T. Financial Corporation,
New York, New York

*Final Certification Pursuant to the Bank
Holding Company Tax Act of 1976
[Docket No. TCR 76-167]*

C.I.T. Financial Corporation, New York, New York ("C.I.T."), has requested a final certification pursuant to section 6158(c)(2) of the Internal Revenue Code ("Code"), as added by section 3(a) of the Bank Holding Company Tax Act of 1976, that it has (before the expiration of the period prohibited property is permitted under the Bank Holding Company Act (12 U.S.C. § 1841 et seq.) ("BHC Act")) to be held by a bank holding company) ceased to be a bank company.

In connection with this request, the following information is deemed relevant for purposes of issuing the requested certification:¹

1. Effective April 9, 1979, the Board issued a prior certification pursuant to section 6158(a) of the Code with respect to the proposed sale of 100 percent of the outstanding voting shares of Na-

6. The Amherst-Northampton banking market is composed of the city of Northampton, the town of Amherst, and 11 surrounding towns in Hampshire and Franklin Counties.

1. This information derives from C.I.T.'s correspondence with the Board concerning its request for this certification, C.I.T.'s registration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.

tional Bank of North America, Jamaica, New York ("NBNA"), to NatWest Holdings Inc., Wilmington, Delaware ("Holdings"), a wholly-owned subsidiary of National Westminster Bank Limited, London, England ("NatWest"). The Board's Order certified that:

A. C.I.T. is a qualified bank holding corporation within the meaning of section 1103(b) of the Code, and satisfies the requirements of that section;

B. the 5,660,130 shares, representing 97.49 percent of the outstanding voting shares, of NBNA that C.I.T. proposes to sell to Holdings are all or part of the property by reason of which C.I.T. controls within the meaning of section 2(a) of the BHC Act a bank or bank holding company; and

C. the sale of such shares of NBNA is necessary or appropriate to effectuate the policies of the BHC Act.

2. On April 16, 1979, C.I.T. sold to Holdings all of its interest in NBNA.

3. The prior certification issued on April 9, 1979, was granted upon the condition that no person holding an office or position (including an advisory or honorary position) as a director or officer of C.I.T. will hold any such office or position with NatWest or any of its subsidiaries, including Holdings and NBNA. Effective April 16, 1979, all such interlocking relationships between C.I.T. and NBNA and their respective subsidiaries were terminated.

4. C.I.T. has represented that it does not exercise a controlling influence over the management or policies of NBNA, or any other bank or bank holding company. Furthermore, C.I.T. has represented that it does not control in any manner the election of a majority of the directors, or own or control, directly or indirectly, more than 5 percent of the outstanding shares of any other bank or bank holding company.

On the basis of the foregoing information, it is hereby certified that C.I.T. has (before the expiration of the period prohibited property is permitted under the BHC Act to be held by a bank holding company) ceased to be a bank holding company.

This certification is based upon the representations made to the Board by C.I.T. and upon the facts set forth above. In the event the Board should hereafter determine that facts material to this certification are otherwise than as represented by C.I.T. or that C.I.T. has failed to disclose to the Board other material facts, the Board may revoke this certification.

By order of the Board of Governors, acting through its General Counsel pursuant to delegated authority (12 C.F.R. § 265.2(b)(3)), effective June 11, 1979.

(Signed) GRIFFITH L. GARWOOD,
Deputy Secretary of the Board.

[SEAL]

Houston Corporation,
Houston, Texas

*Prior Certification Pursuant to the
Bank Holding Company Tax Act of 1976
[Docket No. TCR 76-172]*

Houston Corporation, Houston, Texas ("Houston"), has requested a prior certification pursuant to section 6158(a) of the Internal Revenue Code ("Code"), as amended by section 2(a) of the Bank Holding Company Tax Act of 1976, that its proposed divestiture of all of its 66,748 shares of Post Oak Bank, Houston, Texas ("Bank"), through the sale of such shares to W.S. Farish, III, is necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 et seq.) ("BHC Act").

In connection with this request the following information is deemed relevant for purposes of issuing the requested certification:¹

1. Houston is a corporation organized on January 11, 1945, under the laws of the State of Delaware.

2. Houston first acquired a significant interest in Bank in 1963. It made several additional acquisitions of Bank's shares during the remainder of the 1960's, and on July 7, 1970, it owned and controlled 20,527 shares, representing approximately 27.4 percent of the outstanding voting shares, of Bank.

3. Houston became a bank holding company on December 31, 1970, as a result of the 1970 amendments to the BHC Act by virtue of its ownership and control at that time of more than 25 percent of the outstanding voting shares of Bank, and it registered as such with the Board on June 4, 1973. Houston would have been a bank holding company on July 7, 1970, if the BHC Act amendments of 1970 had been in effect on

1. This information derives from Houston's communications with the Board concerning its request for this certification. Houston's registration statement filed with the Board pursuant to the BHC Act, and other records of the Board.

such date by virtue of its ownership and control of more than 25 percent of the outstanding voting shares of Bank. Houston presently owns and controls 66,748 shares, representing approximately 26 percent of the outstanding voting shares, of Bank.²

4. Houston holds property acquired by it on or before July 7, 1970, the disposition of which, but for clause (ii) of section 4(c) and the proviso of section 4(a)(2) of the BHC Act, would be necessary or appropriate to effectuate section 4 of the BHC Act if Houston were to remain a bank holding company beyond December 31, 1980, and which property, but for such clause and such proviso, would be "prohibited property" within the meaning of section 6158(f)(2) and section 1103(e) of the Code. Sections 1103(g) and 1103(h) of the Code provide that any bank holding company may elect, for the purposes of Part VIII of Subchapter O of Chapter 1 of the Code and section 6158 of the Code, to have the determination whether its property is "prohibited property," or is property eligible to be distributed without recognition of gain under section 1101(b)(1) of the Code, made under the BHC Act as if that Act did not contain clause (ii) of section 4(c) and the proviso of section 4(a)(2) thereof. Houston has represented that it will make such an election upon receiving this prior certification and prior to the consummation of the proposed divestiture.

5. Houston has committed to the Board that within 10 days after consummation of the proposed sale no person holding an office or position (including an advisory or honorary position) with Houston or any of its subsidiaries as a director, officer, policymaking employee or consultant, or who performs (directly or through an agent, representative or a nominee) functions comparable to

those normally associated with such office or position, will hold any such office or position or perform any such function with Bank or any of its subsidiaries or affiliates.

On the basis of the foregoing information, it is hereby certified that:

A. Houston is a qualified bank holding corporation, within the meaning of sections 6158(f)(1) and 1103(b) of the Code, and satisfies the requirements of those sections;

B. The shares of Bank that Houston proposes to divest are all or part of the property by reason of which Houston controls (within the meaning of section 2(a) of the BHC Act) a bank or bank holding company; and,

C. The divestiture of Bank's shares is necessary or appropriate to effectuate the policies of the BHC Act.

This certification is based upon the representations and commitments made to the Board by Houston and upon the facts set forth above. In the event the Board should hereafter determine that facts material to this certification are otherwise than as represented by Houston, or that Houston has failed to disclose to the Board other material facts, it may revoke this certification.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(3)), effective June 20, 1979.

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

[SEAL]

NCNB Corporation,
Charlotte, North Carolina

*Prior Certification Pursuant to the
Bank Holding Company Tax Act of 1976
[Docket No. TCR 76-177]*

NCNB Corporation ("NCNB"), Charlotte, North Carolina, has requested a prior certification pursuant to section 6158(a) of the Internal Revenue Code ("Code"), as amended by section 3(a) of the Bank Holding Company Tax Act of 1976 ("Tax Act"), that the proposed sale by its direct and indirect subsidiaries, TranSouth Financial Corporation ("TFC"), and TranSouth Mortgage Corporation, both of Florence, South Carolina,¹

2. Under section 1101(c) of the Code, property acquired after July 7, 1970, generally does not qualify for the tax benefits of section 6158(a) of the Code when distributed by an otherwise qualified bank holding company. However, where such property was acquired by a qualified bank holding company in a transaction in which gain was not recognized under section 305(a) of the Code, then section 6158(a) is applicable. Houston has indicated that it acquired an additional 45,157 shares of Bank through stock dividends with respect to the shares of Bank held by it on July 7, 1970, and that gain was not recognized under section 305(a) of the Code with regard to these dividends. Accordingly, even though such shares were acquired after July 7, 1970, those shares would nevertheless qualify as property eligible for the tax benefits provided in section 6158(a), if those shares of Bank were, in fact, received in a transaction in which gain was not recognized under section 305(a) of the Code. The remaining 1,064 shares of Bank now held by Houston were purchased after July 7, 1970, or received through stock dividends with respect to shares acquired after July 7, 1970. These shares are not eligible for the tax benefits of section 6158(a) since none of the exceptions to section 1101(c) is applicable to them.

1. TFC was formerly Stephenson Finance Company. TFC's subsidiary, TranSouth Mortgage Corporation, was formerly Associated Underwriters, a subsidiary of Stephenson Finance Company.

(collectively referred to as TranSouth) of a portion of their business, represented by certain assets of twenty-five offices which are described in Schedule A hereto ("TranSouth Business"), is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act (12 U.S.C. § 1843) ("BHC Act"). TranSouth proposes to sell the TranSouth Business to Beneficial Finance Co. of North Carolina and Beneficial Mortgage Co. of North Carolina, both of which are subsidiaries of Beneficial Corporation, Wilmington, Delaware (collectively referred to as "Beneficial"). As consideration for the TranSouth Business, Beneficial will pay TranSouth approximately \$42 million in cash, subject to certain adjustments.

In connection with this request, the following information is deemed relevant for purposes of issuing the requested certification:²

1. NCNB is a corporation organized under the laws of North Carolina on July 5, 1968. On November 4, 1968, NCNB acquired ownership and control of 2,903,818 shares, representing 99.9 percent of the outstanding voting shares, of North Carolina National Bank ("Bank"), Charlotte, North Carolina.

2. NCNB became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its ownership and control at that time of more than 25 percent of the outstanding voting shares of Bank, and it registered as such with the Board on March 31, 1971. NCNB would have been a bank holding company on July 7, 1970, if the BHC Act Amendments had been in effect on such date, by virtue of its ownership and control on that date of more than 25 percent of the outstanding voting shares of Bank. NCNB presently owns and controls 100 percent (less directors' qualifying shares) of the outstanding voting shares of Bank.

3. TFC is the successor of a corporation organized under the laws of the State of South Carolina on December 30, 1946. On June 26, 1969, NCNB acquired ownership of 99.6 percent of the outstanding voting shares of TFC's predecessor corporation. On February 28, 1970, in a reorganization and liquidation of TFC's predecessor corporation, NCNB acquired 100 percent of the outstanding voting shares of TFC.

4. TranSouth is engaged primarily in the business of making direct and indirect consumer loans originated through local consumer finance offices. On July 7, 1970, TranSouth conducted its consumer finance business through numerous offices, including 21 of the offices that comprise part of the TranSouth Business for which certification is requested. Four of the offices, which comprise the remainder of the TranSouth Business for which certification is requested, were established de novo by TranSouth between 1971 and 1973 as a result of internal expansion of its consumer finance business.

5. By Order dated May 11, 1978, the Board denied an application by NCNB for the Board's approval, pursuant to section 4(c)(8) of the BHC Act to retain TranSouth's consumer finance business beyond December 31, 1980. In denying the application, the Board cited adverse competitive effects resulting from the affiliation of TranSouth and NCNB in certain North Carolina markets where both Bank and TranSouth had offices. Subsequently, by Order dated October 27, 1978, the Board approved an amended application by NCNB to retain TranSouth conditioned upon NCNB's commitment to divest as going concerns the 25 offices of TranSouth, which comprise the TranSouth Business to be sold to Beneficial. Thus, the disposition of the TranSouth Business is necessary or appropriate to effectuate section 4 of the BHC Act if NCNB were to remain a bank holding company beyond December 31, 1980.

On the basis of the foregoing information, it is hereby certified that:

(A) NCNB is a qualified bank holding corporation within the meaning of section 6158(f)(1) and section 1103(b) of the Code, and satisfies the requirements of section 1103(b), and TranSouth is a subsidiary of NCNB within the meaning of § 6158(f)(1); 1103(b)(2)(A) and 1103(a)(1)(B) of the Code and § 2(d) of the BHC Act;

(B) the TranSouth Business that TranSouth proposes to sell to Beneficial is "prohibited property" within the meaning of 6158(f)(2) and 1103(c) of the Code;³ and

(C) the sale of the TranSouth Business is necessary or appropriate to effectuate section 4 of the BHC Act.

2. This information derives from NCNB's correspondence with the Board concerning its request for certification, NCNB's Registration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.

3. The TranSouth Business includes four consumer finance offices that were established de novo by TranSouth after July 7, 1970. Under section 1101(c) of the Code, property acquired after July 7, 1970, generally does not qualify for the tax benefits of section 6158(a) of the Code when sold by an otherwise qualified bank holding company. However, the divestiture of the four de novo offices, which represent a relatively unsub-

This certification is based upon the representations made to the Board by NCNB and upon the facts set forth above. In the event the Board should hereafter determine that facts material to this certification are otherwise than as represented by NCNB or that NCNB has failed to disclose to the Board other material facts, it may revoke this certification.

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(3)), effective June 29, 1979.

[SEAL] (Signed) GRIFFITH L. GARWOOD,
Deputy Secretary of the Board.

Schedule A
NCNB Corporation
[Docket No. 76-177]

The following is a description of the TranSouth Business to be sold to Beneficial to which this prior certification relates. In particular, the TranSouth Business consists of the loan receivables (except for working capital loans, commercial loans, and recreational lot notes), leasehold interests, physical assets, the state licenses of each of the offices of TranSouth operating at the following locations:

232 East Main Street
Ahoskie, North Carolina

823 West Salisbury Street
Asheboro, North Carolina

Watauga Village Shopping Center
Boone, North Carolina

312 Hoffman Mill Road
Burlington, North Carolina

Executive Park - Suite 203
831 Baxter Street
Charlotte, North Carolina

618 Foster Street
Durham, North Carolina

Meadowgreen Shopping Center
Eden, North Carolina

500 North Green Street
Greensboro, North Carolina

154 Rose Avenue
Henderson, North Carolina

747 Fourth Street, S.W.
Hickory, North Carolina

125 Linden Avenue
High Point, North Carolina

717 North Queen Street
Kingston, North Carolina

514 North Main Street
Lexington, North Carolina

125 East Murphy Street
Madison, North Carolina

Highway 70 West
North Carolina

209 North Green
Morganton, North Carolina

324 North South Street
Mount Airy, North Carolina

105 East Martin Street
Raleigh, North Carolina

115 East Gilmer Street
Reidsville, North Carolina

125 East Front Street
Statesville, North Carolina

18 West Main Street
Thomasville, North Carolina

4408 Shipyard Boulevard
Wilmington, North Carolina

stantial portion of the TranSouth Business, is in furtherance of the purposes of section 4 of BHC Act. Accordingly, to the extent that the de novo, offices are determined to have been established by TranSouth as a result of internal expansion to engage in the same line of business conducted by TranSouth on July 7, 1970, they may be regarded as part of the TranSouth Business, and therefore, prohibited property.

4007 Oleander Dr.
Wilmington, North Carolina

121 South Tarboro Street
Wilson, North Carolina

Boulevard Plaza Shopping Center
Wilson, North Carolina

National City Corporation,
Cleveland, Ohio

Order Approving Acquisition of Bank

National City Corporation, Cleveland, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of The First National Bank, Galion, Ohio ("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 section 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the third largest banking organization in Ohio, controls seven banks¹ with aggregate deposits of approximately \$2.2 billion representing approximately 6.0 percent of total deposits in commercial banks in the state.² Acquisition of Bank, the 145th largest banking organization in the state with deposits of \$25.1 million, representing 0.06 percent of statewide deposits, would not alter Applicant's statewide rank or significantly increase its share of deposits in the state. Accordingly, consummation of the proposal would not have an appreciable effect on the concentration of banking resources in the State of Ohio.

Bank is the largest of two banks in the Galion banking market, and controls 53.1 percent of market deposits.³ No significant competition exists

between Applicant and Bank inasmuch as none of Applicant's subsidiary banks, including Huron Bank, operate in the relevant banking market. While Applicant could enter the market de novo by establishing a de novo bank or branch in the relevant banking market,⁴ the market with its declining population appears to be unattractive for de novo entry. Furthermore, while Bank could branch into the banking market where Huron Bank operates, that market likewise appears unattractive for de novo entry. Based on the foregoing, it appears that acquisition of Bank by Applicant would not have any significant effects on potential competition. Accordingly, the Board concludes that the proposed acquisition would have no significantly adverse effects on competition.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as satisfactory and consistent with approval of the application. In addition, affiliation with Applicant would enable Bank to offer a variety of new or improved services to its customers, and would result in increased availability of loans to Bank's customers and its community. These potential improvements in Bank's ability to serve the convenience and needs of its community lend weight toward approval of the application. Accordingly, the Board has determined 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 before the thirtieth calendar day following the effective date of this Order or later than three months after the effective date of this Order, unless that period is extended for good cause by the Board, or by the Federal Reserve Bank of Cleveland pursuant to delegated authority.

By order of the Board of Governors, effective June 8, 1979.

Voting for this action: Chairman Miller and Governors Wallich, Partee, and Teeters. Absent and not voting: Governor Coldwell.

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

1. In addition, Applicant acquired The Huron County Banking Company, N.A., Norwalk, Ohio ("Huron Bank") on April 30, 1979.

2. All banking data are as of June 30, 1978, and do not reflect the pending acquisition of Huron Bank.

3. This market is defined to include Polk Township in Crawford County and Washington and North Bloomfield Townships in Morrow County.

4. Effective January 1, 1979, an Ohio Bank may branch de novo into counties contiguous with the county in which the bank's home office is located.

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Board of Governors

During June 1979, the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>
First National Cincinnati Corporation, Cincinnati, Ohio	The Commercial and Savings Bank of Gallipolis, Gallipolis, Ohio	June 25, 1979
Metropolitan Bancshares, Inc., Kansas City, Missouri	The Metropolitan Bank, Kansas City, Missouri	June 22, 1979
Montgomery Bancorporation, Inc., Montgomery, Minnesota	Citizens State Bank of Montgomery, Montgomery, Minnesota	June 21, 1979
Suburban Bancorp, Inc., Palatine, Illinois	Palatine National Bank, Palatine, Illinois	June 7, 1979

By Federal Reserve Banks

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

Section 3

<i>Applicant</i>	<i>Banks(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>
First Community Bancorporation, Joplin, Missouri	Bank of Table Rock Lake, Reeds Spring, Missouri	Kansas City	June 16, 1979
Hawkeye Bancorporation, Des Moines, Iowa	Lake City State Bank, Lake City, Iowa	Chicago	June 15, 1979
Horizon Bancorp, Morristown, New Jersey	Bergen Bank of Commerce, Paramus, New Jersey	New York	June 21, 1979
Independent Bank Corporation, Ionia, Michigan	The Olivet State Bank, Olivet, Michigan	Chicago	June 12, 1979
NB Corporation, Charlottesville, Virginia	Jefferson Bank of the Valley, Fishersville, Virginia	Richmond	June 21, 1979
Independent Bankshares Corporation, San Rafael, California	Gold Country Bank, Grass Valley, California	San Francisco	May 31, 1979

Sections 3 and 4

<i>Applicant</i>	<i>Bank(s)</i>	<i>Nonbanking company (or activity)</i>	<i>Reserve Bank</i>	<i>Effective date</i>
Minonk Bancshares, Inc., Minonk, Illinois	Minonk State Bank, Minonk, Illinois	to engage in the sale of insurance	Chicago	June 21, 1979

Section 4

<i>Applicant</i>	<i>Nonbanking company (or activity)</i>	<i>Reserve Bank</i>	<i>Effective date</i>
Wells Fargo & Company, San Francisco, California	underwriting credit life insurance in the State of Arizona	San Francisco	June 14, 1979

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

Does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

Connecticut Bankers Association, et al., v. Board of Governors, filed May 1979, U.S.C.A. for the District of Columbia.

Ella Jackson et al., v. Board of Governors, filed May 1979, U.S.C.A. for the Fifth Circuit.

Memphis Trust Company v. Board of Governors, filed May 1979, U.S.C.A. for the Sixth Circuit.

U.S. Labor Party v. Board of Governors, filed April 1979, U.S.C.A. for the Second Circuit.

U.S. Labor Party v. Board of Governors, filed April 1979, U.S.C.A. for the Second Circuit.

Independent Insurance Agents of America, et al., v. Board of Governors, filed May 1979, U.S.C.A. for the District of Columbia.

Independent Insurance Agents of America, et al., v. Board of Governors, filed April 1979, U.S.C.A. for the District of Columbia.

Independent Insurance Agents of America, et al., v. Board of Governors, filed March 1979, U.S.C.A. for the District of Columbia.

Credit and Commerce American Investment, et al., v. Board of Governors, filed March 1979, U.S.C.A. for the District of Columbia.

California Life Corporation v. Board of Governors, filed January 1979, U.S.C.A. for the District of Columbia.

Consumers Union of the United States, v. G. William Miller, et al., filed December 1978, U.S.D.C. for the District of Columbia.

Ella Jackson et al., v. Board of Governors, filed November 1978, U.S.C.A. for the Fifth Circuit.

Manchester-Tower Grove Community Organization/ACORN v. Board of Governors, filed September 1978, U.S.C.A. for the District of Columbia.

Beckley v. Board of Governors, filed July 1978, U.S.C.A. for the Northern District of Illinois.

Independent Bankers Association of Texas v. First National Bank in Dallas, et al., filed July 1978, U.S.C.A. for the Northern District of Texas.

Mid-Nebraska Bancshares, Inc. v. Board of Governors, filed July 1978, U.S.C.A. for the District of Columbia.

NCNB Corporation v. Board of Governors, filed June 1978, U.S.C.A. for the Fourth Circuit.

United States League of Savings Associations v. Board of Governors, filed May 1978, U.S.D.C. for the District of Columbia.

Citicorp v. Board of Governors, filed March 1978, U.S.C.A. for the Second Circuit.

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

Michigan National Corporation v. Board of Governors, filed January 1978, U.S.C.A. for the Sixth Circuit.

Wisconsin Bankers Association v. Board of Governors, filed January 1978, U.S.C.A. for the District of Columbia.

Vickers-Henry Corp. v. Board of Governors, filed December 1977, U.S.C.A. for the Ninth Circuit.

Investment Company Institute v. Board of Governors, filed September 1977, U.S.D.C. for the District of Columbia.

BankAmerica Corporation v. Board of Governors, filed May 1977, U.S.D.C. for the Northern District of California.

BankAmerica Corporation v. Board of Governors, filed May 1977, U.S.C.A. for the Ninth Circuit.

Roberts Farms, Inc. v. Comptroller of the Currency, et al., filed November 1975, U.S.D.C. for the Southern District of California.

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

Bankers Trust New York Corporation v. Board of Governors, filed May 1973, U.S.C.A. for the Second Circuit.

Membership of the Board of Governors of the Federal Reserve System, 1913-79

APPOINTIVE MEMBERS¹

Name	Federal Reserve District	Date of initial oath of office	Other dates and information relating to membership ²
Charles S. Hamlin	Boston	Aug. 10, 1914	Reappointed in 1916 and 1926. Served until Feb. 3, 1936. ³
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. ³
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. ³
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. ³
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. ³
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. ³
Rudolph M. Evans	Richmond	Mar. 14, 1942	Served until Aug. 13, 1954. ³
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.
Wm. McC. Martin, Jr.	New York	Apr. 2, 1951	Reappointed in 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 in 1964. Resigned Apr. 30, 1973.

¹ For notes, see opposite page.

Name	Federal Reserve District	Date of initial oath of office	Other dates and information relating to membership ²
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 in 1962. Served until Feb. 13, 1976. ³
J. Dewey Daane	Richmond	Nov. 29, 1963	Served until Mar. 8, 1974. ³
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 in 1968. Resigned Nov. 15, 1971.
Arthur F. Burns	New York	Jan. 31, 1970	Term began Feb. 1, 1970. Resigned Mar. 31, 1978.
John E. Sheehan	St. Louis	Jan. 4, 1972	Resigned June 1, 1975.
Jeffrey M. Bucher	San Francisco	June 5, 1972	Resigned Jan. 2, 1976.
Robert C. Holland	Kansas City	June 11, 1973	Resigned May 15, 1976.
Henry C. Wallich	Boston	Mar. 8, 1974	
Philip E. Coldwell	Dallas	Oct. 29, 1974	
Philip C. Jackson, Jr.	Atlanta	July 14, 1975	Resigned Nov. 17, 1978.
J. Charles Partee	Richmond	Jan. 5, 1976	
Stephen S. Gardner	Philadelphia	Feb. 13, 1976	Died Nov. 19, 1978.
David M. Lilly	Minneapolis	June 1, 1976	Resigned Feb. 24, 1978.
G. William Miller	San Francisco	Mar. 8, 1978	
Nancy H. Teeters	Chicago	Sept. 18, 1978	
Emmett J. Rice	New York	June 20, 1979	

Chairmen⁴

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-Jan. 31, 1978
G. William Miller	Mar. 8, 1978-

Vice Chairmen⁴

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-Feb. 13, 1976
Stephen S. Gardner	Feb. 13, 1976-Nov. 19, 1978

EX-OFFICIO MEMBERS¹

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 ten years, and the five original appointive members had terms of two, four, six, eight, and ten 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 in the 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 four years.

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

3. Successor took office on this date.

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

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1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1978			1979	1979				
	Q2	Q3	Q4	Q1	Jan.	Feb.	Mar.	Apr.	May
Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) ¹³									
<i>Member bank reserves</i>									
1 Total.....	6.2	8.6	2.3	-2.9	6.0	-21.0	1.8	-4.9	-4.3
2 Required.....	6.7	8.6	2.1	-2.8	6.6	-20.9	3.3	-5.5	-3.3
3 Nonborrowed.....	-6	6.6	4.6	-3.3	2.2	-20.6	1.3	-2.9	-30.0
4 Monetary base ¹	7.6	9.3	8.4	5.7	8.6	-5	4.6	4.9	3.3
<i>Concepts of money²</i>									
5 M-1.....	9.2	7.9	4.1	-2.1	-5.0	3.7	1.3	17.7	.7
6 M-1+.....	7.2	6.1	2.6	-5.0	8.0	-6.6	-1.0	11.0	-2.3
7 M-2.....	8.4	9.8	7.6	1.8	-1.1	2.3	3.8	14.1	5.4
8 M-3.....	8.4	10.3	9.3	4.7	2.9	4.8	6.2	10.5	4.7
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
9 Total.....	11.5	11.3	12.3	8.4	9.0	8.6	-1.4	2.1	-1.4
10 Savings.....	3.8	2.9	0.2	-9.6	-11.8	-12.0	4.9	0	7.2
11 Other time.....	11.4	17.9	18.2	15.6	12.8	20.0	13.2	20.2	19.2
12 Thrift institutions ³	8.5	11.1	11.6	8.8	8.3	8.2	9.5	5.6	3.6
13 Total loans and investments at commercial banks ⁴	14.9	11.8	10.7	11.0	25.3	10.9	5.8	13.8	11.1
Interest rates (levels, percent per annum)									
<i>Short-term rates</i>									
14 Federal funds ⁵	8.09	9.58	10.07	10.18	10.06	10.09	10.01	10.24	10.29
15 Federal Reserve discount ⁶	7.50	9.09	9.50	9.50	9.50	9.50	9.50	9.50	9.50
16 Treasury bills (3-month market yield) ⁷	7.31	8.57	9.38	9.38	9.32	9.48	9.46	9.61	9.06
17 Commercial paper (90- to 119-day) ^{7,8}	8.03	9.83	10.04	9.85	9.95	9.90	9.85	9.95	9.76
<i>Long-term rates</i>									
<i>Bonds</i>									
18 U.S. government ⁹	8.53	8.78	9.03	9.08	9.03	9.08	9.12	9.21	8.91
19 State and local government ¹⁰	6.16	6.28	6.37	6.22	6.31	6.33	6.29	6.25	6.13
20 Aaa utility (new issue) ¹¹	8.94	9.23	9.58	9.66	9.53	9.62	9.70	9.83	9.50
21 Conventional mortgages ¹²	9.80	10.12	10.33	n.a.	10.35	10.35	10.55	10.80	n.a.

1. Includes total reserves (member bank reserve balances in the current week plus vault cash held two weeks earlier); currency outside the U.S. Treasury, Federal Reserve Banks and the vaults of commercial banks; and vault cash of nonmember banks.

2. M-1 equals currency plus private demand deposits adjusted.

M-1+ equals M-1 plus savings deposits at commercial banks, NOW accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M-2 equals M-1 plus bank time and savings deposits other than large negotiable certificates of deposit (CDs).

M-3 equals M-2 plus deposits at mutual savings banks, savings and loan associations, and credit union shares.

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

4. Quarterly changes calculated from figures shown in table 1.23.

5. Seven-day averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).

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

7. Quoted on a bank-discount basis.

8. Beginning (Nov) 1977, unweighted average of offering rates quoted by at least five dealers. Previously, most representative rate quoted by these dealers.

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

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

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

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

13. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter. Growth rates for member bank reserves are adjusted for discontinuities in series that result from changes in Regulations D and M.

1.11 FACTORS AFFECTING MEMBER BANK RESERVES

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for weeks ending—						
	1979			1979						
	Apr.	May	June ^a	May 16	May 23	May 30	June 6	June 13	June 20 ^b	June 27 ^b
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding.....	127,462	128,597	129,079	128,308	127,931	128,578	127,087	128,073	130,177	129,584
2 U.S. government securities ¹	105,618	106,100	106,865	106,384	106,136	106,000	104,182	106,024	108,052	107,704
3 Bought outright.....	105,369	106,003	105,825	106,384	106,136	105,763	104,038	106,024	105,777	107,212
4 Held under repurchase agree- ments.....	249	97	1,040	0	0	237	144	0	2,275	492
5 Federal agency securities.....	7,515	7,475	7,788	7,434	7,434	7,468	7,438	7,409	7,911	7,945
6 Bought outright.....	7,464	7,433	7,537	7,434	7,434	7,425	7,423	7,409	7,443	7,761
7 Held under repurchase agree- ments.....	51	42	251	0	0	43	15	0	468	184
8 Acceptances.....	61	40	310	0	0	91	6	0	537	185
9 Loans.....	897	1,777	1,395	1,759	1,703	2,327	1,340	1,299	1,324	1,587
10 Float.....	6,518	6,652	6,428	6,090	6,688	5,927	7,653	7,029	5,949	5,969
11 Other Federal Reserve assets.....	6,853	6,553	6,293	6,641	5,970	6,764	6,468	6,313	6,404	6,195
12 Gold stock.....	11,435	11,370	11,328	11,354	11,354	11,354	11,350	11,323	11,323	11,323
13 Special drawing rights certificate account.....	1,300	1,413	1,800	1,300	1,300	1,729	1,800	1,800	1,800	1,800
14 Treasury currency outstanding.....	12,162	12,234	12,349	12,221	12,240	12,256	12,289	12,315	12,355	12,403
ABSORBING RESERVE FUNDS										
15 Currency in circulation.....	113,369	114,276	115,810	114,363	114,210	114,690	115,334	115,852	115,870	115,837
16 Treasury cash holdings.....	392	373	370	357	361	365	358	372	374	370
Deposits, other than member bank reserves, with Federal Reserve Banks.....	2,623	3,350	3,271	3,208	2,960	2,916	2,396	3,448	3,482	3,550
17 Treasury.....	286	281	284	241	252	312	294	245	297	297
18 Foreign.....	673	821	661	617	568	1,431	724	630	691	587
19 Other.....	4,340	4,305	4,294	4,234	4,340	4,540	4,039	4,133	4,376	4,458
20 Other Federal Reserve liabilities and capital.....	30,675	30,208	29,866	30,165	30,133	29,663	29,383	28,831	30,566	30,012
21 Member bank reserves with Federal Reserve Banks.....										
End-of-month figures				Wednesday figures						
1979				1979						
SUPPLYING RESERVE FUNDS										
22 Reserve bank credit outstanding.....	132,175	129,733	130,946	127,711	126,306	131,095	124,331	126,316	129,121	133,582
23 U.S. government securities ¹	108,588	106,185	109,737	104,681	104,009	107,701	101,763	103,140	105,122	109,341
24 Bought outright.....	107,287	106,185	106,432	104,681	104,009	106,871	100,759	103,140	103,930	106,793
25 Held under repurchase agree- ments.....	1,301	0	3,305	0	0	830	1,004	0	1,192	2,548
26 Federal agency securities.....	7,613	7,423	8,587	7,434	7,434	7,574	7,528	7,390	7,778	8,758
27 Bought outright.....	7,464	7,423	7,761	7,434	7,434	7,423	7,423	7,390	7,761	7,761
28 Held under repurchase agree- ments.....	149	0	826	0	0	151	105	0	17	997
29 Acceptances.....	252	0	1,400	0	0	319	43	0	216	840
30 Loans.....	1,256	1,330	1,558	1,908	2,075	3,468	1,583	981	1,929	2,922
31 Float.....	7,361	8,518	3,898	7,598	6,835	5,690	6,833	8,322	7,404	5,686
32 Other Federal Reserve assets.....	7,105	6,277	5,766	6,090	5,953	6,343	6,581	6,483	6,672	6,035
33 Gold stock.....	11,416	11,354	11,323	11,354	11,354	11,354	11,325	11,323	11,323	11,323
34 Special drawing rights certificate account.....	1,300	1,800	1,800	1,300	1,300	1,800	1,800	1,800	1,800	1,800
35 Treasury currency outstanding.....	12,242	12,362	12,409	12,225	12,251	12,268	12,289	12,347	12,365	12,409
ABSORBING RESERVE FUNDS										
36 Currency in circulation.....	113,234	115,335	116,432	114,635	114,497	115,346	115,951	116,292	116,087	116,479
37 Treasury cash holdings.....	370	364	400	351	384	361	364	359	362	365
Deposits, other than member bank reserves, with Federal Reserve Banks.....	3,100	1,974	3,290	3,398	3,259	2,443	4,762	3,280	2,899	3,597
38 Treasury.....	388	407	326	245	218	334	295	208	294	270
39 Foreign.....	813	852	813	569	642	735	532	595	685	573
40 Other.....	4,641	4,715	4,836	4,290	4,364	4,670	3,994	4,360	4,346	4,622
41 Other Federal Reserve liabilities and capital.....	34,587	31,602	30,381	29,102	27,847	32,628	23,848	26,692	29,936	33,208
42 Member bank reserves with Federal Reserve Banks.....										

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

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

1.12 RESERVES AND BORROWINGS Member Banks

Millions of dollars

Reserve classification	Monthly averages of daily figures										
	1977	1978			1979						
	Dec.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ¹	June	
All member banks											
<i>Reserves</i>											
1 At Federal Reserve Banks.....	27,057	28,701	29,853	31,158	31,935	30,485	30,399	30,675	30,208	29,866	
2 Currency and coin.....	9,351	9,654	9,794	10,330	11,093	10,074	9,776	9,737	10,044	10,157	
3 Total held ¹	36,471	38,434	39,728	41,572	43,167	40,703	40,316	40,546	40,382	40,149	
4 Required.....	36,297	38,222	39,423	41,447	42,865	40,494	40,059	40,548	40,095	39,873	
5 Excess ¹	174	212	305	125	302	209	257	-2	287	276	
<i>Borrowings at Federal Reserve Banks²</i>											
6 Total.....	558	1,261	722	874	994	973	999	897	1,777	1,395	
7 Seasonal.....	54	221	185	134	112	114	121	134	173	190	
Large banks in New York City											
8 Reserves held.....	6,244	6,428	6,682	7,120	7,808	6,995	6,892	6,804	6,658	6,303	
9 Required.....	6,279	6,349	6,658	7,243	7,690	6,976	6,845	6,837	6,544	6,415	
10 Excess.....	-35	79	24	-123	118	19	47	-33	114	-112	
11 Borrowings ²	48	157	48	99	117		45	61	150	78	
Large banks in Chicago											
12 Reserves held.....	1,593	1,672	1,791	1,907	2,011	1,824	1,822	1,801	1,730	1,712	
13 Required.....	1,613	1,649	1,765	1,900	2,010	1,823	1,809	1,824	1,712	1,697	
14 Excess.....	-20	23	26	7	1	1	13	-23	18	15	
15 Borrowings ²	26	14	4	10	23	10	26	18	60	64	
Other large banks											
16 Reserves held.....	13,993	14,862	15,547	16,446	16,942	16,055	15,844	15,948	15,926	15,883	
17 Required.....	13,931	14,867	15,447	16,342	16,923	16,018	15,802	16,014	15,893	15,869	
18 Excess.....	62	-5	100	104	19	37	42	-66	33	14	
19 Borrowings ²	243	408	194	276	269	275	215	271	721	589	
All other banks											
20 Reserves held.....	14,641	15,472	15,708	16,099	16,406	15,829	15,758	15,993	16,068	16,017	
21 Required.....	14,474	15,357	15,553	15,962	16,242	15,677	15,603	15,873	15,946	15,892	
22 Excess.....	167	115	155	137	164	152	155	120	122	125	
23 Borrowings ²	241	682	476	489	585	688	713	547	846	664	
	Weekly averages of daily figures for weeks ending										
	1979										
	Apr. 25	May 2	May 9	May 16	May 23	May 30	June 6	June 13	June 20 ¹	June 27 ¹	
All member banks											
<i>Reserves</i>											
24 At Federal Reserve Banks.....	31,386	31,714	29,918	30,165	30,133	29,663	29,383	28,831	30,566	30,012	
25 Currency and coin.....	9,309	9,963	10,537	10,315	9,354	9,979	10,153	10,366	9,891	10,101	
26 Total held ¹	40,829	41,811	40,588	40,607	39,613	39,771	39,665	39,327	40,580	40,238	
27 Required.....	40,716	41,661	40,514	40,350	39,596	39,588	39,305	39,249	40,456	40,014	
28 Excess ¹	113	150	74	257	17	183	360	78	124	224	
<i>Borrowings at Federal Reserve Banks²</i>											
29 Total.....	991	1,217	1,488	1,759	1,703	2,327	1,340	1,299	1,324	1,587	
30 Seasonal.....	141	163	161	162	169	198	193	181	186	200	
Large banks in New York City											
31 Reserves held.....	6,664	6,885	6,605	6,712	6,413	6,405	6,378	6,205	6,617	6,236	
32 Required.....	6,710	6,836	6,634	6,686	6,447	6,354	6,359	6,220	6,667	6,301	
33 Excess.....	-46	49	-29	26	-34	51	19	-15	-50	-65	
34 Borrowings ²	11	99	89	154	54	344	62	0	126	59	
Large banks in Chicago											
35 Reserves held.....	1,727	1,825	1,701	1,762	1,654	1,708	1,735	1,782	1,725	1,591	
36 Required.....	1,732	1,819	1,707	1,757	1,667	1,693	1,674	1,805	1,690	1,600	
37 Excess.....	-5	6	-6	5	-13	15	61	-23	35	-9	
38 Borrowings ²	0	9	132	0	36	95	0	41	71	105	
Other large banks											
39 Reserves held.....	16,189	16,564	16,092	16,092	15,638	15,655	15,651	15,598	16,071	15,954	
40 Required.....	16,122	16,584	16,092	16,029	15,630	15,672	15,558	15,625	16,107	15,997	
41 Excess.....	67	-20	0	63	8	-17	93	-27	-36	-43	
42 Borrowings ²	390	390	564	763	803	844	509	663	530	679	
All other banks											
43 Reserves held.....	16,249	16,537	16,190	16,041	15,908	16,003	15,901	15,742	16,060	16,243	
44 Required.....	16,152	16,422	16,081	15,878	15,852	15,869	15,714	15,599	15,992	16,116	
45 Excess.....	97	115	109	163	56	134	187	143	68	127	
46 Borrowings ²	590	719	703	842	810	1,044	769	595	597	744	

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

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

2. Based on closing figures.

1.13 FEDERAL FUNDS TRANSACTIONS Money Market Banks

Millions of dollars, except as noted

Type	1979, week ending Wednesday									
	May 2	May 9	May 16	May 23	May 30	June 6	June 13	June 20	June 27	
TOTAL, 46 BANKS										
<i>Basic reserve position</i>										
1 Excess reserves ¹	39	-10	35	37	31	132	-55	-10	53	
LESS:										
2 Borrowings at Federal Reserve Banks.....	194	309	338	411	696	249	287	214	356	
3 Net interbank federal funds transactions.....	16,045	17,799	16,958	17,047	15,474	19,113	21,118	20,078	17,069	
EQUALS: Net surplus, or deficit (-)										
4 Amount.....	-16,201	-18,117	-17,261	-17,421	-16,138	-19,231	-21,460	-20,302	-17,372	
5 Percent of average required reserves.....	92.1	107.1	101.1	105.8	98.0	117.3	130.1	119.2	105.2	
<i>Interbank federal funds transactions</i>										
Gross transactions										
6 Purchases.....	23,662	24,622	23,598	23,212	23,585	27,054	28,832	28,818	26,009	
7 Sales.....	7,616	6,824	6,640	6,166	8,111	7,941	7,714	8,740	8,941	
8 Two-way transactions ²	5,854	5,645	5,285	5,224	5,824	6,549	5,363	5,729	5,584	
Net transactions										
9 Purchases of net buying banks.....	17,808	18,977	18,312	17,988	17,761	20,505	23,469	23,089	20,425	
10 Sales of net selling banks.....	1,762	1,178	1,354	942	2,287	1,391	2,351	3,011	3,356	
<i>Related transactions with U.S. government securities dealers</i>										
11 Loans to dealers ³	3,832	4,216	3,827	4,001	3,591	4,407	4,053	4,144	2,630	
12 Borrowing from dealers ⁴	1,808	2,179	2,428	1,776	1,870	1,844	1,949	1,770	2,078	
13 Net loans.....	2,023	2,037	1,399	2,226	1,722	2,563	2,103	2,374	552	
8 BANKS IN NEW YORK CITY										
<i>Basic reserve position</i>										
14 Excess reserves ¹	35	-14	18	-28	51	21	7	-18	23	
LESS:										
15 Borrowings at Federal Reserve Banks.....		14	79	54	344	62		112	59	
16 Net interbank federal funds transactions.....	3,130	3,284	3,340	3,102	2,874	3,794	6,053	6,112	4,804	
EQUALS: Net surplus, or deficit (-)										
17 Amount.....	-3,095	-3,312	-3,401	-3,183	-3,167	-3,834	-6,046	-6,242	-4,839	
18 Percent of average required reserves.....	50.1	55.3	56.3	54.9	55.3	66.8	108.2	104.0	85.5	
<i>Interbank federal funds transactions</i>										
Gross transactions										
19 Purchases.....	4,527	4,668	4,688	4,174	4,521	5,250	6,824	6,979	5,788	
20 Sales.....	1,398	1,384	1,348	1,072	1,647	1,456	771	867	984	
21 Two-way transactions ²	1,398	1,328	1,348	1,065	1,361	1,456	771	867	984	
Net transactions										
22 Purchases of net buying banks.....	3,129	3,340	3,341	3,109	3,160	3,794	6,053	6,112	4,804	
23 Sales of net selling banks.....		56		8	286					
<i>Related transactions with U.S. government securities dealers</i>										
24 Loans to dealers ³	1,990	2,180	1,827	2,027	1,387	2,073	2,188	2,677	1,465	
25 Borrowing from dealers ⁴	611	916	895	610	541	579	612	752	739	
26 Net loans.....	1,380	1,264	932	1,418	846	1,494	1,576	1,925	725	
38 BANKS OUTSIDE NEW YORK CITY										
<i>Basic reserve position</i>										
27 Excess reserves ¹	4	5	17	65	-19	110	-62	7	30	
LESS:										
28 Borrowings at Federal Reserve Banks.....	194	295	259	357	352	187	287	101	298	
29 Net interbank federal funds transactions.....	12,916	14,515	13,618	13,945	12,600	15,320	15,065	13,966	12,265	
EQUALS: Net surplus, or deficit (-)										
30 Amount.....	-13,106	-14,805	-13,859	-14,238	-12,971	-15,397	-15,414	-14,060	-12,533	
31 Percent of average required reserves.....	114.8	135.6	125.6	133.4	120.8	144.4	141.3	127.5	115.5	
<i>Interbank federal funds transactions</i>										
Gross transactions										
32 Purchases.....	19,134	19,955	18,909	19,039	19,064	21,805	22,008	21,839	20,221	
33 Sales.....	6,219	5,440	5,292	5,093	6,464	6,485	6,943	7,873	7,957	
34 Two-way transactions ²	4,456	4,317	3,938	4,159	4,463	5,094	4,592	4,862	4,601	
Net transactions										
35 Purchases of net buying banks.....	14,678	15,637	14,972	14,879	14,601	16,711	17,416	16,978	15,621	
36 Sales of net selling banks.....	1,762	1,122	1,354	934	2,001	1,391	2,351	3,011	3,356	
<i>Related transactions with U.S. government securities dealers</i>										
37 Loans to dealers ³	1,841	2,036	2,001	1,974	2,205	2,334	1,865	1,467	1,165	
38 Borrowing from dealers ⁴	1,197	1,263	1,533	1,166	1,329	1,266	1,338	1,018	1,339	
39 Net loans.....	644	773	467	808	876	1,069	527	449	-174	

For notes see end of table.

1.13 Continued

Type	1979, week ending Wednesday									
	May 2	May 9	May 16	May 23	May 30	June 6	June 13	June 20	June 27	
5 BANKS IN CITY OF CHICAGO										
<i>Basic reserve position</i>										
40 Excess reserves ¹	5	-1	3	26	5	49	-7	3	15	
LESS:										
41 Borrowings at Federal Reserve Banks.....		126		36	91		41	64	102	
42 Net interbank federal funds transactions.....	5,720	5,741	5,732	5,223	6,112	7,567	8,133	7,232	6,026	
EQUALS: Net surplus, or deficit (-)										
43 Amount.....	5,715	-5,867	-5,729	-5,232	-6,198	-7,518	-8,181	-7,293	-6,112	
44 Percent of average required reserves.....	336.1	368.9	349.4	336.5	392.3	477.8	483.6	462.6	410.4	
<i>Interbank federal funds transactions</i>										
Gross transactions										
45 Purchases.....	6,992	6,951	6,988	6,544	7,378	8,890	9,219	8,469	7,581	
46 Sales.....	1,272	1,211	1,256	1,321	1,266	1,323	1,086	1,237	1,555	
47 Two-way transactions ²	1,272	1,211	1,256	1,321	1,266	1,322	1,086	1,237	1,555	
Net transactions										
48 Purchases of net buying banks.....	5,720	5,741	5,732	5,222	6,112	7,567	8,133	7,232	6,026	
49 Sales of net selling banks.....										
<i>Related transactions with U.S. government securities dealers</i>										
50 Loans to dealers ³	337	408	431	446	621	626	430	320	126	
51 Borrowing from dealers ⁴	12		15			2	49	75	98	
52 Net loans.....	226	408	416	446	621	625	381	246	29	
33 OTHER BANKS										
<i>Basic reserve position</i>										
53 Excess reserves ¹	1	5	14	38	-24	61	-54	4	14	
LESS:										
54 Borrowings at Federal Reserve Banks.....	194	169	259	321	260	187	246	37	196	
55 Net interbank federal funds transactions.....	7,196	8,774	7,886	8,723	6,488	7,753	6,932	6,734	6,239	
EQUALS: Net surplus, or deficit (-)										
56 Amount.....	-7,391	-8,938	-8,130	-9,006	-6,773	-7,879	-7,233	-6,767	-6,421	
57 Percent of average required reserves.....	76.1	95.8	86.6	98.8	73.9	86.7	78.5	71.6	68.6	
<i>Interbank federal funds transactions</i>										
Gross transactions										
58 Purchases.....	12,143	13,003	11,922	12,495	11,686	12,915	12,789	13,370	12,640	
59 Sales.....	4,947	4,229	4,036	3,772	5,198	5,126	5,857	6,636	6,401	
60 Two-way transactions ²	3,184	3,107	2,682	2,838	3,197	3,771	3,506	3,625	3,045	
Net transactions										
61 Purchases of net buying banks.....	8,959	9,897	9,240	9,657	8,489	9,144	9,283	9,746	9,595	
62 Sales of net selling banks.....	1,762	1,122	1,354	934	2,001	1,391	2,351	3,011	3,356	
<i>Related transactions with U.S. government securities dealers</i>										
63 Loans to dealers ³	1,504	1,628	1,570	1,528	1,584	1,708	1,435	1,146	1,039	
64 Borrowing from dealers ⁴	1,186	1,263	1,518	1,166	1,329	1,264	1,288	943	1,241	
65 Net loans.....	318	365	51	362	255	444	147	203	-202	

1. Based on reserve balances, including adjustments to include waivers of penalties for reserve deficiencies in accordance with changes in policy of the Board of Governors effective Nov. 19, 1975.

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

3. Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases from dealers subject to resale), or other lending arrangements.

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

NOTE: Weekly averages of daily figures. For description of series, see August 1964 BULLETIN, pp. 944-53. Back data for 46 banks appear in the Board's Annual Statistical Digest, 1971-1975, table 3.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Federal Reserve Bank	Current and previous levels											
	Loans to member banks									Loans to all others under sec. 13, last par. ⁴		
	Under secs. 13 and 13a ¹			Under sec. 10(b) ²								
	Rate on 6/30/79	Effective date	Previous rate	Regular rate			Special rate ³			Rate on 6/30/79	Effective date	Previous rate
Rate on 6/30/79				Effective date	Previous rate	Rate on 6/30/79	Effective date	Previous rate				
Boston	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
New York	9½	11/1/78	8½	10	11/1/78	9	10½	11/1/78	9½	12½	11/1/78	11½
Philadelphia	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
Cleveland	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
Richmond	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
Atlanta	9½	11/3/78	8½	10	11/3/78	9	10½	11/3/78	9½	12½	11/3/78	11½
Chicago	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
St. Louis	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
Minneapolis	9½	11/1/78	8½	10	11/1/78	9	10½	11/1/78	9½	12½	11/1/78	11½
Kansas City	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
Dallas	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
San Francisco	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½

Range of rates in recent years⁵

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, 1970	5½	5½	1973—May 4	5¾	5¾	1976—Jan. 19	5½-6	5½
1971—Jan. 8	5¼-5½	5¼	11	5¾-6	6	23	5½	5½
15	5¼	5¼	18	6	6	Nov. 22	5¼-5½	5¼
19	5-5¼	5¼	June 11	6-6½	6½	26	5¾	5¼
22	5-5¼	5	15	6½	6½	1977—Aug. 30	5¼-5¾	5¼
29	5	5	July 2	7	7	31	5¼-5¾	5¾
Feb. 13	4¾-5	5	Aug. 14	7-7½	7½	Sept. 2	5¾	5¾
19	4¾	4¾	23	7½	7½	Oct. 26	6	6
July 16	4¾-5	5	1974—Apr. 25	7½-8	8	1978—Jan. 9	6-6½	6½
23	5	5	30	8	8	20	6½	6½
Nov. 11	4¾-5	5	Dec. 9	7¾-8	7¾	May 11	6½-7	7
19	4¾	4¾	16	7¾	7¾	12	7	7
Dec. 13	4½-4¾	4¾	1975—Jan. 6	7¼-7¾	7¾	July 3	7-7¼	7¼
17	4½-4¾	4½	10	7¼-7¾	7¼	10	7¼	7¼
24	4½	4½	24	7¼	7¼	Aug. 21	7¾	7¾
1973—Jan. 15	5	5	Feb. 5	6¾-7¼	6¾	Sept. 22	8	8
Feb. 26	5-5½	5½	7	6¾	6¾	Oct. 16	8-8½	8½
Mar. 2	5½	5½	Mar. 10	6¼-6¾	6¼	20	8½	8½
Apr. 23	5½-5¾	5½	14	6¼	6¼	Nov. 1	8½-9½	9½
			May 16	6-6¼	6	3	9½	9½
			23	6	6	In effect June 30, 1979	9½	9½

1. Discounts of eligible paper and advances secured by such paper or by U.S. government obligations or any other obligations eligible for Federal Reserve Bank purchase.

2. Advances secured to the satisfaction of the Federal Reserve Bank. Advances secured by mortgages on 1- to 4-family residential property are made at the section 13 rate.

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

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

5. Rates under secs. 13 and 13a (as described above). For description and earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914-1941* and *1941-1970*; *Annual Statistical Digest, 1971-1975, 1972-1976, and 1973-1977*.

1.15 MEMBER BANK RESERVE REQUIREMENTS¹

Percent of deposits

Type of deposit, and deposit interval in millions of dollars	Requirements in effect June 30, 1979		Previous requirements	
	Percent	Effective date	Percent	Effective date
<i>Net demand</i> ²				
0-2.....	7	12/30/76	7½	2/13/75
2-10.....	9½	12/30/76	10	2/13/75
10-100.....	11¾	12/30/76	12	2/13/75
100-400.....	12¾	12/30/76	13	2/13/75
Over 400.....	16¼	12/30/76	16½	2/13/75
<i>Time and savings</i> ^{2,3,4}				
Savings.....	3	3/16/67	3½	3/2/67
<i>Time</i> ⁵				
0-5, by maturity				
30-179 days.....	3	3/16/67	3½	3/2/67
180 days to 4 years.....	2½	1/8/76	3	3/16/67
4 years or more.....	1	10/30/75	3	3/16/67
Over 5, by maturity				
30-179 days.....	6	12/12/74	5	10/1/70
180 days to 4 years.....	2½	1/8/76	3	12/12/74
4 years or more.....	1	10/30/75	3	12/12/74
Legal limits				
	Minimum		Maximum	
<i>Net demand</i>				
Reserve city banks.....	10		22	
Other banks.....	7		14	
Time.....	3		10	
Borrowings from foreign banks.....	0		22	

1. For changes in reserve requirements beginning 1963, see Board's *Annual Statistical Digest, 1971-1975* and for prior changes, see Board's *Annual Report for 1976*, table 13.

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

(b) The Federal Reserve Act specifies different ranges of requirements for reserve city banks and for other banks. Reserve cities are designated under a criterion adopted effective Nov. 9, 1972, by which a bank having net demand deposits of more than \$400 million is considered to have the character of business of a reserve city bank. The presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are Federal Reserve 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 the Board's Regulation D.

(c) Effective August 24, 1978, the Regulation M reserve requirements

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

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

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

4. The average reserve requirement on savings and other time deposits must be at least 3 percent, the minimum specified by law.

5. Effective November 2, 1978, a supplementary reserve requirement of 2 percent was imposed on time deposits of \$100,000 or more, obligations of affiliates, and ineligible acceptances.

NOTE. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash.

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

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks			
	In effect June 30, 1979		Previous maximum		In effect June 30, 1979		Previous maximum	
	Percent	Effective date	Percent	Effective date	Percent	Effective date	Percent	Effective date
1 Savings.....	5	7/1/73	4½	1/21/70	5¼	(7)	5	(8)
2 Negotiable order of withdrawal accounts ¹	5	1/1/74	(9)	.....	5	1/1/74	(9)	.....
3 Money market time deposits of less than \$100,000 ²	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)
<i>Time (multiple- and single-maturity unless otherwise indicated)³</i>								
30-89 days								
4 Multiple-maturity.....	5	7/1/73	4¼	1/21/70	(9)	.....	(9)	.....
5 Single-maturity.....			5	9/26/66				
90 days to 1 year								
6 Multiple-maturity.....	5½	7/1/73	5	7/20/66	45¾	(7)	5¼	1/21/70
7 Single-maturity.....			5	9/26/66				
1 to 2 years ⁴								
8 1 to 2 years ⁴	6	7/1/73	5½	1/21/70	6½	(7)	5¾	1/21/70
9 2 to 2½ years ⁴			5¾	1/21/70			6	1/21/70
10 2½ to 4 years ⁴	6½	7/1/73	5¾	1/21/70	6¾	(7)	6	1/21/70
4 to 6 years ⁵								
11 4 to 6 years ⁵	7¼	11/1/73	(11)	.....	7½	11/1/73	(11)	.....
12 6 to 8 years ⁵	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
13 8 years or more ⁵	7¾	6/1/78	(10)	.....	8	6/1/78	(10)	.....
14 Issued to governmental units (all maturities).....	8	6/1/78	7¾	12/23/74	8	6/1/78	7¾	12/23/74
15 Individual retirement accounts and Keogh (H.R. 10) plans ⁶	8	6/1/78	7¾	7/6/77	8	6/1/78	7¾	7/6/77

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

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

3. For exceptions with respect to certain foreign time deposits see the FEDERAL RESERVE BULLETIN for October 1962 (p. 1279), August 1965 (p. 1094), and February 1968 (p. 167).

4. A minimum of \$1,000 is required for savings and loan associations, except in areas where mutual savings banks permit lower minimum denominations. This restriction was removed for deposits maturing in less than 1 year, effective Nov. 1, 1973.

5. \$1,000 minimum except for deposits representing funds contributed to an Individual Retirement Account (IRA) or a Keogh (H.R. 10) Plan established pursuant to the Internal Revenue Code. The \$1,000 minimum requirement was removed for such accounts in December 1975 and November 1976, respectively.

6. 3-year minimum maturity.

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

8. Oct. 1, 1966, for mutual savings banks; Jan. 21, 1970, for savings and loan associations.

9. Commercial banks, savings and loan associations, and mutual savings banks were authorized to offer money market time deposits effective June 1, 1978. The ceiling rate for commercial banks is the discount rate on most recently issued 6-month U.S. Treasury bills. Until Mar. 15, 1979, the ceiling rate for savings and loan associations and mutual savings banks was ¼ percentage point higher than the rate for commercial banks.

Beginning Mar. 15, 1979, the ¼ percentage point interest differential is removed when the 6-month Treasury bill rate is 9 percent or more. The full differential is in effect when the 6-month bill rate is 8¾ percent or less. Thrift institutions may pay a maximum 9 percent when the 6-month bill rate is between 8¾ and 9 percent. Also effective March 15, 1979, interest compounding was prohibited on money market time deposits at all offering institutions. For both commercial banks and thrift institutions, the maximum allowable rates in June were as follows: June 7, 9.425; June 14, 9.047; June 21, 8.873 (thrifts, 9.0); June 28, 8.903 (thrifts, 9.0).

10. No separate account category.

11. Between July 1, 1973, and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of \$1,000; however, the amount of such certificates that an institution could issue was limited to 5 percent of its total time and savings deposits. Sales in excess of that amount, as well as certificates of less than \$1,000, were limited to the 6½ percent ceiling on time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, ceilings were reimposed on certificates maturing in 4 years or more with minimum denominations of \$1,000. There is no limitation on the amount of these certificates that banks can issue.

NOTE. Maximum rates that can be paid by federally insured commercial banks, mutual savings banks, and savings and loan associations are established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 CFR 217, 329, and 526, respectively. The maximum rates on time deposits in denominations of \$100,000 or more were suspended in mid-1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the FEDERAL RESERVE BULLETIN, the Federal Home Loan Bank Board Journal, and the Annual Report of the Federal Deposit Insurance Corporation.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1976	1977	1978	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched sale-purchase transactions)										
<i>Treasury bills</i>										
1 Gross purchases	14,343	13,738	16,628	2,039	0	0	0	2,012	2,361	0
2 Gross sales	8,462	7,241	13,725	3,587	2,751	3,758	228	475	100	251
3 Redemptions	25,017	2,136	2,033	603	0	500	400	400	2,124	200
<i>Others within 1 year¹</i>										
4 Gross purchases	472	3,017	1,184	139	0	0	48	2,600	0	0
5 Gross sales	0	0	0	0	0	0	0	0	0	0
6 Exchange, or maturity shift	792	4,499	-5,170	-778	705	-673	-30	724	439	4,660
7 Redemptions	0	2,500	0	0	0	0	0	0	2,324	0
<i>1 to 5 years</i>										
8 Gross purchases	23,202	2,833	4,188	628	0	0	426	0	2,640	0
9 Gross sales	177	0	0	0	0	0	0	0	0	0
10 Exchange, or maturity shift	2,588	-6,649	-178	-657	705	673	2,205	-724	439	-5,209
<i>5 to 10 years</i>										
11 Gross purchases	1,048	758	1,526	163	0	0	134	0	0	0
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Exchange, or maturity shift	1,572	584	2,803	835	0	0	-2,975	0	0	350
<i>Over 10 years</i>										
14 Gross purchases	642	553	1,063	108	0	0	93	0	0	0
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Exchange, or maturity shift	225	1,565	2,545	600	0	0	800	0	0	200
<i>All maturities¹</i>										
17 Gross purchases	219,707	20,898	24,591	3,075	0	0	700	4,612	23,000	0
18 Gross sales	8,639	7,241	13,725	3,587	2,751	3,758	228	475	100	251
19 Redemptions	25,017	4,636	2,033	603	0	500	400	400	2,480	200
Matched sale-purchase transactions										
20 Gross sales	196,078	425,214	511,126	40,785	52,661	64,691	56,291	61,669	62,362	54,343
21 Gross purchases	196,579	423,841	510,854	40,546	51,586	60,750	58,426	63,707	61,968	53,692
Repurchase agreements										
22 Gross purchases	232,891	178,683	151,618	7,719	8,133	3,117	6,931	11,817	5,784	2,188
23 Gross sales	230,355	180,535	152,436	8,383	7,049	4,201	6,931	10,137	6,163	3,488
24 Net change in U.S. government securities	9,087	5,798	7,743	-2,017	-2,743	9,283	2,207	7,454	-2,352	-2,403
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
25 Gross purchases	891	1,433	301	0	0	0	0	0	0	0
26 Gross sales	0	0	173	0	0	379	20	0	0	0
27 Redemptions	169	223	235	39	3	10	*	23	*	40
Repurchase agreements										
28 Gross purchases	10,520	13,811	40,567	2,544	4,307	713	1,152	2,851	1,173	1,149
29 Gross sales	10,360	13,638	40,885	2,670	4,174	846	1,152	2,482	1,392	1,298
30 Net change in federal agency obligations	882	1,383	426	165	130	522	-20	345	-219	-189
BANKERS ACCEPTANCES										
31 Outright transactions, net	545	196	0	0	0	0	0	0	0	0
32 Repurchase agreements, net	410	159	-366	236	587	587	0	204	48	252
33 Net change in bankers acceptances	135	37	366	236	587	587	0	204	48	252
34 Total net change in System Open Market Account	9,833	7,143	6,951	2,419	2,026	-10,392	2,187	8,003	2,524	2,844

1. Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): Sept. 1977, 2,500; Mar. 1979, 2,600.

2. In 1976, the System acquired \$189 million of 2-year Treasury notes in exchange for maturing bills. In April 1979, the System acquired \$640 million of 2-day cash management bills in exchange for maturing 2-year notes. New 2-year notes were later obtained in exchange for the maturing

bills. Each of these transactions is treated in the table as both a purchase and a redemption.

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

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1979					1979		
	May 30	June 6	June 13	June 20 ^a	June 27 ^a	Apr.	May	June ^a
Consolidated condition statement								
ASSETS								
1 Gold certificate account.....	11,354	11,325	11,323	11,323	11,323	11,416	11,354	11,323
2 Special drawing rights certificate account.....	1,800	1,800	1,800	1,800	1,800	1,300	1,800	1,800
3 Coin.....	412	396	397	385	368	405	411	371
<i>Loans</i>								
4 Member bank borrowings.....	3,468	1,583	981	1,929	2,922	1,256	1,330	1,558
5 Other.....	0	0	0	0	0	0	0	0
<i>Acceptances</i>								
6 Bought outright.....	0	0	0	0	0	0	0	0
7 Held under repurchase agreements.....	319	43	0	216	840	252	0	1,400
<i>Federal agency obligations</i>								
8 Bought outright.....	7,423	7,423	7,390	7,761	7,761	7,464	7,423	7,761
9 Held under repurchase agreements.....	151	105	0	17	997	149	0	826
<i>U.S. government securities</i>								
<i>Bought outright</i>								
10 Bills.....	38,852	32,740	35,121	35,868	38,731	39,268	38,166	38,370
11 Certificates—Special.....	0	0	0	0	0	0	0	0
12 Other.....	0	0	0	0	0	0	0	0
13 Notes.....	54,462	54,462	54,462	54,505	54,505	54,662	54,462	54,505
14 Bonds.....	13,557	13,557	13,557	13,557	13,557	13,357	13,557	13,557
15 Total ¹	106,871	100,759	103,140	103,930	106,793	107,287	106,185	106,432
16 Held under repurchase agreements.....	830	1,004	0	1,192	2,548	1,301	0	3,305
17 Total U.S. government securities.....	107,701	101,763	103,140	105,122	109,341	108,588	106,185	109,737
18 Total loans and securities.....	119,062	110,917	111,511	115,045	121,861	117,709	114,938	121,282
19 Cash items in process of collection.....	15,370	13,984	15,097	14,670	12,699	13,266	14,910	10,462
20 Bank premises.....	395	396	397	399	398	397	395	397
<i>Other assets</i>								
21 Denominated in foreign currencies ²	3,680	3,643	3,643	3,651	3,095	3,745	3,664	2,942
22 All other.....	2,268	2,542	2,443	2,622	2,542	2,963	2,218	2,427
23 Total assets.....	154,341	145,003	146,611	149,895	154,086	151,201	149,690	151,004
LIABILITIES								
24 Federal Reserve notes.....	103,851	104,421	104,701	104,469	104,803	101,767	103,748	104,794
<i>Deposits</i>								
25 Member bank reserves.....	32,628	23,848	26,692	29,936	33,208	34,587	31,602	30,381
26 U.S. Treasury—General account.....	2,443	4,762	3,280	2,899	3,597	3,100	1,974	3,290
27 Foreign.....	334	295	208	294	270	388	407	326
28 Other.....	735	532	595	685	573	813	852	813
29 Total deposits.....	36,140	29,437	30,775	33,814	37,648	38,888	34,835	34,810
30 Deferred availability cash items.....	9,680	7,151	6,775	7,266	7,013	5,905	6,392	6,564
31 Other liabilities and accrued dividends ³	1,719	1,601	1,792	1,595	1,699	1,663	1,673	1,846
32 Total liabilities.....	151,390	142,610	144,043	147,144	151,163	148,223	146,648	148,014
CAPITAL ACCOUNTS								
33 Capital paid in.....	1,123	1,126	1,128	1,126	1,126	1,117	1,124	1,126
34 Surplus.....	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078
35 Other capital accounts.....	750	189	362	547	719	783	840	786
36 Total liabilities and capital accounts.....	154,341	145,003	146,611	149,895	154,086	151,201	149,690	151,004
37 Memo: Marketable U.S. government securities held in custody for foreign and international account.....	75,972	78,436	78,196	75,802	77,594	84,423	76,123	78,140
Federal Reserve note statement								
38 Federal Reserve notes outstanding (issued to Bank).....	116,521	116,975	117,336	117,740	118,127	115,604	116,615	118,148
<i>Collateral held against notes outstanding</i>								
39 Gold certificate account.....	11,354	11,325	11,323	11,323	11,323	11,416	11,354	11,323
40 Special Drawing Rights certificate account.....	1,800	1,800	1,800	1,800	1,800	1,300	1,800	1,800
41 Eligible paper.....	2,585	1,417	896	1,370	1,908	986	1,182	1,116
42 U.S. government securities.....	100,782	102,433	103,317	103,247	103,096	101,902	102,279	103,909
43 Total collateral.....	116,521	116,975	117,336	117,740	118,127	115,604	116,615	118,148

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

2. Beginning December 29, 1978, such assets are revalued monthly at market exchange rates.

3. Includes exchange-translation account reflecting, beginning December 29, 1978, the monthly revaluation at market exchange rates of foreign-exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity	Wednesday					End of month		
	1979					1979		
	May 30	June 6	June 13	June 20	June 27	April 30	May 31	June 30
1 Loans.....	3,468	1,582	981	1,929	2,922	1,255	1,333	1,558
2 Within 15 days.....	3,439	1,479	887	1,907	2,898	1,211	1,261	1,469
3 16 days to 90 days.....	29	103	94	22	24	44	72	89
4 91 days to 1 year.....	0	0	0	0	0	0	0	0
5 Acceptances.....	319	43	0	216	840	252	0	400
6 Within 15 days.....	319	43	0	216	840	252	0	400
7 16 days to 90 days.....	0	0	0	0	0	0	0	0
8 91 days to 1 year.....	0	0	0	0	0	0	0	0
9 U.S. government securities.....	107,701	101,763	103,140	105,122	109,341	108,588	106,185	106,737
10 Within 15 days ¹	3,601	3,071	1,751	4,308	5,677	5,284	597	5,748
11 16 days to 90 days.....	19,267	14,413	17,035	17,215	19,089	18,905	19,267	19,434
12 91 days to 1 year.....	32,268	31,652	31,727	30,972	31,948	27,113	33,694	31,928
13 Over 1 year to 5 years.....	28,572	28,634	28,634	28,634	28,634	33,843	28,634	28,634
14 Over 5 years to 10 years.....	12,225	12,225	12,225	12,225	12,225	11,875	12,225	12,225
15 Over 10 years.....	11,768	11,768	11,768	11,768	11,768	11,568	11,768	11,768
16 Federal agency obligations.....	7,574	7,528	7,390	7,778	8,758	7,613	7,423	8,587
17 Within 15 days ¹	385	288	0	75	1,093	211	234	922
18 16 days to 90 days.....	357	417	485	439	401	604	357	401
19 91 days to 1 year.....	793	784	818	915	915	945	793	915
20 Over 1 year to 5 years.....	3,776	3,776	3,805	4,064	4,064	3,507	3,776	4,064
21 Over 5 years to 10 years.....	1,488	1,488	1,507	1,510	1,510	1,571	1,488	1,510
22 Over 10 years.....	775	775	775	775	775	775	775	775

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

1.20 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1976	1977	1978	1979				
				Jan.	Feb.	Mar.	Apr.	May
Debits to demand deposits ² (seasonally adjusted)								
1 All commercial banks.....	29,180.4	34,322.8	40,300.3	44,598.7	43,878.3	44,920.4	46,612.2	47,545.4
2 Major New York City banks.....	11,467.2	13,860.6	15,008.7	16,345.5	15,432.8	15,644.9	16,898.7	16,960.3
3 Other banks.....	17,713.2	20,462.2	25,291.6	28,253.1	28,445.5	29,275.5	29,713.5	30,585.2
Debits to savings deposits ³ (not seasonally adjusted)								
4 All customers.....	174.0	418.1	583.5	583.5	448.4	598.3	698.0	764.4
5 Business ¹	21.7	56.7	73.7	73.7	54.1	76.1	71.7	69.4
6 Others.....	152.3	361.4	509.8	509.8	394.3	522.2	626.4	695.0
Demand deposit turnover ² (seasonally adjusted)								
7 All commercial banks.....	116.8	129.2	139.4	151.2	150.4	154.4	156.8	160.3
8 Major New York City banks.....	411.6	503.0	541.9	584.2	565.1	571.8	618.4	619.1
9 Other banks.....	79.8	85.9	96.7	105.8	107.6	111.1	110.1	113.6
Savings deposit turnover ³ (not seasonally adjusted)								
10 All customers.....	1.6	1.9	2.7	2.7	2.1	2.8	3.2	3.6
11 Business ¹	4.1	5.1	6.8	6.8	5.3	7.4	7.0	6.8
12 Others.....	1.5	1.7	2.5	2.5	1.9	2.5	3.0	3.4

1. Represents corporations and other profit-seeking organizations (excluding commercial banks but including savings and loan associations, mutual savings banks, credit unions, the Export-Import Bank, and federally sponsored lending agencies).

2. Represents accounts of individuals, partnerships, and corporations, and of states and political subdivisions.

3. Excludes negotiable order of withdrawal (NOW) accounts and special club accounts, such as Christmas and vacation clubs.

NOTE. Historical data—estimated for the period 1970 through June 1977, partly on the basis of the debits series for 233 SMSAs, which were available through June 1977—are available from Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Debits and turnover data for savings deposits are not available prior to July 1977.

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1975	1976	1977	1978	1979					
	Dec.	Dec.	Dec.	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Seasonally adjusted										
MEASURES ¹										
1 M-1	295.4	313.8	338.7	361.2	361.2	359.7	358.6	359.0	364.3	364.5
2 M-1+	456.8	517.2	560.6	587.1	587.1	583.2	580.0	579.5	584.8	583.7
3 M-2	664.8	740.6	809.4	875.8	875.8	875.0	876.7	879.5	889.8	893.8
4 M-3	1,092.4	1,235.6	1,374.3	1,500.1	1,500.1	1,503.7	1,509.7	1,517.5	1,530.8	1,536.8
5 M-4	745.8	803.0	883.1	972.4	972.4	975.5	978.8	978.5	984.8	984.4
6 M-5	1,173.5	1,298.0	1,448.0	1,596.7	1,596.7	1,604.2	1,611.8	1,616.5	1,625.9	1,627.3
COMPONENTS										
7 Currency	73.8	80.8	88.6	97.5	97.5	98.2	98.9	99.4	100.2	100.7
Commercial bank deposits										
8 Demand	221.7	233.0	250.1	263.7	263.7	261.5	259.7	259.5	264.1	263.8
9 Time and savings	450.3	489.2	544.4	611.2	611.2	615.8	620.2	619.5	620.6	619.9
10 Savings	160.7	202.1	219.7	223.0	223.0	220.8	218.6	217.7	217.7	216.4
11 Negotiable CDs ²	81.0	62.4	73.7	96.6	96.6	100.5	102.1	99.0	95.0	90.6
12 Other time	208.6	224.7	251.0	291.5	291.5	294.6	299.5	302.8	307.9	313.0
13 Nonbank thrift institutions ³	427.7	495.0	564.9	624.4	624.4	628.7	633.0	638.0	641.0	643.0
Not seasonally adjusted										
MEASURES ¹										
14 M-1	303.9	322.6	348.2	371.3	371.3	365.4	351.9	353.7	367.4	359.1
15 M-1+	463.6	524.2	568.0	595.1	595.1	588.2	572.6	575.5	590.4	580.2
16 M-2	670.0	745.8	814.9	881.5	881.5	879.6	871.0	878.2	896.8	892.1
17 M-3	1,095.0	1,238.3	1,377.2	1,502.8	1,502.8	1,506.8	1,502.1	1,517.4	1,540.8	1,536.2
18 M-4	753.5	810.0	890.8	981.0	981.0	980.7	970.6	975.7	989.5	981.1
19 M-5	1,178.4	1,302.6	1,453.2	1,602.4	1,602.4	1,607.9	1,601.7	1,614.9	1,633.5	1,625.2
COMPONENTS										
20 Currency	75.1	82.1	90.1	99.1	99.1	97.4	97.6	98.6	99.9	100.6
Commercial bank deposits										
21 Demand	228.8	240.5	258.1	272.2	272.2	268.0	254.2	255.1	267.5	258.5
22 Member	162.8	169.4	177.5	183.0	183.0	179.3	169.6	170.4	178.5	171.8
23 Domestic nonmember	62.6	67.5	76.2	85.2	85.2	84.6	80.7	80.6	85.1	82.6
24 Time and savings	449.6	487.4	542.6	609.7	609.7	615.3	618.7	622.0	622.1	622.0
25 Savings	159.1	200.2	217.7	220.9	220.9	219.9	218.0	218.9	220.1	218.2
26 Negotiable CDs ²	83.5	64.3	75.9	99.5	99.5	101.1	99.6	97.5	92.6	88.9
27 Other time	207.1	222.9	249.0	289.2	289.2	294.3	301.1	305.5	309.3	314.9
28 Other checkable deposits ⁴	0.7	1.4	2.1	2.9	2.9	2.8	2.8	2.8	2.9	2.9
29 Nonbank thrift institutions ³	424.9	492.5	562.3	621.4	621.4	627.1	631.1	639.2	644.0	644.1
30 U.S. government deposits (all commercial banks)	4.1	4.4	5.1	10.2	10.2	11.9	8.3	6.5	5.3	8.4

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

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

M-1+: M-1 plus savings deposits at commercial banks, NOW accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M-2: M-1 plus savings deposits, time deposits open account, and time certificates of deposit (CDs) other than negotiable CDs of \$100,000 or more at large weekly reporting banks.

M-3: M-2 plus the average of the beginning- and end-of-month deposits

of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).

M-4: M-3 plus large negotiable CDs.

M-5: M-3 plus large negotiable CDs.

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

3. 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.

4. Includes NOW accounts at thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

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

NOTES TO TABLE 1.23:

1. Adjusted to exclude domestic commercial interbank loans and federal funds sold to domestic commercial banks.

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

3. As of Dec. 31, 1978, total loans and investments were reduced by \$0.1 billion. Total loans were reduced \$1.6 billion, and "Other investments" were increased \$1.5 billion largely as the result of reclassifications of certain tax-exempt obligations.

4. As of Mar. 31, 1976, reclassification of loans reduced these loans about \$1.2 billion.

5. As of Dec. 31, 1977, reclassification of loans at one large bank reduced these loans about \$200 million.

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

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

8. As of May 1979, as the result of reclassification, total loans and investments and total loans were increased by \$600 million, and business loans were increased by \$400 million.

NOTE: Data are for last Wednesday of month except for June 30 and December 31 call report data. Data revised beginning July 1978 to reflect adjustments to preliminary December 31, 1978, call report data.

1.22 AGGREGATE RESERVES AND DEPOSITS Member Banks

Billions of dollars, averages of daily figures

Item	1975 Dec.	1976 Dec.	1977 Dec.	1978			1979				
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Seasonally adjusted											
1 Reserves ¹	34.67	34.89	36.10	38.38	39.75	41.27	41.48	40.75	40.81	40.65	40.50
2 Nonborrowed.....	34.54	34.84	35.53	37.10	39.05	40.40	40.48	39.78	39.82	39.73	38.79
3 Required.....	34.40	34.61	35.91	38.22	39.53	41.04	41.26	40.54	40.66	40.47	40.36
4 Monetary base ²	106.7	118.4	127.8	137.8	140.0	142.3	143.4	143.3	143.9	144.5	144.9
5 Deposits subject to reserve requirements ³	504.2	528.6	568.6	608.9	616.9	616.7	621.1	619.7	616.4	618.6	613.9
6 Time and savings.....	336.8	354.1	386.7	418.3	427.5	429.4	433.5	436.1	434.1	432.0	428.7
<i>Demand</i>											
7 Private.....	164.5	171.5	178.5	187.2	187.0	185.1	185.6	181.9	180.5	184.7	183.5
8 U.S. government.....	2.9	3.0	3.5	3.5	2.3	2.3	1.9	1.8	1.8	1.8	1.7
Not seasonally adjusted											
9 Monetary base ²	108.3	120.3	129.8	137.5	140.5	144.6	144.4	141.9	142.3	144.2	144.5
10 Deposits subject to reserve requirements ³	510.9	534.8	575.3	608.4	615.1	624.0	627.1	614.3	614.3	621.1	610.9
11 Time and savings.....	337.2	353.6	386.4	418.5	425.2	429.6	433.8	434.2	434.9	432.3	429.8
<i>Demand</i>											
12 Private.....	170.7	177.9	185.1	186.9	188.0	191.9	191.5	178.2	177.5	186.8	179.2
13 U.S. government.....	3.1	3.3	3.8	3.0	2.0	2.5	1.9	1.8	1.9	2.0	1.8

1. Series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. There are breaks in series because of changes in reserve requirements effective Jan. 8 and Dec. 30, 1976; and Nov. 2, 1978. In addition, effective Jan. 1, 1976, statewide branching in New York was instituted. The subsequent merger of a number of banks raised required reserves because of higher reserve requirements on aggregate deposits at these banks.

2. Includes total reserves (member bank reserve balances in the current week plus vault cash held two weeks earlier); currency outside the U.S. Treasury, Federal Reserve Banks and the vaults of commercial banks; and vault cash of nonmember banks.

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

NOTE: Back data and estimates of the impact on required reserves and changes in reserve requirements are shown in table 14 of the Board's *Annual Statistical Digest, 1971-1975*.

1.23 LOANS AND INVESTMENTS All Commercial Banks

Billions of dollars; last Wednesday of month except for June 30 and Dec. 31

Category	1975 Dec. 31	1976 Dec. 31	1977 Dec. 31	1978 Dec. 31 ^a	1979					
					Jan. 31 ^b	Feb. 28 ^b	Mar. 28 ^b	Apr. 25 ^b	May 30 ^b	June 30 ^b
Seasonally adjusted										
1 Loans and investments ¹	721.8	785.1	870.6	977.7	998.6	1,007.7	1,012.6	1,024.3	1,035.2	1,046.5
2 Including loans sold outright ²	726.2	788.9	875.5	981.5	1,002.2	1,011.3	1,016.2	1,027.9	1,038.9	1,050.3
<i>Loans</i>										
3 Total ¹	496.9	538.9	617.0	715.4	732.4	738.3	743.4	753.0	876.0	769.5
4 Including loans sold outright ²	501.3	542.7	621.9	719.2	736.0	741.9	747.0	756.6	8763.9	773.3
5 Commercial and industrial.....	176.2	4179.7	5201.4	6230.9	237.8	240.6	243.5	247.3	252.2	255.4
6 Including loans sold outright ²	178.7	4182.1	5204.2	6233.4	240.3	243.1	246.1	249.9	254.9	258.3
<i>Investments</i>										
7 U.S. Treasury.....	80.1	98.0	95.6	88.8	89.4	92.1	90.5	91.9	94.6	95.7
8 Other.....	144.8	148.2	158.0	173.5	176.8	177.3	178.7	179.4	180.4	181.3
Not seasonally adjusted										
9 Loans and investments ¹	737.0	801.6	888.9	998.2	994.6	1,000.0	1,009.5	1,023.0	1,033.8	1,053.8
10 Including loans sold outright ²	741.4	805.4	893.8	1,002.0	998.2	1,003.6	1,013.1	1,026.6	1,037.5	1,057.6
<i>Loans</i>										
11 Total ¹	507.4	550.2	629.9	730.4	726.0	730.3	737.5	748.1	8759.1	778.7
12 Including loans sold outright ²	511.8	554.0	634.8	734.2	729.6	733.9	741.1	751.7	8762.8	782.5
13 Commercial and industrial.....	179.3	4182.9	5205.0	6235.1	235.3	238.6	243.0	248.0	252.2	258.4
14 Including loans sold outright ²	181.8	4185.3	5207.8	6237.6	237.8	241.1	245.6	250.7	254.9	261.3
<i>Investments</i>										
15 U.S. Treasury.....	84.1	102.5	100.2	93.6	92.2	93.3	93.9	94.4	93.5	92.9
16 Other.....	145.5	148.9	158.8	174.3	176.4	176.5	178.2	180.4	181.2	182.2

For notes see bottom of opposite page.

1.24 COMMERCIAL BANK ASSETS AND LIABILITIES Last-Wednesday-of-Month Series

Billions of dollars except for number of banks

Account	1978					1979					
	Aug. ^a	Sept. ^a	Oct. ^a	Nov. ^a	Dec. ^a	Jan. ^a	Feb. ^a	Mar. ^a	Apr. ^a	May ^a	June ^a
ALL COMMERCIAL BANKS¹											
1 Loans and investments.....	986.2	1,002.2	1,010.8	1,029.2	1,051.3	1,041.6	1,048.1	1,059.8	1,074.8	1,090.1	1,102.4
2 Loans, gross.....	724.3	738.0	746.7	764.3	782.6	773.0	778.3	787.7	799.9	815.4	828.6
3 Interbank.....	42.9	45.1	46.0	48.8	56.0	47.0	48.1	50.2	51.9	56.3	56.3
4 Commercial and industrial.....	222.0	224.5	227.1	230.7	232.8	235.3	238.6	243.0	248.1	252.2	256.7
5 Other.....	459.4	468.4	473.6	484.8	493.8	490.7	491.6	494.5	500.0	506.9	515.7
6 U.S. Treasury securities.....	95.2	95.6	94.4	93.7	94.0	92.2	93.3	93.9	94.5	93.5	91.9
7 Other securities.....	166.7	168.5	169.7	171.2	174.7	176.4	176.5	178.2	180.4	181.2	181.9
8 Cash assets, total.....	140.3	146.8	148.5	150.7	174.7	150.5	158.8	148.1	148.8	169.1	156.0
9 Currency and coin.....	15.2	15.2	15.1	16.7	17.2	15.3	15.1	15.3	15.7	16.1	16.4
10 Reserves with Federal Reserve Banks.....	29.7	32.6	34.6	32.6	37.7	29.6	29.4	29.9	33.7	32.7	32.6
11 Balances with depository institutions.....	45.9	49.4	47.1	48.0	56.3	50.8	54.1	48.8	47.8	54.3	50.0
12 Cash items in process of collection.....	49.6	49.7	51.7	53.5	63.5	54.7	60.2	54.1	51.6	66.0	57.0
13 Other assets.....	68.6	70.5	69.9	74.0	77.9	77.3	76.1	72.9	69.9	66.7	69.1
14 Total assets/total liabilities and capital.....	1,195.1	1,219.5	1,229.2	1,254.0	1,303.9	1,269.5	1,283.0	1,280.8	1,293.4	1,325.9	1,327.4
15 Deposits.....	939.8	956.0	957.2	968.1	1,005.8	979.9	988.2	979.4	984.2	998.7	993.0
16 Demand.....	340.5	351.9	348.7	349.0	382.1	350.8	355.7	343.1	350.8	363.4	356.5
17 Time and savings.....	599.3	604.1	608.5	619.1	623.7	629.1	632.5	635.2	633.3	635.4	636.4
18 Savings.....	n.a.	n.a.	n.a.	n.a.	n.a.	216.5	216.6	218.6	217.5	217.4	218.3
19 Time.....	n.a.	n.a.	n.a.	n.a.	n.a.	412.7	415.9	417.7	415.8	418.0	418.2
20 Borrowings.....	108.5	112.1	117.8	126.9	136.8	122.3	122.1	125.1	134.2	143.5	147.2
MIMO:											
21 U.S. Treasury note balances included in borrowing.....				7.5	12.4	11.6	3.7	4.7	5.9	4.9	13.2
22 Number of banks.....	14,718	14,723	14,712	14,724	14,730	14,701	14,711	14,716	14,731	14,738	14,743
MEMBER BANKS											
23 Loans and investments.....	698.9	706.9	713.4	724.3	739.5	732.5	736.9	741.2	753.1	761.2	769.0
24 Loans, gross.....	520.3	527.0	533.9	544.6	558.3	549.6	553.2	555.5	565.1	573.7	582.4
25 Interbank.....	n.a.	n.a.	n.a.	n.a.	n.a.	30.3	30.6	30.7	31.1	32.9	32.2
26 Other.....	n.a.	n.a.	n.a.	n.a.	n.a.	519.3	522.6	524.8	534.0	540.9	550.2
27 U.S. Treasury securities.....	65.3	65.4	64.1	63.5	63.6	62.3	63.4	64.1	64.7	63.9	62.3
28 Other securities.....	113.3	114.5	115.3	116.2	117.6	120.4	120.2	121.5	123.2	123.6	124.3
29 Cash assets, total.....	111.2	115.4	118.6	121.3	140.2	119.1	125.4	115.5	119.0	135.6	125.9
30 Currency and coin.....	11.1	11.1	11.1	12.3	12.7	11.2	11.1	11.2	11.5	11.7	12.0
31 Reserves with Federal Reserve Banks.....	29.7	32.6	34.6	32.6	37.7	29.6	29.4	29.9	33.7	32.7	32.6
32 Balances with depository institutions.....	22.9	24.0	23.2	25.1	28.6	25.8	27.0	22.3	24.1	27.7	26.5
33 Cash items in process of collection.....	47.6	47.7	49.7	51.4	61.2	52.5	57.9	52.1	49.7	63.5	54.8
34 Other assets.....	58.4	60.0	59.3	62.9	65.5	65.5	64.2	61.3	58.1	54.8	57.1
35 Total assets/total liabilities and capital.....	868.5	882.2	891.2	908.5	945.2	917.1	926.5	918.0	930.1	951.6	952.1
36 Deposits.....	670.6	679.6	682.5	688.6	716.3	696.6	701.7	687.9	691.8	699.2	693.1
37 Demand.....	256.1	262.3	262.6	262.3	286.8	263.5	267.6	253.2	262.0	270.6	265.0
38 Time and savings.....	414.5	417.2	420.0	426.4	429.5	433.1	434.1	434.5	429.8	428.6	428.1
39 Savings.....	n.a.	n.a.	n.a.	n.a.	n.a.	146.5	146.4	147.7	147.1	145.4	146.0
40 Time.....	n.a.	n.a.	n.a.	n.a.	n.a.	286.6	287.7	286.8	282.7	283.2	282.1
41 Borrowings.....	93.9	97.2	101.4	108.1	115.9	102.3	104.0	107.1	115.3	123.4	126.3
MIMO:											
42 U.S. Treasury note balances included in borrowing.....				6.3	11.1	9.3	3.0	3.7	4.5	3.8	11.0
43 Number of banks.....	5,610	5,593	5,585	5,586	5,591	5,556	5,545	5,544	5,542	5,534	5,532

1. Figures partly estimated except on call dates.

NOTE: Figures include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries.

Commercial banks: All such banks in the United States, including member and nonmember banks, stock savings banks, nondeposit trust companies, and U.S. branches of foreign banks.

Member banks: The following numbers of noninsured trust companies that are members of the Federal Reserve System are excluded from member banks in tables 1.24 and 1.25 and are included with noninsured banks in table 1.25: 1977 -December, 12; 1979 - March, 13.

1.25 COMMERCIAL BANK ASSETS AND LIABILITIES Call-Date Series

Millions of dollars, except for number of banks

Account	1976	1977		1978	1976	1977		1978
	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30
	Total insured				National (all insured)			
1 Loans and investments, gross	827,696	854,733	914,779	956,431	476,610	488,240	523,000	542,218
<i>Loans</i>								
2 Gross	578,734	601,122	657,509	695,443	340,691	351,311	384,722	403,812
3 Net	560,077	581,143	636,318	672,207	329,971	339,955	372,702	390,630
<i>Investments</i>								
4 U.S. Treasury securities	101,461	100,568	99,333	97,001	55,727	53,345	52,244	50,519
5 Other	147,500	153,042	157,936	163,986	80,191	83,583	86,033	87,886
6 Cash assets	129,562	130,726	159,264	157,393	76,072	74,641	92,050	90,728
7 Total assets/total liabilities ¹	1,003,970	1,040,945	1,129,712	1,172,772	583,304	599,743	651,360	671,166
8 Deposits	825,003	847,372	922,657	945,874	469,377	476,381	520,167	526,932
<i>Demand</i>								
9 U.S. government	3,022	2,817	7,310	7,956	1,676	1,632	4,172	4,483
10 Interbank	44,064	44,965	49,843	47,203	23,149	22,876	25,646	22,416
11 Other	285,200	284,544	319,873	312,707	163,346	161,358	181,812	176,025
<i>Time and savings</i>								
12 Interbank	8,248	7,721	8,731	8,987	4,907	4,599	5,730	5,791
13 Other	484,467	507,324	536,899	569,020	276,296	285,915	302,795	318,215
14 Borrowings	75,291	81,137	89,339	98,351	54,421	57,283	63,218	68,948
15 Total capital accounts	75,061	75,502	79,082	83,074	41,319	43,142	44,994	47,019
16 MEMO: Number of banks	14,397	14,425	14,397	14,381	4,735	4,701	4,654	4,616
	State member (all insured)				Insured nonmember			
17 Loans and investments, gross	144,000	144,597	152,514	157,464	207,085	221,896	239,265	256,749
<i>Loans</i>								
18 Gross	102,277	102,117	110,243	115,736	135,766	147,694	162,543	175,894
19 Net	99,474	99,173	107,205	112,470	130,630	142,015	156,411	169,106
<i>Investments</i>								
20 U.S. Treasury securities	18,849	19,296	18,179	16,886	26,884	27,926	28,909	29,595
21 Other	22,874	23,183	24,091	24,841	44,434	46,275	47,812	51,259
22 Cash assets	32,859	35,918	42,305	43,057	20,631	20,166	24,908	23,606
23 Total assets/total liabilities ¹	189,579	195,452	210,442	217,384	231,086	245,748	267,910	284,221
24 Deposits	149,491	152,472	163,436	167,403	206,134	218,519	239,053	251,539
<i>Demand</i>								
25 U.S. government	429	371	1,241	1,158	917	813	1,896	2,315
26 Interbank	19,295	20,568	22,346	23,117	1,619	1,520	1,849	1,669
27 Other	52,204	52,570	57,605	55,550	69,648	70,615	80,445	81,131
<i>Time and savings</i>								
28 Interbank	2,384	2,134	2,026	2,275	956	988	973	920
29 Other	75,178	76,827	80,216	85,301	132,993	144,581	153,887	165,502
30 Borrowings	17,310	19,697	21,736	23,167	3,559	4,155	4,384	6,235
31 Total capital accounts	13,199	13,441	14,182	14,670	17,542	18,919	19,905	21,384
32 MEMO: Number of banks	1,023	1,019	1,014	1,005	8,639	8,705	8,729	8,760
	Noninsured nonmember				Total nonmember			
33 Loans and investments, gross	18,819	22,940	24,415	28,699	225,904	244,837	263,681	285,448
<i>Loans</i>								
34 Gross	16,336	20,865	22,686	26,747	152,103	168,559	185,230	202,641
35 Net	16,209	20,679	22,484	26,548	146,840	162,694	178,896	195,655
<i>Investments</i>								
36 U.S. Treasury securities	1,054	993	879	869	27,938	28,919	29,788	30,465
37 Other	1,428	1,081	849	1,082	45,863	47,357	48,662	52,341
38 Cash assets	6,496	8,330	9,458	9,360	27,127	28,497	34,367	32,967
39 Total assets/total liabilities ¹	26,790	33,390	36,433	42,279	257,877	279,139	304,343	326,501
40 Deposits	13,325	14,658	16,844	19,924	219,460	233,177	255,898	271,463
<i>Demand</i>								
41 U.S. government	4	8	10	8	921	822	1,907	2,323
42 Interbank	1,277	1,504	1,868	2,067	2,896	3,025	3,718	3,736
43 Other	3,236	3,588	4,073	4,814	72,884	74,203	84,518	85,946
<i>Time and savings</i>								
44 Interbank	1,041	1,164	1,089	1,203	1,997	2,152	2,063	2,123
45 Other	7,766	8,392	9,802	11,831	140,760	152,974	163,690	177,334
46 Borrowings	4,842	7,056	6,908	8,413	8,401	11,212	11,293	14,649
47 Total capital accounts	818	893	917	962	18,360	19,812	20,823	22,346
48 MEMO: Number of banks	275	293	310	317	8,914	8,998	9,039	9,077

1. Includes items not shown separately.

For Note see table 1.24.

1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Detailed Balance Sheet, September 30, 1978

Millions of dollars, except for number of banks.

Asset account	Insured commercial banks	Member banks ¹					Non-member banks ¹
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
1 Cash bank balances, items in process.....	158,380	134,955	43,758	5,298	47,914	37,986	23,482
2 Currency and coin.....	12,135	8,866	867	180	2,918	4,901	3,268
3 Reserves with Federal Reserve Banks.....	28,043	28,041	3,621	1,152	12,200	11,067	3
4 Demand balances with banks in United States.....	41,104	25,982	12,821	543	3,672	8,945	15,177
5 Other balances with banks in United States.....	4,648	2,582	601	15	648	1,319	2,066
6 Balances with banks in foreign countries.....	3,295	2,832	331	288	1,507	705	463
7 Cash items in process of collection.....	69,156	66,652	25,516	3,119	26,969	11,049	2,504
8 Total securities held— Book value.....	262,199	179,877	20,808	7,918	58,271	92,881	82,336
9 U.S. Treasury.....	95,068	65,764	9,524	2,690	22,051	31,499	29,315
10 Other U.S. government agencies.....	40,078	25,457	1,828	1,284	7,730	14,616	14,622
11 States and political subdivisions.....	121,260	85,125	9,166	3,705	27,423	44,831	36,136
12 All other securities.....	5,698	3,465	291	240	1,048	1,887	2,234
13 Unclassified total.....	94	66			19	47	28
14 Trading-account securities.....	6,833	6,681	3,238	708	2,446	290	151
15 U.S. Treasury.....	4,125	4,103	2,407	408	1,210	78	23
16 Other U.S. government agencies.....	825	816	401	82	278	55	9
17 States and political subdivisions.....	1,395	1,381	363	117	794	107	14
18 All other trading account securities.....	394	316	67	101	145	3	78
19 Unclassified.....	94	66			19	47	28
20 Bank investment portfolios.....	255,366	173,196	17,570	7,210	55,825	92,591	82,185
21 U.S. Treasury.....	90,943	61,661	7,117	2,282	20,840	31,422	29,293
22 Other U.S. government agencies.....	39,253	24,641	1,426	1,201	7,452	14,561	14,613
23 States and political subdivisions.....	119,865	83,745	8,803	3,588	26,629	44,724	36,123
24 All other portfolio securities.....	5,305	3,149	224	138	903	1,884	2,156
25 Federal Reserve stock and corporate stock.....	1,656	1,403	311	111	507	475	253
26 Federal funds sold and securities resale agreement.....	41,258	31,999	3,290	1,784	16,498	10,427	9,365
27 Commercial banks.....	34,256	25,272	1,987	1,294	12,274	9,717	9,090
28 Brokers and dealers.....	4,259	4,119	821	396	2,361	541	140
29 Others.....	2,743	2,608	482	94	1,863	169	135
30 Other loans, gross.....	675,915	500,802	79,996	26,172	190,565	204,069	175,113
31 Less: Unearned income on loans.....	17,019	11,355	675	107	3,765	6,809	5,064
32 Reserves for loan loss.....	7,431	5,894	1,347	341	2,256	1,949	1,537
33 Other loans, net.....	651,465	483,553	77,974	25,724	184,544	195,311	167,912
<i>Other loans, gross, by category</i>							
34 Real estate loans.....	203,386	138,730	10,241	2,938	52,687	72,863	64,656
35 Construction and land development.....	25,621	19,100	2,598	685	9,236	6,581	6,521
36 Secured by farmland.....	8,418	3,655	23	34	453	3,146	4,763
37 Secured by residential properties.....	117,176	81,370	5,362	1,559	31,212	43,236	35,806
38 1- to 4-family residences.....	111,674	77,422	4,617	1,460	29,774	41,570	34,252
39 FHA-insured or VA-guaranteed.....	7,503	6,500	508	44	3,446	2,502	1,003
40 Conventional.....	104,171	70,922	4,109	1,417	26,328	39,068	33,249
41 Multifamily residences.....	5,502	3,948	746	99	1,438	1,665	1,554
42 FHA-insured.....	399	340	132	27	88	92	59
43 Conventional.....	5,103	3,609	613	72	1,350	1,573	1,495
44 Secured by other properties.....	52,171	34,605	2,258	660	11,786	19,901	17,566
45 Loans to financial institutions.....	37,072	34,843	12,434	4,342	15,137	2,930	2,228
46 REITs and mortgage companies.....	8,574	8,162	2,066	801	4,616	680	412
47 Domestic commercial banks.....	3,362	2,618	966	165	1,206	281	744
48 Banks in foreign countries.....	7,359	7,187	3,464	268	2,820	635	171
49 Other depository institutions.....	1,579	1,411	290	76	785	261	167
50 Other financial institutions.....	16,198	15,465	5,649	3,033	5,710	1,073	733
51 Loans to security brokers and dealers.....	11,042	10,834	6,465	1,324	2,846	199	207
52 Other loans to purchase or carry securities.....	4,280	3,532	410	276	1,860	985	747
53 Loans to farmers— except real estate.....	28,054	15,296	168	150	3,781	11,196	12,758
54 Commercial and industrial loans.....	213,123	171,815	39,633	13,290	67,833	51,059	41,309
55 Loans to individuals.....	161,599	110,974	7,100	2,562	40,320	60,993	50,624
56 Installment loans.....	131,571	90,568	5,405	1,711	33,640	49,811	41,003
57 Passenger automobiles.....	58,908	37,494	1,077	209	11,626	24,582	21,414
58 Residential repair and modernization.....	8,526	5,543	331	60	2,088	3,064	2,983
59 Credit cards and related plans.....	21,938	19,333	2,268	1,267	9,736	6,062	2,605
60 Charge-account credit cards.....	17,900	16,037	1,573	1,219	8,192	5,053	1,863
61 Check and revolving credit plans.....	4,038	3,296	695	47	1,545	1,009	742
62 Other retail consumer goods.....	19,689	13,296	427	57	5,242	7,570	6,393
63 Mobile homes.....	9,642	6,667	179	19	2,563	3,905	2,976
64 Other.....	10,047	6,629	249	38	2,678	3,664	3,417
65 Other installment loans.....	22,510	14,902	1,302	119	4,948	8,533	7,608
66 Single-payment loans to individuals.....	30,027	20,406	1,694	851	6,680	11,182	9,621
67 All other loans.....	17,360	14,778	3,545	1,290	6,100	3,844	2,582
68 Total loans and securities, net.....	956,579	696,833	102,383	35,536	259,820	299,094	259,867
69 Direct lease financing.....	6,717	6,212	1,145	96	3,931	1,041	505
70 Fixed assets—Buildings, furniture, real estate.....	22,448	16,529	2,332	795	6,268	7,133	5,926
71 Investment in unconsolidated subsidiaries.....	3,255	3,209	1,642	188	1,282	96	46
72 Customer acceptances outstanding.....	16,557	16,036	8,315	1,258	6,054	409	521
73 Other assets.....	34,559	30,408	11,323	1,000	12,810	5,275	4,249
74 Total assets.....	1,198,495	904,182	170,899	44,170	338,079	351,034	294,595

For notes see opposite page.

1.26 Continued

Liability or capital account	Insured commercial banks	Member banks ¹					Non-member banks ¹
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
75 Demand deposits.....	369,030	282,450	66,035	10,690	100,737	104,988	86,591
76 Mutual savings banks.....	1,282	1,089	527	1	256	305	194
77 Other individuals, partnerships, and corporations.....	279,651	205,591	31,422	7,864	79,429	86,876	74,061
78 U.S. government.....	7,942	5,720	569	188	1,987	2,977	2,222
79 States and political subdivisions.....	17,122	11,577	764	252	3,446	7,116	5,545
80 Foreign governments, central banks, etc.....	1,805	1,728	1,436	19	211	62	77
81 Commercial banks in United States.....	39,596	38,213	21,414	1,807	10,803	4,189	1,393
82 Banks in foreign countries.....	7,379	7,217	5,461	207	1,251	298	162
83 Certified and officers' checks, etc.....	14,253	11,315	4,443	352	3,354	3,166	2,937
84 Time deposits.....	368,562	266,496	38,086	15,954	98,525	113,931	102,066
85 Accumulated for personal loan payments.....	79	66	.....	.....	1	65	13
86 Mutual savings banks.....	399	392	177	40	148	27	7
87 Other individuals, partnerships, and corporations.....	292,120	210,439	29,209	12,074	76,333	92,824	81,680
88 U.S. government.....	864	689	61	40	356	232	175
89 States and political subdivisions.....	59,087	40,010	1,952	1,554	16,483	20,020	19,077
90 Foreign governments, central banks, etc.....	6,672	6,450	3,780	1,145	1,401	124	222
91 Commercial banks in United States.....	7,961	7,289	2,077	999	3,585	629	672
92 Banks in foreign countries.....	1,381	1,161	829	103	219	9	220
93 Savings deposits.....	223,326	152,249	10,632	2,604	54,825	84,188	71,077
94 Individuals and nonprofit organizations.....	207,701	141,803	9,878	2,448	51,161	78,316	65,897
95 Corporations and other profit organizations.....	11,216	7,672	519	148	3,195	3,809	3,544
96 U.S. government.....	82	65	2	3	24	35	17
97 States and political subdivisions.....	4,298	2,682	215	4	437	2,025	1,616
98 All other.....	30	27	18	*	8	2	3
99 Total deposits.....	960,918	701,195	114,753	29,248	254,087	303,107	259,733
100 Federal funds purchased and securities sold under agreements to repurchase.....	91,981	85,582	21,149	8,777	41,799	13,857	6,398
101 Commercial banks.....	42,174	39,607	6,991	5,235	21,609	5,773	2,566
102 Brokers and dealers.....	12,787	11,849	2,130	1,616	6,381	1,722	939
103 Others.....	37,020	34,126	12,028	1,926	13,809	6,362	2,894
104 Other liabilities for borrowed money.....	8,738	8,352	3,631	306	3,191	1,225	386
105 Mortgage indebtedness.....	1,767	1,455	234	27	701	431	316
106 Bank acceptances outstanding.....	16,661	16,140	8,398	1,260	6,070	412	521
107 Other liabilities.....	27,124	23,883	8,860	1,525	9,020	4,477	3,494
108 Total liabilities.....	1,107,188	836,607	157,026	41,144	314,868	323,569	270,849
109 Subordinated notes and debentures.....	5,767	4,401	1,001	79	2,033	1,287	1,366
110 Equity capital.....	85,540	63,174	12,871	2,947	21,177	26,178	22,380
111 Preferred stock.....	88	36	.....	.....	5	31	52
112 Common stock.....	17,875	12,816	2,645	570	4,007	5,594	5,064
113 Surplus.....	32,341	23,127	4,541	1,404	8,148	9,034	9,217
114 Undivided profits.....	33,517	26,013	5,554	921	8,680	10,858	7,509
115 Other capital reserves.....	1,719	1,182	132	52	337	661	538
116 Total liabilities and equity capital.....	1,198,495	904,182	170,899	44,170	338,079	351,034	294,595
MEMO ITEMS							
117 Demand deposits adjusted ²	252,337	171,864	18,537	5,576	60,978	86,774	80,472
Average for last 15 or 30 days							
118 Cash and due from bank.....	146,283	124,916	36,862	6,030	45,731	36,293	21,379
119 Federal funds sold and securities purchased under agreements to resell.....	43,873	33,682	4,272	1,887	16,007	11,517	10,307
120 Total loans.....	651,874	483,316	76,750	25,722	184,790	196,054	168,558
121 Time deposits of \$100,000 or more.....	183,614	150,160	32,196	13,216	65,776	38,972	33,454
122 Total deposits.....	944,593	687,543	107,028	28,922	250,804	300,789	257,062
123 Federal funds purchased and securities sold under agreements to repurchase.....	92,685	86,635	22,896	9,473	40,541	13,725	6,053
124 Other liabilities for borrowed money.....	8,716	8,326	3,679	370	3,211	1,067	390
125 Standby letters of credit outstanding.....	18,820	17,658	10,063	1,477	4,820	1,297	1,162
126 Time deposits of \$100,000 or more.....	186,837	152,553	32,654	13,486	66,684	39,728	34,284
127 Certificates of deposit.....	160,227	129,667	27,950	11,590	56,383	33,743	30,560
128 Other time deposits.....	26,610	22,886	4,704	1,896	10,301	5,985	3,724
129 Number of banks.....	14,390	5,593	12	9	153	5,419	8,810

1. Member banks exclude and nonmember banks include 13 noninsured trust companies that are members of the Federal Reserve System.

2. Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. government, 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. Securities are reported on a gross basis before deductions of valuation reserves. Back data in lesser detail were shown in previous issues of the BULLETIN.

1.27 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of \$750 Million or More on December 31, 1977, Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1979								
	May 2	May 9	May 16	May 23	May 30 ^a	June 6 ^b	June 13 ^b	June 20 ^b	June 27 ^b
1 Cash items in process of collection.....	49.126	40.928	46.915	42.330	53.926	43,511	47,096	48.388	47.000
2 Demand deposits due from banks in the United States.....	13.713	13.883	14.424	12.668	17.441	13,636	13.817	15,277	15.793
3 All other cash and due from depository institutions.....	30.204	29.286	28.789	26.830	31,063	26,179	26,752	29,370	32,523
4 Total loans and securities.....	469,315	467,211	468,554	467,149	471,855	479,142	478,885	480,234	477,746
<i>Securities</i>									
5 U.S. Treasury securities.....	36.048	36.455	37.112	37.280	37,006	39,297	38.821	37.381	35.531
6 Trading account.....	4.404	4.822	5.564	5.457	5,342	6,642	6,186	5,552	4,699
7 Investment account, by maturity.....	31.644	31.632	31,547	31.822	31,664	32,654	32,634	31,829	30,832
8 One year or less.....	9.190	9.287	9,157	9.194	9,212	9,554	9,593	9,301	8,574
9 Over one through five years.....	18.127	18.036	17,940	18.041	17,906	18,674	18,534	18,117	17,908
10 Over five years.....	4.327	4.308	4,450	4.587	4,546	4,426	4,507	4,412	4,350
11 Other securities.....	66.711	67.108	66,814	67.020	67,192	67,123	68,180	67,374	68,086
12 Trading account.....	3.138	3.455	3,161	3.355	3,090	3,179	3,918	3,359	3,798
13 Investment account.....	63.573	63.654	63,652	63.665	64,102	63,944	64,262	64,016	64,288
14 U.S. government agencies.....	12.172	12.183	12,173	12.173	12,376	12,484	13,000	13,481	13,627
15 States and political subdivision, by maturity.....	48.663	48.756	48,767	48.757	48,859	48,595	48,457	47,727	47,799
16 One year or less.....	8.340	8.241	8,195	8.081	8,256	7,804	7,608	6,661	6,704
17 Over one year.....	40.323	40.515	40,572	40.676	40,603	40,792	40,849	41,066	41,095
18 Other bonds, corporate stocks and securities.....	2.738	2.715	2,712	2.734	2,867	2,864	2,804	2,808	2,862
<i>Loans</i>									
19 Federal funds sold ¹	27.324	25.814	25,090	24.363	26,715	27,960	27,972	27,775	25,294
20 To commercial banks.....	18.303	16.319	15,946	15.725	19,077	18,313	19,040	18,554	17,606
21 To nonbank brokers and dealers in securities.....	6.836	7.042	7,342	6.704	5,906	6,658	6,511	7,018	5,984
22 To others.....	2.184	2.453	1,802	1.933	1,732	2,989	2,420	2,203	1,704
23 Other loans, gross.....	349,853	348,541	350,318	349,340	351,900	355,779	355,016	358,854	359,999
24 Commercial and industrial.....	140,142	140,469	140,603	140,256	141,306	141,843	142,108	143,509	143,728
25 Bankers' acceptances and commercial paper.....	3,029	2,907	3,221	2,977	3,575	3,448	3,450	3,581	3,749
26 All other.....	137,113	137,562	137,382	137,279	137,731	138,395	138,658	139,928	139,980
27 U.S. addresses.....	130,930	131,377	131,226	131,122	131,613	132,207	132,507	133,815	133,855
28 Non-U.S. addresses.....	6.183	6.185	6,156	6.157	6,118	6,188	6,151	6,113	6,124
29 Real estate.....	84,856	85,114	85,502	85,834	86,220	86,502	86,959	87,530	88,225
30 To individuals for personal expenditures.....	63.180	63.308	63,646	63.888	64,277	64,481	64,742	65,039	65,412
To financial institutions.....									
31 Commercial banks in the United States.....	2,902	2,704	2,615	2,640	2,811	2,985	2,801	3,163	3,207
32 Banks in foreign countries.....	6,436	6,300	6,078	6,108	6,225	6,740	6,295	6,012	6,135
33 Sales finance, personal finance companies, etc.....	8,696	8,825	8,759	8,656	8,844	9,258	8,705	8,656	8,800
34 Other financial institutions.....	14,788	14,770	14,719	14,632	14,705	14,985	14,986	15,223	15,240
35 To nonbank brokers and dealers in securities.....	8,972	7,429	8,754	7,844	7,774	9,053	8,877	9,675	9,113
36 To others for purchasing and carrying securities ²	2,335	2,419	2,424	2,449	2,460	2,457	2,459	2,468	2,460
37 To finance agricultural production.....	4,726	4,754	4,768	4,804	4,833	4,805	4,824	4,896	4,918
38 All other.....	12,819	12,447	12,448	12,229	12,443	12,672	12,258	12,682	12,760
39 Less: Unearned income.....	5,945	6,013	6,079	6,137	6,241	6,236	6,306	6,344	6,378
40 Loan loss reserve.....	4,676	4,694	4,700	4,717	4,718	4,782	4,796	4,806	4,787
41 Other loans, net.....	339,232	337,834	339,538	338,486	340,941	344,761	343,913	347,703	348,834
42 Lease financing receivables.....	5,794	5,837	5,871	5,910	6,561	6,584	6,713	6,723	6,756
43 All other assets.....	57,843	57,042	54,624	54,505	53,991	56,197	56,699	57,444	56,495
44 Total assets.....	625,995	614,188	619,178	609,391	634,837	625,248	629,962	637,438	636,312
<i>Deposits</i>									
45 Demand deposits.....	181,176	168,999	176,310	167,693	181,168	175,920	180,202	182,461	178,739
46 Mutual savings banks.....	853	746	754	693	622	702	648	688	637
47 Individuals, partnerships, and corporations.....	128,367	120,335	126,244	120,268	129,350	125,087	130,832	126,815	124,644
48 States and political subdivisions.....	5,679	4,260	4,558	4,331	4,547	4,531	4,433	4,906	4,632
49 U.S. government.....	1,450	831	877	593	732	833	870	3,311	1,832
50 Commercial banks in the United States.....	28,839	27,596	28,739	26,802	30,093	27,344	28,389	30,058	30,532
51 Banks in foreign countries.....	6,344	6,824	6,859	7,024	7,206	7,744	6,504	7,110	6,757
52 Foreign governments and official institutions.....	1,506	1,485	1,159	1,226	2,210	1,356	1,345	1,848	1,919
53 Certified and officers' checks.....	8,140	6,922	7,121	6,756	6,407	8,322	7,181	7,725	7,786
54 Time and savings deposits.....	250,689	251,067	250,063	250,328	248,873	246,348	246,508	245,996	247,830
55 Savings.....	76,615	76,556	76,594	76,667	76,585	77,154	77,128	77,056	77,123
56 Individuals and nonprofit organizations.....	71,634	71,494	71,528	71,588	71,510	72,052	72,027	71,956	71,946
57 Partnerships and corporations operated for profit.....	4,116	4,164	4,148	4,198	4,184	4,193	4,185	4,125	4,183
58 Domestic governmental units.....	840	866	892	858	871	880	892	955	970
59 All other.....	26	31	26	23	20	28	24	20	23
60 Time.....	174,074	174,511	173,469	173,660	172,287	169,194	169,381	168,939	170,707
61 Individuals, partnerships, and corporations.....	138,075	138,623	138,085	138,505	137,453	135,629	136,278	136,316	137,994
62 States and political subdivisions.....	23,004	23,102	22,996	23,197	22,914	22,086	21,874	21,446	21,480
63 U.S. government.....	474	477	490	493	486	475	472	470	466
64 Commercial banks in the United States.....	6,205	6,066	5,825	5,619	5,452	5,098	4,959	4,932	4,984
65 Foreign governments, official institutions, and banks.....	6,316	6,243	6,073	5,845	5,982	5,905	5,798	5,775	5,782
66 Federal funds purchased ³	85,265	84,666	85,177	83,123	93,387	92,947	92,103	89,606	89,385
Other liabilities for borrowed money.....									
67 Borrowings from Federal Reserve Banks.....	924	1,569	1,081	1,195	2,352	905	420	1,238	2,007
68 Treasury tax-and-loan notes.....	3,708	4,216	3,797	2,896	2,476	1,580	2,152	9,747	8,716
69 All other liabilities for borrowed money.....	12,005	11,309	10,586	10,922	11,316	11,294	11,225	11,388	11,969
70 Other liabilities and subordinated note and debentures.....	49,756	49,750	49,354	50,461	52,454	53,178	54,162	54,033	54,568
71 Total liabilities.....	583,524	571,575	576,368	566,618	592,025	582,171	586,773	594,470	593,213
72 Residual (total assets minus total liabilities) ⁴	42,471	42,613	42,809	42,773	42,812	43,076	43,190	42,967	43,099

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers.
3. Includes securities sold under agreements to repurchase.

4. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

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

Account	1979									
	May 2	May 9	May 16	May 23	May 30 ^b	June 6 ^c	June 13 ^c	June 20 ^c	June 27 ^c	
1 Cash items in process of collection	46,237	38,942	44,634	40,338	51,330	41,275	44,810	46,022	44,839	
2 Demand deposits due from banks in the United States	12,974	13,232	13,690	11,960	16,587	12,889	13,034	14,503	15,078	
3 All other cash and due from depository institutions	28,377	27,473	27,136	25,212	29,412	24,882	25,179	27,704	30,802	
4 Total loans and securities	439,395	437,339	438,594	437,339	441,868	448,485	448,168	449,253	447,015	
<i>Securities</i>										
5 U.S. Treasury securities	33,594	34,013	34,678	34,842	34,589	36,791	36,317	34,896	33,116	
6 Trading account	4,342	4,780	5,531	5,404	5,304	6,563	6,117	5,492	4,662	
7 Investment account, by maturity	29,252	29,234	29,146	29,438	29,285	30,228	30,200	29,404	28,454	
8 One year or less	8,594	8,698	8,557	8,612	8,622	8,913	8,939	8,672	7,993	
9 Over one through five years	16,649	16,547	16,459	16,557	16,438	17,208	17,074	16,641	16,432	
10 Over five years	4,009	3,989	4,130	4,269	4,226	4,106	4,187	4,091	4,028	
11 Other securities	61,682	62,075	61,784	61,979	62,126	62,043	63,047	62,246	62,934	
12 Trading account	3,084	3,394	3,099	3,293	3,027	3,118	3,836	3,288	3,718	
13 Investment account	58,598	58,681	58,685	58,686	59,098	58,925	59,211	58,958	59,216	
14 U.S. government agencies	11,299	11,313	11,305	11,304	11,497	11,603	12,096	12,568	12,714	
15 States and political subdivision, by maturity	44,788	44,877	44,895	44,877	44,979	44,702	44,560	43,837	43,899	
16 One year or less	7,647	7,559	7,518	7,398	7,576	7,257	7,061	6,123	6,158	
17 Over one year	37,141	37,319	37,376	37,478	37,403	37,445	37,499	37,715	37,741	
18 Other bonds, corporate stocks and securities	2,510	2,491	2,484	2,505	2,622	2,620	2,555	2,553	2,602	
<i>Loans</i>										
19 Federal funds sold ¹	25,527	24,080	23,302	22,905	25,102	25,810	25,891	25,637	23,447	
20 To commercial banks	16,757	14,833	14,437	14,543	17,805	16,420	17,267	16,717	16,119	
21 To nonbank brokers and dealers in securities	6,606	6,815	7,081	6,449	5,583	6,418	6,227	6,739	5,661	
22 To others	2,164	2,432	1,784	1,913	1,714	2,972	2,397	2,180	1,668	
23 Other loans, gross	328,426	327,086	328,812	327,663	330,214	334,062	333,214	336,816	337,875	
24 Commercial and industrial	132,937	133,255	133,346	132,990	134,078	134,609	134,849	136,159	136,373	
25 Bankers' acceptances and commercial paper	2,973	2,853	3,165	2,926	3,520	3,395	3,395	3,526	3,696	
26 All other	129,964	130,402	130,181	130,064	130,557	131,214	131,454	132,632	132,676	
27 U.S. addresses	123,835	124,272	124,076	123,957	124,490	125,075	125,535	126,570	126,602	
28 Non-U.S. addresses	6,129	6,130	6,105	6,108	6,068	6,139	6,102	6,063	6,074	
29 Real estate	79,595	79,827	80,224	80,527	80,903	81,178	81,605	82,147	82,823	
30 To individuals for personal expenditures	56,221	56,346	56,662	56,743	57,104	57,297	57,530	57,761	58,092	
To financial institutions										
31 Commercial banks in the United States	2,822	2,619	2,537	2,560	2,729	2,903	2,729	3,082	3,130	
32 Banks in foreign countries	6,372	6,240	6,019	6,059	6,176	6,688	6,242	5,962	6,071	
33 Sales finance, personal finance companies, etc.	8,506	8,637	8,580	8,487	8,673	9,090	8,530	8,484	8,617	
34 Other financial institutions	14,344	14,323	14,277	14,196	14,263	14,540	14,536	14,764	14,782	
35 To nonbank brokers and dealers in securities	8,884	7,338	8,663	7,754	7,688	8,967	8,799	9,583	9,002	
36 To others for purchasing and carrying securities ²	2,102	2,183	2,196	2,217	2,229	2,227	2,223	2,231	2,239	
37 To finance agricultural production	4,571	4,599	4,614	4,647	4,677	4,648	4,665	4,735	4,753	
38 All other	12,070	11,717	11,694	11,483	11,695	11,915	11,506	11,910	11,992	
39 Less: Unearned income	5,433	5,495	5,556	5,608	5,714	5,709	5,773	5,807	5,838	
40 Loan loss reserve	4,402	4,420	4,426	4,443	4,449	4,513	4,527	4,536	4,519	
41 Other loans, net	318,591	317,171	318,831	317,612	320,051	323,840	322,913	326,474	327,517	
42 Lease financing receivables	5,617	5,659	5,689	5,729	6,379	6,400	6,528	6,539	6,570	
43 All other assets	56,321	55,555	53,178	53,056	52,472	54,704	55,216	55,936	55,018	
44 Total assets	588,921	578,201	582,921	573,634	598,050	588,635	592,937	599,958	599,320	
<i>Deposits</i>										
45 Demand deposits	169,618	158,629	165,527	157,622	170,301	165,077	169,085	171,369	168,082	
46 Mutual savings banks	818	718	725	671	600	669	615	660	615	
47 Individuals, partnerships, and corporations	119,554	112,254	117,811	112,385	120,818	116,646	122,147	118,247	116,387	
48 States and political subdivisions	5,089	3,689	4,003	3,738	4,023	3,925	3,834	4,296	4,066	
49 U.S. government	1,068	755	775	542	672	750	764	3,035	1,642	
50 Commercial banks in the United States	27,450	26,286	27,389	25,580	28,679	26,066	27,032	28,818	29,278	
51 Banks in foreign countries	6,279	6,762	6,791	6,965	7,143	7,696	6,441	7,039	6,678	
52 Foreign governments and official institutions	1,504	1,482	1,157	1,222	2,203	1,354	1,340	1,827	1,906	
53 Certified and officers' checks	7,855	6,682	6,874	6,520	6,163	7,970	6,912	7,447	7,510	
54 Time and savings deposits	233,712	234,019	233,017	233,153	231,577	229,176	229,369	228,847	230,596	
55 Savings	71,089	71,012	71,080	71,134	71,056	71,588	71,564	71,510	71,566	
56 Individuals and nonprofit organizations	66,473	66,338	66,384	66,435	66,369	66,867	66,851	66,790	66,792	
57 Partnerships and corporations operated for profit	3,811	3,853	3,836	3,883	3,870	3,878	3,873	3,816	3,866	
58 Domestic governmental units	780	789	836	794	797	816	818	885	886	
59 All other	24	30	25	22	19	27	22	19	22	
60 Time	162,624	163,007	161,937	162,019	160,521	157,588	157,804	157,337	159,030	
61 Individuals, partnerships, and corporations	129,044	129,574	129,000	129,321	128,130	126,399	127,046	127,028	128,619	
62 States and political subdivisions	20,880	20,937	20,843	21,027	20,765	19,986	19,808	19,418	19,464	
63 U.S. government	469	475	484	488	481	470	465	464	460	
64 Commercial banks in the United States	5,942	5,804	5,563	5,364	5,188	4,852	4,709	4,677	4,731	
65 Foreign governments, official institutions, and banks	6,289	6,217	6,047	5,819	5,957	5,882	5,776	5,749	5,756	
66 Federal funds purchased ³	81,243	80,536	81,218	79,174	89,254	88,704	87,941	85,430	85,242	
Other liabilities for borrowed money										
67 Borrowings from Federal Reserve Banks	877	1,532	1,065	1,161	2,324	902	399	1,218	1,957	
68 Treasury tax-and-loan notes	3,429	3,918	3,512	2,692	2,294	1,464	1,989	8,988	8,098	
69 All other liabilities for borrowed money	11,596	10,978	10,199	10,377	10,917	10,882	10,685	10,974	11,560	
70 Other liabilities and subordinated note and debentures	48,602	48,618	48,225	49,336	51,244	52,008	52,967	52,842	53,356	
71 Total liabilities	549,079	538,232	542,764	533,515	557,912	548,214	552,436	559,669	558,892	
72 Residual (total assets minus total liabilities) ⁴	39,842	39,969	40,157	40,118	40,138	40,421	40,501	40,289	40,428	

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers.
3. Includes securities sold under agreements to repurchases.

4. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

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

Millions of dollars, Wednesday figures

Account	1979									
	May 2	May 9	May 16	May 23	May 30 ^P	June 6 ^P	June 13 ^P	June 20 ^P	June 27 ^P	
1 Cash items in process of collection.....	16,659	14,531	15,740	15,030	17,513	14,018	16,159	17,222	17,361	
2 Demand deposits due from banks in the United States.....	8,769	9,203	9,101	7,825	11,314	8,455	8,775	10,191	11,158	
3 All other cash and due from depository institutions.....	6,818	7,156	7,437	5,517	7,733	6,927	5,895	6,023	7,268	
4 Total loans and securities ¹	100,834	99,282	99,118	98,994	98,738	101,566	101,371	103,092	101,217	
<i>Securities</i>										
5 U.S. Treasury securities ²										
6 Trading account ²										
7 Investment account, by maturity.....	6,491	6,498	6,484	6,610	6,452	6,775	6,695	6,540	6,454	
8 One year or less.....	860	908	898	930	934	1,007	1,071	1,043	1,094	
9 Over one through five years.....	4,665	4,639	4,629	4,618	4,550	4,970	4,829	4,736	4,654	
10 Over five years.....	966	952	958	1,062	968	798	795	761	706	
11 Other securities ²										
12 Trading account ²										
13 Investment account.....	11,219	11,136	11,128	11,085	11,264	11,227	11,248	11,240	11,230	
14 U.S. government agencies.....	1,352	1,352	1,359	1,362	1,416	1,426	1,533	1,596	1,599	
15 States and political subdivision, by maturity.....	9,334	9,249	9,232	9,185	9,196	9,158	9,134	9,059	9,025	
16 One year or less.....	1,762	1,680	1,689	1,630	1,696	1,668	1,662	1,543	1,532	
17 Over one year.....	7,572	7,570	7,542	7,555	7,500	7,490	7,473	7,516	7,493	
18 Other bonds, corporate stocks and securities.....	533	536	538	538	652	643	580	585	606	
<i>Loans</i>										
19 Federal funds sold ³	7,641	7,232	6,119	6,809	5,358	6,394	6,759	7,227	5,848	
20 To commercial banks.....	4,036	3,160	2,615	3,372	2,926	3,396	3,619	3,783	3,360	
21 To nonbank brokers and dealers in securities.....	2,906	3,032	3,015	2,943	1,922	2,337	2,426	2,734	2,001	
22 To others.....	698	1,040	489	494	510	662	714	710	486	
23 Other loans, gross.....	77,625	76,570	77,553	76,672	77,957	79,480	79,007	80,432	80,032	
24 Commercial and industrial.....	39,845	39,977	39,930	39,547	40,534	40,436	40,579	41,131	41,386	
25 Banks' acceptances and commercial paper.....	850	738	945	806	1,261	1,033	1,048	1,255	1,274	
26 All other.....	38,995	39,239	38,985	38,740	39,273	39,404	39,531	39,876	40,112	
27 U.S. addressees.....	36,730	36,925	36,685	36,429	36,980	37,092	37,268	37,631	37,867	
28 Non-U.S. addressees.....	2,264	2,314	2,300	2,311	2,293	2,312	2,263	2,244	2,246	
29 Real estate.....	10,579	10,585	10,630	10,676	10,858	10,879	10,948	11,042	11,070	
30 To individuals for personal expenditures.....	7,538	7,526	7,578	7,505	7,589	7,624	7,653	7,685	7,722	
To financial institutions.....										
31 Commercial banks in the United States.....	987	971	809	815	831	1,068	977	937	997	
32 Banks in foreign countries.....	2,908	2,997	2,902	3,050	3,005	3,347	2,947	2,808	2,813	
33 Sales finance, personal finance companies, etc.....	3,252	3,268	3,195	3,169	3,316	3,525	3,194	3,166	3,198	
34 Other financial institutions.....	4,339	4,319	4,285	4,266	4,256	4,324	4,391	4,363	4,567	
35 To nonbank brokers and dealers in securities.....	5,054	3,868	5,054	4,431	4,472	5,250	5,323	5,978	5,332	
36 To others for purchasing and carrying securities ⁴	359	414	420	412	419	412	415	414	410	
37 To finance agricultural production.....	243	234	232	240	238	235	235	230	237	
38 All other.....	2,520	2,412	2,518	2,560	2,438	2,377	2,344	2,477	2,299	
39 Less: Unearned income.....	697	703	715	719	831	825	833	845	851	
40 Loan loss reserve.....	1,444	1,451	1,452	1,463	1,462	1,485	1,504	1,502	1,496	
41 Other loans, net.....	75,484	74,416	75,386	74,490	75,664	77,170	76,670	78,084	77,684	
42 Lease financing receivables.....	534	552	550	550	1,185	1,184	1,279	1,281	1,282	
43 All other assets ⁵	29,691	29,598	28,442	29,435	27,630	28,743	29,899	30,747	28,819	
44 Total assets.....	163,306	160,323	160,388	157,350	164,113	160,894	163,378	168,555	167,106	
<i>Deposits</i>										
45 Demand deposits.....	56,021	53,265	53,721	52,306	55,610	53,285	54,811	57,629	58,036	
46 Mutual savings banks.....	447	414	398	395	314	342	328	324	330	
47 Individuals, partnerships, and corporations.....	29,373	26,463	28,017	26,926	29,272	27,466	29,405	28,277	28,640	
48 States and political subdivisions.....	453	349	442	436	448	520	441	499	517	
49 U.S. government.....	304	140	86	63	84	127	120	939	338	
50 Commercial banks in the United States.....	15,781	16,149	15,729	15,049	15,382	14,139	15,530	17,103	17,749	
51 Banks in foreign countries.....	4,648	5,262	5,075	5,282	5,459	5,551	4,597	5,314	4,980	
52 Foreign governments and official institutions.....	1,271	1,258	882	981	1,862	1,069	1,068	1,558	1,613	
53 Certified and officers' checks.....	3,744	3,229	3,091	3,173	2,788	4,071	3,322	3,615	3,869	
54 Time and savings deposits.....	45,353	44,932	43,716	43,163	42,910	41,784	41,280	40,634	40,648	
55 Savings.....	9,917	9,881	9,915	9,896	9,872	9,950	9,989	10,012	9,998	
56 Individuals and nonprofit organizations.....	9,253	9,215	9,222	9,224	9,272	9,313	9,348	9,345	9,349	
57 Partnerships and corporations operated for profit.....	447	447	449	453	402	402	404	398	403	
58 Domestic governmental units.....	201	196	227	205	190	218	224	258	233	
59 All other.....	17	23	17	14	9	17	12	11	13	
60 Time.....	35,436	35,051	33,801	33,267	33,038	31,833	31,291	30,621	30,650	
61 Individuals, partnerships, and corporations.....	27,604	27,372	26,516	26,319	25,974	25,085	24,739	24,297	24,418	
62 States and political subdivisions.....	1,686	1,704	1,703	1,704	1,704	1,636	1,601	1,497	1,464	
63 U.S. government.....	46	46	43	43	42	42	41	40	41	
64 Commercial banks in the United States.....	2,400	2,286	2,042	1,918	1,871	1,675	1,604	1,516	1,463	
65 Foreign governments, official institutions, and banks.....	3,699	3,643	3,497	3,283	3,446	3,395	3,307	3,271	3,262	
66 Federal funds purchased ⁶	24,152	24,004	24,251	23,018	25,416	26,120	27,498	28,026	27,237	
Other liabilities for borrowed money.....										
67 Borrowings from Federal Reserve Banks.....	165	100	554	377	550	435	.....	785	410
68 Treasury tax-and-loan notes.....	44	821	752	583	621	350	403	1,701	1,625	
69 All other liabilities for borrowed money.....	5,108	4,633	4,776	5,003	5,262	5,243	5,210	5,353	5,335	
70 Other liabilities and subordinated note and debentures.....	19,561	19,576	19,383	19,701	20,458	20,350	20,815	21,160	20,520	
71 Total liabilities.....	150,405	147,332	147,153	144,151	150,829	147,568	150,017	155,288	153,811	
72 Residual (total assets minus total liabilities) ⁷	12,901	12,991	13,235	13,199	13,284	13,326	13,362	13,267	13,295	

1. Excludes trading account securities.

2. Not available due to confidentiality.

3. Includes securities purchased under agreements to resell.

4. Other than financial institutions and brokers and dealers.

5. Includes trading account securities.

6. Includes securities sold under agreements to repurchase.

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

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1979								
	May 2	May 9	May 16	May 23	May 30 ^u	June 6 ^u	June 13 ^u	June 20 ^u	June 27 ^u
BANKS WITH ASSETS OF \$750 MILLION OR MORE									
1 Total loans (gross) and investments adjusted ¹ ...	458,731	458,895	460,772	459,637	460,925	468,861	468,148	469,668	468,098
2 Total loans (gross) adjusted ¹	355,972	355,332	356,846	355,337	356,727	362,441	361,146	364,912	364,480
3 Demand deposits adjusted ²	101,762	99,644	99,779	97,968	96,416	104,232	103,847	100,705	99,375
4 Time deposits in accounts of \$100,000 or more.	121,094	120,992	119,633	119,840	117,997	114,912	114,586	113,968	115,666
5 Negotiable CDs.....	86,096	86,266	85,078	84,841	83,096	80,628	80,288	79,926	81,461
6 Other time deposits.....	34,998	34,726	34,555	35,000	34,901	34,283	34,297	34,042	34,205
7 Loans sold outright to affiliates ³	3,662	3,625	3,563	3,718	3,737	3,800	3,744	3,785	3,832
8 Commercial and industrial.....	2,597	2,626	2,572	2,715	2,722	2,788	2,785	2,843	2,893
9 Other.....	1,065	999	991	1,004	1,016	1,012	958	942	939
BANKS WITH ASSETS OF \$1 BILLION OR MORE									
10 Total loans (gross) and investments adjusted ¹ ...	429,650	429,802	431,602	430,287	431,498	439,383	438,473	439,797	438,123
11 Total loans (gross) adjusted ¹	334,373	333,714	335,140	333,466	334,783	340,549	339,109	342,654	342,073
12 Demand deposits adjusted ²	94,863	92,646	92,729	91,163	89,620	96,986	96,478	93,494	92,323
13 Time deposits in accounts of \$100,000 or more.	113,666	113,527	112,149	112,258	110,322	107,416	107,158	106,506	108,163
14 Negotiable CDs.....	81,200	81,328	80,117	79,795	77,940	75,577	75,282	74,909	76,380
15 Other time deposits.....	32,465	32,198	32,032	32,463	32,381	31,838	31,875	31,597	31,784
16 Loans sold outright to affiliates ³	3,615	3,578	3,517	3,672	3,691	3,751	3,696	3,738	3,787
17 Commercial and industrial.....	2,577	2,606	2,553	2,697	2,704	2,767	2,765	2,824	2,874
18 Other.....	1,038	972	964	975	987	984	930	914	914
BANKS IN NEW YORK CITY									
19 Total loans (gross) and investments adjusted ^{1,4} ...	97,952	97,305	97,860	96,989	97,274	99,412	99,113	100,719	99,206
20 Total loans (gross) adjusted ¹	80,242	79,671	80,248	79,294	79,558	81,410	81,170	82,938	81,522
21 Demand deposits adjusted ²	23,277	22,445	22,165	22,163	22,631	25,002	23,002	22,365	22,587
22 Time deposits in accounts of \$100,000 or more.	29,795	29,374	28,099	27,546	27,283	26,104	25,444	24,762	24,798
23 Negotiable CDs.....	22,531	22,108	20,874	20,302	19,881	18,742	18,083	17,491	17,534
24 Other time deposits.....	7,264	7,266	7,224	7,244	7,402	7,362	7,361	7,271	7,265

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

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

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

4. Excludes trading account securities.

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

Millions of dollars

Industry classification	Outstanding					Net change during				
	1979					1979		1979		
	Feb. 28	Mar. 28	Apr. 25	May 20	June 27	Q1	Q2	Apr.	May	June ^P
1 Durable goods manufacturing	18,745	19,478	20,596	20,648	20,895	1,474	1,417	1,118	52	248
2 Nondurable goods manufacturing	16,767	17,442	17,542	17,303	17,418	226	-24	101	-239	115
3 Food, liquor, and tobacco	4,677	4,804	4,747	4,365	4,405	-132	-399	-58	-382	40
4 Textiles, apparel, and leather	3,942	4,189	4,322	4,547	4,700	464	512	134	225	153
5 Petroleum refining	2,328	2,276	2,112	2,067	1,951	-367	-324	-164	-45	-116
6 Chemicals and rubber	3,356	3,488	3,583	3,496	3,447	-52	-41	96	-87	-50
7 Other nondurable goods	2,463	2,685	2,778	2,827	2,914	314	229	93	50	87
8 Mining (including crude petroleum and natural gas)	9,971	10,140	10,373	10,888	11,009	-512	869	233	515	121
9 Trade	21,415	22,454	22,930	23,574	23,985	2,490	1,531	476	644	411
10 Commodity dealers	1,946	1,892	1,815	1,957	1,927	71	35	78	143	-30
11 Other wholesale	10,366	10,960	11,260	11,401	11,748	1,524	788	300	142	346
12 Retail	9,103	9,602	9,856	10,216	10,310	1,037	709	254	360	94
13 Transportation, communication, and other public utilities	13,760	13,980	14,391	14,610	15,304	569	1,324	411	219	693
14 Transportation	6,009	6,198	6,251	6,405	6,473	557	274	53	154	67
15 Communication	1,829	1,845	1,880	1,886	2,009	48	164	35	6	123
16 Other public utilities	5,922	5,936	6,260	6,319	6,822	37	886	323	59	503
17 Construction	5,034	5,355	5,461	5,744	5,585	148	230	106	282	-159
18 Services	15,451	15,844	16,264	16,868	17,225	887	1,380	419	604	357
19 All other ¹	16,075	14,592	14,892	14,854	15,182	-2,316	590	300	-38	328
20 Total domestic loans	117,218	119,285	122,450	124,490	126,602	2,966	7,317	3,165	2,039	2,113
21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans	58,488	59,357	61,869	62,798	63,653	4,084	4,296	2,512	929	855

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

with domestic assets of \$1 billion or more as of December 31, 1977 are included in this series. The revised series is on a last-Wednesday-of-the-month basis.

NOTE. New series. The 134 large weekly reporting commercial banks

1.32 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations¹

Billions of dollars, estimated daily-average balances

Type of holder	At commercial banks									
	1974 Dec.	1975 Dec.	1976 Dec.	1977		1978				1979 Mar. ²
				Sept.	Dec.	Mar.	June	Sept.	Dec.	
1 All holders, individuals, partnerships, and corporations.....	225.0	236.9	250.1	252.7	274.4	262.5	271.2	278.8	294.6	270.4
2 Financial business.....	19.0	20.1	22.3	23.7	25.0	24.5	25.7	25.9	27.8	24.4
3 Nonfinancial business.....	118.8	125.1	130.2	128.5	142.9	131.5	137.7	142.5	152.7	135.9
4 Consumer.....	73.3	78.0	82.6	86.2	91.0	91.8	92.9	95.0	97.4	93.9
5 Foreign.....	2.3	2.4	2.7	2.5	2.5	2.4	2.4	2.5	2.7	2.7
6 Other.....	11.7	11.3	12.4	11.8	12.9	12.3	12.4	13.1	14.1	13.5

	At weekly reporting banks									
	1975 Dec.	1976 Dec.	1977 Dec.	1978						1979 Mar. ³
				July	Aug.	Sept.	Oct.	Nov.	Dec.	
7 All holders, individuals, partnerships, and corporations.....	124.4	128.5	139.1	139.9	137.7	139.7	141.3	142.7	147.0	121.9
8 Financial business.....	15.6	17.5	18.5	19.4	19.4	18.9	19.1	19.3	19.8	16.9
9 Nonfinancial business.....	69.9	69.7	76.3	73.7	72.0	74.1	75.0	75.7	79.0	64.6
10 Consumer.....	29.9	31.7	34.6	37.1	36.8	37.1	37.5	37.7	38.2	31.1
11 Foreign.....	2.3	2.6	2.4	2.3	2.4	2.4	2.5	2.5	2.5	2.6
12 Other.....	6.6	7.1	7.4	7.3	7.1	7.3	7.2	7.5	7.5	6.7

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

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

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

1.33 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1975 Dec.	1976 Dec.	1977 Dec.	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Commercial paper (seasonally adjusted)										
1 All issuers.....	48,471	52,971	65,101	80,679	83,665	85,226	87,358	90,796	92,725	96,106
Financial companies ¹										
Dealer-placed paper ²										
2 Total.....	6,212	7,261	8,884	11,487	12,296	12,915	13,419	14,247	14,961	15,551
3 Bank-related.....	1,762	1,900	2,132	3,231	3,521	4,413	3,969	3,793	4,251	4,141
Directly placed paper ³										
4 Total.....	31,404	32,511	40,484	50,093	51,630	52,880	54,586	55,653	55,313	57,886
5 Bank-related.....	6,892	5,959	7,102	11,478	12,314	12,191	12,166	12,642	12,788	13,799
6 Nonfinancial companies ⁴	10,855	13,199	15,733	19,099	19,739	19,431	19,353	20,896	22,451	22,669
Bankers dollar acceptances (not seasonally adjusted)										
7 Total.....	18,727	22,523	25,450	32,145	33,700	33,749	34,337	34,617	34,391	35,286
Holder										
8 Accepting banks.....	7,333	10,442	10,434	8,082	8,579	7,339	7,715	7,645	7,535	7,844
Own bills.....	5,899	8,769	8,915	6,840	7,653	6,214	6,708	6,535	6,685	6,895
9 Bills bought.....	1,435	1,673	1,519	1,243	927	1,125	1,007	1,110	849	950
Federal Reserve Banks										
11 Own account.....	1,126	991	954		1			204	252	
12 Foreign correspondents.....	293	375	362	585	664	765	750	793	861	940
13 Others.....	9,975	10,715	13,904	23,478	24,456	25,646	25,829	25,975	25,744	26,501
Basis										
14 Imports into United States.....	3,726	4,992	6,378	8,675	8,574	8,869	9,114	9,281	8,679	9,007
15 Exports from United States.....	4,001	4,818	5,863	7,224	7,586	7,762	7,858	8,104	8,087	8,367
16 All other.....	11,000	12,713	13,209	16,245	17,540	17,118	17,365	17,232	17,625	17,912

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

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

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

1.34 PRIME RATE CHARGED BY BANKS on Short-term Business Loans
Percent per annum

Effective date	Rate	Effective date	Rate	Month	Average rate	Month	Average rate
1978—May 5.....	8¼	1978—Oct. 13.....	10	1977—Oct.....	7.52	1978 Sept.....	9.41
26.....	8½	27.....	10¼	Nov.....	7.75	Oct.....	9.94
June 16.....	8¾	Nov. 1.....	10½	Dec.....	7.75	Nov.....	10.94
30.....	9	6.....	10¾	1978—Jan.....	7.93	Dec.....	11.55
Aug. 31.....	9¼	17.....	11	Feb.....	8.00	1979—Jan.....	11.75
Sept. 15.....	9½	24.....	11½	Mar.....	8.00	Feb.....	11.75
28.....	9¾	Dec. 26.....	11¾	Apr.....	8.00	Mar.....	11.75
		1979—June 19.....	11½	May.....	8.27	Apr.....	11.75
				June.....	8.63	May.....	11.75
				July.....	9.00	June.....	11.65
				Aug.....	9.01		

1.35 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 7–12, 1979

Item	All sizes	Size of loan (in thousands of dollars)					
		1-24	25-49	50-99	100-499	500-999	1,000 and over
SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS							
1 Amount of loans (thousands of dollars).....	8,576,070	949,806	637,101	588,718	1,427,889	673,770	4,298,785
2 Number of loans.....	162,509	122,951	19,944	9,112	8,161	1,061	1,281
3 Weighted average maturity (months).....	2.9	3.4	3.3	3.2	3.1	3.2	2.5
4 Weighted average interest rate (percent per annum).....	12.34	12.30	12.69	13.02	12.61	12.68	12.07
5 Interquartile range ¹	11.50-13.02	10.67-13.42	11.19-13.83	12.36-13.75	12.00-13.37	12.16-13.17	11.50-12.40
<i>Percentage of amount of loans</i>							
6 With floating rate.....	47.6	20.8	25.4	29.2	48.7	65.4	56.2
7 Made under commitment.....	47.2	24.0	30.0	44.2	47.6	60.0	53.2
LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS							
8 Amount of loans (thousands of dollars).....	1,485,131		423,381		376,270	127,185	558,296
9 Number of loans.....	25,164		22,615		2,161	181	208
10 Weighted average maturity (months).....	48.2		40.2		58.5	47.3	47.6
11 Weighted average interest rate (percent per annum).....	12.08		11.57		11.80	12.90	12.48
12 Interquartile range ¹	11.30-13.16		10.00-13.24		10.75-13.00	11.75-13.52	11.75-13.00
<i>Percentage of amount of loans</i>							
13 With floating rate.....	47.4		13.2		29.2	82.2	77.6
14 Made under commitment.....	50.0		38.6		23.4	59.5	74.5
CONSTRUCTION AND LAND DEVELOPMENT LOANS							
15 Amount of loans (thousands of dollars).....	1,019,842	96,803	108,609	131,421	307,713	375,295	
16 Number of loans.....	18,490	11,506	3,209	1,826	1,680	268	
17 Weighted average maturity (months).....	7.6	8.9	6.3	7.7	8.4	6.9	
18 Weighted average interest rate (percent per annum).....	12.23	12.39	11.94	11.89	12.36	12.28	
19 Interquartile range ¹	11.25-13.45	11.30-13.35	10.76-12.62	10.00-12.73	10.64-13.72	11.25-13.75	
<i>Percentage of amount of loans</i>							
20 With floating rate.....	49.3	28.5	19.6	44.5	40.3	72.4	
21 Secured by real estate.....	79.5	87.7	96.4	95.1	70.3	74.7	
22 Made under commitment.....	50.3	45.9	23.4	27.0	41.2	74.9	
<i>Type of construction</i>							
23 1- to 4-family.....	43.0	81.5	75.2	76.8	41.9	12.7	
24 Multifamily.....	11.6	2.3	2.0	2.5	8.5	22.7	
24 Nonresidential.....	45.4	16.1	22.8	20.7	49.7	64.6	
LOANS TO FARMERS							
26 Amount of loans (thousands of dollars).....	1,057,427	200,607	181,082	145,374	178,938	157,441	193,955
27 Number of loans.....	74,330	53,495	12,330	4,309	2,717	1,104	387
28 Weighted average maturity (months).....	7.5	8.1	8.5	6.5	11.4	5.4	5.0
29 Weighted average interest rate (percent per annum).....	11.20	10.56	10.69	10.73	10.89	11.97	12.35
30 Interquartile range ¹	10.21-12.24	9.88-11.19	10.00-11.24	10.00-11.46	10.12-11.30	11.00-13.16	11.41-13.52
<i>By purpose of loan</i>							
31 Feeder livestock.....	11.21	10.57	10.68	10.83	10.80	11.52	12.31
32 Other livestock.....	11.74	10.46	10.08	10.11	11.96	12.83	(2)
33 Other current operating expenses.....	11.20	10.52	10.95	10.87	11.00	12.41	12.50
34 Farm machinery and equipment.....	10.61	10.70	10.27	10.40	11.52	(2)	(2)
35 Other.....	11.15	10.70	10.82	10.95	10.03	11.79	12.70

1. Interest rate range that covers the middle 50 percent of the total dollar amount of loans made.

2. Fewer than 10 sample loans.
NOTE: For more detail, see the Board's G. 13 (416) statistical release.

1.36 INTEREST RATES Money and Capital Markets

Averages, percent per annum

Instrument	1976	1977	1978	1979				1979, week ending				
				Mar.	Apr.	May	June	June 2	June 9	June 16	June 23	June 30
Money market rates												
1 Federal funds ¹	5.05	5.54	7.94	10.09	10.01	10.24	10.29	10.28	10.23	10.23	10.28	10.32
Prime commercial paper ^{2,3}												
2 90- to 119-day.....	5.24	5.54	7.94	9.90	9.85	9.95	9.76	9.92	9.92	9.77	9.66	9.67
3 4- to 6-month.....	5.35	5.60	7.99	9.96	9.87	9.98	9.71	9.91	9.88	9.71	9.61	9.61
4 Finance company paper, directly placed, 3- to 6-month ^{4,5}	5.22	5.49	7.78	9.73	10.15	9.75	9.44	9.70	9.62	9.46	9.35	9.29
5 Prime bankers acceptances, 90-day ^{3,5}	5.19	5.59	8.11	9.94	10.42	9.98	9.79	9.93	9.90	9.73	9.76	9.72
6 Large negotiable certificates of deposit, 3-month, secondary market ⁶	5.26	5.58	8.20	10.13	10.05	10.15	9.95	10.09	9.99	9.90	9.89	9.84
7 Eurodollar deposits, 3-month ⁷	5.57	6.05	8.74	10.64	10.60	10.73	10.52	10.53	10.40	10.49	10.68	10.73
U.S. TREASURY BILLS^{3,8}												
Market yields												
8 3-month.....	4.98	5.27	7.19	9.48	9.46	9.61	9.06	9.55	9.36	8.97	8.96	8.83
9 6-month.....	5.26	5.53	7.58	9.47	9.49	9.54	9.06	9.44	9.29	9.01	8.99	8.88
10 1-year.....	5.52	5.71	7.74	9.38	9.28	9.27	8.81	9.05	8.94	8.74	8.84	8.64
Rates on new issue⁹												
11 3-month.....	4.989	5.265	7.221	9.457	9.493	9.592	9.045	9.526	9.554	8.956	8.869	8.802
12 6-month.....	5.266	5.510	7.572	9.458	9.498	9.562	9.062	9.409	9.425	9.047	8.873	8.903
Capital market rates												
GOVERNMENT NOTES AND BONDS												
<i>U.S. Treasury</i>												
Constant maturities¹⁰												
13 1-year.....	5.88	6.09	8.34	10.25	10.12	10.12	9.57	9.88	9.74	9.48	9.61	9.39
14 2-year.....		6.45	8.34	9.79	9.78	9.78	9.22	9.54	9.41	9.15	9.25	9.00
15 3-year.....	6.77	6.69	8.29	9.38	9.43	9.42	8.95	9.19	9.06	8.90	8.99	8.81
16 5-year.....	7.18	6.99	8.32	9.20	9.25	9.24	8.85	9.01	8.91	8.80	8.89	8.76
17 7-year.....	7.42	7.23	8.36	9.15	9.21	9.23	8.86	9.01	8.94	8.82	8.87	8.78
18 10-year.....	7.61	7.42	8.41	9.12	9.18	9.25	8.91	9.04	8.97	8.88	8.95	8.83
19 20-year.....	7.86	7.67	8.48	9.08	9.12	9.21	8.91	9.06	8.98	8.89	8.93	8.82
20 30-year.....			8.49	9.03	9.08	9.19	8.92	9.06	8.98	8.90	8.93	8.85
Notes and bonds maturing in¹¹												
21 3 to 5 years.....	6.94	6.85	8.30	9.25	9.32	9.30	8.89	9.08	8.97	8.85	8.93	8.78
22 Over 10 years (long-term).....	6.78	7.06	7.89	8.45	8.44	8.55	8.32	8.44	8.37	8.29	8.32	8.25
<i>State and local</i>												
Moody's series¹²												
23 Aaa.....	5.66	5.20	5.52	5.82	5.80	5.81	5.54	5.75	5.75	5.40	5.50	5.50
24 Baa.....	7.49	6.12	6.27	6.41	6.25	6.38	6.19	6.40	6.30	6.10	6.25	6.10
25 Bond Buyer series ¹³	6.64	5.68	6.03	6.33	6.29	6.25	6.13	6.16	6.09	6.11	6.18	6.12
CORPORATE BONDS												
<i>Seasoned issues¹⁴</i>												
26 All industries.....	9.01	8.43	9.07	9.76	9.81	9.96	9.81	9.94	9.90	9.81	9.76	9.72
<i>By rating groups</i>												
27 Aaa.....	8.43	8.02	8.73	9.37	9.38	9.50	9.29	9.48	9.41	9.25	9.23	9.23
28 Aa.....	8.75	8.24	8.92	9.61	9.65	9.86	9.66	9.80	9.77	9.69	9.61	9.53
29 A.....	9.09	8.49	9.12	9.81	9.88	10.00	9.89	10.02	9.99	9.91	9.84	9.82
30 Baa.....	9.75	8.97	9.45	10.26	10.33	10.47	10.38	10.45	10.44	10.39	10.35	10.32
<i>Aaa utility bonds¹⁵</i>												
31 New issue.....	8.48	8.19	8.96	9.62	9.70	9.83	9.50	9.57	9.51	9.43	9.43	9.43
32 Recently offered issues.....	8.49	8.19	8.97	9.62	9.74	9.84	9.50	9.72	9.58	9.46	9.48	9.39
DIVIDEND/PRICE RATIO¹⁶												
33 Preferred stocks.....	7.97	7.60	8.25	8.77	8.29	8.82	8.87	8.83	8.86	8.83	8.87	8.91
34 Common stocks.....	3.77	4.56	5.28	5.39	5.35	5.58	5.53	5.65	5.54	5.49	5.55	5.52

1. Weekly figures are 7-day averages of daily effective rates for the week ending Wednesday; the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates.
 2. Beginning Nov. 1977, unweighted average of offering rates quoted by at least five dealers. Previously, most representative rate quoted by those dealers.
 3. Yields are quoted on a bank-discount basis.
 4. The most representative offering rate published by finance companies.
 5. Average of the midpoint of the range of daily dealer closing rates offered for domestic issues.
 6. Weekly figures (week ending Wednesday) are 7-day averages of the daily midpoints as determined from the range of offering rates; monthly figures are averages of total days in the month, beginning Apr. 5, 1978, weekly figures are simple averages of offering rates.
 7. Averages of daily quotations for the week ending Wednesday.
 8. Except for new bill issues, yields are computed from daily closing bid prices.
 9. Rates are recorded in the week in which bills are issued.

10. Yields on the more actively traded issues adjusted to constant maturities by the U.S. Treasury, based on daily closing bid prices.
 11. Unweighted averages for all outstanding notes and bonds in maturity ranges shown, based on daily closing bid prices. "Long-term" includes all bonds neither due nor callable in less than 10 years, including a number of very low yielding "flower" bonds.
 12. General obligations only, based on figures for Thursday, from Moody's Investors Service.
 13. Twenty issues of mixed quality.
 14. Averages of daily figures from Moody's Investors Service.
 15. Compilation of the Board of Governors of the Federal Reserve System.
 Issues included are long-term (20 years or more). New-issue yields are based on quotations on date of offering; those on recently offered issues (included only for first 4 weeks after termination of underwriter price restrictions), on Friday close-of-business quotations.
 16. Provided by Standard and Poors' Corporation.

1.37 STOCK MARKET Selected Statistics

Indicator	1976	1977	1978	1979						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Prices and trading (averages of daily figures)										
<i>Common stock prices</i>										
1 New York Stock Exchange (Dec. 31, 1965 = 50)	54.45	53.67	53.76	53.69	55.76	55.06	56.18	57.50	56.21	57.61
2 Industrial	60.44	57.84	58.30	58.72	61.31	60.42	61.89	63.64	62.21	63.57
3 Transportation	39.57	41.07	43.25	42.49	43.69	42.27	43.22	45.92	45.60	47.53
4 Utility	36.97	40.91	39.23	38.09	38.79	39.22	38.94	38.63	37.48	38.44
5 Finance	52.94	55.23	56.74	55.73	57.59	56.09	57.65	59.50	58.80	61.87
6 Standard & Poor's Corporation (1941-43 = 10) ¹	102.01	98.18	96.11	96.10	99.70	98.23	100.11	102.10	99.73	101.73
7 American Stock Exchange (Aug. 31, 1973 = 100)	101.63	116.18	144.56	149.94	159.26	160.92	171.51	181.14	180.81	196.08
<i>Volume of trading (thousands of shares)</i>										
8 New York Stock Exchange	21,189	20,936	28,591	24,622	27,988	25,037	29,536	31,033	28,352	34,662
9 American Stock Exchange	2,565	2,514	3,922	3,430	3,150	2,944	4,105	4,262	3,888	5,236
Customer financing (end-of-period balances, in millions of dollars)										
10 Regulated margin credit at brokers/dealers ²	8,166	9,993	11,035	11,035	10,955	10,989	11,056	11,416	11,314	↑ n.a.
11 Margin stock ³	7,960	9,740	10,830	10,830	10,750	10,790	10,870	11,220	11,130	
12 Convertible bonds	204	250	205	205	204	195	185	194	183	↓ n.a.
13 Subscription issues	2	3	1	1	1	4	1	2	1	
<i>Free credit balances at brokers⁴</i>										
14 Margin-account	585	640	835	835	810	775	830	835	840	↓ n.a.
15 Cash-account	1,855	2,060	2,510	2,510	2,565	2,430	2,490	2,550	2,590	
Margin-account debt at brokers (percentage distribution, end of period)										
16 Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	↑ n.a.
<i>By equity class (in percent)⁵</i>										
17 Under 40	12.0	18.0	33.0	33.0	21.0	29.0	21.0	23.0	22.0	↓ n.a.
18 40-49	23.0	36.0	28.0	28.0	32.0	31.0	29.0	29.0	30.0	
19 50-59	35.0	27.0	18.0	18.0	22.0	18.0	25.0	23.0	23.0	
20 60-69	15.0	11.0	10.0	10.0	12.0	11.0	12.0	12.0	12.0	
21 70-79	8.7	6.0	6.0	6.0	7.0	6.0	7.0	7.0	7.0	
22 80 or more	6.0	5.0	5.0	5.0	6.0	5.0	6.0	6.0	6.0	
Special miscellaneous-account balances at brokers (end of period)										
23 Total balances (millions of dollars) ⁶	8,776	9,910								
<i>Distribution by equity status (percent)</i>										
24 Net credit status	41.3	43.4								
25 Debit status, equity of	47.8	44.9								
26 Less than 60 percent	10.9	11.7								
Margin requirements (percent of market value and effective date) ⁷										
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974				
27 Margin stocks	70	80	65	55	65	50				
28 Convertible bonds	50	60	50	50	50	50				
29 Short sales	70	80	65	55	65	50				

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

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

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

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

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

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

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

1.38 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1975	1976	1977	1978				1979				
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^a
Savings and loan associations												
1 Assets	338,233	391,907	459,241	508,977	515,352	520,677	523,649	529,820	534,168	539,715	543,459	549,184
2 Mortgages	278,590	323,005	381,163	420,971	425,236	429,420	432,858	435,460	437,905	441,420	445,705	451,002
3 Cash and investment securities ¹	30,853	35,724	39,150	43,987	45,577	45,869	44,855	47,653	49,018	50,130	48,674	48,295
4 Other	28,790	33,178	38,928	44,019	44,539	45,388	45,936	46,707	47,245	48,165	49,080	49,887
5 Liabilities and net worth	338,233	391,907	459,241	508,977	515,352	520,677	523,649	529,820	534,168	539,715	543,459	549,184
6 Savings capital	285,743	335,912	386,800	420,405	423,050	425,207	431,009	435,752	438,633	446,981	445,831	447,877
7 Borrowed money	20,634	19,083	27,840	38,595	39,873	40,981	42,960	42,468	41,368	41,592	43,765	44,434
8 FHLBB	17,524	15,708	19,945	28,632	29,456	30,322	31,990	31,758	31,004	31,123	32,389	33,044
9 Other	3,110	3,375	7,895	9,963	10,417	10,659	10,970	10,610	10,364	10,469	11,376	11,390
10 Loans in process	5,128	6,840	9,911	11,222	11,165	11,015	10,737	10,445	10,287	10,346	10,706	11,119
11 Other	6,949	8,074	9,506	10,676	12,832	14,666	9,918	11,971	14,250	10,919	12,971	15,257
12 Net worth ²	19,779	21,998	25,184	28,079	28,432	28,808	29,025	29,284	29,630	29,877	30,186	30,497
13 MfMO: Mortgage loan commitments outstanding ³	10,673	14,826	19,875	21,648	21,503	20,738	18,911	18,053	19,038	21,085	22,923	23,509
Mutual savings banks ⁹												
14 Assets	121,056	134,812	147,287	156,110	156,843	157,436	158,174	158,892	160,078	161,866	n.a.	n.a.
Loans												
15 Mortgage	77,221	81,630	88,195	93,403	93,903	94,497	95,157	95,552	95,821	96,136	n.a.	n.a.
16 Other	4,023	5,183	6,210	8,418	8,272	7,921	7,195	7,744	8,455	9,421	n.a.	n.a.
Securities												
17 U.S. government	4,740	5,840	5,895	5,172	5,105	5,035	4,959	4,838	4,801	4,814	n.a.	n.a.
18 State and local government	1,545	2,417	2,828	3,180	3,190	3,307	3,333	3,328	3,167	3,126	n.a.	n.a.
19 Corporate and other ⁴	27,992	33,793	37,918	39,639	39,651	39,679	39,732	40,007	40,307	40,658	n.a.	n.a.
20 Cash	2,330	2,355	2,401	2,293	2,735	3,033	3,665	3,274	3,306	3,410	n.a.	n.a.
21 Other assets	3,205	3,593	3,839	4,006	3,988	3,962	4,131	4,149	4,222	4,300	n.a.	n.a.
22 Liabilities	121,056	134,812	147,287	156,110	156,843	157,436	158,174	158,892	160,078	161,866	n.a.	n.a.
23 Deposits	109,873	122,877	134,017	140,816	141,026	141,155	142,701	142,879	143,539	145,650	145,096	147,877
24 Regular ⁵	109,291	121,961	132,744	139,068	139,422	139,697	141,170	141,388	142,071	144,042	143,210	145,210
25 Ordinary savings	69,653	74,535	78,005	75,423	74,124	72,398	71,816	69,244	68,817	68,829	67,758	67,758
26 Time and other	39,639	47,426	54,739	63,645	65,298	67,299	69,354	72,145	73,254	75,213	75,452	75,452
27 Other	582	916	1,272	1,747	1,604	1,458	1,531	1,491	1,468	1,608	1,886	1,886
28 Other liabilities	2,755	2,884	3,292	4,570	5,040	5,411	4,565	5,032	5,485	5,048	n.a.	n.a.
29 General reserve accounts	8,428	9,052	9,978	10,725	10,777	10,870	10,907	10,980	11,054	11,167	n.a.	n.a.
30 MfMO: Mortgage loan commitments outstanding ⁶	1,803	2,439	4,066	4,561	4,843	4,843	4,400	4,366	4,453	4,482	4,449	4,449
Life insurance companies												
31 Assets	289,304	321,552	351,722	381,050	382,446	385,562	389,021	393,402	395,553	399,530	402,426	n.a.
Securities												
32 Government	13,758	17,942	19,553	19,638	19,757	19,711	19,579	19,829	19,922	20,119	19,958	19,958
33 United States ⁷	4,736	5,368	5,315	5,156	5,183	4,934	4,795	5,049	5,209	5,324	5,147	5,147
34 State and local	4,508	5,594	6,051	6,001	6,035	6,235	6,250	6,236	6,132	6,106	5,979	5,979
35 Foreign ⁸	4,514	6,980	8,187	8,481	8,539	8,542	8,534	8,544	8,581	8,689	8,832	8,832
36 Business	135,317	157,246	175,654	196,152	195,883	197,615	197,342	201,061	201,869	203,971	205,247	n.a.
37 Bonds	107,256	122,984	141,891	159,972	161,347	162,347	161,923	165,552	166,693	167,625	168,862	168,862
38 Stocks	28,061	34,262	33,763	36,180	34,536	34,780	35,419	35,509	35,176	36,346	36,385	36,385
39 Mortgages	89,167	91,552	96,848	102,365	103,161	104,106	105,932	106,397	107,137	108,189	109,009	109,009
40 Real estate	9,621	10,476	11,060	11,583	11,693	11,707	11,776	11,841	11,919	11,959	12,071	12,071
41 Policy loans	24,467	25,834	27,556	29,290	29,521	29,818	30,202	30,506	30,835	31,224	31,586	31,586
42 Other assets	16,971	18,502	21,051	22,022	22,431	22,605	24,190	23,768	23,871	24,068	24,555	24,555
Credit unions												
43 Total assets/liabilities and capital	38,037	45,225	54,084	61,605	61,194	61,614	62,595	61,756	62,319	63,883	63,247	64,372
44 Federal	20,209	24,396	29,574	34,187	33,823	34,215	34,681	34,165	34,419	35,289	34,653	35,268
45 State	17,828	20,829	24,510	27,418	27,371	27,399	27,914	27,591	27,900	28,594	28,594	29,104
46 Loans outstanding	28,169	34,384	42,055	49,884	50,393	51,103	51,807	51,526	51,716	52,480	52,542	53,100
47 Federal	14,869	18,311	22,717	27,355	27,545	28,031	28,583	28,340	28,427	28,918	28,849	29,109
48 State	13,300	16,073	19,338	22,629	22,848	23,072	23,224	23,186	23,289	23,562	23,693	23,991
49 Savings	3,013	39,173	46,832	52,394	52,240	52,418	53,048	51,916	52,484	54,243	53,745	54,638
50 Federal (shares)	17,530	21,130	25,849	28,923	28,865	28,992	29,326	28,427	28,743	29,741	29,339	29,755
51 State (shares and deposits)	15,483	18,043	20,983	23,471	23,375	23,426	23,722	23,489	23,741	24,502	24,406	24,883

For notes see bottom of page A30.

1.39 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Transition quarter (July-Sept. 1976)	Fiscal year 1977	Fiscal year 1978	Calendar year					
				1977	1978		1979		
				H2	H1	H2	Mar.	Apr.	May
<i>U.S. budget</i>									
1 Receipts ¹	81,772	357,762	401,997	175,820	210,650	206,275	31,144	52,230	38,287
2 Outlays ¹	94,729	402,725	450,836	216,781	222,518	238,150	43,725	40,752	41,618
3 Surplus, or deficit (-).....	-12,956	-44,963	-48,839	-40,961	-11,870	-31,875	-12,581	11,478	-3,331
4 Trust funds.....	-1,952	7,833	12,693	4,293	4,334	11,755	-1,155	705	6,274
5 Federal funds ²	-11,004	-52,796	-61,532	-45,254	-16,204	-43,630	-11,426	10,774	-9,605
<i>Off-budget entities surplus, or deficit (-)</i>									
6 Federal Financing Bank outlays.....	-2,564	-8,201	-10,614	-6,663	-5,105	-5,082	-1,639	-1,102	-1,560
7 Other ³	779	-483	287	428	-790	1,841	498	-542	69
<i>U.S. budget plus off-budget, including Federal Financing Bank</i>									
8 Surplus, or deficit (-).....	-14,741	-53,647	-59,166	-47,196	-17,765	-35,117	-13,722	9,834	4,822
Financed by									
9 Borrowing from the public.....	18,027	53,516	59,106	40,284	23,374	30,308	8,012	-4,965	1,806
10 Cash and monetary assets (decrease, or increase (-)).....	-2,899	-2,238	-3,023	4,317	-5,098	3,381	-779	-2,991	-16
11 Other ⁴	-387	2,369	3,083	2,597	-511	1,428	6,489	-1,878	3,032
MEMO ITEMS									
12 Treasury operating balance (level, end of period).....	17,418	19,104	22,444	12,274	17,526	16,291	7,685	8,342	4,657
13 Federal Reserve Banks.....	13,299	15,740	16,647	7,114	11,614	4,196	5,726	3,100	1,974
14 Tax and loan accounts.....	4,119	3,364	5,797	5,160	5,912	12,095	1,959	5,242	2,683

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

2. Half-years calculated as a residual of total surplus/deficit and trust fund surplus/deficit.

3. Includes Pension Benefit Guaranty Corp.; Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank.

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

cellaneous liability (including checks outstanding) and asset accounts; seignorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment; and profit on the sale of gold.

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1980*.

NOTES TO TABLE 1.38

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

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

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

4. Includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. government agencies.

5. Excludes checking, club, and school accounts.

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

7. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in this table under "business" securities.

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

9. The NAMS reports that, effective April 1979, balance sheet data are not strictly comparable with previous months. This largely reflects: (1) changes in FDIC reporting procedures; and (2) reclassification of certain items.

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

Mutual savings banks: Estimates of National Association of Mutual Savings Banks for all savings banks in the United States. Data are reported on a gross-of-valuation-reserves basis.

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

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

1.40 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Transition quarter (July-Sept. 1976)	Fiscal year 1977	Fiscal year 1978	Calendar year					
				1977	1978		1979		
					H2	H1	H2	Mar.	Apr.	May
Receipts									
1 All sources ¹	81,772	357,762	401,997	175,820	210,650	206,275	31,144	52,230	38,287
2 Individual income taxes, net.....	38,800	157,626	180,988	82,911	90,336	98,854	8,255	25,029	14,575
3 Withheld	32,949	144,820	165,215	75,480	82,784	90,148	16,194	15,537	16,736
4 Presidential Election Campaign Fund	1	37	39	1	36	3	10	7	7
5 Nonwithheld	6,809	42,062	47,804	9,397	37,584	10,777	3,119	17,975	5,696
6 Refunds ¹	958	29,293	32,070	1,967	30,068	2,075	11,068	8,489	7,864
7 Corporation income taxes									
8 Gross receipts	9,808	60,057	65,380	25,121	38,496	28,536	9,879	10,418	1,870
9 Refunds	1,348	5,164	5,428	2,819	2,782	2,757	578	651	467
10 Social insurance taxes and contributions, net.....	25,760	108,683	123,410	52,347	66,191	61,064	10,373	14,165	18,652
11 Payroll employment taxes and contributions ²	21,534	88,196	99,626	44,384	51,668	51,052	9,315	9,051	12,932
12 Self-employment taxes and contributions ³	269	4,014	4,267	316	3,892	369	321	2,993	318
13 Unemployment insurance.....	2,698	11,312	13,850	4,936	7,800	6,727	198	1,608	4,864
14 Other net receipts ⁴	1,259	5,162	5,668	2,711	2,831	2,917	540	513	538
15 Excise taxes.....	4,473	17,548	18,376	9,284	8,835	9,879	1,434	1,529	1,601
16 Customs deposits	1,212	5,150	6,573	2,848	3,320	3,748	621	623	645
17 Estate and gift taxes.....	1,455	7,327	5,285	2,837	2,587	2,691	449	323	559
18 Miscellaneous receipts ⁵	1,612	6,536	7,413	3,292	3,667	4,260	712	794	852
Outlays⁸									
19 All types ¹	94,729	402,725	450,836	216,781	222,518	238,150	43,725	40,752	41,618
20 National defense	22,307	97,501	105,186	50,873	52,979	55,129	10,159	9,439	9,965
21 International affairs	2,197	4,813	5,922	2,896	2,904	2,221	896	407	743
22 General science, space, and technology.....	1,161	4,677	4,742	2,318	2,395	2,362	459	256	442
23 Energy	794	4,172	5,861	.....	2,487	4,461	700	665	737
24 Natural resources and environment.....	2,532	10,000	10,925	.....	4,959	6,119	855	965	969
25 Agriculture	581	5,532	7,731	5,477	2,353	4,854	457	502	69
26 Commerce and housing credit.....	1,392	-44	3,325	.....	-946	3,291	173	100	16
27 Transportation	3,304	14,636	15,444	.....	7,723	8,758	1,257	1,251	1,326
28 Community and regional development.....	1,340	6,286	11,000	4,924	5,928	6,108	773	602	787
29 Education, training, employment, and social services.....	5,162	20,985	26,463	10,800	12,792	13,676	2,578	2,595	2,559
30 Health	8,721	38,785	43,676	19,422	21,391	23,942	4,231	4,060	4,258
31 Income security ¹	32,797	137,915	146,212	71,081	75,201	73,305	14,415	13,316	13,588
32 Veterans benefits and services	3,962	18,038	18,974	9,864	9,603	9,545	2,717	840	1,694
33 Administration of justice	859	3,600	3,802	1,723	1,946	1,973	347	369	364
34 General government	883	3,374	3,777	1,749	1,803	2,111	435	305	454
35 General-purpose fiscal assistance.....	2,092	9,499	9,601	4,926	4,665	4,385	67	1,752	160
36 Interest ⁶	7,216	38,009	43,966	19,962	22,280	24,110	3,807	3,993	4,241
37 Undistributed offsetting receipts ^{6,7}	-2,567	-15,053	-15,772	-8,506	-7,945	8,200	-603	664	755

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

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

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

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

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

6. Effective September 1976, "Interest" and "Undistributed Offsetting

Receipts" reflect the accounting conversion for the interest on special issues for U.S. government accounts from an accrual basis to a cash basis.

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

8. For some types of outlays the categories are new or represent regroupings; data for these categories are from the *Budget of the United States Government, Fiscal Year 1980*; data are not available for half-years prior to 1978.

In addition, for some categories the table includes revisions in figures published earlier.

1.41 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1976		1977			1978				1979
	Dec. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	
1 Federal debt outstanding.....	665.5	685.2	709.1	729.2	747.8	758.8	780.4	797.7	804.6	
2 Public debt securities.....	653.5	674.4	698.8	718.9	738.0	749.0	771.5	789.2	796.8	
3 Held by public.....	506.4	523.2	543.4	564.1	585.2	587.9	603.6	619.2	630.5	
4 Held by agencies.....	147.1	151.2	155.5	154.8	152.7	161.1	168.0	170.0	166.3	
5 Agency securities.....	12.0	10.8	10.3	10.2	9.9	9.8	8.9	8.5	7.8	
6 Held by public.....	10.0	9.0	8.5	8.4	8.1	8.0	7.4	7.0	6.3	
7 Held by agencies.....	1.9	1.8	1.8	1.8	1.8	1.8	1.5	1.5	1.5	
8 Debt subject to statutory limit.....	654.7	675.6	700.0	720.1	739.1	750.2	772.7	790.3	797.9	
9 Public debt securities.....	652.9	673.8	698.2	718.3	737.3	748.4	770.9	788.6	796.2	
10 Other debt ¹	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.7	1.7	
11 MEMO: Statutory debt limit.....	682.0	700.0	700.0	752.0	752.0	752.0	798.0	798.0	798.0	

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

2. Gross federal debt and agency debt held by the public increased

\$0.5 billion due to a retroactive reclassification of the Export-Import Bank certificates of beneficial interest from loan asset sales to debt, effective July 1, 1975.

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

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

Billions of dollars, end of period

Type and holder	1975	1976	1977	1978	1979				
					Feb.	Mar.	Apr.	May	June
1 Total gross public debt.....	576.6	653.5	718.9	789.2	792.2	796.8	796.4	804.8	804.9
By type									
2 Interest-bearing debt.....	575.7	652.5	715.2	782.4	791.2	792.3	795.4	803.8	799.9
3 Marketable.....	363.2	421.3	459.9	487.5	498.0	500.4	504.6	506.9	499.3
4 Bills.....	157.5	164.0	161.1	161.7	162.4	165.5	163.7	163.1	159.9
5 Notes.....	167.1	216.7	251.8	265.8	271.4	270.8	275.3	276.1	272.1
6 Bonds.....	38.6	40.6	47.0	60.0	64.2	64.1	65.5	67.7	67.4
7 Nonmarketable ¹	212.5	231.2	255.3	294.8	293.3	291.9	290.8	296.9	300.5
8 Convertible bonds ²	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2
9 State and local government series.....	1.2	4.5	13.9	24.3	24.2	24.2	24.0	24.0	24.1
10 Foreign issues ³	21.6	22.3	22.2	29.6	28.2	28.2	25.4	25.2	26.8
11 Government.....	21.6	22.3	22.2	28.0	25.4	24.0	21.3	21.0	22.7
12 Public.....	0	0	0	1.6	2.8	4.2	4.2	4.2	4.2
13 Savings bonds and notes.....	67.9	72.3	77.0	80.9	80.8	80.8	80.8	80.8	80.8
14 Government account series ⁴	119.4	129.7	139.8	157.5	157.6	153.8	158.2	164.6	166.3
15 Non-interest-bearing debt.....	1.0	1.1	3.7	6.8	1.0	4.4	.9	1.0	5.1
By holder ⁵									
16 U.S. government agencies and trust funds.....	139.1	147.1	154.8	170.0	170.1	166.3	170.7	↑	↑
17 Federal Reserve Banks.....	89.8	97.0	102.5	109.6	103.5	110.3	108.6	↑	↑
18 Private investors.....	349.4	409.5	461.3	508.6	518.6	519.6	517.1	↑	↑
19 Commercial banks.....	85.1	103.8	101.4	93.4	94.0	96.3	97.0	↑	↑
20 Mutual savings banks.....	4.5	5.9	5.9	5.2	5.2	5.2	5.2	↑	↑
21 Insurance companies.....	9.5	12.7	15.1	15.0	15.1	15.1	14.8	↑	↑
22 Other corporations.....	20.2	27.7	22.7	20.6	23.5	23.8	23.6	n.a.	n.a.
23 State and local governments.....	34.2	41.6	55.2	68.6	68.6	68.8	69.1	↑	↑
Individuals									
24 Savings bonds.....	67.3	72.0	76.7	80.7	80.6	80.6	80.6	↑	↑
25 Other securities.....	24.0	28.8	28.6	30.0	30.8	31.1	31.5	↑	↑
26 Foreign and international ⁶	66.5	78.1	109.6	137.8	136.9	132.8	124.8	↑	↑
27 Other miscellaneous investors ⁷	38.0	38.9	46.1	57.4	63.7	66.0	70.6	↑	↑

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

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

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

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

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

6. Consists of the investments of foreign balances and international accounts in the United States. Beginning with July 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.

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

8. Includes a nonmarketable Federal Reserve special certificate for \$2.6 billion.

NOTE: Gross public debt excludes guaranteed agency securities and, beginning in July 1974, includes Federal Financing Bank security issues.

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

1.43 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars, end of period

Type of holder	1977	1978	1979		1977	1978	1979	
			Mar.	Apr.			Mar.	Apr.
	All maturities				1 to 5 years			
1 All holders	459,927	487,546	500,400	504,585	151,264	162,886	166,221	169,540
2 U.S. government agencies and trust funds	14,420	12,695	12,685	12,683	4,788	3,310	2,710	2,748
3 Federal Reserve Banks	101,191	109,616	107,655	108,588	27,012	31,283	34,057	34,255
4 Private investors	344,315	365,235	380,060	383,315	119,464	128,293	129,454	132,538
5 Commercial banks	75,363	68,890	69,342	69,729	38,691	38,390	37,183	37,878
6 Mutual savings banks	4,379	3,499	3,395	3,415	2,112	1,918	1,826	1,840
7 Insurance companies	12,378	11,635	11,811	11,934	4,729	4,664	4,949	5,022
8 Nonfinancial corporations	9,474	8,272	9,175	8,769	3,183	3,635	3,166	3,048
9 Savings and loan associations	4,817	3,835	3,627	3,859	2,368	2,255	1,941	2,083
10 State and local governments	15,495	18,815	18,692	18,763	3,875	3,997	4,053	4,179
11 All others	222,409	250,288	264,017	266,846	64,505	73,433	76,335	78,488
	Total, within 1 year				5 to 10 years			
12 All holders	230,691	228,516	239,125	238,544	45,328	50,400	45,163	45,161
13 U.S. government agencies and trust funds	1,906	1,488	2,082	2,042	2,129	1,989	1,989	1,989
14 Federal Reserve Banks	56,702	52,801	50,076	50,777	10,404	14,809	11,929	11,937
15 Private investors	172,084	174,227	186,967	185,725	32,795	33,601	31,245	31,235
16 Commercial banks	29,477	20,608	22,611	22,102	6,162	7,490	7,104	7,095
17 Mutual savings banks	1,400	817	846	855	584	496	456	456
18 Insurance companies	2,398	1,838	1,930	1,811	3,204	2,899	2,646	2,670
19 Nonfinancial corporations	5,770	4,048	5,351	5,021	307	369	342	293
20 Savings and loan associations	2,236	1,414	1,522	1,608	143	89	86	93
21 State and local governments	7,917	8,194	7,679	7,406	1,283	1,588	1,502	1,565
22 All others	122,885	137,309	147,027	146,921	21,112	20,671	19,109	19,064
	Bills, within 1 year				10 to 20 years			
23 All holders	161,081	161,747	165,459	163,730	12,906	19,800	21,145	22,595
24 U.S. government agencies and trust funds	32	2	*	*	3,102	3,876	3,875	3,875
25 Federal Reserve Banks	42,004	42,397	39,266	39,815	1,510	2,088	2,130	2,142
26 Private investors	119,035	119,348	126,193	123,916	8,295	13,836	15,141	16,578
27 Commercial banks	11,996	5,707	6,704	5,775	456	956	995	1,176
28 Mutual savings banks	484	150	102	114	137	143	142	138
29 Insurance companies	1,187	753	648	518	1,245	1,460	1,455	1,594
30 Nonfinancial corporations	4,329	1,792	2,494	2,205	133	86	173	236
31 Savings and loan associations	806	262	265	257	54	60	60	59
32 State and local governments	6,092	5,524	4,793	4,511	890	1,420	1,616	1,689
33 All others	94,152	105,161	111,186	110,536	5,380	9,711	10,699	11,686
	Other, within 1 year				Over 20 years			
34 All holders	69,610	66,769	73,666	74,814	19,738	25,944	28,746	28,746
35 U.S. government agencies and trust funds	1,874	1,487	2,082	2,042	2,495	2,031	2,030	2,030
36 Federal Reserve Banks	14,698	10,404	10,810	10,962	5,564	8,635	9,463	9,478
37 Private investors	53,039	54,879	60,774	61,810	11,679	15,278	17,254	17,239
38 Commercial banks	15,482	14,901	15,907	16,327	578	1,446	1,449	1,477
39 Mutual savings banks	916	667	744	741	146	126	125	126
40 Insurance companies	1,211	1,084	1,282	1,294	802	774	831	837
41 Nonfinancial corporations	1,441	2,256	2,857	2,816	81	135	143	171
42 Savings and loan associations	1,430	1,152	1,258	1,352	16	17	17	16
43 State and local governments	1,825	2,670	2,885	2,896	1,530	3,616	3,841	3,924
44 All others	28,733	32,149	35,841	36,385	8,526	9,164	10,848	10,687

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

Data complete for U.S. government agencies and trust funds and Federal Reserve Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of Apr. 30, 1979:

(1) 5,456 commercial banks, 463 mutual savings banks, and 726 insurance companies, each about 80 percent; (2) 432 nonfinancial corporations and 485 savings and loan associations, each about 50 percent; and (3) 491 state and local governments, about 40 percent.

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

1.44 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1976	1977	1978	1979			1979, week ending Wednesday					
				Mar.	Apr.	May	Mar. 28	Apr. 4	Apr. 11	Apr. 18	Apr. 25	May 2
1 U.S. government securities...	10,449	10,838	10,285	9,882	14,280	13,351	9,115	14,362	14,175	13,023	13,992	14,892
<i>By maturity</i>												
2 Bills.....	6,676	6,746	6,173	6,204	9,906	7,555	5,993	10,787	9,099	9,224	9,608	9,739
3 Other within 1 year.....	210	237	392	320	434	347	424	484	339	389	445	503
4 1-5 years.....	2,317	2,320	1,889	1,744	2,184	2,256	1,393	1,640	2,733	1,745	2,188	2,154
5 5-10 years.....	1,019	1,148	965	825	674	1,557	640	726	774	593	583	1,267
6 Over 10 years.....	229	388	866	789	1,083	1,636	664	725	1,230	1,072	1,168	1,229
<i>By type of customer</i>												
7 U.S. government securities dealers.....	1,360	1,267	1,135	1,170	1,617	1,205	1,185	1,530	1,526	1,511	1,740	1,452
8 U.S. government securities brokers.....	3,407	3,709	3,838	3,651	5,043	5,265	3,038	4,332	5,191	5,118	5,202	5,048
9 Commercial banks.....	2,426	2,295	1,804	1,565	2,095	2,009	1,383	2,201	1,959	2,013	2,077	2,250
10 All others ¹	3,257	3,568	3,508	3,496	5,525	4,872	3,509	6,300	5,498	4,380	4,973	6,141
11 Federal agency securities.....	1,548	1,729	1,894	2,099	2,219	2,615	1,731	2,260	1,868	2,109	2,549	2,521

1. Includes, among others, all other dealers and brokers in commodities and securities, foreign banking agencies, and the Federal Reserve System.

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

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

1.45 U.S. GOVERNMENT SECURITIES DEALERS Positions and Sources of Financing

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

Item	1976	1977	1978	1979			1979, week ending Wednesday					
				Mar.	Apr.	May	Mar. 7	Mar. 14	Mar. 21	Mar. 28	Apr. 4	Apr. 11
Positions²												
1 U.S. government securities...	7,592	5,172	2,656	1,849	4,278	5,260	3,750	2,262	1,270	807	939	6,002
2 Bills.....	6,290	4,772	2,452	2,471	4,698	5,094	3,885	2,780	2,097	1,634	2,059	6,460
3 Other within 1 year.....	188	99	260	262	276	34	323	251	265	193	428	349
4 1-5 years.....	515	60	92	471	264	744	32	434	639	662	690	109
5 5-10 years.....	402	92	40	20	83	377	24	14	47	42	7	7
6 Over 10 years.....	198	149	4	131	202	567	197	181	125	70	9	8
7 Federal agency securities.....	729	693	606	734	953	1,660	450	789	768	795	990	928
Sources of financing³												
8 All sources.....	8,715	9,877	10,204	12,378	14,680	14,849	14,093	14,287	11,678	10,648	10,951	16,572
<i>Commercial banks</i>												
9 New York City.....	1,896	1,313	599	874	1,266	733	2,366	1,718	347	362	50	1,699
10 Outside New York City.....	1,660	1,987	2,174	2,453	2,724	2,839	2,759	2,753	2,378	2,188	2,226	3,478
11 Corporations ¹	1,479	2,423	2,370	2,748	3,000	2,901	2,555	3,091	2,742	2,774	2,509	3,541
12 All others.....	3,681	4,155	5,052	6,304	7,690	8,377	6,413	6,727	6,210	6,049	6,265	7,854

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

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

3. Total amounts outstanding of funds borrowed by nonbank dealer

firms and dealer departments of commercial banks against U.S. government and federal agency securities (through both collateral loans and sales under agreements to repurchase), plus internal funds used by bank dealer departments to finance positions in such securities. Borrowings against securities held under agreement to resell are excluded where the borrowing contract and the agreement to resell are equal in amount and maturity, that is, a matched agreement.

NOTE: Averages for positions are based on number of trading days in the period; those for financing, on the number of calendar days in the period.

1.46 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1976	1977	1978	1978			1979		
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 Federal and federally sponsored agencies.....	103,325	109,924	131,982	127,468	129,139	131,982	129,849	129,865	129,278
2 Federal agencies.....	21,896	22,760	23,488	23,279	23,073	23,488	23,431	23,485	23,507
3 Defense Department ¹	1,113	983	868	897	876	868	864	859	839
4 Export-Import Bank ^{2,3}	7,801	8,671	8,711	8,704	8,392	8,711	8,515	8,499	8,326
5 Federal Housing Administration ⁴	575	581	588	598	594	588	582	586	580
6 Government National Mortgage Association participation certificates ⁵	4,120	3,743	3,141	3,166	3,166	3,141	3,141	3,141	3,141
7 Postal Service ⁶	2,998	2,431	2,364	2,364	2,364	2,364	2,364	2,364	2,364
8 Tennessee Valley Authority.....	5,185	6,015	7,460	7,195	7,325	7,460	7,620	7,690	7,900
9 United States Railway Association ⁹	104	336	356	355	356	356	345	346	357
10 Federally sponsored agencies.....	81,429	87,164	108,494	104,189	106,066	108,494	106,418	106,380	105,771
11 Federal Home Loan Banks.....	16,811	18,345	27,563	25,395	26,777	27,563	27,677	28,447	28,265
12 Federal Home Loan Mortgage Corporation.....	1,690	1,686	2,262	2,063	2,062	2,262	2,262	2,461	2,333
13 Federal National Mortgage Association.....	30,565	31,890	41,080	39,776	39,814	41,080	41,917	42,405	43,625
14 Federal Land Banks.....	17,127	19,118	20,360	20,360	20,360	20,360	19,275	19,275	19,275
15 Federal Intermediate Credit Banks.....	10,494	11,174	11,469	11,554	11,548	11,469	9,978	8,958	7,890
16 Banks for Cooperatives.....	4,330	4,434	4,843	4,264	4,668	4,843	4,392	3,852	3,351
17 Student Loan Marketing Association ⁷	410	515	915	775	835	915	915	980	1,030
18 Other.....	2	2	2	2	2	2	2	2	2
MEMO ITEMS									
19 Federal Financing Bank debt^{6,8}.....	28,711	38,580	51,298	49,212	49,645	51,298	52,154	53,221	55,310
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	5,208	5,834	6,898	6,568	6,568	6,898	6,898	6,898	7,131
21 Postal Service ⁶	2,748	2,181	2,114	2,114	2,114	2,114	2,114	2,114	2,114
22 Student Loan Marketing Association ⁷	410	515	915	775	835	915	915	980	1,030
23 Tennessee Valley Authority.....	3,110	4,190	5,635	5,370	5,500	5,635	5,795	5,865	6,075
24 United States Railway Association ⁹	104	336	356	355	356	356	345	346	357
<i>Other lending⁹</i>									
25 Farmers Home Administration.....	10,750	16,095	23,825	23,050	23,050	23,825	24,445	25,160	25,985
26 Rural Electrification Administration.....	1,415	2,647	4,604	4,407	4,489	4,604	4,680	4,735	4,962
27 Other.....	4,966	6,782	6,951	6,573	6,733	6,951	6,962	7,123	7,656

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

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

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

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

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

6. Off-budget.

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

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

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

1.47 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1976	1977	1978	1979					
				Dec.	Jan. ^r	Feb. ^r	Mar. ^r	Apr. ^r	May
1 All issues, new and refunding ¹	35,313	46,769	48,607	3,694	2,831	2,516	4,485	3,067	3,089
<i>Type of issue</i>									
2 General obligation.....	18,040	18,042	17,854	1,698	1,304	937	1,034	1,127	1,125
3 Revenue.....	17,140	28,655	30,658	1,992	1,506	1,575	3,443	1,929	1,962
4 Housing Assistance Administration ²									
5 U.S. government loans.....	133	72	95	4	21	4	8	11	2
<i>Type of issuer</i>									
6 State.....	7,054	6,354	6,632	497	467	580	435	297	204
7 Special district and statutory authority.....	15,304	21,717	24,156	2,148	961	1,139	2,832	1,516	1,567
8 Municipalities, counties, townships, school districts.....	12,845	18,623	17,718	1,043	1,382	793	1,210	1,243	1,316
9 Issues for new capital, total	32,108	36,189	37,629	3,379	2,802	2,489	4,472	3,039	3,080
<i>Use of proceeds</i>									
10 Education.....	4,900	5,076	5,003	319	485	410	268	426	736
11 Transportation.....	2,586	2,951	3,460	337	247	207	202	124	117
12 Utilities and conservation.....	9,594	8,119	9,026	705	539	732	1,130	464	535
13 Social welfare.....	6,566	8,274	10,494	1,126	766	712	1,978	1,303	691
14 Industrial aid.....	483	4,676	3,526	276	266	168	260	136	313
15 Other purposes.....	7,979	7,093	6,120	616	499	260	634	586	688

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

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

SOURCE: Public Securities Association.

1.48 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1976	1977	1978 ^r	1978				1979	
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 All issues ¹	53,488	53,792	47,264	3,832	3,685	3,207	4,401	3,668	3,165
2 Bonds	42,380	42,015	36,906	2,905	2,516	2,481	3,281	3,004	2,252
<i>Type of offering</i>									
3 Public.....	26,453	24,072	19,815	1,610	1,651	1,608	1,227	1,282	1,336
4 Private placement.....	15,927	17,943	17,091	1,295	865	873	2,054	1,722	916
<i>Industry group</i>									
5 Manufacturing.....	13,264	12,204	9,572	823	405	805	1,031	866	350
6 Commercial and miscellaneous.....	4,372	6,234	5,251	454	487	112	694	434	249
7 Transportation.....	4,387	1,996	2,007	135	67	96	123	111	219
8 Public utility.....	8,297	8,262	7,111	912	819	384	383	532	517
9 Communication.....	2,787	3,063	3,373	205	290	456	285	259	558
10 Real estate and financial.....	9,274	10,258	9,596	375	446	627	765	802	359
11 Stocks	11,108	11,777	10,358	927	1,169	726	1,120	664	913
<i>Type</i>									
12 Preferred.....	2,803	3,916	2,832	127	47	149	424	171	201
13 Common.....	8,305	7,861	7,526	800	1,122	577	696	493	712
<i>Industry group</i>									
14 Manufacturing.....	2,237	1,189	1,241	148	90	35	42	41	121
15 Commercial and miscellaneous.....	1,183	1,834	1,816	168	112	111	303	169	93
16 Transportation.....	24	456	263	12	0	12	113		
17 Public utility.....	6,121	5,865	5,140	426	800	377	271	358	669
18 Communication.....	776	1,379	264	10	0	1	175		
19 Real estate and financial.....	771	1,049	1,631	164	167	190	216	96	29

1. Figures, which represent gross proceeds of issues maturing in more than one year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less than \$100,000, secondary offerings, undefined or exempted issues as defined in the Securities Act of 1933, employee stock plans, investment

companies other than closed-end, intracorporate transactions, and sales to foreigners.

SOURCE: Securities and Exchange Commission.

1.49 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1977	1978	1978		1979				
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
INVESTMENT COMPANIES ¹									
1 Sales of own shares ²	6,401	6,645	587	602	648	451	523	594	549
2 Redemptions of own shares ³	6,027	7,231	439	545	607	548	646	761	715
3 Net sales.....	357	586	148	57	41	-97	-123	-175	-166
4 Assets ⁴	45,049	44,980	44,242	44,980	46,591	45,016	47,051	47,142	46,431
5 Cash position ⁵	3,274	4,507	4,299	4,507	4,624	4,851	4,746	4,862	4,869
6 Other.....	41,775	40,473	39,943	40,473	41,967	40,165	42,305	42,280	41,562

1. Excluding money market funds.

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

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

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

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

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

1.50 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1976	1977	1978	1977		1978				1979
				Q3	Q4	Q1	Q2	Q3	Q4		Q1
1 Profits before tax.....	155.9	173.9	202.0	177.5	178.3	172.1	205.5	205.4	224.9	229.8
2 Profits tax liability.....	64.3	71.8	83.9	72.8	73.9	70.0	85.0	86.2	94.4	90.2
3 Profits after tax.....	91.6	102.1	118.1	104.7	104.4	102.1	120.5	119.2	130.5	139.6
4 Dividends.....	37.9	43.7	49.3	44.1	46.3	47.0	48.1	50.1	51.9	54.0
5 Undistributed profits.....	53.7	58.4	68.8	60.6	58.1	55.1	72.4	69.1	78.6	85.6
6 Capital consumption allowances.....	97.1	106.0	114.4	107.6	109.3	111.3	113.3	115.4	117.5	119.6
7 Net cash flow.....	150.8	164.4	183.2	168.2	167.4	166.4	185.7	184.5	196.1	205.2

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

1.51 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1975	1976	1977				1978			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Current assets.....	759.0	826.3	844.7	858.5	881.8	900.9	925.1	954.4	993.3	1,028.0
2 Cash.....	82.1	87.3	81.4	83.3	83.5	94.3	89.0	91.7	92.4	104.0
3 U.S. government securities.....	19.0	23.6	24.2	19.9	19.3	18.7	18.6	17.3	16.2	17.8
4 Notes and accounts receivable.....	272.1	293.3	304.4	313.0	326.9	325.0	337.0	355.5	376.0	381.5
5 Inventories.....	315.9	342.9	353.4	359.9	368.3	375.6	390.1	399.2	415.4	428.0
6 Other.....	69.9	79.2	81.3	82.5	83.8	87.3	90.3	90.7	93.3	96.7
7 Current liabilities.....	451.6	492.7	507.6	514.1	533.2	546.8	573.7	593.6	626.7	662.2
8 Notes and accounts payable.....	264.2	282.0	290.1	295.9	306.1	313.7	325.5	338.5	357.1	375.6
9 Other.....	187.4	210.6	217.5	218.1	227.1	233.1	248.2	255.1	269.6	286.6
10 Net working capital.....	307.4	333.6	337.1	344.5	348.6	354.1	351.3	360.8	366.6	365.9
11 MEMO: Current ratio ¹	1.681	1.677	1.664	1.670	1.654	1.648	1.612	1.608	1.585	1.553

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

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

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

SOURCE: Federal Trade Commission.

1.52 BUSINESS EXPENDITURES on New Plant and Equipment

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

Industry	1977	1978	1977	1978				1979		
			Q4	Q1	Q2	Q3	Q4	Q1 ^r	Q2 ^r	Q3 ²
1 All industries.....	135.72	153.60	138.11	144.25	150.76	155.41	163.96	165.94	170.30	174.74
<i>Manufacturing</i>										
2 Durable goods industries.....	27.75	31.59	28.19	28.72	31.40	32.25	33.99	34.00	36.60	38.09
3 Nondurable goods industries.....	32.33	35.86	33.22	32.86	35.80	35.50	39.26	37.56	39.75	41.80
<i>Nonmanufacturing</i>										
4 Mining.....	4.49	4.81	4.50	4.45	4.81	4.99	4.98	5.46	5.40	5.11
<i>Transportation</i>										
5 Railroad.....	2.82	3.33	2.80	3.35	3.09	3.38	3.49	4.02	2.76	3.89
6 Air.....	1.63	2.34	1.76	2.67	2.08	2.20	2.39	3.35	2.92	2.60
7 Other.....	2.55	2.42	2.32	2.44	2.23	2.47	2.55	2.71	2.93	3.01
<i>Public utilities</i>										
8 Electric.....	21.57	24.71	22.05	23.15	23.83	24.92	26.95	27.70	27.63	27.96
9 Gas and other.....	4.21	4.72	4.18	4.78	4.62	4.70	4.78	4.66	4.79	4.83
10 Communication.....	15.43	18.15	15.82	17.07	18.18	18.90	18.46	18.75	18.75	18.75
11 Commercial and other ¹	22.95	25.67	23.27	24.76	24.71	26.09	27.12	27.73	47.51	47.45

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

2. Anticipated by business.

agriculture; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.

NOTE: Estimates for corporate and noncorporate business, excluding

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

1.53 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1973	1974	1975	1976	1977	1978				1979
						Q1	Q2	Q3	Q4	Q1
ASSETS										
<i>Accounts receivable, gross</i>										
1 Consumer.....	35.4	36.1	36.0	38.6	44.0	44.5	47.1	49.7	52.6	54.9
2 Business.....	32.3	37.2	39.3	44.7	55.2	57.6	59.5	58.3	63.3	66.7
3 Total.....	67.7	73.3	75.3	83.4	99.2	102.1	106.6	108.0	116.0	121.6
4 Less: Reserves for unearned income and losses.....	8.4	9.0	9.4	10.5	12.7	12.8	14.1	14.3	15.6	16.5
5 Accounts receivable, net.....	59.3	64.2	65.9	72.9	86.5	89.3	92.6	93.7	100.4	105.1
6 Cash and bank deposits.....	2.6	3.0	2.9	2.6	2.6	2.2	2.9	2.7	3.5	
7 Securities.....	.8	.4	1.0	1.1	.9	1.2	1.3	1.8	1.3	123.8
8 All other.....	10.6	12.0	11.8	12.6	14.3	15.0	16.2	17.1	17.3	
9 Total assets.....	73.2	79.6	81.6	89.2	104.3	107.7	112.9	115.3	122.4	128.9
LIABILITIES										
10 Bank loans.....	7.2	9.7	8.0	6.3	5.9	5.8	5.4	5.4	6.5	6.5
11 Commercial paper.....	19.7	20.7	22.2	23.7	29.6	29.9	31.3	29.3	34.5	38.1
<i>Debt</i>										
12 Short-term, n.e.c.....	4.6	4.9	4.5	5.4	6.2	5.3	6.6	6.8	8.1	6.7
13 Long-term, n.e.c.....	24.6	26.5	27.6	32.3	36.0	38.0	40.1	41.3	43.6	44.5
14 Other.....	5.6	5.5	6.8	8.1	11.5	12.9	13.6	15.2	12.6	15.1
15 Capital, surplus, and undivided profits.....	11.5	12.4	12.5	13.4	15.1	15.7	16.0	17.3	17.2	18.0
16 Total liabilities and capital.....	73.2	79.6	81.6	89.2	104.3	107.7	112.9	115.3	122.4	128.9

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

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

1.54 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding April 30, 1979 ¹	Changes in accounts receivable			Extensions			Repayments		
		1979			1979			1979		
		Feb.	Mar.	Apr.	Feb.	Mar.	Apr.	Feb.	Mar.	Apr.
1 Total.....	67,646	756	689	937	16,858	17,268	17,722	16,102	16,579	16,785
2 Retail automotive (commercial vehicles).....	15,262	183	269	60	1,283	1,391	1,210	1,100	1,122	1,150
3 Wholesale automotive.....	15,519	655	310	705	7,080	6,745	6,731	6,425	6,435	6,026
4 Retail paper on business, industrial and farm equipment.....	16,124	-84	251	17	1,123	1,130	1,071	1,207	879	1,088
5 Loans on commercial accounts receivable ²	6,750	-108	-225	78	5,375	5,920	6,228	5,483	6,145	6,150
6 Factored commercial accounts receivable ²		110	84	111	1,997	2,082	2,482	1,887	1,998	2,371
7 All other business credit.....	13,991									

1. Not seasonally adjusted.

2. Beginning January 1979 the categories "Loans on commercial accounts receivable" and "Factored commercial accounts receivable" are combined.

1.55 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1976	1977	1978	1978		1979				
				Nov.	Dec.	Feb.	Mar.	Apr.	May	
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
<i>Conventional mortgages on new homes</i>										
<i>Terms¹</i>										
1 Purchase price (thous. dollars).....	48.4	54.3	62.6	65.1	68.1	68.3	68.1	75.4	72.3	
2 Amount of loan (thous. dollars).....	35.9	40.5	45.9	47.5	49.6	49.5	49.9	54.9	51.4	
3 Loan/price ratio (percent).....	74.2	76.3	75.3	74.4	75.1	74.5	75.4	75.1	73.2	
4 Maturity (years).....	27.2	27.9	28.0	27.9	28.1	28.6	28.5	29.0	28.2	
5 Fees and charges (percent of loan amount) ²	1.44	1.33	1.39	1.40	1.49	1.56	1.65	1.75	1.59	
6 Contract rate (percent per annum).....	8.76	8.80	9.30	9.63	9.76	9.94	10.02	10.06	10.20	
<i>Yield (percent per annum)</i>										
7 FHLBB series ³	8.99	9.01	9.54	9.87	10.02	10.20	10.30	10.36	10.47	
8 HUD series ⁴	8.99	8.95	9.68	10.10	10.30	10.35	10.35	10.55	10.80	
SECONDARY MARKETS										
<i>Yield (percent per annum)</i>										
9 FHA mortgages (HUD series) ⁵	8.82	8.68	9.70	9.99	10.16	10.17	10.19	n.a.	10.61	
10 GNMA securities ⁶	8.17	8.04	8.98	9.39	9.54	9.67	9.70	9.79	9.89	
<i>FNMA auctions⁷</i>										
11 Government-underwritten loans.....	8.99	8.73	9.77	10.30	10.50	10.54	10.42	10.59	10.84	
12 Conventional loans.....	9.11	8.98	10.01	10.56	10.85	11.04	10.94	11.03	11.35	
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
13 Total.....	32,904	34,370	43,311	42,590	43,311	45,155	46,410	47,028	47,757	
14 FHA-insured.....	18,916	18,457	21,243	20,929	21,243	21,967	22,601	22,773	23,008	
15 VA-guaranteed.....	9,212	9,315	10,544	10,535	10,544	10,606	10,616	10,591	10,543	
16 Conventional.....	4,776	6,597	11,524	11,126	11,524	12,582	13,193	13,664	14,206	
<i>Mortgage transactions (during period)</i>										
17 Purchases.....	3,606	4,780	12,303	920	974	1,173	1,291	883.2	1,022.9	
18 Sales.....	86	67	5	0	0	0	0	0	0	
<i>Mortgage commitments⁸</i>										
19 Contracted (during period).....	6,247	9,729	18,960	1,275	1,051	388	565	1,075	1,400	
20 Outstanding (end of period).....	3,398	4,698	9,201	9,525	9,201	7,381	6,573	6,656	6,862	
<i>Auction of 4-month commitments to buy Government-underwritten loans</i>										
21 Offered ⁹	4,929.8	7,974.1	12,978	788.0	627.0	210.6	508.4	1,322.7	426.3	
22 Accepted.....	2,787.2	4,846.2	6,747.2	321.8	319.6	161.2	284.4	638.5	185.0	
<i>Conventional loans</i>										
23 Offered ⁹	2,595.7	5,675.2	9,933.0	861.4	417.4	63.0	144.9	661.9	458.6	
24 Accepted.....	1,879.2	3,917.8	5,110.9	386.8	220.9	45.4	113.5	363.6	214.3	
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)¹⁰</i>										
25 Total.....	4,269	3,276	3,064	3,022	3,064	3,207	3,510	3,377	3,310	
26 FHA/VA.....	1,618	1,395	1,243	1,257	1,243	1,220	1,260	1,198	1,186	
27 Conventional.....	2,651	1,881	1,822	1,766	1,822	1,989	2,250	2,180	2,124	
<i>Mortgage transactions (during period)</i>										
28 Purchases.....	1,175	3,900	6,524	763	596	300	350	358	560	
29 Sales.....	1,396	4,131	6,211	581	540	494	116	364	572	
<i>Mortgage commitments¹¹</i>										
30 Contracted (during period).....	1,477	5,546	7,451	706	455	357	547	540	652	
31 Outstanding (end of period).....	333	1,063	1,410	1,617	1,410	1,177	1,342	1,487	1,541	

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

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

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

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

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

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

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

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

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

9. Mortgage amounts offered by bidders are total bids received.

10. Includes participation as well as whole loans.

11. Includes conventional and government-underwritten loans.

1.56 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1975	1976	1977	1978	1978			1979
					Q2	Q3	Q4	
1 All holders.....	801,537	889,327	1,023,505	1,172,502	1,092,451	1,133,699	1,172,502	1,204,762
2 1- to 4-family.....	490,761	556,557	656,566	761,905	706,230	734,740	761,905	783,500
3 Multifamily.....	100,601	104,516	111,841	122,004	116,419	119,442	122,004	124,125
4 Commercial.....	159,298	171,223	189,274	212,597	198,926	205,744	212,597	218,042
5 Farm.....	50,877	57,031	65,824	75,996	70,876	73,773	75,996	79,095
6 Major financial institutions.....	581,193	647,650	745,011	847,910	794,009	822,184	847,910	865,808
7 Commercial banks ¹	136,186	151,326	178,979	213,963	194,469	205,445	213,963	220,063
8 1- to 4-family.....	77,018	86,234	105,115	126,966	115,389	121,911	126,966	130,585
9 Multifamily.....	5,915	8,082	9,215	10,912	9,925	10,478	10,912	11,223
10 Commercial.....	46,882	50,289	56,898	67,056	60,950	64,386	67,056	68,968
11 Farm.....	6,371	6,721	7,751	9,029	8,205	8,670	9,029	9,287
12 Mutual savings banks.....	77,249	81,639	88,104	95,157	91,535	93,403	95,157	96,136
13 1- to 4-family.....	50,025	53,089	57,637	62,252	59,882	61,104	62,252	62,892
14 Multifamily.....	13,792	14,177	15,304	16,529	15,900	16,224	16,529	16,699
15 Commercial.....	13,373	14,313	15,110	16,319	15,698	16,019	16,319	16,488
16 Farm.....	59	60	53	57	55	56	57	57
17 Savings and loan associations.....	278,590	323,130	381,163	432,858	407,965	420,971	432,858	441,420
18 1- to 4-family.....	223,903	260,895	310,686	356,156	334,164	345,617	356,156	363,200
19 Multifamily.....	25,547	28,436	32,513	36,057	34,351	35,362	36,057	36,770
20 Commercial.....	29,140	33,799	37,964	40,645	39,450	39,992	40,645	41,450
21 Life insurance companies.....	89,168	91,555	96,765	105,932	100,040	102,365	105,932	108,189
22 1- to 4-family.....	17,590	16,088	14,727	14,449	14,129	14,189	14,449	14,757
23 Multifamily.....	19,629	19,178	18,807	19,026	18,745	18,803	19,026	19,431
24 Commercial.....	45,196	48,864	54,388	62,086	57,463	59,268	62,086	63,409
25 Farm.....	6,753	7,425	8,843	10,371	9,703	10,105	10,371	10,592
26 Federal and related agencies.....	66,891	66,753	70,006	81,853	71,991	78,672	81,853	86,689
27 Government National Mortgage Assn.....	7,438	4,241	3,660	3,509	3,283	3,560	3,509	3,448
28 1- to 4-family.....	4,728	1,970	1,548	877	922	897	877	821
29 Multifamily.....	2,710	2,271	2,112	2,632	2,361	2,663	2,632	2,627
30 Farmers Home Administration.....	1,109	1,064	1,353	926	618	1,384	926	956
31 1- to 4-family.....	208	454	626	288	124	460	288	302
32 Multifamily.....	215	218	275	320	102	240	320	180
33 Commercial.....	190	72	149	101	104	251	101	283
34 Farm.....	496	320	303	217	288	433	217	191
35 Federal Housing and Veterans Admin.....	4,970	5,150	5,212	5,419	5,225	5,295	5,419	5,522
36 1- to 4-family.....	1,990	1,676	1,627	1,641	1,543	1,563	1,641	1,693
37 Multifamily.....	2,980	3,474	3,585	3,778	3,682	3,730	3,778	3,829
38 Federal National Mortgage Association.....	31,824	32,904	34,369	43,311	38,753	41,189	43,311	46,410
39 1- to 4-family.....	25,813	26,934	28,504	37,579	32,974	35,437	37,579	40,702
40 Multifamily.....	6,011	5,970	5,865	5,732	5,779	5,752	5,732	5,708
41 Federal Land Banks.....	16,563	19,125	22,136	25,624	23,857	24,758	25,624	26,893
42 1- to 4-family.....	549	601	670	927	727	789	927	1,042
43 Farm.....	16,014	18,524	21,466	24,697	23,130	23,939	24,697	25,851
44 Federal Home Loan Mortgage Corp.....	4,987	4,269	3,276	3,064	2,255	2,486	3,064	3,460
45 1- to 4-family.....	4,588	3,889	2,738	2,407	1,856	1,994	2,407	2,685
46 Multifamily.....	399	380	538	657	399	492	657	775
47 Mortgage pools or trusts ²	34,138	49,801	70,289	88,633	78,602	82,730	88,633	94,551
48 Government National Mortgage Assn.....	18,257	30,572	44,896	24,347	48,032	50,844	54,347	57,955
49 1- to 4-family.....	17,538	29,583	43,555	52,732	46,515	49,276	52,732	56,269
50 Multifamily.....	719	989	1,341	1,615	1,517	1,568	1,615	1,686
51 Federal Home Loan Mortgage Corp.....	1,598	2,671	6,610	11,892	9,423	10,511	11,892	12,467
52 1- to 4-family.....	1,349	2,282	5,621	9,657	7,797	8,616	9,657	10,088
53 Multifamily.....	249	389	989	2,235	1,626	1,895	2,235	2,379
54 Farmers Home Administration.....	14,283	16,558	18,783	22,394	21,147	21,375	22,394	24,129
55 1- to 4-family.....	9,194	10,219	11,379	13,400	12,742	12,851	13,400	13,883
56 Multifamily.....	295	532	759	1,116	1,128	1,116	1,116	1,465
57 Commercial.....	1,948	2,440	2,945	3,560	3,301	3,369	3,560	3,660
58 Farm.....	2,846	3,367	3,682	4,318	3,976	4,039	4,318	5,121
59 Individuals and others ³	119,315	125,123	138,199	154,106	145,849	150,113	154,106	157,714
60 1- to 4-family.....	56,268	62,643	72,115	82,574	77,466	80,004	82,574	84,806
61 Multifamily.....	22,140	20,420	20,538	21,395	20,904	21,119	21,395	21,645
62 Commercial.....	22,569	21,446	21,820	212,830	21,960	22,459	22,830	23,267
63 Farm.....	18,338	20,614	23,726	27,307	25,519	26,531	27,307	27,996

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

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

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

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

1.57 CONSUMER INSTALLMENT CREDIT¹ Total Outstanding, and Net Change

Millions of dollars

Holder, and type of credit	1976	1977	1978	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Amounts outstanding (end of period)										
1 Total.....	193,977	230,829	275,640	269,445	275,640	275,346	275,818	278,347	282,395	287,595
<i>By major holder</i>										
2 Commercial banks.....	93,728	112,373	136,189	133,908	136,189	136,452	136,671	137,445	139,772	142,050
3 Finance companies.....	38,919	44,868	54,309	53,099	54,309	55,004	55,728	56,885	58,225	59,967
4 Credit unions.....	31,169	37,605	45,939	45,305	45,939	45,526	45,661	46,301	46,322	46,832
5 Retailers ²	19,260	23,490	24,876	23,006	24,876	23,962	23,246	22,929	23,097	23,421
6 Savings and loans.....	6,246	7,354	8,394	8,291	8,394	8,427	8,488	8,671	8,833	9,066
7 Gasoline companies.....	2,830	2,963	3,240	3,173	3,240	3,338	3,274	3,292	3,383	3,537
8 Mutual savings banks.....	1,825	2,176	2,693	2,663	2,693	2,637	2,750	2,824	2,763	2,722
<i>By major type of credit</i>										
9 Automobile.....	67,707	82,911	102,468	101,565	102,468	102,890	103,780	105,426	107,115	109,161
10 Commercial banks.....	39,621	49,577	60,564	60,347	60,564	60,682	61,053	61,742	62,795	63,841
11 Indirect paper.....	22,072	27,379	33,850	33,709	33,850	33,928	34,261	34,592	35,251	35,869
12 Direct loans.....	17,549	22,198	26,714	26,638	26,714	26,754	26,792	27,150	27,544	27,972
13 Credit unions.....	15,238	18,099	21,976	21,664	21,967	21,769	21,834	22,140	22,150	22,394
14 Finance companies.....	12,848	15,235	19,937	19,554	19,937	20,439	20,893	21,544	22,170	22,926
15 Revolving.....	17,189	39,274	47,051	43,523	47,051	46,516	45,586	45,240	45,781	46,487
16 Commercial banks.....	14,359	18,374	24,434	22,724	24,434	24,677	24,502	24,442	24,767	25,052
17 Retailers.....	17,937	19,377	19,377	17,626	19,377	18,501	17,810	17,506	17,898	17,898
18 Gasoline companies.....	2,830	2,963	3,240	3,173	3,240	3,338	3,274	3,292	3,383	3,537
19 Mobile home.....	14,573	15,141	16,042	16,017	16,042	16,004	16,008	16,092	16,198	16,453
20 Commercial banks.....	8,737	9,124	9,553	9,572	9,572	9,511	9,495	9,509	9,549	9,702
21 Finance companies.....	3,263	3,077	3,152	3,150	3,152	3,149	3,147	3,148	3,159	3,177
22 Savings and loans.....	2,241	2,538	2,848	2,813	2,848	2,859	2,880	2,942	2,997	3,076
23 Credit unions.....	332	402	489	482	489	485	486	493	493	498
24 Other.....	94,508	93,503	110,079	108,340	110,079	109,936	110,444	111,589	113,301	115,494
25 Commercial banks.....	31,011	35,298	41,638	41,265	41,638	41,582	41,621	41,752	42,661	43,455
26 Finance companies.....	22,808	26,556	31,220	30,395	31,220	31,416	31,688	32,193	32,896	33,864
27 Credit unions.....	15,599	19,104	23,483	23,159	23,483	23,272	23,341	23,668	23,679	23,940
28 Retailers.....	19,260	5,553	5,499	5,380	5,499	5,461	5,436	5,423	5,466	5,523
29 Savings and loans.....	4,005	4,816	5,546	5,478	5,546	5,568	5,608	5,729	5,836	5,990
30 Mutual savings banks.....	1,825	2,176	2,693	2,663	2,693	2,637	2,750	2,824	2,763	2,722
Net change (during period)										
31 Total.....	21,647	35,278	45,066	3,834	4,400	3,061	3,308	3,731	4,038	3,732
<i>By major holder</i>										
32 Commercial banks.....	10,792	18,645	24,058	1,660	2,080	1,330	1,630	1,465	2,050	1,662
33 Finance companies.....	2,946	5,948	9,441	1,018	1,098	1,341	1,205	1,334	1,377	1,322
34 Credit unions.....	5,503	6,436	8,334	779	779	360	402	528	139	124
35 Retailers ²	1,059	2,654	1,386	186	196	-90	-221	143	306	283
36 Savings and loans.....	1,085	1,111	1,041	88	115	67	86	173	158	280
37 Gasoline companies.....	124	132	276	-1	96	100	68	20	73	96
38 Mutual savings banks.....	138	352	530	104	42	-47	138	68	-65	-35
<i>By major type of credit</i>										
39 Automobile.....	10,465	15,204	19,557	1,755	1,780	1,680	1,565	1,486	1,319	1,225
40 Commercial banks.....	6,334	9,956	10,987	839	845	633	739	617	672	633
41 Indirect paper.....	2,742	5,307	6,471	440	530	387	530	290	409	397
42 Direct loans.....	3,592	4,649	4,516	399	315	246	209	327	263	236
43 Credit unions.....	2,497	2,861	3,868	364	391	187	190	245	64	60
44 Finance companies.....	1,634	2,387	4,702	552	544	860	636	624	583	532
45 Revolving.....	2,170	6,248	7,776	665	869	433	317	742	918	746
46 Commercial banks.....	2,046	4,015	6,060	556	610	375	492	588	605	415
47 Retailers.....	2,101	2,101	1,440	110	163	-42	-243	134	240	235
48 Gasoline companies.....	124	132	276	-1	96	100	68	20	73	96
49 Mobile home.....	140	565	897	75	71	40	56	108	84	235
50 Commercial banks.....	70	387	426	19	21	12	15	31	22	125
51 Finance companies.....	-182	-189	74	15	11	7	9	11	7	14
52 Savings and loans.....	192	297	310	34	30	19	28	59	56	94
53 Credit unions.....	60	70	87	7	9	2	4	7	-1	2
54 Other.....	8,872	13,261	16,836	1,339	1,680	908	1,370	1,395	1,717	1,526
55 Commercial banks.....	2,342	4,287	6,585	246	604	310	384	229	751	489
56 Finance companies.....	1,494	3,750	4,665	451	543	474	560	699	787	776
57 Credit unions.....	2,946	3,505	4,379	408	373	171	208	276	76	62
58 Retailers.....	1,059	553	54	76	33	-48	22	9	66	48
59 Savings and loans.....	893	814	731	54	85	48	58	114	102	186
60 Mutual savings banks.....	138	352	530	104	42	-47	138	68	-65	-35

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

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

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

NOTE. Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to \$64.3 billion at the end of 1978, \$58.6 billion at the end of 1977, \$54.8 billion at the end of 1976, and \$50.9 billion at the end of 1975. Comparable data for Dec. 31, 1979, will be published in the February 1980 BULLETIN.

1.58 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars

Holder, and type of credit	1976	1977	1978	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Extensions ²										
1 Total	211,028	254,071	298,574	26,219	26,500	25,544	26,202	26,698	26,889	28,027
<i>By major holder</i>										
2 Commercial banks.....	97,397	117,896	142,965	12,481	12,521	12,153	12,430	12,412	12,958	13,499
3 Finance companies.....	36,129	41,989	50,483	4,512	4,679	4,547	4,822	5,123	5,271	5,213
4 Credit unions.....	29,259	34,028	40,023	3,530	3,526	3,241	3,238	3,250	2,753	3,124
5 Retailers ¹	29,447	39,133	41,619	3,571	3,612	3,565	3,460	3,611	3,742	3,721
6 Savings and loans.....	3,898	4,485	5,050	489	516	481	468	583	559	723
7 Gasoline companies.....	13,387	14,617	16,125	1,376	1,451	1,440	1,486	1,493	1,505	1,613
8 Mutual savings banks.....	1,511	1,923	2,309	260	195	117	298	226	101	134
<i>By major type of credit</i>										
9 Automobile.....	63,743	75,641	88,986	7,787	7,833	7,545	7,756	7,797	7,845	8,227
10 Commercial banks.....	37,886	46,363	53,028	4,503	4,443	4,286	4,430	4,424	4,553	4,648
11 Indirect paper.....	20,576	25,149	29,336	2,422	2,451	2,318	2,472	2,449	2,630	2,541
12 Direct loans.....	17,310	21,214	23,692	2,081	1,992	1,968	1,958	1,975	1,923	2,107
13 Credit unions.....	14,688	16,616	19,486	1,718	1,738	1,635	1,624	1,587	1,415	1,566
14 Finance companies.....	11,169	12,662	16,472	1,566	1,652	1,624	1,702	1,786	1,877	2,013
15 Revolving.....	43,934	86,756	104,587	9,176	9,424	9,417	9,357	9,714	9,722	10,170
16 Commercial banks.....	30,547	38,256	51,531	4,702	4,814	4,799	4,860	5,024	4,923	5,285
17 Retailers.....	33,883	33,883	36,931	3,098	3,159	3,178	3,011	3,197	3,294	3,272
18 Gasoline companies.....	13,387	14,617	16,125	1,376	1,451	1,440	1,486	1,493	1,505	1,613
19 Mobile home.....	4,859	5,425	6,067	486	502	369	454	516	502	659
20 Commercial banks.....	3,064	3,466	3,704	280	295	235	295	296	305	411
21 Finance companies.....	702	643	886	77	74	33	60	61	50	49
22 Savings and loans.....	929	1,120	1,239	108	111	88	81	139	134	182
23 Credit unions.....	164	196	238	21	22	13	18	20	13	17
24 Other.....	98,492	86,249	98,934	8,500	8,741	8,213	8,635	8,671	8,820	8,971
25 Commercial banks.....	25,900	29,811	34,702	2,726	2,969	2,833	2,845	2,668	3,177	3,155
26 Finance companies.....	24,258	28,684	33,125	2,869	2,953	2,890	3,060	3,276	3,344	3,151
27 Credit unions.....	14,407	17,216	20,299	1,791	1,766	1,593	1,596	1,643	1,325	1,541
28 Retailers.....	29,447	5,250	4,688	473	453	387	449	414	448	449
29 Savings and loans.....	2,969	3,365	3,811	381	405	393	387	444	425	541
30 Mutual savings banks.....	1,511	1,923	2,309	260	195	117	298	226	101	134
Liquidations ²										
31 Total	189,381	218,793	253,508	22,115	22,100	22,483	22,894	22,967	22,851	24,295
<i>By major holder</i>										
32 Commercial banks.....	86,605	99,251	118,907	10,551	10,441	10,823	10,800	10,947	10,908	11,837
33 Finance companies.....	33,183	36,041	41,042	3,494	3,581	3,206	3,617	3,789	3,894	3,891
34 Credit unions.....	23,756	27,592	31,689	2,751	2,753	2,881	2,836	2,722	2,614	3,000
35 Retailers ¹	28,388	36,479	40,233	3,385	3,416	3,655	3,681	3,468	3,436	3,438
36 Savings and loans.....	2,813	3,374	4,009	401	414	414	382	410	401	443
37 Gasoline companies.....	13,263	14,485	15,849	1,377	1,355	1,340	1,418	1,473	1,432	1,517
38 Mutual savings banks.....	1,373	1,571	1,779	156	153	164	160	158	166	169
<i>By major type of credit</i>										
39 Automobile.....	53,278	60,437	69,429	6,032	6,053	5,865	6,191	6,311	6,526	7,002
40 Commercial banks.....	31,552	36,407	42,041	3,664	3,598	3,653	3,691	3,807	3,881	4,015
41 Indirect paper.....	17,834	19,842	22,865	1,982	1,921	1,931	1,942	2,159	2,221	2,144
42 Direct loans.....	13,718	16,565	19,176	1,682	1,677	1,722	1,749	1,648	1,660	1,871
43 Credit unions.....	12,191	13,755	15,618	1,354	1,347	1,448	1,434	1,342	1,351	1,506
44 Finance companies.....	9,535	10,275	11,770	1,014	1,108	764	1,066	1,162	1,294	1,481
45 Revolving.....	41,764	80,508	96,811	8,511	8,555	8,984	9,040	8,972	8,804	9,424
46 Commercial banks.....	28,501	34,241	45,471	4,146	4,204	4,424	4,368	4,366	4,318	4,870
47 Retailers.....	31,782	31,782	35,491	2,988	2,996	3,220	3,254	3,063	3,054	3,037
48 Gasoline companies.....	13,263	14,485	15,849	1,377	1,355	1,340	1,418	1,473	1,432	1,517
49 Mobile home.....	4,719	4,860	5,170	411	431	329	398	408	418	424
50 Commercial banks.....	2,994	3,079	3,278	261	274	223	280	265	283	286
51 Finance companies.....	884	832	812	62	63	26	51	50	43	35
52 Savings and loans.....	737	823	929	74	81	69	53	80	78	88
53 Credit unions.....	104	126	151	14	13	11	14	13	14	15
54 Other.....	89,620	72,988	82,098	7,161	7,061	7,305	7,265	7,276	7,103	7,445
55 Commercial banks.....	23,558	25,524	28,117	2,480	2,365	2,523	2,461	2,439	2,426	2,666
56 Finance companies.....	22,764	24,934	28,460	2,418	2,410	2,410	2,500	2,577	2,557	2,375
57 Credit unions.....	11,461	13,711	15,920	1,383	1,393	1,422	1,388	1,367	1,249	1,479
58 Retailers.....	28,388	4,697	4,742	397	420	435	427	405	382	401
59 Savings and loans.....	2,076	2,551	3,080	327	320	345	329	330	323	355
60 Mutual savings banks.....	1,373	1,571	1,779	156	153	164	160	158	166	169

¹ Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies.² Monthly figures are seasonally adjusted.

1.60 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; quarterly data are at seasonally adjusted annual rates.

Transaction category, or sector	1973	1974	1975	1976	1977	1978	1976		1977		1978	
							H1	H2	H1	H2	H1	H2
1 Total funds advanced in credit markets to nonfinancial sectors	196.1	184.9	198.0	261.7	337.4	393.6	245.9	277.5	301.0	373.8	376.4	411.0
<i>By public agencies and foreign</i>												
2 Total net advances	34.1	52.6	44.3	54.5	85.4	109.4	49.7	59.3	69.3	101.6	103.7	115.1
3 U.S. government securities	9.5	11.9	22.5	26.8	40.2	43.9	24.4	29.3	27.2	53.2	42.7	45.0
4 Residential mortgages	8.2	14.7	16.2	12.8	20.4	26.5	11.8	13.7	20.0	20.9	23.5	29.5
5 FHLB advances to S&Is	7.2	6.7	4.0	2.0	4.3	12.5	-1.5	-2.5	3.4	5.2	14.1	10.9
6 Other loans and securities	9.2	19.4	9.5	16.9	20.5	26.6	15.0	18.8	18.6	22.4	23.5	29.7
<i>Totals advanced, by sector</i>												
7 U.S. government	2.8	9.7	15.1	8.9	11.8	18.6	6.3	11.5	6.1	17.6	19.5	17.7
8 Sponsored credit agencies	21.4	25.6	14.5	20.6	26.9	46.0	20.0	21.2	26.7	27.2	44.9	47.1
9 Monetary authorities	9.2	6.2	8.5	9.8	7.1	7.0	13.7	6.0	10.2	4.1	12.9	1.0
10 Foreign	.6	11.2	6.1	15.2	39.5	37.8	9.7	20.6	26.4	52.7	26.3	49.2
11 Agency borrowing not included in line 1	19.9	23.1	13.5	18.6	26.3	41.4	18.2	19.0	25.0	27.5	41.5	41.3
<i>Private domestic funds advanced</i>												
12 Total net advances	182.0	155.3	167.3	225.7	278.2	325.6	214.4	237.1	256.8	299.7	314.3	337.2
13 U.S. government securities	18.8	22.4	75.7	61.3	44.1	51.3	67.5	55.1	42.8	45.4	57.7	44.9
14 State and local obligations	14.7	16.5	15.6	19.0	29.2	30.1	19.3	18.7	29.3	29.0	28.6	31.6
15 Corporate and foreign bonds	10.0	20.9	32.8	30.5	22.3	22.3	28.6	32.3	17.2	27.3	22.3	22.4
16 Residential mortgages	48.4	26.9	23.2	52.7	83.2	88.3	45.6	59.7	74.9	91.6	84.9	91.7
17 Other mortgages and loans	97.2	75.4	16.1	60.4	103.7	146.0	51.9	68.9	96.0	111.5	134.9	157.4
18 Liabilities: FHLB advances	7.2	6.7	4.0	2.0	4.3	12.5	-1.5	-2.5	3.4	5.2	14.1	10.9
<i>Private financial intermediation</i>												
19 Credit market funds advanced by private financial institutions	165.4	126.2	119.9	191.2	249.6	288.5	174.4	207.9	241.1	258.0	282.7	294.4
20 Commercial banking	86.5	64.5	27.6	58.0	85.8	121.9	46.6	69.4	81.1	90.5	119.5	124.3
21 Savings institutions	36.9	26.9	52.0	71.4	84.8	78.2	70.5	72.4	85.3	84.3	77.5	78.9
22 Insurance and pension funds	23.9	30.0	41.5	51.7	62.0	70.1	53.2	50.2	60.3	63.7	68.8	71.3
23 Other finance	18.0	4.7	1.1	10.1	16.9	18.4	4.2	15.9	14.5	19.4	16.9	19.9
24 Sources of funds	165.4	126.2	119.9	191.2	249.6	288.5	174.4	207.9	241.1	258.0	282.7	294.4
25 Private domestic deposits	86.6	69.4	90.6	121.5	136.0	131.4	108.3	134.6	127.0	145.0	120.0	142.8
26 Credit market borrowing	36.2	13.0	2.5	9.6	32.0	53.3	10.0	9.2	36.0	28.0	60.5	46.0
27 Other sources	42.5	43.8	31.9	60.1	81.6	103.9	56.1	64.1	78.2	85.1	102.2	105.6
28 Foreign funds	5.8	16.8	.9	5.1	11.6	12.7	.7	9.5	.7	22.4	4.0	21.4
29 Treasury balances	1.0	5.1	1.7	.1	4.3	8.1	2.3	-2.5	1.8	10.4	.7	17.0
30 Insurance and pension reserves	18.4	26.0	29.6	34.8	48.0	57.6	35.8	33.8	45.5	50.4	55.9	59.3
31 Other, net	19.4	6.0	3.1	20.3	17.8	25.5	17.2	23.4	33.7	1.9	43.2	7.8
<i>Private domestic nonfinancial investors</i>												
32 Direct lending in credit markets	52.8	42.2	44.9	44.1	60.6	90.3	50.0	38.4	51.6	69.6	92.1	88.8
33 U.S. government securities	19.2	17.5	23.0	19.6	24.6	36.1	25.0	14.1	14.1	35.2	37.6	34.5
34 State and local obligations	5.4	9.3	8.3	6.8	9.1	9.6	7.6	6.0	8.2	10.1	10.8	8.4
35 Corporate and foreign bonds	1.3	4.7	8.0	2.1	1.1	1.8	2.9	1.3	.4	1.8	3.0	.5
36 Commercial paper	18.3	2.4	.8	4.1	9.5	28.3	4.8	3.4	13.0	6.0	28.8	27.8
37 Other	8.6	8.2	6.4	11.5	16.2	18.1	9.7	13.5	15.9	16.5	17.8	18.7
38 Deposits and currency	90.6	75.7	96.8	128.8	144.3	140.6	114.3	143.3	132.6	156.0	130.0	151.1
39 Time and savings accounts	76.1	66.7	84.8	112.2	120.1	120.6	99.5	125.0	110.5	129.7	111.5	129.7
40 Large negotiable CDs	18.1	18.8	14.1	14.4	9.3	13.2	19.8	9.1	-4.4	22.9	11.5	14.9
41 Other at commercial banks	29.6	26.1	39.4	58.1	41.7	46.4	52.0	64.3	45.3	38.2	45.2	47.7
42 At savings institutions	28.5	21.8	59.4	68.5	69.1	61.0	67.3	69.8	69.6	68.7	54.8	67.1
43 Money	14.4	8.9	12.0	16.6	24.2	20.0	14.8	18.3	22.1	26.3	18.6	21.4
44 Demand deposits	10.5	2.6	5.8	9.3	15.9	10.8	8.9	9.6	16.5	15.3	8.5	13.1
45 Currency	3.9	6.3	6.2	7.3	8.3	9.2	6.0	8.6	5.6	11.0	10.1	8.3
46 Total of credit market instruments, deposits and currency	143.4	117.8	141.6	172.9	204.9	230.9	164.3	181.6	184.2	225.6	222.1	240.0
47 Public support rate (in percent)	17.4	28.5	22.4	20.8	25.3	27.8	20.2	21.4	23.0	27.2	27.5	28.0
48 Private financial intermediation (in percent)	90.9	81.3	71.7	84.7	89.7	88.6	81.3	87.7	93.9	86.1	89.9	87.3
49 Total foreign funds	6.4	28.0	7.1	20.3	51.1	50.5	10.4	30.1	27.1	75.1	30.3	70.7
<i>MIMO: Corporate equities not included above</i>												
50 Total net issues	9.2	4.1	10.7	11.9	3.8	2.6	13.4	10.4	1.7	5.8	2.4	2.7
51 Mutual fund shares	1.2	.7	.1	1.0	-1.0	1.1	2.4	.4	-.8	-1.2	.6	1.5
52 Other equities	10.4	4.8	10.8	12.9	4.8	3.6	15.8	9.9	2.5	7.0	3.0	4.3
53 Acquisitions by financial institutions	13.3	5.8	9.7	12.5	6.2	3.7	13.1	12.0	6.1	6.3	2.0	5.4
54 Other net purchases	-4.1	1.6	1.0	.7	2.4	1.1	.3	1.6	4.4	-.5	.4	2.6

NOTES BY LINE NUMBER.

- Line 2 of p. A-44.
- Sum of lines 3-6 or 7-10.
- Includes farm and commercial mortgages.
- Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities. Included below in lines 3, 13, and 33.
- Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
- Includes farm and commercial mortgages.
- Sum of lines 39 and 44.
- Excludes equity issues and investment company shares. Includes line 18.
- Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.

29. Demand deposits at commercial banks.

30. Excludes net investment of these reserves in corporate equities.

31. Mainly retained earnings and net miscellaneous liabilities.

32. Line 12 less line 19 plus line 26.

33-37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.

45. Mainly an offset to line 9.

46. Lines 32 plus 38, or line 12 less line 27 plus line 45.

47. Line 2/line 1.

48. Line 19/line 12.

49. Sum of lines 10 and 28.

50, 52. Includes issues by financial institutions.

NOTE. Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1976	1977	1978	1978		1979					
				Nov.	Dec.	Jan.	Feb.	Mar. ^r	Apr. ^r	May. ^r	June
1 Industrial production.....	129.8	137.1	145.2	149.6	150.9	150.9	151.2	152.3	150.0	151.8	151.4
<i>Market groupings</i>											
2 Products, total.....	129.3	137.1	144.3	147.7	149.1	149.4	150.2	151.1	148.5	150.7	150.1
3 Final, total.....	127.2	134.9	141.4	144.5	145.6	145.9	146.5	147.9	145.0	147.6	146.9
4 Consumer goods.....	136.2	143.4	147.4	149.7	150.6	150.6	151.0	152.1	148.2	151.5	150.0
5 Equipment.....	114.6	123.2	133.1	137.3	138.7	139.5	140.2	141.8	140.5	142.6	142.8
6 Intermediate.....	137.2	145.1	155.3	159.3	161.8	162.6	163.7	162.6	161.2	162.2	162.1
7 Materials.....	130.6	136.9	146.5	152.7	153.8	153.1	152.9	154.2	152.4	153.6	153.5
<i>Industry groupings</i>											
8 Manufacturing.....	129.5	137.1	145.6	150.4	151.8	151.9	152.2	153.4	150.8	153.0	152.5
<i>Capacity utilization (percent)¹</i>											
9 Manufacturing.....	80.2	82.4	84.2	85.8	86.3	86.0	85.9	86.3	84.6	85.5	85.0
10 Industrial materials industries.....	80.4	81.9	84.9	87.6	88.1	87.4	87.1	87.6	86.4	86.8	86.6
11 Construction contracts ²	190.2	160.5	174.3	173.0	184.0	181.0	231.0	186.0	202.0	178.0	n.a.
12 Nonagricultural employment, total ³	120.7	125.0	130.3	132.3	133.5	133.0	133.5	134.1	134.1	134.5	134.7
13 Goods-producing, total.....	100.2	104.2	108.9	111.0	111.7	112.0	112.4	113.3	113.1	113.3	113.3
14 Manufacturing, total.....	97.7	101.0	104.5	105.9	106.6	107.1	107.4	107.8	107.6	107.5	107.3
15 Manufacturing, production-worker.....	95.3	98.6	102.1	103.5	104.3	104.8	105.2	105.4	105.1	104.9	104.6
16 Service-producing.....	131.9	136.4	142.1	144.0	144.2	144.5	145.0	145.5	145.7	146.2	146.4
17 Personal income, total ⁴	220.4	244.0	272.5	285.0	288.5	290.3	292.6	296.2	297.4	299.5	n.a.
18 Wages and salary disbursements.....	189.3	230.1	257.5	268.8	271.5	274.4	276.9	280.5	281.0	282.6	n.a.
19 Manufacturing.....	177.1	198.6	223.6	234.8	238.0	241.0	244.1	246.8	245.4	246.7	n.a.
20 Disposable personal income.....	176.8	194.5	216.7	226.0	.....	.....	233.4	.....	.....	n.a.	.....
21 Retail sales ⁵	203.5	224.4	248.0	262.0	265.3	270.7	271.8	275.3	272.7	272.5	269.6
<i>Prices⁶</i>											
22 Consumer.....	170.5	181.5	195.4	202.0	202.9	204.7	207.1	209.1	211.5	214.1	n.a.
23 Producer finished goods.....	170.3	180.6	194.6	200.3	202.4	205.2	207.4	208.8	211.2	212.4	213.4

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

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

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

4. Based on data in *Survey of Current Business* (U.S. Department of Commerce). Series for disposable income is quarterly.

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

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

NOTE. Basic data (not index numbers) for series mentioned in notes 3, 4, and 5, and indexes for series mentioned in notes 2 and 6 may also be found in the *Survey of Current Business* (U.S. Department of Commerce). Figures for industrial production for the last two months are preliminary and estimated, respectively.

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1978		1979		1978		1979		1978		1979	
	Q3	Q4	Q1 ^r	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)			
1 Manufacturing.....	147.7	150.6	152.5	152.1	173.7	175.4	177.1	178.9	85.0	85.9	86.1	85.0
2 Primary processing.....	158.2	161.9	162.1	161.8	180.2	181.9	183.8	185.8	87.8	89.0	88.2	87.0
3 Advanced processing.....	142.1	144.5	147.3	147.1	170.2	171.8	173.4	175.1	83.5	84.1	84.9	84.0
4 Materials.....	148.7	152.6	153.4	153.2	173.0	174.2	175.6	176.9	86.0	87.6	87.4	86.6
5 Durable goods.....	150.4	155.2	155.2	154.1	176.3	177.4	178.4	179.4	85.3	87.5	87.0	85.9
6 Basic metal.....	124.6	129.4	124.2	n.a.	146.5	146.8	147.1	n.a.	85.1	88.1	84.4	n.a.
7 Nondurable goods.....	163.2	166.9	169.5	171.4	186.5	188.5	190.7	192.7	87.5	88.5	88.9	89.0
8 Textile, paper, and chemical.....	168.4	172.2	175.2	177.7	195.4	197.5	199.8	201.9	86.2	87.2	87.7	88.0
9 Textile.....	117.3	119.4	117.4	n.a.	144.7	145.2	145.8	n.a.	81.0	82.2	80.5	n.a.
10 Paper.....	134.8	137.2	137.6	n.a.	155.8	156.9	158.0	n.a.	86.5	87.4	87.1	n.a.
11 Chemical.....	204.4	209.5	215.8	n.a.	233.5	236.8	240.2	n.a.	87.5	88.5	89.8	n.a.
12 Energy.....	127.0	128.7	129.0	128.2	148.4	148.9	150.2	151.0	85.6	86.4	85.9	84.9

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1976	1977	1978	1979						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
HOUSEHOLD SURVEY DATA										
1 Noninstitutional population ¹	156,048	158,559	161,058	162,250	162,448	162,633	162,909	163,008	163,260	163,469
2 Labor force (including Armed Forces) ¹	96,917	99,534	102,537	103,975	104,277	104,621	104,804	104,193	104,325	104,604
3 Civilian labor force.....	94,773	97,401	100,420	101,867	102,183	102,527	102,714	102,111	102,247	102,528
4 Nonagricultural industries ²	84,188	87,302	91,031	92,468	93,068	93,335	93,499	92,987	93,134	93,494
5 Agriculture.....	3,297	3,244	3,342	3,387	3,232	3,311	3,343	3,186	3,184	3,260
6 Unemployment										
7 Number.....	7,288	6,855	6,047	6,012	5,883	5,881	5,871	5,937	5,929	5,774
8 Rate (percent of civilian labor force).....	7.7	7.0	6.0	5.9	5.8	5.7	5.7	5.8	5.8	5.6
8 Not in labor force.....	59,130	59,025	58,521	58,275	58,170	58,012	58,105	58,815	58,935	58,865
ESTABLISHMENT SURVEY DATA										
9 Nonagricultural payroll employment ³	79,382	82,256	85,760	87,281	87,524	87,818	88,263	88,248	88,516	88,613
10 Manufacturing.....	18,997	19,647	20,331	20,729	20,825	20,895	20,964	20,922	20,902	20,857
11 Mining.....	779	809	837	904	905	919	922	922	923	935
12 Contract construction.....	3,576	3,833	4,213	4,397	4,381	4,385	4,526	4,507	4,584	4,612
13 Transportation and public utilities.....	4,582	4,696	4,858	4,967	4,974	5,001	5,025	4,935	5,031	5,074
14 Trade.....	17,755	18,492	19,392	19,697	19,817	19,883	19,945	19,959	19,978	19,968
15 Finance.....	4,271	4,452	4,676	4,789	4,809	4,829	4,839	4,853	4,868	4,876
16 Service.....	14,551	15,249	15,976	16,327	16,352	16,438	16,535	16,575	16,617	16,670
17 Government.....	14,871	15,079	15,478	15,471	15,461	15,468	15,507	15,575	15,613	15,621

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

2. Includes self-employed, unpaid family, and domestic service workers.

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the February 1977 benchmark. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).

2.13 Continued

Grouping	SIC code	1967 proportion	1978 average ^a	1978								1979			
				Apr.	May	June	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^b	Apr.	May ^b	June ^c
Index (1967 = 100)															
MAJOR INDUSTRY															
1 Mining and utilities.....		12.05	141.6	140.9	140.9	142.5	144.1	144.5	145.0	144.2	144.0	143.9	143.6	144.1	144.6
2 Mining.....		6.36	124.2	127.2	126.7	128.0	127.6	128.1	127.6	124.0	121.8	123.4	123.6	124.0	124.8
3 Utilities.....		5.69	161.0	156.0	157.0	158.6	162.4	162.9	164.3	166.8	169.0	166.9	166.0	166.6	166.9
4 Electric.....		3.88	182.2	175.0	177.1	180.1	184.1	185.0	186.6	189.4	192.2	189.2	n.a.	n.a.	n.a.
5 Manufacturing.....		87.95	145.7	143.5	144.3	145.5	149.5	150.4	151.8	151.9	152.2	153.4	150.8	153.0	152.5
6 Nondurable.....		35.97	154.8	153.2	154.0	154.9	157.4	158.5	159.6	160.4	160.7	161.7	160.8	161.9	161.5
7 Durable.....		51.98	139.3	136.9	137.6	139.0	144.0	144.8	146.4	146.0	146.2	147.5	143.9	147.0	146.3
<i>Mining</i>															
8 Metal.....	10	.51	121.0	122.3	120.0	121.1	122.1	125.3	123.9	123.5	124.3	125.5	128.6	124.9	n.a.
9 Coal.....	11	.69	115.7	129.5	131.7	136.4	114.7	145.1	146.8	116.0	104.0	124.0	129.5	133.9	142.6
10 Oil and gas extraction.....	13	4.40	124.7	127.3	126.3	127.1	124.5	124.9	123.8	123.2	121.7	120.6	119.9	119.9	119.4
11 Stone and earth minerals.....	14	.75	131.1	128.9	130.1	130.7	134.0	132.9	134.2	136.7	137.0	136.7	135.8	137.7	n.a.
<i>Nondurable manufacturers</i>															
12 Foods.....	20	8.75	142.9	143.1	142.8	141.8	143.2	144.2	145.7	145.5	146.5	148.0	147.3	149.4	n.a.
13 Tobacco products.....	21	.67	119.2	121.0	120.2	122.7	119.0	121.5	122.0	120.0	118.8	121.8	121.9	n.a.	n.a.
14 Textile mill products.....	22	2.68	140.0	138.1	138.5	140.4	142.1	143.9	144.9	143.5	140.5	142.9	142.5	143.1	n.a.
15 Apparel products.....	23	3.31	126.3	126.1	125.8	126.8	130.6	.....	131.4	132.3	.....	n.a.	n.a.	n.a.	n.a.
16 Paper and products.....	26	3.21	144.5	145.7	146.6	148.0	145.8	145.3	147.8	144.9	148.0	149.8	148.7	147.3	148.0
17 Printing and publishing.....	27	4.72	129.9	128.6	128.2	128.7	130.5	132.1	133.0	135.8	137.6	137.0	135.5	136.0	136.5
18 Chemicals and products.....	28	7.74	190.7	185.5	188.1	191.1	195.9	197.6	197.9	200.8	201.4	201.5	201.7	203.6	n.a.
19 Petroleum products.....	29	1.79	144.2	141.7	143.4	142.8	147.1	148.9	149.9	147.9	144.5	143.1	145.0	143.5	142.4
20 Rubber and plastic products.....	30	2.24	254.8	249.1	252.7	255.5	264.1	264.2	267.0	268.1	270.1	272.2	267.7	271.6	n.a.
21 Leather and products.....	31	.86	74.1	76.0	75.7	75.1	73.8	74.1	74.0	75.1	73.3	73.1	70.9	72.7	n.a.
<i>Durable manufacturers</i>															
22 Ordnance, private and government.....	19, 91	3.64	73.7	73.0	74.3	74.7	73.9	73.6	74.2	73.4	73.5	75.5	76.3	76.4	76.0
23 Lumber and products.....	24	1.64	138.9	136.9	136.5	138.7	141.2	142.5	146.0	142.0	140.6	140.7	139.3	141.7	n.a.
24 Furniture and fixtures.....	25	1.37	154.7	148.9	152.8	156.2	160.9	157.6	156.7	161.7	163.6	163.8	160.8	161.4	n.a.
25 Clay, glass, stone products.....	32	2.74	159.2	156.7	157.9	159.8	162.1	166.3	167.7	168.6	166.9	166.1	163.4	164.8	n.a.
26 Primary metals.....	33	6.57	119.0	114.3	115.5	117.5	128.6	129.0	130.4	122.0	121.3	121.8	119.4	120.0	121.2
27 Iron and steel.....	331, 2	4.21	113.2	109.0	110.5	114.5	123.8	124.1	124.5	112.7	112.8	114.5	113.2	112.2	n.a.
28 Fabricated metal products.....	34	5.93	142.6	139.5	140.4	142.3	146.0	146.9	149.0	151.0	152.2	151.4	150.2	150.8	150.0
29 Nonelectrical machinery.....	35	9.15	155.6	152.2	152.9	154.6	160.3	160.3	161.8	163.6	164.6	166.2	165.0	165.7	166.0
30 Electrical machinery.....	36	8.05	154.3	152.3	152.9	154.1	157.9	159.0	161.9	163.9	165.3	165.9	163.5	166.6	165.9
31 Transportation equipment.....	37	9.27	130.5	130.5	130.1	130.4	137.0	139.3	139.5	137.7	136.3	140.4	128.7	140.4	137.1
32 Motor vehicles and parts.....	371	4.50	168.3	171.7	168.3	167.7	176.8	180.8	179.7	174.5	171.4	178.6	155.4	175.4	168.0
33 Aerospace and miscellaneous transportation equipment.....	372-9	4.77	94.9	91.8	93.9	95.0	99.6	100.2	101.7	103.0	103.2	104.3	103.7	107.3	108.2
34 Instruments.....	38	2.11	171.6	170.5	169.8	170.9	175.3	172.2	179.5	180.4	181.0	182.7	180.4	180.8	180.5
35 Miscellaneous manufactures.....	39	1.51	153.3	152.9	152.7	153.5	153.9	152.1	153.7	154.8	156.9	157.1	154.5	154.7	154.9
Gross value (billions of 1972 dollars, annual rates)															
MAJOR MARKET															
36 Products, total.....		1507.4	609.6	608.8	606.8	608.9	621.3	625.3	632.0	628.0	632.0	639.2	623.2	635.3	632.9
37 Final.....		1390.9	469.3	470.7	468.2	468.9	478.8	481.6	486.6	481.8	484.4	492.1	477.2	487.8	486.0
38 Consumer goods.....		1277.5	324.0	326.3	324.0	323.0	328.1	330.8	332.3	329.0	330.4	343.3	323.8	330.2	327.9
39 Equipment.....		1113.4	145.3	144.4	144.2	146.0	150.6	150.9	154.3	152.9	154.1	157.7	153.3	157.8	158.2
40 Intermediate.....		1116.6	140.4	138.3	138.6	140.3	142.6	144.0	145.6	146.3	147.4	147.2	146.4	147.3	147.1

1. 1972 dollars.

NOTE. Published groupings include some series and subtotals not

shown separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System; Washington, D.C.), December 1977.

2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

Item	1976	1977	1978	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Private residential real estate activity (thousands of units)										
NEW UNITS										
1 Permits authorized.....	1,296	1,677	1,801	1,789	1,827	1,442	1,425	1,621	1,517	1,591
2 1-family.....	894	1,126	1,182	1,172	1,268	920	881	1,056	1,036	1,027
3 2-or-more-family.....	402	551	619	617	557	522	544	565	481	564
4 Started.....	1,538	1,986	2,019	2,107	2,074	1,679	1,381	1,786	1,735	1,827
5 1-family.....	1,163	1,451	1,433	1,502	1,539	1,139	953	1,266	1,273	1,195
6 2-or-more-family.....	377	535	586	605	535	540	428	520	462	632
7 Under construction, end of period ¹	1,147	1,442	1,355	1,337	1,345	1,360	1,344	1,316	1,266	n.a.
8 1-family.....	655	829	1,378	791	799	812	793	775	746	n.a.
9 2-or-more-family.....	492	613	553	545	546	549	551	541	520	n.a.
10 Completed.....	1,362	1,652	1,866	1,885	1,888	1,815	1,894	1,954	1,997	n.a.
11 1-family.....	1,026	1,254	1,368	1,375	1,805	1,331	1,376	1,415	1,412	n.a.
12 2-or-more-family.....	336	398	498	510	1,892	484	518	539	592	n.a.
13 Mobile homes shipped.....	246	277	276	280	303	311	272	270	273	263
<i>Merchant builder activity in 1-family units</i>										
14 Number sold.....	639	819	817	803	802	774	697	784	725	726
15 Number for sale, end of period ¹	433	407	423	412	413	412	410	424	425	430
<i>Price (thousands of dollars)²</i>										
<i>Median</i>										
16 Units sold.....	44.2	48.9	55.9	58.8	59.9	60.3	61.2	60.4	62.8	62.9
17 Units for sale.....	41.6	48.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Average</i>										
18 Units sold.....	48.1	54.4	62.7	66.3	67.4	67.7	68.7	68.5	71.3	71.4
EXISTING UNITS (1-family)										
19 Number sold.....	3,002	3,572	3,905	4,350	4,160	3,710	3,620	3,650	3,760	3,860
<i>Price of units sold (thous. of dollars)²</i>										
20 Median.....	38.1	42.9	48.7	50.7	50.9	52.0	51.9	53.8	54.7	55.9
21 Average.....	42.2	47.9	55.1	57.4	58.1	59.8	59.5	61.8	62.5	64.2
Value of new construction⁴ (millions of dollars)										
CONSTRUCTION										
22 Total put in place.....	148,778	172,552	202,219	215,827	218,529	208,595	205,616	216,824	216,723	221,525
23 Private.....	110,416	134,723	157,455	167,931	170,966	162,260	163,852	172,820	171,895	173,833
24 Residential.....	60,519	80,957	93,088	97,594	98,793	92,188	94,092	96,591	95,926	94,956
25 Nonresidential, total.....	49,897	53,766	64,367	70,337	72,173	70,072	69,760	76,229	75,969	78,877
<i>Buildings</i>										
26 Industrial.....	7,182	7,713	10,762	12,529	13,273	12,512	13,022	15,201	14,034	14,502
27 Commercial.....	12,757	14,789	18,280	20,294	20,049	19,272	18,767	20,990	21,463	23,628
28 Other.....	6,155	6,200	6,659	6,877	6,922	6,598	6,431	7,071	7,147	7,035
29 Public utilities and other.....	23,803	25,064	28,666	30,637	31,929	31,688	31,541	32,967	33,325	33,712
<i>Public</i>										
30 Public.....	38,312	37,828	44,762	47,897	47,563	46,335	41,763	44,004	44,828	47,592
31 Military.....	1,521	1,517	1,462	1,415	1,442	1,621	1,438	1,983	1,557	1,484
32 Highway.....	9,439	9,280	8,627	10,956	11,176	10,015	9,037	9,332	n.a.	n.a.
33 Conservation and development.....	3,751	3,882	3,697	4,593	4,357	4,865	4,476	4,862	n.a.	n.a.
34 Other ³	23,601	23,149	23,503	30,933	30,588	29,834	26,812	27,234	n.a.	n.a.

1. Not at annual rates.

2. Not seasonally adjusted.

3. Beginning Jan. 1977 Highway imputations are included in Other.

4. Value of new construction data in recent periods may not be strictly comparable with data in prior periods due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports (C-30-76-5)*, issued by the Bureau in July 1976.

NOTE. Census Bureau estimates for all series except (a) mobile homes which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are those reported to the Census Bureau from 14,000 jurisdictions through 1977, and 16,000 jurisdictions beginning with 1978.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted.

Item	12 months to		3 months (at annual rate) to—				1 month to—					Index level May 1979 (1967=100) ³
	1978 May	1979 May	1978		1979		1979					
			June	Sept.	Dec.	Mar.	Jan.	Feb.	Mar.	Apr.	May	
CONSUMER PRICES¹												
1 All items.....	7.0	10.8	10.7	8.5	8.5	13.0	.9	1.2	1.0	1.1	1.1	214.1
2 Commodities.....	6.4	10.9	10.5	7.3	9.6	14.5	1.1	1.2	1.1	1.2	.9	205.8
3 Food.....	9.7	11.4	18.3	4.8	10.2	17.7	1.4	1.6	1.1	1.0	.7	234.3
4 Commodities less food.....	5.0	10.8	7.2	8.3	9.6	12.9	.9	1.0	1.1	1.3	1.1	191.6
5 Durable.....	5.3	10.0	9.0	9.1	11.3	10.0	.9	1.0	.5	.9	.5	189.2
6 Nondurable.....	4.3	11.8	5.5	6.9	6.7	16.5	1.1	.8	1.9	1.9	1.8	193.2
7 Services.....	8.2	10.3	11.0	10.3	7.2	10.6	.5	1.1	.9	.9	1.3	229.5
8 Rent.....	6.9	6.8	8.2	7.3	7.7	3.6	.3	.4	.2	.5	1.0	173.8
9 Services less rent.....	8.4	10.9	11.3	10.8	7.1	11.7	.6	1.1	1.0	1.0	1.3	239.8
<i>Other groupings</i>												
10 All items less food.....	6.6	10.5	8.9	9.3	8.5	12.0	.8	1.0	1.0	1.2	1.2	208.9
11 All items less food and energy.....	6.7	9.5	10.4	9.7	7.7	9.3	.5	.9	.8	.9	.9	204.1
12 Homeownership.....	10.0	14.6	13.2	14.6	10.9	16.7	.8	1.8	1.3	1.4	1.3	254.9
PRODUCER PRICES												
13 Finished goods.....	7.1	10.0	10.3	7.4	10.5	13.7	1.3	1.1	1.8	.9	.4	212.4
14 Consumer.....	6.7	10.4	10.6	7.5	11.1	15.6	1.4	1.2	1.0	.8	.3	211.3
15 Foods.....	7.5	9.6	11.4	4.9	15.3	20.1	1.8	1.8	1.0	-.3	-1.3	226.6
16 Excluding foods.....	6.3	10.8	10.5	8.8	8.8	12.9	1.2	1.9	1.0	1.4	1.3	201.6
17 Capital equipment.....	7.9	9.0	9.1	7.0	8.8	9.8	1.0	.9	1.5	1.1	.7	214.7
18 Materials.....	6.2	12.4	9.9	7.5	13.0	17.3	1.5	1.6	1.0	1.0	1.0	246.4
19 Intermediate ²	6.5	11.2	7.2	6.9	11.2	13.2	1.2	1.0	1.0	1.6	1.0	238.8
<i>Crude</i>												
20 Nonfood.....	5.7	20.0	14.9	16.9	19.8	29.5	1.6	2.7	2.2	-.5	2.3	339.2
21 Food.....	8.1	15.0	26.6	2.8	21.2	30.6	2.8	3.8	.2	-.3	-.3	251.9

1. Figures for consumer prices are those for all urban consumers.
 2. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

3. Not seasonally adjusted.

SOURCE: Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

Billions of current dollars except as noted; quarterly data are at seasonally adjusted annual rates.

Account	1976	1977	1978	1977		1978				1979
				Q4	Q1	Q2	Q3	Q4	Q1	
Gross national product										
1 Total.....	1,700.1	1,887.2	2,107.6	1,958.1	1,992.0	2,087.5	2,136.1	2,214.8	2,267.3	
<i>By source</i>										
2 Personal consumption expenditures.....	1,090.2	1,206.5	1,340.1	1,255.2	1,276.7	1,322.9	1,356.9	1,403.9	1,442.2	
3 Durable goods.....	156.6	178.4	197.5	187.2	183.5	197.8	199.5	209.1	211.5	
4 Nondurable goods.....	442.6	479.0	526.5	496.9	501.4	519.3	531.7	553.4	567.7	
5 Services.....	491.0	549.2	616.2	571.1	591.8	605.8	625.8	641.4	663.1	
6 Gross private domestic investment.....	243.0	297.8	345.6	313.5	322.7	345.4	350.1	364.0	370.4	
7 Fixed investment.....	232.8	282.3	329.6	300.5	306.0	325.3	336.5	350.5	355.1	
8 Nonresidential.....	164.6	190.4	222.6	200.3	205.6	220.1	227.5	237.1	244.0	
9 Structures.....	57.3	63.9	77.8	67.4	68.5	76.6	80.9	85.1	85.8	
10 Producers' durable equipment.....	107.3	126.5	144.8	132.8	137.1	143.5	146.6	152.0	158.3	
11 Residential structures.....	68.2	91.9	107.0	100.2	100.3	105.3	109.0	113.4	111.1	
12 Nonfarm.....	65.8	88.9	103.8	97.5	97.3	102.1	105.7	110.2	108.0	
13 Change in business inventories.....	10.2	15.6	16.0	13.1	16.7	20.1	13.6	13.5	15.3	
14 Nonfarm.....	12.2	15.0	16.7	10.4	16.9	22.1	14.6	13.4	16.5	
15 Net exports of goods and services.....	7.4	11.1	12.0	23.2	24.1	5.5	10.7	7.6	3.7	
16 Exports.....	163.2	175.5	204.8	172.1	181.7	205.4	210.1	221.9	235.0	
17 Imports.....	155.7	186.6	216.8	195.2	205.8	210.9	220.8	229.5	238.7	
18 Government purchases of goods and services.....	359.5	394.0	433.9	412.5	416.7	424.7	439.8	454.5	458.4	
19 Federal.....	129.9	145.1	153.8	152.2	151.5	147.2	154.0	162.5	164.5	
20 State and local.....	229.6	248.9	280.2	260.3	265.2	277.6	285.8	292.0	293.9	
<i>By major type of product</i>										
21 Final sales, total.....	1,689.9	1,871.6	2,091.6	1,945.0	1,975.3	2,067.4	2,122.5	2,201.3	2,252.0	
22 Goods.....	760.3	832.6	918.4	859.6	861.8	912.2	927.3	972.5	999.3	
23 Durable.....	304.6	341.3	376.8	347.4	351.2	375.8	380.1	400.1	424.8	
24 Nondurable.....	455.7	491.3	541.7	512.2	510.6	536.4	547.2	572.4	575.0	
25 Services.....	778.0	862.8	962.5	893.6	926.4	952.0	973.7	997.7	1,028.9	
26 Structures.....	161.9	191.8	226.7	204.9	203.8	223.4	235.0	244.7	239.1	
27 Change in business inventories.....	10.2	15.6	16.0	13.1	16.7	20.1	13.6	13.5	15.3	
28 Durable goods.....	5.3	8.4	11.7	6.3	14.8	10.8	10.2	10.8	18.5	
29 Nondurable goods.....	4.9	7.2	4.3	6.8	1.9	9.3	3.4	2.7	3.2	
30 MEMO: Total GNP in 1972 dollars.....	1,271.0	1,332.7	1,385.7	1,354.5	1,354.2	1,382.6	1,391.4	1,414.7	1,417.6	
National income										
31 Total.....	1,359.2	1,515.3	1,703.7	1,576.9	1,603.1	1,688.1	1,728.4	1,795.2	1,838.7	
32 Compensation of employees.....	1,036.8	1,153.4	1,301.4	1,199.7	1,241.0	1,287.8	1,317.1	1,359.8	1,406.6	
33 Wages and salaries.....	890.1	983.6	1,101.0	1,021.2	1,050.8	1,090.2	1,113.4	1,149.4	1,185.1	
34 Government and government enterprises.....	187.6	200.8	216.1	208.1	211.4	213.9	216.8	222.3	225.1	
35 Other.....	702.5	782.9	884.8	813.1	839.3	876.3	896.6	927.1	960.1	
36 Supplement to wages and salaries.....	146.7	169.8	200.5	178.4	190.2	197.6	203.6	210.4	221.5	
37 Employer contributions for social insurance.....	69.7	79.4	94.5	82.4	90.2	93.6	95.7	98.6	105.6	
38 Other labor income.....	77.0	90.4	105.9	96.1	100.0	104.0	107.9	111.8	115.9	
39 Proprietors' income ¹	88.6	99.8	113.2	107.3	105.0	110.1	114.5	123.0	123.4	
40 Business and professional ¹	70.2	79.5	87.8	82.3	83.1	86.1	89.6	92.6	92.9	
41 Farm ¹	18.4	20.3	25.3	25.1	21.9	24.0	25.0	30.4	30.6	
42 Rental income of persons ²	22.5	22.5	23.4	22.7	22.8	22.2	24.3	24.4	24.7	
43 Corporate profits ¹	127.0	144.2	159.5	148.2	132.6	163.4	165.2	176.6	168.7	
44 Profits before tax ³	155.9	173.9	202.0	178.3	172.1	205.5	205.4	224.9	229.8	
45 Inventory valuation adjustment.....	-14.5	-14.8	24.4	-14.8	-23.5	-24.9	20.9	28.4	40.4	
46 Capital consumption adjustment.....	-14.4	-14.9	-18.1	-15.3	-16.1	-17.2	-19.3	-19.9	20.7	
47 Net interest.....	84.3	95.4	106.3	99.0	101.7	104.6	107.4	111.4	115.2	

1. With inventory valuation and capital consumption adjustments.
 2. With capital consumption adjustments.

3. For after-tax profits, dividends, and the like, see table 1.50.

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1976	1977	1978	1977					1979
				Q4	Q1	Q2	Q3	Q4	
Personal income and saving									
1 Total personal income.....	1,380.9	1,529.0	1,708.0	1,593.0	1,628.9	1,682.4	1,731.7	1,789.0	1,836.0
2 Wage and salary disbursements.....	890.1	983.6	1,100.9	1,021.2	1,050.8	1,090.2	1,113.2	1,149.4	1,185.3
3 Commodity-producing industries.....	307.5	343.7	390.2	357.1	365.9	387.0	396.4	411.3	426.8
4 Manufacturing.....	237.5	266.3	299.9	277.3	286.9	296.1	302.0	314.4	327.2
5 Distributive industries.....	216.4	239.1	268.9	247.5	257.0	266.4	271.6	280.4	290.3
6 Service industries.....	178.6	200.1	225.8	208.5	216.5	222.8	228.5	235.4	242.9
7 Government and government enterprises.....	187.6	200.8	216.1	208.1	211.4	213.9	216.7	222.3	225.3
8 Other labor income.....	77.0	90.4	105.9	96.1	100.0	104.0	107.9	111.8	115.9
9 Proprietors' income ¹	88.6	99.8	113.2	107.3	105.0	110.1	114.5	123.0	123.4
10 Business and professional ¹	70.2	79.5	87.8	82.3	83.1	86.1	89.6	92.6	92.9
11 Farm ¹	18.4	20.3	25.3	25.1	21.9	24.0	25.0	30.4	30.6
12 Rental income of persons ²	22.5	22.5	23.4	22.7	22.8	22.2	24.3	24.4	24.7
13 Dividends.....	37.9	43.7	49.3	46.3	47.0	48.1	50.1	51.9	54.0
14 Personal interest income.....	126.3	141.2	159.0	146.0	151.4	156.3	161.7	166.6	172.6
15 Transfer payments.....	193.9	208.8	226.0	215.9	219.2	220.6	230.4	233.9	239.0
16 Old-age survivors, disability, and health insurance benefits.....	92.9	105.0	117.4	110.1	112.1	113.7	121.1	122.7	124.8
17 LESS: Personal contributions for social insurance.....	55.5	61.0	69.7	62.6	67.2	69.2	70.5	72.1	78.8
18 EQUALS: Personal income.....	1,380.9	1,529.0	1,708.0	1,593.0	1,628.9	1,682.4	1,731.7	1,789.0	1,836.0
19 LESS: Personal tax and nontax payments.....	196.5	226.0	256.2	233.3	237.3	249.1	263.2	275.1	272.8
20 EQUALS: Disposable personal income.....	1,184.4	1,303.0	1,451.8	1,359.6	1,391.6	1,433.3	1,468.4	1,513.9	1,563.3
21 LESS: Personal outlays.....	1,116.3	1,236.1	1,374.9	1,285.9	1,309.2	1,357.0	1,392.5	1,440.9	1,480.2
22 EQUALS: Personal saving.....	68.0	66.9	76.9	73.7	82.4	76.3	76.0	73.0	83.1
MEMO ITEMS									
Per capita (1972 dollars)									
23 Gross national product.....	5,906	6,144	6,340	6,226	6,215	6,334	6,360	6,452	6,455
24 Personal consumption expenditures.....	3,808	3,954	4,080	4,030	4,009	4,060	4,092	4,159	4,160
25 Disposable personal income.....	4,136	4,271	4,421	4,365	4,370	4,399	4,428	4,485	4,508
26 Saving rate (percent).....	5.7	5.1	5.3	5.4	5.9	5.3	5.2	4.8	5.3
Gross saving									
27 Gross private saving.....	270.7	290.8	320.1	304.3	305.4	319.9	325.7	329.6	339.3
28 Personal saving.....	68.0	66.9	76.9	73.7	82.4	76.3	76.0	73.0	83.1
29 Undistributed corporate profits ¹	24.8	28.7	26.3	28.0	15.6	30.3	29.0	30.3	24.5
30 Corporate inventory valuation adjustment.....	-14.5	-14.8	-24.4	-14.8	-23.5	-24.9	-20.9	-28.4	40.4
Capital consumption allowances									
31 Corporate.....	111.5	120.9	132.5	124.6	127.4	130.5	134.7	137.4	140.3
32 Noncorporate.....	66.3	74.3	84.4	77.9	79.9	82.8	86.1	89.0	91.4
33 Wage accruals less disbursements.....									
34 Government surplus, or deficit (), national income and product accounts.....	-33.2	-18.6	-1.6	-29.6	-21.1	6.2	.6	8.0	10.6
35 Federal.....	-53.8	-48.1	-29.9	-58.6	-52.6	-23.6	-22.8	-20.8	16.9
36 State and local.....	20.7	29.6	28.3	29.0	31.5	29.8	23.4	28.8	27.5
37 Capital grants received by the United States, net.....									1.1
38 Investment.....	241.7	276.9	320.4	279.5	286.4	326.6	326.6	342.0	352.3
39 Gross private domestic.....	243.0	297.8	345.6	313.5	322.7	345.4	350.1	364.0	370.4
40 Net foreign.....	-1.2	-20.9	-25.2	-34.1	-36.3	-18.9	-23.5	-22.1	-18.1
41 Statistical discrepancy.....	4.2	4.7	1.8	4.8	2.2	.5	.4	4.3	1.2

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.¹

Item credits or debits	1976 ^r	1977 ^r	1978 ^r	1978 ^r				1979
				Q1	Q2	Q3	Q4	Q1
1 Merchandise exports.....	114,745	120,816	141,884	30,811	35,267	36,491	39,315	41,350
2 Merchandise imports.....	124,051	151,689	176,071	42,710	43,174	44,503	45,684	47,448
3 Merchandise trade balance ²	-9,306	30,873	-34,187	-11,899	-7,907	-8,012	-6,369	-6,098
4 Military transactions, net.....	674	1,679	492	244	237	247	-239	-125
5 Investment income, net ³	15,975	17,989	21,645	5,239	4,854	4,952	6,599	6,776
6 Other service transactions, net.....	2,260	1,783	3,241	708	703	819	1,010	933
7 Balance on goods and services ^{3,4}	9,603	-9,423	8,809	-5,707	-2,113	-1,994	1,001	1,486
8 Remittances, pensions, and other transfers.....	-1,851	-1,895	-1,934	463	-486	-463	-524	-525
9 U.S. government grants (excluding military).....	-3,146	-2,775	-3,152	-765	-827	-770	-790	-804
10 Balance on current account ³	4,605	-14,092	-13,895	6,935	-3,426	-3,227	-313	157
11 Not seasonally adjusted ³				-5,805	-2,858	-5,955	722	1,475
12 Change in U.S. government assets, other than official reserve assets, net (increase, -).....	-4,214	-3,693	-4,656	-1,009	-1,263	-1,390	-994	-1,096
13 Change in U.S. official reserve assets (increase, -).....	-2,558	-375	732	187	248	115	182	3,589
14 Gold.....		-118	-65				65	
15 Special drawing rights (SDRs).....	78	-121	1,249	-16	-104	-43	1,412	-1,142
16 Reserve position in International Monetary Fund.....	-2,212	-294	4,231	324	437	195	3,275	-86
17 Foreign currencies.....	-268	158	-4,683	-121	-85	-37	-4,440	-2,361
18 Change in U.S. private assets abroad (increase, -) ³	-44,498	-31,725	-57,033	-14,366	-4,451	-8,774	-29,442	-1,473
19 Bank-reported claims.....	-21,368	11,427	-33,023	-6,270	715	-5,488	-21,980	5,836
20 Nonbank-reported claims.....	-2,296	-1,940	-3,853	-2,241	315	-29	-1,898	
21 Long-term.....	42	-99	-53	-63	78	61	-129	
22 Short-term.....	-2,254	-1,841	-3,800	-2,178	237	90	-1,769	
23 U.S. purchase of foreign securities, net.....	-8,885	-5,460	-3,487	-999	-1,095	-475	-918	-1,056
24 U.S. direct investments abroad, net ³	-11,949	-12,898	-16,670	-4,856	-4,386	-2,782	-4,646	-6,253
25 Change in foreign official assets in the United States (increase, +).....	17,573	36,656	33,758	15,618	-5,265	4,641	18,764	-8,490
26 U.S. Treasury securities.....	9,319	30,230	23,542	12,904	-5,813	3,029	13,422	-8,871
27 Other U.S. government obligations.....	573	2,308	656	117	211	443	-115	-5
28 Other U.S. government liabilities ⁵	4,507	1,240	2,754	723	-136	122	2,045	1
29 Other U.S. liabilities reported by U.S. banks.....	969	773	5,411	1,456	-164	963	3,156	153
30 Other foreign official assets ⁶	2,205	2,105	1,395	418	637	84	256	215
31 Change in foreign private assets in the United States (increase, +) ³	18,826	14,167	29,956	2,557	6,207	10,717	10,475	12,832
32 U.S. bank-reported liabilities.....	10,990	6,719	16,975	-404	1,865	7,958	7,556	8,124
33 U.S. nonbank-reported liabilities.....	578	473	1,640	498	315	1,004	-177	
34 Long-term.....	-1,000	-520	194	28	-63	86	-245	
35 Short-term.....	422	993	1,834	470	378	918	68	
36 Foreign private purchases of U.S. Treasury securities, net.....	2,783	534	2,180	881	803	-1,053	1,549	2,586
37 Foreign purchases of other U.S. securities, net.....	1,284	2,713	2,867	453	1,347	528	540	790
38 Foreign direct investments in the United States, net ³	4,347	3,728	6,294	1,130	1,877	2,280	1,008	1,332
39 Allocation of SDRs.....								1,139
40 Discrepancy.....	10,265	-937	11,139	3,947	7,950	-2,082	1,328	519
41 Owing to seasonal adjustments.....				901	517	-2,716	1,301	999
42 Statistical discrepancy in recorded data before seasonal adjustment.....	10,265	-937	11,139	3,046	7,433	634	27	-480
MEMO ITEMS								
<i>Changes in official assets</i>								
43 U.S. official reserve assets (increase, -).....	-2,558	-375	732	187	248	115	182	-3,589
44 Foreign official assets in the United States (increase, +).....	13,066	35,416	31,004	14,895	-5,129	4,519	16,719	-8,508
45 Changes in Organization of Petroleum Exporting Countries (OPEC) official assets in the United States (part of line 25 above).....	9,581	6,351	727	1,969	-2,705	1,794	1,803	-1,059
46 Transfers under military grant programs (excluded from lines 1, 4, and 9 above).....	373	204	259	76	50	69	63	33

1. Seasonal factors are no longer calculated for lines 13 through 46.

2. Data are on an international accounts (IA) basis. Differs from the census basis primarily because the IA basis includes imports into the U.S. Virgin Islands, and it excludes military exports, which are part of line 4.

3. Includes reinvested earnings of incorporated affiliates.

4. Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition

excludes certain military sales to Israel from exports and excludes U.S. government interest payments from imports.

5. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.

6. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE: Data are from Bureau of Economic Analysis, *Survey of Current Business* (U.S. Department of Commerce).

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1976	1977	1978	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments.....	115,156	121,150	143,574	13,451	13,282	13,132	13,507	14,452	13,883	13,862
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses.....	121,009	147,685	172,026	14,825	15,032	16,231	14,806	15,273	16,036	16,342
3 Trade balance.....	5,853	-26,535	-28,452	-1,374	-1,749	-3,099	-1,299	-821	-2,153	-2,480

NOTE: Bureau of Census data reported on a free-alongside-ship (f.a.s.) value basis. Effective January 1978, major changes were made in coverage, reporting, and compiling procedures. The international-accounts-basis data adjust the Census basis data for reasons of coverage and timing. On the *export side*, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military exports (which are combined with other military transactions

and are reported separately in the "service account"). On the *import side*, the largest single adjustment is the addition of imports into the Virgin Islands (largely oil for a refinery on St. Croix), which are not included in Census statistics.

SOURCE: FT 900 "Summary of U.S. Export and Import Merchandise Trade" (U.S. Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1976	1977	1978	1978	1979					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^a
1 Total ¹	18,747	19,312	18,650	18,650	20,468	20,292	21,658	21,403	22,230	21,212
2 Gold stock, including Exchange Stabilization Fund ^{1,2}	11,598	11,719	11,671	11,671	11,592	11,544	11,479	11,418	11,354	11,323
3 Special drawing rights ^{1,3}	2,395	2,629	1,558	1,558	2,661	2,672	2,667	2,602	2,624	6,026
4 Reserve position in International Monetary Fund ¹	4,434	4,946	1,047	1,047	1,017	1,120	1,121	1,097	1,193	1,193
5 Foreign currencies ⁴	320	18	4,374	4,374	5,198	4,956	6,391	6,286	7,059	2,670

1. 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 also are valued on this basis beginning July 1974.

2. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.24.

3. Includes allocations by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; and \$1,139 million on Jan. 1, 1979; plus net transactions in SDRs.

4. Beginning November 1978, valued at current market exchange rates.

3.13 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1975	1976	1977	1978 ²			1979			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ³
All foreign countries										
1 Total, all currencies	176,493	219,420	258,897	292,594	295,980	306,145	295,118	295,341	305,821	303,003
2 Claims on United States	6,743	7,889	11,623	12,169	13,476	16,690	15,340	15,065	21,687	19,359
3 Parent bank	3,665	4,323	7,806	7,879	9,046	12,161	10,789	10,188	16,093	13,636
4 Other	3,078	3,566	3,817	4,290	4,430	4,529	4,551	4,877	5,594	5,723
5 Claims on foreigners	163,391	204,486	238,848	269,410	*271,418	278,135	268,116	268,052	271,189	270,757
6 Other branches of parent bank	34,508	45,955	55,772	67,748	68,403	70,340	66,653	64,249	64,973	64,079
7 Banks	69,206	83,765	91,883	98,104	*100,993	102,805	97,696	99,147	101,235	101,620
8 Public borrowers ¹	5,792	10,613	14,634	24,220	23,324	24,041	24,060	24,874	25,183	24,842
9 Nonbank foreigners	53,886	64,153	76,560	79,338	78,698	80,949	79,707	79,782	79,798	80,216
10 Other assets	6,359	7,045	8,425	11,015	11,086	11,320	11,662	12,224	12,945	12,887
11 Total payable in U.S. dollars	132,901	167,695	193,764	210,938	218,289	224,290	214,312	*213,089	222,520	221,201
12 Claims on United States	6,408	7,595	11,049	11,328	*12,580	15,732	14,506	14,130	20,653	18,389
13 Parent bank	3,628	4,264	7,692	7,688	8,877	11,975	10,596	9,958	15,901	13,397
14 Other	2,780	3,332	3,357	3,640	*3,703	3,757	3,910	4,172	4,752	4,992
15 Claims on foreigners	123,496	156,896	178,896	194,881	*200,727	203,498	194,416	*193,258	195,918	196,308
16 Other branches of parent bank	28,478	37,909	44,256	52,887	54,721	55,410	51,799	49,615	49,735	49,615
17 Banks	55,319	66,331	70,786	72,644	*76,423	78,389	73,458	*74,382	76,734	77,408
18 Public borrowers ¹	4,864	9,022	12,632	20,295	19,612	19,862	20,092	20,613	21,365	20,898
19 Nonbank foreigners	34,835	43,634	51,222	49,055	49,971	49,837	49,067	48,648	48,084	48,387
20 Other assets	2,997	3,204	3,820	4,729	4,982	5,060	5,390	5,701	5,949	6,504
United Kingdom										
21 Total, all currencies	74,883	81,466	90,933	101,887	102,032	106,593	100,786	101,179	102,144	102,876
22 Claims on United States	2,392	3,354	4,341	3,119	3,706	5,370	3,960	3,912	5,019	5,268
23 Parent bank	1,449	2,376	3,518	2,230	2,779	4,448	2,930	2,689	3,544	3,679
24 Other	943	978	823	889	927	922	1,030	1,223	1,475	1,589
25 Claims on foreigners	70,331	75,859	84,016	95,774	95,220	98,137	93,690	94,032	93,840	94,120
26 Other branches of parent bank	17,557	19,753	22,017	26,516	25,802	27,830	25,911	24,474	24,911	24,435
27 Banks	35,904	38,089	39,899	43,926	44,353	45,013	42,531	44,032	42,964	43,308
28 Public borrowers ¹	881	1,274	2,206	4,692	4,526	4,522	4,549	4,548	4,608	4,547
29 Nonbank foreigners	15,990	16,743	19,895	20,640	20,539	20,772	20,699	20,978	21,357	21,830
30 Other assets	2,159	2,253	2,576	2,994	3,106	3,086	3,136	3,235	3,285	3,488
31 Total payable in U.S. dollars	57,361	61,587	66,635	70,209	71,761	75,860	70,502	70,525	71,499	72,015
32 Claims on United States	2,273	3,275	4,100	2,877	3,475	5,113	3,738	3,618	4,710	4,946
33 Parent bank	1,445	2,374	3,431	2,187	2,727	4,386	2,878	2,610	3,488	3,612
34 Other	828	902	669	690	748	727	860	1,008	1,222	1,334
35 Claims on foreigners	54,121	57,488	61,408	66,132	67,031	69,416	65,364	65,416	65,214	65,356
36 Other branches of parent bank	15,645	17,249	18,947	21,377	21,197	22,838	21,171	19,884	20,370	19,866
37 Banks	28,224	28,983	28,530	29,680	30,565	31,482	29,113	30,185	29,393	29,924
38 Public borrowers ¹	648	846	1,669	3,595	3,467	3,317	3,342	3,414	3,523	3,429
39 Nonbank foreigners	9,604	10,410	12,263	11,480	11,802	11,779	11,738	11,933	11,928	12,137
40 Other assets	967	824	1,126	1,200	1,255	1,331	1,400	1,491	1,575	1,713
Bahamas and Caymans										
41 Total, all currencies	45,203	66,774	79,052	86,290	89,720	91,085	87,899	87,993	96,307	93,237
42 Claims on United States	3,229	3,508	5,782	7,247	*7,551	8,985	9,753	8,994	14,573	12,261
43 Parent bank	1,477	1,141	3,051	4,255	4,437	5,779	6,646	5,780	10,957	8,737
44 Other	1,752	2,367	2,731	2,992	*3,114	3,206	3,107	3,214	3,616	3,524
45 Claims on foreigners	41,040	62,048	71,671	76,867	*79,956	79,774	75,792	76,507	79,057	77,995
46 Other branches of parent bank	5,411	8,144	11,120	12,618	13,526	12,906	11,477	11,841	12,086	11,756
47 Banks	16,298	25,354	27,939	30,317	*33,010	33,675	31,638	31,534	33,821	33,524
48 Public borrowers ¹	3,576	7,105	9,109	12,088	11,529	11,514	11,392	12,125	12,573	12,360
49 Nonbank foreigners	15,756	21,445	23,503	21,844	21,891	21,679	21,285	21,007	20,577	20,355
50 Other assets	933	1,217	1,599	2,176	2,213	2,326	2,354	2,492	2,677	2,981
51 Total payable in U.S. dollars	41,887	62,705	73,987	80,222	83,710	84,767	81,669	*81,725	89,848	87,280

For notes see opposite page.

3.13 Continued

Liability account	1975	1976	1977	1978 ¹			1979			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ²
All foreign countries										
52 Total, all currencies	176,493	219,420	258,897	292,594	295,980	306,145	295,118	295,341	305,821	303,003
53 To United States	20,221	32,719	44,154	49,974	55,651	57,005	52,231	53,841	55,074	55,383
54 Parent bank	12,165	19,773	24,542	24,412	28,997	27,682	23,951	23,696	20,109	23,398
55 Other banks in United States	8,057	12,946	19,613	8,362	9,094	12,304	8,188	79,166	12,661	9,878
56 Nonbanks				17,200	17,570	17,019	20,092	20,979	22,304	22,107
57 Foreigners	149,815	179,954	206,579	233,023	230,707	238,973	232,687	231,398	240,306	237,248
58 Other branches of parent bank	34,111	44,370	53,244	64,820	65,711	67,903	65,155	62,559	62,593	62,090
59 Banks	72,259	83,880	94,140	95,673	93,530	97,338	92,431	93,751	101,713	100,029
60 Official institutions	22,773	25,829	28,110	33,612	32,212	31,936	31,137	31,704	34,262	33,016
61 Nonbank foreigners	20,672	25,877	31,085	38,918	39,254	41,796	43,964	43,384	41,738	42,113
62 Other liabilities	6,456	6,747	8,163	9,597	9,622	10,167	10,200	10,102	10,441	10,372
63 Total payable in U.S. dollars	135,907	173,071	198,572	215,517	222,873	230,160	220,211	219,733	228,177	225,759
64 To United States	19,503	31,932	42,881	47,741	53,697	54,869	50,202	51,651	52,982	53,416
65 Parent bank	11,939	19,559	24,213	23,432	28,124	26,611	22,968	22,635	19,077	22,454
66 Other banks in United States	7,564	12,373	18,669	8,008	8,813	12,050	7,927	8,837	12,416	9,670
67 Nonbanks				16,301	16,760	16,208	19,307	20,179	21,489	21,292
68 To foreigners	112,879	137,612	151,363	163,061	164,194	169,987	164,418	162,437	169,335	166,879
69 Other branches of parent bank	28,217	37,098	43,268	51,877	53,227	53,803	51,214	48,650	48,377	48,489
70 Banks	51,583	60,619	64,872	58,626	58,429	62,627	58,116	58,808	65,150	63,866
71 Official institutions	19,982	22,878	23,972	27,707	26,667	26,404	25,567	26,089	28,511	27,117
72 Nonbank foreigners	13,097	17,017	19,251	24,851	25,871	27,153	29,521	28,890	27,297	27,407
73 Other liabilities	3,526	3,527	4,328	4,715	4,982	5,304	5,591	5,645	5,860	5,464
United Kingdom										
74 Total, all currencies	74,883	81,466	90,933	101,887	102,032	106,593	100,786	101,179	102,144	102,876
75 To United States	5,646	5,997	7,753	7,560	8,295	9,730	8,118	9,538	10,086	10,756
76 Parent bank	2,122	1,198	1,451	1,389	1,609	1,887	1,585	2,055	1,461	1,814
77 Other banks in United States	3,523	4,798	6,302	2,949	3,234	4,232	2,693	3,216	3,677	3,541
78 Nonbanks				3,222	3,452	3,611	3,840	4,267	4,948	5,401
79 To foreigners	67,240	73,228	80,736	90,766	90,105	93,202	88,942	87,798	88,068	88,199
80 Other branches of parent bank	6,494	7,092	9,376	12,030	13,015	12,786	12,712	11,303	10,910	11,023
81 Banks	32,964	36,259	37,893	38,854	37,795	39,917	36,142	36,655	38,318	39,391
82 Official institutions	16,553	17,273	18,318	21,980	20,940	20,963	19,700	20,313	21,845	20,115
83 Nonbank foreigners	11,229	12,605	15,149	17,902	18,355	19,536	20,388	19,527	16,995	17,670
84 Other liabilities	1,997	2,241	2,445	3,561	3,632	3,661	3,726	3,843	3,990	3,921
85 Total payable in U.S. dollars	57,820	63,174	67,573	71,158	72,812	77,030	72,048	72,293	72,639	72,653
86 To United States	5,415	5,849	7,480	7,198	7,908	9,328	7,736	9,179	9,756	10,414
87 Parent bank	2,083	1,182	1,416	1,329	1,563	1,836	1,539	2,018	1,418	1,780
88 Other banks in United States	3,332	4,667	6,064	2,902	3,178	4,144	2,601	3,122	3,626	3,492
89 Nonbanks				2,967	3,167	3,348	3,596	4,039	4,712	5,142
90 To foreigners	51,447	56,372	58,977	62,589	63,389	66,216	62,629	61,405	61,215	60,714
91 Other branches of parent bank	5,442	5,874	7,505	9,169	10,174	9,635	9,890	8,393	7,985	7,706
92 Banks	23,330	25,527	25,608	22,837	22,672	25,287	21,642	21,911	23,017	24,002
93 Official institutions	14,498	15,423	15,482	17,893	17,075	17,091	15,834	16,544	18,030	16,197
94 Nonbank foreigners	8,176	9,547	10,382	12,690	13,468	14,203	15,263	14,557	12,183	12,809
95 Other liabilities	959	953	1,116	1,371	1,515	1,486	1,683	1,709	1,668	1,525
Bahamas and Caymans										
96 Total, all currencies	45,203	66,774	79,052	86,290	89,720	91,085	87,899	87,993	96,307	93,237
97 To United States	11,147	22,721	32,176	35,677	40,631	38,781	36,927	36,546	37,478	37,103
98 Parent bank	7,628	16,161	20,956	18,045	22,252	19,806	17,054	15,726	13,681	16,032
99 Other banks in United States	3,520	6,560	11,220	4,415	4,852	6,199	4,275	4,863	7,158	5,220
100 Nonbanks				13,217	13,527	12,776	15,598	15,957	16,639	15,851
101 To foreigners	32,949	42,899	45,292	48,953	47,400	50,447	49,153	49,534	56,730	54,124
102 Other branches of parent bank	10,569	13,801	12,816	15,635	14,715	16,094	14,266	13,697	13,958	14,738
103 Banks	16,825	21,760	24,717	22,512	21,974	23,104	22,290	23,299	28,717	25,942
104 Official institutions	3,308	3,573	3,000	4,402	4,306	4,208	4,602	4,429	5,168	5,328
105 Nonbank foreigners	2,248	3,765	4,759	6,404	6,405	7,041	7,995	8,109	8,837	8,116
106 Other liabilities	1,106	1,154	1,584	1,660	1,689	1,857	1,819	1,913	2,099	2,010
107 Total payable in U.S. dollars	42,197	63,417	74,463	81,323	85,012	86,364	83,152	83,331	91,471	88,347

1. In May 1978 a broader category of claims on foreign public borrowers, including corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions.

2. In May 1978 the exemption level for branches required to report was increased, which reduced the number of reporting branches.

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1976	1977	1978	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^p
A. By type										
1 Total ¹	95,634	131,097	162,303	156,285	162,303	162,656	159,813	153,620	147,447	140,146
2 Liabilities reported by banks in the United States ²	17,231	18,003	23,086	21,719	23,086	22,600	23,163	22,534	24,235	25,006
3 U.S. Treasury bills and certificates ³	37,725	47,820	67,650	62,635	67,650	68,415	65,558	59,652	51,460	43,576
4 U.S. Treasury bonds and notes										
5 Marketable.....	11,788	32,164	35,877	36,222	35,877	36,026	35,509	36,033	36,275	36,126
6 Nonmarketable ⁴	20,648	20,443	20,970	20,993	20,970	20,952	20,912	20,471	20,467	20,467
7 U.S. securities other than U.S. Treasury securities ⁵	8,242	12,667	14,720	14,716	14,720	14,663	14,671	14,930	15,010	14,971
B. By area										
7 Total.....	95,634	131,097	162,303	156,285	162,303	162,656	159,813	153,620	147,447	140,146
8 Western Europe ¹	45,882	70,748	92,946	88,412	92,946	94,397	92,587	90,166	85,006	80,791
9 Canada.....	3,406	2,334	2,486	2,446	2,486	2,150	1,911	3,088	3,044	1,993
10 Latin America and Caribbean.....	4,926	4,649	5,029	4,499	5,029	4,330	4,402	4,201	4,764	4,923
11 Asia.....	37,767	50,693	58,656	57,834	58,656	58,962	57,753	53,358	51,270	49,020
12 Africa.....	1,893	1,742	2,443	2,301	2,443	2,299	2,371	2,134	2,527	2,602
13 Other countries ⁶	1,760	931	743	793	743	518	789	673	836	817

1. Includes the Bank for International Settlements.

2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.

4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

6. Includes countries in Oceania and Eastern Europe.

NOTE: Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.15 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States

Payable in Foreign Currencies

Millions of dollars, end of period

Item	1975	1976	1977	1978			1979
				June	Sept.	Dec.	Mar. ^p
1 Banks' own liabilities.....	560	781	925	1,464	1,768	2,233	1,989
2 Banks' own claims ¹	1,459	1,834	2,356	2,622	2,989	3,565	2,646
3 Deposits.....	656	1,103	941	1,084	1,400	1,734	1,157
4 Other claims.....	802	731	1,415	1,538	1,589	1,831	1,489
5 Claims of banks' domestic customers ²				809	446	367	476

1. Includes claims of banks' domestic customers through March 1978.

2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

NOTE: Data on claims exclude foreign currencies held by U.S. monetary authorities.

3.16 LIABILITIES TO FOREIGNERS Reported by Banks in the United States

Payable in U.S. dollars

Millions of dollars, end of period

Item	1975	1976	1977	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ¹	May ²
A. BY HOLDER AND TYPE OF LIABILITY										
1 All foreigners	95,590	110,657	126,168	158,231	166,011	163,824	163,479	166,307	159,072	157,754
2 Banks' own liabilities				75,265	77,711	74,210	76,287	85,242	85,560	92,836
3 Demand deposits	13,564	16,803	18,996	18,264	19,199	17,785	17,201	16,696	18,367	18,092
4 Time deposits ¹	10,267	11,347	11,521	12,514	12,298	12,120	11,967	12,389	12,520	12,684
5 Other ²				8,641	9,527	8,889	9,235	8,321	10,079	13,292
6 Own foreign offices ³				35,847	36,687	35,416	37,883	47,836	44,593	48,769
7 Banks' custody liabilities ⁴				82,966	88,300	89,614	87,192	81,065	73,512	64,917
8 U.S. Treasury bills and certificates ⁵	37,414	40,744	48,906	63,130	68,178	68,999	66,508	60,587	53,280	44,966
9 Other negotiable and readily transferable instruments ⁶				17,439	17,581	18,197	18,504	18,309	18,083	17,748
10 Other				2,397	2,541	2,418	2,180	2,169	2,150	2,203
11 Nonmonetary international and regional organizations ⁷	5,699	5,714	3,274	2,225	2,617	2,317	2,095	2,364	2,300	2,757
12 Banks' own liabilities				417	916	762	506	769	791	1,306
13 Demand deposits	139	290	231	153	330	333	272	276	270	298
14 Time deposits ¹	148	205	139	102	94	88	102	99	100	85
15 Other ²				161	492	340	131	394	422	923
16 Banks' custody liabilities ⁴				1,809	1,701	1,555	1,589	1,595	1,509	1,451
17 U.S. Treasury bills and certificates	2,554	2,701	706	183	201	183	193	211	212	175
18 Other negotiable and readily transferable instruments ⁶				1,625	1,499	1,367	1,393	1,382	1,294	1,274
19 Other				1	1	1	3	2	2	1
20 Official institutions ⁸	50,461	54,956	65,822	84,050	90,481	90,828	88,721	82,186	75,695	68,582
21 Banks' own liabilities				10,829	11,732	10,504	11,077	10,425	12,406	13,591
22 Demand deposits	2,644	3,394	3,528	3,416	3,389	2,699	2,759	2,864	3,583	3,170
23 Time deposits ¹	3,423	2,321	1,797	2,345	2,334	2,288	2,169	2,524	2,491	2,515
24 Other ²				5,068	6,008	5,517	6,149	5,036	6,332	7,905
25 Banks' custody liabilities ⁴				73,221	78,749	80,324	77,645	71,762	63,288	54,992
26 U.S. Treasury bills and certificates ⁵	34,199	37,725	47,820	62,331	67,394	68,228	65,558	59,652	51,460	43,576
27 Other negotiable and readily transferable instruments ⁶				10,783	11,185	11,905	12,026	12,067	11,789	11,346
28 Other				107	170	191	60	43	40	70
29 Banks ⁹	29,330	37,174	42,335	55,363	56,861	54,683	56,006	65,915	64,030	69,662
30 Banks' own liabilities				50,529	52,035	49,932	51,218	61,005	59,063	64,494
31 Unaffiliated foreign banks				14,682	15,349	14,517	13,335	13,169	14,469	15,726
32 Demand deposits	7,534	9,104	10,933	10,066	11,239	10,425	9,426	9,349	10,202	10,265
33 Time deposits ¹	1,873	2,297	2,040	1,735	1,489	1,479	1,322	1,262	1,306	1,320
34 Other ²				2,881	2,621	2,612	2,587	2,558	2,962	4,141
35 Own foreign offices ³				35,847	36,687	35,416	37,883	47,836	44,593	48,769
36 Banks' custody liabilities ⁴				4,834	4,826	4,751	4,788	4,910	4,967	5,168
37 U.S. Treasury bills and certificates	335	119	141	371	300	302	399	425	456	522
38 Other negotiable and readily transferable instruments ⁶				2,561	2,417	2,422	2,416	2,421	2,489	2,579
39 Other				1,902	2,109	2,027	1,973	2,064	2,022	2,066
40 Other foreigners	10,100	12,814	14,736	16,593	16,052	15,995	16,657	15,842	17,047	16,753
41 Banks' own liabilities				13,490	13,028	13,012	13,487	13,044	13,299	13,445
42 Demand deposits	3,248	4,015	4,304	4,628	4,242	4,328	4,744	4,207	4,312	4,358
43 Time deposits ¹	4,823	6,524	7,546	8,331	8,380	8,264	8,375	8,504	8,623	8,765
44 Other ²				531	406	420	368	333	364	323
45 Banks' custody liabilities ⁴				3,103	3,024	2,983	3,170	2,798	3,748	3,307
46 U.S. Treasury bills and certificates	325	198	240	245	282	285	358	299	1,152	693
47 Other negotiable and readily transferable instruments ⁶				2,471	2,480	2,503	2,669	2,439	2,511	2,549
48 Other				387	262	195	143	60	85	66
49 MEMO: Negotiable time certificates of deposit held in custody for foreigners				10,821	10,926	11,080	11,021	11,254	11,081	10,794

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."

2. Includes borrowing under repurchase agreements.

3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly-owned subsidiaries of head office or parent foreign bank.

4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

5. Includes nonmarketable certificates of indebtedness (including those

payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.

6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.

8. Foreign central banks and foreign central governments and the Bank for International Settlements.

9. Excludes central banks, which are included in "Official institutions."

NOTE: Data for time deposits prior to April 1978 represent short-term only.

3.16 Continued

Item	1975	1976	1977	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^p	May ^p
B. BY AREA AND COUNTRY										
1 Total	95,590	110,657	126,168	158,231	166,011	163,824	163,479	166,307	159,072	157,754
2 Foreign countries	89,891	104,943	122,893	156,006	163,394	161,507	161,385	163,943	156,772	154,997
3 Europe.....	44,072	47,076	60,295	78,129	84,605	83,774	81,670	81,899	77,152	75,110
4 Austria.....	759	346	318	514	506	555	505	524	484	475
5 Belgium-Luxembourg.....	2,893	2,187	2,531	2,471	2,546	2,481	2,179	2,443	2,359	2,287
6 Denmark.....	329	356	770	1,827	1,946	2,036	2,074	2,131	1,596	1,526
7 Finland.....	391	416	323	343	346	377	357	361	367	399
8 France.....	7,726	4,876	5,269	8,817	8,631	8,174	8,173	8,891	9,291	9,755
9 Germany.....	4,543	6,241	7,239	15,652	17,286	15,770	13,868	12,997	9,364	7,619
10 Greece.....	284	403	603	907	826	683	761	671	656	673
11 Italy.....	1,059	3,182	6,857	7,761	7,474	8,056	8,142	8,142	8,939	9,751
12 Netherlands.....	3,407	3,003	2,869	2,518	2,402	2,536	2,786	2,766	2,825	2,888
13 Norway.....	994	782	944	1,102	1,271	1,411	1,445	1,572	1,477	1,456
14 Portugal.....	193	239	273	379	330	254	246	279	231	244
15 Spain.....	423	559	619	885	778	759	704	763	950	813
16 Sweden.....	2,277	1,692	2,712	3,216	3,131	2,955	2,656	2,520	2,596	2,524
17 Switzerland.....	8,476	9,460	12,343	15,463	18,564	19,804	19,808	18,563	15,637	13,710
18 Turkey.....	118	166	130	163	157	141	141	132	110	127
19 United Kingdom.....	6,867	10,018	14,125	12,826	14,254	13,080	13,788	15,370	15,925	16,682
20 Yugoslavia.....	126	189	232	190	254	184	176	207	207	184
21 Other Western Europe ¹	2,970	2,673	1,804	2,777	3,334	3,296	3,706	3,284	3,795	3,684
22 U.S.S.R.....	40	51	98	73	82	150	62	59	84	58
23 Other Eastern Europe ²	197	236	236	198	325	150	171	258	258	254
24 Canada.....	2,919	4,659	4,607	8,073	6,963	6,622	7,037	8,044	8,819	7,895
25 Latin America and Caribbean.....	15,028	19,132	23,670	31,111	31,470	30,909	32,257	38,067	36,023	39,994
26 Argentina.....	1,146	1,534	1,416	1,504	1,498	1,682	1,789	1,534	1,483	1,886
27 Bahamas.....	1,874	2,770	3,596	6,309	6,615	7,391	7,283	13,078	9,965	11,164
28 Bermuda.....	184	218	321	425	428	386	464	375	351	345
29 Brazil.....	1,219	1,438	1,398	1,234	1,130	1,099	1,150	1,137	1,251	1,581
30 British West Indies.....	1,311	1,877	3,998	6,692	5,978	5,715	6,846	6,971	6,916	9,315
31 Chile.....	319	337	360	341	399	376	358	343	447	368
32 Colombia.....	417	1,021	1,221	1,612	1,756	1,769	1,867	1,925	2,065	2,192
33 Cuba.....	6	6	6	7	13	7	13	6	7	9
34 Ecuador.....	120	320	330	348	322	321	274	330	335	318
35 Guatemala ³.....	.....	.....	.....	357	416	352	386	339	368	378
36 Jamaica ³.....	.....	.....	.....	43	52	72	43	75	80	78
37 Mexico.....	2,070	2,870	2,876	3,413	3,397	3,178	3,158	3,178	3,234	3,215
38 Netherlands Antilles ⁴	129	158	196	368	308	321	361	318	335	396
39 Panama.....	1,115	1,167	2,331	2,808	2,992	2,818	2,491	2,938	3,368	2,909
40 Peru.....	243	257	321	337	287	363	320	347	405	360
41 Uruguay.....	172	245	243	211	233	222	220	236	230	321
42 Venezuela.....	3,309	3,118	2,929	3,550	3,809	3,336	3,705	3,211	3,426	3,272
43 Other Latin America and Caribbean.....	1,393	1,797	2,167	1,553	1,760	1,544	1,501	1,669	1,809	1,684
44 Asia.....	22,384	29,766	30,488	34,843	36,394	36,650	36,485	32,211	30,642	27,735
45 China (Mainland).....	123	48	53	57	67	65	105	280	45	41
46 China (Taiwan).....	1,025	990	1,013	1,247	499	546	505	600	667	605
47 Hong Kong.....	605	894	1,094	1,189	1,256	1,400	1,436	1,254	1,453	1,496
48 India.....	115	638	961	843	790	804	838	857	929	1,016
49 Indonesia.....	369	340	410	439	449	575	557	479	567	394
50 Israel.....	387	392	559	469	674	669	625	608	695	679
51 Japan.....	10,207	14,363	14,616	21,355	21,969	21,428	21,764	18,110	14,848	12,262
52 Korea.....	390	438	602	750	795	771	827	748	728	996
53 Philippines.....	709	628	687	578	639	612	549	642	562	609
54 Thailand.....	252	277	264	279	427	379	307	277	343	302
55 Middle East oil-exporting countries ⁵	7,355	9,360	8,979	6,381	7,420	8,120	7,872	7,107	8,435	7,923
56 Other Asia.....	856	1,398	1,250	1,256	1,411	1,283	1,300	1,249	1,371	1,412
57 Africa.....	3,369	2,298	2,535	2,636	2,886	2,693	2,804	2,650	2,986	3,056
58 Egypt.....	342	333	404	312	404	337	278	329	359	297
59 Morocco.....	68	87	66	30	32	29	32	43	34	36
60 South Africa.....	166	141	174	294	168	179	207	242	246	206
61 Zaire.....	62	36	39	43	43	48	42	50	55	47
62 Oil-exporting countries ⁶	2,240	1,116	1,155	1,335	1,525	1,379	1,549	1,256	1,554	1,523
63 Other Africa.....	491	585	698	622	715	721	697	729	738	946
64 Other countries.....	2,119	2,012	1,297	1,214	1,076	860	1,132	1,072	1,149	1,207
65 Australia.....	2,006	1,905	1,140	977	838	655	934	862	957	992
66 All other.....	113	107	158	236	239	204	198	211	192	215
67 Nonmonetary international and regional organizations.....	5,699	5,714	3,274	2,225	2,617	2,317	2,095	2,364	2,300	2,757
68 International.....	5,415	5,157	2,752	1,033	1,485	1,210	919	1,189	1,128	1,535
69 Latin American regional.....	188	267	278	870	808	809	865	872	872	892
70 Other regional ⁷	96	290	245	323	324	299	311	303	300	330

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, and Romania.

3. Included in "Other Latin America and Caribbean" through March 1978.

4. Includes Surinam through December 1975.

5. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

6. Comprises Algeria, Gabon, Libya, and Nigeria.

7. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.17 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1975	1976	1977	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ¹	May ²
1 Total	58,308	79,301	90,206	105,425	114,606	105,406	103,938	108,736	104,537	105,752
2 Foreign countries	58,275	79,261	90,163	105,379	114,550	105,366	103,899	108,690	104,490	105,706
3 Europe.....	11,109	14,776	18,114	20,565	24,181	20,743	20,454	21,299	20,879	20,576
4 Austria.....	35	63	65	142	140	147	115	177	130	150
5 Belgium-Luxembourg.....	286	482	561	1,232	1,200	1,504	1,376	1,804	1,377	1,330
6 Denmark.....	104	133	173	193	254	172	170	166	204	168
7 Finland.....	180	199	172	260	305	281	264	297	250	189
8 France.....	1,565	1,549	2,082	2,716	3,737	2,629	2,275	2,271	2,907	2,711
9 Germany.....	380	309	644	838	900	840	717	907	806	792
10 Greece.....	290	279	206	134	164	162	169	192	170	155
11 Italy.....	443	993	1,334	1,453	1,504	1,402	1,395	1,311	1,420	1,440
12 Netherlands.....	305	315	338	602	680	681	619	581	532	531
13 Norway.....	131	136	162	282	299	251	252	206	242	196
14 Portugal.....	30	88	175	180	171	169	173	209	208	190
15 Spain.....	424	745	722	980	1,110	905	1,103	909	806	926
16 Sweden.....	198	206	218	465	537	449	388	312	300	231
17 Switzerland.....	199	379	564	1,045	1,283	1,051	970	1,068	878	958
18 Turkey.....	164	249	360	283	283	179	132	144	148	119
19 United Kingdom.....	5,170	7,033	8,964	8,417	10,124	8,444	8,886	8,575	8,674	8,823
20 Yugoslavia.....	210	234	311	302	361	400	409	448	475	492
21 Other Western Europe ¹	76	85	87	107	122	135	110	124	424	171
22 U.S.S.R.....	406	485	413	321	366	327	309	319	298	291
23 Other Eastern Europe ²	513	613	566	612	638	617	621	628	633	713
24 Canada.....	2,834	3,319	3,355	4,522	5,142	4,961	5,049	5,181	4,748	4,738
25 Latin America and Caribbean.....	21,863	38,879	45,850	54,346	56,507	52,372	50,390	54,149	51,443	52,520
26 Argentina.....	1,377	1,192	1,478	1,698	2,266	2,134	2,360	2,753	3,098	3,406
27 Bahamas.....	7,583	15,464	19,858	23,546	21,118	20,873	18,640	19,899	18,121	18,824
28 Bermuda.....	104	150	232	141	189	175	155	150	135	196
29 Brazil.....	3,385	4,901	4,629	6,137	6,251	6,259	6,259	6,291	6,198	6,274
30 British West Indies.....	1,464	5,082	6,481	6,432	9,173	5,368	5,122	7,435	5,524	4,859
31 Chile.....	494	597	675	862	968	1,012	939	964	970	1,058
32 Colombia.....	751	675	671	936	1,012	1,054	1,019	1,004	945	1,017
33 Cuba.....	14	13	10	4	*	*	*	4	4	4
34 Ecuador.....	252	375	517	680	705	700	768	839	903	877
35 Guatemala ³				89	94	87	110	89	95	101
36 Jamaica ³				49	40	37	48	61	63	64
37 Mexico.....	3,745	4,822	4,900	5,255	5,417	5,449	5,398	5,562	5,778	6,000
38 Netherlands Antilles ³	72	140	224	242	268	259	222	282	213	234
39 Panama.....	1,138	1,372	1,410	2,531	3,074	3,179	3,493	2,900	3,486	3,728
40 Peru.....	805	933	962	931	918	873	846	834	839	744
41 Uruguay.....	57	42	80	58	52	50	44	46	48	61
42 Venezuela.....	1,319	1,828	2,318	3,367	3,474	3,324	3,481	3,527	3,555	3,601
43 Other Latin America and Caribbean.....	1,302	1,293	1,394	1,388	1,487	1,538	1,487	1,512	1,468	1,472
44 Asia.....	17,706	19,204	19,236	22,743	25,511	24,232	25,102	25,131	24,562	24,949
45 China (Mainland).....	22	3	10	6	4	15	13	16	20	22
46 China (Taiwan).....	1,053	1,344	1,719	1,356	1,499	1,457	1,767	1,841	1,809	1,812
47 Hong Kong.....	289	316	543	1,385	1,573	1,620	1,952	2,036	1,704	1,993
48 India.....	57	69	53	46	54	61	60	52	73	56
49 Indonesia.....	246	218	232	188	143	141	123	124	135	138
50 Israel.....	721	755	584	719	872	996	896	909	781	826
51 Japan.....	10,944	11,040	9,839	11,997	12,734	12,566	12,220	12,811	12,076	12,342
52 Korea.....	1,791	1,978	2,336	1,792	2,277	2,239	2,478	2,546	2,712	2,966
53 Philippines.....	534	719	594	717	680	607	692	660	710	705
54 Thailand.....	520	442	633	758	753	753	830	778	760	836
55 Middle East oil-exporting countries ⁵	744	1,459	1,746	2,188	3,118	2,333	2,487	1,939	2,437	1,723
56 Other Asia.....	785	863	947	1,592	1,804	1,446	1,585	1,419	1,344	1,531
57 Africa.....	1,933	2,311	2,518	2,163	2,221	2,145	2,092	1,968	1,977	1,967
58 Egypt.....	123	126	119	68	107	82	83	73	104	121
59 Morocco.....	8	27	43	36	82	97	88	66	64	46
60 South Africa.....	657	957	1,066	906	860	838	760	701	680	719
61 Zaire.....	181	112	98	162	164	156	155	155	151	151
62 Oil-exporting countries ⁶	382	524	510	439	452	438	456	455	462	460
63 Other.....	581	565	682	551	556	533	550	518	516	471
64 Other countries.....	830	772	1,090	1,041	988	914	813	961	882	956
65 Australia.....	700	597	905	894	877	792	704	830	755	789
66 All other.....	130	175	186	147	111	122	108	131	127	167
67 Nonmonetary international and regional organizations ⁷	33	40	43	45	56	40	39	46	46	46

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, and Romania.

3. Included in "Other Latin America and Caribbean" through March 1978.

4. Includes Surinam through December 1975.

5. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

6. Comprises Algeria, Gabon, Libya, and Nigeria.

7. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE: Data for period prior to April 1978 include claims of banks' domestic customers on foreigners.

3.18 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars
Millions of dollars, end of period

Type of claim	1975	1976	1977	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^p
1 Total.....	58,308	79,301	90,206		125,641			120,383		
2 Banks' own claims on foreigners.....				105,425	114,606	105,406	103,938	108,736	104,537	105,752
3 Foreign public borrowers.....				9,235	10,047	10,304	10,498	10,774	11,000	10,536
4 Own foreign offices ¹				40,403	40,882	37,933	35,581	36,931	35,471	34,665
5 Unaffiliated foreign banks.....				33,552	40,379	34,494	34,718	37,388	34,558	35,791
6 Deposits.....				4,396	5,506	4,670	5,146	6,340	5,698	5,797
7 Other.....				29,157	34,873	29,824	29,572	31,048	28,861	29,994
8 All other foreigners.....				22,234	23,298	22,674	23,141	23,643	23,508	24,759
9 Claims of banks' domestic customers ²					11,035			11,646		
10 Deposits.....					972			1,143		
11 Negotiable and readily transferable instruments ³					4,762			4,863		
12 Outstanding collections and other claims ⁴	5,467	5,756	6,176		5,301			5,640		
13 MEMO: Customer liability on acceptances.....					14,913			15,082		
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁵					11,290	13,978	14,745	14,917	15,556	

1. U.S. banks: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly-owned subsidiaries of head office or parent foreign bank.

2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

3. Principally negotiable time certificates of deposit and bankers acceptances.

4. Data for March 1978 and for period prior to that are outstanding collections only.

5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see "Announcements," page 550.

NOTE: Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' domestic customers are available on a quarterly basis only.

3.19 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars
Millions of dollars, end of period

Maturity; by borrower and area	1978			1979		
	June	Sept.	Dec.	Mar. ^p	June	Sept.
1 Total.....	55,433	59,907	73,468	71,139		
<i>By borrower</i>						
2 Maturity of 1 year or less ¹	44,103	47,055	58,185	54,949		
3 Foreign public borrowers.....	3,067	3,702	4,528	4,581		
4 All other foreigners.....	41,036	43,353	53,658	50,368		
5 Maturity of over 1 year ¹	11,330	12,852	15,282	16,190		
6 Foreign public borrowers.....	2,931	3,925	5,315	5,946		
7 All other foreigners.....	8,399	8,927	9,967	10,245		
<i>By area</i>						
8 Maturity of 1 year or less ¹						
8 Europe.....	9,627	10,454	15,049	12,107		
9 Canada.....	1,598	1,948	2,670	2,528		
10 Latin American and Caribbean.....	17,203	18,759	20,867	21,535		
11 Asia.....	13,695	13,769	17,534	16,939		
12 Africa.....	1,457	1,535	1,496	1,299		
13 All other ²	523	591	569	541		
9 Maturity of over 1 year ¹						
14 Europe.....	2,920	3,104	3,158	3,108		
15 Canada.....	344	794	1,426	1,456		
16 Latin America and Caribbean.....	5,886	6,859	8,448	9,312		
17 Asia.....	1,298	1,305	1,401	1,515		
18 Africa.....	631	580	636	619		
19 All other ²	252	211	214	180		

1. Remaining time to maturity.

2. Includes nonmonetary international and regional organizations.

NOTE: The first available data are for June 1978.

3.20 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks¹

Billions of dollars, end of period

	1975	1976	1977				1978				1979
			Mar.	June	Sept.	Dec.	Mar.	June ²	Sept.	Dec.	
1 Total.....	167.0	207.7	206.7	217.8	226.7	239.4	247.2	246.0	247.3	266.6	264.9
2 G-10 countries and Switzerland.....	88.0	100.1	99.7	104.1	108.8	115.3	116.6	112.8	113.9	125.3	119.2
3 Belgium-Luxembourg.....	5.3	6.1	6.4	6.3	7.1	8.4	8.3	8.3	8.4	9.0	9.4
4 France.....	8.5	10.0	10.2	10.6	10.5	11.0	11.4	11.4	11.7	12.4	11.7
5 Germany.....	7.8	8.7	7.8	8.2	8.6	9.6	9.0	9.1	9.7	11.4	10.7
6 Italy.....	5.2	5.8	6.0	6.4	6.0	6.5	6.0	6.4	6.0	6.6	5.7
7 Netherlands.....	2.8	2.8	2.6	3.1	3.0	3.5	3.4	3.4	3.5	4.4	3.8
8 Sweden.....	1.0	1.2	1.4	1.7	1.9	1.9	2.0	2.1	2.2	2.1	2.0
9 Switzerland.....	2.4	3.0	2.5	3.0	3.3	3.3	4.0	4.1	4.3	5.4	4.5
10 United Kingdom.....	36.3	41.5	40.4	41.4	44.1	46.5	46.5	45.0	44.4	47.2	46.4
11 Canada.....	3.8	5.1	6.1	6.4	6.6	5.8	6.9	5.1	4.9	5.9	5.8
12 Japan.....	14.9	15.9	16.4	17.0	17.6	18.8	19.1	17.9	18.8	20.9	19.2
13 Other developed countries.....	10.7	15.1	16.3	16.9	18.1	18.6	20.5	19.3	18.7	19.2	18.2
14 Austria.....	.7	1.2	1.2	1.2	1.3	1.3	1.5	1.5	1.5	1.7	1.7
15 Denmark.....	.6	1.0	1.2	1.4	1.5	1.6	1.6	1.7	1.9	2.0	2.0
16 Finland.....	.9	1.1	1.1	1.1	1.2	1.2	1.2	1.1	1.0	1.2	1.1
17 Greece.....	1.4	1.7	1.7	1.8	2.0	2.2	2.7	2.3	2.2	2.3	2.3
18 Norway.....	1.4	1.5	1.7	1.7	1.8	1.9	1.9	2.1	2.1	2.1	2.1
19 Portugal.....	.3	.4	.5	.5	.6	.6	.7	.6	.5	.6	.6
20 Spain.....	1.9	2.8	3.0	3.2	3.5	3.6	3.6	3.6	3.5	3.4	3.0
21 Turkey.....	.6	1.3	1.4	1.4	1.4	1.5	1.5	1.4	1.5	1.5	1.4
22 Other Western Europe.....	.6	.7	.8	.8	1.2	.9	1.4	1.2	1.0	1.0	1.0
23 South Africa.....	1.2	2.2	2.3	2.3	2.3	2.4	2.5	2.4	2.2	2.0	1.7
24 Australia.....	1.3	1.2	1.4	1.5	1.5	1.4	1.9	1.4	1.3	1.4	1.3
25 Oil-exporting countries ³	6.9	12.6	13.3	15.0	16.5	17.6	19.2	19.1	20.4	22.8	22.7
26 Ecuador.....	.4	.7	.8	.9	1.1	1.1	1.3	1.4	1.6	1.6	1.5
27 Venezuela.....	2.3	4.1	3.9	4.6	5.1	5.5	5.5	5.6	6.2	7.2	7.2
28 Indonesia.....	1.6	2.2	2.3	2.2	2.2	2.2	2.1	1.9	1.9	2.0	1.9
29 Middle East countries.....	1.6	4.2	5.0	5.5	6.3	6.9	8.3	8.3	8.7	9.5	9.5
30 African countries.....	1.0	1.4	1.3	1.8	1.9	1.9	2.0	1.9	2.0	2.5	2.6
31 Non-oil developing countries.....	34.2	43.1	44.0	45.8	47.6	50.0	49.9	48.9	49.5	52.7	53.1
32 Argentina.....	1.7	1.9	2.0	2.1	2.4	2.9	3.0	3.0	2.9	3.0	2.9
33 Brazil.....	8.0	11.1	11.5	11.8	11.8	12.7	13.0	13.3	14.0	14.9	14.6
34 Chile.....	.5	.8	.7	.7	.8	.9	1.1	1.3	1.3	1.6	1.7
35 Colombia.....	1.2	1.3	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.5
36 Mexico.....	9.0	11.7	11.8	12.2	12.6	11.9	11.2	11.0	10.7	10.8	10.9
37 Peru.....	1.4	1.8	1.9	2.0	1.9	1.9	1.7	1.8	1.8	1.7	1.6
38 Other Latin America.....	2.6	2.7	2.4	2.4	2.5	2.7	3.5	3.3	3.4	3.8	3.5
39 India.....	.2	.2	.2	.2	.3	.3	.3	.2	.3	.2	.2
40 Israel.....	.9	1.0	.8	.8	.7	.9	.8	.7	.7	1.0	1.0
41 Korea (South).....	2.4	3.1	3.2	3.4	3.6	3.9	3.7	3.6	3.5	3.9	4.2
42 Malaysia ⁴.....	.3	.5	.6	.7	.7	.7	.6	.6	.6	.6	.6
43 Philippines.....	1.7	2.2	2.3	2.3	2.4	2.5	2.6	2.7	2.8	2.8	3.2
44 Taiwan.....	1.7	2.3	2.4	2.7	2.9	3.1	3.1	2.5	2.4	2.9	3.1
45 Thailand.....	.7	.7	.8	.8	.9	1.7	1.1	1.1	1.1	1.2	1.2
46 Other Asia.....	.6	.4	.2	.4	.4	.3	.4	.3	.3	.3	.3
47 Egypt.....	.4	.4	.4	.4	.4	.3	.3	.3	.4	.4	.4
48 Morocco.....	.1	.2	.3	.3	.4	.5	.4	.5	.5	.6	.6
49 Zaire.....	.3	.3	.3	.3	.3	.3	.3	.2	.2	.2	.2
50 Other Africa ⁵.....	.5	.6	1.0	1.0	1.2	1.2	1.4	1.2	1.3	1.4	1.4
51 Eastern Europe.....	3.7	5.2	5.1	5.5	5.5	6.5	6.3	6.4	6.6	6.9	6.7
52 U.S.S.R.....	1.0	1.5	1.5	1.5	1.5	1.6	1.4	1.4	1.4	1.3	1.1
53 Yugoslavia.....	.6	.8	.9	.9	1.0	1.1	1.2	1.3	1.3	1.5	1.6
54 Other.....	2.1	2.8	2.8	3.1	3.0	3.8	3.7	3.7	3.9	4.1	4.0
55 Offshore banking centers.....	19.4	26.2	22.7	25.4	25.3	26.1	29.0	31.4	29.6	30.6	35.4
56 Bahamas.....	7.3	11.8	8.2	9.5	9.9	9.8	11.3	11.8	11.3	10.4	14.1
57 Bermuda.....	.5	.5	.5	.5	.5	.6	.6	.7	.7	.7	.6
58 Cayman Islands and other British West Indies.....	2.5	3.8	3.7	4.8	4.3	3.8	4.5	6.3	6.2	6.9	7.2
59 Netherlands Antilles.....	.6	.6	.6	.5	.6	.7	.7	.6	.6	.8	.7
60 Panama.....	2.6	2.7	2.9	2.9	2.8	3.1	3.2	3.2	3.0	2.6	3.2
61 Lebanon.....	.2	.1	.2	.2	.1	.2	.2	.1	.1	.1	.1
62 Hong Kong.....	1.6	2.3	2.6	2.8	3.1	3.7	4.0	4.1	4.0	4.3	4.6
63 Singapore.....	3.8	4.4	3.9	4.2	3.9	3.7	4.0	3.8	2.9	3.9	4.0
64 Others ⁶.....	.1				.1	.5	.5	.8	.8	.9	.9
65 Miscellaneous and unallocated ⁷	4.1	5.4	5.6	5.1	5.0	5.3	5.7	8.1	8.6	9.1	9.6

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.13 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.17 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches). However, see also footnote 2.

2. For June 1978 and subsequent dates, the claims of the U.S. offices

in this table include only banks' own claims payable in dollars. For earlier dates the claims of the U.S. offices also include customer claims and foreign currency claims (amounting in June 1978 to \$10 billion).

3. Includes Algeria, Bahrain, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, and United Arab Emirates in addition to countries shown individually.

4. Foreign branch claims only through December 1976.

5. Excludes Liberia.

6. Foreign branch claims only.

7. Includes New Zealand, Liberia, and international and regional organizations.

3.21 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1977	1978	1979		1978		1979			
			Jan. May ^a	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^b	May ^c
HOLDINGS										
End of period ^d										
1 Estimated total ¹	38,640	44,933	43,852	44,933	46,205	45,662	47,524	48,126	47,209	
2 Foreign countries ¹	33,894	39,812	38,474	39,812	41,336	40,958	42,926	43,172	43,046	
3 Europe ¹	13,936	17,072	15,654	17,072	18,360	18,501	20,171	20,593	20,639	
4 Belgium-Luxembourg.....	19	19	19	19	19	19	19	19	20	
5 Germany ¹	3,168	8,705	7,102	8,705	8,864	8,860	10,216	10,812	10,828	
6 Netherlands.....	911	1,358	1,351	1,358	1,433	1,517	1,587	1,637	1,672	
7 Sweden.....	100	285	266	285	320	355	360	415	479	
8 Switzerland.....	497	977	915	977	1,818	1,508	1,537	1,510	1,458	
9 United Kingdom.....	8,888	5,373	5,674	5,373	5,489	5,823	5,991	5,735	5,697	
10 Other Western Europe.....	349	354	327	354	417	420	461	464	485	
11 Eastern Europe.....	4									
12 Canada.....	288	152	151	152	150	146	166	226	216	
13 Latin America and Caribbean.....	551	416	416	416	433	417	418	397	411	
14 Venezuela.....	199	144	144	144	183	183	183	183	183	
15 Other Latin American and Caribbean.....	183	110	109	110	88	72	72	52	66	
16 Netherlands Antilles.....	170	162	162	162	162	162	162	162	162	
17 Asia.....	18,745	21,483	21,565	21,483	21,704	21,205	21,483	21,268	21,092	
18 Japan.....	6,860	11,528	11,483	11,528	12,226	12,422	12,729	12,982	13,014	
19 Africa.....	362	691	691	691	691	691	691	691	691	
20 All other.....	11	3	-3	-3	-3	-3	-3	-3	-3	
21 Nonmonetary international and regional organizations.....	4,746	5,121	5,378	5,121	4,869	4,704	4,598	4,954	4,163	
22 International.....	4,646	5,089	5,345	5,089	4,837	4,666	4,560	4,915	4,114	
23 Latin American regional.....	100	33	33	33	33	38	38	38	48	
TRANSACTIONS										
Net purchases, or sales (-), during period										
24 Total ¹	22,843	6,292	2,276	225	1,081	1,272	-543	1,862	602	-917
25 Foreign countries ¹	21,130	5,916	3,234	-3	1,338	1,524	-378	1,968	246	-126
26 Official institutions.....	20,377	3,712	250	69	346	150	-517	524	242	-149
27 Other foreign ¹	753	2,205	2,986	-72	1,683	1,375	141	1,443	4	23
28 Nonmonetary international and regional organizations.....	1,713	375	-958	227	-256	252	-165	-106	356	-791
MEMO: Oil-exporting countries										
29 Middle East ²	4,451	-1,785	-1,827	241	-127	-461	-693	-31	-452	-190
30 Africa ³	-181	329		-1						

1. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

3.22 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1976	1977	1978	1979						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^a
1 Deposits.....	352	424	367	367	338	343	303	388	407	326
<i>Assets held in custody</i>										
2 U.S. Treasury securities ¹	66,532	91,962	117,126	117,126	116,961	114,005	107,854	99,674	91,327	95,301
3 Earmarked gold ²	16,414	15,988	15,463	15,463	15,448	15,432	15,426	15,406	15,381	15,356

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

2. The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

NOTE: Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

3.23 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1977	1978	1979 Jan- May ^a	1978		1979				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^b	May ^b
U.S. CORPORATE SECURITIES										
<i>Stocks</i>										
1 Foreign purchases.....	14,155	20,130	7,866	1,461	1,438	1,361	1,384	1,941	1,614	1,565
2 Foreign sales.....	11,479	17,723	6,906	1,359	1,102	1,301	1,264	1,437	1,520	1,384
3 Net purchases, or sales (-).....	2,676	2,408	960	103	336	60	120	504	94	181
4 Foreign countries.....	2,661	2,454	940	102	336	61	104	501	94	180
5 Europe.....	1,006	1,271	283	-10	264	-7	52	104	-2	136
6 France.....	40	47	122	1	-38	-6	16	33	31	48
7 Germany.....	291	620	-59	8	264	-18	20	2	-59	-1
8 Netherlands.....	22	22	87	6	9	35	15	-19	-10	-7
9 Switzerland.....	152	585	-28	-88	-23	30	12	12	-17	-18
10 United Kingdom.....	613	1,218	339	67	74	85	19	109	52	74
11 Canada.....	65	74	125	6	38	7	6	57	30	37
12 Latin America and Caribbean.....	127	151	47	-2	16	34	25	36	22	-19
13 Middle East ¹	1,390	781	340	109	4	-16	46	242	48	20
14 Other Asia.....	59	187	146	1	15	49	30	61	3	9
15 Africa.....	5	13	1	-2	-1	2	6	1	-3	-2
16 Other countries.....	8	3	2	1	1	4	1	1	2	-1
17 Nonmonetary international and regional organizations.....	15	46	19	1	*	1	16	3	1	*
<i>Bonds²</i>										
18 Foreign purchases.....	7,739	7,955	3,127	437	884	641	453	581	589	863
19 Foreign sales.....	3,560	5,509	3,041	439	564	704	547	489	378	922
20 Net purchases, or sales (-).....	4,179	2,446	86	-2	320	-63	94	92	210	-59
21 Foreign countries.....	4,083	2,037	356	-12	128	54	28	79	106	87
22 Europe.....	1,809	915	398	-25	146	39	110	1	139	110
23 France.....	34	30	28	3	17	18	*	13	-2	-1
24 Germany.....	-20	68	84	-45	10	42	13	4	19	6
25 Netherlands.....	72	19	98	-1	-6	-4	-10	-27	-20	-37
26 Switzerland.....	94	100	6	9	39	8	6	12	8	-41
27 United Kingdom.....	1,690	930	352	9	109	-54	93	27	134	151
28 Canada.....	141	102	63	*	6	11	10	33	6	4
29 Latin America and Caribbean.....	64	78	84	-1	5	23	9	24	9	19
30 Middle East ¹	1,695	810	250	-8	-21	-34	-106	25	-61	-73
31 Other Asia.....	338	131	59	23	5	16	4	3	14	28
32 Africa.....	-6	-1	1	*	1	*	1	*	*	*
33 Other countries.....	*	1	*	*	-3	*	*	1	-1	*
34 Nonmonetary international and regional organizations.....	96	409	-269	10	192	-118	-122	13	104	-146
FOREIGN SECURITIES										
35 Stocks, net purchases, or sales (-).....	-410	527	65	163	-12	11	-28	2	13	67
36 Foreign purchases.....	2,255	3,666	1,750	360	232	265	232	331	369	554
37 Foreign sales.....	2,665	3,139	1,686	197	244	254	260	329	356	487
38 Bonds, net purchases, or sales (-).....	-5,096	-4,017	-927	-446	73	-550	-322	39	-21	5
39 Foreign purchases.....	8,040	11,044	4,637	856	1,020	783	942	1,182	879	851
40 Foreign sales.....	13,136	15,061	5,564	1,302	948	1,333	1,264	1,220	900	847
41 Net purchases, or sales (-) of stocks and bonds.....	-5,506	-3,490	-862	-283	61	-540	-349	-37	-8	71
42 Foreign countries.....	-3,949	-3,313	-623	303	19	-513	-141	-19	-21	70
43 Europe.....	-1,100	-40	-368	-102	53	-124	-42	3	-174	-31
44 Canada.....	-2,404	-3,237	-622	-246	-24	-305	-184	228	10	85
45 Latin America and Caribbean.....	82	201	266	18	*	60	70	54	55	26
46 Asia.....	-97	350	100	21	-15	141	19	152	84	-14
47 Africa.....	2	-441	-11	1	*	3	5	8	2	4
48 Other countries.....	-267	-146	13	4	5	1	2	7	2	1
49 Nonmonetary international and regional organizations.....	-1,557	-177	-239	20	41	-27	-209	-17	13	1

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.24 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States ▲

Millions of dollars, end of period

Type, and area or country	1976	1977	1978			1979			
			June	Sept.	Dec.	Mar.	June	Sept.	Dec.
1 Total.....	10,099	11,085	11,870	12,786	13,740				
2 Payable in dollars.....	9,390	10,284	11,044	11,955	11,028				
3 Payable in foreign currencies ¹	709	801	825	831	2,711				
<i>By type</i>									
4 Financial liabilities.....					5,231				
5 Payable in dollars.....					3,448				
6 Payable in foreign currencies.....					1,783				
7 Commercial liabilities.....					8,509				
8 Trade payables.....					3,945				
9 Advance receipts and other liabilities.....					4,564				
10 Payable in dollars.....					7,581				
11 Payable in foreign currencies.....					928				
<i>By area or country</i>									
Financial liabilities									
12 Europe.....					3,326				
13 Belgium-Luxembourg.....					290				
14 France.....					134				
15 Germany.....					310				
16 Netherlands.....					356				
17 Switzerland.....					288				
18 United Kingdom.....					1,776				
19 Canada.....					167				
20 Latin America and Caribbean.....					962				
21 Bahamas.....					367				
22 Bermuda.....					111				
23 Brazil.....					10				
24 British West Indies.....					122				
25 Mexico.....					71				
26 Venezuela.....					46				
27 Asia.....					763				
28 Japan.....					677				
29 Middle East oil-exporting countries ²					52				
30 Africa.....					8				
31 Oil exporting countries ³					4				
32 All other ⁴					5				
Commercial liabilities									
33 Europe.....					2,941				
34 Belgium-Luxembourg.....					77				
35 France.....					336				
36 Germany.....					433				
37 Netherlands.....					208				
38 Switzerland.....					311				
39 United Kingdom.....					847				
40 Canada.....					666				
41 Latin America.....					1,005				
42 Bahamas.....					25				
43 Bermuda.....					95				
44 Brazil.....					75				
45 British West Indies.....					53				
46 Mexico.....					113				
47 Venezuela.....					309				
48 Asia.....					2,958				
49 Japan.....					444				
50 Middle East oil-exporting countries ²					1,546				
51 Africa.....					730				
52 Oil-exporting countries ³					318				
53 All other ⁴					209				

1. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Includes nonmonetary international and regional organizations.

▲ For a description of the changes in the International Statistics tables, see "Announcements" section, p. 550.

3.25 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States ▲

Millions of dollars, end of period

Type, and area or country	1976	1977	1978			1979				
			June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
1 Total.....	19,350	21,298	23,229	23,260	26,817					
2 Payable in dollars.....	18,300	19,880	21,665	21,292	23,719					
3 Payable in foreign currencies ¹	1,050	1,418	1,564	1,968	3,098					
<i>By type</i>										
4 Financial claims.....					15,474					
5 Deposits.....					10,539					
6 Payable in dollars.....					9,505					
7 Payable in foreign currencies.....					1,034					
8 Other financial claims.....					4,935					
9 Payable in dollars.....					3,280					
10 Payable in foreign currencies.....					1,655					
11 Commercial claims.....					11,342					
12 Trade receivables.....					10,614					
13 Advance payments and other claims.....					728					
14 Payable in dollars.....					10,934					
15 Payable in foreign currencies.....					408					
<i>By area or country</i>										
Financial claims										
16 Europe.....					4,849					
17 Belgium-Luxembourg.....					69					
18 France.....					192					
19 Germany.....					514					
20 Netherlands.....					70					
21 Switzerland.....					95					
22 United Kingdom.....					3,683					
23 Canada.....					4,369					
24 Latin America and Caribbean.....					5,084					
25 Bahamas.....					2,826					
26 Bermuda.....					85					
27 Brazil.....					151					
28 British West Indies.....					1,208					
29 Mexico.....					154					
30 Venezuela.....					133					
31 Asia.....					916					
32 Japan.....					302					
33 Middle East oil-exporting countries ²					19					
34 Africa.....					216					
35 Oil-exporting countries ³					40					
36 All other ⁴					41					
Commercial claims										
37 Europe.....					3,910					
38 Belgium-Luxembourg.....					148					
39 France.....					609					
40 Germany.....					382					
41 Netherlands.....					255					
42 Switzerland.....					193					
43 United Kingdom.....					804					
44 Canada.....					1,099					
45 Latin America and Caribbean.....					2,611					
46 Bahamas.....					109					
47 Bermuda.....					215					
48 Brazil.....					622					
49 British West Indies.....					9					
50 Mexico.....					502					
51 Venezuela.....					295					
52 Asia.....					3,083					
53 Japan.....					977					
54 Middle East oil-exporting countries ²					703					
55 Africa.....					453					
56 Oil-exporting countries ³					137					
57 All other ⁴					186					

1. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Includes nonmonetary international and regional organizations.

▲ For a description of the changes in the International Statistics tables, see "Announcements" section, p. 550.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on June 30, 1979		Country	Rate on June 30, 1979		Country	Rate on June 30, 1979	
	Per-cent	Month effective		Per-cent	Month effective		Per-cent	Month effective
Argentina.....	18.0	Feb. 1972	France.....	9.5	Aug. 1977	Norway.....	7.0	Feb. 1978
Austria.....	3.75	Jan. 1979	Germany, Fed. Rep. of.....	4.0	Mar. 1979	Sweden.....	6.5	July 1978
Belgium.....	9.0	June 1979	Italy.....	10.5	Sept. 1978	Switzerland.....	1.0	Feb. 1978
Brazil.....	33.0	Nov. 1978	Japan.....	4.25	Apr. 1979	United Kingdom.....	14.0	June 1979
Canada.....	11.25	Jan. 1979	Mexico.....	4.5	June 1942	Venezuela.....	5.0	Oct. 1970
Denmark.....	9.0	June 1979	Netherlands.....	7.0	May 1979			

NOTE: Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government 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.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1976	1977	1978	1979					
				Jan.	Feb.	Mar.	Apr.	May	June
1 Eurodollars.....	5.58	6.03	8.74	11.16	10.79	10.64	10.60	10.75	10.52
2 United Kingdom.....	11.35	8.07	9.18	12.61	13.28	11.98	11.64	11.76	13.02
3 Canada.....	9.39	7.47	8.52	10.87	10.94	11.08	11.18	11.26	11.17
4 Germany.....	4.19	4.30	3.67	3.85	4.13	4.42	5.50	5.89	6.40
5 Switzerland.....	1.45	2.56	0.74	0.05	0.13	0.03	0.93	1.54	1.51
6 Netherlands.....	7.02	4.73	6.53	8.69	7.42	7.35	7.23	7.82	8.55
7 France.....	8.65	9.20	8.10	6.55	6.83	7.05	6.96	7.63	8.63
8 Italy.....	16.32	14.26	11.40	11.12	11.38	11.46	11.52	11.37	11.27
9 Belgium.....	10.25	6.95	7.14	8.93	8.23	7.63	7.63	8.16	9.09
10 Japan.....	7.70	6.22	4.75	4.52	4.50	4.54	5.13	5.25	5.46

NOTE: Rates are for 3-month interbank loans except for the following: Canada, finance company paper; Belgium, time deposits of 20 million

francs and over; and Japan, loans and discounts that can be called after being held over a minimum of two month-ends.

3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1976	1977	1978	1979					
				Jan.	Feb.	Mar.	Apr.	May	June
1 Australia/dollar.....	122.15	110.82	114.41	114.04	113.12	112.15	110.85	110.57	111.11
2 Austria/schilling.....	5.5744	6.0494	6.8958	7.3821	7.3510	7.3312	7.1862	7.1222	7.2081
3 Belgium/franc.....	2.5921	2.7911	3.1809	3.4276	3.4153	3.3971	3.2732	3.2732	3.3048
4 Canada/dollar.....	101.41	94.112	87.729	84.041	83.638	85.187	87.235	86.534	85.296
5 Denmark/krone.....	16.546	16.658	18.156	19.487	19.423	19.269	18.958	18.562	18.401
6 Finland/markka.....	25.938	24.913	24.337	25.252	25.186	25.161	24.976	24.974	25.250
7 France/franc.....	20.942	20.344	22.218	23.570	23.395	23.328	22.967	22.691	22.914
8 Germany/deutsche mark.....	39.737	43.079	49.867	54.056	53.862	53.754	52.745	52.422	53.084
9 India/rupee.....	11.148	11.406	12.207	12.185	12.124	12.138	12.191	12.066	12.317
10 Ireland/pound.....	180.48	174.49	191.84	200.53	200.42	203.73	201.97	198.43	200.01
11 Italy/lira.....	1,2044	1,1328	1,1782	1,1955	1,1899	1,1883	1,1858	1,1744	1,1828
12 Japan/yen.....	33741	37342	47981	50571	49877	48470	46241	45797	45750
13 Malaysia/ringgit.....	39.340	40.620	43.210	45.487	45.488	45.440	45.023	44.934	45.474
14 Mexico/peso.....	6.9161	4.4239	4.3896	4.4038	4.3952	4.3835	4.3780	4.3805	4.3767
15 Netherlands/guilder.....	37.846	40.752	46.284	50.082	49.856	49.801	48.794	48.132	48.374
16 New Zealand/dollar.....	99.115	96.893	103.64	105.64	105.32	105.39	104.96	104.37	103.29
17 Norway/krone.....	18.327	18.789	19.079	19.730	19.610	19.619	19.444	19.270	19.398
18 Portugal/escudo.....	3.3159	2.6234	2.2782	2.1358	2.1065	2.0855	2.0482	2.0214	2.0192
19 South Africa/rand.....	114.85	114.99	115.01	114.96	116.76	118.40	117.94	118.22	118.31
20 Spain/peseta.....	1.4958	1.3287	1.3073	1.4293	1.4427	1.4490	1.4679	1.5131	1.5131
21 Sri Lanka/rupee.....	11.908	11.964	6.3834	6.4491	6.4439	6.4593	6.4455	6.4239	6.4059
22 Sweden/krona.....	22.957	22.383	22.139	22.987	22.898	22.901	22.772	22.755	23.028
23 Switzerland/franc.....	40.013	41.714	56.283	59.840	59.699	59.473	58.220	57.894	58.884
24 United Kingdom/pound.....	180.48	174.49	191.84	200.53	200.42	203.78	207.34	205.87	211.19
MEMO:									
25 United States/dollar ¹	105.57	103.31	92.39	87.77	88.25	88.39	89.49	90.31	89.56

1. Index of weighted average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland, March 1973 = 100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of

the Weighted-Average Exchange Value of the U.S. Dollar: Revision" on page 700 of the August 1978 BULLETIN.

NOTE: Averages of certified noon buying rates in New York for cable transfers.

Guide to Tabular Presentation and Statistical Releases

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
t	Revised (Notation appears on column heading when more than half of figures in that column are changed.)	IPCS	Individuals, partnerships, and corporations
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	REITs	Real estate investment trusts
		RPs	Repurchase agreements
		SMSAs	Standard metropolitan statistical areas
		.....	Cell not applicable

General Information

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

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues)

as well as direct obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

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

STATISTICAL RELEASES

List Published Semiannually, with Latest Bulletin Reference

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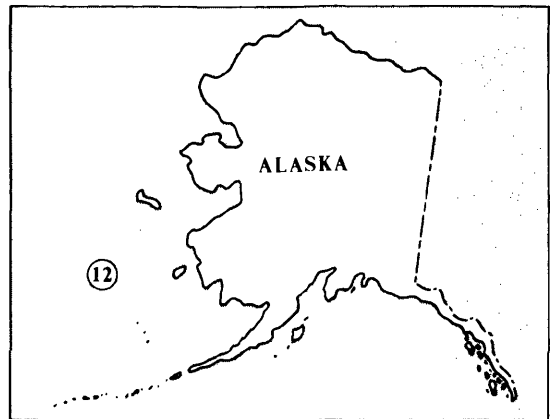
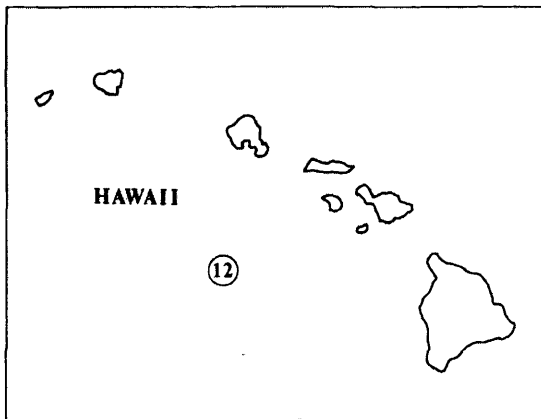
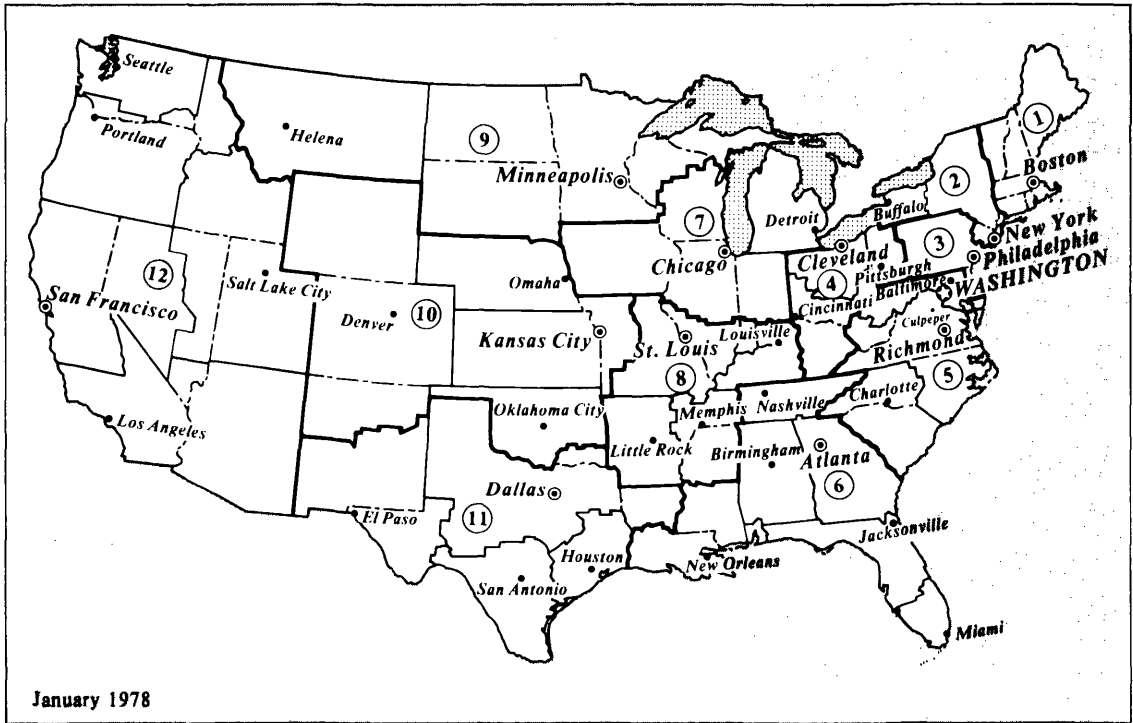
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The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



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- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
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