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FEDERAL RESERVE BULLETIN

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At its meeting on March 26-27, 1984, the Committee decided to seek to maintain pressures on reserve positions that were deemed to be consistent with growth of M1, M2, and M3 from March to June at annual rates of around 6½, 8, and 8½ percent respectively; initially those pressures should be close to those that had emerged in recent days. The members agreed that greater restraint on reserve conditions would be acceptable in the context of more substantial growth in the monetary aggregates, while somewhat lesser restraint might be acceptable if monetary growth were significantly slower. In either event,

the need for greater or lesser restraint would also be appraised against the background of developments relating to the continuing strength of the business expansion and of inflationary pressures and the rate of expansion in total credit. It was agreed that the intermeeting range for the federal funds rate would be raised to 7½ to 11½ percent.

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Perspectives on the Recent Behavior of Inflation

David Stockton, of the Board's Division of Research and Statistics, prepared this article. Samuel Kortum provided research assistance.

The three years since 1980 have been marked by a dramatic and widespread slowing in the rate of inflation. Most broad-based measures of inflation show prices increasing at less than half the pace that prevailed in the late 1970s and 1980. This article reviews the wage and price developments of the last several years, examines the key factors in the disinflation, and assesses the way those factors may shape the outlook for inflation.

The primary element in the sustained decline in the rate of price inflation was the slack in the economy that developed as growth in aggregate demand was constrained, primarily by a policy of monetary restraint. At the same time, other, related developments that had contributed to high rates of price increase began acting instead to reinforce the slowdown in inflation. A steady rise in the value of the U.S. dollar in foreign exchange markets not only held down the price of imported products but also restrained price

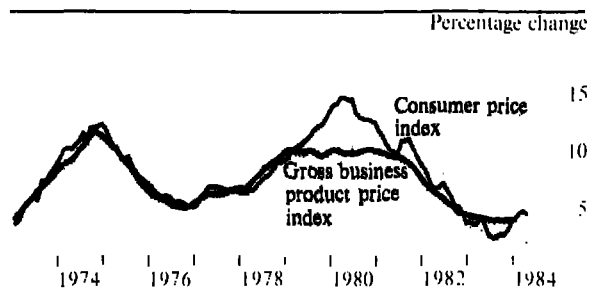
increases of domestic goods that face foreign competition. Another integral feature of the recent disinflation was a break in the entrenched expectations that inflation would remain high, or accelerate. Finally, food and energy prices rose less than the overall rate of inflation in recent years, after several episodes of sharp increases in their relative prices during the late 1970s. The price performance in these markets over the past three years reflects not only more favorable supply conditions but also the restraint that worldwide recession has exerted on demand.

SUMMARY OF RECENT PRICE DEVELOPMENTS

The deceleration of prices between 1980 and 1983 was widespread for both consumers and producers (see chart 1 and the table). The consumer price index, which rose 12½ percent in 1980, increased only 3¾ percent in 1983. Marking the smallest advance since 1964, producer prices for finished goods were up just ½ percent in 1983, compared with a rate of increase of 11¾ percent in 1980.

The initial signs of a sharp slowing in consumer price increases appeared in 1981 and were most pronounced among commodities. Favorable developments in food and energy markets helped lower the overall rate of inflation. Outside the food and energy areas, the principal forces behind the deceleration were the appreciation of the dollar and some slackening of aggregate demand. Consumer price inflation for commodities other than food and energy dropped to slightly less than 8 percent in 1981, 1¼ percentage points below the pace of the preceding year. In contrast, prices for services continued to advance at a double-digit rate, largely because

1. Recent disinflation



The curve for the CPI plots the percentage change in data for a given month measured from the same month a year earlier. The curve for the gross business product index plots the percentage change in data for a given quarter from the same quarter a year earlier.

Consumer and producer prices

Percentage change from December to December, except as noted

Index	1979	1980	1981	1982	1983
<i>Consumer price index</i>					
All items	13.3	12.4	8.9	3.9	3.8
Food	10.2	10.2	4.3	3.1	2.6
Energy	37.4	18.1	11.9	1.3	-5
Other ²	7.5	9.9	9.4	6.0	4.9
Commodities	6.1	9.3	7.9	5.1	5.0
Services	8.8	10.3	10.6	6.9	4.8
<i>Producer price index</i>					
Finished goods	12.8	11.8	7.0	3.6	.6
Capital equipment	8.9	11.5	9.0	3.9	1.9
Intermediate materials ³	12.7	10.1	6.4	5	3.0

1. Percentage change from December 1983 to April 1984 at a compound annual rate

2. Data are not strictly comparable over time. Before 1983, they are based on series that exclude major components of homeownership;

beginning in 1983, the data include a rental-equivalence for homeowner costs

3. Excluding food and energy

SOURCE: Bureau of Labor Statistics

those prices tend to reflect trends in labor costs, which react less promptly to changes in demand.

The onset of the 1981-82 recession brought a more widespread reduction in price inflation. Apart from food and energy, consumer prices rose 6 percent in 1982, nearly 3½ percentage points less than a year earlier. Price increases for household commodities such as furniture, appliances, and cars slowed further as rising unemployment and sluggish income growth damped consumer demand. Furthermore, the dollar's sustained rise against most major foreign currencies limited price increases for a broad range of imported products, including consumer nondurables such as apparel and footwear. Price increases for consumer services also were smaller by 1982, as spending declined and labor costs decelerated. Increases in producer prices for capital equipment also slowed in response to weaker investment by businesses in plant and equipment and to the availability of cheaper imports. Over 1982, capital equipment prices rose just under 4 percent, less than half the pace of 1980.

Developments in energy and food prices, which rose very sharply between 1978 and 1980, helped to hold down general price inflation in subsequent years. The curtailment in the production of crude oil stemming from the revolution in 1979 in Iran pushed up the average price of domestic crude oil from \$17 per barrel in 1979 to \$35 in 1981. By 1983, however, oil prices had fallen back to around \$29 per barrel. The prices of other energy sources, such as coal and natural gas, have tended to follow oil prices. Retail food

prices rose less rapidly than overall prices each year from 1981 through 1983. Over a three-year period, prices for consumer services rose only about 3½ percent per year; in contrast, food prices increased more than 10 percent per year between 1978 and 1980. The slowdown of energy and food prices was certainly encouraged, in part, by favorable supply developments. But these prices also were affected by the same forces that acted to reduce inflation in the economy at large: depressed aggregate demand, a rise in home and abroad and a moderation in labor costs.

Prices for industrial materials, which increased quite rapidly throughout the 1970s, also were pushed down by the worldwide decline in economic activity. Moreover, the appreciation of the dollar reduced further the prices of imported raw materials. As a result, prices for industrial materials, as measured by the Commerce Department's index of industrial materials, plunged 27 percent from their peak in early 1980 to the trough of the recession, late in 1982. The economic recovery, which gathered force in 1983, has generated a sharp cyclical rebound in materials production as production has expanded and depleted inventories have been rebuilt. Nonetheless, prices for industrial commodities in the first quarter of 1983 remained about 10 percent below the level reached in 1980.

Despite the vigorous expansion of activity that began early last year, consumer price inflation generally remained in 1983 at about its 1982 level, while increases in producer prices eased.

Over the first four months of this year, consumer prices, excluding food and energy, increased at about a 5½ percent annual rate, somewhat higher than the rate of increase in 1983, but still lower than the 6 percent pace of 1982. Price increases for capital equipment slowed to a 2 percent rate in 1983, before moving up to a 4¼ percent rate over the first four months of this year. The remaining economic slack and the persistence of a strong dollar no doubt have been important factors in the continued moderate rates of price increase. In addition, energy prices, on balance, have contributed very little to overall inflation. However, consumer food prices advanced much more rapidly early this year than in 1983, as severe winter weather and the lagged effects of last summer's drought combined to curtail supplies.

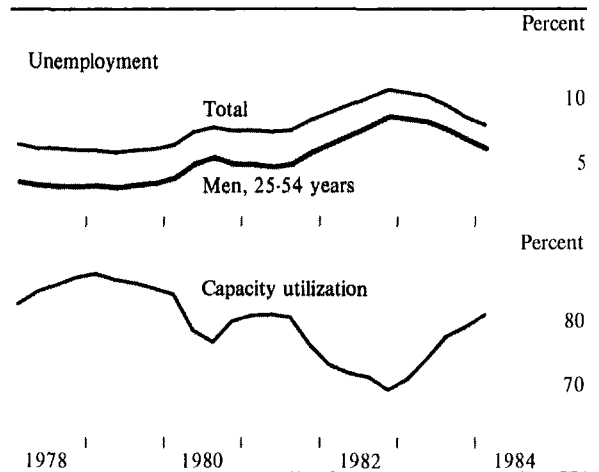
FACTORS INFLUENCING RECENT PRICE BEHAVIOR

Aggregate Demand

Between early 1980 and late 1982, the economy went through one of the most difficult periods of adjustment in the postwar era. As a result of two recessions, real gross national product was slightly lower in the final quarter of 1982 than it had been three years earlier. Manufacturing capacity utilization, which had peaked at 87¼ percent in early 1979, plunged to 69½ percent toward the end of 1982. The civilian unemployment rate climbed from 5¾ percent to more than 10½ percent over the same period (chart 2). During that prolonged period in which the gap between actual and potential levels of economic activity widened, pressures against increases in prices and wages intensified. In addition to the impact that slack conditions in domestic labor and product markets had on wage and price determination, foreign competition played an important role in breaking the inflation momentum of the late 1970s.

Early in 1983, the economy began a vigorous recovery. Indeed, the growth of real GNP over the five quarters ending in the first quarter of 1984 outpaced the average for the first five quarters of other postwar recoveries. Although

2. Measures of economic slack

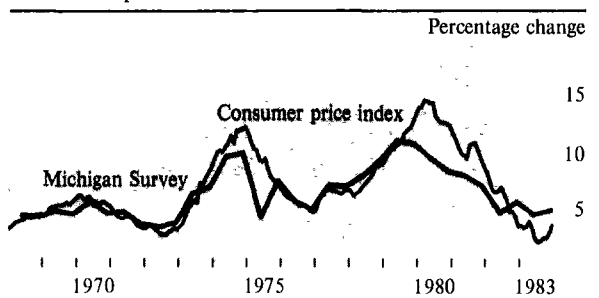


Quarterly average data.

labor and product markets strengthened considerably, enough slack remained in resource utilization to maintain restraints on price and wage increases.

The high and accelerating rates of price increase between 1978 and 1980 firmly entrenched expectations of double-digit inflation. Such expectations influenced businesses, workers, and consumers to act in ways that tended to reinforce the inertia of the wage-price process. Evidence available from surveys indicates that expectations of future inflation peaked during 1979 and 1980 in the range of 10 to 12 percent (chart 3). As inflation began to slow in 1981, so did expectations of future inflation. The survey measures of

3. Price expectations



The Michigan Survey is taken by the Survey Research Center of the University of Michigan; the curve plots the change expected in a given month for twelve months ahead. The data for the curve marked Livingston Survey are calculated by the Federal Reserve Bank of Philadelphia from data compiled by Joseph Livingston twice a year; that curve also projects the change expected twelve months ahead. The curve for the CPI plots the percentage change from a year earlier.

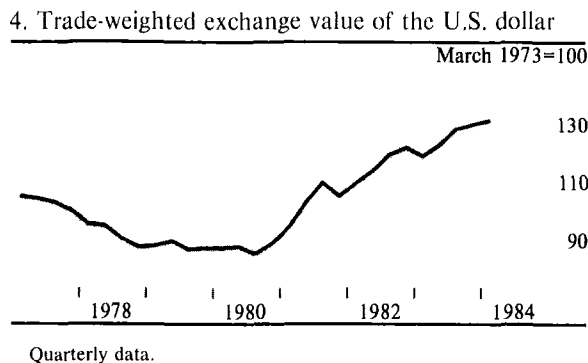
expectations of consumer price inflation for the year ahead reached a low of 4½ to 5 percent in 1983 but have recently moved back to the 5 to 6 percent range. Although they are roughly half the level that prevailed in 1979 and 1980, inflation expectations, perhaps the most unyielding element of the inflation process, still lend considerable upward momentum to wage and price behavior.

The Role of Exchange Rates in Domestic Inflation

Movements in the exchange value of the dollar are an important factor in the inflation process in the United States. Their importance became particularly evident when the trade-weighted value of the dollar depreciated almost 17 percent between the beginning of 1977 and the beginning of 1979, thus opening an important channel for the acceleration of inflation. The subsequent reversal of the decline in the dollar beginning in 1980, and its continued rise through early 1984—in all, marking a 50 percent appreciation—has been an important factor in the recent disinflation (chart 4).

Movements in the exchange rate have macroeconomic consequences that influence the domestic price level in several ways. First, an appreciation in the dollar can lead directly to lower prices both for finished goods that are purchased from abroad and for imported inputs and materials, and thus can act to reduce the costs of producing goods and services domestically. Second, competition from lower-priced foreign goods places pressure on domestic producers of similar goods to hold the line on prices if they are not to lose their shares of sales in both domestic and foreign markets. Finally, through their effects on prices, an improvement in the dollar exchange rate can indirectly influence wage-setting, reducing the catchup for past inflation as well as damping expectations of future inflation.

All else equal, empirical estimates suggest, a 10 percent appreciation of the dollar reduces the level of consumer prices approximately 1½ percent over two to three years. This relation implies, as a rough estimate, that the rise in the value of the dollar since mid-1980 probably has



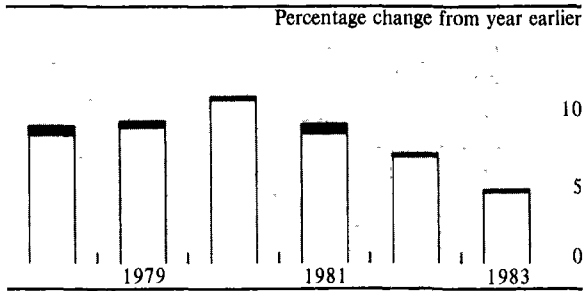
reduced inflation by 1 to 1½ percentage points, on average, in each of the last three years. The impact of changes in the value of the dollar on domestic prices is difficult to separate from other macroeconomic adjustments, including changes in governmental policies, which may themselves alter the dollar's value. Moreover, there is some uncertainty about the lag with which the full effect of any change in the dollar is realized.

Labor Market and Wage Developments

The sharp slowing in the rate of increase in labor costs over the past three years reflects the interaction of the cyclical contraction in labor demand with other forces working to raise productivity and enhance competitiveness. During the late 1970s, compensation per hour in the nonfarm business sector rose at an annual rate of almost 9 percent. Not only were wages increasing at a rapid rate but legislated increases in payroll taxes also boosted labor costs further. At the same time, the growth of labor productivity dropped off, to less than 1 percent per year, so that it provided little offset to the rise in hourly compensation. The rise in labor costs was especially rapid among unionized workers; and by the early 1980s, the ability of heavily unionized industries, such as construction, trucking, autos, and steel, to compete with lower-cost nonunion or foreign businesses had weakened considerably.

Wages were not so quick as prices to respond to the changed economic environment. Hourly compensation, which includes fringe benefits and payroll taxes as well as wages, rose 10¾ percent over the four quarters of 1980 (chart 5). Although wage increases began to ease off the

5. Hourly compensation

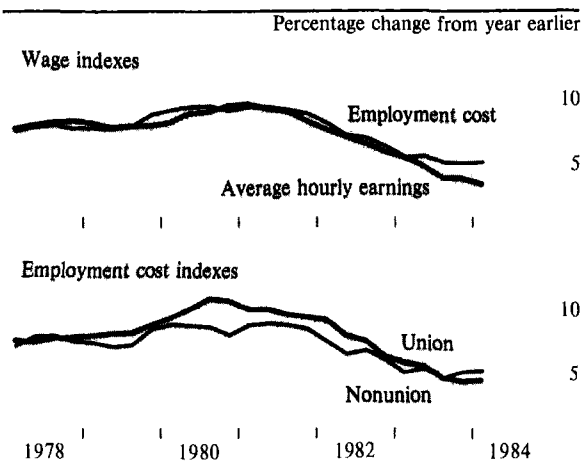


The bars for hourly compensation measure the four-quarter percentage change in hourly compensation for the nonfarm business sector. Shaded areas represent the estimated contribution of payroll taxes.

following year, a hike in payroll taxes helped to keep the rise in hourly compensation at 9 percent. In 1982 and 1983, however, the wage-price spiral began to unwind more rapidly. The ongoing deceleration in consumer prices reduced the size of catchup wage adjustments and reinforced expectations that inflation would remain at reduced rates.

An important feature of the deceleration in wage increases over the 1980–83 period was the departure of wage-setting in the unionized sector from past trends (chart 6). One of the early signs that some industries were responding to keener competition appeared in 1981, when Chrysler and the United Auto Workers negotiated wage concessions. Over the next three years, concessions spread to a variety of industries, including

6. Wage trends

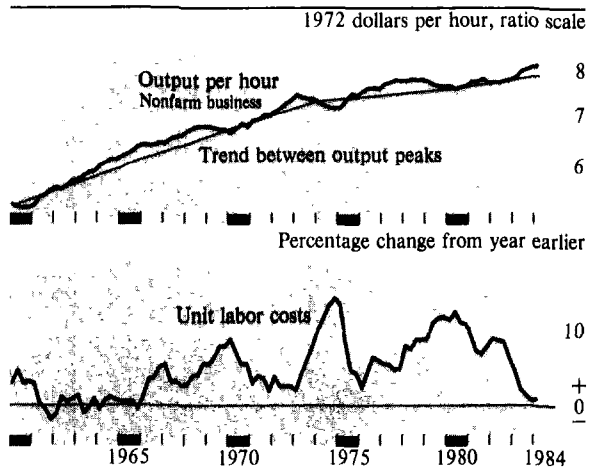


Quarterly data.

steel, airlines, meatpacking, trucking, and construction. In 1982 and 1983, one-third of the 6¼ million workers covered by major collective bargaining agreements agreed to forgo a first-year wage change, and another 8 percent took initial cuts in pay. In some instances, previously guaranteed cost-of-living adjustments were postponed or even eliminated. As a result, the average rise in wages for unionized workers—in 1983, 3½ percent as measured by the employment cost index—dipped below the increase for nonunion workers.

Another significant development over the past four years has been an improvement in the trend rate of increase in labor productivity (chart 7).

7. Productivity trends and cycles



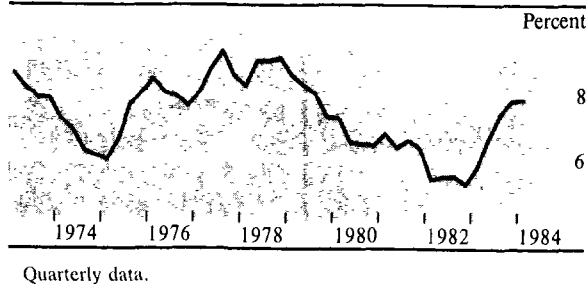
Quarterly data.

Between the fourth quarter of 1973 and the first quarter of 1980, output per hour in the nonfarm business sector rose about ½ percent per year. Subsequently, during the two recessions of the early 1980s, productivity rose and fell in a typical cyclical manner. Nevertheless, by 1982 signs had developed that businesses were succeeding in making more fundamental improvements in efficiency. With real output still falling in 1982, firms aggressively cut their workforces and adjusted their production techniques, and output per hour began to increase before the turnaround in sales occurred. Normally, at that stage of a cyclical expansion, labor productivity is still rising faster than its longer-run trend, as businesses make up for inefficient use of resources while sales were

falling. However, even after accounting for this factor, the recent performance of productivity suggests that its underlying trend rate of growth may be around 1 to 1½ percent, marking an improvement from the dismal performance of the 1970s.

The combination of smaller increases in hourly compensation and the cyclical rebound in productivity has damped considerably the rise in unit labor costs. For the five quarters ending in the first quarter of 1984, unit labor costs in the nonfarm business sector rose at an annual rate of nearly 1¼ percent. The easing of labor costs has allowed businesses to score an impressive rebound in profitability without stepping up significantly the rate of price increase. Corporate profits from current production as a share of gross national product (that is, book profits with inventory valuation and capital consumption adjustments) jumped more than 50 percent between the fourth quarter of 1982 and the first quarter of 1984 (chart 8).

8. Ratio of corporate profits to GNP

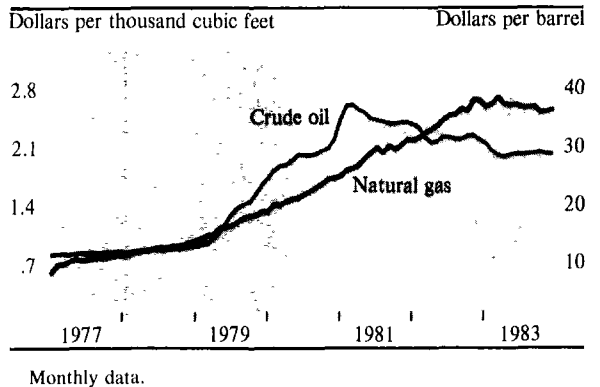


Energy Markets

After playing an important role in the inflation of the late 1970s, developments in energy prices turned quite favorable in the past three years. The second round of increases in international oil prices in 1979 pushed up world oil prices through 1980 and 1981. However, since early 1981, world oil prices have drifted downward (chart 9).

The Organization of Petroleum Exporting Countries (OPEC) was forced to lower its market price for crude oil by two related developments. First, world oil consumption dropped sharply in response to efforts at conservation and world-

9. Energy prices



wide recession. In major industrial countries, for example, oil consumption fell 17 percent between 1979 and 1982. Second, oil production outside OPEC increased, notably in Mexico and in the North Sea. These two developments cut sales by OPEC from 31 million barrels per day in 1979 to 17½ million barrels per day in 1983. As a consequence, the share of world oil production controlled by OPEC fell from roughly one-half to one-third during that period.

Domestic oil prices tended to track developments in the international markets, particularly after the deregulation of oil prices in early 1981. Gasoline prices, for instance, declined more than 13 cents per gallon between 1981 and 1983, despite the hike in the federal excise tax on gasoline of 5 cents per gallon beginning in 1983.

Unlike petroleum, nearly all natural gas, which accounts for roughly one-quarter of all domestic energy consumption, remains subject to price control by the federal government under the provisions of the Natural Gas Policy Act of 1978. As a result, prices of natural gas, which had increased sharply through the mid-1970s in response to the first oil shock, continued to climb through 1982; retail prices rose 20 percent. By 1983, however, falling oil prices had increased the difficulty of selling natural gas in industrial markets, where purchasers have considerable freedom to choose among alternative fuels. In response to the competitive pressure from oil products, and in spite of the complex regulatory and institutional framework oriented toward supporting prices, natural gas prices stabilized by the end of 1983.

Agricultural Markets

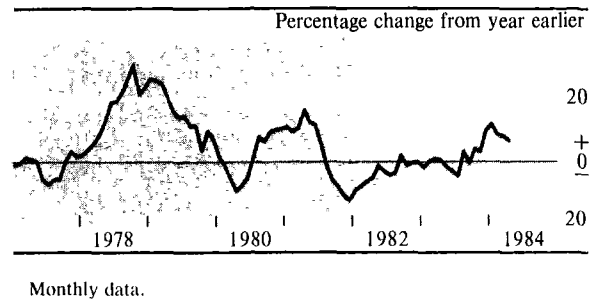
Consumer food prices rose more than prices in general during the 1970s. By 1980, many observers were convinced that strong world demand for farm products would cause food prices to continue to outpace the overall rate of inflation. However, rather than rising, the relative price of farm products fell steeply in the early 1980s, and price increases for consumer foods lagged noticeably behind the general rate of inflation.

Much of this turnabout for prices of food had its origins in the changing supply and demand situation for farm crops. Crops were enormous in both 1981 and 1982. By 1982, the production of corn was up more than 40 percent from the previous record level set in 1975. Production of wheat and soybeans also rose to exceptionally high levels in 1981 and 1982. But, at the same time that output was rising, demand for farm products was weakening. The volume of U.S. farm exports, which had more than doubled during the 1970s, fell sharply during 1981 and 1982 and remained low in 1983 in face of the strong dollar and weak world demand. Growth of domestic demand, particularly for meats, was hampered by the back-to-back recessions of the early 1980s.

With production outpacing demand by a wide margin, the accumulation of farm inventories in 1981 and 1982 was sizable. The federal government, in the end, purchased much of the excess for the stockpiles of the Commodity Credit Corporation. As a result, the policies of the federal government, rather than market forces, played a dominant role in the determination of farm prices.

To avoid further costly accumulation of government-held farm stocks in 1983, the government offered farmers strong incentives to remove cropland from production under the payment-in-kind (PIK) program. As a result, the number of acres planted to crops fell about 15 percent from 1982, and a severe drought that began around midyear further curtailed crop prospects. Total crop production, as measured by the Agriculture Department's index of farm crop output, fell more than 25 percent from its 1982 level, and crop prices rose sharply. Even though output had fallen so far, total supplies remained ade-

10. Prices received by farmers



quate because inventories had been at such high levels; and at the end of 1983, the index of prices received by farmers still had not recovered to the level of late 1980 (chart 10).

THE OUTLOOK FOR INFLATION

Economic forecasters currently hold a wide range of views concerning the outlook for inflation, running the gamut from predictions of roughly unchanged inflation rates to expectations of as much as a doubling of the recent pace by the end of the year. Many observers agree, however, that the period just ahead will be critical in determining the prospects for further disinflation over the next several years.

A number of influences currently are working to limit inflation and should remain favorable in the near term. The principal factor is the still considerable slack in labor and product markets. The prevailing rate of capacity utilization in manufacturing, at 82.3 percent in April, indicates that, in the aggregate, unused capacity is sufficient to meet reasonable growth in demand in the near term. In labor markets, the unemployment rate remains above prerecession levels and is currently higher than the range that most economists feel is capable of generating sustained upward pressures on wages.

Over the longer run if real output were to continue to grow much faster than labor and capital resources, a pickup in inflation would be inevitable. Indeed, the strength of the recovery has pushed production in several industries close to full capacity and has led to appreciable price increases for those products. The most notable examples are paper products, gypsum board, and

electronic components. As the recovery proceeds, tighter capacity is likely to characterize a wider range of products, with a more general potential for upward pressure on prices. In addition to the evidence on capacity utilization, purchasing managers are reporting slower deliveries from their suppliers, accompanied by more frequent price increases for the materials and inputs that they purchase. Measures of spot commodity prices also have recorded sharp increases over the past year and a half. Although such a rebound is a typical cyclical occurrence, it does suggest a marked tightening in the markets for industrial materials.

Developments in the labor market also highlight the uncertainties in assessing the longer-run outlook. Although continuing pressures from deregulation and international competition may help to hold down wages in some industries, many previously endangered corporations are now in better shape, and most of the concessions in wage bargaining are probably over. The deferred increases negotiated in collective bargaining settlements during 1982 and 1983 were in most cases quite small, and thus they should help hold down overall wage increases in the near term. But attempts fully to restore concessions on compensation or work rules, or to negotiate large increases in anticipation of higher inflation, would boost costs and lead ultimately to bigger price increases.

The increase in the Social Security payroll tax effective at the beginning of this year, and another, smaller increase scheduled for next year, also will contribute to higher labor costs, at least in the short run. Although the ultimate incidence of payroll taxes remains debatable, employers appear at first to treat the portion they pay much as they do other costs. As a result, the rise in these costs is likely to be shifted forward, at least partly, in the form of higher prices.

The foreign exchange value of the dollar adds to uncertainty in the inflation outlook. If the dollar maintains its current level, the external sector is unlikely to be a source of an acceleration in inflation. In contrast, a sizable drop in the value of the dollar could generate significant upward pressure on prices: in a reversal of the experience of the early 1980s, a declining dollar could raise the prices of imported products and

inputs, lessen pressure on domestic competitors to limit price increases, and perhaps raise nominal wage demands in an attempt to offset an accompanying decline in real incomes.

Near-term prospects for prices in the agricultural sector are likely to be shaped by two key influences. First, cutbacks in livestock inventories that now are under way suggest that meat supplies will decline in coming months; in the past, such declines usually have caused meat prices to rise significantly faster than the overall rate of inflation. Second, inventories of some farm crops are at particularly low levels, and if the weather were to be as unfavorable this year as it was last summer, depleted stocks would provide only a small buffer to offset a shortfall in production and prevent substantial price increases. The outlook for food prices, therefore, is more precarious than it has been during much of the past three years.

Although the risks remain substantial, the outlook for petroleum markets is somewhat brighter, owing to the considerable excess capacity still available. The end of the recent recession likely will mean increased oil sales by OPEC, but the substantial excess productive capacity of OPEC members should continue to inhibit price increases. Political events could, of course, obscure the more fundamental economic problem of oversupply of oil. For instance, any widening of the Iran-Iraq war that would cause a significant interruption of oil from the Persian Gulf could bring sharp price increases. Conversely, cessation of the conflict between these two countries could presage their reestablishment as major oil exporters and further compound OPEC's problem of resisting downward price pressures. The prices for other energy products likely will follow the general trend in petroleum prices. Natural gas prices, in particular, will probably not rise rapidly in the absence of some increase in crude oil prices.

Although even more difficult to measure than many of the factors discussed above, inflation expectations are another key ingredient in the outlook for price and wage determination. A break in the psychology of continued high anticipated rates of price increase apparently aided the steady reduction of inflation between 1980 and 1983. Only when behavior in labor and product

markets is predicated on the expectation of continued low rates of inflation can the lower rates of inflation, in fact, be sustained without incurring further costs in economic slack. The recent survey evidence showing that inflation expectations may have risen a bit points up the uncertainty surrounding the influence of expectations of future inflation on current wage- and price-setting behavior.

Finally, the most fundamental element underlying the outlook for price and wage developments is the commitment of economic policymakers to a further unwinding of inflation. A critical component of macroeconomic policy is the rate of growth of money and credit. Over long periods, the money stock and prices, on average, tend to move together. The broad consistency between inflation and the growth of money and credit underlies the establishment of

target ranges for the monetary and credit aggregates by the Federal Open Market Committee. At its meeting in January 1984, the Committee reaffirmed its commitment to monetary restraint.

Fiscal policy also had an important influence on the economic recovery over the past year and a half. The high-employment budget deficit, which measures the impact of discretionary fiscal policy, increased in each of the last three years, largely because of a series of tax reductions that were not matched by restraints on expenditures. Furthermore, debt service costs rose sharply with the accumulation of successive large deficits. Over time, continued efforts to reduce fiscal stimulus must accompany efforts to control the growth of money and credit if the nation is to sustain progress on inflation while maintaining a healthy, balanced economic expansion. □

Treasury and Federal Reserve Foreign Exchange Operations: Interim Report

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

The dollar declined modestly on balance over the three months ended in April. It dropped through the first five weeks of the period, but later rose against the major foreign currencies to offset much of its earlier move.

The dollar's fall early in the period occurred amid indications that the incentives for capital flows might be shifting away from dollar-denominated assets. News of strengthening foreign industrial activity and orders, especially in Germany, generated expectations of rising earnings abroad where inflation remained low. Thus the climate for growth and investment abroad was improving. At the same time, the U.S. economy showed unexpected buoyancy well into 1984, and market participants came to focus on the risks for the dollar of a potential overheating of the domestic economy. Following the President's State of the Union address and budget message, participants in the financial markets increasingly questioned the implications of growing U.S. fiscal deficits. Market participants also questioned the financing of the U.S. current account deficit, especially after public officials expressed concern about extended dependence on foreign capital inflows and the vulnerability of the dollar to a potential shift in investor sentiment.

Against this background, reports circulated in

February that some internationally oriented investors were already reducing the share of dollar-denominated assets in their portfolios in favor of the German mark and other foreign currencies. Earlier in the year, when U.S. stock prices faltered while stock markets in Germany and Japan were experiencing net inflows and were rising to set new records, talk spread that investors had made substantial net sales of U.S. equities. Doubts were voiced about whether the dollar's exchange rate could be sustained without a sharp rise in U.S. interest yields. Although U.S. interest rates rose modestly in February in response to strong credit demand, market participants were uncertain how the Federal Reserve would respond if the demand for credit continued to mount. Under these circumstances, the increases in interest rates already under way were

1. Federal Reserve reciprocal currency arrangements

Millions of dollars

Institution	Amount of facility April 30, 1983	Amount of facility April 30, 1984
Austrian National Bank	250	250
National Bank of Belgium	1,000	1,000
Bank of Canada	2,000	2,000
National Bank of Denmark	250	250
Bank of England	3,000	3,000
Bank of France	2,000	2,000
German Federal Bank	6,000	6,000
Bank of Italy	3,000	3,000
Bank of Japan	5,000	5,000
Bank of Mexico		
Regular facility	700	700
Special facility	325	(¹)
Netherlands Bank	500	500
Bank of Norway	250	250
Bank of Sweden	300	300
Swiss National Bank	4,000	4,000
Bank for International Settlements:		
Swiss francs-dollars	600	600
Other authorized European currencies- dollars	1,250	1,250
Total	30,425	30,100

1. Facility, which became effective August 30, 1982, expired on August 23, 1983.

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

Millions of dollars

Period	Federal Reserve	U.S. Treasury	
		Exchange Stabilization Fund	General account
February 1 through April 30, 1984	0	0	0
Valuation profits and losses on outstanding assets and liabilities as of April 30, 1984	-860.6	-586.1	0

NOTE. Data are on a value-date basis

viewed in the market more as a sign of pressure against the dollar than as a source of support.

In this context, the belief spread that the dollar had begun a long-awaited and potentially sustained decline, encouraging a pronounced shift of both professional positions and commercial leads and lags in favor of foreign currencies. These shifts added to the momentum of the dollar's decline throughout February and early March, which by the first week in March brought the dollar down 13 percent compared with its high in early January against the German mark, and about 7 percent lower in terms of a trade-weighted average.

After early March, the dollar's fall came to an abrupt halt, and dollar exchange rates rose more or less steadily until the end of the period under review. Reports of progress in efforts by the Congress and the administration to agree on a "down payment" package of budget cuts lent some support to the dollar. Also, as U.S. market interest rates climbed during March and April, observers concluded that the increases were unlikely to be resisted by the monetary authorities, inasmuch as these increases reflected a continuing buildup of credit demands generated by the strong domestic expansion. By the time the Federal Reserve announced a rise of one-half percentage point in its discount rate to 9 percent, effective April 9, market participants had become convinced that the U.S. authorities were prepared to accept yet higher rates.

Meanwhile, yields in foreign centers remained steady. With little or no acceleration in U.S. price indexes, real interest differentials were

perceived to be widening in favor of the United States, and these perceptions were a factor underpinning the dollar in the exchanges. Concerns over the financing of U.S. current account deficits receded, and the announcement of two more record monthly deficits in U.S. international trade received little notice in the exchange markets.

In addition, the dollar was supported by labor conflicts in several countries in Europe, which received increasing attention during April and brought into question the immediate outlook for continued economic recovery there. In particular the prospect of strikes in Germany, resulting from a major union's call for shorter hours and higher pay, raised new worries about the investment climate there and contributed to a weakening of German stock prices. Talk of shifting out of U.S. assets subsided and inflows to U.S. equities resumed.

As the dollar rose in April, its movement gained momentum from professional positioning based on technical models and a reversal of commercial leads and lags. It closed the period under review only 3 to 3½ percent lower against European Monetary System (EMS) currencies and the Japanese yen. In terms of the Swiss franc, the dollar's value was little changed compared with the level at the end of January; against the pound sterling and Canadian dollar it closed somewhat higher on balance. The dollar's average decline in trade-weighted terms came to about 2 percent for the three months as a whole.

The U.S. authorities did not intervene in the exchange markets during the period under review and extended no new credits through foreign exchange swap arrangements. The Bank of Jamaica repaid on March 2 the \$10 million it had drawn against the U.S. Treasury temporary swap facility on December 29, 1983, and this facility then expired.

On March 30 the U.S. Treasury announced that it would participate in an arrangement to support the efforts of the government of Argentina to put into place an economic adjustment program backed by the International Monetary Fund (IMF). The Treasury's participation consisted of agreeing to extend temporary swap credits of up to \$300 million to Argentina when agreement on an economic adjustment program

is reached between Argentina and the IMF. Argentina would repay any such drawings on the Treasury using proceeds of IMF drawings. This undertaking was part of a \$500 million financing package that was used to pay certain interest arrears. The \$500 million package consisted of the following: \$300 million of credits extended to Argentina by the governments of Mexico, Venezuela, Brazil, and Colombia, to be repaid upon Argentina's drawing from the U.S. Treasury; \$100 million of additional credits extended by certain of Argentina's commercial bank creditors; and \$100 million provided from Argentina's resources.

In the period from February through April, the Federal Reserve and the Exchange Stabilization Fund (ESF) of the Treasury realized no profits or losses from exchange transactions. As of April 30, cumulative bookkeeping, or valuation, losses on outstanding foreign currency balances were

\$860.6 million for the Federal Reserve and \$586.1 million for the ESF. (Valuation gains and losses represent the increase or decrease in the dollar value of outstanding currency assets and liabilities, using end-of-period exchange rates as compared with rates of acquisition.) These valuation losses reflect the fact that the dollar has appreciated since the foreign currencies were acquired.

The Federal Reserve and the Treasury invest foreign currency balances acquired in the market as a result of their foreign exchange operations in a variety of instruments that yield market-related rates of return and that have a high degree of quality and liquidity. Under the authority provided by the Monetary Control Act of 1980, the Federal Reserve had invested \$1,528.0 million of its foreign currency resources in securities issued by foreign governments as of April 30. In addition, the Treasury held the equivalent of \$1,852.4 million in such securities as of the end of April.

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, papers that are of general interest to the professions and to others are selected for the Staff Studies series. These papers are summarized—or, occasionally, printed in full—in 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 SUMMARY

ANTITRUST LAWS, JUSTICE DEPARTMENT GUIDELINES, AND THE LIMITS OF CONCENTRATION IN LOCAL BANKING MARKETS

Jim Burke—Staff, Board of Governors

Prepared as a staff study in late 1983.

The logical implications of using the current Justice Department guidelines on horizontal mergers as a basis for merger policy in the commercial banking industry are examined in this study. Recent judicial decisions clearly indicate that to be denied, a proposed merger must result in anticompetitive effects serious enough to be considered an antitrust violation. Even though the antitrust laws do not specify exactly what constitutes an antitrust violation, presumably bank regulatory agencies could legally support the denial of merger proposals that would result in combinations of market shares in excess of the limits specified in the current Justice Department guidelines on horizontal mergers. This study simulates merger activity in each of the 318 SMSAs and the 2,408 non-SMSA counties in the United States under the assumption that horizontal mergers in accordance with the Justice Department guidelines are permitted.

The principal finding of the study is that application of these guidelines to local banking markets, as traditionally defined by bank regulatory agencies, could result in a massive consolidation of banking resources in these areas. Consolidation would be most pronounced in the larger metropolitan areas of the country. The 6,585 banking organizations that operate at present in metropolitan areas could be reduced to a total of 1,801. The average number of banks in all SMSAs would fall from 20.7 to 5.7. All but 31 of the 1,219 banks that now operate in the 7 largest SMSAs in the country could be merged. Post-simulation, the greatest number of banks in any SMSA would be 8, and this number would operate in only 9 SMSAs.

Potential merger activity is not nearly so great in county markets as in SMSAs because so few banks typically operate in these essentially rural areas. Only about one-third (860) of the counties

in the country would be likely to have merger activity of any consequence. These 860 counties now have an average of 7 banks, with a range of 5 to 22. After the merger simulation, the average number would fall to 5.6, with a range of 3 to 10 banks. Even though the degree of consolidation in smaller rural markets would not be so great as in metropolitan areas, greater numbers of mergers would be acceptable in those rural markets that at present have the highest concentration.

The results of the study suggest that strict application of the current Justice Department guidelines could dramatically increase levels of concentration in virtually every one of the 318 SMSA banking markets in the country. At present, only one of the top 25 SMSAs (ranked by number of banks) is highly concentrated. All 25 would become highly concentrated following the simulation. Similarly, only 10 of the top 50, 22 of the top 100, and 36 of the top 150 SMSAs are

now highly concentrated. Following the simulation, every one of the top 50, 97 of the top 100, and 139 of the top 150 would be classed as highly concentrated. (The top 150 SMSAs include those in which as few as 14 banks currently operate.) Thus, if the regulatory agencies allowed mergers in accordance with these guidelines, virtually every metropolitan banking market in the country would be highly concentrated by Justice Department standards.

The author concludes, however, that unfettered bank mergers will not necessarily result in the small number of banks per market indicated by the mechanical application of the Justice Department guidelines. The study is a "what if" simulation designed to determine the possible consequences of using a particular set of guidelines. In reality, many small banks, which have been shown to be quite profitable, would continue to survive, and de novo entry could also occur in many highly concentrated markets.

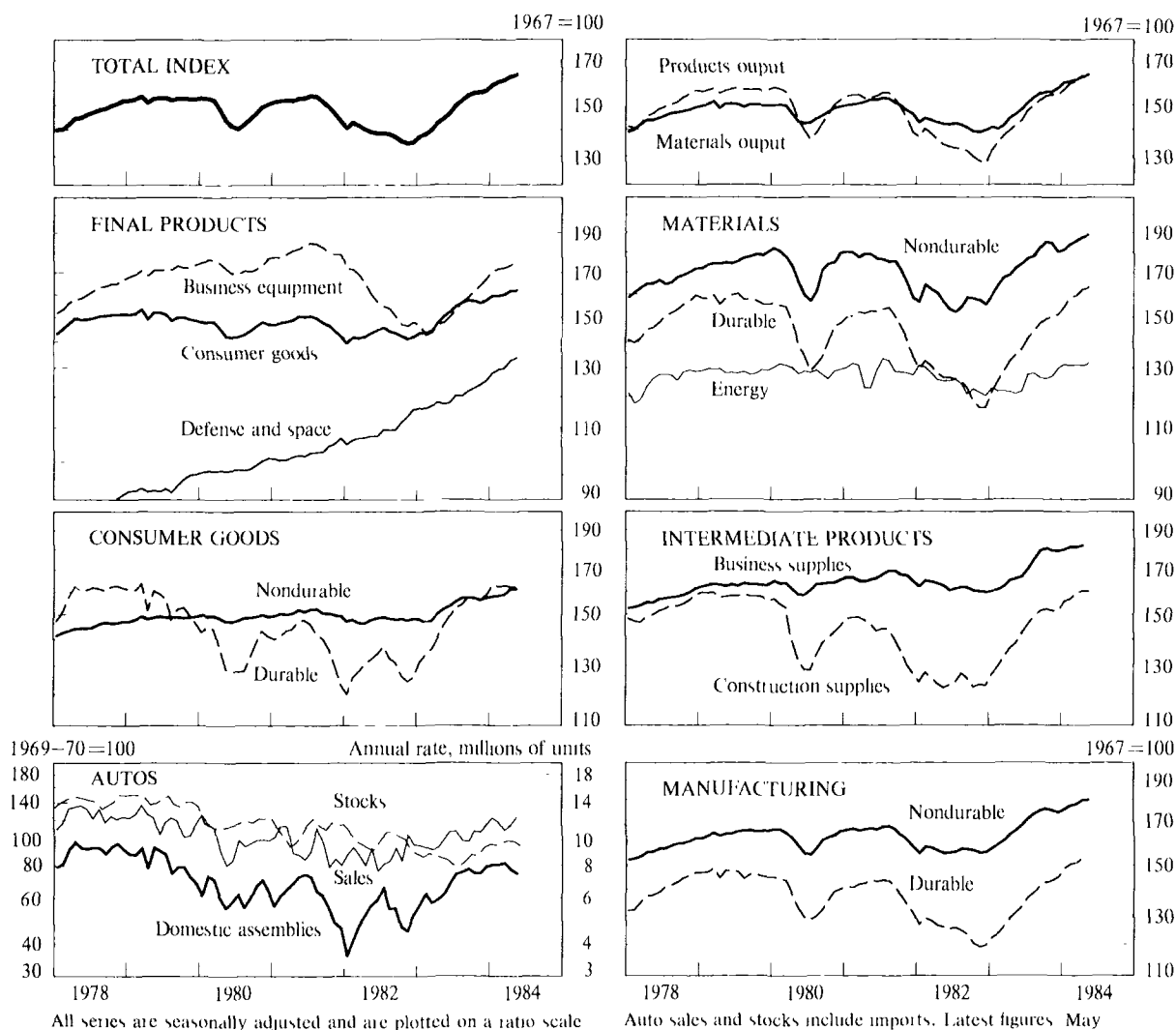
Industrial Production

Released for publication June 15

Industrial production increased an estimated 0.4 percent in May following a revised rise of 1.1 percent in April. The gain in April previously had been estimated at 1.4 percent. In May, production advanced moderately in most industries, although there was a slight decline in the output of autos. At 163.2 percent of the 1967 average,

industrial output in May was 13 percent higher than a year ago and 21 percent above the November 1982 trough.

In market groupings, overall output of consumer goods was unchanged in May, with an increase of 0.3 percent in the production of home goods, a small decline in the output of automotive products, and little change in the output of nondurable consumer goods. Autos were assem-



Grouping	1967 - 100		Percentage change from preceding month					Percentage change, May 1983 to May 1984
	1984		1984					
	Apr.	May	Jan.	Feb.	Mar.	Apr.	May	
Major market groupings								
Total industrial production	162.5	163.2	1.5	.9	.5	1.1	.4	13.0
Products, total	162.6	163.3	1.5	.4	.4	.9	.4	11.7
Final products	160.3	161.0	1.5	.3	.4	1.1	.4	11.4
Consumer goods	161.7	161.7	1.1	-.1	.4	1.1	.0	7.5
Durable	162.4	162.4	3.0	-.6	.3	-.4	.0	11.6
Nondurable	161.4	161.5	.4	.2	.4	1.6	.1	6.0
Business equipment	173.8	175.4	2.0	.7	.2	.9	.9	18.8
Defense and space	132.7	133.8	2.1	.9	.4	2.1	.8	13.8
Intermediate products	171.3	171.8	1.5	.7	.8	.6	.3	12.9
Construction supplies	160.4	160.3	2.6	.7	1.7	.7	-.1	15.8
Materials	162.3	163.1	1.4	1.8	.7	1.1	.5	15.1
Major industry groupings								
Manufacturing	164.1	164.7	1.7	1.2	.4	1.2	.4	13.5
Durable	153.2	154.0	2.5	1.3	.5	1.3	.5	17.6
Nondurable	179.9	180.2	.7	1.1	.3	1.2	.2	8.9
Mining	122.8	125.0	.9	-.6	-.2	-.8	1.8	10.8
Utilities	179.5	180.5	-.8	-2.5	2.0	-.3	.6	6.4

NOTE: Indexes are seasonally adjusted.

bled at a seasonally adjusted annual rate of 7.6 million units, slightly lower than the April pace. Production of business equipment increased 0.9 percent in May, due largely to an increase in oil and gas well drilling activity, which had declined in each of the four preceding months. Output of construction supplies was about unchanged, but production of general business supplies increased further.

Output of materials advanced 0.5 percent in May, with both durable and nondurable materi-

als showing smaller increases than in April. Output of energy materials, however, rose after a small decline in the previous month.

In industry groupings, manufacturing production increased 0.4 percent, with gains of 0.5 percent in durables and 0.2 percent in nondurables. Mining output increased sharply—1.8 percent—reflecting increases in coal production as well as the turnaround in oil and gas well drilling activity. Production by utilities increased 0.6 percent.

Statements to Congress

Statement by Lyle E. Gramley, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 8, 1984.

I am glad to appear before this subcommittee to present the views of the Federal Reserve Board on the behavior of interest rates this year. My remarks will focus on the principal causes of the recent rise in interest rates and the implications of this rise for the overall expansion of the economy. My colleague, Karen Horn, President of the Federal Reserve Bank of Cleveland, will discuss the effects of the increase in interest rates on economic conditions in the Fourth Federal Reserve District.

Interest rates have moved substantially higher this year. Short-term rates have risen about 1 to 1½ percentage points since December. In long-term markets, rate increases on Treasury and corporate bonds have been as large as those on short-term securities. Increases in rates on mortgages have been somewhat more moderate.

A rise in interest rates in an expanding economy is not unusual. As chart 1 illustrates, interest rates typically increase during periods of economic expansion, when growing demands for money and credit press against limited supplies.¹ Interest rate patterns during the first 1½ years of expansion do differ. Nevertheless, the chart suggests that the rise in short-term rates during the current expansion has not been exceptional. The increase in long-term rates during the first year and a half of this recovery is, however, quite large relative to the experience of the past 30 years.

What role, if any, has monetary policy played

in the rise of interest rates since late last year? The answer is, I believe, a minor one.

During late spring 1983, the Federal Reserve did take steps to slow the growth of M1 and M2 from the very high rates that had prevailed in the latter half of 1982 and early 1983. It did so in the context of growing evidence that the economic recovery was robust and that the velocity of money, particularly that of M1, was returning to more normal patterns. In that context, those policy actions were effective in slowing the annual growth rate of M1 to 7¼ percent, and the growth rate of M2 to about 8 percent, from the second- to the fourth-quarter average of last year.

In February, the Federal Reserve announced growth ranges for 1984 of 4 to 8 percent for M1, 6 to 9 percent for M2 and M3, and 8 to 11 percent for the debt of domestic nonfinancial borrowers. When these ranges were announced, most observers considered them appropriate to support the nation's economic expansion without jeopardizing progress against inflation. That judgment is still, I believe, correct.

From the fourth quarter of last year through the first four weeks of May, M1 increased at an annual rate of about 7 percent—about equal to its rate of increase in the second half of last year and in the upper half of the target range for 1984.

From the fourth quarter through April—the latest month for which data are available—M2 had increased at a 6¾ percent annual rate, in the lower half of its range and a little slower than in the second half of last year. M3 growth, on the other hand, accelerated to a 9½ percent annual rate, above the upper end of its range and above the rate of expansion in the second half of 1983. These patterns of change in the monetary aggregates do not support the contention that monetary restraint has played any substantial role in the rise of interest rates this year.

A more likely source of the upward pressure on interest rates is the explosion that has oc-

1. The attachments to this statement are available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

curred in demands for credit, generated in the main by the strength of economic expansion. In nominal terms, gross national product rose at an annual rate of more than 10 percent in the latter half of 1983, and the pace of expansion increased further to an annual rate of almost 13 percent in the first quarter of 1984. By late last year, the growth of total credit extended to domestic non-financial borrowers was near the upper end of the Federal Reserve's monitoring range. The growth rate of such debt has risen still further, to above the upper end of the monitoring range, in the early months of 1984.

Demands for private credit typically strengthen as recovery proceeds, and this recovery has been no exception. In the private domestic non-financial sectors, the growth of debt has moved progressively upward, from an annual rate of 6 percent in the first quarter of 1983 to a rate of nearly 12 percent in the first quarter of 1984.

Consumer installment debt rose at a 17 percent annual rate in the first quarter: mortgage borrowing remained strong, and demand for business credit strengthened substantially further. While some business borrowing this year has been to finance takeovers and other forms of reorganization, underlying demands for business credit have also increased—as growing outlays for investment in inventories and plant and equipment have outpaced the internal generation of funds.

While an increase in credit use by private borrowers is normal during an economic expansion, sustained heavy credit demands by the federal government are not. Historically, the federal deficit and borrowing have dropped off rapidly in an expansion, as growth in private income leads to higher tax receipts, and federal spending slows for a variety of income support programs. When Treasury borrowing remains as huge as it is currently, competition between public and private borrowers is bound to intensify.

Both traditional economic theory and common sense suggest that increases in government spending, or reductions in taxes, tend to stimulate the economy, raise total credit demands relative to supplies, and push up interest rates. There is a large body of empirical evidence supporting that view. Econometric models by the dozens have been constructed that find significant effects of fiscal stimulus on the real economy and on interest rates. They include

models of a monetarist persuasion, such as the well-known model of the Federal Reserve Bank of St. Louis.

The state of knowledge is not sufficiently advanced to permit precise estimates of the effects of increasing deficits on interest rates. But the magnitudes are apparently not small when fiscal stimulus occurs on the scale we have seen in recent years. Since fiscal 1981, the structural deficit in the federal budget—that is, the deficit that emerges when federal receipts and expenditures are adjusted for the cyclical position of the economy—has risen about \$100 billion. Such an increase, according to some econometric models, may have raised interest rates 2 percentage points or more, other things equal.

Longer-range developments in financial markets have also played a role in the behavior of interest rates during the current recovery. Over the past three decades, and especially over the past five to ten years, innovation and deregulation of U.S. financial markets have increased the mobility of funds from one region of the country to another and from one market to another. They have removed nearly all of the legislative and regulatory impediments to payment of market-related rates of interest to savers. Most importantly, they have led to a breaking down of usury ceilings and other artificial barriers to credit flows that used to play so prominent a role in the rationing of available supplies of credit among potential borrowers. In the financial world we live in now, the rationing of credit is done primarily by interest rates. As a consequence, interest rates in a period of economic expansion are forced to much higher levels—even after adjustment for inflation—than we were accustomed to seeing in the 1960s and the 1970s.

In this context, the prospect that structural federal budget deficits might increase substantially further—as they will under current law—has serious implications for long-term interest rates. Potential investors in long-term securities cannot be sure from past experience how high interest rates will have to go to balance supplies and demands for credit at a level appropriate to maintaining a sustainable pace of economic expansion and to avoiding a resurgence of inflation. Failure of the federal government to take prompt and decisive action to reduce structural deficits adds powerfully to their concerns.

Participants in financial markets now widely expect that a down payment on deficit reduction will be accomplished this year. They are understandably concerned, however, because the amounts of deficit reduction currently being discussed for the near term are so small relative to the size of the problem. Under current law, the structural deficit will increase about \$25 billion in fiscal 1985. The two bills before the Congress provide for deficit-reducing measures of between \$25 billion and \$30 billion in the upcoming fiscal year—that is, about enough to keep the problem from getting worse. Thus, unless the Senate–House conferees adopt stronger measures of deficit reduction for fiscal 1985, the near-term effects of the fiscal down payment on the economy and on financial markets are likely to be quite small.

Let me turn now to your question regarding the effects of the rise in interest rates on the economy. It seems evident that some slowing in the pace of expansion is likely to result from the higher costs of credit, and the sectors most likely to be affected are those—such as housing—in which dependence on credit is heavy and demands are therefore sensitive to rising interest rates. How much the economy will slow is hard to judge at this juncture, given our limited knowledge of the relationship between interest rates and economic activity in today’s environment. A considerable moderation from the very rapid pace of real economic growth in the first quarter—nearly 9 percent at an annual rate—is necessary if we are to sustain this expansion over time. It seems likely, however, that economic growth will not slow so much as to prevent further progress in reducing unemployment, because the basic forces of economic expansion are still quite strong.

Quite apart from their effect on overall economic growth, the effects of rising interest rates are very worrisome. High interest rates relative to those abroad have pushed up the value of the dollar in exchange markets, contributing to extraordinarily large deficits in our merchandise trade and current accounts. Higher interest rates add to the already serious problems faced by farmers. Small businesses more generally have only begun to recover from the difficulties they

encountered in 1980, 1981, and 1982. Our thrift institutions are still in a weakened condition. Equally worrisome is the effect of rising interest rates on the prospects for managing the external debt-servicing problems of developing countries. Many of these countries, with the advice and assistance of international lending organizations, are attempting to put in place domestic economic policies that will generate both cash and confidence to help them attract capital and meet their obligations. It is of utmost importance to us, as well as to them, that they succeed in this endeavor. A rise in interest rates makes this task more difficult.

You ask, Mr. Chairman, what policies could be followed to foster lower interest rates and sustain economic growth. I doubt that my answer will surprise you. What needs to be done is to act promptly, and decisively, to reduce structural deficits in the federal budget. Let me note, in this respect, that the fiscal “down payment” presently under discussion in the Congress is a necessary first step in developing a fiscal policy suited to our needs. But it is only a first step in a larger effort that needs to begin very soon.

Attempts to lower interest rates by speeding up the growth of money and credit would, under present circumstances, be a serious mistake. The economy is growing strongly; total credit demands are extremely large; the federal budget is badly out of balance; our merchandise trade and current account deficits are enormous; inflation, although not yet accelerating, is still proceeding at an annual rate of 4 to 5 percent. If people here and abroad gained the impression that the Federal Reserve had “thrown in the towel” in its efforts to keep money and credit growing at a reasonable pace, we would be faced, in my judgment, with potentially chaotic conditions in financial markets.

Let me assure you that we in the Federal Reserve have no intention of proceeding on such a course of action. We are supplying enough money and credit to finance a sustainable rate of economic expansion, and we intend to continue doing so. But we do not intend to waste the substantial gains in the battle against inflation that have been won at such enormous cost during the past few years. □

Additional statement follows.

Statement by Karen N. Horn, President, Federal Reserve Bank of Cleveland, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 8, 1984.

It is a pleasure for me to appear before this subcommittee today. The hearing you have scheduled deals with important issues—issues that will have a major effect upon national economic performance in the years ahead and will determine whether we as a nation will succeed in our efforts to restore prosperity in an inflation-free environment. The outcome of these issues will in time have a profound influence on the success of the efforts under way to improve productivity, and to restore the competitive position of our industries and their workers.

Governor Gramley has dealt with the factors that underlie the recent increases in interest rates. I am in agreement with the views that he has expressed. I would like to use the time available to me to touch upon some of the effects of interest rates on the recovery in the Fourth Federal Reserve District and then to indicate in a general way why rising interest rates seem to me to be symptomatic of some of the underlying issues that confront private and public decision-makers.¹ Before I begin, I want to point out that the increases in interest rates are quite recent. It is possible, indeed some feel probable, that a significant moderation in the pace of the economic expansion will result from rising rates.

There has, nevertheless, been a substantial increase in uncertainty about the future course of the expansion, especially in the traditional capital goods industries, residential construction, and industries confronting intense import competition. People are, in effect, saying that what we have feared is here—the combined private and public credit demands cannot be satisfied within the constraints of a noninflationary monetary policy. Interest rates are therefore rising, and unless the basic underlying causes are dealt with in the future, further increases cannot be ruled out. This realization and the uncertainty of the eventual outcome may, in my view, have a far

more sobering effect upon the strength and the character of the current expansion in the Fourth District than will the immediate consequences of the recent increases in rates.

The pattern and composition of the national economic recovery is, of course, the most important element shaping local economic recoveries. The current U.S. recovery has turned out to be substantially more vigorous than most analysts had anticipated. In the first quarter of 1984, gains in employment and production accelerated at near-record rates. Over the past year or so, the recovery in the Fourth District has maintained its typical relationship with the national recovery (chart 1).² This has been a very pleasant surprise to me, given the depth of the 1981–82 recession and the intense structural and competitive problems of the District's traditional industries. The regional impact of a national recovery is largely determined by the industrial structure of the region. As you know so well, the Fourth District's economic base is concentrated in manufacturing, particularly in the production of producer and consumer durable goods. In 1983, nearly 18 percent of nonfarm employment in the Fourth District was dependent upon these goods, in contrast with 12 percent nationally.

The Fourth District's current economic recovery so far has also been typical of its past recoveries, at least in an aggregate sense. Total nonagricultural employment in Ohio, which is quite representative of the Fourth District, has expanded at virtually the same pace, since the trough in November 1982, as it has on average over past recoveries. Employment gains in the District lag by several months the nation's employment expansion because of the District's specialization in capital goods industries. For the most part, past experience would suggest more rapid employment expansion in the Fourth District, relative to the nation, in the later phases of economic recovery as capital investment accelerates. However, a disturbing feature of the District's current employment expansion is that our unemployment rate remains 2 to 3 percentage points above the national average. At similar stages of past recoveries, the unemployment rate

1. The Fourth Federal Reserve District includes the state of Ohio, western Pennsylvania, eastern Kentucky, and the northern panhandle of West Virginia.

2. The attachments to this statement are available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

in the District was typically equal to or below the national rate. The gap is reflected most dramatically in some of the District's urban areas. Pittsburgh and Johnstown, Pennsylvania; Wheeling, West Virginia; and Youngstown, Ohio, for example, have experienced only sluggish employment growth and have unemployment rates ranging from 3 to 6 percentage points above the national level. The unemployment gap is unlikely to close until some of the underlying structural problems of the District are solved—once again, the industrial structures of these areas, characterized by single-industry dominance, are largely responsible for the weakness of these local recoveries.

Furthermore, a closer examination of specific industries suggests that imbalances in the District's recovery are masked by the total employment data. For example, virtually all of the gains in local manufacturing employment can be attributed to a strong auto recovery. Transportation equipment and primary metals have accounted for roughly 50 percent of gains in manufacturing employment since November 1982, although their share in employment is roughly 25 percent. Other manufacturing industries and most non-manufacturing industries have not kept pace in this recovery.

The distribution of employment gains in the District to a large extent reflects the pattern of the national recovery. The first year of recovery was dominated by employment gains in consumer durable goods industries, particularly in the automotive industry. Plants producing medium- and full-sized autos—the mix of cars consumers increasingly want to purchase—have been at near-full capacity for some time. Likewise, District steel plants that produce sheet steel for the auto industry have been operating virtually at full capacity, while other steel-product lines have remained at depressed levels. Normally one would expect the consumer phase of the recovery to slow, and the investment phase of the recovery to carry the bulk of the District's recovery in its second year. Thus far, nondefense capital goods orders and spending at the national level have proceeded at an above-normal pace, suggesting that employment gains in local capital goods industries could materialize in 1984 at rates at least comparable with past recoveries. Capacity utilization rates in nonelectrical machinery—at 75 percent in April—allow ample

room for expansion, particularly in those branches important to the Fourth District, such as machine tools, in which shipments have been rising slowly and most recently were only 5 percent above year-ago levels.

This spillover is important because the recovery in capital equipment investment, while one of the strongest in the postwar period, has been less beneficial to the producers of traditional capital goods concentrated in the District. The recovery in capital equipment investment has largely been located in high-technology or information-processing equipment, the continuation of a trend firmly in place for at least a decade. Vehicles and machinery, for example, which once accounted for about \$0.60 of every dollar invested in equipment, now account for \$0.38 of the investment dollar. Information-processing equipment, including communication equipment, office machinery, and instruments, currently accounts for \$0.47 of every investment dollar compared with about \$0.20 in 1972. Since the District is still concentrated in traditional capital goods, its industries have been receiving a smaller piece of the investment pie.

Another disquieting feature of the recovery, not only from the Fourth District's vantage point but also from the nation's, has been the sharp deterioration in U.S. merchandise trade. The U.S. trade deficit equaled \$69.4 billion in 1983, compared with \$42.7 billion in 1982. In the first four months of this year, the trade deficit has been running at an annual rate of \$126 billion. Some deterioration in the trade balance would, of course, be quite normal because last year the U.S. economy recovered sooner, and much more strongly than the economies of most of our trading partners. However, the deterioration in the U.S. trade balance during the current recovery has been extremely severe because of international debt problems, the economic adjustment programs adopted abroad, and the exchange rate of the dollar.

Intense foreign competition has had a particularly severe impact on industries important to the District's economy, especially steel, automobiles, and machine tools. For capital goods as a whole, the figures suggest a significant deterioration in our competitive position. Since 1972 imports of capital goods have expanded at twice the rate of exports of similar items. Imports of

machinery have also risen more rapidly than the purchase of machinery from domestic producers, so that imports have taken an increasing share of the domestic market for machinery.

It is not correct to ascribe solely to the exchange rate the competitive problems of the capital goods producers in the Fourth District. That is far from the case. The growing pressures of competition both from foreign producers and from other parts of the country have been evident for a couple of decades now. I will return to this point a little later. But the strong dollar, bolstered by financial and confidence factors, has made serious problems worse.

In spite of these disquieting features, the strength of the recovery in the District thus far has been a pleasant surprise. It has brightened attitudes and given hope to business and workers. The recent increases in interest rates, however, are worrisome less for their impact today than for their implications for the effort under way to resolve the Fourth District's long-standing problems.

Changes in this region's economy have been occurring slowly over the past few decades, but they have accelerated in recent years. Over most of the post World War II period, industries have grown more slowly in this region than in the nation as a whole.

Communities throughout Ohio and Pennsylvania assumed preeminent roles as centers of heavy manufacturing during the late nineteenth and early twentieth centuries. Abundant local resources useful to manufacturing such as coal and iron ore, and inexpensive transportation to markets via the Great Lakes, the Ohio River, and an already well-developed railroad system, helped to stimulate the growth of industries such as steel, fabricated metals, machinery, and, somewhat later, transportation equipment and electrical equipment. In the 1920s, Ohio's share of national personal income and employment reached a peak that has never been regained. That is not to say that the economy of this region has been declining since the 1920s. Good fortune was ours. Our industries were the rich and productive ones. Productivity was high, growth was rapid for years, and our early established producers prospered. Employment, incomes, and investment grew, but rates of growth were surpassed by other regions of the country. That

is, after all, the way a market economy operates. The puzzle is why the long-standing pattern of slower growth relative to that of the nation has become more pronounced during the past two decades.

Disparities in regional growth can be decomposed into two forces. The first might be called a structural element. Structural changes cause some industries to expand faster than other industries. Changing consumer buying patterns, for example, will benefit some industries more than others. Structural changes of this sort include the shift of the economy from manufacturing toward service industries and the oil crisis of the early 1970s. The energy crisis of the 1970s, and the consequent gasoline shortage, caused an increase in demand for cars that got better gas mileage. Our country's car manufacturers, at that time, did not have the productive capability to produce cars with higher gas mileage. Foreign car manufacturers, who were already producing more fuel-efficient cars, took a share of our domestic market that we have not been able to regain.

The second is a competitive element that causes some industries in a region to grow more slowly than their counterparts elsewhere in the nation. Differences in costs and prices, for example, can cause an industry in Cleveland to underperform that same industry elsewhere in the United States.

The combined influence of these factors has been a pronounced lag in our region's economic growth relative to that of the rest of the country, a lag which can be traced back for more than three decades. Between 1949 and 1982, total employment in Ohio increased at 1.7 percent a year on average, 1.5 percentage points less than the national average of 3.2 percent. Nearly 0.4 percentage point of the shortfall is associated with Ohio's industrial structure. Ohio's industries were not rapid growth industries, and this explains about one-third of the disparity. The shortfall resulting from the underperformance of Ohio's industries is much larger—about 1.1 percentage points. Simply put, the competitive weakness of Ohio's industries relative to their counterparts elsewhere in the country accounts for about two-thirds of the shortfall.

Although these trends have been in place for a long time, they accelerated markedly in the

1970s. Ohio's employment growth rates in the 1970s fell behind national growth rates by more than 1.5 percentage points. During the 1960s employment growth rates in Ohio's industries were almost equal to the national standard. The structural shift away from manufacturing and the competitive lag of most of Ohio's industries still were apparent in the 1960s, but the differential was much less pronounced.

Some attribute the slowdown to relatively higher costs and to greater unionization of the labor force; others blame government regulations and increasing taxes; still others argue that unimaginative management and old and obsolete capital have been major contributors. These influences cannot be neatly separated into their relative importances, and in any event the situation varies among industries and across the region.

From my vantage point, however, there is another factor that is often overlooked and seems especially relevant today. The 1960s was a period of relatively low and stable inflation and only minor recessions. The 1970s was a time of high and accelerating inflation, severe recessions, and energy price shocks. The poor economic performance of industries of the Fourth District in the 1970s coincided with the most unstable and uncertain economic conditions of the post World War II period.

For many years industries have had to deal with high and varying rates of inflation and consequently high interest rates. The Fourth District's industries are extremely sensitive to interest rates and inflation. While interest rates alone doubtless have an influence, it seems clear to me that the important issues of the problem lie elsewhere. High rates of inflation have contributed to increased production costs and have made it difficult to maintain profitability. Inflationary expectations found their way into the labor bargaining process, they distorted the perceived rates of return on long-term capital investment, and they confused reported profit figures. Businesses invested less in new plant and equipment than they probably would have with lower inflation and interest rates.

The uncertainty brought on by varying rates of interest and inflation is particularly damaging to our region. Our heavy manufacturing industries are capital intensive and must, of course, rely on

external financing. When rates in the capital markets are high and unpredictable, businesses are less willing to make long-term investment decisions. Instead, they make short-term investments that have short-term payouts, neglecting the longer-term investments necessary to reduce costs. Throughout the decisionmaking process, attention was diverted from productivity and the need to remain competitive. In short, the traditional industries of the Fourth District became the high-cost producers in their industries.

The need to improve costs and productivity in order to restore a competitive position is now recognized. I believe that much encouraging progress is being made, although it is not evident in the statistics yet, and may not be for years to come. I see evidence of that adjustment in the attitudes of businessmen and labor. Obsolete plants have been closed, but the process is not complete. Changes in organization and practices in the office and on the assembly line are being made. The economic recovery and the cost-cutting efforts have improved firm and industry earnings and cash flow to the point that more extensive efforts to improve productivity can be undertaken.

The next round of efforts will require more investment of a capacity-expanding character. Financial commitments will be heavier with a longer-term payoff than the cost-cutting improvements of the past several years. It would be much easier to achieve the next stage of restructuring with assurance of adequate savings and a more certain economic environment than exists today. And that, in my view, is the significance of recent financial developments to the economy of the Fourth District.

Interest rates may be viewed as the price that clears a market, the market for loanable funds. From this perspective, rates rise as credit demands outstrip supply. High rates imply that there is inadequate savings to enable businessmen, consumers, farmers, government, and others to finance their activities. Many capital investment projects that would be undertaken simply do not occur. The recent increase in interest rates is especially disheartening because it suggests inadequate savings to provide the desired increase in the capital stock productivity and increased economic well-being that we seek.

The rise in interest rates, in an important

sense, should be viewed as a symptom of more basic underlying problems. Unless these problems are resolved, interest rates are unlikely to decline and may rise further.

Savings is the part of current income not consumed; it represents resources available to build capital and ensure greater future consumption. Savings from the household, nonfinancial business, state and local government, and foreign sectors equal total savings available to finance private investment and federal credit demands. Because federal borrowing is insensitive to interest rates and involves no credit risk to lenders, the federal sector generally stands first in the queue for credit market funds. Consequently, over time the amount of private investment financed depends on the growth of private savings relative to the growth of federal credit demands.

Although the broad concept of savings is straightforward conceptually, its measurement is fraught with difficulty. Based on the flow of funds accounts estimates, a fairly steady increase in domestic savings is evident between 1960 and 1978. Net private savings grew, at an average annual rate of 11.5 percent, from 7 percent to 12 percent of GNP. Since 1978, however, net private savings has leveled off, and since 1981 it has declined to 6 percent of GNP. In contrast, gross savings continued to grow by a widening margin because of more generous depreciation allowances. For much of the period since 1960, the federal sector's appetite for savings remained fairly subdued. Between 1960 and 1969, net federal borrowing rarely exceeded 1 percent of GNP; over the next five years, it averaged only slightly above 1 percent of GNP. Since 1979, as net private savings slowed, the federal borrowing rose dramatically to almost 6 percent of GNP in 1983, roughly equivalent to net savings. The situation is even more serious if one believes, as I do, that the large trade deficit and the associated inflows of foreign capital cannot safely be extrapolated into the future.

The sharp rise in net federal borrowing has reduced funds available to finance additions to the private capital stock. While this may not have been a major problem when the economy was in recession, it will create problems down

the road if present trends continue. From a savings investment vantage point, the outlook is not encouraging. If, during the remainder of the decade, net private savings continues to expand at its historic growth pattern, and if federal borrowing follows the Congressional Budget Office estimates of the baseline budget deficit, the United States would experience a period of tightening on the funds available to expand the nation's capital stock. Since the mid-1970s, U.S. labor productivity growth has slowed; since 1977, U.S. productivity has shown virtually no growth. Although productivity has risen with recovery, the increases have not been rapid enough to suggest more than an ordinary cyclical response. The implications for the standard of living for future generations represent the true burden of financing the federal budget deficit. If society devotes more of its resources to the federal sector, fewer resources are available to the private sector. As the recovery proceeds, it should become increasingly clear that our savings are inadequate to meet both public and private credit demands in a low interest rate, noninflationary environment.

How the problem is resolved is of utmost importance to the efforts in the Fourth District to deal with the accumulated problems of past decades. High interest rates will not help restore economic vitality. In my view, however, high interest rates are symptomatic of our problems. Savings are inadequate for all our needs, and the growing fear that more intense competition in capital markets—and perhaps even higher interest rates—lie ahead will severely discourage the restructuring of the older industries and areas of the country. Greater efficiency will be achieved, but with lower capacity in important industries.

As I have indicated, our present problems are importantly rooted in the economic environment. An environment marked by inflation, uncertainty, fitful economic expansions, and sharp recessions does not encourage risktaking in pursuit of long-term productivity objectives. It does not encourage wise and prudent choices. It does not encourage decisions that are consistent with good economic performance. The solutions to the problems we are struggling with require a stable economic environment. □

Announcements

CONSUMER ADVISORY COUNCIL: NOMINATIONS

The Federal Reserve Board announced that it is seeking nominations of qualified individuals for nine appointments to its Consumer Advisory Council, to replace members whose terms expire on December 31, 1984.

Nominations should be submitted in writing to Dolores S. Smith, Assistant Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and must be received no later than August 10, 1984.

Nominations should include the name, address, and telephone number of the nominee, past and present positions held, and special knowledge, interests, and experience related to consumer financial matters.

CLASSIFICATION OF VENEZUELAN LOANS

In response to inquiries, the Federal Reserve confirmed on May 11, 1984, that the classification of certain Venezuelan loans as substandard, made during the week of March 5, reflected entirely economic and technical analysis by the normal inter-agency group of bank examiners. That group meets at regular intervals to review foreign loans. At the time of the March meeting, among other factors, arrears on Venezuelan debt were building. These classifications are reviewed regularly.

CHANGE IN BOARD STAFF

The Board of Governors has announced the appointment of Portia W. Thompson to the official staff as the Board's EEO Programs Officer, effective June 11, 1984. Ms. Thompson came to the Board in September 1968. She became Assistant to the Director of EEO in April 1980 and Manager of Board EEO Programs in January 1982. Ms. Thompson has a B.A. in Economics from Howard University.

EXTENSION OF COMMENT PERIOD

The Federal Reserve Board announced the extension until October 29, 1984, of the comment period on proposals published in March concerning reduction of risks on large-dollar wire transfers of funds.

REVISED LIST OF OTC MARGIN STOCKS

The Federal Reserve Board published on June 1, 1984, a revised list of over-the-counter (OTC) stocks that are subject to its margin regulations, effective June 18, 1984.

The list supersedes the revised List of OTC Margin Stocks effective on June 10, 1983, and the amendments to that list effective on October 17, 1983, and February 21, 1984. Changes that have been made in the list, which now includes 2,070 OTC stocks, are as follows: 201 stocks have been included for the first time; 15 stocks previously on the list have been removed for substantially failing to meet the requirements for continued listing; 33 stocks have been removed for reasons such as being listed on a national securities exchange or being involved in an acquisition.

SYSTEM MEMBERSHIP: ADMISSION OF STATE BANKS

The following banks were admitted to membership in the Federal Reserve System during the period May 10 through June 8, 1984:

Florida

Port St. Lucie First American Bank
of St. Lucie County

Illinois

Bensonville First American Bank
of Bensonville

Indiana

Jeffersonville Citizens Bank and Trust
Company

Record of Policy Actions of the Federal Open Market Committee

*MEETING HELD
ON MARCH 26–27, 1984*

1. Domestic Policy Directive

The information reviewed at this meeting indicated that growth in real GNP had accelerated markedly in the first quarter from the 5 percent annual rate of expansion in the fourth quarter of 1983. The latest data suggested that demands for goods and services might remain relatively strong in the months ahead, though real growth was expected to slow from the first-quarter pace. The rise in average prices, as measured by the fixed-weight index for gross domestic business product, appeared to have increased somewhat, but wage increases generally remained moderate.

The index of industrial production rose 1¼ percent in both January and February, after average monthly increases of about ½ percent in the fourth quarter. Gains in output were widespread across major product and material categories, with especially large increases in construction supplies, consumer goods, and durable goods materials. Despite relatively lean inventories at automobile dealers, auto production was little changed in January and February from the 8 million unit rate recorded in December, as some plants producing the more popular large-size cars were encountering capacity constraints. The rate of capacity utilization in manufacturing rose one percentage point further in February to 81.0 percent—the highest level since May 1981 and only slightly below the 81.8 percent average for the 1967–82 period.

In January and February gains in nonfarm payroll employment averaged 325,000, substantially above the average monthly increases of about 250,000 in the fourth quarter. Manufacturing employment continued to rise by more than 100,000 in each month, and the factory

workweek, which had jumped 0.5 hour in January to 41.0 hours, held steady in February at its highest level since 1967. The civilian unemployment rate declined 0.2 percentage point each month to 7.8 percent in February.

Consumer spending has contributed substantially to recent gains in economic activity. Retail sales grew at an exceptional pace in January and changed little in February. The automobile market was particularly strong, with sales of domestic models in January and February, at an annual rate of 8½ million units, up over 1 million units from the average pace during the fourth quarter. Sales during the first 20 days of March continued relatively strong, at a pace of about 8 million units.

Private housing starts surged in January and February, reaching an annual rate of nearly 2.2 million units, the highest level in almost six years and well above the rate of 1.7 million units recorded in the fourth quarter and in 1983 as a whole. Building permits for residential construction also rose in both January and February, and home sales remained high.

In the business sector, capital outlays have continued to grow, though at rates below the unusually rapid expansion in the last half of 1983. Shipments of nondefense capital goods weakened in the first two months of the year but remained at high levels. Other recent information, including a rising trend in new orders and survey reports of upward revisions in business spending plans, generally suggests continuing strength in business fixed investment.

The producer price index for finished goods and the consumer price index both increased about ½ percent per month in January and February. The rise in prices was faster than in the fourth quarter of 1984, with increases concentrated in the food sector. The index of average hourly earnings rose only slightly over the first two months of the year, although total compen-

sation costs apparently increased more rapidly, in part because of higher payroll taxes for social security.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies declined about 7 percent from the end of January through the first week of March. Concerns about inflation prospects in the United States, given large budget deficits and a strengthening private economy, were cited by market participants as factors weakening the dollar. More recently, part of that decline was retraced, apparently aided by rises in U.S. interest rates relative to foreign rates. The merchandise trade deficit rose sharply in January, mainly because of larger non-oil imports.

At its meeting on January 30–31, 1984, the Federal Open Market Committee had agreed that in the short run policy should be directed at maintaining the existing degree of restraint on reserve positions. The members anticipated that such a policy would be associated with growth of both M2 and M3 at an annual rate of around 8 percent for the period from December to March and growth of M1 at an annual rate of about 7 percent over the three-month period. The rate of expansion in total domestic nonfinancial debt was thought likely to be within the Committee's monitoring range of 8 to 11 percent for the year 1984. It was also agreed that the need for lesser or greater restraint on reserves would be evaluated against the background of developments relating to the strength of the business expansion and of inflationary pressures. The intermeeting range for the federal funds rate, which provides a mechanism for initiating consultation of the Committee, was retained at 6 to 10 percent.

Data available through mid-March indicated that since December M1 and M3 had been expanding somewhat more rapidly than anticipated at the January meeting. Tentative estimates suggested that in the first quarter as a whole M1 and M3 grew at annual rates of about 7½ percent and 8½ percent from the fourth quarter, well up in their longer-run ranges of 4 to 8 percent and 6 to 9 percent respectively established by the Committee for 1984. Growth in M2 appeared to have been less rapid than previously expected and was estimated to be at a rate in the lower part of the 6 to 9 percent range for 1984.

The debt of domestic nonfinancial sectors ap-

parently increased in January and February at a pace substantially above the Committee's monitoring range for the year. Total credit at U.S. commercial banks continued to expand rapidly, at an annual rate of about 11 percent in January and 15 percent in February. Loan demand continued to be brisk in all major categories of loans—business, consumer, and real estate. Even after adjusting for the loan growth in February that was associated with merger-related financing, business borrowing at banks and in the commercial paper market remained substantial.

The implementation in early February of contemporaneous reserve-requirement accounting, and also the legislated phasedown to lower reserve requirements for member banks under the Monetary Control Act at the same time, apparently prompted a cautious approach to reserve management by depository institutions, entailing for a time, as anticipated, an unusually high level of excess reserves. In large part because of the high volume of excess reserves, but also reflecting the strength in required reserves accompanying growth in transaction deposits, total and nonborrowed reserves expanded rapidly in February. They appeared to be changing little in March, however, as excess reserves declined. Borrowing at the discount window averaged about \$600 million over the first three reserve maintenance periods following the previous meeting, but moved up to an average of somewhat over \$1 billion in the current maintenance period, which began in mid-March.

Market interest rates moved considerably higher over the intermeeting period, generally rising about ¾ to 1 percentage point in both short- and long-term markets. The increases appeared to be induced by the strength of economic activity and private credit demands, disappointment over the absence of significant progress to curb the federal deficit, concern that prices might rise more rapidly, and expectations that monetary policy would not accommodate rapid growth in money and credit. Federal funds traded in a range of 9½ to 9¾ percent during most of the intermeeting interval; most recently, however, the funds rate tended to fluctuate around 10 percent and was occasionally somewhat higher. Against the background of generally rising market rates and brisk business loan demand, commercial banks raised their "prime loan" rate

from 11 to 11½ percent in mid-March. Average rates on new commitments for fixed-rate conventional home mortgage loans rose nearly ¼ percentage point on balance over the intermeeting period.

The staff projections presented at this meeting suggested that growth in real GNP would moderate considerably over the course of the year but that the rate of price increase might pick up somewhat from its recent pace. It was expected that inventory investment and auto demand would level off and that housing activity would decline from the advanced pace of the first quarter. The impetus for continued economic expansion was expected to come from business fixed investment, from government purchases and, with rising world economic activity, from export demand.

In the Committee's discussion of the economic situation and outlook, members expressed concern that the current pace of the economic expansion, if maintained for long, would lead to growing imbalances, to price and wage pressures in some sectors of the economy and to continuation—against the background of persisting large federal deficits—of exceptionally heavy credit demands. Consequently, the sustainability of the expansion would be jeopardized. The view that the present rate of economic growth could be expected to moderate was widely shared, but several members suggested that it might remain significantly faster than generally anticipated, at least over the months immediately ahead. It was noted, for instance, that business investment and inventory rebuilding might well provide greater stimulus to economic activity than many expected. Moreover, members indicated particular concern that fiscal policy was likely to remain unduly stimulative in the context of an economy with rapidly rising levels of resource utilization, including a few industries that were beginning to experience pressures on existing capacity.

At the same time, several members observed that, in the light of various imbalances and distortions, both domestic and international, the economy might be vulnerable to large and sudden increases in interest rates and pressures on financial markets. The emergence of strong business credit demands on top of a continuing large rate of increase in consumer and mortgage credit and massive Treasury financings accentuated

these risks. Housing and the thrift industry that serviced it were likely to be seriously affected by any further marked rise in interest rates, especially in an environment in which variable rate and other new financing instruments were exposing a growing number of borrowers to unaccustomed financial risks. Reference was also made to the vulnerability of commercial construction, notably that involving office structures, given the considerable volume of new building in several sections of the country that were experiencing high vacancy rates. In agriculture, a sizable number of farmers were experiencing serious debt problems that were being worsened by pressures on earnings and lower land prices. On the international side, higher U.S. interest rates would clearly exacerbate the debt servicing problems of several less developed countries. The very large foreign trade deficit was also seen as a threat to the continuing health of the economy.

The members expressed a good deal of concern about the possibility of an intensification of price and wage pressures. While price increases had accelerated only slightly in recent months and wage advances had remained relatively restrained, a number of members commented that inflationary expectations appeared to be worsening. Capacity utilization rates were already high in some sectors of the economy and, more generally, were approaching levels that had been associated with rising rates of inflation in previous periods of economic expansion. In this situation, an environment conducive to more aggressive pricing could develop despite the increase in profit margins of many companies during the expansion period. The trend in wage settlements would be a key element in that respect, with potentially trend-setting wage negotiations scheduled for later in the year. The ready availability of imports was a material factor restraining prices for a wide range of goods, but a sharp decline in the foreign exchange value of the dollar could aggravate inflationary pressures. In evaluating the price outlook it was also noted that, in contrast to the experience in some earlier years, oil prices were not contributing to inflation, and one member observed that faster growth in the labor force, should it materialize following the slow growth in 1983, combined with a rate of unemployment that was still rela-

tively high by historical standards, would also tend to curb inflationary pressures.

In the Committee's discussion of policy for the period ahead, there was a relatively narrow range of preferences with regard to monetary growth objectives for the second quarter. All of the members wanted to maintain growth within the Committee's longer-run ranges; while, as earlier, growth in the broader aggregates in the upper part of their ranges was considered acceptable, there was a desire to see M1 closer to the middle of its range over a period of time. A number of members suggested that the degree of reserve pressure might be attuned a bit more rapidly than over the past year to deviations in monetary aggregates from objectives, but no member advocated that the degree of reserve restraint be adjusted automatically and related solely to the performance of the monetary aggregates. Some members emphasized their concern that growth in the aggregates was more likely to exceed than to fall short of the second-quarter objectives if the expansion in economic activity remained exceptionally strong. The Committee, it was argued, should in that event be prepared to lean cautiously, in the present environment, against excessive monetary growth as it emerged. The point was also emphasized by some members that significant shortfalls in monetary growth might desirably lead to some easing of interest rate pressures. There was general acceptance of an approach that would take into account such factors as the apparent strength of economic activity and of inflationary pressures in any adjustment of the degree of reserve restraint. A number of members also called attention to the rate of credit growth, which had accelerated considerably in early 1984 and which appeared to be an important factor in recent interest rate increases.

With regard to preferences for the Committee's operational approach, there were some differences of view about whether the recent degree of reserve restraint should be maintained or altered in the period ahead, and under what conditions. Many felt that maintenance of something like the degree of restraint that had developed in recent days offered a reasonable prospect for achieving the monetary growth and financial market conditions that would foster a sustainable pace of economic expansion, help to

contain inflation, and minimize the potential damage to interest-sensitive sectors of the economy. However, several of these members foresaw economic and monetary developments that might call for some further restraint during the intermeeting period, and they wanted to be prepared to move promptly in that event. Some members did not want to rule out the possibility of lesser restraint, but most regarded such a development as less likely.

Other members of the Committee, viewing demand pressures on the economy as stronger and posing a more immediate threat of rising price pressures and growing imbalances, felt that some intensification in the degree of reserve restraint was called for at this time. This would, it was maintained, reduce the risk that much more vigorous restraint would be needed later, with sharply adverse consequences for sectors of the economy that were vulnerable to rising interest rates. These members were, nonetheless, concerned about moving too aggressively in the direction of greater restraint, given the sensitive state of domestic and international credit markets and uncertainties about the underlying strength of demand pressures.

In light of recent market developments, the members agreed that the intermeeting range for the federal funds rate should be raised from the 6 to 10 percent that had been specified since mid-November 1982. It was understood that the federal funds range is essentially a mechanism for initiating Committee consultations when its limits look as if they might be persistently exceeded. In that context, however, members indicated differing views, within a narrow range, as to the appropriate "consultation point." Some members preferred a smaller increase in that limit to provide for earlier consultation of the Committee should significant further pressures develop in financial markets; others favored a bit more leeway in the degree of pressure that would be acceptable before a consultation would be triggered. In general, it was understood that the federal funds rate was likely to fluctuate in response not only to conditions in the reserve market, partly in the context of the newly introduced two-week reserve period, but also to changing market expectations about the course of credit and money demands and monetary policy. In the discussion of the degree of reserve

restraint that would be consistent with the Committee's money and credit objectives, it was noted that reserve paths might have to be considered in light of changes in the discount rate that might subsequently be made by the Board of Governors, depending on such surrounding circumstances as the intensity of bank demands for borrowing, overall money and credit demands, and whether the market had already adjusted to any new discount rate.

At the conclusion of its discussion the Committee decided to seek to maintain pressures on reserve positions that were deemed to be consistent with growth of M1, M2, and M3 from March to June at annual rates of around 6½, 8, and 8½ percent respectively; initially those pressures should be close to those that had emerged in recent days. The members agreed that greater restraint on reserve conditions would be acceptable in the context of more substantial growth in the monetary aggregates, while somewhat lesser restraint might be acceptable if monetary growth were significantly slower. In either event, the need for greater or lesser restraint would also be appraised against the background of developments relating to the continuing strength of the business expansion and of inflationary pressures and the rate of expansion in total credit. It was agreed that the intermeeting range for the federal funds rate would be raised to 7½ to 11½ percent.

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

The information reviewed at this meeting indicates that growth in real GNP has accelerated markedly in the current quarter and suggests that demand for goods and services may remain relatively strong in the months ahead. In January and February, industrial production rose at a considerably faster pace than in the fourth quarter, and gains in nonfarm payroll employment were large over the two-month period. The civilian unemployment rate declined 0.2 percentage point each month to 7.8 percent in February. Retail sales grew at an exceptional pace in January and changed little in February. Housing starts rose substantially in both months to the highest rate in several years. Information on outlays and spending plans generally suggests continuing strength in business fixed investment. Prices rose somewhat faster in early 1984 than in the fourth quarter, with increases concentrated in the food sector. The index of average hourly earnings rose only slightly over the first two months of

the year, although total compensation costs appear to have increased more rapidly.

The foreign exchange value of the dollar against a trade-weighted average of major foreign currencies declined considerably from the end of January through the first week of March, but part of that decline was retraced more recently. The merchandise trade deficit rose sharply in January, mainly because of larger non-oil imports.

Data available through mid-March indicate that M1 and M3 have expanded somewhat more rapidly than anticipated at the previous meeting; since the fourth quarter of 1983, M1 and M3 are tentatively estimated to have grown at rates close to the upper limits of the Committee's ranges for 1984. Growth in M2 appears to have been less rapid than previously expected and was estimated to be at a rate in the lower part of its longer-run range. In January and February, growth of total domestic nonfinancial debt apparently rose at a pace substantially above the Committee's monitoring range for the year, and bank credit continued to expand at a relatively rapid rate. Interest rates have risen considerably since late January.

The Federal Open Market Committee seeks to foster monetary and financial conditions that will help to reduce inflation further, promote growth in output on a sustainable basis, and contribute to an improved pattern of international transactions. The Committee established growth ranges for the broader aggregates of 6 to 9 percent for both M2 and M3 for the period from the fourth quarter of 1983 to the fourth quarter of 1984. The Committee also considered that a range of 4 to 8 percent for M1 would be appropriate for the same period, taking account of the possibility that, in the light of the changed composition of M1, its relationship to GNP over time may be shifting. Pending further experience, growth in that aggregate will need to be interpreted in the light of the growth in the other monetary aggregates, which for the time being would continue to receive substantial weight. The associated range for total domestic nonfinancial debt was set at 8 to 11 percent for the year 1984.

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

In the short run the Committee seeks to maintain pressures on bank reserve positions judged to be consistent with growth in M1, M2, and M3 at annual rates of around 6½, 8, and 8½ percent, respectively, during the period from March to June. Greater reserve restraint would be acceptable in the event of more substantial growth of the monetary aggregates, while somewhat lesser restraint might be acceptable if growth of the monetary aggregates slowed significantly; in either case, such a change would be considered in the context of appraisals of the continuing strength of the business expansion, inflationary pressures, and the rate of credit growth.

The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before the next meeting is likely to be associated with a federal funds rate persistently outside a range of 7½ to 11½ percent.

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

Messrs. Gramley and Wallich dissented from this action because they preferred a directive calling for a somewhat greater degree of reserve restraint and slightly lower objectives for monetary growth in the second quarter. In their view the strength of the economic expansion warranted more restraint now in order to help avert more serious inflation and financial pressures later.

Mr. Martin dissented because he was concerned that implementation of the Committee's policy was likely to lead to more restraint than would be desirable in light of the vulnerability of key sectors of the economy to rising interest rates. Thrift institutions, housing, agriculture, and also problems associated with less developed country debt were examples that he cited. In his view, slightly higher objectives for monetary growth needed to be established for the second quarter.

2. Review of Continuing Authorizations

The Committee followed its customary practice of reviewing all of its continuing authorizations and directives at this first regular meeting of the Federal Open Market Committee following the election of new members from the Federal Reserve Banks to serve for the year beginning March 1, 1984. The Committee reaffirmed the authorization for domestic open market operations, the authorization for foreign currency operations, the foreign currency directive, and the procedural instructions with respect to foreign currency operations in the forms in which they were currently outstanding. The Committee also reaffirmed its agreement with the Treasury to

warehouse foreign currencies on the terms adopted on March 18, 1980, with the understanding that the agreement would continue to be subject to annual review.

Votes for these actions: Messrs. Volcker, Solomon, Boehne, Boykin, Corrigan, Gramley, Mrs. Horn, Messrs. Martin, Partee, Rice, Mrs. Teeters, and Mr. Wallich. Votes against these actions: None.

3. Authorization for Domestic Open Market Operations

At this meeting, the Committee approved a temporary increase from \$4 billion to \$6 billion in the limit on changes between Committee meetings in System Account holdings of U.S. government and federal agency securities specified in paragraph 1(a) of the authorization for domestic open market operations. The increase was effective for the intermeeting period ending with the close of business on May 22, 1984. Subsequently, on April 18, 1984, the Committee voted to increase the limit for the intermeeting period by an additional \$1 billion to \$7 billion.

Votes for these actions: Messrs. Volcker, Solomon, Boehne, Boykin, Corrigan, Gramley, Mrs. Horn, Messrs. Martin, Partee, Rice, Mrs. Teeters, and Mr. Wallich. Votes against these actions: None.

These actions were taken on the recommendation of the Manager for Domestic Operations. The Manager had advised that substantial net purchases of securities were likely to be required over the intermeeting interval in order to accommodate large reserve needs resulting from an expected bulge in Treasury balances at Federal Reserve Banks. By April 18, the leeway for further purchases had been reduced to about \$100 million, as the increase in Treasury balances proved to be somewhat larger than had been anticipated earlier. The Manager requested the additional \$1 billion increase in the limit to provide for flexibility in the normal course of open market operations.

Legal Developments

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

Orders Issued Under Section 3 of Bank Holding Company Act

Bitterroot Holding Company Lolo, Montana

Order Approving Formation of a Bank Holding Company

Bitterroot Holding Company, Lolo, Montana, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act of 1956, as amended ("Act") (12 U.S.C. § 1842(a)(1)), to become a bank holding company by acquiring all of the voting shares of Bitterroot Valley Bank, Lolo, Montana.

Notice of the application, affording opportunity for interested persons to submit comments, has been given in accordance with section 3(b) of the Act. The time for filing comments has expired, and the Board has considered the application and all comments received, including those from the Montana Commissioner of Financial Institutions and the Minneapolis Regional Office of the Federal Deposit Insurance Corporation, 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 by acquiring Bank. Upon consummation, principals of Applicant would control a banking organization with deposits of \$5.6 million, which is one of the smallest banking organizations in Montana.¹

The proposed transaction is essentially a corporate reorganization and would not increase the concentration of banking resources in any relevant area. Neither Applicant nor any of its principals is affiliated with any other banking organization in any relevant banking

market and consummation of the proposal, therefore, would not result in any adverse effects upon competition in any relevant area. Considerations relating to the convenience and needs of the community to be served are also consistent with approval.

The State of Montana and the FDIC have submitted comments regarding the level of debt to be incurred in the proposed transaction in view of the fact that Bank has been in operation only since May 1982. The Board has reviewed these comments in light of the Board's policy statement regarding the level of indebtedness in the formation of small one-bank holding companies.² In order to facilitate the transfer of local ownership of small community banks, consistent with safety and soundness considerations, the Board has permitted debt levels in connection with small one-bank holding company formations higher than would be permitted for larger banking organizations. Although Applicant will incur some debt in connection with the proposed acquisition, its debt-to-equity ratio will be substantially below the level permitted under the Board's guidelines, as well as below the level that would be permitted for a *de novo* bank.³ Based on all the facts of record, particularly commitments made by Applicant's principals to maintain Bank's capital above the minimum specified in the Board's Capital Adequacy Guidelines,⁴ the Board concludes that Applicant's financial and managerial resources and future prospects are consistent with approval.

On the basis of these and other facts of record, it is the Board's judgment that the application should be, and hereby 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 Minneapolis pursuant to delegated authority.

2. "Revision of Regulation Y," 70 FEDERAL RESERVE BULLETIN 144-145 (1984), "Appendix B—Policy Statement for Formation of Small One-Bank Holding Companies."

3. See *Holcomb Bancshares, Inc.*, 69 FEDERAL RESERVE BULLETIN 804, 805 (1983).

4. *Id.* at 142-143, "Appendix A—Capital Adequacy Guidelines."

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

By order of the Board of Governors, effective May 24, 1984.

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

JAMES MCAFEE
Associate Secretary of the Board

[SEAL]

Bourbon County Bancshares Fort Scott, Kansas

Order Approving Formation of a Bank Holding Company

Bourbon County Bancshares, Fort Scott, Kansas, has applied for the Board's approval, pursuant to section 3(a)(1) of the Bank Holding Company Act ("Act") (12 U.S.C. § 1842(a)(1)), to become a bank holding company by acquiring The Citizens National Bank of Fort Scott, Fort Scott, Kansas ("Bank").

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

Applicant is a nonoperating corporation formed to acquire Bank. Bank is the 32nd largest commercial bank in Kansas, with deposits of \$77.9 million, representing 0.45 percent of total deposits in commercial banks in the state.¹ Consummation of this proposal would have no significant effect on the concentration of banking resources in Kansas.

Bank is the largest of five banks in the Bourbon County banking market,² controlling 54.9 percent of total deposits in commercial banks in the market. Principals of Applicant have no banking interests in the Bourbon County banking market. Accordingly, approval of this proposal would have no significant effect on competition in any relevant market.

The financial and managerial resources of Applicant and Bank are regarded as generally satisfactory and their prospects appear favorable. While Applicant has not proposed any new services to be conducted by Bank upon consummation of this proposal, there is no evidence in the record to indicate that the banking

needs of the community to be served are not being met.

Based on the foregoing and other facts of record,³ the Board has determined that approval of the application would be consistent with the public interest and that the application should be and hereby is approved. The transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months following the effective date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Kansas City, acting pursuant to delegated authority.

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

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

JAMES MCAFEE
Associate Secretary of the Board

[SEAL]

First of America Bank Corporation Kalamazoo, Michigan

Order Approving Acquisition of a Bank

First of America Bank Corporation, Kalamazoo, Michigan, a bank holding company within the meaning of the Bank Holding Company Act (the "Act") (12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire The Citizens State Bank of Rudyard, Rudyard, Michigan ("Bank").

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

3. The Board has considered the comments of a minority shareholder of Bank who claimed that the minority shareholders of Bank were not receiving equitable treatment in connection with Applicant's tender offer for shares of Bank and questioned Applicant's ability to service the debt associated with its acquisition of Bank. Although there are limits on the Board's ability to consider complaints by minority shareholders of inequitable treatment in tender offers, the Board has taken these comments into consideration in acting on this application. See *Western Bancshares, Inc. v. Board of Governors*, 480 F.2d 749 (10th Cir. 1973). On the basis of all the facts of record, the Board does not believe these comments present sufficient evidence to support denial of the application based on adverse managerial or financial factors.

1. Banking data are as of June 30, 1983.

2. The Bourbon County banking market is defined as Bourbon County, Kansas.

Applicant, with 28 banking subsidiaries, is the fifth largest commercial banking organization in Michigan with total domestic deposits of \$3.4 billion, representing 7.1 percent of the total deposits in commercial banks in the state.¹ Bank, with total deposits of \$13 million, is one of the smaller banks in Michigan, holding less than 0.1 percent of the total deposits in commercial banks in the state. Upon consummation of this proposal, Applicant's share of statewide deposits in commercial banks would increase by less than 0.1 percent and its rank would remain unchanged. Accordingly, consummation of the proposed transaction would have no significant effect on the concentration of banking resources in Michigan.

Two subsidiary banks of Applicant compete directly with Bank in the Sault Saint Marie banking market.² Applicant is the fourth largest of seven commercial banking organizations in the market, with total deposits of approximately \$33.2 million, representing 15.2 percent of total deposits in commercial banks in the market.³ Bank is the sixth largest commercial banking organization in the market with total deposits of \$13 million, representing 5.9 percent of the total deposits in commercial banks in the market.

Upon acquisition of Bank, Applicant would become the second largest commercial banking organization in the market and would control 21.1 percent of the total deposits in commercial banks in the market. The percent of commercial bank deposits held by the four largest banking organizations in the market would increase from 80 percent to 85.9 percent. In addition, the market's Herfindahl-Hirschman Index ("HHI") would increase by 180 points from 1870 to 2050, making the transaction one that would be subject to challenge by the Department of Justice under its Merger Guidelines.⁴

Approval of this application would eliminate a competitor and increase concentration in the already highly concentrated Sault Saint Marie banking market. While the Board is concerned about the anticompetitive effects of the proposed transaction, these effects are mitigated by the following facts of record. First, the record indicates that bank has experienced difficulties in recent years due to a substantial decrease in population and high unemployment in the market,

reducing Bank's effectiveness as a competitor.⁵ Second, five independent commercial banking organizations would remain in the Sault Saint Marie banking market following consummation of the proposal.⁶

The record of this application also indicates that this transaction would benefit the convenience and needs of the community. Consummation of this transaction would strengthen Bank's financial and managerial resources and would maintain banking services in the Rudyard, Michigan, vicinity, where Bank is located.⁷ Furthermore, Applicant has indicated that it will provide additional services at Bank's offices, such as an automatic overdraft protection plan and a national credit card program, that are not now offered by Bank. The Board has concluded that the significant benefits to the convenience and needs of the community that would result from this transaction outweigh the anti-competitive effects of this proposal.

The financial and managerial resources and prospects of Applicant and its subsidiary banks are generally satisfactory and, as discussed above, the financial and managerial resources and prospects of Bank would be strengthened by this transaction. Thus, banking factors lend additional weight toward approval of the transaction.

The Board has determined that consummation of the proposal is consistent with the public interest and that the application should be approved. On the basis of 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 Chicago, acting pursuant to delegated authority.

By order of the Board of Governors, effective May 9, 1984.

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

WILLIAM W. WILES
Secretary of the Board

[SEAL.]

1. Unless otherwise indicated, all banking data are as of June 30, 1983.

2. The Sault Saint Marie banking market is approximated by Chippewa, Luce, and Mackinac Counties, Michigan.

3. Market data for one of Applicant's subsidiaries in the market, First of America-Strait's Area, are as of June 30, 1982.

4. Under the United States Department of Justice Merger Guidelines (June 14, 1982), the Department is likely to challenge a merger that produces an increase in the HHI of 100 points or more if the post-merger HHI is above 1800.

5. The population in Kinross township, where Bank is located, decreased from 6,763 in 1970 to 624 in 1983.

6. The Board notes that a branch of one of the largest state chartered thrift institutions in Michigan, Detroit & Northern Savings & Loan Association, operates in the relevant market. This thrift institution holds deposits in the market of \$37.3 million, amounting to approximately 15 percent of the total deposits in the market.

7. The next closest banking office is located approximately 18 miles away from Bank.

The Mitsubishi Bank, Limited
Tokyo, Japan

Order Approving Acquisition of a Bank

The Mitsubishi Bank, Limited, Tokyo, Japan, a registered bank holding company within the meaning of the Bank Holding Company Act (the "Act") (12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of BanCal Tri-State Corporation, San Francisco, California, a registered bank holding company by virtue of its ownership of The Bank of California, National Association, San Francisco, California. The Mitsubishi Bank also proposes to acquire all of the outstanding voting shares of Bank of California International Corporation, San Francisco, California, which is a corporation organized pursuant to section 25(a) of the Federal Reserve Act (the "Edge Act") (12 U.S.C. § 611 *et seq.*).

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

The Mitsubishi Bank, with total assets of \$97.1 billion as of March 31, 1983, is the third largest commercial banking organization in Japan and the twelfth largest commercial banking organization in the world.¹ In the United States, Applicant operates branches in New York, New York, and Chicago, Illinois, as well as an agency in Los Angeles, California, with aggregate assets of \$10.6 billion. Applicant also owns The Mitsubishi Bank of California, Los Angeles, California, which has total assets of \$680 million and ranks 21st among commercial banking organizations in California. Applicant has selected California as its home state under the Board's Regulation K (12 C.F.R. § 211.22(b)), and is permitted under section 5(b) of the International Banking Act (12 U.S.C. § 3103(b)) to retain its branches outside of California because they were opened before July 27, 1978, the grandfather date under section 5 of the International Banking Act.

BanCal Tri-State Corporation, with total assets of \$3.8 billion, operates only one subsidiary bank, the Bank of California, N.A., which controls \$2.2 billion in total deposits and is the eighth largest commercial banking organization in California. The Bank of California is chartered in California and its articles of incorporation specify that its principal office shall be in California. The Bank of California is one of only two national banks with branches in more than one state. It operates 16 branches in California, three branches in Washington, and one branch in Oregon.² Approximately 75 percent of the deposits controlled by the Bank of California are held in its California branches.

The Douglas Amendment (12 U.S.C. § 1842(d)) prohibits the Board from approving any application by a bank holding company to acquire "any additional bank located outside of the State" in which the acquiring bank holding company's subsidiary banks principally conduct their operations, unless the acquisition is specifically authorized by the state in which the bank to be acquired is located. For purposes of the Douglas Amendment, a bank holding company is deemed to be located in the state in which the total deposits of its subsidiary banks are the largest, which, for Applicant, is California.

Based on all of the facts of record in this case, the Board concludes that, for purposes of the Douglas Amendment, the Bank of California is located in California, where it is chartered and principally conducts its banking operations. The Board believes that the acquisition of the Bank of California by a California bank holding company is consistent with the purposes of the Douglas Amendment, provided the acquisition is not used to allow the acquiring bank holding company to expand its operation outside of the state of its principal operations in a manner inconsistent with the Douglas Amendment. In this regard, Applicant has advised the Board that it has no present plans to expand the Bank of California's banking operations in the States of Washington and Oregon, where the Bank of California currently maintains branches. Applicant has also committed that it will not expand in those states by merger or acquisition of banks without state authorization and has indicated it will request the Board to approve any branch office

1. Unless otherwise noted, banking data are as of September 30, 1983.

2. The Bank of California is expressly authorized by the McFadden Act to retain two of these branches in Oregon and Washington because they were established prior to February 25, 1927. (12 U.S.C. § 36). See also *Seattle Trust & Savings Bank v. Bank of California N.A.*, 492 F.2d 48 (9th Cir.), *cert. denied*, 419 U.S. 844 (1974).

expansion in those states should present circumstances change.

Accordingly, under these circumstances and subject to Applicant's commitment, the Board concludes that the Bank of California is not "located outside" of California for purposes of the Douglas Amendment and that its acquisition by Applicant—a California bank holding company—is, therefore, permissible under the Douglas Amendment.

Section 3(c) of the Act requires in every case that the Board consider the financial resources of the applicant organization and the bank or bank holding company to be acquired.³ As the Board has previously stated, the Board believes that the principles of national treatment and competitive equity require that, in general, foreign banks seeking to establish or acquire banking operations in the United States should meet the same general standards of strength, experience and reputation as are required of domestic banking organizations and should be able to serve on a continuing basis as a source of strength to their banking operations in the United States. On the other hand, the Board is aware that foreign banks operate outside the United States in accordance with different regulatory and supervisory requirements, accounting principles, asset quality standards, and banking practices and traditions, all of which makes difficult comparisons of the capital positions of foreign and domestic banks.

The appropriate balancing of these concerns raises a number of complex issues that the Board believes require careful consideration and that the Board has currently under review. In this regard, the Board has initiated consultations with appropriate foreign bank supervisors and notes that work is currently in progress among foreign and domestic bank supervisory officials to develop more fully the concept of functional equivalency of capital ratios for banks of different countries. Pending the outcome of these consultations and deliberations, the Board has determined to consider the issues raised by applications by foreign banks to acquire domestic banks on a case-by-case basis.

It is in this context that the Board has reviewed this application. The Board notes that the primary capital ratio of Applicant as publicly reported is well below the Board's capital guidelines for U.S. multinational bank holding companies. While the Board regards as a

negative factor Applicant's capital position, the Board has taken into account a number of other factors that mitigate the Board's concern. The Board notes that Applicant is in compliance with the capital and other financial requirements of the appropriate supervisory authorities in Japan and that Applicant's resources and prospects are viewed as satisfactory by those authorities. Applicant also has a satisfactory record of operation in its local markets and has historically experienced relatively low loan losses and has a relatively stable and substantial deposit base and a strong liquidity position. The Board has also considered other information regarding the financial condition of Applicant, including its substantial portfolio of securities of publicly held Japanese companies carried on Applicant's books at cost, which is substantially below their current market value.

In acting on this application, the Board also places considerable weight on certain commitments made by Applicant regarding its operation of the Bank of California, including Applicant's commitment to maintain the Bank of California as a strong and particularly well capitalized banking organization. In this regard, Applicant has committed to take certain actions to increase the capital ratio of the Bank of California to a specified level that is not only significantly above the Board's minimum capital guidelines but would also place the Bank of California among the more strongly capitalized banks of comparable size. Applicant has also committed to take any steps necessary to maintain this level of capital.

After reviewing all of these facts and commitments as well as other facts of record relating to the overall financial condition of Applicant and its U.S. banking operations, the Board has determined that, for the purposes of the proposed acquisition, Applicant's financial condition is consistent with approval of this application.

Applicant's subsidiary bank in California is the 21st largest commercial bank in California, with 0.26 percent of total deposits in commercial banking organizations in the state. The Bank of California is the 11th largest commercial bank in California and controls 0.87 percent of total deposits in commercial banking organizations in the state. Upon consummation of the proposal, Applicant would rank tenth among commercial banking organizations in California and would control 1.35 percent of deposits in commercial banks in the state.

Consummation of this proposal would eliminate some existing competition between Applicant and BanCal Tri-State Corporation in the San Francisco, Los Angeles, and San Diego metropolitan banking markets. The San Francisco metropolitan banking market is considered concentrated, with a Herfindahl-

3. See the Board's guidelines for capital adequacy, 1 Federal Reserve Regulatory Service ¶ 3-1506.1 (1982); 69 FEDERAL RESERVE BULLETIN 539 (1983), and the Board's policy statement on the supervision of foreign bank holding companies, 1 Federal Reserve Regulatory Service ¶ 4-835 (1979).

Hirschman Index ("HHI") of 2759. However, upon consummation of the proposal, there will remain 74 commercial banks in this market and the HHI will increase by less than 1 point. The Los Angeles and San Diego metropolitan banking markets are not considered highly concentrated, and numerous commercial banking organizations would remain in each market upon consummation of the proposal. In evaluating the competitive aspects of this application, the Board has also considered the presence of numerous thrift institutions in each of these markets.

There are five other banking markets in California in which the Bank of California competes and Applicant may be viewed as a potential entrant. However, none of these markets is considered highly concentrated and there are numerous potential entrants into each of these markets.

Accordingly, the Board has determined that consummation of this proposal would not have significant adverse effects on either existing or potential competition in California or in any relevant banking market. The Board has also determined that considerations regarding the convenience and needs of the communities to be served are consistent with approval of this application.

The financial and managerial resources of Applicant are also consistent with its acquisition of Bank of California International Corporation. This acquisition would result in the continuation of the international services currently provided, and is consistent with the purposes of the Edge Act. Accordingly, the Board finds that the indirect acquisition of Bank of California International Corporation by Applicant would be in the public interest.

Based on all the facts of record and the commitments made by Applicant and subject to the conditions explained above, the Board has determined that the applications under section 3 of the Act and the Edge Act should be, and hereby are, approved. The acquisition shall not be made before the thirtieth calendar day following the date of this Order, or later than three months after the date of this Order, unless such time is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco, pursuant to delegated authority.

By order of the Board of Governors, effective May 14, 1984.

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

[SEAL]

WILLIAM W. WILES
Secretary of the Board

Dissenting Statement by Governors Martin and Rice

This application involves the acquisition of a domestic bank by a foreign banking organization whose publicly reported capital is well below the Board's capital guidelines for comparable U.S. banking organizations. It is our opinion that foreign banking organizations that have low capital positions may have an unfair competitive advantage in the United States over comparably sized domestic banking organizations that are required to maintain a higher capital level. Lower capital requirements allow these foreign banking organizations a clear advantage in many aspects of their competition with domestic banking organizations, including pricing of services and bidding for domestic bank acquisitions.

We believe, therefore, that the principles of competitive equality and national treatment require that foreign banking organizations that have applied to acquire a domestic bank be judged against comparable financial and managerial standards, including the Board's capital adequacy guidelines, as would be applicable to domestic banking organizations. In our view, even after making an appropriate adjustment for differences between foreign and domestic regulatory and banking practices and requirements, including recognition of Applicant's portfolio of securities of publicly held Japanese companies, Applicant's capital position does not meet the Board's capital guidelines for comparably sized domestic bank holding companies. Further, in making this adjustment, we note some uncertainty as to the appropriate valuation of other securities held by Applicant. Accordingly, because a domestic banking organization with a capital and financial position comparable to Applicant's would not be permitted to make this acquisition, we would deny this application.

May 14, 1984

Monarch Bancorp
Laguna Niguel, California

Order Approving Formation of a Bank Holding Company

Monarch Bancorp, Laguna Niguel, California, 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)) ("Act"), to become a bank holding company by acquiring 100 percent of the voting shares of Monarch Bank, Laguna Niguel, California ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments has been given in accordance with section 3(b) of the Act. The time for filing comments 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 California corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of \$48.3 million.¹ Upon acquisition of Bank, Applicant would control the 175th largest commercial bank in California, holding 0.02 percent of deposits in commercial banks in the state.

Bank is the 144th largest of 162 commercial banking organizations in the Los Angeles banking market and holds 0.03 percent of the deposits of commercial banks in the market.² Applicant's principals are not affiliated with any other banking organization in the relevant market, and consummation of the proposed transaction would not result in any adverse effects upon competition or in an increase in the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval.

The financial and managerial resources and future prospects of Applicant and Bank are considered generally satisfactory, particularly in light of Applicant's commitment to inject additional capital into Bank and eliminate its reliance on brokered deposits. Thus, the Board concludes that considerations relating to banking factors are consistent with approval, as are considerations relating to the convenience and needs of the community to be served. Accordingly, based on the foregoing and other facts of record, the Board has determined that consummation of the transaction would be consistent with the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated 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 San Francisco acting pursuant to delegated authority.

By order of the Board of Governors, effective May 16, 1984.

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

[SEAL]

WILLIAM W. WILES
Secretary of the Board

National Bancshares Corporation of Texas San Antonio, Texas

Order Approving Acquisition of Bank

National Bancshares Corporation of Texas, San Antonio, Texas, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 *et seq.*) ("Act"), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)), to acquire all of the voting shares of Parkdale Bank, Corpus Christi, Texas ("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.

Applicant, the tenth largest commercial banking organization in Texas, controls 20 banking subsidiaries with total deposits of approximately \$1.8 billion, representing 1.5 percent of the total deposits in commercial banks in the state.¹ Bank, with total deposits of approximately \$118.7 million, is the sixty-ninth largest commercial banking organization in Texas and controls less than 0.1 percent of the total deposits in commercial banks in the state. Upon consummation of this transaction, Applicant would remain the tenth largest commercial banking organization in Texas and would control 1.6 percent of the total deposits in commercial banks in the state. Accordingly, it is the Board's view that consummation of this transaction would not have any significantly adverse effects on the

1. Deposit data are as of March 31, 1983, and market data are as of June 30, 1982.

2. The Los Angeles banking market is approximated by the Los Angeles RMA.

1. Unless otherwise noted, deposit data are as of June 30, 1983, and reflect bank holding company formations and acquisitions approved as of December 31, 1983.

concentration of commercial banking resources in Texas.

Both Applicant and Bank compete in the Corpus Christi, Texas, banking market.² Applicant is the fourth largest of 29 banking organizations in the market, with 6.1 percent of total deposits in commercial banks in the market. Bank ranks sixth in the Corpus Christi market, and holds 5.7 percent of market deposits. Upon acquisition of Bank, Applicant would become the third largest banking organization in the market, controlling 11.8 percent of the total deposits in commercial banks in the market.

The Corpus Christi banking market is only moderately concentrated, with a four-firm concentration ratio of 57.7 percent and a Herfindahl-Hirschman Index ("HHI") of 1189. Consummation of this proposal would raise the four-firm concentration to 63.4 percent, the HHI would increase by 69 points to 1258, and the market would remain only moderately concentrated.³ In addition, numerous banking organizations, including several of the state's largest banking organizations, would remain in the market after consummation of the proposal. On the basis of these and other facts of record, the Board has determined that consummation of this proposal would not have a significantly adverse effect on existing competition in the Corpus Christi banking market.

The financial and managerial resources of Applicant and Bank are considered generally satisfactory and their future prospects appear favorable. Considerations relating to the convenience and needs of the community to be served also are consistent with approval of the application. Accordingly, the Board has determined that consummation of the transaction would be consistent with the public interest and that the application should be approved.

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

2. The Corpus Christi banking market is approximated by the Corpus Christi Standard Metropolitan Statistical Area, which consists of Nueces and San Patricio counties in Texas.

3. Under the United States Justice Department Merger Guidelines (June 14, 1982), a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated. In such markets, the Department is not likely to challenge a merger that produces an increase in the HHI of less than 100 points, as in this case.

By order of the Board of Governors, effective May 24, 1984.

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

JAMES MCAFEE
[SEAL] Associate Secretary of the Board

NOTE: The following Dissenting Statement refers to the Boards' Order of April 24, 1984 regarding the application of Omaha National Corporation to acquire First National Lincoln Corp., 70 Federal Reserve Bulletin 447 (1984).

Dissenting Statement of Chairman Volcker

The application approved today by the Board represents one of the first transactions proposed under the new Nebraska legislation authorizing multibank holding companies. It involves the acquisition by the largest banking organization in Omaha, Nebraska's largest city, of the largest banking organization in Lincoln, Nebraska's second largest city, (First National Lincoln Corporation ("Company")). These organizations are, respectively, the second and fifth largest banking organizations in the State.

In view of the competitive and structural factors involved, particularly in the Lincoln banking market, this case raises a significant issue as to the applicability of the potential competition doctrine. The Lincoln market, on the basis of the deposits held by commercial banking organizations, is highly concentrated, and there are only a few banking organizations in the state with resources comparable to that of Applicant so as to make them likely entrants into this market. In addition, Company controls over 48 percent of deposits in commercial banks in the market. Finally, the Lincoln market is attractive for entry, considering the proximity of Lincoln to Omaha (where Applicant is headquartered), and the fact that Lincoln is the second largest of the three major banking markets in Nebraska.

In these circumstances, the Board's proposed probable future competition guidelines call for intensive examination of the effect of the proposal on such future competition. The majority of the Board was persuaded that the proposed acquisition was not likely to result in significant adverse effects on probable future competition in the Lincoln market because of the actual and potential competition afforded by thrift

institutions and because they felt that there were a number of other probable future commercial bank entrants into the market, including Nebraska banking organizations with assets of less than \$500 million but more than \$100 million.

I do not question the relevance of taking into account competition from thrift institutions, and make such allowance in my own judgment. I remain concerned, however, about the affiliation of the dominant banking organizations in each of the two largest and concentrated banking markets in Nebraska, a state in which there are essentially only three other of banking organizations with resources comparable to that of Applicant or Company.

I agree with the majority that the Lincoln market presents an attractive prospect for entry. There is also clearly ample opportunity for Applicant to enter the market on a basis other than acquiring the largest and dominant institution in it. Instead, the chosen mode of entry would appear to strengthen Company's already significant market position, and to reduce the prospect of deconcentration of the market and enhanced competition in the future. Specifically, affiliation of Applicant and Company would serve to widen the substantial gap between Company and the other commercial banking organizations in the market as well as in the state.

My point of difference with the majority is essentially that I would give less weight to the competitive capabilities of the smaller commercial banking organizations in Nebraska that the majority has viewed as probable future entrants into the Lincoln banking market. Six of these smaller firms control assets of less than \$250 million, ranging in amount from \$105 million to \$243 million. I am not convinced by the record that these institutions have the resources to enter the Lincoln market with a reasonable prospect of producing a significant deconcentrating effect.

The standards established in *Mercantile Texas Corp. v. Board of Governors*¹ for application of the probable future competition doctrine, standards reflected in the Board's proposed guidelines for assuring probable future competition, are quite rigorous. Under conditions existing in most banking markets today, particularly in light of the competition afforded by thrift institutions, it has been the Board's experience that these standards would proscribe only a limited number of proposed market extension mergers. I agree that the criteria for denying an application on grounds of potential future competition should indeed be stringent, should take account of thrift competition, and

should be invoked only when the weight of all the evidence is strong. However, I believe the factors present in Applicant's proposed acquisition of Company would meet these standards, and, accordingly, I would deny this application.

April 24, 1984

Rainwood Corporation
Omaha, Nebraska

Order Approving Acquisition of a Bank Holding Company

Rainwood Corporation, Omaha, Nebraska, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 *et seq.*) ("Act"), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of Forest City Limited, Forest City, Iowa ("Company"), and thus indirectly to acquire Company's only subsidiary bank, Forest City Bank & Trust Company, Forest City, Iowa ("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 one-bank holding company, controls Valley State Bank of Rock Valley, Sioux City, Iowa ("Valley Bank"). Valley Bank, with \$31.1 million in total deposits,¹ is the 203rd largest of 645 commercial banks in Iowa and controls about 0.1 percent of the total deposits in commercial banks in the state. Bank, with \$28.4 million in total deposits, is the 239th largest commercial bank in Iowa and controls 0.1 percent of the total deposits in commercial banks in the state. Upon consummation of the proposed transaction, Applicant would control nearly 0.3 percent of the total deposits in commercial banks in Iowa. The Board concludes that acquisition of Bank would have no significant effects upon the concentration of banking resources in Iowa.

Bank is the fourth largest of seven banking organizations in the Hancock County banking market,² con-

1. All banking data are as of December 31, 1982.

2. The Hancock County banking market includes Hancock County and the southern half of Forest Township in Winnebago County, Iowa.

trolling approximately 15.4 percent of the deposits in commercial banks in that market. Valley Bank currently does not operate in the Hancock County banking market; Valley Bank's nearest office is located more than 130 miles from Bank's sole office in Forest City. The Board finds, therefore, that the proposed acquisition would not eliminate any existing competition. The proposal also would not have any significant adverse effects on probable future competition, because the Hancock County banking market is neither highly concentrated nor attractive for entry.

The financial and managerial resources of Applicant, Company, and their subsidiaries are regarded as generally satisfactory, and their prospects appear favorable, based on certain commitments made by Applicant in connection with this application. The Board also concludes that considerations relating to convenience and needs of the community to be served are consistent with approval of the application. Accordingly, the Board's judgment is that the proposed transaction would be in the public interest and that the application should be approved.

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

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

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

JAMES MCAFEE

[SEAL]

Associate Secretary of the Board

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

Bank of Boston Corporation
Boston, Massachusetts

Order Approving Acquisition of a Bank Holding Company and Companies Engaged in Mortgage Banking and Leasing Activities

Bank of Boston Corporation, Boston, Massachusetts, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended

(12 U.S.C. § 1841 *et seq.*) ("Act"), has applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)), to acquire the successor by merger to Colonial Bancorp, Inc., Waterbury, Connecticut ("Colonial"), also a bank holding company, and thereby to acquire Colonial Bank, Waterbury, Connecticut. In addition, Applicant has applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(2) of the Board's Regulation Y (12 C.F.R. § 225.23(a)(2)) to acquire Colonial's nonbanking subsidiaries: Colbanc Realty Corporation, Waterbury, Connecticut ("Realty"), which engages in mortgage banking activities, and Colbanc Leasing Corporation, Waterbury, Connecticut ("Leasing"), which leases personal property. These activities have been determined by the Board to be closely related to banking and permissible for bank holding companies (12 C.F.R. § 225.25(b)(1) and (5)).

Notice of these applications, affording an opportunity for interested persons to submit comments, has been given in accordance with sections 3 and 4 of the Act (49 *Federal Register* 6012 (1984)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)) and the considerations set forth in section 4(c)(8) of the Act, including the comments of Citicorp, New York, New York, challenging the constitutionality of the Connecticut statute under which the proposed acquisition is to be made.

Applicant, with nine banking subsidiaries, is the largest commercial banking organization in Massachusetts and New England and has consolidated assets of \$19.5 billion and total domestic deposits of \$5.9 billion, representing 20.2 percent of the total deposits in commercial banks in Massachusetts.¹ Colonial, the fourth largest commercial banking organization in Connecticut, has total assets of \$1.4 billion and total domestic deposits of \$1.2 billion, representing 8.0 percent of total deposits in commercial banks in Connecticut. Upon consummation of the proposed transaction, Applicant would remain the largest bank holding company in New England in terms of both assets and domestic deposits.

Applicant's nine banking subsidiaries operate in ten of the fourteen Massachusetts banking markets,² as well as in the Massachusetts portion of the Providence, Rhode Island, banking market. Colonial's sole banking subsidiary operates in seven of the ten Con-

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

2. These Massachusetts banking markets are Boston, Springfield, Worcester, New Bedford, Fall River, Cape Cod, Fitchburg-Leominster, Pittsfield, Greenfield, and Amherst-Northampton.

necticut banking markets.³ Inasmuch as none of Applicant's banking subsidiaries operates in Connecticut and Colonial's banking subsidiary does not operate in Massachusetts, the proposed transaction would not eliminate any significant existing competition in any relevant banking market.

The Board has considered the effects of this proposal on probable future competition and also has examined the proposal in light of the Board's proposed guidelines for assessing the competitive effects of market-extension mergers or acquisitions.⁴ In evaluating the effects of a proposal on probable future competition, the Board considers market concentration, the number of probable future entrants into the market, the size of the bank to be acquired, and the attractiveness of the market for entry on a *de novo* or foothold basis absent approval of the acquisition. After consideration of these factors in the context of the specific facts of this case, the Board concludes that consummation of this proposal would not have any significant adverse effects on probable future competition in any relevant market.

With respect to the seven banking markets in Connecticut in which Colonial operates, the record shows that there are numerous other probable future entrants into these markets. At least nine commercial banking organizations with assets over \$1 billion, including five in Massachusetts (other than Applicant) and three in Rhode Island, can be identified as probable future entrants into the seven relevant Connecticut banking markets. In addition, in three of the seven markets (Bridgeport, New Haven, and Danbury), the market is not highly concentrated and in two other markets (Hartford and Salisbury), Colonial is not a market leader. In view of these considerations and other facts of record, the Board concludes that elimination of Applicant as a probable future entrant into markets served by Colonial would not have a substantial anti-competitive effect in those markets.

With respect to the ten Massachusetts banking markets in which Applicant operates, two of these markets (Boston and Cape Cod) are not highly concentrated. With respect to the eight other relevant markets, the record discloses a minimum of nine commercial banking organizations, including four in Connecticut (other than Colonial) and three in Rhode Island, as probable future entrants into each of the

markets.⁵ On the basis of these considerations and other facts of record, the Board concludes that the elimination of Colonial as a probable future entrant would not have a substantial anti-competitive effect in the ten Massachusetts markets served by Applicant.

The financial and managerial resources of Applicant and Colonial are regarded as generally satisfactory, and their prospects appear favorable. Considerations relating to the convenience and needs of the communities to be served also are consistent with approval of the application.

Section 3(d) of the Act prohibits the Board from approving any application by a bank holding company to acquire any bank located outside of the state in which the operations of the bank holding company's banking subsidiaries are principally conducted, unless such acquisition is "specifically authorized by the statute laws of the State in which such bank is located, by language to that effect and not merely by implication." (12 U.S.C. § 1842(d)). Based upon its review of the Connecticut interstate banking statute,⁶ the Board concludes that Connecticut has by statute expressly authorized, within the meaning of the Douglas Amendment, a Massachusetts bank holding company, such as Applicant, to acquire a Connecticut bank or bank holding company, such as Colonial.⁷

This application raises a question under the United States Constitution concerning the constitutionality of a provision of the Connecticut interstate banking statute that excludes bank holding companies located outside of New England from acquiring banks in Connecticut.⁸ The Board addressed the constitutionality of the Connecticut law in its Order approving the application of Bank of New England Corporation, Boston, Massachusetts, to acquire a bank in Connecticut.⁹ After review of the record and in reliance on a detailed analysis of the constitutional issues included in an Appendix to the Board's order, the Board concluded that, while the issue is not free from doubt, there is no clear and unequivocal basis for a determi-

3. These Connecticut banking markets are Hartford, New Haven, Bridgeport, Waterbury, Danbury, Torrington, and Salisbury.

4. 47 *Federal Register* 9017 (March 3, 1982). Although the proposed policy statement has not been adopted by the Board, the Board is using the policy guidelines in its analysis of the effects of a proposal on probable future competition.

5. Applicant has less than a 1 percent market share in the Providence, Rhode Island, banking market. Accordingly, the proposed merger's effect upon probable future competition in this market would be insignificant.

6. 1983 Conn. Acts 411 (Reg. Sess.) entitled "An Act Concerning Interstate Banking," § 2.

7. See *Bank of New England Corporation*, 70 *FEDERAL RESERVE BULLETIN* 374, 375 (1984).

8. New England bank holding companies include those located in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

9. *Bank of New England Corporation, supra*. The Board addressed the constitutionality of a similar provision in Massachusetts law in approving the application of Hartford National Corporation, Hartford, Connecticut, to acquire a Massachusetts bank. *Hartford National Corporation*, 70 *FEDERAL RESERVE BULLETIN* 353 (1984).

nation that the Connecticut statute is inconsistent with the Constitution.¹⁰

Subsequent to the Board's approval of those applications, the protestants petitioned for judicial review of the Board's orders on the sole ground that the Connecticut and Massachusetts interstate banking laws are unconstitutional.¹¹ While the court has expedited its review of those cases, the court has not yet issued an opinion regarding the merits of the protestants' claims. In the absence of a judicial determination regarding the constitutionality of the Connecticut interstate banking statute, the Board believes that it is appropriate in this case to apply the analysis articulated in the Bank of New England and Hartford National Corporation cases. Accordingly, on the basis of the Board's finding in those cases regarding the Connecticut statute, the Board has determined not to deny Bank of Boston Corporation's application on the grounds urged by the protestant that the Connecticut statute is unconstitutional.

In addition to seeking judicial review, the protestants in the Bank of New England and Hartford National Corporation cases petitioned the court to stay the effectiveness of the Board's orders pending judicial review. On April 24, 1984, the court granted the protestants' motions to stay the effectiveness of the Board's orders. In view of this action by the court, the Board has considered whether to stay the effectiveness of its action in this case pending the outcome of the litigation regarding the constitutionality of the Connecticut statute. The protestant in this case has not requested a stay, and under 5 U.S.C. § 705, the Board may not be authorized to stay its action absent a petition for judicial review. Consequently, the Board has determined not to stay, on its own motion, the effectiveness of its decision in this case at this time.

Applicant has also applied, under section 4(c)(8) of the Act, to acquire two nonbanking subsidiaries of Colonial—Realty and Leasing. Neither of these subsidiaries conducts any business in Massachusetts. Two of Applicant's existing subsidiaries, FNB Financial Company, Boston, Massachusetts ("FNB"), and Firstbank Financial Corporation, Boston, Massachusetts ("Firstbank"), operate in Connecticut. FNB, which engages in commercial finance activities, de-

rives \$19.0 million in accounts receivable and inventory loans from Connecticut, representing only 0.4 percent of Applicant's total commercial loans. Firstbank, which engages in leasing activities, has lease balances outstanding from Connecticut customers of only \$8 million, representing 4 percent of its lease portfolio.

The Board believes that this proposal would have only a minimal impact on existing competition among the nonbanking subsidiaries of Applicant and Colonial. Moreover, this proposal would have no significant effect on existing competition between Colonial's subsidiary bank and FNB. Given the limited scope of the activities of Applicant's nonbanking subsidiaries in Connecticut, the Board concludes that this transaction would not have any significant adverse effect on competition.

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

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3 and 4 of the Act should be and hereby are approved. The acquisition of Colonial's bank subsidiary 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 Boston, pursuant to delegated authority. The approval of Applicant's proposal to acquire Colonial's nonbanking activities is subject to the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b)(3) (12 C.F.R. §§ 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

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

10. It is the Board's policy that it will not hold a state law unconstitutional in the absence of clear and unequivocal evidence of the inconsistency of the state law with the United States Constitution. See *NCNB Corp.*, 68 FEDERAL RESERVE BULLETIN 54, 56 (1982); *Bank of New England Corporation*, *supra*, 70 FEDERAL RESERVE BULLETIN at 376.

11. *Northeast Bancorporation, Inc. v. Board of Governors of the Federal Reserve System*, No. 84-4047 (2d Cir. filed March 27, 1984); *Citicorp v. Board of Governors of the Federal Reserve System*, Nos. 84-4051 and 84-4053 (2d Cir. filed March 30, 1984).

JAMES McAFEE
[SEAL] Associate Secretary of the Board

Bank of New York Company, Inc.
New York, New York

Order Denying Acquisition of a Bank Holding Company

Bank of New York Company, Inc., New York, New York ("BNY"), a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 *et seq.*) ("Act"), has applied for the Board's approval under section 3(a) of the Act (12 U.S.C. § 1842(a)) to acquire 95.3 percent of the voting shares of Northeast Bancorp, Inc., New Haven, Connecticut ("Northeast"), also a bank holding company under the Act. BNY would thereby acquire control of Northeast's subsidiary banks, Union Trust Company, Stamford, Connecticut, and Security Bank and Trust, Waterbury, Connecticut. BNY has also applied under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(2) of the Board's Regulation Y (12 C.F.R. § 225.23(a)(2)) to acquire Northeast's nonbank subsidiaries, NBI Mortgage Investment Corporation and Union Financial Services Corporation, both of New Haven, Connecticut.

Notice of the applications, affording opportunity for interested persons to submit comments, has been given in accordance with sections 3 and 4 of the Act. (49 *Federal Register* 9618, 10580 (1984)). The time for filing comments has expired, and the Board has received comments from Bank of New England Corporation, Boston, Massachusetts, CBT Corporation, Hartford, Connecticut, and the Independent Bankers Association of America. In addition, the State of Connecticut has recommended denial of the application, thus triggering the requirement in section 3(b) of the Act for a hearing on the application. The State of Connecticut has waived its rights to an immediate hearing in order to permit the Board to evaluate whether this proposed interstate acquisition would be permissible under the Douglas Amendment, before considering the substantive merits of the application.¹ BNY has agreed to this procedure.

1. The Douglas Amendment provides that

[N]o application . . . shall be approved under this section which will permit any bank holding company or any subsidiary thereof to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of any additional bank located outside of the State in which the operations of such bank holding company's banking subsidiaries were principally conducted on the effective date of this amendment or the date on which such company became a bank holding company, whichever is later, unless the acquisition of such shares or assets of a State bank by an out-of-State bank holding company is specifically authorized by the statute laws of the State in which such bank is located, by language to that effect and not merely by implication. For the purposes of this section, the State in which the operations of a bank holding company's subsidiaries are principally conducted is that State in which total deposits of all such banking subsidiaries are largest. 12 U.S.C. § 1842(d)

Connecticut has enacted a regional interstate banking statute that, by its terms, allows bank holding companies located only in those New England states that have passed interstate banking laws similar to that enacted by Connecticut to acquire banks located in Connecticut.² BNY argues that, in enacting this statute authorizing the acquisition of Connecticut banks by other New England bank holding companies, Connecticut has eliminated the federal bar of the Douglas Amendment to acquisition of Connecticut banks by all other out-of-state bank holding companies. BNY asserts that, under the literal terms of the Douglas Amendment, once a state allows *any* out-of-state bank holding company to purchase a bank within the state, the state has authorized the acquisition of banks in the state by *all* bank holding companies, wherever located. Under BNY's reading of the Douglas Amendment, even those New York holding companies that the Connecticut statute was designed to exclude, such as BNY, would be eligible to acquire a bank in Connecticut.

The State of Connecticut and the other protestants argue that the Douglas Amendment authorizes the states to limit acquisitions of banks within a state to out-of-state bank holding companies located in specified states and that, in any event, BNY's interpretation is inconsistent with the meaning and commonly accepted understanding of the Douglas Amendment, its legislative history, and prior Board and judicial construction of its terms.

The Board has considered the arguments advanced by BNY in support of its position. BNY bases its position almost entirely on textual analysis of the Douglas Amendment's provision that grants the states authority to remove the federal bar on interstate acquisitions. The Douglas Amendment prohibits an out-of-state bank holding company from acquiring a bank located in another state "unless the acquisition of such shares or assets of a State bank by an out-of-state bank holding company is specifically authorized . . ." (emphasis supplied). BNY asserts that Congress, in using the indefinite article "an," rather than a restrictive modifier like "such," intended that a state statute that authorized acquisition of a bank in the state by "any" or "a single" out-of-state bank holding company would remove the Douglas Amendment's prohibition on interstate acquisitions by bank holding companies of banks in that state.

The Board is not convinced that the use of the article "an" should be accorded such decisive weight

2 1983 Conn. Acts. 411 (Reg. Sess.). In view of the Board's findings in this Order regarding the Douglas Amendment, the Board has not considered other provisions of the Connecticut statute that may prohibit this acquisition.

as suggested by BNY, particularly where such a reading would be contrary to the commonly accepted and understood interpretation of the Douglas Amendment, the legislative history and purposes of the Amendment, and Board and judicial practice in applying the Amendment. The Board believes that the article "an" must be read in the context of the entire state authorization provision in the Douglas Amendment. Based on the terms and structure of the Act and its purposes, the Board concludes that the phrase "unless the acquisition of such shares or assets of a State bank by an out-of-State bank holding company is specifically authorized . . ." contained in the Douglas Amendment must be read, as the courts³ and the Board have previously read the phrase, to refer to the specific acquisition or type of acquisition for which Board approval is sought under the Act.

In this regard, the language of the Douglas Amendment, in requiring that interstate bank acquisitions by out-of-state bank holding companies be authorized by a state's statute laws "by language to that effect and not merely by implication," reflects a Congressional concern that the states make a deliberate and express decision with respect to interstate banking. This clause of the Douglas Amendment is inconsistent with a reading, such as that proposed by BNY, that would undermine a state's policy determinations by causing the states inadvertently to allow unlimited interstate bank acquisitions.

In effect, BNY's argument would compel the states to adopt an "all or nothing" approach in permitting the entry of out-of-state bank holding companies.⁴ The Board has recently considered this issue and concluded: "Nothing in the history of the Douglas Amendment suggests that the states were to be permitted only to choose between not allowing out-of-state bank holding companies to enter, and allowing completely free entry."⁵ Similarly, the United States Court of Appeals for the District of Columbia Circuit, the only court to examine this issue, has stated that it was "obvious" that "the intent of the Douglas Amendment was to assure that the states had sufficient power to control the expansion of bank holding companies across state lines so that such expansion would not contravene state policy" and that adoption of an interpretation similar to that urged by BNY in this case "would rob the states of this power." *Iowa Indepen-*

dent Bankers, supra, 511 F.2d at 1297.⁶ The court also noted that "nothing in the language of [the Douglas Amendment] points to [the] result" that "the states can only decide whether to extend the right to acquire in-state banks to all out-of-state bank holding companies or to prohibit such acquisitions entirely." *Id.* at 1296.

The states and the Board have consistently construed the Douglas Amendment to authorize the states to limit or to restrict entry by out-of-state bank holding companies. The Board has approved a number of applications under statutes that admit only certain bank holding companies or that admit bank holding companies only under certain circumstances and that exclude all other bank holding companies. For example, the Board has considered the Douglas Amendment in acting upon applications by "grandfathered" out-of-state bank holding companies, by holding companies seeking to acquire limited purpose "credit-card" banks in other states, by holding companies seeking to acquire failing out-of-state banks and, most recently, by holding companies seeking to acquire out-of-state banks pursuant to reciprocal or regional interstate banking statutes.⁷ With respect to regional interstate banking statutes, the Board considered whether the discrimination inherent in such statutes against bank holding companies located in certain states is permissible under the Douglas Amendment and the United States Constitution. The Board concluded that, while the issue is not free from doubt, there is no clear and unequivocal basis to find these statutes to be inconsistent with the Constitution.

BNY's interpretation of the Douglas Amendment would transform the numerous state statutes that allow acquisition of banks by limited classes of out-of-state bank holding companies into unlimited-entry statutes. BNY's argument, if accepted, would cause full interstate banking in those states, a result contrary to the Congressional intent underlying the Douglas Amendment of allowing the states to apply their own policies regarding interstate banking to the acquisition by out-of-state bank holding companies of banks located within the borders of a state. Such a sweeping reinterpretation of the Douglas Amendment should appropriately be accomplished only by legislative action.

3. See *Iowa Independent Bankers Association v. Board of Governors of the Federal Reserve System*, 511 F.2d 1288, 1296 (D.C. Cir.), cert. denied, 423 U.S. 875 (1975).

4. *Bank of New England Corporation*, 70 FEDERAL RESERVE BULLETIN 374 (1984).

5. *Id.* at 386.

6. In *Conference of State Bank Supervisors v. Conover*, 715 F.2d 604, 615 (D.C. Cir. 1983), cert. denied, 52 U.S.L.W. 3720 (U.S. April 2, 1984), the court reaffirmed its reading of the authority granted to the states under the Douglas Amendment.

7. See, e.g., *Northwest Bancorporation*, 38 Federal Register 21530 (1973), *Citicorp*, 67 FEDERAL RESERVE BULLETIN 181 (1981); *Bank-America Corp.*, 69 FEDERAL RESERVE BULLETIN 568 (1983); *Key Banks, Inc.*, 70 FEDERAL RESERVE BULLETIN 57 (1984); *Bank of New England Corporation*, 70 FEDERAL RESERVE BULLETIN 374 (1984).

For the foregoing reasons, the Board concludes that the Douglas Amendment prohibits the Board from approving BNY's proposed acquisition of Northeast, and BNY's application to acquire Northeast pursuant to section 3(a) of the Act is hereby denied.⁸

The Board's denial of this application is based upon its reading of the text and purposes of the Douglas Amendment, and nothing in this Order is intended to modify the views previously expressed by the Board concerning interstate banking on a regional, reciprocal basis.⁹ As the Board noted in its *Bank of New England Corporation* Order, interstate banking is a highly complex issue that involves the balancing of a number of different considerations. However, if the New England regional approach to interstate banking is emulated in other parts of the country, there is a potential danger that the result could be to divide the country into a number of banking regions. The Board believes that the public policy issues that are raised by the regional approach are inherently national and would be best resolved by Congressional action.

By order of the Board of Governors, effective May 15, 1984.

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

JAMES MCAFEE

[SEAL]

Associate Secretary of the Board

The Chase Manhattan Corporation New York, New York

Order Approving the Formation and Merger of Bank Holding Companies and the Acquisition of Companies Engaged in Insurance, Trust, Leasing, Financing, and Mortgage Banking Activities

The Chase Manhattan 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 3 of the Act (12 U.S.C. § 1842) to acquire Lincoln First Banks,

Inc., Rochester, New York ("Lincoln") and thereby indirectly acquire Lincoln First Bank, N.A., Rochester, New York. In connection with this application, Chase Manhattan RRD, New York, New York, has applied for the Board's approval to become a bank holding company by merger with Lincoln.

Applicant also has applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(2) of the Board's Regulation Y (12 C.F.R. § 225.23(a)(2)), to acquire Lincoln First Trust Company of Florida, N.A., Boca Raton, Florida, a company that engages in trust activities in Florida; Lincoln First Real Estate Credit Corporation and Lincoln First Mortgage, Inc., both of White Plains, New York, companies that engage in mortgage banking, financial and investment advising, and community welfare activities; Lincoln Lease/Way, Inc., Rochester, New York, a company that engages in commercial leasing and financing activities; Lincoln First Commercial Corporation, Rochester, New York, a company that engages in commercial financing activities; and Lincoln First Life Insurance Company, Phoenix, Arizona, a company that acts as reinsurer for credit life and credit accident and health insurance directly related to extensions of credit by Lincoln First Bank, N.A. These activities have been determined by the Board to be closely related to banking and permissible for bank holding companies (12 C.F.R. §§ 225.23(b)(1), (2), (3), (4), (5), (6) and (9)).

Notice of the applications, affording opportunity for interested persons to submit comments, has been given in accordance with sections 3 and 4 of the Act (49 *Federal Register* 7658 (March 1, 1984)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)) and the considerations specified in section 4(c)(8) of the Act.¹

Based on total domestic deposits, Applicant is the largest commercial banking organization in New York, with one subsidiary bank that controls domestic deposits of \$26.3 billion,² representing 14.1 percent of total deposits in commercial banks in the state.³ Lincoln is the fourteenth largest commercial banking

8. The Board notes that BNY is not prohibited from acquiring Northeast's nonbanking subsidiaries, but it denies the application of BNY to acquire these subsidiaries pursuant to section 4(c)(8) of the Act since there is no indication that BNY intended to have the Board decide the proposed acquisition of Northeast's nonbanking subsidiaries on a separate basis.

9. *Bank of New England Corporation*, *supra*, 70 FEDERAL RESERVE BULLETIN at 379.

1. The Board received one comment requesting that the Board require Applicant to provide for cumulative voting rights with regard to Applicant's stock. The Bank Holding Company Act does not, however, require that a bank holding company provide for cumulative voting rights.

2. Unless otherwise indicated, deposit data are as of December 31, 1982.

3. Applicant also controls The Chase Manhattan Bank (U.S.A.), N.A., Wilmington, Delaware, a bank that is primarily engaged in credit card activities.

organization in the state, with one banking subsidiary that controls aggregate deposits of \$3 billion, representing 1.6 percent of total deposits in commercial banks in the state. Upon consummation of the proposed acquisition, Applicant's share of total deposits in commercial banks in the state would increase to approximately 15.7 percent, and Applicant would remain the largest commercial banking organization in the state. It is the Board's view that consummation of this acquisition would not have a significant adverse effect on the concentration of commercial banking resources in New York.

Applicant's subsidiary banks compete directly with Lincoln's subsidiary banks in six banking markets: the Metropolitan New York, mid-Hudson, Syracuse, Utica-Rome, Binghamton, and Rochester banking markets.

The Board is particularly concerned with the competitive effect of the proposal as it relates to the Rochester and Binghamton banking markets. In each market, Lincoln is the largest commercial bank and controls a substantial portion (in excess of 25 percent) of the deposits in commercial banks in the market. Lincoln's acquisition by Applicant, the largest commercial bank in New York, will solidify and increase the resulting organization's leading position in these markets. In this case, however, the Board's concern is mitigated by several factors, including the significant activity of thrift institutions in the markets and the presence in the markets of numerous other commercial banking organizations, including the largest institutions in the state.

In the Rochester banking market, Lincoln controls the largest commercial banking organization in the market, with deposits of \$974 million, representing 26.3 percent of the deposits of commercial banks in the market.⁴ Applicant is the eighth largest commercial banking organization in the market and controls 2 percent of deposits of commercial banks in the market. After consummation, Applicant would assume Lincoln's rank as the largest commercial banking organization in the market, and would control approximately 28.3 percent of the deposits of commercial banks in the market. The Rochester market is concentrated, with the four largest commercial banks in the market controlling 77.4 percent of the market's deposits. The HHI in the market would increase by 105 to 1805 after consummation of the proposal.⁵

4. The Rochester banking market is defined as Monroe and Wayne Counties; Livingston County excluding the towns of Nunda, Ossian and Portage, Orleans County excluding the town of Shelby, and the town of Bergen in Genesee County.

5. Under the Department of Justice Merger Guidelines, where the

Although consummation of the proposal will eliminate existing competition in the Rochester market, the Board believes there are a number of factors that mitigate the anticompetitive effects of this proposal. Twelve commercial banks would continue to operate in the market after consummation of the proposal, including the largest banking organizations in the state. The Board also has considered the presence of thrift institutions as a factor in analyzing the competitive effects of this proposal. Thrift institutions in the Rochester market control over half of the total deposits in the market. The largest depository institution in the market is a thrift institution that is almost twice the size of Lincoln First Bank, the market's largest commercial bank. All of the thrift institutions offer a full range of consumer banking services. Several of the thrift institutions are active in commercial real estate lending and have begun other commercial lending activities. Based upon the size and activities of thrift institutions in the market, the Board concludes that thrift institutions exert a significant competitive influence that substantially mitigates the anticompetitive effects of the proposal.⁶

In the Binghamton banking market, Lincoln is the largest banking organization, controlling deposits of \$304.8 million,⁷ representing 28.9 percent of the total deposits in commercial banks in the market. Applicant is the eighth largest banking organization in the Binghamton banking market, controlling deposits of \$28.7 million, representing 2.7 percent of the total deposits in commercial banks in the market. Upon acquisition of Lincoln, Applicant would become the largest banking organization in the market, controlling 31.6 percent of the total deposits in commercial banks in the market.

While consummation of the transaction would eliminate existing competition in the Binghamton banking market, the Board believes that a number of factors mitigate the anticompetitive effects of the acquisition. The market's four largest commercial banking organizations control 69.8 percent of the deposits of commercial banks in the market and, upon consummation, the market's HHI would increase by 156 points to 1743. Thus, upon consummation of the proposal, the

post-HHI is 1800 or more, the Department is likely to challenge a merger that produces an increase in the HHI of more than 100 points.

6. If 50 percent of thrift deposits are included in the calculation of market concentration, the combined market share of Bank and Applicant would be 17.9 percent and the resulting HHI would be 1052.

7. The Binghamton market consists of all of Broome and Tioga Counties and the southern portion of Chenango County in New York, and the northern portion of Susquehanna County in Pennsylvania.

Binghamton market would remain moderately concentrated as measured by this index.⁸ In addition, 16 commercial banking organizations would remain in the market after consummation of the proposal, including the largest banking organizations in New York.

The Board also has considered the influence of thrift institutions in evaluating the competitive effects of this proposal.⁹ The five thrift institutions that operate in the market control approximately 39 percent of the total deposits of banks and thrift institutions in the market; and the market's largest depository institution is a savings bank.¹⁰ The record indicates that thrift institutions already exert a considerable competitive influence in the market as providers of consumer transaction accounts and consumer loans. In addition, all of the thrifts in this market offer commercial checking accounts and four of the five thrift institutions engage in the business of making commercial loans.

In the Metropolitan New York banking market, Applicant is the largest commercial banking organization, with deposits of \$24.9 billion, representing approximately 15.6 percent of the total deposits in commercial banks in the market.¹¹ Lincoln is the 27th largest commercial banking organization in the market, with deposits of \$616.7 million, representing approximately 0.4 percent of the total deposits in commercial banks in the market. The market is not highly concentrated (the four-firm concentration ratio is 52.5 percent) and there are numerous commercial banks operating in the market. The Herfindahl-Hirschman Index ("HHI") in the market is 879 and would increase to 891 upon consummation of the proposal.

In the mid-Hudson banking market, Applicant is the ninth largest commercial banking organization, with

deposits of \$54.4 million, representing approximately 3.8 percent of the total deposits in commercial banks in the market.¹² Lincoln is the thirteenth largest commercial banking organization in the market, with deposits of \$20.9 million, representing approximately 1.5 percent of the total deposits in commercial banks in the market. Upon consummation of the proposal, Applicant would become the eighth largest commercial banking organization in the market and control approximately 5.3 percent of the total deposits in commercial banks in the market. This market is not highly concentrated (the four-firm concentration ratio is 50.8 percent) and numerous other commercial banking organizations would remain in the market after consummation of the proposal. The HHI in the market is 962 and would increase to 972 upon consummation of the proposal.

In the Syracuse banking market, Applicant is the tenth largest commercial banking organization in the market, with deposits of \$28.3 million, and controls 1.5 percent of total deposits in commercial banks in the market.¹³ Lincoln is the fourth largest commercial banking organization in the market, with deposits of \$278.8 million, and controls 15.1 percent of the total deposits in commercial banks in the market. Upon consummation, Applicant would assume Lincoln's rank as the fourth largest commercial banking organization in the market and its market share would increase to 16.6 percent. The Syracuse banking market is concentrated (the four-firm concentration ratio is 80.2 percent); however, numerous commercial banking alternatives would remain in the market after consummation of this proposal.¹⁴ The HHI in the market is 1727 and would increase by only 54 points to 1781 as a result of the proposal.

In the Utica-Rome banking market, Applicant is the twelfth largest of the 14 commercial banking organizations in the market, with deposits of \$13.2 million, representing approximately 1.1 percent of the total deposits in commercial banks in the market.¹⁵ Lincoln

8. Under the United States Justice Department Merger Guidelines (June 14, 1982), a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated. In such markets, the Department is more likely than not to challenge a merger that produces an increase in the HHI of over 100 points.

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

10. If 50 percent of the deposits of thrift institutions in the Binghamton market are included in the calculation of market concentration, the combined market share of Applicant and Lincoln would be 25.0 percent, and the HHI would increase by 96 points to 1530.

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

12. The mid-Hudson market consists of all of Dutchess and Ulster Counties and the northeastern portion of Orange County in New York.

13. The Syracuse banking market is defined as Onondaga and Oswego Counties, and the western half of Madison County.

14. Under the Department of Justice Merger Guidelines, a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated. In such markets, the Department is unlikely to challenge a merger that produces an increase in the HHI of less than 100 points.

15. The Utica-Rome market is defined to include the eastern half of Madison County, the southern half of Herkimer County and all of Oneida County, all in New York.

is the sixth largest commercial banking organization in the market, with deposits of \$43.3 million, representing approximately 3.5 percent of the total deposits in commercial banks in the market. Upon consummation of the proposal, Applicant would become the fourth largest commercial banking organization in the market and would control approximately 4.6 percent of the total deposits in commercial banks in the market. The Utica-Rome banking market is concentrated (the four-firm concentration ratio is 80.5 percent), and the HHI in the market is 2956. Upon consummation of this proposal, however, the HHI would increase by only 8 points, and numerous other commercial banking organizations would remain as alternatives for banking services in the market.

After consideration of the above facts and the other evidence of record, the Board concludes that consummation of this proposal would not have any significant adverse effect on existing competition in any relevant market.

The Board has considered the effects of this proposal on probable future competition in the 14 markets in which Applicant and Lincoln do not compete directly. In none of these markets would the proposed merger require intensive analysis under the Board's proposed Guidelines.¹⁶ All of the markets in question have more than six probable future entrants. In addition, six of these markets are small markets, as defined by the Guidelines, and of the remaining 10 markets, five are unconcentrated as measured by the Guidelines. After consideration of these factors in the context of the specific facts of this case, the Board concludes that consummation of this proposal would not have any significant adverse effects on probable future competition in any relevant market.

In evaluating this application, the Board has considered the financial and managerial resources of The Chase Manhattan Corporation and the effect on these resources of the proposed acquisition of Lincoln. The Board has stated and continues to believe that capital adequacy is an especially important factor in the analysis of bank holding company expansion proposals, particularly where significant acquisitions are proposed.

In this case, the Board notes that Applicant has improved its capital position and that its capital ratio is significantly above the minimum level for multination-

al bank holding companies. In this regard, Applicant has recently raised approximately \$400 million of primary capital. This proposal would be financed principally through the issuance of nonredeemable preferred stock and would not involve the incurrence of any significant additional debt by Applicant.

Taking into account these factors and all of the facts of record, the Board concludes that financial and managerial resources of Applicant, Lincoln, and their subsidiaries are satisfactory and that consummation of this proposal would be consistent with the Board's policy that a bank holding company maintain its ability to serve as a source of financial strength to its subsidiary banks. Considerations relating to the convenience and needs of the communities to be served also are consistent with approval of the application.

Applicant also has applied, pursuant to section 4(c)(8) of the Act, to acquire Lincoln First Life Insurance Company, Phoenix, Arizona ("LFIC"), a wholly-owned subsidiary of Lincoln, which engages in the reinsurance of credit-related insurance made by Lincoln's subsidiary bank. Although Applicant currently engages in the reinsurance of credit-related insurance, no adverse competitive effect would result from this acquisition because the activities of LFIC would be limited to insurance directly related to extensions of credit made by the subsidiaries of Lincoln. Applicant also has applied to acquire Lincoln First Mortgage Corporation ("LFM") and Lincoln First Real Estate Corporation ("LFREC"), both of White Plains, New York, two companies that engage in mortgage banking activities in the state of New York. Applicant presently engages in mortgage banking activities through its subsidiary, Chase Home Mortgage Corporation. LFREC has been a weak competitor in the mortgage banking field for a number of years and there are numerous competitors in this area. Thus, Applicant's acquisition of LFIC and LFREC will not eliminate any significant competition in this area. LFREC also engages in community development and investment advisor activities. To date, LFREC's activities in these fields are negligible and thus do not raise any significant competitive concerns.

Applicant also proposes to acquire Lincoln First Trust Company of Florida, Boca Raton, Florida ("Lincoln Trust"), which provides custodial, trust management and other fiduciary services. Applicant also engages in similar activities through its subsidiary, The Chase Manhattan Trust Company of Florida. Together, these entities control less than 1 percent of the trust assets in Palm Beach County and the state of Florida. Accordingly, consummation of this proposal will have little effect on competition in any market.

Applicant, through its subsidiary Chase Commercial Corporation, engages in leasing and commercial fi-

16. "Policy Statement of the Board of Governors of the Federal Reserve System for Assessing Competitive Factors Under the Bank Merger Act and the Bank Holding Company Act," 47 *Federal Register* 9017 (March 3, 1982). While the proposed policy statement has not been adopted by the Board, the Board is using the policy guidelines as part of its analysis of the effect of a proposal on probable future competition.

nancing activities. Lincoln operates two subsidiaries that engage in these activities, Lincoln Lease/Way and Lincoln First Commercial Corporation. Lincoln's subsidiaries engage in these activities in upstate New York where Applicant's activities are minimal. In addition, there are numerous bank and nonbank competitors in both the leasing and commercial financing areas.

Accordingly, it does not appear that Applicant's acquisition of these nonbanking subsidiaries would have any significant adverse effects upon competition in any market. Furthermore, there is no evidence in the record to indicate that approval of this proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of the public interest factors it must consider under section 4(c)(8) of the Act is favorable and consistent with approval of the application to acquire Lincoln's nonbanking subsidiaries.

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3 and 4 of the Act should be and hereby are approved. The acquisition of Lincoln 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 New York pursuant to delegated authority. The determinations as to Applicant's nonbanking activities are subject to the conditions set forth in sections 225.4(d) and 225.23(b)(3) of Regulation Y (12 C.F.R. §§ 225.4(d) and 225.23(b)(3)) and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective May 14, 1984.

Voting for this action: Chairman Volcker and Governors Martin, Partee, Rice, and Gramley. Voting against this action and abstaining from the insurance portion of the application: Governor Teeters. Absent and not voting: Governor Wallich.

JAMES McAFEE

[SEAL]

Associate Secretary of the Board

Dissenting Statement of Governor Teeters

I would deny this application on the grounds that consummation of this proposal will result in a substan-

tial decrease in competition in several banking markets in upstate New York. These markets are already concentrated, and the consummation of this proposal will result in increases in Applicant's market share that are substantially above the levels set by the Department of Justice's Guidelines.

The Board continues to rely heavily on thrift institutions as the main factor to mitigate the adverse competitive impact of a proposal. Although the impact of thrift institutions in these markets is substantial in terms of the deposits they hold, the record still does not indicate that these institutions provide the range of services that would indicate that they should be considered significant competitors of commercial banks.

Based on the record in this case, I cannot concur in the majority's apparent decision to include thrifts in the commercial banking product market to a significant extent in order to reduce the level of concentration to acceptable levels. Accordingly, I dissent.

May 15, 1984

Midwest Bancorporation, Inc.
Hays, Kansas

Order Approving Acquisition of a Bank Holding Company and Engaging in General Insurance Agency Activities

Midwest Bancorporation, Inc., Hays, Kansas, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 20.2 percent of the voting shares of Bushton Investment Company, Inc., Hays, Kansas ("Company"), a bank holding company by virtue of its ownership of Bushton State Bank, Bushton, Kansas ("Bushton Bank"). Applicant has also applied, under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)), to engage indirectly through Company in the activities of a general insurance agency in a town with a population not exceeding 5,000.

Notice of the applications, affording opportunity for interested persons to submit comments, has been given in accordance with sections 3 and 4 of the Act (49 *Federal Register* 7291 (1984)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act and the considerations specified in section 4(c)(8) of the Act.

Applicant, the 47th largest commercial banking organization in Kansas, controls one subsidiary bank

with \$68.7 million in total deposits, representing approximately 0.4 percent of the total deposits in commercial banks in Kansas.¹ Company is one of the smaller commercial banking organizations in Kansas, with one subsidiary bank controlling \$8.5 million in deposits, representing less than 0.1 percent of the total deposits in commercial banks in Kansas. Upon acquisition of Company, Applicant would become the 33rd largest commercial banking organization in Kansas and its share of the total deposits in commercial banks in Kansas would increase to approximately 0.5 percent. Consummation of the proposal would have no significant effect upon the concentration of banking resources in Kansas.

The banking subsidiaries of Applicant and Company do not compete in the same banking markets. Applicant is the largest of five commercial banking organizations in the Ellis County banking market and controls 35.1 percent of the total deposits in commercial banks in the market.² Company is the fourth largest of 10 commercial banking organizations in the Rice County banking market, controlling 8.8 percent of the total deposits in commercial banks in the market.³ Consummation of this proposal would have no effect on existing or probable future competition in any relevant market.

The financial and managerial resources of Applicant, Company and their subsidiaries are considered generally satisfactory and their prospects appear favorable. Although no new banking services would be introduced at Company's subsidiary bank, there is no evidence that the banking needs of the community to be served are not being met.

Applicant has also applied, pursuant to section 4(c)(8) of the Act, to engage indirectly through Company in the activities of a general insurance agency in Bushton, Kansas, a town with a population not exceeding 5,000. In 1980, Company received the Board's approval to engage in such general insurance activities pursuant to section 4(c)(8) of the Act and the Board's Regulation Y.

Applicant's principal place of banking business is in Hays, Kansas, a town with a population of approximately 16,300. Section 225.25(b)(8)(ii) of the Board's Regulation Y (12 C.F.R. § 225.25(b)(8)(ii)) permits bank holding companies to sell any insurance in a community that has a population not exceeding 5,000,

provided the principal place of banking business of the bank holding company is also located in a community with a population not exceeding 5,000. Title VI of the Garn-St Germain Depository Institutions Act of 1982, which generally prohibits bank holding companies from engaging in insurance activities, provides an exception to the prohibition for "...any insurance agency activity in a place that . . . has a population not exceeding 5,000. . .". This statutory exception, codified in section 4(c)(8)(C)(i) of the Act, contains no requirement that the bank holding company's principal place of banking business also be located in a community with a population not exceeding 5,000.

The Board has recently published a notice of proposed rulemaking regarding section 4(c)(8)(C)(i) and has specifically requested public comment on the question whether bank holding companies should be permitted to engage in general insurance agency activities in communities that have populations not exceeding 5,000 only if the bank holding company's principal place of banking business is also located in a community with a population not exceeding 5,000 (49 *Federal Register* 9215 (March 12, 1984)). The Board notes that Applicant currently has no nonbanking subsidiaries and has not sought the Board's approval to expand Company's insurance activities in any manner or to engage in general insurance agency activities at any of its own offices. In view of these facts and the fact that Applicant has committed to conform its insurance activities to the results of the rulemaking, including a complete divestiture of any of Company's insurance activities which are impermissible under the Board's final regulation, the Board believes it is appropriate to permit Applicant to engage in Company's existing insurance activities pending the outcome of the rulemaking.

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

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3(a)(3) and 4(c)(8) of the Act should be, and hereby are, approved. The determination as to Applicant's nonbanking activities is subject to all the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require such modification or termination of the activities of a bank holding compa-

1. All banking data are as of June 30, 1983.

2. The Ellis County banking market is approximated by Ellis County, Kansas.

3. The Rice County banking market is approximated by Rice County, Kansas.

ny 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 not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City, acting pursuant to delegated authority.

By order of the Board of Governors, effective May 2, 1984.

Voting for this action: Chairman Volcker and Governors Wallich, Partee, Teeters, and Gramley. Governors Wallich and Teeters abstained from the insurance portion of these applications. Absent and not voting: Governors Martin and Rice.

JAMES MCAFEE

[SEAL]

Associate Secretary of the Board

Orders Issued Under Section 5 of Bank Service Corporation Act

American Bank of Commerce
McAlester, Oklahoma, *Et Al.*

United Community Mortgage Company
Oklahoma City, Oklahoma

Order Approving Acquisition of Bank Service Corporations

Twenty-three banks in Oklahoma ("Banks")¹ have applied for the Board's approval under section 5(b) the Bank Service Corporation Act, as amended ("BSCA") (12 U.S.C. § 1861 *et seq.*), to acquire all the shares of a bank service corporation, United Community Mortgage Company, Oklahoma City, Oklahoma

1. Banks and their proposed share ownership are: American Bank of Commerce, McAlester (9.34%); American National Bank, Durant (1.87%); Bank of Glenpool, Glenpool (3.12%); Bank of Johnston County, Tishomingo (1.87%); The Citizens Bank, Diumight (6.23%); The Citizens State Bank, Hugo (1.87%); City Bank, Muskogee (9.34%); Farmers State Bank, Allen (1.87%); The Federal National Bank & Trust Company of Shawnee, Shawnee (9.34%); First American Bank, Stratford (1.87%); First Bank and Trust Company, Sand Springs (7.79%); The First National Bank of Davis, Davis (3.12%); First National Bank of Guthrie, Guthrie (9.34%); The First National Bank in Madill, Madill (6.23%); First National Bank, Sallisaw

("Company"). Company has applied for permission to engage, directly and through its subsidiary, Citizens Mortgage Corporation, in the activity of providing mortgage banking services to Banks and other persons. The services will be provided through Banks' offices and a central office in Oklahoma City.

Section 4(f) of the BSCA² provides that a bank service corporation may perform at any geographic location any service, other than deposit taking, that the Board has determined, by regulation, to be permissible for a bank holding company under section 4(c)(8) of the Bank Holding Company Act.³ Applicants propose to engage through Company in mortgage banking activities to the extent those activities are generally permissible for bank holding companies under the Board's Regulation Y, 12 C.F.R. § 225.25(b)(1)(iii).

Section 5(b) of the BSCA⁴ requires prior Board approval of any investment by an insured bank (as defined)⁵ in the capital stock of a bank service corporation that performs any service under authority of section 4(f) of the BSCA. Section 5(b) also requires a company that becomes a bank service corporation under the BSCA, by virtue of having all of its capital stock owned by one or more insured banks,⁶ to receive the Board's approval before providing a service authorized under section 4(f).

Section 5(c) of the BSCA⁷ authorizes the Board, in acting upon applications to invest in bank service corporations, to consider the financial and managerial resources of the institutions involved, their prospects, and possible adverse effects, such as undue concentration of resources, unfair or decreased competition, conflicts of interests, or unsafe or unsound banking practices. The Board finds that considerations relating to these factors are consistent with approval and that there is no evidence of adverse effects.

Accordingly, on the basis of the record, the applications are approved for the reasons summarized above.

(1.87%), The First National Bank of Semnole, Semnole (3.12%), The First National Bank and Trust Company of Stillwater, Stillwater (1.87%), First-Oklahoma Bank & Trust Company, Sulphur (3.12%), Liberty State Bank, Tablequah (9.34%), Oklahoma State Bank, Buffalo, (1.87%); Oklahoma State Bank, Konawa (1.87%), Tecumseh Bank, Tecumseh (1.87%), and Texoma Bank, Kingston (1.87%)

2. 12 U.S.C. § 1864(f).

3. Under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*), a bank holding company may engage in activities determined by the Board to be closely related to banking and a proper incident thereto

4. 12 U.S.C. § 1865(b)

5. Under section 1(b)(5) of the BSCA (12 U.S.C. § 1861(b)(5)), the term "insured bank" has the meaning provided in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. § 1813(h)) and encompasses banks insured by the Federal Deposit Insurance Corporation.

6. Section 1(b)(2), 12 U.S.C. § 1861(b)(2)

7. 12 U.S.C. § 1865(c)

This determination is subject to the Board's authority to require such modification or termination of the activities of a bank service corporation as the Board finds necessary to assure compliance with the Bank Service Corporation Act or to prevent evasions thereof. The transactions shall be consummated within three months after the date of this Order, unless the time is extended for good cause by the Board or the Federal Reserve Bank of Kansas City.

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

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

[SEAL]

JAMES MCAFEE
Associate Secretary of the Board

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Board of Governors

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

Section 3

Applicant	Bank(s)	Board action (effective date)
Alliance Holdings, Inc. Austin, Texas	Alliance Bank, N.A. Austin, Texas	May 30, 1984
Ashland Bancshares, Inc. Omaha, Nebraska	Ashland State Bank Ashland, Nebraska	May 29, 1984
Crossroads Bancorp, Inc. Mount Washington, Kentucky	The Peoples Bank Mount Washington, Kentucky	May 31, 1984
First Freeport Corporation Freeport, Illinois	First City Bancshares, Inc. Dixon, Illinois	May 1, 1984
Independent Bankshares, Inc. Abilene, Texas	Wellington State Bank Wellington, Texas	May 15, 1984

By Federal Reserve Banks

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

Section 3

Applicant	Bank(s)	Reserve Bank	Effective date
Alliance Bancorp Danville, Indiana	The Danville State Bank Danville, Indiana	Chicago	April 25, 1984
Affiliated Bank Corporation of Wyoming Casper, Wyoming	The Wyoming National Bank of West Casper Casper, Wyoming	Kansas City	May 8, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Albion Bancorp, Inc. Pen Argyl, Pennsylvania	The Pen Argyl National Bank Pen Argyl, Pennsylvania	Philadelphia	May 11, 1984
American State Financial Corporation Lubbock, Texas	American State Bank of Snyder Snyder, Texas	Dallas	May 4, 1984
The Bancstock Partnership, Ltd. Dallas, Texas	Inwood Bancshares, Inc. Dallas, Texas Inwood National Bank of Dallas Dallas, Texas	Dallas	May 18, 1984
Bank of South Corporation Atlanta, Georgia	Cumming Bancshares, Inc. Cumming, Georgia	Atlanta	May 2, 1984
Bank of the Rockies Bancshares, Inc. Boulder, Colorado	National Bank of the Rockies Boulder, Colorado	Kansas City	May 16, 1984
Bankshares of Georgia, Inc. Montezuma, Georgia	The Bank of Macon County Montezuma, Georgia	Atlanta	April 16, 1984
Bar Harbor Bankshares Bar Harbor, Maine	Bar Harbor Banking and Trust Company Bar Harbor, Maine	Boston	May 21, 1984
Beardsley Bancshares, Inc. Beardsley, Minnesota	Buffalo Ridge State Bank of Ruthton, Inc. Ruthton, Minnesota	Minneapolis	May 11, 1984
BKLA Bancorp Los Angeles, California	Bank of Los Angeles Los Angeles, California	San Francisco	April 23, 1984
Blanchardville Financial Services, Inc. Blanchardville, Wisconsin	Highland State Bank Highland, Wisconsin	Chicago	May 4, 1984
Boulder Bancorporation Boulder, Colorado	Bank of Boulder Boulder, Colorado	Kansas City	May 9, 1984
Branch Corporation Wilson, North Carolina	Carolina BanCorp, Inc. Sanford, North Carolina	Richmond	April 25, 1984
Britton Bancshares, Inc. Ellsworth, Kansas	Citizens State Bank & Trust Company Ellsworth, Kansas	Kansas City	May 17, 1984
C.S.B. Holding Corporation Wyoming, Iowa	Citizens State Bank Wyoming, Iowa	Chicago	April 26, 1984
Carlinville National Bank Shares, Inc. Carlinville, Illinois	The Carlinville National Bank Carlinville, Illinois	St. Louis	May 22, 1984
Carrizo Bancshares Corporation Carrizo Spring, Texas	Union State Bank Carrizo Spring, Texas	Dallas	May 8, 1984
Catahoula Holding Company New Orleans, Louisiana	Catahoula Bank Jonesville, Louisiana	Dallas	April 26, 1984
Central Banc System, Inc. Granite City, Illinois	The Farmers & Merchants National Bank of Carlinville Carlinville, Illinois	St. Louis	May 22, 1984
Chemical Financial Corporation Midland, Michigan	Northern National Bank Grayling, Michigan	Chicago	May 15, 1984
Chesapeake Bank Corporation Chesapeake, Virginia	Chesapeake Bank & Trust Chesapeake, Virginia	Richmond	May 9, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Citicorp Holdings, Inc. Wilmington, Delaware	Citibank (Delaware) New Castle, Delaware Citibank (South Dakota), N.A. Sioux Falls, South Dakota Citibank (Maryland), N.A. Towson, Maryland	New York	April 30, 1984
Citizens Bancorp of Morehead, Inc. Morehead, Kentucky	The Citizens Bank Morehead, Kentucky	Cleveland	May 2, 1984
Citizens Ban-Corporation Rock Port, Missouri	Ridgeway Bancshares, Inc. Bethany, Missouri Farmers National Bank Bethany, Missouri Security Bancshares, Inc. Gallatin, Missouri New Hampton Bancshares, Inc. New Hampton, Missouri	Kansas City	May 11, 1984
Citizens Bancorporation Sheboygan, Wisconsin	Bancorporation of Wisconsin, Inc. West Allis, Wisconsin West Allis State Bank West Allis, Wisconsin Southwest Bank New Berlin, Wisconsin	Chicago	May 17, 1984
Citizens Bancorporation Sheboygan, Wisconsin	S.B.W. Bancorp, Inc. Waupun, Wisconsin The State Bank of Waupun Waupun, Wisconsin	Chicago	May 17, 1984
Citizens BancShares, Inc. Greensboro, Alabama	The Citizens Bank Greensboro, Alabama	Atlanta	April 16, 1984
Citizens Banking Corporation Flint, Michigan	Grayling State Bank Grayling, Michigan	Chicago	May 1, 1984
Citizens-Texas Banc Shares, Inc. Buffalo, Texas	Citizens National Bank Teague, Texas	Dallas	April 25, 1984
City National Bancorp, Inc. Fulton, Kentucky	The City National Bank of Fulton Fulton, Kentucky	St. Louis	April 25, 1984
CNB Financial Corporation, Inc. Taylor, Texas	The City National Bank of Taylor Taylor, Texas	Dallas	May 2, 1984
Coal City Capital Corp Coal City, Illinois	The First National Bank of Coal City Coal City, Illinois	Chicago	May 7, 1984
Cole-Taylor Financial Group, Inc. Northbrook, Illinois	Ford City Bank and Trust Co. Chicago, Illinois	Chicago	April 18, 1984
Commercial National Bancorp Beverly Hills, California	Commercial National Bank Los Angeles, California	San Francisco	May 11, 1984
Community Bancorp, Inc. Hudson, Massachusetts	The Hudson National Bank Hudson, Massachusetts	Boston	May 7, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Community Bancorp of McLean County, Kentucky, Inc. Island, Kentucky	First Security Bank of McLean County Island, Kentucky	St. Louis	April 24, 1984
The Conifer/Essex Group, Inc. Worcester, Massachusetts	Charterbank Incorporated Brockton, Massachusetts	Boston	April 17, 1984
Dallas Bancshares, Inc. Dallas, Texas	North Texas Bank Lewisville, Texas First Bank of Rowlett Rowlett, Texas	Dallas	April 12, 1984
Darwin Bancshares, Inc. Darwin, Minnesota	Farmers and Merchants State Bank Paynesville, Minnesota	Minneapolis	April 26, 1984
Dike Bancshares Corporation Dike, Iowa	Iowa Savings Bank Dike, Iowa	Chicago	April 19, 1984
Dorchester Bancshares, Inc. Dorchester, Wisconsin	Dorchester State Bank Dorchester, Wisconsin	Chicago	May 14, 1984
Eastern Michigan Financial Corporation Croswell, Michigan	State Bank of Croswell Croswell, Michigan	Chicago	May 17, 1984
Evergreen of Wisconsin, Inc. Poy Sippi, Wisconsin	Farmers State Bank Poy Sippi, Wisconsin	Chicago	May 17, 1984
F&M Financial Corporation Granite Quarry, North Carolina	Farmers & Merchants Bank Granite Quarry, North Carolina	Richmond	May 23, 1984
Fairbanco Holding Company Fairburn, Georgia	Fairburn Banking Company Fairburn, Georgia	Atlanta	April 23, 1984
Farmers & Merchants Bancshares, Inc. LaFayette, Alabama	Farmers & Merchants Bank LaFayette, Alabama	Atlanta	April 27, 1984
Farmers Union Bancshares, Inc. Ripley, Tennessee	Farmers Union Bank Ripley, Tennessee	St. Louis	April 27, 1984
Fauquier National Bankshares, Inc. Warrenton, Virginia	The Fauquier National Bank of Warrenton Warrenton, Virginia	Richmond	May 15, 1984
FB II—Farmersville, Inc. Farmersville, Texas	Farmersville Bancshares, Inc. Farmersville, Texas	Dallas	April 17, 1984
First Acadiana Corporation Eunice, Louisiana	Acadiana Bank Eunice, Louisiana	Atlanta	April 23, 1984
First American Bancshares, Inc. Pelham, Alabama	American Bank of Pelham Pelham, Alabama	Atlanta	April 16, 1984
First Banc, Inc. Manchester, Missouri	University Bank of Carbondale Carbondale, Illinois	St. Louis	May 25, 1984
First Busey Corporation Urbana, Illinois	City Bank of Champaign Champaign, Illinois	Chicago	May 18, 1984
First Colorado Bankshares, Inc. Englewood, Colorado	National Bank of Arapahoe Englewood, Colorado	Kansas City	May 21, 1984
First Community Bancshares, Inc. Princeton, West Virginia	Oceana National Bank Oceana, West Virginia	Richmond	May 2, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
First Dwight Corporation Dwight, Illinois	The First National Bank of Dwight Dwight, Illinois	Chicago	May 17, 1984
First Etowah Bancorp, Inc. Glencoe, Alabama	First Citizens Bank of Etowah Glencoe, Alabama	Atlanta	May 23, 1984
First Financial Bancorp, Inc. Wheeling, West Virginia	The First National Bank and Trust Company of Wheeling Wheeling, West Virginia	Cleveland	May 14, 1984
First Flo Corporation Florence, Colorado	First National Bank of Florence Florence, Colorado	Kansas City	May 25, 1984
First Glen Bancorp, Inc. Glens Falls, New York	The Keeseville National Bank Keeseville, New York	New York	April 16, 1984
First Indiana Bancorp Elkhart, Indiana	First Charter Financial Corporation Syracuse, Indiana The State Bank of Syracuse Syracuse, Indiana	Chicago	May 3, 1984
First LeRoy BanCorporation, Inc. LeRoy, Minnesota	First State Bank of LeRoy LeRoy, Minnesota	Minneapolis	April 27, 1984
First Michigan Bank Corporation Zeeland, Michigan	The Oceana County Savings Bank Hart, Michigan	Chicago	May 18, 1984
First Newport Bancshares, Inc. Newport, Arkansas	Planters and Stockmen Bank Pocahontas, Arkansas	St. Louis	May 14, 1984
First of Charlevoix Corp. Charlevoix, Michigan	First State Bank of Charlevoix Charlevoix, Michigan	Chicago	April 23, 1984
First Overland Park Bancshares, Inc. Overland Park, Kansas	First National Bank of Overland Park Overland Park, Kansas	Kansas City	May 15, 1984
First State Bancorp Howell, New Jersey	Howell State Bank Howell, New Jersey	New York	April 24, 1984
First Sterling Bancshares, Inc. Winter Haven, Florida	First Sterling Bank Winter Haven, Florida	Atlanta	May 9, 1984
Five Flags Banks, Inc. Pensacola, Florida	Bank of the South Myrtle Grove, Florida First Navy Bank Pensacola, Florida The Warrington Bank Warrington, Florida	Atlanta	May 25, 1984
Florence Bancorp Services, Inc. Florence, Kentucky	Florence Deposit Bank Florence, Kentucky	Cleveland	May 11, 1984
FNB Rochester Corp. Rochester, New York	First National Bank of Rochester Rochester, New York	New York	May 30, 1984
Fort Rucker Bancshares, Inc. Chillicothe, Missouri	Fort Rucker National Bank Fort Rucker, Alabama	Atlanta	April 27, 1984
The Forum Park Bancorp Inglewood, California	First Bank of Inglewood Inglewood, California	San Francisco	May 4, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Franklin Bancorp, Inc. Winnsboro, Louisiana	Franklin State Bank & Trust Company Winnsboro, Louisiana	Dallas	April 19, 1984
Gibbon Exchange Company Gibbon, Nebraska	L.T. Osborn Realty Co. Gibbon, Nebraska	Kansas City	May 25, 1984
Gore Valley Bancorporation, Inc. Vail, Colorado	First National Bank of Vail Vail, Colorado	Kansas City	April 12, 1984
Grand Bank Corporation Marblehead, Massachusetts	The National Grand Bank of Marblehead Marblehead, Massachusetts	Boston	May 21, 1984
Grant Bancshares, Inc. Dry Ridge, Kentucky	Citizens Bank Dry Ridge, Kentucky	Cleveland	May 14, 1984
Griffin Holdings, Inc. Los Angeles, California	First Women's Bank of California Los Angeles, California	San Francisco	May 25, 1984
Guyan Bankshares, Inc. Gilbert, West Virginia	Gilbert Bank and Trust Company Gilbert, West Virginia	Richmond	April 26, 1984
Haltom City Bancshares, Inc. Dallas, Texas	Haltom City State Bank Forth Worth, Texas	Dallas	April 18, 1984
Hamptons Bancshares, Inc. East Hampton, New York	The Bank of the Hamptons, N.A. East Hampton, New York	New York	April 18, 1984
Handi-Bancshares, Inc., Salina Salina, Kansas	The First National Bank and Trust Company of Salina Salina, Texas	Kansas City	April 24, 1984
First Handi-Bankshares, Inc. Salina Kansas			
Helena Bancshares, Inc. Helena, Arkansas	Helena National Bank Helena, Arkansas	St. Louis	May 8, 1984
Jefferson Bancshares, Inc. San Antonio, Texas	Leon Valley Bank San Antonio, Texas	Dallas	May 7, 1984
Jersey Village Bancshares, Inc. Houston, Texas	Great Western Bank, N.A. Houston, Texas	Dallas	May 10, 1984
Jessamine Bancshares, Inc. Nicholasville, Kentucky	The First National Bank & Trust Company Nicholasville, Kentucky	Cleveland	May 4, 1984
Kimberly Leasing Corporation Rush City, Minnesota	Security State Bank of Pillager Pillager, Minnesota	Minneapolis	April 18, 1984
L.S.B. Bancshares, Inc. Lexington, South Carolina	The Lexington State Bank Lexington, South Carolina	Richmond	April 13, 1984
LaFollotte First National Corporation LaFollotte, Tennessee	First National Bank of LaFollotte LaFollotte, Tennessee	Atlanta	May 17, 1984
Laverne Bancshares, Inc. Laverne, Oklahoma	The First National Bank of Laverne Laverne, Oklahoma	Kansas City	May 11, 1984
Marshall & Ilsley Corporation Milwaukee, Wisconsin	Wauwatosa Bancorp, Inc. Wauwatosa, Wisconsin Wauwatosa State Bank Wauwatosa, Wisconsin	Chicago	May 18, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Matewan Bancshares, Inc. Matewan, West Virginia	The Matewan National Bank Matewan, West Virginia	Richmond	April 25, 1984
Metro-West Financial Corporation Eden Prairie, Minnesota	First State Bank of Eden Prairie Eden Prairie, Minnesota	Minneapolis	April 17, 1984
Morganfield National Service Corp. Morganfield, Kentucky	Morganfield National Bank Morganfield, Kentucky	St. Louis	May 23, 1984
Muskingum Valley Bancshares, Inc. Beverly, Ohio	The Citizens Bank Company Beverly, Ohio	Cleveland	April 20, 1984
NBC Bancshares of DeRidder, Inc. DeRidder, Louisiana	National Bank of Commerce of DeRidder DeRidder, Louisiana	Atlanta	April 27, 1984
New Dumas Bancshares, Inc. Dumas, Texas	Moore Bancshares Corporation Dumas, Texas First State Bank of Dumas Dumas, Texas	Dallas	May 23, 1984
Nor-Evan Corporation Evanston, Illinois	The Elgin National Bank Elgin, Illinois	Chicago	May 25, 1984
North American Bank Corporation Farmington, New Hampshire	Farmington National & Savings Bank Farmington, New Hampshire	Boston	May 14, 1984
Oak Ridge Bancshares, Inc. Oak Ridge, Louisiana	Bank of Oak Ridge Oak Ridge, Louisiana	Dallas	May 3, 1984
Peoples Corporation, Inc. of Bishopville Bishopville, South Carolina	The Peoples Bank Bishopville, South Carolina	Richmond	April 25, 1984
Peshtigo National Bancorporation, Inc. Peshtigo, Wisconsin	The Peshtigo National Bank Peshtigo, Wisconsin	Chicago	April 30, 1984
Ranch Bankshares, Inc. Scottsdale, Arizona	Ranch National Bank Scottsdale, Arizona	San Francisco	April 13, 1984
Rockford City Bancorp, Inc. Rockford, Illinois	Boone Bancorp, Inc. Belvidere, Illinois	Chicago	May 18, 1984
Sabinal Bancshares, Inc. Sabinal, Texas	Sabinal Bank Sabinal, Texas	Dallas	May 4, 1984
Schuyler County Bancshares, Inc. Lancaster, Missouri	Schuyler County State Bank Lancaster, Missouri	St. Louis	May 8, 1984
Security National Bancorp, Inc. Shreveport, Louisiana	Security National Bank of Shreveport Shreveport, Louisiana	Dallas	May 8, 1984
Security Pacific Corporation Los Angeles, California	Security Pacific State Bank Irvine, California	San Francisco	May 22, 1984
Selko Banco, Inc. Mead, Nebraska	Bank of Mead Mead, Nebraska	Kansas City	April 18, 1984
Simmons First National Corporation Pine Bluff, Arkansas	First State Bank & Trust Company Lake Village, Arkansas	St. Louis	May 15, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Sobank, Inc. Tyler, Texas	South Broadway Bank Tyler, Texas	Dallas	May 3, 1984
Summit Holding Corporation Beckley, West Virginia	Raleigh County National Bank Beckley, West Virginia	Richmond	April 24, 1984
Texas Bancorp Shares, Inc. San Antonio, Texas	Texas Bank North, N.A. San Antonio, Texas	Dallas	April 23, 1984
Trans Bancorp Holdings N.V. Curacao, Netherlands Antilles	Trans Bankcorp, Inc. Monterey Park, California	San Francisco	May 4, 1984
U-Banc, Incorporated Red Lodge, Montana	United Bank of Absarokee, N.A. Absarokee, Montana	Minneapolis	May 17, 1984
Underwood Holding Company, Inc. Underwood, North Dakota	First Security Bank Underwood, North Dakota	Minneapolis	April 25, 1984
Union Bankshares Company Ellsworth, Maine	Union Trust Company of Ellsworth Ellsworth, Maine	Boston	May 21, 1984
United Bancorporation Alaska, Inc. Anchorage, Alaska	United Bank Alaska Southwestern Juneau, Alaska	San Francisco	May 17, 1984
United Oklahoma Bankshares, Inc. Oklahoma City, Oklahoma	United Oklahoma Bank of Del City Del City, Oklahoma	Kansas City	May 21, 1984
United Security Bancshares, Inc. Thomasville, Alabama	First National Bank of Butler Butler, Alabama	Atlanta	April 16, 1984
Universal Bancorp, Inc. Miami, Florida	Universal National Bank Miami, Florida	Atlanta	May 21, 1984
Valley Banc Services Corp. Antioch, Illinois	Hinckley State Bank Hinckley, Illinois	Chicago	May 25, 1984
Valley National Corporation Forest Grove, Oregon	Valley National Bank of Oregon Forest Grove, Oregon	San Francisco	April 17, 1984
Vista Banks, Inc. DeLeon Springs, Florida	Bank of Belleview Belleview, Florida	Atlanta	May 8, 1984
Wabasha Holding Company Wabasha, Minnesota	First State Bank of Wabasha Wabasha, Minnesota	Minneapolis	May 10, 1984
Waskom Bancshares, Inc. Waskom, Texas	First State Bank Waskom, Texas	Dallas	April 24, 1984
Waynoka Bancshares, Inc. Waynoka, Oklahoma	First State Bank Waynoka, Oklahoma	Kansas City	May 11, 1984
Weatherford National Banc- shares, Inc. Weatherford, Texas	Weatherford National Bank Weatherford, Texas	Dallas	May 7, 1984
Westbank Corporation West Springfield, Massachusetts	Park West Bank and Trust Company West Springfield, Massachusetts	Boston	May 4, 1984
Whitehouse Financial Corporation Whitehouse, Texas	First National Bank of White- house Whitehouse, Texas	Dallas	April 18, 1984

Section 4

Applicant	Nonbanking company	Reserve Bank	Effective date
CBT Corporation Paducah, Kentucky	Fidelity Credit Corporation Paducah, Kentucky	St. Louis	April 24, 1984
Chemical New York Corporation New York, New York	Brown & Company Securities Corporation Boston, Massachusetts	New York	April 20, 1984
FNB Insurance Agency, Inc. Walthill, Nebraska	Parkview Limited Partnership Walthill, Nebraska	Kansas City	May 3, 1984
Meridan Bancorp, Inc. Reading, Pennsylvania	American Business Credit Corporation Blue Bell, Pennsylvania	Philadelphia	May 9, 1984
Security Pacific Corporation Los Angeles, California	Baldwin-United Corporation New York, New York D.H. Baldwin Company Cincinnati, Ohio	San Francisco	May 18, 1984

Sections 3 and 4

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
Mansfield Bankstock, Inc. Mansfield, Arkansas	Bank of Mansfield Mansfield, Arkansas real estate appraisal	St. Louis	May 10, 1984
The Newburg Corporation St. Ansgar, Iowa	Cedar National Bank Carpenter, Iowa insurance activities	Chicago	April 19, 1984
State Holding Company Sherwood, Arkansas	First State Bank Sherwood, Arkansas real estate appraisal	St. Louis	May 8, 1984

*ORDERS APPROVED UNDER BANK MERGER ACT**By Board of Governors*

Applicant	Bank(s)	Effective date
United Virginia Bank Richmond, Virginia	Bank of Virginia Richmond, Virginia	February 7, 1984

By Federal Reserve Banks

Applicant	Bank(s)	Reserve Bank	Effective date
Lorain Interim Bank Elyria, Ohio	The Lorain County Savings & Trust Co. Elyria, Ohio	Cleveland	April 30, 1984

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

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

- Melcher v. Federal Open Market Committee*, No. 84-1335 (D.D.C., filed Apr. 30, 1984).
- Florida Bankers Association v. Board of Governors*, No. 84-3269 and No. 84-3270 (11th Cir., filed Apr. 20, 1984).
- Northeast Bancorp, Inc. v. Board of Governors*, No. 84-4047, No. 84-4051, No. 84-4053 (2d Cir., filed Mar. 27, 1984).
- Huston v. Board of Governors*, No. 84-1361 (8th Cir., filed Mar. 20, 1984); and No. 84-1084 (8th Cir. filed Jan. 17, 1984).
- De Young v. Owens*, No. SC 9782-20-6 (Iowa Dist. Ct., filed Mar. 8, 1984).
- First Tennessee National Corp. v. Board of Governors*, No. 84-3201 (6th Cir., filed Mar. 6, 1984).
- Independent Insurance Agents of America v. Board of Governors*, No. 84-1083 (D.C. Cir., filed Mar. 5, 1984).
- State of Ohio v. Board of Governors*, No. 84-1270 (10th Cir., filed Jan. 30, 1984).
- Ohio Deposit Guarantee Fund v. Board of Governors*, No. 84-1257 (10th Cir., filed Jan. 28, 1984).
- Colorado Industrial Bankers Association v. Board of Governors*, No. 84-1122 (10th Cir., filed Jan. 27, 1984).
- Financial Institutions Assurance Corp. v. Board of Governors*, No. 84-1101 (4th Cir., filed Jan. 27, 1984).
- First Bancorporation v. Board of Governors*, No. 84-1011 (10th Cir., filed Jan. 5, 1984).
- Dimension Financial Corporation v. Board of Governors*, No. 83-2696 (10th Cir., filed Dec. 30, 1983).
- Oklahoma Bankers Association v. Federal Reserve Board*, No. 83-2591 (10th Cir., filed Dec. 13, 1983).
- Independent Insurance Agents of America, Inc. v. Board of Governors*, No. 83-1818 (8th Cir., filed June 21, 1983); and No. 83-1819 (8th Cir., filed June 21, 1983).
- The Committee for Monetary Reform v. Board of Governors*, No. 84-5067 (D.C. Cir., filed June 16, 1983).
- Securities Industry Association v. Board of Governors*, No. 83-614 (U.S., filed Feb. 3, 1983).
- Association of Data Processing Service Organizations v. Board of Governors*, No. 82-1910 (D.C. Cir., filed Aug. 16, 1982); and No. 82-2108 (D.C. Cir., filed Aug. 16, 1982).
- Wyoming Bancorporation v. Board of Governors*, No. 83-1634 (10th Cir., filed May 20, 1982).
- First Bancorporation v. Board of Governors*, No. 82-1401 (10th Cir., filed Apr. 9, 1982).
- Wolfson v. Board of Governors*, No. 83-3570 (11th Cir., filed Sept. 28, 1981).
- First Bank & Trust Company v. Board of Governors*, No. 81-38 (E.D. Ky., filed Feb. 24, 1981).
- 9 to 5 Organization for Women Office Workers v. Board of Governors*, No. 83-1171 (1st Cir., filed Dec. 30, 1980).
- Securities Industry Association v. Board of Governors*, No. 82-1766 (U.S., Filed Oct. 24, 1980).
- A. G. Becker, Inc. v. Board of Governors*, No. 82-1766 (U.S., filed Oct. 14, 1980).
- A. G. Becker, Inc. v. Board of Governors*, No. 81-1493 (D.C. Cir., filed Aug. 25, 1980).

Financial and Business Statistics

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

Item	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) ¹									
	1983			1984		1984				
	Q2	Q3	Q4	Q1	Dec.	Jan.	Feb.	Mar.	Apr.	
<i>Reserves of depository institutions²</i>										
1 Total	11.8	6.0	5	6.9	1.2	7.6	19.0 ^o	1.3 ^r	1	
2 Required	12.0	5.9	-1	4.5	1	5.9	8.0 ^r	9.3 ^r	7.5	
3 Nonborrowed	5.2	2.9	8.0	8.2	5.8	9.8	24.5 ^r	-11.7 ^r	-9.6	
4 Monetary base ³	10.2	8.1 ^r	7.8	9.0	6.7	12.8 ^r	10.5	8	5.8	
<i>Concepts of money, liquid assets, and debt⁴</i>										
5 M1	11.6	9.5	4.8	7.2	5.3	10.7	6.6	5.0 ^r	4	
6 M2	10.6	6.9	8.5	6.9 ^r	7.7	5.7	8.3 ^r	4.1 ^r	7.1	
7 M3	9.3	7.4	9.9	8.9	8.2 ^r	6.6	9.9 ^r	9.3 ^r	11.1	
8 L	10.3	9.6	8.9 ^r	10.8	11.6 ^r	8.0 ^r	11.0 ^r	14.2 ^r	n a	
9 Debt	10.7	11.5	10.1	12.6	13.8 ^r	12.2	13.7 ^r	10.7 ^r	n a	
<i>Nontransaction components</i>										
10 In M2 ⁵	10.2	6.1	9.6	6.8	8.4	4.1 ^r	8.9	3.8 ^r	9.2	
11 In M3 only ⁶	3.8	9.7 ^r	16.1 ^r	17.8 ^r	10.2 ^r	10.6 ^r	16.5 ^r	31.7 ^r	27.5	
<i>Time and savings deposits</i>										
<i>Commercial banks</i>										
12 Savings ⁷	14.8	-6.3	-6.4	-16.2	13.2	-22.3	-18.2	11.1 ^r	-3.0	
13 Small-denomination time ⁸	-21.2	13.7	19.3	4.4	10.6	-7	3	2	7.8	
14 Large-denomination time ^{9,10}	-14.6	4.6	-4	9.0	7.0	9.0 ^r	5.8 ^r	23.1	18.6	
<i>Thrift institutions</i>										
15 Savings ⁷	-1.3	-2.2	-4.4	-5.1	-6.7	-3.4	-8.1 ^r	7	1.4	
16 Small-denomination time	-17.0	12.3	18.8	11.8	12.4	11.2	10.8	4.8 ^r	9.3	
17 Large-denomination time ⁹	-51.2	63.5	57.6	44.8 ^r	47.2	70.1 ^r	63.2 ^r	38.6 ^r	40.5	
<i>Debt components⁴</i>										
18 Federal	23.2	21.2	12.4	15.3	8.1 ^r	27.3 ^r	16.7 ^r	-1.7	n a	
19 Nonfederal	7.3	8.8	9.5	11.8	15.4 ^r	7.8	12.8 ^r	14.3	n a	
20 Total loans and securities at commercial banks ¹¹	9.9 ^r	9.7	10.2	14.0 ^r	14.1 ^r	12.4 ^r	16.0 ^r	13.2 ^r	4.9	

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

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

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

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

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

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

M2: M1 plus overnight (and continuing contract) repurchase agreements (RPs) issued by all commercial banks and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, MMDAs, savings and small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and balances in both taxable and tax-exempt general purpose and broker/dealer money market mutual funds. Excludes individual retirement accounts (IRA) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market

funds (general purpose and broker/dealer), foreign governments and commercial banks, and the U.S. government. Also subtracted is a consolidation adjustment that represents the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposits.

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

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

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

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

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

7. Excludes MMDAs.

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

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

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

11. Changes calculated from figures shown in table I 23. Beginning December 1981, growth rates reflect shifts of foreign loans and securities from U.S. banking offices to international banking facilities.

A4 Domestic Financial Statistics □ June 1984

1.11 RESERVE BALANCES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT ▲

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1984			1984						
	Feb	Mar	Apr	Mar 14	Mar 21	Mar 28	Apr 4	Apr 11	Apr 18	Apr 25
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit	166,904	168,738	174,313	169,028	169,316	168,956	169,794	171,507	171,564	177,678
2 U.S. government securities ¹	148,137	149,546	154,226	149,174	149,897	149,620	150,442	151,112	152,425	156,664
3 Bought outright	148,137	149,128	152,859	148,318	149,897	148,623	150,442	151,112	152,425	154,406
4 Held under repurchase agreements	0	418	1,367	856	0	997	0	0	0	2,258
5 Federal agency obligations	8,573	8,604	8,660	8,610	8,558	8,698	8,558	8,557	8,556	8,869
6 Bought outright	8,573	8,562	8,557	8,564	8,558	8,558	8,558	8,557	8,556	8,556
7 Held under repurchase agreements	0	42	103	46	0	140	0	0	0	313
8 Acceptances	0	14	87	1	0	59	0	0	0	172
9 Loans	588	905	1,285	886	1,077	1,195	1,114	1,513	751	1,713
10 Float	1,100	1,002	837	1,775	1,091	481	714	1,344	669	834
11 Other Federal Reserve assets	8,506	8,667	9,219	8,581	8,692	8,902	8,966	8,981	9,162	9,427
12 Gold stock	11,118	11,115	11,110	11,116	11,114	11,114	11,111	11,111	11,109	11,109
13 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
14 Treasury currency outstanding	15,813	15,863	15,915	15,855	15,867	15,879	15,891	15,903	15,915	15,927
ABSORBING RESERVE FUNDS										
15 Currency in circulation	167,179	168,317	170,394	168,598	168,634	168,263	169,026	170,363	170,827	170,720
16 Treasury cash holdings	485	488	522	481	485	494	507	515	521	528
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	4,669	4,012	6,637	2,825	5,327	4,358	3,754	3,098	3,964	8,607
18 Foreign	214	229	220	224	225	210	236	208	217	207
19 Service-related balances and adjustments	1,452	1,940	1,215	1,553	1,596	1,548	1,677	1,542	1,525	1,625
20 Other	549	579	394	525	667	537	536	429	389	353
21 Other Federal Reserve liabilities and capital	5,492	5,705	6,098	5,634	5,570	5,832	5,874	6,313	5,818	6,126
22 Reserve balances with Federal Reserve Banks ²	18,414	19,066	20,597	20,776	18,411	19,325	19,805	20,672	19,946	21,166
End-of-month figures				Wednesday figures						
1984				1984						
	Feb.	Mar	Apr	Mar. 14	Mar. 21	Mar 28	Apr 4	Apr 11	Apr 18	Apr. 25
SUPPLYING RESERVE FUNDS										
23 Reserve Bank credit	161,971	170,168	182,683	174,644	170,957	165,262	169,530	171,860	174,982	183,905
24 U.S. government securities ¹	140,847	150,814	162,134	151,465	150,968	145,670	151,027	150,972	155,409	158,331
25 Bought outright	140,847	150,814	155,042	148,570	150,968	145,670	151,027	150,972	155,409	154,817
26 Held under repurchase agreements	0	0	7,092	2,895	0	0	0	0	0	3,514
27 Federal agency obligations	8,568	8,558	8,982	8,713	8,558	8,558	8,558	8,556	8,556	8,881
28 Bought outright	8,568	8,558	8,556	8,558	8,558	8,558	8,558	8,556	8,556	8,556
29 Held under repurchase agreements	0	0	426	155	0	0	0	0	0	325
30 Acceptances	0	0	305	5	0	0	0	0	0	349
31 Loans	1,020	896	907	2,449	935	718	588	2,425	671	6,334
32 Float	3,193	787	609	3,108	1,655	1,240	334	763	1,003	354
33 Other Federal Reserve assets	8,343	9,113	9,746	8,904	8,841	9,076	9,023	9,144	9,343	9,656
34 Gold stock	11,116	11,111	11,109	11,116	11,114	11,114	11,111	11,109	11,109	11,109
35 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
36 Treasury currency outstanding	15,841	15,889	15,937	15,865	15,877	15,889	15,901	15,913	15,925	15,937
ABSORBING RESERVE FUNDS										
37 Currency in circulation	167,206	168,737	170,309	168,863	168,528	168,488	169,719	171,001	170,962	170,599
38 Treasury cash holdings	484	503	534	484	493	503	513	520	528	530
Deposits, other than reserve balances with Federal Reserve Banks										
39 Treasury	3,226	3,684	16,729	2,575	5,545	3,838	4,701	2,827	7,677	14,045
40 Foreign	247	221	345	283	241	187	200	217	183	251
41 Service-related balances and adjustments	1,070	1,103	1,136	1,093	1,104	1,103	1,133	1,133	1,138	1,136
42 Other	498	562	324	502	550	506	457	421	336	319
43 Other Federal Reserve liabilities and capital	5,555	5,912	6,391	5,625	5,409	5,595	5,698	5,623	5,671	6,007
44 Reserve balances with Federal Reserve Banks ²	15,260	21,064	18,579	26,819	20,696	16,663	18,740	21,758	20,139	22,682

▲ Figures are not updated this month because data were not available in time for publication.

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

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

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

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1981	1982	1983				1984			
	Dec.	Dec	Sept.	Oct	Nov	Dec	Jan.	Feb	Mar	Apr ¹
1 Reserve balances with Reserve Banks ¹	26,163	24,804	20,585	21,059	20,943	20,986	21,325	18,414	19,484	20,351
2 Total vault cash ²	19,538	20,392	20,798	20,471	20,558	20,755	22,578	22,269	20,396	20,152
3 Vault cash used to satisfy reserve requirements ³	15,755	17,049	17,331	17,078	17,201	17,908	18,795	17,951	16,794	16,802
4 Surplus vault cash ⁴	3,783	3,343	3,467	3,393	3,357	2,847	3,782	4,318	3,602	3,349
5 Total reserves ⁵	41,918	41,853	37,916	38,137	38,144	38,894	40,120	36,365	36,278	37,153
6 Required reserves	41,606	41,353	37,418	37,632	37,615	38,333	39,507	35,423	35,569	36,663
7 Excess reserve balances at Reserve Banks ⁶	312	500	498	505	529	561	613	942	709	490
8 Total borrowings at Reserve Banks	642	697	1,441	837	912	745	715	567	952	1,234
9 Seasonal borrowings at Reserve Banks	53	33	191	142	119	96	86	103	133	139
10 Extended credit at Reserve Banks ⁷	149	187	515	255	6	2	4	5	27	44
Weekly and biweekly averages of daily figures for week ending ⁸										
1984										
	Jan 25	Feb 1	Feb 15	Feb 29	Mar 14	Mar 28	Apr 11	Apr 25	May 9 ⁹	May 23 ⁹
11 Reserve balances with Reserve Banks ¹	20,956	20,798	18,445	18,212	19,948	18,859	20,237	20,556	20,026	19,396
12 Total vault cash ²	23,238	22,475	22,774	21,750	19,980	20,938	19,803	20,476	20,010	20,655
13 Vault cash used to satisfy reserve requirements ³	19,294	18,567	18,406	17,452	16,458	17,188	16,520	17,103	16,581	17,158
14 Surplus vault cash ⁴	3,944	3,908	4,368	4,298	3,522	3,750	3,282	3,373	3,428	3,496
15 Total reserves ⁵	40,250	39,365	36,851	35,664	36,406	36,047	36,758	37,659	36,607	36,555
16 Required reserves	39,670	38,862	35,656	34,943	35,635	35,322	36,413	37,091	36,016	35,936
17 Excess reserve balances at Reserve Banks ⁶	580	503	1,195	721	770	725	344	568	591	619
18 Total borrowings at Reserve Banks	505	677	556	571	689	1,136	1,313	1,232	1,063	4,179
19 Seasonal borrowings at Reserve Banks	96	109	90	116	118	149	131	138	159	195
20 Extended credit at Reserve Banks ⁷	6	3	3	7	21	30	36	44	61	33

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

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

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

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

5. Total reserves not adjusted for discontinuities consist of reserve balances with Federal Reserve Banks, which exclude required clearing balances and

adjustments to compensate for float, plus vault cash used to satisfy reserve requirements. Such vault cash consists of all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances

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

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

8. Biweekly averages beginning Feb 15, 1984

 1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks¹

Averages of daily figures, in millions of dollars

By maturity and source	1984 week ending Monday								
	Apr 2	Apr 9	Apr 16	Apr 23	Apr 30 ¹	May 7	May 14	May 21	May 28
<i>One day and continuing contract</i>									
1 Commercial banks in United States	52,319	62,747	60,140	57,002	53,458	59,973	57,661	58,641	57,887
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	22,624	23,784	23,007	21,030	20,606	21,749	22,804	21,164	22,206
3 Nonbank securities dealers	6,841	6,334	6,022	5,984	6,106	5,791	6,016	6,493	7,057
4 All other	26,592	27,527	24,903	24,413	25,893	26,181	26,133	26,775	25,006
<i>All other maturities</i>									
5 Commercial banks in United States	7,516	7,810	8,463	8,991	8,285	8,237	8,688	9,739	10,303
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	10,832	10,727	11,421	11,324	11,598	12,116	12,375	12,642	12,647
7 Nonbank securities dealers	7,240	6,667	7,366	8,845	8,632	8,542	8,036	7,375	7,951
8 All other	9,104	8,780	11,634	12,086	9,164	9,396	9,823	10,504	10,030
<i>MMMO - Federal funds and resale agreement loans in maturities of one day or continuing contract</i>									
9 Commercial banks in United States	22,142	24,229	23,674	23,439	21,468	23,192	22,907	25,162	24,347
10 Nonbank securities dealers	5,315 ²	5,694 ²	5,342 ²	5,374 ²	5,617	7,069	5,876	5,686	5,488

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

A6 Domestic Financial Statistics □ June 1984

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Federal Reserve Bank	Current and previous levels									
	Short-term adjustment credit and seasonal credit			Extended credit ¹						
	Rate on 4/30/84	Effective date	Previous rate	First 60 days of borrowing		Next 90 days of borrowing		After 150 days		Effective date for current rates
Rate on 4/30/84				Previous rate	Rate on 4/30/84	Previous rate	Rate on 4/30/84	Previous rate		
Boston	9	4/9/84	8½	9	8½	10	9½	11	9½	4/9/84
New York	↑	4/9/84	↑	↑	↑	↑	↑	↑	↑	4/9/84
Philadelphia	↑	4/9/84	↑	↑	↑	↑	↑	↑	↑	4/9/84
Cleveland	↑	4/10/84	↑	↑	↑	↑	↑	↑	↑	4/10/84
Richmond	↑	4/9/84	↑	↑	↑	↑	↑	↑	↑	4/9/84
Atlanta	↑	4/10/84	↑	↑	↑	↑	↑	↑	↑	4/10/84
Chicago	↓	4/9/84	↓	↓	↓	↓	↓	↓	↓	4/9/84
St. Louis	↓	4/9/84	↓	↓	↓	↓	↓	↓	↓	4/9/84
Minneapolis	↓	4/9/84	↓	↓	↓	↓	↓	↓	↓	4/9/84
Kansas City	↓	4/13/84	↓	↓	↓	↓	↓	↓	↓	4/13/84
Dallas	↓	4/9/84	↓	↓	↓	↓	↓	↓	↓	4/9/84
San Francisco	9	4/13/84	8½	9	8½	10	9½	11	9½	4/13/84

Range of rates in recent years²

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1973	7½	7½	1978— July 3	7-7¼	7¼	1981— May 5	13-14	14
1974— Apr. 25	7½-8	8	10	7¼	7¼	8	14	14
30	8	8	Aug. 21	7¼	7¼	Nov. 2	13-14	13
Dec. 9	7¼-8	7¾	Sept. 22	8	8	6	13	13
16	7¼	7¾	Oct. 16	8-8½	8½	Dec. 4	12	12
1975— Jan. 6	7¼-7¾	7¾	20	8½	8½	1982— July 20	11½-12	11½
10	7¼-7¾	7¾	Nov. 1	8½-9½	9½	23	11½	11½
24	7¼	7¾	3	9½	9½	Aug. 2	11-11½	11
Feb. 5	6¾-7¼	6¾	1979— July 20	10	10	3	11	11
7	6¾	6¾	Aug. 17	10-10½	10½	16	10½	10½
Mar. 10	6¼-6¾	6¼	20	10½	10½	27	10-10½	10
14	6¼	6¼	Sept. 19	10½-11	11	30	10	10
May 16	6-6¼	6	21	11	11	Oct. 12	9½-10	9½
23	6	6	Oct. 8	11-12	12	13	9½	9½
1976— Jan. 19	5½-6	5½	10	12	12	Nov. 22	9-9½	9
23	5½	5½	1980— Feb. 15	12-13	13	26	9	9
Nov. 22	5¼-5½	5¼	19	13	13	Dec. 14	8½-9	9
26	5¼	5¼	May 29	12-13	13	15	8½-9	8½
1977— Aug. 30	5¼-5¾	5¼	30	12	12	17	8½	8½
31	5¼-5¾	5¾	June 13	11-12	11	1984— Apr. 9	8½-9	9
Sept. 2	5¼	5¾	16	11	11			
Oct. 26	6	6	July 28	10-11	10			
1978— Jan. 9	6-6½	6½	29	10	10			
20	6½	6½	Sept. 26	11	11			
May 11	6½-7	7	Nov. 17	12	12			
12	7	7	Dec. 5	12-13	13			
			8	13	13			
						In effect Apr. 30, 1984	9	9

1. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution and to advances when an institution is under sustained liquidity pressures. See section 201.3(b)(2) of Regulation A.
 2. Rates for short-term adjustment credit. For description and earlier data see the following publications of the Board of Governors, *Banking and Monetary Statistics, 1914-1941*, and *1941-1970: Annual Statistical Digest, 1970-1979, 1980, 1981, and 1982*.

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Percent of deposits

Type of deposit, and deposit interval	Member bank requirements before implementation of the Monetary Control Act		Type of deposit, and deposit interval ⁴	Depository institution requirements after implementation of the Monetary Control Act ⁶	
	Percent	Effective date		Percent	Effective date
<i>Net demand</i> ²			<i>Net transaction accounts</i> ^{7,8}		
\$0 million-\$2 million	7	12/30/76	\$0-\$28.9 million	3	12/29/83
\$2 million-\$10 million	9½	12/30/76	Over \$28.9 million	12	12/29/83
\$10 million-\$100 million	11¼	12/30/76	<i>Nonpersonal time deposits</i> ⁹		
\$100 million-\$400 million	12¼	12/30/76	By original maturity		
Over \$400 million	16¼	12/30/76	Less than 1½ years	3	10/6/83
<i>Time and savings</i> ^{2,3}			1½ years or more	0	10/6/83
Savings	3	3/16/67	<i>Eurocurrency liabilities</i>		
<i>Time</i> ⁴			All types	3	11/13/80
\$0 million-\$5 million, by maturity					
30-179 days	3	3/16/67			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			
Over \$5 million, by maturity					
30-179 days	6	12/12/74			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A8 Domestic Financial Statistics □ June 1984

1.16 MAXIMUM INTEREST RATES PAYABLE on Time and Savings Deposits at Federally Insured Institutions¹
 Percent per annum

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

1. Effective Oct. 1, 1983, restrictions on the maximum rates of interest payable by commercial banks and thrift institutions on various categories of deposits were removed. For information regarding previous interest rate ceilings on all categories of accounts see earlier issues of the FEDERAL RESERVE BULLETIN, the *Federal Home Loan Bank Board Journal*, and the *Annual Report of the Federal Deposit Insurance Corporation* before November 1983.

2. Effective Dec. 1, 1983, IRA/Keogh (HR10) Plan accounts are not subject to minimum deposit requirements.

3. Effective Dec. 14, 1982, depository institutions are authorized to offer a new account with a required initial balance of \$2,500 and an average maintenance balance of \$2,500 not subject to interest rate restrictions. No minimum maturity

period is required for this account, but depository institutions must reserve the right to require seven days notice before withdrawals. When the average balance is less than \$2,500, the account is subject to the maximum ceiling rate of interest for NOW accounts, compliance with the average balance requirement may be determined over a period of one month. Depository institutions may not guarantee a rate of interest for this account for a period longer than one month or condition the payment of a rate on a requirement that the funds remain on deposit for longer than one month.

4. Deposits of less than \$2,500 issued to governmental units continue to be subject to an interest rate ceiling of 8 percent.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1981	1982	1983	1983			1984			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched transactions)										
<i>Treasury bills</i>										
1 Gross purchases	13,899	17,067	18,888	309	1,435	3,695	0	368	3,159	3,283
2 Gross sales	6,746	8,369	3,420	0	0	0	1,967	828	0	0
3 Exchange	0	0	0	0	0	0	0	0	0	0
4 Redemptions	1,816	3,000	2,400	0	700	0	1,300	600	0	3,283
<i>Others within 1 year</i>										
5 Gross purchases	317	312	484	0	155	0	0	0	0	198
6 Gross sales	23	0	0	0	0	0	0	0	0	0
7 Maturity shift	13,794	17,295	18,887	529	2,828	915	573	-2,488	1,012	347
8 Exchange	-12,869	-14,164	-16,553	-636	-2,930	0	1,530	-4,574	0	-2,223
9 Redemptions	0	0	87	0	0	0	0	0	0	0
<i>1 to 5 years</i>										
10 Gross purchases	1,702	1,797	1,896	0	820	0	0	0	0	808
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shift	-10,299	-14,524	-15,533	-256	-1,684	-915	-487	2,488	-1,012	-273
13 Exchange	10,117	11,804	11,641	636	1,796	0	1,530	2,861	0	2,223
<i>5 to 10 years</i>										
14 Gross purchases	393	388	890	0	349	0	0	0	0	200
15 Gross sales	0	0	0	0	0	0	300	0	0	0
16 Maturity shift	-3,495	-2,172	-2,450	-273	-250	0	-86	97	0	-75
17 Exchange	1,500	2,128	2,950	0	700	0	0	1,000	0	0
<i>Over 10 years</i>										
18 Gross purchases	379	307	383	0	151	0	0	0	0	277
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	0	-601	-904	0	-894	0	0	-97	0	0
21 Exchange	1,253	234	1,962	0	434	0	0	713	0	0
<i>All maturities</i>										
22 Gross purchases	16,690	19,870	22,540	309	2,909	3,695	0	368	3,159	1,484
23 Gross sales	6,769	8,369	3,420	0	0	0	2,267	828	0	0
24 Redemptions	1,816	3,000	2,487	0	700	0	1,300	600	0	0
<i>Matched transactions</i>										
25 Gross sales	589,312	543,804	578,591	53,751	56,858	58,979	54,833	55,656	66,827	72,293
26 Gross purchases	589,647	543,173	576,908	53,367	57,991	56,404	58,096	47,310	73,634	71,754
<i>Repurchase agreements</i>										
27 Gross purchases	79,920	130,774	105,971	19,247	3,257	3,644	14,245	0	4,996	15,313
28 Gross sales	78,733	130,286	108,291	28,499	3,257	2,260	15,629	0	4,996	8,220
29 Net change in U.S. government securities	9,626	8,358	12,631	-9,326	3,342	2,504	-1,688	-9,407	9,966	11,321
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	494	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	108	189	292	6	84	2	40	38	10	2
<i>Repurchase agreements</i>										
33 Gross purchases	13,320	18,957	8,833	1,960	497	634	931	0	609	1,247
34 Gross sales	13,576	18,638	9,213	2,510	497	426	1,139	0	609	820
35 Net change in federal agency obligations	130	130	-672	-557	-84	206	-248	-38	-10	424
BANKERS ACCEPTANCES										
36 Repurchase agreements, net	-582	1,285	-1,062	-1,122	0	418	-418	0	0	305
37 Total net change in System Open Market Account	9,175	9,773	10,897	-11,005	3,258	3,128	-2,354	-9,444	9,956	12,050

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.

A10 Domestic Financial Statistics □ June 1984

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1984					1984		
	May 2	May 9	May 16	May 23	May 30	Mar.	Apr.	May
Consolidated condition statement								
ASSETS								
1 Gold certificate account.....	11,107	11,107	11,107	11,104	11,104	11,111	11,109	11,104
2 Special drawing rights certificate account.....	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
3 Coin.....	476	472	474	469	453	520	482	443
Loans								
4 To depository institutions.....	807	2,701	5,459	3,225	2,703	896	907	2,832
5 Other.....	0	0	0	0	0	0	0	0
Acceptances—Bought outright								
6 Held under repurchase agreements.....	224	427	0	0	0	0	305	426
Federal agency obligations								
7 Bought outright.....	8,556	8,556	8,516	8,516	8,515	8,558	8,556	8,515
8 Held under repurchase agreements.....	322	114	0	0	0	0	426	336
U.S. government securities								
Bought outright								
9 Bills.....	71,644	68,216	63,486	65,217	67,766	66,366	69,111	65,814
10 Notes.....	64,127	64,127	63,870	63,870	63,870	62,921	64,127	63,870
11 Bonds.....	21,804	21,804	22,061	22,061	22,061	21,527	21,804	22,061
12 Total bought outright ¹	157,575	154,147	149,417	151,148	153,697	150,814	155,042	151,745
13 Held under repurchase agreements.....	6,139	2,397	0	0	0	0	7,092	3,124
14 Total U.S. government securities.....	163,714	156,544	149,417	151,148	153,697	150,814	162,134	154,869
15 Total loans and securities.....	173,623	168,342	163,392	162,889	164,915	160,268	172,328	166,978
16 Cash items in process of collection.....	9,907	7,610	8,435	7,352	10,891	7,698	7,044	8,770
17 Bank premises.....	549	549	555	555	553	549	548	553
Other assets								
18 Denominated in foreign currencies ²	3,912	3,914	3,916	3,919	3,842	4,011	3,912	3,794
19 All other ³	5,313	5,234	5,514	3,643	3,865	4,553	5,286	3,840
20 Total assets.....	209,505	201,846	196,011	194,549	200,241	193,328	205,327	200,100
LIABILITIES								
21 Federal Reserve notes.....	156,005	157,071	157,188	157,075	158,510	153,871	155,388	158,727
Deposits								
22 To depository institutions.....	21,585	27,120	19,228	21,591	19,492	22,167	19,715	21,686
23 U.S. Treasury—General account.....	16,436	4,029	5,096	2,594	6,306	3,684	16,729	4,855
24 Foreign—Official accounts.....	192	275	229	212	292	221	345	295
25 Other.....	562	541	493	407	425	562	324	416
26 Total deposits.....	38,775	31,965	25,046	24,804	26,515	26,634	37,113	27,252
27 Deferred availability cash items.....	8,646	7,034	8,214	6,920	9,501	6,911	6,435	8,182
28 Other liabilities and accrued dividends ⁴	2,841	2,416	2,382	2,382	2,338	2,427	2,920	2,593
29 Total liabilities.....	206,267	198,486	192,641	191,181	196,864	189,843	201,856	196,754
CAPITAL ACCOUNTS								
30 Capital paid in.....	1,521	1,525	1,529	1,529	1,532	1,499	1,520	1,531
31 Surplus.....	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
32 Other capital accounts.....	252	370	376	374	380	521	486	350
33 Total liabilities and capital accounts.....	209,505	201,846	196,011	194,549	200,241	193,328	205,327	200,100
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account.....	115,369	114,095	114,378	113,650	113,517	113,547	116,173	114,495
Federal Reserve note statement								
35 Federal Reserve notes outstanding.....	184,739	185,290	185,800	186,279	186,105	183,132	184,496	185,998
36 LESS: Held by bank ⁵	28,734	28,219	28,612	29,204	27,595	29,261	29,108	27,271
37 Federal Reserve notes, net.....	156,005	157,071	157,188	157,075	158,510	153,871	155,388	158,727
Collateral held against notes net								
38 Gold certificate account.....	11,107	11,107	11,107	11,104	11,104	11,111	11,109	11,104
39 Special drawing rights certificate account.....	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
40 Other eligible assets.....	0	0	0	0	0	0	0	0
41 U.S. government and agency securities.....	140,280	141,346	141,463	141,353	142,788	138,142	139,661	143,005
42 Total collateral.....	156,005	157,071	157,188	157,075	158,510	153,871	155,388	158,727

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

2 Assets shown in this line are revalued monthly at market exchange rates.

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

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

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1984					1984		
	May 2	May 9	May 16	May 23	May 30	March 30	April 30	May 31
1 Loans—Total	807	2,701	5,459	3,225	2,703	896	907	2,832
2 Within 15 days	717	2,604	5,366	3,167	2,660	864	864	2,764
3 16 days to 90 days	90	97	93	58	43	32	43	68
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	224	427	0	0	0	0	305	426
6 Within 15 days	224	427	0	0	0	0	305	426
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S. government securities—Total	163,714	156,544	149,417	151,148	153,697	150,814	162,134	154,869
10 Within 15 days ¹	15,243	10,026	6,705	4,804	9,551	3,424	10,462	7,751
11 16 days to 90 days	33,596	32,070	29,502	33,066	30,785	35,062	35,614	30,922
12 91 days to 1 year	45,379	44,952	44,555	44,623	44,706	44,980	46,562	47,631
13 Over 1 year to 5 years	36,267	36,267	35,228	35,228	35,228	34,522	36,267	35,138
14 Over 5 years to 10 years	14,322	14,322	14,339	14,339	14,339	14,196	14,322	14,339
15 Over 10 years	18,907	18,907	19,088	19,088	19,088	18,630	18,907	19,088
16 Federal agency obligations—Total	8,878	8,670	8,516	8,516	8,515	8,558	8,982	8,851
17 Within 15 days ¹	363	155	106	179	159	188	561	495
18 16 days to 90 days	635	720	616	542	559	763	635	559
19 91 days to 1 year	1,751	1,666	1,674	1,674	1,638	1,668	1,657	1,638
20 Over 1 year to 5 years	4,409	4,409	4,400	4,401	4,421	4,176	4,409	4,421
21 Over 5 years to 10 years	1,321	1,321	1,321	1,321	1,339	1,360	1,321	1,339
22 Over 10 years	399	399	399	399	399	403	399	399

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE

Billions of dollars, averages of daily figures

Item	1980 Dec	1981 Dec	1982 Dec	1983 Dec	1983				1984			
					Sept.	Oct	Nov	Dec.	Jan	Feb	Mar	Apr
Seasonally adjusted												
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹												
1 Total reserves ²	30.64	31.51	33.63	35.28	35.31	35.32	35.25	35.28	35.50	36.07	36.10	36.11
2 Nonborrowed reserves	28.95	30.88	33.00	34.51	33.87	34.47	34.34	34.51	34.79	35.50	35.15	34.87
3 Nonborrowed reserves plus extended credit ³	28.95	31.03	33.18	34.51	34.38	34.73	34.35	34.51	34.79	35.50	35.18	34.92
4 Required reserves	30.13	31.20	33.13	34.72	34.81	34.81	34.72	34.72	34.89	35.12	35.40 ⁴	35.62
5 Monetary base ⁴	150.11	157.82	169.81	184.97	181.78	182.85	183.95	184.97	186.94	188.58	188.71	189.63
Not seasonally adjusted												
6 Total reserves ²	31.34	32.23	34.35	36.00	35.01	35.31	35.35	36.00	37.30	35.65	35.63	36.47
7 Nonborrowed reserves	29.65	31.59	33.71	35.22	33.57	34.47	34.45	35.22	36.59	35.09	34.68	35.23
8 Nonborrowed reserves plus extended credit ³	29.65	31.74	33.90	35.23	34.08	34.73	34.45	35.23	36.59	35.09	34.70	35.28
9 Required reserves	30.82	31.91	33.85	35.44	34.51	34.81	34.82	35.44	36.69	34.71	34.92	35.98
10 Monetary base ⁴	152.80	160.65	172.83	188.23	181.24	182.67	185.04	188.23	188.10	185.93	187.16	189.62
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ⁵												
11 Total reserves ²	40.66	41.93	41.85	38.89	37.92	38.14	38.14	38.89	40.12	36.37	36.28	37.15
12 Nonborrowed reserves	38.97	41.29	41.22	38.12	36.48	37.29	37.24	38.12	39.41	35.80	35.32	35.92
13 Nonborrowed reserves plus extended credit ³	38.97	41.44	41.41	38.12	36.99	37.55	37.25	38.12	39.41	35.80	35.33	35.78
14 Required reserves	40.15	41.61	41.35	38.33	37.42	37.63	37.62	38.33	39.51 ⁴	35.42	35.57 ⁴	36.66
15 Monetary base ⁴	163.00	170.47	180.52	192.36	185.11	186.60	188.97	192.36	192.30	186.67	187.81	190.31

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

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

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

4. The monetary base not adjusted for discontinuities consists of total reserves plus required clearing balances and adjustments to compensate for float at Federal

Reserve Banks and the currency component of the money stock less the amount of vault cash holdings of thrift institutions that is included in the currency component of the money stock plus, for institutions not having required reserve balances, the excess of current vault cash over the amount applied to satisfy current reserve requirements. After the introduction of contemporaneous reserve requirements (CRR), currency and vault cash figures are measured over the weekly computation period ending Monday.

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

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

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

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Billions of dollars, averages of daily figures

Item ¹	1980 Dec	1981 Dec	1982 Dec	1983 Dec	1984			
					Jan	Feb.	Mar.	Apr
Seasonally adjusted								
1 M1	414.9	441.9	480.5	525.3	530.0	532.9	535.1 ^r	535.3
2 M2	1,632.6	1,796.6	1,965.3	2,196.1	2,206.5 ^r	2,221.8 ^r	2,229.3 ^r	2,242.5
3 M3	1,989.8	2,236.7	2,460.3	2,706.7	2,721.6 ^r	2,744.0 ^r	2,765.3 ^r	2,709.8
4 L	2,326.0	2,598.4	2,868.7	3,176.9 ^r	3,198.2 ^r	3,227.5 ^r	3,265.6	n.a.
5 Debt ²	3,946.9	4,323.8	4,710.1	5,244.8 ^r	5,298.0 ^r	5,358.3 ^r	5,406.0	n.a.
M1 components								
6 Currency ²	116.7	124.0	134.1	148.0	149.9	150.2	150.9	151.8
7 Traveler's checks ³	4.2	4.3	4.3	4.9	4.9	5.0	5.0	5.1
8 Demand deposits ⁴	266.5	236.2	239.7	243.7	244.5	243.8	244.0	245.2
9 Other checkable deposits ⁵	27.6	77.4	102.4	128.8	130.7	133.8	135.3	133.1
Nontransactions components								
10 In M2 ⁶	1,217.7	1,354.6	1,484.8	1,670.8	1,676.5 ^r	1,688.9	1,694.2 ^r	1,707.2
11 In M3 only ⁷	357.2	440.2	495.0	510.6	515.1 ^r	522.2	536.0 ^r	548.3
Savings deposits ⁹								
12 Commercial Banks	185.9	159.7	164.9	134.6	132.1	130.1	128.9	128.6
13 Thrift Institutions	215.6	186.1	197.2	178.2	177.7	176.5	176.6 ^r	176.8
Small denomination time deposits ⁹								
14 Commercial Banks	287.5	349.6	382.2	353.1	352.9	352.8	353.5	355.8
15 Thrift Institutions	443.9	477.7	474.7	440.0	444.1	448.1	449.9 ^r	453.4
Money market mutual funds								
16 General purpose and broker/dealer	61.6	150.6	185.2	138.2	137.9	142.1	144.8	146.1
17 Institution-only	15.0	36.2	48.4	40.3	40.6	41.6	41.8	41.8
Large denomination time deposits ¹⁰								
18 Commercial Banks ¹¹	213.9	247.3	261.8	225.5	227.2 ^r	228.3	232.7	236.3
19 Thrift Institutions	44.6	54.3	66.1	100.4 ^r	106.3 ^r	111.9	115.5 ^r	119.4
Debt components								
20 Federal debt	742.8	830.1	991.4	1,177.9	1,204.7 ^r	1,221.5	1,219.8	n.a.
21 Non-federal debt	3,204.1	3,493.7	3,718.7	4,066.8 ^r	4,093.3 ^r	4,136.8	4,186.2	n.a.
Not seasonally adjusted								
22 M1	424.8	452.3	491.9	537.8	534.8	521.9	528.1	543.1
23 M2	1,635.4	1,798.7	1,967.4	2,197.9 ^r	2,210.3 ^r	2,211.7 ^r	2,230.3 ^r	2,254.3
24 M3	1,996.1	2,242.7	2,466.6	2,712.8	2,727.5 ^r	2,736.7 ^r	2,766.5 ^r	2,799.3
25 L	2,332.8	2,605.6	2,876.5	3,184.7 ^r	3,209.6 ^r	3,229.0	3,271.8	n.a.
26 Debt ²	3,946.9	4,323.8	4,710.1	5,244.8 ^r	5,286.2 ^r	5,339.1 ^r	5,388.2	n.a.
M1 components								
27 Currency ²	118.8	126.1	136.4	150.5	148.4	148.3	149.8	151.5
28 Traveler's checks ³	3.9	4.1	4.1	4.6	4.6	4.7	4.8	4.8
29 Demand deposits ⁴	274.7	243.6	247.3	251.6	249.4	237.9	239.4	247.8
30 Other checkable deposits ⁵	27.4	78.5	104.1	131.2	132.5	130.9	134.1	139.0
Nontransactions components								
31 M2 ⁶	1,210.6	1,346.3	1,475.5	1,660.1	1,675.5 ^r	1,689.8 ^r	1,702.1 ^r	1,711.2
32 M3 only ⁷	360.7	444.1	499.2	514.8 ^r	517.2 ^r	525.0 ^r	536.3 ^r	545.0
Money market deposit accounts								
33 Commercial banks	n.a.	n.a.	26.3	230.0 ^r	234.2	238.3	242.6	245.3
34 Thrift institutions	n.a.	n.a.	16.6	145.9 ^r	146.2 ^r	147.7 ^r	149.9 ^r	151.0
Savings deposits ⁹								
35 Commercial Banks	183.8	157.5	162.1	132.0	131.3	129.9	130.2	130.5
36 Thrift Institutions	214.4	184.7	195.5	176.5	176.2 ^r	175.3 ^r	177.0 ^r	178.0
Small denomination time deposits ⁹								
37 Commercial Banks	286.0	347.7	380.1	351.0	353.7	355.4 ^r	356.0 ^r	356.4
38 Thrift Institutions	442.3	475.6	472.4	437.6	445.7	450.0 ^r	451.6 ^r	455.2
Money market mutual funds								
39 General purpose and broker/dealer	61.6	150.6	185.2	138.2	137.9	142.1	144.8	146.1
40 Institution-only	15.0	36.2	48.4	40.3	40.6	41.6	41.8	41.8
Large denomination time deposits ¹⁰								
41 Commercial Banks ¹¹	218.5	252.1	266.2	229.0 ^r	229.3	229.7	233.1 ^r	233.7
42 Thrift Institutions	44.3	54.3	66.2	100.7	105.4 ^r	111.2 ^r	114.2 ^r	118.0
Debt components								
43 Federal debt	742.8	830.1	991.4	1,177.9	1,201.6	1,219.8	1,227.4	n.a.
44 Non-federal debt	3,204.1	3,943.7	3,718.7	4,066.8 ^r	4,084.5 ^r	4,119.3 ^r	4,160.8	n.a.

For notes see bottom of next page.

1.22 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1981 ¹	1982 ¹	1983 ¹	1983			1984		
				Oct	Nov.	Dec.	Jan.	Feb.	Mar.
DEBITS TO									
Seasonally adjusted									
Demand deposits ²									
1 All insured banks	80,858.7	90,914.4	108,646.4	118,407.2	114,466.6	115,381.5	120,954.6	126,749.9	116,416.7
2 Major New York City banks	33,891.9	37,932.9	47,336.9	52,639.9	49,715.8	48,255.7	51,952.5	55,776.7	50,765.2
3 Other banks	46,966.9	52,981.6	61,309.5	65,767.3	64,750.8	67,125.8	69,002.2	70,973.1	65,651.5
4 ATS-NOW accounts ³	743.4	1,036.2	1,394.9	1,392.8	1,447.4	1,499.6	1,345.1	1,491.1	1,464.9
5 Savings deposits ⁴	672.7	721.4	735.7	643.7	674.9	661.4	620.8	708.3	688.9
DEPOSIT TURNOVER									
Demand deposits ²									
6 All insured banks	285.8	324.2	376.8	409.6	398.3	395.7	414.2	434.7	394.9
7 Major New York City banks	1,105.1	1,287.6	1,512.0	1,703.8	1,645.6	1,541.4	1,650.9	1,747.7	1,649.5
8 Other banks	186.2	211.1	238.5	254.7	251.8	257.9	264.9	273.3	248.7
9 ATS-NOW accounts ³	14.0	14.5	15.5	14.9	15.5	15.9	13.8	15.0	14.7
10 Savings deposits ⁴	4.1	4.5	5.3	4.9	5.1	5.0	4.7	5.5	5.4
DEBITS TO									
Not seasonally adjusted									
Demand deposits ²									
11 All insured banks	81,197.9	91,031.9	108,459.5	114,191.9	110,963.9	122,558.3	123,567.2	114,721.3	124,088.6
12 Major New York City banks	34,032.0	38,001.0	47,238.2	49,910.9	47,508.1	52,418.5	52,895.2	50,724.8	54,301.1
13 Other banks	47,165.9	53,030.9	61,221.3	64,280.9	63,455.8	70,139.7	70,672.0	63,996.5	69,787.5
14 ATS-NOW accounts ³	737.6	1,027.1	1,387.5	1,373.2	1,327.2	1,465.4	1,601.5	1,389.5	1,504.3
15 MMDA ⁵	0	0	567.4	700.3	639.1	745.8	793.4	682.1	790.3
16 Savings deposits ⁴	672.9	720.0	736.4	672.9	635.3	647.1	672.5	649.9	711.9
DEPOSIT TURNOVER									
Demand deposits ²									
17 All insured banks	286.1	325.0	376.1	391.1	381.7	407.0	412.3	402.7	431.8
18 Major New York City banks	1,114.2	1,295.7	1,510.0	1,595.5	1,553.4	1,613.6	1,581.5	1,618.7	1,795.5
19 Other banks	186.2	211.5	238.1	246.6	244.0	261.1	265.4	252.4	271.4
20 ATS-NOW accounts ³	14.0	14.3	15.4	14.6	14.0	15.1	16.2	14.3	15.2
21 MMDA ⁵	0	0	2.8	3.2	2.8	3.4	3.4	2.9	3.3
22 Savings deposits ⁴	4.1	4.5	5.3	5.1	4.8	4.9	5.2	5.1	5.5

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

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

NOTES TO TABLE 1.21

1. Composition of the money stock measures and debt is as follows.
 - M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCD) consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. The currency and demand deposit components exclude the estimated amount of vault cash and demand deposits respectively held by thrift institutions to service their OCD liabilities.
 - M2: M1 plus overnight (and continuing contract) repurchase agreements (RPs) issued by all commercial banks and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, MMDAs, savings and small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and balances in both taxable and tax-exempt general purpose and broker/dealer money market mutual funds. Excludes individual retirement accounts (IRA) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker/dealer), foreign governments and commercial banks, and the U.S. government. Also subtracted is a consolidation adjustment that represents the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposits.
 - M3: M2 plus large-denomination time deposits and term RP liabilities (in amounts of \$100,000 or more) issued by commercial banks and thrift institutions, term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and balances in both taxable and tax-exempt, institution-only money market mutual funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also subtracted is a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.
 - L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper and bankers' acceptances, net of money market mutual fund holdings of these assets.
- Debt: Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U.S. government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers' acceptances, and other debt instruments. The source of data on domestic nonfinancial debt is the Federal Reserve Board's flow of funds accounts. Debt data are on an end-of-month basis.

2. Currency outside the U.S. Treasury, Federal Reserve Banks, and vaults of commercial banks. Excludes the estimated amount of vault cash held by thrift institutions to service their OCD liabilities.
3. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers. Travelers checks issued by depository institutions are included in demand deposits.
4. Demand deposits at commercial banks and foreign-related institutions other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float. Excludes the estimated amount of demand deposits held at commercial banks by thrift institutions to service their OCD liabilities.
5. Consists of NOW and ATS balances at all depository institutions, credit union share draft balances, and demand deposits at thrift institutions. Other checkable deposits seasonally adjusted equals the difference between the seasonally adjusted sum of demand deposits plus OCD and seasonally adjusted demand deposits. Included are all ceiling free "Super NOWs," authorized by the Depository Institutions Deregulation committee to be offered beginning Jan. 5, 1983.
6. Sum of overnight RPs and overnight Eurodollars, money market fund balances (general purpose and broker/dealer), MMDAs, and savings and small time deposits, less the consolidation adjustment that represents the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposits liabilities.
7. Sum of large time deposits, term RPs and term Eurodollars of U.S. residents, money market fund balances (institution-only), less a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds.
8. Savings deposits exclude MMDAs.
9. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All individual retirement accounts (IRA) and Keogh accounts at commercial banks and thrifts are subtracted from small time deposits.
10. Large-denomination time deposits are those issued in amounts of \$100,000 or more, excluding those booked at international banking facilities.
11. Large-denomination time deposits at commercial banks less those held by money market mutual funds, depository institutions, and foreign banks and official institutions.

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

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars; averages of Wednesday figures

Category	1982	1983	1984				1982	1983	1984			
	Dec. †	Dec.	Jan. †	Feb. †	Mar.	Apr.	Dec. †	Dec.	Jan. †	Feb. †	Mar.	Apr.
	Seasonally adjusted						Not seasonally adjusted					
1 Total loans and securities¹	1,412.0	1,568.1	1,585.2	1,604.8	1,621.6	1,630.8	1,422.4	1,579.5	1,587.4	1,600.1	1,616.1	1,630.3
2 U.S. Treasury securities	130.9	188.0	188.7	188.3	187.1	185.9	131.5	188.8	187.9	189.0	189.8	189.2
3 Other securities	239.2	247.5	252.0	252.2	253.2	250.7	240.6	249.0	252.2	251.6	252.7	250.7
4 Total loans and leases ¹	1,042.0	1,132.6	1,144.5	1,164.3	1,181.4	1,194.2	1,050.3	1,141.7	1,147.3	1,159.4	1,173.7	1,190.3
5 Commercial and industrial loans	392.3	413.4	418.1	423.6	433.8	436.5	394.5	415.8	416.8	421.9	432.6	438.9
6 Real estate loans	303.1	335.5	339.5	343.0	346.7	350.9	304.0	336.5	340.1	342.7	345.7	349.9
7 Loans to individuals	191.9	219.7	224.6	227.8	231.5	235.3	193.2	221.2	225.2	227.1	229.4	233.7
8 Security loans	24.7	27.3	27.5	30.8	27.2	26.8	25.5	28.2	27.6	29.8	26.4	26.8
9 Loans to nonbank financial institutions	31.1	29.7	30.8	30.6	30.6	30.9	32.1	30.6	30.9	30.7	30.2	30.7
10 Agricultural loans	36.3	39.6	39.8	40.0	40.2	40.6	36.3	39.6	39.6	39.4	39.4	39.9
11 Lease financing receivables	13.1	13.1	13.4	13.5	13.5	13.5	13.1	13.1	13.4	13.5	13.5	13.5
12 All other loans	49.5	54.3	50.8	54.9	57.8	59.6	51.5	56.5	53.6	54.4	56.5	57.0
MfMO												
13 Total loans and securities plus loans sold^{1,4}	1,415.0	1,570.5	1,587.6	1,607.3	1,624.7	1,633.9	1,425.4	1,581.8	1,589.9	1,602.6	1,619.2	1,633.4
14 Total loans plus loans sold ^{1,4}	1,044.9	1,135.0	1,147.0	1,166.8	1,184.4	1,197.3	1,053.3	1,144.0	1,149.8	1,161.9	1,176.7	1,193.5
15 Total loans sold to affiliates ^{1,4}	2.9	2.4	2.4	2.5	3.1	3.1	2.9	2.4	2.4	2.5	3.1	3.1
16 Commercial and industrial loans plus loans sold ⁴	394.5	415.3	419.9	425.5	435.7	438.4	396.8	417.7	418.6	423.7	434.5	440.9
17 Commercial and industrial loans sold ⁴	2.3	1.8	1.9	1.9	1.9	1.9	2.3	1.8	1.9	1.9	1.9	1.9
18 Acceptances held	8.5	8.3	8.2	8.5	9.5	9.6	9.5	9.1	8.6	8.6	9.0	8.9
19 Other commercial and industrial loans	383.7	405.2	409.9	415.1	424.4	426.9	385.1	406.8	408.2	413.2	423.5	430.1
20 To U.S. addressees ⁵	373.4	395.1	397.5	403.1	412.2	414.9	372.6	394.3	396.0	401.2	411.6	418.3
21 To non-U.S. addressees	10.3	10.1	12.4	12.1	12.2	12.0	12.4	12.5	12.2	12.0	12.0	11.8
22 Loans to foreign banks	13.5	12.7	12.4	13.2	12.8	13.0	14.5	13.6	12.9	13.0	12.5	12.5

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

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

3 Excludes loans to commercial banks in the United States.

4 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.

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

NOTE: Data are prorated averages of Wednesday estimates for domestically chartered banks, based on weekly reports of a sample of domestically chartered banks and quarterly reports of all domestically chartered banks. For foreign-related institutions, data are averages of month-end estimates based on weekly reports from large agencies and branches and quarterly reports from all agencies, branches, investment companies, and Edge Act corporations engaged in banking.

A16 Domestic Financial Statistics □ June 1984

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS¹

Monthly averages, billions of dollars

Source	1981	1982	1983							1984			
	Dec	Dec	June	July	Aug	Sept	Oct	Nov	Dec.	Jan	Feb.	Mar ^r	Apr.
Total nondeposit funds													
1 Seasonally adjusted ²	96.3	82.9	88.4	77.9	83.2	85.0	81.7	96.2	100.3	98.2	103.9	108.4	111.6
2 Not seasonally adjusted	98.1	84.9	90.1	78.6	86.0	86.1	82.8	99.4	102.4	99.2	105.4	109.9	112.8
Federal funds, RPs, and other borrowings from nonbanks ³													
3 Seasonally adjusted	111.8	127.7	140.9	134.2	132.5	133.9	134.9	140.7	140.5	139.3	142.7	141.9	141.9
4 Not seasonally adjusted	113.5	129.7	142.6	134.9	135.3	135.1	136.0	143.9	142.7	140.3	144.2	143.3	143.1
5 Net balances due to foreign-related institutions, not seasonally adjusted	-18.1	-47.7	-55.2	-59.0	-51.9	-51.5	-55.8	-47.0	-42.7	-43.6	-41.3	-36.5	-33.4
6 Loans sold to affiliates, not seasonally adjusted ⁴	2.8	2.9	2.7	2.7	2.6	2.6	2.6	2.5	2.4	2.4	2.5	3.1	3.1
M.F.M.O.													
7 Domestically chartered banks' net positions with own foreign branches, not seasonally adjusted ⁵	-22.4	39.6	-49.2	-50.9	-45.3	-46.3	-48.5	-42.9	-39.7	-38.7	-37.5	-34.7	-33.0
8 Gross due from balances	54.9	72.2	75.8	77.4	73.6	74.7	76.4	76.5	75.2	73.0	71.9	73.5	73.3
9 Gross due to balances	32.4	32.6	26.6	26.5	28.3	28.3	27.9	33.6	35.5	34.3	34.5	38.8	40.3
10 Foreign-related institutions' net positions with directly related institutions, not seasonally adjusted ⁶	4.3	-8.1	-6.0	-8.0	-6.6	5.1	-7.3	-4.1	-3.0	-4.9	-3.9	-1.9	-4
11 Gross due from balances	48.1	54.7	53.9	55.2	53.5	53.5	55.4	53.1	53.6	52.7	50.6	49.5	49.0
12 Gross due to balances	52.4	46.6	47.9	47.2	47.0	48.3	48.0	49.0	50.6	47.8	46.7	47.7	48.6
Security RP borrowings													
13 Seasonally adjusted ⁷	59.0	71.0	81.4	77.3	76.1	78.1	79.9	83.3	84.8	85.5	86.9	85.5	86.9
14 Not seasonally adjusted	59.2	71.2	81.5	76.2	77.0	77.3	79.1	84.6	85.1	84.6	86.5	85.1	86.2
U.S. Treasury demand balances ⁸													
15 Seasonally adjusted	12.2	12.8	13.0	21.7	20.3	16.7	18.9	12.0	13.1	16.5	20.6	16.7	15.9
16 Not seasonally adjusted	11.1	10.8	11.2	21.8	16.4	17.9	24.7	7.5	10.8	19.6	22.3	17.5	16.5
Time deposits, \$100,000 or more ⁹													
17 Seasonally adjusted	325.4	347.9	287.4	285.9	284.1	282.8	278.3	280.7	283.1	284.3	283.7	289.0	292.2
18 Not seasonally adjusted	330.4	354.6	284.0	281.5	284.4	284.7	280.3	283.0	288.1	287.1	284.9	288.7	288.6

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

2 Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. Includes averages of Wednesday data for domestically chartered banks and averages of current and previous month-end data for foreign-related institutions.

3 Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign

banks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans. Includes averages of daily figures for member banks and averages of current and previous month-end data for foreign-related institutions.

4 Loans initially booked by the bank and later sold to affiliates that are still held by affiliates. Averages of Wednesday data.

5 Averages of daily figures for member and nonmember banks.

6 Averages of daily data.

7 Based on daily average data reported by 122 large banks.

8 Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.

9 Averages of Wednesday figures.

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

Billions of dollars except for number of banks

	1982		1983								
	Dec	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
DOMESTICALLY CHARTERED COMMERCIAL BANKS¹											
1 Loans and securities, excluding interbank	1,370.3	1,392.2	1,403.8	1,411.9	1,435.1	1,437.4	1,457.0	1,466.1	1,483.0	1,502.3	1,525.2
2 Loans, excluding interbank	1,000.7	1,001.7	1,005.1	1,007.5	1,025.6	1,029.1	1,043.4	1,049.7	1,060.3	1,075.5	1,095.1
3 Commercial and industrial	356.7	358.0	357.9	356.7	360.1	361.1	363.0	364.0	367.0	372.8	380.8
4 Other	644.0	643.7	647.2	650.8	665.6	668.0	680.4	685.7	693.3	702.7	714.4
5 U.S. Treasury securities	129.0	150.6	155.5	160.9	166.0	165.1	167.5	171.2	176.8	180.4	181.4
6 Other securities	240.5	239.9	243.3	243.5	243.5	243.3	246.1	245.2	245.9	246.4	248.7
7 Cash assets, total	184.4	168.9	170.1	164.5	176.9	168.7	176.9	160.0	164.0	179.0	190.5
8 Currency and coin	23.0	19.9	20.4	20.3	21.3	20.7	21.0	20.8	20.5	22.3	23.3
9 Reserves with Federal Reserve Banks	25.4	20.5	23.9	22.4	18.8	20.6	22.5	15.4	19.7	17.6	18.6
10 Balances with depository institutions	67.6	67.1	66.1	65.6	69.7	67.1	69.0	66.7	67.1	70.9	75.6
11 Cash items in process of collection	68.4	61.5	59.6	56.3	67.1	60.3	64.4	56.9	56.6	69.0	73.0
12 Other assets ²	265.3	257.9	252.4	248.3	253.2	254.5	257.2	252.3	253.0	261.9	253.8
13 Total assets/total liabilities and capital	1,820.0	1,818.9	1,826.3	1,824.8	1,865.2	1,860.6	1,891.0	1,878.4	1,900.0	1,943.9	1,969.5
14 Deposits	1,361.8	1,374.2	1,368.0	1,370.8	1,402.7	1,396.5	1,420.1	1,408.1	1,419.5	1,459.2	1,482.6
15 Demand	363.9	333.4	329.2	324.5	344.4	334.2	344.7	328.1	331.3	358.1	371.0
16 Savings	296.4	419.2	426.9	440.2	445.3	447.5	449.0	448.8	451.5	458.3	460.7
17 Time	701.5	621.6	611.9	606.1	613.1	614.8	626.4	631.2	636.8	642.8	650.8
18 Borrowings	215.1	211.3	224.0	214.1	221.2	217.5	217.2	217.8	226.8	219.7	216.3
19 Other liabilities	109.2	103.5	102.3	104.7	104.3	105.5	107.6	107.1	106.5	112.6	117.9
20 Residual (assets less liabilities)	133.8	130.0	132.0	135.1	137.0	141.0	146.1	145.4	147.2	152.4	152.8
MEMO											
21 U.S. Treasury note balances included in borrowing	10.7	9.6	17.8	2.7	19.3	19.3	14.8	20.8	22.5	2.8	8.8
22 Number of banks	14,787	14,819	14,823	14,817	14,826	14,785	14,795	14,804	14,800	14,799	14,796
ALL COMMERCIAL BANKING INSTITUTIONS³											
23 Loans and securities, excluding interbank	1,429.7	1,451.3	1,460.8	1,467.6	1,491.5	1,494.1	1,515.4	1,525.4	1,541.8	1,563.2	1,586.8
24 Loans, excluding interbank	1,054.8	1,054.5	1,055.7	1,056.4	1,075.2	1,078.8	1,094.9	1,102.5	1,112.2	1,129.2	1,149.3
25 Commercial and industrial	395.3	395.9	393.5	391.7	395.3	397.7	400.6	402.7	405.3	412.0	420.1
26 Other	659.5	658.6	662.2	664.7	679.9	681.2	694.3	699.8	706.8	717.2	729.2
27 U.S. Treasury securities	132.8	155.3	160.2	166.1	171.3	170.3	172.7	176.1	182.0	185.9	186.9
28 Other securities	242.1	241.5	244.9	245.2	245.1	245.0	247.8	246.9	247.7	248.1	250.6
29 Cash assets, total	200.7	185.5	186.3	180.3	193.5	185.2	193.3	174.7	178.4	195.0	205.0
30 Currency and coin	23.0	19.9	20.4	20.3	21.3	20.7	21.1	20.9	20.5	22.3	23.4
31 Reserves with Federal Reserve Banks	26.8	22.0	25.4	23.8	20.0	21.9	24.0	16.6	20.8	19.1	19.7
32 Balances with depository institutions	81.4	81.0	79.8	78.9	84.0	81.2	82.8	79.3	79.5	83.6	88.0
33 Cash items in process of collection	69.4	62.6	60.7	57.3	68.2	61.4	65.4	58.0	57.6	70.0	74.0
34 Other assets ²	341.7	325.4	317.8	309.5	318.1	318.7	324.6	320.9	318.8	329.7	321.3
35 Total assets/total liabilities and capital	1,972.1	1,962.2	1,964.9	1,957.4	2,003.2	1,998.0	2,033.3	2,021.0	2,039.1	2,088.0	2,113.1
36 Deposits	1,409.7	1,419.5	1,411.0	1,413.1	1,443.8	1,438.1	1,461.4	1,448.9	1,459.0	1,499.4	1,524.8
37 Demand	376.2	345.7	341.1	336.4	356.4	346.4	356.6	340.0	343.2	369.9	383.2
38 Savings	296.7	419.7	427.3	440.7	445.7	448.0	449.5	449.3	452.0	458.8	461.3
39 Time	736.7	654.1	642.6	636.0	641.6	643.8	655.3	659.5	663.8	670.6	680.4
40 Borrowings	278.3	269.9	281.3	269.5	278.2	277.9	280.5	282.6	289.6	282.5	275.1
41 Other liabilities	148.4	141.1	138.6	137.9	142.3	139.1	143.4	142.3	141.5	151.9	158.6
42 Residual (assets less liabilities)	135.7	131.9	133.9	137.0	138.9	142.9	148.0	147.3	149.1	154.2	154.7
MEMO											
43 U.S. Treasury note balances included in borrowing	10.7	9.6	17.8	2.7	19.3	19.3	14.8	20.8	22.5	2.8	8.8
44 Number of banks	15,329	15,376	15,390	15,385	15,396	15,359	15,370	15,382	15,383	15,382	15,380

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

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

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

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

A18 Domestic Financial Statistics □ June 1984

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

Millions of dollars, Wednesday figures

Account	1984								
	Apr 4 ¹	Apr. 11 ¹	Apr 18 ¹	Apr. 25 ¹	May 2	May 9	May 16	May 23	May 30
1 Cash and balances due from depository institutions	90,760	87,341	91,151	91,256	93,873	90,176	91,476	86,033	96,556
2 Total loans, leases and securities, net	746,926	745,951	751,461	751,047	755,684	754,785	756,678	756,074	760,171
<i>Securities</i>									
3 U S Treasury and government agency	79,243	79,320	79,947	78,661	77,977	75,966	75,670	75,140	76,834
4 Trading account	11,173	11,534	12,278	11,432	11,522	9,887	10,266	10,284	11,797
5 Investment account, by maturity	68,069	67,786	67,668	67,229	66,455	66,079	65,404	64,855	65,037
6 One year or less	18,392	18,230	18,073	18,238	18,129	17,578	17,098	16,695	17,071
7 Over one through five years	37,000	36,876	36,723	36,107	35,622	35,764	35,879	35,746	35,689
8 Over five years	12,678	12,680	12,872	12,884	12,704	12,738	12,427	12,414	12,278
9 Other securities	48,274	47,929	49,846	49,838	50,394	49,734	49,308	49,005	48,892
10 Trading account	3,946	3,569	5,458	5,492	6,090	5,467	5,055	4,592	4,462
11 Investment account	44,328	44,360	44,389	44,346	44,304	44,268	44,253	44,413	44,430
12 States and political subdivisions, by maturity	40,270	40,269	40,292	40,200	40,155	40,115	40,066	40,196	40,250
13 One year or less	4,659	4,667	4,920	4,867	4,850	4,808	4,758	4,782	4,830
14 Over one year	35,611	35,602	35,372	35,333	35,305	35,307	35,309	35,413	35,420
15 Other bonds, corporate stocks, and securities	4,058	4,092	4,097	4,146	4,149	4,153	4,186	4,218	4,180
16 Other trading account assets	2,224	2,110	2,668	2,430	2,751	2,435	1,960	1,882	1,912
<i>Loans and leases</i>									
17 Federal funds sold ¹	45,683	45,961	41,631	41,797	42,471	45,551	44,750	44,484	44,042
18 To commercial banks	31,751	32,632	28,404	28,374	27,902	31,640	30,316	30,285	30,033
19 To nonbank brokers and dealers in securities	9,166	8,481	8,586	8,696	9,739	8,827	9,206	8,630	8,385
20 To others	4,766	4,847	4,641	4,726	4,829	5,083	5,228	5,568	5,625
21 Other loans and leases, gross	586,112	585,320	591,953	593,007	596,834	595,914	599,857	600,516	603,383
22 Other loans, gross	574,642	573,863	580,491	581,531	585,289	584,374	588,300	589,017	591,806
23 Commercial and industrial	232,624	232,526	234,602	234,848	236,664	239,094	240,550	240,591	239,856
24 Bankers acceptances and commercial paper	3,471	3,273	3,309	3,229	3,547	3,748	3,629	3,640	3,907
25 All other	229,153	229,253	231,293	231,619	233,117	235,346	236,920	236,952	235,949
26 U S addressees	222,272	222,615	224,685	225,181	226,577	228,800	230,252	230,246	229,344
27 Non-U S addressees	6,880	6,638	6,608	6,439	6,540	6,545	6,668	6,705	6,605
28 Real estate loans	147,441	147,727	148,145	148,441	148,412	148,579	148,895	149,108	149,259
29 To individuals for personal expenditures	94,290	94,568	95,094	95,861	96,498	96,491	97,060	97,170	97,591
30 To depository and financial institutions	39,988	39,852	40,920	40,564	41,293	40,292	41,339	41,103	42,144
31 Commercial banks in the United States	7,947	8,167	8,494	8,743	8,870	9,796	9,305	9,264	9,800
32 Banks in foreign countries	6,998	6,798	6,965	7,019	7,012	6,596	6,668	6,630	6,565
33 Nonbank depository and other financial institutions	25,043	24,886	25,461	24,802	25,412	25,720	25,366	25,208	25,779
34 For purchasing and carrying securities	12,932	12,608	13,873	14,356	13,872	12,059	12,484	13,164	14,444
35 To finance agricultural production	7,459	7,396	7,457	7,480	7,517	7,612	7,604	7,604	7,587
36 To states and political subdivisions	21,951	21,976	22,296	22,487	22,463	22,697	22,709	22,862	23,053
37 To foreign governments and official institutions	4,426	4,300	4,354	4,369	4,195	4,207	4,178	4,003	3,996
38 All other	13,528	12,910	13,750	13,124	14,374	13,342	13,481	13,410	13,875
39 Lease financing receivables	11,471	11,457	11,461	11,461	11,546	11,540	11,557	11,499	11,578
40 Less Unearned income	5,192	5,223	5,105	5,139	5,073	5,106	5,131	5,160	5,143
41 Loan and lease reserve	9,418	9,466	9,480	9,547	9,670	9,709	9,736	9,792	9,769
42 Other loans and leases, net	571,502	570,632	577,368	578,321	582,091	581,099	584,990	585,564	588,471
43 All other assets	143,394	142,436	138,729	135,412	140,880	141,945	142,068	136,265	134,659
44 Total assets	981,080	975,728	981,341	977,715	990,437	986,906	990,222	978,372	991,387
<i>Deposits</i>									
45 Demand deposits	187,449	183,492	184,949	178,979	185,550	174,058	187,606	172,574	184,978
46 Individuals, partnerships, and corporations	140,982	140,648	140,632	136,913	140,884	133,822	141,986	132,751	140,815
47 States and political subdivisions	4,609	5,017	4,941	4,739	5,854	4,424	4,867	4,526	4,623
48 U S government	3,624	2,504	3,910	2,818	1,307	1,068	2,463	2,076	1,076
49 Depository institutions in United States	22,640	20,436	20,915	19,420	22,118	20,364	22,509	19,522	22,477
50 Banks in foreign countries	5,723	5,875	5,982	5,950	6,272	6,106	6,263	6,014	6,585
51 Foreign governments and official institutions	802	881	814	856	948	857	1,088	792	845
52 Certified and officers' checks	9,068	8,132	7,755	8,282	8,166	7,418	8,430	6,892	8,557
53 Transaction balances other than demand deposits (ATS, NOW, Super NOW, telephone transfers)	35,260	35,190	35,698	32,985	33,236	33,211	32,984	32,408	32,673
54 Nontransaction balances	415,446	415,732	414,210	413,394	414,606	417,796	420,440	424,671	426,900
55 Individuals, partnerships and corporations	386,696	386,590	384,973	384,092	385,485	388,328	390,080	393,362	395,670
56 States and political subdivisions	18,111	18,260	18,255	18,504	18,392	18,726	19,149	19,742	19,530
57 U S government	386	391	394	382	366	354	351	365	342
58 Depository institutions in the United States	7,409	7,316	7,173	6,977	7,051	7,167	7,334	7,889	8,093
59 Foreign governments, official institutions and banks	2,842	3,175	3,415	3,439	3,311	3,221	3,526	3,314	3,264
60 Liabilities for borrowed money	179,284	180,916	183,176	188,526	188,767	194,477	181,260	180,249	180,297
61 Borrowings from Federal Reserve Banks	60	2,030	40	5,621	170	2,078	4,827	2,416	1,857
62 Treasury tax-and-loan notes	3,382	2,573	10,573	16,653	16,780	13,822	3,303	563	3,006
63 All other liabilities for borrowed money ²	175,842	176,313	172,562	166,252	171,817	178,577	173,131	177,270	175,434
64 Other liabilities and subordinated note and debentures	97,437	93,878	97,226	97,868	101,614	100,445	101,080	101,199	99,459
65 Total liabilities	914,876	909,209	915,258	911,752	923,774	919,989	923,370	911,101	924,307
66 Residual (total assets minus total liabilities) ³	66,204	66,519	66,083	65,962	66,663	66,917	66,852	67,271	67,080

1 Includes securities purchased under agreements to resell. 3 This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.
 2 Includes federal funds purchased and securities sold under agreements to repurchase, for information on these liabilities at banks with assets of \$1 billion or more on Dec 31, 1977, see table 1.13

1.27 LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of \$1 Billion or More on December 31, 1977, Assets and Liabilities▲
 ▲Series Discontinued.

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

Millions of dollars, Wednesday figures

Account	1984									
	Apr. 4	Apr 11	Apr 18	Apr 25 ^r	May 2	May 9	May 16	May 23	May 30	
1 Cash and balances due from depository institutions	21,505	21,259	20,578	23,503	20,088	21,533	22,789	19,903	22,490	
2 Total loans, leases and securities, net ¹	158,749	154,360	155,934	158,245	159,165	159,650	160,726	162,662	164,164	
<i>Securities</i>										
3 U.S. Treasury and government agency ²	..	..	..	..	..	..	..	..	..
4 Trading account ²	..	..	..	..	..	..	..	..	..
5 Investment account, by maturity	10,616	10,410	10,370	10,231	10,082	10,023	10,120	10,064	10,142	
6 One year or less	2,007	1,960	1,954	2,032	2,041	1,912	1,885	1,831	1,905	
7 Over one through five years	7,266	7,106	7,049	6,838	6,652	6,746	7,100	7,090	7,090	
8 Over five years	1,344	1,344	1,367	1,362	1,389	1,364	1,136	1,143	1,148	
9 Other securities ²	..	..	..	..	..	..	..	..	..
10 Trading account ²	..	..	..	..	..	..	..	..	..
11 Investment account	9,306	9,407	9,814	9,798	9,788	9,731	9,690	9,669	9,699	
12 States and political subdivisions, by maturity	8,498	8,581	8,978	8,952	8,940	8,884	8,873	8,881	8,968	
13 One year or less	1,095	1,106	1,535	1,534	1,511	1,485	1,473	1,492	1,572	
14 Over one year	7,402	7,474	7,443	7,418	7,429	7,399	7,400	7,389	7,396	
15 Other bonds, corporate stocks and securities	808	827	836	846	849	847	817	788	731	
16 Other trading account assets ²	..	..	..	..	..	..	..	..	..
<i>Loans and leases</i>										
17 Federal funds sold ³	14,872	11,707	10,240	12,180	12,463	14,462	13,564	15,020	14,771	
18 To commercial banks	7,036	5,378	4,038	6,135	5,530	7,784	6,802	8,152	7,283	
19 To nonbank brokers and dealers in securities	5,182	4,061	4,084	4,004	4,755	4,118	3,921	4,032	4,324	
20 To others	2,654	2,267	2,118	2,040	2,178	2,560	2,842	2,836	3,164	
21 Other loans and leases, gross	128,285	127,175	129,852	130,436	131,220	129,848	131,791	132,422	134,033	
22 Other loans, gross	126,275	125,166	127,837	128,420	129,197	127,827	129,765	130,402	132,011	
23 Commercial and industrial	61,308	61,180	61,979	61,609	62,256	62,977	63,578	63,353	63,195	
24 Bankers acceptances and commercial paper	790	743	699	702	879	818	966	844	948	
25 All other	60,518	60,437	61,281	60,907	61,376	62,159	62,612	62,508	62,248	
26 U.S. addressees	59,149	59,223	60,131	59,809	60,206	60,965	61,292	61,129	60,937	
27 Non-U.S. addressees	1,369	1,214	1,149	1,098	1,170	1,195	1,321	1,379	1,310	
28 Real estate loans	21,439	21,443	21,478	21,608	21,522	21,627	21,715	21,806	21,864	
29 To individuals for personal expenditures	14,236	14,255	14,253	14,486	14,635	14,647	14,714	14,559	14,607	
30 To depository and financial institutions	11,902	11,479	12,054	12,131	12,375	11,486	12,238	12,262	12,732	
31 Commercial banks in the United States	1,268	1,230	1,420	1,642	1,657	1,175	1,667	1,816	2,010	
32 Banks in foreign countries	2,449	2,282	2,276	2,500	2,487	1,967	2,367	2,294	2,187	
33 Nonbank depository and other financial institutions	8,185	7,968	8,358	7,990	8,231	8,344	8,204	8,152	8,534	
34 For purchasing and carrying securities	6,273	5,979	6,822	7,537	7,006	5,779	6,113	6,721	7,854	
35 To finance agricultural production	571	563	544	542	542	552	549	531	520	
36 To states and political subdivisions	6,319	6,302	6,421	6,529	6,335	6,515	6,584	6,726	6,732	
37 To foreign governments and official institutions	605	456	452	457	458	451	516	489	406	
38 All other	3,622	3,508	3,833	3,521	4,098	3,793	3,758	4,055	4,101	
39 Lease financing receivables	2,010	2,010	2,015	2,016	2,023	2,022	2,027	2,020	2,022	
40 LESS: Unearned income	1,499	1,509	1,502	1,529	1,471	1,492	1,509	1,530	1,522	
41 Loan and lease reserve	2,832	2,832	2,840	2,871	2,917	2,922	2,931	2,984	2,960	
42 Other loans and leases, net	123,954	122,835	125,510	126,036	126,831	125,434	127,351	127,908	129,551	
43 All other assets ⁴	64,986	66,199	66,714	62,795	67,752	65,922	66,542	63,750	63,430	
44 Total assets	245,240	241,818	243,227	244,543	247,006	247,104	250,056	246,315	250,084	
<i>Deposits</i>										
45 Demand deposits	47,749	45,104	46,330	47,115	46,035	44,044	49,479	43,829	47,373	
46 Individuals, partnerships, and corporations	31,734	30,361	31,553	32,178	31,917	30,159	32,657	30,398	32,016	
47 States and political subdivisions	627	604	667	638	612	544	706	627	563	
48 U.S. government	940	691	1,107	635	200	184	606	442	175	
49 Depository institutions in the United States	5,150	4,421	4,779	4,230	4,466	4,689	5,451	4,170	4,554	
50 Banks in foreign countries	4,391	4,532	4,521	4,622	4,913	4,767	4,918	4,752	5,194	
51 Foreign governments and official institutions	594	580	623	672	740	660	842	564	618	
52 Certified and officers' checks	4,312	3,914	3,080	4,139	3,188	3,040	4,298	2,875	4,252	
53 Transaction balances other than demand deposits ATS, NOW, Super NOW, telephone transfers)	4,004	4,056	4,214	3,823	3,764	3,699	3,740	3,658	3,651	
54 Nontransaction balances	72,122	72,019	71,963	71,357	72,072	72,684	73,780	74,593	76,050	
55 Individuals, partnerships and corporations	66,191	65,810	65,411	64,820	65,547	66,208	66,514	67,159	68,522	
56 States and political subdivisions	2,020	2,013	2,150	2,222	2,246	2,276	2,434	2,585	2,601	
57 U.S. government	28	29	29	28	29	29	34	35	28	
58 Depository institutions in the United States	2,754	2,600	2,605	2,495	2,554	2,596	2,896	3,151	3,283	
59 Foreign governments, official institutions and banks	1,129	1,566	1,767	1,791	1,696	1,575	1,903	1,664	1,615	
60 Liabilities for borrowed money	60,374	62,572	60,351	60,599	61,046	62,987	58,956	58,800	59,448	
61 Borrowings from Federal Reserve Banks	..	1,525	..	2,675	..	953	..	925	..	
62 Treasury tax-and-loan notes	822	699	3,116	4,284	4,284	3,519	888	83	913	
63 All other liabilities for borrowed money ⁵	59,552	60,348	57,235	53,640	56,762	58,515	58,067	57,792	58,536	
64 Other liabilities and subordinated note and debentures	39,441	36,420	38,843	40,246	42,428	41,856	42,294	43,313	41,629	
65 Total liabilities	223,690	220,172	221,701	223,140	225,345	225,271	228,250	224,193	228,152	
66 Residual (total assets minus total liabilities) ⁶	21,550	21,647	21,525	21,404	21,660	21,832	21,806	22,122	21,932	

1. Excludes trading account securities

2. Not available due to confidentiality

3. Includes securities purchased under agreements to resell.

4. Includes trading account securities.

5. Includes federal funds purchased and securities sold under agreements to repurchase

6. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses

A20 Domestic Financial Statistics □ June 1984

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1984								
	Apr 4	Apr. 11	Apr. 18	Apr. 25	May 2	May 9	May 16	May 23	May 30
BANKS WITH ASSETS OF \$1.4 BILLION OR MORE									
1 Total loans and leases (gross) and investments adjusted ¹	721,838 ^r	719,840 ^r	729,148 ^r	728,615	733,655	729,983	731,924	731,477	735,250
2 Total loans and leases (gross) adjusted ¹	592,098 ^r	590,481 ^r	596,686 ^r	597,686	602,533	601,848	604,986	605,450	607,593
3 Time deposits in amounts of \$100,000 or more	142,205 ^r	141,788 ^r	141,050 ^r	141,585	142,346	144,696	146,727	150,944	152,884
4 Loans sold outright to affiliates—total ²	3,102	3,095	3,092	3,220	3,126	3,125	3,122	2,691	2,631
5 Commercial and industrial	1,884	1,886	1,887	1,999	1,983	1,964	2,005	2,075	2,028
6 Other	1,218	1,209	1,205	1,220	1,144	1,161	1,116	616	603
7 Nontransaction savings deposits (including MMDAs)	156,958 ^r	157,700 ^r	156,353 ^r	154,802	155,085	155,406	155,634	155,224	155,338
BANKS IN NEW YORK CITY									
8 Total loans and leases (gross) and investments adjusted ¹	154,776	152,092	154,818	154,869	156,365	155,106	156,697	157,207	159,352
9 Total loans and leases (gross) adjusted ¹	134,854	132,274	134,634	134,840	136,495	135,352	136,887	137,474	139,510
10 Time deposits in amounts of \$100,000 or more	29,315	28,604	28,588	28,798	29,084	29,739	30,397	31,273	32,668

1. Exclusive of loans and federal funds transactions with domestic commercial banks.
 2. Loans sold are those sold outright to a bank's own foreign branches.
 3. Excludes trading account securities.

1.30 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS WITH ASSETS OF \$1.4 BILLION OR MORE ON JUNE 30, 1980 Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1984								
	Apr 4	Apr 11	Apr 18	Apr 25	May 2	May 9	May 16	May 23	May 30
1 Cash and due from depository institutions	6,782	7,087	6,770	6,938	6,570	7,013	6,865	6,748	6,485
2 Total loans and securities	44,903	45,342	44,888	45,492	45,572	45,474	46,084	45,941	47,284
3 U.S. Treasury and govt. agency securities ¹	4,663	4,501	4,480	4,480	4,429	4,458	4,453	4,331	4,395
4 Other securities ¹	777	756	789	791	786	788	790	786	789
5 Federal funds sold ²	2,344	3,760	3,111	4,340	4,421	4,389	4,366	4,083	4,654
6 To commercial banks in the United States	2,024	3,502	2,778	4,048	4,224	4,145	4,095	3,790	4,372
7 To others	320	259	333	292	198	244	270	293	281
8 Other loans, gross	37,118	36,325	36,509	35,881	35,936	35,839	36,476	36,741	37,447
9 Commercial and industrial	20,752	19,617	19,851	19,730	19,693	20,095	20,297	19,888	20,150
10 Bankers acceptances and commercial paper	2,837	3,017	3,122	3,101	3,298	3,264	3,366	3,266	3,215
11 All other	17,915	16,600	16,728	16,629	16,396	16,831	16,931	16,622	16,935
12 U.S. addressees	16,057	14,769	15,000	14,877	14,737	15,161	15,256	14,994	15,295
13 Non-U.S. addressees	1,858	1,831	1,728	1,752	1,659	1,669	1,675	1,628	1,640
14 To financial institutions	12,984	13,070	13,114	12,606	12,614	12,408	12,797	13,380	13,678
15 Commercial banks in the United States	10,943	10,982	10,970	10,483	10,618	10,324	10,791	11,319	11,476
16 Banks in foreign countries	1,991	1,380	1,421	1,364	1,384	1,420	1,411	1,404	1,458
17 Nonbank financial institutions	650	709	722	759	612	664	595	657	745
18 To foreign govts. and official institutions ³	836	819	799	782	801	800	802	806	806
19 For purchasing and carrying securities	595	841	793	780	949	676	712	821	974
20 All other ⁴	1,950	1,978	1,953	1,984	1,879	1,860	1,869	1,847	1,838
21 Other assets (claims on nonrelated parties)	13,701	13,960	14,447	14,427	14,652	15,105	15,496	16,000	15,248
22 Net due from related institutions	9,424	9,591	9,902	9,347	9,415	10,290	10,125	10,141	9,764
23 Total assets	74,810	75,981	76,008	76,205	76,209	77,882	78,570	78,830	78,781
24 Deposits or credit balances due to other than directly related institutions	20,518	20,170	20,012	19,838	20,389	21,010	21,054	21,858	21,836
25 Credit balances	137 ^r	163 ^r	142 ^r	160 ^r	138	145	186	135	169
26 Demand deposits	1,960 ^r	1,845 ^r	1,925 ^r	1,731 ^r	1,884	1,907	1,842	1,916	1,836
27 Individuals, partnerships, and corporations	993 ^r	831 ^r	830 ^r	779 ^r	845	771	815	810	888
28 Other	968	1,014	1,094	952	1,038	1,136	1,027	1,106	947
29 Time and savings deposits	18,420	18,161	17,945	17,946	18,367	18,957	19,026	19,807	19,831
30 Individuals, partnerships, and corporations	15,478	15,135	14,817	14,854	15,165	15,831	15,909	16,675	16,632
31 Other	2,942	3,026	3,128	3,092	3,202	3,126	3,117	3,132	3,199
32 Borrowings from other than directly related institutions	32,630	33,070	33,487	33,268	32,273	33,530	33,474	32,431	32,205
33 Federal funds purchased ⁴	10,309	10,223	9,541	10,113	9,223	9,983	8,513	7,150	7,506
34 From commercial banks in the United States	7,412	7,609	6,491	6,999	6,275	6,829	5,773	4,300	4,716
35 From others	2,897	2,614	3,050	3,114	2,948	3,154	2,740	2,850	2,791
36 Other liabilities for borrowed money	22,321	22,847	23,946	23,155	23,050	23,547	24,961	25,280	24,698
37 To commercial banks in the United States	19,414	19,836	20,801	19,932	19,768	20,171	21,424	21,756	21,282
38 To others	2,906	3,010	3,145	3,224	3,282	3,376	3,536	3,524	3,416
39 Other liabilities to nonrelated parties	14,169	14,740	15,062	15,119	15,452	15,684	16,067	16,471	15,832
40 Net due to related institutions	7,494	8,001	7,446	7,980	8,095	7,659	7,974	8,070	8,909
41 Total liabilities	74,810	75,981	76,008	76,205	76,209	77,882	78,570	78,830	78,781
MEMO									
42 Total loans (gross) and securities adjusted ⁵	31,936	30,859	31,140	30,961	30,730	31,005	31,198	30,832	31,436
43 Total loans (gross) adjusted ⁵	26,496	25,602	25,871	25,690	25,515	25,758	25,956	25,715	26,253

1. Prior to Jan 4, 1984, U.S. government agency securities were included in other securities.
 2. Includes securities purchased under agreements to resell.
 3. As of Jan 4, 1984, loans to foreign governments and official institutions is reported as a separate item. Before that date it was included in all other loans.
 4. Includes securities sold under agreements to repurchase.
 5. Exclusive of loans to and federal funds sold to commercial banks in the United States.

1.31 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations¹

Billions of dollars, estimated daily-average balances

Type of holder	Commercial banks									
	1978 Dec.	1979 ² Dec.	1980 Dec.	1981 Dec.	1982	1983				1984
					Dec.	Mar.	June	Sept.	Dec.	Mar.
1 All holders—Individuals, partnerships, and corporations	294.6	302.2	315.5	288.9	291.7	272.0	281.9	280.3	293.7	279.3
2 Financial business	27.8	27.1	29.8	28.0	35.4	32.7	34.6	32.1	32.8	31.7
3 Nonfinancial business	152.7	157.7	162.8	154.8	150.5	139.9	146.9	150.2	161.3	150.3
4 Consumer	97.4	99.2	102.4	86.6	85.9	79.4	80.3	77.9	78.5	78.1
5 Foreign	2.7	3.1	3.3	2.9	3.0	3.1	3.0	2.9	3.3	3.3
6 Other	14.1	15.1	17.2	16.7	17.0	16.9	17.2	17.1	17.8	15.9
	Weekly reporting banks									
	1978 Dec.	1979 ³ Dec.	1980 Dec.	1981 Dec.	1982	1983				1984
					Dec.	Mar.	June	Sept.	Dec.	Mar.
7 All holders—Individuals, partnerships, and corporations	147.0	139.3	147.4	137.5	144.2	133.0	139.6	136.3	146.2	139.2
8 Financial business	19.8	20.1	21.8	21.0	26.7	24.3	26.2	23.6	24.2	23.5
9 Nonfinancial business	79.0	74.1	78.3	75.2	74.3	68.9	72.8	72.9	79.8	76.4
10 Consumer	38.2	34.3	35.6	30.4	31.9	28.7	28.5	28.1	29.7	28.4
11 Foreign	2.5	3.0	3.1	2.8	2.9	3.0	2.8	2.8	3.1	3.2
12 Other	7.5	7.8	8.6	8.0	8.4	8.1	9.3	8.9	9.3	7.7

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 Dec. 31, 1977. Beginning in March 1979, demand deposit ownership estimates for these large banks are constructed quarterly on the basis of 97 sample banks and are not comparable with earlier data. The following estimates in billions of dollars for December 1978 have been constructed for the new large-bank panel, financial business, 18.2, nonfinancial business, 67.2, consumer, 32.8; foreign, 2.5, other, 6.8.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1978 Dec.	1979 ¹ Dec	1980 Dec.	1981 Dec.	1982 Dec. ²	1983		1984			
						Nov	Dec	Jan	Feb	Mar	Apr.
Commercial paper (seasonally adjusted unless noted otherwise)											
1 All issuers	83,438	112,803	124,374	165,829	166,670	180,606	185,852	184,419	190,808	200,631	209,535
Financial companies ³											
Dealer-placed paper ⁴											
2 Total	12,181	17,359	19,599	30,333	34,634	41,459	41,688	39,884	41,363	43,167	46,091
3 Bank-related (not seasonally adjusted)	3,521	2,784	3,561	6,045	2,516	2,341	2,441	2,087	1,765	1,767	1,865
Directly placed paper ⁵											
4 Total	51,647	64,757	67,854	81,660	84,130	93,878	96,548	98,495	102,606	107,421	109,376
5 Bank-related (not seasonally adjusted)	12,314	17,598	22,382	26,914	32,034	35,001	35,566	37,636	36,958	39,617	41,881
6 Nonfinancial companies ⁶	19,610	30,687	36,921	53,836	47,906	45,269	47,616	46,040	46,839	50,043	54,068
Bankers dollar acceptances (not seasonally adjusted)											
7 Total	33,700	45,321	54,744	69,226	79,543	77,919	78,309	73,450	74,367	73,221	78,457
Holder											
8 Accepting banks	8,579	9,865	10,564	10,857	10,910	10,894	9,355	9,546	9,237	8,734	11,160
9 Own bills	7,653	8,327	8,963	9,743	9,471	9,558	8,125	7,814	7,897	7,040	9,029
10 Bills bought	927	1,538	1,601	1,115	1,439	1,337	1,230	1,732	1,340	1,694	2,131
Federal Reserve Banks											
11 Own account	587	704	776	195	1,480	0	418	0	0	0	0
12 Foreign correspondents	664	1,382	1,791	1,442	949	573	729	729	777	896	834
13 Others	24,456	33,370	41,614	56,731	66,204	66,452	68,225	63,174	64,353	63,592	66,464
Basis											
14 Imports into United States	8,574	10,270	11,776	14,765	17,683	14,906	15,649	15,028	15,495	15,107	16,579
15 Exports from United States	7,586	9,640	12,712	15,400	16,328	17,209	16,880	16,159	15,818	15,572	17,025
16 All other	17,541	25,411	30,257	39,060	45,531	45,806	45,781	42,262	43,055	42,542	44,853

1 A change in reporting instructions results in offsetting shifts in the dealer-placed and directly placed financial company paper in October 1979.
 2 Effective Dec. 1, 1982, there was a break in the commercial paper series. The key changes in the content of the data involved additions to the reporting panel, the exclusion of broker or dealer placed borrowings under any master note agreements from the reported data, and the reclassification of a large portion of bank-related paper from dealer-placed to directly placed.
 3 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.
 4 Includes all financial company paper sold by dealers in the open market.
 5 As reported by financial companies that place their paper directly with investors.
 6 Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

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

Percent per annum

Effective date	Rate	Effective Date	Rate	Month	Average rate	Month	Average rate
1981—Nov 24	16 00	1982—Oct 14	12 00	1982—Jan	15 75	1983—Mar	10 50
Dec 1	15 75	Nov 22	11 50	Feb	16 56	Apr	10 50
				Mar	16 50	May	10 50
				Apr	16 50	June	10 50
1982—Feb 18	17 00	1983—Jan 11	11 00	May	16 50	July	10 50
23	16 50	Feb 28	10 50	June	16 50	Aug	10 89
July 20	16 00	Aug 8	11 00	July	16 26	Sept	11 00
29	15 50			Aug	14 39	Oct	11 00
Aug 2	15 00	1984—Mar 19	11 50	Sept	13 50	Nov	11 00
16	14 50	Apr 5	12 00	Oct	12 52	Dec	11 00
18	14 00	May 8	12 50	Nov	11 85		
Aug 23	13 50			Dec	11 50	1984—Jan	11 00
Oct 7	13 00					Feb	11 00
				1983—Jan	11 16	Mar	11 21
				Feb	10 98	Apr	11 93
						May	12 39

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 6-10, 1984

Item	All sizes	Size of loan (in thousands of dollars)					
		1-24	25-49	50-99	100-499	500-999	1,000 and over
SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS							
1 Amount of loans (thousands of dollars) . . .	38,330,316	991,513	549,652	709,274	2,247,241	972,939	32,859,696
2 Number of loans	171,352	125,356	16,856	10,749	12,402	1,483	4,507
3 Weighted-average maturity (months)	1.1	4.6	4.2	3.5	4.2	3.1	7
4 With fixed rates	7	4.0	3.8	2.0	2.5	1.5	5
5 With floating rates	2.2	6.1	4.9	5.1	5.2	4.1	1.3
6 Weighted-average interest rate (percent per annum)	11.06	14.13	13.45	13.33	12.66	11.99	10.75
7 Interquartile range ¹	10.45-11.24	13.24-14.93	12.55-14.20	12.13-14.54	11.57-13.80	11.46-12.68	10.40-10.89
8 With fixed rates	10.93	14.44	13.70	13.89	13.03	11.45	10.68
9 With floating rates	11.35	13.53	13.13	12.76	12.49	12.20	10.91
<i>Percentage of amount of loans</i>							
10 With floating rate	32.6	33.9	44.7	49.6	69.3	72.4	28.3
11 Made under commitment	63.7	33.8	37.8	44.5	58.7	69.8	65.6
12 With no stated maturity	10.4	11.6	12.5	27.4	22.7	35.4	8.4
13 With one-day maturity	40.3	1	1	2	6	2.2	46.9
LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS							
1-99							
14 Amount of loans (thousands of dollars)	3,705,613	473,173		351,506		206,780	2,674,153
15 Number of loans	29,580	26,742		1,980		309	548
16 Weighted-average maturity (months)	48.0	40.4		39.6		42.2	50.9
17 With fixed rates	48.5	36.5		37.0		38.2	57.0
18 With floating rates	47.9	43.7		40.9		43.2	49.5
19 Weighted-average interest rate (percent per annum)	11.92	14.21		12.13		12.18	11.46
20 Interquartile range ¹	10.86-12.69	13.00-14.93		11.46-13.10		11.57-12.96	10.65-12.28
21 With fixed rates	12.33	15.24		11.29		12.15	11.33
22 With floating rates	11.78	13.31		12.53		12.18	11.49
<i>Percentage of amount of loans</i>							
23 With floating rate	76.0	53.5		68.1		80.5	80.7
24 Made under commitment	73.9	31.1		69.3		81.1	81.5
CONSTRUCTION AND LAND DEVELOPMENT LOANS							
1-24 25-49 50-99 500 and over							
25 Amount of loans (thousands of dollars)	2,278,565	189,847	358,574	249,161	909,700	571,282	
26 Number of loans	43,012	23,372	10,406	3,977	4,978	279	
27 Weighted-average maturity (months)	8.9	5.3	9.9	5.8	11.2	7.2	
28 With fixed rates	4.3	5.4	7.6	5.0	3.2	2.2	
29 With floating rates	13.5	5.1	12.0	7.5	20.1	9.3	
30 Weighted-average interest rate (percent per annum)	13.34	14.03	13.38	13.80	13.77	12.22	
31 Interquartile range ¹	12.00-14.20	13.27-14.45	12.37-14.50	12.92-14.76	12.00-14.21	11.57-12.69	
32 With fixed rates	14.13	14.12	13.75	14.29	15.05	11.74	
33 With floating rates	12.60	13.79	13.05	12.73	12.42	12.41	
<i>Percentage of amount of loans</i>							
34 With floating rate	51.3	26.7	53.6	31.5	48.5	71.3	
35 Secured by real estate	91.3	80.8	99.5	96.2	97.8	77.1	
36 Made under commitment	61.6	36.7	76.5	65.2	46.1	83.8	
37 With no stated maturity	49.9	47.9	44.0	51.9	73.4	15.9	
38 With one-day maturity	6.0	10.6	5	18.8	4.3	5.3	
<i>Type of construction</i>							
39 1- to 4-family	44.1	41.6	55.5	29.4	22.3	78.8	
40 Multifamily	2.3	2.7	1.5	1.5	2.8	2.2	
41 Nonresidential	0	0	0	0	0	0	
LOANS TO FARMERS							
All sizes 1-9 10-24 25-49 50-99 100-249 250 and over							
42 Amount of loans (thousands of dollars)	1,352,194	158,661	161,008	194,352	199,351	216,433	422,389
43 Number of loans	64,008	42,006	11,116	5,719	3,212	1,516	438
44 Weighted-average maturity (months)	8.5	8.6	9.5	8.9	8.6	10.6	6.7
45 Weighted-average interest rate (percent per annum)	13.50	14.12	14.22	14.12	13.90	14.00	12.27
46 Interquartile range ¹	12.63-14.45	13.50-14.75	13.66-14.76	13.51-14.93	13.24-14.38	13.08-14.45	11.53-12.75
<i>By purpose of loan</i>							
47 Feeder livestock	12.68	14.29	14.24	13.61	13.74	13.71	11.96
48 Other livestock	13.62	13.92	14.06	13.86	(²)	(²)	13.04
49 Other current operating expenses	13.81	14.09	14.19	14.15	13.91	14.05	11.94
50 Farm machinery and equipment	13.86	14.05	14.04	(²)	(²)	(²)	(²)
51 Other	13.47	14.42	14.56	14.42	14.05	14.13	12.69

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 F.2 (11) statistical release

I.35 INTEREST RATES Money and Capital Markets

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

Instrument	1981	1982	1983	1984				1984, week ending				
				Feb	Mar.	Apr.	May	May 4	May 11	May 18	May 25	June 1
MONEY MARKET RATES												
1 Federal funds ^{1,2}	16.38	12.26	9.09	9.59	9.91	10.29	10.32	10.70	10.46	10.52	9.75	10.30
2 Discount window borrowing ^{1,2,3}	13.42	11.02	8.50	8.50	8.50	8.87	9.00	9.00	9.00	9.00	9.00	9.00
Commercial paper ^{4,5}												
3 1-month	15.69	11.83	8.87	9.35	9.81	10.17	10.38	10.28	10.52	10.54	10.19	10.32
4 3-month	15.32	11.89	8.88	9.32	9.83	10.18	10.65	10.33	10.73	10.84	10.57	10.72
5 6-month	14.76	11.89	8.89	9.31	9.86	10.22	10.87	10.37	10.86	11.05	10.96	11.08
Finance paper, directly placed ^{4,5}												
6 1-month	15.30	11.64	8.80	9.34	9.76	10.08	10.26	10.21	10.43	10.25	10.12	10.28
7 3-month	14.08	11.23	8.70	9.14	9.54	9.86	10.16	9.95	10.13	10.23	10.21	10.26
8 6-month	13.73	11.20	8.69	9.06	9.38	9.76	10.03	9.86	10.00	10.09	10.10	10.11
Bankers' acceptances ^{5,6}												
9 3-month	15.32	11.89	8.90	9.38	9.88	10.22	10.84	10.38	10.93	11.02	10.89	10.88
10 6-month	14.66	11.83	8.91	9.35	9.91	10.26	11.06	10.43	11.00	11.22	11.25	11.35
Certificates of deposit, secondary market ⁷												
11 1-month	15.91	12.04	8.96	9.43	9.91	10.24	10.62	10.39	10.77	10.82	10.50	10.56
12 3-month	15.91	12.27	9.07	9.54	10.08	10.41	11.11	10.60	11.17	11.32	11.14	11.31
13 6-month	15.77	12.57	9.27	9.73	10.37	10.73	11.64	10.96	11.59	11.84	11.82	11.99
14 Eurodollar deposits, 3-month ⁸	16.79	13.12	9.56	9.91	10.40	10.83	11.53	10.99	11.59	11.74	11.59	11.67
U.S. Treasury bills												
Secondary market ⁹												
15 3-month	14.03	10.61	8.61	9.09	9.52	9.69	9.83	9.73	9.97	9.88	9.79	9.76
16 6-month	13.80	11.07	8.73	9.18	9.66	9.84	10.31	9.99	10.28	10.28	10.42	10.56
17 1-year	13.14	11.07	8.80	9.20	9.67	9.95	10.57	10.18	10.46	10.59	10.73	10.94
Auction average ¹⁰												
18 3-month	14.029	10.686	8.63	9.03	9.44	9.69	9.90	9.68	9.99	10.07	9.95	9.83
19 6-month	13.776	11.084	8.75	9.13	9.58	9.83	10.31	9.88	10.27	10.40	10.38	10.62
20 1-year	13.159	11.099	8.86	9.24	9.68	9.86	10.64			10.64		
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds ¹¹												
Constant maturities ¹²												
21 1-year	14.78	12.27	9.57	10.04	10.59	10.90	11.66	11.19	11.52	11.68	11.84	12.10
22 2-year	14.56	12.80	10.21	10.79	11.31	11.69	12.47	11.96	12.33	12.50	12.65	12.94
23 2-1/2-year ¹³									12.20	12.65	13.05	
24 3-year	14.44	12.92	10.45	11.05	11.59	11.98	12.75	12.26	12.59	12.78	12.93	13.25
25 5-year	14.24	13.01	10.80	11.54	12.02	12.37	13.17	12.65	12.99	13.24	13.35	13.69
26 7-year	14.06	13.06	11.02	11.75	12.25	12.56	13.34	12.82	13.17	13.41	13.50	13.82
27 10-year	13.91	13.00	11.10	11.84	12.32	12.63	13.41	12.89	13.23	13.49	13.59	13.86
28 20-year	13.72	12.92	11.34	12.00	12.45	12.65	13.43	12.94	13.28	13.52	13.60	13.79
29 30-year	13.44	12.76	11.18	11.95	12.38	12.65	13.43	12.93	13.27	13.52	13.60	13.80
Composite ¹⁴												
30 Over 10 years (long-term)	12.87	12.23	10.84	11.44	11.90	12.17	12.89	12.43	12.73	12.98	13.04	13.25
State and local notes and bonds												
Moody's series ¹⁵												
31 Aaa	10.43	10.88	8.80	9.04	9.41	9.54	9.98	9.60	9.80	10.00	10.20	10.30
32 Baa	11.76	12.48	10.17	9.94	10.22	10.30	10.55	10.30	10.35	10.40	10.60	11.10
33 Bond Buyer series ¹⁶	11.33	11.66	9.51	9.64	9.94	9.96	10.49	9.99	10.19	10.36	10.83	11.07
Corporate bonds												
Seasoned issues ¹⁷												
34 All industries	15.06	14.94	12.78	12.88	13.33	13.59	14.13	13.79	13.97	14.19	14.29	14.44
35 Aaa	14.17	13.79	12.04	12.08	12.57	12.81	13.28	13.00	13.15	13.33	13.42	13.56
36 Aa	14.75	14.41	12.42	12.70	13.22	13.48	14.10	13.72	13.92	14.21	14.27	14.44
37 A	15.29	15.43	13.10	13.11	13.54	13.77	14.37	13.97	14.19	14.48	14.54	14.73
38 Baa	16.04	16.11	13.55	13.59	13.99	14.31	14.74	14.46	14.61	14.75	14.91	15.04
39 A-rated, recently-offered utility bond ¹⁸	16.63	15.49	12.73	13.05	13.63	13.96	14.79	14.40	14.77	14.87	15.15	15.02
M/MO Dividend/price ratio ¹⁹												
40 Preferred stocks	12.36	12.53	11.02	11.16	11.39	11.66	11.72 ^p	11.58	11.68	11.62	11.77	11.97
41 Common stocks	5.20	5.81	4.40	4.59	4.63	4.64	4.72 ^p	4.54	4.59	4.69	4.83	4.93

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

2. Weekly figures are averages for statement week ending Wednesday.

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

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

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

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

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

8. Calendar week average. For indication purposes only.

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

10. Rates are recorded in the week in which bills are issued. Beginning with the Treasury bill auction held on April 18, 1983, bidders were required to state the percentage yield (on a bank discount basis) that they would accept to two decimal

places. Thus, average issuing rates in bill auctions will be reported using two rather than three decimal places.

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

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

13. Each biweekly figure is the average of five business days ending on the Monday following the date indicated. Until Mar. 31, 1983, the biweekly rate determined the maximum interest rate payable in the following two-week period on 2-1/2-year small saver certificates. (See table I.16.)

14. Averages (to maturity or call) for all outstanding bonds, neither due nor callable in less than 10 years, including several very low yielding "flower" bonds.

15. General obligations based on Thursday figures, Moody's Investors Service.

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

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

18. Compilation of the Federal Reserve. This series is an estimate of the yield on recently-offered, A-rated utility bonds with a 30-year maturity and 5 years of call protection. Weekly data are based on Friday quotations.

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

1.36 STOCK MARKET Selected Statistics

Indicator	1981	1982	1983	1983				1984				
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Prices and trading (averages of daily figures)												
<i>Common stock prices</i>												
1 New York Stock Exchange (Dec 31, 1965 = 50)	74.02	68.93	92.63	96.70	96.78	95.36	94.92	96.16	90.60	90.66	90.67	90.07
2 Industrial	85.44	78.18	107.45	112.76	112.87	110.77	110.60	112.16	105.44	105.92	106.56	105.94
3 Transportation	72.61	60.41	89.36	94.56	95.41	97.68	98.79	97.98	86.33	86.10	83.61	81.62
4 Utility	38.90	39.75	47.00	48.16	48.73	48.50	47.00	47.43	45.67	44.83	43.86	44.22
5 Finance	73.52	71.99	95.34	97.00	94.79	94.48	94.25	95.79	89.95	89.50	88.22	85.06
6 Standard & Poor's Corporation (1941-43 = 100) ¹	128.05	119.71	160.41	167.16	167.65	165.23	164.36	166.39	157.70	157.44	157.60	156.55
7 American Stock Exchange ² (Aug. 31, 1973 = 100)	171.79	141.31	216.48	234.36	223.76	218.42	221.31	224.83	207.95	210.09	207.66	206.39
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	46,967	64,617	85,418	82,866	85,445	86,405	88,041	105,518	96,641	84,328	85,874	88,170
9 American Stock Exchange	5,346	5,283	8,215	6,629	7,751	6,160	6,939	7,167	6,431	5,382	5,863	5,935
Customer financing (end-of-period balances, in millions of dollars)												
10 Margin credit at broker-dealers ³	14,411	13,325	23,000	20,124	21,030	22,075	23,000	23,132	22,557	22,668	22,830	↕
11 Margin stock	14,150	12,980	22,720	19,760	20,690	21,790	22,720	22,870	22,330	22,460	↕	↕
12 Convertible bonds	259	344	279	363	339	285	279	261	226	208	n a	n a
13 Subscription issues	2	1	1	1	1	1	1	1	1	*	↕	↕
<i>Free credit balances at brokers⁴</i>												
14 Margin-account	3,515	5,735	6,620	6,550	6,630	6,512	6,620	6,510	6,420	6,520	6,450	↕
15 Cash-account	7,150	8,390	8,430	7,930	7,695	7,599	8,430	8,230	8,420	8,265	7,910	↕
Margin-account debt at brokers (percentage distribution, end of period)												
16 Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	↕
<i>By equity class (in percent)⁵</i>												
17 Under 40	37.0	21.0	41.0	24.0	35.0	48.0	41.0	43.0	48.0	46.0	47.0	↕
18 40-49	24.0	24.0	22.0	27.0	24.0	22.0	22.0	21.0	20.0	20.0	20.0	↕
19 50-59	17.0	24.0	16.0	21.0	17.0	17.0	16.0	15.0	13.0	14.0	13.0	↕
20 60-69	10.0	14.0	9.0	12.0	10.0	10.0	9.0	9.0	8.0	9.0	8.0	↕
21 70-79	6.0	9.0	6.0	9.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	↕
22 80 or more	6.0	8.0	6.0	7.0	7.0	6.0	6.0	6.0	5.0	5.0	6.0	↕
Special miscellaneous-account balances at brokers (end of period)												
23 Total balances (millions of dollars) ⁶	25,870	35,598	58,329	51,211	54,029	57,490	58,329	62,670	63,411	65,855	66,340	↕
<i>Distribution by equity status (percent)</i>												
24 Net credit status	58.0	62.0	63.0	64.0	63.0	63.0	63.0	61.0	59.0	61.0	60.0	↕
25 Debt status, equity of 60 percent or more	31.0	29.0	28.0	29.0	28.0	29.0	28.0	29.0	29.0	28.0	29.0	↕
26 Less than 60 percent	11.0	9.0	9.0	7.0	9.0	8.0	9.0	10.0	12.0	11.0	11.0	↕
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. Beginning July 5, 1983, the American Stock Exchange rebased its index effectively cutting previous readings in half.

3. Beginning July 1983, under the revised Regulation T, margin credit at broker-dealers includes credit extended against stocks, convertible bonds, stocks acquired through exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984, and margin credit at broker-dealers became the total that is distributed by equity class and shown on lines 17-22.

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

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

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

7. Regulations G, F, 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.

A26 Domestic Financial Statistics □ June 1984

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1981	1982	1983							1984			
			June	July	Aug	Sept	Oct	Nov	Dec.	Jan	Feb.	Mar	Apr. ^P
Savings and loan associations													
1 Assets	664,167	707,646	733,074	741,416	746,998	748,491	756,953	763,365	771,705	772,723	780,107	796,095	806,281
2 Mortgages	518,547	483,614	474,510	479,322	483,178	482,305	485,366	489,720	493,432	494,682	497,987	502,143	509,128
3 Cash and investment securities ¹	63,123	85,438	102,063	102,546	99,812	100,243	101,553	101,553	103,395	101,883	103,917	108,565	105,927
4 Other	82,497	138,594	156,501	159,548	164,008	165,943	170,034	172,259	174,878	176,158	178,203	185,387	191,226
5 Liabilities and net worth	664,167	707,646	733,074	741,416	746,998	748,491	756,953	763,365	771,705	772,723	780,107	796,095	806,281
6 Savings capital	525,061	567,961	605,282	610,826	615,369	618,002	622,577	625,013	634,076	639,694	644,588	656,252	660,155
7 Borrowed money	88,782	97,850	84,342	84,694	84,267	85,976	87,367	89,235	91,443	86,322	86,526	93,321	97,434
8 FHLBB	62,794	63,861	54,234	53,579	52,182	52,179	52,678	51,735	52,626	50,880	50,465	50,663	51,940
9 Other	25,988	33,989	30,108	31,115	32,085	33,797	34,689	37,500	38,817	35,442	36,061	42,658	45,494
10 Loans in process ²	6,385	9,934	15,998	17,094	17,967	18,812	19,209	19,728	21,117	21,498	21,939	22,929	23,778
11 Other	15,544	15,602	15,140	17,527	18,615	15,496	17,458	19,179	15,275	15,777	17,520	14,938	16,869
12 Net worth ³	28,395	26,233	28,310	28,369	28,626	29,017	29,551	29,938	30,911	30,930	31,473	31,584	31,823
13 MEMO Mortgage loan commitments outstanding ⁴	15,225	18,054	30,691	31,733	32,415	32,483	32,798	34,780	32,996	39,813	36,150	39,813	41,642
Mutual savings banks⁵													
14 Assets	175,728	174,197	181,975	182,822	183,612	186,041	187,385	189,149	193,535	194,217	195,168	196,944	↑
Loans													
15 Mortgage	99,997	94,091	94,000	93,998	93,941	94,831	94,863	95,600	97,356	97,704	97,895	98,383	
16 Other	14,753	16,957	17,438	18,134	17,929	17,830	19,589	19,675	19,129	20,469	21,694	21,971	
Securities													
17 U.S. government ⁶	9,810	9,743	13,572	13,931	14,484	14,794	14,634	15,092	15,360	15,167	15,667	15,773	
18 State and local government	2,288	2,470	2,257	2,248	2,247	2,244	2,195	2,195	2,177	2,180	2,054	2,071	
19 Corporate and other ⁷	37,791	36,161	40,206	40,667	41,045	41,889	42,092	42,629	43,580	43,541	43,439	43,465	
20 Cash	5,442	6,919	6,224	5,322	5,168	5,560	4,993	4,983	6,263	4,783	4,580	5,024	
21 Other assets	5,649	7,855	8,276	8,522	8,799	8,893	9,019	8,975	9,670	10,373	9,839	10,257	
22 Liabilities	175,728	174,197	181,975	182,822	183,612	186,041	187,385	189,149	193,535	194,217	195,168	196,944	n.a.
23 Deposits	155,110	155,196	163,990	164,848	165,087	165,887	168,064	169,356	172,665	173,637	174,349	175,909	
24 Regular ⁸	153,003	152,777	161,573	162,271	162,600	162,998	165,575	167,006	170,135	171,099	171,935	173,250	
25 Ordinary savings	49,425	46,862	40,451	39,983	39,360	39,768	38,485	38,448	38,554	37,999	37,642	37,853	
26 Time	103,578	96,369	84,705	85,445	86,446	85,603	91,795	93,073	95,129	96,520	96,983	97,230	
27 Other	2,108	2,419	2,417	2,577	2,487	2,889	2,489	2,350	2,530	2,538	2,414	2,659	
28 Other liabilities	10,632	8,336	7,754	7,596	7,884	9,475	8,779	9,185	10,154	9,932	9,932	10,280	
29 General reserve accounts	9,986	9,235	9,575	9,684	9,932	9,879	10,015	10,210	10,368	10,334	10,566	10,384	
30 MEMO Mortgage loan commitments outstanding ⁹	1,293	1,285	1,884	1,969	2,046	2,023	2,210	2,418	2,387	n.a.	n.a.	n.a.	↓
Life insurance companies													
31 Assets	525,803	588,163	628,224	633,569	638,826	644,295	647,149	652,904	658,979	663,013	664,677	↑	↑
Securities													
32 Government	25,209	36,499	43,348	44,751	45,700	46,109	47,767	47,170	49,417	49,690	49,711		
33 United States ¹⁰	8,167	16,529	21,141	22,228	22,817	23,134	24,380	24,232	26,364	26,659	27,285		
34 State and local	7,151	8,664	10,355	10,504	10,695	10,739	10,791	10,686	10,796	10,673	10,048		
35 Foreign ¹¹	9,891	11,306	11,852	12,019	12,188	12,236	12,596	12,252	12,257	12,358	12,378		
36 Business	255,769	287,126	313,510	316,934	318,584	321,568	320,964	325,787	325,015	329,697	330,303	n.a.	n.a.
37 Bonds	208,099	231,406	248,248	252,397	253,977	256,131	256,332	260,432	259,591	264,430	266,234		
38 Stocks	47,670	55,720	65,262	64,537	64,607	65,437	64,632	65,355	65,424	65,267	64,069		
39 Mortgages	137,747	141,989	144,725	145,086	146,400	147,356	148,256	148,947	151,599	151,878	151,630		
40 Real estate	18,278	20,264	21,629	21,690	21,749	21,903	22,141	22,278	22,683	22,700	23,032		
41 Policy loans	48,706	52,961	53,914	53,972	54,063	54,165	54,255	54,362	54,518	54,559	54,631		
42 Other assets	40,094	48,571	51,098	51,136	52,330	53,194	53,765	54,360	55,747	54,474	55,370		
Credit unions¹²													
43 Total assets/liabilities and capital	60,611	69,585	78,362	78,846	79,241	80,189	80,419	81,094	81,961	82,287	83,779	86,498	87,204
44 Federal	39,181	45,493	51,430	51,859	52,261	53,086	53,297	53,801	54,482	54,770	55,753	57,569	58,127
45 State	21,430	24,092	26,932	26,987	26,980	27,103	27,122	27,293	27,479	27,517	28,026	28,929	29,077
46 Loans outstanding	42,333	43,232	45,006	45,647	46,940	47,829	48,454	49,240	50,083	50,477	51,386	52,353	53,355
47 Federal	27,096	27,948	29,175	29,672	30,582	31,212	31,691	32,304	32,930	33,270	33,878	34,510	35,286
48 State	15,237	15,284	15,831	15,975	16,358	16,617	16,763	16,936	17,153	17,207	17,508	17,843	18,069
49 Savings	54,152	62,990	71,610	72,232	72,214	73,280	73,661	74,051	74,739	75,373	76,423	79,150	80,032
50 Federal (shares)	35,250	41,352	47,145	47,713	47,847	48,709	49,044	49,400	49,889	50,438	51,218	52,905	53,587
51 State (shares and deposits)	18,902	21,638	24,465	24,519	24,367	24,571	24,617	24,651	24,850	24,935	25,205	26,245	26,445

1.37 Continued

Account	1981	1982	1983						1984				
			June	July	Aug	Sept	Oct.	Nov	Dec.	Jan	Feb.	Mar	Apr ^P
FSLIC-insured federal savings banks													
52 Assets	6,859	39,660	41,763	46,191	57,496	59,422	61,717	64,969	69,835	72,143	75,555	77,416
53 Mortgages		3,353	25,236	26,494	28,086	34,814	35,637	37,166	38,698	41,754	43,371	44,708	45,864
54 Cash and investment securities ¹			6,675	6,890	7,514	9,245	9,587	9,653	10,436	11,243	11,662	12,552	12,824
55 Other			7,749	8,379	10,591	13,437	14,198	14,898	15,835	16,838	17,110	18,295	18,728
56 Liabilities and net worth	6,859	39,660	41,763	46,191	57,496	59,422	61,717	64,969	69,835	72,143	75,555	77,416
57 Savings and capital		5,877	32,446	34,108	37,284	47,058	48,544	50,384	53,227	57,195	59,107	61,433	62,481
58 Borrowed money			4,831	5,008	5,445	6,598	6,775	6,981	7,477	8,048	8,088	9,213	9,767
59 FHLBB			3,094	3,131	3,572	4,192	4,323	4,381	4,640	4,751	4,884	5,232	5,492
60 Other			1,737	1,877	1,873	2,406	2,452	2,600	2,837	3,297	3,204	3,981	4,275
61 Other			755	919	1,142	1,089	1,293	1,428	1,157	1,347	1,545	1,360	1,544
62 Net worth ¹			1,628	1,728	2,320	2,751	2,810	2,924	3,108	3,245	3,403	3,549	3,624
MEMO													
63 Loans in process ²		98	791	828	934	1,120	1,181	1,222	1,264	1,387	1,531	1,669	1,714
64 Mortgage loan commitments outstanding ⁴			1,438	1,743	1,774	2,130	2,064	2,230	2,151	2,974	2,704	3,253	3,722

1. Holdings of stock of the Federal Home Loan Banks are in "other assets."
2. Beginning in 1982, loans in process are classified as contra-assets and are not included in total liabilities and net worth. Total assets are net of loans in process.

3. Includes net undistributed income accrued by most associations.

4. Excludes figures for loans in process.

5. The National Council reports data on member mutual savings banks and on savings banks that have converted to stock institutions, and to federal savings banks.

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

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

8. Excludes checking, club, and school accounts.

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

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

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

12. As of June 1982, data include only federal or federally insured state credit unions serving natural persons.

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

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

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

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

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983	Calendar year					
				1982		1983		1984	
				H1	H2	H1	Feb	Mar.	Apr
<i>U.S. budget</i>									
1 Receipts	599,272	617,766	600,562	322,478	286,338	306,331	47,886	44,464	80,180
2 Outlays ¹	657,204	728,375	795,917	348,678	390,846	396,477	68,267	73,020	68,687
3 Surplus, or deficit (-)	-57,932	-110,609	-195,355	-26,200	-104,508	-90,146	-20,381	-28,556	11,493
4 Trust funds	6,817	5,456	23,056	-17,690	-6,576	22,680	557	-2,827	5,033
5 Federal funds ^{2,3}	-64,749	-116,065	-218,410	-43,889	-97,934	-112,822	-20,938	-25,728	6,459
<i>Off-budget entities (surplus, or deficit (-))</i>									
6 Federal Financing Bank outlays	-20,769	-14,142	-10,404	-7,942	-4,923	-5,418	-8	-1,431	-920
7 Other ^{3,4}	-236	-3,190	-1,953	227	-2,267	-528	-198	-296	262
<i>U.S. budget plus off-budget, including Federal Financing Bank</i>									
8 Surplus, or deficit (-)	78,936	-127,940	-207,711	-33,914	-111,699	-96,094	-20,588	-30,282	10,833
<i>Source of financing</i>									
9 Borrowing from the public	79,329	134,993	212,425	41,728	119,609	102,538	18,172	7,568	17,038
10 Cash and monetary assets (decrease, or increase (-)) ⁴	-1,878	-11,911	-9,889	-408	-9,057	-9,664	8,722	9,415	24,772
11 Other ⁵	1,485	4,858	5,176	-7,405	1,146	3,222	-6,306	13,299	3,099
MEMO									
12 Treasury operating balance (level, end of period)	18,670	29,164	37,057	10,999	19,773	100,243	23,758	14,054	38,204
13 Federal Reserve Banks	3,520	10,975	16,557	4,099	5,033	19,442	3,226	3,684	16,729
14 Tax and loan accounts	15,150	18,189	20,500	6,900	14,740	72,037	20,531	10,369	21,474

1. Effective Feb. 8, 1982, supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other insurance receipts, have been reclassified as offsetting receipts in the health function.

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

3. Other off-budget includes Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, and petroleum acquisition and transportation and strategic petroleum reserve effective November 1981.

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

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

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

A28 Domestic Financial Statistics □ June 1984

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983	Calendar year					
				1982		1983	1984		
				H1	H2	H1	Feb	Mar	Apr
RECEIPTS									
1 All sources	599,272	617,766	600,563	322,478	286,338	306,331	47,886	44,464	80,180
2 Individual income taxes, net	285,917	297,744	288,938	150,565	145,676	144,550	22,190	12,895	39,192
3 Withheld	256,332	267,513	266,010	133,575	131,567	135,531	23,523	26,877	22,321
4 Presidential Election Campaign Fund	41	39	36	34	5	30	4	9	5
5 Nonwithheld	76,844	84,691	83,586	66,174	20,040	63,014	1,501	2,776	31,993
6 Refunds	47,299	54,498	60,692	49,217	5,938	54,024	2,838	16,766	15,127
Corporation income taxes									
7 Gross receipts	73,733	65,991	61,780	37,836	25,661	33,522	1,892	9,441	11,786
8 Refunds	12,596	16,784	24,758	8,028	11,467	13,809	1,833	1,476	2,691
9 Social insurance taxes and contributions, net	182,720	201,498	209,001	108,079	94,278	110,521	19,972	17,702	26,036
10 Payroll employment taxes and contributions ¹	156,932	172,744	179,010	88,795	85,063	90,912	16,774	16,704	18,532
11 Self-employment taxes and contributions ²	6,041	7,941	6,756	7,357	177	6,427	523	433	4,637
12 Unemployment insurance	15,763	16,600	18,799	9,809	6,857	11,146	2,308	191	2,501
13 Other net receipts ³	3,984	4,212	4,436	2,119	2,181	2,196	369	373	366
14 Excise taxes	40,839	36,311	35,300	17,525	16,556	16,904	2,693	2,870	3,042
15 Customs deposits	8,083	8,854	8,655	4,310	4,299	4,010	839	974	937
16 Estate and gift taxes ⁴	6,787	7,991	6,053	4,208	3,445	2,883	570	523	505
17 Miscellaneous receipts ⁴	13,790	16,161	15,594	7,984	7,891	7,751	1,613	1,535	1,374
OUTLAYS									
18 All types	657,204	728,424	795,917	348,683	390,847	396,477	68,267	73,020	68,687
19 National defense	159,765	187,418	210,461	93,154	100,419	105,072	18,515	19,516	18,711
20 International affairs	11,130	9,982	8,927	5,183	4,406	4,705	780	1,180	973
21 General science, space, and technology	6,359	7,070	7,777	3,370	3,903	3,486	721	611	685
22 Energy	10,277	4,674	4,035	2,946	2,059	2,073	34	265	57
23 Natural resources and environment	13,525	12,934	12,676	5,636	6,940	5,892	790	861	923
24 Agriculture	5,572	14,875	22,173	7,087	13,260	10,154	1,737	1,315	1,364
25 Commerce and housing credit	3,946	3,865	4,721	1,408	2,244	2,164	-648	224	-22
26 Transportation	23,381	20,560	21,231	9,915	10,686	9,918	1,517	1,555	1,716
27 Community and regional development	9,394	7,165	7,302	3,055	4,186	3,124	524	514	481
28 Education, training, employment, social services	31,402	26,300	25,726	12,607	12,187	12,801	2,305	2,172	2,210
29 Health	26,858	27,435	28,655				2,540	2,729	2,577
30 Social security and medicare	178,733	202,531	223,311	150,001 ⁵	172,852	184,207	19,164	20,192	19,405
31 Income security	85,514	92,084	106,211				8,585	9,791	8,677
32 Veterans benefits and services	22,988	23,955	24,845	112,782	13,241	11,334	2,108	3,293	891
33 Administration of justice	4,696	4,671	5,014	2,334	2,373	2,522	505	435	476
34 General government	4,614	4,726	4,991	2,400	2,322	2,434	495	585	265
35 General-purpose fiscal assistance	6,856	6,393	6,287	3,325	3,152	3,124	201	86	1,219
36 Net interest ⁶	68,726	84,697	89,774	41,883	44,948	42,358	9,801	8,592	9,211
37 Undistributed offsetting receipts ⁷	-16,509	-13,270	-21,424	-6,490	-8,333	-8,885	-1,407	-824	-1,130

1. Old-age, disability, and hospital insurance, and railroad retirement accounts.
 2. Old-age, disability, and hospital insurance.
 3. Federal employee retirement contributions and civil service retirement and disability fund.
 4. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
 5. In accordance with the Social Security Amendments Act of 1983, the Treasury now provides social security and medicare outlays as a separate

function. Before February 1984, these outlays were included in the income security and health functions.
 6. Net interest function includes interest received by trust funds.
 7. Consists of rents and royalties on the outer continental shelf and U S government contributions for employee retirement.
 SOURCE "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the *Budget of the U.S. Government, Fiscal Year 1985*

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1982				1983				1984
	Mar 31	June 30	Sept 30	Dec 31	Mar 31	June 30	Sept 30	Dec 31	Mar 31
1 Federal debt outstanding	1,066.4	1,084.7	1,147.0	1,201.9	1,249.3	1,324.3	1,381.9	1415.3	1,468.3
2 Public debt securities	1,061.3	1,079.6	1,142.0	1,197.1	1,244.5	1,319.6	1,377.2	1,410.7	1,463.7
3 Held by public	858.9	867.9	925.6	987.7	1,043.3	1,090.3	1,138.2	1,174.4	1,223.9
4 Held by agencies	202.4	211.7	216.4	209.4	201.2	229.3	239.0	236.3	239.8
5 Agency securities	5.1	5.0	5.0	4.8	4.8	4.7	4.7	4.6	4.6
6 Held by public	3.9	3.9	3.7	3.7	3.7	3.6	3.6	3.5	3.5
7 Held by agencies	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1
8 Debt subject to statutory limit	1,062.2	1,080.5	1,142.9	1,197.9	1,245.3	1,320.4	1,378.0	1,411.4	1,464.5
9 Public debt securities	1,060.7	1,079.0	1,141.4	1,196.5	1,243.9	1,319.0	1,376.6	1,410.1	1,463.1
10 Other debt ¹	1.5	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.3
11 M.M.O. Statutory debt limit	1,079.8	1,143.1	1,143.1	1,290.2	1,290.2	1,389.0	1,389.0	1,490.0	1,490.0

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

NO11 Data from *Treasury Bulletin* (U.S. Treasury Department)

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

Billions of dollars, end of period

Type and holder	1979	1980	1981	1982	1983			1984
					Q2	Q3	Q4	Q1
1 Total gross public debt	845.1	930.2	1,028.7	1,197.1	1,319.6	1,377.2	1,410.7	1,463.7
By type								
2 Interest-bearing debt	844.0	928.9	1,027.3	1,195.5	1,318.1	1,375.8	1,400.9	1,452.1
3 Marketable	530.7	623.2	720.3	881.5	978.9	1,024.0	1,050.9	1,097.7
4 Bills	172.6	216.1	245.0	311.8	334.3	340.7	343.8	350.2
5 Notes	283.4	321.6	375.3	465.0	527.1	557.5	573.4	604.9
6 Bonds	74.7	85.4	99.9	104.6	117.5	125.7	133.7	142.6
7 Nonmarketable ¹	313.2	305.7	307.0	314.0	339.2	351.8	350.0	354.4
8 State and local government series	24.6	23.8	23.0	25.7	33.1	35.1	36.7	38.1
9 Foreign issues ²	28.8	24.0	19.0	14.7	11.4	11.5	10.4	9.9
10 Government	23.6	17.6	14.9	13.0	10.8	11.5	10.4	9.9
11 Public	5.3	6.4	4.1	1.7	6	0	0	0
12 Savings bonds and notes	79.9	72.5	68.1	68.0	69.4	70.3	70.7	71.6
13 Government account series ³	177.5	185.1	196.7	205.4	225.0	234.7	231.9	234.6
14 Non-interest-bearing debt	1.2	1.3	1.4	1.6	1.5	1.5	9.8	11.6
By holder ⁴								
15 U.S. government agencies and trust funds	187.1	192.5	203.3	209.4	229.3	239.0	236.3	239.8
16 Federal Reserve Banks	117.5	121.3	131.0	139.3	141.7	155.4	151.9	150.8
17 Private investors	540.5	616.4	694.5	848.4	948.6	982.7	1,022.6	1,073.0
18 Commercial banks	96.4	116.0	109.4	131.4	171.6	176.3	188.8	189.8
19 Mutual savings banks	4.7	5.4	5.2	n.a.	28.3	22.1	22.8	19.4
20 Insurance companies	16.7	20.1	19.1	38.7	44.8	47.3	48.9	n.a.
21 Other companies	22.9	25.7	37.8	n.a.	32.8	35.9	40.2	43.1
22 State and local governments	69.9	78.8	85.6	113.4	n.a.	n.a.	n.a.	n.a.
Individuals								
23 Savings bonds	79.9	72.5	68.0	68.3	69.7	70.6	71.5	72.2
24 Other securities	36.2	56.7	75.6	48.2	51.6	58.4	61.9	64.1
25 Foreign and international ⁵	124.4	127.7	141.4	149.4	160.1	160.2	168.9	166.4
26 Other miscellaneous investors ⁶	90.1	106.9	152.3	233.2	n.a.	n.a.	n.a.	n.a.

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

2. Nonmarketable dollar-denominated and foreign currency-denominated series held by foreigners.

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

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

5. Consists of investments of foreign and international accounts. Excludes non-interest-bearing notes issued to the International Monetary Fund.

6. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. government deposit accounts, and U.S. government-sponsored agencies.

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

A30 Domestic Financial Statistics □ June 1984

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1981	1982	1983	1984			1984 week ending Wednesday					
				Mar	Apr	May	Apr. 4	Apr. 11	Apr. 18	Apr. 25	May 2	May 9
Immediate delivery ¹												
1 U.S. government securities	24,728	32,271	42,135	50,354	45,756	54,928	57,240	44,469	46,775	46,351	40,547	48,567
<i>By maturity</i>												
2 Bills	14,768	18,398	22,393	23,333	24,618	29,011	27,246	22,773	26,620	26,244	20,900	25,761
3 Other within 1 year	621	810	708	904	934	1,162	1,177	772	1,037	824	1,118	853
4 1-5 years	4,360	6,272	8,758	11,008	8,855	11,377	10,935	7,744	8,156	8,840	9,850	10,954
5 5-10 years	2,451	3,557	5,279	7,773	5,782	6,700	8,585	6,553	5,686	5,633	4,057	5,310
6 Over 10 years	2,528	3,234	4,997	7,335	5,567	6,679	9,296	6,627	5,276	4,810	4,622	5,689
<i>By type of customer</i>												
7 U.S. government securities dealers	1,640	1,769	2,257	1,993	2,282	2,440	2,381	1,787	1,561	3,622	2,352	2,016
8 U.S. government securities brokers	11,750	15,659	21,045	27,335	22,648	28,003	30,755	22,858	22,315	21,481	20,339	25,059
9 All others ²	11,337	15,344	18,832	21,026	20,826	24,485	24,103	19,824	22,898	21,247	17,856	21,492
10 Federal agency securities	3,306	4,142	5,576	7,139	7,212	6,545	6,274	7,089	8,104	7,670	5,971	6,494
11 Certificates of deposit	4,477	5,001	4,333	4,809	7,618	6,184	5,050	9,105	7,247	7,105	8,422	8,693
12 Bankers acceptances	1,807	2,502	2,642	2,503	3,065	3,328	2,712	3,274	3,032	3,260	2,637	3,206
13 Commercial paper	6,128	7,595	8,036	8,124	9,858	8,808	10,942	9,162	10,274	9,500	9,343	7,961
<i>Futures transactions³</i>												
14 Treasury bills	3,523	5,031	6,655	8,525	8,513	11,535	10,117	9,560	6,983	8,823	6,373	10,405
15 Treasury coupons	1,330	1,490	2,501	4,626	3,786	5,537	4,635	3,879	4,088	3,441	3,044	4,509
16 Federal agency securities	234	259	265	437	223	355	358	259	265	297	176	403
<i>Forward transactions⁴</i>												
17 U.S. government securities	365	835	1,493	1,389	990	2,028	1,038	635	322	2,655	1,114	3,229
18 Federal agency securities	1,370	982	1,646	2,595	2,952	3,061	2,969	3,695	3,121	1,592	2,648	3,783

1 Before 1981, data for immediate transactions include forward transactions
2 Includes, among others, all other dealers and brokers in commodities and securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.

3 Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date

4 Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days

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

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

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

Item	1981	1982	1983	1984			1984 week ending Wednesday				
				Mar	Apr	May	Mar. 28	Apr. 4	Apr. 11	Apr. 18	Apr. 25
Positions											
Net immediate ¹											
1 U.S. government securities	9,033	9,328	6,263	-4,169	-4,717	-14,123	-5,954	-4,063	-3,940	-1,543	-7,184
2 Bills	6,485	4,837	4,282	-1,055	-2,087	-11,074	-2,339	-2,393	-1,841	891	-3,189
3 Other within 1 year	-1,526	-199	-177	-362	-837	-1,157	-399	-809	-766	-843	-806
4 1-5 years	1,488	2,932	1,709	-1,918	-1,150	-87	-1,344	-783	-1,077	-1,308	-2,144
5 5-10 years	292	-341	-78	-321	-46	-940	-718	928	396	-220	-638
6 Over 10 years	2,294	2,001	528	-514	-598	-865	-1,154	-1,006	-653	-63	-408
7 Federal agency securities	2,277	3,712	7,172	16,078	16,571	16,764	15,656	15,208	17,226	17,170	16,452
8 Certificates of deposit	3,435	5,531	5,839	6,914	6,968	6,402	6,792	6,596	6,934	7,208	6,870
9 Bankers acceptances	1,746	2,832	3,332	2,838	3,299	3,101	2,935	2,586	3,075	3,676	3,424
10 Commercial paper	2,658	3,317	3,159	3,012	2,797	2,937	2,677	3,759	3,050	2,609	1,874
<i>Futures positions</i>											
11 Treasury bills	-8,934	-2,508	4,125	-1,219	-686	9,935	-991	-1,738	-1,147	-2,951	697
12 Treasury coupons	-2,733	-2,361	-1,032	2,052	971	1,081	2,480	908	1,252	929	902
13 Federal agency securities	522	-224	170	201	79	628	387	474	370	-326	-172
<i>Forward positions</i>											
14 U.S. government securities	-603	-788	-1,935	-825	-1,932	-4,574	-752	-534	-726	-1,104	-3,571
15 Federal agency securities	-451	-1,190	-3,561	-9,752	-9,485	-10,278	-9,623	-9,205	-10,485	-9,046	-9,019
Financing ²											
Reverse repurchase agreements ³											
16 Overnight and continuing	14,568	26,754	29,099	38,984	43,422	↑	39,024	45,993	40,648	41,756	45,291
17 Term agreements	32,048	48,247	52,493	64,942	64,974	n.a.	66,254	63,789	64,327	66,907	64,873
Repurchase agreements ⁴											
18 Overnight and continuing	35,919	49,695	57,946	69,961	74,366	↓	71,061	75,592	74,113	72,177	75,581
19 Term agreements	29,449	43,410	44,410	53,348	52,614		52,644	48,647	51,847	57,236	52,726

For notes see opposite page

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1980	1981	1982	1983			1984		
				Oct	Nov	Dec	Jan.	Feb	Mar
1 Federal and federally sponsored agencies	188,665	221,946	237,085	239,121	240,177	239,716	239,872	241,628	382,398
2 Federal agencies	28,606	31,806	33,055	33,735	33,813	33,940	33,919	33,785	32,800
3 Defense Department ¹	610	484	354	258	253	243	234	215	206
4 Export-Import Bank ^{2,3}	11,250	13,339	14,218	14,740	14,740	14,853	14,852	14,846	15,347
5 Federal Housing Administration ⁴	477	413	288	203	197	194	173	169	166
6 Government National Mortgage Association participation certificates ⁵	2,817	2,715	2,165	2,165	2,165	2,165	2,165	2,165	2,165
7 Postal Service ⁶	1,770	1,538	1,471	1,404	1,404	1,404	1,404	1,404	1,404
8 Tennessee Valley Authority	11,190	13,115	14,365	14,840	14,945	14,970	14,980	14,875	14,805
9 United States Railway Association ⁶	492	202	194	125	109	111	111	111	111
10 Federally sponsored agencies ⁷	160,059	190,140	204,030	205,386	206,364	205,776	205,953	207,843	211,891
11 Federal Home Loan Banks	37,268	54,131	55,967	49,956	49,285	48,930	48,344	48,224	48,594
12 Federal Home Loan Mortgage Corporation	4,686	5,480	4,524	6,950	7,024	6,793	6,679	7,556	8,633
13 Federal National Mortgage Association	55,182	58,749	70,052	71,965	73,531	74,594	74,676	75,865	77,966
14 Farm Credit Banks	62,923	71,359	71,896	73,465	73,474	72,409	73,023	72,856	73,180
15 Student Loan Marketing Association	(8)	421	1,591	3,050	3,050	3,050	3,231	3,342	3,518
MEMO									
16 Federal Financing Bank debt⁹	87,460	110,698	126,424	134,799	135,361	135,791	135,940	135,859	137,707
<i>Lending to federal and federally sponsored agencies</i>									
17 Export-Import Bank ³	10,654	12,741	14,177	14,676	14,676	14,789	14,789	14,789	15,296
18 Postal Service ⁶	1,520	1,288	1,221	1,154	1,154	1,154	1,154	1,154	1,154
19 Student Loan Marketing Association	2,720	5,400	5,000	5,000	5,000	5,000	5,000	5,000	5,000
20 Tennessee Valley Authority	9,465	11,390	12,640	13,175	13,220	13,245	13,255	13,150	13,080
21 United States Railway Association ⁶	492	202	194	125	109	111	111	111	111
<i>Other Lending¹⁰</i>									
22 Farmers Home Administration	39,431	48,821	53,261	55,916	55,916	55,266	54,776	54,471	55,186
23 Rural Electrification Administration	9,196	13,516	17,157	19,093	19,216	19,766	19,927	19,982	20,186
24 Other	11,262	12,740	22,774	25,660	26,070	26,460	26,928	27,202	27,694

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

2 Includes participation certificates reclassified as debt beginning Oct 1, 1976

3 Off-budget Aug 17, 1974, through Sept 30, 1976, on-budget thereafter

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

5 Certificates of participation issued before fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration, Department of Health, Education, and Welfare, Department of Housing and Urban Development, Small Business Administration, and the Veterans Administration

6 Off-budget

7 Includes outstanding noncontingent liabilities. Notes, bonds, and debentures

8. Before late 1981, the Association obtained financing through the Federal Financing Bank

9. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.

10 Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans

NOTES TO TABLE 1.43

1 Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities to resell (reverse RPs). Before 1981, data for immediate positions include forward positions

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

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

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

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

A32 Domestic Financial Statistics □ June 1984

1.45 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1981	1982	1983	1983					1984		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 All issues, new and refunding¹	47,732	78,950	85,092	6,194	6,160	6,650	5,829	8,854	5,058^r	4,484^r	5,306
<i>Type of issue</i>											
2 General obligation	12,394	21,088	21,470	1,614	1,266	1,935	1,679	1,134	1,117 ^r	1,809 ^r	2,458
3 U.S. government loans ²	34	225	96	9	14	15	15	15	0	2	2
4 Revenue	35,338	57,862	63,622	4,580	4,894	4,715	4,150	7,720	3,941 ^r	2,675 ^r	2,848
5 U.S. government loans ²	55	461	253	29	35	39	39	39	1	2	4
<i>Type of issuer</i>											
6 State	5,288	8,406	7,135	673	452	856	405	198	327 ^r	935	584
7 Special district and statutory authority	27,499	45,000	50,632	3,357	4,199	4,387	3,318	5,790	3,485 ^r	2,080 ^r	2,870
8 Municipalities, counties, townships, school districts	14,945	25,544	27,325	2,164	1,509	1,407	2,106	2,866	1,246 ^r	1,469 ^r	1,852
9 Issues for new capital, total	46,530	74,613	71,120	4,612	5,512	5,187	5,333	8,438	4,055^r	3,903^r	4,545
<i>Use of proceeds</i>											
10 Education	4,547	6,444	8,170	714	527	457	515	744	391 ^r	343 ^r	592
11 Transportation	3,447	6,256	4,353	261	195	250	336	421	127	330 ^r	53
12 Utilities and conservation	10,037	14,254	13,547	285	1,238	605	1,101	1,230	1,914 ^r	723 ^r	1,250
13 Social welfare	12,729	26,605	26,378	2,139	2,334	2,580	2,080	2,676	826 ^r	1,091 ^r	1,032
14 Industrial aid	7,651	8,256	7,088	254	494	323	516	2,317	127	287	71
15 Other purposes	8,119	12,797	11,584	959	724	972	785	1,050	670 ^r	1,129 ^r	1,547

1. Par amounts of long-term issues based on date of sale

SOURCE: Public Securities Association

2. Consists of tax-exempt issues guaranteed by the Farmers Home Administration

1.46 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1981	1982	1983	1983					1984		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 All issues^{1,2}	70,441	84,198	98,845	5,941	6,568	6,897^r	8,103	6,812	7,691	7,629^r	5,442
2 Bonds	45,092	53,636	47,266	2,547	2,865	3,055	4,075	3,173	5,648	5,250^r	3,346
<i>Type of offering</i>											
3 Public	38,103	43,838	47,266	2,547	2,865	3,055	4,075	3,173	5,648	5,250 ^r	3,346
4 Private placement	6,989	9,798	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Industry group</i>											
5 Manufacturing	12,325	13,123	8,133	200	282	367	22	423	179	452	68
6 Commercial and miscellaneous	5,229	5,681	5,374	458	353	114	23	201	976	626	258
7 Transportation	2,052	1,474	1,086	0	0	0	111	105	10	75	180
8 Public utility	8,963	12,155	7,066	355	590	510	910	120	325	385	521
9 Communication	4,280	2,265	3,380	0	100	50	0	0	210	0	200
10 Real estate and financial	12,243	18,938	22,227	1,534	1,540	2,014	3,009	2,324	3,948	3,712 ^r	2,119
11 Stocks³	25,349	30,562	51,579	3,394	3,703	3,842	4,028	3,639	2,043	2,379	2,096
<i>Type</i>											
12 Preferred	1,797	5,113	7,213	247	644	300	433	253	305	425	227
13 Common	23,552	25,449	44,366	3,147	3,059	3,542	3,595	3,386	1,738	1,954	1,869
<i>Industry group</i>											
14 Manufacturing	5,074	5,649	14,135	1,309	962	744	498	649	427	299	387
15 Commercial and miscellaneous	7,557	7,770	13,112	743	997	868	1,498	852	465	616	486
16 Transportation	779	709	2,729	145	165	305	192	413	54	15	105
17 Public utility	5,577	7,517	5,001	263	200	588	622	245	225	45	134
18 Communication	1,778	2,227	1,822	236	0	36	13	12	30	20	18
19 Real estate and financial	4,584	6,690	14,780	698	1,379	1,301	1,145	1,468	842	1,384	966

1. Figures, which represent gross proceeds of issues maturing in more than one year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less than \$100,000, secondary offerings, undefined or exempted issues as defined in the Securities Act of 1933, employee stock plans, investment companies other than closed-end, intracorporate transactions, and sales to foreigners.

2. Data for 1983 include only public offerings.

3. Beginning in August 1981, gross stock offerings include new equity volume from swaps of debt for equity.

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

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1982	1983	1983				1984			
			Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
INVESTMENT COMPANIES ¹										
1 Sales of own shares ²	45,675	84,793	5,915	6,532	6,341	6,846	10,274	8,233	8,857	9,557
2 Redemptions of own shares ³	30,078	57,120	4,412	4,264	3,920	5,946	5,544	5,162	5,339	7,490
3 Net sales	15,597	27,673	1,503	2,268	2,421	900	4,730	3,071	3,518	2,067
4 Assets ⁴	76,841	113,599	109,455	107,314	113,052	113,599	114,839	111,068	114,537	116,812
5 Cash position ⁵	6,040	8,343	8,868	8,256	9,395	8,343	8,963	9,140	10,406	10,987
6 Other	70,801	105,256	100,587	99,058	103,657	105,256	105,876	101,928	104,131	105,825

1. Excluding money market funds

2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.

3. Excludes share redemption resulting from conversions from one fund to another in the same group.

4. Market value at end of period, less current liabilities.

5. Also includes all U.S. government securities and other short-term debt securities.

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

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1981	1982	1983	1982			1983				1984
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1 Corporate profits with inventory valuation and capital consumption adjustment . . .	192.3	164.8	229.2	166.8	168.5	161.9	181.8	218.2	248.4	268.2	277.5
2 Profits before tax	227.0	174.2	207.6	178.8	177.3	167.5	169.7	203.3	229.1	228.2	240.6
3 Profits tax liability	82.8	59.1	76.9	61.4	60.8	54.0	61.5	76.0	84.9	85.3	92.1
4 Profits after tax	144.1	115.1	130.6	117.4	116.5	113.5	108.2	127.2	144.1	142.9	148.5
5 Dividends	64.7	68.7	73.2	67.8	68.8	70.4	71.4	72.0	73.7	75.9	78.3
6 Undistributed profits	79.4	46.4	57.3	49.5	47.7	43.1	36.7	55.2	70.4	67.0	70.2
7 Inventory valuation	-23.6	-8.3	9.2	8.5	9.0	10.3	-1.7	-10.6	18.3	6.3	12.9
8 Capital consumption adjustment	-11.0	1.1	30.8	-3.5	1	4.7	13.9	25.6	37.6	46.2	49.8

SOURCE: Survey of Current Business (Department of Commerce)

1.49 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1977	1978	1979	1980	1981	1982	1983			
						Q4	Q1	Q2	Q3	Q4
1 Current assets	912.7	1,043.7	1,214.8	1,327.0	1,419.3	1,425.4	1,437.3	1,465.1	1,522.5	1,561.2
2 Cash	97.2	105.5	118.0	126.9	131.8	144.0	138.7	145.0	148.1	164.9
3 U.S. government securities	18.2	17.2	16.7	18.7	17.4	22.4	26.0	27.9	26.6	30.2
4 Notes and accounts receivable	330.3	388.0	459.0	506.8	530.3	511.0	518.4	535.0	563.4	579.0
5 Inventories	376.9	431.8	505.1	542.8	585.1	575.2	573.4	571.0	590.7	591.9
6 Other	90.1	101.1	116.0	131.8	154.6	172.6	180.7	186.2	193.7	195.3
7 Current liabilities	557.1	669.5	807.3	889.3	976.3	977.8	987.1	996.4	1,037.1	1,056.7
8 Notes and accounts payable	317.6	383.0	460.8	513.6	558.8	552.8	542.7	550.8	577.3	598.8
9 Other	239.6	286.5	346.5	375.7	417.5	425.0	444.4	445.6	459.9	457.9
10 Net working capital	355.5	374.3	407.5	437.8	442.9	447.6	450.2	468.6	485.4	504.6
11 MEMO. Current ratio ¹	1.638	1.559	1.505	1.492	1.454	1.458	1.456	1.470	1.468	1.477

1. Ratio of total current assets to total current liabilities

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

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

SOURCE: Federal Trade Commission and Bureau of the Census

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

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

Industry ¹	1982	1983	1984 ¹	1983				1984			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3 ¹	Q4 ¹
1 Total nonfarm business	282.71^r	269.22^r	308.98^r	261.71^r	261.16^r	270.05^r	283.96^r	293.15	303.79	314.52	324.45
<i>Manufacturing</i>											
2 Durable goods industries	56.44	51.78	61.40	50.74	48.48	53.06	54.85	58.94	58.28	63.39	65.00
3 Nondurable goods industries	63.23	59.75	67.36	59.12	60.31	58.06	61.50	63.84	67.72	67.02	70.86
<i>Nonmanufacturing</i>											
4 Mining	15.45	11.83	13.97	12.03	10.91	11.93	12.43	13.95	13.32	14.14	14.47
5 Transportation											
6 Railroad	4.38	3.92	4.90	3.35	3.64	4.07	4.63	4.41	5.12	5.40	4.67
7 Air	3.93	3.77	2.67	4.09	4.10	3.57	3.32	2.77	2.69	2.57	2.65
7 Other	3.64	3.50	4.40	3.60	3.14	3.36	3.91	4.28	4.32	4.35	4.64
8 Public utilities											
8 Electric	33.40	34.99	35.58	33.97	34.86	35.84	35.31	35.74	35.12	35.38	36.07
9 Gas and other	8.55	7.00	9.40	7.64	6.62	6.38	7.37	7.87	9.31	9.75	10.67
10 Commercial and other ²	93.68	92.67	109.30	87.17	89.10	93.79	100.62	101.35	107.92	112.52	115.42

▲Trade and services are no longer being reported separately. They are included in Commercial and other, line 10
¹ Anticipated by business

² "Other" consists of construction, wholesale and retail trade, finance and insurance, personal and business services, and communication.
 SOURCE: Survey of Current Business (Department of Commerce).

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1978	1979	1980	1981	1982	1983				1984
						Q1	Q2	Q3	Q4	Q1
ASSETS										
Accounts receivable, gross										
1 Consumer	52.6	65.7	73.6	85.5	89.5	89.9	91.3	92.3	92.8	96.9
2 Business	63.3	70.3	72.3	80.6	81.0	82.2	84.9	86.8	95.2	101.1
3 Total	116.0	136.0	145.9	166.1	170.4	172.1	176.2	179.0	188.0	198.0
4 Less: Reserves for unearned income and losses	15.6	20.0	23.3	28.9	30.5	29.7	30.4	30.1	30.6	31.9
5 Accounts receivable, net	100.4	116.0	122.6	137.2	139.8	142.4	145.8	148.9	157.4	166.1
6 Cash and bank deposits	3.5									
7 Securities	1.3	24.9 ¹	27.5	34.2	39.7	42.8	44.3	45.0	45.3	47.1
8 All other	17.3									
9 Total assets	122.4	140.9	150.1	171.4	179.5	185.2	190.2	193.9	202.7	213.2
LIABILITIES										
10 Bank loans	6.5	8.5	13.2	15.4	18.6	16.6	16.3	17.0	19.1	14.7
11 Commercial paper	34.5	43.3	43.4	51.2	45.8	45.2	49.0	49.7	53.6	58.4
Debt										
12 Short-term, n.e.c.	8.1	8.2	7.5	9.6	8.7	9.8	9.6	8.7	11.3	12.2
13 Long-term, n.e.c.	43.6	46.7	52.4	54.8	63.5	64.7	64.5	66.2	65.4	68.7
14 Other	12.6	14.2	14.3	17.8	18.7	22.8	24.0	24.4	27.1	29.8
15 Capital, surplus, and undivided profits	17.2	19.9	19.4	22.8	24.2	26.0	26.7	27.9	26.2	29.4
16 Total liabilities and capital	122.4	140.9	150.1	171.4	179.5	185.2	190.2	193.9	202.7	213.2

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

NOTE: Components may not add to totals due to rounding

1.52 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Mar 31, 1984 ¹	Changes in accounts receivable			Extensions			Repayments		
		1984			1984			1984		
		Jan.	Feb.	Mar.	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.
1 Total	101,143	2,973	1,934	706	30,660	28,218	26,006	27,687	26,284	25,300
2 Retail automotive (commercial vehicles)	23,017	959	700	364	2,347	2,157	1,878	1,388	1,457	1,514
3 Wholesale automotive	17,225	625	638	-10	9,392	9,856	7,728	8,767	9,218	7,738
4 Retail paper on business, industrial, and farm equipment	28,997	449	568	352	1,525	1,488	1,304	1,076	920	952
5 Loans on commercial accounts receivable and factored commercial accounts receivable	10,764	1,037	-117	-236	14,787	12,313	12,709	13,750	12,430	12,945
6 All other business credit	21,140	-97	145	236	2,609	2,404	2,387	2,706	2,259	2,151

1 Not seasonally adjusted

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1981	1982	1983	1983			1984			
				Oct	Nov.	Dec	Jan	Feb	Mar.	Apr
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
Conventional mortgages on new homes										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars)	90.4	94.6	92.8	95.8	98.0	94.8	92.9	104.1	94.0	92.2
2 Amount of loan (thousands of dollars)	65.3	69.8	69.6	72.5	76.7	73.3	71.7	77.8	73.4	70.9
3 Loan/price ratio (percent)	74.8	76.6	77.1	78.4	80.5	79.1	79.2	77.8	80.4	79.1
4 Maturity (years)	27.7	27.6	26.7	26.9	26.5	27.3	27.8	27.3	27.9	28.0
5 Fees and charges (percent of loan amount) ²	2.67	2.95	2.40	2.33	2.54	2.56	2.61	2.41	2.52	2.63
6 Contract rate (percent per annum)	14.16	14.47	12.20	11.80	11.82	11.94	11.80	11.78	11.56	11.80
<i>Yield (percent per annum)</i>										
7 FHLMC series ³	14.74	15.12	12.66	12.25	12.34	12.42	12.29	12.23	12.02	12.09
8 HUD series ⁴	16.52	15.79	13.43	13.52	13.48	13.41	13.28	13.31	13.57	13.77
SECONDARY MARKETS										
<i>Yield (percent per annum)</i>										
9 FHA mortgages (HUD series) ⁵	16.31	15.31	13.11	13.23	13.23	13.25	13.08	13.20	13.68	13.80
10 GNMA securities ⁶	15.29	14.68	12.26	12.42	12.51	12.49	12.35	12.31	12.70	13.01
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total	58,675	66,031	74,847	75,665	76,714	78,256	79,049	79,350	80,974	81,956
12 FHA/VA-insured	39,341	39,718	37,393	36,455	36,349	36,211	40,873	35,420	35,329	35,438
13 Conventional	19,334	26,312	37,454	39,210	40,365	42,045	38,177	43,930	45,645	46,518
<i>Mortgage transactions (during period)</i>										
14 Purchases	6,112	15,116	17,554	1,244	1,348	2,204	1,285	1,507	2,030	1,775
15 Sales	2	2	3,528	257	0	250	20	723	0	235
<i>Mortgage commitments⁷</i>										
16 Contracted (during period)	9,331	22,105	18,607	1,882	997	1,471	1,772	1,930	1,626	1,561
17 Outstanding (end of period)	3,717	7,606	5,461	7,182	6,493	5,461	5,470	5,872	5,333	5,135
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁸</i>										
18 Total	5,231	5,131	5,996	6,971	7,093	7,633	8,049	8,566	8,980	↑ n.a. ↓
19 FHA/VA	1,065	1,027	974	955	940	941	940	934	929	
20 Conventional	4,166	4,102	5,022	6,016	6,153	6,691	7,109	7,632	8,050	
<i>Mortgage transactions (during period)</i>										
21 Purchases	3,800	23,673	23,089	2,886	1,287	1,685	1,419	1,389	1,291	↑ n.a. ↓
22 Sales	3,531	24,170	19,686	2,750	1,143	1,115	984	810	863	
<i>Mortgage commitments⁹</i>										
23 Contracted (during period)	6,896	28,179	32,852	2,598	2,093	1,704	1,470	1,386	1,874	↑ n.a. ↓
24 Outstanding (end of period)	3,518	7,549	16,964	16,198	16,994	16,964	16,994	16,944	17,514	

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups, compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.
 2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.
 3. Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.
 4. Average contract rates on new commitments for conventional first mortgages; from Department of Housing and Urban Development.
 5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.

6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.
 7. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.
 8. Includes participation as well as whole loans.
 9. Includes conventional and government-underwritten loans. FHLMC's mortgage commitments and mortgage transactions include activity under mortgage/securities swap programs, while the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1981	1982	1983	1983				1984
				Q1	Q2	Q3	Q4	Q1
1 All holders . . .	1,583,264	1,655,013	1,826,344 ⁵	1,681,630	1,723,052	1,775,117	1,826,344 ⁵	1,870,005 ⁵
2 1- to 4-family . . .	1,065,294	1,105,756	1,214,542 ⁵	1,122,111	1,146,926	1,182,356	1,214,542 ⁵	1,246,759 ⁵
3 Multifamily . . .	136,354	140,542	150,948 ⁵	141,500	144,731	147,052	150,948 ⁵	153,895 ⁵
4 Commercial . . .	279,889	302,009	351,287 ⁵	311,107	323,427	336,697	351,287 ⁵	359,220 ⁵
5 Farm . . .	101,727	106,706	109,567	106,912	107,968	109,012	109,567	110,131 ⁵
6 Major financial institutions	1,040,827	1,023,541	1,109,963 ⁵	1,028,802	1,048,688	1,079,605	1,109,963	1,134,658
7 Commercial banks ¹	284,536	300,203	328,878	303,371	310,217	320,299	328,878	337,878
8 1- to 4-family . . .	170,013	173,157	181,672	172,346	174,032	178,054	181,672	185,833
9 Multifamily . . .	15,132	16,421	18,023	16,230	16,876	17,424	18,023	18,583
10 Commercial . . .	91,026	102,219	119,843	106,301	110,437	115,692	119,843	123,832
11 Farm . . .	8,365	8,406	9,340	8,494	8,872	9,129	9,340	9,630
12 Mutual savings banks	99,997	97,805	136,054 ⁵	105,378	119,236	129,645	136,054 ⁵	142,255
13 1- to 4-family . . .	68,187	66,777	96,569 ⁵	73,240	84,349	92,467	96,569 ⁵	101,176
14 Multifamily . . .	15,960	15,305	17,785 ⁵	15,587	16,667	17,588	17,785 ⁵	18,341
15 Commercial . . .	15,810	15,694	21,671 ⁵	16,522	18,192	19,562	21,671 ⁵	22,708
16 Farm . . .	40	29	29	29	28	28	29	30
17 Savings and loan associations	518,547	483,614	493,432	477,022	474,510	482,305	493,432	502,646
18 1- to 4-family . . .	433,142	393,323	389,811	384,718	377,947	381,744	389,811	396,336
19 Multifamily . . .	37,699	38,979	42,435	39,259	39,954	41,334	42,435	43,479
20 Commercial . . .	47,706	51,312	61,186	53,045	56,609	59,227	61,186	62,831
21 Life insurance companies	137,747	141,919	151,599	143,031	144,725	147,356	151,599	151,879
22 1- to 4-family . . .	17,201	16,743	15,385	16,388	15,860	15,534	15,385	15,351
23 Multifamily . . .	19,283	18,847	19,189	18,825	18,778	18,875	19,189	19,207
24 Commercial . . .	88,163	93,501	104,279	95,158	97,416	100,209	104,279	104,621
25 Farm . . .	13,100	12,828	12,746	12,660	12,671	12,756	12,746	12,700
26 Federal and related agencies	126,094	138,185	147,371	140,028	142,094	142,224	147,371	151,349 ⁵
27 Government National Mortgage Association	4,765	4,227	3,395	3,753	3,643	3,475	3,395	3,273
28 1- to 4-family . . .	693	676	630	665	651	639	630	630
29 Multifamily . . .	4,072	3,551	2,765	3,088	2,992	2,836	2,765	2,666
30 Farmers Home Administration	2,235	1,786	2,141	2,077	1,605	600	2,141	2,094 ⁵
31 1- to 4-family . . .	914	783	1,159	1,159	381	211	1,159	1,005 ⁵
32 Multifamily . . .	473	218	173	380	555	32	173	303 ⁵
33 Commercial . . .	506	377	409	337	248	113	409	319 ⁵
34 Farm . . .	342	408	400	653	421	244	400	467 ⁵
35 Federal Housing and Veterans Administration	5,999	5,228	4,894	5,138	5,084	5,050	4,894	4,969
36 1- to 4-family . . .	2,289	1,980	1,893	1,867	1,911	2,061	1,893	1,929
37 Multifamily . . .	3,710	3,248	3,001	3,271	3,173	2,989	3,001	3,040
38 Federal National Mortgage Association	61,412	71,814	78,256	73,666	74,669	75,174	78,256	80,975
39 1- to 4-family . . .	55,986	66,500	73,045	68,370	69,396	69,938	73,045	75,770
40 Multifamily . . .	5,426	5,314	5,211	5,296	5,273	5,236	5,211	5,205
41 Federal Land Banks . . .	46,446	50,350	51,052	50,544	50,858	51,069	51,052	51,022
42 1- to 4-family . . .	2,788	3,068	3,000	3,059	3,030	3,008	3,000	2,993
43 Farm . . .	43,658	47,282	48,052	47,485	47,828	48,061	48,052	48,029
44 Federal Home Loan Mortgage Corporation	5,237	4,780	7,633	4,850	6,235	6,856	7,633	9,016
45 1- to 4-family . . .	5,181	4,733	7,576	4,795	6,119	6,799	7,576	8,951
46 Multifamily . . .	56	47	57	55	116	57	57	65
47 Mortgage pools or trusts ²	163,000	216,654	285,021	234,596	252,665	272,611	285,021	296,527 ⁵
48 Government National Mortgage Association	105,790	118,940	159,850	127,939	139,276	151,597	159,850	166,261 ⁵
49 1- to 4-family . . .	103,007	115,831	155,801	124,482	135,628	147,761	155,801	161,943 ⁵
50 Multifamily . . .	2,783	3,109	4,049	3,457	3,648	3,836	4,049	4,318
51 Federal Home Loan Mortgage Corporation	19,853	42,964	57,843	48,008	50,934	54,152	57,843	59,422
52 1- to 4-family . . .	19,501	42,560	57,206	47,575	50,446	53,539	57,206	58,755
53 Multifamily . . .	352	404	637	433	488	613	637	667
54 Federal National Mortgage Association ¹	717	14,450	25,121	18,157	20,933	23,819	25,121	28,354
55 1- to 4-family . . .	717	14,450	25,121	18,157	20,933	23,819	25,121	28,354
56 Farmers Home Administration	36,640	40,300	42,207	40,492	41,522	43,043	42,207	42,490 ⁵
57 1- to 4-family . . .	18,378	20,005	20,404	20,263	20,728	21,083	20,404	20,573 ⁵
58 Multifamily . . .	3,426	4,344	5,090	4,344	4,343	5,042	5,090	5,081 ⁵
59 Commercial . . .	6,161	7,011	7,351	7,115	7,303	7,542	7,351	7,456 ⁵
60 Farm . . .	8,675	8,940	9,362	8,770	9,148	9,376	9,362	9,380 ⁵
61 Individual and others ⁴	253,343	276,633	283,989	278,204	279,605	280,677	283,989	287,471
62 1- to 4-family ⁵	167,297	185,170	185,270	185,479	185,515	185,699	185,270	187,183
63 Multifamily . . .	27,982	30,755	32,533	31,275	31,868	31,208	32,533	32,940
64 Commercial . . .	30,517	31,895	36,548	32,629	33,222	34,352	36,548	37,453
65 Farm . . .	27,547	28,813	29,638	28,821	29,000	29,418	29,638	29,895

1. Includes loans held by nondeposit trust companies but not bank trust departments

2. Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated

3. Outstanding balances on FNMA's issues of securities backed by pools of conventional mortgages held in trust. The program was implemented by FNMA in October 1981

4. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or for which separate data are not readily available

5. Includes a new estimate of residential mortgage credit provided by individuals

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

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT

Percent unless noted otherwise

Item	1981	1982	1983	1983		1984				
				Nov	Dec	Jan	Feb	Mar.	Apr.	May
INTEREST RATES										
Commercial banks ¹										
1 48-month new car ²	16 54	16 83	13 92	13 46			13 32			13 53
2 24-month personal	18 09	18 65	16 68	16 39			16 16			16 35
3 120-month mobile home ²	17 45	18 05	15 91	15 47			15 45			15 54
4 Credit card	17 78	18 51	18 73	18 75			18 73			18 71
Auto finance companies										
5 New car	16 17	16 15	12 58	13 50	13 92	14 18	14 11	14 05		14 06
6 Used car	20 00	20 75	18 74	18 16	18 06	17 54	17 59	17 52		17 59
OTHER TERMS ³										
Maturity (months)										
7 New car	45 4	46 0	45 9	46 3	46 3	46 3	46 4	46 7		47 1
8 Used car	35 8	34 0	37 9	38 0	37 9	39 5	39 4	39 4		39 5
Loan-to-value ratio										
9 New car	86 1	85 3	86 0	86	87	88	87	87		88
10 Used car	91 8	90 3	92 0	93	92	92	91	92		92
Amount financed (dollars)										
11 New car	7,339	8,178	8,787	9,118	9,167	9,099	9,072	9,139		9,190
12 Used car	4,343	4,746	5,033	5,316	5,401	5,392	5,418	5,474		5,547

1 Data for midmonth of quarter only

2 Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months

3 At auto finance companies

A40 Domestic Financial Statistics □ June 1984

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

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

Transaction category, sector	1978	1979	1980	1981	1982	1983 ^a	1981		1982		1983	
							H1	H2	H1	H2	H1 ^a	H2 ^a
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	369.8	386.0	343.2	377.2	395.3	523.3	392.4	362.0	356.8	434.8	504.7	541.9
<i>By sector and instrument</i>												
2 U.S. government	53.7	37.4	79.2	87.4	161.3	186.6	87.8	86.9	106.9	215.5	231.3	141.8
3 Treasury securities	55.1	38.8	79.8	87.8	162.1	186.7	88.3	87.3	108.3	215.9	231.4	141.9
4 Agency issues and mortgages	-1.4	-1.4	-6	-5	-9	-1	-5	-4	-1.4	-4	-1	-1
5 Private domestic nonfinancial sectors	316.2	348.6	264.0	289.8	234.1	336.8	304.6	275.1	249.9	219.3	273.4	400.1
6 Debt capital instruments	199.7	211.2	192.0	158.4	152.4	237.6	179.3	137.5	139.7	166.1	221.7	253.5
7 Tax-exempt obligations	28.4	30.3	30.3	21.9	50.5	52.0	21.1	22.6	41.7	59.4	60.3	43.8
8 Corporate bonds	21.1	17.3	26.7	22.1	18.8	14.9	26.1	18.0	10.8	26.9	21.1	8.6
9 Mortgages	150.2	163.6	135.1	114.5	83.0	170.7	132.0	96.9	87.3	79.9	140.3	201.1
10 Home mortgages	112.2	120.0	96.7	75.9	56.6	110.9	92.6	59.2	55.8	58.6	92.9	128.9
11 Multifamily residential	9.2	7.8	8.8	4.3	1.3	8.9	4.9	3.7	4.2	1.7	6.3	11.6
12 Commercial	21.7	23.9	20.2	24.6	20.0	48.0	25.2	23.9	21.4	18.6	40.1	55.8
13 Farm	7.2	11.8	9.3	9.7	5.2	2.9	9.3	10.1	5.9	4.4	1.0	4.7
14 Other debt instruments	116.5	137.5	72.0	131.5	81.6	99.2	125.3	137.6	110.1	53.2	51.7	146.7
15 Consumer credit	48.8	45.4	4.9	24.1	18.3	51.3	28.9	19.3	19.3	17.4	35.9	66.6
16 Bank loans n.e.c.	37.4	51.2	36.7	54.7	54.4	26.1	45.5	63.9	70.1	38.8	17.3	34.9
17 Open market paper	5.2	11.1	5.7	19.2	-3.3	-1.2	12.0	26.3	6.5	13.0	-16.3	14.0
18 Other	25.1	29.7	24.8	33.4	12.2	23.0	38.9	28.0	14.3	10.2	14.9	31.1
19 By borrowing sector	316.2	348.6	264.0	289.8	234.1	336.8	304.6	275.1	249.9	219.3	273.4	400.1
20 State and local governments	19.1	20.5	20.3	9.7	36.3	43.7	9.1	10.2	29.3	43.3	50.7	36.7
21 Households	169.4	176.4	117.5	120.6	86.3	166.7	139.8	101.3	87.6	86.1	134.5	199.0
22 Farm	14.6	21.4	14.4	16.3	9.0	3.8	20.1	12.5	9.0	9.1	-4	7.9
23 Nonfarm noncorporate	32.4	34.4	33.7	39.6	29.8	65.0	39.8	39.5	34.6	24.9	51.4	78.7
24 Corporate	80.6	96.0	78.1	103.7	72.7	57.5	95.8	111.5	89.3	56.0	37.2	77.9
25 Foreign net borrowing in United States	33.8	20.2	27.2	27.2	15.7	17.7	31.9	22.5	12.8	18.6	18.4	17.0
26 Bonds	4.2	3.9	8	5.4	6.6	3.6	3.3	7.6	2.4	10.8	4.4	2.9
27 Bank loans n.e.c.	19.1	2.3	11.5	3.7	-6.2	3.8	3.1	4.2	-5.1	-7.2	14.6	-7.0
28 Open market paper	6.6	11.2	10.1	13.9	10.7	6.0	20.6	7.1	12.5	9.0	-4.6	16.5
29 U.S. government loans	3.9	2.9	4.7	4.2	4.5	4.3	4.9	3.5	3.0	6.0	4.0	4.6
30 Total domestic plus foreign	403.6	406.2	370.4	404.4	411.0	541.0	424.4	384.5	369.6	453.4	523.1	558.9
Financial sectors												
31 Total net borrowing by financial sectors	74.6	82.5	63.3	85.4	69.3	89.8	87.4	83.4	89.8	48.7	75.2	104.4
<i>By instrument</i>												
32 U.S. government related	37.1	47.9	44.8	47.4	64.9	67.7	45.2	49.6	61.3	68.4	68.0	67.5
33 Sponsored credit agency securities	23.1	24.3	24.4	30.5	14.9	1.4	28.9	32.1	23.6	6.3	-2.4	5.3
34 Mortgage pool securities	13.6	23.1	19.2	15.0	49.5	66.3	14.9	15.1	37.0	62.1	70.4	62.3
35 Loans from U.S. government	4	6	1.2	1.9	4	.....	1.4	2.4	8	.....	.....	.....
36 Private financial sectors	37.5	34.6	18.5	38.0	4.4	22.0	42.2	33.8	28.5	-19.7	7.2	36.9
37 Corporate bonds	7.5	7.8	7.1	8	2.3	17.1	-3	-1.4	-1.2	5.8	15.4	18.8
38 Mortgages	1	*	-1	-5	-1	*	8	-2	1	1	*	*
39 Bank loans n.e.c.	2.8	-4	-4	2.2	3.2	-1.0	3.2	1.1	5.2	1.2	-4.7	2.6
40 Open market paper	14.6	18.0	4.8	20.9	-2.0	13.0	23.5	18.4	14.0	-18.0	9.3	16.6
41 Loans from Federal Home Loan Banks	12.5	9.2	7.1	16.2	8	-7.0	16.7	15.8	10.4	-8.8	-12.9	-1.2
<i>By sector</i>												
42 Sponsored credit agencies	23.5	24.8	25.6	32.4	15.3	1.4	30.3	34.5	24.4	6.3	-2.4	5.3
43 Mortgage pools	13.6	23.1	19.2	15.0	49.5	66.3	14.9	15.1	37.0	62.1	70.4	62.3
44 Private financial sectors	37.5	34.6	18.5	38.0	4.4	22.0	42.2	33.8	28.5	-19.7	7.2	36.9
45 Commercial banks	1.3	1.6	5	4	1.2	5	2	5	7	1.7	8	2
46 Bank affiliates	7.2	6.5	6.9	8.3	1.9	8.6	6.9	9.7	9.7	-5.8	6.1	11.1
47 Savings and loan associations	13.5	12.6	7.4	15.5	-3.0	-4.2	16.8	14.1	9.1	-15.2	-12.8	4.4
48 Finance companies	18.1	16.6	6.3	14.1	4.9	17.7	18.5	9.7	9.5	2	13.7	21.7
49 REITs	-1.4	-1.3	-2.2	2	1	2	2	2	1	1	2	2
All sectors												
50 Total net borrowing	478.2	488.7	433.7	489.8	480.3	630.8	511.8	467.9	459.4	502.1	598.3	663.3
51 U.S. government securities	90.5	84.8	122.9	133.0	225.9	254.4	131.8	134.3	167.6	284.0	299.4	209.4
52 State and local obligations	28.4	30.3	30.3	21.9	50.5	52.0	21.1	22.6	41.7	59.4	60.3	43.8
53 Corporate and foreign bonds	32.8	29.0	34.6	26.7	27.7	35.6	29.1	24.2	12.0	43.5	40.8	30.3
54 Mortgages	150.2	163.5	134.9	113.9	83.0	170.6	131.1	96.6	87.3	79.8	140.2	201.0
55 Consumer credit	48.8	45.4	4.9	24.1	18.3	51.3	28.9	19.3	19.3	17.4	35.9	66.6
56 Bank loans n.e.c.	59.3	53.0	47.8	60.6	51.4	28.9	51.8	69.3	70.2	32.8	27.2	30.6
57 Open market paper	26.4	40.3	20.6	54.0	5.4	17.8	56.1	51.9	33.0	-22.1	-11.5	47.1
58 Other loans	41.9	42.4	37.8	55.8	17.9	20.2	61.8	49.7	28.4	7.4	6.0	34.5
External corporate equity funds raised in United States												
59 Total new share issues	1.9	-3.8	22.2	-3.7	35.4	70.6	10.2	-17.7	23.7	47.0	87.2	54.1
60 Mutual funds	-1	1	5.2	6.8	18.6	34.1	8.1	5.6	13.2	24.0	39.0	29.3
61 All other	1.9	-3.9	17.1	-10.6	16.8	36.5	2.1	-23.2	10.6	23.0	48.2	24.8
62 Nonfinancial corporations	-1	-7.8	12.9	-11.5	11.4	28.3	9	-23.8	7.0	15.8	38.2	18.4
63 Financial corporations	2.5	3.2	2.1	9	4.1	4.3	5	1.2	3.8	4.4	4.3	4.4
64 Foreign shares purchased in United States	-5	.8	2.1	*	1.3	3.9	7	-7	2	2.9	5.7	2.1

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted, half-yearly data are at seasonally adjusted annual rates

Transaction category, or sector	1978	1979	1980	1981	1982	1983 ¹	1981		1982		1983	
							H1	H2	H1	H2	H1 ²	H2 ²
1 Total funds advanced in credit markets to domestic nonfinancial sectors	369.8	386.0	343.2	377.2	395.3	523.3	392.4	362.0	356.8	434.8	504.7	541.9
<i>By public agencies and foreign</i>												
2 Total net advances	102.3	75.2	97.0	97.4	109.3	117.2	113.8	81.0	107.9	110.8	129.1	105.2
3 U.S. government securities	36.1	-6.3	15.7	17.2	17.9	27.4	31.2	3.1	17.7	18.2	50.8	4.0
4 Residential mortgages	25.7	35.8	31.7	23.4	61.1	76.0	21.9	25.0	48.1	74.0	80.7	71.3
5 F.H.B. advances to savings and loans	12.5	9.2	7.1	16.2	8	7.0	16.7	15.8	10.4	8.8	12.9	-1.2
6 Other loans and securities	28.0	36.5	42.4	40.6	29.5	20.8	44.1	37.1	31.7	27.4	10.5	31.2
<i>Total advanced, by sector</i>												
7 U.S. government	17.1	19.0	23.7	24.1	16.7	9.7	27.9	20.3	14.2	19.1	8.2	11.2
8 Sponsored credit agencies	40.3	53.0	45.6	48.2	65.3	68.8	47.2	49.2	62.5	68.1	69.1	68.4
9 Monetary authorities	7.0	7.7	4.5	9.2	9.8	10.9	2.4	16.0	1	19.5	12.0	9.8
10 Foreign	38.0	-4.6	23.2	16.0	17.6	27.8	36.4	4.4	31.1	4.1	39.9	15.7
<i>Agency and foreign borrowing not in line 1</i>												
11 Sponsored credit agencies and mortgage pools	37.1	47.9	44.8	47.4	64.9	67.7	45.2	49.6	61.3	68.4	68.0	67.5
12 Foreign	33.8	20.2	27.2	27.2	15.7	17.7	31.9	22.5	12.8	18.6	18.4	17.0
<i>Private domestic funds advanced</i>												
13 Total net advances	338.4	379.0	318.2	354.4	366.6	491.6	355.7	353.1	323.0	411.0	461.9	521.2
14 U.S. government securities	54.3	91.1	107.2	115.9	207.9	227.0	100.6	131.1	149.9	265.8	248.6	205.4
15 State and local obligations	28.4	30.3	30.3	21.9	50.5	52.0	21.1	22.6	41.7	59.4	60.3	43.8
16 Corporate and foreign bonds	23.4	18.5	19.3	19.4	15.4	12.7	20.9	17.9	-1.7	32.4	19.9	5.6
17 Residential mortgages	95.6	91.9	73.7	56.7	3.3	43.8	75.5	37.9	11.7	17.2	18.4	69.2
18 Other mortgages and loans	149.3	156.3	94.8	156.9	96.8	149.0	154.3	159.5	131.7	62.0	101.9	196.1
19 U.S.S. Federal Home Loan Bank advances	12.5	9.2	7.1	16.2	8	7.0	16.7	15.8	10.4	-8.8	12.9	1.2
<i>Private financial intermediation</i>												
20 Credit market funds advanced by private financial institutions	302.3	294.7	262.3	305.2	271.2	373.8	317.3	293.1	272.8	268.9	353.5	394.0
21 Commercial banking	129.0	123.1	101.1	103.6	108.5	132.7	99.6	107.6	109.7	107.1	130.0	135.5
22 Savings institutions	72.8	56.7	54.9	27.2	30.6	133.6	41.5	12.8	29.5	31.0	132.1	135.1
23 Insurance and pension funds	75.0	66.4	74.4	79.3	94.2	103.1	75.3	83.4	95.4	93.0	107.4	98.7
24 Other finance	25.5	48.5	32.0	95.2	37.9	4.4	101.0	89.4	38.1	37.8	-16.0	24.8
25 Sources of funds	302.3	294.7	262.3	305.2	271.2	373.8	317.3	293.1	272.8	268.9	353.5	394.0
26 Private domestic deposits and RPS	141.0	142.0	168.6	211.7	173.4	204.4	213.8	209.6	163.4	182.7	219.7	189.0
27 Credit market borrowing	37.5	34.6	18.5	38.0	4.4	22.0	42.2	33.8	28.5	-19.7	7.2	36.9
28 Other sources	123.8	118.1	75.2	55.5	93.5	147.4	61.3	49.8	80.8	105.9	126.7	168.1
29 Foreign funds	6.5	27.6	21.7	-8.7	27.7	22.4	8.7	-8.7	-30.1	25.4	18.0	62.9
30 Treasury balances	6.8	4	-2.6	-1.1	6.1	-5.3	6.5	8.7	-2.1	14.1	8.8	19.5
31 Insurance and pension reserves	62.2	49.1	65.4	73.2	85.9	89.8	62.7	83.8	85.4	86.4	93.1	86.6
32 Other, net	48.4	41.0	34.0	7.9	29.2	40.5	8	-16.7	27.6	30.7	42.8	38.1
<i>Private domestic nonfinancial investors</i>												
33 Direct lending in credit markets	73.6	118.9	74.4	87.2	99.7	139.8	80.6	93.8	78.7	122.4	115.6	164.0
34 U.S. government securities	36.3	61.4	38.3	47.4	58.1	89.6	37.2	57.6	43.1	72.7	88.9	90.2
35 State and local obligations	3.6	9.9	7.0	9.6	30.9	35.9	9.5	9.7	28.4	33.4	48.2	23.5
36 Corporate and foreign bonds	-1.8	5.7	6	8.9	9.4	3.3	5.5	12.4	-26.3	7.4	-19.2	12.6
37 Open market paper	15.6	12.1	-4.3	3.7	2.0	6.6	3.3	10.7	6.7	10.7	-10.1	23.4
38 Other	19.9	29.8	32.9	35.4	22.1	11.0	42.7	28.2	26.8	19.6	7.7	14.3
39 Deposits and currency	152.2	151.4	180.0	221.7	179.4	222.5	222.6	220.7	166.2	192.1	239.9	205.0
40 Currency	9.3	7.9	10.3	9.5	8.4	13.6	8.0	11.0	4.5	12.3	14.1	13.2
41 Checkable deposits	16.2	18.7	5.0	18.1	13.0	21.0	29.8	6.5	6.7	19.1	55.4	13.4
42 Small time and savings accounts	65.9	59.2	83.1	47.2	137.0	220.8	30.7	63.6	95.1	178.6	300.2	141.4
43 Money market fund shares	6.9	34.4	29.2	107.5	24.7	-44.1	104.1	110.8	39.4	10.0	-84.0	4.2
44 Large time deposits	44.4	23.0	44.7	36.4	-5.2	1.9	41.6	31.2	21.2	-31.6	-63.1	59.2
45 Security RPS	7.5	6.6	6.5	2.5	3.8	8.5	7.7	-2.6	1.1	6.6	11.0	6.0
46 Deposits in foreign countries	2.0	1.5	1.1	5	2.4	4.5	8	2	-1.8	-2.9	6.1	2.8
47 Total of credit market instruments, deposits and currency	225.8	270.3	254.4	308.9	279.1	362.3	303.3	314.5	244.9	314.5	355.5	369.1
48 Public holdings as percent of total	25.3	18.5	26.2	24.1	26.6	21.7	26.8	21.1	29.2	24.4	24.7	18.8
49 Private financial intermediation (in percent)	89.3	77.7	82.4	86.1	74.0	76.0	89.2	83.0	84.4	65.4	76.5	75.6
50 Total foreign funds	44.6	23.0	1.5	7.3	-10.2	50.2	27.8	-13.1	1.0	-21.3	21.9	78.6
<i>M/RMO Corporate equities not included above</i>												
51 Total net issues	1.9	-3.8	22.2	-3.7	35.4	70.6	10.2	-17.7	23.7	47.0	87.2	54.1
52 Mutual fund shares	.1	.1	5.2	6.8	18.6	34.1	8.1	5.6	13.2	24.0	39.0	29.3
53 Other equities	1.9	-3.9	17.1	10.6	16.8	36.5	2.1	-23.2	10.6	23.0	48.2	24.8
54 Acquisitions by financial institutions	4.5	9.7	16.8	22.1	27.9	55.3	25.3	18.9	19.3	36.4	68.4	42.3
55 Other net purchases	-2.7	13.5	5.4	25.9	7.5	15.3	15.1	-36.6	4.4	10.6	18.8	11.9

NOTES BY LINE NUMBER

- Line 1 of table 1.58.
- 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.
- Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46
- Includes farm and commercial mortgages
- Line 39 less lines 40 and 46
- Excludes equity issues and investment company shares. Includes line 19.
- Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
- Demand deposits at commercial banks.
- Excludes net investment of these reserves in corporate equities
- Mainly retained earnings and net miscellaneous liabilities.
- Line 12 less line 20 plus line 27.
- Lines 14-18 less amounts acquired by private finance. Line 38 includes mortgages.
- Mainly an offset to line 9.
- Lines 33 plus 39, or line 13 less line 28 plus 40 and 46
- Line 2/line 1
- Line 20/line 13
- Sum of lines 10 and 29
- 51, 53 Includes issues by financial institutions

NOTE: Full statements for sectors and transaction types in flows and in amounts outstanding may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

1967 = 100; monthly and quarterly data are seasonally adjusted. Exceptions noted.

Measure	1981	1982	1983	1983				1984				
				Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
1 Industrial production ¹	151.0	138.6	147.6	153.8	155.0	155.3	156.2	158.5	160.0	160.8	162.5	163.2
<i>Market groupings</i>												
2 Products, total	150.6	141.8	149.2	154.9	155.6	155.8	157.4	159.7	160.4	161.1	162.6	163.3
3 Final, total	149.5	141.5	147.1	152.1	152.7	153.2	155.2	157.5	158.0	158.6	160.3	161.0
4 Consumer goods	147.9	142.6	151.7	157.3	156.9	156.1	157.7	159.5	159.4	160.0	161.7	161.7
5 Equipment	151.5	139.8	140.8	144.9	147.0	149.1	151.8	154.9	156.1	156.6	158.4	159.9
6 Intermediate	154.4	143.3	156.6	165.4	166.5	165.5	165.4	167.8	169.0	170.3	171.3	171.8
7 Materials	151.6	133.7	145.2	152.2	154.0	154.5	154.5	156.6	159.4	160.5	162.3	163.1
<i>Industry groupings</i>												
8 Manufacturing	150.4	137.6	148.2	155.1	156.2	156.4	156.8	159.5	161.4	162.1	164.1	164.7
Capacity utilization (percent) ^{1,2}												
9 Manufacturing	79.4	71.1	75.2	78.4	78.9	78.8	78.9	80.1	80.9	81.0	81.8	81.9
10 Industrial materials industries	80.7	70.1	75.2	78.6	79.5	79.6	79.6	80.6	81.9	82.2	82.9	83.3
11 Construction contracts (1977 = 100) ³	111.0	111.0	138.0	143.0	139.0	145.0	134.0	150.0	150.0	144.0	145.0	n.a.
<i>Nonagricultural employment, total⁴</i>												
12 Goods-producing, total	138.5	136.2	136.8	138.3 ⁵	138.8 ⁵	139.3 ⁵	139.9 ⁵	140.4 ⁵	141.1	141.4	142.0	142.4
13 Manufacturing, total	109.4	102.6	101.5	101.5 ⁵	102.5 ⁵	103.2 ⁵	103.8 ⁵	104.6 ⁵	105.4	105.1	106.2	106.6
14 Manufacturing, total	103.7	96.9	96.0	96.1 ⁵	97.1 ⁵	97.8 ⁵	98.4 ⁵	99.0 ⁵	99.6	100.1	100.4	100.6
15 Manufacturing, production-worker	98.0	89.4	88.7	89.2 ⁵	90.4 ⁵	91.2 ⁵	91.9 ⁵	92.5 ⁵	93.1	93.6	94.0	94.2
16 Service-producing	154.4	154.6	156.1	158.5 ⁵	158.7 ⁵	159.1 ⁵	159.6 ⁵	160.0 ⁵	160.7	161.1	161.7	162.0
17 Personal income, total	386.5	409.3	453.3	441.5	446.4 ⁵	449.8 ⁵	453.9 ⁵	461.3 ⁵	464.7	467.0	469.4	469.4
18 Wages and salary disbursements	349.7	367.2	389.8	396.2	400.6	401.7	404.2 ⁵	409.5	411.5	413.0	417.8	n.a.
19 Manufacturing	287.3	286.2	300.4	308.2	310.2	312.8	314.4 ⁵	320.4	323.3	324.8	329.5	n.a.
20 Disposable personal income ⁵	373.7	397.3	426.3	434.1	438.8	442.1	446.2	454.0	457.3	459.8	461.6	461.6
21 Retail sales ⁶	330.6	326.0	373.0	380.3	385.6	389.3	391.4	407.3	403.0	396.9	409.2	409.9
<i>Prices⁷</i>												
22 Consumer	272.4	289.1	298.4	301.8	302.6	303.1	303.5	305.2	306.6	307.3	308.8	n.a.
23 Producer finished goods	269.8	280.7	285.2	285.1	287.6 ⁵	286.8	287.2 ⁵	289.4	290.6	291.7	291.4	n.a.

1. The capacity utilization series has been revised back to January 1967.
 2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, Department of Commerce, and other sources.
 3. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.
 4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.
 5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).

6. Based on Bureau of Census data published in *Survey of Current Business*.
 7. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

NOTE: Basic data (not index numbers) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 may also be found in the *Survey of Current Business*.
 Figures for industrial production for the last two months are preliminary and estimated, respectively.

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1983			1984	1983				1984	1983				1984	
	Q2	Q3	Q4	Q1 ¹	Q2	Q3	Q4	Q1 ¹	Q2	Q3	Q4	Q1 ¹	Q2	Q3	Q4	Q1^{1}
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)						
1 Total industry	144.5	151.8	155.5	159.8	195.5	196.4	197.3	198.4	73.9	77.3	78.8	80.5			
2 Mining	112.3	116.1	121.0	124.2	165.3	165.4	165.5	165.7	67.9	70.2	73.1	75.0			
3 Utilities	169.6	178.2	178.4	179.2	209.8	211.1	212.4	213.8	80.8	84.4	84.0	83.5			
4 Manufacturing	145.2	152.8	156.5	161.0	196.6	197.5	198.4	196.5	73.8	77.4	78.9	80.7			
5 Primary processing	145.2	152.8	156.4	160.5	194.8	195.3	195.8	196.4	74.6	78.3	79.9	81.6			
6 Advanced processing	145.1	152.8	156.1	161.6	197.6	198.6	199.7	201.0	73.5	76.9	78.2	80.3			
7 Materials	141.7	149.9	154.3	158.8	192.9	193.4	194.0	194.7	73.5	77.5	79.6	81.6			
8 Durable goods	134.7	144.2	150.3	157.6	195.6	196.0	196.5	197.1	68.9	73.6	76.5	79.9			
9 Metal materials	84.9	89.3	93.8	97.5	139.9	139.8	139.6	139.1	60.7	63.9	67.2	70.1			
10 Nondurable goods	171.7	179.1	183.5	183.7	218.8	219.6	220.6	221.8	78.5	81.5	83.2	82.8			
11 Textile, paper, and chemical	179.6	188.0	193.2	193.2	230.7	231.6	232.7	234.2	77.9	81.2	83.0	82.5			
12 Paper	153.4	162.8	167.4	165.7	166.1	166.9	167.7	168.5	92.3	97.5	99.8	98.3			
13 Chemical	219.4	227.8	235.0	236.5	296.6	298.3	300.1	302.3	74.0	76.4	78.3	78.2			
14 Energy materials	121.5	127.4	127.8	131.2	154.3	154.7	155.3	155.8	78.7	82.3	82.3	84.2			

2.11 Continued

Series	Previous cycle ¹		Latest cycle ²		1983	1983				1984				
	High	Low	High	Low	May	Sept	Oct	Nov	Dec	Jan	Feb.	Mar.	Apr.	May
Capacity utilization rate (percent)														
15 Total industry	88.4	71.1	87.3	76.5	73.9	78.2	78.7	78.7	79.0	80.1	80.7	80.9	81.5	81.7
16 Mining	91.8	86.0	88.5	84.0	68.2	70.8	71.5	73.2	74.7	75.4	74.9	74.7	74.1	75.4
17 Utilities	94.9	82.0	86.7	83.8	80.9	84.8	83.3	83.0	85.7	84.8	82.5	84.0	83.6	83.8
18 Manufacturing	87.9	69.0	87.5	75.5	73.8	78.4	78.9	78.8	78.9	80.1	80.9	81.0	81.8	81.9
19 Primary processing	93.7	68.2	91.4	72.6	74.6	79.7	80.4	80.0	79.2	80.6	82.2	82.2	82.9	83.3
20 Advanced processing	85.5	69.4	85.9	77.0	73.4	77.8	77.9	78.0	78.6	80.0	80.4	80.4	81.2	81.2
21 Materials	92.6	69.3	88.9	74.2	73.5	78.6	79.5	79.6	79.6	80.6	81.9	82.2	82.9	83.3
22 Durable goods	91.4	63.5	88.4	68.4	68.9	75.2	76.1	76.5	77.0	78.5	80.5	80.8	82.0	82.2
23 Metal materials	97.8	68.0	95.4	59.4	61.0	65.5	68.0	66.8	66.8	67.3	71.1	71.8	73.2	74.4
24 Nondurable goods	94.4	67.4	91.7	77.5	78.7	82.9	84.1	83.8	81.6	81.9	83.0	83.6	84.1	84.5
25 Textile, paper, and chemical	95.1	65.4	92.3	75.5	78.1	82.6	84.1	83.7	81.2	81.5	82.8	83.1	83.6	84.0
26 Paper	99.4	72.4	97.9	89.8	92.9	99.0	99.4	101.3	98.8	99.3	99.0	96.7	100.8	n.a.
27 Chemical	95.5	64.2	91.3	70.7	74.0	77.8	79.7	79.0	76.2	76.7	78.6	79.4	79.4	n.a.
28 Energy materials	94.5	84.4	88.7	84.4	78.5	81.6	81.4	81.8	83.6	84.4	84.1	84.1	83.8	84.1

1 Monthly high 1973, monthly low 1975

2 Preliminary; monthly highs December 1978 through January 1980; monthly lows July through October 1980

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

Category	1981	1982	1983	1983			1984				
				Oct	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
HOUSEHOLD SURVEY DATA											
1 Noninstitutional population ¹	172,272	174,450	176,414	176,990	177,151	177,325	177,733 ^r	177,882	178,033	178,185	178,337
2 Labor force (including Armed Forces) ¹	110,812	112,383	113,749	114,077	114,235	114,340	114,415 ^r	114,896	115,121	115,461	116,017
3 Civilian labor force	108,670	110,204	111,550	111,866	112,035	112,136	112,215 ^r	112,693	112,912	113,245	113,803
4 Employment											
5 Nonagricultural industries ²	97,030	96,125	97,450	98,730	99,349	99,585	99,918 ^r	100,496	100,859	101,009	101,899
6 Agriculture	3,368	3,401	3,383	3,240	3,257	3,356	3,271 ^r	3,395	3,281	3,393	3,389
7 Unemployment											
8 Number	8,273	10,678	10,717	9,896	9,429	9,195	9,026 ^r	8,801	8,772	8,843	8,514
9 Rate (percent of civilian labor force)	7.6	9.7	9.6	8.8	8.4	8.2	8.0 ^r	7.8	7.8	7.8	7.5
10 Not in labor force	61,460	62,067	62,665	62,913	62,916	62,985	63,318 ^r	62,986	62,912	62,724	62,320
ESTABLISHMENT SURVEY DATA											
9 Nonagricultural payroll employment ³	91,156	89,596	89,986	91,084	91,688 ^r	92,026 ^r	92,391 ^r	92,846 ^r	93,058 ^r	93,456 ^r	93,688
10 Manufacturing	20,170	18,853	18,678	19,064	19,018 ^r	19,143 ^r	19,254 ^r	19,373 ^r	19,466 ^r	19,531 ^r	19,557
11 Mining	1,132	1,143	1,021	1,044	967 ^r	969 ^r	975 ^r	978 ^r	978 ^r	985 ^r	993
12 Contract construction	4,176	3,911	3,949	4,060	4,073 ^r	4,086 ^r	4,154 ^r	4,226 ^r	4,151 ^r	4,247 ^r	4,306
13 Transportation and public utilities	5,157	5,081	4,943	5,019	5,043 ^r	5,055 ^r	5,095 ^r	5,105 ^r	5,112 ^r	5,131 ^r	5,141
14 Trade	20,551	20,401	20,508	20,666	21,149 ^r	21,228 ^r	21,320 ^r	21,418 ^r	21,487 ^r	21,568 ^r	21,613
15 Finance	5,301	5,340	5,456	5,503	5,530 ^r	5,546 ^r	5,573 ^r	5,593 ^r	5,613 ^r	5,640 ^r	5,650
16 Service	20,547	19,064	19,685	19,956	20,034 ^r	20,130 ^r	20,162 ^r	20,278 ^r	20,378 ^r	20,449 ^r	20,538
17 Government	16,024	15,803	15,747	15,775	15,874 ^r	15,869 ^r	15,858 ^r	15,875 ^r	15,873 ^r	15,905 ^r	15,890

1 Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2 Includes self-employed, unpaid family, and domestic service workers.

3 Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1983 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.13 Continued

Grouping	SIC code	1967 proportion	1983 avg	1983								1984				
				May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
				Index (1967 = 100)												
MAJOR INDUSTRY																
1 Mining and utilities		12.05	142.9	139.7	139.6	143.8	146.0	146.5	145.8	147.2	151.5	151.4	148.9	150.4	149.6	151.2
2 Mining		6.36	116.6	112.8	112.6	115.0	116.1	117.1	118.3	121.1	123.7	124.8	124.1	123.8	122.8	125.0
3 Utilities		5.69	172.4	169.7	169.8	176.0	179.3	179.3	176.5	176.3	182.5	181.0	176.5	180.0	179.5	180.5
4 Electric		3.88	196.0	192.9	192.0	200.9	205.4	204.5	200.7	200.2	208.0	206.8	200.0	204.6	204.0	205.3
5 Manufacturing		87.95	148.2	145.1	147.4	150.6	152.8	155.1	156.2	156.4	156.8	159.5	161.4	162.1	164.1	164.7
6 Non-durable		35.97	168.1	165.4	167.8	170.6	172.9	174.6	175.6	174.8	173.9	175.2	177.2	177.8	179.9	180.2
7 Durable		51.98	134.5	131.0	133.2	136.8	138.8	141.6	142.8	143.6	145.0	148.6	150.5	151.2	153.2	154.0
<i>Mining</i>																
8 Metal	10	51	80.9	84.4	82.9	82.5	80.9	78.7	81.0	84.6	82.3	89.4	97.4	100.0	99.8	
9 Coal	11, 12	69	136.3	125.6	124.6	139.9	141.2	140.5	142.7	144.8	145.2	151.5	163.2	164.0	151.4	153.4
10 Oil and gas extraction	13	4.40	116.6	112.5	112.6	113.9	114.7	116.3	117.3	119.8	123.4	123.1	119.6	118.1	118.2	120.8
11 Stone and earth minerals	14	75	122.8	122.5	121.7	121.2	125.0	126.5	127.4	132.2	133.9	134.8	133.0	137.0	139.5	
<i>Non-durable manufactures</i>																
12 Foods	20	8.75	156.4	155.6	157.7	159.9	159.3	158.2	157.6	157.1	157.7	159.4	160.0	161.2		
13 Tobacco products	21	67	112.1	112.9	120.0	112.9	117.1	112.7	109.1	109.5	112.3	116.4	110.9	111.8		
14 Textile mill products	22	2.68	140.8	139.6	141.8	146.7	147.4	148.7	148.7	145.8	145.0	143.9	142.3	143.5	144.9	
15 Apparel products	23	3.31														
16 Paper and products	26	3.21	164.3	161.5	163.0	165.1	168.6	170.4	171.5	172.1	170.1	172.3	176.6	174.5	175.1	176.2
17 Printing and publishing	27	4.72	152.5	145.2	147.4	152.0	157.8	161.7	162.7	162.0	161.7	163.4	164.8	165.2	166.0	165.4
18 Chemicals and products	28	7.74	215.0	211.0	214.7	218.3	220.3	224.1	228.4	225.6	221.1	221.5	224.8	225.7	228.6	
19 Petroleum products	29	1.79	120.3	123.8	123.0	124.3	123.2	125.1	123.6	125.4	114.4	118.8	127.6	127.0	129.3	130.1
20 Rubber and plastic products	30	2.24	291.9	288.0	293.8	296.1	306.9	310.9	310.8	309.1	314.4	317.2	318.5	323.8	328.7	
21 Leather and products	31	86	61.9	59.6	60.1	62.3	64.4	64.2	64.0	63.2	66.0	61.4	63.9	63.8	64.4	
<i>Durable manufactures</i>																
22 Ordnance, private and government	19, 91	3.64	95.4	92.6	93.3	95.2	96.8	98.0	98.8	99.3	99.8	99.7	99.6	100.6	101.5	102.0
23 Timber and products	24	1.64	137.2	135.8	137.4	141.3	141.6	142.3	141.7	141.0	143.8	146.0	145.6	149.3	150.0	
24 Furniture and fixtures	25	1.37	170.5	169.6	173.1	175.2	179.0	180.7	181.0	177.5	177.9	183.8	185.6	185.0	189.3	
25 Clay, glass, stone products	32	2.74	143.4	139.2	141.7	145.8	147.9	151.7	151.9	152.7	153.8	157.8	160.4	160.2	161.5	
26 Primary metals	33	6.57	85.4	84.9	84.8	85.5	87.5	90.6	95.3	92.2	90.4	93.2	98.4	97.6	99.9	100.9
27 Iron and steel	33, 34	4.21	71.5	69.5	69.7	71.8	75.1	78.2	84.3	79.2	74.1	80.7	86.0	84.4	86.7	
28 Fabricated metal products	34	5.93	120.2	115.5	118.5	122.7	126.0	127.4	126.9	128.5	129.2	131.7	132.8	134.9	136.7	137.0
29 Nonelectrical machinery	35	9.15	150.6	146.1	149.5	154.2	157.3	158.3	159.2	161.8	164.3	169.5	170.9	171.8	175.5	176.2
30 Electrical machinery	36	8.05	185.5	180.1	182.4	188.3	189.2	195.8	198.4	200.1	201.5	206.2	209.9	210.9	214.5	216.1
31 Transportation equipment	37	9.27	117.8	113.8	116.6	119.7	121.1	124.7	125.5	127.3	130.8	134.9	135.2	135.4	135.0	135.3
32 Motor vehicles and parts	37, 1	4.50	137.1	130.4	136.2	142.3	144.3	150.9	150.9	152.9	158.9	166.3	164.4	165.8	162.6	163.0
33 Aerospace and miscellaneous transportation equipment	37, 2-9	4.77	99.6	98.1	98.1	98.5	99.2	100.0	101.6	103.2	104.3	105.3	107.7	106.8	109.0	109.3
34 Instruments	38	2.11	158.7	156.0	156.1	159.3	161.6	163.6	163.0	163.0	164.6	167.8	168.6	169.7	171.9	172.9
35 Miscellaneous manufactures	39	1.51	146.2	149.0	151.0	153.7	153.1	151.7	149.1	148.9	149.3	151.1	152.0	152.4	153.5	153.1
Gross value (billions of 1972 dollars, annual rates)																
MAJOR MARKET																
36 Products, total		507.4	612.6	601.8	610.5	620.5	626.6	637.0	637.8	638.4	645.4	655.1	656.9	660.2	664.7	668.7
37 Final		390.9	472.6	465.6	471.8	478.2	481.8	489.9	490.7	490.8	497.8	505.3	505.0	507.9	511.9	515.5
38 Consumer goods		277.5	328.7	325.6	330.4	333.7	336.7	341.6	340.2	338.3	341.9	345.3	345.3	346.8	349.1	350.5
39 Equipment		113.4	144.0	140.0	141.4	144.5	145.1	148.4	150.5	152.5	155.9	160.0	159.7	161.1	162.8	165.0
40 Intermediate		116.6	140.0	136.2	138.7	142.3	144.8	147.1	147.1	147.6	147.6	149.8	151.9	152.3	152.8	153.2

1 1972 dollar value

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2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

Item	1981	1982	1983	1983						1984			
				July	Aug.	Sept	Oct	Nov	Dec	Jan.	Feb. ^r	Mar. ^r	Apr
Private residential real estate activity (thousands of units)													
New Units													
1 Permits authorized	986	1,001	1,605 ^r	1,752 ^r	1,671 ^r	1,540 ^r	1,650 ^r	1,649 ^r	1,602 ^r	1,799 ^r	1,902	1,727	1,725
2 1-family	564	546	902 ^r	930 ^r	900 ^r	864 ^r	905 ^r	919 ^r	913 ^r	989 ^r	1,083	974	936
3 2-or-more-family	421	454	703 ^r	822 ^r	771 ^r	676 ^r	745 ^r	730 ^r	689 ^r	810 ^r	819	753	789
4 Started	1,084	1,062	1,703	1,793	1,873	1,679	1,672	1,730	1,694	1,980	2,262	1,645	1,963
5 1-family	705	663	1,068	1,048	1,124	1,038	1,017	1,074	1,021	1,301	1,463	1,068	1,148
6 2-or-more-family	379	400	636	745	749	641	655	656	673	679	799	577	815
7 Under construction, end of period ¹	682	720	1,003 ^r	962 ^r	979 ^r	991 ^r	994 ^r	1,011	1,020	1,032 ^r	1,039	1,076	↑ n a ↓
8 1-family	382	400	524 ^r	538 ^r	544 ^r	545 ^r	542 ^r	543	542	552 ^r	561	579	
9 2-or-more-family	301	320	479 ^r	424 ^r	434 ^r	446 ^r	452 ^r	468	478	480 ^r	479	497	
10 Completed	1,266	1,006	1,391 ^r	1,427 ^r	1,716 ^r	1,512 ^r	1,567	1,445	1,489	1,606 ^r	1,562	1,558	↑ n a ↓
11 1-family	818	631	924	983 ^r	1,029 ^r	1,006 ^r	1,028	994	986	1,014 ^r	1,031	1,001	
12 2-or-more-family	447	374	466	444 ^r	687 ^r	506 ^r	539	451	503	592 ^r	531	557	
13 Mobile homes shipped	241	240 ^r	295	296	307	305	308	313	310	314	293	287	
Merchant builder activity in 1-family units													
14 Number sold	436	413	622	606	558	597	624	636	755	681 ^r	697	667	634
15 Number for sale, end of period ¹	278	255	303	289	296	299	301	304	300	302 ^r	304	322	329
Price (thousands of dollars) ²													
Median													
16 Units sold	68.8	69.3	75.5	75.2	76.8	81.0	75.9	75.9	75.9	76.2 ^r	78.6	78.8	80.3
Average													
17 Units sold	83.1	83.8	89.9	89.2	91.3	97.8	89.5	91.4	91.7	92.2	93.0	96.5	95.3
EXISTING UNITS (1-family)													
18 Number sold	2,418	1,991	2,719	2,780	2,760	2,770	2,720	2,700	2,850	2,890	2,910	3,020	3,070
Price of units sold (thousands of dollars) ²													
19 Median	66.1	67.7	69.8	71.8	71.5	69.9	69.8	70.4	69.9	71.3	71.8	72.2	72.6
20 Average	78.0	80.4	82.5	84.2	84.7	82.8	83.0	83.4	82.9	84.8	84.9	85.1	86.3
Value of new construction ¹ (millions of dollars)													
CONSTRUCTION													
21 Total put in place	239,418	232,048	262,668	274,205	281,997	285,384	265,626	265,780	265,319	275,676	292,175	302,019	302,468
22 Private	186,069	180,979	212,287	222,759	228,529	232,561	216,976	214,920	215,497	224,963	239,373	246,865	248,168
23 Residential	86,567	74,809	110,708	122,297	127,136	129,142	116,478	110,385	107,973	116,899	128,457	133,321	131,931
24 Nonresidential, total	99,502	106,170	101,579	100,462	101,393	103,419	100,498	104,535	107,524	108,064	110,916	113,544	116,237
Buildings													
25 Industrial	17,031	17,346	13,143	12,227	14,227	13,166	10,532	12,280	12,921	13,091	13,921	14,470	13,382
26 Commercial	34,243	37,281	36,267	35,871	36,277	36,901	36,118	38,081	38,955	40,874	42,735	45,241	47,442
27 Other	9,543	10,507	11,705	11,250	12,038	12,564	12,279	12,001	12,121	13,062	13,077	13,357	13,181
28 Public utilities and other	38,685	41,036	40,464	41,114	38,851	40,788	41,569	42,173	43,527	41,037	41,183	40,476	42,232
Public													
29 Public	53,346	51,068	50,380	51,446	53,469	52,823	48,649	50,860	49,821	50,713	52,802	55,154	54,300
30 Military	1,966	2,205	2,536	2,655	2,258	2,705	2,458	3,192	2,977	2,821	2,716	3,227	3,245
31 Highway	13,599	13,521	14,178	14,091	15,906	15,896	14,644	14,360	14,780	13,738	14,928	16,585	16,653
32 Conservation and development	5,300	5,029	4,823	5,608	5,210	5,048	4,253	3,902	4,896	4,259	4,639	4,518	4,577
33 Other	32,481	30,313	28,843	29,092	30,095	29,174	27,294	29,406	27,168	29,895	30,519	30,824	29,825

1. Not at annual rates.
 2. Not seasonally adjusted.
 3. Value of new construction data in recent periods may not be strictly comparable with data in prior periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

NOTE: Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are those reported to the Census Bureau from 16,000 jurisdictions beginning with 1978.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (at annual rate)				Change from 1 month earlier				Index level Apr 1984 (1967 100) ¹	
	1983 Apr	1984 Apr	1983			1984	1983	1984				
			June	Sept	Dec '	Mar '	Dec '	Jan	Feb	Mar		Apr
CONSUMER PRICES²												
1 All items	3.9	4.5	5.4	4.5	4.0	5.0	.2	.6	.4	.2	.5	308.8
2 Food	2.8	3.6	1.7	1.1	4.3	9.0	4	1.6	.7	1	0	302.3
3 Energy items	3.6	2.8	19.1	3.4	1.7	1.4	3	4	2	2	7	421.3
4 All items less food and energy	4.3	5.0	4.2	5.9	4.9	5.1	3	5	3	4	5	298.3
5 Commodities	5.7	4.8	3.2	6.8	4.6	3.4	3	2	2	4	6	251.8
6 Services	3.2	5.2	4.8	5.2	5.3	5.9	3	7	4	4	5	352.2
PRODUCER PRICES												
7 Finished goods	2.1	2.9	2.6	2.0	1.1	6.0	2	6	4	5	0	291.4
8 Consumer foods	1.1	4.6	.9	2.5	5.8	17.4	7	2.6	7	8	6	275.0
9 Consumer energy	3.4	.7	12.9	1.3	10.4	7.2	1.1	1.0	4	1.2	7	754.8
10 Other consumer goods	3.5	2.7	2.2	2.7	1.5	4.7	1	1	2	9	1	245.1
11 Capital equipment	3.2	2.8	1.7	2.1	1.8	4.3	3	2	5	3	3	294.1
12 Intermediate materials ³ . . . . .	.5	3.6	2.8	4.0	2.5	2.6	2	0	2	5	1	324.8
13 Excluding energy . . . . .	.8	3.5	2.8	3.6	4.1	3.5	4	0	2	6	1	303.5
Crude materials												
14 Foods . . . . .	.9	5.3	5.8	15.6	12.1	13.7	1.5	2.3	3.1	4.2	1.2	270.4
15 Energy	1.9	1.2	5.1	1.7	-2.3	1.3	2	4	0	-8	4	783.9
16 Other . . . . .	.9	13.0	49.1	16.6	2.4	9.2	4	3.4	8	2	2.9	276.5

1. Not seasonally adjusted.

2. Figures for consumer prices are those for all urban consumers and reflect a rental equivalence measure of homeownership after 1982.

3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

Source: Bureau of Labor Statistics.

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2.16 GROSS NATIONAL PRODUCT AND INCOME

Billions of current dollars except as noted, quarterly data are at seasonally adjusted annual rates.

Account	1981	1982	1983	1983				1984
				Q1	Q2	Q3	Q4	
GROSS NATIONAL PRODUCT								
1 Total	2,954.1	3,073.0	3,310.5	3,171.5	3,272.0	3,362.2	3,436.2	3,541.6
<i>By source</i>								
2 Personal consumption expenditures	1,857.2	1,991.9	2,158.0	2,073.0	2,147.0	2,181.1	2,230.9	2,287.8
3 Durable goods	236.1	244.5	279.4	258.5	277.7	282.8	298.6	314.9
4 Nondurable goods	733.9	761.0	804.1	777.1	799.6	814.8	825.0	843.3
5 Services	887.1	986.4	1,074.5	1,037.4	1,069.7	1,083.5	1,107.3	1,129.6
6 Gross private domestic investment	474.9	414.5	471.9	404.1	450.1	501.1	532.5	600.9
7 Fixed investment	456.5	439.1	478.4	443.5	464.6	492.5	512.8	531.6
8 Nonresidential	352.2	348.3	348.4	332.1	336.3	351.0	374.0	384.4
9 Structures	133.4	141.9	131.1	132.9	127.4	130.9	133.3	139.5
10 Producers' durable equipment	218.8	206.4	217.2	199.3	208.8	220.2	240.7	244.9
11 Residential structures	104.3	90.8	130.0	111.3	128.4	141.5	138.8	147.3
12 Nonfarm	99.8	86.0	124.9	106.7	123.3	136.3	133.5	142.1
13 Change in business inventories	18.4	-24.5	-6.4	-39.4	-14.5	8.5	19.6	69.3
14 Nonfarm	10.9	-23.1	-2.8	-39.0	-10.3	18.4	19.7	48.2
15 Net exports of goods and services	26.3	17.4	-9.0	17.0	-8.5	-18.3	-26.1	-54.6
16 Exports	368.8	347.6	335.4	326.9	327.1	341.1	346.5	355.8
17 Imports	342.5	330.2	344.4	309.9	335.6	359.4	372.6	410.4
18 Government purchases of goods and services	595.7	649.2	689.5	677.4	683.4	698.3	699.0	707.5
19 Federal	229.2	258.7	274.8	273.5	273.7	278.1	274.1	272.4
20 State and local	366.5	390.5	414.7	404.0	409.7	420.2	424.9	435.1
<i>By major type of product</i>								
21 Final sales, total	2,935.6	3,097.5	3,316.9	3,210.9	3,286.6	3,353.7	3,416.6	3,472.3
22 Goods	1,291.8	1,280.8	1,366.5	1,292.2	1,346.8	1,388.9	1,438.2	1,496.2
23 Durable	528.0	500.8	548.7	482.7	536.8	568.9	606.4	612.9
24 Nondurable	763.9	780.1	817.8	809.5	810.0	820.0	831.8	883.3
25 Services	1,374.2	1,511.2	1,635.6	1,588.4	1,623.4	1,651.0	1,679.6	1,710.7
26 Structures	288.0	281.0	308.4	290.9	301.9	322.3	318.5	334.6
27 Change in business inventories	18.4	-24.5	-6.4	-39.4	-14.5	8.5	19.6	69.3
28 Durable goods	3.6	-15.5	-3.9	-38.2	-8.9	13.1	18.3	19.6
29 Nondurable goods	14.8	-9.1	-2.5	-1.2	-5.7	4.5	1.4	49.7
30 MEMO. Total GNP in 1972 dollars	1,513.8	1,485.4	1,535.3	1,490.1	1,525.1	1,553.4	1,572.5	1,606.0
NATIONAL INCOME								
31 Total	2,373.0	2,450.4	2,650.2	2,528.5	2,612.8	2,686.9	2,772.4	2,878.4
32 Compensation of employees	1,769.2	1,865.7	1,990.2	1,923.7	1,968.7	2,011.8	2,056.6	2,113.4
33 Wages and salaries	1,493.2	1,568.1	1,664.1	1,610.6	1,647.1	1,681.5	1,717.3	1,756.6
34 Government and government enterprises	284.4	306.0	326.2	319.2	323.3	328.4	332.1	339.4
35 Other	1,208.8	1,262.1	1,338.4	1,291.5	1,323.8	1,353.1	1,385.2	1,417.1
36 Supplement to wages and salaries	276.0	297.6	326.1	313.1	321.6	330.3	339.4	356.8
37 Employer contributions for social insurance	132.5	140.9	152.7	148.8	151.5	153.9	156.7	167.9
38 Other labor income	143.5	156.6	173.4	164.3	170.1	176.4	182.7	189.0
39 Proprietors' income ¹	120.2	109.0	128.5	120.6	127.2	126.7	139.4	169.0
40 Business and professional ¹	89.7	87.4	107.6	98.4	106.2	111.2	114.5	121.2
41 Farm ¹	30.5	21.5	20.9	22.2	21.0	15.5	25.0	47.9
42 Rental income of persons ²	41.4	49.9	54.8	54.1	54.8	53.9	56.2	57.0
43 Corporate profits ¹	192.3	164.8	229.1	181.8	218.2	248.4	268.2	277.5
44 Profits before tax ¹	227.0	174.2	207.5	169.7	203.3	229.1	228.2	240.6
45 Inventory valuation adjustment	-23.6	-8.4	-9.2	-1.7	-10.6	-18.3	-6.3	-12.9
46 Capital consumption adjustment	-11.0	-1.1	30.8	13.9	25.6	37.6	46.2	49.8
47 Net interest	249.9	261.1	247.5	248.3	243.8	246.1	251.9	261.5

1 With inventory valuation and capital consumption adjustments.
2 With capital consumption adjustment

3 For after-tax profits, dividends, and the like, see table 1.48

SOURCE: Survey of Current Business (Department of Commerce)

2.17 PERSONAL INCOME AND SAVING

Billions of current dollars, quarterly data are at seasonally adjusted annual rates. Exceptions noted.

Account	1981	1982	1983	1983				1984
				Q1	Q2	Q3	Q4	Q1
PERSONAL INCOME AND SAVING								
1 Total personal income...	2,435.0	2,578.6	2,742.1	2,657.7	2,713.6	2,761.9	2,835.2	2,925.4
2 Wage and salary disbursements...	1,493.2	1,568.1	1,664.6	1,610.7	1,648.4	1,681.9	1,717.3	1,756.4
3 Commodity-producing industries	509.5	509.2	529.7	508.6	522.2	537.8	550.0	567.4
4 Manufacturing	385.3	383.8	402.8	385.4	397.4	409.2	419.0	432.9
5 Distributive industries	361.6	378.8	397.2	386.4	394.3	398.9	409.3	415.1
6 Service industries	337.7	374.1	411.5	396.4	407.3	416.4	425.8	434.7
7 Government and government enterprises	284.4	306.0	326.2	319.2	324.6	328.8	332.1	339.3
8 Other labor income...	143.5	156.6	173.4	164.3	170.1	176.4	182.7	189.0
9 Proprietors' income ¹	120.2	109.0	128.5	120.6	127.2	126.7	139.4	169.0
10 Business and professional ¹	89.7	87.4	107.6	98.4	106.2	111.2	114.5	121.2
11 Farm ¹	30.5	21.5	20.9	22.2	21.0	15.5	25.0	47.9
12 Rental income of persons ²	41.4	49.9	54.8	54.1	54.8	53.9	56.2	57.0
13 Dividends	62.8	66.4	70.5	68.8	69.3	70.9	72.9	75.1
14 Personal interest income	341.3	366.2	366.3	357.2	357.1	369.9	381.1	395.8
15 Transfer payments	337.2	374.6	403.6	398.5	405.3	402.6	408.1	411.8
16 Old-age survivors, disability, and health insurance benefits	182.0	204.5	222.8	217.4	221.1	223.8	228.8	233.5
17 LESS Personal contributions for social insurance	104.6	112.0	119.5	116.5	118.6	120.5	122.5	128.7
18 EQUALS Personal income	2,435.0	2,578.6	2,742.1	2,657.7	2,713.6	2,761.9	2,835.2	2,925.4
19 LESS Personal tax and nontax payments	387.4	402.1	406.5	401.8	412.6	400.1	411.4	421.4
20 EQUALS Disposable personal income...	2,047.6	2,176.5	2,335.6	2,255.9	2,301.0	2,361.7	2,423.9	2,504.0
21 LESS Personal outlays...	1,912.4	2,051.1	2,222.0	2,144.2	2,209.5	2,245.9	2,298.3	2,357.7
22 EQUALS Personal saving	135.3	125.4	113.6	121.7	91.5	115.8	125.6	146.3
MIMO								
Per capita (1972 dollars)								
23 Gross national product	6,584.1	6,399.3	6,552.8	6,381.5	6,518.0	6,622.5	6,687.5	6,815.7
24 Personal consumption expenditures	4,161.5	4,179.8	4,316.7	4,225.7	4,319.1	4,331.4	4,389.8	4,454.4
25 Disposable personal income	4,587.0	4,567.0	4,672.0	4,599.0	4,629.0	4,690.0	4,769.0	4,875.0
26 Saving rate (percent)	6.6	5.8	4.9	5.4	4.0	4.9	5.2	5.8
GROSS SAVING								
27 Gross saving	483.8	405.8	439.6	398.5	420.6	455.4	484.0	532.2
28 Gross private saving	509.6	521.6	569.9	541.5	535.0	587.2	615.7	642.2
29 Personal saving	135.3	125.4	113.6	121.7	91.5	115.8	125.6	146.3
30 Undistributed corporate profits ¹	44.8	37.0	78.9	48.9	70.1	89.7	107.0	107.1
31 Corporate inventory valuation adjustment	-23.6	-8.4	-9.2	1.7	10.6	18.3	6.3	12.9
<i>Capital consumption allowances</i>								
32 Corporate	202.9	222.0	231.6	228.3	229.8	233.1	235.2	238.5
33 Noncorporate	126.6	137.2	145.7	142.6	143.5	148.6	148.0	150.2
34 Wage accruals less disbursements	0	0	0	0	0	0	0	0
35 Government surplus, or deficit (-), national income and product accounts	-26.9	115.8	130.2	-142.9	-114.4	131.8	131.8	110.0
36 Federal	-62.2	-147.1	181.6	183.3	166.1	187.3	-189.8	-170.9
37 State and local	35.3	31.3	51.4	40.4	51.7	55.5	58.1	60.9
38 Capital grants received by the United States, net	1.1	0	0	0	0	0	0	0
39 Gross investment	478.9	406.2	437.4	397.4	417.1	457.9	477.1	521.9
40 Gross private domestic	474.9	414.5	471.9	404.1	450.1	501.1	532.5	600.9
41 Net foreign	4.0	8.3	34.6	6.7	33.0	43.2	-55.3	-79.1
42 Statistical discrepancy	4.9	5	-2.3	-1.2	-3.5	2.5	6.7	10.4

1. With inventory valuation and capital consumption adjustments
2. With capital consumption adjustment

SOURCE: Survey of Current Business (Department of Commerce)

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3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.¹

Item credits or debits	1981	1982	1983 ^a	1982		1983		
				Q4	Q1	Q2	Q3	Q4 ^b
1 Balance on current account	4,592	-11,211	-40,776	-6,621	-3,665	-9,747	-12,074	-15,291
2 Not seasonally adjusted				-5,546	-3,395	-8,898	-14,101	-14,382
3 Merchandise trade balance ²	28,067	-36,389	-60,550	-11,354	-8,856	-14,705	-18,178	-18,811
4 Merchandise exports	237,019	211,217	200,203	48,344	49,350	48,757	50,429	51,667
5 Merchandise imports	265,086	-247,606	-260,753	-59,698	-58,206	-63,462	-68,607	-70,478
6 Military transactions, net	-1,355	179	483	-26	516	117	-132	-17
7 Investment income, net ³	33,484	27,304	23,581	6,008	5,036	5,630	6,881	6,032
8 Other service transactions, net	7,462	5,729	4,369	1,182	1,200	1,034	1,470	604
9 Remittances, pensions, and other transfers	2,382	-2,621	-2,631	-661	-608	-636	-662	-724
10 U.S. government grants (excluding military)	-4,549	-5,413	-5,967	-1,770	-953	-1,187	-1,453	-2,375
11 Change in U.S. government assets, other than official reserve assets, net (increase, -)	-5,078	5,732	-4,897	-934	-1,053	-1,162	-1,206	-1,476
12 Change in U.S. official reserve assets (increase, -)	5,175	-4,965	-1,196	-1,949	-787	16	529	-953
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	1,823	-1,371	-66	-297	-98	-303	-209	545
15 Reserve position in International Monetary Fund	-2,491	-2,552	-4,434	732	-2,139	-212	-88	-1,996
16 Foreign currencies	-861	-1,041	3,304	-920	1,450	531	826	498
17 Change in U.S. private assets abroad (increase, -) ³	-100,348	-107,348	-43,204	-16,670	-19,793	570	-8,449	-15,532
18 Bank-reported claims	-83,851	-109,346	-24,966	-17,511	-15,935	5,166	-2,025	-12,172
19 Nonbank-reported claims	-1,181	6,976	-3,146	2,337	-2,374	-440	-332	n.a.
20 U.S. purchase of foreign securities, net	-5,636	-7,986	-7,484	-3,527	-1,808	-3,222	-1,543	-912
21 U.S. direct investments abroad, net ³	-9,680	3,008	-7,608	2,031	324	-934	-4,549	-2,448
22 Change in foreign official assets in the United States (increase, +)	5,430	3,172	6,083	1,661	49	1,973	-2,581	6,642
23 U.S. Treasury securities	4,983	5,759	7,140	4,346	3,008	1,955	-538	2,715
24 Other U.S. government obligations	1,289	-670	-464	-556	-371	-170	-363	440
25 Other U.S. government liabilities ⁴	-28	504	318	130	-270	403	207	-22
26 Other U.S. liabilities reported by U.S. banks	-3,479	-2,054	877	-1,717	-1,939	611	-1,425	3,630
27 Other foreign official assets ⁵	2,665	367	-1,788	-542	-379	-826	-462	-121
28 Change in foreign private assets in the United States (increase, +) ¹	75,248	84,693	76,935	9,856	16,404	8,984	22,028	29,521
29 U.S. bank-reported liabilities	42,154	64,263	51,295	2,823	10,588	919	15,068	24,720
30 U.S. nonbank-reported liabilities	942	-3,104	-1,060	20	-2,136	134	942	n.a.
31 Foreign private purchases of U.S. Treasury securities, net	2,982	7,004	8,599	2,257	2,912	3,072	1,011	1,604
32 Foreign purchases of other U.S. securities, net	7,171	6,141	8,587	1,975	2,986	2,628	1,842	1,132
33 Foreign direct investments in the United States, net ¹	21,998	10,390	9,514	2,781	2,054	2,231	3,165	2,065
34 Allocation of SDRs	1,093	0	0	0	0	0	0	0
35 Discrepancy	24,238	41,390	7,054	14,657	8,845	-634	1,753	-2,911
36 Owing to seasonal adjustments				1,042	-200	802	-1,361	758
37 Statistical discrepancy in recorded data before seasonal adjustment	24,238	41,390	7,054	13,615	9,045	-1,436	3,114	-3,669
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, -)	-5,175	4,965	-1,196	-1,949	-787	16	529	-953
39 Foreign official assets in the United States (increase, +)	5,458	2,668	5,765	1,531	319	1,570	-2,788	6,664
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	13,581	7,420	-8,591	-1,162	-1,397	-3,433	-2,104	-1,657
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	680	644	209	158	42	30	49	88

1. Seasonal factors are no longer calculated for lines 12 through 41.
 2. Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing; military exports are excluded from merchandise data and are included in line 6.
 3. Includes reinvested earnings of incorporated affiliates.

4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.

5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE: Data are from Bureau of Economic Analysis, *Survey of Current Business* (Department of Commerce)

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1981	1982	1983	1983			1984			
				Oct	Nov	Dec	Jan	Feb	Mar	Apr
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	234,677	212,193	200,486	17,033	17,063	17,298	18,326	17,212	17,727	17,521
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	261,305	243,952	258,048	24,333	23,115	22,976	26,586	26,147	26,771	28,368
3 Trade balance	-27,628	-31,759	-57,562	-7,300	-6,052	-5,678	-8,260	-8,935	-9,044	-10,846

NOTE: The data through 1981 in this table are reported by the Bureau of Census data of a free-alongside-ship (f.a.s.) value basis—that is, value at the port of export. Beginning in 1981, foreign trade of the U.S. Virgin Islands is included in the Census basis trade data; this adjustment has been made for all data shown in the table. Beginning with 1982 data, the value of imports are on a customs valuation basis.

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the export side, the largest adjustments are: (1) the addition of exports to Canada

not covered in Census statistics, and (2) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the import side, additions are made for gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately as indicated above.

SOURCE: F-1900 "Summary of U.S. Export and Import Merchandise Trade" (Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1980	1981	1982	1983		1984				
				Nov	Dec	Jan	Feb	Mar	Apr	May
1 Total	26,756	30,075	33,958	33,655	33,747	33,887	34,820	34,975	34,585	34,713
2 Gold stock, including Exchange Stabilization Fund ¹	11,160	11,151	11,148	11,123	11,121	11,120	11,116	11,111	11,107	11,104
3 Special drawing rights ^{2,3}	2,610	4,095	5,250	5,735	5,025	5,050	5,320	5,341	5,266	5,513
4 Reserve position in International Monetary Fund ²	2,852	5,055	7,348	9,883	11,312	11,422	11,707	11,706	11,618	11,666
5 Foreign currencies ^{4,5}	10,134	9,774	10,212	6,914	6,289	6,295	6,677	6,817	6,594	6,430

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13. Gold stock is valued at \$42.22 per fine troy ounce.

2. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.

3. Includes allocations by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; \$1,139 million on Jan. 1, 1979; \$1,152 million on Jan. 1, 1980; and \$1,093 million on Jan. 1, 1981; plus transactions in SDRs.

4. Valued at current market exchange rates.

5. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies in 1979 and 1980.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1980	1981	1982	1983		1984				
				Nov.	Dec.	Jan	Feb.	Mar	Apr	May
1 Deposits	411	505	328	360	190	251	246	222	345	295
Assets held in custody										
2 U.S. Treasury securities ¹	102,417	104,680	112,544	116,398	117,670	117,076	119,499	116,768	117,808	114,562
3 Earmarked gold ²	14,965	14,804	14,716	14,475	14,414	14,347	14,291	14,278	14,278	14,268

1. Marketable U.S. Treasury bills, notes, and bonds, and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

2. Earmarked gold is valued at \$42.22 per fine troy ounce.

NOTE: Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1980	1981	1982	1983				1984		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar ^P
All foreign countries										
1 Total, all currencies	401,135	462,847	469,712 ^r	460,261	458,894	463,467	475,924 ^r	454,299 ^r	462,397	480,546
2 Claims on United States	28,460	63,743	91,805 ^r	101,356	102,497	109,511	114,956	110,969	112,766	121,884
3 Parent bank	20,202	43,267	61,666 ^r	65,561	69,655	75,521	81,004	76,430	79,417	86,429
4 Other	8,258	20,476	30,139	35,795	32,842	33,990	33,952	34,539	33,349	35,455
5 Claims on foreigners	354,960	378,954	358,493 ^r	340,413	337,848	335,518	342,133 ^r	324,354 ^r	329,768	338,554
6 Other branches of parent bank	77,019	87,821	91,168 ^r	89,304	87,543	89,447	92,688 ^r	86,920 ^r	85,730	90,692
7 Banks	146,448	150,763	133,752 ^r	120,177	117,631	114,495	117,577 ^r	106,875 ^r	110,263	114,086
8 Public borrowers	28,033	28,197	24,131 ^r	24,982	25,061	24,256	24,420 ^r	24,017 ^r	24,342	24,731
9 Nonbank foreigners	103,460	112,173	109,442 ^r	105,950	107,613	107,320	107,448	106,542 ^r	109,433	109,045
10 Other assets	17,715	20,150	19,414 ^r	18,492	18,549	18,438	18,835 ^r	18,976 ^r	19,863	20,108
11 Total payable in U.S. dollars	291,798	350,735	361,982 ^r	354,595	351,483	358,204	370,713 ^r	348,639 ^r	349,834	364,486
12 Claims on United States	27,191	62,142	90,085 ^r	98,510	99,938	107,015	112,850	108,866	110,521	119,482
13 Parent bank	19,896	42,721	61,010 ^r	63,716	68,126	73,999	79,914	75,283	78,188	85,117
14 Other	7,295	19,421	29,075 ^r	34,794	31,812	33,016	32,936	33,583	32,333	34,365
15 Claims on foreigners	255,391	276,937	259,871 ^r	245,541	241,221	240,768	247,166 ^r	229,220 ^r	228,864	235,043
16 Other branches of parent bank	58,541	69,398	73,537 ^r	71,273	69,324	71,451	75,178 ^r	69,056 ^r	66,772	70,929
17 Banks	117,342	122,110	106,447 ^r	95,113	92,048	90,143	93,248	82,546 ^r	84,398	87,650
18 Public borrowers	23,491	22,877	18,413 ^r	18,455	18,644	17,752	17,856 ^r	17,717 ^r	17,784	18,060
19 Nonbank foreigners	56,017	62,552	61,474 ^r	60,700	61,205	61,422	60,884	59,901 ^r	59,910	58,404
20 Other assets	9,216	11,656	12,026 ^r	10,544	10,324	10,421	10,697	10,553 ^r	10,449	9,961
United Kingdom										
21 Total, all currencies	144,717	157,229	161,067	156,048	156,803	155,964	158,732 ^r	155,098	157,973	161,007
22 Claims on United States	7,509	11,823	27,354	28,947	30,853	32,352	34,433	35,634	36,647	38,072
23 Parent bank	5,275	7,885	23,017	20,816	25,507	26,872	29,111	29,759	30,876	32,201
24 Other	2,234	3,938	4,337	8,131	5,346	5,480	5,322	5,875	5,771	5,871
25 Claims on foreigners	131,142	138,888	127,734	121,518	120,660	118,275	119,280	114,287	116,055	118,200
26 Other branches of parent bank	34,760	41,367	37,000	36,382	36,556	35,642	36,565	34,842	33,296	34,617
27 Banks	58,741	56,315	50,767	45,451	43,888	42,683	43,352	40,119 ^r	42,508	43,804
28 Public borrowers	6,688	7,490	6,240	6,274	6,280	6,307	5,898	6,063 ^r	6,005	6,076
29 Nonbank foreigners	30,953	33,716	33,727	33,411	33,936	33,643	33,465	33,263	34,246	33,703
30 Other assets	6,066	6,518	5,979	5,583	5,290	5,337	5,019 ^r	5,177	5,271	4,735
31 Total payable in U.S. dollars	99,699	115,188	123,740	121,238	121,817	121,744	126,012 ^r	121,197	121,945	124,501
32 Claims on United States	7,116	11,246	26,761	27,837	30,095	31,671	33,756	34,917	35,935	37,282
33 Parent bank	5,229	7,721	22,756	20,036	25,084	26,537	28,756	29,414	30,516	31,789
34 Other	1,887	3,525	4,005	7,801	5,011	5,134	5,000	5,503	5,419	5,493
35 Claims on foreigners	89,723	99,850	92,228	89,530	88,253	86,614	88,917	83,161	83,067	84,599
36 Other branches of parent bank	28,268	35,439	31,648	31,409	31,414	30,371	31,838	29,741	28,103	28,723
37 Banks	42,073	40,703	36,717	33,237	31,796	31,158	32,188	28,749 ^r	30,331	31,613
38 Public borrowers	4,911	5,595	4,329	4,329	4,346	4,377	4,194	4,356 ^r	4,241	4,390
39 Nonbank foreigners	14,471	18,113	19,534	20,555	20,697	20,708	20,697	20,315	20,392	19,873
40 Other assets	2,860	4,092	4,751	3,871	3,469	3,459	3,339 ^r	3,119	2,943	2,620
Bahamas and Caymans										
41 Total, all currencies	123,837	149,108	145,156	143,148	141,311	147,257	151,463	141,293	140,198	149,238
42 Claims on United States	17,751	46,546	59,403	66,547	66,253	71,363	74,728	70,459	70,706	77,878
43 Parent bank	12,631	31,643	34,653	40,152	40,105	44,414	47,703	43,174	44,474	50,211
44 Other	5,120	14,903	24,750	26,395	26,148	26,949	27,025	27,285	26,232	27,667
45 Claims on foreigners	101,926	98,057	81,450	72,826	71,268	71,995	72,788	66,916	65,609	67,393
46 Other branches of parent bank	13,342	12,951	18,720	16,789	15,817	17,993	17,340	15,989	14,657	15,265
47 Banks	54,861	55,151	42,699	36,609	35,964	35,353	36,767	32,451	32,525	34,186
48 Public borrowers	12,577	10,010	6,413	6,461	6,643	5,890	6,084	5,992	5,956	6,025
49 Nonbank foreigners	21,146	19,945	13,618	12,967	12,844	12,759	12,597	12,484	12,471	11,917
50 Other assets	4,160	4,505	4,303	3,775	3,790	3,899	3,947	3,918	3,883	3,967
51 Total payable in U.S. dollars	117,654	143,743	139,605	136,851	134,684	140,841	145,017	134,881	133,826	142,726

3.14 Continued

Liability account	1980	1981	1982	1983				1984		
				Sept	Oct	Nov	Dec	Jan	Feb.	Mar ^P
All foreign countries										
52 Total, all currencies	401,135	462,847	469,712 ^r	460,261	458,894	463,467	475,924 ^r	454,299 ^r	462,397	480,546
53 To United States	91,079	137,767	179,015 ^r	182,588	185,551	184,202	187,482 ^r	179,257 ^r	182,575	187,660
54 Parent bank	39,286	56,344	75,621 ^r	78,027	85,028	79,574	80,460 ^r	76,847 ^r	79,205	77,592
55 Other banks in United States	14,473	19,197	33,405 ^r	30,904	27,036 ^r	26,202 ^r	26,660 ^r	26,660 ^r	25,633	28,879
56 Nonbanks	37,275	62,226	69,989 ^r	73,657	73,487 ^r	78,426 ^r	77,915 ^r	75,750 ^r	77,737	81,189
57 To foreigners	295,411	305,630	270,853 ^r	259,525	254,682	260,435	269,125 ^r	256,107 ^r	260,392	272,854
58 Other branches of parent bank	75,773	86,396	90,191 ^r	86,714	84,004	86,792	89,047 ^r	82,126 ^r	81,834	87,222
59 Banks	132,116	124,906	96,860 ^r	86,550	84,533	88,023	92,800	86,564 ^r	89,074	95,635
60 Official institutions	32,473	25,997	19,614	20,513	19,403	18,377	18,824 ^r	19,517 ^r	20,499	18,274
61 Nonbank foreigners	55,049	68,331	64,188 ^r	65,748	66,742	67,143	68,454	67,900	68,985	71,723
62 Other liabilities	14,690	19,450	19,844 ^r	18,148	18,661	18,930	19,317 ^r	18,935	19,430	20,032
63 Total payable in U.S. dollars	303,281	364,447	379,270 ^r	373,061	369,936	374,426	387,500 ^r	365,344 ^r	367,278	381,896
64 To United States	88,157	134,700	175,528 ^r	178,814	181,645	180,206	183,767 ^r	175,437 ^r	178,260	183,364
65 Parent bank	37,528	54,492	73,295 ^r	75,743	82,661	77,127	78,258 ^r	74,495 ^r	76,611	75,001
66 Other banks in United States	14,203	18,883	33,040 ^r	30,358 ^r	26,480 ^r	25,711 ^r	28,573 ^r	26,166 ^r	25,066	28,293
67 Nonbanks	36,426	61,325	69,193	72,713 ^r	72,504 ^r	77,368 ^r	76,936 ^r	74,776 ^r	76,583	80,070
68 To foreigners	206,883	217,602	192,510 ^r	184,430	178,943	184,278	193,888 ^r	180,897 ^r	179,912	189,315
69 Other branches of parent bank	58,172	69,299	72,921 ^r	69,308	66,502	69,457	72,002 ^r	65,028 ^r	63,480	68,557
70 Banks	87,497	79,594	57,463 ^r	50,862	48,264	52,072	57,013	50,604	50,673	56,147
71 Official institutions	24,697	20,288	15,055	15,400	14,630	13,453	13,852	14,673	15,835	13,185
72 Nonbank foreigners	36,517	48,421	47,071 ^r	48,860	49,547	49,296	51,021	50,592	49,924	51,426
73 Other liabilities	8,241	12,145	11,232 ^r	9,817	9,348	9,942	9,845 ^r	9,010 ^r	9,106	9,217
United Kingdom										
74 Total, all currencies	144,717	157,229	161,067	156,048	156,803	155,964	158,732 ^r	155,098	157,973	161,007
75 To United States	21,785	38,022	53,954	56,924	60,903	57,095	55,799	55,620	56,551	56,344
76 Parent bank	4,225	5,444	13,091	16,852	21,385	17,312	14,021	17,077	18,308	15,850
77 Other banks in United States	5,716	7,502	12,205	12,174	10,751	10,176	11,328	10,640	10,570	11,556
78 Nonbanks	11,844	25,076	28,658	27,898	28,767	29,607	30,450	27,903	27,673	28,938
79 To foreigners	117,438	112,255	99,567	92,122	88,727	91,714	95,847	92,268	93,734	96,993
80 Other branches of parent bank	15,384	16,545	18,361	19,365	18,288	18,841	19,038	18,526	17,741	21,477
81 Banks	56,262	51,336	44,020 ^r	37,122	35,847	38,888	41,624	38,812	39,548	42,073
82 Official institutions	21,412	16,517	11,504	11,448	10,611	10,071	10,151	10,151	11,531	8,833
83 Nonbank foreigners	24,380	27,857	25,682	24,187	23,981	23,914	25,034	24,400	24,914	24,610
84 Other liabilities	5,494	6,952	7,546	7,002	7,173	7,155	7,086 ^r	7,210	7,688	7,670
85 Total payable in U.S. dollars	103,440	120,277	130,261	127,868	128,600	127,234	131,167 ^r	126,989	127,623	130,985
86 To United States	21,080	37,332	53,029	55,931	59,824	55,907	54,691	54,537	55,106	55,147
87 Parent bank	4,078	5,350	12,814	16,673	21,145	17,094	13,839	16,840	17,901	15,606
88 Other banks in United States	5,626	7,249	12,026	11,886	10,523	9,880	11,044	10,406	10,247	11,320
89 Nonbanks	11,376	24,733	28,189	27,372	28,156	28,933	29,808	27,291	26,958	28,221
90 To foreigners	79,636	79,034	73,477	68,252	65,347	68,011	73,279	69,557	69,438	72,776
91 Other branches of parent bank	10,474	12,048	14,300	15,166	14,542	15,044	15,403	14,758	13,956	17,559
92 Banks	35,388	32,298	28,810	24,478	23,136	26,343	29,320	26,386	26,229	28,833
93 Official institutions	17,024	13,612	9,668	9,381	8,742	8,029	8,279	8,594	9,777	6,910
94 Nonbank foreigners	16,750	21,076	20,699	19,227	18,927	18,595	20,277	19,819	19,476	19,474
95 Other liabilities	2,724	3,911	3,755	3,685	3,429	3,316	3,197 ^r	2,895	3,079	3,062
Bahamas and Caymans										
96 Total, all currencies	123,837	149,108	145,156	143,148	141,311	147,257	151,463	141,293	140,198	149,238
97 To United States	59,666	85,759	104,425	104,590	104,150	106,633	110,762	103,896	104,552	110,084
98 Parent bank	28,181	39,451	47,081	45,493	48,235	46,676	50,187	44,604	44,186	45,508
99 Other banks in United States	7,379	10,474	18,466	16,170	14,322	14,117	15,711	14,401 ^r	13,533	15,634
100 Nonbanks	24,106	35,834	38,878	42,927	41,593	45,840	44,864	44,891 ^r	46,833	48,942
101 To foreigners	61,218	60,012	38,274	36,239	34,782	38,164	38,362	35,157	33,409	36,803
102 Other branches of parent bank	17,040	20,641	15,796	13,357	12,634	13,376	15,521	12,253	11,790	11,980
103 Banks	29,895	23,202	10,166	9,506	9,059	9,618	11,869	9,883	9,351	11,357
104 Official institutions	4,361	3,498	1,967	2,237	1,976	1,624	1,916	2,309	1,870	2,419
105 Nonbank foreigners	9,922	12,671	10,345	11,139	11,113	11,401	11,201	10,712	10,398	11,047
106 Other liabilities	2,953	3,337	2,457	2,319	2,379	2,460	2,339	2,240	2,237	2,351
107 Total payable in U.S. dollars	119,657	145,284	141,908	139,855	137,514	143,604	147,658	137,429	136,516	145,202

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1981	1982	1983			1984			
			Oct	Nov	Dec	Jan.	Feb. ^f	Mar.	Apr. ^p
1 Total ¹	169,735	172,718	173,216	173,860	177,859	176,239	176,867	174,861	174,112
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	26,737	24,989	22,057	22,816	25,422	22,768	23,169	23,282	23,699
3 U.S. Treasury bills and certificates ³	52,389	46,658	51,618	52,558	54,341	55,327	56,084	53,681	52,155
4 Marketable	53,186	67,733	69,715	68,942	68,541	69,080	69,144	69,628	70,125
5 Nonmarketable ⁴	11,791	8,750	7,950	7,250	7,250	7,250	6,600	6,600	6,600
6 U.S. securities other than U.S. Treasury securities ⁵	25,632	24,588	21,876	22,294	22,305	21,814	21,870	21,670	21,533
<i>By area</i>									
7 Western Europe ¹	65,699	61,298	64,894	65,648	67,669	66,208	67,925	67,698	68,769
8 Canada	2,403	2,070	2,811	2,665	2,438	2,511	2,329	1,944	1,557
9 Latin America and Caribbean	6,953	6,057	5,629	6,468	6,217	6,443	7,605	6,460	7,463
10 Asia	91,607	96,034	92,305	91,457	92,488	92,181	90,571	90,583	88,471
11 Africa	1,829	1,350	1,023	801	958	1,051	1,067	1,038	941
12 Other countries ⁶	1,244	5,909	6,554	6,821	8,089	7,845	7,370	7,138	6,911

1. Includes the Bank for International Settlements.

2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.

4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

6. Includes countries in Oceania and Eastern Europe.

NOTE: Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies

Millions of dollars, end of period

Item	1980	1981	1982	1983			1984
				June	Sept	Dec.	Mar. ^p
1 Banks' own liabilities	3,748	3,523	4,844	5,880	5,976	5,205	6,168
2 Banks' own claims	4,206	4,980	7,707	7,862	7,984	7,256	8,992
3 Deposits	2,507	3,398	4,251	3,912	3,061	2,838	4,000
4 Other claims	1,699	1,582	3,456	3,950	4,923	4,418	4,992
5 Claims of banks' domestic customers ¹	962	971	676	684	717	1,059	361

1. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

NOTE: Data on claims exclude foreign currencies held by U.S. monetary authorities.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars
Millions of dollars, end of period

Holder and type of liability	1980	1981▲	1982	1983			1984			
				Oct	Nov	Dec.	Jan	Feb	Mar.	Apr ¹¹
1 All foreigners	205,297	243,889	307,056	338,117	351,382	369,226	358,486	368,750¹	376,886	378,849
2 Banks' own liabilities	124,791	163,817	227,089	249,952	262,226	278,644	264,478	271,707 ¹	284,639	286,661
3 Demand deposits	23,462	19,631	15,889	17,094	17,198	17,594	16,100	16,639	17,571	17,293
4 Time deposits ¹	15,076	29,039	68,035	80,865	84,735	90,098	87,691	91,157 ¹	96,300	96,005
5 Other ²	17,583	17,647	23,946	22,288	22,863	26,100	23,287	23,989 ¹	24,480	24,587
6 Own foreign offices ³	68,670	97,500	119,219	129,706	137,430	144,851	137,401	139,922 ¹	146,288	148,777
7 Banks' custody liabilities ⁴	80,506	80,072	79,967	88,165	89,156	90,582	94,007	97,043	92,247	92,188
8 U.S. Treasury bills and certificates ⁵	57,595	55,315	55,628	65,735	66,746	68,669	71,083	74,277	69,669	68,878
9 Other negotiable and readily transferable instruments ⁶	20,079	18,788	20,636	17,182	17,721	17,529	18,063	17,864 ¹	18,091	18,611
10 Other	2,832	5,970	3,702	5,247	4,690	4,385	4,862	4,903 ¹	4,487	4,699
11 Nonmonetary international and regional organizations⁷	2,344	2,721	4,922	4,619	6,363	5,957	4,759	6,831	6,243	6,356
12 Banks' own liabilities	444	638	1,909	3,294	4,939	4,632	2,867	2,317	4,047	3,528
13 Demand deposits	146	262	106	452	437	297	271	347	414	195
14 Time deposits ¹	85	58	1,664	2,487	4,079	3,885	2,235	1,611	2,656	2,467
15 Other ²	212	318	139	355	423	449	361	360	977	866
16 Banks' custody liabilities ⁴	1,900	2,083	3,013	1,325	1,424	1,325	1,892	4,514	2,196	2,827
17 U.S. Treasury bills and certificates ⁵	254	541	1,621	441	484	463	1,045	3,416	1,224	1,759
18 Other negotiable and readily transferable instruments ⁶	1,646	1,542	1,392	884	939	862	847	1,098	971	1,068
19 Other	0	0	0	0	0	0	0	0	0	0
20 Official institutions⁸	86,624	79,126	71,647	73,675	75,374	79,764	78,095	79,253¹	76,963	75,854
21 Banks' own liabilities	17,826	17,109	16,640	16,532	16,673	19,315	16,488	17,512 ¹	17,014	17,360
22 Demand deposits	3,771	2,564	1,899	1,818	2,023	1,837	1,753	1,663	2,045	1,892
23 Time deposits ¹	3,612	4,230	5,528	6,661	6,723	7,294	7,286	7,638	6,517	7,413
24 Other ²	10,443	10,315	9,212	8,053	7,926	10,184	7,449	8,211 ¹	8,452	8,056
25 Banks' custody liabilities ⁴	68,798	62,018	55,008	57,144	58,701	60,448	61,607	61,741	59,948	58,493
26 U.S. Treasury bills and certificates ⁵	56,243	52,389	46,658	51,618	52,558	54,341	55,327	56,084	53,681	52,155
27 Other negotiable and readily transferable instruments ⁶	12,501	9,581	8,321	5,489	6,115	6,082	6,257	5,623	6,249	6,232
28 Other	54	47	28	36	28	25	23	34	19	107
29 Banks⁹	96,415	136,008	185,881	204,672	214,010	226,485	217,907	222,844¹	233,229	234,529
30 Banks' own liabilities	90,456	124,312	169,449	182,731	192,572	204,945	195,330	200,325 ¹	210,845	212,079
31 Unaffiliated foreign banks	21,786	26,812	50,230	53,025	55,142	60,094	57,929	60,403 ¹	64,557	63,302
32 Demand deposits	14,188	11,614	8,675	9,102	8,770	8,756	8,151	8,394 ¹	8,342	8,793
33 Time deposits ¹	1,703	8,720	28,386	30,691	32,678	36,734	35,036	37,475 ¹	41,925	39,571
34 Other ²	5,895	6,477	13,169	13,232	13,695	14,604	14,743	14,534	14,290	14,938
35 Own foreign offices ³	68,670	97,500	119,219	129,706	137,430	144,851	137,401	139,922 ¹	146,288	148,777
36 Banks' custody liabilities ⁴	5,959	11,696	16,432	21,941	21,438	21,540	22,576	22,519	22,384	22,449
37 U.S. Treasury bills and certificates ⁵	623	1,685	5,809	10,036	9,967	10,178	10,776	10,756	10,763	10,795
38 Other negotiable and readily transferable instruments ⁶	2,748	4,400	7,857	7,542	7,251	7,485	7,416	7,378 ¹	7,464	7,562
39 Other	2,588	5,611	2,766	4,363	4,221	3,877	4,384	4,385 ¹	4,157	4,092
40 Other foreigners	19,914	26,035	44,606	55,151	55,635	57,021	57,725	59,822¹	60,452	62,112
41 Banks' own liabilities	16,065	21,759	39,092	47,396	48,042	49,751	49,793	51,552 ¹	52,733	53,694
42 Demand deposits	5,356	5,191	5,209	5,723	5,968	6,703	5,925	6,234	6,770	6,413
43 Time deposits	9,676	16,030	32,457	41,025	41,255	42,185	43,134	44,434 ¹	45,202	46,554
44 Other ²	1,033	537	1,426	648	819	863	734	884	761	726
45 Banks' custody liabilities ⁴	3,849	4,276	5,514	7,755	7,593	7,269	7,932	8,270	7,719	8,418
46 U.S. Treasury bills and certificates ⁵	474	699	1,540	3,640	3,737	3,686	3,935	4,021	4,001	4,168
47 Other negotiable and readily transferable instruments ⁶	3,185	3,265	3,065	3,267	3,415	3,100	3,542	3,764	3,408	3,750
48 Other	190	312	908	848	441	483	455	484	311	501
49 MEMO. Negotiable time certificates of deposit in custody for foreigners	10,745	10,747	14,307	9,995	10,385	10,407	10,307	9,416	9,688	9,970

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments"

2. Includes borrowing under repurchase agreements

3. U.S. banks. Includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks. Principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank.

4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks

5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit

7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks

8. Foreign central banks and foreign central governments, and the Bank for International Settlements

9. Excludes central banks, which are included in "Official institutions"

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents

3.17 Continued

Area and country	1980	1981▲	1982	1983			1984			
				Oct.	Nov	Dec.	Jan.	Feb.	Mar	Apr. ¹
1 Total	205,297	243,889	307,056	338,117	351,382	369,226	358,486	368,750²	376,886	378,849
2 Foreign countries	202,953	241,168	302,134	333,498	345,019	363,269	353,726	361,918²	370,643	372,494
3 Europe	90,897	91,275	117,756	127,131	130,671	138,006	134,887	140,026 ²	142,071	146,866
4 Austria	523	596	519	570	641	585	755	756 ²	861	884
5 Belgium-Luxembourg	4,019	4,117	2,517	2,856	2,470	2,709	2,972	3,218 ²	3,367	3,586
6 Denmark	497	333	509	544	538	466	372	355 ²	285	307
7 Finland	455	296	748	372	375	531	298	398	287	485
8 France	12,125	8,486	8,171	8,638	8,083	9,441	8,122	10,098	10,728	10,737
9 Germany	9,973	7,645	5,351	4,307	4,337	3,599	3,823	4,582	4,874	5,279
10 Greece	670	463	537	595	544	520	513	513	503	527
11 Italy	7,572	7,267	5,626	7,703	7,824	8,459	7,622	7,648 ²	7,395	6,809
12 Netherlands	2,441	2,823	3,362	3,735	3,701	4,290	4,008	4,210 ²	4,444	4,960
13 Norway	1,344	1,457	1,567	1,072	1,531	1,673	1,481	1,452	1,285	1,847
14 Portugal	374	354	388	297	306	373	377	352	403	414
15 Spain	1,500	916	1,405	1,592	1,534	1,603	1,645	1,664	1,749	1,706
16 Sweden	1,737	1,545	1,390	1,489	1,652	1,799	1,896	1,752	1,838	1,673
17 Switzerland	16,689	18,716	29,066	30,822	30,623	32,117	31,956	32,237	32,312	32,739
18 Turkey	242	518	296	277	319	467	334	400	318	348
19 United Kingdom	22,680	28,286	48,172	55,082	58,437	60,658	61,794	64,411 ²	64,687	68,098
20 Yugoslavia	681	375	499	464	552	562	505	477	479	448
21 Other Western Europe ¹	6,939	6,541	7,006	6,102	6,660	7,493	5,872	4,965	5,612	5,442
22 U S S R	68	49	50	37	27	65	62	74	177	61
23 Other Eastern Europe ²	370	493	576	576	518	596	482	464	468	513
24 Canada	10,031	10,250	12,232	16,335	16,369	16,026	16,270	17,679	17,182	16,583
25 Latin America and Caribbean	53,170	85,223	114,163	126,640	134,139	140,033	135,671	138,399 ²	143,301	143,889
26 Argentina	2,132	2,445	3,578	4,018	4,377	4,011	4,303	4,536	4,365	4,617
27 Bahamas	16,381	34,856	44,744	50,496	53,703	55,877	52,314	52,850 ²	58,232	56,845
28 Bermuda	670	765	1,572	2,632	2,582	2,328	2,745	3,165	2,886	3,211
29 Brazil	1,216	1,568	2,014	3,818	4,150	3,158	2,997	3,473	3,728	3,980
30 British West Indies	12,766	17,794	26,381	27,466	30,624	34,431	32,531	32,456 ²	32,627	32,736
31 Chile	460	664	1,626	1,697	1,783	1,842	1,811	1,935	1,876	1,980
32 Colombia	3,077	2,993	2,594	1,617	1,645	1,689	1,584	1,840	1,668	1,815
33 Cuba	6	9	9	10	10	8	9	13	8	8
34 Ecuador	371	434	455	825	1,003	825	1,047	826	826	970
35 Guatemala	367	479	670	750	766	788	800	812	815	852
36 Jamaica	97	87	126	105	234	109	113	131	132	131
37 Mexico	4,547	7,235	8,377	9,449	9,463	10,389	10,994	10,693	10,699	11,189
38 Netherlands Antilles	413	3,182	3,597	3,888	3,941	3,879	3,773	4,503 ²	4,901	4,666
39 Panama	4,718	4,857	4,805	5,902	5,946	5,924	5,586	5,545	5,498	5,472
40 Peru	403	694	1,147	1,049	1,090	1,166	1,130	1,146	1,157	1,178
41 Uruguay	254	367	759	1,202	1,173	1,232	1,278	1,321	1,418	1,330
42 Venezuela	3,170	4,245	8,417	8,202	8,024	8,603	9,313	9,442	8,566	9,076
43 Other Latin America and Caribbean	2,123	2,548	3,291	3,513	3,626	3,551	3,562	3,712	3,899	3,834
44 Asia	42,420	49,822	48,716	53,871	54,278	58,351	56,002	55,293 ²	57,662	54,950
45 China										
45 Mainland	49	158	203	216	183	249	249	168	272	302
46 Taiwan	1,662	2,082	2,761	3,992	4,063	3,997	4,270	4,291	4,193	4,388
47 Hong Kong	2,548	3,950	4,465	6,511	6,971	6,610	6,196	5,884	6,387	5,447
48 India	416	385	433	830	725	464	670	789	687	651
49 Indonesia	730	640	857	871	661	997	1,093	859	753	784
50 Israel	883	592	606	812	808	1,722	786	752 ²	833	708
51 Japan	16,281	20,750	16,078	17,140	17,138	18,079	17,069	17,615	19,216	18,862
52 Korea	1,528	2,013	1,692	1,353	1,591	1,648	1,614	1,542	1,748	1,409
53 Philippines	919	874	770	747	1,012	1,234	1,235	1,280	1,264	1,015
54 Thailand	464	534	629	522	569	716	776	622	714	637
55 Middle-East oil-exporting countries ³	14,453	12,992	13,433	12,860	12,650	12,960	12,516	11,587	12,198	12,281
56 Other Asia	2,487	4,853	6,789	8,017	7,907	9,676	9,528	9,943	9,398	8,466
57 Africa	5,187	3,180	3,124	2,845	2,694	2,800	2,917	3,070	3,111	3,182
58 Egypt	485	360	432	576	589	645	572	568	561	648
59 Morocco	33	32	81	73	96	84	109	138	122	127
60 South Africa	288	420	292	394	389	449	486	502	538	264
61 Zaïre	57	26	23	43	32	87	61	66	77	119
62 Oil-exporting countries ⁴	3,540	1,395	1,280	736	679	620	869	839	893	1,046
63 Other Africa	783	946	1,016	1,023	909	917	821	957	920	978
64 Other countries	1,247	1,419	6,143	6,675	6,868	8,053	7,979	7,451	7,315	7,023
65 Australia	950	1,223	5,904	6,461	6,666	7,857	7,742	7,197	7,095	6,806
66 All other	297	196	239	214	202	196	237	255	220	217
67 Nonmonetary international and regional organizations	2,344	2,721	4,922	4,619	6,363	5,957	4,759	6,831	6,243	6,356
68 International	1,157	1,661	4,049	3,944	5,598	5,273	4,174	6,189	5,426	5,641
69 Latin American regional	890	710	517	437	415	419	433	457	451	419
70 Other regional ⁵	296	350	357	238	350	265	152	186	366	296

¹ Includes the Bank for International Settlements Beginning April 1978, also includes Eastern European countries not listed in line 23

² Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania

³ Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

⁴ Comprises Algeria, Gabon, Libya, and Nigeria

⁵ Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars
Millions of dollars, end of period

Area and country	1980	1981▲	1982	1983			1984			
				Oct.	Nov	Dec	Jan	Feb	Mar	Apr #
1 Total	172,592	251,589	355,705	373,311	375,118	387,710	372,146	376,875 ^c	384,765	386,016
2 Foreign countries	172,514	251,533	355,636	373,251	375,048	387,547	372,081	376,711 ^c	384,615	385,942
3 Europe	32,108	49,262	85,584	89,145	90,243	90,743	90,378	91,293 ^c	91,642	96,276
4 Austria	236	121	229	334	395	401	354	414	449	695
5 Belgium-Luxembourg	1,621	2,849	5,138	5,533	5,548	5,639	5,942	6,182	5,970	6,185
6 Denmark	127	187	554	1,107	1,272	1,275	1,296	1,244	1,283	1,202
7 Finland	460	546	990	789	822	1,044	945	952	931	1,044
8 France	2,958	4,127	7,251	7,457	7,942	8,761	7,984	8,314 ^c	8,388	8,736
9 Germany	948	940	1,876	1,095	1,256	1,294	1,058	1,047 ^c	1,098	1,502
10 Greece	256	333	452	372	412	476	508	549	694	830
11 Italy	3,364	5,240	7,560	7,713	8,459	9,013	7,869	7,904 ^c	8,161	8,290
12 Netherlands	575	682	1,425	1,071	1,396	1,302	1,407	1,319 ^c	1,324	2,329
13 Norway	227	384	572	575	590	690	652	645	638	705
14 Portugal	331	529	950	893	939	954	954	944	908	1,079
15 Spain	993	2,095	3,744	3,162	3,654	3,573	3,391	3,280 ^c	3,347	3,723
16 Sweden	783	1,205	3,038	3,059	3,249	3,358	3,373	3,356	3,528	3,673
17 Switzerland	1,446	2,213	1,639	1,625	2,114	1,856	1,452	1,702	1,447	1,866
18 Turkey	145	424	560	660	693	812	795	839	958	1,019
19 United Kingdom	14,917	23,849	45,781	50,041	47,762	46,372	48,488	49,069 ^c	48,580	49,296
20 Yugoslavia	853	1,225	1,430	1,468	1,582	1,673	1,718	1,718	1,706	1,694
21 Other Western Europe ¹	179	211	368	405	429	477	493	547	499	655
22 U.S.S.R.	281	377	263	211	173	192	162	169	181	174
23 Other Eastern Europe ²	1,410	1,725	1,762	1,575	1,603	1,598	1,537	1,475	1,551	1,580
24 Canada	4,810	9,193	13,678	15,892	16,382	16,330	15,868	15,984 ^c	17,218	17,063
25 Latin America and Caribbean	92,992	138,347	187,969	194,991	197,785	203,269	193,898	196,869 ^c	201,840	199,849
26 Argentina	5,689	7,527	10,974	11,638	11,899	11,740	11,746	11,751	11,626	11,427
27 Bahamas	29,419	43,542	56,649	55,756	56,131	58,351	52,586	52,761 ^c	57,222	55,163
28 Bermuda	218	346	603	477	620	566	644	409	532	818
29 Brazil	10,496	16,926	23,271	24,232	24,532	24,482	24,826	24,928	25,712	25,948
30 British West Indies	15,663	21,981	29,101	31,005	32,251	34,921	31,171	33,175 ^c	33,115	33,665
31 Chile	1,951	3,690	5,513	5,756	5,860	6,029	6,163	6,286	6,131	6,112
32 Colombia	1,752	2,018	3,211	3,653	3,734	3,745	3,695	3,536	3,668	3,653
33 Cuba	3	3	3	3	0	0	0	0	0	4
34 Ecuador	1,190	1,531	2,062	2,141	2,262	2,307	2,367	2,350	2,334	2,340
35 Guatemala ³	137	124	124	115	122	129	189	126	128	129
36 Jamaica ³	36	62	181	203	210	215	218	219	210	227
37 Mexico	12,595	22,439	29,552	33,562	33,729	34,710	34,547	34,685 ^c	34,610	34,602
38 Netherlands Antilles	821	1,076	839	1,033	1,186	1,154	971	1,043	1,230	1,149
39 Panama	4,974	6,794	10,210	8,835	8,336	7,848	7,847	8,794	8,367	7,678
40 Peru	890	1,218	2,357	2,434	2,469	2,536	2,467	2,415	2,453	2,382
41 Uruguay	137	157	686	883	903	977	982	908	924	922
42 Venezuela	5,438	7,069	10,643	10,888	11,086	11,287	11,247	11,183 ^c	11,143	11,116
43 Other Latin America and Caribbean	1,583	1,844	1,991	2,377	2,455	2,271	2,232	2,298	2,436	2,513
44 Asia	39,078	49,851	60,952	63,949	61,286	67,648	62,655	62,623 ^c	64,261	63,002
45 China										
45 Mainland	195	107	214	295	249	292	420	337	373	428
46 Taiwan	2,469	2,461	2,288	1,618	1,574	1,908	1,820	1,710 ^c	1,645	1,654
47 Hong Kong	2,247	4,132	6,787	8,337	8,758	8,429	8,129	8,030 ^c	7,470	7,941
48 India	142	123	222	324	305	334	344	253	337	372
49 Indonesia	245	352	348	704	711	805	853	899	935	911
50 Israel	1,172	1,567	2,029	1,780	1,817	1,795	1,556	1,478	1,607	1,844
51 Japan	21,361	26,797	28,379	28,280	25,829	30,573	27,333	27,845 ^c	28,698	26,178
52 Korea	5,697	7,340	9,387	9,324	9,629	9,489	9,513 ^c	9,513 ^c	9,676	10,324
53 Philippines	989	1,819	2,625	2,376	2,427	2,099	2,408	2,357	2,371	2,359
54 Thailand	876	565	643	831	867	1,021	1,021	1,035	986	1,014
55 Middle East oil-exporting countries ⁴	1,432	1,581	3,087	4,689	4,276	4,954	4,637	4,264 ^c	5,015	5,089
56 Other Asia	2,252	3,009	4,943	5,390	4,845	5,549	4,646	4,902 ^c	5,145	4,887
57 Africa	2,377	3,503	5,346	6,910	6,830	6,654	6,571	7,226 ^c	6,919	6,644
58 Egypt	151	238	322	642	692	747	738	712 ^c	744	698
59 Morocco	223	284	353	462	461	440	450	481	484	486
60 South Africa	370	1,011	2,012	2,578	2,892	2,634	2,684	2,928 ^c	2,989	2,908
61 Zaire	94	112	57	38	37	33	29	16	13	26
62 Oil-exporting countries ⁵	805	657	801	1,485	1,039	1,073	1,037	1,124	1,029	1,000
63 Other	734	1,201	1,802	1,705	1,709	1,727	1,631	1,964 ^c	1,661	1,525
64 Other countries	1,150	1,376	2,107	2,365	2,522	2,904	2,712	2,718 ^c	2,734	3,109
65 Australia	859	1,203	1,713	1,701	1,899	2,272	2,105	2,048 ^c	2,007	2,489
66 All other	290	172	394	664	624	632	607	670 ^c	727	620
67 Nonmonetary international and regional organizations ⁶	78	56	68	60	70	164	64	164	150	75

1 Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

3. Included in "Other Latin America and Caribbean" through March 1978.

4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5. Comprises Algeria, Gabon, Libya, and Nigeria.

6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

Note: Data for period before April 1978 include claims of banks' domestic customers on foreigners.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars
Millions of dollars, end of period

Type of claim	1980	1981▲	1982	1983			1984			
				Oct.	Nov.	Dec.	Jan.	Feb. ^r	Mar.	Apr. ^p
1 Total	198,698	287,557	396,015	.....	.....	421,653	.....	.....	420,949	.....
2 Banks' own claims on foreigners	172,592	251,589	355,705	373,311	375,118	387,710	372,146	376,875	384,765	386,016
3 Foreign public borrowers	20,882	31,260	45,422	54,954	56,026	57,255	58,115	57,346	57,736	58,088
4 Own foreign offices ¹	65,084	96,653	127,293	141,655	137,520	144,016	138,377	140,881	146,282	144,586
5 Unaffiliated foreign banks	50,168	74,704	121,377	115,021	118,619	122,779	115,211	116,872	119,404	121,206
6 Deposits	8,254	23,381	44,223	44,697	44,738	46,392	43,092	44,742	45,135	44,202
7 Other	41,914	51,322	77,153	70,324	73,881	76,387	72,119	72,130	74,269	77,004
8 All other foreigners	36,459	48,972	61,614	61,681	62,952	63,661	60,442	61,776	61,342	62,135
9 Claims of banks' domestic customers ²	26,106	35,968	40,310	.. ..	.. ..	33,943	.. ..	.. ..	36,184	.. ..
10 Deposits	885	1,378	2,491	.. ..	.. ..	2,969	.. ..	.. ..	3,659	.. ..
11 Negotiable and readily transferable instruments ³	15,574	26,352	30,763	.. ..	.. ..	25,104	.. ..	.. ..	25,992	.. ..
12 Outstanding collections and other claims	9,648	8,238	7,056	.. ..	.. ..	5,870	.. ..	.. ..	6,533	.. ..
13 M/FMO Customer liability on acceptances	22,714	29,952	38,153	.. ..	.. ..	37,324	.. ..	.. ..	37,022	.. ..
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁴	24,468	40,369	42,186	45,187 ^r	47,936 ^r	44,300 ^r	44,581 ^r	46,755	47,048	n a

1 U.S. banks includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies, Agencies, branches, and majority-owned subsidiaries of foreign banks principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.

2 Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

3 Principally negotiable time certificates of deposit and bankers acceptances

4 Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p. 550.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

NOTE: Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars
Millions of dollars, end of period

Maturity, by borrower and area	1980	1981▲	1982	1983			1984
				June	Sept.	Dec.	Mar. ^p
1 Total	106,748	154,590	228,150	232,704	237,162	242,933	232,806
By borrower							
2 Maturity of 1 year or less ¹	82,555	116,394	173,917	175,021	176,271	175,970	159,988
3 Foreign public borrowers	9,974	15,142	21,256	23,124	25,479	24,258	20,628
4 All other foreigners	72,581	101,252	152,661	151,897	150,792	151,712	139,360
5 Maturity of over 1 year ¹	24,193	38,197	54,233	57,683	60,891	66,963	72,818
6 Foreign public borrowers	10,152	15,589	23,137	26,455	28,231	32,482	35,876
7 All other foreigners	14,041	22,608	31,095	31,227	32,660	34,481	36,941
By area							
8 Maturity of 1 year or less ¹							
9 Europe	18,715	28,130	50,500	52,208	53,332	55,550	53,205
10 Canada	2,723	4,662	7,642	7,110	6,642	6,200	6,553
11 Latin America and Caribbean	32,034	48,717	73,291	74,967	76,383	73,997	63,180
12 Asia	26,686	31,485	37,578	35,345	33,890	34,518	31,240
13 Africa	1,757	2,457	3,680	3,854	4,570	4,206	4,470
14 All other ²	640	943	1,226	1,536	1,454	1,499	1,340
15 Maturity of over 1 year ¹							
16 Europe	5,118	8,100	11,636	12,289	12,338	13,300	13,067
17 Canada	1,448	1,808	1,931	1,861	1,760	1,857	2,038
18 Latin America and Caribbean	15,075	25,209	35,247	36,730	39,102	43,498	49,094
19 Asia	1,865	1,907	3,185	4,070	4,735	4,838	5,122
20 Africa	507	900	1,494	1,667	1,819	2,278	2,291
21 All other ²	179	272	740	1,066	1,136	1,191	1,206

1 Remaining time to maturity

2 Includes nonmonetary international and regional organizations

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks¹
 Billions of dollars, end of period

Area or country	1979	1980	1981	1982			1983				1984
				June	Sept	Dec	Mar	June	Sept	Dec.		Mar^{2}
1 Total	303.9	352.0	415.2	435.5 ^r	438.4 ^r	438.7 ^r	441.1 ^r	437.4 ^r	428.3 ^r	434.1 ^r	430.8
2 G-10 countries and Switzerland	138.4	162.1	175.5	176.3	175.4	179.7	182.2 ^r	176.9 ^r	168.3 ^r	167.2 ^r	165.0
3 Belgium-Luxembourg	11.1	13.0	13.3	14.1	13.6	13.1	13.7	13.3	12.6	12.4	11.0
4 France	11.7	14.1	15.3	16.5	15.8	17.1	17.1	17.1	16.2	16.3	15.9
5 Germany	12.2	12.1	12.9	12.7	12.2	12.7	13.5 ^r	12.6	11.6	11.3 ^r	11.7
6 Italy	6.4	8.2	9.6	9.0	9.7	10.3	10.2	10.5	10.0 ^r	11.4 ^r	11.2
7 Netherlands	4.8	4.4	4.0	4.1	3.8	3.6	4.3	4.0	3.6	3.5	3.4
8 Sweden	2.4	2.9	3.7	4.0	4.7	5.0	4.3	4.7	4.9	5.1	5.2
9 Switzerland	4.7	5.0	5.5	5.1	5.1	5.0	4.6	4.8	4.2	4.3	4.2
10 United Kingdom	56.4	67.4	70.1	69.4	70.3	72.1	72.9	70.3 ^r	67.4 ^r	64.4 ^r	63.9
11 Canada	6.3	8.4	10.9	11.4	11.0	10.4	12.5 ^r	10.8	9.0	8.3	8.6
12 Japan	22.4	26.5	30.2	29.9	29.3	30.2	29.2	28.7	28.8 ^r	30.1 ^r	30.0
13 Other developed countries	19.9	21.6	28.4	32.2 ^r	32.7	33.7	34.0 ^r	34.4	34.2 ^r	35.9 ^r	35.5
14 Austria	2.0	1.9	1.9	2.1	2.0	1.9	2.1	2.1	1.9	1.9	2.0
15 Denmark	2.2	2.3	2.3	2.6	2.5	2.4	3.3	3.4	3.3	3.4 ^r	3.4
16 Finland	1.2	1.4	1.7	1.6	1.8	2.2	2.1	2.1	1.8	2.4	2.1
17 Greece	2.4	2.8	2.8	2.7	2.6	3.0	2.9	2.9	2.9	2.8	3.0
18 Norway	2.3	2.6	3.1	3.2	3.4	3.3	3.3	3.4	3.2	3.3 ^r	3.2
19 Portugal	7	6	1.1	1.5	1.6	1.5	1.4	1.4	1.3	1.3	1.1
20 Spain	3.5	4.4	6.6	7.3	7.7	7.5	7.1 ^r	7.2	7.2 ^r	7.1 ^r	7.1
21 Turkey	1.4	1.5	1.4	1.5	1.5	1.4	1.5	1.4	1.5	1.7	1.9
22 Other Western Europe	1.4	1.7	2.1	2.2	2.1	2.3	2.3 ^r	2.0	2.1	1.8 ^r	1.8
23 South Africa	1.3	1.1	2.8	3.5	3.6	3.7	3.6	3.9	4.7	4.7	4.8
24 Australia	1.3	1.3	2.5	4.0	4.0	4.4	4.6	4.6 ^r	4.4	5.5	5.2
25 OPEC countries ²	22.9	22.7	24.8	26.4	27.3	27.4	28.5	28.3 ^r	27.2	28.9 ^r	28.5
26 Ecuador	1.7	2.1	2.2	2.4	2.3	2.2	2.2	2.2	2.1	2.2	2.1
27 Venezuela	8.7	9.1	9.9	10.1	10.4	10.5	10.4	10.4	9.8	9.9	9.7
28 Indonesia	1.9	1.8	2.6	2.8	2.9	3.2	3.5	3.2	3.4	3.8	4.0
29 Middle East countries	8.0	6.9	7.5	8.7	9.0	8.7	9.3	9.5	9.1 ^r	10.0	9.8
30 African countries	2.6	2.8	2.5	2.5	2.7	2.8	3.0	3.0	2.8	3.0 ^r	3.0
31 Non-OPEC developing countries	63.0	77.4	96.3	103.7 ^r	104.1 ^r	107.1 ^r	107.7 ^r	108.3 ^r	109.1 ^r	110.6 ^r	111.9
<i>Latin America</i>											
32 Argentina	5.0	7.9	9.4	9.6	9.2	8.9	9.0	9.4	9.5	9.5 ^r	9.5
33 Brazil	15.2	16.2	19.1	21.4	22.4	22.9	23.1	22.6 ^r	22.9	22.9 ^r	24.9
34 Chile	2.5	3.7	5.8	6.4	6.2	6.3	6.0	5.8	6.2	6.4 ^r	6.4
35 Colombia	2.2	2.6	2.6	2.6	2.8	3.1	2.9	3.2	3.2	3.2	3.1
36 Mexico	12.0	15.9	21.6	25.2	25.0	24.5	25.1	25.2	25.8	26.0 ^r	25.5
37 Peru	1.5	1.8	2.0	2.4 ^r	2.6	2.6	2.4	2.6	2.4	2.4	2.3
38 Other Latin America	3.7	3.9	4.1	4.0	4.3	4.0	4.2	4.3	4.2	4.2 ^r	4.4
<i>Asia</i>											
39 China											
40 Mainland	.1	.2	.2	.3	.2	.2	.2	.2	.2	.3	.4
41 Taiwan	3.4	4.2	5.1	5.0	4.9	5.3 ^r	5.1	5.1	5.2	5.3	5.0
42 India	2	3	3	5	5	6	4	5	.5	6	1.0
43 Israel	1.3	1.5	2.1	2.2	1.9	2.3	2.0	2.3	1.7	1.8	1.6
44 Korea (South)	5.4	7.1	9.4	8.9	9.4 ^r	10.9 ^r	10.9 ^r	10.8	10.8	11.3	11.1
45 Malaysia	1.0	1.1	1.7	1.9	1.8	2.1	2.5	2.6	2.8	2.9	2.8
46 Philippines	4.2	5.1	6.0	6.3	6.1 ^r	6.3	6.6	6.4	6.2	6.2	6.7
47 Thailand	1.5	1.6	1.5	1.3	1.3	1.6	1.6	1.8	1.7	2.0 ^r	1.9
48 Other Asia	.5	.6	1.0	1.1	1.3	1.1	1.4	1.2	1.0	1.0	.9
<i>Africa</i>											
49 Egypt	.6	.8	1.1	1.3	1.3	1.2	1.1	1.3	1.4	1.5 ^r	1.4
50 Morocco	.6	.7	.7	.7	.8	.7	.8	.8	.8	.8	.8
51 Zaire	.2	.2	.2	.2	.1	.1	.1	.1	.1	.1	.1
52 Other Africa ³	1.7	2.1	2.3	2.3	2.2	2.4	2.3	2.2	2.4	2.3	2.2
53 Eastern Europe	7.3	7.4	7.8	6.7	6.3	6.2	5.7 ^r	5.7	5.3	5.3 ^r	4.9
54 U.S.S.R.	.7	.4	.6	.4	.3	.3	.3	.4	.2	.2	.2
55 Yugoslavia	1.8	2.3	2.5	2.4	2.2	2.2	2.2	2.3	2.3	2.3 ^r	2.2
56 Other	4.8	4.6	4.7	3.9	3.8	3.7	3.2 ^r	3.0	2.8	2.8	2.5
57 Offshore banking centers	40.4	47.0	63.7	72.1 ^r	72.2 ^r	66.8	66.2 ^r	67.6 ^r	67.5 ^r	69.2 ^r	68.9
58 Bahamas	13.7	13.7	19.0	24.1	21.4	19.0	17.4 ^r	19.6 ^r	20.5 ^r	20.7 ^r	23.6
59 Bermuda	.8	.6	.7	.7	.8	.9	1.0	.8	.8	.9	.7
60 Cayman Islands and other British West Indies	9.4	10.6	12.4	12.4 ^r	13.6	12.9	12.0 ^r	12.2 ^r	10.6 ^r	12.2 ^r	10.8
61 Netherlands Antilles	1.2	2.1	3.2	3.0	3.3	3.3	3.1	2.6	4.1	4.2 ^r	3.2
62 Panama ⁴	4.3	5.4	7.7	7.4	8.1	7.6	7.1	6.6	5.7	6.0	6.3
63 Lebanon	.2	.2	.2	.2	.1	.1	.1	.1	.1	.1	.1
64 Hong Kong	6.0	8.1	11.8	14.4 ^r	15.1 ^r	13.9	15.1 ^r	14.6 ^r	15.1	14.9	14.3
65 Singapore	4.5	5.9	8.7	9.9	9.8	9.2 ^r	10.3	11.0	10.5 ^r	10.2	9.8
66 Others ⁵	4	3	.1	.1	.0	.0	.0	.0	.1	.0	.0
67 Miscellaneous and unallocated ⁶	11.7	14.0	18.8	18.4	20.4 ^r	17.9	16.8 ^r	16.1	16.8	17.0 ^r	16.2

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

2. Besides the Organization of Petroleum Exporting Countries shown individually, this group includes other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates) as well as Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia

4. Includes Canal Zone beginning December 1979

5. Foreign branch claims only

6. Includes New Zealand, Liberia, and international and regional organizations

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type, and area or country	1980	1981	1982	1982				
				Dec	Mar	June	Sept	Dec.
1 Total	29,434	28,618	25,568	25,568	23,285	22,531	24,595	23,571
2 Payable in dollars	25,689	24,909	22,375	22,375	20,302	19,625	21,728	20,484
3 Payable in foreign currencies	3,745	3,709	3,193	3,193	2,983	2,906	2,867	3,087
<i>By type</i>								
4 Financial liabilities	11,330	12,157	10,906	10,906	10,831	10,866	10,779	10,383
5 Payable in dollars	8,528	9,499	8,734	8,734	8,795	8,823	8,809	8,504
6 Payable in foreign currencies	2,802	2,658	2,172	2,172	2,036	2,043	1,971	1,879
7 Commercial liabilities	18,104	16,461	14,662	14,662	12,454	11,665	13,815	13,189
8 Trade payables	12,201	10,818	7,707	7,707	5,627	6,026	7,056	6,496
9 Advance receipts and other liabilities	5,903	5,643	6,955	6,955	6,827	5,640	6,760	6,693
10 Payable in dollars	17,161	15,409	13,641	13,641	11,507	10,802	12,919	11,980
11 Payable in foreign currencies	943	1,052	1,021	1,021	947	864	896	1,208
<i>By area or country</i>								
<i>Financial liabilities</i>								
12 Europe	6,481	6,825	6,369	6,369	6,233	6,220	5,978	5,715
13 Belgium-Luxembourg	479	471	505	505	410	436	379	302
14 France	327	709	731	731	725	756	785	820
15 Germany	582	491	470	470	487	460	454	505
16 Netherlands	681	748	711	711	699	728	730	581
17 Switzerland	354	715	753	753	702	621	530	525
18 United Kingdom	3,923	3,565	3,070	3,070	3,081	3,069	2,943	2,834
19 Canada	964	963	746	746	733	865	788	770
20 Latin America and Caribbean	3,136	3,356	2,724	2,724	2,707	2,435	2,658	2,541
21 Bahamas	964	1,279	899	899	827	695	771	749
22 Bermuda	1	7	14	14	18	10	13	13
23 Brazil	23	22	28	28	39	34	32	32
24 British West Indies	1,452	1,241	1,010	1,010	1,009	932	972	896
25 Mexico	99	102	121	121	149	151	185	215
26 Venezuela	81	98	114	114	121	124	117	124
27 Asia	723	976	1,039	1,039	1,124	1,319	1,322	1,330
28 Japan	644	792	715	715	781	943	957	962
29 Middle East oil-exporting countries ²	38	75	169	169	168	205	201	170
30 Africa	11	14	17	17	20	17	19	18
31 Oil-exporting countries ³	1	0	0	0	0	0	0	0
32 All other ⁴	15	24	12	12	13	9	15	10
<i>Commercial liabilities</i>								
33 Europe	4,402	3,770	3,649	3,649	3,443	3,368	3,384	3,122
34 Belgium-Luxembourg	90	71	52	52	45	41	47	62
35 France	582	573	597	597	578	617	506	436
36 Germany	679	545	467	467	455	439	461	436
37 Netherlands	219	220	346	346	351	342	243	275
38 Switzerland	499	424	363	363	354	357	448	232
39 United Kingdom	1,209	880	850	850	679	633	786	605
40 Canada	888	897	1,490	1,490	1,433	1,465	1,407	1,827
41 Latin America and Caribbean	1,300	1,044	1,008	1,008	1,066	1,024	1,067	1,063
42 Bahamas	8	2	16	16	4	1	1	1
43 Bermuda	75	67	89	89	117	76	76	63
44 Brazil	111	67	60	60	51	49	48	44
45 British West Indies	35	2	32	32	4	22	14	6
46 Mexico	367	340	379	379	355	399	429	491
47 Venezuela	319	276	165	165	198	236	217	166
48 Asia	10,242	9,384	7,160	7,160	5,437	4,799	6,852	6,040
49 Japan	802	1,094	1,226	1,226	1,235	1,236	1,294	1,234
50 Middle East oil-exporting countries ^{2, 5}	8,098	7,008	4,531	4,531	2,803	2,294	4,072	3,498
51 Africa	817	703	704	704	497	492	506	446
52 Oil-exporting countries ³	157	344	277	277	158	167	204	157
53 All other ⁴	456	664	651	651	578	518	600	690

1 For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Includes nonmonetary international and regional organizations.

5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type, and area of country	1980	1981	1982	1982	1983			
				Dec.	Mar.	June	Sept	Dec.
1 Total	34,482	36,185	28,411	28,411	31,189	31,421	31,656	33,329
2 Payable in dollars	31,528	32,582	25,784	25,784	28,472	28,778	28,780	30,169
3 Payable in foreign currencies	2,955	3,603	2,628	2,628	2,718	2,643	2,877	3,160
<i>By type</i>								
4 Financial claims	19,763	21,142	17,429	17,429	20,220	20,812	20,831	22,299
5 Deposits	14,166	15,081	12,893	12,893	15,569	15,976	15,987	17,318
6 Payable in dollars	13,381	14,456	12,467	12,467	15,092	15,549	15,542	16,821
7 Payable in foreign currencies	785	625	426	426	478	426	445	497
8 Other financial claims	5,597	6,061	4,536	4,536	4,651	4,836	4,845	4,981
9 Payable in dollars	3,914	3,599	2,895	2,895	3,006	3,238	3,019	2,919
10 Payable in foreign currencies	1,683	2,462	1,641	1,641	1,645	1,598	1,826	2,062
11 Commercial claims	14,720	15,043	10,982	10,982	10,969	10,609	10,825	11,030
12 Trade receivables	13,960	14,007	9,973	9,973	9,765	9,241	9,526	9,655
13 Advance payments and other claims	759	1,036	1,010	1,010	1,203	1,367	1,299	1,375
14 Payable in dollars	14,233	14,527	10,422	10,422	10,374	9,991	10,219	10,429
15 Payable in foreign currencies	487	516	561	561	595	618	606	601
<i>By area or country</i>								
<i>Financial claims</i>								
16 Europe	6,069	4,596	4,835	4,835	6,196	6,817	6,202	6,423
17 Belgium-Luxembourg	145	43	10	10	58	12	25	37
18 France	298	285	134	134	98	140	135	130
19 Germany	230	224	178	178	127	217	151	129
20 Netherlands	51	50	97	97	140	136	89	49
21 Switzerland	54	117	107	107	107	37	34	38
22 United Kingdom	4,987	3,546	4,044	4,044	5,414	6,040	5,547	5,768
23 Canada	5,036	6,755	4,287	4,287	4,613	4,881	4,958	5,759
24 Latin America and Caribbean	7,811	8,812	7,420	7,420	8,520	8,040	8,609	9,110
25 Bahamas	3,477	3,650	3,236	3,236	3,806	3,244	3,589	4,332
26 Bermuda	135	18	32	32	21	93	62	96
27 Brazil	96	30	62	62	50	48	49	53
28 British West Indies	2,755	3,971	3,161	3,161	3,365	3,339	3,932	3,509
29 Mexico	208	313	274	274	352	348	315	273
30 Venezuela	137	148	139	139	156	152	137	134
31 Asia	607	758	698	698	712	772	764	714
32 Japan	189	366	153	153	233	288	257	246
33 Middle East oil-exporting countries ²	20	37	15	15	18	14	8	4
34 Africa	208	173	158	158	153	154	151	147
35 Oil-exporting countries ³	26	46	48	48	45	48	45	55
36 All other ⁴	32	48	31	31	25	149	148	145
<i>Commercial claims</i>								
37 Europe	5,544	5,405	3,777	3,777	3,594	3,410	3,349	3,604
38 Belgium-Luxembourg	233	234	150	150	140	144	131	142
39 France	1,129	776	473	473	489	499	486	455
40 Germany	599	561	356	356	424	364	381	346
41 Netherlands	318	299	347	347	309	242	282	332
42 Switzerland	354	431	339	339	227	303	270	295
43 United Kingdom	929	985	808	808	754	739	734	802
44 Canada	914	967	632	632	648	716	788	822
45 Latin America and Caribbean	3,766	3,479	2,521	2,521	2,699	2,722	2,864	2,697
46 Bahamas	21	12	21	21	30	30	15	8
47 Bermuda	108	223	259	259	172	108	242	194
48 Brazil	861	668	258	258	402	512	611	493
49 British West Indies	34	12	12	12	21	21	12	7
50 Mexico	1,102	1,022	774	774	894	956	897	883
51 Venezuela	410	424	351	351	288	273	282	273
52 Asia	3,522	3,959	3,048	3,048	3,128	2,871	2,936	3,045
53 Japan	1,052	1,245	1,047	1,047	1,115	949	1,037	1,091
54 Middle East oil-exporting countries ²	825	905	751	751	702	700	719	737
55 Africa	653	772	588	588	559	528	562	584
56 Oil-exporting countries ³	153	152	140	140	131	130	131	139
57 All other ⁴	321	461	417	417	342	361	326	277

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Includes nonmonetary international and regional organizations

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1982	1983	1984	1983			1984			
			Jan.-Apr	Oct	Nov	Dec	Jan	Feb.	Mar.	Apr ^p
U.S. corporate securities										
STOCKS										
1 Foreign purchases.....	41,881	69,896	22,242	5,534	4,853	6,020	5,445	6,234 ^r	6,101	4,462
2 Foreign sales.....	37,981	64,466	21,388	5,388	4,794	5,745	5,798	5,823 ^r	5,599	4,168
3 Net purchases, or sales (-)	3,901	5,430	854	145	60	275	-353	411 ^r	502	294
4 Foreign countries	3,816	5,332	902	141	59	283	-342	480 ^r	470	294
5 Europe.....	2,530	3,999	520	-93	-60	-278	-160	147 ^r	329	204
6 France.....	-143	-97	-134	-33	-68	-64	-71	-97	-4	38
7 Germany.....	333	1,045	318	55	53	-51	95	116	151	-43
8 Netherlands.....	-63	-109	18	-15	24	13	0	1	32	-15
9 Switzerland.....	-579	1,325	278	-18	-97	-208	-92	282 ^r	-3	90
10 United Kingdom.....	3,117	1,818	3	-133	21	51	-87	-168	125	133
11 Canada.....	222	1,151	759	124	-1	183	83	323 ^r	300	52
12 Latin America and Caribbean.....	317	529	206	-40	14	239	124	43	14	25
13 Middle East ¹	366	-807	-663	49	45	13	-361	-44	-197	-60
14 Other Asia.....	247	394	87	103	63	122	-48	36	33	66
15 Africa.....	2	42	14	-1	1	2	5	10	-7	7
16 Other countries.....	131	24	-21	-1	-3	1	16	-34	-1	-1
17 Nonmonetary international and regional organizations.....	85	98	-48	4	0	-7	-11	-70	32	1
BONDS ²										
18 Foreign purchases.....	21,639	23,976	7,821	2,537	2,039	1,661	1,836	2,113	2,204	1,668
19 Foreign sales.....	20,188	23,076	7,882	2,492	1,304	1,493	1,775	1,864	2,412	1,831
20 Net purchases, or sales (-)	1,451	900	-61	45	735	168	62	248	-207	-163
21 Foreign countries	1,479	885	-147	142	715	160	72	161	-150	-230
22 Europe.....	2,082	904	139	303	458	-87	72	51 ^r	-15	30
23 France.....	305	-89	-12	2	-31	-4	-1	-5	-1	-5
24 Germany.....	2,110	286	114	66	53	-10	-38	-32	117	68
25 Netherlands.....	33	51	25	11	5	3	3	25	9	-12
26 Switzerland.....	157	632	-51	7	15	78	12	5	-45	-22
27 United Kingdom.....	-589	438	-65	136	390	-126	129	101	-58	-237
28 Canada.....	24	123	-128	22	46	-22	1	-10	-26	-93
29 Latin America and Caribbean.....	159	100	-295	24	-6	20	9	16	-312	-8
30 Middle East ¹	-752	-1,159	-229	-249	116	42	-26	30	30	-263
31 Other Asia.....	-22	865	365	45	101	207	18	75	170	102
32 Africa.....	-19	0	0	0	0	0	-1	0	0	1
33 Other countries.....	7	52	1	-4	0	0	0	-2	3	1
34 Nonmonetary international and regional organizations.....	-28	15	87	-97	20	7	-11	87	-57	67
Foreign securities										
35 Stocks, net purchases, or sales (-)	-1,341	-3,867	365	-13	-31	-190	-125	318 ^r	144	28
36 Foreign purchases.....	7,163	13,143	5,448	1,142	907	1,126	1,197	1,460 ^r	1,575	1,215
37 Foreign sales.....	8,504	17,010	5,084	1,155	939	1,317	1,323	1,142 ^r	1,431	1,188
38 Bonds, net purchases, or sales (-)	-6,631	-3,694	-15	-202	173	-689	125	-73	-155	88
39 Foreign purchases.....	27,167	35,669	15,685	3,903	3,114	3,072	3,273	3,902	4,748	3,761
40 Foreign sales.....	33,798	39,363	15,699	4,105	2,940	3,761	3,148	3,975	4,902	3,674
41 Net purchases, or sales (-), of stocks and bonds.....	-7,972	-7,561	350	-215	142	-879	0	245 ^r	-11	116
42 Foreign countries	-6,806	-7,116	106	-264	38	-719	-29	213 ^r	-96	17
43 Europe.....	-2,584	-5,713	-1,059	-367	-426	-448	-45	-404 ^r	-236	-374
44 Canada.....	-2,363	-1,582	24	6	37	-64	-128	184	-116	84
45 Latin America and Caribbean.....	336	1,120	477	5	135	17	114	188	49	126
46 Asia.....	-1,822	-914	696	90	158	-81	33	255	220	187
47 Africa.....	-9	141	-30	11	1	0	-5	-11	-10	-4
48 Other countries.....	-364	-166	-3	-10	133	-143	2	1	-3	-3
49 Nonmonetary international and regional organizations.....	-1,165	-445	244	49	105	-161	28	32	85	98

1 Comprises oil-exporting countries as follows, Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

2 Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1982	1983	1984	1983			1984			
			Jan - Apr	Oct	Nov	Dec	Jan	Feb	Mar	Apr ¹
Holdings (end of period) ¹										
1 Estimated total ²	85,220	88,940	.....	90,938	89,509	88,940	89,666	90,275 ^r	89,812	92,010
2 Foreign countries ²	80,637	83,820	.....	84,283	83,668	83,820	84,549	84,446 ^r	84,533	85,408
3 Europe ²	29,284	35,537	.....	34,469	35,106	35,537	36,049	37,396 ^r	37,334	37,807
4 Belgium-Luxembourg	447	16	.....	18	2	16	33	50	57	93
5 Germany ²	14,841	17,290	.....	16,570	17,092	17,290	17,581	18,527	18,837	19,204
6 Netherlands	2,754	3,129	.....	2,987	3,048	3,129	3,113	3,052	3,023	3,115
7 Sweden	677	867	.....	739	783	867	898	918	965	969
8 Switzerland ²	1,540	1,118	.....	1,177	1,064	1,118	1,167	1,206	1,256	1,170
9 United Kingdom	6,549	8,524	.....	8,629	8,626	8,524	8,723	8,610 ^r	8,430	8,463
10 Other Western Europe	2,476	4,592	.....	4,350	4,490	4,592	4,535	5,034	4,768	4,792
11 Eastern Europe	0	0	.....	0	0	0	0	0	0	0
12 Canada	602	1,301	.....	1,265	1,225	1,301	1,298	1,310	1,090	1,299
13 Latin America and Caribbean	1,076	863	.....	695	914	863	1,426	840	563	572
14 Venezuela	188	64	.....	66	64	64	64	64	64	65
15 Other Latin America and Caribbean	656	716	.....	540	674	716	696	574	504	453
16 Netherlands Antilles	232	83	.....	89	176	83	665	201	6	53
17 Asia	49,543	46,000	.....	47,720	46,301	46,000	45,664	44,797 ^r	45,442	45,584
18 Japan	11,578	13,910	.....	13,446	13,600	13,910	14,012	14,351	14,333	14,543
19 Africa	77	79	.....	79	79	79	79	78	82	85
20 All other	55	40	.....	56	41	40	33	25	22	61
21 Nonmonetary international and regional organizations	4,583	5,120	.....	6,655	5,841	5,120	5,117	5,829	5,279	6,602
22 International	4,186	4,404	.....	6,094	5,030	4,404	4,467	5,139	4,614	5,936
23 Latin American regional	6	6	.....	6	0	6	6	6	6	6
Transactions (net purchases, or sales () during period)										
24 Total ²	14,972	3,720	3,070	2,367	-1,422	-576	726	610 ^r	-463	2,197
25 Foreign countries ²	16,072	3,183	1,587	1,635	615	152	729	-103 ^r	87	874
26 Official institutions	14,550	806	1,584	510	773	401	539	64 ^r	483	497
27 Other foreign ²	1,518	2,381	2	1,125	158	554	189	168 ^r	396	377
28 Nonmonetary international and regional organizations	-1,097	531	1,482	732	808	729	-3	712 ^r	550	1,323
29 Middle East ¹	7,575	5,424	-1,964	-373	-968	60	515	-773 ^r	46	-722
30 Africa ⁴	-552	1	0	0	0	0	0	0	0	0

1 Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2 Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

3 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4 Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on May 31, 1984		Country	Rate on May 31, 1984		Country	Rate on May 31, 1984	
	Per- cent	Month effective		Per- cent	Month effective		Per- cent	Month effective
Austria	4.25	Mar. 1984	France ¹	11.75	May 1984	Norway	8.0	June 1979
Belgium	11.0	Feb. 1984	Germany, Fed. Rep. of	4.0	Mar. 1983	Switzerland	4.0	Mar. 1983
Brazil	49.0	Mar. 1981	Italy	15.5	May 1984	United Kingdom ²	.....	.....
Canada	10.84	Apr. 1984	Japan	5.0	Oct. 1983	Venezuela	11.0	May 1983
Denmark	7.0	Oct. 1983	Netherlands	5.0	Sept. 1983			

1 As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.

2 Minimum lending rate suspended as of Aug. 20, 1981.

or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

NOTE: Rates shown are mainly those at which the central bank either discounts

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1981	1982	1983	1983		1984				
				Nov.	Dec.	Jan	Feb	Mar	Apr	May
1 Eurodollars	16.79	12.24	9.57	9.79	10.08	9.78	9.91	10.40	10.83	11.53
2 United Kingdom	13.86	12.21	10.06	9.26	9.34	9.40	9.35	8.90	8.84	9.32
3 Canada	18.84	14.38	9.48	9.40	9.83	9.84	9.85	10.40	10.75	11.52
4 Germany	12.05	8.81	5.73	6.26	6.43	6.07	5.91	5.82	5.81	6.08
5 Switzerland	9.15	5.04	4.11	4.11	4.29	3.65	3.47	3.60	3.61	3.83
6 Netherlands	11.52	8.26	5.58	6.17	6.20	6.01	5.95	6.09	6.04	6.05
7 France	15.28	14.61	12.44	12.31	12.16	12.22	12.36	12.53	12.46	12.16
8 Italy	19.98	19.99	18.95	17.71	17.75	17.75	17.40	17.28	17.38	16.80
9 Belgium	15.28	14.10	10.51	9.89	10.50	10.68	11.43	12.02	11.66	11.80
10 Japan	7.58	6.84	6.49	6.35	6.45	6.35	6.34	6.41	6.26	6.24

NOTE: Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills, and Japan, Gensaki rate.

3.28 FOREIGN EXCHANGE RATES

Currency units per dollar

Country/currency	1981	1982	1983	1983		1984				
				Dec	Jan	Feb	Mar	Apr	May	
1 Australia/dollar ¹	114.95	101.65	90.14	90.04	90.60	93.48	95.13	92.31	90.61	
2 Austria/schilling	15.948	17.060	17.968	19.383	19.815	19.028	18.285	18.630	19.316	
3 Belgium/franc	37.194	45.780	51.121	55.939	57.354	55.279	53.135	54.078	55.925	
4 Brazil/cruzeiro	92.374	179.22	573.27	943.43	1022.81	1131.37	1266.64	1387.52	1497.64	
5 Canada/dollar	1.1990	1.2344	1.2325	1.2469	1.2484	1.2480	1.2697	1.2796	1.2944	
6 China, P R /yuan	1.7031	1.8978	1.9809	1.9920	2.0490	2.0628	2.0646	2.0929	2.1866	
7 Denmark/krone	7.1350	8.3443	9.1483	9.9530	10.1793	9.8549	9.5175	9.7311	10.0618	
8 Finland/markka	4.3128	4.8086	5.5636	5.8515	5.9385	5.7892	5.6136	5.6434	5.8115	
9 France/franc	5.4396	6.5793	7.6203	8.3839	8.5948	8.3051	8.0022	8.1411	8.4435	
10 Germany/deutsche mark	2.2631	2.428	2.5539	2.7500	2.8110	2.6984	2.5973	2.6474	2.7484	
11 Greece/drachma	n a	66.872	87.895	98.815	102.601	101.80	102.40	104.89	108.37	
12 Hong Kong/dollar	5.5678	6.0697	7.2569	7.8044	7.7968	7.7883	7.7942	7.8073	7.8159	
13 India/rupee	8.6807	9.4846	10.1040	10.4895	10.7152	10.744	10.714	10.820	11.017	
14 Ireland/pound ¹	161.32	142.05	124.81	112.91	110.20	114.21	117.88	115.67	111.75	
15 Israel/shekel	n a	24.407	55.865	100.599	116.728	130.21	146.40	168.76	191.56	
16 Italy/lira	1138.60	1354.00	1519.30	1666.88	1706.63	1666.39	1614.17	1638.48	1696.32	
17 Japan/yen	220.63	249.06	237.55	234.46	233.80	233.60	225.27	225.20	230.48	
18 Malaysia/ringgit	2.3048	2.3395	2.3204	2.3407	2.3411	2.3363	2.2933	2.2904	2.3029	
19 Mexico/peso	24.547	72.990	155.01	164.84	166.33	168.49	172.93	179.07	198.35	
20 Netherlands/guilder	2.4998	2.6719	2.8543	3.0856	3.1602	3.0455	2.9326	2.9864	3.0926	
21 New Zealand/dollar ¹	86.848	75.101	66.790	65.120	64.860	65.810	66.714	65.834	64.892	
22 Norway/krone	5.7430	6.4567	7.3012	7.7237	7.8763	7.6937	7.5028	7.5992	7.8100	
23 Philippines/peso	7.8113	8.5324	11.0940	14.050	14.050	14.050	14.186	14.257	14.262	
24 Portugal/escudo	61.739	80.101	111.610	131.91	136.29	135.01	131.70	134.46	139.85	
25 Singapore/dollar	2.1053	2.1406	2.1136	2.1317	2.1309	2.1279	2.0893	2.0853	2.1006	
26 South Africa/rand ¹	114.77	92.297	89.85	82.15	79.54	81.31	82.10	80.19	78.15	
27 South Korea/won	n a	731.93	776.04	799.23	800.33	799.06	794.51	796.41	801.54	
28 Spain/peseta	92.396	110.09	143.500	158.01	159.832	154.20	149.68	150.26	154.03	
29 Sri Lanka/rupee	18.967	20.756	23.510	24.767	25.181	25.270	25.177	25.133	25.161	
30 Sweden/krona	5.0659	6.2838	7.6717	8.0608	8.1782	7.9976	7.7323	7.8444	8.0782	
31 Switzerland/franc	1.9674	2.0327	2.1006	2.1983	2.2380	2.2050	2.1490	2.1913	2.2680	
32 Taiwan/Dollar	n a	n a	n a	39.613	40.202	40.236	40.078	39.784	39.716	
33 Thailand/baht	21.731	23.014	22.991	22.992	23.006	23.000	23.004	23.010	23.010	
34 United Kingdom/pound ¹	202.43	174.80	151.59	143.38	140.76	144.17	145.57	142.10	138.94	
35 Venezuela/bolivar	4.2781	4.2981	10.6840	12.834	13.021	13.023	13.470	14.375	15.661	
MEMO United States/dollar ²	102.94	116.57	125.34	132.84	135.07	131.71	128.07	130.01	133.99	

1. Value in U.S. cents.

2. Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. March 1973 = 100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For

description and back data, see "Index of the Weighted-Average Exchange Value of the U.S. Dollar - Revision" on p. 700 of the August 1978 BULLETIN.

NOTE: Averages of certified noon buying rates in New York for cable transfers.

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	REITs	Real estate investment trusts
		RPs	Repurchase agreements
		SMSAs	Standard metropolitan statistical areas
		. . . . .	Cell not applicable

General Information

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

“U.S. government securities” may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct

obligations of the Treasury. “State and local government” also includes municipalities, special districts, and other political subdivisions.

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

STATISTICAL RELEASES

List Published Semiannually, with Latest Bulletin Reference

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Assets and liabilities of commercial banks, June 30, 1983.....	December 1983	A68
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Assets and liabilities of U.S. branches and agencies of foreign banks, December 31, 1983.....	June 1984	A72

4.20 DOMESTIC AND FOREIGN OFFICES, Commercial Banks with Assets of \$100 Million or over^{1/2}
Consolidated Report of Condition; December 31, 1983

Millions of dollars

Item	Insured	Banks with foreign offices ²			Banks without foreign offices
		Total	Foreign offices ³	Domestic offices	
1 Total assets	1,882,877	1,340,730	382,117	1,026,215	542,147
2 Cash and due from depository institutions	298,664	234,045	113,554	120,491	64,619
3 Currency and coin (U.S. and foreign)	16,129	9,573	302	9,271	6,556
4 Balances with Federal Reserve Banks	20,828	14,307	189	14,118	6,522
5 Balances with other central banks	4,097	4,097	3,727	370	(⁴)
6 Demand balances with commercial banks in United States	20,468	7,635	233	7,402	12,834
7 All other balances with depository institutions in United States and with banks in foreign countries	154,626	132,556	107,989	24,567	22,070
8 Time and savings balances with commercial banks in United States	26,725	18,148	11,080	7,069	8,576
9 Balances with other depository institutions in United States	2,499	2,028	1,782	246	472
10 Balances with banks in foreign countries	125,402	112,380	95,127	17,253	13,022
11 Foreign branches of other U.S. banks	(⁴)	18,850	14,114	4,736	(⁴)
12 Other banks in foreign countries	(⁴)	93,530	81,013	12,518	(⁴)
13 Cash items in process of collection	82,515	65,878	1,114	64,763	16,637
14 Total securities, loans, and lease financing receivables	1,440,315	986,408	208,481	777,927	453,908
15 Total securities, book value	299,956	158,062	13,709	144,352	141,895
16 U.S. Treasury	108,112	49,254	144	49,111	58,858
17 Obligations of other U.S. government agencies and corporations	40,561	16,495	23	16,472	24,066
18 Obligations of states and political subdivisions in United States	115,472	62,482	646	61,836	52,990
19 All other securities	35,812	29,831	12,897	16,934	5,981
20 Other bonds, notes, and debentures	16,506	11,828	8,890	2,938	4,678
21 Federal Reserve and corporate stock	2,276	1,513	148	1,364	764
22 Trading account securities	17,030	16,490	3,859	12,631	540
23 Federal funds sold and securities purchased under agreements to resell	68,331	40,382	622	39,761	27,949
24 Total loans, gross	1,081,908	789,921	193,210	596,710	291,988
25 Less: Unearned income on loans	13,411	6,719	1,614	5,105	6,692
26 Allowance for possible loan loss	12,957	9,489	360	9,129	3,468
27 Allocated transfer risk reserves	6	6	(⁴)	6	*
28 Equals: Loans, net	1,055,534	773,706	191,235	582,472	281,827
<i>Total loans, gross, by category</i>					
29 Real estate loans	252,044	150,199	8,780	141,420	101,844
30 Construction and land development	(⁴)	(⁴)	(⁴)	38,210	14,908
31 Secured by farmland	(⁴)	(⁴)	(⁴)	1,087	1,774
32 Secured by residential properties	(⁴)	(⁴)	(⁴)	72,202	54,569
33 1- to 4-family	(⁴)	(⁴)	(⁴)	67,537	51,636
34 FHA-insured or VA-guaranteed	(⁴)	(⁴)	(⁴)	4,100	2,270
35 Conventional	(⁴)	(⁴)	(⁴)	63,438	49,367
36 Multifamily	(⁴)	(⁴)	(⁴)	4,665	2,933
37 FHA-insured	(⁴)	(⁴)	(⁴)	261	93
38 Conventional	(⁴)	(⁴)	(⁴)	4,404	2,840
39 Secured by nonfarm nonresidential properties	(⁴)	(⁴)	(⁴)	29,921	30,592
40 Loans to financial institutions	105,546	97,228	31,809	65,419	8,319
41 REITs and mortgage companies in United States	4,981	4,348	58	4,290	634
42 Commercial banks in United States	18,149	12,759	779	11,980	5,390
43 U.S. branches and agencies of foreign banks	(⁴)	5,908	604	5,304	(⁴)
44 Other commercial banks	(⁴)	6,851	175	6,676	(⁴)
45 Banks in foreign countries	48,618	48,066	22,341	25,724	552
46 Foreign branches of other U.S. banks	(⁴)	782	371	411	(⁴)
47 Other	(⁴)	47,284	21,970	25,314	(⁴)
48 Finance companies in United States	10,798	10,273	391	9,882	526
49 Other financial institutions	23,000	21,783	8,240	13,543	1,217
50 Loans for purchasing or carrying securities	18,496	15,787	2,176	13,611	2,709
51 Brokers and dealers in securities	12,391	11,515	1,558	9,958	875
52 Other	6,106	4,272	618	3,653	1,834
53 Loans to finance agricultural production and other loans to farmers	14,231	7,997	856	7,141	6,233
54 Commercial and industrial loans	464,086	372,690	120,412	252,278	91,395
55 U.S. addressees (domestic)	(⁴)	239,482	17,970	221,512	(⁴)
56 Non-U.S. addressees (domestic)	(⁴)	133,208	102,442	30,766	(⁴)
57 Loans to individuals for household, family, and other personal expenditures	166,961	90,212	6,528	83,684	76,750
58 Installment loans	(⁴)	(⁴)	(⁴)	68,420	63,068
59 Passenger automobiles	(⁴)	(⁴)	(⁴)	19,370	26,733
60 Credit cards and related plans	(⁴)	(⁴)	(⁴)	28,121	14,511
61 Retail (charge account) credit card	(⁴)	(⁴)	(⁴)	23,598	12,359
62 Check and revolving credit	(⁴)	(⁴)	(⁴)	4,523	2,152
63 Mobile homes	(⁴)	(⁴)	(⁴)	3,105	3,510
64 Other installment loans	(⁴)	(⁴)	(⁴)	17,823	18,315
65 Other retail consumer goods	(⁴)	(⁴)	(⁴)	4,142	3,436
66 Residential property repair and modernization	(⁴)	(⁴)	(⁴)	3,113	4,110
67 Other installment loans for household, family, and other personal expenditures	(⁴)	(⁴)	(⁴)	10,568	10,768
68 Single-payment loans	(⁴)	(⁴)	(⁴)	15,264	13,681
69 All other loans	60,544	55,807	22,650	33,157	4,737
70 Loans to foreign governments and official institutions	(⁴)	40,497	20,519	19,979	(⁴)
71 Other	(⁴)	15,310	2,132	13,178	(⁴)
72 Lease financing receivables	16,494	14,257	2,916	11,342	2,237
73 Bank premises, furniture and fixtures, and other assets representing bank premises	27,747	17,331	1,859	15,472	10,415
74 Real estate owned other than bank premises	3,698	2,176	97	2,079	1,522
75 Intangible assets	1,506	921	0	0	585
76 All other assets	110,947	99,849	58,125	110,247	11,098
77 Investment in unconsolidated subsidiaries and associated companies	2,018	1,810	1,339	471	208
78 Customers' liability on acceptances outstanding	66,414	65,986	14,190	51,796	428
79 U.S. addressees (domestic)	(⁴)	18,450	(⁴)	(⁴)	(⁴)
80 Non-U.S. addressees (domestic)	(⁴)	47,536	(⁴)	(⁴)	(⁴)
81 Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	(⁴)	(⁴)	33,402	34,200	(⁴)
82 Other	42,516	32,053	9,195	23,780	10,462

4.20 Continued

Item	Insured	Banks with foreign offices ²			Banks without foreign offices
		Total	Foreign offices ³	Domestic offices	
83 Total liabilities and equity capital ⁵	1,882,877	1,340,730	(⁴)	(⁴)	542,147
84 Total liabilities excluding subordinated debt	1,774,347	1,270,678	381,658	956,622	503,670
85 Total deposits	1,438,492	985,257	308,395	676,862	453,235
86 Individuals, partnerships, and corporations	1,154,796	746,008	168,496	577,512	408,787
87 U.S. government	2,851	1,832	246	1,586	1,020
88 States and political subdivisions in United States	53,720	24,755	767	23,987	28,965
89 All other	212,690	202,475	138,341	64,134	10,214
90 Foreign governments and official institutions . . .	29,799	29,514	18,160	11,354	285
91 Commercial banks in United States	73,605	64,238	30,135	34,103	9,368
92 U.S. branches and agencies of foreign banks	(⁴)	5,576	3,258	2,317	(⁴)
93 Other commercial banks in United States	(⁴)	58,662	26,876	31,786	(⁴)
94 Banks in foreign countries	109,285	108,723	90,046	18,677	562
95 Foreign branches of other U.S. banks	(⁴)	17,264	14,803	2,461	(⁴)
96 Other banks in foreign countries	(⁴)	91,459	75,243	16,216	(⁴)
97 Certified and officers' checks, travelers checks, and letters of credit sold for cash	14,436	10,187	544	9,643	4,248
98 Federal funds purchased and securities sold under agreements to repurchase in domestic offices and Edge and agreement subsidiaries	171,232	135,100	629	134,472	36,131
99 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money	52,919	47,693	18,103	29,590	5,226
100 Interest-bearing demand notes (note balances) issued to U.S. Treasury	8,309	6,531	(⁴)	6,531	1,778
101 Other liabilities for borrowed money	44,610	41,162	18,103	23,059	3,448
102 Mortgage indebtedness and liability for capitalized leases . . .	2,357	1,523	11	1,512	834
103 All other liabilities	109,348	101,104	54,521	114,185	8,243
104 Acceptances executed and outstanding	66,748	66,320	11,692	54,628	427
105 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	(⁴)	(⁴)	34,200	33,402	(⁴)
106 Other	42,600	34,784	8,628	26,155	7,816
107 Subordinated notes and debentures	6,443	4,937	459	4,478	1,507
108 Total equity capital ⁵	102,087	65,116	(⁴)	(⁴)	36,971
109 Preferred stock	585	453	(⁴)	(⁴)	132
110 Common stock	18,224	11,745	(⁴)	(⁴)	6,479
111 Surplus	34,444	20,673	(⁴)	(⁴)	13,770
112 Undivided profits and reserve for contingencies and other capital reserves	48,834	32,244	(⁴)	(⁴)	16,590
113 Undivided profits	48,065	31,935	(⁴)	(⁴)	16,130
114 Reserve for contingencies and other capital reserves	770	309	(⁴)	(⁴)	460
MEMO					
<i>Deposits in domestic offices</i>					
115 Total demand	312,010	205,815	0	205,815	106,195
116 Total savings	331,980	178,002	0	178,002	153,978
117 Total time	486,108	293,045	0	293,045	193,062
118 Time deposits of \$100,000 or more	249,756	181,173	0	181,173	68,582
119 Certificates of deposit (CDs) in denominations of \$100,000 or more	202,415	138,282	0	138,282	64,133
120 Other	47,341	42,891	0	42,891	4,450
121 Super NOW accounts	16,752	7,631	7,631	7,631	9,121
122 Other NOW accounts and AIS accounts (savings deposits authorized for automatic transfer)	47,727	24,029	0	24,029	23,699
123 All other savings deposits that are subject to a federal regulatory interest rate ceiling	92,639	45,859	45,859	45,859	46,780
124 Total Individual Retirement Accounts (IRA) and Keogh Plan accounts	22,001	11,306	0	11,306	10,695
125 Demand deposits adjusted ⁶	200,296	118,792	0	118,792	81,504
126 Standby letters of credit, total, and guarantees issued by the reporting bank's foreign offices	117,403	109,892	21,158	88,734	7,511
127 U.S. addressees (domicile)	(⁴)	83,491	(⁴)	(⁴)	(⁴)
128 Non-U.S. addressees (domicile)	(⁴)	26,401	(⁴)	(⁴)	(⁴)
129 Standby letters of credit conveyed to others through participations (included in total standby letters of credit)	9,845	9,460	583	8,877	385
130 Holdings of commercial paper included in total gross loans	(⁴)	(⁴)	(⁴)	635	1,126
<i>Average for 30 calendar days (or calendar month) ending with report date</i>					
131 Total assets	1,846,892	1,317,840	309,171	1,008,670	529,052
132 Cash and due from depository institutions	277,028	221,417	110,897	110,520	55,611
133 Federal funds sold and securities purchased under agreements to resell	72,820	43,324	664	42,660	29,496
134 Total loans	1,055,892	774,631	193,110	581,520	281,261
135 Total deposits	1,392,501	950,867	299,341	651,526	441,634
136 Time CDs in denominations of \$100,000 or more in domestic offices	197,549	(⁴)	(⁴)	135,332	62,216
137 Federal funds purchased and securities sold under agreements to repurchase	181,143	146,335	665	145,670	34,808
138 Other liabilities for borrowed money	44,696	41,527	17,000	24,526	3,169
139 Number of banks	1,829	195	195	195	1,634

For notes see end of table

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of \$100 Million or over ^{1-7p}
 Consolidated Report of Condition; December 31, 1983
 Millions of dollars

Item	Insured	Member banks			Non-member insured
		Total	National	State	
1 Total assets	1,568,362	1,318,707	1,014,410	304,297	249,655
2 Cash and due from depository institutions	185,110	158,266	120,179	38,087	26,844
3 Currency and coin (U.S. and foreign)	15,827	13,403	10,781	2,622	2,424
4 Balances with Federal Reserve Banks	20,649	18,319	14,030	4,289	2,320
5 Balances with other central banks	370	369	336	33	1
6 Demand balances with commercial banks in United States	20,236	13,344	10,990	2,354	6,892
7 All other balances with depository institutions in United States and with banks in foreign countries	46,637	35,975	28,654	7,321	10,662
8 Time and savings balances with commercial banks in United States	15,645	11,344	9,488	1,856	4,301
9 Balances with other depository institutions in United States	717	359	338	21	358
10 Balances with banks in foreign countries	30,275	24,272	18,828	5,444	6,003
11 Cash items in process of collection	81,401	76,857	55,388	21,469	4,544
12 Total securities, loans, and lease financing receivables	1,231,834	1,023,816	790,596	233,220	208,018
13 Total securities, book value	286,247	223,383	171,325	52,058	62,865
14 U.S. Treasury	107,968	82,318	64,596	17,722	25,650
15 Obligations of other U.S. government agencies and corporations	40,538	29,145	24,309	4,836	11,392
16 Obligations of states and political subdivisions in United States	114,826	92,261	69,140	23,121	22,565
17 All other securities	22,915	19,658	13,278	6,380	3,257
18 Other bonds, notes, and debentures	7,616	4,901	3,826	1,075	2,716
19 Federal Reserve and corporate stock	2,128	1,721	1,342	379	407
20 Trading account securities	13,171	13,036	8,111	4,926	134
21 Federal funds sold and securities purchased under agreements to resell	67,709	57,882	44,458	13,425	9,827
22 Total loans, gross	888,698	750,445	580,773	169,672	138,253
23 Less: Unearned income on loans	11,797	9,197	6,979	2,219	2,600
24 Allowance for possible loan loss	12,597	11,018	8,477	2,541	1,579
25 Allocated transfer risk reserves	6	6	6	0	*
26 EQUALS Loans, net	864,299	730,225	565,312	164,913	134,074
<i>Total loans, gross, by category</i>					
27 Real estate loans	243,264	194,117	163,367	30,750	49,147
28 Construction and land development	53,118	44,451	35,941	8,509	8,667
29 Secured by farmland	2,862	2,074	1,880	195	787
30 Secured by residential properties	126,771	101,451	86,529	14,922	25,320
31 1- to 4-family	119,174	95,415	81,504	13,911	23,759
32 FHA-insured or VA-guaranteed	6,369	5,600	4,622	978	769
33 Conventional	112,804	89,815	76,882	12,933	22,990
34 Multifamily	7,598	6,037	5,025	1,011	1,561
35 FHA-insured	354	267	145	122	87
36 Conventional	7,244	5,770	4,880	890	1,474
37 Secured by nonfarm nonresidential properties	60,513	46,141	39,017	7,124	14,372
38 Loans to financial institutions	73,738	67,862	42,904	24,958	5,875
39 RFI's and mortgage companies in United States	4,923	4,672	3,634	1,039	251
40 Commercial banks in United States	17,370	13,065	9,265	3,800	4,305
41 Banks in foreign countries	26,277	25,673	14,480	11,193	603
42 Finance companies in United States	10,407	10,146	6,481	3,665	262
43 Other financial institutions	14,760	14,306	9,044	5,262	454
44 Loans for purchasing or carrying securities	16,320	15,357	9,273	6,084	963
45 Brokers and dealers in securities	10,833	10,373	5,402	4,971	460
46 Other	5,487	4,984	3,871	1,113	503
47 Loans to finance agricultural production and other loans to farmers	13,375	11,754	10,425	1,329	1,621
48 Commercial and industrial loans	343,674	295,592	223,217	72,375	48,082
49 Loans to individuals for household, family, and other personal expenditures	160,433	130,588	108,439	22,149	29,846
50 Installment loans	131,488	106,990	89,769	17,221	24,498
51 Passenger automobiles	46,103	34,937	29,049	5,887	11,166
52 Credit cards and related plans	42,632	39,209	33,072	6,136	3,423
53 Retail (charge account) credit card	35,958	33,334	28,316	5,018	2,623
54 Check and revolving credit	6,675	5,875	4,756	1,119	800
55 Mobile homes	6,615	5,320	4,928	391	1,295
56 Other installment loans	36,138	27,525	22,719	4,806	8,613
57 Other retail consumer goods	7,578	6,102	5,111	991	1,476
58 Residential property repair and modernization	7,223	5,177	4,309	868	2,047
59 Other installment loans for household, family, and other personal expenditures	21,337	16,246	13,299	2,946	5,091
60 Single-payment loans	28,945	23,598	18,670	4,928	5,347
61 All other loans	37,894	35,176	23,149	12,027	2,718
62 Lease financing receivables	13,578	12,326	9,502	2,825	1,252
63 Bank premises, furniture and fixtures, and other assets representing bank premises	25,887	21,039	16,818	4,221	4,848
64 Real estate owned other than bank premises	3,601	2,831	2,334	497	770
65 Intangible assets	585	374	354	20	211
66 All other assets	121,345	112,380	84,129	28,251	8,965
67 Investment in unconsolidated subsidiaries and associated companies	679	505	324	182	173
68 Customers' liability on acceptances outstanding	52,224	51,396	37,671	13,725	828
69 Net due from foreign branches, foreign subsidiaries, Fidej and agreement subsidiaries	34,200	31,316	24,968	6,348	2,884
70 Other	34,242	29,162	21,166	7,996	5,080

4.21 Continued

Item	Insured	Member banks			Non-member insured
		Total	National	State	
71 Total liabilities and equity capital ^a	1,568,362	1,318,707	1,014,410	304,297	249,655
72 Total liabilities excluding subordinated debt	1,460,291	1,228,161	945,878	282,283	232,130
73 Total deposits	1,130,097	917,800	723,720	194,079	212,298
74 Individuals, partnerships, and corporations	986,300	794,538	636,347	158,191	191,762
75 U.S. government	2,605	2,182	1,765	417	423
76 States and political subdivisions in United States	52,953	39,444	32,707	6,737	13,509
77 All other	74,348	69,911	45,607	24,304	4,437
78 Foreign governments and official institutions	11,639	11,242	6,198	5,044	396
79 Commercial banks in United States	43,470	40,334	29,078	11,256	3,136
80 Banks in foreign countries	19,239	18,335	10,332	8,003	904
81 Certified and officers' checks, travelers checks, and letters of credit sold for cash	13,891	11,725	7,295	4,430	2,166
82 Demand deposits	312,010	265,381	198,043	67,338	46,629
83 Mutual savings banks	1,126	978	604	374	148
84 Other individuals, partnerships, and corporations	247,441	207,028	157,806	49,221	40,413
85 U.S. government	2,094	1,773	1,392	381	322
86 States and political subdivisions in United States	10,973	9,090	7,223	1,867	1,883
87 All other	36,484	34,788	23,723	11,065	1,696
88 Foreign governments and official institutions	1,004	947	600	347	57
89 Commercial banks in United States	28,219	26,797	20,057	6,740	1,422
90 Banks in foreign countries	7,260	7,043	3,065	3,978	217
91 Certified and officers' checks, travelers checks, and letters of credit sold for cash	13,891	11,725	7,295	4,430	2,166
92 Time deposits	486,108	391,223	311,146	80,077	94,885
93 Mutual savings banks	134	104	81	23	30
94 Other individuals, partnerships, and corporations	410,608	328,941	266,383	62,558	81,667
95 U.S. government	425	334	303	31	91
96 States and political subdivisions in United States	37,216	26,839	22,610	4,230	10,377
97 All other	37,724	35,004	21,769	13,235	2,720
98 Foreign governments and official institutions	10,554	10,216	5,520	4,696	338
99 Commercial banks in United States	15,191	13,497	8,983	4,514	1,694
100 Banks in foreign countries	11,979	11,291	7,266	4,025	687
101 Savings deposits	331,980	261,196	214,531	46,664	70,784
102 Mutual savings banks	1	1	1	0	*
103 Other individuals, partnerships, and corporations	326,989	257,485	211,471	46,014	69,504
104 Individuals and nonprofit organizations	288,909	228,558	187,270	41,288	60,351
105 Corporations and other profit organizations	38,080	28,927	24,201	4,726	9,153
106 U.S. government	86	75	71	5	10
107 States and political subdivisions in United States	4,763	3,515	2,874	641	1,248
108 All other	141	119	115	4	21
109 Foreign governments and official institutions	80	79	77	1	1
110 Commercial banks in United States	61	40	38	3	20
111 Banks in foreign countries	*	*	*	*	*
112 Federal funds purchased and securities sold under agreements to repurchase	170,603	158,773	116,226	42,547	11,830
113 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money	34,817	32,649	19,354	13,295	2,168
114 Interest-bearing demand notes (note balances) issued to U.S. Treasury	8,309	7,561	5,494	2,067	749
115 Other liabilities for borrowed money	26,507	25,088	13,861	11,228	1,419
116 Mortgage indebtedness and liability for capitalized leases	2,346	1,913	1,607	306	433
117 All other liabilities	122,429	117,026	84,970	32,056	5,402
118 Acceptances executed and outstanding	55,055	54,227	40,442	13,786	828
119 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	33,402	32,515	22,985	9,530	887
120 Other	33,972	30,284	21,543	8,741	3,688
121 Subordinated notes and debentures	5,984	4,995	3,000	1,995	990
122 Total equity capital ^b	102,086	85,551	65,532	20,019	16,535
MEMO					
123 Time deposits of \$100,000 or more	249,756	208,307	159,245	49,062	41,448
124 Certificates of deposit (CDs) in denominations of \$100,000 or more	202,415	164,445	128,995	35,450	37,969
125 Other	47,341	43,862	30,350	13,612	3,479
126 Super NOW accounts	16,752	12,917	11,164	1,753	3,836
127 Other NOW accounts and AIS accounts (savings deposits authorized for automatic transfer)	47,727	37,203	31,067	6,136	10,524
128 All other savings deposits that are subject to a federal regulatory interest rate ceiling	92,639	72,156	58,629	13,526	20,483
129 Total Individual Retirement Accounts (IRA) and Keogh Plan accounts	22,001	17,281	14,259	3,022	4,720
130 Demand deposits adjusted ⁶	200,296	159,954	121,206	38,748	40,342
131 Standby letters of credit	96,245	92,345	57,527	34,818	3,900
132 Conveyed to others through participation (included in standby letters of credit)	9,262	9,117	5,379	3,738	145
133 Holdings of commercial paper included in total gross loans	1,761	1,250	783	468	511
Average for 30 calendar days (or calendar month) ending with report date					
134 Total assets	1,537,721	1,294,065	993,724	300,342	243,656
135 Cash and due from depository institutions	166,131	142,976	107,647	35,329	23,155
136 Federal funds sold and securities purchased under agreements to resell	72,156	61,452	48,527	12,925	10,704
137 Total loans	862,782	728,926	562,865	166,061	133,856
138 Total deposits	1,093,160	886,558	699,801	186,757	206,602
139 Time CDs in denominations of \$100,000 or more in domestic offices	197,549	160,565	126,270	34,295	36,984
140 Federal funds purchased and securities sold under agreements to repurchase	180,478	168,811	123,818	44,994	11,667
141 Other liabilities for borrowed money	27,695	26,211	13,469	12,742	1,484
142 Number of banks	1,829	1,116	944	172	713

For notes see end of table

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities^{1/2}
 Consolidated Report of Condition; December 31, 1983
 Millions of dollars

Item	Insured	Member banks			Non-member insured
		Total	National	State	
1 Total assets	2,018,498	1,510,829	1,175,411	335,418	507,668
2 Cash and due from depository institutions	225,151	176,625	135,667	40,957	48,527
3 Currency and coin (U.S. and foreign)	21,004	15,732	12,729	3,003	5,272
4 Balances with Federal Reserve Banks	23,221	20,115	15,527	4,588	3,106
5 Balances with other central banks	370	369	336	33	1
6 Demand balances with commercial banks in United States	36,916	19,263	16,035	3,227	17,653
7 All other balances with depository institutions in United States and with banks in foreign countries	58,835	42,198	33,924	8,274	16,638
8 Cash items in process of collection	84,805	78,949	57,116	21,833	5,856
9 Total securities, loans, and lease financing receivables	1,622,168	1,189,274	929,132	260,143	432,894
10 Total securities, book value	425,672	281,813	220,051	61,762	143,859
11 U.S. Treasury	166,789	106,970	84,906	22,063	59,819
12 Obligations of other U.S. government agencies and corporations	76,381	43,737	36,495	7,242	32,644
13 Obligations of states and political subdivisions in United States	157,185	110,292	84,396	25,896	46,891
14 All other securities	25,318	20,814	14,253	6,560	4,504
15 Federal funds sold and securities purchased under agreements to resell	92,368	69,136	53,903	15,233	23,232
16 Total loans, gross	1,122,380	849,484	663,847	185,637	272,896
17 Less Unearned income on loans	17,363	11,608	8,969	2,640	5,755
18 Allowance for possible loan loss	15,040	12,099	9,399	2,701	2,941
19 Allocated transfer risk reserves	6	6	6	0	*
20 EQUALS Loans, net	1,089,972	825,772	645,474	180,297	264,200
<i>Total loans, gross, by category</i>					
21 Real estate loans	327,042	229,025	192,225	36,800	98,016
22 Construction and land development	60,470	47,561	38,737	8,824	12,910
23 Secured by farmland	9,291	4,245	3,603	642	5,046
24 Secured by residential properties	175,967	122,513	103,679	18,834	53,454
25 1- to 4-family	166,686	115,820	98,096	17,724	50,866
26 Multifamily	9,281	6,693	5,583	1,110	2,588
27 Secured by nonfarm nonresidential properties	81,313	54,707	46,206	8,501	26,606
28 Loans to financial institutions	77,234	69,555	44,412	25,143	7,679
29 Loans for purchasing or carrying securities	17,039	15,667	9,547	6,120	1,371
30 Loans to finance agricultural production and other loans to farmers	39,024	21,428	18,351	3,077	17,596
31 Commercial and industrial loans	403,309	321,469	245,297	76,171	81,840
32 Loans to individuals for household, family, and other personal expenditures	217,110	155,569	129,518	26,052	61,541
33 Installment loans	172,889	125,514	105,400	20,114	47,375
34 Passenger automobiles	67,214	44,007	36,598	7,409	23,207
35 Credit cards and related plans	45,175	41,085	34,869	6,216	4,091
36 Mobile homes	9,603	6,625	5,992	633	2,978
37 All other installment loans for household, family, and other personal expenditures	50,896	33,797	27,940	5,856	17,099
38 Single-payment loans	44,221	30,055	24,118	5,937	14,166
39 All other loans	41,623	36,770	24,496	12,274	4,853
40 Lease financing receivables	14,157	12,554	9,704	2,851	1,602
41 Bank premises, furniture and fixtures, and other assets representing bank premises	34,625	24,797	19,990	4,807	9,827
42 Real estate owned other than bank premises	5,044	3,365	2,763	602	1,679
43 Intangible assets	700	448	425	23	252
44 All other assets	130,810	116,320	87,434	28,886	14,490

4.22 Continued

Item	Insured	Member banks			Non-member insured
		Total	National	State	
45 Total liabilities and equity capital¹	2,018,498	1,510,829	1,175,411	335,418	507,668
46 Total liabilities excluding subordinated debt	1,871,893	1,403,825	1,093,088	310,738	468,067
47 Total deposits	1,526,896	1,085,875	864,399	221,476	441,021
48 Individuals, partnerships, and corporations	1,347,630	948,088	764,810	183,278	399,542
49 U S government	3,376	2,506	2,031	475	871
50 States and political subdivisions in United States	82,780	51,356	42,771	8,585	31,424
51 All other	75,589	70,606	46,162	24,444	4,983
52 Certified and officers' checks, travelers checks, and letters of credit sold for cash	17,521	13,320	8,626	4,694	4,201
53 Demand deposits	388,145	298,256	225,852	72,405	89,889
54 Individuals, partnerships, and corporations	315,482	236,839	182,850	53,990	78,642
55 U S government	2,700	2,024	1,605	419	676
56 States and political subdivisions in United States	15,355	10,887	8,737	2,150	4,468
57 All other	37,088	35,186	24,033	11,153	1,901
58 Certified and officers' checks, travelers checks, and letters of credit sold for cash	17,521	13,320	8,626	4,694	4,201
59 Time deposits	677,596	470,378	377,286	93,092	207,218
60 Other individuals, partnerships, and corporations	581,617	400,025	325,679	74,345	181,592
61 U S government	561	491	341	50	170
62 States and political subdivisions in United States	57,115	34,683	29,271	5,412	22,433
63 All other	38,302	35,280	21,995	13,285	3,022
64 Savings deposits	461,155	317,241	261,262	55,979	143,914
65 Corporations and other profit organizations	45,844	32,195	26,959	5,235	13,650
66 Other individuals, partnerships, and corporations	404,686	279,029	229,321	49,708	125,657
67 U.S. government	115	91	85	6	24
68 States and political subdivisions in United States	10,309	5,786	4,763	1,023	4,523
69 All other	200	140	134	6	60
70 Federal funds purchased and securities sold under agreements to repurchase	176,830	162,377	119,281	43,096	14,454
71 Interest-bearing demand notes (note balances) issued to U S Treasury and other liabilities for borrowed money	36,854	33,889	20,513	13,377	2,965
72 Mortgage indebtedness and liability for capitalized leases	2,763	2,074	1,741	334	689
73 All other liabilities	128,549	119,610	87,154	32,455	8,939
74 Subordinated notes and debentures	6,565	5,307	3,289	2,018	1,257
75 Total equity capital¹	140,040	101,697	79,035	22,662	38,344
MFMO					
76 Time deposits of \$100,000 or more	295,470	227,901	176,203	51,699	67,569
77 Certificates of deposit (CDs) in denominations of \$100,000 or more	245,354	182,865	144,928	37,937	62,489
78 Other	50,116	45,036	31,275	13,762	5,080
79 Super NOW accounts	29,548	18,208	15,528	2,680	11,340
80 Other NOW accounts and AIS accounts (savings deposits authorized for automatic transfer)	70,171	46,877	39,209	7,669	23,294
81 All other savings deposits that are subject to a federal regulatory interest rate ceiling	151,860	89,199	72,598	16,601	42,662
82 Total Individual Retirement Accounts (IRA) and Keogh plan accounts	30,378	20,717	17,130	3,587	9,661
83 Demand deposits adjusted ⁶	271,820	190,089	146,763	43,325	81,731
84 Total standby letters of credit	98,434	93,317	58,354	34,963	5,117
<i>Average for 30 calendar days (or calendar month) ending with report date</i>					
85 Total deposits	1,483,666	1,051,752	838,061	213,691	431,914
86 Number of banks	14,451	5,804	4,752	1,052	8,647

1 Effective Dec. 31, 1978, the report of condition was substantially revised for commercial banks. Commercial banks with assets less than \$100 million and with domestic offices only were given the option to complete either the abbreviated or the standard set of reports. Banks with foreign offices began reporting in greater detail on a consolidated domestic and foreign basis. These tables reflect the varying levels of reporting detail.

Beginning Dec. 3, 1981, depository institutions may establish international banking facilities (IBFs). Activity of IBFs established by U.S. commercial banks is reflected in the appropriate asset and liability line items in the domestic office portion of the tables. Activity of IBFs established by Edge Act and Agreement subsidiaries of U.S. commercial banks is reflected in the appropriate asset and liability line items in the foreign office portion of the tables. When there is a column for fully consolidated foreign and domestic data, activity of IBFs is reflected in the appropriate asset and liability line items in that portion of the tables.

2. All transactions between domestic and foreign offices of a bank are reported in "Net due from" and "Net due to" (lines 80 and 104). All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Since these intraoffice transactions are erased by consolidation, total assets and liabilities are the sum of all except intraoffice balances.

3 Foreign offices include branches in foreign countries and in U.S. territories and possessions, subsidiaries in foreign countries, and all offices of Edge Act and agreement corporations wherever located.

4 This item is unavailable for all or some of the banks because of the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices, and the absence of detail on a fully consolidated basis for banks with foreign offices.

5 Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.

6 Demand deposits adjusted equal demand deposits other than domestic commercial interbank and U.S. government less cash items in process of collection.

7 Domestic offices exclude branches in foreign countries and in U.S. territories and possessions, subsidiaries in foreign countries, and all offices of Edge Act and Agreement corporations wherever located.

8 This item contains the capital accounts of U.S. banks that have no Edge or foreign operations and reflects the difference between domestic office assets and liabilities of U.S. banks with Edge or foreign operations excluding the capital accounts of their Edge or foreign subsidiaries.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1983¹

Millions of dollars

Item	All states ²			New York		California, total ⁴	Illinois, branches	Other states ²	
	Total	Branches ¹	Agencies	Branches ¹	Agencies			Branches	Agencies
1 Total assets⁵	228,417	176,063	52,354	155,045	7,255	41,786	10,465	7,988	5,878
2 Cash and due from depository institutions	40,967	37,239	3,728	34,703	633	3,276	1,720	369	266
3 Currency and coin (U.S. and foreign)	24	21	3	17	1	1	2	1	1
4 Balances with Federal Reserve Banks	928	861	67	711	20	49	30	103	14
5 Balances with other central banks	20	17	3	11	0	3	6	0	0
6 Demand balances with commercial banks in United States	1,489	1,244	245	1,121	84	140	62	39	43
7 All other balances with depository institutions in United States and with banks in foreign countries	38,260	34,852	3,407	32,609	527	3,079	1,616	223	206
8 Time and savings balances with commercial banks in United States	18,592	16,561	2,032	15,209	360	1,755	1,009	160	99
9 Balances with other depository institutions in United States	161	157	4	156	0	0	1	0	4
10 Balances with banks in foreign countries	19,507	18,135	1,372	17,244	167	1,323	607	62	103
11 Foreign branches of U.S. banks	1,166	1,129	37	1,064	10	11	44	22	16
12 Other banks in foreign countries	18,340	17,005	1,335	16,180	157	1,312	563	40	88
13 Cash items in process of collection	248	244	4	235	1	4	4	3	1
14 Total securities, loans, and lease financing receivables	137,721	104,523	33,198	90,694	5,182	25,182	7,793	4,185	4,685
15 Total securities, book value	8,853	8,308	545	7,981	75	541	207	32	17
16 U.S. Treasury	5,232	5,155	77	5,039	43	56	70	24	0
17 Obligations of other U.S. government agencies and corporations	514	493	21	484	2	16	5	2	5
18 Obligations of states and political subdivisions in United States	76	67	10	43	0	1	23	1	9
19 Other bonds, notes, debentures, and corporate stock	3,031	2,594	436	2,415	30	469	109	4	3
20 Federal funds sold and securities purchased under agreements to resell	9,051	7,517	1,534	6,984	721	757	396	100	93
<i>By holder</i>									
21 Commercial banks in United States	8,229	6,929	1,299	6,397	495	757	396	100	84
22 Others	822	588	235	588	226	0	0	0	9
<i>By type</i>									
23 One-day maturity or continuing contract	8,871	7,338	1,534	6,805	721	757	396	100	93
24 Securities purchased under agreements to resell	193	132	61	84	27	15	8	40	20
25 Other	8,678	7,206	1,472	6,721	694	742	388	60	73
26 Other securities purchased under agreements to resell	179	179	0	179	0	0	0	0	0
27 Total loans, gross	129,144	96,439	32,705	82,927	5,114	24,686	7,594	4,155	4,668
28 LESS: Unearned income on loans	276	224	52	214	7	45	7	2	1
29 EQUALS: Loans, net	128,868	96,215	32,653	82,713	5,107	24,640	7,586	4,153	4,668
<i>Total loans, gross, by category</i>									
30 Real estate loans	5,266	2,198	3,067	1,457	16	2,177	145	447	1,024
31 Loans to financial institutions	48,181	36,884	11,297	32,845	1,299	9,753	3,075	419	790
32 Commercial banks in United States	25,000	18,709	6,292	16,476	406	6,149	1,272	258	134
33 U.S. branches and agencies of other foreign banks	22,089	16,066	6,023	14,174	346	5,983	1,272	236	78
34 Other commercial banks	2,912	2,643	269	2,303	60	166	305	22	56
35 Banks in foreign countries	20,758	16,052	4,705	14,691	721	3,497	1,060	160	627
36 Foreign branches of U.S. banks	676	538	138	473	12	138	43	10	0
37 Other	20,082	15,514	4,567	14,218	709	3,359	1,017	150	627
38 Other financial institutions	2,423	2,123	300	1,678	171	107	438	1	28
39 Loans for purchasing or carrying securities	1,387	1,380	7	1,295	6	85	0	1	0
40 Commercial and industrial loans	56,395	42,318	14,076	34,533	2,015	10,672	3,806	3,092	2,276
41 U.S. addressees (domicile)	32,782	23,821	8,961	17,594	419	7,601	3,254	2,226	1,689
42 Non-U.S. addressees (domicile)	23,612	18,498	5,115	16,939	1,596	3,072	552	866	588
43 Loans to individuals for household, family, and other personal expenditures	219	186	34	132	2	33	9	35	9
44 All other loans	17,696	13,473	4,224	12,665	1,776	1,965	560	161	569
45 Loans to foreign governments and official institutions	15,953	11,869	4,084	11,162	1,712	1,906	519	111	542
46 Other	1,743	1,604	140	1,502	64	59	41	49	27
47 Lease financing receivables	0	0	0	0	0	0	0	0	0
48 All other assets	40,678	26,784	13,894	22,664	720	12,571	556	3,334	834
49 Customers' liability on acceptances outstanding	13,263	10,234	3,029	9,759	88	2,838	298	175	105
50 U.S. addressees (domicile)	8,763	6,313	2,451	6,003	6	2,418	283	25	29
51 Non-U.S. addressees (domicile)	4,500	3,921	579	3,755	82	420	15	151	77
52 Net due from related banking institutions ⁶	21,686	12,001	9,685	8,785	435	8,836	3	3,063	564
53 Other	5,729	4,549	1,180	4,120	196	897	256	95	165

4.30 Continued

Item	All states ²			New York		California, total ⁴	Illinois, branches	Other states ²	
	Total	Branches ³	Agencies	Branches ³	Agencies			Branches	Agencies
54 Total liabilities⁵	228,417	176,063	52,354	155,045	7,255	41,786	10,465	7,988	5,878
55 Total deposits and credit balances	112,381	97,900	14,481	88,422	2,411	11,652	3,255	4,743	1,898
56 Individuals, partnerships, and corporations	37,826	35,263	2,563	29,321	99	1,446	932	4,420	1,607
57 U.S. addressees (domicile)	23,236	23,172	64	17,746	19	325	787	4,330	28
58 Non-U.S. addressees (domicile)	14,590	12,092	2,499	11,574	80	1,121	145	91	1,579
59 U.S. government, states, and political subdivisions in United States	68	67	0	21	0	4	0	42	0
60 All other	74,487	62,569	11,918	59,080	2,312	10,203	2,323	280	290
61 Foreign governments and official institutions	5,331	4,819	512	4,514	371	375	13	20	38
62 Commercial banks in United States	27,962	22,223	5,740	20,840	942	5,060	888	115	118
63 U.S. branches and agencies of other foreign banks	18,919	14,718	4,201	13,758	361	4,167	540	41	52
64 Other commercial banks in United States	9,043	7,505	1,539	7,082	581	892	348	74	66
65 Banks in foreign countries	40,424	34,819	5,605	33,044	975	4,743	1,410	135	118
66 Foreign branches of U.S. banks	6,396	5,035	1,362	4,696	283	1,084	310	19	5
67 Other banks in foreign countries	34,027	29,784	4,243	28,348	691	3,659	1,100	116	114
68 Certified and officers' checks, travelers checks, and letters of credit sold for cash	770	709	62	683	24	25	12	10	16
69 Demand deposits	3,691	3,501	190	3,203	24	80	148	118	118
70 Individuals, partnerships, and corporations	1,787	1,689	97	1,447	0	50	131	84	75
71 U.S. addressees (domicile)	1,032	1,032	0	806	0	21	127	78	0
72 Non-U.S. addressees (domicile)	755	657	97	640	0	28	4	7	75
73 U.S. government, states, and political subdivisions in United States	9	9	0	8	0	0	0	1	0
74 All other	1,896	1,803	93	1,748	24	30	17	33	43
75 Foreign governments and official institutions	280	277	3	254	0	2	3	20	2
76 Commercial banks in United States	180	179	2	176	0	1	0	2	1
77 U.S. branches and agencies of other foreign banks	17	17	0	17	0	0	0	0	0
78 Other commercial banks in United States	163	162	1	159	0	1	0	2	1
79 Banks in foreign countries	665	638	26	635	0	2	2	1	24
80 Certified and officers' checks, travelers checks, and letters of credit sold for cash	770	709	62	683	24	25	12	10	16
81 Time deposits	107,639	93,590	14,049	84,614	2,258	11,475	3,030	4,545	1,717
82 Individuals, partnerships, and corporations	35,129	32,859	2,270	27,360	14	1,302	724	4,257	1,471
83 U.S. addressees (domicile)	21,656	21,656	0	16,635	0	256	588	4,178	0
84 Non-U.S. addressees (domicile)	13,472	11,203	2,270	10,724	14	1,047	137	80	1,471
85 U.S. government, states, and political subdivisions in United States	58	58	0	13	0	3	0	42	0
86 All other	72,452	60,673	11,780	57,240	2,244	10,170	2,306	246	246
87 Foreign governments and official institutions	5,022	4,531	492	4,249	354	372	10	0	36
88 Commercial banks in United States	27,768	22,037	5,731	20,657	936	5,057	888	113	116
89 U.S. branches and agencies of other foreign banks	18,896	14,700	4,196	13,741	356	4,167	540	41	52
90 Other commercial banks in United States	8,872	7,337	1,536	6,917	581	890	348	72	65
91 Banks in foreign countries	39,661	34,105	5,557	32,334	954	4,740	1,408	133	93
92 Savings deposits	660	598	62	398	0	74	77	78	33
93 Individuals, partnerships, and corporations	658	596	62	397	0	74	77	77	33
94 U.S. addressees (domicile)	413	413	0	236	0	31	73	73	0
95 Non-U.S. addressees (domicile)	246	184	62	162	0	42	4	4	33
96 U.S. government, states, and political subdivisions in United States	0	0	0	0	0	0	0	0	0
97 All other	1	1	0	1	0	0	0	0	0
98 Credit balances	390	211	180	208	128	23	0	2	29
99 Individuals, partnerships, and corporations	253	119	134	117	85	20	0	2	28
100 U.S. addressees (domicile)	135	71	64	69	19	17	0	2	28
101 Non-U.S. addressees (domicile)	118	48	70	48	66	3	0	0	1
102 U.S. government, states, and political subdivisions in United States	0	0	0	0	0	0	0	0	0
103 All other	138	92	46	91	43	3	0	0	1
104 Foreign governments and official institutions	28	11	17	11	16	1	0	0	0
105 Commercial banks in United States	13	7	6	6	6	2	0	0	0
106 U.S. branches and agencies of other foreign banks	6	1	5	1	5	0	0	0	0
107 Other commercial banks in United States	8	6	1	5	1	2	0	0	0
108 Banks in foreign countries	96	74	22	74	21	0	0	0	1

For notes see end of table.

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4.30 Continued

Item	All states ²			New York		California, total ⁴	Illinois, branches	Other states ²	
	Total	Branches ³	Agencies	Branches ³	Agencies			Branches	Agencies
109 Federal funds purchased and securities sold under agreements to repurchase	16,866	12,250	4,616	11,029	682	4,043	714	306	92
<i>By holder</i>									
110 Commercial banks in United States	13,929	9,646	4,283	8,552	476	3,936	603	306	56
111 Others	2,937	2,604	333	2,477	206	107	112	0	36
<i>By type</i>									
112 One-day maturity or continuing contract	15,998	11,499	4,499	10,300	608	3,999	692	306	92
113 Securities sold under agreements to repurchase	1,809	1,788	22	1,537	11	11	134	117	0
114 Other	14,188	9,711	4,477	8,763	598	3,989	558	190	92
115 Other securities sold under agreements to repurchase	869	752	117	729	73	44	23	0	0
116 Other liabilities for borrowed money	48,852	27,458	21,394	25,454	2,606	18,545	933	698	616
117 Owed to banks	45,254	24,255	21,000	22,314	2,549	18,166	933	677	616
118 U.S. addressees (domicile)	42,746	21,884	20,862	20,006	2,493	18,135	910	640	562
119 Non-U.S. addressees (domicile)	2,508	2,371	137	2,307	56	32	23	37	54
120 Owed to others	3,597	3,203	394	3,140	57	379	0	21	0
121 U.S. addressees (domicile)	3,200	2,894	306	2,858	9	312	0	20	0
122 Non-U.S. addressees (domicile)	398	309	88	282	48	67	0	1	0
123 All other liabilities	50,319	38,456	11,863	30,140	1,557	7,545	5,563	2,241	3,272
124 Acceptances executed and outstanding	15,002	11,524	3,478	11,044	155	3,212	298	180	113
125 Net due to related banking institutions ⁶	31,646	23,891	7,755	16,322	1,289	3,834	5,127	1,976	3,098
126 Other	3,670	3,041	630	2,774	113	499	138	86	61
MEMO									
127 Time deposits of \$100,000 or more	81,491	70,124	11,366	61,868	264	11,201	2,445	4,448	1,264
128 Certificates of deposit (CDs) in denominations of \$100,000 or more	31,586	29,931	1,654	24,043	11	1,299	983	4,339	910
129 Other	49,905	40,193	9,712	37,825	253	9,902	1,462	109	354
130 Savings deposits authorized for automatic transfer and NOW accounts	75	49	27	28	0	15	7	9	17
131 Money market time certificates of \$10,000 and less than \$100,000 with original maturities of 26 weeks	0	0	0	0	0	0	0	0	0
132 Time certificates of deposit in denominations of \$100,000 or more with remaining maturity of more than 12 months	6,889	6,835	54	5,966	1	82	175	626	40
133 Acceptances refinanced with a U.S.-chartered bank	4,037	2,860	1,177	2,450	104	1,072	64	346	1
134 Statutory or regulatory asset pledge requirement	59,312	58,827	485	51,768	424	107	6,985	18	11
135 Statutory or regulatory asset maintenance requirement	9,499	9,021	478	5,561	67	528	370	2,565	408
136 Commercial letters of credit	7,288	4,771	2,517	4,255	295	2,049	196	290	204
137 Standby letters of credit, total	14,548	12,269	2,279	10,480	157	1,545	889	521	956
138 U.S. addressees (domicile)	12,066	10,042	2,024	8,611	65	1,366	707	414	902
139 Non-U.S. addressees (domicile)	2,482	2,227	255	1,869	91	179	182	107	53
140 Standby letters of credit conveyed to others through participations (included in total standby letters of credit)	2,976	2,786	190	2,639	0	155	36	11	135
141 Holdings of commercial paper included in total gross loans	556	526	30	462	0	19	64	1	11
142 Holdings of acceptances included in total commercial and industrial loans	5,237	4,205	1,032	3,953	70	974	66	165	8
143 Immediately available funds with a maturity greater than one day (included in other liabilities for borrowed money)	33,833	17,390	16,443	15,940	2,146	14,392	763	431	160
144 Gross due from related banking institutions ⁶	90,223	71,525	18,697	64,342	1,481	16,281	2,513	4,210	1,395
145 U.S. addressees (domicile)	23,107	14,796	8,311	10,881	81	7,849	182	3,566	547
146 Branches and agencies in the United States	22,576	14,525	8,051	10,617	79	7,591	176	3,566	547
147 In the same state as reporter	1,172	823	349	782	8	348	0	20	14
148 In other states	21,404	13,701	7,703	9,835	71	7,243	176	3,546	533
149 U.S. banking subsidiaries ⁷	531	271	260	264	3	258	6	1	0
150 Non-U.S. addressees (domicile)	67,116	56,730	10,386	53,462	1,400	8,432	2,331	644	847
151 Head office and non-U.S. branches and agencies	64,839	54,769	10,070	51,511	1,399	8,209	2,322	642	756
152 Non-U.S. banking companies and offices	2,277	1,961	316	1,951	1	223	8	2	92
153 Gross due to related banking institutions ⁶	100,183	83,416	16,767	71,880	2,335	11,279	7,637	3,123	3,929
154 U.S. addressees (domicile)	23,236	16,802	6,434	10,482	375	3,380	3,444	2,533	3,022
155 Branches and agencies in the United States	22,900	16,541	6,359	10,359	372	3,333	3,327	2,520	2,988
156 In the same state as reporter	969	599	370	560	6	347	0	18	37
157 In other states	21,931	15,942	5,989	9,798	366	2,986	3,327	2,502	2,951
158 U.S. banking subsidiaries ⁷	336	261	76	124	3	48	116	13	33
159 Non-U.S. addressees (domicile)	76,947	66,614	10,333	61,397	1,960	7,899	4,193	590	907
160 Head office and non-U.S. branches and agencies	74,644	64,687	9,957	59,556	1,817	7,696	4,108	590	877
161 Non-U.S. banking companies and offices	2,304	1,928	376	1,842	144	203	85	0	30

4.30 Continued

Item	All states ²			New York		California, total ⁴	Illinois, branches	Other states ²	
	Total	Branches ³	Agencies	Branches ³	Agencies			Branches	Agencies
<i>Average for 30 calendar days (or calendar month) ending with report date</i>									
162 Total assets	399,121	346,491	52,629	326,160	7,023	42,279	9,870	7,902	5,887
163 Cash and due from depository institutions	39,158	35,431	3,727	33,093	610	3,238	1,564	312	341
164 Federal funds sold and securities purchased under agreements to resell	7,938	6,492	1,447	6,220	686	718	170	76	68
165 Total loans	127,139	95,262	31,877	82,062	4,725	24,298	7,315	4,160	4,579
166 Loans to banks in foreign countries	20,439	15,799	4,641	14,292	712	3,652	1,037	130	616
167 Total deposits and credit balances	107,046	92,195	14,851	83,003	2,416	12,015	2,918	4,829	1,865
168 Time CDs in denominations of \$100,000 or more	30,239	28,592	1,646	22,679	11	1,263	880	4,494	912
169 Federal funds purchased and securities sold under agreements to repurchase	18,159	13,518	4,640	12,452	602	4,105	604	306	88
170 Other liabilities for borrowed money	46,573	25,742	20,831	23,959	2,424	18,200	813	611	565
171 Number of reports filed ⁸	437	260	177	167	32	114	43	32	49

1. Data are aggregates of categories reported on the quarterly form I-FI:EC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." This form was first used for reporting data as of June 30, 1980. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Includes all offices that have the power to accept deposits from U.S. residents, including any such offices that are considered agencies under state law.

4. Agencies account for virtually all of the assets and liabilities reported in California.

5. Total assets and total liabilities include *net* balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see

footnote 6). On the former monthly branch and agency report, available through the G.11 statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

6. "Related banking institutions" includes the foreign head office and other U.S. and foreign branches and agencies of the bank, the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly). Gross amounts due from and due to related banking institutions are shown as memo items.

7. "U.S. banking subsidiaries" refers to U.S. banking subsidiaries majority-owned by the foreign bank and by related foreign banks and includes U.S. offices of U.S.-chartered commercial banks, of Edge Act and Agreement corporations, and of New York State (Article XII) investment companies.

8. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

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Changes in State Member Banks. K.3 (615)	Tuesday	Week ended previous Saturday
Factors Affecting Reserves of Depository Institutions and Condition Statement of Federal Reserve Banks. H 4.1 (503) [1.11]	Thursday	Week ended previous Wednesday
Foreign Exchange Rates. H.10 (512) [3.28]	Monday	Week ended previous Friday
Money Stock, Liquid Assets, and Debit Measures. H.6 (508) [1.21]	Thursday	Week ended Wednesday of previous week
Selected Borrowings in Immediately Available Funds of Large Member Banks. H 5 (507) [1.13]	Wednesday	Week ended Thursday of previous week
Selected Interest Rates. H.15 (519) [1.35]	Monday	Week ended previous Saturday
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¹ Release dates are those anticipated or usually met. However, please note that for some releases there is normally a certain variability because of reporting or processing procedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date being later than anticipated.

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<i>Monthly Releases—Continued</i>	<i>Approximate release days</i>	<i>Date or period to which data refer</i>
Industrial Production. G.12.3 (414) [2.13]	Mid month	Previous month
Loan Commitments at Selected Large Commercial Banks. G.21 (423)	5th of month	2nd month previous
Loans and Securities at all Commercial Banks. G.7 (407) [1.23]	20th of month	Previous month
Major Nondeposit Funds of Commercial Banks. G.10 (411) [1.24]	20th of month	Previous month
Monthly Report of Assets and Liabilities of International Banking Facilities. G.14 (416)	2nd Monday of month	Wednesday, 2 weeks earlier
Research Library—Recent Acquisitions. G.15 (417)	1st of month	Previous month
Selected Interest Rates. G.13 (415) [1.35]	3rd working day of month	Previous month
Summary of Equity Security Transactions. G.16 (418)	3rd week of month	Release date
 <i>Quarterly Releases</i>		
Agricultural Finance Databook. E.15 (125)	End of March, June, September, and December	January, April, July, and October
Flow of Funds Summary Statistics Z.7 (788) [1.57, 1.58]	15th of February, May, August, and November	Previous quarter
Geographical Distribution of Assets and Liabilities of Major Foreign Branches of U.S. Banks. E.11 (121)	15th of March, June, September, and December	Previous quarter
Survey of Terms of Bank Lending. E.2 (111) [1.34]	15th of March, June, September, and December	February, May, August and November
Domestic Offices, Commercial Bank Assets and Liabilities Consolidated Report of Condition. E.3.4 (113) [1.26, 1.28]	March, June, September, and December	Previous 6 months
 <i>Semiannual Releases</i>		
Check Collection Services—Federal Reserve System. E.9 (119)	February and July	Previous 6 months

<i>Semiannual Releases—Continued</i>	<i>Approximate release days</i>	<i>Date or period to which data refer</i>
Country Exposure Lending Survey. E.16 (126)	May and November	End of previous December and June
List of OTC Margin Stocks. E.7 (117)	February, June and October	Release date
 <i>Annual Releases</i>		
Aggregate Summaries of Annual Surveys of Security Credit Extension. C.2 (101)	February	End of previous June
Bank Holding Companies and Subsidiary Banks (Domestic and Foreign). C.6 (105)	March	Previous year
Bank Holding Companies and Subsidiary Banks (Domestic only). C.5 (104)	March	Previous year

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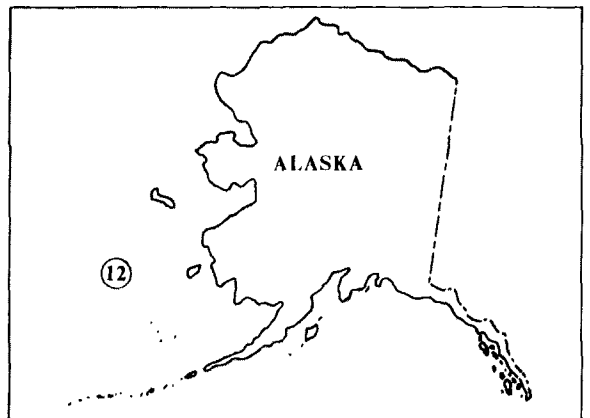
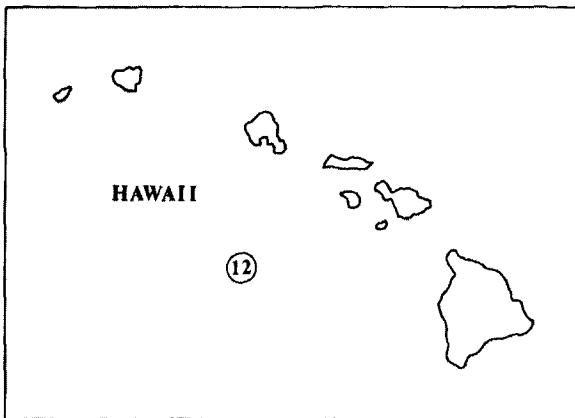
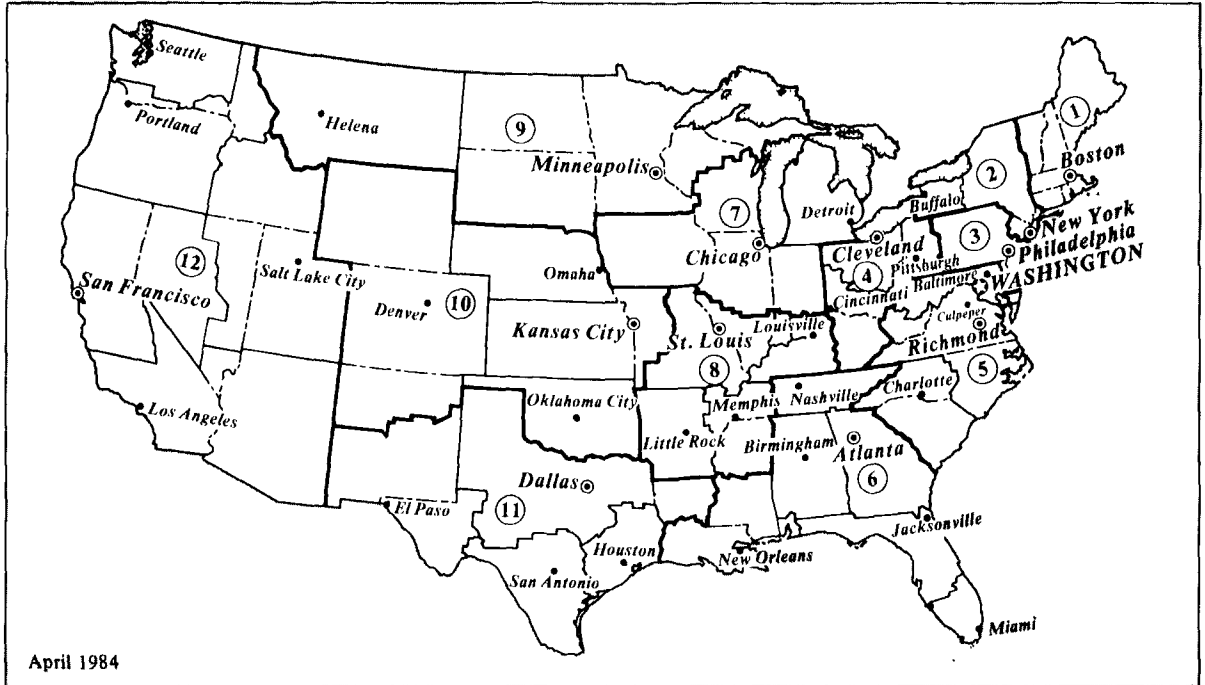
Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK, branch, or facility	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON*	02106	Robert P. Henderson Thomas I. Atkins	Frank E. Morris Vacancy	
NEW YORK*	10045	John Brademas Gertrude G. Michelson	Anthony M. Solomon Thomas M. Timlen	John T. Keane
Buffalo	14240	M. Jane Dickman		
PHILADELPHIA	19105	Robert M. Landis Nevius M. Curtis	Edward G. Boehne Richard L. Smoot	
CLEVELAND*	44101	William H. Knoell E. Mandell de Windt	Karen N. Horn William H. Hendricks	Charles A. Cerino Harold J. Swart
Cincinnati	45201	Robert E. Boni		
Pittsburgh	15230	Milton G. Hulme, Jr.		
RICHMOND*	23219	William S. Lee Leroy T. Canoles, Jr.	Robert P. Black Jimmie R. Monhollon	Robert D. McTeer, Jr. Albert D. Tinkelenberg John G. Stoides
Baltimore	21203	Robert L. Tate		
Charlotte	28230	Henry Ponder		
<i>Culpeper Communications and Records Center</i>	22701			
ATLANTA	30301	John H. Weitnauer, Jr. Bradley Currey, Jr.	Robert P. Forrestal Jack Guynn	Fred R. Herr James D. Hawkins Patrick K. Barron Jeffrey J. Wells Henry H. Bourgaux
Birmingham	35283	Martha A. McInnis		
Jacksonville	32231	Jerome P. Keuper		
Miami	33152	Sue McCourt Cobb		
Nashville	37203	C. Warren Neel		
New Orleans	70161	Sharon A. Perlis		
CHICAGO*	60690	Stanton R. Cook Edward F. Brabec	Silas Keehn Daniel M. Doyle	William C. Conrad
Detroit	48231	Russell G. Mawby		
ST. LOUIS	63166	W.L. Hadley Griffin Mary P. Holt	Theodore H. Roberts Joseph P. Garbarini	John F. Breen James E. Conrad Paul I. Black, Jr.
Little Rock	72203	Sheffield Nelson		
Louisville	40232	Sister Eileen M. Egan		
Memphis	38101	Patricia W. Shaw		
MINNEAPOLIS	55480	William G. Phillips John B. Davis, Jr.	E. Gerald Corrigan Thomas E. Gainor	Robert F. McNellis
Helena	59601	Ernest B. Corrick		
KANSAS CITY	64198	Doris M. Drury Irvine O. Hockaday, Jr.	Roger Guffey Henry R. Czerwinski	Wayne W. Martin William G. Evans Robert D. Hamilton
Denver	80217	James E. Nielson		
Oklahoma City	73125	Patience Latting		
Omaha	68102	Robert G. Lueder		
DALLAS	75222	Robert D. Rogers John V. James	Robert H. Boykin William H. Wallace	Joel L. Koonce, Jr. J.Z. Rowe Thomas H. Robertson
El Paso	79999	Mary Carmen Saucedo		
Houston	77252	Paul N. Howell		
San Antonio	78295	Lawrence L. Crum		
SAN FRANCISCO	94120	Caroline L. Ahmanson Alan C. Furth	John J. Balles Richard T. Griffith	Richard C. Dunn Angelo S. Carella A. Grant Holman Gerald R. Kelly
Los Angeles	90051	Bruce M. Schwaegler		
Portland	97208	Paul E. Bragdon		
Salt Lake City	84125	Wendell J. Ashton		
Seattle	98124	John W. Ellis		

*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility