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MARCH 1975

FEDERAL RESERVE  
**BULLETIN**

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# FEDERAL RESERVE BULLETIN

NUMBER 3 □ VOLUME 61 □ MARCH 1975

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# Financial Developments in the Fourth Quarter of 1974

*This report, which was sent to the Joint Economic Committee of the U.S. Congress on February 22, 1975, highlights the important developments in financial markets during the fall and early winter.*

Credit conditions eased substantially in the fourth quarter of 1974 and in the early weeks of 1975. Yields on most private money market instruments dropped 4 to 5 percentage points between September 1974 and January 1975, in part because of an easing of private demands for short-term credit but also because of efforts by the Federal Reserve to ease bank reserve positions through reductions in reserve requirements and in the discount rate and through open market operations. Longer-term rates registered only modest declines, reflecting the intense demands for intermediate- and long-term financing and the continued concern of investors about the high rate of inflation.

In general, declines in domestic interest rates during recent months have been significantly larger than declines in interest rates abroad. This widening spread contributed to a deterioration in capital inflows to the United States and to a continued weakening in the exchange rate for the dollar against leading foreign currencies over the fourth quarter and into early 1975.

Federal Reserve policy during this period was aimed at fostering conditions of bank reserve availability that would lead to an easing of credit conditions and an improvement in the liquidity of banks and other financial institutions, and that would also lay the basis for more rapid growth in the family of monetary aggregates. In addition to providing for a substantial expansion of nonborrowed reserves through open market operations, the System lowered the cost of borrowing at Reserve Banks. The discount rate was cut from 8 per cent to 7 $\frac{3}{4}$  per cent in early

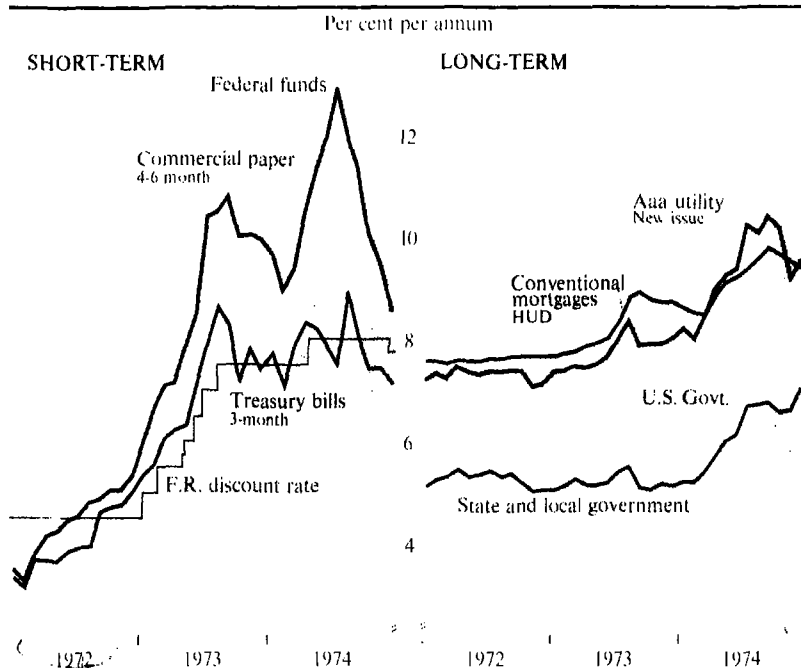
December in recognition of the decline that had already occurred in market rates of interest; in January and again in early February, as it became evident that the economy was weakening still further, the discount rate was reduced in two steps to 6 $\frac{3}{4}$  per cent.

The Board also reduced member bank reserve requirements in order to provide banks with additional lendable funds. In November it promulgated a set of changes in reserve requirements that released \$700 million in required reserves. These changes included a reduction of  $\frac{1}{2}$  of a percentage point in the requirement on net demand deposits aggregating over \$400 million, the elimination of the remaining marginal reserve requirement for large-denomination time deposits, and a restructuring of the basic reserve requirement on time deposits. The last of these changes, which set a lower requirement on deposits with original maturities of at least 180 days than the requirement on shorter-term deposits, was designed to provide an incentive for banks to improve their liquidity by lengthening the maturity of their liabilities.

In January 1975 the Board again lowered reserve requirements on net demand deposits—by 1 percentage point on deposits over \$400 million and by  $\frac{1}{2}$  of a percentage point on all deposits of less than that amount. This action lowered the total required reserves of member banks by about \$1.1 billion.

Growth in the various monetary aggregates accelerated in the fourth quarter. The narrowly defined money stock,  $M_1$ , increased at an annual rate of 4.6 per cent, as compared with a growth rate of 1.6 per cent over the third quarter; the more broadly defined money stock measures,  $M_2$  and  $M_3$ , grew at annual rates of 7.0 and 6.9 per cent, as compared with rates of 4.5 and 4.0 per cent, respectively, in the third quarter. As shown in Table 1 on page 123, the changes

## INTEREST RATES



\*Level of series was affected by issue of new 20 year U.S. Govt. bond in January 1973.

Monthly averages except for conventional mortgages (based on quotations for one day each month). Yields: U.S. Treasury bills, market yields on 3-month issues; prime commercial paper, dealer offering rates; conventional mortgages, rates on first mortgages in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development; Corporate bonds, weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa utility basis; U.S. Govt. bonds, market yields adjusted to 20-year constant maturity by U.S. Treasury; State and local govt. bonds (20 issues, mixed quality), *Bond Buyer*.

in the rates of growth of the monetary aggregates were somewhat smaller when measured on a quarterly average basis.

During the last few weeks of 1974 and in early 1975, demand deposits held by the public contracted as businesses and consumers repaid bank loans. This led to a decline in  $M_1$  in January, but because expansion in time and savings deposits held by the public was maintained at a fairly rapid rate throughout the month,  $M_2$  continued to rise at a pace only moderately below that of the fourth quarter of 1974.

## MEMBER BANK RESERVES

The easing of pressures on member bank reserve positions was reflected in the decline in the Federal funds rate—the rate at which commer-

cial banks borrow reserve balances overnight from other banks—from a monthly average of 11.34 per cent in September to 8.53 per cent in December, and then to about 6.5 per cent in early February. There was a considerable acceleration in the rate at which nonborrowed reserves were provided to the banking system through open market operations. Over the 4 months ending in January, such reserves increased at an annual rate of about 20 per cent, after adjustment to eliminate the effect on the figures of the large increase in late spring and subsequent decrease in early fall of special borrowing by Franklin National Bank. As nonborrowed reserves became increasingly available and short-term market interest rates dropped, member banks sharply reduced their borrowings from the Federal Reserve. As a result, total reserves of member banks expanded at an annual rate of about 4.5 per cent over the 4 months ending in January.

TABLE 1  
Changes in selected monetary aggregates<sup>1</sup>  
In per cent, seasonally adjusted annual rates

Item	1973	1974	1974			
			Q1	Q2	Q3	Q4
<b>Member bank reserves:</b>						
Total .....	7.8	8.6	1.3	20.1	8.2	4.2
Nonborrowed .....	7.2	10.6	1.2	.8	5.6	34.4
Available to support private nonbank deposits <sup>2</sup> .....	9.3	8.8	5.7	19.1	9.1	0.7
<b>Concepts of money<sup>3</sup> calculated from:</b>						
End-month of quarter -						
$M_1$ .....	6.1	4.7	5.5	7.0	1.6	4.6
$M_2$ .....	8.8	7.4	9.3	7.9	4.5	7.0
$M_3$ .....	8.7 <sup>r</sup>	6.7	8.8	6.6 <sup>r</sup>	4.0	6.9
Quarterly average-						
$M_1$ .....	6.3	5.3	5.8	7.3	3.9	3.7
$M_2$ .....	8.9	7.9	9.6	8.3	6.2	6.6
$M_3$ .....	8.9	7.1	9.1	7.4	5.2	6.0
<b>Time and savings deposits at:</b>						
Commercial banks (other than large CD's) .....	11.4	9.7	12.8	8.8	7.1	9.0
Nonbank thrift institutions .....	8.5 <sup>r</sup>	5.6	7.9	3.9	3.1	6.9
Bank credit proxy, adjusted <sup>4</sup> .....	10.4	10.2	8.2	20.4	6.6	4.3
Currency and privately held bank deposits .....	11.6	10.8	10.9	15.4	6.0	9.2
<b>MEMO: (Change in billions of dollars, seasonally adjusted):</b>						
Large CD's .....	19.9	26.5	4.2	13.3	3.5	5.5
U.S. Government demand deposits at all member banks .....	-1.7	2.0	.7	2.1	1.0	4.4

<sup>1</sup>Incorporates revisions in money stock and related measures based on new benchmark data for nonmember banks from the recently available October 16 Reports of Condition and Revisions in Seasonal Adjustment Factors. These data were first published on February 20, 1975.

<sup>2</sup>Total reserves less required reserves for U.S. Govt. and interbank deposits.

<sup>3</sup> $M_1$  is currency plus private demand deposits adjusted.  $M_2$  is  $M_1$  plus commercial bank time and savings deposits adjusted other than large CD's.  $M_3$  is  $M_2$  plus deposits at mutual savings banks and savings and loan associations.

<sup>4</sup>Total member bank deposits plus funds provided by Euro dollar borrowings and bank related commercial paper.

<sup>r</sup>Revised after the report was sent to the Joint Economic Committee. No revision was more than two-tenths of a percentage point.

**NOTE:** Changes are calculated from the average amounts outstanding in the last month of each quarter, except the quarterly average calculations of concepts of money, which are based on changes in the average amounts outstanding for a quarter. Annual rates of growth have been adjusted for changes in reserve requirements.

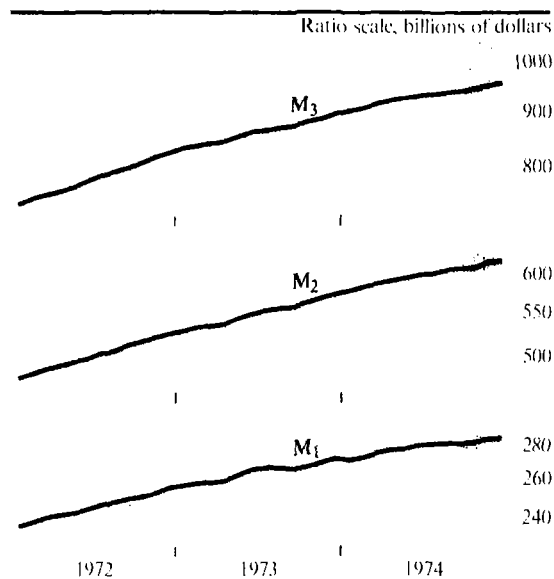
## DEPOSIT FLOWS

Measured on an end-month-of-quarter basis, the annual rate of increase in  $M_1$  rose from 1.6 per cent in the third quarter to 4.6 per cent in the fourth quarter. In both periods most of the growth in  $M_1$  was associated with a rise in the currency component of the money stock; the change in demand deposits was small. The sustained and rapid growth in the public's holdings of currency throughout 1974, though it may have reflected some hoarding, was broadly con-

sistent with the rise in nominal consumption expenditures resulting from an unusually high rate of inflation. Over the year 1974,  $M_1$  rose 4.7 per cent as compared with an increase of 6.1 per cent in 1973.

The more rapid growth of time and savings deposits at both commercial banks and nonbank thrift institutions in the fourth quarter reflected the retreat of short-term market interest rates from the high levels that had encouraged diversion of savings flows into market instruments during the summer. The rate of increase in time and savings deposits other than large negotiable

CONCEPTS OF MONEY



Seasonally adjusted monthly averages.  
 M<sub>1</sub> is currency plus private demand deposits adjusted.  
 M<sub>2</sub> is M<sub>1</sub> plus commercial bank time and savings deposits adjusted other than large CD's.  
 M<sub>3</sub> is M<sub>2</sub> plus deposits at mutual savings banks and savings and loan associations.

certificates of deposit (CD's) at commercial banks rose from an annual rate of 7.1 per cent in the third quarter to 9.0 per cent in the fourth. As a result, growth of M<sub>2</sub> increased from an annual rate of 4.5 per cent in the third quarter to 7.0 per cent in the fourth quarter, on an end-month-of-quarter basis.

Inflows to nonbank thrift institutions, which had been at an annual rate of only 3.1 per cent in the third quarter, grew at a 6.9 per cent rate in the fourth quarter. The measure of the money stock that includes such flows, M<sub>3</sub>, increased at a 6.9 per cent rate in the final quarter of the year as compared with a 4.0 per cent rate in the third quarter.

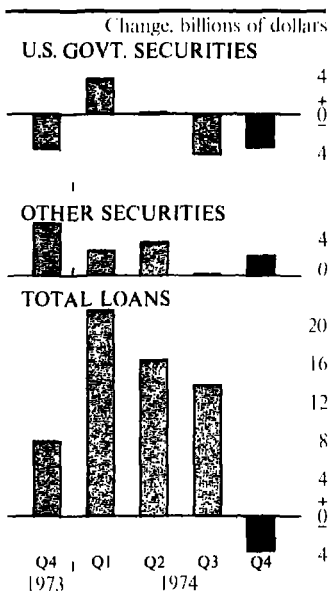
Late in the fourth quarter two changes were made in regulations governing deposit structures of both banks and nonbank thrift institutions. First, in late November, Federal legislation was passed that increased deposit insurance on individual accounts to \$40,000 and on accounts of governmental units to \$100,000; at the same time, the Federal Reserve authorized commercial banks to issue savings deposits to governmental units for the first time. Second, in order

to stimulate savings flows, the Federal regulatory agencies established in late December a new category of consumer-type time deposits called Investment Certificates to be offered in a minimum denomination of \$1,000 and with a minimum maturity of 6 years. Insured commercial banks are authorized to pay up to 7½ per cent on such deposits; insured nonbank thrift institutions may pay 7¾ per cent. The interest rate ceilings on these Investment Certificates are higher than ceiling rates on other deposit instruments and are intended to make such deposits more competitive with market instruments.

BANK CREDIT AND COMMERCIAL PAPER

Total loans and investments at commercial banks declined \$4.8 billion on a seasonally adjusted basis over the October–December period. Seasonally adjusted, commercial bank holdings of Treasury securities declined substantially in the fourth quarter, and although bank holdings of other securities—mainly municipal bonds and Federal agency issues—in-

BANK CREDIT COMPONENTS



Seasonally adjusted. Loans adjusted for transfers between banks and their holding companies, affiliates, subsidiaries, or foreign branches.

TABLE 2  
Rate spreads and changes in business loans  
and commercial paper

Period	Spread (basis points) prime rate less 30- to 59 day commercial paper rate	Change (billions of dollars) <sup>1</sup>			Annual percentage rate of change in total amount
		Business loans at all commercial banks <sup>2</sup>	Dealer placed commercial paper <sup>3</sup>	Total	
(1974) Q1 ...	.....	9.5	-1.1	9.4	22.5
Q2 ...	.....	9.6	1.4	11.0	24.9
Q3 ...	.....	6.2	2.3	8.5	18.1
Q4 ...	.....	.2	1.0	1.2	2.5
Oct.	195	1.7	.9	2.6	15.9
Nov.	168	.9	.7	1.8	10.9
Dec.	103	-2.4	-.6	-3.0	18.0

<sup>1</sup> Seasonally adjusted.

<sup>2</sup> Based on last Wednesday of month data; adjusted to include outstanding amounts of loans sold to affiliates.

<sup>3</sup> Measured from end-of-month to end of month.

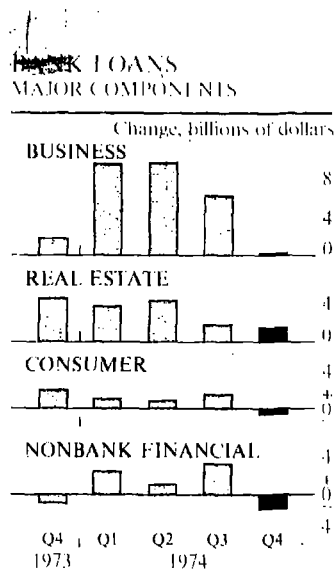
creased by slightly more than \$2 billion, total investments of commercial banks declined on a seasonally adjusted basis.

Total loans outstanding at commercial banks also declined during the fourth quarter by \$3.6 billion on a seasonally adjusted basis. This was in sharp contrast with previous quarters in 1974 when loan portfolios had expanded rapidly. Real estate loans grew somewhat more slowly in the October-December period, and there were declines in outstanding amounts in several major loan categories—consumer, security, and non-bank financial borrowings. Continuation of relatively restrictive lending policies by banks, the weakness of economic activity, and the desire of firms to improve balance sheets by substituting long-term for short-term debt contributed to the slowing of business loan growth from a seasonally adjusted annual rate of 6.2 per cent in the third quarter to virtually no growth in the fourth quarter. This weakness in business loans continued to be evident in the early weeks of 1975.

Between September and December, commercial paper rates declined from just over 11 per cent to about 9 per cent and then dropped to 6 per cent by early February of this year. Meanwhile, the commercial bank prime rate fell from 12 per cent to around 9 per cent. Although the spread between the prime rate and commercial paper rates widened somewhat during the fourth quarter, there was little change in the volume of commercial paper issued by nonfinancial businesses. The combined total of busi-

ness loans and of nonfinancial commercial paper increased moderately in October and November but fell sharply in December. Over the October-December period as a whole, total short-term business credit grew by only 2.5 per cent, significantly below the rate of increase in the first three quarters of the year.

Consumer credit outstanding at banks showed almost no change in October and then declined in November and December as sales of consumer durable goods weakened further. The growth of real estate loans at banks slowed to an annual rate of 5 per cent in the fourth quarter,



Seasonally adjusted. Business loans adjusted for transfers between banks and their holding companies, affiliates, subsidiaries, or foreign branches.



reflecting the continued deterioration of residential housing activity. With consumer purchases of durable goods and consumer credit needs declining, credit demands of finance companies lessened and outstanding bank loans to nonbank financial institutions declined sharply in December, resulting in a reduction in outstanding amounts over the quarter as a whole.

## NONBANK INTERMEDIARIES AND THE MORTGAGE MARKET

Deposit flows at nonbank thrift institutions improved significantly throughout the fourth quarter, as generally lower market interest rates reduced pressures toward disintermediation. During the summer deposit withdrawals had exceeded inflows of new money at mutual savings banks and savings and loan associations; this pattern was reversed in the final 3 months of the year. The bulk of thrift deposit inflows in the fourth quarter—as in most periods in recent years—took the form of time certificates, which pay higher rates than passbook savings accounts; but regular savings deposits also rose, in contrast to the reductions in such balances that had occurred during the summer and early fall.

With improved deposit inflows, thrift institutions rebuilt their liquid asset portfolios, which

had been drawn down in earlier months, greatly reduced their reliance on nondeposit sources of funds, and repaid some short-term bank loans. Although member institutions continued to borrow from the Federal home loan banks in response to advances offered at below-market rates, they repaid borrowings that had been made earlier at nonsubsidized rates. The net result was a smaller increase in Federal home loan bank advances outstanding in the fourth quarter than in the preceding period. And in January there were substantial repayments of such advances. Outstanding mortgage loan commitments at thrift institutions continued to decline—but at a decelerating rate—in the fourth quarter as the volume of new commitments picked up somewhat in November and December.

Reflecting the reductions in loan commitments in earlier quarters, net mortgage lending by thrift institutions declined further in the fourth quarter, and net mortgage debt formation slowed to the lowest rate since early 1971. Support operations by the Federally sponsored credit agencies—including purchases of loans under several housing-support programs enacted earlier in the year and indirect support in the form of subsidized advances to savings associations by Federal home loan banks—accounted for the financing of a substantial portion of the total net change in mortgage debt.

Accompanying the stronger deposit perform-

TABLE 3  
Net change in mortgage debt outstanding  
In billions of dollars, seasonally adjusted annual rates

Change	1973		1974			
	Q4	Q1	Q2	Q3	Q4 <sup>a</sup>	
<b>By type of debt:</b>						
<b>Total</b> .....	<b>58</b>	<b>59</b>	<b>65</b>	<b>50</b>	<b>39</b>	
Residential .....	38	40	44	34	25	
Other <sup>1</sup> .....	20	19	21	16	14	
<b>At selected institutions:</b>						
Commercial banks .....	18	14	17	8	7	
Savings and loans .....	12	22	25	14	8	
Mutual savings banks .....	5	4	3	2	( <sup>2</sup> )	
Insurance companies .....	7	4	6	5	5	
FNMA-GNMA .....	3	2	8	8	6	
<b>MEMO: FHLB advances to S&amp;L's</b>	<b>3</b>	<b>6</b>	<b>10</b>	<b>6</b>	<b>4</b>	

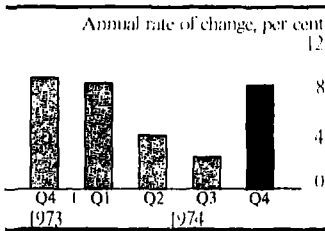
<sup>1</sup>Includes commercial and other nonresidential as well as farm properties.

<sup>2</sup>Less than 0.5.

<sup>a</sup>Partially estimated.

ance of nonbank institutions in the fourth quarter and the downward movement of other market rates, mortgage yields declined gradually from October through the year-end. Average interest rates on new commitments by savings and loan associations for conventional home mortgages dropped from just over 10 per cent in October to about 9¼ per cent by early February. In the secondary market, average auction yields on forward-purchase commitments of the Federal National Mortgage Association on Government-underwritten mortgages declined from more than 10½ per cent in September to about 9½ per cent in December, and fell to 9¼ per cent in late January. By administrative action the ceiling rate on residential mortgages insured by the Federal Housing Administration and guaranteed by the Veterans Administration was reduced ½ of a percentage point in November and another ½ point in late January, to a level of 8½ per cent.

NONBANK SAVINGS ACCOUNTS



Seasonally adjusted. Changes based on month-end figures.

SECURITIES MARKETS

The gross volume of long-term corporate debt issued in the fourth quarter of 1974 totaled \$38 billion, at a seasonally adjusted annual rate, the second largest volume on record for any 3-month period. The heaviest borrowers in the bond market were industrial corporations, which sought funds with which to pay down short-term debt and to finance capital expenditures. Some of these firms had postponed bond issues earlier in the year in the expectation that yields would turn down, and they came to the market in the fourth quarter when credit market conditions began to ease.

Public utilities, which had accounted for the

TABLE 4  
Offerings of new security issues  
In billions of dollars, seasonally adjusted annual rates

Type of issue	1973	1974				
	Q4	Q1	Q2	Q3	Q4 <sup>a</sup>	
<b>Corporate securities—</b>						
<b>Total</b> .....	38	38	34 <sup>b</sup>	36 <sup>b</sup>	45	
Bonds .....	26	30	29 <sup>b</sup>	29 <sup>b</sup>	38	
Stocks .....	12	8	5	7 <sup>b</sup>	7	
<b>State and local government bonds</b>	26	23	27 <sup>b</sup>	19 <sup>b</sup>	23	

<sup>a</sup>Estimated.  
<sup>b</sup>Revised.

preponderance of long-term debt issues in the third quarter, also borrowed very heavily in October. Although a large communications firm postponed a sizable offering in November, borrowings by the utilities returned to more normal seasonal levels in the last 2 months of the year. In contrast to the large bond volume, stock issuance in the fourth quarter continued to be light. Share prices remained depressed throughout the period, thus maintaining the high cost of equity financing. Stock prices rose substantially in the early weeks of 1975, but the leading indexes were still about 30 per cent below their 1973 peaks.

Despite the large volume of offerings in corporate bond markets, favorable reactions by investors to several highly rated bond issues contributed to a sharp decline in corporate yields early in the fourth quarter. The average rate on new Aaa-rated utility issues, which had reached a peak of over 10½ per cent early in October, had declined by almost 2 percentage points by mid-November. The drop in bond rates was not sustained over the remainder of the quarter, however, largely because of the growing volume of new corporate issues coming to the market. Consequently, between November and December the yield on new issues edged back up to 9½ per cent, erasing half of the decline that had occurred early in the quarter.

Simultaneously, greater selectivity on the part of market participants and concern on the part of some investors about the impact of the slowing in economic activity on corporate earnings resulted in a widening of the spread between yields on highest quality bond issues and those on lower-rated obligations. In January the bond

TABLE 5  
Federal Government borrowing and cash balance  
Quarterly totals, in billions of dollars, not seasonally adjusted

Item	1973	1974			
	Q4	Q1	Q2	Q3	Q4
Treasury financing:					
Budget surplus, or deficit .....	-5.0	-7.1	9.7	-1.6	-12.0
Net cash borrowings, or repayments (-) .....	6.7	3.4	-6.4	4.5	10.3
Other means of financing <sup>1</sup> .....	.4	1.7	-2.5	-3.4	-1.1
Change in cash balance .....	2.1	-2.0	.8	-.5	-2.8
Federally sponsored agencies, net cash borrowings .....	3.2	.....	5.5	7.7	3.4
MEMO:					
Net cash borrowings by Treasury, seasonally ad- justed annual rate .....	4	9	6	14	18
Net cash borrowings by Federally sponsored credit agencies, <sup>2</sup> seasonally adjusted annual rate .....	15	6	20	25	17

<sup>1</sup> Checks issued less checks paid, outlays of off budget Federal agencies, accrued items, and other transactions.

<sup>2</sup> Includes debt of the Federal Home Loan Mortgage Corporation, Federal home loan banks, Federal land banks, Federal intermediate credit banks, banks for cooperatives, and FNMA (including discount notes and securities guaranteed by GNMA).

market continued to face a heavy calendar of current and prospective new issues; but in spite of the considerable uncertainty that permeated the market, there was a moderate decline in yields, and the issues offered were readily absorbed. By early February new-issue yields had fallen to about 9 per cent.

While corporate and other market rates declined on balance in the fourth quarter, a combination of factors created upward pressures on yields in municipal markets. First, the volume of State and local government issues was larger in the fourth quarter than it had been in the preceding period. Second, two of the traditional institutional buyers of tax-exempt issues—commercial banks and casualty insurance companies—showed only modest interest in acquiring long-term issues. Finally, municipal markets were disturbed by increasing concern over the financial position of New York City, which had difficulty marketing a bond issue in October and then in December was forced to pay the highest rate of return on a note issue—9.5 per cent—in the city's history. Throughout the year New York City had been issuing a substantial amount of debt (the city accounted for almost 30 per cent of total short-term debt issued in the tax-exempt sector), and as reports of the city's potential fiscal problems were made public, the

tone of the market for New York City obligations deteriorated considerably.

The market improved somewhat in January, when New York City took measures to improve its fiscal position and rescheduled its calendar of future debt issues. By early February municipal rates had declined by another  $\frac{3}{4}$  of a percentage point, but investors continued to show their preference for high-quality municipals—demanding large premiums on lower-rated issues.

The U.S. Treasury increased its net cash borrowing somewhat more than seasonally in the fourth quarter to finance an enlarged deficit of just under \$12 billion. The market impact of the increased Treasury financing was partially offset, however, by a reduction in net borrowing by Federally sponsored credit agencies, as the needs of these agencies for funds declined in reflection of improved deposit inflows at thrift institutions. In line with the easing stance of monetary policy and the reduction in demands for short-term credit, pressures in Government securities markets moderated and rates on Treasury bills and the yield on longer-term coupon issues both trended downward in the fourth quarter. In early February the bill rate stood at 5% per cent, about a percentage point below its lowest level in 1974. □

# Survey of Bank Response to Federal Advisory Council Statement on Lending Policies

In January of this year a questionnaire on lending policies was sent to a panel of 125 large commercial banks. This questionnaire was designed to ascertain bank response to the statement on bank lending policies issued by the Federal Advisory Council in September 1974 (see Sept. BULLETIN, pp. 679-80). The survey results are summarized in Tables 1 and 2.

Most of the banks indicated in their responses that they either had transmitted the FAC statement directly to their loan officers or had issued specific guidelines to implement the policies discussed in the statement. And a number of banks reported that they had previously issued similar policy lending guidelines of their own to loan officers.

TABLE 1

Bank responses to credit allocation questions, December 1974 compared with same month in preceding years

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

Item	Total number of banks <sup>1</sup>	Significantly larger	Essentially unchanged	Significantly smaller	None received	None approved
Urgency of credit allocation as compared with mid-Sept. 1974	123 (100.0)	8 (6.5)	74 (60.2)	41 (33.3)	.....	.....
<i>Purpose and nature of loans:</i>						
<i>To meet basic credit needs for normal operations</i>						
Applications received	123 (100.0)	26 (21.1)	81 (65.9)	16 (13.0)	.....	.....
Proportion approved	123 (100.0)	9 (7.3)	101 (82.1)	13 (10.6)	.....	.....
<i>To finance capital investment</i>						
Applications received	123 (100.0)	26 (21.1)	67 (54.5)	30 (24.4)	.....	.....
Proportion approved	123 (100.0)	12 (9.8)	95 (77.2)	16 (13.0)	.....	.....
<i>To businesses suffering temporary illiquidity</i>						
Applications received	123 (100.0)	63 (51.2)	49 (39.8)	4 (3.3)	7 (5.7)	.....
Proportion approved	123 (100.0)	36 (29.2)	75 (61.0)	4 (3.3)	.....	8 (6.5)
<i>To finance homebuilding industry</i>						
Applications received	123 (100.0)	5 (4.1)	24 (19.5)	94 (76.4)	.....	.....
Proportion approved	123 (100.0)	6 (4.9)	75 (61.0)	42 (34.1)	.....	.....
<i>To individuals for basic household needs and autos</i>						
Applications received	123 (100.0)	8 (6.5)	29 (23.6)	86 (69.9)	.....	.....
Proportion approved	123 (100.0)	9 (7.3)	77 (62.6)	37 (30.1)	.....	.....
<i>For purely financial activities</i>						
Applications received	123 (100.0)	1 (0.8)	29 (23.6)	55 (44.7)	38 (30.9)	.....
Proportion approved	123 (100.0)	0 (0)	13 (10.6)	33 (26.8)	.....	77 (62.6)
<i>For speculative purposes</i>						
Applications received	123 (100.0)	1 (0.8)	26 (21.1)	74 (60.2)	22 (17.9)	.....
Proportion approved	123 (100.0)	0 (0)	9 (7.3)	40 (32.5)	.....	74 (60.2)

<sup>1</sup>Two banks on the original panel of 125 had merged with other banks, but all of the 123 other members of the panel responded to the survey.

The banks in the survey panel were asked to evaluate the urgency of credit allocation in December 1974, as compared with the situation prevailing in September when the FAC statement was issued. Whereas two-thirds of the respondents indicated that the situation had not changed significantly, one-third of the banks did report that the problem of allocating available funds among their various types of credit demand was significantly less urgent.

In order to evaluate both the pattern of demands for bank credit and bank attitudes toward credit requests, the survey respondents were asked a series of qualitative questions on the trends in numbers of loan applications and the proportion of such requests approved in December 1974, as compared with the normal experience during that month in recent years. For certain types of loans that ordinarily represent only a small proportion of amounts outstanding—such as loans for temporary liquidity needs, for purely financial purposes, or for speculative operations—the banks were also asked to indicate whether they had had any such loan applications during the report month.

In interpreting the replies, which are summarized in Table 1, it should be recognized that credit availability at banks was more restrictive in December 1974 than it had been on the average in that month during preceding years. Thus, as shown in that table there was a larger than usual number of applications from businesses suffering a temporary lack of liquidity. Despite the tighter conditions, 90 per cent of the banks either approved as many requests as usual or approved a significantly larger number. With regard to loans for purely financial or speculative purposes, on the other hand, about 90 per cent of the banks approved either a smaller proportion of requests or none at all.

Table 2 gives aggregate data on the changes in amounts outstanding in certain key loan categories. It should be noted that the changes in outstandings reflect loan repayments and take-downs of loan commitments that may have been

TABLE 2  
Loans outstanding: Changes in selected categories (October 16, 1974–January 15, 1975)

Amounts in millions of dollars

Loan category	Change in	
	Amount	Per cent
Commercial and industrial loans adjusted <sup>1</sup> .....	744.3	.73
Real estate loans secured primarily by residential properties plus residential construction loans included in commercial and industrial loans..	297.7	.97
Loans to nonbank financial institutions	25.1	.09
Finance companies .....	354.1	3.97
Other .....	379.1	1.85
Loans to individuals .....	126.4	.45
Net change in claims on foreigners ...	2,523.4	18.44
MEMO:		
Loans to foreigners <sup>2</sup> .....	747.0	6.02
Due to foreigners <sup>3</sup> .....	1,776.4	6.81

<sup>1</sup>Excluding residential construction loans and loans to foreign businesses (data partly estimated).

<sup>2</sup>Loans to foreign businesses plus loans to foreign commercial banks, foreign governments, and foreign official institutions.

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

made prior to the survey period, as well as new loans for which applications were received or processed during the period covered by the questionnaire.<sup>1</sup> The statistical summary also compares the change in bank loans to foreigners with the change in funds obtained from foreign sources during the period. For the banks covered by the sample, funds obtained from foreigners increased sharply whereas outstanding loans to foreigners actually declined.

<sup>1</sup>The time period covered was the 3-month period from October 15, 1974, to January 15, 1975, to be consistent with the intended quarterly timing of the survey and to avoid possible distortions arising from window-dressing arrangements at the year-end statement date.

# Treasury and Federal Reserve Foreign Exchange Operations

*This 26th joint interim report reflects the Treasury-Federal Reserve policy of making available additional information on foreign exchange operations from time to time. The Federal Reserve Bank of New York acts as agent for both the Treasury and the Federal Open Market Committee of the Federal Reserve System in the conduct of foreign exchange operations.*

*This report was prepared by Charles A. Coombs, Special Manager, System Open Market Account, until February 19, 1975, and Senior Vice President in charge of the Foreign Department of the Federal Reserve Bank of New York, and by Scott E. Pardee, who was appointed Deputy Manager for Foreign Operations as of that date. It covers the period August 1974 through January 1975. Previous reports have been published in the March and September BULLETINS of each year beginning with September 1962.*

Through the late summer of 1974 the dollar showed considerable bouyancy in the exchange markets. From October on, however, the dollar became subject to continuing selling pressure. By late January 1975, the dollar had fallen from its highs by some 27 per cent against the Swiss franc and 17 per cent against the German mark and other currencies in the European monetary bloc. It had also declined by some 3 to 4 per cent against sterling, the Italian lira, and the Japanese yen.

The dollar's strength in August and September 1974 primarily reflected the pull of unusually high interest rates in New York and in the Euro-dollar market, reinforced by expectations that surplus oil revenues would flow into U.S. financial markets after saturating investment outlets elsewhere. With the dollar in demand, the Federal Reserve was able to buy

sufficient marks in the market not only to repay the remaining \$64.6 million equivalent of drawings on the German Federal Bank that were outstanding from earlier in the year but also to build up balances to finance intervention should selling pressure suddenly erupt.

On one such occasion --August 8 and 9-- the Federal Reserve sold \$20.8 million of marks from balances, \$5.3 million of Dutch guilders drawn on the swap line with the Netherlands Bank, and \$2.5 million of Belgian francs, of which \$0.8 million was from balances and \$1.7 million drawn under the swap line with the National Bank of Belgium; the swap drawings in guilders and francs were quickly repaid out of market purchases of these currencies. Again, on September 3, the Federal Reserve sold \$16.2

TABLE 1  
Federal Reserve Reciprocal Currency  
Arrangements

In millions of dollars

Institution	Amount of facility, Jan. 31, 1975
Austrian National Bank .....	250
National Bank of Belgium .....	1,000
Bank of Canada .....	2,000
National Bank of Denmark .....	250
Bank of England .....	3,000
Bank of France .....	2,000
German Federal Bank .....	2,000
Bank of Italy .....	3,000
Bank of Japan .....	2,000
Bank of Mexico .....	180
Netherlands Bank .....	500
Bank of Norway .....	250
Bank of Sweden .....	300
Swiss National Bank .....	1,400
Bank for International Settlements:	
Swiss francs/dollars .....	600
Other authorized European currencies/dollars .....	1,250
<b>Total .....</b>	<b>19,980</b>

TABLE 2  
Federal Reserve System Activity Under Its Reciprocal Swap Lines  
In millions of dollars equivalent

Transactions with	System swap drawings, Jan. 1, 1974	Drawings, or repayments ( )				1975 Jan.	System swap drawings, Jan. 31, 1975
		1974					
		Q1	Q2	Q3	Q4		
National Bank of Belgium .....	261.8	...	...	{ 1.7 1.7	{ 13.2 13.2	...	261.8
German Federal Bank .....	...	{ 255.0 3.7	{ 130.4 122.8	{ ... 258.8	{ 301.5 82.8	{ 164.0 ...	{ 382.7 ...
Netherlands Bank .....	...	...	...	{ 7.6 7.6	{ 38.0 34.8	...	3.2
Swiss National Bank .....	565.0	{ 193.8	...	...	{ 13.3 5.9	{ 19.3 ...	397.8
Bank for International Settlements (Swiss francs) .....	600.0	...	...	...	...	...	600.0
<b>Total</b> .....	<b>1,426.8</b>	{ <b>255.0</b> <b>197.6</b>	{ <b>130.4</b> <b>122.8</b>	{ <b>9.4</b> <b>268.1</b>	{ <b>366.0</b> <b>136.7</b>	{ <b>183.3</b> ...	<b>1,645.4</b>

NOTE: Discrepancies in totals are due to rounding.

million of marks from balances to check an abrupt decline in the dollar. Otherwise, the Federal Reserve abstained from intervention until early October.

By that time an improving trend in U.S. exports—up 40 per cent from the year before—was cutting into the sizable trade deficit caused by the \$17 billion jump in our 1974 oil import bill. Nevertheless, in early October, the exchange markets were showing signs of nervousness over the onset of a sharp decline in dollar interest rates and over reports that surplus oil revenues were beginning to shift out of dollars and sterling into continental European currencies. Short bursts of selling pressure occurred in October. The Federal Reserve intervened on 6 days, selling a total of \$165.7 million equivalent of marks, of which \$62.1 million equivalent was from balances and \$103.6 million equivalent was drawn under the swap line with the German Federal Bank. The German central bank bought similar amounts of dollars in Frankfurt. Late in the month, when the dollar firmed somewhat following discount rate cuts in Germany and the Netherlands, the Federal Reserve began to acquire in the market moderate amounts of marks against outstanding swap indebtedness.

By early November, however, market senti-

ment toward the dollar turned bearish. Mounting evidence of an economic recession in the United States, more severe than in most other countries, suggested to the market that interest rates would fall faster here than abroad. That possibility in turn reinforced fears of large-scale shifts of funds out of dollars by some oil-producing countries as did the ever-present risk of renewed hostilities in the Middle East. At the same time, Germany's continuing strong trade performance rekindled revaluation rumors for the mark, and Switzerland—having lifted barriers to short-term capital inflows—experienced a new influx of funds, which bid up the franc rate sharply. The rise of the franc and the mark tended to be mutually reinforcing, and this set off a general upsweep of currency rates against the dollar. On several occasions the dollar rebounded in response to concerted intervention by the Federal Reserve and European central banks and to the introduction by the Swiss authorities of new curbs on capital inflows. Nevertheless, the vigorous public debate over economic policies here and in Europe kept the market on edge, and the dollar continued to slip through late November.

The Federal Reserve intervened, at times forcefully, on 7 days during November. In total, \$187.9 million equivalent of marks was sold,

of which \$164.3 million equivalent was drawn under the swap line with the German Federal Bank and the rest from balances. In addition, the System sold \$28.5 million equivalent of Dutch guilders drawn under the swap line with the Netherlands Bank; \$10.8 million of Belgian francs, of which \$10.4 million was drawn under the swap line with the National Bank of Belgium and the rest from balances; and \$12.5 million equivalent of Swiss francs purchased outright from the Swiss National Bank.

Late in November and early December the pressures on the dollar eased, as U.S. interest rates leveled off. The Federal Reserve was able to purchase marks in the market and repay \$82.8 million equivalent of swap drawings on the German Federal Bank. The System also purchased sufficient amounts of guilders and Belgian francs to liquidate in full the November drawings in these currencies.

From mid-December to late January the exchange markets were subject to an almost unremitting diet of bearish news for the dollar, and market forces drove dollar rates lower almost every day. The economic downturn and the slide of interest rates in the United States reinforced expectations of a further widening of interest differentials already adverse to the dollar. Gloomy forecasts emerging in the debates over economic and energy policies in Washington further depressed the market. With individual oil-producing countries reportedly growing restive over the dollar's depreciation, market fears

of an accelerated diversification of oil proceeds to other currencies intensified. In such an atmosphere the market ignored any favorable news for the dollar, such as the underlying improvement in the U.S. trade balance and the slackening in our rate of inflation.

To cushion the dollar's decline, the Federal Reserve intervened on 17 of the 28 business days from mid-December through January 24. Over that stretch, operating jointly with the German Federal Bank, the System sold a further \$134 million equivalent of marks, of which \$103 million was drawn under the swap line and the rest from balances. The Federal Reserve also intervened in Swiss francs in December-January, and the Swiss National Bank resumed spot intervention in Zurich on January 6. The System's sales of Swiss francs amounted to \$51.1 million equivalent, of which \$32.5 million was drawn under the swap line with the Swiss National Bank and the rest purchased outright from that bank. In addition, the Federal Reserve sold \$9.6 million equivalent of Dutch guilders and \$2.9 million equivalent of Belgian francs drawn on the swap line with the respective central banks. Of these swap commitments, \$5.9 million of Swiss francs, \$6.4 million of Dutch guilders, and the full amount of Belgian francs were repaid through market acquisitions.

As the depreciation of the dollar continued, European exporters became increasingly concerned over an emerging undervaluation of the U.S. dollar that would leave them at a competi-

TABLE 3  
Drawings and Repayments on Federal Reserve System by Its Swap Partners

In millions of dollars

Banks drawing on System	Drawings on System, Jan. 1, 1974	Drawings, or repayments ( )					Drawings on System, Jan. 31, 1975
		1974			1975		
		Q1	Q2	Q3	Q1	Jan.	
Bank of Mexico	...	...	...	180.0	...	...	...
Bank for International Settlements (against German marks)	...	26.0	76.0	65.0	129.0	45.0	...
		26.0	76.0	65.0	129.0	45.0	...
<b>Total</b>	...	<b>26.0</b>	<b>76.0</b>	<b>245.0</b>	<b>129.0</b>	<b>45.0</b>	...
		<b>26.0</b>	<b>76.0</b>	<b>65.0</b>	<b>309.0</b>	<b>45.0</b>	...



TABLE 4  
U.S. Treasury Securities, Foreign Currency Series

In millions of dollars equivalent

Issued to	Out- standing, Jan. 1, 1974	Issues, or redemptions ( )					Out- standing, Jan. 31, 1975
		1974				1975	
		Q1	Q2	Q3	Q4	Jan.	
Swiss National Bank .....	1,459.2	{ 127.3 }	...	...	...	...	1,599.3
Bank for International Settlements	127.3	{ ... }	...	...	...	...	...
		{ 127.3 }	...	...	...	...	...
<b>Total</b> .....	<b>1,586.4</b>	<b>{ 127.3 }</b>	...	...	...	...	<b>1,599.3</b>
		<b>{ 127.3 }</b>	...	...	...	...	...

<sup>1</sup> Increase in amount outstanding reflects valuation changes through April 1974.

NOTE. Swiss-franc-denominated security issued to the Bank for International Settlements was reissued to the Swiss National Bank at its maturity in January 1974.

tive disadvantage in world markets. By late January this potential problem was also recognized by European government officials, who publicly noted that the dollar had fallen to unrealistically low levels in the exchange markets. Against this background, the Federal Reserve, together with the German Federal Bank, began during the last week in January to intervene more forcefully to resist the erosion of dollar rates. Operating on 4 of the 5 days, the Federal Reserve sold a further \$94.6 million of marks, drawn on the swap line, and the German Federal Bank purchased a roughly equivalent amount of dollars.

In summary, in exchange market intervention during the 6-month period, the Federal Reserve sold a total of \$742.3 million equivalent of German marks, Swiss francs, Dutch guilders, and Belgian francs. Of this, \$619.2 million equivalent was in German marks—\$465.5 million drawn under the swap arrangement with the German Federal Bank and the rest from balances acquired in the market. Liquidation of debt in marks, including the \$64.6 million outstanding on August 1, amounted to \$147.4 million equivalent, with the result that commitments in marks stood at \$382.7 million equivalent on January 31.

Intervention in Swiss francs amounted to \$63.6 million equivalent, of which \$31.1 million was purchased directly from the Swiss National Bank and the remaining \$32.5 million was financed by swap drawings. With \$5.9

million of Swiss francs having been repaid, some \$26.6 million equivalent of those drawings remained outstanding on January 31. Of the guilders, \$43.3 million equivalent was sold in the market—all financed by swap drawings of which \$3.2 million equivalent was outstanding at the end of January. The \$16.2 million intervention in Belgian francs was financed out of \$1.2 million equivalent of balances and \$15 million equivalent of swap drawings, all of which had been repaid by the end of the period.

Also during the period, on August 21, the Bank of Mexico drew the full \$180 million available under the swap arrangement with the Federal Reserve to cover a temporary shortfall in reserves. This drawing was repaid in November, prior to maturity.

As described in the December 1974 interim report, on September 26 the Federal Reserve Bank of New York, after consultation with the Board of Governors of the Federal Reserve System, the U.S. Treasury, and other Government agencies, acquired the foreign exchange commitments of the Franklin National Bank. This action was greeted with relief by market participants here and abroad, and the subsequent news of Franklin's insolvency was taken in stride by the market with no adverse impact on dollar rates. The New York Bank quickly balanced the Franklin book and has met the forward commitments on maturity. By the end of January, nearly \$400 million of the original \$725 million of contracts had been liquidated.

## GERMAN MARK

During 1974 the German economy turned increasingly sluggish, leading to a slackening of import demand and a freeing of productive capacity for export. For a time the more buoyant economies of Germany's major trading partners provided continuing demand for German exports. But even after new demand weakened in the face of the spreading worldwide recession, the huge backlog of foreign orders received during previous years supported a high level of production for shipment abroad. Thus, although Germany, like other industrial countries, faced a sharply increased oil bill—up \$8 billion for 1974 as a whole—the combined weakness of import demand and rapid growth of exports widened Germany's trade surplus, especially in the early months of the year. The surprising strength of Germany's trade position fostered a speculative demand for the mark, which rose to as high as \$0.4188 in mid May and turned around only after reports that the Federal Reserve, the German Federal Bank, and the Swiss National Bank had agreed on a concerted intervention plan to counter speculation against the dollar.

A reflux of funds out of marks then developed, as nonresidents liquidated some of their large mark investments of previous years, as German enterprises lent heavily abroad to finance exports, and as the banking sector responded to the rise in the dollar interest rates relative to those in Germany. Moreover, market nervousness following the June 26 closing of the Bankhaus I.D. Herstatt weighed on the mark. The spot rate eased, and after the mark slipped to the bottom of the European Community (EC) band, the German Federal Bank began to sell substantial amounts of other EC currencies as well as dollars. The Federal Reserve was able to acquire sufficient marks to reduce its swap drawings from a peak of \$381.6 million equivalent in early June to \$64.6 million by the end of July.

In view of the domestic slowdown and severe strains in Germany's credit markets following the Herstatt collapse, the German Federal Bank acted to maintain liquidity in the banking system

by offsetting the outflows of funds abroad. The authorities had not yet abandoned their restrictive monetary policy, however, since Germany's inflation rate of 6 to 7 per cent per annum remained high by recent historical standards, although still far below the inflation rates of most of Germany's trading partners. In mid-August the German Federal Bank announced a 10-percentage-point reduction in reserve requirements on domestic liabilities, and interest rates in Germany held steady while interest rates in the United States and elsewhere rose to unprecedented levels. The incentives for arbitraging funds out of marks and into dollars and other currencies therefore widened, and the mark eased in the exchange market. Consequently, in August the Federal Reserve was able to buy sufficient marks in the market to liquidate the remaining \$64.6 million of its swap debt to the German Federal Bank and to accumulate working balances as well.

In two instances, however, the Federal Reserve found it desirable to intervene to restrain sudden selling pressure on the dollar. On August 8 and 9, when market uneasiness during the transition of presidential authority in the United States was compounded by the release of discouraging U.S. wholesale price figures for July, the Federal Reserve sold \$20.8 million of marks from balances, along with smaller amounts of Dutch guilders and Belgian francs. Again, on September 3, after the German authorities proposed suspension of their deposit requirement on German residents' borrowing abroad (the *Bardepot*), the Federal Reserve sold \$16.2 million of marks from balances to check an abrupt decline in the dollar.

Over the next few weeks the mark leveled off at about \$0.3735, 10 per cent below its May peak. Meanwhile, interest rates in the United States and in the Euro-dollar market were beginning to fall back sharply. Consequently, the major share of the continuing flows out of Germany were deflected to other EC financial centers where interest rates were either unchanged or easing only slightly. Thus, while holding steady against the dollar, the mark continued to require support at the bottom of the EC band, and it depreciated significantly against the Swiss franc as well. By the end of Sep-

tember German reserves had dropped by \$1.9 billion from end-of-May levels. Meanwhile, the German authorities moved further to relieve the nervousness that remained in the market in the wake of the banking failures in Germany earlier in the summer. The German Federal Bank and the German Banking Association established additional backstopping facilities for providing liquidity assistance to banks. The German Federal Bank announced a further 8 per cent cut in reserve requirements on September 26, and the Government imposed comprehensive limits on banks' foreign exchange positions effective October 1.

In early October the balance in the exchange market began to tip in favor of the mark. As U.S. interest rates continued to decline and as fears of renewed hostilities in the Middle East resurfaced, the markets began to anticipate diversification of Organization of Petroleum Exporting Countries (OPEC) funds out of dollars and sterling into marks and other continental currencies. Moderately heavy selling of dollars developed in early October, and the Federal Reserve resisted an excessive bidding-up of the mark rate by selling a total of \$36.1 million equivalent of marks from balances on October 3 and 4. The rate steadied briefly, but on October 9, as the market assessed President Ford's anti-inflationary proposals, a large buy order for marks pushed the spot rate up sharply, setting off a generalized speculative selling of dollars.

To maintain orderly market conditions, the Federal Reserve sold \$104.4 million equivalent of marks, of which \$26 million was financed from balances and \$78.4 million was drawn on the swap line with the German Federal Bank. In Germany the next day the German Federal Bank followed up by buying an even larger amount of dollars, and to consolidate the ensuing improvement in the dollar rate, the Federal Reserve sold an additional \$15.5 million of marks drawn on the swap line. The mark rate then steadied at about 4 per cent above early-September levels.

The Federal Reserve intervened on only two other occasions in October when the dollar suddenly came under selling pressure against the mark—selling a total of \$9.7 million equivalent

on October 15 and 23, financed by swap drawings on the German Federal Bank. Late in October with evidence accumulating of a significant slowdown of the German economy, the German Federal Bank shifted to a somewhat less restrictive monetary policy, cutting its discount and Lombard rates  $\frac{1}{2}$  of a percentage point. The mark then eased, permitting the Federal Reserve to buy moderate amounts of marks as cover against swap indebtedness, which amounted to \$103.6 million at the end of October.

In early November, however, market sentiment turned even more bullish for the mark. In the United States increasing evidence that a severe recession was under way, while promising to swing the U.S. trade accounts into a smaller deficit than expected, gave rise to expectations of an accelerated and abrupt decline of interest rates here. The German trade figures for September had shown a renewed large surplus, which—with another substantial surplus expected for October—rekindled speculation of a revaluation of the mark rate. In addition, a sharp advance of the Swiss franc, which had begun in October, was by November exerting an upward influence on the mark. The large-scale capital outflows that had persisted since the summer began to be met to some extent by offsetting inflows. German banks sold some 1 billion marks of German public authority notes to foreigners, of which one-third was placed with OPEC countries. Moreover, some oil-exporting countries were arranging direct investments in German industrial enterprises.

The exchange markets became, therefore, even more sensitive to any developments that would be likely to spur a further rise in the mark. Consequently, following news of a jump in U.S. unemployment, the mark was heavily bid up on November 6 and 7. Both the Federal Reserve and the German Federal Bank intervened to moderate the rise, with the System selling a total of \$49.2 million equivalent of marks, along with smaller amounts of Dutch guilders and Belgian francs. The mark sales were financed by a \$25.6 million equivalent drawing on the swap line and by the use of balances. When the Swiss franc eased off toward midmonth, the mark followed suit, and

the Federal Reserve was able to acquire balances in the market.

Beginning on November 14, the mark itself became a renewed object of speculation in the market following press reports that the German Government would not oppose a further rise in the mark rate. The spot rate was immediately bid up by almost 2 per cent. The German Federal Bank and the Federal Reserve both intervened on that day to resist the rise of the mark rate— the System selling \$39.7 million equivalent drawn on the swap line. Speculation over a mark revaluation continued, however, and over the weekend the German Government denied that it was considering measures to raise the mark rate. Following this clarification, on November 18 the Federal Reserve resumed forceful intervention not only in marks— selling \$56.7 million equivalent drawn on the swap line with the German Federal Bank— but also in Dutch guilders, Belgian francs, and Swiss francs. The German Federal Bank and other European central banks followed up on the next day, and the Federal Reserve sold an additional \$16.2 million equivalent of marks, again financed by a swap drawing.

The revaluation talk did not die down completely, however, and the mark was bid up once again on November 22 and 25. The German Federal Bank and the Federal Reserve again intervened to resist the rise in the rate, with the Federal Reserve selling a total of \$26.1 million equivalent drawn on the swap line. Thereafter, the announcement of an unexpected trade surplus for the United States for October and a smaller-than-expected trade surplus for Germany, coupled with a firming of Euro-dollar rates, brought a brief respite. The mark eased, and the Federal Reserve was again able to buy marks to cover swap indebtedness. In early December the Federal Reserve used these purchases, together with existing balances, to repay \$82.8 million equivalent of swap debt, reducing the total outstanding to \$185.1 million.

The exchange markets turned extremely thin during December as traders sought to square their books before the year-end. The dollar again came on offer, as interest rates in the United States and in Euro-dollar markets re-

sumed their downtrend. For its part, early in the month the German Federal Bank stated that it would seek a somewhat more rapid growth of the monetary base in the coming year, and on December 19 it announced a further ½ percentage point cut in its discount and Lombard rates to 6 and 8 per cent, respectively. Nevertheless, a further rise of the Swiss franc and the latest of a series of highly publicized OPEC investments in major German industrial firms dominated market psychology. The mark was gradually bid up, and to dampen the rise the Federal Reserve intervened in modest amounts on 7 business days between December 16 and December 30. These sales totaled \$75.1 million, of which \$31 million was from balances and \$44.1 million was drawn under the swap line.

As the new year opened, the mark had already been bid up by some 11 per cent from its September levels. Even so, discouraging news on the U.S. economy and the further drop in U.S. interest rates fostered bearish sentiment toward the dollar, while renewed revaluation rumors in Germany and the rising Swiss franc prompted further speculative demand for marks. Both the German Federal Bank and the Federal Reserve intervened in modest amounts to limit the rise of the rate, but the mark advanced a further 4 per cent by January 24. Through that date the Federal Reserve had intervened in marks on five occasions in January for a total of \$58.9 million equivalent financed by additional swap drawings. On January 27 the mark jumped by a further 1 per cent to \$0.4356, the highest level since July 1973. By that time, however, European government officials were expressing increasing concern over the unrealistic levels to which the mark had risen, and the German Federal Bank and the Federal Reserve then began to intervene in heavier volume to check the mark's rise. During the week of January 27 the Federal Reserve intervened on 4 days, selling a total of \$94.6 million equivalent of marks drawn on the swap line, as the German Federal Bank operated in similar magnitude in Germany. The market began to respond to this more forceful approach, and the mark eased by 2 per cent from its highs to close at \$0.4275. By the end of January, the System's

swap commitments in German marks amounted to \$382.7 million equivalent.

## SWISS FRANC

In Switzerland during 1974, inflation was running at nearly 10 per cent, even though economic activity was leveling off during most of the year. The Swiss National Bank, therefore, kept bank liquidity under close rein, while modestly easing reserve requirements and providing liquidity to the market through swaps from time to time in response to recurrent strains in Swiss capital markets. In the exchanges, movements of the Swiss franc continued to be dominated by "hot-money flows" and shifting speculative sentiment. In the general decline of the dollar from late January to early May, the franc had been ratcheted upward by 23 per cent to \$0.3588. At that point, a turnaround followed reports of agreement among the Federal Reserve, the German Federal Bank, and the Swiss National Bank on a plan of concerted intervention to counter any further erosion in dollar rates.

The unwinding of long positions in francs and further accommodation of liquidity needs in Switzerland extended the decline of the franc, which eased some 6 per cent by the end of July. Its drop was more gradual than that of some other continental currencies, however, since the market was concerned that large short-franc positions arising from the foreign-currency losses disclosed during the preceding months might still have to be covered.

With the dollar buoyant in August and early September, the Swiss franc continued to ease in a generally quiet market, falling to as low as \$0.3300 or some 8 per cent below the May peak. Then, as dollar interest rates began to drop back more rapidly than the comparable rates for Swiss francs, the spot franc turned firm once again. The Swiss National Bank provided some \$1 billion equivalent of liquidity assistance to the banks through both short-dated and 3-month swaps during September, thus avoiding an even sharper run-up in the franc rate before the quarter end. Nevertheless, demand for Swiss francs continued to swell, partly on the covering of outstanding short positions and partly in

expectation that the franc, like the German mark, would benefit from any significant diversification of OPEC funds out of dollars and sterling.

Following a further reduction in the banks' required reserves on October 8, the money market in Switzerland had become quite comfortable. The Swiss authorities, therefore, took advantage of this opportunity to dismantle yet another of their previously imposed barriers against inflows by lifting the ban on interest payments to nonresidents on October 16. By that time, however, traders were increasingly concerned over possible diversification of OPEC funds, and the franc was bid up sharply in a thin market. In addition, political uncertainties elsewhere in Europe and in the Middle East generated flows into francs. The spot franc then began to advance sharply not only against the dollar but also against the German mark, the currency of Switzerland's largest trading partner.

This persistent rise posed a policy dilemma for the Swiss authorities, since intervention to halt the rise of the franc in the exchange market—and thus avoid further erosion of Switzerland's competitive position—would augment domestic liquidity and thereby undermine efforts to curb inflation. The market began to sift every statement by Swiss officials to anticipate the point at which the Swiss National Bank might intervene in the exchange markets. Consequently, the franc snapped sharply higher on November 7, following news reports from Switzerland that the National Bank was still unprepared to buy dollars, only to fall back nearly 2 per cent over the following days simply on reports that the Federal Reserve, the German Federal Bank, and the Swiss National Bank were prepared to intervene in a concerted manner.

Just after midmonth the franc came into demand once again in the backwash of speculation over a revaluation of the German mark. By November 18 the franc had risen about 16 per cent against the dollar from its September lows and 5¾ per cent against the mark. As part of a concerted intervention in marks, Swiss francs, Dutch guilders, and Belgian francs that day and on the following day, the Federal Reserve sold a total of \$12.5 million of Swiss francs, which

had been purchased directly from the Swiss National Bank. In response to this operation, the franc fell back by 6% per cent over the next 2 days.

The Swiss National Bank followed up on November 20 by reimposing the negative interest charge, at 3 per cent per quarter, and a ban on interest payments, each on the increase in nonresident deposits above October 31 levels. The central bank also obtained authority to monitor banks' forward sales to foreigners and to use swap transactions if necessary to enforce these new measures. These actions prompted even more of a scramble in the market to unload francs, and the spot rate dropped a further 2 per cent by November 21.

Over the next weeks the market in Swiss francs was thinner and even more volatile than before, as dealers were sensitive to talk of new initiatives to discourage inflows. Under these circumstances, when mark revaluation rumors resurfaced the franc advanced a full 6% per cent by November 26 before settling back. The Swiss National Bank then took further regulatory measures to limit the rise of the franc. On November 28 it reactivated the requirement that proceeds of foreign borrowings in Switzerland be converted immediately into foreign currency. Four days later it raised banks' reserve requirements against deposit liabilities to nonresidents. The National Bank also announced it would again assist the banks with their year-end positioning by providing swaps.

Ultimately, the National Bank provided \$1 billion of year-end swap assistance and did an additional \$500 million of 1- and 3-month swaps outside the usual quotas to influence market conditions. Even so, the market continued to push the rate up during December. On December 17, after the franc rose especially sharply, the Federal Reserve again intervened in both German marks and Swiss francs, selling a total of \$26.5 million equivalent of francs, of which half was purchased outright from the Swiss National Bank and half was drawn under the swap line with that bank. The franc eased over the next days, and the Federal Reserve purchased francs in the market to repay \$5.9 million equivalent of the swap debt.

In the generally bearish atmosphere for the dollar, the Swiss franc continued to advance

even after year-end positioning. On January 6 the Swiss National Bank resumed outright intervention in the spot market in Zurich, confirming its operation "to maintain orderly exchange market conditions." The Federal Reserve followed up with similar intervention in New York as part of its concerted intervention in both francs and German marks. These joint interventions continued over the following days, and at first the Swiss franc dropped back.

The demand for francs soon picked up again, however, after it was reported that failure of a financial subsidiary of an Italian company would leave a major Swiss bank short of francs. As the market anticipated a large demand to cover a substantial volume of this subsidiary's contracts maturing early in 1975, a more generalized speculation in favor of the Swiss franc developed. The franc was heavily bid up to new record levels, while the Swiss National Bank continued to intervene, at times quite heavily. The Swiss authorities then resisted further upward pressure by severely tightening recently imposed curbs on inflows of foreign funds. In particular, the ban on interest payments was widened to apply to all nonresident balances, the negative interest charge was raised to 10 per cent per quarter, banks were required to balance all foreign exchange positions daily, and provision was made whereby the National Bank could block Swiss franc liquidity resulting from dollar intervention.

These new measures at first drew a strong market response, and the franc fell back. But, as the market grew doubtful that these measures could prevent a further rise in the franc as long as short franc positions overhung the market, the Swiss franc turned around and was soon outpacing other European currencies. By January 27 it had reached a new record of \$0.4195, some 27 per cent above last summer's lows. The Swiss National Bank then tightened its November regulation, limiting Swiss banks' sales of Swiss francs to nonresidents.

By this time the immediate demands for Swiss francs had slackened, and the dollar had begun to recover in other markets. Consequently, pressure in favor of the Swiss franc let up, and the franc eased to \$0.4014 by the end of January. During the month the Federal Reserve, operating on six different occasions,

sold a total of \$24.6 million equivalent of francs. Of this amount, \$5.3 million was purchased outright from the Swiss National Bank and \$19.3 million was drawn under the swap line. Consequently, System drawings in Swiss francs were increased by \$26.6 million equivalent as a result of the December–January operations, bringing total Swiss franc indebtedness including that outstanding since 1971 to \$397.8 million equivalent by the end of January.

## STERLING

Last summer the United Kingdom was faced with severe financial, economic, and balance of payments strains. Industry was caught between high wage, raw material, and financing costs on the one hand and statutory limits on prices on the other. The ensuing squeeze on profits and corporate liquidity was restricting inventories, investment, and output. With industrial production not fully recovered from the disruption of the 3-day workweek earlier in the year, the new cutbacks threatened a more prolonged stagnation and a rising unemployment rate, while domestic inflation continued at a rapid rate. Meanwhile, the trade deficit had swelled to more than \$6 billion in the first half of the year, of which close to \$3 billion reflected costlier oil imports. At the same time, the worldwide slowdown of economic activity cast a shadow on export prospects.

Although the exchange market sentiment remained bearish toward sterling, the pound depreciated on a trade-weighted basis only slightly during August and September while slipping against the dollar some 2 per cent to around \$2.33. Oil-related and other capital inflows roughly offset the United Kingdom's large current-account deficit and helped bolster the spot rate. During the third quarter oil-exporting countries invested a net \$2.2 billion in relatively high-yielding sterling assets. Oil companies also accumulated sterling, both spot and forward, in anticipation of future tax and royalty payments and for investments in North Sea exploration. The Bank of England operated on both sides of the market in August and September to smooth the impact of oil-related transactions.

By early October, however, the inflow of oil-related funds tapered off, as concern over Britain's economy continued and short-term sterling interest rates suddenly declined. In addition, there was some temporary nervousness ahead of the October 10 general election. The pound therefore tended to weaken against many of the continental currencies while holding roughly steady against the dollar. The market soon came into better balance, however, as new demand for relatively large October oil payments in sterling counterbalanced continuing sales by oil producers diversifying out of sterling. Following the trend of other European currencies more closely, the spot pound firmed to \$2.35 by early November.

Meanwhile, adverse economic developments led to some apprehension ahead of the November 12 budget message. The worsening inflation had triggered successive rounds of threshold wage increases, and recently negotiated wage settlements had cast doubt on the effectiveness of the Government's "social contract" to achieve a voluntary pay restraint. Prospects of rising unemployment were increasingly underscored by news of further layoffs and business failures. The market was somewhat reassured by new budget proposals to alleviate corporate liquidity strains without having an excessive over-all stimulative impact as many market participants had feared. Moreover, the extension of the Bank of England's supplementary deposits scheme to allow the banks to help provide sufficient corporate financing without encouraging a more rapid growth of the money supply was also viewed positively.

The market was caught by surprise, however, by an accompanying announcement from the Chancellor of the Exchequer that the United Kingdom's *guarantee arrangements on official holdings of sterling* would be allowed to expire in December. As these guarantees did not apply to the large accumulation of sterling holdings since September 1973, the market had taken in stride Australia's announced withdrawal from its arrangement in September 1974. But since some dealers saw total abolition of guarantees as possibly stimulating accelerated diversification out of sterling, heavy selling pressure

quickly materialized and the spot rate dropped below \$2.30.

After substantial support by the Bank of England, as well as renewed oil-related demand for November royalty payments, the market steadied and sterling moved narrowly against the dollar through early December. Nevertheless, with other currencies advancing against the dollar, sterling lost further ground against the currencies of Britain's major trading partners. During October and November half of the Government's \$2.5 billion Euro-dollar loan and \$400 million of the British Water Council's loan from Iran were taken into foreign exchange reserves, which increased on balance about \$650 million for the 2 months.

Just before mid-December it was reported that Saudi Arabia had informed the Arameco group that it wished all future oil payments to be made exclusively in dollars. The subsequent liquidation of sterling previously acquired by Arameco members and prospects of even more diversification of OPEC funds largely into continental currencies triggered new selling pressure on the pound. The Bank of England resisted the rate decline with substantial support. Thereafter, Saudi Arabia reaffirmed publicly that it would continue to invest in sterling assets, and other Middle East sterling holders followed up with similar reassuring statements. The market then steadied and, when a severe squeeze developed in the Euro-sterling market, the pound benefited from some covering of short sterling positions. Over the remainder of the year the spot rate traded narrowly around \$2.34 and the trade-weighted value of sterling recovered from the record low set on December 12.

During January sterling once again lagged behind the strong advance of the major continental European currencies against the dollar. New fears about corporate solvency in Britain and about possible diversification of sterling balances exerted a drag on sterling. Later in the month the favorable impact of improved trade figures for December was more than offset by successive reductions in the Bank of England's minimum lending rate to 11 per cent and by corresponding declines in London money market rates. Consequently, the pound weakened further against major continental currencies al-

though rising somewhat against the dollar to \$2.38 by the month-end. The Bank of England provided further moderate support to check the erosion. Over the 2 months of December and January, official dollar sales, together with other foreign-currency payments, were partly offset by additional drawings on the U.K. Government's \$2.5 billion Euro-currency loan, but Britain's reserves nevertheless declined by about \$1 billion.

## JAPANESE YEN

A \$6 billion increase in Japan's oil import bill in the first half of 1974 and sharply higher commodity prices had driven Japan's current account into deep deficit early in the year. This was largely financed by heavy short-term borrowings by Japanese banks, both in the Euro-dollar market and in the United States. By midsummer, however, with the Euro-markets under unusual strains, some Japanese banks were reportedly approaching credit limits and facing increasing costs of funds there. The Japanese authorities requested the banks to refrain from excessive borrowing, and then the demand for spot dollars in Tokyo increased. By August 22 the yen had fallen more than 10 per cent from its late-March 1974 peak to \$0.003294, its lowest point since it was floated in February 1973.

The Bank of Japan from time to time intervened in the market to avoid wide fluctuations in the yen rate, providing support through moderate sales of dollars. The authorities also took a series of steps in August and early September to relax impediments to inflows of foreign funds to Japan. Controls were eased on net conversions of dollars into yen by foreign banks, on prepayments for Japanese exports, and on nonresident investments in certain Japanese securities. In addition, reserve requirements on nonresident "free yen" deposits were reduced to zero. These measures helped relieve the pressure, and the yen rate steadied above its lows.

Meanwhile, Japanese economic activity remained sluggish after a sharp decline early in the year. Upward pressure on wholesale prices



abated, but consumer prices continued to rise rapidly. Therefore, the Japanese authorities maintained their highly restrictive monetary policy. With domestic sales sagging and inventory financing becoming increasingly burdensome, Japanese companies placed greater emphasis on exports. As shipments abroad surged, Japan's trade balance, after a \$2.7 billion first-half deficit, swung decisively into surplus by late summer. Successive reports of this turnaround contributed to the improvement in market sentiment in September. After mid-September, wire service reports that a \$1 billion loan had been arranged between an oil-producing nation and Japan sparked active bidding for yen. Later in the month figures were released showing a current-account surplus for August—the first since the escalation of oil prices the winter before—and the yen was bid up further to a level 3 per cent above its August lows.

By early October the yen had steadied around \$0.003333, but market uncertainties persisted, and the yen came under some renewed pressure in late October. Trading then came into better balance during November and early December, as the Japanese authorities further relaxed restrictions on capital inflows from abroad. The Ministry of Finance permitted Japanese corporations to use the proceeds of certain foreign bond issues for domestic purposes, and several companies quickly moved to arrange new issues abroad. The Bank of Japan also asked Japanese banks to reduce as much as possible the additional cost of their borrowings in the Euro-dollar market.

Continuing market concern over prospects for the yen resurfaced in late December and early January. Pressure on the yen gradually eased, however, as dealers reacted to news of Japan's strong export performance in December and as new Japanese corporate borrowings from abroad were converted into yen. Moreover, the market responded favorably to the Bank of Japan's reaffirmation of its policy of restraint, until prices had stabilized, and to the generally anti-inflationary thrust of the Government's draft budget. By late January the yen had begun to advance in sympathy with the sharp rise of European currencies against the dollar, reaching

\$0.003363, some 3 per cent above the August low.

## FRENCH FRANC

In contrast to many other industrial countries, France enjoyed real economic growth and relatively low unemployment during the year. On the other hand, the inflation rate remained relatively high, compared with price trends in Germany and in neighboring countries. Moreover, the trade account, which had been in moderate surplus throughout 1973, swung into deep deficit by May. In part, this deterioration was in response to relatively buoyant domestic demand. More importantly, it reflected a \$6 billion increase for 1974 in France's oil import bill, as well as the adverse shift in French terms of trade following the downward float of the franc early in the year.

To counter the worsening inflation and the weakening trade position, the French Government imposed progressively more stringent economic policies. In June the Government adopted a new anti-inflation program containing credit, tax, price control, and energy-saving measures. In September it followed up by renewing ceilings on credit growth (except on credits to finance export production) and by announcing a stringent \$11 billion limit on oil imports for 1975. Meanwhile, around midyear, the Bank of France had hiked its discount rate to a record 13 per cent, stiffened penalties for banks exceeding official credit ceilings, and maintained a severely tight money market. As monetary policies in other countries were gradually relaxed, substantial interest rate differentials in favor of the French franc emerged. In response, short franc positions—built up before the floating of the franc and the French presidential elections in May—began to be covered and French enterprises stepped up their borrowings abroad.

The franc remained relatively firm during the late summer and early fall. Although it eased from its early-August levels as the dollar strengthened around midmonth, its decline was less pronounced than for most currencies. Favorable interest rate incentives, together with

news of more bank failures and large exchange losses elsewhere in Europe, prompted further repatriations of funds and a building up of franc balances by nonresidents. By the end of August the franc had resumed an uptrend that gained momentum after mid-September, when discussions of multilateral proposals and direct deals for financing European oil deficits helped to dispel some of the market's concern over France's large oil deficit. The franc at times outpaced the German mark and other European currencies in the general upswing of currencies against the dollar, rising 4 per cent to \$0.2145 by November 7. To moderate the rise of the franc, the Bank of France made increasingly heavy purchases of dollars, thereby contributing to the \$600 million increase in French reserves during the 3 months to the end of October.

Meanwhile, the economic climate in France was deteriorating. The high rate of inflation generated growing labor unrest, and by early November a number of strikes erupted that threatened to disrupt production. At the same time, the Government's austerity measures were beginning to bite, causing an abrupt slowing of output and a jump in unemployment. Against this uncertain background, the rise in the franc faltered. Indeed, while holding steady against the dollar through much of November, the franc dropped to its lowest levels against the German mark and other continental currencies in 5 months. Following reports of large-scale layoffs and short hours, the labor strikes ended, and pressure against the French franc eased. Late in the month market tone improved further after President Giscard d'Estaing relieved growing concern over unemployment by promising renewed economic expansion for 1975 and by providing special assistance to industries most vulnerable to the slowdown.

By early December the franc was again in demand. French interest rates remained near their peak levels with the 3-month Euro-franc rate some 8 percentage points above the corresponding Euro-dollar rate. Moreover, France's trade deficit was narrowing far more rapidly than had been forecast, as imports slackened in the face of weakening domestic demand and lower energy requirements. In addition, news of a \$1 billion loan agreement with Iran and other suc-

cessful Middle East negotiations promised to bolster France's external position in the coming year. The franc climbed sharply, therefore, again outpacing other currencies as the dollar declined in December. The Bank of France resumed intervention, buying dollars regularly to keep the franc's rise in line with other currencies.

After the first week in January, the French Government began gradually to relax its restrictive monetary policy. The Bank of France cut its discount rate 1 percentage point to 12 per cent on January 9. In addition, minimum reserve requirements were reduced on January 21, and the regulation of bank credit was made more flexible. Nevertheless, French interest rates remained well above those in most other markets and the French franc continued to advance. Boosted further by news of a trade surplus in December - the first monthly surplus since 1973 - the franc moved up to \$0.2349 just before the end of January to trade nearly 14 per cent above its mid-August lows.

## ITALIAN LIRA

Midsummer 1974 marked a significant turning point in Italian economic and balance of payments trends. During the first half of 1974, inflation was continuing at a rate two to three times faster than in most other major industrial countries, as sharply higher costs for imported oil and other commodities, production bottlenecks in some industries, and an expanding Government budget deficit helped perpetuate the inflationary spiral. The current-account deficit had more than doubled under the weight of a \$6 billion increase in oil imports for 1974, exerting persistent pressure on the lira in the exchanges. The authorities had intervened heavily to prevent a substantial depreciation of the lira from worsening domestic inflation. The bulk of this intervention had been financed by new foreign borrowings, including EC short-term assistance, and by midyear Italy's medium-term indebtedness to the Euro-dollar market stood at \$8 billion. Meanwhile, to eliminate the non-oil deficit, contain inflation, and rein-

in public spending, the authorities progressively stiffened monetary and fiscal policies and imposed an import-deposit scheme.

By midyear these measures were beginning to take hold. A sudden weakening of domestic demand was narrowing the non-oil component of the trade deficit, and declines in world commodity prices promised an unexpected further improvement. The severe tightening of domestic liquidity was stimulating a substantial influx of short-term funds, as Italian commercial banks borrowed heavily in the Euro-dollar market to finance domestic lending. Conversions of these borrowings had a steadying effect on the Italian lira in the exchanges, and the Bank of Italy had been able to add to its reserves.

By late July the Italian authorities had become concerned that the rapid growth of bank borrowing abroad would frustrate the extremely restrictive monetary policy and might aggravate existing strains in the international capital markets. Therefore, the authorities instructed banks to limit their net foreign indebtedness to July 19 levels, and the net inflow of funds began to taper off in early August. Then, after Italy's severe liquidity crunch eased somewhat with the exemption of all agricultural products from the import-deposit scheme, the repayment of foreign borrowings picked up and continued throughout the next several weeks. By the end of September Italian banks had reduced their net foreign indebtedness by almost \$1 billion. As these repayments coincided with the normal seasonal slackening of tourist receipts, the lira periodically came under some selling pressure during August and early September. The Bank of Italy provided occasional moderate support for the lira rate to prevent it from weakening too rapidly against other European currencies.

In the meantime, Italy obtained new official credits to cover its current-account deficit. In early August the Italian authorities drew a total of \$622 million equivalent from the International Monetary Fund (IMF) against its gold tranche and the first tranche of its \$1.2 billion standby credit. Later in the month the Bank of Italy obtained \$2 billion by way of a reciprocal gold-dollar deposit with the German Federal Bank. (In that transaction, the gold was valued at 80 per cent of average recent market prices

or about \$120 per ounce.) Then, in mid-September, Italy borrowed \$315 million from the IMF oil-financing facility and renewed its European Monetary Cooperation Fund credit of \$1,885 million. The Government also announced a second takedown of \$540 million equivalent from Italy's IMF standby credit. The new borrowings, which were taken into official reserves over the 2 months through the end of September, helped improve market sentiment, and the lira held about 3 per cent below its late-July levels until early October.

Meanwhile, the Italian economy had markedly slowed down, with industrial output falling sharply. Domestic price inflation continued to worsen, however. As Cabinet disagreement over continuation of the Government's austerity program surfaced, leading to Prime Minister Rumor's resignation on October 3, outflows of funds put renewed pressure on the lira. The exchange rate slipped about 1 per cent against the dollar and 4 per cent against other EC currencies, while the Bank of Italy provided heavy support in the first half of the month to moderate the lira's decline. Although selling pressures temporarily subsided toward the end of October, the lira remained relatively weak and did not participate in the general upsurge of European currencies in November. By the end of that month the lira had depreciated by a further 1 per cent against the other EC currencies, while holding steady against the dollar. Over the 2 months, intervention sales of dollars were mainly responsible for a \$1.2 billion decline in official reserves.

Market sentiment improved considerably in December, as the new Government under Premier Moro moved swiftly to implement its economic program. Monetary policy was kept restrictive, although the Bank of Italy made a modest cut in its historically high discount rate. In addition, measures to discourage crude oil imports were adopted and plans for expanded capital investments in energy, agriculture, and public works were proposed. In the exchanges, a significant reflow of funds, which had been moved out of the lira at the height of the Cabinet crisis, was reinforced by continuing tight money market conditions. Furthermore, the slowdown of economic activity was dampening import

demand. Thus, the lira rate firmed almost 2.5 per cent during December.

After the year-end, however, the lira again came on offer. The Bank of Italy relaxed its restrictive stance somewhat further and, as liquidity strains in Italy eased during January, short-term reflows slowed. In addition, although Italy's non-oil trade was improving, a seasonal weakening in the trade balance and a bunching of oil payments depressed the rate. As on other occasions, moreover, pressure on the dollar occasionally spilled over onto the lira, and it lost substantial ground against the EC currencies. The Bank of Italy again provided support, and by the month-end the immediate pressures had lifted. On January 31 the lira rate stood at \$0.001564, about 1 per cent higher than at the outset of the reporting period.

## NETHERLANDS GUILDER

The Netherlands strong current-account surplus in 1974, together with expectations of further improvement in the balance of payments in 1975, kept the Dutch guilder strong against both the dollar and other European currencies during the reporting period. Prospects for increased natural gas exports blunted the impact of higher prices on oil imports, while port and shipping services were improving the net invisible balance. Reports of a continuing large current-account surplus had spawned revaluation rumors in late July. Speculative demand for guilders had been countered by coordinated Netherlands Bank-Federal Reserve intervention, and the rumors were spiked by an official denial of any revaluation intentions. The guilder then turned lower, dragged down by the declining German mark, and substantial intervention against marks was required to maintain the limits of the EC band.

The only Federal Reserve intervention in guilders late in the summer came on August 9 when \$5.3 million equivalent was sold along with other currencies, as markets were briefly unsettled during the period of transition of presidential authority in the United States and after release of disappointing U.S. wholesale price

figures. The sale of guilders was financed by a drawing on the swap line with the Netherlands Bank and, as the guilder quickly resumed its decline, sufficient guilders were acquired to liquidate the swap commitment. By early September, the guilder had fallen  $3\frac{3}{4}$  per cent to \$0.3663.

Money market conditions in Amsterdam then tightened, as seasonally heavy tax payments pushed up Dutch interest rates at a time when a cut in reserve requirements in Germany was adding to liquidity in Frankfurt. In addition, the Dutch Government announced, as part of its 1975 budget proposal, a steep increase in the price of natural gas, estimated to add \$500 million to the Netherlands' 1975 exports. Consequently, the guilder was again bid up, and as the EC snake came under increased pressure, the Netherlands Bank stepped up its purchases of marks. The Dutch central bank also began to provide substantial amounts of guilders through 1- to 3-month dollar swaps with the commercial banks, lessening domestic liquidity strains. In the 2 months August-September, Dutch official reserves increased by about \$1 billion.

In October the guilder participated in the upward movement of continental European currencies against the dollar, with little reaction to a percentage point reduction in the Netherlands Bank's discount rate to 7 per cent late in the month. In view of the relative positions of EC snake currencies in November, when the European currencies began to advance more sharply, the Federal Reserve supplemented its intervention against marks by offering guilders as well. The Federal Reserve sold \$6.5 million equivalent of guilders on November 7 and a total of \$22 million equivalent during the coordinated central bank intervention of November 18 and 19. The Netherlands Bank followed up in the Amsterdam market by purchasing moderate amounts of dollars. The System's sales were financed by drawings on the swap line and were repaid through market purchases when the guilder temporarily declined. Dutch reserves increased another \$550 million during October and November, largely as a result of continued dollar swap transactions with the Dutch banks. By early December the guilder strengthened

again to a level 6.5 per cent above its September low.

Meanwhile, the Dutch Government, increasingly concerned about rising unemployment and sluggish domestic economic activity, particularly in the construction industry, had announced new measures to stimulate the economy. Taxes on wages and salaries would be cut as of April 1, 1975, investment incentives were broadened, and private-sector payments for social services were reduced. Together with the planned deficit in the September budget, these actions would provide substantial fiscal stimulus while monetary policy would remain moderately restrictive to counter inflationary pressures. Thus, Dutch interest rates held above those in some other financial centers and provided an incentive for funds to move into guilders as the dollar generally remained on offer in the exchanges in December. The Dutch authorities again provided liquidity through dollar swaps with commercial banks and also bought modest amounts of dollars outright in the spot market. For its part, the Federal Reserve also intervened in guilders in New York on December 17 and 27, selling a total of \$9.6 million equivalent of guilders along with other currencies to cushion the decline in dollar rates. These sales were financed by additional swap drawings, of which all but \$3.2 million was repaid through subsequent market purchases. The guilder nevertheless was pulled sharply higher in January by the speculative rise of the mark and Swiss franc. It reached a peak of \$0.4175 on January 27—14 per cent above its September low—before dropping back somewhat on subsequent days along with other currencies.

## BELGIAN FRANC

The slowdown that set in around mid-1974 in Belgium's economy was more gradual than in most other industrial economies. The pace of domestic inflation, on the other hand, remained high relative to that for Belgium's principal trading partners. Consequently, the authorities maintained a restrictive monetary policy, with the result that Belgian interest rates rose to levels above those prevailing in most other

continental financial centers and remained relatively firm throughout the second half of the year. The pull of high yields in Belgium prompted both a reflux of previous outflows and inflows of new short- and long-term capital. These inflows, together with a current account that was still in surplus despite higher imported oil costs, provided a continuing buoyancy for the Belgian franc in the exchanges.

Accordingly, in August the Belgian franc declined more gradually than most other European currencies against the dollar, while holding just below the top of the EC band. The Federal Reserve sold \$2.5 million equivalent of Belgian francs, along with its sales of other currencies, to forestall a sudden slippage in dollar rates on August 9. Of this, \$1.7 million was financed by a drawing on the swap line with the National Bank of Belgium, and the remainder was drawn from System balances. The swap commitment was promptly repaid as the Belgian franc was pulled down by the German mark. In early September the commercial rate bottomed out at \$0.025275, almost 4 per cent below early-August levels.

After mid-September, however, the franc began to rise again. Liquidity in Belgium was tightened further by tax payments and by higher reserve requirements on call deposits. Moreover, there was a shift of funds into francs out of German marks in response to a tightening of foreign exchange restrictions both in Germany and Luxembourg. In November the rise of the Belgian franc accelerated, as pressure on the dollar generally intensified. To dampen the franc's advance and avert a build-up of pressure within the EC snake, the National Bank of Belgium frequently made modest purchases of dollars in Brussels. In New York the Federal Reserve offered Belgian francs, along with other European currencies, to smooth the decline in dollar rates on November 7, 18, and 19, and December 17. Total sales of Belgian francs amounted to \$13.7 million equivalent, of which \$13.2 million was drawn on the swap line and subsequently was repaid through market purchases. The remainder was drawn from balances.

By the year-end the slowing pace of Belgian economic activity had induced an easing of

credit demands, and Belgian interest rates turned down. Late in January, in view of domestic and international interest rate trends, the National Bank relaxed its credit policy by reducing the discount rate by  $\frac{1}{2}$  of a percentage point to  $8\frac{3}{4}$  per cent, raising ceilings on credit growth, and releasing reserves against bank time deposits. Nevertheless, the decline in Belgian interest rates lagged behind those elsewhere. The Belgian franc thus held at or near the top of the EC band, requiring the central bank to purchase moderate amounts of other participating currencies. As the European currencies generally strengthened against the dollar, therefore, the commercial franc advanced to \$0.028600 on January 31, and the National Bank purchased further small amounts of dollars to resist the rise. At this level the commercial Belgian franc stood almost 13 per cent above its September low. As of January 31 System swap commitments with the National Bank of Belgium totaled \$261.8 million equivalent of Belgian francs, all incurred prior to August 15, 1971.

## CANADIAN DOLLAR

The gradual decline of the Canadian dollar that had begun in June 1974 continued with only brief interruptions during the 6-month period under review. The downtrend primarily stemmed from a progressive erosion of Canada's trade surplus during 1974 and an increasingly pessimistic market assessment of prospects for 1975. Export growth fell off sharply as a result of the severe slackening of U.S. demand and the break in world commodity prices that tended to weaken Canada's terms of trade. By contrast, the deceleration of economic activity in Canada was more moderate than elsewhere, with a still buoyant investment demand sustaining imports of capital goods. Consequently, many published Canadian forecasts showed the Canadian export surplus of \$706 million for the first half of 1974 swinging into deficit by early 1975. Whereas trade deficits in earlier years had been financed by large capital inflows, prospects for long-term inflows were now uncertain and short-term capital flows were

largely responding to the shifting interest rate incentives between Canada and the United States.

In early August, when the near-record levels of dollar interest rates yielded strong disincentives against Canada, selling of Canadian dollars intensified as U.S. corporations repatriated funds to their home offices. Labor unrest in Canada further depressed the market. The spot rate fell almost 1 per cent to a low of \$1.0109 by August 28. The Bank of Canada intervened to avoid too rapid a decline, and during August Canada's reserves fell \$160 million. In September and October, as the retreat of U.S. short-term rates was underscored by declines in U.S. prime rates, the Canadian dollar recovered somewhat. Positioning by Canadian banks in anticipation of their October 31 fiscal year-end and of several conversions of foreign borrowings also temporarily spurred demand for the Canadian currency. But, by late October, the spot rate was again easing.

Meanwhile, the sharp production cutbacks in U.S. output were exerting an increasingly heavy drag on the Canadian economy. As demand for credit weakened, Canadian banks lowered their prime rates. In addition, the Bank of Canada cautiously eased the restrictive stance maintained during the first half of the year by reducing its discount rate to  $8\frac{3}{4}$  per cent, the first cut from the peak  $9\frac{3}{4}$  per cent level established in July. Shortly thereafter, chartered banks' secondary reserve requirements were lowered 1 per cent to 7 per cent. Then, on November 18, the Government announced a somewhat more stimulative budget for the fiscal year beginning April 1975, featuring cuts in the personal income tax. These actions were largely in line with market expectations, and the Canadian dollar fluctuated narrowly between \$1.01 and \$1.0150 through mid-December.

Late in the month, however, market sentiment toward the Canadian dollar worsened again. News of a Canadian trade deficit of \$149 million for November confirmed expectations of a continuing deterioration in Canada's underlying payments position, and the market was expecting another cut in the central bank discount rate. As Canadian banks added to their U.S. dollar positions and commercial leads and

lags worsened, the Canadian dollar fell to a 12-month low of \$1.0004 on January 9.

Several days later, the Bank of Canada, having reduced secondary reserve requirements by another percentage point in early January, lowered its discount rate by another ½ of a percentage point to keep it in line with the general decline of Canadian money market rates. Since exchange dealers had actually counted on a larger cut and there were substantial conversions of Canadian provincial foreign borrowings that boosted the spot rate, the Canadian dollar briefly rebounded to nearly \$1.01. Once the conversions were completed, the rate turned lower again. After the final trade figures for 1974 were released, revealing a steep erosion of Canada's trade surplus to Canadian \$419 million for the year—little more than a fifth of the 1973 level—the Canadian dollar eased to \$1.0008 on January 31. This represented a 2-per-cent decline against the dollar since August levels and a substantial depreciation against virtually all other major currencies.

## EURO-DOLLAR

The Euro-currency markets continued to suffer from the erosion of confidence that afflicted international banking following the failure of banks in several countries last year. Persistent nervousness in the market was reflected in new cuts last fall in credit lines to many market participants. In particular, smaller and even medium-sized banks and those of certain countries under balance of payments pressure remained subject to rather close and, in some cases, increasingly tight credit ceilings by their traditional suppliers. The multitiered rate structure that had emerged last spring and summer, therefore, persisted. The strains in the market gradually subsided, however, with the result that the differentials between the rates charged to different classes of banks narrowed and almost disappeared early in 1975.

The improved market tone owed much to an announcement by the Bank for International Settlements on September 10 that the central bank governors meeting at Basle, following a discussion of the problems of a lender of last

resort in the Euro-markets, had concluded that means are available for the provision of temporary liquidity and will be used if and when necessary. The market was further reassured when consortium banks responded to the Bank of England's request for firm commitments from shareholders to support the banks' operations if they ran into problems at any time. Another boost to market confidence was given by an official statement that the "Federal Reserve is prepared, as a lender of last resort, to advance sufficient funds, suitably collateralized, to assure the continued operation of any solvent and soundly managed member bank that may be experiencing temporary liquidity difficulties associated with the abrupt withdrawal of petrodollar— or any other —deposits."

After a fairly steep decline in outstanding deposits last summer, the Euro-currency market resumed its expansion in the final quarter of last year, albeit at a much reduced rate. Its continued growth benefited greatly from renewed placements of sizable OPEC deposits, which brought the total for the year to an estimated \$23 billion, or 40 per cent of OPEC countries' surpluses. Thus, the market remained the major receptacle for those funds that the oil-producing countries were unable to spend for goods and services and did not employ for grants-in-aid and loans to oil-importing countries. During the summer and fall the market also benefited from sizable advances by U.S. banks to their branches, notably those located in the Bahamas, which then passed on these funds to a variety of bank and nonbank borrowers.

As OPEC and other major supplier countries added further to their Euro-currency holdings, over-all liquidity in the market improved, but the market continued to suffer from a maldistribution of liquidity. The very large banks in the market had ample funds at their disposal, often more than they desired in view of their capital and surplus positions. While the very large banks grew in strength and importance, the role of some of the medium-sized and smaller banks became stationary or diminished. A few banks unable to command the relatively attractive rates offered to their bigger competitors actually scaled down their operations.

It was the medium-term Euro-loan market

that was most seriously affected by the strains in international banking. Last summer and fall the rate of increase in the volume of medium-term loans slowed down considerably, as many syndicate participants no longer were able to secure funds at competitive interest rates. Consequently, the syndication of balance of payments and project loans carrying very distant repayment schedules diminished significantly. Reduced competition permitted lenders to widen the spreads of rates on loans over the rates they paid for funding these loans and to tighten other terms and conditions, including the shortening of average maturities for medium-term loans funded with short-term funds on a floating-rate basis. In more recent weeks, however, as money market conditions in many parts of the world

became easier, spreads between loan and deposit rates were again narrowing somewhat.

Interest rates in the market, after having risen to virtually unprecedented levels, dropped in September and October in response to sharp across-the-board declines in U.S. money market rates. The downtrend in Euro-dollar rates stalled toward the end of November, as the decline in U.S. domestic rates slowed and as year-end positioning prompted some bidding for dollar funds. Early this year rates resumed their precipitous fall in response to actual and expected declines in U.S. prime rates and other interest rates. By the end of January, 3-month rates had dropped below 8 per cent, almost one-half of the peak levels reached last summer. [ ]



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## Statements to Congress

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*Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, February 25, 1975.*

I am pleased to meet with this committee today to present the views of the Board of Governors on Senate Concurrent Resolution 18.

This resolution consists of two parts. The first part directs the Federal Reserve System to "take appropriate action in the first half of 1975 to increase the money supply at a rate substantially higher than in recent experience . . .". The second part of the resolution directs the Federal Reserve to "maintain long-run growth of the money supply commensurate with the economy's long-run potential to increase production, so as to effectively achieve the goals of maximum employment and stable prices."

To appraise the need for this Senate resolution, it is essential to understand our Nation's economic and financial condition and the recent course of monetary policy.

Our economy today is suffering from a serious recession. That such a development would take place, sooner or later, has long been clear to students of business cycles, who watched with increasing concern the gathering momentum of inflation. This round of inflation got under way in our country in 1964; its pace quickened in subsequent years with the piling up of Federal deficits and the devaluation of the dollar, and it became dangerously rapid in 1973 and 1974. As is characteristic of the late stages of an inflationary boom, speculative activities flourished, particularly in real estate markets, while industrial efficiency languished. During 1973 and much of 1974, purchasing agents found themselves scrambling for materials, component parts, and equipment; order books of business firms became overfull; delays in

deliveries became longer and more frequent; costs and prices soared; and the demands for credit increased rapidly and outran available supplies.

As a result of these developments, our Nation's productive capacity suffered a setback. Consumer purchasing power eroded; the real value of the wages, savings deposits, pensions, and life insurance policies of the American public diminished. Corporate profits declined—a fact that received little notice because of accounting techniques that had been designed for inflation-free times. Financial markets underwent exceptional stresses and strains, and interest rates soared to record levels. In short, inflation led to this recession as it has done time and again in the past. And what we are now experiencing, most other industrial countries are likewise experiencing; for the inflationary boom of recent years reached worldwide proportions.

In our country the Government has already taken some significant actions to mitigate the forces of recession that emerged last fall and that since then have spread across the economy. There is now a need for additional measures to cushion the recession and to encourage early recovery in economic activity. Yet, as we go about this urgent task, we cannot ignore the longer-run implications of the policies that we undertake. Defeat of inflationary forces must remain a major goal of public policy. Unless we keep this firmly in mind, we may have to contend with still more serious economic troubles a year, two, or three from now.

In recent months the Federal Reserve has taken numerous steps to reduce interest rates and to enlarge supplies of credit, and thus moderate recessionary forces. Open market operations became more accommodative last summer, and short-term market interest rates began to move down promptly from the exceptionally high levels reached in July. By early autumn evi-

dence had accumulated that economic activity was weakening and that advances in commodity prices were beginning to moderate. Open market operations, therefore, were persistently directed towards more ample provision of reserves to the banking system.

Of late, open market policy has been reinforced by other monetary instruments. The discount rate was reduced on three occasions—in December, January, and again early this month—from 8 per cent to 6¼ per cent. Reductions in member bank reserve requirements were also ordered—in September, November, and January, releasing a total of nearly \$2½ billion of reserves to the banking system.

These easing actions by the Federal Reserve were taken during a period of weakening demands for private credit. As auto sales slumped, so also did the growth of consumer instalment credit. In fact, on a seasonally adjusted basis, total instalment credit outstanding has actually been falling since October of last year. As industrial production declined, so also did business needs for short-term financing. Moreover, the rate of expansion of mortgage credit has continued to run far below the pace of 1973.

In these circumstances the actions taken by the Federal Reserve since last summer to augment the supply of loanable funds have had a dramatic effect on short-term market interest rates. For example, the Federal funds rate—the rate banks pay when borrowing reserves from one another—has declined by more than 7 percentage points from the peak level registered in July of last year. The interest rate on short-term commercial paper has declined from over 12 per cent last July to around 6 per cent now. And the prime rate has fallen from 12 to 8½ or 8¾ per cent.

Long-term market interest rates have also declined, although much less than short-term rates. With inflation continuing and still in prospect, a sizable inflation premium inevitably attaches to long-term interest rates. Moreover, corporations have issued exceptionally large amounts of long-term bonds in recent months, in part because of their desire to lengthen debt and thereby improve their liquidity position.

The beneficial effects of easier conditions in financial markets are not registered solely in

the behavior of interest rates. For example, commercial banks responded initially to the greater availability of reserves by repaying borrowings from the Federal Reserve and by taking other steps to improve their liquidity. Many banks became overextended during the credit expansion of 1971-74, and a strengthening of their financial position was needed to lay the basis for subsequent expansion of lending.

The liquidity of nonbank depository institutions has also improved. Enlarged inflows of deposits to savings and loan associations have permitted these suppliers of home mortgage funds to reduce their indebtedness and to replenish liquid assets. The full benefits of these developments for housing finance will not be felt for some time, but the improved deposit inflows have already had an effect on mortgage rates. Rates on new conventional home mortgages have typically declined by about a full percentage point from their peaks of early autumn, and lenders are also becoming more active now in seeking out borrowers.

In short, financial conditions have eased on a broad front. The liquidity of banks and thrift institutions has improved; short-term interest rates have dropped sharply; long-term interest rates have also come down; an enormous volume of long-term securities has been successfully marketed; tensions and uncertainties that afflicted financial markets earlier last year have diminished; and stock prices have been rising briskly of late.

Thus, developments in financial markets have been laying the basis for recovery in economic activity, and that process is continuing. Interest rates have fallen further in recent weeks, even though Treasury financing needs have grown and market participants have begun to anticipate the massive Federal deficits that, unhappily, are now in prospect.

As I have already noted, these needed improvements in financial markets have been actively encouraged by Federal Reserve policies. Nonetheless, concern is being expressed in some quarters that we are not doing enough to stimulate monetary growth. The Board does not share this judgment. Ours is still largely a free economy, and a reasoned evaluation of Federal Reserve policy must take into account the vital

role played by decisions of private borrowers and lenders.

The Federal Reserve can supply the banking system with reserves through open market operations or through reserve requirement changes; but if banks choose to repay debt or rebuild their liquidity, these actions will have little impact on the public's money supply. The Federal Reserve can have a marked influence on short-term interest rates and may also have some indirect influence on other terms of credit. But it cannot force businesses or consumers to borrow from their banks and thus to expand the volume of bank loans. The Federal Reserve cannot force people to hold money in the form of demand deposits when they prefer to hold their transactions or precautionary balances in income-earning assets. Nor can the Federal Reserve force people to use their available cash balances more quickly or more liberally. These limitations are inescapable and they need to be understood.

Of late, the growth of monetary aggregates has reflected the cautious attitude of banks, businesses, and consumers. Despite a series of expansive monetary actions by the Federal Reserve, the narrowly defined money stock ( $M_1$ )—that is, currency plus demand deposits—grew at an annual rate of only  $4\frac{1}{2}$  per cent in the final quarter of 1974. In January of this year, moreover, business demand for bank loans was unusually weak, and a decline occurred in  $M_1$ .

Broader measures of money, on the other hand, have shown greater strength. With market interest rates declining, net inflows of consumer-type time and savings deposits at banks and at nonbank thrift institutions have improved markedly. Growth of  $M_2$ —which also includes consumer-type time and savings deposits at commercial banks—was at an annual rate of 7 per cent in the fourth quarter, compared with a  $4\frac{1}{2}$  per cent rate in the third. A still broader measure of money that includes currency plus all deposits at all financial institutions—that is, commercial banks, savings banks, savings and loan associations, and credit unions—showed rates of growth of  $5\frac{1}{4}$  and  $8\frac{1}{4}$  per cent in the third and fourth quarters of 1974, respectively.

Nonetheless, the growth rates of monetary

aggregates have of late fallen short of what the Federal Reserve desired. In recent months, therefore, the Federal Open Market Committee has taken progressively stronger steps to encourage a faster pace of monetary and credit expansion. For example, at its meeting on October 15, the directive issued by the Committee to the Manager of the Open Market Account called for "resumption of moderate growth" of the monetary aggregates. Again, on January 21 of this year, the Manager was directed to achieve reserve and money market conditions consistent with "more rapid growth in monetary aggregates than has occurred in recent months."

The Committee's actions have resulted in a progressively more ample provision of bank reserves, as is evidenced by the sharp decline since late summer in the interest rate that banks pay when they borrow reserves from one another. Since the December meeting of the Open Market Committee, the Federal funds rate has dropped another  $2\frac{1}{2}$  percentage points. There are few precedents for so large a decline in a period of just 10 weeks.

Forces have now been set in motion that will, I believe, soon result in a quicker pace of monetary and credit expansion. Actually, that process may already be under way. Early this month, the narrowly defined money stock—which had declined in January, as I noted earlier—began to increase once again, and the rising trend has continued in the latest week.

As my review of recent monetary policy actions indicates, the Federal Reserve intends to encourage the expansion in supplies of money and credit needed to mitigate recessionary forces and to encourage early recovery in economic activity. However, we have not thrown caution to the winds, and I firmly assure you that we shall not do so. True, inflationary pressures of late have shown welcome signs of moderating. But the menace of inflation is by no means behind us. Let us not lose sight of the fact that the general price level rose at an annual rate of 14 per cent in the fourth quarter of last year. Let us not lose sight, also, of the fact that the Treasury's demands for credit to finance the deficit are enormous, that private credit demands in the bond market are even now extraordinarily

large, and that over-all private credit demands will expand when economic activity recovers. Unless we move carefully and prudently, we might well find that rising credit demands are producing an explosion of money and credit that could wreck all chances of lasting recovery. We must not let this happen.

Let me turn now, therefore, to the resolution before this committee today. The Board has no quarrel with its broad objectives, nor would the spirit of the resolution conflict with the current aims of monetary policy. As I have already noted, the thrust of monetary policy over recent months has been consistently directed toward faster growth of the monetary and credit aggregates in order to enhance prospects for recovery. At the same time, we have avoided excesses that could endanger our chances for lasting prosperity with a reasonably stable dollar. Since these are precisely the policies that the Board intends to continue to pursue, it is not clear why Resolution 18 is needed.

I would remind you, also, that the Federal Reserve System, as an instrumentality of Government, is required to pursue the goals expressed in the Employment Act of 1946, which specifies "maximum employment, production and purchasing power" as objectives of national economic policy. To be sure, the language of the Employment Act is less clear than it should be on the need for a stable price level. But, as a practical matter, the Employment Act has long been interpreted by the Federal Reserve and other governmental agencies to mean that reasonable price stability must be a high objective of public policy. Resolution 18, therefore, adds nothing new to the objectives of Federal Reserve policy as already defined by statute.

Adoption of the resolution could, however, have damaging operational consequences. In the first place, the two parts of the resolution may collide with one another. In explaining the resolution to his colleagues in the Senate, Senator Proxmire observed that the second part of the resolution "will help the Fed resist any future political pressure either from the White House or the Congress to overaccelerate to achieve short-run gains at the cost later on of still another round of inflation, high interest rates,

recession." This is a very perceptive comment, and I hope that the committee will ponder this comment when it looks closely at the first part of the resolution, which could be interpreted to mean that the Federal Reserve is being urged by the Congress to take much stronger monetary measures than it has already taken.

The Board regards Resolution 18 as dangerous for still another reason - the fact that the Resolution directs the Federal Reserve to pay attention to one financial factor only, namely, the money supply. As this committee knows, the Federal Reserve System has given very close attention in recent years to the behavior of monetary aggregates. We are well aware that an expanding economy needs an expanding supply of money and credit and that any protracted shrinkage of the money stock could lead to or exacerbate a shrinkage of economic activity. We are also well aware that excessive growth of money will lay the base for a new wave of inflation. But if the Federal Reserve's policies were to be focused solely on the money supply - as the resolution seems to direct - our financial system would be placed in jeopardy. The risk would become especially great if the "money supply" were interpreted to mean merely currency plus demand deposits - which is the meaning that emerges from Senator Proxmire's explanatory statement to the Senate.

Let us not lose sight of the fact that the public's demands for currency, for demand deposits, for savings deposits, and for a host of other liquid assets are constantly changing. Financial technology in our country has developed very rapidly in the past 20 years. As a rule consumers and businesses no longer hold all, or even most, of their spendable funds as currency or demand deposits. More and more corporate treasurers have learned how to get along with a minimum of demand deposits; a large part of their transactions and precautionary balances are nowadays placed in interest-bearing assets - negotiable certificates of deposit, Treasury bills, commercial paper, short-term municipal securities, and other forms. Consumers, too, have learned to keep excess funds in savings deposits at commercial banks, shares in savings and loan associations, certificates of

deposit, Treasury bills, and other liquid instruments, and they shift their liquid resources among these assets. The result is that no single concept of money any longer measures adequately the spendable funds that are held by the public.

For example, the narrowly defined money stock rose by 4½ per cent during 1974. But this concept of the money supply has lost much of its earlier significance. If the definition of money is broadened to include consumer-type time and savings deposits at banks and thrift institutions, the total increased last year by 6¾ per cent. If large-denomination negotiable CD's are also added, the total rose by almost 9 per cent - or nearly twice the growth rate of the narrowly defined money supply.

In view of such variations, the Federal Reserve must conduct monetary policy with an eye on a family of monetary aggregates, the behavior of whose members varies remarkably. But we must also give careful attention to the level of interest rates on mortgages and other loans, the liquidity position of financial institutions and the general public, and to other economic and financial factors. This is necessary because the willingness to use money, no matter how that elusive term is defined, depends heavily on the cost and availability of borrowed funds, and the state of confidence among businessmen, investors, and consumers. Also, as the Nation's central bank, the Federal Reserve can never lose sight of its role as a lender of last resort, so that financial crises and panics will be averted.

The conduct of monetary policy must also take account of the position of the dollar in international markets. When developments in exchange markets result in large declines in the value of the dollar, as they have since last September, prices of imported products are forced up and inflationary pressures are intensified. Furthermore, undue fluctuations in exchange rates affect adversely the willingness and ability of traders to function in international markets. Worse still, since the dollar is still the basic yardstick in international transactions, a protracted erosion in the international value of the dollar could weaken world trade, and it would certainly undermine the prestige of the United States in world affairs. In discharging

our responsibilities with respect to the international value of the dollar, we at the Federal Reserve may at times, therefore, need to deviate temporarily from our longer-run objectives with regard to the monetary aggregates.

In short, economic and financial conditions keep changing, public preferences for liquid assets keep changing, and so what constitutes an appropriate response of monetary policy must also change. If we focused solely on the money supply or guided our operations entirely by the monetary aggregates, the Federal Reserve would fail to fulfill its responsibilities for helping to achieve the economic goals of our Nation.

Finally, the Board objects to the last paragraph of Resolution 18, which calls for semiannual reports to the Congress by the Federal Reserve of its plans for future monetary policy. Such a requirement could limit the flexibility of monetary policy in responding to unexpected developments, and it could undermine the capacity of the Federal Reserve to exercise its best judgment in adapting policies to changing circumstances. Such a requirement would also provide opportunities for sophisticated market participants to gain at the expense of others by using the information they would receive on the anticipated course of monetary policy.

I do not mean to convey by these comments that the Board is opposed to consultations with the Banking Committees. On the contrary, we welcome the opportunity to report to the Congress - and as frequently as the Congress may desire - on monetary and financial developments and on the policies that we are pursuing. We would indeed welcome the advice and counsel of this committee and of other congressional committees with responsibilities in the field of economic stabilization policy. But a more detailed involvement of the Congress in the implementation of monetary policy is, I believe, unwise.

In conclusion, Resolution 18 raises in the Board's judgment momentous issues with respect to the role of the Federal Reserve in the economic life of our Nation, whether the Federal Reserve's traditional insulation from political pressures will continue, whether resistance to inflation may not further diminish, and

whether the dollar will remain a respected currency around the world.

If the Congress should seek through Resolution 18 to become deeply involved in the implementation of monetary policy, it would enter an intricate, highly sensitive, and rapidly

changing field with consequences that could prove very damaging to our Nation's economy. We therefore hope that this committee will consider very carefully the consequences for our national welfare that could result from adoption of this resolution. [ ]

*Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Commerce, Consumer and Monetary Affairs of the Committee on Government Operations, U.S. House of Representatives, March 6, 1975.*

I am pleased to meet with this subcommittee today to report on the apparent theft of certain confidential data from the files of the Board of Governors, and on my decision to request an appropriate inquiry by the Federal Bureau of Investigation.

The data in question relate to interest rates charged by commercial banks on various types of consumer, agricultural, and small business loans. They are collected by the Federal Reserve System for a sample of nearly 300 banks and by the Federal Deposit Insurance Corporation for another 70 banks. Each month the Board releases the interest rate information in the form of averages for the banks covered in the sample [Federal Reserve statistical release G.10].

Before proceeding further, let me explain the origin of these statistical data. We began collecting this information on a regular monthly basis in January 1972 at the request of the Committee on Interest and Dividends, which was established by Executive Order in October 1971 as part of the President's program to implement the Economic Stabilization Act of 1970. The committee had the responsibility of guiding a program of voluntary restraints on interest rates and dividends.

To carry out its responsibilities, the committee initiated the collection of a variety of statistics, including the survey on bank lending rates. Data collected by the Federal Reserve on behalf

of the committee were reported on a voluntary basis, as is the bulk of the statistical reports that we obtain. We have been highly successful over the years in obtaining the information we need to carry out the various responsibilities assigned to us by the Congress. Our success has been based on our ability to assure reporting banks that the data provided voluntarily by each of them will be treated in a confidential manner. Consequently, member banks participating in the interest rate survey were assured that the figures each supplied would be held confidential.

Because of the proven usefulness of the figures, the Committee on Interest and Dividends recommended in its final report, issued in June 1974, that the Board of Governors continue to gather the interest rate information. Similar requests were received from other Government agencies. The data in question meet the needs of the Department of Commerce in estimating the interest paid by consumers, and of the Department of Agriculture in estimating interest payments on farm debt. The Small Business Administration has also found the information on interest rates useful in administering its programs.

The Board has been advised by its attorneys that it is doubtful whether the Board has authority under existing law to require regular reporting by member banks of the type of information on interest rates that I have been discussing. The availability of these data in the future thus depends on the willingness of banks to continue their reporting voluntarily. This week the Board has asked the member banks that participate in the survey whether they regard all or part of this information on interest

rates as confidential and whether they would be adversely affected if the data for individual banks were to be made public. Several banks had notified us previously that they will drop out of the survey if assurance of confidential treatment cannot be given. How many banks will take this attitude, we do not know at present.

It is entirely clear, however, that if refusal by banks to participate in the survey were at all widespread, this would not only jeopardize the information on consumer loan rates that is now available to the public but it would also jeopardize the numerous other voluntary surveys conducted by the Federal Reserve—surveys that yield vital data on bank credit, business loans, bank lending practices, consumer credit, and so on.

Let me now turn to the apparent theft—a matter that has excited this committee's interest. On February 14 I was informed that *Consumer Reports*, a magazine published by Consumers Union, had in its possession interest rate data that had been reported to us by individual banks for November 1974, that the magazine planned to publish these data in its March issue, that the data had been improperly obtained, and that a Federal law protecting confidential statistical data may have been violated. Clearly, if a theft was committed by one or more of the Federal Reserve's employees, it was essential to the integrity of our future operations to establish the facts in the case and to take any corrective action that might be warranted. The circumstance that the apparent theft involved interest rate data had no relevance whatsoever to our handling of this case. What was important to me was the apparent theft of Government property. We could neither ignore nor condone this.

As I reviewed the problem, it became clear that three options were available to us. We could initiate an internal inquiry; we could retain a qualified outside firm to undertake an investigation; or we could request a law enforcement agency to look into the matter. Since our internal resources were unequal to the task, and since I had doubts about the propriety of calling in private investigators, I decided that it would be best to request the Government's investigative body, namely, the Federal Bureau of Investiga-

tion, to conduct the inquiry. FBI officials were immediately contacted by telephone and their assistance requested. The investigation began on February 19. The FBI has complete charge of the inquiry and I am unaware of what progress, if any, has been made up to this point.

I hope that I have made it clear that the issue involved in this case goes beyond the unauthorized disclosure of individual bank data on consumer loan rates. In fact, it goes to the very heart of our data collection system, which is so necessary in carrying out our responsibilities. The Nation's central bank cannot have a dishonest employee; it must take every appropriate step to protect the integrity of its operations.

I understand that this subcommittee's interest in this case derives from its concern about consumer affairs. As I have already explained, the fact that data on consumer loan rates are involved in the case has no relationship whatsoever to my request for an FBI inquiry. My sole concern was, and remains, the apparent theft of Government property and the continued ability of the Federal Reserve System to collect statistical information that is essential in its work.

In conclusion, let me say a word about the Federal Reserve's interest in consumer problems. While the Federal Reserve was not established as a consumer protection agency, it has become more and more involved in this field over the years. Since 1934 the Federal Reserve has had responsibility for setting margin requirements on securities credit—that is, for regulating credit that is used to purchase or carry securities. In 1968 the Truth in Lending Act directed the Board to prescribe regulations for the protection of consumers in their credit transactions. Last year, in anticipation of additional consumer responsibilities, the Board established an Office of Saver and Consumer Affairs. This new division, reporting directly to the Board, coordinates the System's responsibilities that are related to savers and to consumers.

Governor Bucher, who has been assigned special oversight responsibility in this area, will explain more fully the activities of this Office under both long-standing and recently enacted legislation. [ ]

*Statement by Jeffrey M. Bucher, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Commerce, Consumer and Monetary Affairs of the Committee on Government Operations, U.S. House of Representatives, March 6, 1975.*

On behalf of the Board of Governors, I welcome the opportunity to appear before this subcommittee to outline the scope of the Board's consumer protection program, with particular reference to the collection and dissemination of statistical data.

In 1974, as I shall describe shortly, the Board established the Office of Saver and Consumer Affairs in order to provide a focus within the Board's structure for the conduct of our responsibilities affecting consumers. However, we believe it is important to underscore the fact that throughout its history, and certainly within the period of time encompassed by the service of present members of the Board, the interests of consumers have been very much taken into account over the whole range of decisions we have made with regard to such vital areas as monetary policy, bank and bank holding company supervision and regulation, securities regulation, and electronic funds transfers. Economic policies, particularly those relating to the role of monetary policy in economic stabilization, are of the utmost importance to all consumers, and the Board is always mindful of its responsibility to be responsive to their concerns. In this regard, the Board continually strives to follow policies that will promote stable prices, high employment, and production. The Board's regulation of member banks contributes to the welfare of consumers by helping to assure the safety and soundness of banks. To help us in these tasks, we have assembled the best staff we could find, and have given them the job of informing the Board how best to meet the needs of the public at large. To give you an example of how this process works, let me mention briefly what the Board of Governors has done to strengthen competition in the area of consumer credit over and apart from the Truth in Lending function, which deserves separate treatment.

## COMPETITION IN CONSUMER FINANCE

The Board for some time has held the view, which was later enunciated in the report of the National Commission on Consumer Finance, that we should rely basically on vigorous competition to provide optimal performance in terms of the price and the availability of consumer credit. For many years the Board has been responsible for administering the Bank Merger Act among State member banks and thus fostering competition among these important consumer lenders. More recently under authority granted by Section 4(c)(8) of the Bank Holding Company Act the Board has authorized bank holding companies to establish subsidiary finance companies; as part of this authorization, procedures have been established to encourage *de novo* entry in this field. These actions, which are essentially procompetitive, are permitted after a careful review by the Federal Reserve. Moreover, although the Board's procedures encourage *de novo* entry, we believe the acquisition of an existing company in specific instances may also be procompetitive. We have denied applications to acquire existing companies that compete significantly with the applicant in geographical areas they already serve. This has encouraged applicants to approach the Board with proposals involving companies that serve markets geographically separated from those served by the applicant. Substantial competition can result from such a process. At all times the Board keeps in mind the criterion that the public benefits must outweigh any adverse effects, and in the consumer credit field this policy should over time result in better service for consumer credit borrowers.

## SECURITIES CREDIT REGULATION

In 1934 the Federal Reserve was given the responsibility by the Congress for setting margin requirements on credit to purchase or carry securities. The principal of this legislation was to prevent the excessive use of credit to purchase or carry securities.

While the securities credit regulations we



have issued under this authority provide indirect protection for the saver and investor by helping to avoid destabilization of securities markets, the regulations also provide a more direct protection. The legislative history of the statutory provision (Section 7 of the Securities Exchange Act of 1934 (15 U.S.C. 78g)) shows that the Congress was also concerned about an important ancillary effect of the regulation. By limiting the extent to which an individual could be induced to buy securities on thin margin, the legislation reduced the chances of his being overcommitted and of being sold out if the market should decline.

### TRUTH IN LENDING

With this record of activity as a background, it is perhaps not surprising that in recent years the Congress has added to the Board's responsibilities by placing upon us specific duties in the field of consumer protection. The first example of this legislation, of course, was the Truth in Lending Act, which was passed in 1968. This legislation, as you know, was based on the premise that uniform disclosure of credit costs would enable the consumer to compare more readily various credit terms and thus help to educate consumers in the use of credit. Amendments to the Act in 1970 prohibited the unsolicited distribution of credit cards and limited the liability for unauthorized use of lost or stolen cards to \$50.

The coverage of Truth in Lending is far-reaching because great numbers of individuals use consumer credit in one form or another. Many retail stores offer charge accounts with extended repayment privileges and subject to special financing charges; credit cards may be used for department and other store purchases, travel, or entertainment; cars and furniture may be bought on an instalment purchase plan; most homes are purchased with a mortgage; and medical bills, vacations, and even tax payments are often financed through personal loans repayable in monthly instalments. Although the precise number of creditors subject to Truth in Lending is not known, we believe about 1 million is a reasonable estimate.

Because of the Act's extremely broad impact

on both creditors and consumers, the Board instituted an extensive program of public education relating to Truth in Lending in conjunction with developing the necessary regulations. Early in the life of Truth in Lending, members of the staff participated in a great number of meetings and seminars sponsored by creditor and consumer groups and by regulatory agencies for the purposes of explaining the Truth in Lending provisions. While no actual count of the number of such contacts has been maintained, such training sessions constituted a substantial amount of the staff's work during the earlier periods.

One of the major educational thrusts was to put into the hands of creditors and consumers a pamphlet containing the Truth in Lending Act and Regulation Z. This pamphlet also contained questions and answers about the regulation and sample disclosure forms. To date, nearly 2 million copies of the Regulation Z pamphlet have been distributed. In addition, copies of amendments and interpretations of Regulation Z have been available on request, and the Regulation Z pamphlet has been republished from time to time to include new amendments and interpretations. Any interested person can be placed on the mailing list.

The Board has also developed a leaflet for consumers explaining in easy-to-understand language the primary provisions of the Act. Thus far, almost 3.5 million copies of this free leaflet have been distributed to the public. A Spanish language version of the leaflet has also been published, and more than a half million copies have been distributed. In addition, the Board's staff has developed film strips for consumer and creditor education. Copies of a film strip may be borrowed free of charge or purchased for \$10 each. Questions from the public continue to occupy a substantial amount of staff time. In addition, the 12 Federal Reserve Banks have also been involved in the educational efforts.

Clearly, Truth in Lending is not going to effect an overnight change in the consumer's attitude toward the cost of credit and the need to shop for credit. We feel that substantial further improvement in this area cannot be expected until such matters are taught in the

schools. In this vein, the Board is further developing educational materials for use in secondary and adult education classrooms. We are hopeful of having these ready for formal classroom use during the 1975-76 school year. In addition, we are currently working on four additional consumer leaflets, which would be distributed by the Board and in conjunction with the General Services Administration's consumer information program. These leaflets will deal with such problems as credit cards, savings accounts, car loans, and the benefits of prepaying a loan.

#### OFFICE OF SAVER AND CONSUMER AFFAIRS

The Board's Office of Saver and Consumer Affairs was formed as a new division on August 5, 1974, in anticipation of the responsibilities that the Congress was expected to give the Board under the Equal Credit Opportunity Act, the Fair Credit Billing Act, and the Federal Trade Commission Improvements Act. The new division assumed existing staff functions under the Truth in Lending Act and the Securities Exchange Act of 1934. My former duties as the member of the Board with primary responsibility for Truth in Lending were expanded to include all the activities of the Office of Saver and Consumer Affairs.

The first priority was to recruit a staff to draft regulations under the new legislation. Our recruitment effort is now virtually complete, and I am glad to say that we have been able to assemble a group of effective and dedicated people with excellent backgrounds in both the consumer credit and the antidiscrimination areas.

Even before the new division was formally established, the staff had begun preliminary work at the Board's direction on regulations covering Equal Credit Opportunity and improved real estate settlement procedures. In anticipation of legislation being passed by the Congress, work began shortly after August 5 on regulations to implement the Fair Credit Billing Act and on regulations as to unfair or deceptive acts or practices by commercial banks, which would parallel regulations ex-

pected to be adopted by the Federal Trade Commission.

In December the Board assigned the new division the task of carrying out the Board's responsibilities under Title VIII of the Civil Rights Act of 1968. Title VIII forbids discrimination in the extension of housing credit and is enforced by the Board as to State member banks. The Division's first project was to process the information collected for the Board under a pilot survey program. The program, undertaken last spring, is a joint effort by the four Federal supervisors of financial institutions to develop a means of ascertaining the extent of discrimination in residential housing credit.

The public law mandating the Equal Credit Opportunity and Fair Credit Billing regulations becomes effective on October 28, 1975. It is essential that the public be informed of the new requirements well in advance of that date so that creditors can adjust their operations accordingly and consumers can be informed of their new rights. Inasmuch as a minimum of 90 days should be allowed between final adoption of the regulation and October 28, 1975, for consumer education and adjustments by lenders, only about 8 or 9 months were available for drafting the regulations, obtaining public comment, and revising the regulations prior to their adoption by the Board. A special task force was created in the Division and draft regulations are already nearing completion.

Because of this priority, the staff has of necessity concentrated on meeting with consumer and creditor groups in order to inform itself as to the problems to be covered and on the actual work of drafting the regulations. Also, the very heavy continuing responsibility for interpreting and explaining the truth in lending and the securities credit regulations could not be neglected. Nevertheless, the staff has had a primary focus from the beginning on the question as to how consumers can best be equipped with the tools they will need to shop intelligently for credit and to resist credit discrimination that is based on factors other than individual creditworthiness.

Two obvious tools are consumer education and consumer information as to the cost of credit. I have already described the educational

efforts that the Board has undertaken to make consumers aware of Truth in Lending, and similar efforts are in a preliminary planning stage as to the regulations implementing the Equal Credit Opportunity and the Fair Credit Billing Acts.

In July 1974, the Board submitted to the Senate Committee on Banking, Housing and Urban Affairs at the request of Senator Sparkman, the then-Chairman of that committee, an extensive report concluding that it would be preferable to enact legislation requiring disclosure to consumers of sufficient information to permit comparison of the relative merits of the various savings account plans offered rather than to select and impose a uniform method of interest calculation for savings accounts. In this area, as well as in the area of credit costs, our consumer protection staff has recently begun to evaluate the extent to which information in addition to that already required under the Truth in Lending Act and Regulation Z or under a Truth in Savings Act might be useful to enable the consumer to shop more effectively for credit or for a return on his savings.

The staff will be considering, among other things, the kinds of information that would facilitate the consumer's comparison of credit costs or returns on savings among lenders or savings institutions in a given market area, the feasibility of accumulating and insuring the accuracy of such information, and the extent to which the Board's existing statutory authority would allow it to impose such requirements.

## STATISTICAL INFORMATION

In order for the Board to carry out its many functions with the best possible regard for the public interest, it has become necessary over the years to develop a very extensive system of data collection.

For example, some of the data collected regularly from specially selected samples of banks include a weekly balance sheet report from large commercial banks, commercial and industrial loans by industry, a maturity distribution of large certificates of deposit, nondeposit sources of funds, ownership of demand deposits, Federal funds transactions, the volume of consumer

loans to individuals for household, family, or other personal expenditures, auto instalment loans by dealers, bankers acceptances, time and savings deposit rates, debits to demand deposits, interest rates on loans to business, changes in bank lending practices, and foreign branch assets and liabilities. All of these data are used for the compilation of the many tables published each month in the Federal Reserve BULLETIN. These data are of critical importance to the Federal Reserve System in carrying out its statutory responsibilities for the formulation and implementation of monetary policy, and they are also important to an extensive array of outside users, including other Government agencies, banks and other businesses, research organizations, and individual academicians and other scholars. I might add that, as far as I know, the data we release exceed that published by any other central bank in the world.

Additional data are collected for regulatory and supervisory purposes, and the Federal Reserve Banks collect information and data from banks in their districts often for research use, such as for studies of regional economic and financial trends.

Data also are collected for published statistical releases from nonbank sources—such as information from finance companies on the volume of various types of loans outstanding and new loans made, and information from electric utilities and industrial plants on electric power for use in the industrial production index calculations.

This data collection program is based in large measure on the voluntary provision of information, not only by member banks but also in many cases by nonmember banks and other financial and nonfinancial businesses. Insofar as possible, the Board has attempted to rely on voluntary reports rather than on statutory authorization because we believe the comprehensiveness and accuracy of the data received in this manner are superior to what can be obtained by bureaucratic mandate.

A key element in eliciting this cooperation is the confidential treatment accorded the individual bank or firm data submitted to the Board. This is particularly true in the case of data collected on the basis of sampling procedures,

which the System uses extensively in order to minimize the processing costs and the burden on the respondent. In the case of sampling, individual respondents are at best reluctant to participate in data collection surveys when they know that some of their competitors are not being covered, and it seems clear that many would refuse to participate if they felt that there was risk of disclosure of the data they reported because disclosure could reveal and compromise the competitive position of the reporting institution. Accordingly, the policy of the Board has been to treat unpublished statistical information submitted in confidence as exempt from public disclosure and also to treat as confidential the identities of the individual banks and other institutions that participate in sample surveys.

Viewed from the standpoint of over-all public benefit, there is no doubt that the Board's present data collection program pays substantial dividends. The reliability and scope of the data assist not only the Board but many government agencies, businesses, and scholars. We believe it is extremely important that, in searching for

new ways in which these data may be utilized to serve the public, we do not lose sight of the great value that already accrues to all Americans from the present statistical information program. In any event, the Board intends, as it designs and conducts its statistical operations, to look for opportunities to make relevant data available in a form that would be appropriate to the consuming public.

The Board's consumer-related programs, as I have outlined here today, are and will remain a high priority. In addition, I want to emphasize that, although my discussion has focused on our Office of Saver and Consumer Affairs and our responsibilities with regard to consumer credit, our vision is not so narrowly limited and it looks beyond to the welfare of consumers generally. Policies adopted by the Board benefit the consumer by striving for stable prices, a sound financial system, and a high level of employment and production.

Thank you, Mr. Chairman; I shall be glad to answer any questions that you or the other members of the subcommittee may have. | |

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*Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on the Budget, U.S. Senate, March 13, 1975.*

I am glad to meet with this committee today to discuss with you the difficult fiscal and economic problems confronting this Nation.

The fiscal decisions that this committee and the Congress must face are of profound importance to our Nation's future. A prompt tax reduction is needed to cushion the recession now afflicting our economy. But we must keep in mind that the Federal deficit in prospect for this and the forthcoming fiscal year is already huge. A substantial further increase could put excessive strains on money and capital markets, push up the rate of inflation later on, and reinforce other long-run trends that have been adversely affecting the performance of the American economy. The ways in which we as a people

deal with these problems in the months ahead may well determine whether our country will return to a stable prosperity or continue to drift in ways that are gradually sapping the strength of our economic system.

In my testimony today, I shall discuss, first, our immediate economic problems; next, some disturbing longer-term trends that require attention; and finally, the fiscal issues that have become the awesome responsibility of this committee under the Congressional Budget Act of 1974.

The economy is now in the midst of a severe decline in business activity. Over the past several months employment and production have decreased as rapidly as at any time during the postwar period. Unemployment has risen sharply, and the length of the workweek has also been substantially reduced.

As so often happens in the course of a recession, consumer demand for new homes, autos,

household furnishings, and other durable goods—items whose purchase can be most easily postponed—declined markedly last year. Moreover, weakness became evident also in markets for clothing and other nondurable consumer goods. To avoid a build-up of unsold inventories, business firms began last fall to cut back sharply on their production schedules and on their orders for materials and supplies. For a time sales fell so rapidly, however, that a substantial involuntary accumulation of inventories occurred.

Business firms are now working strenuously to eliminate excess stocks—through further curtailments of output, special promotions, and price concessions. These efforts are meeting with some success. Unit sales of new cars have clearly been bolstered by the price concessions offered by auto manufacturers. Moreover, total retail sales, expressed in constant dollars, have held up well thus far this year. There is also some evidence that the physical volume of total business inventories is now declining. Any such decline is bound to have a temporary depressing effect on production and employment, but it is an essential precondition for an upturn in business activity.

A solid recovery, however, will require a turnaround in housing and in spending for new plant and equipment by our Nation's business firms. New mortgage loan commitments of thrift institutions have risen appreciably in recent months, the inflow of funds to these institutions is continuing at a rapid rate, and new housing starts also increased somewhat in January. A pick-up in homebuilding may therefore be under way soon. But some businesses are still postponing or canceling plans for constructing new facilities or for installing new machinery and equipment. Larger business expenditures for fixed capital are now needed to add to the number of jobs and to expand personal incomes, thereby strengthening consumer purchasing power. Larger investment expenditures are also needed to provide, later on, the modernized industrial plants and the additional productive capacity that are essential to combating inflationary pressures and raising our living standards.

Monetary policy has responded to the weakening in economic activity by promoting easier

financial conditions. Federal Reserve open market operations began to be more accommodative last summer. As the year progressed, they were increasingly directed towards a more ample provision of reserves on the banking system. More recently open market policy has been reinforced by other monetary instruments. The discount rate was reduced on four occasions, and three reductions were made in member bank reserve requirements.

These policy actions, together with weaker demands for credit by businesses and consumers, have resulted in a sharp decline of short-term market interest rates. For example, the Federal funds rate—that is, the interest rate banks pay when borrowing reserves from one another—has declined from a peak of 13½ per cent registered in July of last year to less than 6 per cent now. The interest rate on short-term commercial paper has declined from over 12 per cent last July to around 6 per cent. The prime loan rate charged by banks has declined by about 4 percentage points. As a result of these reductions, short-term interest rates in the United States have recently been lower than in any other major industrial country.

Long-term interest rates have also declined, although much less than short-term rates. Lenders are still demanding a sizable inflation premium to supply long-term funds, and they are doing so in other countries as well as in the United States. Actually, long-term interest rates in our country are lower than in any major industrial nation except Switzerland.

The beneficial effects of easier conditions in financial markets have not been confined to the behavior of interest rates. Commercial banks have repaid their borrowings from the Federal Reserve and have taken other steps to improve their liquidity. Liquidity positions of nonbank thrift institutions have also improved, and mortgage credit has become more readily available. A large volume of long-term securities has been successfully marketed by business corporations and municipal governments; tensions and uncertainties surrounding financial markets earlier last year have diminished; and stock prices of late have been rising briskly.

Thus, the course of monetary policy since last summer has fostered conditions in financial markets that are helping to mitigate recessionary

forces and to encourage early recovery in economic activity. However, in view of the continuing seriousness of the problem of inflation, the Federal Reserve's actions to expand the supply of money and credit have been disciplined by prudence. True, inflationary pressures of late have shown welcome signs of moderating; for example, the over all index of wholesale prices has declined in each of the past 3 months. But wage increases are continuing to exceed productivity changes by a wide margin, and the consumer price level is still rising at an annual rate of about 8 per cent. The menace of inflation is by no means behind us. Let us not lose sight of the fact that the severe recession in which we find ourselves is largely a consequence of neglect in dealing with our persisting inflation. This is one of several longer range problems to which I want to direct this committee's attention.

Inflation has been a concern of this country, as well as others, throughout most of the period since World War II. However, the upward march of prices began to accelerate in the middle 1960's, and it became dangerously rapid in 1973 and 1974. As is characteristic of an inflationary boom, speculative activities flourished, particularly in real estate markets, while industrial efficiency languished. During 1973 and much of 1974, purchasing agents found themselves scrambling for materials, component parts, and equipment; order books of business firms became overfull; delays in deliveries became longer and more frequent; costs and prices soared; demands for credit increased rapidly and outran available supplies.

As a result of these developments, our Nation's productive capacity suffered a setback. Consumer purchasing power was eroded; the real value of the wages, savings deposits, pensions, and life insurance policies of the American public diminished. Corporate profits declined—a fact that received little notice because of accounting techniques that had been designed for inflation-free times. Financial markets underwent exceptional stresses and strains, and interest rates soared to record levels. In short, inflation led to this recession as it has done time and again in the past.

We cannot realistically expect to regain last ing prosperity until businesses and consumers

see some end to the inflation that has been damaging our economy. Public policy, both now and in the future, must not lose sight of this hard-learned truth.

A major factor responsible for the accelerating inflation of the past 10 years is fiscal laxity. The current round of inflation began when the Federal Government embarked on a highly expansive fiscal policy in the middle 1960's. Large tax reductions occurred in 1964 and the first half of 1965, and they were immediately followed by a rapid increase of Federal spending. New and substantial tax reductions occurred again in 1969 and 1971, and they, too, were followed by massive increases of expenditures.

Deficits have therefore mounted, and they have persisted through good years and bad. In the last five complete fiscal years—that is, from 1970 through 1974—the Federal debt held by the public, including obligations of the Federal credit agencies, rose from \$304 billion to \$412 billion, an increase of 35 per cent. The huge deficits of recent years added enormously to aggregate monetary demand for goods and services, but they added little to our Nation's capacity to produce. They have thus been directly responsible for a substantial part of the inflation problem.

While reductions in tax rates contributed to chronic deficits, by far the largest source of the problem came from increases of Federal expenditures. It may be useful to remind ourselves of what has recently happened to the rate of Federal spending.

Total Federal expenditures did not reach the \$100 billion level until fiscal 1962, or nearly 200 years after the founding of the republic. By fiscal 1971, only 9 years later, Federal spending rose another \$100 billion and thus passed the \$200 billion mark. This fiscal year, or only 4 years later, the \$300 billion mark will be passed, and—at the rate we are going—the \$400 billion level may be exceeded in another 2 years, that is, in fiscal 1977. If this trend of acceleration persists, we will soon be adding \$100 billion or more to the total Federal spending every year.

The huge and persistent increases in governmental expenditures, besides being a major cause of intensifying inflationary pressures over the past decade, have also been responsible for

a weakening of individual enterprise in this country. This is the second longer-run problem that our Nation must confront.

Over the past quarter century, governmental programs have increased markedly the share of national output going to persons who are not productively employed. Transfer payments by all governmental units—in such forms as public welfare, social security benefits, unemployment insurance, and other public assistance—have risen about twice as fast as total wages and salaries, so that they now amount to about one-fifth of the aggregate of wage and salary disbursements. Twenty-five years ago, a typical worker with three dependents gave up only about 1 per cent of his gross weekly earnings in Federal income and social security taxes. Since then, that fraction has risen steadily, and it reached 13 per cent in 1974.

Any large increase in the absorption of private incomes by Government is bound to raise questions about economic efficiency. In 1929 governmental spending at all levels accounted for less than 11 per cent of the dollar value of our Nation's total production. The corresponding figure rose to 20 per cent in 1940, 30 per cent in 1960, and 36 per cent in 1974. Higher taxes, in particular, pose a threat to individual incentives—all the more so when taxes are levied on persons who work and produce, and the funds are then transferred to others who remain idle. We are, and I hope that we will always remain, a compassionate people. But if we continue to seek rapid growth of our national economy, as I believe we still do, we can ill afford to neglect the fundamental precept that there must be adequate rewards to stimulate individual effort.

Nor can our Nation afford to neglect the deterioration in corporate profits that has taken place over the past decade or more. This is another longer-run problem of major importance. The ratio of profits of nonfinancial corporations to the corporate gross product has been declining rather steadily for many years, and profits in the aggregate have been far too low in recent years to supply the financing needed for vigorous expansion of capital investment.

Last year the pre-tax profits of all nonfinancial

corporations from their domestic operations may appear to have been about 16 per cent higher than in 1973 and 45 per cent higher than in 1972. However, the dominant factor in this rise was an extraordinary increase in inventory profits—an element of earnings that is illusory. It stems from the fact that the accounting practices of many corporations still do not allow for the fact that inventories used up in production must be replaced at higher prices during a period of inflation. As a consequence, costs of operations have been understated, and fictitious profits have been created that are being taxed by the Federal Government.

Once this illusory inventory profit is eliminated, we find that the after-tax domestic profits of nonfinancial corporations did not rise last year. On the contrary, they declined by 20 per cent and were smaller than 8 or 10 years earlier—when the dollar value of the output of these corporations was about half what it is now. Moreover, when allowance is made for the fact that depreciation schedules for fixed capital are also based on historical costs—rather than replacement costs—and thus contribute yet another illusory element to book profits, we find that the picture of corporate profits is still darker.

The slump in corporate profits during the past decade is a major reason why business capital investment has been inadequate to maintain the long-term growth of productivity in this country. This is the fourth longer-range problem to which I want to call the committee's attention.

The trend of productivity improvement is tending to flatten out. During the past decade, the average annual increase of productivity in the private nonfarm economy was less than 2 per cent, compared with nearly 3 per cent in the previous 10 years. Within the past decade, the rate of improvement in productivity diminished also. This development has a significant and cumulative bearing on the living standards of our people, and also on the impact that rising wage rates have on costs of production and prices.

There has been still another ominous consequence of deteriorating business profits—namely, a decline in the financial strength of

many of our Nation's business firms. This is the fifth longer-term trend that requires attention.

Years ago our Nation's large business corporations financed much of their capital investment from internal sources—that is, from profits and depreciation reserves. For more than a decade, however, dependence on borrowed funds has been rising steadily.

This growing reliance on borrowed money means that the debt owed by business firms has kept growing relative to their equity position. Moreover, a large part of the indebtedness has been in the form of short-term obligations, and these, in turn, have grown much more rapidly than holdings of current assets. As a consequence, many large businesses no longer have the strength or resilience they once had in the face of economic and financial adversity.

The sixth longer-range problem to which I wish to draw your attention is the foreign exchange value of the dollar. Actually the dollar began weakening many years before it was formally devalued in 1971. Before that, our balance of payments had been in deficit for a prolonged period, and the dollar holdings of foreign central banks kept rising steadily. The devaluation of 1971 and also that of 1973 were thus a consequence of trends that had been under way for many years.

Since the second devaluation in 1973, the foreign exchange value of the dollar has fluctuated fairly widely. For example, since last September, the average value of the dollar has fallen by about 7 per cent in relation to the currencies of ten major countries. Such fluctuations make it more difficult for foreign traders and investors to make rational plans for the future. We must bear this in mind, and also the fact that any appreciable further decline in the external value of the dollar would add to our domestic inflation problem.

Let me turn now to the implications for public policy of our immediate and longer-range economic difficulties.

The most urgent need at the present time is to cushion the recession. Action to reduce personal income taxes and to increase the investment tax credit is overdue. The House has already acted, and I hope that the Senate will

soon reach its decision—either along the lines recommended by the President or as embodied in the House bill. If the stimulus to the economy thus provided proves insufficient, additional stimulus could be provided 2 or 3 months later.

The principle underlying the President's fiscal program should, however, be kept clearly in mind. A temporary boost to aggregate demand is needed to alleviate recessionary forces, but we must try to accomplish this without adding to Federal deficits over the longer run.

The Tax Reduction Act of 1975 passed by the House (H.R. 2166) is consistent with this principle because it provides for temporary tax reductions. However, a variety of increases in expenditures are meanwhile in the making, and sentiment is also developing for larger and permanent tax reductions. I have become deeply concerned, therefore, about the size of our prospective deficits, and the threat posed by these deficits for our money and capital markets and for our longer-run inflationary trend.

Let us take stock of where we are and what may happen in the forthcoming fiscal year. In the current fiscal year total Federal outlays will probably exceed revenues by much more than the \$35 billion estimated in the President's budget message. This enormous deficit is regrettable, but it reflects largely the effects of the recession on Federal tax receipts and on expenditures for unemployment insurance and related programs. In any event, there is no practical means of reducing significantly the deficit for fiscal 1975 at this late stage.

For fiscal 1976 the unified budget deficit projected by the administration just a few weeks ago totaled \$52 billion, but that figure is merely serving as the base on which increases are being built. The official administration estimate was raised some days ago to about \$54 billion on account of the release of previously frozen highway and hospital construction funds and also because the Congress did not raise the price of food stamps. The President has just requested almost \$2 billion additional funds for public service jobs and summer youth employment. But that is not the end of the matter. If H.R. 2166 is enacted, in lieu of the administration's tax program, the deficit in fiscal 1976 will rise another \$5 billion or \$6 billion, thus bringing



the total to more than \$60 billion. Moreover, if the great bulk of the rescissions, deferrals, and other spending curbs specified in the administration's budget are rejected by the Congress, the deficit will reach about \$75 billion. If off-budget outlays and those of Government-sponsored enterprises are also added, as I believe they should be, the figure mounts to more than \$90 billion. And if the Congress provides funding for programs beyond present estimates or if revenues fall short of present projections, the Federal deficit to be financed in the upcoming fiscal year could exceed \$100 billion.

I cannot stress too strongly the dangers inherent in a deficit of anything like that magnitude. Much of the financing of the deficit will occur at a time when private credit demands will probably be strengthening. Enormous strains may therefore be placed on the money and capital markets. This means that interest rates may begin to shoot up, that many private borrowers may be crowded out of the market, that savings funds may once more be diverted from mortgage lenders, and that the stock market may turn weak again.

With deficits mounting, the Federal Reserve will probably be subjected to pressure from all sides to follow a highly expansive monetary policy. Every citizen should recognize, however, that unbridled monetary and credit expansion in circumstances of this kind could have disastrous consequences. Short-term interest rates might be held down for a short time by permitting the supply of money and credit to increase apace with soaring credit demands. But long-term interest rates would soon be likely to move up rather briskly because lenders and borrowers alike would realize that a new and

even more virulent round of inflation may soon follow.

I must advise this committee that the only responsible course now available to the Federal Reserve is to pursue a moderate path of monetary expansion. As I see things, the time remaining for getting control of our Nation's long-run problems is growing short. Certainly the people of this country are weary of inflation; they are confused and disturbed by the huge budget deficits that are in the making this fiscal year and next; and they are anxiously awaiting evidence that their Government can and will take the necessary steps to restore a stable prosperity.

I hope, therefore, that this committee will focus a good deal of its attention on the course of public policy needed to cope with the serious longer-run problems facing the Nation as well as on the actions needed now to encourage early recovery of business activity.

Solving these longer-range problems will require a better measure of discipline in Federal finances. Actions taken to stimulate the economy now must not erode the tax base, and we must avoid setting off another spiraling rise of Federal expenditures. Ways must be found to curb the ever-increasing share of the national income absorbed by governmental programs. Ways must be found also to strengthen business profits and the state of business finances, and to increase the incentives for expansion of productive capacity and for modernization of our Nation's industrial plant.

Above all, the Congress needs to keep firmly in mind that the task now facing our country is not only to hasten the process of economic recovery but also to lay the basis for a lasting prosperity. □

# Law Department

Statutes, regulations, interpretations, and decisions

## RULES REGARDING AVAILABILITY OF INFORMATION

The Board of Governors has revised its Rules Regarding Availability of Information to implement 1974 Amendments to the Freedom of Information Act.

### AMENDMENTS TO RULES REGARDING AVAILABILITY OF INFORMATION

1. Effective February 19, 1975, section 261.3 is amended to read as follows:

#### SECTION 261.3 PUBLISHED INFORMATION

\* \* \* \* \*

(b) **Annual Reports.** The Board's Annual Report to Congress pursuant to section 10 of the Federal Reserve Act (12 U.S.C. 247), which is made public immediately after its submission to Congress, contains a full account of the Board's operations during the year, an economic review of the year, and legislative recommendations to Congress. As required by law, the Annual Report includes (1) a complete record of the policy actions taken by the Board and the Federal Open Market Committee, showing the votes taken thereon and the reasons underlying such actions (12 U.S.C. 247a); (2) material pertaining to the administration of the Board's functions under the Bank Holding Company Act of 1956 (12 U.S.C. 1844); and (3) material pertaining to bank mergers approved by the Board under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)).

Pursuant to section 114 of the Truth in Lending Act (15 U.S.C. 1613) the Board reports annually to the Congress concerning the administration of its functions under the Act, and includes such recommendations as it deems necessary or appropriate, and its assessment of the extent to which compliance is being achieved. An annual report is also submitted pursuant to the Freedom of Information Act (5 U.S.C. 552) with regard to requests for information under that Act.

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(d) **Other published information.** As required by section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)), the Board issues weekly (1) a statement of the condition of the Federal Reserve Banks; (2) a statement listing certain applications received by or on behalf of the Board and actions on such applications by the Board, or on behalf of the Board pursuant to authority delegated under Part 265 of this chapter, as well as other matters issued, adopted, or promulgated by the Board; and (3) a statement showing changes in the banking structure resulting from mergers and the establishment of branches. From time to time, the Board issues statements to the press regarding particular monetary and credit actions, regulatory actions, actions with respect to certain types of applications, and other matters. In addition, it issues various publications, the more important of which are listed in the monthly Federal Reserve *BULLETIN*. Among such publications is a loose-leaf compilation of *Interpretations of the Board of Governors of the Federal System*.

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(f) **Index of Board action.** There is available to the public upon request to the Secretary of the Board, at a charge not to exceed the direct cost of duplication, copies of an index providing identifying information as to any matter issued, adopted or promulgated by the Board between July 4, 1967 and February 19, 1975. Furthermore, the Board publishes and distributes to the public, at a cost not to exceed the direct cost of duplication, a weekly index providing identifying information as to any matter issued, adopted or promulgated by the Board after February 19, 1975.

2. Effective February 19, 1975, section 261.4 is amended to read as follows:

#### SECTION 261.4 RECORDS AVAILABLE TO THE PUBLIC UPON REQUEST

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(d) **Obtaining access to records.** Records of the Board subject to this section are available for

inspection and copying during regular business hours at the offices of the Board of Governors of the Federal Reserve System, Federal Reserve Building, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551, or, in the case of records containing information required to be disclosed under section 12 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78), at the offices of the Federal Deposit Insurance Corporation or at any Federal Reserve Bank. Every request for access to records of the Board, other than those containing information required under section 12 of the Securities Exchange Act, shall be submitted in writing to the Secretary of the Board, shall state the name and address of the person requesting access to such records, shall clearly indicate whether such request is an initial request or an appeal from a denial of information requested pursuant to the Freedom of Information Act, and shall describe such records in a manner reasonably sufficient to permit their identification without undue difficulty. The Secretary of the Board (or, in his absence, an Assistant Secretary designated by the Secretary) shall determine within ten working days after receipt of a request for access to records of the Board whether to comply with such request; and he shall immediately notify the requesting party of his decision, of the reasons therefor, and of the right of the requesting party to appeal to the Board any refusal to make available the requested records of the Board.

(c) **Appeal of denial of access to records of the Board.** Any person who is denied access to records of the Board, properly requested in accordance with paragraph (d) of this section, may file, with the Secretary of the Board, within ten days of notification of such denial, a written request for review of such denial. The Board or such member or members as the Board may designate, shall make a determination with respect to any such appeal within 20 working days of its receipt, shall immediately notify the appealing party of the decision on the appeal and the right to seek court review of any decision which upholds, in whole or in part, the refusal of the Secretary of the Board to make available the requested records; and such determination shall not be subject to the procedure prescribed in § 265.3 of this chapter with respect to review of actions taken pursuant to authority delegated by the Board.

(f) **Extension of time requirements in unusual circumstances.** In unusual circumstances as provided in 5 U.S.C. § 552(a)(6)(b), the time limitations imposed upon the Secretary of the Board or

the Board in paragraphs (d) and (e) of this section may be extended by written notice to the requesting party for a period of time not to exceed a total of ten working days.

(g) **Fee schedule.** A person requesting access to or copies of particular records shall pay the costs of searching for and copying such records at the rate of \$10 per hour for searching and 10 cents per standard page for copying. With respect to information obtainable only by processing through a computer or other information systems program, a person requesting such information shall pay a fee not to exceed the direct and reasonable cost of retrieval and production of the information requested. Detailed schedules of such charges are available upon request from the Secretary of the Board. Documents may be furnished without charge or at a reduced charge where the Secretary of the Board or such person as he may designate determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the general public or where total charges are less than \$2.

3. Effective February 19, 1975, section 261.6 is amended to read as follows:

**SECTION 261.6—EXEMPTIONS FROM DISCLOSURE**

\* \* \* \* \*

(1) is exempted from disclosure by statute or is specifically authorized under criteria established by an executive order to be kept secret in the interest of national defense or foreign policy and is in fact classified pursuant to such executive order;

\* \* \* \* \*

(4) is contained in investigatory files compiled for law enforcement purposes (but only to the extent provided in the Freedom of Information Act (5 U.S.C. § 552(b)(7)), including information relating to proceedings for (i) the issuance of cease-and-desist order, or order of suspension or removal, under the Financial Institutions Supervisory Act of 1966; (ii) the termination of membership of a State bank in the Federal Reserve System pursuant to section 9 of the Federal Reserve Act (12 U.S.C. 327); (iii) the suspension of a bank from use of the credit facilities of the Federal

Reserve System pursuant to section 4 of the Federal Reserve Act (12 U.S.C. 301); and (iv) the granting or revocation of any approval, permission, or authority, except to the extent provided in this Part and except as provided in Part 262 of this chapter concerning bank holding company and bank merger applications:

\* \* \* \* \*

## MISCELLANEOUS INTERPRETATION

### FOREIGN OPERATIONS SUBSIDIARIES

In a previous interpretation, the Board determined that a State member bank would not violate the "stock-purchase prohibition" of section 5136 of the Revised Statutes (12 U.S.C. 24 § 7) by purchasing and holding the shares of a corporation which performs "at locations at which the bank is authorized to engage in business, functions that the bank is empowered to perform directly"<sup>1</sup> (1968 FEDERAL RESERVE BULLETIN 681, 12 CFR § 250.141). The Board of Governors has been asked by a State member bank whether, under that interpretation, the bank may establish such a so-called "operations subsidiary" outside the United States.

In the above interpretation the Board viewed the creation of a wholly owned subsidiary which engaged in activities that the bank itself could perform directly as an alternative organizational arrangement that would be permissible for member banks unless "its use would be inconsistent with other Federal law, either statutory or judicial".

In the Board's judgment, the use by a member bank of operations subsidiaries outside the United States would be clearly inconsistent with the statutory scheme of the Federal Reserve Act governing the foreign investments and operations of member banks. It is clear that Congress has given member banks the authority to conduct operations and make investments outside the United States only through gradually adopting a series of specific statutory amendments to the Federal Reserve Act, each of which has been carefully drawn to give the Board approval, supervisory, and regulatory authority over those operations and investments.

<sup>1</sup>National banking associations are prohibited by section 5136 of the Revised Statutes from purchasing and holding shares of any corporation except those corporations whose shares are specifically made eligible by statute. This prohibition is made applicable to State member banks by section 9 § 20 of the Federal Reserve Act (12 U.S.C. 435).

As part of the original Federal Reserve Act, national banks were, with the Board's permission, given the power to establish foreign branches.<sup>2</sup> In 1916, Congress amended the Federal Reserve Act to permit national banks to invest in international or foreign banking corporations known as "Agreement" Corporations, because such corporations were required to enter into an agreement or understanding with the Board to restrict their operations. Subject to such limitations or restrictions as the Board may prescribe, such Agreement Corporations may principally engage in international or foreign banking, or banking in a dependency or insular possession of the United States, either directly or through the agency, ownership or control of local institutions in foreign countries, or in such dependencies or insular possessions of the United States. In 1919 the enactment of section 25(a) of the Federal Reserve Act (the "Edge Act") permitted national banks to invest in Federally chartered international or foreign banking corporations (so-called Edge Corporations) which may engage in international or foreign banking or other international or foreign financial operations, or in banking or other financial operations in a dependency or insular possession of the United States, either directly or through the ownership or control of local institutions in foreign countries, or in such dependencies or insular possessions. Edge Corporations may only purchase and hold stock in certain foreign subsidiaries with the consent of the Board. And in 1966, Congress amended section 25 of the Federal Reserve Act to allow national banks to invest directly in the shares of a foreign bank. In the Board's judgment, the above statutory scheme of the Federal Reserve Act evidences a clear Congressional intent that member banks may only purchase and hold stock in subsidiaries located outside the United States through the prescribed statutory provisions of sections 25 and 25(a) of the Federal Reserve Act. It is through these statutorily prescribed forms of organization that member banks must conduct their operations outside the United States.

<sup>2</sup>Under section 9 of the Federal Reserve Act, State member banks, subject, of course, to any necessary approval from their State banking authority, may establish foreign branches on the same terms and subject to the same limitations and restrictions as are applicable to the establishment of branches by national banks (12 U.S.C. 321). State member banks may also purchase and hold shares of stock in Edge or Agreement Corporations and foreign banks because national banks, as a result of specific statutory exceptions to the stock purchase prohibitions of section 5136, can purchase and hold stock in these Corporations or banks.

To summarize, the Board has concluded that a member bank may only organize and operate "operations subsidiaries" at locations in the United States. Investments by member banks in foreign subsidiaries must be made either with the Board's permission under section 25 of the Federal Reserve Act or, with the Board's consent, through an Edge Corporation subsidiary under section 25(a) of the Federal Reserve Act or through an Agreement Corporation subsidiary under section 25 of the Federal Reserve Act. In addition, it should be noted that bank holding companies may acquire the shares of certain foreign subsidiaries with the Board's approval under section 4(c)(13) of the Bank Holding Company Act. These statutory sections taken together already give member banks a great deal of organizational flexibility in conducting their operations abroad.

**FEDERAL OPEN MARKET COMMITTEE**

**RULES REGARDING AVAILABILITY OF INFORMATION**

The Federal Open Market Committee has amended its Rules Regarding Availability of Information to implement the 1974 Amendments to the Freedom of Information Act.

1. Effective February 19, 1975, section 271.4 is amended to read as follows:

**SECTION 271.4-- RECORDS AVAILABLE TO THE PUBLIC ON REQUEST**

\* \* \* \* \*

**(c) Obtaining access to records.** Any person requesting access to records of the Committee shall submit such request in writing to the Secretary of the Committee. In any case in which the records requested, or copies thereof, are available at a Federal Reserve Bank, the Secretary of the Committee may so advise the person requesting access to the records. Every request for access to records of the Committee shall state the full name and address of the person requesting them and shall describe such records in a manner reasonably sufficient to permit their identification without undue difficulty. The Secretary of the Committee shall determine within ten working days after receipt of a request for access to records of the Committee whether to comply with such request;

and he shall immediately notify the requesting party of his decision, of the reasons therefor, and of the right of the requesting party to appeal to the Committee any refusal to make available the requested records of the Committee.

**(d) Appeal of denial of access to records of the Committee.**--Any person who is denied access to records of the Committee, properly requested in accordance with paragraph (c) of this section, may file, with the Secretary of the Committee, within ten days of notification of such denial, a written request of such denial. The Committee, or such member or members as the Committee may designate (pursuant to section 272.4(c) of its Rules of Procedure) shall make a determination with respect to any such appeal within 20 working days of its receipt, and shall immediately notify the appealing party of the decision on the appeal and of the right to seek court review of any decision which upholds in whole or in part, the refusal of the Secretary of the Committee to make available the requested records.

**(e) Extension of time requirements in unusual circumstances.** In unusual circumstances as provided in 5 U.S.C. § 552 (a)(6)(b), the time limitation imposed upon the Secretary of the Committee or the Committee or its designated representative[s] in paragraphs (c) and (d) of this section may be extended by written notice to the requesting party for a period of time not to exceed a total of ten working days.

**(f) Fee schedule.** - A person requesting access to or copies of particular records shall pay the costs of searching and copying such records at the rate of \$10 per hour for searching and 10 cents per standard page for copying. With respect to information obtainable only by processing through a computer or other information systems program, a person requesting such information shall pay a fee not to exceed the direct and reasonable cost of retrieval and production of the information requested. Detailed schedules of such charges are available upon request from the Secretary of the Committee. Documents may be furnished without charge or at a reduced charge where the Secretary of the Committee or such person as he may designate determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the general public, or where total charges are less than \$2.

2. Effective February 19, 1975 section 271.6 is amended to read as follows:

**SECTION 271.6 INFORMATION NOT DISCLOSED**

\* \* \* \* \*

(a) is exempted from disclosure by statute or is specifically authorized under criteria established by an executive order to be kept secret in the interest of national defense or foreign policy and is in fact properly classified pursuant to such executive order.

\* \* \* \* \*

**FEDERAL OPEN MARKET COMMITTEE**

**RULES OF ORGANIZATION AND RULES OF PROCEDURE**

The Federal Open Market Committee of the Federal Reserve System has approved a realignment of staff personnel who supervise System open market operations under the Committee's direction at the New York Reserve Bank. The following revisions of the Committee's Rules are designed to reflect this staff personnel realignment.

**AMENDMENT TO RULES OF ORGANIZATION**

Effective February 19, 1975, section 5 of the Committee's Rules of Organization is amended to read as follows:

**SECTION 5 MANAGER AND DEPUTIES**

The Committee selects a Manager of the System Open Market Account, a Deputy Manager for Domestic Operations, and a Deputy Manager for Foreign Operations. All of the foregoing shall be satisfactory to the Federal Reserve Bank selected by the Committee to execute open market transactions for such Account, and all shall serve at the pleasure of the Committee. The Manager or his Deputies keep the Committee informed on market conditions and on transactions they have made and render such reports as the Committee may specify.

**AMENDMENT TO RULES OF PROCEDURE**

Effective February 19, 1975, section 272.3 is amended to read as follows:

**SECTION 272.3 MEETINGS**

\* \* \* \* \*

(d) **Attendance at meetings.** Attendance at Committee meetings is restricted to members and alternate members of the Committee, the Presidents of Federal Reserve Banks who are not at the time members or alternates, staff officers of the Committee, the Manager and Deputy Managers, and such other advisers as the Committee may invite from time to time.

(e) **Meeting agendas.** The Secretary, in consultation with the Chairman, prepares an agenda of matters to be discussed at each meeting, and the Secretary transmits the agenda to the members of the Committee within a reasonable time in advance of such meeting. In general, the agendas include approval of minutes of actions and acceptance of memoranda of discussion for previous meetings; reports by the Manager or Deputy Managers on open market operations since the previous meeting, and ratification by the Committee of such operations; reports by Economists on, and Committee discussion of, the economic and financial situation and outlook; Committee discussion of monetary policy and action with respect thereto; and such other matters as may be considered necessary.

**REGULATION RELATING TO OPEN MARKET OPERATIONS OF FEDERAL RESERVE BANKS**

The Federal Open Market Committee has revised its Regulation Relating to Open Market Operations of Federal Reserve Banks to authorize Reserve Banks other than the New York Reserve Bank to purchase certificates of indebtedness directly from the Treasury under circumstances other than only when the New York Reserve Bank is closed.

**AMENDMENT TO REGULATION RELATING TO OPEN MARKET OPERATIONS OF FEDERAL RESERVE BANKS**

Effective January 30, 1975, section 270.4 of the Committee's Regulation Relating to Open Market Operations of Federal Reserve Banks is revised to read as follows:

## SECTION 270.4—TRANSACTIONS IN OBLIGATIONS

\* \* \* \* \*

(d) In accordance with such limitations, terms, and conditions as are prescribed by law and in authorizations and directives issued by the Com-

mittee, the Reserve Bank selected by the Committee (or, under special circumstances, such as when that Bank is closed, any other Federal Reserve Bank) is authorized and directed, for its own account or the System Open Market Account, to purchase directly from the United States such amounts of Government securities as may be necessary from time to time for the temporary accommodation of the Treasury Department.

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

### ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

FIRST OGDEN CORPORATION,  
NAPERVILLE, ILLINOIS

#### *Order Denying Formation of Bank Holding Company*

First Ogden Corporation, Naperville, Illinois, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842 (a)(1)) to become a bank holding company through acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the Bank of Naperville, Naperville, Illinois.

Notice of the application, affording opportunity for interested persons to submit comments and views has been given (39 Federal Register 27837). The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

On the basis of the record, the application is denied<sup>1</sup> for the reasons set forth in the Board's Statement, which will be released at a later date.

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

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

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

<sup>1</sup>In view of the Board's action with respect to the application to become a bank holding company, consideration of a concurrent application filed by Applicant to retain three nonbanking subsidiaries becomes moot.

#### *Statement Denying Formation of Bank Holding Company*

First Ogden Corporation, Naperville, Illinois, has applied for the Board's approval under §

3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to Bank of Naperville, Naperville, Illinois ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of the shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

At the same time, Applicant has applied for the Board's approval pursuant to § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y to retain three nonbanking subsidiaries engaged, respectively, in commercial finance (First Claren Corporation), full payout leasing of personal property (Firstline Leasing Corporation), and data processing activities (First Data Services). Such activities have been determined by the Board in § 225.4(a)(1)(6)(a) and (8)(i) of Regulation Y as permissible for bank holding companies, subject to Board approval of individual proposals in accordance with the procedures of § 225.4(b).

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

Applicant was incorporated in 1968 for the purpose of organizing new banks in the western suburbs of Chicago and subsequently became engaged in providing a variety of services, including management advisory services, for the banks it

organized as well as for other banks.<sup>1</sup> As of August 9, 1974, Applicant was providing services to some 18 client banks. In most instances, the services are provided pursuant to a management contract entered into by Applicant and the client bank which provides that the fee paid to Applicant is based on the total footings of the bank rather than consideration for services rendered. In addition to owning up to 5 per cent of the voting shares in five of the client banks, Applicant controls seven nonbanking subsidiaries. As part of this proposal, Applicant is seeking to retain three of its subsidiaries which are engaged in activities which the Board has determined to be closely related to banking.

Bank, one of Applicant's client banks, was chartered by the State in 1957 and is a nonmember, Federally-insured bank. With deposits of \$49 million, Bank is the second largest of three banks in the city of Naperville, a suburb of Chicago, and competes with many substantially larger banking organizations in the Chicago banking market where it holds .12 of 1 per cent of the total deposits in the market.<sup>2</sup> On the basis of the facts of record, it does not appear that consummation of Applicant's proposal would eliminate any existing competition, foreclose the development of potential competition, nor result in an increase in the concentration of banking resources. Accordingly, competitive considerations are consistent with Applicant's proposal to acquire Bank.

The financial condition and managerial resources of Applicant and of Bank are regarded as being generally satisfactory and the prospects of each appear favorable. In connection with this proposal, Applicant proposes to augment Bank's capital upon consummation of the formation. These considerations relating to the banking factors are consistent with approval of the application. It appears that consummation of the proposal to acquire Bank would have no immediate effect on area banking needs; however, considerations relating to the convenience and needs of the com-

munity to be served are also consistent with approval of the application.

In the course of the processing of this proposal, the Board has carefully considered the nature and scope of the services that Applicant presently provides to its client banks. In connection with the application to form a bank holding company, Applicant originally proposed that it would continue to provide a wide range of advisory services to its client banks. However, while the application was pending, the Board amended Regulation Y by adding § 225.4(a)(12), which provides the manner and circumstances under which a bank holding company may provide management advice to nonaffiliated banks. Since the activities engaged in by Applicant with respect to its client banks are clearly not permissible under the amendment to Regulation Y, Applicant amended its application and indicated that the advisory services that it performs for its client banks would be shifted to Bank through the establishment of a banking services division within Bank. Thus, under the application as presently constituted, it is proposed that Bank would provide to the client banks services substantially similar to those now offered by Applicant. In other words, Applicant is attempting to engage indirectly through Bank in activities which it is precluded from performing directly under the Bank Holding Company Act and the Board's regulation.

In view of the attempt by Applicant to circumvent the provisions of the Act and the Board's Regulation Y, the Board was particularly interested in determining whether the advisory services that were to be transferred to Bank were permissible activities for a State bank under Illinois law. In this connection, the Acting Commissioner of Banks, in responding to a request for his views on the application noted: "In my opinion, some of the activities, at least in the group of banking services to be rendered, are not within those chartered authorities granted to a State bank."<sup>3</sup> Accordingly, in view of the opinion of the Acting Commissioner, there exists a presumption that Bank could not legally perform all the advisory services for the client banks which are contemplated by the application before the Board. Since the performance of these advisory services is an integral element in the proposal of Applicant and since it appears that some of the activities are

<sup>1</sup>The services Applicant provides include advertising, auditing, automation, assistance to new and existing banks on building and remodeling design, correspondent bank relationships, cost analysis, deposit relationships, banking forms—design and use, securing from insurers bankers blanket bond insurance on a group basis, interbank communication, land acquisition—site location and analysis for bank expansion, loan counselling and participations, long range planning, marketing research, personnel training and selection, portfolio counselling, public relations, educational programs for directors, assisting banks in communicating with stockholders, transportation needs—courier services, and legislative relationships.

<sup>2</sup>All banking data are as of June 30, 1974.

<sup>3</sup>Letter of October 28, 1974, addressed to the Secretary of the Board of Governors from Richard K. Lignoul, Acting Commissioner of Banks and Trust Companies.



impermissible to Bank under State law, the Board, in the exercise of its responsibility under the Bank Holding Company Act, does not believe it would be in the public interest to approve a plan that by its very nature appears to be in violation of State law.

In light of the above discussion, it is the Board's judgment that consummation of the proposal would not be in the public interest and that the application should, therefore, be denied.

Voting for this action: Chairman Burns and Governors Mitchell, Sheehan, Bucher, Holland, and Coldwell. Absent and not voting: Governor Wallich. In view of the Board's action with respect to the application to become a bank holding company, consideration of a concurrent application filed by Applicant to retain three nonbanking subsidiaries becomes moot.

*Concurring Statement of  
Governors Mitchell and Coldwell*

While we concur in the Board's action in denying the application of First Ogden Corporation to become a bank holding company through the acquisition of Bank of Naperville, we wish to elaborate on the reasons we believe such action is clearly warranted by the underlying purposes of the Bank Holding Company Act.

As noted in the majority's Statement, Applicant presently performs management advisory services for 18 client banks located in Illinois. Applicant originally proposed to continue such activities after the acquisition of the Bank of Naperville. However, during the processing of the proposal, the Board amended Regulation Y to permit bank holding companies to provide management consulting advice to nonaffiliated banks (12 C.F.R. § 225.4(a)(12)). Since many of the services offered by Applicant to its client banks would not be permissible under the amended regulation, both because of the nature of the services and the manner in which they are performed, Applicant amended its proposal and indicated that the performance of the management advisory services would be transferred to Bank of Naperville. In this manner, Applicant hopes to avoid those restrictions that the Board has placed on the circumstances under which a bank holding company may directly offer management advice to nonaffiliated banks.

Under section 4(a)(2) of the Act, a bank holding company is permitted generally to engage in the business of managing or controlling banks or of furnishing services to or performing services for its subsidiaries. In interpreting this statutory provision prior to the 1970 Amendments to the Act,

the Board opined that furnishing or providing services to nonsubsidiary banks was prohibited by the section, since to conclude otherwise "would make it possible for a bank holding company . . . to acquire effective control of banks without acquiring bank stocks and thus to evade the underlying objectives of section 3 of the Act." (12 C.F.R. 225.113).

In amending Regulation Y to permit bank holding companies to provide management advice to nonaffiliated banks, the Board carefully delineated the scope of the services and the manner in which they could be offered so as to avoid the possibility that a bank holding company would acquire control of banks to which it provides services (12 C.F.R. 225.131). The circumstances under which Bank of Naperville would perform the advisory services to the client banks are substantially at variance with the criteria set down by the Board in § 225.4(a)(12) of Regulation Y in that Applicant holds equity securities in some of the client banks; various officers and directors of Applicant serve in a similar capacity with the client banks; and the services are performed on a daily or continuous basis. In order to avoid the strictures placed on the offering of advisory services to nonaffiliated banks, Applicant proposes to transfer the performance of these advisory services to Bank and thereafter to continue to do indirectly what it is prohibited from doing directly under the Act and the Board's Regulation. To approve Applicant's proposal to become a bank holding company would countenance Applicant's efforts to circumvent the underlying purposes of the Act and the provisions of the Board's Regulation. In our judgment, such action would not be in the public interest and, accordingly, the application should be denied.

February 24, 1975

**COLONIAL BANCORP, INC.,  
WATERBURY, CONNECTICUT**

*Order Approving Acquisition of Bank*

Colonial Bancorp, Inc., Waterbury, Connecticut, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting shares of Second New Haven Bank, New Haven, Connecticut.

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

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

Applicant controls one bank, The Colonial Bank and Trust Company, with deposits of \$332.4 million, representing 4.8 per cent of the total deposits in commercial banks in the State, and is the seventh largest commercial banking organization in Connecticut. Bank is the tenth largest commercial banking organization in the State and holds deposits of \$202.3 million, representing 2.9 per cent of the deposits in commercial banks in the State.<sup>1</sup> Acquisition of Bank would increase Applicant's deposits to \$534.7 million (about 8 per cent of the deposits in the State) and would result in it becoming the fourth largest commercial banking organization in Connecticut. In view of the structure of banking in Connecticut, the Board does not regard the increase in concentration that would result from this proposal as a factor warranting denial.

Bank is the second largest banking organization in the New Haven market (approximated by the New Haven RMA) by virtue of its control of 20.8 per cent of the commercial bank deposits in the market. Applicant's subsidiary bank also operates offices in the New Haven market and, as a result of the consummation of this proposal, Applicant would control approximately 24.2 per cent of the deposits in the market. However, the State's three largest banking organizations (CBT Corporation, Northeast Bancorp, Inc., and Hartford National Corporation) have offices in the market and together they account for about 28.1 per cent of the total commercial bank deposits in the market. The Board views this proposal, therefore, as an appropriate means whereby Applicant would enhance its ability to compete more effectively with these largest organizations operating in the market.

As noted above, Applicant is presently represented in the New Haven market; however, Applicant's subsidiary bank, which is headquartered in Waterbury, competes primarily in the Waterbury market. In the New Haven market, Applicant's subsidiary operates a total of five offices, all of which are located on the fringe of the market and do not appear to exert a significant competitive influence on the economic hub of the market, the city of New Haven. Since both Applicant and Bank operate in the same market, some amount

of existing competition would be eliminated as a result of this proposal. However, on balance, the Board believes that the effects on existing competition would not be significant.

In assessing the effects of the proposal on potential competition, the Board notes that Connecticut's banking law contains a home office protection provision which generally prohibits branching into towns where the home office of another bank is located. Applicant's subsidiary is prohibited from branching into New Haven and Bank is precluded from branching into Waterbury. "Open" towns exist in both the New Haven and Waterbury markets into which Applicant or Bank could branch and there are a limited number of smaller banks available for acquisition; however, neither branching nor a smaller acquisition would enable Applicant or Bank to compete effectively in the principal city of the other's market. Moreover, Bank's history of expansion and growth indicates that, absent affiliation with Applicant, Bank is unlikely to expand into the Waterbury market. Although Applicant's *de novo* entry into the City of New Haven is possible, in view of the apparent difficulties of obtaining a national charter or of Applicant affiliating with a newly chartered State bank, such entry by Applicant appears remote. Accordingly, on the basis of the facts of record, the Board concludes that consummation of the proposed transaction would not have a significantly adverse effect on potential competition.

The financial condition and managerial resources of Applicant and Bank appear to be generally satisfactory and consistent with approval of the application. As a result of the acquisition, Bank will decrease or eliminate service charges on demand deposit accounts, increase interest rates on time and savings deposits, lower interest rates on retail instalment loans and improve the availability of mortgage financing in the New Haven area. In the New Haven market, Bank will be able to offer expanded services to Connecticut's largest banking customers and generally be able to compete more effectively with larger banking organizations operating in that market. Therefore, considerations relating to convenience and needs lend weight toward approval and outweigh any slight anticompetitive effects on existing competition that may result from the proposed transaction. Accordingly, it is the Board's judgment that consummation of the proposed transaction would be in the public interest and that the application should be approved.

<sup>1</sup>State banking data are as of June 30, 1974.

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

By order of the Board of Governors, effective February 11, 1975.

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

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

[SEAL]

*Dissenting Statement of  
Governors Holland, Wallich, and Coldwell*

We would deny the application of Colonial Bancorp to acquire Second New Haven Bank because of adverse effects the proposal would have on the concentration of banking resources in the New Haven market as well as on existing and future competition in that market. In our view, these adverse effects are not outweighed by other considerations reflected in the record and, accordingly, the application should be denied.

Although The Colonial Bank and Trust, Applicant's sole banking subsidiary, is headquartered in Waterbury and operates primarily in the Waterbury banking market, it also has five offices in the New Haven market and holds about \$30 million, or 3.4 per cent, of the total deposits in the New Haven market, making it the seventh largest banking organization in that market. Second New Haven Bank is the second largest banking organization in the New Haven market with approximately 21 per cent of the market's deposits. In view of the already high level of deposit concentration in the market (the four largest banking organizations hold 75 per cent of the deposits), we are concerned about the further increase in level of concentration that would result from this proposal.

In addition to the adverse effects on concentration, the proposal will result in the elimination of existing competition between Applicant's subsidiary and Second New Haven. Colonial has one office in the market only one mile from an office of Second New Haven; its other four offices in the market are anywhere from four to fifteen miles from offices of Second New Haven. Accordingly, we conclude that the proposal will eliminate sig-

nificant existing competition between Colonial and Second New Haven.

Furthermore, the proposal will foreclose significant future competition that would be expected to develop between the two banking organizations in the New Haven market. Applicant has already exhibited its ability to participate in the New Haven market by establishing five branch offices and, given its significant size and resources, we believe that Applicant would expand further into those cities in the market that are open to branching. Also, Second New Haven, as evidenced by its present size and position in the New Haven banking market is a significant competitive force as demonstrated by its ability and willingness to expand and grow. This proposal would eliminate Second New Haven as an independent banking alternative. Therefore, denial of this application would preserve the possibility that Applicant would choose some less anticompetitive means to expand its interests in the market, while at the same time preserving Second New Haven as a viable competitive alternative.

The majority has concluded that the anticompetitive effects of the proposal are outweighed by benefits that would accrue to the public. We disagree with that conclusion. Several of the largest banking organizations in the State are already represented in the New Haven market, and the combination of Applicant and Second New Haven, each of which has operated as an effective independent competitor in the past, cannot be expected, in our judgment, to result in any substantial benefits to the public.

For the foregoing reasons, we would deny the application.

TENNESSEE VALLEY BANCORP, INC.,  
NASHVILLE, TENNESSEE

*Order Denying Acquisition of Bank*

Tennessee Valley Bancorp, Inc., Nashville, Tennessee, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting shares of Valley Fidelity Bank and Trust Company, Knoxville, Tennessee ("Bank").

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

the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the fourth largest commercial banking organization in Tennessee, controls 12 banks with aggregate deposits of about \$909 million, representing approximately 7.9 per cent of total deposits held by commercial banks in the State.<sup>1</sup> Acquisition of Bank (deposits of about \$94.5 million) would increase Applicant's share of commercial bank deposits in the State by approximately .8 of one per cent, and Applicant would become the State's third largest banking organization.

Bank, the third largest of 14 banks in the Knoxville area banking market,<sup>2</sup> controls approximately 8.9 per cent of the total deposits in commercial banks in this market. Applicant is not presently represented in the Knoxville banking market, and its closest subsidiary is located 67 miles northeast of Bank in a separate banking market. It appears from the record that no significant existing competition would be eliminated as a result of this proposal. On the other hand, the proposal would result in the foreclosure of *de novo* entry. Due to population and deposits per banking office ratios higher than that for the State as a whole, the Knoxville area banking market appears to be relatively attractive for *de novo* entry. Applicant has previously used *de novo* entry as a means of entering the Chattanooga and Memphis banking markets. Thus, Applicant may be regarded as a possible *de novo* entrant into the Knoxville market. Accordingly, based on the foregoing and other facts of record, the Board concludes that consummation of the proposed acquisition would have slight adverse effects on potential competition.

The present proposal is not an exchange of stock but contemplates an immediate cash outlay in excess of \$9 million. In this connection, the Board notes that the capital of Applicant's lead bank has not grown at a rate comparable with its assets growth, and its present capital position is lower than what the Board regards as desirable. In these circumstances, it would be preferable for Applicant to use its resources to augment the capital position of its lead bank rather than for expansion of Applicant's banking interests at this time. Accordingly, based on the foregoing, the Board concludes that considerations relating to the financial aspects of Applicant's proposal weigh against approval of the application.

<sup>1</sup>All banking data are as of June 30, 1974.

<sup>2</sup>The Knoxville area banking market is approximated by Anderson, Blount, and Knox counties.

With respect to convenience and needs considerations, Applicant proposes to expand the services presently offered by Bank to include: equipment leasing, factoring, accounts receivable financing, international banking services, and investment management services. While these considerations relating to the convenience and needs of community to be served lend some weight toward approval of the application, they do not outweigh the adverse findings with respect to the financial factors involved in Applicant's proposal.

Based upon the foregoing and other considerations reflected in the record, the Board concludes that the financial considerations involved in the proposal present adverse factors bearing on the financial condition and future prospects of Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by the benefits which would result in serving the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application should be, and hereby is, denied.

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

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

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

#### ORDER UNDER SECTION 4 OF BANK HOLDING COMPANY ACT

AMERICAN BANCORPORATION, INC.,  
ST. PAUL, MINNESOTA

*Order Approving Acquisition of Glasser-American Mortgage Company*

American Bancorporation, Inc., St. Paul, Minnesota, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the Act and § 225.4(b)(1) of the Board's Regulation Y, to acquire all of the voting shares of Glasser-American Mortgage Company ("GAMC"), Englewood Cliffs, New Jersey, a proposed new company that would engage in the activities of a mortgage banker, including originating, selling, and servicing mortgage loans for its own account or for the accounts of others. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1) and (3)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (39 Federal Register 39912). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in section 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant, the fourth largest banking organization in Minnesota, controls five banks with aggregate deposits of \$325 million, representing 2.6 per cent of the total deposits in commercial banks in the State.<sup>1</sup> Applicant also engages in such nonbanking activities as personal property leasing, commercial finance, and insurance activities.

GAMC will operate out of an office in Englewood Cliffs, New Jersey, and will primarily serve the metropolitan New York market.<sup>2</sup> Competing in that market are 115 commercial banking organizations, at least 50 thrift institutions, and over 70 other firms which engage in the origination of mortgages. It would appear that no significant existing or future competition would be eliminated upon approval of the application. Moreover, entry by Applicant on a *de novo* basis into this field should produce benefits to the public by adding an additional competitor that offers this specialized service.

In its consideration of this application, the Board has examined a covenant not to compete contained in an employment agreement between GAMC and its proposed chief executive. The Board finds that the provisions of this covenant are reasonable in scope, duration, and geographic area and are consistent with the public interest.

There is no evidence in the record indicating that consummation of the proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the ap-

plication is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective February 12, 1975.

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

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

*Dissenting Statement  
of Vice Chairman Mitchell*

I would deny the application of American Bancorporation to engage *de novo* through a subsidiary, Glasser-American, in mortgage banking activities. Unlike the majority, I believe that consummation of the proposed transaction would not produce meaningful benefits to the public by adding an additional competitor in the metropolitan New York mortgage banking market. Furthermore, I do not believe a holding company of Applicant's size can expand into a market nearly 1,000 miles distant from its home office without encountering serious problems of control and supervision. Ventures of this type may be justified from the corporate interest, but this potential risk to the Applicant's public obligation is not justified.

For these reasons, I do not regard the proposal as being in the public interest, and would deny the application.

**ORDER UNDER SECTIONS 3 AND 4  
OF BANK HOLDING COMPANY ACT**

STUARCO OIL COMPANY, INC.,  
DENVER, COLORADO

*Order Denying Acquisition of Bank and Engaging in  
Insurance Agency Activities*

Stuarco Oil Company, Inc., Denver, Colorado,  
a bank holding company within the meaning of

<sup>1</sup>All banking data are as of December 31, 1973, and reflect bank holding company formations and acquisitions approved through November 30, 1974.

<sup>2</sup>The metropolitan New York market includes New York City, all of Nassau, Putnam, Rockland and Westchester Counties and western Suffolk County in New York; northern Bergen County and eastern Hudson County in New Jersey, and part of Fairfield County in Connecticut.

the Bank Holding Company Act,<sup>1</sup> has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 80 per cent or more of the voting shares of Alameda National Bank ("Bank"), Lakewood, Colorado.

At the same time, Applicant has applied for the Board's approval under § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, to engage *de novo* in certain insurance agency activities in connection with its proposed acquisition of Bank. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(9)).

Notice of the receipt of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with §§ 3 and 4 of the Act (39 Federal Register 37830). The time for filing comments and views has expired, and all comments and views received have been considered by the Board in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and § 4(c)(8) of the Act (12 U.S.C. 1843(c)).

Applicant, presently a one-bank holding company, controls Union Bank and Trust, Denver, Colorado, the fifteenth largest of 70 banks in the Denver banking market,<sup>2</sup> with deposits of \$38.8 million,<sup>3</sup> representing approximately 1 per cent of the total deposits in commercial banks in the market. The acquisition of Bank would result in Applicant's becoming the ninth largest of 11 multi-bank holding companies in the State and the tenth largest banking organization in the Denver banking market, with Applicant controlling less than 1 per cent of the total commercial bank deposits in the State and about 1.5 per cent of the total deposits in commercial banks in the market.

Bank (deposits of \$20.3 million) is the twenty-fourth largest of 70 commercial banks in the Denver banking market and controls approximately 0.5 per cent of the total deposits in commercial banks in the market. Since both Bank and Applicant's present subsidiary bank operate in the Denver banking market, consummation of this proposal would eliminate some existing competition between these institutions. However, there is evidence in the record showing that the competi-

tion between these banks is minimal in view of the relatively small market shares of both banks and the presence of some 65 competing banks located within the areas served by the two banks. Furthermore, on balance, the Board is of the view that this proposal could have a positive effect on competition by creating an additional multi-bank holding company to compete in the Denver banking market. Accordingly, the Board concludes that competitive considerations lend some weight toward approval of the application.

Under the Bank Holding Company Act, the Board is required to consider the financial and managerial resources and future prospects of the holding company and its subsidiary banks. In the exercise of that responsibility, the Board finds that considerations relating to the financial resources of Applicant warrant denial of the application. The Board has previously stated that less restrictive debt-equity standards can appropriately be applied to prospective one-bank holding companies if the adverse effects associated with leverage are outweighed by public benefits deriving from the facilitation of the otherwise difficult task of transferring ownership of small rural banks. However, the Board also has previously stated its view that the financial structure of a multi-bank holding company should meet higher standards of financial soundness than are applied to one-bank holding companies.<sup>4</sup> In applying this policy, the Board finds that Applicant, in this proposed transition from a one-bank holding company to a multi-bank holding company, should not be permitted to incur the proposed amount of debt to acquire a second bank. Applicant proposes to borrow an additional \$2.2 million to finance the purchase of Bank, with the result that Applicant would have an outstanding long-term debt of \$5.2 million. Applicant's earnings would be heavily dependent upon the earnings of its subsidiary banks, and Applicant is proposing to service this long-term debt over an 11-year period primarily through dividends from its subsidiary banks. Applicant's proposal for retirement of the debt is contingent upon the banks' maintaining an average dividend payout ratio of 52 per cent throughout the 11-year period. In the Board's view, the projected earnings of Applicant would not provide Applicant with the necessary financial flexibility to meet its annual debt servicing requirements as well as any unexpected problem that might arise at the subsidiary banks. This factor strongly suggests that the financial require-

<sup>1</sup> Applicant was formerly engaged in oil and gas exploration activities, but has ceased all such activities and disposed of all assets related thereto.

<sup>2</sup> The Denver banking market is the relevant market for this application and is approximated by Denver, Adams, Arapahoe, and Jefferson Counties, and a portion of Boulder County which includes the City of Broomfield.

<sup>3</sup> All banking data are as of December 31, 1973.

<sup>4</sup> See the Board's Order of January 15, 1974, denying the application of BHC Co., Inc., Hardin, Montana, to become a bank holding company (60 BULLETIN 123).

ments of Applicant's proposal could place an undue strain on the financial conditions of the subsidiary banks and thereby impair their ability to remain viable banking organizations in meeting the banking needs of the community which they serve. Such considerations relating to the financial condition and prospects of Applicant, in addition to other facts of record, lend substantial weight toward denial of the application and outweigh any procompetitive effects that might result from approval of the application.

Applicant states that affiliation with Applicant would enable Bank to draw upon the resources and expertise of Applicant and its present subsidiary bank, and to increase the services and the volume of loans which Bank offers to its customers. However, since the Board has found that consummation of this proposal could place an undue strain upon Applicant's financial resources, the Board believes that it is doubtful that any appreciable benefits to the public would result from this proposal. Accordingly, considerations relating to the convenience and needs of the community to be served lend no weight toward approval of the application.

On the basis of all the facts of record, and in light of the factors set forth in § 3(c) of the Act, it is the Board's judgment that the proposed acquisition would result in Applicant's financial resources being inadequate to service its debt while maintaining its subsidiary banks' capital accounts

at a desirable level and that such condition could impair the ability of the banks to meet the needs of the community which they serve. Accordingly, the Board concludes that consummation of this proposal would not be in the public interest and that the application to acquire Bank should be denied.

Incident to this proposal, Applicant has also applied pursuant to § 4(c)(8) of the Act to engage *de novo* in the activities of an insurance agent or broker with respect to insurance for the holding company and its subsidiaries, and also with respect to credit life and credit accident and health insurance directly related to extensions of credit by Alameda National Bank. Approval of this proposal would permit Applicant to offer Bank's customers the convenience of obtaining banking and insurance services in conjunction with each other. However, in view of the Board's finding that the application to acquire Bank must be denied, the Board's consideration of the application to conduct insurance agency activities on the premises of Bank hereby becomes moot.

By order of the Board of Governors, effective February 24, 1975.

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

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

[SEAL]

## ORDERS NOT PRINTED IN THIS ISSUE

### ORDERS APPROVED BY THE BOARD OF GOVERNORS

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

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Alabama Bancorporation, Birmingham, Alabama	The Bank of Arab, Arab, Alabama	2/21/75	40 F.R. 9004 3/4/75
Ameribanc, Inc., St. Joseph, Missouri	Bank of Higginsville, Higginsville, Missouri	2/18/75	40 F.R. 8256 2/26/75
Associated Bank Corpora- tion, Iowa City, Iowa	Community State Bank of Clear Lake, Clear Lake, Iowa	2/26/75	40 F.R. 11034 3/10/75

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
First United Bancor- poration, Inc., Fort Worth, Texas	University Bank, Fort Worth, Texas	2/5/75	40 F.R. 6722 2/13/75
National City Corporation, Cleveland, Ohio	Third National Bank of Sandusky, Sandusky, Ohio	2/28/75	40 F.R. 11035 3/10/75
Topeka Bank Shares, Inc., Topeka, Kansas	Topeka State Bank and Trust Company, Topeka, Kansas	2/26/75	40 F.R. 11036 3/10/75
United Michigan Corpora- tion, Flint, Michigan	Gaylord State Bank, Gaylord, Michigan	2/24/75	40 F.R. 9007 3/4/75
Wyoming Bancorporation, Cheyenne, Wyoming	Bank of Wyoming, Hanna, Wyoming	2/18/75	40 F.R. 8257 2/26/75

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

<i>Applicant</i>	<i>Nonbanking company (or activity)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
D. H. Baldwin Company, Cincinnati, Ohio	Computer Congenerics Corporation of Colorado Denver, Colorado	2/12/75	40 F.R. 8122 2/25/75
Fidelity American Bankshares, Inc., Lynchburg, Virginia	Columbia Insurance Agency, Inc., Lynchburg, Virginia	2/26/75	40 F.R. 11647 3/12/75
First City Bancorporation of Texas, Inc., Houston, Texas	First City Life Insurance Company, Houston, Texas	2/21/75	40 F.R. 9005 3/4/75

**ORDERS APPROVED BY THE SECRETARY OF THE BOARD**

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



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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Greene Bancorporation, Greene, Iowa	First State Bank, Greene, Iowa	2/27/75	40 F.R. 11035 3/10/75
Woodbine Bancorp, Inc., Woodbine, Iowa	The First National Bank of Woodbine, Woodbine, Iowa	2/10/75	40 F.R. 7008 2/18/75

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Mercantile Bancorporation Inc., St. Louis, Missouri	State Bank of Willow Springs, Willow Springs, Missouri	2/3/75	40 F.R. 6389 2/11/75
Victoria Bankshares, Inc., Victoria, Texas	The Jackson County State Bank, Edna, Texas	2/3/75	40 F.R. 6390 2/11/75

**ORDERS APPROVED BY FEDERAL RESERVE BANKS**

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

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Sun Banks of Florida, Inc., Orlando, Florida	Peoples Bank of Broward County, Tamarac, Florida	Atlanta	2/13/75	40 F.R. 8124 2/25/75

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Nonbanking company (or activity)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Edwardsville Bank-Shares, Inc., Edwards- ville, Kansas	The Edwardsville State Bank, Inc., Edwardsville, Kansas	Sale of credit life and credit accident and health insurance	Kansas City	2/11/75	40 F.R. 8123 2/25/75

# Announcements

## CHANGE IN DISCOUNT RATE

The Board of Governors of the Federal Reserve System approved actions by the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, and San Francisco, reducing the discount rate of those Banks from 6¾ to 6¼ per cent, effective March 10, 1975. Subsequently, the Board approved similar actions by the directors of the Federal Reserve Banks of St. Louis and Dallas, effective March 14, at which time the rate was 6¼ per cent at all Reserve Banks.

The action was taken in view of the weakness in economic activity and the recent evidence of moderation in the rate of inflation, and also to bring the discount rate into better alignment with other short-term interest rates.

The discount rate is the interest rate charged member commercial banks for borrowing from their district Federal Reserve Banks.

## PROPOSED LEGISLATION TO REGULATE FOREIGN BANKING

The Board of Governors on March 4, 1975, re-submitted to the Congress its proposed legislation to regulate foreign banking in the United States. The legislation, which was first introduced in the Congress late last year, is designed to standardize the status of foreign banks in the United States by placing them under the same basic rules and procedures that must be observed by domestic banks.

## REVISED OTC STOCK LIST

The Board of Governors announced several changes, effective February 24, 1975, in its "List of OTC Margin Stocks" that was issued in revised form on July 29, 1974. The revised list is available from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## CHANGE IN BOARD STAFF

The Board of Governors announced the following change in its official staff, effective March 17, 1975:

Robert S. Plotkin from Associate Program Director for Bank Holding Company Analysis, Office of Managing Director for Operations, to Assistant Director, Office of Saver and Consumer Affairs.

## INTRODUCTION TO FLOW OF FUNDS ACCOUNTS

A revised description of flow of funds accounts is now available. This publication consists of the 53-page introductory text on purposes, nature, and structure of flow of funds accounts that was published with annual tables in 1968 and again in 1970. This version of the text has been updated in terms of charts and definitions with the September 1974 revision of the accounts. It *does not* include the tables themselves, which are available as annual data on request without charge, nor does it include the detailed description of derivation methods.

The price of the revised publication is \$.50 a copy; in quantities of 10 or more sent to one address, \$.40 each. Copies may be obtained from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## ADMISSION OF STATE BANKS TO MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM

The following banks were admitted to membership in the Federal Reserve System during the period February 16, 1975, through March 15, 1975:

### Florida

Pensacola ..... First Navy Bank

### New York

Binghamton ... Chemical Bank of Binghamton

### Tennessee

Memphis ..... Commerce Union Bank  
of Memphis

# Industrial Production

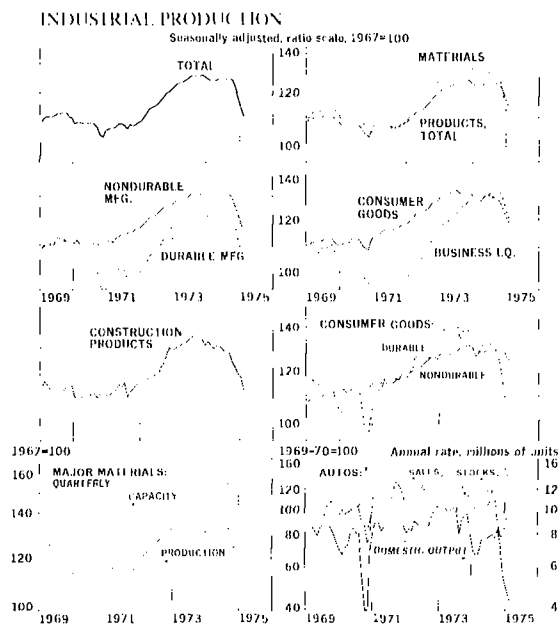
Released for publication March 14

Industrial production declined an estimated 3.0 per cent further in February, bringing the total index to 110.3 per cent of the 1967 average—12.2 per cent below the September 1974 level. Cutbacks in output continued to be widespread among consumer goods, business equipment, construction products, and industrial materials.

At an annual rate of 4.6 million units, auto assemblies were down 4 per cent from January and 30 per cent below a year earlier. Unit sales exceeded production in both February and January, and stocks of new autos were reduced considerably. Auto assemblies are currently scheduled to increase in March. Production of other durable and nondurable consumer goods also continued to decline in February. Business equipment output was reduced 2½ per cent further and was almost 10 per cent below the high reached last autumn.

Production of industrial materials declined further, as output was again curtailed in consumer durable parts, equipment parts, other durable materials, and textiles, paper, and chemicals. Production cuts in these industries have totaled 18 per cent since last autumn. This is twice as much

as the reduction in output of products, suggesting a substantial liquidation of materials inventories.



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

Industrial production	Seasonally adjusted 1967=100			Per cent changes from		Per cent changes, annual rate		
	1974	1975		Month ago	Year ago	1974		
	Dec.	Jan.*	Feb.*			Q2	Q3	Q4
<b>Total</b> .....	<b>117.7</b>	<b>113.7</b>	<b>110.3</b>	<b>3.0</b>	<b>11.5</b>	<b>1.9</b>	<b>.3</b>	<b>12.8</b>
Products, total .....	118.5	115.7	113.0	2.3	7.7	2.6	.6	9.1
Final products .....	118.1	115.0	112.5	2.2	6.7	3.0	2.0	6.9
Consumer goods .....	123.2	120.1	117.9	1.8	8.1	2.5	0	11.1
Durable goods .....	110.5	105.4	101.0	4.2	20.1	14.7	4.5	36.7
Nondurable goods .....	128.1	125.6	124.4	1.0	3.6	2.2	2.2	1.5
Business equipment .....	127.2	122.5	119.4	2.5	6.2	7.2	4.0	2.4
Intermediate products .....	120.1	118.4	115.1	2.8	10.8	1.2	3.7	16.3
Construction products .....	118.5	117.2	112.0	4.4	14.7	2.7	7.7	21.3
Materials .....	116.3	110.4	106.2	3.8	17.2	.3	.9	19.9

\*Preliminary.

\*Estimated.

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# Financial and Business Statistics

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## Guide to Tabular Presentation

### SYMBOLS AND ABBREVIATIONS

e	Estimated	N.S.A.	Monthly (or quarterly) figures not adjusted for seasonal variation
c	Corrected	IPC	Individuals, partnerships, and corporations
p	Preliminary	SMSA	Standard metropolitan statistical area
r	Revised	A	Assets
rp	Revised preliminary	L	Liabilities
I, II,	Quarters	S	Sources of funds
III, IV		U	Uses of funds
n.e.c.	Not elsewhere classified	*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
A.R.	Annual rate	....	(1) Zero, (2) no figure to be expected, or (3) figure delayed
S.A.	Monthly (or quarterly) figures adjusted for seasonal variation		

### GENERAL INFORMATION

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

A heavy vertical rule is used in the following instances: (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures

also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

The footnotes labeled NOTE (which always appear last) provide (1) the source or sources of data that do not originate in the System; (2) notice when figures are estimates; and (3) information on other characteristics of the data.

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

(In millions of dollars)

Period or date	Factors supplying reserve funds							Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding
	Reserve Bank credit outstanding									
	U.S. Govt. securities <sup>1</sup>			Loans	Float <sup>3</sup>	Other F.R. assets <sup>4</sup>	Total <sup>5</sup>			
Total	Bought outright <sup>2</sup>	Held under repurchase agreement								
<b>Averages of daily figures</b>										
1939—Dec.....	2,510	2,510		8	83		2,612	17,518		2,956
1941—Dec.....	2,219	2,219		5	170		2,404	22,759		3,239
1945—Dec.....	23,708	23,708		381	652		24,744	20,047		4,322
1950—Dec.....	20,345	20,336	9	142	1,117		21,606	22,879		4,629
1960—Dec.....	27,248	27,170	78	94	1,665		29,060	17,954		5,396
1969—Dec.....	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367		6,841
1970—Dec.....	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Dec.....	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.....	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Dec.....	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Feb.....	80,801	80,551	250	1,186	2,300	1,117	85,493	11,567	400	8,747
Mar.....	80,686	80,184	502	1,352	1,816	960	84,943	11,567	400	8,767
Apr.....	81,567	80,873	694	1,714	2,295	1,160	86,907	11,567	400	8,807
May.....	83,434	82,037	1,397	2,580	2,025	1,093	89,405	11,567	400	8,838
June.....	82,812	81,859	953	3,000	2,114	1,106	89,254	11,567	400	8,877
July.....	84,313	83,496	817	3,308	2,267	1,343	91,554	11,567	400	8,905
Aug.....	84,493	84,221	272	3,351	1,983	1,258	91,367	11,567	400	8,951
Sept.....	84,384	84,049	335	3,287	2,239	1,349	91,617	11,567	400	8,992
Oct.....	83,735	83,303	432	1,793	2,083	2,984	90,971	11,567	400	9,041
Nov.....	84,052	83,395	657	1,285	2,409	3,171	91,302	11,567	400	9,113
Dec.....	86,679	85,202	1,477	703	2,734	3,129	93,967	11,630	400	9,179
1975—Jan.....	86,039	85,369	670	390	2,456	3,391	93,002	11,647	400	9,235
Feb.....	84,744	83,843	901	147	1,918	3,419	91,007	11,626	400	9,284
<b>Week ending—</b>										
1974—Dec. 4.....	85,559	83,967	1,592	1,070	2,768	3,113	93,186	11,567	400	9,168
11.....	85,445	84,925	520	648	2,545	3,053	92,238	11,603	400	9,163
18.....	85,842	85,157	685	818	2,569	3,047	92,859	11,652	400	9,178
25.....	88,242	85,761	2,481	662	2,285	3,141	95,124	11,652	400	9,194
1975—Jan. 1.....	87,903	85,746	2,157	561	3,261	3,205	95,962	11,652	400	9,221
8.....	86,317	85,587	730	311	3,439	3,291	94,058	11,652	400	9,216
15.....	85,520	85,381	139	609	2,601	3,309	92,672	11,652	400	9,235
22.....	86,105	85,191	914	594	2,101	3,443	92,757	11,652	400	9,239
29.....	86,341	85,448	893	142	1,978	3,490	92,742	11,635	400	9,246
Feb. 5.....	85,613	84,999	614	98	2,128	3,839	92,509	11,634	400	9,267
12.....	83,801	83,111	690	90	1,987	3,680	90,301	11,628	400	9,271
19 <sup>h</sup> .....	84,255	83,357	898	228	2,031	3,396	90,670	11,624	400	9,276
26 <sup>p</sup> .....	85,376	84,148	1,228	180	2,304	2,933	91,576	11,621	400	9,303
<b>End of month</b>										
1974—Dec.....	85,714	84,760	954	299	2,001	3,195	92,208	11,652	400	9,253
1975—Jan.....	86,134	85,076	1,058	103	1,466	3,518	92,187	11,635	400	9,305
Feb.....	86,416	84,152	2,264	77	1,256	3,005	91,747	11,621	400	9,334
<b>Wednesday</b>										
1974—Dec. 4.....	82,271	81,447	824	315	2,927	2,947	89,068	11,567	400	9,141
11.....	86,187	84,878	1,309	1,159	3,077	3,047	94,204	11,652	400	9,170
18.....	87,967	85,679	2,288	1,384	3,117	3,248	96,433	11,652	400	9,184
25.....	89,258	85,985	3,273	426	2,463	3,154	96,164	11,652	400	9,208
1975—Jan. 1.....	85,714	84,760	954	299	2,001	3,195	92,208	11,652	400	9,253
8.....	82,726	82,726		126	3,168	3,460	90,074	11,652	400	9,235
15.....	85,176	85,048	128	2,893	2,865	3,493	95,097	11,652	400	9,237
22.....	89,306	85,325	3,981	2,444	2,537	3,928	99,198	11,652	400	9,242
29.....	86,305	85,141	1,164	159	2,638	3,598	93,579	11,635	400	9,264
Feb. 5.....	83,909	83,909		89	5,302	4,665	94,632	11,629	400	9,270
12.....	86,154	83,741	2,413	117	2,387	3,580	93,180	11,625	400	9,275
19 <sup>h</sup> .....	83,976	83,976		1,125	2,302	2,984	91,023	11,621	400	9,281
26 <sup>p</sup> .....	86,886	84,121	2,765	834	2,381	2,740	93,720	11,621	400	9,334

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

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

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

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

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

on Wed. and end-of-month dates, see table on F.R. Banks on p. A-12. See also note 3.

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

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

Notes continued on opposite page.

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

(In millions of dollars)

Factors absorbing reserve funds										Period or date
Currency in circulation	Treasury cash holdings	Deposits, other than member bank reserves, with F.R. Banks			Other F.R. accounts <sup>4</sup>	Other F.R. liabilities and capital <sup>4</sup>	Member bank reserves			
		Treasury	Foreign	Other <sup>3,6</sup>			With F.R. Banks	Currency and coin <sup>7</sup>	Total <sup>8</sup>	
Averages of daily figures										
7,609	2,402	616	739	248	.....	11,473	.....	11,473	.....	1939—Dec.
10,985	2,189	592	1,531	292	.....	12,812	.....	12,812	.....	1941—Dec.
28,452	2,269	625	1,247	493	.....	16,027	.....	16,027	.....	1945—Dec.
27,806	1,290	615	920	353	.....	17,391	.....	17,391	.....	1950—Dec.
33,019	408	522	250	495	1,029	16,688	2,595	19,283	.....	1960—Dec.
53,591	656	1,194	146	458	.....	2,192	4,960	28,031	.....	1969—Dec.
57,013	427	849	145	735	.....	2,265	5,340	29,265	.....	1970—Dec.
61,060	453	1,926	290	728	.....	2,287	5,676	31,329	.....	1971—Dec.
66,060	350	1,449	272	631	.....	2,362	6,095	31,353	.....	1972—Dec.
71,646	323	1,892	406	717	.....	2,942	6,635	35,068	.....	1973—Dec.
70,411	342	2,972	293	682	.....	2,932	6,601	35,242	.....	1974—Feb.
71,081	334	1,803	311	699	.....	2,998	6,450	34,966	.....	Mar.
72,176	308	1,712	328	702	.....	2,985	29,469	6,402	35,929	Apr.
72,876	286	3,000	320	699	.....	3,168	6,600	36,519	.....	May
73,749	293	2,015	491	691	.....	3,187	29,672	6,668	36,390	June
74,556	275	2,795	296	773	.....	3,216	30,514	6,824	37,338	July
74,709	283	2,633	326	831	.....	3,240	30,264	6,765	37,029	Aug.
75,098	303	2,451	456	766	.....	3,345	30,156	6,920	37,076	Sept.
75,654	315	1,601	294	869	.....	3,260	29,985	6,811	36,796	Oct.
77,029	302	864	370	770	.....	3,149	29,898	6,939	36,837	Nov.
78,951	220	1,741	357	874	.....	3,266	29,767	7,174	36,941	Dec.
77,780	221	2,087	336	884	.....	3,264	29,713	7,779	37,492	1975—Jan.
76,979	236	2,374	317	711	.....	3,358	28,342	7,067	35,409	Feb. <sup>9</sup>
Week ending—										
77,952	316	1,464	453	1,024	.....	3,250	29,861	7,100	36,961	1974—Dec. 4
78,496	266	1,303	520	893	.....	3,090	29,035	7,258	36,293	11
78,926	182	926	407	821	.....	3,213	29,615	7,147	36,762	18
79,368	180	2,471	545	752	.....	3,399	29,855	6,990	36,845	25
79,655	189	2,606	333	896	.....	3,339	30,218	7,370	37,588	1975—Jan. 1
78,922	192	1,850	324	986	.....	3,071	29,981	7,331	37,312	8
78,191	226	1,352	446	901	.....	3,194	29,652	8,555	38,207	15
77,431	244	1,618	279	828	.....	3,366	30,482	7,783	38,265	22
76,666	252	3,005	272	798	.....	3,395	29,635	7,605	37,240	29
76,456	246	2,634	342	848	.....	3,741	29,543	7,431	36,974	Feb. 5
77,052	239	1,492	270	634	.....	3,342	28,573	7,456	36,029	12
77,298	234	1,960	364	612	.....	3,162	28,341	6,820	35,161	19 <sup>9</sup>
76,993	212	3,489	300	703	.....	3,239	27,963	6,671	34,634	26 <sup>9</sup>
End of month										
79,743	185	3,113	418	1,275	.....	2,935	25,843	7,370	33,213	1974—Dec.
76,343	250	3,540	391	748	.....	3,415	28,839	7,431	36,270	1975—Jan.
76,840	212	2,884	409	901	.....	3,326	28,530	6,946	35,476	Feb. <sup>9</sup>
Wednesday										
78,349	323	1,568	411	841	.....	3,211	25,473	7,100	32,573	1974—Dec. 4
79,009	207	690	358	924	.....	3,149	31,089	7,258	38,347	11
79,293	192	2,209	266	816	.....	3,332	31,562	7,147	38,709	18
79,842	183	2,671	450	775	.....	3,463	30,040	6,990	37,030	25
79,743	185	3,113	418	1,275	.....	2,935	25,843	7,370	33,213	1975—Jan. 1
78,710	235	741	381	766	.....	3,058	27,470	7,331	34,801	8
77,946	240	1,366	950	731	.....	3,232	31,922	8,555	40,477	15
77,136	261	1,857	230	906	.....	3,618	36,484	7,783	44,267	22
76,638	261	3,442	334	708	.....	3,446	30,049	7,605	37,654	29
76,860	249	779	277	732	.....	4,859	32,175	7,431	39,606	Feb. 5
77,493	236	1,308	250	683	.....	3,174	31,336	7,456	38,792	12
77,408	230	3,040	319	700	.....	3,232	27,396	6,820	34,216	19 <sup>9</sup>
77,078	212	3,187	271	851	.....	3,229	30,247	6,671	36,918	26 <sup>9</sup>

<sup>7</sup> Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning Jan. 1963, figures are estimated except for weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

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

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

For other notes see opposite page.





BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending--	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess reserves <sup>1</sup>	Less:		Net		Gross transactions		Total two-way transactions <sup>2</sup>	Net transactions		Loans to dealers <sup>3</sup>	Borrowings from dealers <sup>4</sup>	Net loans
		Borrowings at F.R. Banks	Net inter-bank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Purchases	Sales		Purchases of net buying banks	Sales of net selling banks			
<i>Total - 46 banks</i>													
1975 Jan. 1.....	271	185	13,872	14,786	78.6	20,142	6,270	5,124	15,018	1,146	3,042	538	2,505
8.....	136	76	15,609	15,550	87.9	21,570	5,961	5,239	16,330	722	3,278	565	2,713
15.....	91	330	15,890	16,310	88.6	21,062	5,172	4,854	16,208	318	3,121	604	2,516
22.....	11	244	15,213	15,468	84.7	20,563	5,350	4,812	15,752	538	2,584	860	1,724
29.....	4	8	13,212	13,216	74.9	19,233	6,021	5,319	13,915	703	2,548	919	1,629
Feb. 5.....	177	1	14,481	14,305	82.2	20,952	6,470	5,631	15,321	839	2,800	809	1,991
12.....	52	8	16,260	16,213	94.9	22,136	5,876	5,155	16,982	722	3,635	1,000	2,635
19.....	41	142	16,440	16,623	100.2	23,568	7,128	5,949	17,618	1,179	2,727	932	1,795
26.....	10	74	15,742	15,876	98.3	21,863	6,322	5,204	16,661	918	2,977	878	2,100
<i>8 in New York City</i>													
1975 Jan. 1.....	67	21	4,816	4,771	64.7	5,994	1,178	1,178	4,816	.....	1,193	270	923
8.....	72	.....	5,289	5,218	69.7	6,483	1,193	1,194	5,289	.....	1,459	291	1,167
15.....	-70	206	5,358	5,643	72.8	6,401	1,043	1,043	5,358	.....	1,388	350	1,037
22.....	47	203	5,603	5,853	75.3	6,376	773	773	5,603	.....	1,197	365	832
29.....	28	.....	4,685	4,713	63.5	6,004	1,319	1,320	4,684	.....	1,269	427	842
Feb. 5.....	56	.....	5,708	5,652	77.5	6,985	1,277	1,277	5,708	.....	1,433	473	960
12.....	34	.....	7,172	7,138	100.3	7,883	711	710	7,172	.....	1,551	610	942
19.....	1	138	6,305	6,439	92.1	7,697	1,392	1,393	6,305	.....	1,331	610	721
26.....	41	.....	5,835	5,886	88.9	6,894	1,069	1,069	5,835	.....	1,579	541	1,038
<i>38 outside New York City</i>													
1975 Jan. 1.....	204	164	9,056	9,016	88.6	14,148	5,092	5,092	10,202	1,146	1,850	268	1,582
8.....	64	76	10,320	10,332	101.3	15,087	4,768	4,046	11,041	722	1,459	274	1,546
15.....	21	124	10,532	10,677	100.1	14,662	4,130	3,812	10,850	318	1,733	254	1,479
22.....	36	41	9,610	9,616	91.7	14,187	4,577	4,039	10,148	518	1,486	495	891
29.....	32	8	8,528	8,504	83.1	13,229	4,702	3,999	9,230	703	1,279	492	787
Feb. 5.....	121	1	8,773	8,653	85.6	13,967	5,193	4,354	9,613	839	1,368	336	1,031
12.....	19	8	9,088	9,074	91.1	13,254	5,166	4,444	9,809	722	2,084	391	1,694
19.....	42	7	10,138	10,184	106.1	15,870	5,736	4,557	11,314	1,179	1,396	322	1,074
26.....	30	74	9,917	9,961	104.7	14,971	5,053	4,135	10,836	918	1,398	336	1,062
<i>5 in City of Chicago</i>													
1975 Jan. 1.....	99	.....	3,408	3,409	173.0	4,202	795	795	3,408	.....	287	.....	287
8.....	19	.....	3,993	4,013	206.4	4,796	802	803	3,993	.....	329	.....	329
15.....	.....	68	4,031	4,099	198.7	4,722	691	691	4,031	.....	294	.....	294
22.....	2	.....	3,405	3,407	171.8	4,284	879	879	3,406	.....	296	.....	296
29.....	14	.....	3,384	3,397	177.5	4,214	830	831	3,384	.....	252	.....	352
Feb. 5.....	34	.....	3,727	3,693	193.3	4,573	846	846	3,727	.....	354	.....	354
12.....	3	.....	3,500	3,497	183.4	4,264	765	765	3,500	.....	304	.....	304
19.....	26	.....	4,742	4,767	261.9	5,639	897	897	4,742	.....	300	.....	300
26.....	16	39	3,978	4,002	223.6	4,781	805	803	3,978	.....	254	.....	254
<i>33 others</i>													
1975 - Jan. 1.....	105	164	5,648	5,707	69.1	9,945	4,297	3,151	6,794	1,146	1,563	268	1,295
8.....	83	76	6,326	6,319	76.6	10,291	3,965	3,243	7,048	722	1,491	274	1,217
15.....	21	56	6,501	6,578	76.4	9,940	3,439	3,121	6,819	318	1,439	254	1,185
22.....	34	41	6,205	6,209	73.0	9,903	3,699	3,160	6,743	538	1,090	495	595
29.....	46	8	5,144	5,106	61.4	9,015	3,871	3,169	5,847	703	927	492	435
Feb. 5.....	87	1	5,046	4,960	60.5	9,394	4,348	3,508	5,885	839	1,013	336	671
12.....	16	5	5,589	5,577	69.2	9,990	4,401	3,680	6,310	722	1,780	391	1,390
19.....	16	7	5,393	5,416	69.7	10,232	4,838	3,660	6,572	1,179	1,096	322	774
26.....	15	34	5,939	5,959	77.2	10,190	4,251	3,352	6,857	918	1,144	336	808

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

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

<sup>3</sup> Federal funds loaned, net funds supplied to each dealer by clearing

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

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

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

**CURRENT RATES**

(Per cent per annum)

Federal Reserve Bank	Loans to member banks											
	Under Secs. 13 and 13a <sup>1</sup>			Under Sec. 10(b) <sup>2</sup>						Loans to all others under last par. Sec. 13 <sup>4</sup>		
				Regular rate			Special rate <sup>3</sup>					
	Rate on 2/28/75	Effective date	Previous rate	Rate on 2/28/75	Effective date	Previous rate	Rate on 2/28/75	Effective date <sup>3</sup>	Previous rate	Rate on 2/28/75	Effective date	Previous rate
Boston	6 3/4	2/5/75	7 1/4	7 1/4	2/5/75	7 1/4	8 1/2	2/5/75	9	9 1/2	2/5/75	10
New York	6 3/4	2/5/75	7 1/4	7 1/4	2/5/75	7 1/4	8 1/2	2/5/75	9	9 1/2	2/5/75	10
Philadelphia	6 3/4	2/5/75	7 1/4	7 1/4	2/5/75	7 1/4	8 1/2	2/5/75	9	9 1/2	2/5/75	10
Cleveland	6 3/4	2/5/75	7 1/4	7 1/4	2/5/75	7 1/4	8 1/2	2/5/75	9	9 1/2	2/5/75	10
Richmond	6 3/4	2/5/75	7 1/4	7 1/4	2/5/75	7 1/4	8 1/2	2/5/75	9	9 1/2	2/5/75	10
Atlanta	6 3/4	2/5/75	7 1/4	7 1/4	2/5/75	7 1/4	8 1/2	2/5/75	9	9 1/2	2/5/75	10
Chicago	6 3/4	2/6/75	7 1/4	7 1/4	2/6/75	7 1/4	8 1/2	2/6/75	9	9 1/2	2/6/75	10
St. Louis	6 3/4	2/7/75	7 1/4	7 1/4	2/7/75	7 1/4	8 1/2	2/7/75	9	9 1/2	2/7/75	10
Minneapolis	6 3/4	2/7/75	7 1/4	7 1/4	2/5/75	7 1/4	8 1/2	2/5/75	9	9 1/2	2/5/75	10
Kansas City	6 3/4	2/7/75	7 1/4	7 1/4	2/7/75	7 1/4	8 1/2	2/7/75	9	9 1/2	2/7/75	10
Dallas	6 3/4	2/5/75	7 1/4	7 1/4	2/5/75	7 1/4	8 1/2	2/5/75	9	9 1/2	2/5/75	10
San Francisco	6 3/4	2/5/75	7 1/4	7 1/4	2/5/75	7 1/4	8 1/2	2/5/75	9	9 1/2	2/5/75	10

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

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

<sup>3</sup> Applicable to special advances described in Section 201.2(e)(2) of Regulation A.

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

**SUMMARY OF EARLIER CHANGES**

(Per cent per annum)

Effective date	Range (or level) All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level) All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level) All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1955	2 1/2	2 1/2	1964—Nov. 24, 30	3 1/2-4	4	1971—Nov. 11, 19	4 3/4-5	5
1956—Apr. 13, 20	2 1/2-3	2 3/4		4	4	Dec. 13, 17, 24	4 1/2-4 3/4	4 3/4
Aug. 24, 31	2 3/4-3	3	1965—Dec. 6, 13	4 -4 1/2	4 1/2		4 1/2-4 3/4	4 1/2
1957—Aug. 9, 23	3 -3 1/2	3		4	4	1973—Jan. 15, 26	5	5
Nov. 15, Dec. 2	3 -3 1/2	3	1967—Apr. 7, 14	4 -4 1/2	4		5 -5 1/2	5 1/2
1958—Jan. 22, 24	2 3/4-3	3		4	4	Mar. 2	5 1/2	5 1/2
Mar. 7, 13	2 3/4-3	2 3/4	Nov. 20, 27	4 -4 1/2	4 1/2	Apr. 23	5 1/2-5 3/4	5 1/2
Apr. 18, May 9	1 3/4-2 1/4	1 3/4		4 1/2	4 1/2	May 4	5 3/4	5 3/4
Aug. 15, Sept. 12	1 3/4-2	1 3/4	1968—Mar. 15, 22	4 1/2-5	5	11, 18	5 3/4-6	6
Oct. 24, Nov. 7	2 -2 1/2	2		5	5	June 11	6 -6 1/2	6
1959—Mar. 6, 16	2 1/2-3	3	Apr. 19, 26	5 -5 1/2	5 1/2	15	6 1/2	6 1/2
May 29, June 12	3 -3 1/2	3 1/2		5 1/2	5 1/2	July 2	6 1/2	6 1/2
Sept. 11, 18	3 1/2-4	4	Aug. 16, 30	5 1/4-5 1/2	5 1/2	Aug. 14, 23	7	7 1/2
1960—June 3, 10	3 1/2-4	4		5 1/4	5 1/4		7 1/2	7 1/2
Aug. 12, Sept. 9	3 -3 1/2	3	Dec. 18, 20	5 1/4-5 1/2	5 1/2	1974—Apr. 25, 30	7 1/2-8	8
1963—July 17, 26	3 -3 1/2	3 1/2		5 1/2	5 1/2		7 3/4-8	7 3/4
			1969—Apr. 4, 8	5 1/2-6	6	Dec. 9, 16	7 3/4	7 3/4
				6	6	1975—Jan. 6, 10, 24	7 1/4-7 3/4	7 3/4
			1970—Nov. 11, 13, 16	5 3/4-6	5 3/4	Feb. 5, 7	6 3/4-7 1/4	6 3/4
				5 3/4	5 3/4		6 3/4	6 3/4
			Dec. 1, 4, 11	5 1/2-5 3/4	5 1/2	In effect, Feb. 28, 1975	6 3/4	6 3/4
				5 1/2	5 1/2			
			1971—Jan. 8, 15, 19, 22, 29	5 1/4-5 1/2	5 1/4			
				5 1/4	5 1/4			
			Feb. 13, 19, 16	4 3/4-5	4 3/4			
				4 3/4	4 3/4			
			July 16, 23	4 3/4-5	5			
				5	5			

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

**RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS**

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

Effective date <sup>1</sup>	Net demand <sup>2</sup>					Time <sup>3</sup> (all classes of banks)			
	Reserve city		Other			Savings	Other time		
	0.5	Over 5	0.5	Over 5	0.5		Over 5		
In effect Jan. 1, 1963.....	16½		12				4		
1966 July 14, 21, Sept. 8, 15.....						4	4	5	6
1967 Mar. 2, Mar. 16.....						3½	3½		
1968 Jan. 11, 18.....	16½	17	12	12½	3	3			
1969 Apr. 17.....	17	17½	12½	13					
1970 Oct. 1.....								5	
Beginning Nov. 9, 1972									
Effective date	Net demand <sup>2,4</sup>					Savings	Time <sup>3</sup> Other time		
	0.2	2-10	10-100	100-400	Over 400		0.5	Over 5.5, maturing in	
							0.5	30-179 days	180 days and over
1972 Nov. 9.....	8	10	12	6-16½	17½	7.3	7.3		7.5
Nov. 16.....				13					
1973 July 19.....		10½	12½	13½	18				
1974 Dec. 12.....					17½			6	3
1975 Feb. 13.....	7½	10	12	13	16½				
In effect Feb. 28, 1975	7½	10	12	13	16½	3	3	6	3
Present legal limits:							Minimum	Maximum	
Net demand deposits, reserve city banks.....							10	22	
Net demand deposits, other banks.....							7	14	
Time deposits.....							3	10	

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

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

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

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

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

<sup>4</sup> Effective Nov. 9, 1972, a new criterion was adopted to designate reserve cities, and on the same date requirements for reserves against net demand deposits of member banks were restructured to provide that each

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

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

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

<sup>7</sup> See columns above for earliest effective date of this rate.

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

**MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS**

(Per cent per annum)

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

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

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

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

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

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

<sup>4</sup> Between July 1 and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of \$1,000. The amount of such certificates that a bank could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount were subject to the 6½ per cent ceiling that applies to time deposits maturing in 2½ years or more.

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

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

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

For previous changes, see earlier issues of the BULLETIN.

**MARGIN REQUIREMENTS**

(Per cent of market value)

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

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

Regulation G and special margin requirements for bonds convertible into stocks were adopted by the Board of Governors effective Mar. 11, 1968.

**TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT**

(In millions of dollars)

Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale-purchase transactions)

Period	Treasury bills <sup>1</sup>			Others within 1 year <sup>2</sup>			1-5 years			5-10 years			Over 10 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts
1970.....	11,074	5,214	2,160	99	.....	-3,483	848	.....	5,430	249	.....	-1,845	93	.....	-102
1971.....	8,896	3,642	1,064	1,036	.....	6,462	1,338	.....	4,672	933	.....	685	311	.....	150
1972.....	8,522	6,467	2,545	125	.....	2,933	789	.....	1,405	539	.....	2,094	167	.....	250
1973.....	15,517	4,880	3,405	1,396	.....	140	579	.....	-2,028	500	.....	895	129	.....	87
1974.....	11,660	5,830	4,550	450	.....	1,314	797	.....	697	434	.....	1,675	196	.....	205
1974-Jan.....	1,340	335	1,402	9	.....	.....	93	.....	.....	77	.....	.....	.....	.....	.....
Feb.....	768	391	410	.....	.....	687	30	.....	922	.....	.....	200	.....	.....	35
Mar.....	663	566	165	.....	.....	.....	109	.....	.....	56	.....	.....	25	.....	.....
Apr.....	1,237	49	407	.....	.....	.....	172	.....	.....	.....	.....	.....	.....	.....	.....
May.....	737	100	.....	112	.....	2,563	26	.....	2,663	31	.....	.....	38	.....	100
June.....	614	954	204	48	.....	.....	34	.....	.....	78	.....	.....	16	.....	.....
July.....	988	211	.....	27	.....	.....	53	.....	.....	9	.....	.....	36	.....	.....
Aug.....	1,652	850	.....	.....	.....	2,867	.....	.....	1,057	.....	.....	1,940	.....	.....	130
Sept.....	717	565	786	22	.....	200	65	.....	200	53	.....	.....	37	.....	.....
Oct.....	547	1,110	1,063	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nov.....	1,422	273	107	148	.....	1,623	92	.....	1,757	78	.....	465	25	.....	200
Dec.....	973	426	6	85	.....	126	123	.....	126	53	.....	.....	20	.....	.....
1975-Jan.....	341	945	600	14	.....	.....	305	.....	.....	61	.....	.....	26	.....	.....

Period	Total outright <sup>1</sup>			Matched sale-purchase transactions (U.S. Govt. securities)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations			Bankers' acceptances, net		Net change <sup>3</sup>	
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales		Outright	Repurchase agreements, net	Outright	Repurchase agreements			
1970.....	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988	.....	.....	.....	.....	.....	.....	4,982
1971.....	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076	485	101	22	181	.....	.....	8,866
1972.....	10,142	6,467	2,862	23,319	23,319	31,103	32,228	-312	1,197	370	-88	-9	-145	.....	272
1973.....	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	-36	.....	.....	9,227
1974.....	13,537	5,830	4,682	64,229	62,801	71,333	70,947	1,984	3,087	322	469	511	420	.....	6,149
1974-Jan.....	1,519	335	1,402	2,590	2,590	4,442	4,500	-276	29	39	-42	.....	.....	.....	-328
Feb.....	798	391	410	2,393	2,393	4,265	4,265	-3	120	46	.....	1	.....	.....	72
Mar.....	854	566	165	702	702	6,248	5,124	1,246	170	48	185	4	223	.....	1,780
Apr.....	1,409	49	407	.....	.....	8,069	8,498	524	360	48	33	8	-89	.....	789
May.....	944	100	.....	4,586	4,586	9,192	8,648	1,388	201	15	424	16	142	.....	2,155
June.....	790	954	204	4,580	4,580	6,124	6,667	-911	309	72	-372	.....	-70	.....	1,115
July.....	1,113	211	.....	2,587	.....	4,269	4,965	-2,381	761	35	-270	121	207	.....	2,011
Aug.....	1,652	850	.....	9,061	11,287	2,096	2,096	3,028	238	3	.....	59	.....	.....	3,322
Sept.....	893	565	786	9,420	9,782	3,551	3,551	-96	207	16	.....	40	187	.....	3,322
Oct.....	547	1,110	1,063	12,574	12,516	4,618	4,618	-1,684	.....	.....	.....	-100	185	.....	1,970
Nov.....	1,765	273	238	6,880	6,404	6,990	6,121	1,647	331	.....	369	174	218	.....	2,739
Dec.....	1,254	426	6	8,855	7,962	11,470	11,895	498	360	.....	142	188	201	.....	393
1975-Jan.....	746	945	600	9,237	10,367	9,260	8,748	844	.....	14	409	103	-136	.....	387

<sup>1</sup> Before Nov. 1973 BULLFIN, included matched sale-purchase transactions, which are now shown separately.

<sup>2</sup> Includes special certificates acquired when the Treasury borrows directly from the Federal Reserve, as follows: June 1971, 955; Sept. 1972, 38; Aug. 1973, 351; Sept. 1973, 836; Nov. 1974, 111.

<sup>3</sup> Net change in U.S. Govt. securities, Federal agency obligations, and bankers' acceptances.

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

**CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS**

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Belgian francs	Canadian dollars	French francs	German marks	Italian lire	Japanese yen	Mexico pesos	Netherlands guilders	Swiss francs
1970.....	257	154	*	*	.....	98	.....	1	.....	.....	4
1971-Feb.....	18	3	3	*	.....	2	.....	1	.....	.....	8
1972.....	192	*	*	*	.....	164	.....	1	.....	20	6
1973-Nov.....	4	*	.....	*	.....	*	.....	1	.....	.....	3
Dec.....	4	*	.....	*	.....	*	.....	1	.....	.....	3
1974-Jan.....	1	*	.....	*	.....	*	.....	1	.....	.....	.....
Feb.....	32	*	20	*	.....	10	.....	1	.....	.....	.....
Mar.....	6	*	5	*	.....	*	.....	1	.....	.....	.....
Apr.....	6	*	5	*	.....	*	.....	1	.....	.....	.....
May.....	63	*	5	*	.....	57	.....	1	.....	.....	.....
June.....	90	*	5	*	.....	84	.....	1	.....	.....	.....
July.....	8	*	1	*	.....	6	.....	1	.....	.....	.....
Aug.....	220	*	*	*	.....	39	.....	1	180	.....	.....
Sept.....	242	*	*	*	.....	61	.....	1	180	.....	.....
Oct.....	190	*	1	*	.....	8	.....	1	180	.....	.....
Nov.....	40	*	*	*	.....	38	.....	1	.....	.....	.....

## CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1975					1975	1974	
	Feb. 26	Feb. 19	Feb. 12	Feb 5	Jan. 29	Feb. 28	Jan. 31	Feb. 28
<b>Assets</b>								
Gold certificate account.....	11,621	11,621	11,625	11,629	11,635	11,621	11,635	11,460
Special Drawing Rights certificate account.....	400	400	400	400	400	400	400	400
Cash.....	346	339	332	322	309	360	328	307
Loans:								
Member bank borrowings.....	834	1,125	117	89	159	77	103	720
Other.....								
Acceptances:								
Bought outright.....	657	630	628	659	658	669	682	69
Held under repurchase agreements.....	222	6	314	8	221	324	284	
Federal agency obligations:								
Bought outright.....	4,607	4,650	4,650	4,650	4,688	4,983	4,688	2,001
Held under repurchase agreements.....	258		364		151	347	102	
U.S. Govt. securities:								
Bought outright:								
Bills.....	35,484	35,612	35,377	35,545	36,739	35,139	36,674	36,467
Certificates—Special.....								
Other.....								
Notes.....	40,495	40,253	40,403	40,403	40,403	40,495	40,403	38,796
Bonds.....	3,535	3,461	3,311	3,311	3,311	3,535	3,311	2,974
Total bought outright.....	179,514	179,326	179,091	179,259	180,453	179,169	180,388	178,237
Held under repurchase agreements.....	2,507		2,049		1,013	1,917	956	
Total U.S. Govt. securities.....	82,021	79,326	81,140	79,259	81,466	81,086	81,344	78,237
Total loans and securities.....	88,599	85,737	87,213	84,665	87,343	87,486	87,203	81,027
Cash items in process of collection.....	7,061	9,031	7,547	10,389	7,404	5,524	5,646	7,333
Bank premises.....	271		269	269	267	271	268	226
Other assets:								
Denominated in foreign currencies.....	2	2	2	2	2	2	2	32
All other.....	2,467	2,713	3,309	4,394	3,329	2,742	3,248	700
Total assets.....	110,767	110,112	110,697	112,070	110,689	108,396	108,730	101,485
<b>Liabilities</b>								
F.R. notes.....	68,302	68,696	68,786	68,161	67,944	68,078	67,617	62,247
Deposits:								
Member bank reserves.....	30,247	27,396	31,336	32,175	30,049	28,530	28,839	27,989
U.S. Treasury—General account.....	3,187	3,040	1,308	779	3,442	2,884	3,540	2,016
Foreign.....	271	319	250	277	334	409	391	542
Other:								
All other <sup>2</sup> .....	851	700	683	732	708	901	748	679
Total deposits.....	34,556	31,455	33,577	33,963	34,533	32,724	33,518	31,226
Deferred availability cash items.....	4,680	6,729	5,160	5,087	4,766	4,268	4,180	4,921
Other liabilities and accrued dividends.....	1,040	1,148	1,211	2,985	1,191	1,098	1,112	988
Total liabilities.....	108,578	108,028	108,734	110,196	108,434	106,168	106,427	99,382
<b>Capital accounts</b>								
Capital paid in.....	898	898	897	901	901	898	901	862
Surplus.....	897	897	897	897	897	897	897	844
Other capital accounts.....	394	289	169	76	457	433	505	397
Total liabilities and capital accounts.....	110,767	110,112	110,697	112,070	110,689	108,396	108,730	101,485
Contingent liability on acceptances purchased for foreign correspondents.....	149	196	269	316	395	130	384	592
Marketable U.S. Govt. securities held in custody for foreign and international accounts.....	36,851	36,496	35,367	35,111	34,980	37,612	35,084	25,233
<b>Federal Reserve Notes—Federal Reserve Agents' Accounts</b>								
F.R. notes outstanding (issued to Bank).....	74,233	74,305	74,542	74,448	74,641	74,245	74,538	66,921
Collateral held against notes outstanding:								
Gold certificate account.....	3,457	3,457	3,457	3,207	3,047	3,457	3,207	2,255
Special Drawing Rights certificate account.....	93	93	93	93	93	93	93	
Acceptances.....	425	425	425	425	425	425	425	
U.S. Govt. securities.....	72,162	72,062	72,062	72,492	72,760	72,162	72,492	66,600
Total collateral.....	76,137	76,037	76,037	76,217	76,325	76,137	76,217	68,855

<sup>1</sup> See note 2 on p A-4.<sup>2</sup> See note 6 on page A-4.

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

(In millions of dollars)

Item	Wednesday					End of month		
	1975					1975		1974
	Feb. 26	Feb. 19	Feb. 12	Feb. 5	Jan. 29	Feb. 28	Jan. 31	Feb. 28
Loans - Total	834	1,125	118	89	159	77	101	721
Within 15 days	833	1,124	111	79	148	74	91	712
16-90 days	1	1	7	10	11	3	10	9
91 days to 1 year								
Acceptances - Total	879	636	942	667	879	993	966	69
Within 15 days	358	136	450	163	405	470	457	29
16-90 days	419	418	378	387	375	425	397	40
91 days to 1 year	102	82	114	117	99	98	112	
U.S. Govt. securities - Total	82,021	79,326	81,140	79,259	81,466	81,086	81,344	78,237
Within 15 days <sup>1</sup>	7,330	4,852	8,519	6,086	6,652	4,649	6,324	4,166
16-90 days	20,547	21,022	16,343	17,309	18,563	22,196	18,535	18,958
91 days to 1 year	20,962	20,586	20,975	20,561	20,948	21,059	21,182	23,301
1-5 years	20,733	20,604	23,440	23,440	23,440	20,733	23,440	22,235
5-10 years	10,035	9,922	9,673	9,673	9,673	10,035	9,673	7,780
Over 10 years	2,414	2,340	2,190	2,190	2,190	2,414	2,190	1,797
Federal agency obligations - Total	4,865	4,650	5,014	4,650	4,839	5,330	4,790	2,001
Within 15 days <sup>1</sup>	423	90	407	259	202	514	153	48
16-90 days	122	169	216	259	217	122	260	63
91 days to 1 year	541	587	587	587	616	608	573	248
1-5 years	2,374	2,313	2,313	2,313	2,313	2,541	2,313	846
5-10 years	904	990	990	990	990	1,025	990	557
Over 10 years	501	501	501	501	501	520	501	239

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

**BANK DEBITS AND DEPOSIT TURNOVER**

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts <sup>1</sup> (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others <sup>2</sup>				N.Y.	6 others <sup>2</sup>		
1974-Jan.	18,817.7	8,081.0	4,517.1	10,736.8	6,219.6	111.5	270.3	116.2	77.3	62.2
Feb.	19,813.7	8,896.2	4,582.1	10,917.5	6,335.4	118.0	294.2	119.9	79.3	63.7
Mar.	20,166.9	8,914.4	4,718.0	11,252.5	6,534.6	118.3	292.5	120.8	80.3	64.7
Apr.	20,062.3	8,637.9	4,747.6	11,424.3	6,676.7	115.4	274.6	119.7	80.2	65.0
May	20,564.7	8,970.1	4,820.8	11,594.6	6,773.8	117.1	275.3	122.3	81.1	65.4
June	20,457.3	9,065.7	4,768.0	11,391.6	6,623.6	116.9	279.9	120.0	79.8	64.3
July	20,899.6	9,140.4	4,892.1	11,759.2	6,867.1	119.8	282.1	123.5	82.8	67.0
Aug.	21,478.3	9,240.8	5,173.0	12,237.5	7,064.5	123.4	286.4	132.0	86.3	68.8
Sept.	22,017.5	9,970.8	5,092.1	12,046.7	6,954.7	125.1	310.5	127.5	83.7	66.9
Oct.	22,348.8	10,271.1	5,084.7	12,077.6	6,993.0	127.0	316.8	127.3	84.1	67.5
Nov.	22,918.7	10,538.9	5,160.2	12,379.8	7,219.6	131.8	324.6	131.5	87.5	70.6
Dec.	22,192.4	9,931.8	5,152.7	12,260.6	7,107.9	128.0	312.8	131.8	86.6	69.3
1975-Jan.	21,849.8	10,157.8	4,863.2	11,691.9	6,828.8	127.2	321.8	125.9	83.4	67.3

<sup>1</sup> Excludes interbank and U.S. Govt. demand deposit accounts.  
<sup>2</sup> Boston, Philadelphia, Chicago, Detroit, San Francisco-Oakland, and Los Angeles-Long Beach.

NOTE: <sup>3</sup>Total SMSA's includes some cities and counties not designated as SMSA's.  
 For back data see pp. 634-35 of July 1972 BULLETIN.



**MEASURES OF THE MONEY STOCK**

(In billions of dollars)

Month or week	Seasonally adjusted <sup>1</sup>			Not seasonally adjusted <sup>2</sup>		
	M <sub>1</sub>	M <sub>2</sub>	M <sub>3</sub>	M <sub>1</sub>	M <sub>2</sub>	M <sub>3</sub>
Composition of measures is described in the Note below.						
1971 Dec.	245.3	473.1	727.9	241.9	477.9	730.9
1972 Dec.	255.8	525.7	823.3	263.0	530.7	826.3
1973 Dec.	271.5	572.2	895.0	279.1	577.3	898.2
1974 Jan.	270.9	575.5	900.4	277.8	581.4	905.7
Feb.	273.1	580.9	907.5	270.2	578.5	905.1
Mar.	275.2	585.5	914.6	272.5	584.9	915.4
Apr.	276.6	589.4	920.2	278.2	593.5	926.3
May	277.6	591.6	922.8	272.9	589.7	922.0
June	280.0	597.1	929.6	278.2	596.6	930.6
July	280.5	599.7	933.4	280.1	599.3	934.5
Aug.	280.7	602.2	936.4	277.5	598.7	937.5
Sept.	281.1	603.8	938.8	279.4	600.7	934.5
Oct.	282.2	608.1	944.4	281.7	606.3	941.1
Nov.	283.8	613.0	951.1	285.3	611.1	947.0
Dec.	284.3	614.3	955.0	292.2	619.4	958.3
1975 Jan.	282.2	615.9	959.5	289.2	621.8	964.8

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

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

M<sub>2</sub>: Averages of daily figures for M<sub>1</sub> plus savings deposits, time deposits open account, and time certificates other than negotiable CD's of \$100,000 of large weekly reporting banks.

M<sub>3</sub>: M<sub>2</sub> plus the average of the beginning- and end-of-month figures for deposits of mutual savings banks and for savings capital of savings and loan associations.

N.B. Latest monthly and weekly data— including some revisions going back to 1970—are shown in the Board's H-6 release for Feb. 20, 1975. For general description and other back data, see "Revision of Money Stock Measures and Member Bank Reserves and Deposits" on pp. 817-27 of the Dec. 1974 Bulletin.

**COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS**

(In billions of dollars)

Month or week	Seasonally adjusted <sup>1</sup>						Not seasonally adjusted <sup>2</sup>						U.S. Govt. deposits <sup>3</sup>		
	Cur- ren- cy	Commercial banks			Non- bank thrift insti- tutions <sup>2</sup>		Cur- ren- cy	Commercial banks			Non- bank thrift insti- tutions <sup>2</sup>				
		Demand de- pos- its	Time and savings deposits					Demand deposits	Time and savings deposits						
		CD's <sup>1</sup>	Other	Total		Total	Mem- ber	Dom- estic non- mem- ber	CD's <sup>1</sup>	Other	Total				
1971—Dec.	52.6	182.7	33.5	237.7	271.2	254.9	53.5	188.4	142.6	44.1	33.8	236.0	269.8	253.0	6.9
1972—Dec.	56.9	198.9	43.9	269.9	313.8	297.5	57.9	205.1	152.4	51.4	44.2	267.6	311.8	295.6	7.4
1973—Dec.	61.6	209.9	63.8	300.7	364.5	322.8	62.7	216.4	157.0	56.6	64.0	298.2	362.2	321.0	6.3
1974 Jan.	62.0	208.9	66.4	304.6	371.0	324.9	61.6	216.2	156.4	56.9	65.8	303.6	369.4	324.2	8.1
Feb.	62.7	210.4	68.2	307.8	376.0	326.6	61.9	208.3	151.1	54.6	66.1	308.3	374.4	326.6	6.6
Mar.	63.3	211.9	68.0	310.3	378.3	329.2	62.7	209.8	152.3	54.7	66.7	312.4	379.1	330.5	6.4
Apr.	63.9	212.8	73.9	312.7	386.7	330.8	63.5	214.7	155.8	56.2	71.8	315.3	387.1	332.8	6.0
May	64.3	213.3	78.5	314.0	392.5	331.2	64.1	208.8	151.3	54.8	77.2	316.7	393.9	332.4	7.6
June	64.6	215.4	81.3	317.1	398.4	332.4	64.8	213.5	153.6	56.1	79.6	318.3	397.9	334.0	6.1
July	64.8	215.7	83.6	319.2	402.8	333.7	65.3	214.8	154.4	56.6	82.8	319.2	402.0	335.3	5.4
Aug.	65.5	215.3	83.8	321.5	405.2	334.2	65.7	211.9	152.3	56.3	87.1	321.1	408.2	333.8	4.0
Sept.	65.9	215.3	84.8	322.7	407.5	335.0	65.8	213.6	153.3	57.0	88.7	321.3	410.1	333.8	5.5
Oct.	66.5	215.7	86.2	325.9	412.1	336.2	66.4	215.3	154.4	57.7	88.8	324.6	411.3	334.8	3.7
Nov.	67.3	216.5	85.5	329.2	414.7	338.2	67.8	217.5	155.9	58.4	87.1	325.8	412.9	335.9	3.3
Dec.	67.7	216.6	90.3	330.0	420.3	340.7	68.9	223.3	160.3	59.7	90.5	327.2	417.6	338.9	4.8
1975—Jan.	68.0	214.1	92.9	333.7	426.7	343.6	67.6	221.6	158.7	59.7	92.1	332.6	424.7	343.0	4.0

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

<sup>2</sup> Average of the beginning and end-of-month figures for deposits of mutual savings banks and savings capital at savings and loan associations.

<sup>3</sup> At all commercial banks.

See also NOTE above

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

Period	Member bank reserves, S.A. <sup>1</sup>				Deposits subject to reserve requirements <sup>3</sup>								Total member bank deposits plus nondeposit items <sup>4</sup>	
	Total	Non-borrowed	Re-quired	Avail-able <sup>2</sup>	S.A.				N.S.A.				S.A.	N.S.A.
					Total	Time and savings	Demand		Total	Time and savings	Demand			
							Private	U.S. Govt.			Private	U.S. Govt.		
1970 Dec.....	29.20	28.87	28.95	27.13	321.3	178.9	136.0	6.4	325.2	178.1	141.1	6.0	333.4	337.2
1971- Dec.....	31.33	31.20	31.15	29.03	360.3	210.7	143.8	5.8	364.6	209.7	149.2	5.7	365.2	369.5
1972 Dec.....	31.46	30.41	31.17	29.09	402.0	242.0	154.5	5.6	406.8	240.7	160.1	6.1	406.4	411.2
1973 Dec.....	35.16	33.87	34.86	32.97	442.2	280.0	158.2	3.9	447.5	278.5	164.0	5.0	448.7	454.0
1974 Jan.....	35.82	34.77	35.66	32.82	446.8	284.1	157.5	5.1	453.0	281.1	163.4	6.5	453.3	459.5
Feb.....	35.12	33.92	34.93	32.90	447.5	287.4	157.9	2.2	447.1	285.7	156.3	5.1	454.4	454.0
Mar.....	34.98	33.66	34.84	33.13	450.4	288.6	158.7	3.2	450.4	288.6	156.9	4.9	457.9	457.9
Apr.....	35.88	34.15	35.70	33.66	461.2	296.6	160.0	4.6	462.5	296.2	161.5	4.8	469.2	470.6
May.....	36.52	33.93	36.34	34.26	467.0	302.3	159.1	5.6	464.7	303.0	155.6	6.1	475.8	473.5
June.....	36.74	33.73	36.54	34.71	472.9	307.0	160.6	5.3	470.0	306.4	158.9	4.7	481.2	478.4
July.....	37.40	34.10	37.24	34.96	475.7	310.7	160.7	4.2	474.3	310.1	160.0	4.1	484.9	483.5
Aug.....	37.27	33.93	37.08	35.27	478.5	312.4	159.9	6.2	475.1	315.3	157.0	2.9	487.5	484.2
Sept.....	37.28	34.00	37.09	35.30	480.6	314.4	159.9	6.3	479.6	317.2	158.3	4.1	489.1	488.2
Oct.....	36.86	35.04	36.73	34.89	480.5	317.2	159.5	3.7	480.5	318.6	159.1	2.7	488.3	488.3
Nov.....	36.87	35.62	36.67	34.87	483.6	318.4	160.6	4.6	481.2	317.4	161.4	2.4	491.2	488.8
Dec.....	36.91	36.18	36.65	34.63	485.9	323.4	160.7	1.9	491.8	321.7	166.6	3.5	494.3	500.1
1975- Jan.....	36.95	36.55	36.79	34.43	488.2	328.5	159.1	0.7	495.1	327.1	165.0	2.9	495.8	502.6

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

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

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

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

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

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

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

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

Date	Seasonally adjusted							Not seasonally adjusted						
	Total loans and investments <sup>1</sup>	Loans				Securities		Total loans and investments <sup>1</sup>	Loans				Securities	
		Total <sup>1</sup>	Plus loans sold <sup>2</sup>	Commercial and industrial <sup>3</sup>		U.S. Treasury	Other <sup>4</sup>		Total <sup>1</sup>	Plus loans sold <sup>2</sup>	Commercial and industrial <sup>3</sup>		U.S. Treasury	Other <sup>4</sup>
				Total	Plus loans sold <sup>2</sup>						Total	Plus loans sold <sup>2</sup>		
1970- Dec. 31.....	435.5	291.7	294.7	110.0	112.1	57.9	85.9	446.8	299.0	301.9	112.5	114.6	61.7	86.1
1971- Dec. 31.....	484.8	320.3	323.1	115.9	117.5	60.1	104.4	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972 Dec. 31.....	556.4	377.8	380.4	129.7	131.4	61.9	116.7	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973- Dec. 31.....	630.3	447.3	451.6	155.8	158.4	52.8	130.2	647.3	458.5	462.8	159.4	162.0	58.3	130.6
1974 Mar 27.....	657.5	468.2	473.1	165.1	167.9	56.4	132.9	654.0	463.0	467.9	164.9	167.7	57.5	133.5
Apr. 24.....	666.9	476.3	481.7	169.5	172.6	57.1	133.5	664.2	473.0	478.4	170.2	173.3	56.4	134.7
May 29.....	673.4	481.4	487.1	172.9	176.0	57.2	134.8	669.8	480.3	485.9	172.3	175.4	54.1	135.5
June 30.....	677.5	484.5	489.9	174.6	177.5	56.4	136.6	681.6	491.8	497.2	177.2	180.1	52.1	137.6
July 31.....	686.6	494.3	499.7	177.9	180.8	55.8	136.5	685.4	496.6	502.0	178.3	181.2	52.2	136.6
Aug. 28.....	692.0	500.2	505.5	180.7	183.6	55.3	136.5	687.5	499.3	504.6	179.1	182.0	52.0	136.2
Sept 25.....	687.0	498.2	503.5	180.8	183.6	52.2	136.6	686.6	499.2	504.5	180.9	183.7	50.6	136.7
Oct. 30.....	687.1	499.5	504.7	182.5	185.3	49.7	137.9	685.8	498.2	503.4	181.3	184.1	50.6	137.0
Nov. 27.....	688.5	500.9	505.8	183.0	185.7	49.3	138.3	688.2	499.1	504.1	182.0	184.7	52.2	136.8
Dec. 31.....	681.2	494.1	498.9	180.5	183.3	48.8	138.3	699.6	506.5	511.3	184.7	187.5	54.4	138.8
1975- Jan. 29.....	686.1	498.3	502.9	181.7	184.4	48.9	138.9	685.1	493.5	498.1	179.6	182.3	53.7	138.0
Feb. 26.....	687.9	495.1	499.6	180.0	182.6	53.4	139.4	682.2	489.0	493.4	178.2	180.8	54.8	138.4

<sup>1</sup> Adjusted to exclude domestic commercial interbank loans.

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

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

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

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

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

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



PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Classification by F.R.S. membership and FDIC insurance	Loans and investments							Deposits					Bor- row- ings	Total capital ac- counts	Num- ber of banks
	Total	Loans <sup>1</sup>	Securities		Cash assets <sup>2</sup>	Total assets— Total li- abilities and capital ac- counts <sup>4</sup>	Total <sup>3</sup>	Interbank <sup>4</sup>		Other					
			U.S. Treas- uries	Other <sup>2</sup>				Demand	Time	Demand	Time <sup>5</sup>	U.S. Govt.			
Call date series															
<b>Insured banks (cont.):</b>															
<b>State member:</b>															
1941 Dec. 31....	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739		621	13,874	4,025	1	2,246	1,502
1947 Dec. 31....	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055	1,918
1960 Dec. 31....	58,073	36,240	16,394	5,439	17,081	77,316	68,118	6,608	1,028	2,022	40,733	17,727	20	6,299	1,644
1970 Dec. 31....	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232	1,147
1971 Dec. 31....	102,813	71,441	11,347	20,125	26,998	135,517	111,777	13,102	721	2,412	45,945	49,597	6,878	10,214	1,128
1972 Dec. 31....	115,426	82,889	11,530	21,008	29,176	150,697	123,186	12,862	1,406	2,378	51,017	55,523	9,651	10,886	1,092
1973 Dec. 31....	130,240	97,828	10,532	21,880	29,387	166,780	131,421	14,425	1,968	2,318	49,859	62,851	15,914	11,617	1,076
1974 June 30....	132,388	101,732	8,303	22,353	35,268	175,896	139,446	19,125	2,906	1,586	47,690	68,138	14,713	11,980	1,068
Oct. 15....	137,005	105,462	8,543		36,194	182,837	140,676	18,472	2,817	1,577	47,570	71,239	19,399	12,206	1,072
<b>Nonmember:</b>															
1941 Dec. 31....	5,776	3,241	1,509	1,025	2,668	8,708	7,702	129		53	4,162	3,360	6	959	6,810
1947 Dec. 31....	16,444	4,958	10,039	1,448	4,083	20,691	19,342	262	4	149	12,366	6,558	7	1,271	6,478
1960 Dec. 31....	32,411	17,169	11,368	3,874	6,082	39,114	35,391	484	27	645	20,140	14,095	19	3,232	6,948
1970 Dec. 31....	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326	7,735
1971 Dec. 31....	108,527	67,188	17,058	24,282	12,092	123,970	109,841	1,212	242	1,723	44,717	61,946	582	9,451	7,875
1972 Dec. 31....	128,333	81,594	17,964	28,774	14,767	147,013	130,316	1,408	552	1,796	52,876	73,685	1,199	10,938	8,017
1973 Dec. 31....	149,638	99,143	16,467	34,027	16,167	170,831	150,170	1,467	586	1,582	58,966	87,569	1,920	12,862	8,229
1974 June 30....	159,186	106,033	15,898	37,255	14,565	179,457	156,406	1,323	610	1,731	56,580	96,162	2,678	14,057	8,347
Oct. 15....	163,681	110,630	8,895		15,521	186,171	161,466	1,301	651	1,816	59,140	99,557	3,161	14,940	8,416
<b>Noninsured nonmember:</b>															
1941 Dec. 31....	1,457	455	761	241	763	2,283	1,872	329		1,291		253	13	329	852
1947 Dec. 31....	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1960 Dec. 31....	3,411	1,498	550	413	314	1,883	1,443	159	132	13	846	293	14	358	352
1970 Dec. 31....	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	184
1971 Dec. 31....	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480	181
1972 Dec. 31....	4,865	3,731	349	785	1,794	7,073	3,775	488	81	55	1,530	1,620	527	491	206
1973 Dec. 31....	6,192	4,927	316	949	2,010	8,650	4,996	591	344	9	1,836	2,215	1,463	524	207
1974 June 30....	9,269	7,987	382	1,001	2,951	12,770	6,610	1,481	476	12	2,209	2,432	2,033	620	229
<b>Total nonmember:</b>															
1941 Dec. 31....	7,233	3,696	2,270	1,266	3,431	10,992	9,573	457		5,504		3,613	18	1,288	7,662
1947 Dec. 31....	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	190	167	13,758	7,036	12	1,596	7,261
1960 Dec. 31....	33,910	17,719	11,904	4,287	6,396	40,997	36,834	643	160	657	20,986	14,388	33	3,590	7,300
1970 Dec. 31....	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858	7,919
1971 Dec. 31....	111,674	69,411	17,297	24,966	13,643	129,100	112,764	1,592	359	1,742	45,990	63,081	866	9,932	8,056
1972 Dec. 31....	133,198	85,325	18,313	29,559	16,562	154,085	134,091	1,895	633	1,850	54,406	75,305	1,726	11,429	8,223
1973 Dec. 31....	155,830	104,070	16,783	34,976	18,177	179,480	155,165	2,057	930	1,592	60,802	89,784	3,383	13,386	8,436
1974 June 30....	168,456	114,020	16,180	38,256	17,516	192,227	163,016	2,804	1,086	1,743	58,789	98,593	4,711	14,677	8,576

<sup>1</sup> Loans to farmers directly guaranteed by CCC were reclassified as securities and Export-Import Bank portfolio fund participations were reclassified from loans to securities effective June 30, 1966. This reduced "Total loans" and increased "Other securities" by about \$1 billion. "Total loans" include Federal funds sold, and beginning with June 1967 securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc." on p. A-18.

Effective June 30, 1971, Farmers Home Administration notes were classified as "Other securities" rather than "Loans." As a result of this change, approximately \$300 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

See also table (and notes) at the bottom of p. A-26.

<sup>2</sup> See first 2 paragraphs of note 1.

<sup>3</sup> Reciprocal balances excluded beginning with 1942.

<sup>4</sup> Includes items not shown separately. See also note 1.

<sup>5</sup> See third paragraph of note 1 above.

<sup>6</sup> For the last-Wednesday-of-the-month series, figures for call dates are shown for June and December as soon as they became available.

<sup>7</sup> Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

<sup>8</sup> Member bank data for Oct. exclude assets of \$3.6 billion of one large bank.

<sup>9</sup> Figure takes into account the following changes, which became effective June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-

owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves rather than net as previously reported.

NOTE: Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; and nondeposit trust companies.

Figures for member banks before 1970 include mutual savings banks as follows: 3 before Jan. 1960 and 2 through Dec. 1960. Those banks are not included in insured commercial banks.

Effective June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business; beginning 1973, excludes 1 national bank in Puerto Rico.

Beginning Dec. 31, 1973 and June 30, 1974, respectively, member banks exclude and noninsured nonmember banks include 1 and 2 noninsured trust companies that are members of the Federal Reserve System.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and by mergers etc.

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870-71.

## ASSETS BY CLASS OF BANK, JUNE 30, 1974

(Amounts in millions of dollars)

Account	All commercial banks	Insured commercial banks	Member banks <sup>1</sup>					Non-member banks <sup>1</sup>
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Cash bank balances, items in process.....	126,487	123,536	108,971	36,265	4,217	38,075	30,415	17,516
Currency and coin.....	8,378	8,350	6,245	460	131	1,983	3,671	2,133
Reserves with F.R. banks.....	30,146	30,146	30,146	6,204	1,319	12,459	10,165	.....
Demand balances with banks in United States.....	31,853	29,824	19,732	7,560	741	3,503	7,928	12,121
Other balances with banks in United States.....	2,517	2,080	1,295	99	71	456	669	1,222
Balances with banks in foreign countries.....	1,386	1,011	884	221	70	498	96	502
Cash items in process of collection.....	52,207	52,125	50,669	21,722	1,885	19,176	7,886	1,538
Total securities held—Book value.....	189,762	188,480	135,326	15,193	5,266	44,738	70,129	54,436
U.S. Treasury.....	52,114	51,832	35,934	3,715	1,207	11,586	19,426	16,180
Other U.S. Govt. agencies.....	31,359	31,001	20,523	2,123	923	5,960	11,518	10,835
States and political subdivisions.....	99,870	99,466	74,457	8,578	2,930	25,850	37,099	25,413
All other securities.....	6,420	6,180	4,412	777	206	1,342	2,087	2,008
Trade-account securities.....	6,370	6,368	6,281	2,162	539	3,293	288	88
U.S. Treasury.....	707	705	691	-22	141	531	42	16
Other U.S. Govt. agencies.....	1,472	1,472	1,462	505	148	774	35	10
States and political subdivisions.....	3,921	3,921	3,876	1,616	250	1,802	207	45
All other.....	269	253	253	63	.....	186	4	17
Bank investment portfolios.....	183,393	182,112	129,045	13,031	4,727	41,445	69,842	54,348
U.S. Treasury.....	51,407	51,127	35,243	3,738	1,066	11,056	19,384	16,164
Other U.S. Govt. agencies.....	29,886	29,528	19,061	1,617	775	5,186	11,483	10,825
States and political subdivisions.....	95,949	95,545	70,581	6,962	2,680	24,047	36,892	25,368
All other.....	6,151	5,911	4,159	714	206	1,156	2,083	1,992
Federal funds sold and securities resale agreements.....	35,307	33,225	25,374	1,944	1,239	11,939	10,251	9,933
Commercial banks.....	31,612	29,530	21,780	1,692	900	9,379	9,808	9,832
Brokers and dealers.....	2,658	2,658	2,628	82	227	1,956	361	30
Others.....	1,037	1,037	966	170	112	602	82	72
Other loans.....	494,104	488,199	390,017	76,484	23,502	147,030	143,001	104,087
Real estate loans.....	126,173	125,914	92,093	7,698	1,260	35,201	47,934	34,079
Secured by farmland.....	5,797	5,777	2,599	6	2	340	2,251	3,199
Secured by residential.....	78,752	78,544	58,923	4,174	833	23,742	30,175	19,829
1- to 4-family residences.....	71,577	71,387	52,993	2,888	774	20,874	28,457	18,584
FHA insured.....	6,297	6,250	5,472	261	40	3,065	2,106	824
VA guaranteed.....	3,350	3,301	2,851	196	20	1,505	1,130	499
Other.....	61,930	61,836	44,669	2,431	714	16,304	25,221	17,260
Multifamily.....	7,175	7,157	5,930	1,286	59	2,868	1,717	1,245
FHA insured.....	1,064	1,046	954	179	28	491	256	110
Other.....	6,112	6,110	4,976	1,107	31	2,378	1,461	1,135
Secured by other properties.....	41,623	41,593	30,572	3,519	425	11,119	15,509	11,052
Loans to domestic and foreign banks.....	13,110	11,218	10,784	5,191	954	4,027	612	2,325
Loans to other financial institutions.....	33,567	33,418	31,997	11,881	4,509	12,956	2,651	1,570
Loans on securities to brokers and dealers.....	5,317	5,294	5,176	3,189	794	1,023	170	141
Other loans for purchase/carry securities.....	4,217	4,175	3,533	623	338	1,597	974	684
Loans to farmers.....	18,444	18,423	10,885	140	222	2,622	7,901	7,558
Commercial and industrial loans.....	177,184	174,304	149,154	39,229	12,907	58,205	38,812	28,030
Loans to individuals.....	102,615	102,165	74,285	5,104	1,410	26,254	41,517	28,330
Installment loans.....	78,947	78,565	56,485	2,874	735	20,051	32,825	22,462
Passenger automobiles.....	33,902	33,648	22,953	458	161	7,243	15,091	10,948
Residential-repair/modernize.....	5,151	5,142	3,788	197	38	1,522	2,030	1,363
Credit cards and related plans.....	9,458	9,458	8,408	969	299	4,703	2,436	1,050
Charge-account credit cards.....	7,017	7,016	6,322	689	272	3,541	1,820	694
Check and revolving credit plans.....	2,442	2,442	2,086	280	27	1,162	617	356
Other retail consumer goods.....	15,364	15,340	10,890	151	111	3,723	6,906	4,474
Mobile homes.....	8,847	8,845	6,399	76	57	2,261	4,004	2,448
Other.....	6,518	6,495	4,492	74	54	1,462	2,902	2,026
Other installment loans.....	15,072	14,977	10,445	1,099	126	2,859	6,362	4,627
Single-payment loans to individuals.....	23,668	23,600	17,801	2,230	676	6,203	8,692	5,868
All other loans.....	13,479	13,288	12,109	3,428	1,107	5,144	2,430	1,370
Total loans and securities.....	719,173	709,904	550,717	93,621	30,008	203,707	223,381	168,456
Fixed assets—Buildings, furniture, real estate.....	14,168	14,092	10,808	1,115	431	4,358	4,903	3,360
Investments in subsidiaries not consolidated.....	1,595	1,586	1,568	716	121	674	57	27
Customer acceptances outstanding.....	6,645	6,500	6,249	3,739	359	1,900	251	396
Other assets.....	16,688	16,367	14,216	3,539	771	6,537	3,368	2,472
Total assets.....	884,755	871,986	692,529	138,996	35,906	255,251	262,376	192,227

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

<sup>2</sup> See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 26.

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

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

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

Details may not add to totals because of rounding.

## LIABILITIES AND CAPITAL BY CLASS OF BANK, JUNE 30, 1974

(Amounts in millions of dollars)

Account	All commercial banks	Insured commercial banks	Total	Member banks <sup>1</sup>			All other	Non-member banks <sup>1</sup>
				Large banks				
				New York City	City of Chicago	Other large		
Demand deposits	302,816	299,114	239,480	60,522	9,014	81,359	88,585	63,337
<i>Mutual savings banks</i>	1,298	1,186	1,103	472	1	171	459	196
Other individuals, partnerships, and corporations	216,285	215,421	165,670	26,762	6,871	61,031	71,006	50,615
U.S. Government	8,367	8,355	6,624	882	226	2,893	2,622	1,743
States and political subdivisions	19,379	19,249	14,264	1,346	202	4,076	8,640	5,116
Foreign governments, central banks, etc.	1,698	1,534	1,514	1,307	17	182	8	185
Commercial banks in United States	34,586	33,562	32,576	18,867	1,335	9,135	3,240	2,010
Banks in foreign countries	6,131	5,786	5,532	4,332	127	955	118	598
Certified and officers' checks, etc.	15,072	14,020	12,197	6,553	235	2,916	2,493	2,875
Time and savings deposits	407,561	404,653	307,881	44,468	16,233	111,622	135,559	99,679
Savings deposits	133,129	132,868	96,488	6,165	2,039	33,834	54,450	36,641
Accumulated for personal loan payments <sup>2</sup>	460	457	330	.....	.....	63	267	130
<i>Mutual savings banks</i>	486	465	456	275	32	129	20	30
Other individuals, partnerships, and corporations	207,331	206,061	159,052	25,950	10,969	58,285	63,848	48,279
U.S. Government	446	446	334	53	31	100	149	111
States and political subdivisions	47,711	47,551	35,192	2,088	1,655	14,963	16,487	12,518
Foreign governments, central banks, etc.	9,581	8,843	8,668	5,074	874	2,686	33	913
Commercial banks in United States	7,502	7,301	6,784	4,437	606	1,461	280	718
Banks in foreign countries	915	661	578	426	27	100	25	338
Total deposits	710,377	703,767	547,361	104,990	25,247	192,980	224,144	163,016
Federal funds purchased and securities sold under agreements to repurchase	57,064	55,983	53,652	11,115	5,641	28,973	7,922	3,412
Other liabilities for borrowed money	10,483	9,531	9,184	3,665	141	4,193	1,185	1,299
Mortgage indebtedness	1,192	1,188	1,002	78	5	386	533	189
Bank acceptances outstanding	6,916	6,761	6,509	3,980	362	1,914	253	407
Other liabilities	29,091	25,767	21,338	4,583	2,015	8,053	6,689	7,752
Total liabilities	815,123	802,997	639,046	128,411	33,410	236,499	240,726	176,076
Minority interest in consolidated subsidiaries	4	4	1	.....	.....	.....	1	3
Total reserves on loans/securities	8,005	7,982	6,535	1,449	428	2,428	2,231	1,470
Reserves for bad debts (IRS)	7,709	7,691	6,347	1,448	427	2,368	2,104	1,362
Other reserves on loans	125	125	79	1	1	8	69	47
Reserves on securities	171	166	110	.....	.....	52	58	61
Total capital accounts	61,623	61,003	46,946	9,136	2,068	16,323	19,418	14,677
Capital notes and debentures	4,310	4,203	3,419	752	57	1,682	929	891
Equity capital	57,313	56,801	43,526	8,384	2,012	14,641	18,490	13,786
Preferred stock	64	59	41	18	.....	11	12	23
Common stock	14,525	14,423	10,886	2,167	562	3,542	4,614	3,640
Surplus	24,408	24,272	18,655	3,458	1,140	6,705	7,351	5,753
Undivided profits	17,398	17,196	13,329	2,737	268	4,130	6,194	4,069
Other capital reserves	917	851	616	4	41	253	318	301
Total liabilities, reserves, minority interest, capital accounts	884,755	871,986	692,529	138,996	35,906	255,251	262,376	192,227
Demand deposits adjusted <sup>3</sup>	207,657	205,072	149,611	19,051	5,569	50,155	74,837	58,046
Average total deposits (past 15 days)	691,902	687,496	532,535	96,854	24,780	189,299	221,602	161,366
Average total loans (past 15 days)	501,628	493,909	390,178	75,995	23,483	147,258	143,441	111,450
Selected ratios:								
Percentage of total assets								
Cash and balances with other banks	14.3	14.2	15.7	26.1	11.7	14.9	11.6	9.1
Total securities held	21.4	21.6	19.6	10.9	14.7	17.5	26.7	28.3
Trading account securities	.7	.7	.9	1.6	1.5	1.3	.1	.....
U.S. Treasury	.1	.1	.1	.....	.4	.....	.....	.....
States and political subdivisions	.4	.4	.6	1.2	.7	.7	.1	.....
All other trading account securities	.2	.2	.2	.4	.4	.4	.....	.....
Bank investment portfolios	20.7	20.9	18.6	9.4	13.2	16.2	26.6	28.3
U.S. Treasury	5.8	5.9	5.1	2.7	3.0	4.3	7.4	8.4
States and political subdivisions	10.8	11.0	10.2	5.0	7.5	9.4	14.1	13.2
All other portfolio securities	4.1	4.1	3.4	1.7	2.7	2.5	5.2	6.7
Other loans and Federal funds sold	59.8	59.8	60.0	56.4	68.9	62.3	58.4	59.3
All other assets	4.4	4.4	4.7	6.6	4.7	5.3	3.3	3.3
Total loans and securities	81.3	81.4	79.5	67.4	83.6	79.8	85.1	87.6
Reserves for loans and securities	.9	.9	.9	1.0	1.2	1.0	.9	.8
Equity capital - Total	6.5	6.5	6.3	6.0	5.6	5.7	7.0	7.2
Total capital accounts	7.0	7.0	6.8	6.6	5.8	6.4	7.4	7.6
Number of banks	14,337	14,108	5,761	13	9	156	5,583	8,576

1 For notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and investments	Loans														Real estate
		Federal funds sold, etc. <sup>1</sup>						Other								
		Total	To commercial banks	To brokers and dealers involving--		To others	Total	Commercial and industrial	Agricultural	For purchasing or carrying securities				To nonbank financial institutions		
				U.S. Treasury securities	Other securities					U.S. Treasury secs.	Other secs.	U.S. Treasury secs.	Other secs.	Pers. and sales finan. cos., etc.	Other	
<b>Large banks Total</b>																
<b>1974</b>																
Feb. 6	371,407	16,030	14,046	1,340	415	229	268,055	109,986	3,739	1,159	5,025	155	2,731	8,106	18,017	55,859
13	370,362	16,725	15,093	1,035	394	203	267,641	110,149	3,733	731	4,804	151	2,744	7,911	18,129	55,889
20	371,190	16,659	15,089	984	353	233	267,577	110,142	3,732	586	4,986	148	2,740	7,931	18,213	55,942
27	372,059	16,414	14,597	1,216	366	235	268,739	110,707	3,744	989	5,271	151	2,743	8,128	18,156	55,905
<b>1975</b>																
Jan. 8	407,676	19,534	14,909	2,392	1,459	774	300,420	130,244	3,722	2,353	3,496	86	2,533	10,477	21,395	60,061
15	402,933	18,676	14,693	1,865	1,260	858	297,329	129,083	3,690	1,216	3,597	86	2,489	10,417	21,381	60,074
22	395,866	17,434	14,389	1,271	840	934	293,277	127,873	3,645	550	2,945	84	2,449	10,141	21,047	60,049
29	393,582	17,342	13,847	1,595	987	913	292,188	126,850	3,605	898	3,375	82	2,464	9,934	20,823	60,095
Feb. 5 <sup>2</sup>	397,028	21,115	17,027	1,929	1,248	911	291,973	126,468	3,570	1,467	3,289	82	2,446	10,114	20,898	59,859
12 <sup>2</sup>	394,403	20,653	16,774	1,802	1,000	1,077	289,315	126,072	3,513	585	2,769	83	2,444	9,785	20,775	59,667
19 <sup>2</sup>	397,374	20,415	16,514	1,729	1,076	1,096	291,205	126,083	3,504	1,287	3,443	82	2,470	10,226	20,698	59,751
26 <sup>2</sup>	391,765	17,735	14,257	1,555	1,026	897	288,849	125,987	3,498	800	2,786	80	2,430	9,731	20,492	59,725
<b>New York City</b>																
<b>1974</b>																
Feb. 6	79,748	1,043	1,012	26	.....	5	63,188	31,558	142	1,047	3,120	47	616	2,637	6,217	6,445
13	78,743	1,067	1,032	26	9	.....	62,572	31,504	138	614	2,861	42	622	2,532	6,219	6,460
20	79,370	1,514	1,455	49	.....	10	62,218	31,380	135	489	2,939	41	613	2,552	6,269	6,445
27	79,661	1,001	999	.....	.....	2	63,137	31,601	136	887	3,240	40	615	2,714	6,146	6,380
<b>1975</b>																
Jan. 8	94,211	1,406	1,322	28	38	18	77,323	40,894	126	1,980	2,277	21	534	3,536	8,282	7,514
15	93,408	2,506	2,402	62	.....	42	75,981	40,396	126	1,085	2,349	21	507	3,591	8,330	7,508
22	90,188	2,067	1,814	93	.....	160	73,681	39,812	125	482	1,868	20	502	3,428	8,207	7,531
29	89,669	1,977	1,774	108	.....	95	73,479	39,477	121	754	2,231	20	499	3,288	8,192	7,509
Feb. 5 <sup>2</sup>	88,796	1,065	855	126	.....	84	73,684	39,306	120	946	2,123	18	492	3,498	8,338	7,448
12 <sup>2</sup>	88,958	1,613	1,308	141	26	138	72,662	39,160	109	517	1,874	17	494	3,332	8,292	7,468
19 <sup>2</sup>	91,539	2,444	2,051	136	.....	257	74,173	39,253	117	1,130	2,354	20	498	3,504	8,242	7,455
26 <sup>2</sup>	88,753	1,311	1,066	128	5	112	72,646	39,175	115	725	1,841	18	482	3,246	8,142	7,447
<b>Outside New York City</b>																
<b>1974</b>																
Feb. 6	291,659	14,987	13,034	1,314	415	224	204,867	78,428	3,597	112	1,905	108	2,115	5,469	11,800	49,414
13	291,619	15,658	14,061	1,009	385	203	205,068	78,645	3,595	117	1,943	109	2,122	5,379	11,910	49,429
20	291,820	15,145	13,634	935	353	223	205,359	78,762	3,597	97	2,047	107	2,127	5,379	11,944	49,497
27	292,398	15,413	13,598	1,216	366	233	205,602	79,106	3,608	102	2,031	111	2,128	5,414	12,010	49,525
<b>1975</b>																
Jan. 8	313,465	18,128	13,587	2,364	1,421	756	223,097	89,350	3,596	373	1,219	65	1,999	6,941	13,113	52,547
15	309,525	16,170	12,291	1,803	1,260	816	221,343	88,687	3,564	131	1,248	65	1,982	6,826	13,051	52,566
22	305,678	15,367	12,575	1,178	840	774	219,596	88,061	3,520	68	1,077	64	1,947	6,713	12,840	52,518
29	303,913	15,365	12,073	1,487	987	818	218,709	87,373	3,484	144	1,144	62	1,965	6,646	12,631	52,586
Feb. 5 <sup>2</sup>	308,232	20,050	16,172	1,803	1,248	827	218,289	87,162	3,450	521	1,166	64	1,954	6,616	12,560	52,411
12 <sup>2</sup>	305,445	19,040	15,466	1,661	974	939	216,653	86,912	3,404	68	895	66	1,950	6,453	12,483	52,199
19 <sup>2</sup>	305,835	17,971	14,463	1,593	1,076	839	217,032	86,830	3,387	157	1,089	62	1,972	6,722	12,456	52,296
26 <sup>2</sup>	303,012	16,424	13,191	1,427	1,021	785	216,205	86,812	3,383	75	945	62	1,948	6,485	12,350	52,278

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Loans (cont.)					Investments										Wednesday	
Other (cont.)					U.S. Treasury securities					Other securities						
To commercial banks		Consumer instalment	Foreign govts. <sup>2</sup>	All other	Total	Bills	Certificates	Notes and bonds maturing			Total	Obligations of States and political subdivisions		Other bonds, corp. stocks, and securities		
Domestic	Foreign							Within 1 yr.	1 to 5 yrs.	After 5 yrs.		Tax war-rants <sup>3</sup>	All other	Certif. of partici-pation <sup>4</sup>		All other <sup>5</sup>
<i>Large banks -- Total</i>																
1974																
3,900	4,843	33,247	1,455	19,833	25,527	5,809	.....	4,690	11,701	3,327	61,795	7,637	40,520	2,454	11,184	..... Feb. 6
3,597	4,807	33,216	1,490	20,289	25,236	5,635	.....	4,732	11,630	3,239	60,761	7,191	40,108	2,418	11,044	..... 13
3,627	4,705	33,187	1,380	20,258	25,616	4,936	.....	4,252	12,242	4,186	61,338	7,250	40,356	2,434	11,298	..... 20
3,693	4,714	33,214	1,438	19,886	25,329	4,837	.....	4,262	12,111	4,119	61,577	7,178	40,670	2,417	11,312	..... 27
1975																
3,372	6,164	35,023	1,555	19,939	25,087	4,780	.....	3,701	12,966	3,640	62,635	6,763	40,817	2,450	12,605	..... Jan. 8
3,164	6,042	34,950	1,457	19,683	24,512	4,412	.....	3,733	12,842	3,525	62,416	6,737	40,586	2,496	12,597	..... 15
3,207	5,783	34,870	1,428	19,206	23,689	3,759	.....	3,710	12,723	3,497	61,466	6,436	40,110	2,470	12,450	..... 22
3,205	5,485	34,849	1,457	19,066	23,011	3,392	.....	3,614	12,568	3,437	61,041	6,324	40,005	2,477	12,235	..... 29
2,934	5,450	34,726	1,405	19,265	22,752	3,385	.....	3,757	12,326	3,284	61,188	6,273	39,936	2,480	12,499	..... Feb. 5 <sup>p</sup>
3,166	5,473	34,664	1,436	18,883	23,253	4,138	.....	3,706	12,165	3,244	61,182	6,239	39,994	2,479	12,470	..... 12 <sup>p</sup>
2,892	5,493	34,587	1,471	19,218	24,427	4,057	.....	3,428	13,254	3,688	61,327	6,237	40,061	2,513	12,516	..... 19 <sup>p</sup>
2,866	5,474	34,502	1,439	19,039	24,033	4,046	.....	3,405	13,010	3,572	61,148	6,136	40,113	2,565	12,334	..... 26 <sup>p</sup>
<i>New York City</i>																
1974																
1,514	2,263	2,463	689	4,430	5,128	1,821	.....	700	1,545	1,062	10,389	2,230	5,388	590	2,181	..... Feb. 6
1,310	2,279	2,483	717	4,791	5,054	1,702	.....	711	1,549	1,092	10,050	2,039	5,286	581	2,144	..... 13
1,289	2,297	2,476	641	4,652	5,250	1,310	.....	553	1,912	1,475	10,388	2,107	5,455	581	2,245	..... 20
1,357	2,370	2,478	714	4,459	5,037	1,271	.....	543	1,851	1,372	10,486	2,130	5,579	572	2,205	..... 27
1975																
1,599	3,032	2,636	842	4,050	5,068	800	.....	335	2,692	1,241	10,414	2,023	5,467	522	2,402	..... Jan. 8
1,525	2,950	2,654	840	4,104	4,700	592	.....	327	2,584	1,197	10,216	1,979	5,383	557	2,297	..... 15
1,544	2,836	2,649	793	3,884	4,607	641	.....	303	2,480	1,183	9,833	1,855	5,183	538	2,257	..... 22
1,548	2,622	2,648	733	3,837	4,503	602	.....	284	2,450	1,167	9,710	1,772	5,176	539	2,223	..... 29
1,501	2,652	2,641	692	3,909	4,333	665	.....	321	2,320	1,027	9,714	1,765	5,152	562	2,235	..... Feb. 5 <sup>p</sup>
1,507	2,704	2,628	701	3,859	4,868	1,259	.....	323	2,295	991	9,815	1,812	5,180	554	2,269	..... 12 <sup>p</sup>
1,484	2,682	2,634	708	4,092	5,205	1,071	.....	361	2,597	1,176	9,717	1,779	5,133	534	2,271	..... 19 <sup>p</sup>
1,442	2,760	2,612	691	3,950	5,118	1,051	.....	356	2,558	1,153	9,678	1,664	5,173	533	2,308	..... 26 <sup>p</sup>
<i>Outside New York City</i>																
1974																
2,386	2,580	30,784	766	15,403	20,399	3,988	.....	3,990	10,156	2,265	51,406	5,407	35,132	1,864	9,003	..... Feb. 6
2,287	2,528	30,733	773	15,498	20,182	3,933	.....	4,021	10,081	2,147	50,711	5,152	34,822	1,837	8,900	..... 13
2,338	2,408	30,711	739	15,606	20,366	3,626	.....	3,699	10,330	2,711	50,950	5,143	34,901	1,853	9,053	..... 20
2,336	2,344	30,736	724	15,427	20,292	3,566	.....	3,719	10,260	2,747	51,091	5,048	35,091	1,845	9,107	..... 27
1975																
1,773	3,132	32,387	713	15,889	20,019	3,980	.....	3,366	10,274	2,399	52,221	4,740	35,350	1,928	10,203	..... Jan. 8
1,639	3,092	32,296	617	15,579	19,812	3,820	.....	3,406	10,258	2,328	52,200	4,758	35,203	1,939	10,300	..... 15
1,663	2,947	32,221	635	15,322	19,082	3,118	.....	3,407	10,243	2,314	51,633	4,581	34,927	1,932	10,193	..... 22
1,657	2,863	32,201	724	15,229	18,508	2,790	.....	3,330	10,118	2,270	51,331	4,552	34,829	1,938	10,012	..... 29
1,433	2,798	32,085	713	15,356	18,419	2,720	.....	3,436	10,006	2,257	51,474	4,508	34,784	1,918	10,264	..... Feb. 5 <sup>p</sup>
1,659	2,769	32,036	735	15,024	18,385	2,879	.....	3,383	9,870	2,253	51,367	4,427	34,814	1,925	10,201	..... 12 <sup>p</sup>
1,408	2,811	31,953	763	15,126	19,222	2,986	.....	3,067	10,657	2,512	51,610	4,458	34,928	1,979	10,245	..... 19 <sup>p</sup>
1,424	2,714	31,890	748	15,089	18,915	2,995	.....	3,049	10,452	2,419	51,470	4,472	34,940	2,032	10,026	..... 26 <sup>p</sup>

For notes see p. A-24.



## ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Cash items in process of collection	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks	Investments in subsidiaries not consolidated	Other assets	Total assets/total liabilities	Deposits					
								Total	IPC	States and political subdivisions	U.S. Govt.	Domestic interbank	
												Commercial	Mutual savings
<i>Large banks—Total</i>													
<i>1974</i>													
Feb. 6	31,677	21,644	4,016	11,891	1,429	21,188	463,252	157,344	108,003	6,424	4,700	23,545	769
13	37,855	24,102	4,366	13,788	1,426	21,354	473,253	163,592	111,108	6,370	3,466	26,603	655
20	38,014	23,935	4,467	12,924	1,429	21,605	472,564	162,933	113,261	6,594	2,610	25,572	685
27	31,481	21,251	4,459	11,621	1,429	21,708	464,008	155,685	109,164	6,011	3,242	22,786	594
<i>1975</i>													
Jan. 8	32,438	21,304	5,042	12,048	1,649	31,879	512,036	164,446	117,693	6,409	1,571	24,797	814
15	34,809	25,141	4,910	11,711	1,681	32,103	513,288	165,874	118,990	6,474	1,656	23,843	745
22	30,355	29,437	4,884	10,846	1,673	32,617	505,678	155,438	112,595	6,108	2,601	21,054	677
29	28,271	23,492	4,888	10,781	1,653	32,840	495,507	152,838	110,564	5,999	2,007	20,630	635
Feb. 5 <sup>a</sup>	32,332	25,636	4,219	11,278	1,689	33,440	505,622	159,563	113,147	6,396	2,767	22,882	748
12 <sup>a</sup>	31,745	25,455	4,643	11,566	1,691	33,207	502,710	153,918	112,549	5,943	1,448	21,153	665
19 <sup>a</sup>	36,489	21,411	4,772	11,912	1,705	33,583	507,246	160,690	115,209	6,499	1,566	23,643	628
26 <sup>a</sup>	30,463	23,501	4,773	10,850	1,696	33,647	496,695	153,830	112,830	6,222	1,450	20,707	613
<i>New York City</i>													
<i>1974</i>													
Feb. 6	11,692	5,815	486	5,792	656	5,941	110,130	46,027	23,287	322	962	11,984	432
13	16,318	7,786	529	7,423	656	5,795	117,250	50,829	23,975	345	608	14,909	332
20	13,391	7,307	511	6,756	660	6,298	114,293	48,138	24,683	386	335	13,047	346
27	11,765	6,021	499	5,512	660	6,224	110,342	45,718	23,782	319	599	11,600	299
<i>1975</i>													
Jan. 8	10,970	6,357	576	4,813	756	11,145	128,828	46,839	26,020	322	155	12,073	463
15	12,906	7,653	568	5,264	758	11,341	131,898	48,942	26,696	410	252	12,347	416
22	11,156	9,385	544	4,641	757	11,459	128,130	44,411	25,238	287	489	10,308	475
29	10,963	6,189	550	4,662	764	11,747	124,544	44,729	25,164	338	332	10,226	355
Feb. 5 <sup>a</sup>	11,561	8,984	502	4,617	763	11,870	127,093	45,821	25,670	393	600	10,747	417
12 <sup>a</sup>	11,595	7,825	530	5,209	765	11,603	126,485	43,297	25,163	267	110	9,824	351
19 <sup>a</sup>	12,063	6,488	541	4,935	770	12,060	128,396	45,505	25,826	267	115	10,759	302
26 <sup>a</sup>	11,256	6,489	524	4,415	770	11,946	124,153	44,698	26,544	365	259	9,769	332
<i>Outside New York City</i>													
<i>1974</i>													
Feb. 6	19,985	15,829	3,530	6,099	773	15,247	353,122	111,317	84,716	6,102	3,738	11,561	337
13	21,537	16,316	3,837	6,365	770	15,559	356,003	112,763	87,133	6,025	2,858	11,694	323
20	24,623	16,628	3,956	6,168	769	15,307	359,271	114,795	88,578	6,208	2,275	12,525	339
27	19,716	15,230	3,960	6,109	769	15,484	353,666	109,967	85,382	5,692	2,643	11,186	295
<i>1975</i>													
Jan. 8	21,468	14,947	4,466	7,235	893	20,734	383,208	117,607	91,673	6,087	1,416	12,724	371
15	21,903	17,488	4,342	6,447	923	20,762	381,390	116,932	92,294	6,064	1,404	11,496	329
22	19,199	20,052	4,340	6,205	916	21,158	377,548	111,027	87,357	5,821	2,112	10,746	302
29	17,308	17,303	4,338	6,119	889	21,093	370,963	108,109	85,400	5,661	1,675	10,404	280
Feb. 5 <sup>a</sup>	20,771	16,652	3,717	6,661	926	21,570	378,529	113,742	87,477	6,003	2,167	12,135	331
12 <sup>a</sup>	20,150	17,630	4,113	6,357	926	21,604	376,225	110,621	87,386	5,676	1,338	11,329	314
19 <sup>a</sup>	24,426	14,923	4,231	6,977	935	21,523	378,850	115,185	89,383	6,232	1,451	12,884	326
26 <sup>a</sup>	19,207	17,012	4,249	6,435	926	21,701	372,542	109,132	86,286	5,857	1,191	10,938	281

For notes see page A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits (cont.)													Borrowings from		Other liabilities, etc. <sup>B</sup>	Wednesday
Demand (cont.)			Time and savings							F.R. Banks	Others					
Govts., etc. <sup>2</sup>	Com-mer-cial banks	Certi-fied and offi-cers' checks	Total <sup>6</sup>	IPC:		States and poli-tical sub-divi-sions	Do-mestic inter-bank	For-eign govts. <sup>2</sup>	Fed-eral funds pur-chased, etc. <sup>7</sup>	F.R. Banks	Others	Other liabilities, etc. <sup>B</sup>	Wednesday			
				Sav-ings	Other											
<i>Large banks - Total</i>																
1974																
1,552	4,160	8,191	192,627	56,911	98,488	23,521	5,136	7,988	52,448	592	5,508	17,564	.....	Feb. 6		
1,139	4,351	9,900	192,602	56,955	98,607	23,362	4,971	8,106	54,016	2,262	5,376	18,211	.....	13		
1,313	4,831	8,067	192,450	57,055	98,446	23,349	4,898	8,073	56,828	840	5,078	18,301	.....	20		
1,224	4,481	8,183	192,829	57,145	99,016	23,460	4,654	7,906	53,885	940	5,353	18,213	.....	27		
1975																
1,415	5,397	6,330	228,213	58,672	122,054	25,627	8,260	11,541	51,889	17	4,053	23,845	.....	Jan. 8		
1,369	5,535	7,262	227,145	58,606	121,422	25,243	8,192	11,498	48,885	2,771	4,126	24,908	.....	15		
1,315	4,968	6,120	227,222	58,658	120,883	25,301	8,651	11,646	52,805	2,271	4,102	24,221	.....	22		
1,316	5,200	6,487	226,719	58,740	120,966	25,099	8,260	11,581	48,421	46	4,012	23,762	.....	29		
1,270	4,927	7,426	225,582	58,977	120,105	24,979	7,841	11,597	52,935	8	3,804	23,734	.....	Feb. 5 <sup>P</sup>		
1,291	5,119	5,750	225,927	59,217	120,370	25,318	7,266	11,706	55,493	34	3,765	23,528	.....	12 <sup>P</sup>		
1,116	5,018	7,011	224,305	59,474	118,898	25,194	7,055	11,716	53,982	1,053	3,625	23,622	.....	19 <sup>P</sup>		
1,233	4,975	5,800	224,192	59,687	118,512	25,323	7,136	11,613	50,847	759	3,664	23,416	.....	26 <sup>P</sup>		
<i>New York City</i>																
1974																
1,345	3,078	4,617	35,145	5,010	20,932	1,798	3,255	4,067	11,436	.....	2,427	5,488	.....	Feb. 6		
924	3,244	6,492	34,851	5,015	20,800	1,680	3,166	4,099	12,859	642	2,398	6,055	.....	13		
1,079	3,588	4,674	34,561	5,026	20,705	1,590	3,106	4,015	13,957	.....	2,172	5,865	.....	20		
995	3,347	4,777	34,437	5,035	20,792	1,648	2,907	3,938	12,535	.....	2,287	5,759	.....	27		
1975																
1,092	3,988	2,726	49,187	5,083	29,402	1,651	4,409	7,167	12,750	.....	1,385	8,261	.....	Jan. 8		
1,112	4,093	3,616	48,636	5,090	28,966	1,599	4,314	7,120	11,341	1,440	1,566	9,580	.....	15		
1,102	3,691	2,921	48,216	5,095	28,680	1,536	4,302	7,075	13,712	1,445	1,562	8,384	.....	22		
1,109	3,785	3,420	48,060	5,101	28,567	1,524	4,181	7,168	11,653	.....	1,526	8,160	.....	29		
998	3,636	3,360	47,194	5,146	28,079	1,412	3,905	7,127	13,858	.....	1,415	8,298	.....	Feb. 5 <sup>P</sup>		
1,055	3,761	2,766	47,111	5,192	28,280	1,467	3,511	7,143	16,013	.....	1,425	8,072	.....	12 <sup>P</sup>		
897	3,696	3,643	46,849	5,205	27,934	1,473	3,546	7,218	14,979	981	1,358	8,163	.....	19 <sup>P</sup>		
1,022	3,668	2,739	46,921	5,240	27,945	1,500	3,611	7,168	12,582	.....	1,355	8,033	.....	26 <sup>P</sup>		
<i>Outside New York City</i>																
1974																
207	1,082	3,574	157,482	51,901	77,556	21,723	1,881	3,921	41,012	592	3,081	12,076	.....	Feb. 6		
218	1,107	3,408	157,751	51,940	77,807	21,682	1,805	4,007	41,157	1,620	2,978	12,156	.....	13		
234	1,243	4,493	157,889	52,029	77,741	21,759	1,792	4,058	42,871	840	2,906	12,436	.....	20		
229	1,134	3,406	158,392	52,110	78,224	21,812	1,747	3,968	41,350	940	3,066	12,454	.....	27		
1975																
323	1,409	3,604	179,026	53,590	92,652	23,976	3,851	4,374	39,139	17	2,668	15,584	.....	Jan. 8		
257	1,442	3,646	178,509	53,516	92,456	23,644	3,878	4,378	37,544	1,331	2,560	15,328	.....	15		
213	1,277	3,199	179,006	53,563	92,203	23,765	4,349	4,571	39,093	826	2,540	15,837	.....	22		
207	1,415	3,067	178,659	53,639	92,399	23,575	4,079	4,413	36,768	46	2,486	15,602	.....	29		
272	1,291	4,066	178,388	53,831	92,026	23,567	3,936	4,470	39,077	8	2,389	15,486	.....	Feb. 5 <sup>P</sup>		
236	1,358	2,984	178,816	54,025	92,090	23,851	3,755	4,563	39,480	34	2,340	15,456	.....	12 <sup>P</sup>		
219	1,322	3,368	177,456	54,269	90,964	24,721	3,509	4,498	39,003	72	2,267	15,459	.....	19 <sup>P</sup>		
211	1,307	3,061	177,271	54,447	90,567	23,823	3,525	4,445	38,265	759	2,309	15,383	.....	26 <sup>P</sup>		

1 or notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Reserves for—		Total capital accounts	Total loans (gross) adjusted <sup>9</sup>	Total loans and investments (gross) adjusted <sup>9</sup>	Demand deposits adjusted <sup>10</sup>	Memoranda						Gross liabilities of banks to their foreign branches
	Loans	Securities					Large negotiable time CD's included in time and savings deposits <sup>11</sup>			All other large time deposits <sup>12</sup>			
							Total	Issued to IPC's	Issued to others	Total	Issued to IPC's	Issued to others	
<i>Large banks Total</i>													
<i>1974</i>													
Feb. 6	4,968	78	32,123	266,139	353,461	97,422	66,215	45,058	21,157				1,659
13	4,966	73	32,155	265,675	351,672	95,668	66,157	45,076	21,081				2,218
20	4,964	73	32,097	265,520	352,474	96,737	65,680	44,752	20,928				1,735
27	4,976	78	32,049	266,863	353,769	98,176	65,753	45,056	20,697				1,689
<i>1975</i>													
Jan. 8	5,273	62	34,238	301,673	389,395	105,640	92,674	64,248	28,426	37,593	20,828	16,765	2,822
15	5,310	61	34,208	298,148	385,076	105,566	91,852	63,491	28,361	37,463	20,720	16,743	3,453
22	5,434	73	34,112	293,115	378,270	101,428	91,859	63,003	28,856	37,568	20,810	16,758	2,583
29	5,448	60	34,201	292,478	376,530	101,930	91,473	62,792	28,681	37,308	20,765	16,543	2,066
Feb. 5 <sup>2</sup>	5,560	61	34,375	293,127	377,067	101,582	90,185	62,012	28,173	37,058	20,600	16,458	2,230
12 <sup>2</sup>	5,561	60	34,424	290,028	374,463	99,572	90,081	62,309	27,774	36,963	20,321	16,642	1,937
19 <sup>2</sup>	5,554	60	34,355	292,214	377,968	98,992	88,459	60,933	27,526	36,556	20,066	16,490	1,868
26 <sup>2</sup>	5,568	60	34,359	289,461	374,642	101,210	87,790	60,358	27,432	36,910	20,168	16,742	1,870
<i>New York City</i>													
<i>1974</i>													
Feb. 6	1,360		8,247	61,705	77,222	21,389	21,016	14,034	6,982				1,220
13	1,361		8,255	61,297	76,401	18,994	20,853	13,985	6,868				1,817
20	1,357		8,243	60,988	76,626	21,365	20,541	13,867	6,674				1,419
27	1,370		8,236	61,782	77,305	21,754	20,362	13,866	6,496				1,240
<i>1975</i>													
Jan. 8	1,487		8,919	75,808	91,290	23,641	32,161	21,497	10,664	9,466	5,644	3,822	1,268
15	1,485		8,908	74,565	89,481	23,437	31,524	21,014	10,510	9,546	5,675	3,871	2,124
22	1,524		8,876	72,390	86,830	22,458	31,218	20,827	10,391	9,407	5,560	3,847	1,323
29	1,520		8,896	72,134	86,347	23,208	31,106	20,703	10,403	9,386	5,582	3,804	1,080
Feb. 5 <sup>2</sup>	1,570		8,987	72,393	86,440	22,913	30,275	20,290	9,985	9,340	5,578	3,762	1,251
12 <sup>2</sup>	1,579		8,988	71,460	86,143	21,678	30,179	20,488	9,691	9,239	5,484	3,755	1,236
19 <sup>2</sup>	1,582		8,979	73,082	88,004	22,568	30,036	20,234	9,802	9,146	5,462	3,684	1,236
26 <sup>2</sup>	1,580		8,984	71,449	86,245	23,414	30,139	20,250	9,889	9,027	5,371	3,656	1,008
<i>Outside New York City</i>													
<i>1974</i>													
Feb. 6	3,608	78	23,876	204,434	276,239	76,033	45,199	31,024	14,175				439
13	3,605	73	23,900	204,378	275,271	76,674	45,304	31,091	14,213				401
20	3,607	73	23,854	204,532	275,848	75,372	45,139	30,885	14,254				316
27	3,606	78	23,813	205,081	276,464	76,422	45,391	31,190	14,201				449
<i>1975</i>													
Jan. 8	3,786	62	25,319	225,865	298,105	81,999	60,513	42,751	17,762	28,127	15,184	12,943	1,554
15	3,825	61	25,300	223,583	295,595	82,129	60,328	42,477	17,851	27,917	15,045	12,872	1,329
22	3,910	73	25,236	220,725	291,440	78,970	60,641	42,176	18,465	28,161	15,250	12,911	1,260
29	3,928	60	25,305	220,344	290,183	78,722	60,367	42,089	18,278	27,922	15,183	12,739	986
Feb. 5 <sup>2</sup>	3,990	61	25,388	220,734	290,627	78,669	59,910	41,722	18,188	27,718	15,022	12,696	979
12 <sup>2</sup>	3,982	60	25,436	218,568	288,320	77,804	59,904	41,821	18,083	27,724	14,837	12,887	701
19 <sup>2</sup>	3,972	60	25,376	219,132	289,964	76,424	58,423	40,699	17,724	27,410	14,604	12,806	632
26 <sup>2</sup>	3,988	60	25,375	218,012	288,397	77,796	57,651	40,108	17,543	27,883	14,797	13,086	862

<sup>1</sup> Includes securities purchased under agreements to resell.

<sup>2</sup> Includes official institutions and so forth.

<sup>3</sup> Includes short-term notes and bills.

<sup>4</sup> Federal agencies only.

<sup>5</sup> Includes corporate stocks.

<sup>6</sup> Includes U.S. Govt. and foreign bank deposits, not shown separately.

<sup>7</sup> Includes securities sold under agreements to repurchase.

<sup>8</sup> Includes minority interest in consolidated subsidiaries.

<sup>9</sup> Exclusive of loans and Federal funds transactions with domestic commercial banks.

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

<sup>11</sup> Certificates of deposit issued in denominations of \$100,000 or more.

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

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—							
	1975		1974			1975		1974		1974			
	Feb. 26	Feb. 19	Feb. 12	Feb. 5	Jan. 29	Feb.	Jan.	Dec.	IV	III	II	2nd half	1st half
<b>Durable goods manufacturing:</b>													
Primary metals.....	1,970	1,937	1,983	1,965	1,962	8	43	70	77	63	-23	140	56
Machinery.....	8,312	8,315	8,291	8,252	8,312	121	-429	83	127	349	779	222	1,848
Transportation equipment.....	3,943	3,869	3,906	3,846	3,822	7	10	333	365	340	229	705	587
Other fabricated metal products.....	2,837	2,864	2,842	2,835	2,844	64	67	14	178	253	236	75	503
Other durable goods.....	4,538	4,534	4,508	4,528	4,602	257	176	265	265	512	560	247	909
<b>Nondurable goods manufacturing:</b>													
Food, liquor, and tobacco.....	3,975	4,075	4,208	4,323	4,269	-294	652	357	484	500	344	984	220
Textiles, apparel, and leather.....	3,309	3,289	3,285	3,256	3,220	89	290	336	725	107	339	618	909
Petroleum refining.....	2,172	2,116	2,153	2,231	2,217	65	13	318	473	494	67	967	108
Chemicals and rubber.....	3,366	3,377	3,321	3,300	3,283	83	99	92	55	311	355	256	610
Other nondurable goods.....	2,162	2,200	2,197	2,245	2,388	-226	118	55	135	158	222	23	338
<b>Mining, including crude petroleum and natural gas.....</b>	4,778	4,761	4,741	4,774	4,823	48	214	235	556	290	75	846	387
<b>Trade: Commodity dealers.....</b>	1,613	1,591	1,598	1,644	1,713	100	364	58	703	195	630	508	273
Other wholesale.....	6,090	6,121	6,141	6,165	6,201	111	527	163	349	135	364	484	829
Retail.....	6,378	6,388	6,377	6,364	6,500	122	207	598	246	219	557	465	1,099
Transportation.....	6,202	6,178	6,145	6,153	6,202	184	298	261	261	22	34	283	139
Communication.....	2,249	2,262	2,306	2,317	2,386	-37	213	279	90	92	326	2	475
Other public utilities.....	7,636	7,791	7,793	7,845	7,898	262	720	573	609	1,088	1,335	1,697	1,044
<b>Construction.....</b>	5,640	5,666	5,695	5,642	5,675	-35	-427	297	276	231	623	45	594
Services.....	11,487	11,485	11,480	11,563	11,613	-126	-341	144	171	133	405	304	594
All other domestic loans.....	9,744	9,821	9,774	9,869	9,962	-218	157	150	374	357	576	731	1,117
Bankers' acceptances.....	2,399	2,321	2,097	2,025	1,859	540	198	19	309	365	381	56	443
Foreign commercial and industrial loans.....	4,406	4,368	4,323	4,392	4,294	112	67	41	249	208	506	457	611
<b>Total classified loans.....</b>	105,203	105,329	105,164	105,534	105,965	762	5,047	1,483	2,565	4,264	6,972	6,829	12,491
Comm. paper included in total class. loans <sup>1</sup> .....	428												
<b>Total commercial and industrial loans of large commercial banks.....</b>	125,987	126,083	126,072	126,468	126,850	863	4,443	1,692	2,886	4,795	7,659	7,681	13,491

For notes see table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding							Net change during--						
	1975			1974				1974						
	Feb. 26	Jan. 29	Dec. 31 (Fues.)	Nov. 27	Oct. 30	Sept. 25	Aug. 28	July 31	June 26	IV	III	II	I	2nd half
<b>Durable goods manufacturing:</b>														
Primary metals.....	1,237	1,249	1,210	1,176	1,107	1,133	1,104	1,116	1,105	77	28	41	-40	105
Machinery.....	4,117	4,138	4,151	4,049	3,970	3,896	3,789	3,572	3,286	255	610	172	248	865
Transportation equipment.....	1,713	1,737	1,681	1,586	1,570	1,535	1,419	1,373	1,410	146	125	45	81	271
Other fabricated metal products.....	1,326	1,246	1,195	1,113	1,093	1,066	1,000	996	954	129	112	43	17	241
Other durable goods.....	2,269	2,301	2,431	2,361	2,339	2,268	2,198	2,169	2,107	163	161	192	143	324
<b>Nondurable goods manufacturing:</b>														
Food, liquor, and tobacco.....	1,620	1,707	1,768	1,674	1,661	1,649	1,604	1,604	1,571	119	78	42	38	197
Textiles, apparel, and leather.....	1,086	1,124	1,144	1,179	1,187	1,151	1,171	1,182	1,128	7	23	39	86	16
Petroleum refining.....	1,458	1,542	1,518	1,272	1,208	1,097	1,048	996	963	421	134	18	12	555
Chemicals and rubber.....	1,812	1,839	1,883	1,818	1,820	1,778	1,790	1,760	1,737	105	41	134	42	146
Other nondurable goods.....	1,136	1,227	1,265	1,170	1,187	1,204	1,189	1,149	1,171	61	33	32	57	94
<b>Mining, including crude petroleum and natural gas.....</b>	3,448	3,449	3,697	3,620	3,468	3,339	3,319	3,197	3,130	358	209	-115	287	567
<b>Trade: Commodity dealers.....</b>	153	169	155	171	157	139	166	155	141	16	-2	1	13	14
Other wholesale.....	1,420	1,469	1,491	1,431	1,488	1,449	1,419	1,446	1,466	42	43	83	133	85
Retail.....	2,296	2,379	2,598	2,602	2,578	2,527	2,529	2,512	2,428	71	99	52	274	170
Transportation.....	4,509	4,455	4,555	4,379	4,370	4,349	4,322	4,353	4,425	206	76	8	97	130
Communication.....	1,152	1,161	1,120	1,076	1,047	1,029	1,021	1,030	1,030	91	-1	64	106	90
Other public utilities.....	3,870	3,885	3,966	3,987	3,810	3,672	3,664	3,539	3,443	294	229	289	98	523
<b>Construction.....</b>	2,193	2,224	2,309	2,281	2,317	2,272	2,218	2,183	2,130	37	142	232	7	179
Services.....	5,393	5,327	5,509	5,417	5,340	5,350	5,301	5,275	5,273	159	77	197	27	236
All other domestic loans.....	3,144	3,045	3,191	3,255	3,215	3,122	3,074	3,058	3,017	69	105	209	206	174
Foreign commercial and industrial loans.....	2,544	2,524	2,445	2,473	2,487	2,401	2,500	2,565	2,548	44	147	198	16	103
<b>Total loans.....</b>	47,896	48,197	49,282	48,090	47,339	46,426	45,845	45,230	44,403	2,856	2,023	1,872	1,738	4,879

<sup>1</sup> New item to be reported as of the last Wednesday of each month.

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

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

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

GROSS DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS<sup>1</sup>

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, 1PC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
<b>All insured commercial banks:</b>						
1970—Dec.....	17.3	92.7	53.6	1.3	10.3	175.1
1971—Mar.....	18.3	86.3	54.4	1.4	10.5	170.9
June.....	18.1	89.6	56.2	1.3	10.5	175.8
Sept.....	17.9	91.5	57.5	1.2	9.7	177.9
Dec.....	18.5	98.4	58.6	1.3	10.7	187.5
1972—June.....	17.9	97.6	60.5	1.4	11.0	188.4
Sept.....	18.0	101.5	63.1	1.4	11.4	195.4
Dec.....	18.9	109.9	65.4	1.5	12.3	208.0
1973—Mar.....	18.6	102.8	65.1	1.7	11.8	200.0
June.....	18.6	106.6	67.3	2.0	11.8	206.3
Sept.....	18.8	108.3	69.1	2.1	11.9	210.3
Dec.....	19.1	116.2	70.1	2.4	12.4	220.1
1974—Mar.....	18.9	108.4	70.6	2.3	11.0	211.2
June.....	18.2	112.1	71.4	2.2	11.1	215.0
Sept.....	17.9	113.9	72.0	2.1	10.9	216.8
Dec.....	19.1	119.2	73.8	2.3	11.9	226.3
<b>Weekly reporting banks:</b>						
1971—Dec.....	14.4	58.6	24.6	1.2	5.9	104.8
1972—Dec.....	14.7	64.4	27.1	1.4	6.6	114.3
1973—Dec.....	14.9	66.2	28.0	2.2	6.8	118.1
1974—Feb.....	14.1	62.1	26.9	2.3	6.2	111.5
Mar.....	14.7	61.5	27.6	2.1	6.3	112.1
Apr.....	14.7	62.2	29.6	2.1	6.2	114.7
May.....	14.2	62.3	28.0	2.1	6.1	112.7
June.....	14.1	63.4	28.1	2.0	6.3	113.9
July.....	14.4	63.5	28.5	2.1	6.5	115.1
Aug.....	14.1	62.6	28.0	1.9	5.8	112.5
Sept.....	13.9	64.4	28.4	2.0	6.3	115.0
Oct.....	14.7	64.6	28.2	2.0	6.4	115.8
Nov.....	14.6	65.9	28.5	2.1	6.5	117.7
Dec.....	14.9	66.8	29.0	2.3	6.8	119.8
1975—Jan.....	14.7	65.5	29.3	2.3	6.7	118.4

<sup>1</sup> Including cash items in process of collection.

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

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

## DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1972	Dec. 31, 1973	June 30, 1974	Oct. 15, 1974	Class of bank	Dec. 31, 1972	Dec. 31, 1973	June 30, 1974	Oct. 15, 1974
	All commercial.....	559	507	460		407	All member—Cont.		
Insured.....	554	503	457	407	Other large banks <sup>1</sup> .....	69	58	63	66
National member.....	311	288	265	247	All other member <sup>1</sup> .....	313	294	267	220
State member.....	71	64	65	39	All nonmember.....	177	155	130	121
All member.....	381	352	330	286	Insured.....	172	152	127	121
					Noninsured.....	5	3	3	

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

NOTE.—Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and "Loans" in the monthly (and year-end) series as shown on pp. A-16; from the figures for weekly reporting banks as shown on pp. A-20-A-24 (consumer instalment loans); and from the figures in the table at the bottom of p. A-15. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-16-A-19.

**LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS**

(Amounts outstanding; in millions of dollars)

Date	To selected related institutions <sup>1</sup>			
	Total	By type of loan		
		Commercial and industrial	Real estate	All other
1974-- Nov. 6	5,168	2,756	182	2,230
13	5,169	2,786	182	2,201
20	5,077	2,779	186	2,112
27	4,920	2,740	186	1,994
Dec. 4	4,775	2,568	178	2,029
11	4,765	2,592	182	1,991
18	4,837	2,678	182	1,977
25	4,901	2,821	180	1,900
1975 Jan. 1	4,809	2,746	182	1,881
8	4,641	2,679	184	1,778
15	4,663	2,703	181	1,779
22	4,664	2,691	181	1,792
29	4,642	2,724	181	1,737
Feb. 5	4,475	2,630	181	1,664
12	4,609	2,755	175	1,679
19	4,510	2,661	174	1,675
26	4,468	2,630	179	1,659

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

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

**COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING**

(In millions of dollars)

End of period	Commercial paper						Dollar acceptances										
	All issuers	Financial companies <sup>1</sup>		Non-financial companies <sup>4</sup>	Bank-related <sup>5</sup>		Total	Held by--						Based on--			
		Dealer-placed <sup>2</sup>	Directly-placed <sup>3</sup>		Dealer-placed	Directly-placed		Accepting banks			F.R. Banks			Others	Imports into United States	Exports from United States	All other
								Total	Own bills	Bills bought	Own acct.	Foreign corr.					
1966.....	13,645	2,332	10,556	757	.....	.....	3,603	1,198	983	215	193	191	2,022	997	829	1,778	
1967.....	17,085	2,790	12,184	2,111	.....	.....	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241	
1968.....	21,173	4,427	13,972	2,774	.....	.....	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053	
1969.....	32,600	6,503	20,741	5,356	1,160	3,134	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408	
1970.....	33,071	5,514	20,424	7,133	352	1,997	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895	
1971.....	32,126	5,297	20,582	6,247	524	1,449	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509	
1972.....	34,721	5,655	22,098	6,968	1,226	1,411	6,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458	
1973--Dec..	41,073	5,487	27,204	8,382	1,938	2,943	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120	
1974--Jan..	45,491	6,367	29,353	9,771	1,960	3,541	9,101	2,706	2,251	454	68	589	5,718	2,334	3,492	3,275	
Feb....	47,164	7,201	29,169	10,794	1,923	3,606	9,364	2,854	2,328	525	69	592	5,850	2,434	3,182	3,748	
Mar....	44,690	6,571	28,869	9,250	2,137	3,908	10,166	2,986	2,413	573	296	684	6,200	2,827	2,979	4,461	
Apr....	44,677	6,228	28,752	9,697	2,270	4,564	10,692	3,232	2,744	488	216	700	6,544	2,900	2,833	4,959	
May....	46,171	5,699	30,426	10,046	1,978	5,106	11,727	3,089	2,642	447	173	732	7,532	2,952	2,899	5,876	
June....	44,846	4,970	29,908	9,968	1,579	5,373	13,174	3,535	3,066	469	304	795	8,540	3,287	3,219	6,668	
July....	45,561	4,655	30,344	10,562	1,465	5,585	15,686	3,499	2,983	516	218	1,023	10,947	3,589	3,774	8,423	
Aug....	47,967	5,308	31,774	10,885	2,425	6,350	16,167	3,388	2,866	522	277	1,202	11,300	3,585	3,933	8,649	
Sept....	49,087	5,333	31,095	12,659	2,185	6,446	16,035	3,347	2,942	405	504	1,459	10,724	3,526	3,806	8,703	
Oct....	51,754	5,242	32,509	14,003	2,046	6,408	16,882	3,291	2,872	419	218	2,037	11,335	3,793	3,759	9,330	
Nov....	51,883	4,860	32,491	14,532	1,947	6,697	17,553	3,789	3,290	499	611	1,702	11,352	3,810	3,709	10,035	
Dec....	49,070	4,611	31,765	12,694	1,874	6,444	18,484	4,226	3,685	542	999	981	12,278	4,023	4,067	10,394	

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

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

<sup>3</sup> As reported by financial companies that place their paper directly with investors.

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

<sup>5</sup> Included in dealer- and directly-placed financial company columns.

**PRIME RATE CHARGED BY BANKS**

(Per cent per annum)

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

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

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

**RATES ON BUSINESS LOANS OF BANKS**

Center	Size of loan (in thousands of dollars)											
	All sizes		1-9		10-99		100-499		500-999		1,000 and over	
	Nov. 1974	Aug. 1974	Nov. 1974	Aug. 1974	Nov. 1974	Aug. 1974	Nov. 1974	Aug. 1974	Nov. 1974	Aug. 1974	Nov. 1974	Aug. 1974
<b>Short-term</b>												
35 centers.....	11.64	12.40	11.81	11.74	12.04	12.34	11.97	12.60	11.80	12.49	11.44	12.34
New York City.....	11.35	12.38	12.31	12.14	12.11	12.82	12.05	12.85	11.56	12.35	11.21	12.32
7 Other Northeast.....	12.22	13.17	13.03	13.07	12.84	13.20	12.46	13.34	12.34	13.29	11.91	13.05
8 North Central.....	11.66	12.36	11.54	11.25	11.99	12.42	11.93	12.68	11.77	12.49	11.53	12.25
7 Southeast.....	11.52	11.85	11.44	11.41	11.34	11.60	11.43	11.84	11.62	11.84	11.62	12.00
8 Southwest.....	11.56	11.95	10.87	10.83	11.64	11.62	11.77	12.02	11.74	12.15	11.36	11.99
4 West Coast.....	11.48	12.15	12.26	12.38	11.99	12.29	11.86	12.30	11.56	12.33	11.32	12.07
<b>Revolving credit</b>												
35 centers.....	11.60	12.46	12.71	12.06	12.00	12.45	11.99	12.47	11.60	12.35	11.56	12.48
New York City.....	11.60	12.48	12.25	12.72	11.97	12.49	11.89	12.60	11.77	12.58	11.57	12.46
7 Other Northeast.....	12.26	12.38	12.08	13.60	11.98	12.86	11.68	12.04	11.75	11.57	12.50	12.49
8 North Central.....	11.82	12.72	13.34	12.38	12.29	12.31	12.57	12.45	11.79	12.06	11.72	12.87
7 Southeast.....	11.53	12.44		9.54	11.41	11.42	13.09	11.03	10.98	11.74	11.25	13.27
8 Southwest.....	12.06	12.81	13.03	12.74	12.33	12.43	12.28	13.03	11.82	12.57	12.06	12.88
4 West Coast.....	11.39	12.35	12.70	12.69	11.89	12.60	11.68	12.53	11.57	12.49	11.33	12.31
<b>Long-term</b>												
35 centers.....	12.16	13.08	11.74	11.76	12.04	12.03	12.09	12.30	11.71	12.59	12.23	13.03
New York City.....	11.96	13.65	8.87	10.43	11.45	12.56	12.37	12.72	12.02	12.26	11.93	13.81
7 Other Northeast.....	12.35	12.74	12.66	12.70	12.52	11.83	11.98	12.60	11.55	12.20	12.61	13.01
8 North Central.....	12.29	13.12	10.90	11.27	11.89	11.47	11.90	12.27	11.75	12.70	12.44	13.40
7 Southeast.....	13.81	10.27	11.21	11.05	11.45	10.83	12.14	11.69	12.02	11.06	17.29	8.30
8 Southwest.....	12.27	13.43	12.39	12.09	12.18	12.84	12.28	12.06	12.68	12.41	12.49	14.22
4 West Coast.....	12.01	12.41	12.75	11.38	11.99	13.09	12.04	11.82	11.60	13.43	12.06	12.32

**MONEY MARKET RATES**

(Per cent per annum)

Period	Prime commercial paper <sup>1</sup>		Finance co. paper placed directly, 3 to 6 months <sup>2</sup>	Prime bankers acceptances, 90 days <sup>3</sup>	Federal funds rate <sup>4</sup>	U.S. Government securities <sup>5</sup>						
	90-119 days	4 to 6 months				3-month bills <sup>6</sup>		6-month bills <sup>6</sup>		9- to 12-month issues		3- to 5-year issues <sup>7</sup>
						Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield) <sup>6</sup>	Other <sup>7</sup>	
1967.....		5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968.....		5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969.....		7.83	7.16	7.61	8.21	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970.....		7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971.....		5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972.....		4.66	4.69	4.52	4.44	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973.....		8.20	8.15	7.40	8.08	8.74	7.041	7.03	7.178	7.20	7.30	6.92
1974.....		10.05	9.87	8.62	9.92	10.51	7.886	7.84	7.926	7.95	8.25	7.81
1974—Feb.....	8.00	7.83	7.40	7.83	8.97	7.060	7.12	6.874	6.96	6.51	6.93	6.77
Mar.....	8.64	8.42	7.76	8.43	9.35	7.986	7.96	7.829	7.83	7.34	7.86	7.33
Apr.....	9.92	9.79	8.43	9.61	10.51	8.229	8.33	8.171	8.32	8.08	8.66	7.99
May.....	10.82	10.62	8.94	10.68	11.31	8.430	8.23	8.496	8.40	8.21	8.78	8.24
June.....	11.18	10.96	9.00	10.79	11.93	8.145	7.90	8.232	8.12	8.16	8.71	8.14
July.....	11.93	11.72	9.00	11.88	12.92	7.752	7.55	8.028	7.94	8.04	8.89	8.39
Aug.....	11.79	11.65	9.31	12.08	12.01	8.744	8.96	8.853	9.11	8.88	9.54	8.64
Sept.....	11.36	11.23	9.41	11.06	11.34	8.363	8.06	8.599	8.53	8.52	8.95	8.38
Oct.....	9.55	9.36	9.03	9.34	10.06	7.244	7.46	7.559	7.74	7.59	8.04	7.98
Nov.....	8.95	8.81	8.50	9.03	9.45	7.585	7.47	7.551	7.52	7.29	7.67	7.65
Dec.....	9.18	8.98	8.50	9.19	8.53	7.179	7.15	7.091	7.11	6.79	7.33	7.22
1975—Jan.....	7.39	7.30	7.31	7.54	7.13	6.493	6.26	6.525	6.36	6.27	6.74	7.29
Feb.....	6.36	6.33	6.24	6.35	6.24	5.583	5.50	5.674	5.62	5.56	5.97	6.85
Week ending—												
1974—Nov. 2.....	8.95	8.83	8.53	8.95	9.72	7.892	7.95	7.766	7.86	7.51	8.02	7.98
9.....	9.00	8.88	8.50	8.83	9.63	7.880	7.66	7.857	7.65	7.38	7.81	7.83
16.....	8.94	8.81	8.50	8.93	9.37	7.604	7.26	7.552	7.39	7.29	7.63	7.67
23.....	8.88	8.73	8.50	9.00	9.34	7.528	7.46	7.427	7.42	7.19	7.55	7.53
30.....	9.00	8.81	8.50	9.41	9.46	7.328	7.45	7.369	7.57	7.26	7.62	7.50
Dec. 7.....	9.23	9.05	8.50	9.55	9.02	7.524	7.44	7.564	7.34	7.15	7.65	7.46
14.....	8.95	8.78	8.50	9.03	8.86	7.172	7.24	6.911	7.04	6.79	7.26	7.16
21.....	9.20	9.00	8.50	9.03	8.72	7.058	6.92	6.858	6.99	6.56	7.16	7.06
28.....	9.28	9.06	8.50	9.16	8.45	6.963	7.01	7.032	7.11	6.67	7.26	7.17
1975—Jan. 4.....	9.13	8.84	8.47	9.08	7.35	7.113	6.96	7.101	6.99	6.70	7.17	7.26
11.....	7.95	7.83	7.98	8.33	7.70	6.698	6.59	6.682	6.64	6.45	6.91	7.23
18.....	7.63	7.53	7.65	7.66	7.22	6.678	6.54	6.646	6.54	6.44	6.95	7.32
25.....	6.85	6.85	6.78	7.03	7.17	6.369	5.98	6.373	6.14	6.15	6.66	7.36
Feb. 1.....	6.55	6.48	6.38	6.59	6.99	5.606	5.68	5.825	5.92	5.87	6.31	7.23
8.....	6.50	6.45	6.25	6.34	6.46	5.669	5.61	5.736	5.65	5.51	5.95	6.91
15.....	6.38	6.34	6.25	6.47	6.28	5.800	5.65	5.800	5.70	5.60	6.06	6.92
22.....	6.31	6.28	6.25	6.26	6.29	5.408	5.25	5.483	5.43	5.44	5.84	6.71
Mar. 1.....	6.25	6.25	6.24	6.35	6.15	5.455	5.47	5.675	5.66	5.67	6.04	6.83

<sup>1</sup> Averages of the most representative daily offering rate quoted by dealers.

<sup>2</sup> Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90-179 day range.

<sup>3</sup> Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

<sup>4</sup> Seven-day averages for week ending Wednesday. Beginning with statement week ending July 25, 1973, weekly averages are based on the daily average of the range of rates on a given day weighted by the volume

of transactions at these rates. For earlier statement weeks, the averages were based on the daily effective rate—the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

<sup>5</sup> Except for new bill issues, yields are averages computed from daily closing bid prices.

<sup>6</sup> Bills quoted on bank-discount-rate basis.

<sup>7</sup> Selected note and bond issues.

NOTE.—Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.



**BOND AND STOCK YIELDS**

(Per cent per annum)

Period	Government bonds						Corporate bonds						Stocks		
	United States (long-term)	State and local			Aaa utility		Total <sup>1</sup>	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total <sup>1</sup>	Aaa	Baa	New issue	Recently offered		Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
1970.....	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.46
1971.....	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	6.75	3.14	5.41
1972.....	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	7.27	2.84	5.50
1973.....	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.83	7.23	3.06	7.12
1974.....	6.99	6.19	5.89	6.53	9.33	9.34	8.98	8.57	9.50	8.78	8.98	9.27	8.23	4.47	
1974—Feb.....	6.54	5.25	5.05	5.49	8.12	8.23	8.17	7.85	8.59	8.01	8.27	8.33	7.47	3.81	
Mar.....	6.81	5.44	5.20	5.71	8.46	8.44	8.27	8.01	8.65	8.12	8.35	8.44	7.56	3.65	8.96
Apr.....	7.04	5.76	5.45	6.06	8.99	8.95	8.50	8.25	8.88	8.39	8.51	8.68	7.83	3.86	
May.....	7.07	6.06	5.89	6.30	9.24	9.13	8.68	8.37	9.10	8.55	8.73	8.86	8.11	4.00	
June.....	7.03	6.17	5.95	6.41	9.38	9.40	8.85	8.47	9.34	8.69	8.89	9.08	8.25	4.02	10.30
July.....	7.18	6.70	6.34	7.10	10.20	10.04	9.10	8.72	9.55	8.95	9.08	9.35	8.40	4.42	
Aug.....	7.33	6.70	6.38	7.10	10.07	10.19	9.36	9.00	9.77	9.16	9.30	9.70	8.61	4.90	
Sept.....	7.30	6.77	6.49	7.18	10.38	10.30	9.67	9.24	10.12	9.44	9.46	10.11	8.93	5.45	714.62
Oct.....	7.22	6.56	6.21	6.99	10.16	10.23	9.80	9.27	10.41	9.53	9.64	10.31	8.78	5.38	
Nov.....	6.93	6.54	6.06	7.01	9.21	9.34	9.60	8.89	10.50	9.30	9.59	10.14	8.60	5.13	
Dec.....	6.78	7.04	6.65	7.50	9.53	9.56	9.56	8.89	10.55	9.23	9.59	10.02	8.78	5.43	
1975—Jan.....	6.68	6.89	6.39	7.45	9.36	9.45	9.55	8.83	10.62	9.19	9.52	10.10	8.41	5.07	
Feb.....	6.61	6.40	5.96	7.03	8.97	9.09	9.33	8.62	10.43	9.01	9.32	9.83	8.07	4.61	
Week ending—															
1975—Jan. 4.....	6.77	7.07	6.70	7.55	.....	9.67	9.60	8.93	10.62	9.26	9.58	10.13	8.89	5.37	
11.....	6.68	7.01	6.60	7.50	.....	9.45	9.60	8.91	10.63	9.24	9.55	10.17	8.62	5.25	
18.....	6.66	6.97	6.55	7.50	.....	9.38	9.56	8.84	10.63	9.17	9.54	10.15	8.25	5.10	
25.....	6.69	6.75	6.10	7.40	.....	9.45	9.47	9.52	8.78	10.62	9.16	9.52	10.07	8.27	5.14
Feb. 1.....	6.67	6.63	6.00	7.30	.....	9.00	9.48	8.74	10.59	9.16	9.46	10.00	8.56	4.79	
8.....	6.59	6.36	5.90	7.00	.....	8.89	9.12	8.68	10.52	9.11	9.39	9.95	8.17	4.68	
15.....	6.58	6.31	5.85	6.95	.....	9.02	9.35	8.63	10.46	9.02	9.33	9.87	8.07	4.63	
22.....	6.63	6.43	6.00	7.05	.....	9.04	9.08	8.58	10.39	8.97	9.30	9.79	8.00	4.54	
Mar. 1.....	6.64	6.51	6.10	7.10	.....	8.94	9.06	8.57	10.32	8.95	9.26	9.73	8.02	4.58	
Number of issues <sup>2</sup> .....	13	20	5	5	.....	.....	121	20	30	41	30	40	14	500	500

<sup>1</sup> Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.  
<sup>2</sup> Number of issues varies over time; figures shown reflect most recent count.

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

*govt.*, general obligations only, based on Thurs. figures, from Moody's Investors Service. (3) *Corporate*, rates for "New issue" and "Recently offered" Aaa utility bonds, weekly averages compiled by the Board of Governors of the Federal Reserve System and rates for seasoned issues, averages of daily figures from Moody's Investors Service.  
**Stocks:** Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures. Earnings/price ratios as of end of period. Preferred stock ratio based on 8 median yields for a sample of non-callable issues—12 industrial and 2 public utility. Common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

NOTES TO TABLES ON OPPOSITE PAGE:

**Security Prices:**

NOTE.—Annual data are averages of weekly or monthly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: *U.S. Govt. bonds*, derived from average market yields in table on p. A-30 on basis of an assumed 3 per cent, 20-year bond. *Municipal and corporate bonds*, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. *Common stocks*, derived from component common stock prices. *Average daily volume of trading*, normally conducted 5 days per week for 5½ hours per day, or 27½ hours per week. In recent years shorter days and/or weeks have cut total weekly trading to the following number of hours:

**Stock Market Customer Financing:**

<sup>1</sup> Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (see Dec. 1970 BULLETIN). Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.  
<sup>2</sup> In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.  
<sup>3</sup> Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of over the counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.  
<sup>4</sup> Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

**SECURITY PRICES**

Period	Bond prices (per cent of par)			Common stock prices											Volume of trading in stocks (thousands of shares)	
				New York Stock Exchange												
				Standard and Poor's index (1941-43=10)				New York Stock Exchange index (Dec. 31, 1965 = 50)								
	U.S. Govt. (long-term)	State and local	Corporate AAA	Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility	Finance	American Stock Exchange total index (Aug. 31, 1973=100)	NYSE		
1970	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.03	32.14	37.24	54.64	96.63	10,532	3,376	
1971	67.73	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38	113.40	17,429	4,234	
1972	68.71	84.4	65.9	109.20	121.79	44.11	56.90	60.29	65.73	50.17	38.48	78.35	129.10	16,487	4,447	
1973	62.80	85.4	63.7	107.43	120.44	38.05	53.47	57.42	63.08	37.74	37.69	70.12	103.80	16,374	3,004	
1974	57.45	76.3	58.8	82.85	92.91	37.53	38.91	43.84	48.08	31.89	29.82	49.67	79.97	13,883	1,908	
1974—Feb.	60.83	85.3	62.0	93.45	104.13	41.85	48.13	50.01	54.02	36.26	35.27	62.81	95.11	13,517	2,079	
Mar.	58.70	83.5	61.3	97.44	108.98	42.57	47.90	52.15	56.80	38.39	35.22	64.47	99.10	14,745	2,123	
Apr.	57.01	80.2	60.3	92.46	103.66	40.26	44.03	49.23	53.95	35.87	32.59	58.72	93.57	12,109	1,752	
May	56.81	77.3	59.7	89.67	101.17	37.04	39.35	47.35	52.53	33.62	30.25	52.85	84.71	12,512	1,725	
June	57.11	76.2	59.5	89.79	101.62	37.31	37.46	47.14	52.63	33.76	29.20	51.20	82.88	12,268	1,561	
July	55.97	71.9	58.5	82.82	93.54	35.63	35.37	43.27	48.35	31.01	27.50	44.23	77.92	12,459	1,610	
Aug.	54.95	71.6	57.6	76.03	85.51	35.06	34.00	39.86	44.19	29.41	26.72	40.11	74.97	12,732	1,416	
Sept.	55.13	71.0	56.2	68.12	76.54	31.55	30.93	35.69	39.29	25.86	24.94	36.42	65.70	13,998	1,808	
Oct.	55.69	72.7	55.9	69.44	77.57	33.70	33.80	36.62	39.81	27.26	26.76	39.28	66.78	16,396	1,880	
Nov.	57.80	72.6	56.3	71.74	80.17	35.95	34.45	37.98	41.24	28.40	27.60	41.89	63.72	14,341	1,823	
Dec.	58.96	68.6	56.1	67.07	74.80	34.81	32.85	35.41	38.32	26.02	26.18	39.27	59.88	15,007	2,359	
1975—Jan.	59.70	70.9	56.4	72.56	80.50	37.31	38.19	38.56	41.29	28.12	29.55	44.85	68.31	19,661	2,117	
Feb.	60.27	74.1	56.6	80.10	89.29	37.80	40.37	42.48	46.00	30.21	31.31	47.59	76.08	22,311	2,545	
Week ending—																
1975—Feb. 1	59.83	72.6	56.5	76.37	84.84	38.29	39.74	40.60	43.61	29.60	30.60	47.34	73.51	29,138	2,978	
8	60.44	74.6	56.7	78.31	87.16	37.28	40.29	42.58	44.85	29.67	31.07	48.39	74.44	25,673	2,838	
15	60.54	75.1	56.5	79.87	88.98	37.71	40.78	41.97	45.84	30.14	31.48	48.12	75.65	22,167	2,353	
22	60.13	74.1	56.6	81.80	91.28	38.12	40.80	43.42	47.07	30.75	31.71	47.51	77.08	23,221	2,958	
Mar. 1	60.00	72.7	56.5	80.74	90.15	38.14	39.84	42.69	46.46	30.40	31.07	46.33	76.78	18,568	2,112	

For notes see opposite page.

**STOCK MARKET CUSTOMER FINANCING**

(In millions of dollars)

End of period	Margin credit at brokers and banks 1											Free credit balances at brokers 4	
	By source			Regulated 2							Unregulated 3		
				Margin stock				Convertible bonds		Subscription issues			
	Total	Brokers	Banks	Brokers	Banks	Brokers	Banks	Brokers	Banks	Nonmargin stock credit at banks	Margin accts.		
1973—Dec.	6,382	5,251	1,131	5,050	1,070	189	46	12	15	1,866	454	1,700	
1974—Jan.	6,343	5,323	1,020	5,130	961	182	45	11	14	1,845	445	1,666	
Feb.	6,462	5,423	1,039	5,230	977	183	46	10	16	1,843	420	1,604	
Mar.	6,527	5,519	1,008	5,330	944	180	48	9	16	1,869	425	1,583	
Apr.	6,567	5,558	1,009	5,370	952	179	44	9	13	1,868	415	1,440	
May	6,381	5,361	1,020	5,180	963	172	44	9	13	1,858	395	1,420	
June	6,297	5,260	1,037	5,080	991	172	34	8	12	2,072	395	1,360	
July	5,948	4,925	1,023	4,760	978	158	33	7	12	2,091	402	1,391	
Aug.	5,625	4,672	953	4,510	912	156	29	6	12	2,119	429	1,382	
Sept.	5,097	3,173	924	4,020	881	148	31	5	12	2,060	437	1,354	
Oct.	4,996	4,080	916	3,930	872	145	32	5	12	2,024	431	1,419	
Nov.	4,103	3,960	1,143	3,960	1,143	139	32	4	12	2,024	410	1,447	
Dec.	3,980	3,840	1,140	3,840	1,140	137	32	3	12	2,024	411	1,424	
1975—Jan.		4,086	1,140	3,950	1,140	134	32	2	12	2,024	410	1,446	

For notes see opposite page.

**EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS**

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars) <sup>1</sup>	Equity class (per cent)					
		80 or more	70-79	60-69	50-59	40-49	Under 40
1974—Jan...	5,130	5.5	8.0	14.2	22.6	25.8	24.0
Feb...	5,230	5.4	7.4	13.3	22.6	28.0	23.3
Mar...	5,330	5.0	7.0	11.4	19.4	30.2	27.1
Apr...	5,370	4.4	6.0	9.9	16.5	26.5	37.0
May...	5,180	4.2	5.1	8.5	13.7	23.3	45.3
June...	5,080	4.0	5.0	7.7	12.6	21.8	49.1
July...	4,760	4.0	4.8	7.9	13.3	22.2	47.9
Aug...	4,510	3.5	4.0	6.6	11.2	18.4	56.3
Sept...	4,020	3.5	3.9	6.1	10.2	18.0	58.3
Oct...	3,930	4.6	5.5	9.4	16.8	27.3	36.4
Nov...	3,960	4.2	5.1	8.5	14.8	24.4	42.8
Dec...	3,840	4.1	4.6	8.8	13.9	23.0	45.4
1975—Jan...	3,950	5.6	7.3	13.5	24.6	28.1	21.2

<sup>1</sup> Note 1 appears at the bottom of p. A-30.

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

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

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status		Total balance (millions of dollars)
		60 per cent or more	Less than 60 per cent	
1974—Jan.....	38.3	42.7	18.0	6,596
Feb.....	39.4	43.3	24.9	6,740
Mar.....	40.0	41.2	18.9	6,784
Apr.....	39.6	42.3	19.4	6,526
May.....	37.8	40.0	22.2	6,544
June.....	40.3	37.4	22.4	6,538
July.....	40.2	36.5	23.2	6,695
Aug.....	39.9	34.0	26.0	6,783
Sept.....	40.7	31.2	27.0	7,005
Oct.....	40.9	35.1	24.0	7,248
Nov.....	40.0	34.6	25.3	6,926
Dec.....	41.1	32.4	26.5	7,013
1975—Jan.....	41.1	39.3	19.8	7,185

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

**MUTUAL SAVINGS BANKS**

(In millions of dollars)

End of period	Loans		Securities					Total assets— Total liabilities and general reserve accts.	Deposits	Other liabilities	General reserve accounts	Mortgage loan commitments <sup>2</sup> classified by maturity (in months)				
	Mortgage	Other	U.S. Govt.	State and local govt.	Corporate and other <sup>1</sup>	Cash	Other assets					3 or less	3-6	6-9	Over 9	Total
1970.....	57,775	2,255	3,151	197	12,876	1,270	1,471	78,995	71,580	1,690	5,726	619	322	302	688	1,931
1971.....	62,069	2,808	3,334	385	17,674	1,389	1,711	89,369	81,440	1,810	6,118	1,047	627	463	1,310	3,447
1972.....	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624	4,539
1973.....	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1973—Dec....	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1974—Jan....	73,440	4,161	2,925	936	21,623	1,686	2,312	107,083	96,792	2,665	7,626	1,171	587	439	998	3,196
Feb....	73,647	4,584	2,846	942	21,923	1,618	2,316	107,877	97,276	2,919	7,681	1,232	562	407	952	3,153
Mar....	73,957	4,825	2,851	934	22,302	1,634	2,373	108,876	98,557	2,595	7,724	1,302	525	413	929	3,168
Apr....	74,181	4,425	2,852	951	22,366	1,601	2,347	108,722	98,035	2,943	7,744	1,214	584	401	994	3,193
May....	74,011	4,388	2,750	893	22,241	1,656	2,355	108,295	97,391	3,173	7,731	1,129	608	400	1,014	3,151
June....	74,281	4,274	2,758	880	22,324	1,651	2,488	108,654	98,190	2,688	7,776	1,099	602	328	1,001	3,031
July....	74,541	4,311	2,650	884	22,383	1,402	2,487	108,660	97,713	3,144	7,803	990	585	316	1,076	2,968
Aug....	74,724	4,031	2,604	879	22,292	1,334	2,519	108,383	97,067	3,475	7,841	949	496	417	977	2,839
Sept....	74,790	4,087	2,574	876	22,218	1,303	2,573	108,420	97,425	3,089	7,906	932	382	450	904	2,668
Oct....	74,835	3,981	2,525	870	22,190	1,303	2,608	108,313	97,252	3,158	7,904	775	374	360	792	2,301
Nov....	74,913	4,226	2,553	877	22,201	1,406	2,633	108,809	97,582	3,291	7,936	724	398	317	743	2,182
Dec....	74,890	3,790	2,565	925	22,496	2,150	2,683	109,498	98,636	2,897	7,965	664	418	232	726	2,040

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

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

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

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

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

## LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mortgages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign <sup>1</sup>	Total	Bonds	Stocks				
1970.....	207,254	11,068	4,574	3,306	3,188	88,518	73,098	15,420	74,375	6,320	16,064	10,909
1971.....	222,102	11,000	4,455	3,363	3,182	99,805	79,198	20,607	75,496	6,904	17,065	11,832
1972.....	239,730	11,372	4,562	3,367	3,443	112,985	86,140	26,845	76,948	7,295	18,003	13,127
1973.....	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,369	7,693	20,199	14,057
1973- Nov.....	251,178	11,574	4,514	3,404	3,656	118,100	92,265	25,835	80,371	7,771	20,039	13,323
Dec.....	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,369	7,693	20,199	14,057
1974- Jan.....	253,531	11,465	4,410	3,463	3,592	119,079	93,082	25,997	81,490	7,816	20,242	13,439
Feb.....	254,739	11,535	4,429	3,518	3,588	119,715	93,672	26,043	81,745	7,825	20,382	13,537
Mar.....	255,847	11,766	4,595	3,511	3,660	119,936	94,037	25,899	81,971	7,831	20,538	13,805
Apr.....	256,583	11,594	4,317	3,526	3,751	120,466	95,010	25,456	82,469	7,795	20,830	13,429
May.....	257,518	11,606	4,318	3,538	3,750	120,642	95,721	24,921	82,750	7,840	21,067	13,613
June.....	258,398	11,617	4,290	3,562	3,765	120,526	95,934	24,592	83,228	7,878	21,321	13,828
July.....	259,187	11,675	4,301	3,572	3,802	120,404	96,507	23,897	83,697	7,924	21,581	13,906
Aug.....	258,951	11,725	4,338	3,577	3,810	119,139	96,723	22,416	84,119	7,998	21,888	14,088
Sept.....	258,668	11,718	4,306	3,596	3,816	117,740	96,861	20,879	84,509	8,055	22,202	14,444
Oct.....	261,778	11,748	4,319	3,603	3,826	120,198	97,515	22,683	85,054	8,087	22,503	14,188
Nov.....	262,738	11,830	4,363	3,618	3,839	120,176	92,892	22,284	85,529	8,143	22,710	14,360

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

Note.—Institute of Life Insurance estimates for all life insurance companies in the United States.

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."

## SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets - Total liabilities	Liabilities				Mortgage loan commitments outstanding at end of period <sup>4</sup>	
	Mortgages	Investment securities <sup>1</sup>	Cash	Other		Savings capital	Net worth <sup>2</sup>	Borrowed money <sup>3</sup>	Loans in process		Other
1970.....	150,331	13,020	3,506	9,326	176,183	146,404	12,401	10,911	3,078	3,389	4,452
1971.....	174,250	18,185	2,857	10,731	206,023	174,197	13,592	8,992	5,029	4,213	7,328
1972.....	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973.....	231,733	21,055		19,117	271,905	226,968	17,056	17,172	4,667	6,042	9,526
1974- Jan.....	232,607	22,403		19,392	274,402	229,145	17,281	16,735	4,371	6,870	9,781
Feb.....	234,052	23,352		19,788	277,192	230,971	17,571	16,503	4,294	7,853	10,731
Mar.....	236,136	23,993		20,316	280,445	235,136	17,435	16,725	4,481	6,668	12,006
Apr.....	238,645	23,544		20,787	282,976	234,918	17,709	18,159	4,796	7,394	12,918
May.....	241,263	23,705		21,421	286,389	235,429	18,019	19,355	5,038	8,548	12,480
June.....	243,400	23,003		21,614	288,017	238,114	17,838	20,347	5,033	6,685	11,732
July.....	245,135	23,052		21,926	290,113	237,631	18,101	21,708	4,867	7,806	10,844
Aug.....	246,713	22,081		22,361	291,155	236,472	18,377	22,891	4,584	8,831	9,851
Sept.....	247,624	21,166		22,758	291,548	237,877	18,201	24,136	4,226	7,108	9,126
Oct.....	248,189	22,126		23,016	293,331	238,304	18,444	24,544	3,809	8,230	8,127
Nov.....	248,711	23,249		23,306	295,266	239,530	18,674	24,550	3,444	9,068	7,723
Dec.....	249,306	23,235		23,075	295,616	242,914	18,435	24,824	3,205	6,238	7,454
1975- Jan.....	249,748	25,376		23,337	298,461	246,220	18,622	23,384	3,018	7,217	7,928

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

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

<sup>3</sup> Advances from FHLBB and other borrowing.

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

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

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

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

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

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget			Means of financing								Other means of financing, net <sup>3</sup>
	Receipts	Outlays	Surplus or deficit (-)	Borrowings from the public					Less: Cash and monetary assets			
				Public debt securities	Agency securities	Less: Investments by Govt. accounts <sup>1</sup>		Less: Special notes <sup>2</sup>	Equals: Total	Treasury operating balance	Other	
						Special issues	Other					
<b>Fiscal year:</b>												
1971.....	188,392	211,425	-23,033	27,211	-347	6,616	801	.....	19,448	710	-710	3,587
1972.....	208,649	231,876	-23,227	29,131	-1,269	6,796	1,623	.....	19,442	1,362	1,108	6,003
1973.....	232,225	246,526	-14,301	30,881	216	11,712	109	.....	19,275	2,459	1,613	-1,129
1974.....	264,932	268,392	-3,460	16,918	903	13,673	1,140	.....	3,009	-3,417	898	-2,063
<b>Half year:</b>												
1973-Jan.-June.....	126,164	127,947	-1,784	8,843	-661	5,716	577	.....	1,889	1,503	-93	1,305
July-Dec.....	124,256	130,362	-6,106	11,756	478	5,376	845	.....	6,014	-2,202	-319	-2,429
1974-Jan.-June.....	140,679	138,032	2,647	5,162	426	8,297	295	.....	-3,004	1,215	1,089	231
July-Dec.....	139,870	153,399	-13,591	18,429	-646	2,840	150	.....	14,794	-3,228	248	-4,183
<b>Month:</b>												
1974-Jan.....	23,475	23,664	-0,189	1,714	15	-1,069	139	.....	770	168	530	1,657
Feb.....	20,226	21,030	-804	2,503	-17	2,489	159	.....	-162	2,877	-84	-1,995
Mar.....	16,818	22,905	-6,086	3,813	394	-155	52	.....	4,309	690	191	2,657
Apr.....	29,657	22,273	7,384	-2,597	37	-93	35	.....	-2,502	3,125	1,319	-438
May.....	19,243	23,981	-4,739	2,773	-28	2,947	-211	.....	8	5,032	-1,120	-1,423
June.....	31,259	24,172	7,087	385	29	4,178	121	.....	3,886	2,711	239	-252
July.....	20,939	24,411	-3,472	1,109	-126	858	198	.....	1,644	2,705	658	-1,534
Aug.....	23,620	25,408	-1,787	6,447	-56	4,133	-25	.....	2,283	1,012	83	-1,425
Sept.....	28,377	24,712	3,666	-326	-167	-1,311	250	.....	569	3,244	797	-194
Oct.....	19,633	26,460	-6,827	1,242	242	-2,053	-152	.....	721	6,445	-338	-677
Nov.....	22,292	24,965	-2,673	5,139	-17	653	31	.....	4,500	816	96	-915
Dec.....	24,946	27,442	-2,496	7,300	-38	2,276	90	.....	5,077	2,874	268	561
1975-Jan.....	25,020	28,934	-3,914	1,475	23	2,173	-42	.....	3,667	58	319	508

End of period	Selected balances										Memo: Debt of Govt.-sponsored corps.—Now private <sup>5</sup>
	Treasury operating balance				Borrowing from the public.						
	F.R. Banks	Tax and loan accounts	Other depositaries <sup>4</sup>	Total	Public debt securities	Agency securities	Less: Investments of Govt. accounts <sup>1</sup>		Less: Special notes <sup>2</sup>	Equals: Total	
						Special issues	Other				
<b>Fiscal year:</b>											
1971.....	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	37,086
1972.....	2,344	7,934	139	10,417	427,260	10,894	89,536	24,023	825	323,770	41,814
1973.....	4,038	8,433	106	12,576	458,142	11,109	101,248	24,133	825	343,045	51,325
1974.....	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
<b>Calendar year:</b>											
1973.....	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857
1974.....	3,113	2,749	70	5,932	492,664	11,367	117,761	25,423	( <sup>6</sup> )	360,847	.....
<b>Month:</b>											
1974-Jan.....	2,844	7,628	69	10,542	468,184	11,598	105,555	25,117	825	348,285	59,566
Feb.....	2,017	5,579	69	7,665	470,687	11,581	108,044	25,276	825	348,123	59,282
Mar.....	1,372	6,915	69	8,356	474,500	11,975	107,889	25,328	825	352,433	59,897
Apr.....	2,814	8,576	89	11,480	471,903	12,012	107,796	25,363	825	349,931	61,151
May.....	3,134	3,226	88	6,448	474,675	11,984	110,743	25,152	825	349,939	62,650
June.....	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
July.....	3,822	2,544	88	6,454	475,344	11,895	114,063	25,471	( <sup>6</sup> )	347,706	68,243
Aug.....	3,303	2,049	91	5,443	481,792	11,831	116,196	25,446	.....	349,980	69,951
Sept.....	3,209	5,386	92	8,687	481,466	11,664	116,885	25,696	.....	350,549	73,068
Oct.....	787	1,381	71	2,239	480,224	11,422	114,832	25,544	.....	351,270	75,343
Nov.....	1,495	1,563	.....	3,058	485,364	11,404	115,485	25,513	.....	355,770	75,706
Dec.....	3,113	2,749	70	5,932	492,664	11,367	117,761	25,423	.....	360,847	76,459
1975-Jan.....	3,540	2,114	220	5,874	494,139	11,343	115,588	25,380	.....	364,514	.....

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

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

<sup>3</sup> Includes accrued interest payable on public debt securities; deposit funds, miscellaneous liability and asset accounts, and seigniorage.

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

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

<sup>5</sup> Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, F.N.M.A. (beginning Sept. 1968), and Federal intermediate credit banks and banks for cooperatives (both beginning Dec. 1968).

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

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

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

		Budget receipts																
Period	Total	Individual income taxes					Corporation income taxes		Social insurance taxes and contributions						Excise taxes	Customs	Estate and gift	Misc. receipts <sup>4</sup>
		Withheld	Pres. Election Campaign Fund <sup>1</sup>	Non-withheld	Re-funds	Net total	Gross receipts	Re-funds	Employment taxes and contributions <sup>2</sup>		Unempl. insur.	Other net receipts <sup>3</sup>	Net total					
									Payroll taxes	Self-empl.								
<b>Fiscal year:</b>																		
1971	188,392	76,490		24,262	14,522	86,230	30,320	3,535	39,751	1,948	3,673	3,206	48,578	16,614	2,591	3,735	3,858	
1972	208,649	83,200		25,679	14,143	94,737	34,926	2,760	44,088	2,032	4,357	3,437	53,914	15,477	3,287	5,436	3,633	
1973	232,225	98,093		27,017	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921	
1974	264,932	112,064		28,30,812	23,952	118,952	41,744	3,125	62,886	3,008	6,837	4,051	76,780	16,844	3,334	5,035	5,368	
<b>Half year:</b>																		
1973—Jan.—June	126,164	52,037		2,21,233	21,179	52,094	21,730	1,434	30,013	2,206	3,616	1,841	37,657	8,016	1,637	2,584	1,861	
July—Dec.	124,256	52,964		6,207	999	58,172	16,589	1,494	29,965	201	2,974	1,967	35,109	8,966	1,633	2,514	2,768	
1974—Jan.—June	140,679	59,103		28,24,605	22,953	60,782	25,156	1,631	32,919	2,808	3,862	2,082	41,672	7,878	1,701	2,521	2,601	
July—Dec.	139,807	61,377		7,099	1,016	67,460	18,247	2,016	34,418	254	2,914	2,187	39,774	8,761	1,958	2,284	3,341	
<b>Month:</b>																		
1974—Jan.	23,475	9,295		5,076	45	14,326	1,722	160	4,439	170	245	178	5,233	1,263	304	455	333	
Feb.	20,226	9,505		3,945	1,851	8,601	1,066	248	8,280	214	761	346	8,400	1,315	239	423	429	
Mar.	16,818	9,662		2,186	8,631	3,219	5,887	338	5,059	228	96	338	5,721	1,211	277	465	377	
Apr.	29,657	9,946		13,11,118	6,313	14,764	5,893	430	4,390	1,603	552	451	6,896	1,275	286	371	602	
May	19,243	10,083		5,1,204	5,651	5,641	1,318	218	7,196	311	2,190	339	10,036	1,391	295	437	343	
June	31,259	10,611		4,4,077	462	14,231	9,269	237	4,757	281	18	329	5,386	1,423	301	370	517	
July	20,939	10,227		957	378	10,806	1,796	310	5,005			418	5,781	1,517	325	418	607	
Aug.	23,620	10,223		491	229	10,485	1,084	256	7,813		1,363	368	9,544	1,415	355	453	540	
Sept.	28,377	9,754		4,3,23	130	13,947	6,082	435	5,428	240	62	389	6,119	1,465	305	352	543	
Oct.	19,633	10,106		561	78	10,590	1,711	511	4,558		221	363	5,142	1,401	347	370	578	
Nov.	22,292	10,638		305	111	10,832	1,111	314	6,633		762	353	7,748	1,474	319	350	773	
Dec.	24,946	10,428		461	90	10,799	6,458	190	4,982	14	89	356	5,441	1,489	307	341	301	
1975—Jan.	25,020	10,252		5,366	132	15,487	1,745	557	4,802	223	245	402	5,673	1,351	307	385	629	

		Budget outlays														
Period	Total	National defense	Intl. affairs	Space research	Agriculture	Natural resources	Commerce and transp.	Commun. develop. and housing	Education and manpower	Health and welfare	Veterans	Interest	General govt.	General revenue sharing	Intra-govt. trans- actions <sup>5</sup>	
																<b>Fiscal year:</b>
1972	231,876	78,336	3,786	3,422	7,061	3,759	11,197	4,216	10,198	81,538	10,747	20,584	4,889		-7,858	
1973	246,526	76,023	3,132	3,311	6,051	559	12,505	4,162	10,822	91,343	12,004	22,836	5,519	6,636	8,379	
1974	268,392	79,387	3,527	3,252	5,156	1,109	12,561	5,184	10,581	105,597	13,367	28,096	6,491	6,106	9,893	
1975 <sup>6</sup>	304,445	87,729	4,103	3,272		3,128	13,400	5,667	11,537	126,353	13,612	29,122	6,774	6,174	10,717	
<b>Half year:</b>																
1973—Jan.—June	127,947	40,694	1,493	1,635	1,435	230	6,306	1,525	5,690	48,130	6,264	12,217	2,650	4,019	4,340	
July—Dec.	130,362	37,335	1,567	1,501	3,472	764	7,387	3,215	4,772	48,950	6,518	13,493	3,112	3,032	4,756	
1974—Jan.—June	138,032	42,057	1,910	1,752	1,684	-1,782	5,174	1,969	5,809	56,619	6,848	14,655	3,403	3,074	-5,141	
July—Dec.	153,339	42,553	1,807	1,596	427	2,162	8,302	4,787	5,103	62,181	7,838	15,320	3,792	3,082	-5,551	
<b>Month:</b>																
1974—Jan.	23,664	6,785	351	251	756	544	875	330	984	99,092	1,204	2,353	7623	1,532	928	
Feb.	21,030	6,509	224	231	138	58	363	198	932	8,979	1,088	2,466	520	1	-677	
Mar.	22,905	6,686	345	252	205	759	746	263	1,036	9,310	1,194	2,508	499		-898	
Apr.	22,273	6,751	336	293	89	-1,618	740	373	925	9,505	1,165	2,455	586	1,540	-867	
May	23,981	7,243	312	278	313	428	875	352	662	10,087	1,180	2,516	498	1	-763	
June	24,172	8,062	402	447	183	-865	1,574	452	1,270	9,675	1,017	2,308	655		-1,007	
July	24,411	5,862	369	247	-60	498	1,099	693	854	10,060	1,258	2,525	466	1,538	-967	
Aug.	25,408	6,905	260	247	-61	514	2,257	773	925	9,925	1,246	2,477	727		-778	
Sept.	24,712	6,877	398	267	19	728	1,163	819	837	10,022	1,447	2,721	731	7	-1,026	
Oct.	26,460	7,652	62	281	358	280	1,246	752	794	10,282	1,220	2,433	529	1,533	961	
Nov.	24,965	7,673	373	297	-153	-474	1,147	850	837	10,645	1,341	2,688	529	4	-791	
Dec.	27,442	7,584	342	288	326	616	1,393	899	856	11,245	1,636	2,475	810		1,027	
1975—Jan.	28,934	7,307	274	298	806	650	915	1,157	1,227	11,697	1,399	2,538	489	1,528	1,350	

1 Collections of these receipts, totaling \$2,427 million for fiscal year 1973, were included as part of nonwithheld income taxes prior to Feb. 1974.  
 2 Old-age, disability, and hospital insurance, and Railroad Retirement accounts.  
 3 Supplementary medical insurance premiums and Federal employee retirement contributions.  
 4 Deposits of earnings by I.R. Banks and other miscellaneous receipts.  
 5 Consists of Govt. contributions for employee retirement and of interest received by trust funds.

6 Contains retroactive payments of \$2,617 million for fiscal 1972.  
 7 Estimate presented in *Budget of the U.S. Government, Fiscal Year 1975*. Breakdown does not add to total because special allowances for contingencies, Federal pay increase (excluding Dept. of Defense), and acceleration of energy research and development, totaling \$1,561 million, are not included.  
 NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

**GROSS PUBLIC DEBT, BY TYPE OF SECURITY**

(In billions of dollars)

End of period	Total gross public debt <sup>1</sup>	Public issues (interest-bearing)										Special issues <sup>5</sup>	
		Total	Marketable					Con-vertible bonds	Nonmarketable				
			Total	Bills	Certifi-cates	Notes	Bonds <sup>7</sup>		Total <sup>3</sup>	Foreign issues <sup>4</sup>	Savings bonds and notes		
1968—Dec.	358.0	296.0	236.8	75.0			76.5	85.3	2.5	56.7	4.3	52.3	59.1
1969—Dec.	368.2	295.2	235.9	80.6			85.4	69.9	2.4	56.9	3.8	52.2	71.0
1970—Dec.	389.2	309.1	247.7	87.9			101.2	58.6	2.4	59.1	5.7	52.5	78.1
1971—Dec.	424.1	336.7	262.0	97.5			114.0	50.6	2.3	72.3	16.8	54.9	85.7
1972—Dec.	449.3	351.4	269.5	103.9			121.5	44.1	2.3	79.5	20.6	58.1	95.9
1973—Dec.	469.9	360.7	270.2	107.8			124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974—Feb.	470.7	360.0	269.7	107.9			126.1	35.7	2.3	88.1	25.4	61.3	108.6
Mar.	474.5	364.2	273.6	111.9			126.1	35.6	2.3	88.3	25.2	61.6	108.5
Apr.	471.9	361.7	270.5	107.3			127.6	35.5	2.3	89.0	25.7	61.9	108.4
May	474.7	361.5	269.6	107.9			128.4	33.2	2.3	89.6	26.0	62.1	111.3
June	475.1	357.8	266.6	105.0			128.4	33.1	2.3	89.0	25.0	62.4	115.4
July	475.3	359.7	268.8	107.3			128.4	33.0	2.3	88.7	24.4	62.7	114.6
Aug.	481.8	362.0	272.1	110.6			127.7	33.9	2.3	87.6	23.2	62.8	118.7
Sept.	481.5	362.7	272.6	111.1			127.7	33.8	2.3	87.8	23.2	63.0	117.4
Oct.	480.2	363.9	273.5	112.1			127.7	33.8	2.3	88.1	23.1	63.3	115.3
Nov.	485.4	368.2	277.5	114.6			129.6	33.3	2.3	88.4	23.1	63.6	118.9
Dec.	492.7	373.4	282.9	119.7			129.8	33.4	2.3	88.2	22.8	63.8	115.2
1975—Jan.	494.1	377.1	286.1	120.0			131.8	33.3	2.3	88.8	23.0	64.2	116.0
Feb.	499.7	381.5	289.8	123.0			132.7	34.1	2.3	89.4	23.3	64.5	117.2

<sup>1</sup> Includes non-interest-bearing debt (of which \$616 million on Feb. 28, 1975, was not subject to statutory debt limitation).

<sup>2</sup> Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

<sup>3</sup> Includes (not shown separately): depository bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local government bonds, and Treasury deposit funds.

<sup>4</sup> Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency-series issues.

<sup>5</sup> Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE: Based on Daily Statement of U.S. Treasury. See also second paragraph in NOTE to table below.

**OWNERSHIP OF PUBLIC DEBT**

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by --		Held by private investors									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Com-mercial banks	Mutual savings banks	Insur-ance companies	Other corporations	State and local govts.	Individuals		Foreign and international <sup>1</sup>	Other misc. investors <sup>2</sup>
										Savings bonds	Other securities		
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.8	8.4	14.2	24.9	51.9	23.3	14.3	21.9
1969—Dec.	368.2	89.0	57.2	222.0	56.8	3.1	7.6	10.4	27.2	51.8	29.0	11.2	25.0
1970—Dec.	389.2	97.1	62.1	229.9	62.7	3.1	7.4	7.3	27.8	52.1	29.1	20.6	19.9
1971—Dec.	424.1	106.0	70.2	247.9	65.3	3.1	7.0	11.4	25.4	54.4	18.8	46.9	15.6
1972—Dec.	449.3	116.9	69.9	262.5	67.7	3.4	6.6	9.8	28.9	57.7	16.2	53.3	17.0
1973—Dec.	469.9	129.6	78.5	261.7	60.3	2.9	6.4	10.9	29.2	60.3	16.9	55.6	19.3
1974—Jan.	468.2	128.7	78.2	261.2	60.2	2.8	6.3	10.7	29.9	60.5	16.9	52.8	21.1
Feb.	470.7	131.3	78.2	261.1	58.2	2.8	6.0	10.9	30.7	60.8	17.0	53.6	21.2
Mar.	474.5	131.2	79.5	263.8	59.5	2.8	6.1	11.7	30.4	61.1	17.3	54.9	20.0
Apr.	471.9	131.1	80.0	260.7	56.8	2.7	5.9	10.5	30.1	61.4	17.8	55.9	19.7
May	474.7	133.9	81.4	259.4	54.8	2.6	5.8	11.2	29.2	61.7	18.3	57.3	18.5
June	475.1	138.2	80.5	256.4	53.2	2.6	5.9	10.8	28.3	61.9	18.8	57.7	17.3
July	475.3	137.5	78.1	259.7	51.9	2.6	5.7	11.3	28.8	62.2	19.4	56.9	18.8
Aug.	481.8	141.6	81.1	259.0	53.0	2.6	5.7	11.0	29.2	62.3	20.3	56.0	19.0
Sept.	481.5	140.6	81.0	259.8	52.9	2.5	5.7	10.5	29.3	62.5	20.8	56.0	19.5
Oct.	480.2	138.4	79.4	262.5	53.5	2.5	5.9	11.2	28.8	62.8	21.0	56.6	20.3
Nov.	485.4	139.0	81.0	265.3	54.5	2.5	5.9	11.0	28.7	63.2	21.1	58.3	20.1
Dec.	492.7	141.2	80.5	271.0	56.5	2.5	6.1	11.0	29.2	63.4	21.5	58.4	22.4

<sup>1</sup> Consists of investments of foreign and international accounts in the United States.

<sup>2</sup> Consists of savings and loan assns., nonprofit institutions, corporate pension trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE: Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts. Beginning in July 1974, total gross public debt includes Federal Financing Bank bills and excludes notes issued to the IMF (\$825 million).

## OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1-5 years	5-10 years	10-20 years	Over 20 years
		Total	Bills	Other				
<b>All holders:</b>								
1971—Dec. 31	262,038	119,141	97,505	21,636	93,648	29,321	9,530	10,397
1972—Dec. 31	269,509	130,422	103,870	26,552	88,564	29,143	15,301	6,079
1973—Dec. 31	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Dec. 31	282,891	148,086	119,747	28,339	85,311	27,897	14,833	6,764
1975—Jan. 31	286,133	149,383	121,044	28,339	87,339	27,894	14,795	6,722
<b>U.S. Govt. agencies and trust funds:</b>								
1971—Dec. 31	18,444	1,380	605	775	7,614	4,676	2,319	2,456
1972—Dec. 31	19,360	1,609	674	935	6,418	5,487	4,317	1,530
1973—Dec. 31	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—Dec. 31	21,491	2,400	588	1,812	7,823	4,721	4,670	1,777
1975—Jan. 31	21,374	2,559	640	1,910	7,737	4,643	4,672	1,773
<b>Federal Reserve Banks:</b>								
1971—Dec. 31	70,218	36,032	31,033	4,999	25,299	7,702	584	601
1972—Dec. 31	69,906	37,750	29,745	8,005	24,497	6,109	1,414	136
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Dec. 31	80,501	45,388	36,990	8,399	23,282	9,664	1,453	713
1975—Jan. 31	81,344	45,575	37,076	8,499	23,797	9,764	1,457	751
<b>Held by private investors:</b>								
1971—Dec. 31	173,376	81,729	65,867	15,862	60,735	16,943	6,627	7,340
1972—Dec. 31	180,243	91,063	73,451	17,612	57,649	17,547	9,570	4,413
1973—Dec. 31	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—Dec. 31	180,999	100,298	82,168	18,130	54,206	14,512	8,710	4,274
1975—Jan. 31	183,415	101,258	83,328	17,930	55,805	13,487	8,666	4,198
<b>Commercial banks:</b>								
1971—Dec. 31	51,363	14,920	8,287	6,633	28,823	6,847	555	217
1972—Dec. 31	52,440	18,077	10,289	7,788	27,765	5,654	864	80
1973—Dec. 31	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Dec. 31	42,755	14,873	6,952	7,921	22,717	4,151	733	280
1975—Jan. 31	41,372	13,057	5,287	7,770	23,251	4,103	718	244
<b>Mutual savings banks:</b>								
1971—Dec. 31	2,742	416	235	181	1,221	499	281	326
1972—Dec. 31	2,609	590	309	281	1,152	469	274	124
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—Dec. 31	1,477	399	207	192	614	174	202	88
1975—Jan. 31	1,480	292	126	166	678	203	197	110
<b>Insurance companies:</b>								
1971—Dec. 31	5,679	720	325	395	1,499	993	1,366	1,102
1972—Dec. 31	5,220	759	448	351	1,190	976	1,593	661
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—Dec. 31	4,741	722	414	308	1,061	1,310	1,297	351
1975—Jan. 31	4,804	743	447	296	1,075	1,328	1,312	346
<b>Nonfinancial corporations:</b>								
1971—Dec. 31	6,021	4,191	3,280	911	1,492	301	16	20
1972—Dec. 31	4,948	3,604	1,198	2,406	1,198	121	25	1
1973—Dec. 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Dec. 31	4,246	2,623	1,859	764	1,423	115	26	59
1975—Jan. 31	4,364	2,340	1,643	697	1,778	150	49	48
<b>Savings and loan associations:</b>								
1971—Dec. 31	3,002	629	343	286	1,449	587	162	175
1972—Dec. 31	2,873	820	498	322	1,140	605	226	81
1973—Dec. 31	2,103	576	121	455	1,011	320	151	45
1974—Dec. 31	1,663	350	87	263	835	282	173	23
1975—Jan. 31	1,664	323	83	240	866	282	169	25
<b>State and local governments:</b>								
1971—Dec. 31	9,823	4,592	3,832	760	2,268	783	918	1,263
1972—Dec. 31	10,904	6,159	5,203	956	2,033	816	1,298	598
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Dec. 31	7,864	4,121	3,319	802	1,796	515	800	332
1975—Jan. 31	8,552	4,867	4,057	810	1,681	814	855	334
<b>All others:</b>								
1971—Dec. 31	94,746	56,261	49,565	6,696	23,983	6,933	3,329	4,237
1972—Dec. 31	101,249	61,014	55,506	5,508	23,171	8,906	5,290	2,868
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Dec. 31	118,253	77,210	69,330	7,880	25,760	6,664	5,479	3,141
1975—Jan. 31	121,178	79,636	71,686	7,950	26,476	6,607	5,365	3,093

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting: (1) 5,573 commercial banks, 476 mutual savings

banks, and 733 insurance companies combined, each about 90 per cent; (2) 462 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 503 State and local govts., about 40 per cent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.



**DAILY-AVERAGE DEALER TRANSACTIONS**

(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1-5 years	5-10 years	Over 10 years	U.S. Govt. securities dealers	U.S. Govt. securities brokers	Commercial banks	All other <sup>1</sup>	
1974—Jan.....	3,659	3,074	325	215	45	706	889	1,103	962	695
Feb.....	4,229	3,192	402	561	74	795	1,058	1,299	1,077	1,019
Mar.....	3,697	2,814	450	369	64	744	892	1,071	991	733
Apr.....	3,338	2,682	438	173	45	614	836	951	937	710
May.....	3,542	2,645	693	133	72	711	905	991	936	861
June.....	3,084	2,549	385	110	41	693	759	877	755	978
July.....	2,566	2,114	348	66	38	490	685	681	710	1,044
Aug.....	3,097	2,407	389	238	64	554	876	789	878	856
Sept.....	4,114	3,327	472	265	50	683	1,351	1,022	1,058	1,227
Oct.....	3,543	2,802	498	193	50	607	1,087	928	920	1,150
Nov.....	3,977	2,872	635	384	86	560	1,049	1,144	1,224	1,186
Dec.....	4,111	3,126	550	369	67	671	1,196	1,120	1,124	1,087
1975 Jan.....	5,415	3,495	1,514	303	104	887	1,549	1,503	1,478	1,244
Week ending—										
1975—Jan. 1.....	3,546	2,778	554	176	38	639	643	1,154	1,111	545
8.....	5,622	3,944	1,422	188	68	914	1,657	1,538	1,513	1,087
15.....	5,126	3,351	1,421	242	112	846	1,371	1,486	1,423	1,236
22.....	4,825	3,618	972	176	59	827	1,390	1,311	1,298	1,448
29.....	5,650	3,337	2,059	193	62	945	1,663	1,552	1,489	1,185
Feb. 5.....	7,439	3,453	2,334	1,262	390	943	2,683	1,954	1,859	1,313
12.....	6,358	3,763	1,432	905	259	819	2,362	1,637	1,540	1,139
19.....	5,528	3,499	1,271	635	123	660	1,829	1,551	1,488	1,466
26.....	4,646	2,794	1,256	479	117	511	1,593	1,187	1,355	1,165

<sup>1</sup> Since Jan. 1972 has included transactions of dealers and brokers in securities other than U.S. Govt.

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York.

They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

**DAILY-AVERAGE DEALER POSITIONS**

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1-5 years	5-10 years	Over 10 years	
1974—Jan.....	3,653	3,210	51	262	130	1,324
Feb.....	4,081	2,707	537	647	190	1,435
Mar.....	2,587	2,149	50	287	107	1,045
Apr.....	1,536	1,577	- 121	62	17	719
May.....	495	421	- 33	66	41	791
June.....	594	447	52	78	16	1,226
July.....	263	219	- 50	90	4	935
Aug.....	2,487	1,819	228	356	84	1,073
Sept.....	3,060	2,317	334	340	69	1,216
Oct.....	2,870	2,149	430	260	31	1,445
Nov.....	4,513	2,999	728	618	169	1,531
Dec.....	4,831	3,100	975	559	197	1,803
1975 Jan.....	4,653	2,689	1,254	598	113	1,578
Week ending—						
1974—Dec. 4.....	4,615	3,135	650	620	210	1,408
11.....	4,642	3,121	743	575	203	1,634
18.....	5,491	3,829	802	550	210	1,855
25.....	4,663	3,023	927	523	190	1,995
1975—Jan. 1.....	4,741	2,258	1,776	535	171	2,056
8.....	5,341	2,501	2,051	641	149	1,831
15.....	5,440	3,485	1,243	616	95	1,550
22.....	3,666	2,105	849	603	109	1,426
29.....	4,125	2,673	907	480	65	1,504

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.  
Average of daily figures based on number of trading days in the period.

**DAILY-AVERAGE DEALER FINANCING**

(In millions of dollars)

Period	All sources	Commercial banks		Corporations <sup>1</sup>	All other
		New York City	Elsewhere		
1974—Jan.....	4,802	1,747	1,253	658	1,143
Feb.....	4,837	1,545	1,501	533	1,257
Mar.....	3,817	1,196	952	485	1,185
Apr.....	2,449	600	728	287	833
May.....	1,637	26	486	213	913
June.....	2,477	241	884	268	1,083
July.....	1,710	6	596	216	892
Aug.....	4,138	988	1,248	548	1,354
Sept.....	4,709	1,312	1,247	480	1,671
Oct.....	4,621	1,194	1,003	571	1,853
Nov.....	5,626	1,466	1,245	561	2,355
Dec.....	6,904	2,061	1,619	691	2,534
1975—Jan.....	6,185	1,455	1,277	864	2,590
Week ending—					
1974—Dec. 4.....	5,346	1,191	1,173	575	2,406
11.....	6,843	2,051	1,862	854	2,077
18.....	7,738	2,786	1,927	775	2,250
25.....	7,244	2,219	1,466	613	2,947
1975—Jan. 1.....	6,436	1,424	1,344	565	3,103
8.....	6,649	1,495	1,476	720	2,958
15.....	7,271	1,801	1,802	1,139	2,529
22.....	5,625	1,394	961	792	2,478
29.....	5,360	1,197	963	849	2,351

<sup>1</sup> All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the table on the left.

OUTSTANDING ISSUES OF FEDERALLY SPONSORED CREDIT AGENCIES, JANUARY 31, 1975

Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)
<b>Federal home loan banks</b>			<b>Federal National Mortgage Association - Cont.</b>			<b>Banks for cooperatives</b>		
Bonds:			Debentures:			Bonds:		
1/26/71 - 2/25/75	6.10	250	11/10/70 - 3/10/75	7.55	300	8/1/74 - 2/3/75	9.45	581
1/27/72 - 2/25/75	5 3/8	400	10/12/71 - 3/10/75	6.35	600	9/3/74 - 3/3/75	9.85	576
9/21/71 - 2/25/75	8.20	500	4/12/71 - 6/10/75	5.25	500	10/1/74 - 4/1/75	9.55	463
4/12/73 - 2/25/75	7.15	700	10/13/70 - 9/10/75	7.50	350	11/4/74 - 5/1/75	8.55	683
8/25/70 - 5/26/75	8.05	265	3/12/73 - 9/10/75	6.80	650	12/2/74 - 6/2/75	8.05	511
2/25/74 - 5/27/75	6.80	300	3/10/72 - 12/10/75	5.70	500	1/2/75 - 7/1/75	7.20	440
7/27/70 - 8/25/75	7.95	300	9/10/73 - 12/10/75	8.25	300	10/1/73 - 4/4/77	7.70	200
7/25/73 - 8/25/75	7 1/8	500	3/11/71 - 3/10/76	5.65	500	12/2/74 - 10/1/79	8.00	301
10/25/73 - 8/25/75	7.15	400	6/12/73 - 3/10/76	7.13	400			
12/18/70 - 11/25/75	7.05	350	6/10/71 - 6/10/76	6.70	250	<b>Federal intermediate credit banks</b>		
5/25/73 - 11/25/75	7.05	600	2/10/72 - 6/10/76	5.85	450	Bonds:		
5/28/74 - 11/25/75	9.10	700	9/10/74 - 6/10/76	10.00	700	5/1/74 - 7/3/75	8.80	689
6/21/74 - 2/25/76	8.70	400	11/10/71 - 9/10/76	6.13	300	6/3/74 - 3/3/75	9.00	796
8/25/71 - 2/25/76	7 3/8	250	6/12/72 - 9/10/76	5.85	500	7/1/74 - 4/1/75	9.25	811
8/27/73 - 2/25/76	9 3/8	300	12/10/74 - 9/10/76	7.50	300	8/1/74 - 5/1/75	9.45	766
8/26/74 - 1/25/76	9.20	600	7/12/71 - 12/10/76	7.45	300	9/3/74 - 6/2/75	9.80	714
6/23/73 - 5/25/76	7.20	600	12/11/72 - 12/10/76	6.25	500	10/1/74 - 7/1/75	9.60	769
11/27/73 - 5/25/76	7.45	300	6/10/74 - 12/10/76	8.45	600	1/31/72 - 7/1/75	5.70	302
7/25/73 - 8/25/76	7.80	500	2/13/62 - 2/10/77	4 1/2	198	11/2/74 - 8/4/75	8.45	713
9/25/74 - 8/25/76	9.55	700	9/11/72 - 3/10/77	6.30	500	12/2/74 - 9/2/75	7.35	458
10/25/74 - 11/26/76	8.60	600	3/11/74 - 3/10/77	7.05	400	1/2/75 - 10/2/75	7.35	458
11/25/74 - 2/25/77	9.55	500	12/10/70 - 6/10/77	6.38	250	1/31/71 - 1/5/76	6.65	261
10/25/73 - 2/25/77	7.20	500	5/10/71 - 6/10/77	6.50	150	7/2/73 - 1/3/77	7.10	316
11/25/74 - 2/25/77	8.05	500	12/10/73 - 6/10/77	7.20	500	7/1/74 - 4/4/77	8.70	321
6/21/74 - 5/25/77	8.70	500	9/10/73 - 9/12/77	7.85	400	1/2/74 - 1/3/78	7.10	406
6/25/71 - 5/25/77	6.95	200	7/10/73 - 12/12/77	7.25	500	1/2/75 - 1/2/79	7.40	410
4/12/73 - 8/25/77	7.15	300	10/1/73 - 12/12/77	7.55	500			
5/28/74 - 8/25/77	8.80	600	6/10/74 - 3/10/78	8.45	650	<b>Federal land banks</b>		
2/26/73 - 11/25/77	6 3/4	300	6/12/73 - 6/12/78	7.15	600	Bonds:		
11/27/73 - 11/25/77	7.45	300	3/11/74 - 9/11/78	7.15	550	4/20/65 - 4/21/75	4 1/2	200
8/26/74 - 11/25/77	9.15	700	10/12/71 - 12/11/78	6.75	300	7/20/73 - 4/21/75	7.65	300
9/25/74 - 2/27/78	9.38	400	7/10/74 - 12/11/78	8.95	450	2/15/72 - 7/21/75	5.70	425
9/12/73 - 5/25/78	7.60	500	12/10/73 - 3/12/79	7.25	500	4/22/74 - 7/21/75	8.30	300
8/26/74 - 11/27/78	9.10	500	9/10/73 - 6/11/79	7.85	300	7/20/71 - 10/20/75	7.20	300
6/21/74 - 2/26/79	8.65	600	9/10/74 - 6/11/79	9.80	600	10/23/73 - 10/20/75	7.40	362
9/25/74 - 2/26/79	9.45	600	9/12/72 - 9/10/79	6.40	300	4/20/72 - 1/20/76	6 1/2	300
10/25/74 - 5/25/79	8.65	500	12/10/74 - 9/10/79	7.80	700	7/22/74 - 1/20/76	9.20	650
5/28/74 - 5/25/79	8 3/4	400	12/10/71 - 12/10/79	6.55	350	2/21/66 - 2/24/76	5.00	123
7/25/74 - 8/27/79	9.50	500	2/10/72 - 3/10/80	6.88	250	1/22/73 - 4/20/76	6 3/4	373
11/25/74 - 11/26/79	8.15	500	6/10/74 - 6/10/80	8.50	600	4/22/74 - 4/20/76	8 3/4	400
12/23/74 - 11/26/79	7.50	500	2/16/73 - 7/31/80	5.19	1	7/20/66 - 7/20/76	5 3/8	150
3/25/70 - 2/25/80	7.75	350	2/16/73 - 7/31/80	3.18	9	1/21/74 - 7/20/76	7.05	160
2/15/74 - 2/25/80	7.05	300	10/1/73 - 9/10/80	7.50	400	4/23/73 - 10/20/76	7.15	450
10/15/70 - 10/15/80	7.80	200	12/11/72 - 12/10/80	6.60	300	4/22/74 - 4/20/77	8 1/2	565
10/27/71 - 11/27/81	6.60	200	6/29/72 - 1/29/81	6.15	156	7/20/73 - 7/20/77	7 1/2	550
10/25/74 - 11/25/81	8.65	400	3/12/73 - 3/10/81	7.05	350	10/20/71 - 10/20/77	6.35	300
4/13/73 - 5/25/83	7.30	300	4/18/73 - 4/10/81	6.59	26	10/21/74 - 1/23/78	8.70	546
5/28/74 - 5/25/84	8 3/4	300	3/21/73 - 5/1/81	4.50	18	2/20/63 - 2/20/73-78	4 1/8	148
10/25/73 - 11/26/93	7 3/4	400	3/21/73 - 5/1/81	5.77	7	5/20/65 - 4/20/78	5 1/8	150
<b>Federal Home Loan Mortgage Corporation</b>			1/21/71 - 6/10/81	7.25	250	1/20/75 - 4/20/78	7.60	713
Bonds:			9/10/71 - 9/10/81	7.25	250	7/20/72 - 7/20/78	6.40	269
5/29/73 - 8/25/76	7.05	400	9/10/74 - 9/10/81	9.70	300	7/22/74 - 7/20/78	9.15	350
5/11/72 - 2/25/77	6.15	350	3/11/74 - 12/10/81	7.30	250	10/23/73 - 10/19/78	7.35	550
11/19/70 - 11/27/95	8.60	140	7/10/74 - 3/10/82	8.88	300	2/20/67 - 1/22/79	5.00	285
7/15/71 - 8/26/96	7.75	150	6/28/72 - 5/1/82	5.84	58	1/21/74 - 1/22/79	7.10	300
5/11/72 - 5/26/97	7.15	150	2/10/71 - 6/10/82	6.65	250	9/15/72 - 4/23/79	6.85	235
<b>Federal National Mortgage Association - Secondary market operations</b>			9/11/72 - 9/10/82	6.80	200	2/20/74 - 7/23/79	7.15	389
Discount notes: 3,332			12/10/73 - 12/10/82	7.35	300	10/23/72 - 10/23/79	6.80	400
Capital debentures:			3/11/71 - 6/10/83	6.75	200	1/22/73 - 1/21/80	6.70	300
4/1/70 - 4/1/75	8.00	200	6/12/73 - 6/10/83	7.30	300	7/20/73 - 7/21/80	7 1/2	250
9/30/71 - 10/1/96	4.38	248	11/10/71 - 9/12/83	6.75	250	10/21/74 - 10/20/80	8.70	400
10/2/72 - 10/1/97	7.40	250	4/12/71 - 6/11/84	6.25	200	2/23/71 - 4/20/81	6.70	224
Mortgage-backed bonds:			12/10/74 - 9/10/84	7.95	300	7/22/74 - 7/20/81	9.10	265
6/1/70 - 6/2/75	8.38	250	12/10/71 - 12/10/84	6.90	250	1/20/75 - 1/20/82	7.80	400
3/14/73 - 1/15/81	3.58	53	3/10/72 - 3/10/92	7.00	200	4/23/72 - 4/20/82	6.90	200
3/14/73 - 1/15/81	5.48	5	6/12/72 - 6/10/92	7.05	200	4/23/73 - 10/20/82	7.30	239
6/11/73 - 7/1/82	5.85	71	12/11/72 - 12/10/97-82	7.10	200	10/23/73 - 10/20/83	7.30	300
6/21/73 - 7/1/82	5.92	35						
3/1/73 - 8/31/84	5.50	10						
3/1/73 - 10/31/85	5.49	21						
3/1/73 - 3/1/86	5.74	81						
9/29/70 - 10/1/90	8.63	200						

NOTE - These securities are not guaranteed by the U.S. Govt.; see also note to table at top of p. A-40.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks						Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Assets			Liabilities and capital			Mortgage loans (A)	Debentures and notes (L)	Loans to cooperatives (A)	Bonds (L)	Loans and discounts (A)	Bonds (L)	Mortgage loans (A)	Bonds (L)
	Advances to members	Investments	Cash and deposits	Bonds and notes	Member deposits	Capital stock								
1970.....	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971.....	7,936	2,520	142	7,139	1,789	1,618	17,791	17,701	2,076	1,801	5,669	5,503	7,917	7,063
1972.....	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973.....	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974—Feb...	14,904	2,680	116	13,906	1,936	2,294	24,541	23,092	3,211	2,828	7,277	7,029	11,402	10,282
Mar...	14,995	2,779	124	13,906	2,027	2,306	24,888	23,515	3,143	2,878	7,545	7,162	11,467	10,282
Apr...	16,020	1,615	82	13,902	2,067	2,337	25,264	23,668	2,891	2,810	7,850	7,403	11,878	10,843
May...	17,103	1,956	96	14,893	2,215	2,376	25,917	25,089	2,694	2,674	8,195	7,585	12,142	10,843
June...	17,642	2,564	115	16,393	2,158	2,413	26,559	25,232	2,733	2,449	8,479	7,860	12,400	10,843
July...	18,582	2,578	150	17,390	1,954	2,450	27,304	25,878	3,008	2,477	8,706	8,212	12,684	11,782
Aug...	19,653	2,052	80	18,759	1,935	2,495	28,022	26,639	3,026	2,622	8,548	8,381	12,941	11,782
Sept...	20,772	2,681	135	20,647	2,160	2,543	28,641	27,312	3,092	2,835	8,931	8,502	13,185	11,782
Oct...	21,409	3,224	105	22,058	2,129	2,580	29,139	27,543	3,598	2,855	8,838	8,482	13,418	12,427
Nov...	21,502	2,568	106	21,474	2,182	2,603	29,407	28,024	3,573	3,295	8,700	8,441	13,643	12,427
Dec...	21,804	3,094	144	21,878	2,484	2,624	29,709	28,201	3,575	3,561	8,848	8,400	13,643	12,427
1975: Jan...	20,728	4,467	113	21,778	2,612	2,699	29,797	28,030	3,910	3,653	8,888	8,419	14,086	13,020

NOTE.— Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly

offered securities (excluding, for FHLB's, bonds held within the FILLB System) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table on preceding page. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)								Total amount delivered <sup>3</sup>	Issues for new capital					
	Total	Type of issue				Type of issuer				Total	Use of proceeds				
		General obligations	Revenue	HAA <sup>1</sup>	U.S. Govt. loans	State	Special district and stat. auth.	Other <sup>2</sup>			Education	Roads and bridges	Utilities <sup>4</sup>	Housing <sup>5</sup>	Veterans' aid
1971.....	24,962	15,220	8,681	1,000	62	5,999	8,714	10,246	24,495	5,278	2,642	5,214	2,068	9,293	
1972.....	23,652	13,308	9,332	959	57	4,991	9,496	9,165	22,073	4,981	1,689	4,638	1,910	6,741	
1973.....	23,970	12,257	10,632	1,022	58	4,212	9,507	10,249	22,408	4,311	1,458	5,654	2,639	8,335	
1974.....	23,705	13,204	9,961	461	79	4,659	8,499	10,470	20,210	4,709	767	5,513	1,045	8,176	
1974—Jan...	2,257	1,407	848	.....	2	208	865	1,182	2,178	595	36	372	56	1,119	
Feb...	2,007	1,209	794	.....	4	473	564	967	1,939	460	53	612	39	775	
Mar...	2,029	1,181	617	227	4	344	793	887	1,906	366	258	363	241	678	
Apr...	2,406	1,708	689	.....	9	360	862	1,177	2,361	516	9	595	178	1,063	
May...	2,313	1,101	1,203	.....	9	451	1,097	756	2,237	442	18	711	8	1,058	
June...	2,171	1,075	856	234	6	580	721	864	2,079	220	62	664	334	799	
July...	1,466	859	600	.....	7	540	158	761	1,456	314	58	154	.....	930	
Aug...	1,109	576	529	.....	4	141	400	565	1,067	228	85	257	15	482	
Sept...	1,705	869	832	.....	4	448	641	611	1,669	251	11	380	21	1,006	
Oct...	2,865	1,707	1,153	.....	5	328	974	1,558	2,738	343	110	216	110	1,939	
Nov...	2,487	1,110	1,374	.....	3	689	1,005	789	2,403	698	4	866	9	826	
Dec...	1,500	761	717	.....	22	222	558	700	1,475	297	64	424	53	637	
1975: Jan...	2,071	1,299	766	.....	6	375	544	1,145	2,048	690	36	550	141	631	

<sup>1</sup> Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

<sup>2</sup> Municipalities, counties, townships, school districts.

<sup>3</sup> Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

<sup>4</sup> Water, sewer, and other utilities.

<sup>5</sup> Includes urban redevelopment loans.

NOTE.—Security Industries Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.

Components may not add to totals due to rounding.

**TOTAL NEW ISSUES**

(In millions of dollars)

Period	Gross proceeds, all issues <sup>1</sup>										
	Total	Noncorporate				Total	Corporate				
		U.S. Govt. <sup>2</sup>	U.S. Govt. agency <sup>3</sup>	State and local (U.S.) <sup>4</sup>	Other <sup>5</sup>		Total	Bonds	Stock		
						Total	Publicly offered	Privately placed	Preferred	Common	
1970.....	88,666	14,831	16,181	17,762	949	38,945	30,315	25,384	4,931	1,390	7,240
1971.....	105,233	17,325	16,283	24,370	2,165	45,090	32,123	24,775	7,354	3,670	9,291
1972.....	96,522	17,080	12,825	23,070	1,589	41,957	28,896	19,434	9,462	3,367	9,694
1973.....	100,417	19,057	23,883	22,700	1,385	33,391	22,268	13,649	8,620	3,372	7,750
1973—Nov.....	12,553	4,521	2,200	2,224	45	3,563	2,257	1,669	589	637	668
Dec.....	6,635	148	1,032	1,966	251	3,238	2,469	1,552	917	196	573
1974—Jan. 6.....						3,341	2,908	2,115	794	152	278
Feb.....						2,690	2,104	1,683	421	268	318
Mar.....						3,216	2,457	2,020	437	398	362
Apr.....						3,067	2,265	1,594	671	355	446
May.....						3,164	2,957	2,350	607	65	142
June.....						2,987	2,461	1,939	522	113	413
July.....						3,260	2,705	2,086	619	228	327
Aug.....						2,668	2,341	2,042	299	107	220
Sept.....						1,629	1,214	897	317	126	289
Oct.....						4,538	3,685	3,423	262	196	657
Nov.....						3,690	3,275	3,016	259	88	327

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1970.....	9,192	1,320	1,963	2,540	2,213	47	8,016	3,001	5,053	83	3,878	1,638
1971.....	9,426	2,152	2,272	2,390	1,998	420	7,605	4,195	4,227	1,592	6,601	2,212
1972.....	4,821	1,809	2,645	2,882	2,862	185	6,392	4,965	3,692	1,125	8,485	2,095
1973.....	4,329	643	1,283	1,559	1,881	43	5,585	4,661	3,535	1,369	5,661	2,860
1973—Nov.....	383	93	61	92	241	4	584	496	296	499	692	122
Dec.....	485	18	145	285	226	6	569	319	350	27	693	115
1974—Jan. 6.....	867	29	136	124	89		1,192	249	142	4	485	27
Feb.....	354	36	155	143	5	1	536	293	372	25	783	87
Mar.....	479	161	52	71	76		850	449	310	21	691	58
Apr.....	1,193	9	238	56	6		446	685	289	5	95	47
May.....	847	15	132	71	44		837	75	660	3	239	44
June.....	440	44	311	139	5	15	859	288	355	1	491	39
July.....	1,051	43	257	93	62	1	318	300	242	53	776	65
Aug.....	601	4	38	62	14		862	217	364		462	44
Sept.....	186	2	45	47	50	5	384	296	331	18	218	48
Oct.....	690	3	92	29	301		1,391	695	435	36	776	90
Nov.....	1,667	2	109	110	336		739	224	60	26	366	54

<sup>1</sup> Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

<sup>2</sup> Includes guaranteed issues.

<sup>3</sup> Issues not guaranteed.

<sup>4</sup> See NOTE to table at bottom of opposite page.

<sup>5</sup> Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

<sup>6</sup> Beginning Jan. 1974 noncorporate figures are no longer published by the SEC.

NOTE: Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

**NET CHANGE IN OUTSTANDING CORPORATE SECURITIES**

(In millions of dollars)

Period	Derivation of change, all issuers <sup>1</sup>								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1970.....	38,707	9,079	29,628	29,495	6,667	22,825	9,213	2,411	6,801
1971.....	46,687	9,507	37,180	31,917	8,190	23,728	14,769	1,318	13,452
1972.....	42,306	10,224	32,082	27,065	8,003	19,062	15,242	2,222	13,018
1973.....	33,559	11,804	21,754	21,501	8,810	12,691	12,057	2,993	9,064
1973—III.....	6,532	2,150	4,382	4,521	1,579	2,941	2,012	571	1,441
IV.....	10,711	4,378	6,334	7,013	3,786	3,227	3,698	591	3,107
1974—I.....	8,973	2,031	6,942	6,810	1,442	5,367	2,163	588	1,575
II.....	9,637	2,048	7,589	7,847	1,584	6,263	1,790	465	1,326
III.....	8,452	2,985	5,467	6,611	1,225	5,386	1,841	1,759	82

Period	Type of issues											
	Manufacturing		Commercial and other <sup>2</sup>		Transportation <sup>3</sup>		Public utility		Communication		Real estate and financial <sup>1</sup>	
	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks
1971.....	6,585	2,534	827	2,290	900	800	6,486	4,206	3,925	1,600	5,005	2,017
1972.....	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973.....	801	658	109	1,411	1,044	93	4,265	4,509	3,165	1,399	3,521	1,181
1973—III.....	165	450	108	247	414	-44	1,217	557	752	77	284	154
IV.....	-131	147	-162	460	176	-13	1,068	1,506	1,051	575	1,225	431
1974—I.....	906	324	-11	363	-37	-35	2,172	827	675	76	1,662	20
II.....	1,921	-12	698	213	-13	12	1,699	1,038	1,080	-7	877	82
III.....	1,479	421	189	-664	49	-6	1,358	862	1,116	222	1,194	88

<sup>1</sup> Excludes investment companies.

<sup>2</sup> Extractive and commercial and miscellaneous companies.

<sup>3</sup> Railroad and other transportation companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on preceding page, new issues

exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements are defined in the same way and also include securities retired with internal funds or with proceeds of issues for that purpose.

**OPEN-END INVESTMENT COMPANIES**

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales <sup>1</sup>	Redemptions	Net sales	Total <sup>2</sup>	Cash position <sup>3</sup>	Other		Sales <sup>1</sup>	Redemptions	Net sales	Total <sup>2</sup>	Cash position <sup>3</sup>	Other
1963.....	2,460	1,504	952	25,214	1,341	23,873	1974—Jan...	334	325	9	47,094	4,226	42,863
1964.....	3,404	1,875	1,528	29,116	1,329	27,787	Feb...	215	303	88	45,958	4,447	41,511
1965.....	4,359	1,962	2,395	35,220	1,803	33,417	Mar...	297	346	-49	44,423	4,406	40,017
1966.....	4,671	2,005	2,665	34,829	2,971	31,858	Apr...	262	327	-65	42,679	4,426	38,253
1967.....	4,670	2,745	1,927	44,701	2,566	42,135	May...	323	320	3	41,015	4,389	36,626
1968.....	6,820	3,841	2,979	52,677	3,187	49,490	June...	337	276	61	40,040	4,461	35,579
1969.....	6,717	3,661	3,056	48,291	3,846	44,445	July...	442	352	90	37,669	4,609	33,060
1970.....	4,624	2,987	1,637	47,618	3,649	43,969	Aug...	446	339	107	35,106	4,953	30,153
1971.....	5,145	4,751	394	55,045	3,038	52,007	Sept...	499	292	207	31,985	5,078	26,907
1972.....	4,892	6,563	-1,671	59,831	3,035	56,796	Oct...	816	311	505	37,115	5,652	31,463
1973.....	4,358	5,651	-1,293	46,518	4,002	42,516	Nov...	619	335	284	36,366	5,804	30,562
1974.....	5,346	3,937	1,409	35,777	5,637	30,140	Dec...	736	411	325	35,777	5,637	30,140
							1975—Jan...	1,067	428	639	39,573	6,055	33,518

<sup>1</sup> Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.

<sup>2</sup> Market value at end of period less current liabilities.

<sup>3</sup> Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

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

**CORPORATE PROFITS, TAXES, AND DIVIDENDS**

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances <sup>1</sup>	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances <sup>1</sup>
1968.....	87.6	39.9	47.8	23.6	24.2	46.8	1972-IV...	108.2	45.2	63.1	28.2	34.9	68.2
1969.....	84.9	40.1	44.8	24.3	20.5	51.9							
1970.....	74.0	36.8	37.3	24.7	14.6	50.0	1973-I....	120.4	48.9	71.5	28.7	42.8	69.2
1971.....	83.6	37.5	46.1	25.0	21.1	60.4	II....	124.9	50.9	74.0	29.1	44.9	70.8
1972.....	99.2	41.5	57.7	27.3	30.3	66.3	III....	122.7	49.9	72.9	29.8	43.1	71.6
1973.....	122.7	49.8	72.9	29.6	43.3	71.2	IV....	122.7	49.5	73.2	30.7	42.5	73.1
1974.....	141.0	55.8	85.2	32.7	52.5	76.7	1974-I....	135.4	52.2	83.2	31.6	51.6	74.1
							II....	139.0	58.9	80.1	32.5	50.5	75.7
							III....	157.0	62.7	94.3	33.2	61.1	77.6

<sup>1</sup> Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE: Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

**CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS**

(In billions of dollars)

End of period	Current assets								Current liabilities				
	Net working capital	Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt. <sup>1</sup>	Other				U.S. Govt. <sup>1</sup>	Other		
1970.....	187.4	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6
1971.....	204.9	518.8	55.7	10.7	3.5	208.8	200.3	39.7	313.9	4.9	207.3	12.2	89.5
1972-III.....	219.2	547.5	57.7	7.8	2.9	224.1	212.2	42.8	328.3	4.7	212.1	12.7	98.8
IV.....	224.3	563.1	60.5	9.9	3.4	230.5	215.1	43.6	338.8	4.0	221.6	14.1	99.1
1973-I.....	231.8	579.2	61.2	10.8	3.2	235.7	222.8	45.5	347.4	4.1	222.8	15.7	104.7
II.....	237.7	596.8	62.3	9.6	2.9	245.6	230.3	46.0	359.1	4.5	232.5	13.9	108.1
III.....	241.9	613.6	62.2	9.5	3.0	254.2	238.2	46.6	371.7	4.4	240.8	15.3	111.2
IV.....	245.3	631.4	65.2	10.7	3.5	255.8	247.0	49.3	386.1	4.3	252.0	16.6	113.3
1974-I.....	253.2	653.9	62.8	11.7	3.2	265.6	258.9	51.6	400.7	4.5	256.7	18.7	120.7
II.....	257.4	673.3	62.2	10.4	3.4	278.7	269.7	48.8	415.8	4.7	268.4	17.4	125.3
III.....	263.6	696.0	63.9	10.7	3.5	284.1	282.7	51.1	432.4	5.1	276.6	20.5	130.2

<sup>1</sup> Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

NOTE: Based on Securities and Exchange Commission estimates.

**BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT**

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other <sup>1</sup>	Total (S.A. A.R.)
		Durable	Non-durable		Railroad	Air	Other	Electric	Gas and other			
1971.....	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.86	2.44	10.77	18.05	.....
1972.....	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	.....
1973.....	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.94	2.76	12.85	21.40	.....
1974.....	111.92	23.67	23.13	3.10	2.48	1.97	2.03	17.65	2.95	13.86	22.08	.....
1972-III.....	21.86	3.86	3.87	.59	.38	.61	.35	3.67	.72	2.84	4.97	87.67
IV.....	25.20	4.77	4.61	.63	.47	.63	.40	4.01	.73	3.39	5.57	91.94
1973-I.....	21.50	3.92	3.88	.63	.46	.52	.32	3.45	.50	2.87	4.94	96.19
II.....	24.73	4.65	4.51	.71	.46	.72	.43	3.91	.68	3.27	5.40	97.76
III.....	25.04	4.84	4.78	.69	.48	.57	.44	4.04	.77	3.19	5.24	100.90
IV.....	28.48	5.84	5.59	.71	.56	.60	.47	4.54	.82	3.53	5.83	103.74
1974-I.....	24.10	4.74	4.75	.68	.50	.47	.34	3.85	.52	3.19	5.05	107.27
II.....	28.16	5.59	5.69	.78	.64	.61	.49	4.56	.75	3.60	5.46	111.40
III.....	28.23	5.65	5.96	.80	.64	.43	.58	4.42	.78	3.39	5.57	113.99
IV.....	31.44	6.69	6.73	.83	.72	.45	.63	4.82	.90	9.67	5.57	114.40

<sup>1</sup> Includes trade, service, construction, finance, and insurance.

<sup>2</sup> Anticipated by business.

NOTE: Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

**MORTGAGE DEBT OUTSTANDING BY TYPE OF HOLDER**

(In millions of dollars)

Type of holder, and type of property	End of year			End of quarter				
	1970	1971	1972	1973	1974			
				IV	I	II	III	IV <sup>1</sup>
<b>ALL HOLDERS</b> .....	451,726	499,758	564,825	634,955	646,116	664,287	677,902	686,964
1- to 4-family.....	280,175	307,200	345,384	386,241	391,770	402,165	409,924	414,078
Multifamily I.....	58,023	67,367	76,496	85,401	86,591	88,269	90,232	91,845
Commercial.....	82,292	92,333	107,508	123,965	127,384	132,122	134,719	136,792
Farm.....	31,236	32,858	35,437	39,348	40,371	41,731	43,027	44,249
<b>PRIVATE FINANCIAL INSTITUTIONS</b> ..	355,929	394,239	450,000	505,401	513,946	528,212	536,868	541,498
1- to 4-family.....	231,317	253,540	288,053	322,048	326,863	335,442	340,597	342,891
Multifamily I.....	45,796	52,498	59,204	64,730	65,386	66,594	67,806	68,423
Commercial.....	68,697	78,345	92,222	107,128	110,047	114,185	116,182	117,775
Farm.....	10,119	9,856	10,521	11,495	11,650	11,991	12,283	12,409
<i>Commercial banks</i> <sup>2</sup> .....	73,275	82,515	99,314	119,088	121,882	127,320	129,943	131,047
1- to 4-family.....	42,329	48,020	57,004	67,998	69,374	72,253	73,539	73,950
Multifamily I.....	3,311	3,984	5,778	6,932	7,046	7,313	7,415	7,430
Commercial.....	23,284	26,306	31,751	38,696	39,855	41,926	43,011	43,639
Farm.....	4,351	4,205	4,781	5,442	5,607	5,828	5,978	6,028
<i>Mutual savings banks</i> .....	57,948	61,978	67,556	73,231	73,957	74,264	74,792	74,890
1- to 4-family.....	37,342	38,641	41,650	44,247	44,462	44,426	44,593	44,649
Multifamily I.....	12,594	14,386	15,490	16,843	17,011	17,081	17,202	17,225
Commercial.....	7,893	8,901	10,354	12,084	12,425	12,698	12,938	12,956
Farm.....	119	50	62	57	59	59	59	60
<i>Savings and loan associations</i> .....	150,331	174,250	206,182	231,733	236,136	243,400	247,624	249,303
1- to 4-family.....	124,970	142,275	167,049	187,750	191,223	197,008	200,551	201,910
Multifamily I.....	13,830	17,355	20,783	22,524	22,763	23,342	23,623	23,784
Commercial.....	11,531	14,620	18,350	21,459	22,150	23,050	23,450	23,609
<i>Life insurance companies</i> .....	74,375	75,496	76,948	81,369	81,971	83,228	84,509	86,258
1- to 4-family.....	26,676	24,604	22,350	22,053	21,804	21,755	21,914	22,382
Multifamily I.....	16,061	16,773	17,153	18,431	18,566	18,858	19,566	19,984
Commercial.....	25,989	28,518	31,767	34,889	35,617	36,511	36,783	37,571
Farm.....	5,649	5,601	5,678	5,996	5,984	6,104	6,246	6,321
<b>FEDERAL AND RELATED AGENCIES</b> ..	32,992	39,357	45,790	55,664	58,430	62,535	67,694	72,246
1- to 4-family.....	21,993	26,453	30,147	35,454	37,168	39,784	43,188	45,748
Multifamily I.....	3,359	4,555	6,086	8,489	8,923	9,643	10,644	11,790
Commercial.....	16	11						
Farm.....	7,624	8,338	9,557	11,721	12,339	13,108	13,862	14,708
<i>Government National Mortgage Association</i>	5,222	5,323	5,113	4,029	3,604	3,618	4,052	4,848
1- to 4-family.....	2,902	2,770	2,490	1,330	1,189	1,194	1,337	1,600
Multifamily I.....	2,304	2,542	2,623	2,699	2,415	2,424	2,715	3,248
Commercial.....	16	11						
<i>Farmers Home Administration</i> .....	767	819	837	1,300	1,300	1,400	1,500	1,600
1- to 4-family.....	330	398	387	550	596	642	688	734
Farm.....	437	421	450	650	704	758	812	866
<i>Federal Housing and Veterans Administra-</i>	3,505	3,389	3,338	3,476	3,514	3,619	3,765	3,900
1- to 4-family.....	2,771	2,517	2,199	2,013	1,964	1,980	2,037	2,083
Multifamily I.....	734	872	1,139	1,463	1,550	1,639	1,728	1,817
<i>Federal National Mortgage Association</i> ...	15,502	17,791	19,791	24,175	24,875	26,559	28,641	29,578
1- to 4-family.....	15,181	16,681	17,697	20,370	20,516	21,691	23,258	23,778
Multifamily I.....	321	1,110	2,094	3,805	4,359	4,868	5,383	5,800
Federal land banks (farm only).....	7,187	7,917	9,107	11,071	11,635	12,350	13,050	13,842
<i>Federal Home Loan Mortgage Corporation</i> ..	357	964	1,789	2,604	2,637	3,191	3,713	4,586
1- to 4-family.....	357	934	1,754	2,446	2,472	2,951	3,414	4,217
Multifamily I.....		30	35	158	165	240	299	369
<i>GNMA Pools</i> .....	452	3,154	5,815	9,109	10,865	11,798	12,973	13,892
1- to 4-family.....	452	3,153	5,620	8,745	10,431	11,326	12,454	13,336
Multifamily I.....		1	195	364	434	472	519	556
<b>INDIVIDUALS AND OTHERS</b> <sup>3</sup> .....	62,805	66,162	69,035	73,890	73,740	73,540	73,340	73,220
1- to 4-family.....	26,865	27,207	27,184	28,739	27,739	26,939	26,139	25,439
Multifamily I.....	8,868	10,314	11,206	12,182	12,282	12,032	11,782	11,632
Commercial.....	13,579	13,977	15,286	16,837	17,337	17,937	18,537	19,017
Farm.....	13,493	14,664	15,359	16,132	16,382	16,632	16,882	17,132

<sup>1</sup> Structure of 5 or more units.  
<sup>2</sup> Includes loans held by nondeposit trust companies but not bank trust departments.  
<sup>3</sup> Includes some U.S. agencies for which amounts are small or separate data are not readily available.

NOTE: Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, where not reported directly, and interpolations and extrapolations where required, estimated mainly by Federal Reserve.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION—  
SECONDARY MORTGAGE MARKET ACTIVITY**

(In millions of dollars)

End of period	FNMA							FHLMC						
	Mortgage holdings		Mortgage transactions (during period)			Mortgage commitments		Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total <sup>1</sup>	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Out-standing	Total	FHA VA	Conventional	Purchases	Sales	Made during period	Out-standing
1971.....	17,791	12,681	5,110	3,574	336	9,828	6,497	968	821	147	778	64	.....	182
1972.....	19,791	14,624	5,112	3,699	211	8,797	8,124	1,789	1,503	286	1,298	408	1,606	198
1973.....	24,175	16,852	6,352	6,127	71	8,914	7,889	2,604	1,743	861	1,334	409	1,629	186
1974.....	29,578	19,189	8,310	6,953	5	10,765	7,960	4,586	1,904	2,682	2,191	52	4,553	2,390
1974- Jan...	24,424	17,008	6,348	350	.....	110	6,715	2,621	1,736	885	34	8	26	161
Feb...	24,529	17,050	6,336	242	.....	489	6,768	2,625	1,730	895	21	6	49	185
Mar...	24,875	17,315	6,340	462	1	1,646	7,913	2,638	1,724	914	29	2	595	748
Apr...	25,263	17,450	6,503	526	1	2,154	9,292	2,722	1,756	967	101	.....	400	1,037
May...	25,917	17,725	6,794	821	.....	1,145	9,475	2,986	1,827	1,159	281	.....	1,486	2,221
June...	26,559	17,966	7,079	770	.....	537	9,019	3,191	1,877	1,314	222	.....	628	2,598
July...	27,304	18,250	7,384	886	.....	1,175	9,044	3,309	1,883	1,426	129	.....	1,127	3,583
Aug...	28,022	18,526	7,704	868	2	1,202	9,115	3,451	1,886	1,565	155	.....	81	3,500
Sept...	28,641	18,758	7,994	760	.....	997	9,043	3,713	1,896	1,817	273	.....	69	3,278
Oct...	29,139	18,966	8,206	612	.....	878	8,987	4,107	1,910	2,197	410	7	30	2,871
Nov...	29,407	19,083	8,291	379	.....	201	8,532	4,352	1,908	2,445	270	12	28	2,621
Dec...	29,578	19,189	8,310	278	.....	231	7,960	4,586	1,904	2,682	266	16	34	2,390
1975- Jan...	29,670	19,231	8,318	208	.....	146	7,285	.....	.....	.....	.....	.....	.....	.....

<sup>1</sup> Includes conventional loans not shown separately.

Note: Data from FNMA and FHLMC, respectively.

For FNMA: Holdings include loans used to back bond issues guaranteed by GNMA. Commitments include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA Tandem Plan (Program 18).

For FHLMC: Data for 1970 begin with Nov. 26, when the FHLMC became operational. Holdings and transactions cover participations as well as whole loans. Holdings include loans used to back bond issues guaranteed by GNMA. Commitments cover the conventional and Govt.-underwritten loan programs.

**TERMS AND YIELDS ON NEW HOME MORTGAGES**

Period	Conventional mortgages							Yields (per cent) in primary market		FHA-insured loans - Yield in private secondary market <sup>5</sup>
	Contract rate (per cent)	Fees and charges (per cent) <sup>2</sup>	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	Terms <sup>1</sup>			
							FHLMC series <sup>3</sup>	FHLMC series <sup>4</sup>		
1970.....	8.27	1.03	25.1	71.7	35.5	25.2	8.44	8.52	9.03	
1971.....	7.60	.87	26.2	74.3	36.3	26.5	7.74	7.75	7.70	
1972.....	7.45	.88	27.2	76.8	37.3	28.1	7.60	7.64	7.52	
1973.....	7.78	1.11	26.3	77.3	37.4	28.1	7.95	8.30	.....	
1974.....	8.71	1.30	26.3	75.8	40.1	29.8	8.92	9.22	9.55	
1974- Jan...	8.33	1.16	26.4	76.3	38.8	28.9	8.52	8.65	.....	
Feb...	8.40	1.33	25.9	76.5	37.8	28.5	8.62	8.55	8.54	
Mar...	8.43	1.35	26.4	77.3	39.1	29.5	8.64	8.60	8.66	
Apr...	8.47	1.21	26.1	77.3	38.5	29.2	8.67	8.90	9.17	
May...	8.55	1.20	25.8	76.8	37.9	28.8	8.74	9.15	9.46	
June...	8.65	1.25	26.3	76.9	39.7	30.1	8.85	9.25	9.46	
July...	8.75	1.28	26.1	74.4	40.5	29.6	8.96	9.40	9.85	
Aug...	8.87	1.42	26.4	75.3	40.2	29.5	9.09	9.60	10.30	
Sept...	8.97	1.30	26.1	74.8	42.4	31.1	9.19	9.80	10.38	
Oct...	8.95	1.37	26.7	74.7	42.3	30.7	9.17	9.70	10.13	
Nov...	9.04	1.40	26.2	73.6	41.1	30.2	9.27	9.55	.....	
Dec...	9.13	1.44	27.5	75.5	42.4	31.3	9.37	9.45	9.51	
1975- Jan...	9.12	1.51	27.1	75.1	43.0	32.0	9.37	9.15	8.99	

<sup>1</sup> Weighted averages based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes, as compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are not strictly comparable with earlier figures beginning Jan. 1973.

<sup>2</sup> Fees and charges related to principal mortgage amount include loan commissions, fees, discounts, and other charges, but exclude closing costs related solely to transfer of property ownership.

<sup>3</sup> Effective rate, reflecting fees and charges as well as contract rates

(as shown in first column of this table) and an assumed prepayment at end of 10 years.

<sup>4</sup> Rates on first mortgages, unweighted and rounded to the nearest 5 basis points.

<sup>5</sup> Based on opinion reports submitted by field offices of prevailing local conditions as of the first of the succeeding month. Yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates.

**NOTE TO TABLE AT BOTTOM OF PAGE A-46:**

American Life Insurance Association data for new commitments of \$100,000 and over each on mortgages for multifamily and nonresidential nonfarm properties located largely in the United States. The 15 companies account for a little more than one-half of both the total assets and the nonfarm mortgages held by all U.S. life insurance companies. Averages, which are based on number of loans, vary in part with loan composition by type and location of property, type and purpose of loan, and loan

amortization and prepayment terms. Data for the following are limited to cases where information was available or estimates could be made: capitalization rate (net stabilized property earnings divided by property value); debt coverage ratio (net stabilized earnings divided by debt service); and per cent constant (annual level payment, including principal and interest, per \$100 of debt). All statistics exclude construction loans, increases in existing loans in a company's portfolio, reapprovals, and loans secured by land only.



**FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES**

Item	Date of auction											
	1974						1975					
	Sept. 23	Oct. 7	Oct. 21	Nov. 4	Nov. 18	Dec. 2	Dec. 16	Dec. 30	Jan. 13	Jan. 27	Feb. 10	Feb. 24
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered <sup>1</sup> .....	57.2	46.6	34.5	47.8	25.7	52.5	49.6	35.7	25.3	41.4	24.6	36.2
Accepted.....	38.2	29.7	26.0	24.7	17.6	23.3	43.3	31.8	21.2	28.6	18.1	23.8
Conventional loans												
Offered <sup>1</sup> .....	22.1	26.1	14.1	20.4	20.6	24.0	20.1	17.2	17.9	11.1	14.8	20.0
Accepted.....	19.0	23.3	12.2	12.1	6.8	12.0	18.5	10.1	14.9	10.6	9.1	9.1
Average yield (per cent) on short-term commitments <sup>2</sup>												
Govt.-underwritten loans.....	10.56	10.32	10.11	9.93	9.81	9.61	9.52	9.47	9.37	9.12	8.98	8.87
Conventional loans.....	10.66	10.46	10.27	10.11	9.92	9.80	9.72	9.59	9.50	9.39	9.20	9.04

<sup>1</sup> Mortgage amounts offered by bidders are total bids received.  
<sup>2</sup> Average accepted bid yield (before deduction of 38 basis-point fee paid for mortgage servicing) for home mortgages assuming a prepayment

period of 12 years for 30-year loans, without special adjustment for FNMA commitment fees and FNMA stock purchase and holding requirements. Commitments mature in 4 months.

**MAJOR HOLDERS OF FHA-INSURED AND VA-GUARANTEED RESIDENTIAL MORTGAGE DEBT**

(End of period, in billions of dollars)

Holder	Dec. 31, 1972	June 30, 1973	Sept. 30, 1973	Dec. 31, 1973	Mar. 31, 1974	June 30, 1974	Sept. 30, 1974
All holders.....	131.1	133.6	133.8	135.0	136.7	137.8	138.6
FHA.....	86.4	86.4	85.6	85.0	85.0	84.9	84.1
VA.....	44.7	47.2	48.2	50.0	51.7	52.9	54.5
Commercial banks.....	11.7	11.7	11.7	11.5	11.1	11.0	10.8
FHA.....	8.5	8.5	8.4	8.2	7.8	7.6	7.4
VA.....	3.2	3.2	3.3	3.3	3.3	3.4	3.4
Mutual savings banks.....	28.6	28.7	28.6	28.4	28.2	27.9	27.7
FHA.....	16.0	15.8	15.7	15.5	15.3	15.1	14.9
VA.....	12.6	12.9	12.9	12.9	12.9	12.8	12.8
Savings and loan assns.....	28.9						
FHA.....	15.4						
VA.....	13.5	29.8	30.1	29.7	29.8	29.7	29.8
Life insurance cos.....	14.7	14.0	13.7	13.6	13.3	13.1	12.9
FHA.....	10.0	9.5	9.3	9.2	9.0	8.8	8.7
VA.....	4.7	4.5	4.4	4.4	4.3	4.3	4.2
Others.....	47.2	49.4	50.0	52.1	54.3	56.1	57.4
FHA.....	36.5						
VA.....	10.7						

NOTE: VA-guaranteed residential mortgage debt is for 1- to 4-family properties while FHA-insured includes some debt in multifamily structures. Detail by type of holder partly estimated by Federal Reserve for first and third quarters, and for most recent quarter.

**COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES**

Period	Number of loans	Total amount committed (millions of dollars)	Averages						
			Loan amount (thousands of dollars)	Contract interest rate (per cent)	Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1970.....	912	2,341.1	2,567	9.93	22/8	74.7	10.8	1.32	11.1
1971.....	1,664	3,982.5	2,393	9.07	22/10	74.9	10.0	1.29	10.4
1972.....	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1973.....	2,140	4,833.3	2,259	8.76	23/3	74.3	9.5	1.29	10.0
1973 Sept.....	176	351.5	1,997	8.94	22/6	73.7	9.3	1.23	10.3
Oct.....	161	203.3	1,263	9.09	22/6	73.6	9.4	1.24	10.3
Nov.....	95	313.5	3,300	9.17	22/2	74.3	9.7	1.25	10.4
Dec.....	55	152.8	2,778	9.18	23/3	74.8	9.9	1.27	10.3
1974 Jan.....	61	91.5	1,501	9.07	20/11	73.7	9.7	1.24	10.4
Feb.....	90	209.4	2,327	9.10	23/1	73.6	9.8	1.33	10.2
Mar.....	117	238.8	2,041	8.99	21/11	74.2	9.6	1.31	10.1
Apr.....	141	306.7	2,175	9.02	21/9	73.8	9.9	1.33	10.2
May.....	148	352.4	2,381	9.31	21/11	74.2	10.0	1.30	10.4
June.....	147	287.5	1,956	9.35	20/10	75.7	10.1	1.24	10.7
July.....	121	234.6	1,939	9.60	20/0	74.1	10.1	1.26	10.8
Aug.....	105	312.4	2,975	9.80	22/10	74.3	10.2	1.31	10.7
Sept.....	95	241.6	2,543	10.04	20/11	74.4	10.3	1.29	11.1

See NOTE on p. A-45.

**TOTAL CREDIT**

(In millions of dollars)

End of period	Total	Instalment					Noninstalment				
		Total	Auto-mobile paper	Other consumer goods paper	Home improvement loans <sup>1</sup>	Personal loans	Total	Single-payment loans	Charge accounts		Service credit
									Retail outlets	Credit cards <sup>2</sup>	
1965.....	89,883	70,893	28,437	18,483	3,736	20,237	18,990	7,671	5,724	706	4,889
1966.....	96,239	76,245	30,010	20,732	3,841	21,662	19,994	7,972	5,812	874	5,336
1967.....	100,783	79,428	29,796	22,389	4,008	23,235	21,355	8,558	6,041	1,029	5,727
1968.....	110,770	87,745	32,948	24,626	4,239	25,932	23,025	9,532	5,966	1,227	6,300
1969.....	121,146	97,105	35,527	28,313	4,613	28,652	24,041	9,747	5,936	1,437	6,921
1970.....	127,163	102,064	35,184	31,465	5,070	30,345	25,099	9,675	6,163	1,805	7,456
1971.....	138,394	111,295	38,664	34,353	5,413	32,865	27,099	10,585	6,397	1,953	8,164
1972.....	157,564	127,332	44,129	40,080	6,201	36,922	30,232	12,256	7,055	1,947	8,974
1973.....	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1974.....	190,121	156,124	51,689	52,009	8,162	44,264	33,997	12,979	8,012	2,122	10,884
1974—Jan.....	178,686	146,575	50,617	47,303	7,303	41,352	32,111	13,117	6,894	1,981	10,119
Feb.....	177,522	145,927	50,386	46,781	7,343	41,417	31,595	13,159	6,136	1,882	10,418
Mar.....	177,572	145,768	50,310	46,536	7,430	41,492	31,804	13,188	6,097	1,842	10,677
Apr.....	179,495	147,047	50,606	47,017	7,573	41,851	32,448	13,315	6,556	1,878	10,699
May.....	181,680	148,852	51,076	47,588	7,786	42,402	32,828	13,331	6,948	1,999	10,550
June.....	183,425	150,615	51,641	48,099	7,930	42,945	32,810	13,311	7,002	2,104	10,393
July.....	184,805	152,142	52,082	48,592	8,068	43,400	32,663	13,192	6,936	2,204	10,331
Aug.....	187,369	154,472	52,772	49,322	8,214	44,164	32,897	13,202	6,983	2,282	10,430
Sept.....	187,906	155,139	52,848	49,664	8,252	44,375	32,767	13,131	6,876	2,277	10,483
Oct.....	188,023	155,328	52,736	49,986	8,287	44,319	32,695	13,003	7,027	2,156	10,509
Nov.....	188,084	155,166	52,325	50,401	8,260	44,180	32,918	12,950	7,174	2,144	10,650
Dec.....	190,121	156,124	51,689	52,009	8,162	44,264	33,997	12,979	8,012	2,122	10,884
1975 Jan.....	187,080	153,952	50,947	51,142	8,048	43,815	33,128	12,675	7,162	2,153	11,138

<sup>1</sup> Holdings of financial institutions; holdings of retail outlets are included in "Other consumer goods paper."  
<sup>2</sup> Service station and miscellaneous credit-card accounts and home-heating-oil accounts.

NOTE: Consumer credit estimates cover loans to individuals for household, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and BULLETINS for Dec. 1968 and Oct. 1972.

**CONSUMER CREDIT HELD BY COMMERCIAL BANKS**

(In millions of dollars)

End of period	Total	Instalment							Noninstalment		
		Total	Automobile paper		Other consumer goods paper			Home improvement loans	Personal loans		Single-payment loans
			Purchased	Direct	Mobile homes	Credit cards	Other		Check credit	Other	
1965.....	35,652	28,962	10,209	5,659			4,166		2,571	6,357	6,690
1966.....	38,265	31,319	11,024	5,956			4,681		2,647	7,011	6,946
1967.....	40,630	33,152	10,972	6,232			5,469		2,731	7,748	7,478
1968.....	46,310	37,936	12,324	7,102			1,307	5,387	2,858	798	8,374
1969.....	50,974	42,421	13,133	7,791			2,639	6,082	2,996	1,081	8,699
1970.....	53,867	45,398	12,918	7,888			3,792	7,113	3,071	1,336	9,280
1971.....	60,556	51,240	13,837	9,277	4,423		4,419	4,501	3,236	1,497	10,050
1972.....	70,640	59,783	16,320	10,776	5,786		5,288	5,122	3,544	1,789	11,158
1973.....	81,248	69,405	19,038	12,218	7,223		6,649	6,054	3,982	2,144	12,187
1974.....	84,010	72,510	18,582	11,787	7,645		8,242	6,414	4,458	2,424	12,958
1974 Jan.....	81,081	69,429	18,885	12,113	7,237		6,826	6,041	3,944	2,167	12,216
Feb.....	80,909	69,246	18,770	12,028	7,285		6,770	6,063	3,937	2,173	12,220
Mar.....	80,918	69,232	18,775	11,985	7,333		6,667	6,082	3,958	2,169	12,263
Apr.....	81,750	69,944	18,896	12,039	7,399		6,761	6,208	4,028	2,180	12,433
May.....	82,527	70,721	19,037	12,100	7,491		6,887	6,323	4,135	2,199	11,806
June.....	83,417	71,615	19,220	12,169	7,564		7,076	6,420	4,224	2,230	12,712
July.....	84,078	72,384	19,377	12,250	7,623		7,222	6,484	4,316	2,266	12,846
Aug.....	84,982	73,302	19,511	12,344	7,681		7,491	6,541	4,409	2,312	13,013
Sept.....	85,096	73,455	19,389	12,314	7,706		7,638	6,527	4,445	2,348	13,088
Oct.....	84,887	73,372	19,246	12,195	7,709		7,749	6,530	4,440	2,376	13,087
Nov.....	84,360	72,896	18,981	12,031	7,700		7,846	6,469	4,490	2,362	13,017
Dec.....	84,010	72,510	18,582	11,787	7,645		8,242	6,414	4,458	2,424	12,958
1975 Jan.....	82,986	71,776	18,230	11,581	7,587		8,325	6,323	4,399	2,448	12,883

See also NOTE to table above.

**INSTALMENT CREDIT HELD BY NONBANK LENDERS**

(In millions of dollars)

End of period	Finance companies					Other financial lenders			Retail outlets			
	Total	Auto- mobile paper	Other consumer goods paper		Home improve- ment loans	Per- sonal loans	Total	Credit unions	Mis- cellaneous lenders <sup>1</sup>	Total	Auto- mobile dealers	Other retail outlets
			Mobile homes	Other								
1965.....	23,851	9,218	4,343		232	10,058	8,289	7,324	965	9,791	315	9,476
1966.....	24,796	9,342	4,925		214	10,315	9,315	8,255	1,060	10,815	277	10,538
1967.....	24,576	8,627	5,069		192	10,688	10,216	9,003	1,213	11,484	287	11,197
1968.....	26,074	9,003	5,424		166	11,481	11,717	10,300	1,417	12,018	281	11,737
1969.....	27,846	9,412	5,775		174	12,485	13,722	12,028	1,694	13,116	250	12,866
1970.....	27,678	9,044	2,464	3,237	199	12,734	15,088	12,986	2,102	13,900	218	13,682
1971.....	28,883	9,577	2,561	3,052	247	13,446	17,021	14,770	2,251	14,151	226	13,925
1972.....	32,088	10,174	2,916	3,589	497	14,912	19,511	16,913	2,598	15,950	261	15,689
1973.....	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1974.....	38,925	12,435	3,570	4,751	993	17,176	25,216	22,116	3,100	19,473	286	19,187
1974-Jan.....	37,140	11,754	3,392	4,460	940	16,594	22,301	19,429	2,872	17,705	296	17,409
Feb.....	37,148	11,710	3,406	4,486	968	16,578	22,413	19,430	2,983	17,120	293	16,827
Mar.....	37,005	11,624	3,324	4,497	1,018	16,542	22,562	19,550	3,012	16,969	292	16,677
Apr.....	37,291	11,684	3,364	4,547	1,057	16,639	22,753	19,704	3,049	17,059	293	16,766
May.....	37,751	11,810	3,413	4,583	1,097	16,848	23,203	20,053	3,150	17,177	294	16,883
June.....	38,159	11,957	3,449	4,626	1,114	17,013	23,630	20,501	3,129	17,211	296	16,915
July.....	38,479	12,040	3,505	4,664	1,118	17,152	23,968	20,825	3,143	17,311	297	17,014
Aug.....	38,943	12,267	3,539	4,680	1,097	17,360	24,677	21,402	3,275	17,550	299	17,251
Sept.....	38,921	12,345	3,573	4,662	1,073	17,268	25,085	21,792	3,293	17,678	298	17,380
Oct.....	38,901	12,458	3,597	4,658	1,054	17,134	25,204	21,893	3,311	17,851	296	17,555
Nov.....	38,803	12,462	3,603	4,611	1,021	17,106	25,195	21,975	3,220	18,272	292	17,980
Dec.....	38,925	12,435	3,570	4,751	993	17,176	25,216	22,116	3,100	19,473	286	19,187
1975-Jan.....	38,340	12,315	3,559	4,642	967	16,857	25,032	21,966	3,066	18,804	282	18,522

<sup>1</sup>Savings and loan associations and mutual savings banks.

See also NOTE to table at top of preceding page.

**FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT**

(Per cent per annum)

Month	Commercial banks					Finance companies				
	New auto- mobiles (36 mos.)	Mobile homes (84 mos.)	Other consumer goods (24 mos.)	Personal loans (12 mos.)	Credit- card plans	Automobiles		Mobile homes	Other consumer goods	Personal loans
						New	Used			
1973-Jan.....	10.01	10.54	12.46	12.65	17.13	11.89	16.08	12.51	19.04	21.00
Feb.....	10.05	10.76	12.51	12.76	17.16	11.86	16.20			
Mar.....	10.04	10.67	12.48	12.71	17.19	11.85	16.32	12.54	18.92	20.79
Apr.....	10.04	10.64	12.50	12.74	17.19	11.88	16.44			
May.....	10.05	10.84	12.48	12.78	17.22	11.91	16.52	12.73	18.88	20.76
June.....	10.08	10.57	12.57	12.78	17.24	11.94	16.61			
July.....	10.10	10.84	12.51	12.75	17.21	12.02	16.75	12.77	18.93	20.55
Aug.....	10.25	10.95	12.66	12.84	17.22	12.13	16.86			
Sept.....	10.44	11.06	12.67	12.96	17.23	12.28	16.98	12.90	18.69	20.52
Oct.....	10.53	10.98	13.80	13.02	17.21	12.34	17.11			
Nov.....	10.49	11.19	12.75	12.94	17.23	12.40	17.21	13.12	18.77	20.65
Dec.....	10.49	11.07	12.86	13.12	17.24	12.42	17.31			
1974-Jan.....	10.55	11.09	12.78	12.96	17.25	12.39	16.56	13.24	18.90	20.68
Feb.....	10.53	11.25	12.82	13.02	17.24	12.33	16.62			
Mar.....	10.50	10.92	12.82	13.04	17.23	12.29	16.69	13.15	18.69	20.57
Apr.....	10.51	11.07	12.81	13.00	17.25	12.28	16.76			
May.....	10.63	10.96	12.88	13.10	17.25	12.36	16.86	13.07	18.90	20.57
June.....	10.81	11.21	13.01	13.20	17.23	12.50	17.06			
July.....	10.96	11.46	13.14	13.42	17.20	12.58	17.18	13.21	19.24	20.78
Aug.....	11.15	11.71	13.10	13.45	17.21	12.67	17.32			
Sept.....	11.31	11.72	13.20	13.41	17.15	12.84	17.61	13.42	19.30	20.93
Oct.....	11.53	11.94	13.28	13.60	17.17	12.97	17.78			
Nov.....	11.57	11.87	13.16	13.47	17.16	13.06	17.88	13.60	19.49	21.16
Dec.....	11.62	11.71	13.27	13.60	17.21	13.10	17.89			
1975-Jan.....	11.62	11.66	13.28	13.60	17.16	13.08	17.27	13.60	19.58	21.24

NOTE.—Rates are reported on an annual percentage rate basis as specified in Regulation Z (Truth in Lending) of the Board of Governors. Commercial bank rates are "most common" rates for direct loans with

specified maturities; finance company rates are weighted averages for purchased contracts (except personal loans). For back figures and description of the data, see Bulletin for Sept. 1973.

**INSTALMENT CREDIT EXTENDED AND REPAID**

(In millions of dollars)

Period	Total	Type				Holder			
		Automobile paper	Other consumer goods paper	Home improvement loans	Personal loans	Commercial banks	Finance companies	Other financial lenders	Retail outlets
<b>Extensions</b>									
1966.....	82,832	27,192	26,329	2,223	27,088	30,073	25,897	10,368	16,494
1967.....	87,171	26,320	29,504	2,369	28,978	31,182	26,461	11,238	18,090
1968.....	99,984	31,083	33,507	2,534	32,860	37,395	30,261	13,206	19,122
1969.....	109,146	32,553	38,332	2,831	35,430	40,955	32,753	15,198	20,240
1970.....	112,158	29,794	43,873	2,963	35,528	42,960	31,952	15,720	21,526
1971.....	124,281	34,873	47,821	3,244	38,343	51,237	32,935	17,966	22,143
1972.....	142,951	40,194	55,599	4,006	43,152	59,339	38,464	20,607	24,541
1973.....	165,083	46,453	66,859	4,728	47,043	69,726	43,221	23,414	28,722
1974.....	166,478	42,756	71,077	4,650	47,995	69,554	41,809	24,510	30,605
1974-Jan.....	13,714	3,492	5,662	373	4,187	5,715	3,693	1,911	2,395
Feb.....	13,541	3,389	5,647	409	4,096	5,794	3,656	1,861	2,230
Mar.....	13,823	3,484	5,933	424	3,982	5,710	3,497	1,976	2,640
Apr.....	14,179	3,545	6,034	447	4,153	5,838	3,671	2,054	2,616
May.....	14,669	3,769	6,156	468	4,276	6,023	3,832	2,140	2,674
June.....	14,387	3,731	6,043	425	4,188	6,076	3,729	2,040	2,542
July.....	14,635	3,812	6,164	416	4,243	6,129	3,685	2,201	2,620
Aug.....	14,394	3,887	5,993	388	4,126	6,034	3,476	2,290	2,594
Sept.....	14,089	3,835	5,935	302	4,017	6,050	3,408	2,079	2,552
Oct.....	13,626	3,469	5,948	348	3,961	5,600	3,229	2,160	2,637
Nov.....	12,609	3,062	5,700	321	3,526	5,390	2,823	1,863	2,533
Dec.....	12,702	3,205	5,798	294	3,405	5,012	3,240	1,901	2,549
1975 Jan.....	12,889	3,348	5,430	289	3,792	5,368	3,068	2,048	2,375
<b>Repayments</b>									
1966.....	77,480	25,619	24,080	2,118	25,663	27,716	24,952	9,342	15,470
1967.....	83,988	26,534	27,847	2,202	27,405	29,549	26,681	10,337	17,421
1968.....	91,667	27,931	31,270	2,303	30,163	32,611	28,763	11,705	18,588
1969.....	99,786	29,974	34,645	2,457	32,710	36,470	30,981	13,193	19,142
1970.....	107,199	30,137	40,721	2,506	33,835	40,398	31,705	14,354	20,742
1971.....	115,050	31,393	44,933	2,901	35,823	45,395	31,730	16,033	21,692
1972.....	126,914	34,729	49,872	3,218	39,095	50,796	35,259	18,117	22,742
1973.....	144,978	39,452	59,409	3,577	42,540	60,014	38,066	20,358	26,540
1974.....	152,791	42,197	66,598	3,840	45,156	66,539	40,127	21,861	29,264
1974-Jan.....	12,797	3,433	5,193	356	3,815	5,254	3,418	1,823	2,302
Feb.....	12,870	3,494	5,140	323	3,813	5,430	3,423	1,692	2,325
Mar.....	13,206	3,544	5,596	308	3,758	5,479	3,452	1,827	2,448
Apr.....	13,026	3,498	5,483	312	3,733	5,470	3,375	1,784	2,397
May.....	13,407	3,601	5,607	315	3,884	5,573	3,528	1,855	2,451
June.....	13,301	3,577	5,615	335	3,774	5,564	3,405	1,835	2,497
July.....	13,310	3,563	5,610	320	3,817	5,541	3,513	1,819	2,437
Aug.....	12,882	3,443	5,444	309	3,686	5,463	3,166	1,851	2,402
Sept.....	13,412	3,604	5,700	279	3,829	5,808	3,371	1,723	2,510
Oct.....	13,224	3,470	5,499	321	3,934	5,532	3,250	1,962	2,470
Nov.....	13,009	3,423	5,561	325	3,700	5,671	2,981	1,860	2,497
Dec.....	13,516	3,668	6,037	341	3,470	5,803	3,308	1,822	2,583
1975 Jan.....	13,260	3,534	5,549	336	3,841	5,669	3,331	1,827	2,433
<b>Net change</b>									
1966.....	5,352	1,573	2,249	105	1,425	2,357	945	1,026	1,024
1967.....	3,183	-214	1,657	167	1,573	1,833	-220	901	669
1968.....	8,317	3,152	2,237	231	2,697	4,784	1,498	1,501	534
1969.....	9,360	2,579	3,687	374	2,720	4,485	1,772	2,005	1,098
1970.....	4,959	343	3,152	457	1,693	2,977	-168	1,366	784
1971.....	9,231	3,480	2,888	343	2,520	5,842	1,205	1,933	251
1972.....	16,037	5,465	5,727	788	4,057	8,543	3,205	2,490	1,799
1973.....	20,105	7,001	7,450	1,151	4,503	9,712	5,155	3,056	2,182
1974.....	8,687	559	4,479	810	2,839	3,015	1,682	2,649	1,341
1974-Jan.....	917	59	469	17	372	461	275	88	93
Feb.....	671	-5	307	86	283	264	233	169	-95
Mar.....	617	60	337	116	224	231	45	149	192
Apr.....	1,153	47	551	135	420	368	296	270	219
May.....	1,262	168	549	153	392	450	304	285	223
June.....	1,086	154	428	90	414	512	324	205	45
July.....	1,325	249	554	96	426	588	172	382	183
Aug.....	1,512	444	549	79	440	571	310	439	192
Sept.....	677	231	235	23	188	242	37	356	42
Oct.....	402	101	449	27	27	58	21	198	167
Nov.....	400	361	139	-4	174	281	-158	3	36
Dec.....	814	463	239	47	65	791	68	79	34
1975 Jan.....	401	186	119	-47	49	301	263	221	58

NOTE: Monthly estimates are seasonally adjusted and include adjustments for differences in trading days. Annual totals are based on data not seasonally adjusted.

Estimates are based on accounting records and often include finance charges. Renewals and refinancing of loans, purchases and sales of in-

stalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding.

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of Supplement to Banking and Monetary Statistics, 1965, and BULLETINS for Dec. 1968 and Oct. 1972.

## MARKET GROUPINGS

(1967 = 100)

Grouping	1967 pro-portion	1974 average	1974										1975		
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. <sup>a</sup>	Feb. <sup>a</sup>
Total index.....	100.0	124.8	124.6	124.7	124.9	125.7	125.8	125.5	125.2	125.6	124.8	121.7	117.7	113.7	110.3
<b>Products, total.....</b>	<b>62.21</b>	<b>123.1</b>	<b>122.4</b>	<b>122.6</b>	<b>122.7</b>	<b>123.8</b>	<b>124.0</b>	<b>124.0</b>	<b>123.5</b>	<b>123.6</b>	<b>122.9</b>	<b>121.4</b>	<b>118.5</b>	<b>115.7</b>	<b>113.0</b>
<i>Final products.....</i>	<i>48.95</i>	<i>121.7</i>	<i>120.6</i>	<i>121.0</i>	<i>120.8</i>	<i>122.4</i>	<i>122.6</i>	<i>122.8</i>	<i>122.1</i>	<i>122.6</i>	<i>122.3</i>	<i>120.9</i>	<i>118.1</i>	<i>115.0</i>	<i>112.5</i>
Consumer goods.....	28.53	128.8	128.3	128.5	128.5	129.7	130.2	130.0	129.8	128.8	128.2	126.3	123.2	120.1	117.9
Equipment.....	20.42	111.8	109.9	110.1	110.1	112.2	112.0	113.0	111.4	113.8	114.0	113.2	110.8	108.0	105.2
Intermediate products.....	13.26	128.3	129.1	128.2	129.4	129.2	128.9	127.8	128.6	127.6	125.3	123.0	120.1	118.4	115.1
<b>Materials.....</b>	<b>37.79</b>	<b>127.4</b>	<b>128.3</b>	<b>128.8</b>	<b>128.7</b>	<b>129.1</b>	<b>128.8</b>	<b>128.0</b>	<b>128.5</b>	<b>129.3</b>	<b>128.1</b>	<b>122.1</b>	<b>116.3</b>	<b>110.4</b>	<b>106.2</b>
<b>Consumer goods</b>															
Durable consumer goods.....	7.86	128.1	126.4	128.5	130.9	132.8	133.5	131.6	131.8	129.1	126.5	119.7	110.5	105.4	101.0
Automotive products.....	2.84	110.4	106.6	108.0	113.8	116.1	117.3	113.5	114.9	111.6	114.7	102.1	87.5	82.8	78.1
Autos.....	1.87	94.9	86.4	86.3	97.7	100.3	99.6	101.5	103.1	99.6	108.4	91.0	69.8	62.6	59.2
Auto parts and allied goods.....	.97	140.1	145.5	149.8	144.7	146.5	151.3	136.9	137.6	134.5	126.9	123.6	121.5	121.6	118.6
Home goods.....	5.02	138.1	137.5	140.1	140.6	142.3	142.7	141.8	141.2	139.0	133.2	129.7	123.5	118.2	114.0
Appliances, TV, and radios.....	1.41	132.1	131.9	135.8	135.2	137.7	141.2	139.3	139.1	133.3	120.9	115.3	103.0	93.4	.....
Appliances and A/C.....	.92	149.0	148.2	150.0	148.6	152.6	155.3	151.7	156.2	150.2	139.5	131.9	120.8	106.3	.....
TV and home audio.....	.49	100.3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Carpeting and furniture.....	1.08	153.5	153.3	154.5	158.2	157.4	157.2	155.3	157.1	155.4	151.8	144.7	143.8	140.7	.....
Misc. home goods.....	2.53	135.0	134.2	136.3	136.0	138.3	137.4	137.3	135.8	135.3	132.2	131.4	126.2	122.5	117.1
Nondurable consumer goods.....	20.67	129.1	129.1	128.7	127.6	128.5	129.0	129.4	129.1	128.7	128.9	128.8	128.1	125.6	124.4
Clothing.....	4.32	109.0	114.5	112.0	106.2	107.0	108.9	108.6	106.4	106.0	104.5	103.1	101.8	101.8	.....
Consumer staples.....	16.34	134.4	133.0	133.1	133.2	134.2	134.3	134.9	135.1	134.8	135.4	135.6	135.1	133.9	132.9
Consumer foods and tobacco.....	8.37	125.4	125.9	125.7	123.9	124.7	124.7	125.5	124.4	124.4	125.2	126.2	125.2	125.1	124.5
Nonfood staples.....	7.98	143.6	140.4	140.8	143.1	144.3	144.4	144.7	146.5	145.7	146.1	145.3	145.5	143.2	141.7
Consumer chemical products.....	2.64	158.1	159.0	160.3	159.7	157.5	156.8	154.6	159.0	157.7	159.8	155.2	158.6	156.5	.....
Consumer paper products.....	1.91	125.5	119.9	119.1	119.4	124.7	123.9	124.4	129.5	130.9	128.5	127.4	126.7	124.1	.....
Consumer fuel and lighting.....	3.43	143.0	137.4	138.2	141.7	145.1	146.0	148.4	146.2	144.6	145.4	147.9	146.0	143.5	.....
Residential utilities.....	2.25	152.5	148.6	149.0	151.6	153.2	155.3	157.8	155.4	156.2	155.5	159.3	156.9	.....	.....
Equipment															
Business equipment.....	12.74	129.5	127.3	127.6	127.9	130.2	130.2	131.5	128.8	132.3	132.0	131.0	127.2	122.5	119.4
Industrial equipment.....	6.77	128.8	126.6	126.8	127.6	129.6	129.0	130.3	129.6	132.0	130.9	129.3	126.8	123.9	120.9
Building and mining equip.....	1.45	136.0	130.3	131.3	133.5	135.0	137.4	136.2	136.5	139.8	141.2	140.1	137.9	138.1	136.9
Manufacturing equipment.....	3.85	121.8	120.6	121.1	122.1	124.1	121.9	124.9	123.1	124.4	122.5	119.4	116.5	114.1	111.4
Power equipment.....	1.47	139.9	138.7	137.3	136.6	138.4	139.0	138.4	139.6	144.2	142.8	144.5	142.6	135.5	129.8
Commercial, transit, farm eq.....	5.97	130.2	128.2	128.7	128.2	130.9	131.5	132.5	127.6	132.8	133.2	132.9	127.8	121.0	117.8
Commercial equipment.....	3.30	141.2	139.8	140.8	140.4	141.5	142.7	143.5	134.0	143.3	144.1	143.1	139.6	133.6	129.9
Transit equipment.....	2.00	109.4	109.3	109.4	106.7	110.2	110.4	111.4	109.3	111.8	111.2	109.8	102.9	93.1	93.4
Farm equipment.....	.67	138.3	126.0	126.1	131.2	140.2	140.6	141.4	150.5	144.1	145.4	151.9	143.7	142.0	.....
Defense and space equipment.....	7.68	82.4	80.9	81.0	80.6	82.2	81.7	82.6	82.7	83.1	84.1	83.7	83.5	83.6	81.6
Military products.....	5.15	81.2	80.2	80.5	79.9	81.2	79.7	81.4	81.5	82.3	82.5	81.8	81.5	81.4	79.9
Intermediate products															
Construction products.....	5.93	129.6	131.3	129.6	130.8	130.8	129.6	128.2	128.0	127.4	123.5	121.3	118.5	117.2	112.0
Misc. intermediate products.....	7.34	127.3	127.4	127.5	128.2	127.9	128.4	127.5	129.2	127.8	126.8	124.2	121.6	119.5	.....
<b>Materials</b>															
Durable goods materials.....	20.91	127.6	127.3	127.2	127.3	128.3	127.5	125.8	128.1	129.2	129.3	123.5	116.7	110.3	105.0
Consumer durable parts.....	4.75	112.1	109.3	110.6	112.5	114.7	114.1	117.2	117.5	117.2	115.2	104.1	91.7	83.8	80.3
Equipment parts.....	5.41	123.8	122.6	121.6	120.1	122.5	122.1	120.6	125.8	125.0	124.0	122.2	118.3	116.5	110.0
Durable materials nec.....	10.75	136.3	137.6	137.5	137.5	137.2	136.2	132.3	133.9	136.6	138.3	132.7	126.9	118.7	113.4
Nondurable goods materials.....	13.99	128.3	131.1	131.9	131.9	130.9	131.3	131.1	130.4	129.3	126.3	122.1	116.5	109.0	105.4
Textile, paper, and chem. mat.....	8.58	139.4	141.7	143.1	143.9	143.3	143.6	143.6	143.2	142.2	138.1	131.1	123.1	112.0	107.7
Nondurable materials n.e.c.....	5.41	110.6	114.3	114.7	112.7	111.4	111.9	111.3	110.0	108.9	108.9	107.8	105.9	104.2	101.5
Fuel and power, industrial.....	2.89	122.6	122.5	122.6	123.2	124.7	126.3	128.0	123.5	129.0	126.4	112.7	113.1	119.2	117.8
<b>Supplementary groups</b>															
Home goods and clothing.....	9.34	124.6	126.9	127.0	124.6	126.0	127.1	126.4	125.0	123.8	120.0	117.4	113.4	107.0	103.7
Containers.....	1.82	139.3	144.3	151.4	147.0	141.5	141.6	142.1	140.4	136.7	131.5	127.6	120.3	118.0	.....
<b>Gross value of products in market structure</b>															
(In billions of 1963 dollars)															
<b>Products, total.....</b>	<b>286.3</b>	<b>442.5</b>	<b>443.9</b>	<b>445.4</b>	<b>449.5</b>	<b>449.7</b>	<b>448.1</b>	<b>446.9</b>	<b>447.1</b>	<b>445.7</b>	<b>439.0</b>	<b>426.5</b>	<b>417.8</b>	<b>408.6</b>	
Final products.....	221.4	339.9	342.3	342.9	347.2	347.7	346.6	345.0	346.1	346.5	341.3	330.6	322.7	316.6	
Consumer goods.....	156.3	230.6	232.7	233.8	235.9	236.6	235.0	235.1	233.1	233.7	228.9	221.9	217.0	213.1	
Equipment.....	65.3	109.1	109.4	109.0	111.2	111.2	111.6	109.9	112.8	112.7	112.4	109.0	105.7	103.4	
Intermediate products.....	64.9	102.6	101.9	102.5	102.2	102.0	101.2	102.1	101.0	99.4	97.4	95.8	94.8	92.0	

For NOTE see p. A-51.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 pro- por- tion	1974 aver- age	1974												1975	
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. #	Feb. #	
<b>Manufacturing</b> .....	88.55	124.4	124.5	124.6	124.8	125.7	125.6	125.2	125.2	125.5	124.6	120.9	116.3	112.2	108.9	
Durable.....	52.33	120.8	119.4	120.4	120.7	122.1	122.1	121.6	121.6	122.1	121.6	117.9	112.3	108.1	104.1	
Nondurable.....	36.22	129.7	131.5	130.9	130.4	130.9	130.8	130.8	130.4	130.5	128.9	125.4	122.0	118.3	116.0	
<b>Mining and utilities</b> .....	11.45	127.0	126.9	127.3	127.8	128.0	128.1	128.9	127.4	128.7	128.5	125.9	125.3	125.3	124.8	
Mining.....	6.37	109.3	111.7	112.2	111.3	111.0	110.2	110.2	107.3	109.2	110.5	105.0	105.1	108.9	108.0	
Utilities.....	5.08	149.2	146.1	146.5	148.7	149.2	150.6	152.4	152.6	153.1	151.2	152.3	150.7	145.7	145.8	
<b>Durable manufactures</b>																
<b>Primary and fabricated metals</b> .....	12.55	127.8	127.6	128.2	127.5	128.1	128.4	126.9	126.5	127.2	127.6	124.4	116.5	111.8	107.3	
Primary metals.....	6.61	124.5	125.0	125.3	124.0	124.6	124.7	123.2	121.9	123.0	126.0	121.0	109.8	105.0	101.4	
Iron and steel, subtotal.....	4.23	120.2	119.4	119.6	116.4	118.0	118.5	119.9	120.7	119.1	123.9	117.7	107.9	105.5	104.3	
Fabricated metal products.....	5.94	131.4	130.6	131.6	131.3	131.9	132.5	131.1	131.5	132.0	129.6	128.2	124.1	119.7	113.9	
<b>Machinery and allied goods</b> .....	32.44	116.3	113.8	114.8	115.5	117.5	117.7	117.3	117.8	118.8	118.4	114.9	109.5	105.4	101.4	
Machinery.....	17.39	129.7	127.2	128.4	128.2	129.7	130.4	129.9	130.5	132.5	131.1	128.9	124.6	119.4	114.8	
Nonelectrical machinery.....	9.17	133.7	128.1	129.8	130.7	131.9	131.7	131.1	136.4	137.8	137.4	135.1	132.1	127.0	121.7	
Electrical machinery.....	8.22	125.2	126.2	126.8	125.3	127.4	129.0	128.4	123.7	126.4	124.0	121.7	116.3	111.0	107.0	
Transportation equipment.....	9.29	96.9	93.9	95.0	97.8	100.6	99.4	98.7	99.9	100.4	102.1	93.7	83.6	79.6	76.0	
Motor vehicles and parts.....	4.56	113.1	109.2	110.2	116.4	119.6	116.9	117.3	117.8	118.6	123.0	107.1	86.4	78.6	74.9	
Aerospace and misc. trans. eq... Instruments.....	4.73	81.2	79.3	80.3	80.0	82.4	82.6	80.9	82.6	82.8	81.9	80.9	80.9	80.5	77.2	
Ordnance, private and Govt.....	2.07	143.8	142.8	142.8	143.8	146.1	147.5	146.7	146.7	144.9	142.0	142.3	138.5	137.9	132.0	
Miscellaneous manufactures.....	3.69	86.2	84.2	84.9	84.3	86.1	86.4	87.2	87.1	87.5	87.2	86.6	86.9	85.8	85.2	
<b>Lumber, clay, and glass</b> .....	4.44	133.8	127.4	128.1	128.9	128.0	126.4	125.5	123.4	120.6	117.8	113.7	111.4	108.4	104.5	
Lumber and products.....	1.65	120.1	127.1	126.1	126.8	126.8	125.6	121.6	121.5	116.6	109.3	105.2	101.0	95.6	.....	
Clay, glass, and stone products.....	2.79	125.9	127.6	129.3	130.3	128.7	126.9	127.7	124.6	123.0	122.9	118.8	117.6	114.0	.....	
<b>Furniture and miscellaneous</b> .....	2.90	136.2	135.2	136.8	136.8	138.9	138.5	139.7	140.1	138.8	136.7	139.0	138.4	121.5	120.2	
Furniture and fixtures.....	1.38	127.0	125.4	126.8	128.8	129.7	131.1	131.6	130.5	129.4	125.5	120.5	120.4	114.3	.....	
Miscellaneous manufactures.....	1.52	144.6	144.2	145.8	144.1	147.3	145.3	147.1	148.8	147.5	146.9	136.9	135.7	128.0	.....	
<b>Nondurable manufactures</b>																
<b>Textiles, apparel, and leather</b> .....	6.90	108.5	115.3	112.4	109.3	109.8	108.5	108.1	107.4	106.5	105.1	101.9	96.4	89.9	87.7	
Textile mill products.....	2.69	123.0	127.6	125.0	121.4	124.0	125.1	125.3	124.3	121.9	119.1	112.8	105.6	96.2	.....	
Apparel products.....	3.33	105.0	113.6	110.0	105.8	105.0	102.1	102.7	102.5	102.8	100.1	96.0	96.0	.....	.....	
Leather and products.....	.88	77.6	83.7	83.0	79.5	83.9	81.6	75.7	73.4	74.2	70.6	74.7	69.7	64.4	.....	
<b>Paper and printing</b> .....	7.92	121.0	122.2	122.5	121.2	121.3	122.3	122.4	121.0	122.7	120.8	115.7	112.4	108.6	105.8	
Paper and products.....	3.18	133.9	137.6	140.2	135.4	135.1	136.7	136.1	132.2	135.3	133.9	124.3	116.3	108.5	.....	
Printing and publishing.....	4.74	112.3	111.9	110.7	111.7	111.9	112.7	113.4	113.4	114.4	111.9	110.0	109.8	108.5	106.6	
<b>Chemicals, petroleum, and rubber</b> .....	11.92	151.7	151.2	151.3	153.5	153.0	153.7	153.9	154.4	154.7	152.4	146.5	141.8	137.7	133.9	
Chemicals and products.....	7.86	154.3	155.3	155.5	156.2	156.2	156.9	155.8	156.7	158.3	155.9	148.3	143.4	139.4	137.1	
Petroleum products.....	1.80	124.1	116.9	117.3	126.9	126.1	126.2	127.9	125.8	121.9	125.4	127.0	126.2	126.3	123.2	
Rubber and plastics products.....	2.26	164.6	163.5	164.2	165.5	163.7	164.5	167.2	169.0	168.6	161.8	155.7	149.2	141.0	.....	
<b>Food and tobacco</b> .....	9.48	124.7	126.2	125.3	124.3	126.5	125.3	124.8	124.8	124.3	123.7	123.8	123.6	123.0	122.4	
Foods.....	8.81	126.1	127.2	126.5	125.9	127.8	127.1	126.6	126.3	125.7	124.8	125.4	125.6	125.1	124.5	
Tobacco products.....	.67	107.0	112.1	110.4	104.6	109.4	102.9	101.5	104.2	106.0	110.3	103.8	96.2	.....	.....	
<b>Mining</b>																
<b>Metal, stone, and earth minerals</b> .....	1.26	117.1	119.9	119.7	117.5	117.9	112.4	113.5	109.9	115.4	121.3	120.7	117.9	117.8	115.2	
Metal mining.....	.51	129.0	132.2	132.9	127.4	128.1	121.1	120.3	110.0	130.5	141.4	136.8	134.7	131.9	.....	
Stone and earth minerals.....	.75	109.0	111.6	110.7	110.7	111.0	106.4	108.8	109.9	105.0	107.5	109.8	106.4	108.2	.....	
<b>Coal, oil, and gas</b> .....	5.11	107.3	109.6	110.2	109.8	109.2	109.7	109.4	106.7	107.7	107.8	101.2	102.0	106.7	106.3	
Coal.....	.69	104.8	112.7	114.7	110.3	112.4	118.3	115.6	99.4	112.1	110.3	67.6	81.7	111.5	113.0	
Oil and gas extraction.....	4.42	107.7	109.1	109.5	109.7	108.8	108.4	108.4	107.9	107.1	107.4	106.4	105.2	105.9	105.2	
<b>Utilities</b>																
Electric.....	3.91	158.6	154.6	155.1	158.3	159.0	160.3	162.7	162.8	162.4	161.2	162.9	160.7	.....	.....	
Gas.....	1.17	117.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	

NOTE: Data for the complete year of 1972 are available in a pamphlet *Industrial Production Indexes 1972* from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Published groupings include series and subtotals not shown separately. Figures for individual series and subtotals are published in the monthly Business Indexes release.

SELECTED BUSINESS INDEXES

(1967=100, except as noted)

Period	Industrial production										Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Nonagricultural employment—Total <sup>1</sup>	Manufacturing <sup>2</sup>		Total retail sales <sup>3</sup>	Prices <sup>4</sup>	
	Total	Market						Industry	Manu- facturing	Employ- ment				Pay- rolls	Consumer		Wholesale commodity	
		Products					Materials											
		Total	Final	Consumer goods	Equip- ment	Inter- mediate												
1955.....	58.5	56.6	54.9	59.5	48.9	62.6	61.5	58.2	90.0	76.9	92.9	61.1	59	80.2	87.8			
1956.....	61.1	59.7	58.2	61.7	53.7	65.3	63.1	60.5	88.2	79.6	93.9	64.6	61	81.4	90.7			
1957.....	61.9	61.1	59.9	63.2	55.9	65.3	63.1	61.2	84.5	80.3	92.2	65.4	64	84.3	93.3			
1958.....	57.9	58.6	57.1	62.6	50.0	63.9	56.8	56.9	75.1	78.0	83.9	60.3	64	86.6	94.6			
1959.....	64.8	64.4	62.7	68.7	54.9	70.5	65.5	64.1	81.4	81.0	88.1	67.8	69	87.3	94.8			
1960.....	66.2	66.2	64.8	71.3	56.4	71.0	66.4	65.4	80.1	82.4	88.0	68.8	70	88.7	94.9			
1961.....	66.7	66.9	65.3	72.8	55.6	72.4	66.4	65.6	77.6	82.1	84.5	68.0	70	89.6	94.5			
1962.....	72.2	72.1	70.8	77.7	61.9	76.9	72.4	71.4	81.4	84.4	87.3	73.3	75	90.6	94.8			
1963.....	76.5	76.2	74.9	82.0	65.6	81.1	77.0	75.8	83.0	86.1	86.1	87.8	79	91.7	94.5			
1964.....	81.7	81.2	79.6	86.8	70.1	87.3	82.6	81.2	85.5	89.4	88.6	80.1	83	92.9	94.7			
1965.....	89.2	88.1	86.8	93.0	78.7	93.0	91.0	89.1	89.0	93.2	92.3	93.9	91	94.5	96.6			
1966.....	97.9	96.8	96.1	98.6	93.0	99.2	99.8	98.3	91.9	94.8	97.1	99.9	97	97.2	99.8			
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	87.9	100.0	100.0	100.0	100	100.0	100.0			
1968.....	105.7	105.8	105.8	106.6	104.7	105.7	105.7	105.7	87.7	113.2	103.2	101.4	109	104.2	102.5			
1969.....	110.7	109.7	109.0	111.1	106.1	112.0	112.4	110.5	86.5	123.7	106.9	103.2	114	109.8	106.5			
1970.....	106.6	106.0	104.5	110.3	96.3	111.7	107.7	105.2	78.3	123.1	107.7	98.1	120	116.3	110.4			
1971.....	106.8	106.4	104.7	115.7	89.4	112.6	107.4	105.2	75.0	145.4	108.1	94.2	122	121.2	113.9			
1972.....	115.2	113.8	111.9	123.6	95.5	121.1	117.4	114.0	78.6	165.3	111.9	97.6	142	125.3	119.8			
1973.....	125.6	123.4	121.3	131.7	106.7	131.1	129.3	125.2	83.0	181.3	116.7	103.1	148.9	133.1	134.7			
1974.....	124.8	123.1	121.7	128.8	111.8	128.3	127.4	124.4	.....	168.6	118.9	102.1	156.6	147.7	160.1			
1974—Jan.....	125.4	122.9	121.2	129.2	109.8	129.2	129.7	125.3	155.0	118.3	104.0	115.4	164	139.7	146.6			
Feb.....	124.6	122.4	120.6	128.3	109.9	129.1	128.3	124.5	80.5	187.0	118.5	103.2	165	141.5	149.5			
Mar.....	124.7	122.6	121.0	128.5	110.1	128.2	128.8	124.6	181.0	118.6	102.9	115.1	168	143.1	151.4			
Apr.....	124.9	122.7	120.8	128.5	110.1	129.4	128.7	124.8	167.0	118.8	103.0	115.0	169	143.9	152.7			
May.....	125.7	123.8	122.4	129.7	112.2	129.2	129.1	125.7	80.1	188.0	119.0	103.0	172	145.5	155.0			
June.....	125.8	124.0	122.6	130.2	112.0	128.9	128.8	125.6	166.0	119.1	103.2	115.9	170	146.9	155.7			
July.....	125.5	124.0	122.8	130.0	113.0	127.8	128.0	125.2	177.0	119.2	103.0	115.5	177	148.0	161.7			
Aug.....	125.2	123.5	122.1	129.8	111.4	128.6	128.5	125.2	79.4	170.0	119.4	102.6	180	149.9	167.4			
Sept.....	125.6	123.6	122.6	128.8	113.8	127.6	129.3	125.5	187.0	119.7	102.5	116.0	176	151.7	167.2			
Oct.....	124.8	122.9	122.3	128.2	114.0	125.3	128.1	124.6	148.0	119.8	101.7	116.1	175	153.0	170.2			
Nov.....	121.7	121.4	120.9	126.3	113.2	123.0	122.1	120.9	75.9	154.0	119.1	99.4	170	154.3	171.9			
Dec.....	117.7	118.5	118.1	123.2	110.8	120.1	116.3	116.3	176.0	118.0	96.3	115.6	171	155.4	171.5			
1975—Jan.....	113.7	115.7	115.0	120.1	108.0	118.4	110.4	112.2	135.0	117.2	93.5	148.8	175	156.1	171.8			
Feb.....	110.3	113.0	112.5	117.9	105.2	115.1	106.2	108.9	.....	116.2	90.7	142.6	176	.....	171.3			

<sup>1</sup> Employees only; excludes personnel in the Armed Forces.  
<sup>2</sup> Production workers only. Revised back to 1968.  
<sup>3</sup> F.R. index based on Census Bureau figures.  
<sup>4</sup> Prices are not seasonally adjusted. Latest figure is final.  
 NOTE.—All series: Data are seasonally adjusted unless otherwise noted.  
 Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Dept. of Commerce.

Construction contracts: McGraw-Hill Informations Systems Company F.W. Dodge Division, monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering; does not include data for Alaska and Hawaii.  
 Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.  
 Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1973 <sup>1</sup>	1974	1974												1975
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Total construction contracts <sup>1</sup> .....	99,304	93,076	5,847	6,610	7,911	8,929	10,158	8,480	9,295	8,416	8,359	7,227	6,179	7,304	5,100
By type of ownership:															
Public.....	26,563	32,209	2,070	2,212	2,481	2,336	3,082	2,968	3,242	3,311	3,273	2,720	2,391	2,496	2,254
Private <sup>1</sup> .....	72,741	60,867	3,776	4,398	5,430	6,593	7,076	5,512	6,053	5,105	5,086	4,508	3,788	4,809	2,846
By type of construction:															
Residential building <sup>1</sup> .....	45,696	34,174	2,218	2,678	3,374	3,924	3,862	3,546	3,350	3,060	2,503	2,457	1,931	1,715	1,562
Nonresidential building.....	31,534	33,859	2,274	2,260	2,752	2,842	3,120	2,989	3,698	3,246	3,320	2,710	2,618	2,451	2,233
Nonbuilding.....	22,074	25,042	1,355	1,672	1,785	2,163	3,176	1,945	2,247	2,110	2,536	2,061	1,630	3,139	1,305
Private housing units authorized..... (In thousands, S.A., A.R.)	1,829	1,053	1,282	1,325	1,410	1,296	1,120	1,106	1,017	900	823	782	730	822	661

<sup>1</sup> Because of improved procedures for collecting data for 1-family homes, some totals are not strictly comparable with those prior to 1968. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE.—Dollar value of construction contracts as reported by the McGraw-Hill Informations Systems Company, F.W. Dodge Division. Totals of monthly data exceed annual totals because adjustments—negative—are made in accumulated monthly data after original figures have been published.  
 Private housing units authorized are Census Bureau series for 14,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				
		Total	Residential	Nonresidential				Total	Military	Highway	Conservation and development	Other <sup>2</sup>	
				Total	Buildings								Other
					Industrial	Commercial	Other buildings <sup>1</sup>						
1965	73,412	51,350	27,934	23,416	5,118	6,739	4,735	6,824	22,062	830	7,550	2,019	11,663
1966	76,002	51,995	25,715	26,280	6,679	6,879	5,037	7,685	24,007	727	8,405	2,194	12,681
1967	77,503	51,967	25,568	26,399	6,131	6,982	4,993	8,293	25,536	695	8,591	2,124	14,126
1968	86,626	59,021	30,565	28,456	6,021	7,761	4,382	10,292	27,605	808	9,321	1,973	15,503
1969	93,728	65,404	33,200	32,204	6,783	9,401	4,971	11,049	27,964	879	9,250	1,783	16,052
1970	94,167	66,071	31,864	34,207	6,538	9,754	5,125	12,790	28,096	718	9,981	1,908	15,489
1971	109,950	80,079	43,267	36,812	5,423	11,619	5,437	14,333	29,871	901	10,658	2,095	16,217
1972	124,077	93,893	54,288	39,605	4,676	13,462	5,898	15,569	30,184	1,087	10,429	2,172	16,496
1973	135,456	102,894	57,623	45,271	6,243	15,453	5,888	17,687	32,562	1,170	10,559	2,313	18,520
1974	134,506	96,124	54,740	41,384	7,745	16,029	5,951	11,659	38,382	1,188			
1974—Feb.	136,282	98,770	48,873	49,897	7,869	16,650	6,143	19,235	37,512	1,361	12,465	2,510	21,176
Mar.	135,069	98,631	48,643	49,988	7,500	16,652	6,336	19,500	36,438	1,401	10,985	2,463	21,589
Apr.	136,399	97,445	48,164	49,281	6,920	16,296	6,264	19,801	38,954	1,505	12,209	2,665	22,575
May	138,163	97,889	47,971	49,918	7,606	16,408	5,890	20,014	40,274	1,181	12,322	2,692	24,079
June	136,889	98,404	48,269	50,135	8,027	16,425	6,034	19,649	38,485	1,169	11,632	3,306	22,378
July	137,935	97,980	48,938	49,042	7,158	15,953	5,915	20,016	39,955	1,131			
Aug.	134,503	96,303	48,284	48,019	7,616	15,053	5,691	19,659	38,200	978			
Sept.	132,891	94,591	45,858	48,733	7,677	15,668	5,776	19,612	38,300	1,167			
Oct.	133,043	94,177	43,311	50,866	8,294	16,300	5,799	20,473	38,866	1,065			
Nov.	129,724	92,123	40,950	51,173	8,670	16,037	5,854	20,612	37,601				
Dec.	131,560	89,987	39,024	50,963	8,774	15,372	5,781	21,036	41,573				
1975—Jan.	128,087	88,429	37,154	51,275	8,486	15,390	5,896	21,503	39,658				

<sup>1</sup> Includes religious, educational, hospital, institutional, and other buildings.

NOTE.— Census Bureau data; monthly series at seasonally adjusted annual rates.

<sup>2</sup> Sewer and water, formerly shown separately, now included in "Other."

PRIVATE HOUSING ACTIVITY

(In thousands of units)

Period	Starts			Completions			Under construction (end of period)			Mobile home shipments	New 1-family homes sold and for sale <sup>1</sup>			
	Total	1-family	2-or-more family	Total	1-family	2-or-more family	Total	1-family	2-or-more family		Units		Median prices (in thousands of dollars) of units	
											Sold	For sale (end of period)	Sold	For sale
1965	1,473	964	509							217	575	228	20.0	21.3
1966	1,165	779	386							217	461	196	21.4	22.8
1967	1,292	844	448							240	487	190	22.7	23.6
1968	1,508	899	608	1,320	859	461				318	490	218	24.7	24.6
1969	1,467	811	656	1,399	808	592	885	350	535	413	448	228	25.6	27.0
1970	1,434	813	621	1,418	802	617	922	381	541	401	485	227	23.4	26.2
1971	2,052	1,151	901	1,706	1,014	692	1,254	505	749	497	656	294	25.2	25.9
1972	2,357	1,309	1,048	1,972	1,143	828	1,586	640	947	576	718	416	27.6	28.3
1973	2,045	1,132	913	2,014	1,174	840	1,599	583	1,016	567	620	456	32.5	32.9
1974	1,338	888	450	1,689	930	759	1,194	519	676	371	500	408	35.9	36.2
1974—Jan.	1,437	803	634	1,916	1,026	890	1,608	599	1,009	469	474	450	34.2	33.4
Feb.	1,881	1,046	835	1,891	1,018	873	1,611	601	1,010	449	516	459	34.9	33.5
Mar.	1,511	969	542	1,885	973	912	1,567	597	970	475	585	453	36.0	34.0
Apr.	1,580	975	605	1,695	883	812	1,545	600	945	435	570	449	35.7	34.3
May	1,467	925	542	1,677	882	795	1,512	594	918	451	599	441	35.7	34.7
June	1,533	1,000	533	1,851	1,092	759	1,480	581	899	441	532	435	35.1	35.0
July	1,314	920	394	1,674	935	739	1,443	578	865	380	511	431	36.8	35.3
Aug.	1,156	826	330	1,505	899	607	1,406	570	836	370	457	433	35.7	35.5
Sept.	1,157	845	312	1,505	882	624	1,372	565	807	316	500	414	36.2	35.7
Oct.	1,106	792	314	1,633	922	712	1,322	553	769	248	412	409	37.2	35.9
Nov.	1,017	802	215	1,648	874	761	1,259	544	715	218	423	403	37.2	36.0
Dec.	874	676	198	1,582	836	746	1,230	546	684	216	364	401	37.5	36.2
1975—Jan.	987	743	244							215				

<sup>1</sup> Merchant builders only.

NOTE.— All series except prices, seasonally adjusted. Annual rates for starts, completions, mobile home shipments, and sales. Census data except

for mobile homes, which are private, domestic shipments as reported by the Mobile Home Manufacturers' Assn. and seasonally adjusted by Census Bureau. Data for units under construction seasonally adjusted by Federal Reserve.



**LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT**

(In thousands of persons, except as noted)

Period	Total non-institutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate <sup>2</sup> (per cent; S.A.)
				Total	Employed <sup>1</sup>			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1969.....	137,841	53,602	84,240	80,734	77,902	74,296	3,606	2,832	3.5
1970.....	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1971.....	142,596	55,666	86,929	84,113	79,120	75,732	3,387	4,993	5.9
1972.....	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973.....	148,263	57,222	91,040	88,714	84,409	80,957	3,452	4,304	4.9
1974.....	150,827	57,587	93,240	91,011	85,936	82,443	3,492	5,076	5.6
1974- Feb.....	149,857	58,165	92,809	90,551	85,861	82,050	3,811	4,690	5.2
Mar.....	150,066	58,183	92,632	90,381	85,779	82,126	3,653	4,602	5.1
Apr.....	150,283	58,547	92,567	90,324	85,787	82,272	3,515	4,537	5.0
May.....	150,507	58,349	92,982	90,753	86,062	82,565	3,497	4,691	5.2
June.....	150,710	55,952	93,069	90,857	86,088	82,755	3,333	4,769	5.2
July.....	150,922	55,426	93,503	91,283	86,403	82,970	3,433	4,880	5.3
Aug.....	151,135	56,456	93,419	91,199	86,274	82,823	3,451	4,925	5.4
Sept.....	151,367	57,706	93,922	91,705	86,402	82,913	3,489	5,303	5.8
Oct.....	151,593	57,489	94,058	91,844	86,304	82,864	3,440	5,540	6.0
Nov.....	151,812	57,991	93,921	91,708	85,689	82,314	3,375	6,019	6.6
Dec.....	152,020	58,482	94,015	91,803	85,202	81,863	3,339	6,601	7.2
1975- Jan.....	152,230	58,888	94,284	92,091	84,562	81,179	3,383	7,529	8.2
Feb.....	152,445	59,333	93,709	91,511	84,027	80,701	3,326	7,484	8.2

<sup>1</sup> Includes self-employed, unpaid family, and domestic service workers.  
<sup>2</sup> Per cent of civilian labor force.  
 Note.— Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate

to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

**EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION**

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Government
1969.....	70,442	20,167	619	3,525	4,435	14,704	3,562	11,228	12,202
1970.....	70,920	19,349	623	3,536	4,504	15,040	3,687	11,621	12,561
1971.....	71,216	18,572	603	3,639	4,457	15,352	3,802	11,903	12,887
1972.....	73,711	19,090	622	3,831	4,517	15,975	3,943	12,392	13,340
1973.....	76,833	20,054	638	4,028	4,646	16,665	4,075	12,986	13,742
1974.....	78,334	20,016	672	3,985	4,699	17,011	4,173	13,506	14,285
SEASONALLY ADJUSTED									
1974- Feb.....	78,053	20,155	661	4,127	4,717	16,871	4,142	13,313	14,067
Mar.....	78,089	20,116	662	4,102	4,708	16,914	4,145	13,339	14,103
Apr.....	78,226	20,147	665	4,087	4,704	16,945	4,154	13,367	14,157
May.....	78,357	20,151	668	4,066	4,701	16,994	4,161	13,429	14,187
June.....	78,421	20,184	669	3,994	4,698	17,031	4,156	13,488	14,201
July.....	78,479	20,169	675	3,920	4,693	17,107	4,157	13,516	14,242
Aug.....	78,661	20,112	676	3,965	4,701	17,140	4,168	13,573	14,326
Sept.....	78,844	20,112	682	3,939	4,679	17,166	4,176	13,647	14,443
Oct.....	78,865	19,982	692	3,911	4,699	17,160	4,185	13,705	14,531
Nov.....	78,404	19,633	693	3,861	4,697	17,048	4,183	13,721	14,568
Dec.....	77,690	19,146	662	3,798	4,668	16,912	4,182	13,734	14,588
1975- Jan.....	77,166	18,709	702	3,781	4,607	16,838	4,174	13,733	14,622
Feb.....	76,558	18,282	710	3,587	4,583	16,813	4,162	13,753	14,668
NOT SEASONALLY ADJUSTED									
1974- Feb.....	77,011	19,971	646	3,702	4,651	16,513	4,105	13,153	14,270
Mar.....	77,362	19,962	648	3,786	4,670	16,584	4,120	13,246	14,346
Apr.....	77,994	20,011	659	3,919	4,671	16,851	4,137	13,380	14,366
May.....	78,545	20,063	669	4,058	4,701	16,964	4,161	13,536	14,393
June.....	79,287	20,345	684	4,190	4,759	17,108	4,202	13,677	14,322
July.....	78,322	20,066	688	4,187	4,740	17,064	4,219	13,665	13,693
Aug.....	78,561	20,288	690	4,286	4,734	17,058	4,222	13,668	13,615
Sept.....	79,097	20,350	688	4,191	4,721	17,153	4,180	13,647	14,167
Oct.....	79,429	20,142	693	4,150	4,718	17,225	4,172	13,719	14,610
Nov.....	79,125	19,764	693	3,981	4,702	17,342	4,309	13,707	14,771
Dec.....	78,441	19,175	657	3,722	4,663	17,591	4,161	13,665	14,807
1975- Jan.....	76,126	18,529	691	3,365	4,552	16,662	4,132	13,500	14,695
Feb.....	75,601	18,117	694	3,221	4,519	16,456	4,125	13,588	14,881

Note.— Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons,

domestic servants, unpaid family workers, and members of Armed Forces are excluded.  
 Beginning with 1968, series has been adjusted to Mar. 1973 benchmark.

CONSUMER PRICES

(1967 = 100)

Period	All items	Housing							Health and recreation						
		Food	Total	Rent	Home-ownership	Fuel oil and coal	Gas and electricity	Furnishings and operation	Apparel and upkeep	Transportation	Total	Medical care	Personal care	Reading and recreation	Other goods and services
1929	51.3	48.3		76.0					48.5						
1933	38.8	30.6		54.1					36.9						
1941	44.1	38.4	53.7	57.2		40.5	81.4		44.8	44.2	37.0	41.2	47.7	49.2	
1945	53.9	50.7	59.1	58.8		48.0	79.6		61.5	47.8	42.1	55.1	62.4	56.9	
1960	88.7	88.0	90.2	91.7	86.3	89.2	98.6	93.8	89.6	85.1	79.1	90.1	87.3	87.8	
1965	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	89.5	95.2	95.9	94.2	
1966	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	97.1	97.5	97.2	
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
1968	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	104.2	104.7	104.6	
1969	109.8	108.9	110.8	105.7	116.0	105.6	102.8	109.0	111.5	107.2	113.0	109.3	108.7	109.1	
1970	116.3	114.9	118.9	110.1	128.5	110.1	107.3	113.4	116.1	112.7	116.2	120.6	113.2	113.4	
1971	121.3	118.4	124.3	115.2	133.7	117.5	114.7	118.1	119.8	118.6	122.2	128.4	116.8	119.3	
1972	125.3	123.5	129.2	119.2	140.1	118.5	120.5	121.0	122.3	119.9	126.1	132.5	119.8	122.8	
1973	133.1	141.4	135.0	124.3	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.2	125.9	
1974	147.7	161.7	150.6	130.2	163.2	214.6	145.8	140.5	136.2	137.7	140.3	150.5	137.3	137.2	
1974-Jan.	139.7	153.7	142.2	127.3	154.8	194.6	134.3	129.0	128.8	128.1	133.7	142.2	129.8	128.3	
Feb.	141.5	157.6	143.4	128.0	155.8	202.0	137.3	130.1	130.4	129.3	134.5	143.4	130.8	128.9	
Mar.	143.1	159.1	144.9	128.4	157.2	201.5	140.0	132.6	132.2	132.0	135.4	144.8	131.8	129.5	
Apr.	143.9	158.6	146.0	128.8	158.2	206.5	141.9	134.0	131.6	131.7	136.3	145.6	133.1	130.4	
May	145.5	159.7	147.6	129.3	159.4	211.0	143.9	137.0	135.0	136.3	137.7	147.2	134.9	132.0	
June	146.9	160.3	149.2	129.8	161.2	214.2	144.5	139.2	135.7	138.8	139.4	149.4	136.5	131.5	
July	148.0	160.5	150.9	130.3	163.2	218.5	146.2	141.4	135.3	140.6	141.0	151.4	137.8	134.6	
Aug.	149.9	162.8	152.8	130.9	165.4	220.9	148.5	143.9	138.1	141.3	142.6	153.7	139.3	135.2	
Sept.	151.7	165.0	154.9	131.4	167.9	222.7	150.2	146.6	139.9	142.2	144.0	155.2	141.2	137.0	
Oct.	154.0	166.1	156.7	132.2	170.1	225.5	151.5	149.0	141.1	142.9	145.2	156.3	143.0	137.8	
Nov.	154.3	167.8	158.3	132.8	171.7	229.2	154.0	151.0	142.4	143.4	146.3	157.5	144.2	138.8	
Dec.	158.4	169.7	159.9	133.5	174.0	228.8	156.7	152.3	141.9	143.5	147.5	159.0	145.3	139.8	
1975-Jan.	156.1	170.9	161.2	134.0	175.6	228.9	160.2	153.2	139.4	143.2	148.9	161.0	146.5	141.0	

Note.—Bureau of Labor Statistics index for city wage-earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 100, except as noted)

Period	All commodities	Industrial commodities															
		Farm products	Processed foods and feeds	Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Non-metallic minerals	Transportation equipment	Miscellaneous
1960	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8	103.1	95.3	98.1	92.4	92.0	99.0	97.2		93.0
1965	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5		95.9
1966	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4		97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0
1968	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7		102.2
1969	106.5	109.1	107.3	106.0	106.0	108.9	100.9	99.9	105.3	125.3	104.0	108.5	106.5	104.9	107.7	100.8	105.2
1970	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2	108.6	113.7	108.2	116.7	111.4	107.5	113.3	104.5	109.9
1971	113.9	112.9	114.3	114.0	108.6	114.0	114.2	104.2	109.2	127.0	110.3	119.0	115.5	109.9	122.4	110.3	112.8
1972	119.1	125.0	120.8	117.9	113.6	131.3	118.6	104.2	109.3	144.3	113.4	123.5	117.9	111.4	126.1	113.8	114.6
1973	134.7	176.3	148.1	125.9	123.8	143.1	134.3	110.0	112.4	177.2	122.1	132.8	121.7	115.2	130.2	115.1	119.7
1974	160.1	187.7	170.9	153.8	139.1	145.1	208.3	146.8	136.2	183.6	151.7	171.9	139.4	127.9	154.2	125.5	133.1
1974-Feb.	149.5	205.6	164.7	138.2	135.2	143.4	177.4	120.2	119.8	184.1	132.9	148.0	127.0	120.2	144.1	118.9	124.6
Mar.	151.4	197.0	163.0	142.4	136.1	143.4	189.0	127.3	123.8	191.3	137.2	154.7	129.0	121.3	144.2	119.1	125.8
Apr.	152.7	186.2	159.1	146.6	137.5	145.4	197.9	132.3	129.4	200.2	114.4	161.2	130.8	122.9	146.7	119.4	128.2
May	155.0	180.8	158.9	150.5	139.1	146.3	204.3	137.0	133.7	198.0	146.6	168.7	134.1	124.5	150.7	121.4	133.2
June	155.7	168.6	157.4	153.6	141.7	146.0	210.5	142.8	135.6	192.2	147.5	174.0	137.2	126.1	152.3	122.8	134.3
July	161.7	180.8	167.6	157.8	142.1	146.6	221.7	148.4	139.5	188.6	153.3	180.3	140.3	128.2	156.4	125.1	135.2
Aug.	167.4	189.2	179.7	161.6	142.3	146.2	226.0	158.5	143.4	183.7	162.9	185.6	144.3	129.8	157.6	126.7	135.4
Sept.	167.2	182.7	176.8	162.9	142.1	148.1	225.0	161.7	145.6	180.4	164.2	187.1	146.8	132.8	159.8	127.7	136.3
Oct.	170.2	187.5	183.5	164.8	140.5	145.2	228.5	168.5	147.5	169.4	166.0	186.9	150.0	135.5	162.2	134.2	137.1
Nov.	171.9	187.8	189.7	165.8	139.8	144.5	227.4	172.9	148.5	166.9	166.9	186.7	152.7	136.9	163.4	135.1	140.7
Dec.	171.5	183.7	188.2	166.1	138.4	143.2	229.0	174.0	149.4	165.4	167.2	184.6	154.0	137.7	164.3	137.0	142.4
1975-Jan.	171.8	179.7	186.4	167.5	137.5	142.1	232.2	176.0	149.6	164.7	169.8	185.5	156.6	138.8	168.5	137.1	145.5
Feb.	171.3	174.6	182.6	168.4	136.5	141.7	233.3	178.1	150.0	169.3	169.8	186.3	157.7	139.1	170.3	138.2	146.4

1 Dec. 1968=100.

**GROSS NATIONAL PRODUCT**

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974 <sup>a</sup>	1974				
										IV	I	II	III	IV <sup>b</sup>
Gross national product.....	103.1	55.6	124.5	284.8	977.1	1,054.9	1,158.0	1,294.9	1,397.3	1,344.0	1,358.8	1,383.8	1,416.3	1,430.2
Final purchases.....	101.4	57.2	120.1	278.0	972.6	1,048.6	1,149.5	1,279.6	1,383.9	1,315.1	1,341.9	1,370.8	1,407.6	1,412.4
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	617.6	667.1	729.0	805.2	876.7	823.9	840.6	869.1	901.3	895.8
Durable goods.....	9.2	3.5	9.6	30.5	91.3	103.9	118.4	130.3	127.5	124.3	123.9	129.5	136.1	120.7
Nondurable goods.....	37.7	22.3	42.9	98.1	263.8	278.4	299.7	338.0	380.2	352.1	364.4	375.8	389.0	391.7
Services.....	30.3	20.1	28.1	62.4	262.6	284.8	310.9	336.9	369.0	347.4	352.4	363.8	376.2	383.5
Gross private domestic investment.....	16.2	1.4	17.9	54.1	136.3	153.7	179.3	209.4	209.4	224.5	210.5	211.8	205.8	209.4
Fixed investment.....	14.5	3.0	13.4	47.3	131.7	147.4	170.8	194.0	195.2	195.5	193.6	198.3	197.1	191.6
Nonresidential.....	10.6	2.4	9.5	27.9	100.6	104.6	116.8	136.8	149.2	141.9	145.2	149.4	150.9	151.2
Structures.....	5.0	.9	2.9	9.2	36.1	37.9	41.1	47.0	52.0	49.3	51.3	52.2	51.0	53.7
Producers' durable equipment.....	5.6	1.5	6.6	18.7	64.4	66.6	75.7	89.8	97.1	92.6	93.9	97.2	99.9	97.5
Residential structures.....	4.0	.6	3.9	19.4	31.2	42.8	54.0	57.2	46.0	53.6	48.4	48.8	46.2	40.4
Nonfarm.....	3.8	.5	3.7	18.6	30.7	42.3	53.4	56.7	45.2	53.0	47.8	48.0	45.4	39.7
Change in business inventories.....	1.7	-1.6	4.5	6.8	4.5	6.3	8.5	15.4	14.2	28.9	16.9	13.5	8.7	17.8
Nonfarm.....	1.8	-1.4	4.0	6.0	4.3	4.9	7.8	11.4	11.9	24.0	13.1	10.4	6.6	17.5
Net exports of goods and services.....	1.1	.4	1.3	1.8	3.6	.2	-6.0	3.9	2.0	9.3	11.3	-1.5	-3.1	1.2
Exports.....	7.0	2.4	5.9	13.8	62.9	65.4	72.4	100.4	139.9	113.6	131.2	138.5	143.6	146.4
Imports.....	5.9	2.0	4.6	12.0	59.3	65.6	78.4	96.4	138.0	104.3	119.9	140.0	146.7	145.3
Government purchases of goods and services..	8.5	8.0	24.8	37.9	219.5	234.2	255.7	276.4	309.2	286.4	296.3	304.4	312.3	323.8
Federal.....	1.3	2.0	16.9	18.4	97.6	104.9	106.6	116.9	108.4	111.5	114.3	117.2	124.5	
National defense.....			13.8	14.1	74.6	71.2	74.8	74.4	78.7	75.3	75.8	76.6	78.4	84.0
Other.....			3.1	4.3	21.6	26.5	30.1	32.2	38.2	33.1	35.7	37.7	38.8	40.6
State and local.....	7.2	6.0	7.9	19.5	123.3	136.6	150.8	169.8	192.3	177.9	184.8	190.1	195.1	199.3
Gross national product in constant (1958) dollars.....	203.6	141.5	263.7	355.3	722.5	746.3	792.5	839.2	821.1	845.7	830.5	827.1	823.1	803.8

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business* (generally the July issue) and the Aug. 1966 Supplement to the *Survey*.

**NATIONAL INCOME**

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974 <sup>a</sup>	1974				
										IV	I	II	III	IV <sup>b</sup>
National income.....	86.8	40.3	104.2	241.1	800.5	857.7	946.5	1,065.6	1,142.8	1,106.3	1,118.8	1,130.2	1,155.5	.....
Compensation of employees.....	51.1	29.5	64.8	154.6	603.9	643.1	707.1	786.0	855.8	814.8	828.8	848.3	868.2	877.7
Wages and salaries.....	50.4	29.0	62.1	146.8	542.0	573.6	626.8	691.6	750.7	717.0	727.6	744.6	761.5	769.2
Private.....	45.5	23.9	51.9	124.4	426.9	449.5	491.4	545.1	592.4	565.8	573.8	588.3	602.5	605.1
Military.....	.3	.3	1.9	5.0	19.6	19.4	20.5	20.6	21.2	21.0	21.0	20.9	20.8	22.0
Government civilian.....	4.6	4.9	8.3	17.4	95.5	104.7	114.8	126.0	137.1	130.2	132.8	135.4	138.2	142.1
Supplements to wages and salaries.....	.7	.5	2.7	7.8	61.9	69.5	80.3	94.4	105.1	97.7	101.2	103.7	106.7	108.6
Employer contributions for social insurance.....	.1	.1	2.0	4.0	29.7	33.1	38.6	48.4	53.6	50.1	52.3	53.2	54.5	54.6
Other labor income.....	.6	.4	.7	3.8	32.2	36.4	41.7	46.0	51.4	47.6	48.9	50.5	52.3	54.0
Proprietors' income.....	15.1	5.9	17.5	37.5	66.9	69.2	75.9	96.1	93.0	103.2	98.4	89.9	92.1	91.6
Business and professional.....	9.0	3.3	11.1	24.0	50.0	52.0	54.9	57.6	61.2	58.4	59.3	60.7	62.3	62.5
Farm.....	6.2	2.6	6.4	13.5	16.9	17.2	21.0	38.5	31.8	44.9	39.1	29.1	29.8	29.1
Rental income of persons.....	5.4	2.0	3.5	9.4	23.9	25.2	25.9	26.1	26.5	26.4	26.4	26.3	26.6	26.8
Corporate profits and inventory valuation adjustment.....	10.5	-1.2	15.2	37.7	69.2	78.7	92.2	105.1	105.9	106.4	107.7	105.6	105.8	.....
Profits before tax.....	10.0	1.0	17.7	42.6	74.0	83.6	99.2	122.7	141.4	122.7	135.4	139.0	157.0	.....
Profits tax liability.....	1.4	.5	7.6	17.8	34.8	37.5	41.5	49.8	55.8	49.5	52.2	55.9	62.7	.....
Profits after tax.....	8.6	.4	10.1	24.9	39.3	46.1	57.7	72.9	85.7	73.2	83.2	83.1	94.3	.....
Dividends.....	5.8	2.0	4.4	8.8	27.3	25.0	27.3	29.6	32.7	30.7	31.6	32.5	33.2	33.3
Undistributed profits.....	2.8	-1.6	5.7	16.0	14.6	21.1	30.3	43.3	53.0	42.5	51.6	50.5	61.1	.....
Inventory valuation adjustment.....	.5	-2.1	-2.5	-5.0	-4.8	-4.9	-7.0	-17.6	-35.5	-16.3	-27.7	-33.4	-51.2	-29.9
Net interest.....	4.7	4.1	3.2	2.0	36.5	41.6	45.6	52.3	61.6	55.5	57.5	60.1	62.8	65.9

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974 <sup>#</sup>	1973			1974		
										IV	I	II	III	IV <sup>#</sup>	
Gross national product.....	103.1	55.6	124.5	284.8	977.1	1,054.9	1,158.0	1,291.9	1,397.3	1,344.0	1,358.8	1,383.8	1,416.3	1,430.2	
Less: Capital consumption allowances.....	7.9	7.0	8.2	18.3	87.3	93.7	102.9	110.8	119.5	113.9	115.8	118.6	120.7	122.9	
Indirect: business tax and nontax liability.....	7.6	7.1	11.3	23.3	93.5	102.7	110.0	119.2	126.9	121.3	122.6	125.9	129.5	129.8	
Business transfer payments.....	.6	.7	.5	.8	4.0	4.3	4.6	4.9	5.2	5.0	5.1	5.2	5.3	5.3	
Statistical discrepancy.....	.7	.6	.4	1.5	6.4	-2.3	3.8	5.0	.0	2.6	-6.3	.3	3.0	.....	
Plus: Subsidies less current surplus of government enterprises.....	.....	.....	.1	.2	1.7	1.1	2.3	.6	-2.9	.1	2.7	3.7	2.4	2.7	
Equals: National income.....	86.8	40.3	104.2	241.1	800.5	857.7	946.5	1,063.6	1,142.8	1,106.3	1,118.8	1,130.2	1,155.5	.....	
Less: Corporate profits and inventory valuation adjustment.....	10.5	1.2	15.2	37.7	69.2	78.7	92.2	105.1	105.9	106.4	107.7	105.6	105.8	.....	
Contributions for social insurance.....	.2	.3	2.8	6.9	57.7	63.8	73.0	91.2	101.5	93.9	99.1	100.8	103.0	103.2	
Excess of wage accruals over disbursements.....	.....	.....	.....	.0	.6	.0	.0	.1	.5	.0	.0	.6	1.5	.0	
Plus: Government transfer payments.....	.9	1.5	2.6	14.3	75.1	89.0	98.6	113.0	134.6	117.1	123.1	130.6	138.7	145.8	
Net interest paid by government and consumers.....	2.5	1.6	2.2	7.2	31.0	31.2	33.0	38.3	42.3	40.4	40.8	41.9	42.7	43.6	
Dividends.....	5.8	2.0	4.4	8.8	24.7	25.0	27.3	29.6	32.7	30.7	31.6	32.5	33.2	33.3	
Business transfer payments.....	.6	.7	.5	.8	4.0	4.3	4.6	4.9	5.2	5.0	5.1	5.2	5.3	5.3	
Equals: Personal income.....	85.9	47.0	96.0	227.6	808.3	864.0	944.9	1,053.0	1,150.5	1,099.3	1,112.5	1,134.6	1,168.2	1,186.9	
Less: Personal tax and nontax payments.....	2.6	1.5	3.3	20.7	116.6	117.6	142.4	151.3	170.8	159.9	161.9	168.2	175.1	178.1	
Equals: Disposable personal income.....	83.3	45.5	92.7	206.9	691.7	746.4	802.5	903.7	979.7	939.4	950.6	966.5	993.1	1,008.8	
Less: Personal outlays.....	79.1	46.5	81.7	193.9	635.5	685.9	749.9	829.4	902.7	850.1	866.2	894.9	927.6	922.3	
Personal consumption expenditures.....	77.2	45.8	80.6	191.6	617.6	667.1	729.0	805.2	876.7	823.9	840.6	869.1	901.3	895.8	
Consumer interest payments.....	1.5	.5	.9	2.4	16.8	17.7	19.8	22.9	25.0	24.0	24.4	24.8	25.3	25.5	
Personal transfer payments to foreigners.....	.3	.2	.2	.5	1.0	1.1	1.1	1.3	1.0	2.2	1.2	1.0	.9	.9	
Equals: Personal saving.....	4.2	.9	11.0	13.1	56.2	60.5	52.6	74.4	77.0	89.3	84.4	71.5	65.5	86.5	
Disposable personal income in constant (1958) dollars.....	150.6	112.2	190.3	249.6	534.8	555.4	580.5	619.6	602.8	622.9	610.3	603.5	602.9	594.8	

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1973	1974	1974												1975
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Total personal income.....	1,055.0	1,150.5	1,107.0	1,113.4	1,112.1	1,125.2	1,135.2	1,143.5	1,159.5	1,167.2	1,178.0	1,185.0	1,184.5	1,191.0	1,193.6
Wage and salary disbursements.....	691.7	751.7	722.5	728.3	732.1	737.1	745.3	753.2	759.7	761.6	767.7	773.0	767.8	766.6	765.7
Commodity-producing industries.....	251.9	270.9	262.1	264.6	265.3	267.4	270.0	272.6	273.3	276.5	278.3	279.5	272.3	269.3	265.9
Manufacturing only.....	196.6	211.9	204.1	204.9	205.5	207.8	210.1	212.5	214.0	215.5	217.8	219.4	214.2	209.7	205.3
Distributive industries.....	165.1	178.9	172.0	172.8	173.9	175.3	177.8	179.1	180.8	180.7	183.1	183.8	183.9	183.8	183.7
Service industries.....	128.2	142.6	135.3	137.0	138.2	139.1	141.1	142.6	143.5	144.9	146.4	146.9	147.4	148.3	150.0
Government.....	146.6	158.8	153.0	153.8	154.6	155.3	156.3	158.9	162.1	159.5	159.9	162.8	164.2	165.2	166.1
Other labor income.....	46.0	51.4	48.5	48.9	49.4	49.9	50.5	51.1	51.7	52.3	52.9	53.5	54.0	54.5	54.9
Proprietors' income.....	96.1	93.0	100.8	98.5	96.0	92.8	89.9	86.9	90.0	93.1	93.2	91.7	91.6	91.5	89.6
Business and professional.....	57.6	61.2	58.7	59.4	59.9	60.2	60.8	61.2	61.9	62.5	62.5	62.5	62.5	62.5	62.7
Farm.....	38.5	31.8	42.1	39.1	36.1	32.6	29.1	25.7	28.1	30.6	30.7	29.2	29.1	29.0	26.9
Rental income.....	26.1	26.5	26.4	26.4	26.4	25.5	26.7	26.7	26.6	26.6	26.6	26.7	26.8	26.9	27.0
Dividends.....	29.6	32.7	31.4	31.6	31.9	32.1	32.5	33.0	33.1	33.2	33.4	33.5	33.6	32.7	33.9
Personal interest income.....	90.6	103.8	97.5	98.3	99.0	100.4	102.0	103.5	104.4	105.3	106.9	108.0	109.5	111.1	112.6
Transfer payments.....	117.8	139.8	126.7	128.4	129.5	134.6	135.8	137.0	142.5	143.6	146.0	147.6	149.8	156.1	158.8
Less: Personal contributions for social insurance.....	42.8	47.9	46.7	46.8	47.0	47.2	47.6	47.9	48.5	48.4	48.6	48.9	48.5	48.4	48.8
Nonagricultural income.....	1,008.0	1,109.0	1,053.3	1,064.9	1,071.6	1,083.1	1,096.6	1,106.8	1,121.7	1,126.8	1,137.4	1,145.9	1,145.2	1,151.4	1,156.0
Agricultural income.....	47.1	41.5	51.5	48.5	45.5	42.1	38.6	36.8	37.1	40.4	40.6	39.3	39.3	39.5	37.7

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

**SUMMARY OF FUNDS RAISED AND ADVANCED IN U.S. CREDIT MARKETS**

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1974		
											III	II2	
Funds raised, by type and sector													
1 Total funds raised by nonfinancial sectors.....	69.9	67.9	82.4	95.9	91.8	98.2	147.4	169.4	187.4	175.7	190.8	160.6	1
2 Excluding equities.....	69.6	66.9	80.0	95.9	88.0	92.5	135.9	158.9	180.1	172.4	185.5	159.3	2
3 U.S. Government.....	1.8	3.6	13.0	13.4	3.6	12.8	25.5	17.3	9.7	11.0	6.3	19.6	3
4 Public debt securities.....	1.3	2.3	8.9	10.3	1.3	12.9	26.0	13.9	7.7	13.1	5.1	21.1	4
5 Budget agency issues.....	.5	1.3	4.1	3.1	2.4	.1	.5	3.4	2.0	.1	1.2	1.5	5
6 All other nonfinancial sectors.....	68.1	64.3	69.4	82.5	95.5	85.4	121.9	152.1	177.7	162.7	184.5	141.0	6
7 Corporate equities.....	.3	1.0	2.4	*	3.9	5.8	11.5	10.5	7.2	3.3	5.4	1.2	7
8 Debt instruments.....	67.9	63.3	67.0	82.6	91.6	79.7	110.4	141.6	170.4	159.4	179.2	139.7	8
9 Debt capital instruments.....	38.8	38.9	45.7	50.6	50.6	57.6	84.2	94.9	97.1	92.9	100.9	84.9	9
10 State and local government securities.....	7.3	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.0	17.8	16.1	10
11 Corporate and foreign bonds.....	5.9	11.0	15.9	14.0	13.0	20.6	19.7	13.2	10.2	20.9	30.2	21.7	11
12 Mortgages.....	25.6	22.3	22.0	27.1	27.7	25.7	46.9	67.3	73.2	55.0	62.9	47.2	12
13 Home mortgages.....	15.4	11.7	11.5	15.1	15.7	12.8	26.1	39.6	43.3	31.3	35.8	26.9	13
14 Other residential.....	3.6	3.1	3.6	3.4	4.7	3.8	4.7	8.4	7.5	7.3	7.2	7.4	14
15 Commercial.....	4.4	5.7	4.7	6.4	5.3	5.3	10.0	14.8	15.0	11.3	15.7	7.0	15
16 Farm.....	2.2	1.8	2.3	2.2	1.9	1.8	2.0	2.6	4.4	4.8	4.1	5.5	16
17 Other private credit.....	29.0	24.4	21.3	32.0	41.0	22.1	26.3	46.7	73.4	66.5	78.2	54.8	17
18 Bank loans n.e.c.....	14.1	10.7	9.5	13.1	15.3	6.4	9.3	21.8	38.6	29.9	42.1	17.7	18
19 Consumer credit.....	9.6	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	12.7	6.6	19
20 Open-market paper.....	.3	1.0	2.1	1.6	3.3	3.8	.9	1.6	1.8	14.9	15.4	14.4	20
21 Other.....	5.6	6.2	5.1	7.2	12.0	5.9	6.6	7.3	10.0	12.1	8.1	16.0	21
22 By borrowing sector.....	68.1	64.3	69.4	82.5	95.5	85.4	121.9	152.1	177.7	162.7	184.5	141.0	22
23 Debt instruments.....	67.9	63.3	67.0	82.6	91.6	79.7	110.4	141.6	170.4	159.4	179.2	139.7	23
24 Foreign.....	2.4	1.8	4.0	2.7	3.2	2.7	4.6	4.7	7.7	15.7	20.1	11.3	24
25 State and local governments.....	7.7	6.3	7.9	9.8	10.7	11.3	17.8	14.2	12.3	15.8	16.0	15.7	25
26 Households.....	28.3	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	42.5	47.5	37.6	26
27 Nonfinancial business.....	29.5	32.5	35.7	40.1	46.0	42.3	48.2	59.6	77.6	85.4	95.6	75.1	27
28 Farm.....	3.3	3.1	3.6	2.8	3.2	3.2	4.1	4.9	8.6	7.4	7.3	7.5	28
29 Nonfarm noncorporate.....	5.7	5.4	5.0	5.6	7.4	5.3	8.7	16.4	9.3	6.7	7.2	6.3	29
30 Corporate.....	20.4	24.0	27.2	31.7	35.5	33.8	35.4	44.4	59.7	71.3	81.2	61.4	30
31 Corporate equities.....	.3	1.0	2.4	*	3.9	5.8	11.5	10.5	7.2	3.3	5.4	1.2	31
32 Foreign.....	.3	.3	1.1	.2	.5	.1	*	.4	.2	.2	.2	.2	32
33 Corporate business.....	*	1.3	2.4	.2	3.4	5.7	11.4	10.9	7.4	3.5	5.6	1.4	33
Totals including equities.....													
34 Foreign.....	2.7	1.5	4.0	2.8	3.7	2.7	4.6	4.3	7.5	15.5	19.9	11.2	34
35 Nonfinancial business.....	29.4	33.8	38.1	39.9	49.4	48.0	59.6	70.5	85.1	88.9	101.2	76.5	35
36 Corporate.....	20.4	25.3	29.6	31.5	38.9	39.5	46.8	55.3	67.2	74.7	86.7	62.8	36
37 Memo: U.S. Govt. cash balance.....	-1.0	.4	1.2	1.1	.4	2.8	3.2	.3	-1.7	4.8	-2.3	-7.2	37
Totals net of changes in U.S. Govt. cash balances.....													
38 Total funds raised.....	70.9	68.3	81.3	97.1	91.4	95.5	144.2	169.7	189.0	180.5	193.1	167.8	38
39 By U.S. Government.....	2.8	4.0	11.8	14.5	-4.0	10.0	22.3	17.6	11.4	17.7	8.6	26.8	39
Private domestic net investment and borrowing in credit markets													
Total, households and business													
1 Total capital outlays <sup>1</sup> .....	173.1	190.6	188.1	207.6	226.7	224.2	253.5	293.0	334.7	330.7	341.6	329.7	1
2 Capital consumption <sup>2</sup> .....	110.3	118.5	128.4	140.4	154.3	166.0	178.9	194.3	211.0	220.4	218.2	222.6	2
3 Net physical investment.....	62.8	72.2	59.7	67.2	72.4	58.2	74.6	98.7	123.7	110.3	113.5	107.1	3
4 Net funds raised.....	57.8	56.5	57.5	69.9	81.1	71.4	99.4	133.6	157.9	131.4	148.7	114.1	4
5 Excess net investment <sup>3</sup> .....	5.1	15.7	2.2	-2.7	8.7	-13.2	-24.8	-34.9	-34.2	21.1	35.2	-7.1	5
Total business													
6 Total capital outlays.....	83.6	96.4	93.4	97.9	108.9	108.0	117.1	134.3	160.5	164.1	166.8	161.4	6
7 Capital consumption.....	50.5	54.2	58.5	63.2	69.5	74.6	80.3	88.2	95.2	103.1	100.9	105.3	7
8 Net physical investment.....	33.1	42.3	35.0	34.7	39.4	33.5	36.8	46.0	65.3	61.0	65.9	56.1	8
9 Net debt funds raised.....	29.5	32.5	35.7	40.1	46.0	42.3	48.2	59.6	77.6	85.4	95.6	75.1	9
10 Corporate equity issues.....	*	1.3	2.4	.2	3.4	5.7	11.4	10.9	7.4	3.5	5.6	1.4	10
11 Excess net investment <sup>3</sup> .....	3.7	8.5	3.2	-5.2	-10.0	-14.5	-22.8	-24.5	-19.8	27.9	35.4	-20.4	11
Corporate business													
12 Total capital outlays.....	62.3	76.5	71.4	75.0	83.7	84.0	87.2	102.5	121.5	125.8	126.0	125.6	12
13 Capital consumption.....	35.2	38.2	41.5	45.1	49.8	53.6	57.7	63.0	67.5	72.5	70.8	74.2	13
14 Net physical investment.....	27.1	38.3	29.9	29.9	33.9	30.4	29.5	39.4	54.0	53.3	55.2	51.4	14
15 Net debt funds raised.....	20.4	24.0	27.2	31.7	35.5	33.8	35.4	44.4	59.7	71.3	81.2	61.4	15
16 Corporate equity issues.....	*	1.3	2.4	.2	3.4	5.7	11.4	10.9	7.4	3.5	5.6	1.4	16
17 Excess net investment <sup>3</sup> .....	6.7	13.0	.4	1.6	-5.0	-9.1	-17.3	-15.8	-13.1	21.4	31.6	-11.3	17
Households													
18 Total capital outlays.....	89.6	94.2	94.6	109.7	117.8	116.2	136.4	158.8	174.1	166.6	164.9	168.3	18
19 Capital consumption.....	59.9	64.3	69.9	77.2	84.8	91.4	98.6	106.1	115.7	117.3	117.3	117.3	19
20 Net physical investment.....	29.7	29.9	24.7	32.5	33.0	24.7	37.8	52.7	58.4	49.3	47.6	51.0	20
21 Net funds raised.....	28.3	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	42.5	47.5	37.6	21
22 Excess net investment <sup>3</sup> .....	1.4	7.2	5.4	2.5	1.3	1.4	2.1	-10.4	14.4	6.8	.2	13.3	22

<sup>1</sup> Capital outlays are totals for residential and nonresidential fixed capital, net change in inventories, and consumer durables, except outlays by financial business.

<sup>2</sup> Capital consumption includes amounts for consumer durables and excludes financial business capital consumption.

<sup>3</sup> Excess of net investment over net funds raised.

NOTE: Full statements for sectors and transaction types are available on a quarterly basis and annually for flows and for amounts outstanding. Requests for these statements should be addressed to the Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Funds raised by type and sector. Credit flows included here are the net amounts raised by households, nonfinancial business, governments, and foreigners. All funds raised by financial sectors are excluded. U.S. Government budget issues (line 5) are loan participation certificates issued by CCC, Export-Import Bank, FNMA, and GNMA, together with security issues by FHA, Export-Import Bank, and TVA. Issues by Federally sponsored credit agencies are excluded as borrowing by financial institutions. Such issues are on p. A-59, line 11. Corporate equity issues are net cash issues by nonfinancial and foreign corporations. Mortgages exclude loans in process. Open market paper is commercial paper issued by nonfinancial corporations plus bankers' acceptances.

**DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS**

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1974		
											III	III	
1 Total funds advanced in credit markets to nonfinancial sectors.....	69.6	66.9	80.0	95.9	88.0	92.5	135.9	158.9	180.1	172.4	185.5	159.3	1
By public agencies and foreign													
2 Total net advances.....	8.9	11.9	11.3	12.2	15.7	28.1	41.7	18.3	33.2	49.0	39.7	58.3	2
3 U.S. Government securities.....	3.7	3.4	6.8	3.4	7	15.9	33.8	8.4	11.0	8.8	6.9	10.8	3
4 Residential mortgages.....	4	2.8	2.1	2.8	4.6	5.7	5.7	5.2	7.2	11.9	11.7	16.1	4
5 F.H.B. advances to S&I's.....	7	9	2.5	9	4.0	1.3	2.7	*	7.2	6.7	6.8	6.5	5
6 Other loans and securities.....	4.1	4.8	4.9	5.1	6.3	5.2	4.9	4.6	7.5	19.7	14.3	25.0	6
By agency-													
7 U.S. Government.....	2.8	4.9	4.6	4.9	2.9	2.8	3.2	2.6	3.0	5.9	2.4	9.4	7
8 Sponsored credit agencies.....	2.2	5.1	-1	3.2	8.9	10.0	3.2	7.0	20.3	24.0	20.3	27.7	8
9 Monetary authorities.....	3.8	3.5	4.8	3.7	4.2	5.0	8.9	3	9.2	6.2	6.1	6.2	9
10 Foreign.....	1	1.6	2.0	3	3	10.3	26.4	8.4	7	12.9	10.9	15.0	10
11 Agency borrowing not included in line 1.....	2.1	4.8	6	3.5	8.8	8.2	3.8	6.2	19.6	21.6	16.8	26.5	11
Private domestic funds advanced													
12 Total net advances.....	62.8	59.8	68.1	87.2	81.1	72.6	98.1	146.7	166.5	145.0	162.5	127.6	12
13 U.S. Government securities.....	*	5.4	5.7	13.3	4.8	5.2	4.4	15.2	18.4	25.1	16.3	34.0	13
14 State and local obligations.....	7.3	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.0	17.8	16.1	14
15 Corporate and foreign bonds.....	6.0	10.3	16.0	13.8	12.5	20.0	19.5	13.2	10.1	19.8	18.9	20.6	15
16 Residential mortgages.....	18.6	12.0	13.0	15.5	15.7	12.8	29.1	44.6	44.1	25.0	31.4	18.6	16
17 Other mortgages and loans.....	31.6	27.4	23.1	35.9	42.2	24.6	33.7	59.5	87.4	64.9	85.0	44.8	17
18 Less: F.H.B. advances.....	7	9	-2.5	9	4.0	1.3	-2.7	*	7.2	6.7	6.8	6.5	18
Private financial intermediation													
19 Credit market funds advanced by private financial institutions.....	62.9	45.4	63.5	75.3	55.3	74.9	110.7	153.4	158.8	129.2	154.8	103.7	19
20 Commercial banking.....	28.7	17.5	35.9	38.7	35.1	50.6	70.5	86.6	61.8	87.8	87.8	35.9	20
21 Savings institutions.....	14.3	7.9	15.0	15.6	14.5	16.9	41.4	49.3	35.1	27.6	35.2	20.1	21
22 Insurance and pension funds.....	13.6	15.5	12.9	14.0	12.7	17.3	13.3	17.7	22.1	34.1	28.1	40.0	22
23 Other finance.....	6.2	4.5	3	7.0	9.9	5.7	5.3	15.8	15.0	5.7	3.8	7.7	23
24 Sources of funds.....	62.9	45.4	63.5	75.3	55.3	74.9	110.7	153.4	158.8	129.2	154.8	103.7	24
25 Private domestic deposits.....	38.4	22.5	50.0	45.9	2.6	63.2	90.3	97.5	84.9	71.9	94.6	49.1	25
26 Credit market borrowing.....	7.9	3.2	4	8.5	18.8	3	9.3	20.3	31.6	16.6	23.3	9.9	26
27 Other sources.....	16.6	19.8	13.9	21.0	34.0	12.0	11.0	35.5	42.4	40.8	37.0	44.6	27
28 Foreign funds.....	8	3.7	2.3	2.6	9.3	8.5	-3.2	5.2	6.5	11.9	10.5	13.3	28
29 Treasury balances.....	1.0	5	2	2	*	2.9	2.2	7	1.0	5.3	2.3	8.3	29
30 Insurance and pension reserves.....	11.4	13.6	12.0	11.4	10.8	13.1	9.1	13.1	16.7	29.0	23.0	35.1	30
31 Other, net.....	5.4	3.0	6	7.2	13.8	4.4	2.9	16.5	20.2	5.1	5.8	4.5	31
Private domestic nonfinancial investors													
32 Direct lending in credit markets.....	7.9	17.6	4.2	20.4	44.5	-2.6	-3.2	13.7	39.3	32.4	30.9	33.8	32
33 U.S. Government securities.....	2.9	8.4	-1.4	8.1	17.0	-9.0	-14.0	1.6	18.8	17.9	14.5	21.2	33
34 State and local obligations.....	2.6	2.6	2.5	2	8.7	1.2	6	2.1	4.4	12.5	8.2	16.8	34
35 Corporate and foreign bonds.....	1.0	2.0	4.6	4.7	6.6	10.7	9.3	5.2	1.1	3.0	1.0	5.1	35
36 Commercial paper.....	1.5	2.3	1.9	5.8	10.2	-4.4	6	4.0	11.3	2.1	7.3	3.1	36
37 Other.....	1	2.3	1.7	2.1	2.0	1.4	1.5	8	3.8	2.9	1.9	3.9	37
38 Deposits and currency.....	40.5	24.4	52.1	48.3	5.4	66.6	93.7	101.9	88.8	77.9	103.2	82.6	38
39 Time and savings accounts.....	32.7	20.3	39.3	33.9	2.3	56.1	81.0	85.2	76.3	70.5	88.8	52.1	39
40 Large negotiable CD's.....	3.6	2	4.3	3.5	13.7	15.0	7.7	8.7	18.5	24.2	30.3	18.0	40
41 Other at commercial banks.....	16.0	13.3	18.3	17.5	3.4	24.2	32.9	30.6	29.5	24.6	32.0	17.1	41
42 At savings institutions.....	13.2	7.3	16.7	12.9	8.0	16.9	40.4	45.9	28.2	21.7	26.6	16.9	42
43 Money.....	7.8	4.1	12.8	14.5	7.7	10.5	12.7	16.7	12.6	7.4	14.3	5	43
44 Demand deposits.....	5.6	2.1	10.6	12.1	4.8	7.1	9.3	12.3	8.6	1.4	5.8	2.9	44
45 Currency.....	2.1	2.0	2.1	2.4	2.8	3.5	3.4	4.4	3.9	6.0	8.6	3.4	45
46 Total of credit market instr., deposits, and currency.....	48.4	42.0	56.3	68.7	49.9	64.1	90.5	115.7	128.1	110.2	134.1	86.3	46
47 Public support rate (in per cent.).....	12.8	17.9	14.1	12.7	17.8	30.4	30.7	11.5	18.4	28.4	21.4	36.6	47
48 Private financial intermediation (in per cent.).....	100.1	75.9	93.2	86.4	68.3	103.1	112.8	104.5	95.4	89.1	95.3	81.3	48
49 Total foreign funds.....	8	2.1	4.3	2.9	9.1	1.8	23.2	13.6	7.2	24.9	21.4	28.3	49

Corporate equities not included above

1 Total net issues.....	3.5	4.8	5.5	6.4	10.0	10.4	14.8	12.9	8.0	6.1	5.9	6.2	1
2 Mutual fund shares.....	3.2	3.7	3.0	5.8	4.8	2.6	1.1	7	1.6	1.6	8	3.9	2
3 Other equities.....	3	1.1	2.5	6	5.2	7.7	13.6	13.6	9.6	4.5	6.7	2.3	3
4 Acquisitions by financial institutions.....	6.1	6.0	9.1	10.8	12.2	11.4	19.3	16.0	13.4	5.0	8.9	1.2	4
5 Other net purchases.....	-2.6	-1.2	-3.6	-4.4	-2.2	-1.0	-4.5	-3.1	-5.4	-1.0	-3.0	-5.0	5

Notes

- Line
- 1. Line 2 of p. A-58.
- 2. Sum of lines 3-6 or 7-10.
- 6. Includes farm and commercial mortgages.
- 11. Credit market funds raised by Federally sponsored credit agencies. Included below in lines 13 and 33. Includes all GNMA-guaranteed security issues backed by mortgage pools.
- 12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
- 17. Includes farm and commercial mortgages.
- 25. Lines 39-44.
- 26. Excludes equity issues and investment company shares. Includes line 18.
- 28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.

- 29. Demand deposits at commercial banks.
- 30. Excludes net investment of these reserves in corporate equities.
- 31. Mainly retained earnings and net miscellaneous liabilities.
- 32. Line 12 less line 19 plus line 26.
- 33-37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.
- 39-44. See line 25.
- 45. Mainly an offset to line 9.
- 46. Lines 32 plus 38 or line 12 less line 27 plus line 45.
- 47. Line 2/line 1.
- 48. Line 19/line 12.
- 49. Lines 10 plus 28.

Corporate equities

Line 1 and 3. Includes issues by financial institutions.

## 1. U.S. BALANCE OF PAYMENTS SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted *unless shown in italics*.)

Line	Credits (-), debits (-)	1971	1972	1973	1973		1974		
					III	IV	I	II	III <sup>a</sup>
1	Merchandise trade balance <sup>1</sup> .....	-2,722	-6,986	471	578	1,210	-74	-1,631	-2,557
2	Exports.....	42,754	48,768	70,277	18,152	20,216	22,299	24,089	24,634
3	Imports.....	-45,476	-55,754	69,806	-17,574	-19,006	-22,373	-25,720	-27,191
4	Military transactions, net.....	-2,908	-3,604	-2,266	-547	-123	-493	-664	-456
5	Travel and transportation, net.....	-2,341	-3,055	-2,710	-613	-630	-533	-730	-503
6	Investment income, net <sup>2</sup> .....	5,021	4,526	5,291	1,257	1,378	3,076	1,846	2,215
7	U.S. direct investments abroad <sup>2</sup> .....	6,385	6,925	9,415	2,323	2,688	4,619	4,516	4,738
8	Other U.S. investments abroad.....	3,444	3,494	4,569	1,179	1,292	1,500	1,840	2,209
9	Foreign investments in the United States <sup>2</sup> .....	-4,809	-5,893	-8,693	-2,245	-2,602	-3,043	-4,510	-4,732
10	Other services, net <sup>2</sup> .....	2,781	3,110	3,540	984	901	923	996	962
11	Balance on goods and services <sup>3</sup> .....	-170	-6,009	4,327	1,659	2,736	2,897	184	-339
					-195	3,800	4,018	7	-2,963
12	Remittances, pensions, and other transfers.....	-1,604	-1,624	1,943	-412	-717	-390	-467	468
13	Balance on goods, services, and remittances.....	-1,774	-7,634	2,383	1,247	2,019	2,507	651	-807
					-623	3,077	3,654	-476	-3,448
14	U.S. Government grants (excluding military).....	-2,043	-2,173	-1,933	-485	-447	2,561	-1,435	781
15	Balance on current account.....	3,817	-9,807	450	762	1,572	454	2,086	-1,588
					-1,071	2,653	1,075	-1,952	-4,194
16	U.S. Government capital flows excluding nonscheduled repayments, net <sup>4</sup> .....	-2,111	-1,705	-2,938	-608	-1,066	4,307	335	-269
17	Nonscheduled repayments of U.S. Government assets.....	227	137	289	4	*	*	*	*
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	-478	238	1,111	206	204	36	245	274
19	Long-term private capital flows, net.....	-4,381	-98	62	1,527	1,451	506	-973	-1,998
20	U.S. direct investments abroad.....	-4,943	-3,517	-4,872	-710	-1,374	-627	-1,527	-1,971
21	Foreign direct investments in the United States.....	-515	383	2,537	886	712	1,281	1,677	50
22	Foreign securities.....	-966	-654	-807	-209	-525	-646	-313	-300
23	U.S. securities other than Treasury issues.....	2,289	4,507	4,051	1,173	670	687	419	169
24	Other, reported by U.S. banks.....	-862	-1,158	-647	225	-504	-11	898	96
27	Other, reported by U.S. nonbanking concerns.....	216	341	200	162	-430	-178	-331	58
26	Balance on current account and long-term capital <sup>5</sup> .....	10,559	-11,235	-1,026	1,891	741	1,795	-2,179	-3,581
					222	999	2,192	-2,435	-5,994
27	Nonliquid short-term private capital flows, net.....	-2,347	-1,541	-4,276	97	-1,253	-3,966	-5,429	-1,668
28	Claims reported by U.S. banks.....	-1,802	-1,457	-3,940	222	-1,119	-2,807	-5,324	-1,651
29	Claims reported by U.S. nonbanking concerns.....	-530	-305	-1,240	-460	-664	-1,622	-813	-110
30	Liabilities reported by U.S. nonbanking concerns.....	-15	221	904	335	530	463	708	93
31	Allocations of Special Drawing Rights (SDR's).....	717	710	.....	.....	.....	.....	.....	.....
32	Errors and omissions, net.....	-9,776	-1,790	-2,303	-336	1,125	1,118	1,686	783
33	Net liquidity balance.....	21,965	-13,856	-7,606	1,652	869	-1,053	-6,222	-4,466
					637	89	-223	-6,607	-5,743
34	Liquid private capital flows, net.....	-7,788	3,502	2,302	290	3,530	2,095	1,697	4,138
35	Liquid claims.....	-1,097	-1,247	-1,944	-521	-493	-2,604	-1,141	290
36	Reported by U.S. banks.....	-566	-742	-1,103	-456	-472	-2,232	-1,236	-320
37	Reported by U.S. nonbanking concerns.....	-531	-505	841	65	21	-372	95	610
38	Liquid liabilities.....	-6,691	4,749	4,246	811	4,023	4,699	2,838	3,848
39	Foreign commercial banks.....	-6,908	3,716	2,952	699	3,227	4,644	1,944	2,748
40	International and regional organizations.....	682	104	377	-50	384	-585	292	221
41	Other foreigners.....	465	929	887	162	412	640	602	879
42	Official reserve transactions balance, financed by changes in.....	-29,753	-10,354	-5,304	1,942	2,661	1,042	4,525	-328
					939	2,982	1,495	4,105	-1,584
43	Liquid liabilities to foreign official agencies.....	27,615	9,734	4,452	-1,488	-2,145	553	4,258	1,289
44	Other readily marketable liabilities to foreign official agencies <sup>6</sup> .....	-551	399	1,118	11	-354	-277	182	43
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt.....	341	189	-475	-452	-147	21	443	-1
46	U.S. official reserve assets, net.....	2,348	32	209	13	-15	-210	-358	-1,003
47	Gold.....	866	547	.....	.....	.....	.....	.....	.....
48	SDR's.....	-249	-703	9	.....	.....	.....	29	123
49	Convertible currencies.....	381	35	233	.....	.....	1	85	152
50	Gold tranche position in IMF.....	1,350	153	-33	13	-15	209	-244	-728
<b>Memoranda:</b>									
51	Transfers under military grant programs (excluded from lines 2, 4, and 14).....	3,204	4,189	2,772	758	487	393	542	405
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20).....	3,157	4,521	.....	.....	.....	.....	.....	.....
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21).....	498	548	.....	.....	.....	.....	.....	.....
Balances excluding allocations of SDR's:									
54	Net liquidity.....	-22,682	-14,566	-7,606	637	-89	-223	-6,607	-5,743
55	Official reserve transactions.....	-30,470	-11,064	5,304	939	2,982	1,495	-4,105	-1,584

For notes see the following page.

## 2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

Month:	Exports <sup>1</sup>				Imports <sup>2</sup>				Trade balance			
	1972	1973	1974 <sup>r</sup>	1975	1972	1973	1974 <sup>r</sup>	1975	1972	1973	1974 <sup>r</sup>	1975
Jan.....	4,074	4,955	7,150	9,412	4,436	5,244	6,536	9,659	361	289	1,614	-247
Feb.....	3,824	5,070	7,549	.....	4,473	5,483	7,374	.....	649	413	1,175	.....
Mar.....	3,869	5,311	7,625	.....	4,515	5,414	7,785	.....	647	103	-160	.....
Apr.....	3,820	5,494	8,108	.....	4,417	5,360	8,064	.....	596	1,133	1,44	.....
May.....	3,882	5,561	7,652	.....	4,486	5,703	8,326	.....	604	-142	674	.....
June.....	3,971	5,728	8,117	.....	4,468	5,775	8,630	.....	497	47	-313	.....
July.....	4,074	5,865	8,308	.....	4,565	5,829	8,962	.....	491	-137	-655	.....
Aug.....	4,197	6,042	8,380	.....	4,726	6,011	9,338	.....	530	132	-959	.....
Sept.....	4,176	6,420	8,396	.....	4,612	5,644	8,780	.....	436	1,776	384	.....
Oct.....	4,316	6,585	8,673	.....	4,738	5,996	8,862	.....	421	1,589	-189	.....
Nov.....	4,473	6,879	8,974	.....	5,148	6,684	9,064	.....	675	-195	91	.....
Dec.....	4,588	6,949	8,862	.....	5,002	6,291	9,315	.....	444	1,658	453	.....
Quarter:												
I.....	11,767	15,347	22,324	.....	13,401	16,140	21,695	.....	-1,657	804	1,629	.....
II.....	11,673	16,783	24,077	.....	13,370	16,838	25,019	.....	1,697	56	-942	.....
III.....	12,447	18,327	25,084	.....	13,903	17,483	27,081	.....	1,456	845	1,997	.....
IV.....	13,347	20,413	26,509	.....	14,888	18,972	27,241	.....	-1,540	1,441	-732	.....
Year <sup>3</sup> .....	49,208	70,823	97,907	.....	58,555	69,476	100,977	.....	6,347	1,348	-3,065	.....

<sup>1</sup> Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.

<sup>2</sup> General imports including imports for immediate consumption plus entries into bonded warehouses.

<sup>3</sup> Sum of unadjusted figures.

NOTE: Bureau of the Census data. Details may not add to totals because of rounding.

## 3. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock <sup>1</sup>		Convertible foreign currencies	Reserve position in IMF	SDR's <sup>3</sup>	End of month	Total	Gold stock		Convertible foreign currencies <sup>4</sup>	Reserve position in IMF	SDR's <sup>3</sup>
		Total <sup>2</sup>	Treasury						Total <sup>2</sup>	Treasury			
1961...	18,753	16,947	16,889	116	1,690	.....	1974						
1962...	17,220	16,057	15,978	99	1,064	.....	Feb....	14,643	11,652	11,567	68	757	2,166
1963...	16,843	15,596	15,513	212	1,035	.....	Mar....	14,588	11,652	11,567	9	761	2,166
1964...	16,672	15,471	15,388	432	769	.....	Apr....	14,642	11,652	11,567	66	824	2,157
1965...	15,450	13,806	13,733	781	863	.....	May....	14,870	11,652	11,567	66	989	2,163
1966...	14,882	13,235	13,189	1,381	326	.....	June...	14,946	11,652	11,567	94	1,005	2,195
1967...	14,830	12,065	11,982	2,345	420	.....	July....	14,912	11,652	11,567	12	1,021	2,227
1968...	15,710	10,892	10,767	3,528	1,290	.....	Aug....	15,460	11,652	11,567	224	1,384	2,200
1969...	16,964	11,859	10,767	3,781	2,324	.....	Sept...	15,893	11,652	11,567	246	1,713	2,282
1970...	14,487	11,072	10,732	629	1,935	851	Oct....	15,890	11,652	11,567	193	1,739	2,306
1971...	12,167	10,206	10,132	676	585	1,100	Nov....	15,840	11,652	11,567	43	1,816	2,329
1972 <sup>r</sup> ...	13,151	10,487	10,410	241	465	1,958	Dec....	15,883	11,652	11,652	5	1,852	2,374
1973 <sup>r</sup> ...	14,378	11,652	11,567	8	552	2,166	Jan....	15,948	11,635	11,635	2	1,908	2,403
1974 <sup>r</sup> ...	15,883	11,652	11,652	5	1,852	2,374	Feb....	16,132	11,621	11,621	2	2,065	2,444

<sup>1</sup> Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 5.

<sup>2</sup> Includes gold in Exchange Stabilization Fund.

<sup>3</sup> Includes allocations by the IMF of Special Drawing Rights as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; and \$710 million on Jan. 1, 1972; plus net transactions in SDR's.

<sup>4</sup> For holdings of F.R. Banks only, see p. A-11.

<sup>5</sup> Includes gain of \$67 million resulting from revaluation of the German mark in Oct. 1969, of which \$13 million represents gain on mark holdings at time of revaluation.

<sup>6</sup> Includes \$28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

<sup>7</sup> Total reserve assets include an increase of \$1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which,

total gold stock is \$828 million (Treasury gold stock \$822 million), reserve position in IMF \$33 million, and SDR's \$155 million.

<sup>8</sup> Total reserve assets include an increase of \$1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is \$1,165 million (Treas. gold stock \$1,157 million) reserve position in IMF \$54 million, and SDR's \$217 million.

<sup>9</sup> Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1 = \$1,20635) SDR holdings at end of Feb. amounted to \$2,338 million, reserve position in IMF, \$1,972 million, and total U.S. reserve assets, \$15,933 million.

NOTE: See Table 20 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

## NOTES TO TABLE 1 ON OPPOSITE PAGE:

<sup>1</sup> Adjusted to balance of payments basis; excludes exports under U.S. military agency sales contracts, and imports of U.S. military agencies.

<sup>2</sup> Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from investment income and included in "Other services."

<sup>3</sup> Includes special military shipments to Israel that are excluded from the "net exports of goods and services" in the national income and products (GNP) accounts of the United States.

<sup>4</sup> Includes under U.S. Government grants \$2 billion equivalent, rep-

resenting the refinancing of economic assistance loans to India; a corresponding reduction of credits is shown in line 16.

<sup>5</sup> Includes some short-term U.S. Govt. assets.

<sup>6</sup> Includes changes in long-term liabilities reported by banks in the United States and in investments by foreign official agencies in debt securities of U.S. Federally sponsored agencies and U.S. corporations.

NOTE: Data are from U.S. Department of Commerce, Bureau of Economic Analysis. Details may not add to totals because of rounding.



#### 4. U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales [—] or net acquisitions; in millions of dollars valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972–Sept. 1973, and at \$42.22 thereafter)

Area and country	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1974					
											I	II	III	IV		
<b>Western Europe:</b>																
Austria	-82	-55	-100	-25			4									
Belgium		-40	-83			-58			-110							
France	-518	-405	-884	-601		600	325	-129	-473							
Germany, Fed. Rep. of		-225	-2	-2	-2	52	41	2								
Ireland		1														
Italy		200	-80	-60	-85	-209	-76									
Netherlands		-60	-35			-19		-50	-25							
Spain	-130	-32	180			-50		51								
Switzerland		-81	-50	-2	-30	-50	-25	-50	-175							
United Kingdom	329	618	150	80	-879	-835										
Bank for Intl. Settlements							200									
Other		-6	-35	49	16	47	11	-29	-13							
<b>Total</b>	<b>-399</b>	<b>-88</b>	<b>-1,299</b>	<b>-659</b>	<b>-980</b>	<b>-669</b>	<b>969</b>	<b>-204</b>	<b>-796</b>							
<b>Canada</b>				200	150	50										
<b>Latin American republics:</b>																
Argentina	-30			-39	-1	-25	-25	-28								
Brazil	72	54	25	-3	-1	*		-23								
Colombia		10	29	7			*	-1								
Venezuela			-25													
Other	-11	-9	-13	-6	11	-40	-29	-80	-5							
<b>Total</b>	<b>32</b>	<b>56</b>	<b>17</b>	<b>-41</b>	<b>9</b>	<b>-65</b>	<b>-54</b>	<b>-131</b>	<b>-5</b>							
<b>Asia:</b>																
Iraq			-10	-4	-21	-42										
Japan				-56				-119								
Lebanon		11		-11	1	-95			-35							
Malaysia						-34			-10							
Philippines	25	20	*	-1		9	40	-4	-2							
Saudi Arabia						-50										
Singapore						-81	11		-30							
Other	-13	-6	-14	-14	-22	-75	-9	2-91	39	-3						
<b>Total</b>	<b>12</b>	<b>3</b>	<b>-24</b>	<b>-86</b>	<b>-44</b>	<b>-366</b>	<b>42</b>	<b>-213</b>	<b>-38</b>	<b>-3</b>						
<b>All other</b>	<b>-36</b>	<b>-7</b>	<b>-16</b>	<b>-22</b>	<b>3-166</b>	<b>3-68</b>	<b>-1</b>	<b>-81</b>	<b>-6</b>							
<b>Total foreign countries</b>	<b>-392</b>	<b>-36</b>	<b>1,322</b>	<b>-608</b>	<b>-1,031</b>	<b>-1,118</b>	<b>957</b>	<b>-631</b>	<b>-845</b>	<b>-3</b>						
<b>Intl. Monetary Fund<sup>4</sup></b>			5-225	177	22	-3	10	-156	-22	-544						
<b>Grand total</b>	<b>-392</b>	<b>-36</b>	<b>-1,547</b>	<b>-431</b>	<b>-1,009</b>	<b>-1,121</b>	<b>967</b>	<b>6-787</b>	<b>-867</b>	<b>-547</b>						

<sup>1</sup> Includes purchase from Denmark of \$25 million.

<sup>2</sup> Includes purchase from Kuwait of \$25 million.

<sup>3</sup> Includes sales to Algeria of \$150 million in 1967 and \$50 million in 1968.

<sup>4</sup> Includes IMF gold sales to and purchases from the United States, U.S. payment of increases in its gold subscription to IMF, gold deposits by the IMF (see note 1 (b) to Table 3), and withdrawal of deposits. The first withdrawal (\$17 million) was made in June 1968 and the last withdrawal (\$144 million) was made in Feb. 1972.

IMF sold to the United States a total of \$800 million of gold (\$200 million in 1956, and \$300 million in 1959 and in 1960) with the right of

repurchase; proceeds from these sales invested by IMF in U.S. Treasury securities. IMF repurchased \$400 million in Sept. 1970 and the remaining \$400 million in Feb. 1972.

<sup>5</sup> Payment to the IMF of \$259 million increase in U.S. gold subscription less gold deposits by the IMF.

<sup>6</sup> Includes the U.S. payment of \$385 million increase in its gold subscription to the IMF and gold sold by the IMF to the United States in mitigation of U.S. sales to other countries making gold payments to the IMF. The country data include U.S. gold sales to various countries in connection with the IMF quota payments. Such U.S. sales to countries and resales to the United States by the IMF totaled \$548 million each.

### 5. U.S. LIQUID AND OTHER LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Liabilities to foreign countries												
	Total	Liquid liabilities to IMF arising from gold transactions <sup>1</sup>	Official institutions <sup>2</sup>							Liquid liabilities to other foreigners			Liquid liabilities to non-monetary intl. and regional organizations <sup>8</sup>
			Total	Liquid				Liquidity liabilities to commercial banks abroad <sup>6</sup>	Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes <sup>3,7</sup>		
				Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes <sup>3</sup>	Nonmarketable convertible U.S. Treas. bonds and notes	Nonmarketable nonconvertible U.S. Treas. bonds and notes <sup>4</sup>					Other readily marketable liabilities <sup>5</sup>	
1963.....	26,394	800	14,425	12,467	1,183	703	63	9	5,817	3,387	3,046	341	1,965
1964 <sup>9</sup> .....	29,313 29,364	800 800	15,790 15,786	13,224 13,220	1,125 1,125	1,079 1,079	204 204	158 158	7,271 7,303	3,730 3,753	3,354 3,377	376 376	1,722 1,722
1965.....	29,569	834	15,826	13,066	1,105	1,201	334	120	7,419	4,059	3,587	472	1,431
1966 <sup>9</sup> .....	31,145 31,020	1,011 1,011	14,841 14,896	12,484 12,539	860 860	256 256	328 328	913 913	10,116 9,936	4,271 4,272	3,743 3,744	528 528	906 905
1967 <sup>9</sup> .....	35,819 35,667	1,033 1,033	18,201 18,194	14,034 14,027	908 908	711 711	741 741	1,807 1,807	11,209 11,085	4,685 4,678	4,127 4,120	558 558	691 677
1968 <sup>9</sup> .....	38,687 38,473	1,030 1,030	17,407 17,340	11,318 11,318	529 462	701 701	2,518 2,518	2,341 2,341	14,472 14,472	5,053 4,909	4,444 4,444	609 465	725 722
1969 <sup>9</sup> .....	45,755 45,914	1,019 1,019	15,975 15,998	11,054 11,077	346 346	555 555	1,055 1,055	1,505 1,505	23,638 23,645	4,464 4,589	3,939 4,064	525 525	659 663
1970—Dec. 9.....	47,009 46,960	566 566	23,786 23,775	19,333 19,333	306 295	429 429	3,023 3,023	695 695	17,137 17,169	4,676 4,604	4,029 4,039	647 565	844 846
1971—Dec. 11.....	67,681 67,808	544 544	51,209 50,651	39,679 39,018	1,955 1,955	6,060 6,093	3,371 3,441	144 144	10,262 10,949	4,138 4,141	3,691 3,694	447 447	1,528 1,523
1972—Dec.....	82,862		61,526	40,000	5,236	12,108	3,639	543	14,666	5,043	4,618	425	1,627
1973—Dec.....	92,391		66,810	43,919	5,701	12,319	3,210	1,661	17,647	5,931	5,501	430	2,003
1974—Jan.....	89,900		63,871	41,856	5,229	12,321	3,210	1,555	18,040	6,067	5,618	449	1,922
Feb.....	91,857		64,100	41,992	5,192	12,322	3,210	1,384	19,715	6,249	5,839	410	1,793
Mar.....	95,572		65,527	43,412	5,192	12,329	3,210	1,384	22,056	6,571	6,171	400	1,418
Apr.....	97,368		67,154	45,175	5,020	12,330	3,210	1,419	23,103	6,816	6,399	417	1,295
May.....	100,929		68,160	46,177	5,013	12,330	3,210	1,430	24,316	6,906	6,540	366	1,547
June.....	103,731		69,994	47,430	5,013	12,330	3,655	1,566	24,854	7,173	6,810	363	1,710
July.....	106,757		71,091	48,447	5,013	12,330	3,655	1,646	26,517	7,338	6,961	377	1,811
Aug.....	109,751		70,970	48,400	4,940	12,330	3,655	1,645	29,224	7,523	7,157	366	2,034
Sept.....	110,366		72,601	50,107	4,880	12,330	3,655	1,629	27,783	8,051	7,658	393	1,931
Oct.....	111,742		73,658	50,831	4,880	12,330	3,867	1,750	27,900	8,125	7,694	431	2,059
Nov.....	114,484		74,888	51,686	4,906	12,330	3,867	2,099	29,103	8,408	7,927	481	2,135
Dec. 12.....	116,792 117,633		76,210 76,315	52,804 52,802	5,055 5,059	12,330	3,867	2,154	29,638 30,293	8,871 8,869	8,372 8,371	499 498	2,073 2,156
1975—Jan. 9.....	115,837		75,710	51,691	5,177	12,457	3,867	2,518	29,412	8,715	8,207	508	1,999

<sup>1</sup> Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.

<sup>2</sup> Includes BIS and European Fund.

<sup>3</sup> Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1963.

<sup>4</sup> Excludes notes issued to foreign official nonreserve agencies.

<sup>5</sup> Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

<sup>6</sup> Includes short-term liabilities payable in dollars to commercial banks abroad and short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.

<sup>7</sup> Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad.

<sup>8</sup> Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

<sup>9</sup> Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those shown for the preceding date; figures on second line are comparable with those shown for the following date.

<sup>10</sup> Includes \$101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969 as follows: liquid, \$17 million, and other, \$84 million.

<sup>11</sup> Data on the second line differ from those on first line because certain accounts previously classified as official institutions are included with banks; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. 31, 1971.

<sup>12</sup> See note 3 to Table 6.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond generally to statistics following in this section, except for the exclusion of nonmarketable, nonconvertible U.S. Treasury notes issued to foreign official nonreserve agencies, the inclusion of investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations, and minor rounding differences. Table excludes IMF holdings of dollars, and holdings of U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

**6. U.S. LIQUID AND OTHER LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA**

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe <sup>1</sup>	Canada	Latin American republics	Asia	Africa	Other countries <sup>2</sup>
1971.....	50,651	30,134	3,980	1,429	13,823	415	870
1972.....	61,526	34,197	4,279	1,733	17,577	777	2,963
1973.....	66,810	45,717	3,853	2,544	10,884	788	3,024
1974—Jan.....	63,871	43,270	3,945	2,446	10,479	838	2,893
Feb.....	64,100	42,391	4,262	2,744	10,878	1,000	2,825
Mar.....	65,527	42,772	4,195	2,887	11,631	1,249	2,793
Apr.....	67,154	42,638	4,309	3,532	12,360	1,402	2,913
May.....	68,160	42,961	4,302	3,384	12,988	1,620	2,905
June.....	69,594	43,200	4,201	4,006	13,992	1,854	2,741
July.....	71,091	43,002	4,125	3,951	15,209	2,055	2,749
Aug.....	70,970	42,292	3,953	4,127	15,526	2,272	2,800
Sept.....	72,601	42,675	3,819	4,421	16,182	2,850	2,654
Oct.....	73,658	43,041	3,809	3,986	17,186	2,947	2,689
Nov.....	74,888	43,223	3,710	3,619	18,475	3,204	2,657
Dec. <sup>3</sup> .....	76,210	44,161	3,665	4,246	18,346	3,161	2,631
1975—Jan. <sup>4</sup> .....	76,315	44,169	3,665	4,246	18,448	3,161	2,626
1975—Jan. <sup>4</sup> .....	75,710	43,234	3,626	3,609	19,446	3,233	2,563

<sup>1</sup> Includes Bank for International Settlements and European Fund.  
<sup>2</sup> Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.  
<sup>3</sup> Because of revisions, data on the two lines or columns shown for this date differ. Figures on first line or column are comparable with those shown for the preceding date; figures on second line or column are comparable with those shown for the following date. Revisions for months prior to Dec. will appear in the Apr. BULLETIN.

NOTE.—Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States; foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

**7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE**

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners							To nonmonetary international and regional organizations <sup>6</sup>					
	Total <sup>1</sup>	Payable in dollars				Payable in foreign currencies	IMF gold investment <sup>5</sup>	Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. <sup>7</sup>	
		Total	Deposits		U.S. Treasury bills and certificates <sup>3</sup>				Other short-term liab. <sup>4</sup>	Demand			Time <sup>2</sup>
			Demand	Time <sup>2</sup>									
1971.....	55,428	55,036	6,459	4,217	33,025	11,335	392	400	1,367	73	192	210	892
1972.....	60,697	60,201	8,290	5,603	31,850	14,458	496	.....	1,413	86	202	326	800
1973.....	69,022	68,425	11,310	6,863	31,886	18,366	597	.....	1,955	101	83	296	1,474
1974—Jan.....	67,067	66,427	10,826	6,809	29,543	19,249	640	.....	1,853	95	89	286	1,383
Feb.....	69,239	68,470	11,477	6,855	30,274	19,864	770	.....	1,693	77	63	232	1,321
Mar.....	72,790	72,024	11,656	6,986	31,444	21,938	766	.....	1,151	96	63	227	765
Apr.....	74,787	74,080	11,981	7,324	32,676	22,099	706	.....	1,109	60	57	209	783
May.....	78,365	77,712	11,675	7,629	33,983	24,425	653	.....	1,333	95	53	46	1,139
June.....	80,687	79,895	12,860	8,276	34,038	24,721	792	.....	1,593	106	66	91	1,330
July.....	83,610	82,944	12,227	8,661	34,178	27,877	766	.....	1,685	121	66	51	1,448
Aug.....	86,642	85,897	11,848	9,091	31,179	31,778	746	.....	1,861	81	68	146	1,567
Sept.....	87,388	86,693	12,771	9,220	33,467	31,235	696	.....	1,840	128	69	75	1,569
Oct.....	88,361	87,643	11,228	9,789	34,187	32,438	719	.....	1,937	125	89	93	1,630
Nov.....	90,672	89,928	12,860	9,532	35,020	32,515	744	.....	1,956	128	89	94	1,645
Dec. <sup>8</sup> .....	92,713	91,947	14,062	10,115	35,190	32,580	766	.....	1,900	139	101	35	1,633
1975—Jan. <sup>8</sup> .....	93,448	92,681	14,053	10,111	35,190	33,327	766	.....	1,981	139	105	25	1,711
1975—Jan. <sup>8</sup> .....	91,195	90,475	12,336	10,199	36,921	31,019	721	.....	1,885	123	104	25	1,633

For notes see the following page.

### 7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued

(Amounts outstanding; in millions of dollars)

End of period	Total to official, banks and other foreigners						To official institutions <sup>9</sup>					
	Total	Payable in dollars				Payable in foreign currencies	Total	Payable in dollars				Payable in foreign currencies
		Deposits		U.S. Treasury bills and certificates <sup>3</sup>	Other short-term liab. <sup>4</sup>			Deposits		U.S. Treasury bills and certificates <sup>3</sup>	Other short-term liab. <sup>7</sup>	
		Demand	Time <sup>2</sup>					Demand	Time <sup>2</sup>			
1971.....	53,661	6,386	4,025	32,415	10,443	392	39,018	1,327	2,039	32,311	3,177	165
1972.....	59,284	8,204	5,401	31,523	13,659	496	40,000	1,591	2,880	31,453	3,905	171
1973.....	67,067	11,209	6,780	31,590	16,892	597	43,919	2,125	3,911	31,511	6,245	127
1974—Jan.....	65,214	10,731	6,720	29,257	17,865	640	41,556	2,379	3,705	29,152	6,192	127
Feb.....	67,546	11,399	6,792	30,042	18,543	770	41,992	2,408	3,703	29,917	5,836	127
Mar.....	71,639	11,559	6,924	31,217	21,173	766	43,412	2,631	3,800	31,064	5,790	127
Apr.....	73,677	11,921	7,267	32,467	21,315	706	45,175	2,920	3,949	32,312	5,867	127
May.....	77,033	11,580	7,576	33,937	23,287	653	46,167	2,352	4,025	33,731	5,931	127
Jun.....	79,094	12,753	8,210	33,947	23,391	792	47,430	2,643	4,277	33,745	6,638	127
Jul.....	81,925	12,107	8,596	34,128	26,429	666	48,447	2,561	4,463	33,749	7,547	127
Aug.....	84,781	11,767	9,023	33,033	30,212	746	48,400	2,473	4,447	32,687	8,665	127
Sept.....	85,548	12,643	9,151	33,392	29,666	696	50,107	2,824	4,311	32,955	9,890	127
Oct.....	86,425	11,104	9,700	34,094	30,808	719	50,831	2,168	4,483	33,634	10,418	127
Nov.....	88,716	12,732	9,443	34,927	30,871	744	51,550	2,472	4,122	34,467	10,498	127
Dec. <sup>28</sup> .....	90,814	13,922	10,014	35,165	30,946	766	52,671	2,947	4,330	34,656	10,610	127
1975—Jan. <sup>1</sup> .....	91,466	13,914	10,006	35,165	31,615	766	52,802	2,951	4,325	34,656	10,742	127
1975—Jan. <sup>1</sup> .....	89,310	12,213	10,094	36,897	29,386	721	51,691	2,187	4,418	36,531	8,555	.....

End of period	To banks <sup>10</sup>						To other foreigners						
	Total	Payable in dollars				Total	Payable in dollars				Total		
		Total	Deposits		U.S. Treasury bills and certificates		Other short-term liab. <sup>4</sup>	Total	Deposits			U.S. Treasury bills and certificates	Other short-term liab. <sup>7</sup>
			Demand	Time <sup>2</sup>					Demand	Time <sup>2</sup>			
1971.....	14,643	10,721	3,399	320	8	6,995	3,694	1,660	1,666	96	271	228	
1972.....	19,284	14,340	4,658	405	5	9,272	4,618	1,955	2,116	65	481	325	
1973.....	23,147	17,178	6,941	515	11	9,710	5,500	2,143	2,353	68	936	469	
1974—Jan.....	23,658	17,527	6,329	517	14	10,668	5,618	2,024	2,498	91	1,005	513	
Feb.....	25,554	19,072	6,853	526	32	11,662	5,840	2,139	2,563	93	1,045	642	
Mar.....	28,226	21,417	6,873	511	54	14,279	6,171	2,356	2,613	98	1,104	639	
Apr.....	28,503	21,524	6,603	683	63	14,174	6,400	2,398	2,635	92	1,274	579	
May.....	30,866	23,800	6,913	795	82	16,010	6,540	2,315	2,756	124	1,346	526	
June.....	31,664	24,190	7,692	1,004	95	15,398	6,810	2,419	2,929	107	1,355	665	
July.....	33,478	25,978	7,110	1,165	204	17,499	6,961	2,436	2,967	175	1,383	539	
Aug.....	36,381	28,606	6,897	1,426	200	20,083	7,156	2,397	3,150	145	1,464	618	
Sept.....	35,442	27,214	7,098	1,576	258	18,282	7,659	2,722	3,264	179	1,495	568	
Oct.....	35,594	27,309	6,361	1,796	268	18,884	7,694	2,574	3,422	193	1,505	591	
Nov.....	37,166	28,623	7,622	1,713	253	18,899	7,927	2,638	3,608	207	1,474	617	
Dec. <sup>28</sup> .....	38,143	29,132	8,265	1,882	232	18,753	8,372	2,710	3,802	277	1,583	639	
1975—Jan. <sup>1</sup> .....	38,789	29,654	8,253	1,880	232	19,289	8,369	2,709	3,800	277	1,583	766	
1975—Jan. <sup>1</sup> .....	37,621	28,692	7,400	1,925	158	19,209	8,208	2,625	3,752	209	1,622	721	

<sup>1</sup> Data exclude "holdings of dollars" of the IMF.<sup>2</sup> Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."<sup>3</sup> Includes nonmarketable certificates of indebtedness issued to official institutions of foreign countries.<sup>4</sup> Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, bankers' acceptances, commercial paper, and negotiable time certificates of deposit.<sup>5</sup> U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold was reacquired by the IMF.<sup>6</sup> Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.<sup>7</sup> Includes difference between cost value and face value of securities in IMF gold investment account.<sup>7</sup> Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.<sup>8</sup> See Note 3 to Table 6.<sup>9</sup> Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.<sup>10</sup> Excludes central banks, which are included in "Official institutions."

NOTE.—"Short term" refers to obligations payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 9. Data exclude the holdings of dollars of the International Monetary Fund; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

**8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS  
IN THE UNITED STATES, BY COUNTRY**

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1972	1973	1974							1975
	Dec.	Dec.	June	July	Aug.	Sept.	Oct.	Nov. <sup>a</sup>	Dec. <sup>a,b</sup>	Jan. <sup>c</sup>
<b>Europe:</b>										
Austria.....	272	161	310	482	528	595	566	557	607	607
Belgium-Luxembourg.....	1,094	1,483	1,827	1,819	1,928	1,924	2,038	2,286	2,497	2,506
Denmark.....	284	659	266	239	251	268	285	338	369	369
Finland.....	163	165	174	203	229	219	223	262	266	266
France.....	4,441	3,483	3,425	3,763	3,611	3,561	3,920	3,822	4,274	4,274
Germany.....	5,346	13,227	13,528	12,602	11,873	9,337	8,623	9,102	9,421	9,421
Greece.....	238	389	282	222	298	291	255	213	248	248
Italy.....	1,338	1,404	1,281	1,327	1,101	3,138	2,748	2,192	2,617	2,617
Netherlands.....	1,468	2,886	2,352	2,232	2,234	2,498	3,009	3,177	3,234	3,234
Norway.....	978	965	911	878	894	1,023	1,131	1,181	1,040	1,040
Portugal.....	416	534	411	429	422	435	411	338	310	310
Spain.....	256	305	324	162	303	377	347	332	382	379
Sweden.....	1,184	1,885	1,211	1,160	1,049	1,096	1,071	1,103	1,138	1,132
Switzerland.....	2,857	3,377	6,386	7,216	7,850	8,388	8,847	9,378	10,007	10,007
Turkey.....	97	98	125	134	106	100	121	102	152	169
United Kingdom.....	5,011	6,148	8,533	8,294	8,969	8,606	7,562	7,698	6,909	7,501
Yugoslavia.....	117	86	100	106	100	151	136	108	183	183
Other Western Europe <sup>1</sup> .....	1,483	3,352	2,701	2,851	2,829	3,122	3,329	3,432	4,051	4,051
U.S.S.R.....	11	22	27	27	26	40	44	33	82	82
Other Eastern Europe.....	81	110	126	133	147	149	136	138	208	206
<b>Total.....</b>	<b>27,136</b>	<b>40,742</b>	<b>44,249</b>	<b>44,479</b>	<b>44,749</b>	<b>45,320</b>	<b>44,803</b>	<b>45,789</b>	<b>47,995</b>	<b>48,596</b>
Canada.....	3,432	3,627	3,550	3,595	3,250	3,754	4,226	3,725	3,512	3,507
<b>Latin America:</b>										
Argentina.....	638	924	1,379	1,252	1,189	1,105	1,017	938	886	886
Bahamas.....	540	824	1,487	1,546	3,201	1,155	1,672	1,740	1,489	1,493
Brazil.....	605	860	782	778	817	873	894	951	1,015	1,015
Chile.....	137	158	240	279	253	266	270	276	276	284
Colombia.....	210	247	217	264	285	293	292	305	305	319
Cuba.....	6	7	6	7	6	7	6	7	7	6
Mexico.....	831	1,285	1,412	1,411	1,610	1,643	1,731	1,731	1,772	1,741
Panama.....	167	282	559	566	445	511	484	474	490	490
Peru.....	225	135	166	197	185	182	177	183	275	275
Uruguay.....	140	120	121	122	115	120	128	140	147	147
Venezuela.....	1,078	1,468	2,708	2,600	2,999	3,217	2,932	2,773	3,238	3,238
Other Latin American republics.....	861	884	1,080	1,183	1,066	1,214	1,115	1,176	1,316	1,317
Netherlands Antilles and Surinam.....	86	71	124	92	103	123	138	135	158	155
Other Latin America.....	44	359	450	671	825	549	478	777	462	510
<b>Total.....</b>	<b>5,568</b>	<b>7,626</b>	<b>10,732</b>	<b>10,964</b>	<b>13,099</b>	<b>11,256</b>	<b>11,335</b>	<b>11,627</b>	<b>11,856</b>	<b>11,910</b>
<b>Asia:</b>										
China, People's Rep. of (China Mainland)	39	38	33	39	40	40	43	45	50	50
China, Republic of (Taiwan).....	675	757	688	772	842	822	797	808	818	977
Hong Kong.....	318	372	462	470	490	621	470	551	530	558
India.....	98	85	225	172	131	158	140	156	261	204
Indonesia.....	108	133	257	863	785	943	1,600	1,363	1,221	1,221
Israel.....	177	327	256	226	211	217	218	279	386	386
Japan.....	15,843	6,954	9,419	9,974	9,894	10,115	10,385	10,869	10,890	10,897
Korea.....	192	195	262	215	277	304	313	309	385	384
Philippines.....	438	515	772	762	715	748	726	731	747	702
Thailand.....	171	247	524	451	403	362	328	333	333	337
Other.....	1,071	1,202	2,572	3,634	4,272	4,726	4,832	5,681	5,445	5,447
<b>Total.....</b>	<b>19,131</b>	<b>10,826</b>	<b>15,470</b>	<b>17,578</b>	<b>18,062</b>	<b>19,056</b>	<b>19,851</b>	<b>21,125</b>	<b>21,066</b>	<b>21,073</b>
<b>Africa:</b>										
Egypt.....	24	35	84	91	105	73	109	109	103	103
Morocco.....	12	11	39	54	63	79	73	59	38	71
South Africa.....	115	114	102	170	156	157	138	155	130	150
Zaire.....	21	87	58	46	46	43	41	82	84	66
Other.....	768	808	1,911	2,042	2,258	2,893	2,973	3,199	3,196	3,197
<b>Total.....</b>	<b>939</b>	<b>1,056</b>	<b>2,193</b>	<b>2,403</b>	<b>2,627</b>	<b>3,244</b>	<b>3,333</b>	<b>3,604</b>	<b>3,551</b>	<b>3,551</b>
<b>Other countries:</b>										
Australia.....	3,027	3,131	2,831	2,848	2,926	2,847	2,788	2,659	2,745	2,742
All other.....	51	59	69	58	68	72	71	86	89	88
<b>Total.....</b>	<b>3,077</b>	<b>3,190</b>	<b>2,900</b>	<b>2,906</b>	<b>2,994</b>	<b>2,918</b>	<b>2,859</b>	<b>2,845</b>	<b>2,834</b>	<b>2,831</b>
<b>Total foreign countries.....</b>	<b>59,284</b>	<b>67,077</b>	<b>79,094</b>	<b>81,925</b>	<b>84,781</b>	<b>85,548</b>	<b>86,408</b>	<b>88,716</b>	<b>90,814</b>	<b>91,466</b>
<b>International and regional:</b>										
International <sup>3</sup> .....	951	1,627	1,250	1,328	1,512	1,479	1,610	1,677	1,632	1,710
Latin American regional.....	307	272	222	248	257	256	208	200	202	226
Other regional <sup>4</sup> .....	156	57	122	108	93	103	100	71	68	69
<b>Total.....</b>	<b>1,413</b>	<b>1,955</b>	<b>1,593</b>	<b>1,685</b>	<b>1,861</b>	<b>1,840</b>	<b>1,937</b>	<b>1,956</b>	<b>1,900</b>	<b>1,981</b>
<b>Grand Total.....</b>	<b>60,697</b>	<b>69,022</b>	<b>80,687</b>	<b>83,610</b>	<b>86,642</b>	<b>87,388</b>	<b>88,345</b>	<b>90,672</b>	<b>92,713</b>	<b>93,448</b>

1 or notes see the following page.

### 8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)

Supplementary data <sup>5</sup>

Area and country	1972		1973		1974	Area and country	1972		1973		1974
	Apr.	Dec.	Apr.	Dec.	Apr.		Apr.	Dec.	Apr.	Dec.	Apr.
<b>Other Western Europe:</b>						<b>Other Asia—Cont.:</b>					
Cyprus.....	2	3	9	19	10	Laos.....	3	2	3	3	.....
Iceland.....	9	9	12	8	11	Lebanon.....	60	55	55	62	68
Ireland, Rep. of.....	15	17	22	62	53	Malaysia.....	25	54	59	58	40
<b>Other Latin American republics:</b>						Pakistan.....	58	59	93	105	108
Bolivia.....	53	87	65	68	102	Ryukyu Islands (incl. Okinawa) <sup>6</sup>	53	.....	.....	.....	.....
Costa Rica.....	70	92	75	86	88	Singapore.....	45	77	53	141	165
Dominican Republic.....	91	114	104	118	137	Sri Lanka (Ceylon).....	6	5	6	13	13
Ecuador.....	62	121	109	92	90	Vietnam.....	185	135	98	88	98
El Salvador.....	83	76	86	90	129	Oil-producing countries <sup>7</sup> .....	227	534	486	652	1,331
Guatemala.....	123	132	127	156	245	<b>Other Africa:</b>					
Haiti.....	23	27	25	21	28	Algeria.....	31	32	51	111	110
Honduras.....	50	58	64	56	71	Ethiopia (incl. Eritrea).....	29	57	75	79	118
Jamaica.....	32	41	32	39	52	Ghana.....	11	10	28	20	22
Nicaragua.....	66	61	79	99	119	Kenya.....	14	23	19	23	20
Paraguay.....	17	22	26	29	40	Liberia.....	25	30	31	42	29
Trinidad and Tobago.....	15	20	17	17	21	Libya.....	296	393	312	331	.....
<b>Other Latin America:</b>						Nigeria.....	56	85	140	78	.....
Bermuda.....	(2)	(3)	127	242	201	Southern Rhodesia.....	2	2	1	2	1
British West Indies.....	23	36	100	109	.....	Sudan.....	5	3	3	3	2
<b>Other Asia:</b>						Tanzania.....	6	11	16	12	12
Afghanistan.....	17	25	19	22	11	Tunisia.....	7	10	11	7	17
Burma.....	5	2	17	12	.....	Uganda.....	10	7	19	6	11
Cambodia.....	2	3	3	2	4	Zambia.....	7	28	37	22	.....
Jordan.....	2	4	4	6	6	<b>All other:</b>					
						New Zealand.....	27	30	34	39	33

<sup>1</sup> Includes Bank for International Settlements and European Fund.  
<sup>2</sup> Bermuda included with Bahamas through Dec. 1972.

<sup>3</sup> Data exclude holdings of dollars of the International Monetary Fund.  
<sup>4</sup> Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."

<sup>5</sup> Represent a partial breakdown of the amounts shown in the other categories (except "Other Eastern Europe").

<sup>6</sup> Included in Japan after Apr. 1972.  
<sup>7</sup> Includes Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, Syria, and United Arab Emirates (*Trucial States*).  
<sup>8</sup> See Note 3 to Table 6.

### 9. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries				Country or area						
			Total	Official institutions	Banks <sup>1</sup>	Other foreigners	Germany	United Kingdom	Other Europe	Total Latin America	Japan	Other Asia	All other countries
1971.....	902	446	457	144	237	56	164	52	30	111	3	87	9
1972 <sup>2</sup> .....	1,000	562	439	93	259	87	165	63	32	136	1	32	10
1973.....	1,018	580	439	93	259	87	165	63	32	136	1	32	10
1974.....	1,467	761	706	310	296	100	165	66	245	132	5	78	16
1974 Jan.....	1,496	821	675	310	275	90	165	65	236	119	2	78	10
Feb.....	1,519	888	631	259	286	86	165	58	231	128	2	35	13
Mar.....	1,577	951	626	259	276	87	165	45	232	136	2	39	13
Apr.....	1,690	1,025	665	294	282	89	165	56	227	152	2	50	13
May.....	1,657	1,005	652	296	282	74	165	56	220	144	2	52	13
June.....	1,650	974	676	321	283	73	165	56	220	144	2	77	12
July.....	1,671	978	693	319	299	75	171	56	233	142	2	77	13
Aug.....	1,516	1,005	511	118	316	77	170	60	47	142	1	77	13
Sept.....	1,404	920	484	95	316	73	170	60	47	123	1	70	13
Oct.....	1,332	852	480	111	299	71	170	48	45	116	1	87	13
Nov. <sup>3</sup> .....	1,318	832	485	112	298	75	170	48	45	116	1	88	17
Dec. <sup>3</sup> .....	1,270	768	501	124	299	79	170	48	46	115	1	101	20
1975 Jan. <sup>4</sup> .....	1,366	769	598	223	303	71	170	47	40	118	1	200	22

<sup>1</sup> Excludes central banks, which are included with "Official institutions."

<sup>2</sup> Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

	1974												1973	1975
	Dec.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. <sup>a</sup>	Jan. <sup>a</sup>	
Europe:														
Belgium-Luxembourg.....	7	7	7	7	7	7	9	9	10	10	10	10	11	11
Sweden.....	235	260	260	260	260	260	260	260	250	250	276	251	252	252
Switzerland.....	34	32	34	33	35	34	35	34	34	30	30	30	31	31
United Kingdom.....	423	450	439	457	428	424	426	439	459	485	498	493	529	529
Other Western Europe.....	86	91	90	89	87	89	97	101	96	102	98	97	89	89
Eastern Europe.....	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Total.....	789	845	835	851	823	819	832	849	854	883	917	885	916	916
Canada.....	582	832	847	848	849	849	851	756	706	707	711	713	697	697
Latin America:														
Latin American republics.....	11	11	11	11	11	11	11	11	11	11	11	12	11	11
Other Latin America.....	3	3	3	3	5	5	5	5	17	25	62	88	88	88
Total.....	14	14	14	14	16	16	16	16	28	36	74	100	99	99
Asia:														
Japan.....	4,552	3,718	3,703	3,531	3,499	3,498	3,497	3,498	3,497	3,497	3,498	3,498	3,498	3,498
Other Asia.....	11	11	11	11	12	12	12	12	12	12	12	212	325	325
Total.....	4,563	3,729	3,714	3,542	3,510	3,510	3,509	3,510	3,509	3,509	3,509	3,709	3,822	3,822
Africa.....	158	157	157	157	157	157	156	151	151	151	151	151	151	151
All other.....	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Total foreign countries.....	6,131	5,602	5,592	5,437	5,379	5,376	5,390	5,306	5,273	5,311	5,387	5,557	5,685	5,685
International and regional:														
International.....	1	51	217	141	174	57	51	102	23	71	112	113	53	53
Latin American regional.....	48	49	49	44	41	60	75	71	68	52	67	61	61	61
Total.....	49	100	267	185	214	117	126	173	91	123	179	174	114	114
Grand total.....	6,179	5,702	5,859	5,622	5,594	5,493	5,516	5,479	5,364	5,434	5,566	5,731	5,799	5,799

NOTE.—Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year, and are based on benchmark surveys of holdings and regular monthly reports of securities transactions (see Table 14).

11. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars							Payable in foreign currencies				
		Total	Loans to—			Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other	
			Total	Official institutions	Banks <sup>1</sup>								Others
1971.....	13,272	12,377	3,969	231	2,080	1,658	2,475	4,254	1,679	895	548	173	174
1972 <sup>2</sup> .....	15,471	14,625	5,674	163	2,975	2,535	3,269	3,204	2,478	846	441	223	182
1973.....	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
1973.....	20,726	20,064	7,689	271	4,555	2,863	4,307	4,156	3,912	662	428	119	115
1974—Jan.....	21,101	20,298	7,391	303	4,400	2,688	4,387	4,108	4,412	802	467	162	173
Feb.....	22,986	22,141	7,932	303	4,966	2,662	4,427	4,554	5,228	844	594	121	129
Mar.....	25,671	24,823	9,068	421	5,793	2,855	4,642	5,126	5,986	849	545	160	144
Apr.....	26,580	25,723	9,578	346	6,141	3,090	4,805	5,810	5,529	857	589	99	169
May.....	29,745	28,862	9,959	363	6,372	3,223	5,081	6,599	7,223	884	611	113	160
June.....	32,253	31,296	11,494	386	7,743	3,364	5,107	7,584	7,111	957	687	130	141
July.....	33,532	32,529	10,924	475	6,848	3,601	5,152	9,163	7,290	1,003	626	207	170
Aug.....	35,057	34,252	11,634	448	7,809	3,377	5,295	9,459	7,864	805	461	180	164
Sept.....	33,885	32,968	10,606	507	6,720	3,379	5,245	9,538	7,579	918	468	217	233
Oct.....	33,696	32,667	10,080	348	6,371	3,361	5,356	10,034	7,197	1,030	547	243	240
Nov. <sup>a</sup> .....	35,871	34,843	11,040	439	7,174	3,426	5,345	10,678	7,779	1,028	515	283	229
Dec. <sup>a</sup> .....	37,846	36,636	11,383	418	7,406	3,559	5,636	11,188	8,429	1,210	668	289	253
1975—Jan. <sup>a</sup> .....	38,366	37,156	11,383	394	7,430	3,559	5,637	11,190	8,945	1,210	668	289	253

<sup>1</sup> Excludes central banks, which are included with "Official institutions."  
<sup>2</sup> Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in cover-

age with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.  
<sup>3</sup> See Note 3 to Table 6.

## 12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1972	1973	1974							1975
	Dec.	Dec.	June	July	Aug.	Sept.	Oct.	Nov. <sup>1</sup>	Dec. <sup>2</sup>	Jan. <sup>1</sup>
<b>Europe:</b>										
Austria.....	8	11	104	18	72	17	21	42	21	21
Belgium-Luxembourg.....	120	148	231	267	208	165	301	308	384	384
Denmark.....	59	48	65	45	49	51	59	45	46	46
Finland.....	118	108	134	150	151	146	128	107	122	122
France.....	330	621	731	703	760	637	485	791	673	867
Germany.....	321	311	422	372	379	342	332	438	588	589
Greece.....	29	35	49	61	66	59	48	57	64	64
Italy.....	255	316	572	437	441	354	340	340	345	345
Netherlands.....	108	133	212	165	112	130	176	183	348	348
Norway.....	69	72	91	103	136	113	94	97	119	119
Portugal.....	19	23	32	30	24	26	35	25	20	20
Spain.....	207	222	404	392	382	253	227	201	196	196
Sweden.....	164	153	117	119	139	159	149	160	180	180
Switzerland.....	125	176	663	386	355	377	277	339	335	335
Turkey.....	6	10	10	26	19	15	15	14	15	15
United Kingdom.....	997	1,459	2,361	2,260	2,513	2,112	1,486	2,131	2,203	2,402
Yugoslavia.....	22	10	20	26	25	28	28	28	22	22
Other Western Europe.....	20	27	26	19	22	18	31	38	22	22
U.S.S.R.....	41	46	47	35	30	21	27	28	46	46
Other Eastern Europe.....	49	59	84	105	106	102	105	86	131	131
<b>Total.....</b>	<b>3,067</b>	<b>3,988</b>	<b>6,374</b>	<b>5,720</b>	<b>5,986</b>	<b>5,124</b>	<b>4,358</b>	<b>5,459</b>	<b>5,878</b>	<b>6,077</b>
Canada.....	1,914	1,955	2,195	2,340	2,111	2,042	2,556	2,517	2,768	2,773
<b>Latin America:</b>										
Argentina.....	379	499	673	686	704	695	679	704	720	720
Bahamas.....	519	875	1,887	1,558	2,085	2,485	2,791	2,616	2,944	2,940
Brazil.....	649	900	1,477	1,507	1,522	1,534	1,476	1,493	1,415	1,415
Chile.....	52	151	187	224	231	250	256	291	290	290
Colombia.....	418	397	522	601	679	665	686	675	713	713
Cuba.....	13	12	13	12	13	14	13	13	19	14
Mexico.....	1,202	1,373	1,725	1,775	1,833	1,711	1,841	1,898	1,968	1,972
Panama.....	244	266	387	394	401	410	405	402	497	507
Peru.....	145	178	281	353	421	408	433	486	518	518
Uruguay.....	40	55	40	59	50	47	46	63	63	75
Venezuela.....	383	518	606	644	642	627	557	643	704	704
Other Latin American republics.....	388	493	676	691	701	712	725	810	852	852
Netherlands Antilles and Surinam.....	14	13	41	38	56	64	61	74	69	69
Other Latin America.....	36	140	298	234	354	245	517	655	887	1,442
<b>Total.....</b>	<b>4,480</b>	<b>5,870</b>	<b>8,813</b>	<b>8,778</b>	<b>9,692</b>	<b>9,869</b>	<b>10,486</b>	<b>10,823</b>	<b>11,659</b>	<b>11,918</b>
<b>Asia:</b>										
China, People's Rep. of (China Mainland).....	1	31	23	28	22	9	7	5	4	4
China, Republic of (Taiwan).....	194	140	357	406	446	461	496	482	497	497
Hong Kong.....	93	147	208	200	271	243	214	238	223	223
India.....	14	16	18	20	34	17	19	16	14	14
Indonesia.....	87	88	115	117	120	122	128	140	157	156
Israel.....	105	166	158	205	205	197	200	208	280	250
Japan.....	4,152	6,400	10,845	12,397	12,812	12,378	11,669	12,350	12,439	12,496
Korea.....	296	403	620	641	706	733	760	835	955	955
Philippines.....	149	181	302	295	348	340	346	324	371	371
Thailand.....	191	273	421	427	429	436	414	416	441	441
Other.....	300	394	713	820	681	669	669	666	771	771
<b>Total.....</b>	<b>5,584</b>	<b>8,238</b>	<b>13,780</b>	<b>15,556</b>	<b>16,073</b>	<b>15,605</b>	<b>14,921</b>	<b>15,680</b>	<b>16,121</b>	<b>16,178</b>
<b>Africa:</b>										
Egypt.....	21	35	66	68	83	97	93	91	111	111
Morocco.....	4	5	5	14	10	10	11	12	18	18
South Africa.....	143	129	202	213	238	243	282	299	329	329
Zaire.....	13	60	91	93	97	94	107	101	96	96
Other.....	118	159	273	286	275	311	312	291	299	299
<b>Total.....</b>	<b>299</b>	<b>388</b>	<b>637</b>	<b>675</b>	<b>702</b>	<b>755</b>	<b>806</b>	<b>795</b>	<b>854</b>	<b>854</b>
<b>Other countries:</b>										
Australia.....	291	243	383	400	415	422	478	492	466	466
All other.....	40	43	70	63	77	76	91	104	99	99
<b>Total.....</b>	<b>330</b>	<b>286</b>	<b>453</b>	<b>463</b>	<b>492</b>	<b>498</b>	<b>569</b>	<b>597</b>	<b>565</b>	<b>565</b>
<b>Total foreign countries.....</b>	<b>15,674</b>	<b>20,725</b>	<b>32,253</b>	<b>33,531</b>	<b>35,056</b>	<b>33,883</b>	<b>33,696</b>	<b>35,870</b>	<b>37,845</b>	<b>38,365</b>
International and regional.....	3	1	1	1	1	2	1	1		1
<b>Grand total.....</b>	<b>15,676</b>	<b>20,726</b>	<b>32,253</b>	<b>33,532</b>	<b>35,057</b>	<b>33,885</b>	<b>33,696</b>	<b>35,871</b>	<b>37,846</b>	<b>38,004</b>

<sup>1</sup> Includes Bermuda through Dec. 1972.<sup>2</sup> See Note 3 to Table 6.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against

foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.



**13. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES**

(Amounts outstanding; in millions of dollars)

End of period	Total	Type						Country or area							
		Payable in dollars						Payable in foreign currencies	United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	All other countries <sup>2</sup>
		Loans to				Other long-term claims	Total								
1971.....	3,667	3,345	575	315	2,455			300	22	130	593	228	1,458	246	583
1972 <sup>3</sup> .....	4,954	4,539	833	430	3,276	375	40	145	704	406	1,996	319	881	503	
1973.....	5,063	4,588	844	430	3,314	435	40	150	703	406	2,020	353	918	514	
1973.....	5,962	5,412	1,145	574	3,692	478	72	148	1,107	490	2,112	251	1,320	534	
1974- Jan.....	5,907	5,359	1,132	563	3,665	469	79	147	1,109	486	2,078	259	1,319	510	
Feb.....	5,960	5,359	1,187	584	3,588	522	79	154	1,166	457	2,087	256	1,328	512	
Mar.....	6,134	5,518	1,262	640	3,616	541	75	157	1,271	473	2,151	256	1,336	491	
Apr.....	6,742	6,099	1,552	734	3,814	567	76	201	1,556	478	2,365	254	1,357	530	
May.....	6,788	6,171	1,549	755	3,867	550	67	224	1,541	467	2,428	241	1,365	521	
June.....	7,043	6,431	1,600	775	4,056	546	66	222	1,669	496	2,481	244	1,416	517	
July.....	7,072	6,460	1,469	891	4,099	545	67	249	1,586	498	2,546	269	1,406	517	
Aug.....	7,011	6,404	1,434	895	4,075	539	68	285	1,527	503	2,520	269	1,399	509	
Sept.....	6,993	6,380	1,418	853	4,108	542	71	266	1,535	543	2,473	247	1,427	502	
Oct.....	7,244	6,565	1,440	914	4,211	608	71	333	1,725	523	2,489	264	1,396	515	
Nov.....	7,261	6,571	1,373	933	4,265	618	72	339	1,652	506	2,584	257	1,392	531	
Dec.....	7,161	6,485	1,329	936	4,221	609	67	332	1,578	486	2,605	260	1,359	542	
1975- Jan.....	7,275	6,625	1,367	968	4,290	595	54	323	1,669	475	2,616	248	1,388	556	

<sup>1</sup> Excludes central banks, which are included with "Official institutions."  
<sup>2</sup> Includes international and regional organizations.  
<sup>3</sup> Data on the 2 lines shown for this date differ because of changes in

reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

**14. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE**

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes <sup>1</sup>					U.S. corporate securities <sup>2</sup>			Foreign bonds			Foreign stocks		
	Net purchases or sales					Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales
	Total	Intl. and regional	Foreign											
1972.....	3,316	57	3,258	3,281	-23	19,083	15,015	4,068	1,901	2,932	-1,031	2,532	2,123	409
1973.....	305	165	470	465	6	18,569	13,810	4,759	1,474	2,467	-993	1,729	1,554	176
1974.....	451	125	577	645	69	15,305	13,590	1,715	1,045	3,285	-2,241	1,899	144	181
1974- Jan.....	-432	20	-452	-472	19	1,717	1,454	263	71	364	-292	209	207	2
Feb.....	-45	31	-77	-37	-39	1,202	1,189	13	100	145	-45	206	206	-1
Mar.....	157	166	-10		-10	1,672	1,484	188	102	398	-295	167	183	-16
Apr.....	237	82	155	171	16	1,126	904	222	103	323	-219	189	155	34
May.....	28	29	-57	-7	-50	903	852	51	89	154	-64	173	174	-2
June.....	-101	97	-3		-3	1,174	923	251	74	272	-197	207	117	90
July.....	23	9	14		-14	1,048	1,054	-6	94	251	-158	128	116	12
Aug.....	-37	47	-84	73	-11	1,398	1,130	269	59	214	-155	146	117	29
Sept.....	116	82	33	60	27	1,360	1,180	180	72	152	80	145	100	45
Oct.....	70	32	38		38	1,508	1,363	145	86	362	-276	89	152	-63
Nov.....	132	57	76	25	50	1,415	1,311	103	92	170	-78	124	102	22
Dec.....	162	5	167	150	17	780	744	36	101	481	-380	117	87	30
1975- Jan.....	68	60	127	118	9	1,151	891	260	126	1,172	-1,046	147	156	-9

<sup>1</sup> Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries.  
<sup>2</sup> Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities

sold abroad by U.S. corporations organized to finance direct investments abroad.  
 NOTE.—Statistics include transactions of international and regional organizations.

**15. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY**

(In millions of dollars)

Period	Purchases	Sales	Net purchases or sales ( )	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Other <sup>1</sup>
1972.....	14,361	12,173	2,188	372	51	297	642	561	137	1,958	78	32	256	83
1973.....	12,762	9,978	2,785	439	2	339	685	366	274	2,104	99	1	577	5
1974 <sup>a</sup> .....	7,395	7,085	310	203	29	330	36	262	50	397	6	33	58	10
1974- Jan.....	976	802	174	68	4	37	43	28	23	202	27	42	33	9
Feb.....	743	586	157	39	5	54	40	6	33	165	1	9	1	1
Mar.....	896	846	49	14	26	46	24	14	25	91	21	9	2	1
Apr.....	877	859	19	22	17	35	5	14	35	21	10	7	3	2
May.....	876	891	15	18	7	29	3	36	5	19	7	15	14	2
June.....	821	513	308	15	8	33	11	18	3	16	13	7	15	2
July.....	807	508	299	13	5	39	9	48	3	3	10	2	14	2
Aug.....	879	506	373	19	18	16	15	9	11	65	14	9	10	1
Sept.....	447	443	4	9	17	21	6	21	3	1	6	4	6	1
Oct.....	611	695	82	17	30	5	39	56	11	89	3	2	9	7
Nov.....	846	616	230	5	2	35	3	43	4	70	2	5	5	1
Dec.....	414	427	12	13	13	20	10	71	9	25	14	10	11	*
1975- Jan.....	730	528	202	34	17	8	43	2	16	116	17	12	79	2

<sup>1</sup> Includes international and regional organizations.

**16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY**

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. and regional
1972.....	1,881	336	77	74	135	367	315	1,303	82	22	323	2	*	148
1973.....	1,948	201	33	19	307	275	473	1,204	49	44	588	*	10	52
1974 <sup>a</sup> .....	1,402	96	34	183	96	349	64	694	50	43	459	*	10	146
1974- Jan.....	89	3	25	*	23	117	9	159	14	1	104	*	*	18
Feb.....	144	1	*	*	*	45	15	30	2	5	119	*	*	47
Mar.....	139	1	*	2	6	79	6	81	1	6	1	*	*	215
Apr.....	203	60	3	*	8	23	17	114	4	*	*	*	*	86
May.....	66	10	*	*	28	26	1	59	3	5	3	*	*	3
June.....	242	5	3	116	15	64	17	185	1	4	3	*	*	56
July.....	5	1	2	72	2	36	11	100	1	5	7	*	10	128
Aug.....	190	1	*	1	1	29	9	21	2	4	199	*	*	36
Sept.....	176	1	1	1	2	54	3	55	4	2	15	*	*	130
Oct.....	226	10	1	1	13	6	5	25	18	5	100	*	*	79
Nov.....	174	4	1	2	1	20	6	23	11	1	349	*	*	163
Dec.....	48	1	*	4	1	54	*	52	4	17	45	*	*	61
1975- Jan.....	61	2	3	*	6	62	1	74	14	1	152	*	*	177

Note: Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new

debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

**17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA**

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1972.....	- 622	90	- 532	505	635	69	296	66	29
1973.....	- 818	139	- 957	141	- 869	-120	168	3	37
1974 <sup>a</sup> .....	- 2,060	60	- 2,000	588	1,529	93	180	7	22
1974- Jan.....	- 291	4	- 287	81	- 204	2	- 1	- 1	2
Feb.....	- 46	6	- 52	62	- 11	- 9	32	- 4	1
Mar.....	- 311	4	- 315	24	- 288	- 15	10	*	3
Apr.....	- 185	3	- 188	49	- 157	6	12	*	*
May.....	- 66	5	- 71	26	- 35	- 22	10	*	3
June.....	- 108	3	- 110	78	- 121	- 6	94	1	*
July.....	- 146	1	- 147	63	- 108	- 1	24	- 1	3
Aug.....	- 125	7	- 127	35	- 126	- 9	42	- 1	1
Sept.....	35	12	47	41	- 37	5	22	1	3
Oct.....	340	2	342	81	244	*	18	1	2
Nov.....	- 56	3	- 59	21	- 8	14	2	2	3
Dec.....	350	95	255	27	190	- 25	- 24	12	*
1975- Jan.....	1,056	572	484	41	410	28	26	20	*

**18. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS**

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1971- Dec.....	311	314
1972- June.....	312	339
Sept.....	286	336
Dec.....	372	405
1973- Mar.....	310	364
June.....	316	243
Sept.....	290	255
Dec.....	333	231
1974- Mar.....	383	225
June.....	354	241
Sept.....	298	178
Dec.....	293	193

Note: Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

## 19a. ASSETS OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Location and currency form	Month-end	Total	Claims on U.S.			Claims on foreigners					Other
			Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Non-bank foreigners	
<b>IN ALL FOREIGN COUNTRIES</b>											
Total, all currencies.....	1971- Dec.....	59,807	4,753	2,300	2,453	53,296	11,210	23,520	1,164	17,401	1,758
	1972- Dec.....	78,202	4,678	2,113	2,565	71,304	11,504	35,773	1,594	22,432	2,220
	1973- Dec.....	121,866	5,091	1,886	3,205	111,974	19,177	56,368	2,693	33,736	4,802
	1974- Jan.....	123,871	4,660	1,555	3,105	114,562	19,490	57,663	2,891	34,518	4,649
	Feb.....	127,246	4,409	1,612	2,797	117,755	20,357	57,894	3,144	36,360	5,081
	Mar.....	136,983	7,812	5,334	2,478	123,997	22,397	60,563	3,539	37,497	5,174
	Apr.....	140,018	5,978	3,502	2,476	128,823	23,119	62,901	3,753	39,050	5,217
	May.....	145,916	7,893	5,327	2,566	132,513	24,583	64,693	3,703	39,534	5,510
	June.....	147,465	6,775	4,093	2,682	134,954	25,120	64,441	3,610	41,783	5,736
	July.....	145,004	6,409	3,795	2,614	132,885	25,726	61,921	3,688	41,549	5,710
	Aug.....	148,568	9,455	6,957	2,498	133,235	26,413	60,468	3,422	42,931	5,878
	Sept.....	147,643	6,619	3,975	2,645	134,845	26,321	61,102	3,720	43,701	6,179
	Oct.....	145,759	4,878	2,244	2,634	134,921	26,929	59,468	3,848	44,676	5,959
	Nov.....	150,076	7,279	4,686	2,592	136,713	28,353	58,684	4,018	45,658	6,078
	Dec.....	151,529	6,280	3,846	2,434	138,960	27,536	60,220	4,075	47,129	6,289
Payable in U.S. dollars.....	1971- Dec.....	39,095	4,501	2,294	2,207	34,041	6,658	17,307	861	9,215	553
	1972- Dec.....	52,636	4,419	2,091	2,327	47,444	7,869	26,251	1,059	12,264	773
	1973- Dec.....	79,445	4,599	1,848	2,751	73,018	12,799	39,527	1,777	18,915	1,828
	1974- Jan.....	81,918	4,186	1,518	2,668	75,993	13,245	40,661	2,006	20,021	1,799
	Feb.....	83,963	4,004	1,557	2,448	78,013	13,785	40,922	2,211	21,094	1,946
	Mar.....	92,908	7,394	5,250	2,143	83,572	15,799	43,273	2,487	22,013	1,941
	Apr.....	94,296	5,619	3,454	2,165	86,483	16,043	44,919	2,835	22,685	2,188
	May.....	100,264	7,547	5,279	2,268	90,202	16,890	47,373	2,841	23,099	2,514
	June.....	101,702	6,453	4,043	2,410	92,630	17,478	47,819	2,803	24,529	2,619
	July.....	101,502	6,118	3,746	2,373	92,693	18,489	46,394	2,889	24,929	2,691
	Aug.....	105,694	9,143	6,904	2,239	93,672	19,679	45,627	2,780	25,586	2,879
	Sept.....	104,292	6,342	3,917	2,426	94,901	19,412	46,322	2,873	26,293	3,049
	Oct.....	101,859	4,596	2,187	2,409	94,316	19,757	44,691	3,006	26,862	2,947
	Nov.....	104,902	6,972	4,632	2,340	94,891	20,610	43,713	3,192	27,376	3,038
	Dec.....	105,617	5,984	3,810	2,174	96,478	19,665	45,004	3,289	28,520	3,155
<b>IN UNITED KINGDOM</b>											
Total, all currencies.....	1971- Dec.....	34,227	2,693	1,230	1,464	30,675	5,690	15,965	473	8,546	859
	1972- Dec.....	43,467	2,234	1,138	1,096	40,214	5,659	23,842	606	10,106	1,018
	1973- Dec.....	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974- Jan.....	63,757	1,484	521	964	60,185	9,123	35,796	907	14,359	2,087
	Feb.....	63,585	1,477	616	861	59,792	9,209	34,813	916	14,853	2,317
	Mar.....	68,076	3,070	2,319	751	63,026	10,706	36,192	887	15,235	1,986
	Apr.....	68,959	2,589	1,806	783	64,238	10,819	36,775	1,073	15,572	2,131
	May.....	71,982	3,792	2,969	823	66,008	11,759	37,920	889	15,439	2,183
	June.....	71,305	3,661	2,712	949	65,517	11,886	36,468	812	16,352	2,126
	July.....	69,197	3,309	2,468	840	63,711	12,486	34,575	718	15,932	2,177
	Aug.....	70,382	4,008	3,266	741	64,087	12,790	33,929	666	16,701	2,287
	Sept.....	70,965	3,494	2,721	774	64,962	12,436	34,804	829	16,893	2,509
	Oct.....	68,123	1,873	1,050	823	63,914	12,386	33,500	887	17,141	2,336
	Nov.....	69,137	3,387	2,568	818	63,571	13,122	32,128	753	17,567	2,179
	Dec.....	69,804	3,248	2,472	776	64,111	12,724	32,701	788	17,898	2,445
Payable in U.S. dollars.....	1971- Dec.....	24,210		2,585		21,277	\$,135	12,572		4,571	348
	1972- Dec.....	30,257		2,146		27,664	4,326	17,874		5,464	446
	1973- Dec.....	40,323		1,642		37,816	6,509	23,899		7,409	865
	1974- Jan.....	42,131		1,368		39,932	6,825	25,098		8,010	830
	Feb.....	41,762		1,384		39,409	6,902	24,415		8,093	969
	Mar.....	46,062		2,967		42,212	8,240	25,365		8,608	882
	Apr.....	46,419		2,499		42,895	8,386	25,768		8,741	10,24
	May.....	49,654		3,693		44,825	9,285	26,994		8,546	1,135
	June.....	49,363		3,562		44,674	9,425	26,147		9,103	1,126
	July.....	48,158		3,221		43,798	9,932	24,698		9,169	1,138
	Aug.....	49,406		3,915		44,269	10,529	24,500		9,241	1,222
	Sept.....	50,075		3,408		45,327	10,305	25,564		9,458	1,339
	Oct.....	47,968		1,783		44,873	10,234	25,125		9,514	1,312
	Nov.....	48,710		3,277		44,198	10,796	23,551		9,852	1,235
	Dec.....	49,211		3,146		44,693	10,265	24,326		10,102	1,372
<b>IN BAHAMAS AND CAYMANS<sup>1</sup></b>											
Total, all currencies.....	1971- Dec.....	8,234	1,274	496	777	6,871		3,620		3,251	90
	1972- Dec.....	12,642	1,486	214	1,272	10,986		6,663		4,322	170
	1973- Dec.....	23,771	2,210	317	1,893	21,041		12,974		8,068	520
	1974- Jan.....	24,071	2,108	273	1,835	21,439		13,013		8,425	524
	Feb.....	25,657	1,874	167	1,707	23,253		14,226		9,026	530
	Mar.....	28,444	3,358	1,971	1,386	24,475		15,404		9,071	611
	Apr.....	28,776	2,388	954	1,434	25,765		16,086		9,679	623
	May.....	30,862	3,164	1,698	1,467	26,953		17,035		9,918	744
	June.....	31,217	2,262	816	1,446	28,168		17,643		10,524	787
	July.....	30,401	2,125	615	1,510	27,461		16,821		10,640	815
	Aug.....	32,248	4,305	2,834	1,471	27,164		16,156		11,009	779
	Sept.....	30,078	2,033	469	1,564	27,189		16,013		11,177	856
	Oct.....	30,028	1,876	380	1,495	27,362		16,279		11,083	790
	Nov.....	32,207	2,827	1,343	1,484	28,497		17,192		11,305	883
	Dec.....	31,512	1,845	463	1,382	28,851		16,853		11,998	815

For notes see p. A-76.

**19b. LIABILITIES OF FOREIGN BRANCHES OF U.S. BANKS**  
(In millions of dollars)

Total	To U.S.			To foreigners					Other	Month-end	Location and currency form	
	Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Non-bank foreigners				
<b>IN ALL FOREIGN COUNTRIES</b>												
59,809	3,061	658	2,403	54,679	10,743	29,765	5,472	8,699	2,069	.....1971	Dec.	..... Total, all currencies
78,203	3,501	997	2,504	72,121	11,121	41,218	8,351	11,432	2,580	.....1972-	Dec.	
121,866	5,126	1,158	3,968	111,615	18,213	65,625	10,276	17,563	5,125	.....1973-	Dec.	
123,840	5,349	1,685	3,664	113,750	18,505	67,726	9,823	17,696	4,741	.....1974	Jan.	
127,246	5,934	2,023	3,911	116,392	19,307	67,511	10,373	19,181	4,919	.....	Feb.	
136,983	6,790	2,119	4,671	124,885	21,073	71,736	10,746	21,330	5,308	.....	Mar.	
140,018	6,959	2,307	4,652	127,584	22,688	71,232	11,612	22,052	5,474	.....	Apr.	
145,916	7,995	2,938	5,057	131,976	23,941	74,193	12,187	21,655	5,944	.....	May	
147,465	8,549	3,009	5,540	132,326	24,234	71,692	14,388	22,013	6,589	.....	June	
145,004	10,129	4,373	5,757	128,565	25,279	66,753	15,130	21,403	6,309	.....	July	
148,568	9,307	4,011	5,296	132,738	26,000	68,750	16,304	21,684	6,523	.....	Aug.	
147,643	9,911	4,988	4,923	131,015	26,353	66,060	17,488	21,114	6,718	.....	Sept.	
145,759	10,357	5,761	4,596	128,866	26,616	62,580	18,171	21,499	6,536	.....	Oct.	
150,071	11,706	6,054	5,652	131,629	27,754	63,576	19,979	20,320	6,736	.....	Nov.	
151,529	11,655	5,481	6,173	132,943	26,950	65,683	20,133	20,178	6,941	.....	Dec.	
40,899	2,624	501	2,121	37,024	6,624	21,107	4,391	4,901	1,250	.....1971	Dec.	..... Payable in U.S. dollars
54,878	3,050	847	2,202	50,406	7,955	29,229	6,781	6,441	1,422	.....1972-	Dec.	
80,343	4,544	993	3,550	73,189	12,554	43,641	7,491	9,502	2,611	.....1973-	Dec.	
82,185	4,826	1,556	3,270	74,900	12,736	44,903	7,432	9,828	2,459	.....1974	Jan.	
84,615	5,429	1,870	3,559	76,745	13,329	44,438	8,045	10,933	2,441	.....	Feb.	
93,408	6,219	1,917	4,301	84,378	15,071	48,886	8,475	11,945	2,811	.....	Mar.	
94,920	6,389	2,127	4,262	85,617	15,783	47,847	9,195	12,792	2,913	.....	Apr.	
100,712	7,405	2,741	4,664	89,846	16,694	50,848	9,817	12,488	3,461	.....	May	
102,300	7,934	2,800	5,135	90,357	17,070	48,909	11,630	12,748	4,009	.....	June	
102,395	9,494	4,160	5,334	89,228	18,404	45,668	12,437	12,719	3,673	.....	July	
106,771	8,674	3,820	4,853	94,154	19,449	48,379	13,508	12,819	3,943	.....	Aug.	
105,942	9,224	4,763	4,461	92,640	19,614	46,017	14,533	12,476	4,078	.....	Sept.	
103,808	9,813	5,588	4,225	90,105	19,478	42,664	15,076	12,887	3,891	.....	Oct.	
107,251	11,020	5,828	5,192	92,255	20,280	43,134	16,789	12,052	3,976	.....	Nov.	
107,528	11,109	5,314	5,795	92,470	19,338	43,671	17,392	12,068	3,949	.....	Dec.	
34,227	1,653	109	1,544	31,814	3,401	18,833	4,454	5,126	760	.....1971	Dec.	..... Total, all currencies
43,467	1,453	113	1,340	41,020	2,961	24,596	6,433	7,030	994	.....1972-	Dec.	
61,732	2,431	136	2,295	57,311	3,944	34,979	8,140	10,248	1,990	.....1973-	Dec.	
63,726	2,429	346	2,083	59,356	4,350	36,796	7,880	10,332	1,941	.....1974	Jan.	
63,585	2,573	269	2,303	58,956	4,193	35,355	8,295	11,112	2,057	.....	Feb.	
68,076	3,167	353	2,814	63,096	4,587	37,700	8,592	12,217	1,813	.....	Mar.	
68,959	3,123	409	2,714	63,914	4,975	36,524	9,240	13,175	1,922	.....	Apr.	
71,982	3,229	749	2,979	66,156	4,890	39,596	9,273	12,398	2,097	.....	May	
71,305	3,744	606	3,138	65,429	4,913	36,711	11,289	12,516	2,132	.....	June	
69,197	3,439	611	2,828	63,557	5,099	34,293	11,643	12,521	2,201	.....	July	
70,382	3,701	713	2,988	64,309	4,794	33,920	12,737	12,858	2,373	.....	Aug.	
70,965	3,503	635	2,867	64,919	5,428	33,766	13,544	12,181	2,543	.....	Sept.	
68,123	3,227	683	2,544	62,621	5,237	30,621	14,051	12,712	2,275	.....	Oct.	
69,137	4,376	889	3,487	62,397	5,071	30,352	15,454	11,521	2,363	.....	Nov.	
69,804	3,978	510	3,468	63,409	4,762	32,040	15,258	11,349	2,418	.....	Dec.	
24,629	1,405	23	1,383	22,852	2,164	13,840	3,666	3,181	372	.....1971	Dec.	..... Payable in U.S. dollars
30,810	1,272	72	1,200	29,002	2,008	17,379	5,329	4,287	535	.....1972-	Dec.	
39,658	2,173	113	2,060	36,646	2,519	22,051	5,923	6,152	839	.....1973-	Dec.	
40,979	2,200	329	1,871	37,884	2,846	22,770	6,006	6,262	895	.....1974	Jan.	
40,930	2,346	243	2,103	37,579	2,729	21,330	6,476	7,044	1,006	.....	Feb.	
45,604	2,927	329	2,598	41,708	3,063	24,164	6,830	7,650	969	.....	Mar.	
46,323	2,878	384	2,494	42,453	3,234	23,207	7,401	8,612	992	.....	Apr.	
49,301	3,481	724	2,757	44,625	3,083	26,010	7,468	8,064	1,195	.....	May	
48,970	3,516	579	2,937	44,214	3,255	23,669	9,137	8,155	1,239	.....	June	
48,018	3,176	568	2,608	43,528	3,364	22,287	9,550	8,326	1,314	.....	July	
49,481	3,448	692	2,756	44,654	3,278	22,558	10,437	8,382	1,380	.....	Aug.	
50,212	3,177	605	2,572	45,550	3,667	22,818	11,035	8,030	1,486	.....	Sept.	
48,314	2,988	651	2,337	44,033	3,690	20,203	11,444	8,696	1,294	.....	Oct.	
49,668	4,037	865	3,172	44,256	3,557	20,200	12,808	7,691	1,375	.....	Nov.	
49,666	3,744	484	3,261	44,594	3,256	20,526	13,225	7,587	1,328	.....	Dec.	
8,236		747		7,305	1,649	4,539		1,116	183	.....1971	Dec.	..... Total, all currencies
12,643		1,220		11,260	1,818	8,105		1,338	163	.....1972-	Dec.	
23,771		1,573		21,747	5,508	14,563		1,676	451	.....1973-	Dec.	
24,071		1,931		21,714	5,266	14,722		1,726	425	.....1974	Jan.	
25,657		2,244		22,979	5,587	15,448		1,944	435	.....	Feb.	
28,444		2,351		25,551	6,608	16,853		2,089	543	.....	Mar.	
28,776		3,383		26,015	7,102	16,809		2,104	479	.....	Apr.	
30,682		2,567		27,704	8,255	17,217		2,231	591	.....	May	
31,217		2,855		27,723	7,642	17,593		2,488	639	.....	June	
30,401		3,684		26,037	7,663	16,223		2,151	681	.....	July	
32,248		2,797		28,713	8,124	18,403		2,186	738	.....	Aug.	
30,078		3,651		25,694	7,142	16,259		2,293	733	.....	Sept.	
30,028		4,219		25,044	7,262	15,650		2,132	765	.....	Oct.	
32,207		4,231		27,196	8,629	16,427		2,139	780	.....	Nov.	
31,512		4,489		26,242	7,808	16,426		2,008	781	.....	Dec.	

For notes see p. A-76.

**20. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT**

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Treas. securities <sup>1</sup>	Farmarked gold
1972.....	325	50,934	215,530
1973.....	251	52,070	17,068
1974.....	418	55,600	16,838
1974—Feb....	542	50,255	17,039
Mar....	366	51,342	17,037
Apr....	517	52,642	17,026
May....	429	54,195	17,021
June....	384	54,442	17,014
July....	330	54,317	16,964
Aug....	372	53,681	16,917
Sept....	411	53,849	16,892
Oct....	376	54,691	16,875
Nov....	626	55,908	16,865
Dec....	418	55,600	16,838
1975: Jan....	391	58,001	16,837
Feb....	409	60,864	16,818

<sup>1</sup> Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

<sup>2</sup> The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972, and in Oct. 1973.

NOTE: Excludes deposits and U.S. Treasury securities held for international and regional organizations. Farmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

**21. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS**

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars		Payable in foreign currencies		United Kingdom	Canada
		Deposits	Short-term investments <sup>1</sup>	Deposits	Short-term investments <sup>1</sup>		
1969.....	1,491	1,062	161	183	86	663	534
1970.....	1,141	697	150	173	121	372	443
1971 <sup>2</sup> .....	1,648	1,092	203	234	120	577	587
	1,507	1,078	127	234	68	580	443
1972.....	1,965	1,446	169	307	42	702	485
	2,374	1,910	55	340	68	911	536
1973—Dec.....	3,184	2,603	37	431	113	1,128	775
1974 - Jan....	2,858	2,284	59	365	149	1,091	772
Feb....	3,260	2,624	65	368	203	1,229	868
Mar....	3,701	3,027	99	358	218	1,373	1,022
Apr....	3,587	2,981	60	339	209	1,486	922
May....	3,683	3,051	76	331	227	1,442	979
June....	3,677	3,065	62	369	181	1,419	926
July....	3,787	3,239	74	341	133	1,442	878
Aug....	3,521	2,958	51	368	144	1,437	820
Sept....	3,066	2,483	30	363	189	1,195	864
Oct....	2,681	2,109	25	331	216	1,119	835
Nov....	2,953	2,355	15	325	258	1,283	922
Dec....	3,199	2,517	56	402	223	1,427	905

<sup>1</sup> Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

<sup>2</sup> Data on the 2 lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 22.

**22. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE**

(Amount outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies	
						Deposits with banks abroad in reporter's name	Other
1970 -Dec.....	2,677	2,182	496	4,160	3,579	234	348
1971—Mar....	2,437	1,975	462	4,515	3,909	232	374
June.....	2,375	1,937	438	4,708	4,057	303	348
Sept.....	2,564	2,109	454	4,894	4,186	383	326
Dec.....	2,704	2,229	475	5,185	4,535	318	333
	2,763	2,301	463	5,000	4,467	289	244
1972: Mar....	2,844	2,407	437	5,173	4,557	317	300
June.....	2,925	2,452	472	5,326	4,685	174	268
Sept.....	2,933	2,445	498	5,487	4,833	426	228
Dec.1.....	3,119	2,635	484	5,721	5,074	410	237
	3,453	2,961	492	6,366	5,699	393	274
1973: Mar....	3,375	2,874	502	7,149	6,262	458	429
June.....	3,375	2,807	568	7,433	6,574	499	361
Sept.....	3,670	2,971	698	7,788	6,849	528	411
Dec....	4,080	3,314	765	8,556	7,645	484	428
1974: Mar....	4,507	3,629	878	10,570	9,643	400	528
June.....	5,188	4,173	1,015	11,165	10,235	420	510
Sept....	5,688	4,653	1,035	10,722	9,802	420	550

<sup>1</sup> Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the

preceding date; figures on the second line are comparable with those shown for the following date.

**23. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS**

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1972	1973	1974			1972	1973	1974		
	Dec.	Dec.	Mar.	June	Sept. <sup>1</sup>	Dec.	Dec.	Mar.	June	Sept. <sup>1</sup>
<b>Europe:</b>										
Austria.....	2	3	4	12	18	19	17	16	17	15
Belgium-Luxembourg.....	83	136	226	405	485	73	106	153	139	114
Denmark.....	7	9	17	18	23	29	46	37	27	25
Finland.....	4	7	8	9	15	25	44	42	80	91
France.....	167	168	161	204	192	231	310	413	537	492
Germany, Fed. Rep. of.....	164	236	238	222	249	195	284	317	345	322
Greece.....	15	40	21	28	28	35	51	87	76	69
Italy.....	121	116	133	143	150	202	239	330	409	432
Netherlands.....	109	125	114	104	114	84	112	103	126	143
Norway.....	14	9	9	8	10	16	18	22	35	32
Portugal.....	4	13	24	17	20	19	50	112	101	69
Spain.....	81	77	68	56	56	157	244	414	420	425
Sweden.....	13	48	43	52	40	57	71	74	106	97
Switzerland.....	105	103	94	114	105	82	101	90	78	155
Turkey.....	4	18	26	28	38	48	34	41	41	41
United Kingdom.....	1,107	932	1,123	1,219	1,405	1,223	1,543	1,835	1,869	1,767
Yugoslavia.....	7	28	31	36	44	12	49	30	41	39
Other Western Europe.....	2	3	3	6	7	12	15	19	23	20
Eastern Europe.....	3	31	26	31	78	42	104	79	97	89
<b>Total.....</b>	<b>2,013</b>	<b>2,103</b>	<b>2,371</b>	<b>2,712</b>	<b>3,062</b>	<b>2,561</b>	<b>3,437</b>	<b>4,232</b>	<b>4,571</b>	<b>4,438</b>
Canada.....	215	255	320	294	287	965	1,245	1,526	1,573	1,567
<b>Latin America:</b>										
Argentina.....	29	22	18	18	27	79	47	52	52	58
Bahamas <sup>1</sup> .....	391	419	206	307	315	662	633	760	992	516
Brazil.....	35	64	78	125	160	172	230	409	523	418
Chile.....	18	20	6	9	13	34	42	78	64	122
Colombia.....	7	9	18	22	13	39	40	44	51	49
Cuba.....	1	*	*	*	*	1	1	1	1	1
Mexico.....	26	44	72	71	59	181	235	260	263	286
Panama.....	18	13	14	19	21	85	120	178	187	195
Peru.....	4	15	17	11	15	36	47	65	60	40
Uruguay.....	7	2	3	2	2	4	5	6	5	6
Venezuela.....	21	31	45	36	49	92	134	136	171	189
Other L.A. republics.....	45	51	45	60	63	95	134	172	172	182
Neth. Antilles and Surinam.....	10	6	5	6	6	13	12	12	16	15
Other Latin America.....	4	22	37	59	50	34	214	158	136	159
<b>Total.....</b>	<b>615</b>	<b>719</b>	<b>564</b>	<b>745</b>	<b>793</b>	<b>1,527</b>	<b>1,892</b>	<b>2,330</b>	<b>2,692</b>	<b>2,236</b>
<b>Asia:</b>										
China, People's Republic of (China Mainland).....	32	42	20	39	23	*	11	8	3	8
China, Rep. of (Taiwan).....	26	34	52	72	72	65	121	184	119	131
Hong Kong.....	12	41	24	19	19	33	48	65	68	61
India.....	7	14	14	13	10	34	37	36	31	37
Indonesia.....	16	14	13	22	38	48	54	51	67	81
Israel.....	19	25	31	39	40	31	38	38	37	53
Japan.....	224	297	374	374	353	468	888	1,212	970	1,086
Korea.....	21	37	38	45	66	67	105	109	124	123
Philippines.....	16	17	9	19	28	59	73	87	86	108
Thailand.....	5	6	7	7	10	23	28	31	43	33
Other Asia.....	152	178	273	401	430	206	239	264	313	309
<b>Total.....</b>	<b>530</b>	<b>705</b>	<b>855</b>	<b>1,050</b>	<b>1,089</b>	<b>1,035</b>	<b>1,642</b>	<b>2,087</b>	<b>1,860</b>	<b>2,030</b>
<b>Africa:</b>										
Egypt.....	32	10	35	12	6	16	9	9	13	16
South Africa.....	8	14	22	24	35	52	62	69	85	90
Zaire.....	1	19	21	15	17	8	18	20	17	13
Other Africa.....	62	125	134	156	114	93	127	155	195	202
<b>Total.....</b>	<b>104</b>	<b>168</b>	<b>212</b>	<b>206</b>	<b>172</b>	<b>170</b>	<b>216</b>	<b>253</b>	<b>310</b>	<b>321</b>
<b>Other countries:</b>										
Australia.....	45	118	134	94	128	83	97	110	117	134
All other.....	14	12	22	24	32	23	25	31	39	44
<b>Total.....</b>	<b>59</b>	<b>130</b>	<b>156</b>	<b>117</b>	<b>160</b>	<b>107</b>	<b>123</b>	<b>142</b>	<b>157</b>	<b>178</b>
International and regional.....	*	*	29	63	125	1	*	1	1	1
<b>Grand total.....</b>	<b>3,536</b>	<b>4,080</b>	<b>4,507</b>	<b>5,188</b>	<b>5,688</b>	<b>6,366</b>	<b>8,556</b>	<b>10,570</b>	<b>11,165</b>	<b>10,772</b>

<sup>1</sup> Includes Bermuda through Dec. 1972.

NOTE.— Reported by exporters, importers, and industrial and com-

mercial concerns and other nonbanking institutions in the United States. Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

**24. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS**

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims										
		Total	Country or area									
			United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1970- Sept.....	2,786	2,885	157	720	620	180	63	586	144	284	73	58
Dec.....	3,102	2,950	146	708	669	183	60	618	140	292	71	64
1971- Mar.....	3,177	2,983	154	688	670	182	63	615	161	302	77	72
June.....	3,172	2,982	151	687	677	180	63	625	138	312	75	74
Sept.....	2,939	3,019	135	672	765	178	60	597	133	319	85	75
Dec. 1.....	3,159	3,118	128	705	761	174	60	652	141	327	86	85
	3,138	3,068	128	704	717	174	60	653	136	325	86	84
1972- Mar.....	3,093	3,141	129	713	737	175	60	665	137	359	81	85
June.....	3,300	3,206	108	712	748	188	61	671	161	377	86	93
Sept.....	3,448	3,187	128	695	757	177	63	662	132	390	89	96
Dec. 1.....	3,540	3,312	163	715	775	184	60	658	156	406	87	109
	3,631	3,409	191	755	793	187	64	692	134	395	86	111
1973- Mar.....	3,818	3,553	156	814	864	165	63	783	124	410	105	125
June.....	3,833	3,622	179	818	819	146	65	813	130	413	108	131
Sept.....	4,066	3,788	216	839	836	147	73	822	140	471	108	137
Dec.....	3,946	3,857	290	782	890	145	79	816	128	342	115	142
1974- Mar.....	3,863	4,045	368	756	927	194	81	796	123	469	119	147
June.....	3,549	3,965	362	717	947	184	138	734	122	492	122	148
Sept.....	3,341	4,084	369	720	992	181	145	779	118	529	118	133

<sup>1</sup> Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

**OPEN MARKET RATES**

(Per cent per annum)

Month	Canada		United Kingdom				France	Germany, Fed. Rep. of		Netherlands		Switzerland
	Treasury bills, 3 months <sup>1</sup>	Day-to-day money <sup>2</sup>	Prime bank bills, 3 months	Treasury bills, 3 months	Day-to-day money	Clearing banks' deposit rates	Day-to-day money <sup>3</sup>	Treasury bills, 60-90 days <sup>4</sup>	Day-to-day money <sup>5</sup>	Treasury bills, 3 months	Day-to-day money	Private discount rate
1973.....	5.43	5.27	10.45	9.40	8.27	7.96	8.92	6.40	10.18	4.07	4.94	5.09
1974.....	7.63	7.69	12.99	11.36	9.85	9.48	12.87	6.06	8.76	6.90	8.21	.....
1974- Feb.....	6.10	6.49	13.63	11.94	8.96	9.50	12.48	7.00	9.13	6.50	9.73	6.00
Mar.....	6.24	6.50	14.39	11.95	11.31	9.50	11.88	7.00	11.63	6.00	9.07	6.00
Apr.....	7.18	6.93	13.20	11.53	10.00	9.50	11.81	5.63	5.33	6.64	9.86	6.50
May.....	8.22	7.48	13.31	11.36	10.72	9.50	12.90	6.63	8.36	7.00	9.00	6.50
June.....	8.66	8.36	12.61	11.23	10.58	9.50	13.59	5.63	8.79	7.00	8.98	6.50
July.....	8.88	8.52	13.21	11.20	8.70	9.50	13.75	5.63	9.13	7.50	8.57	7.00
Aug.....	8.76	8.83	12.80	11.24	11.11	9.50	13.68	5.63	9.05	7.50	7.09	7.00
Sept.....	8.70	8.84	12.11	10.91	10.69	9.50	13.41	5.63	9.00	7.42	5.08	7.00
Oct.....	8.67	8.56	11.95	10.93	10.81	9.50	13.06	5.63	8.88	7.38	7.81	7.00
Nov.....	7.84	7.86	12.07	10.98	7.70	9.50	12.40	5.63	7.20	6.72	7.00	7.00
Dec.....	7.29	7.44	12.91	10.99	7.23	9.50	11.88	5.13	8.25	6.69	6.96	7.00
1975- Jan.....	6.65	6.82	11.93	10.59	8.40	9.30	11.20	5.13	7.54	6.60	6.18	7.00
Feb.....	6.34	6.88	.....	9.88	.....	9.50	9.91	.....	4.04	.....	.....	7.00

<sup>1</sup> Based on average yield of weekly tenders during month.

<sup>2</sup> Based on weekly averages of daily closing rates.

<sup>3</sup> Rate shown is on private securities.

<sup>4</sup> Rate in effect at end of month.

<sup>5</sup> Monthly averages based on daily quotations.

NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics, 1962*.

**NOTES TO TABLES 19a AND 19b ON PAGES A-72 AND A-73, RESPECTIVELY:**

<sup>1</sup> Cayman Islands included beginning Aug. 1973.

<sup>2</sup> Total assets and total liabilities payable in U.S. dollars amounted to \$29,201 million and \$29,408 million, respectively, on Nov. 30, 1974, and \$28,506 million and \$28,619 million, respectively, on Dec. 31, 1974.

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

For a given month, total assets may not equal total liabilities because some branches do not adjust the parent's equity in the branch to reflect unrealized paper profits and paper losses caused by changes in exchange rates, which are used to convert foreign currency values into equivalent dollar values.

## CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of Feb. 28, 1975		Country	Rate as of Feb. 28, 1975	
	Per cent	Month effective		Per cent	Month effective
Argentina.....	18.0	Feb. 1972	Italy.....	8.0	Dec. 1974
Austria.....	6.50	May 1974	Japan.....	9.0	Dec. 1973
Belgium.....	8.25	Jan. 1975	Mexico.....	4.5	June 1942
Brazil.....	18.0	Feb. 1972	Netherlands.....	6.0	Mar. 1975
Canada.....	8.25	Jan. 1975	Norway.....	5.5	Mar. 1974
Denmark.....	9.0	Jan. 1975	Sweden.....	7.0	Aug. 1974
France.....	11.0	Feb. 1975	Switzerland.....	5.0	Feb. 1975
Germany, Fed. Rep. of.....	5.0	Mar. 1975	United Kingdom.....	10.5	Feb. 1975
			Venezuela.....	5.0	Oct. 1970

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or govt. securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations. Other rates for some of these countries follow:

Argentina—3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil—8 per cent for secured paper and 4 per cent for certain agricultural paper;

Japan—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

United Kingdom—The Bank's minimum lending rate, which is the average rate of discount for Treasury bills established at the most recent tender plus one-half per cent rounded to the nearest one-quarter per cent above.

Venezuela—2 per cent for rediscounts of certain agricultural paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

## FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (krone)	France (franc)	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)
1971.....	113.61	4.0009	2.0598	99.021	13.508	18.148	28.768	13.338	244.42	16174	28779
1972.....	119.23	4.3228	2.2716	100.937	14.384	19.825	31.364	13.246	250.08	17132	32995
1973.....	141.94	5.1649	2.5761	99.977	16.603	22.536	37.758	12.071	245.10	17192	36915
1974.....	141.89	5.3564	2.5713	102.257	16.442	20.805	38.723	12.460	234.03	15372	34302
1974—Feb.....	148.50	5.0022	2.4358	102.398	15.570	20.187	36.844	12.141	227.49	15275	34367
Mar.....	148.55	5.1605	2.5040	102.877	16.031	20.742	38.211	12.415	234.06	15687	35454
Apr.....	148.41	5.3345	2.5686	103.356	16.496	20.541	39.594	12.711	238.86	15720	36001
May.....	148.44	5.5655	2.6559	103.916	17.012	20.540	40.635	12.841	241.37	15808	35847
June.....	148.34	5.5085	2.6366	103.481	16.754	20.408	39.603	12.735	239.02	15379	35340
July.....	147.99	5.4973	2.6378	102.424	16.858	20.984	39.174	12.759	238.96	15522	34172
Aug.....	148.24	5.3909	2.5815	102.053	16.547	20.912	38.197	12.525	234.56	15269	33092
Sept.....	144.87	5.2975	2.5364	101.384	16.111	20.831	37.580	12.316	231.65	15103	33439
Oct.....	130.92	5.4068	2.5939	101.727	16.592	21.311	38.571	12.416	233.29	14992	33404
Nov.....	131.10	5.5511	2.6529	101.280	16.997	21.384	39.836	12.397	232.52	14996	33325
Dec.....	131.72	5.7176	2.7158	101.192	17.315	22.109	40.816	12.352	232.94	15179	33288
1975—Jan.....	132.95	5.9477	2.8190	100.526	17.816	22.893	42.292	12.300	236.23	15504	33370
Feb.....	134.80	6.0400	2.8753	99.957	18.064	23.390	42.981	12.550	239.58	15678	34294
Period	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1971.....	32.989	8.0056	28.650	113.71	14.205	3.5456	140.29	1.4383	19.592	24.325	244.42
1972.....	35.610	8.0000	31.153	119.35	15.180	3.7023	129.43	1.5559	21.022	26.193	250.08
1973.....	40.988	8.0000	35.977	136.04	17.406	4.1080	143.88	1.7178	22.970	31.700	245.10
1974.....	41.682	8.0000	37.267	140.02	18.119	3.9506	146.98	1.7337	22.563	33.688	234.03
1974—Feb.....	40.489	8.0000	35.349	140.31	17.351	3.8567	148.76	1.6933	21.373	31.494	227.49
Mar.....	41.152	8.0000	36.354	143.40	17.734	3.9519	148.88	1.6927	21.915	32.490	234.06
Apr.....	41.959	8.0000	37.416	145.12	18.170	4.0232	148.85	1.7080	22.730	33.044	238.86
May.....	42.155	8.0000	38.509	146.07	18.771	4.1036	148.78	1.7409	23.388	34.288	241.37
June.....	41.586	8.0000	37.757	145.29	18.410	4.0160	148.86	1.7450	22.885	33.449	239.02
July.....	41.471	8.0000	38.043	145.15	18.519	3.9886	149.73	1.7525	22.861	33.739	238.96
Aug.....	42.780	8.0000	37.419	143.73	18.246	3.9277	146.83	1.7466	22.597	33.509	234.56
Sept.....	41.443	8.0000	36.870	139.64	17.993	3.8565	142.69	1.7339	22.333	33.371	231.65
Oct.....	41.560	8.0000	37.639	129.95	18.165	3.9246	142.75	1.7422	22.683	34.528	233.29
Nov.....	43.075	8.0000	38.438	130.42	18.404	3.9911	143.88	1.7522	23.175	36.384	232.52
Dec.....	42.431	8.0000	39.331	130.56	18.873	4.0400	144.70	1.7716	23.897	38.442	232.94
1975—Jan.....	43.359	8.0000	40.715	131.72	19.579	4.0855	145.05	1.7800	24.750	39.571	236.23
Feb.....	44.136	8.0000	41.582	133.30	19.977	4.1139	147.16	1.7784	25.149	40.450	239.58

NOTE.—Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.



## GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972–Sept. 1973, and at \$42.22 thereafter)

End of period	Estimated total world <sup>1</sup>	Int'l. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Canada	China, Rep. of (Taiwan)	Denmark	Egypt
1970.....	41,275	4,339	11,072	25,865	191	140	239	714	1,470	791	82	64	85
1971.....	41,160	4,732	10,206	26,220	192	90	259	729	1,544	792	80	64	85
1972.....	44,890	5,830	10,487	28,575	208	152	281	792	1,638	834	87	69	92
1973.....	49,850	6,478	11,652	31,720	231	169	311	881	1,781	927	97	77	103
1974—Jan.....		6,478	11,652		231	169	312	882	1,781	927	97	77	103
Feb.....		6,478	11,652		231	169	312	882	1,781	927	97	77	103
Mar.....	49,840	6,478	11,652	31,710	231	169	312	882	1,781	927	97	77	103
Apr.....		6,478	11,652		231	169	312	882	1,781	927	97	77	103
May.....		6,478	11,652		231	169	312	882	1,781	927	97	77	103
June.....	49,835	6,478	11,652	31,705	231	169	312	882	1,781	927	97	77	103
July.....		6,478	11,652		231	169	312	882	1,781	927	97	77	103
Aug.....		6,478	11,652		231	169	312	882	1,781	927	97	76	103
Sept.....	49,830	6,478	11,652	31,700	231	169	312	882	1,781	927	97	76	103
Oct.....		6,478	11,652		231	169	312	882	1,781	927	97	76	103
Nov.....		6,478	11,652		231	169	312	882	1,781	927	97	76	103
Dec.....	49,795	6,478	11,652	31,665	231		312	882	1,781	927	97	76	103
1975—Jan.....		6,478	11,635		231		312	882	1,781	927		76	
End of period	France	Germany, Fed. Rep. of	Greece	India	Iran	Iraq	Italy	Japan	Kuwait	Lebanon	Libya	Mexico	Netherlands
1970.....	3,532	3,980	117	243	131	144	2,887	532	86	288	85	176	1,787
1971.....	3,523	4,077	98	243	131	144	2,884	679	87	322	85	184	1,909
1972.....	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973.....	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974—Jan.....	4,262	4,966	148	293	159	173	3,483	891	113	389	103	195	2,294
Feb.....	4,262	4,966	148	293	159	173	3,483	891	120	389	103	194	2,294
Mar.....	4,262	4,966	149	293	159	173	3,483	891	123	389	103	156	2,294
Apr.....	4,262	4,966	149	293	159	173	3,483	891	118	389	103	155	2,294
May.....	4,262	4,966	149	293	159	173	3,483	891	142	389	103	154	2,294
June.....	4,262	4,966	150	293	159	173	3,483	891	130	389	103	154	2,294
July.....	4,262	4,966	150	293	158	173	3,483	891	130	389	105	154	2,294
Aug.....	4,262	4,966	150	293	158	173	3,483	891	130	389	107	154	2,294
Sept.....	4,262	4,966	150	293	158	173	3,483	891	130	389	103	154	2,294
Oct.....	4,262	4,966	150	293	158	173	3,483	891	138	389	103	154	2,294
Nov.....	4,262	4,966	150	293	158	173	3,483	891	138	389	103		2,294
Dec.....	4,262	4,966	150		158	173	3,483	891	148	389	103		2,294
1975—Jan.....	4,262	4,966			158		3,483	891	140	389	103		2,294
End of period	Pakistan	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Bank for Intl. Settlements <sup>2</sup>
1970.....	54	902	119	666	498	200	2,732	92	126	1,349	162	384	-282
1971.....	55	921	108	410	498	200	2,909	82	130	775	148	391	310
1972.....	60	1,021	117	681	541	217	3,158	89	136	800	133	425	218
1973.....	67	1,163	129	802	602	244	3,513	99	151	886	148	472	235
1974—Jan.....	67	1,167	129	793	602	244	3,513	99	151	886	148	472	271
Feb.....	67	1,171	129	783	602	244	3,513	99	151	886	148	472	277
Mar.....	67	1,176	129	780	602	244	3,513	99	151	886	148	472	274
Apr.....	67	1,180	129	780	602	244	3,513	99	151	886	148	472	271
May.....	67	1,180	129	777	602	244	3,513	99	151	886	148	472	247
June.....	67	1,180	129	781	602	244	3,513	99	151	886	148	472	259
July.....	67	1,180	129	788	602	244	3,513	99	151	886	148	472	259
Aug.....	67	1,180	129	778	602	244	3,513	99	151	886	148	472	255
Sept.....	67	1,180	129	778	602	244	3,513	99	151	886	148	472	259
Oct.....	67	1,180	129	786	602	244	3,513	99	151	886	148	472	271
Nov.....	67	1,180	129	774	602	244	3,513	99	151	886	148	472	251
Dec.....	67	1,180	129	771		244	3,513	99	151	886		472	250
1975—Jan.....	67			764		244	3,513	99				472	265

<sup>1</sup> Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and China Mainland.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

<sup>2</sup> Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

**RESERVES AND BORROWINGS OF MEMBER BANKS**  
(In millions of dollars)

Period, or week ending	All member banks					Large banks <sup>2</sup>						All other banks	
	Reserves			Borrowings		New York City		City of Chicago		Other		Excess	Borrowings
	Total held <sup>1</sup>	Re-quired	Excess <sup>1</sup>	Total	Seasonal	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings		
1974- Jan.	36,655	36,419	236	1,044	18	65	135	44	17	8	549	156	343
Feb.	35,242	35,053	189	1,186	17	51	87	19	18	51	635	141	446
Mar.	34,966	34,790	176	1,352	32	21	113	61	65	43	689	107	485
Apr.	35,929	35,771	158	1,714	50	19	114	69	41	58	987	70	572
May	36,519	36,325	194	2,580	104	20	772	29	20	4	939	131	849
June	36,390	36,259	131	3,000	130	26	303	8	51	26	799	89	847
July	37,338	37,161	177	3,308	149	45	1,457	19	70	12	848	125	933
Aug.	37,029	36,851	178	3,351	165	58	1,464	6	23	78	860	152	1,004
Sept.	37,076	36,885	191	3,287	139	133	1,662	20	17	77	792	115	816
Oct.	36,796	36,705	91	1,793	117	-49	502	18	36	36	569	122	686
Nov.	36,847	36,579	258	1,285	67	8	257	38	14	90	566	138	448
Dec.	36,941	36,602	339	703	32	132	80	5	18	39	323	163	282
1974- Dec. 26	35,430	34,958	472	1,039	35	106		30		81	676	171	363
1974- Jan. 2	35,656	35,268	388	1,210	31	80	140	6	141	25	599	222	330
9	36,296	36,210	86	776	19	2	271	47	44	96	174	160	287
16	37,702	37,374	328	988	20	59	45	16		27	681	159	262
23	36,610	36,693	-83	1,182	13	114	183	12		110	655	86	344
30	36,139	35,880	259	1,220	17	104	20	57		15	733	130	467
Feb. 6	35,475	35,351	124	998	18	123		14		34	494	132	504
13	35,348	35,054	294	1,153	15	144	92	23	56	34	585	140	420
20	35,388	35,274	114	1,376	20	37	257	63		42	711	189	408
27	34,851	34,645	206	1,251	16	70		17	13	24	780	110	458
Mar. 6	34,633	34,515	118	912	19	81	123	13	11	1	364	118	414
13	34,748	34,632	116	983	19	41	11	8	66	-82	507	98	399
20	35,209	35,129	80	1,483	35	41	333	3	15	36	679	93	456
27	34,774	34,605	169	1,713	43	10	31	40	21	-16	1,061	68	600
Apr. 3	35,443	35,217	226	1,503	44	77	34	9	189	27	710	127	570
10	35,002	34,940	62	1,194	41	73	108	4	53	6	663	67	370
17	36,256	35,927	329	1,816	46	78	107	19	101	37	1,093	175	515
24	36,055	35,916	139	1,939	52	12	69	70	4	-12	1,233	35	633
May 1	36,845	36,668	177	2,157	74	62	176	47	17	-34	1,140	138	824
8	36,336	36,201	135	1,616	82	57	134	41	14	10	822	83	646
15	36,646	36,470	176	1,977	94	84	506	39	37	-63	731	137	703
22	36,616	36,487	129	3,090	113	55	993	57	7	9	1,131	78	959
29	36,349	36,170	179	3,606	114	32	1,449	-17	9	-10	1,081	116	1,067
June 5	36,279	36,054	225	3,054	133	-37	1,210	2	15	61	846	141	983
12	35,789	35,658	131	2,729	136	26	1,296	21	40	-67	629	93	764
19	36,708	36,461	247	3,223	140	31	1,385	17	139	44	984	131	715
26	36,536	36,437	99	2,788	133	8	1,221	41	17	76	690	84	860
July 3	37,274	36,905	369	3,435	127	9	1,412	111	137	72	878	177	1,008
10	36,868	36,590	278	2,640	136	90	1,339	1	52	84	432	103	817
17	37,824	37,840	-16	3,175	150	-75	1,536	26	15	74	786	107	838
24	37,417	37,302	115	3,641	156	17	1,538	41	80	81	1,108	58	915
31	37,204	37,020	184	3,690	163	33	1,431	1	38	13	1,086	137	1,135
Aug. 7	36,920	36,692	228	3,089	174	7	1,420	9	24	54	644	172	1,001
14	36,936	36,823	113	3,041	160	20	1,431	8	24	-39	716	124	870
21	37,156	36,947	209	3,437	167	-32	1,447	2	23	130	961	113	1,006
28	37,066	36,920	146	3,533	161	105	1,457	31	21	-98	951	108	1,104
Sept. 4	37,239	36,918	321	3,906	152	66	1,729	40	19	171	1,125	176	1,033
11	36,737	36,628	109	3,084	132	127	1,567	35	20	-110	766	127	731
18	37,086	37,004	82	2,921	134	150	1,517	15	16	90	740	127	648
25	36,946	36,872	74	3,531	141	80	1,782	12	10	-93	871	75	868
Oct. 2	37,533	37,077	456	3,218	143	67	1,756	9	17	222	532	158	913
9	36,601	36,656	55	2,245	132	-26	1,245	20	10	-127	336	118	654
16	37,415	37,088	327	1,744	121	41	219	27	135	99	784	160	606
23	36,456	36,615	159	1,322	108	-101	148	12	2	-122	509	76	663
30	36,819	36,576	243	1,638	105	109	96	9	11	42	730	101	801
Nov. 6	36,995	36,672	323	1,125	78	54	68	32		105	425	132	632
13	36,479	36,335	144	1,097	70	15	188	29	30	40	480	148	399
20	36,812	36,785	27	1,367	64	16	465	8	29	-87	495	122	378
27	36,769	36,459	310	1,479	63	69	243	27		87	814	127	422
Dec. 4	36,961	36,678	283	1,070	51	141	226	4		-16	450	154	394
11	36,293	36,452	-159	648	35	-173	73	-36	26	50	281	100	268
18	36,762	36,545	217	818	31	59	60	23	54	3	417	174	287
25	36,845	36,416	429	662	29	137	72	52		89	333	151	257

<sup>1</sup> Beginning Nov. 9, 1972, F.R. Banks have been allowed to waive penalties in reserve deficiencies for a transition period. Deficiencies allowed in 1974 were: Q1, \$67 million; Q2, \$58 million. Transition period ended after second quarter, 1974.

<sup>2</sup> Since Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the *Bulletin* for July 1972, p. 626. Categories shown here as "Large" and "All other"

parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).

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

*Borrowings at F.R. Banks:* Based on closing figures. Effective Apr. 19, 1973, the Board's Regulation A, which governs lending by Federal Reserve Banks, was revised to assist smaller member banks to meet the seasonal borrowing needs of their communities.

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

(Averages of daily figures; in millions of dollars)

Period, or week ending	Factors supplying reserve funds									
	Reserve Bank credit outstanding						Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding	
	U.S. Govt. securities <sup>1</sup>		Loans	Float	Other F.R. assets	Total				
Total	Bought outright	Held under repurchase agreement								
1974—Jan. 1	80,793	80,608	185	1,044	3,385	1,258	80,568	11,567	400	8,705
Feb. 1	80,801	80,551	250	1,186	2,300	1,117	85,493	11,567	400	8,747
Mar. 1	80,686	80,184	502	1,352	1,816	960	84,943	11,567	400	8,767
Apr. 1	81,567	80,873	694	1,714	2,295	1,160	86,907	11,567	400	8,807
May 1	83,434	82,037	1,397	2,580	2,025	1,093	89,405	11,567	400	8,838
June 1	82,812	81,859	953	3,000	2,114	1,106	89,254	11,567	400	8,877
July 1	84,313	83,496	817	3,308	2,267	1,343	91,554	11,567	400	8,905
Aug. 1	84,493	84,221	272	3,351	1,983	1,258	91,367	11,567	400	8,951
Sept. 1	84,384	84,049	335	3,287	2,239	1,349	91,617	11,567	400	8,992
Oct. 1	83,735	83,303	432	1,793	2,083	2,984	90,971	11,567	400	9,041
Nov. 1	84,052	83,395	657	1,285	2,409	3,171	91,302	11,567	400	9,113
Dec. 1	86,679	85,202	1,477	703	2,734	3,129	93,967	11,630	400	9,179
1973—Dec. 26	80,087	79,242	845	1,039	4,684	1,229	87,260	11,567	400	8,672
1974—Jan. 2	80,851	80,238	613	1,210	4,073	1,204	87,499	11,567	400	8,682
9	80,880	80,671	209	776	4,399	1,232	87,397	11,567	400	8,683
16	80,762	80,690	72	988	3,639	1,211	86,670	11,567	400	8,691
23	80,309	80,202	107	1,182	3,208	1,271	86,036	11,567	400	8,723
30	81,088	80,713	375	1,320	2,149	1,329	85,876	11,567	400	8,726
Feb. 6	80,407	80,213	194	998	2,185	1,362	85,037	11,567	400	8,731
13	80,678	80,451	227	1,153	2,268	1,462	85,645	11,567	400	8,747
20	81,535	80,953	582	1,376	2,314	869	86,207	11,567	400	8,750
27	80,577	80,577	.....	1,251	2,409	828	85,136	11,567	400	8,756
Mar. 6	80,203	80,203	.....	912	2,010	878	84,072	11,567	400	8,758
13	80,167	79,767	400	983	2,074	938	84,246	11,567	400	8,762
20	80,813	80,303	510	1,483	1,889	961	85,262	11,567	400	8,768
27	80,920	80,302	618	1,713	1,766	1,003	85,546	11,567	400	8,772
Apr. 3	81,330	80,483	847	1,503	1,801	1,060	85,923	11,567	400	8,789
10	80,675	80,485	190	1,194	2,039	1,104	85,111	11,567	400	8,800
17	81,606	80,651	955	1,816	2,646	1,134	87,332	11,567	400	8,803
24	81,689	80,996	693	1,939	2,503	1,191	87,526	11,567	400	8,812
May 1	82,731	81,637	1,094	2,157	1,919	1,292	88,365	11,567	400	8,822
8	83,190	81,868	1,322	1,616	1,807	1,336	88,238	11,567	400	8,827
15	83,626	81,951	1,675	1,977	1,908	1,248	89,065	11,567	400	8,830
22	83,679	81,756	1,923	3,090	2,238	879	90,227	11,567	400	8,836
29	83,162	82,418	744	3,606	1,905	900	89,737	11,567	400	8,856
June 5	83,075	82,128	947	3,054	2,184	1,013	89,554	11,567	400	8,859
12	81,267	80,814	453	2,729	2,007	1,036	87,184	11,567	400	8,862
19	83,017	82,283	734	3,223	2,162	1,095	89,720	11,567	400	8,880
26	83,815	82,049	1,766	2,788	2,055	1,160	90,068	11,567	400	8,891
July 3	83,933	82,663	1,270	3,435	2,190	1,253	91,140	11,567	400	8,899
10	83,990	83,007	983	2,640	2,951	1,259	91,157	11,567	400	8,898
17	84,718	83,614	1,104	3,175	2,401	1,321	92,015	11,567	400	8,903
24	84,429	84,153	276	3,641	2,027	1,397	91,722	11,567	400	8,907
31	84,112	83,531	581	3,690	1,807	1,434	91,386	11,567	400	8,913
Aug. 7	83,648	83,648	.....	3,089	2,100	1,461	90,516	11,567	400	8,938
14	83,486	83,486	.....	3,041	2,018	1,524	90,286	11,567	400	8,953
21	85,394	84,720	674	3,437	1,940	914	91,998	11,567	400	8,955
28	85,176	84,646	530	3,533	1,845	1,145	92,086	11,567	400	8,961
Sept. 4	85,304	85,061	243	3,906	1,779	1,237	92,540	11,567	400	8,973
11	83,126	83,126	.....	3,084	2,717	1,290	90,486	11,567	400	8,971
18	83,791	83,222	569	2,921	2,535	1,323	90,876	11,567	400	8,974
25	84,982	84,616	366	3,531	2,171	1,413	92,486	11,567	400	9,016
Oct. 2	85,380	84,904	476	3,218	1,898	1,646	92,695	11,567	400	9,039
9	84,041	83,480	561	2,245	2,137	2,047	91,006	11,567	400	9,027
16	83,367	82,598	769	1,744	1,875	3,288	90,716	11,567	400	9,036
23	83,472	83,472	.....	1,322	2,553	3,396	90,958	11,567	400	9,042
30	83,581	83,218	363	1,638	1,895	3,386	90,767	11,567	400	9,054
Nov. 6	83,662	83,217	445	1,125	2,086	3,466	90,658	11,567	400	9,080
13	82,421	82,421	.....	1,097	2,466	3,484	89,689	11,567	400	9,099
20	83,959	83,480	479	1,367	3,018	2,967	91,667	11,567	400	9,118
27	85,212	84,076	1,136	1,479	2,060	2,917	92,159	11,567	400	9,128
Dec. 4	85,559	83,967	1,592	1,070	2,768	3,113	93,186	11,567	400	9,168
11	85,445	84,925	520	648	2,545	3,053	92,238	11,603	400	9,163
18	85,842	85,157	685	818	2,569	3,047	92,859	11,652	400	9,178
25	88,242	85,761	2,481	662	2,285	3,141	95,124	11,652	400	9,194

<sup>1</sup> Includes Federal agency issues.<sup>2</sup> Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with Federal Reserve Banks in connection with voluntary participation by nonmember institutions in the Federal Reserve System's program of credit restraint.

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

Notes continued on opposite page.

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

(Averages of daily figures; in millions of dollars)

Currency in circulation	Factors absorbing reserve funds					Member bank reserves			Period, or week ending
	Treasury cash holdings	Deposits, other than member bank reserves, with F.R. Banks			Other F.R. liabilities and capital	With F.R. Banks	Currency and com. <sup>1</sup>	Total <sup>4</sup>	
		Treasury	Foreign	Other <sup>2</sup>					
70,962	349	2,488	427	713	2,904	29,396	7,192	36,655	1974 Jan.
70,411	342	2,972	293	682	2,932	28,574	6,601	35,242	Feb.
71,081	334	1,803	311	699	2,998	28,450	6,450	34,966	Mar.
72,176	308	1,712	328	702	2,985	29,469	6,402	35,929	Apr.
72,876	286	3,000	320	699	3,168	29,861	6,600	36,519	May
73,749	293	2,015	491	691	3,187	29,672	6,668	36,390	June
74,556	275	2,795	296	771	3,216	30,514	6,824	37,338	July
74,709	283	2,633	326	831	3,240	30,264	6,765	37,029	Aug.
75,098	303	2,451	456	766	3,345	30,156	6,920	37,076	Sept.
75,654	315	1,601	294	869	3,260	29,985	6,811	36,796	Oct.
77,029	302	864	370	770	3,149	29,898	6,939	36,837	Nov.
78,951	220	1,741	357	874	3,266	29,767	7,174	36,941	Dec.
72,233	328	2,228	531	694	3,047	28,838	6,508	35,430	1973 Dec. 26
72,470	311	2,254	331	978	2,977	28,808	6,781	35,656	1974 Jan. 2
71,855	329	2,344	544	699	2,776	29,499	6,730	36,296	9
71,214	350	2,170	318	706	2,850	29,719	7,916	37,702	16
70,581	363	2,351	398	709	2,959	29,364	7,179	36,610	23
69,931	359	3,099	494	646	3,059	28,981	7,091	36,139	30
69,935	349	1,084	306	689	2,947	28,424	6,984	35,475	Feb. 6
70,500	343	3,431	256	664	2,806	28,360	6,921	35,348	13
70,686	334	2,844	327	682	2,950	29,102	6,219	35,388	20
70,438	344	2,651	260	690	1,031	28,445	6,339	34,851	27
70,577	334	1,927	328	694	2,942	27,994	6,572	34,633	Mar. 6
71,193	330	1,794	277	714	2,842	27,826	6,855	34,748	13
71,286	337	1,324	300	731	2,994	29,025	6,117	35,209	20
71,117	335	2,317	307	669	3,093	28,448	6,259	34,774	27
71,366	340	1,889	372	704	3,105	28,904	6,481	35,443	Apr. 3
72,008	326	1,354	439	725	2,854	28,311	6,633	35,002	10
72,616	303	1,299	439	695	3,010	29,741	6,457	36,256	17
72,308	288	1,666	269	703	2,997	30,074	5,923	36,055	24
72,048	301	2,460	343	672	3,132	30,198	6,589	36,845	May 1
72,463	299	2,959	294	662	2,961	29,393	6,885	36,336	8
72,997	285	2,723	277	715	3,122	29,743	6,845	36,646	15
72,959	278	3,028	343	728	3,218	30,477	6,081	36,616	22
73,062	273	3,224	287	684	3,310	29,719	6,572	36,349	29
73,344	302	2,804	399	694	3,275	29,562	6,659	36,279	June 5
73,846	287	931	309	674	3,041	28,929	6,802	35,789	12
73,938	292	1,511	992	674	3,140	30,019	6,631	36,708	19
73,689	298	2,659	343	687	3,265	29,985	6,493	36,536	26
74,112	287	2,781	350	777	3,240	30,459	6,815	37,274	July 3
74,876	275	2,957	289	753	3,050	29,820	7,048	36,868	10
74,849	266	2,366	303	786	3,193	31,122	6,702	37,824	17
74,441	270	2,721	283	757	3,271	30,853	6,564	37,417	24
74,081	283	3,214	293	785	3,390	30,218	6,986	37,204	31
74,383	282	2,730	274	799	3,053	29,900	7,020	36,920	Aug. 7
74,916	274	1,875	269	875	3,107	29,890	7,046	36,936	14
74,872	279	2,447	428	833	3,262	30,799	6,357	37,156	21
74,613	281	3,191	307	779	3,390	30,452	6,614	37,066	28
74,979	302	3,107	371	802	3,502	30,416	6,823	37,239	Sept. 4
75,399	297	1,858	362	732	3,126	29,649	7,088	36,737	11
75,302	298	1,438	525	751	3,255	30,249	6,837	37,086	18
74,890	304	3,148	612	904	3,450	30,161	6,785	36,946	25
74,839	315	3,274	356	960	3,493	30,464	7,069	37,533	Oct. 2
75,327	314	2,698	288	824	3,107	29,441	7,160	36,601	9
75,944	318	838	271	794	3,180	30,376	7,039	37,415	16
75,848	318	1,200	271	843	3,285	30,202	6,254	36,456	23
75,624	313	1,341	312	800	3,410	29,987	6,832	36,819	30
76,060	295	1,049	302	811	3,312	29,875	7,120	36,995	Nov. 6
77,025	300	1,599	302	703	3,038	29,227	7,252	36,479	13
77,209	300	649	512	781	3,060	30,240	6,572	36,812	20
77,328	307	1,346	303	788	3,174	30,007	6,762	36,769	27
77,952	316	1,464	453	1,024	3,250	29,861	7,100	36,961	Dec. 4
78,496	266	1,303	320	893	3,090	29,035	7,258	36,293	11
78,926	182	926	407	821	3,213	29,615	7,147	36,762	18
79,368	180	2,471	345	752	3,399	29,855	6,990	36,845	25

<sup>1</sup> Based on close-of-business figures for reserve period 2 weeks previous to report date.  
<sup>2</sup> Beginning Nov. 9, 1972, F.R. Banks have been allowed to waive penalties in reserve deficiencies in a transition period. Deficiencies al-

lowed in 1974 were: Q1, \$67 million; Q2, \$58 million. Transition period ended after second quarter, 1974.  
 For other notes see opposite page.

## LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To select related institutions <sup>1</sup>				To all others except banks		
	Total	By type of loan			Total	By type of loan	
		Commercial and industrial	Real estate	All other		Commercial and industrial	All other
1974- Jan. 2	4,460	2,675		1,785	1,794	327	1,467
9	4,487	2,700		1,787	1,790	325	1,465
16	4,503	2,691		1,812	1,791	332	1,459
23	4,301	2,508		1,793	1,790	340	1,450
30	4,439	2,623		1,816	1,810	343	1,467
Feb. 6	4,605	2,638		1,967	1,780	341	1,439
13	4,729	2,687		2,042	1,389	333	1,056
20	4,933	2,673		2,260	1,342	336	1,006
27	4,992	2,748		2,244	1,414	337	1,077
Mar. 6	4,939	2,754		2,185	1,414	339	1,075
13	4,935	2,768		2,167	1,420	339	1,081
20	4,840	2,787		2,053	1,419	340	1,079
27	4,904	2,834		2,070	1,454	369	1,085
Apr. 3	5,114	2,893		2,221	1,440	358	1,082
10	5,063	2,911		2,152	1,443	356	1,087
17	5,043	2,874		2,169	1,448	360	1,088
24	5,386	3,080		2,306	1,482	393	1,089
May 1	5,399	3,020		2,379	1,471	379	1,092
8	5,536	3,069		2,467	1,475	375	1,100
15	5,442	3,039		2,403	1,457	358	1,099
22	5,567	3,084		2,483	1,455	357	1,098
29	5,653	3,112		2,541	1,442	359	1,083
June 5	5,648	2,986		2,662	1,469	384	1,085
12	5,493	2,999		2,494	1,446	374	1,072
19	5,380	2,888		2,492	1,450	391	1,059
26	5,372	2,943		2,429	1,429	382	1,047
July 3	5,460	2,947		2,513	1,479	439	1,040
10	5,491	2,949		2,542	1,436	396	1,040
17	5,501	2,973		2,528	1,420	381	1,039
24	5,572	3,050		2,522	1,428	389	1,039
31	5,411	2,905		2,506	1,481	440	1,041
Aug. 7	5,419	2,846		2,573	1,422	401	1,021
14	5,502	2,882		2,620	1,413	408	1,005
21	5,438	2,834		2,604	1,432	434	998
28	5,396	3,033		2,363	1,472	491	981
28 <sup>2</sup>	5,302	2,875	186	2,241			
Sept. 4	5,336	2,875	187	2,274			
11	5,348	2,902	185	2,261			
18	5,248	2,826	178	2,244			
25	5,282	2,830	178	2,274			
Oct. 2	5,277	2,867	179	2,231			
9	5,321	2,845	181	2,295			
16	5,181	2,806	178	2,197			
23	5,157	2,780	175	2,202			
30	5,192	2,768	178	2,246			
Nov. 6	5,168	2,756	182	2,230			
13	5,169	2,786	182	2,201			
20	5,077	2,779	186	2,112			
27	4,920	2,740	186	1,994			
Dec. 4	4,775	2,568	178	2,029			
11	4,765	2,592	182	1,991			
18	4,837	2,678	182	1,977			
25	4,901	2,821	180	1,900			

<sup>1</sup> To 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.

<sup>2</sup> Change in series. A comparison of the old and new data for Aug. 28, 1974, appears in the "Announcements" section of the Oct. 1974 BULLETIN. However, the summary of changes shown there should be revised to reflect the

revision of data since Aug. 28; "Change in loans sold by banks remaining in panel" should be -\$132 million for the total, -\$200 million for commercial and industrial, and +\$68 million for real estate and all other. The \$132 million decline reflects the elimination of a previous misclassification of \$199 million in commercial and industrial loans sold.

SALES, REVENUE, PROFITS, AND DIVIDENDS OF LARGE MANUFACTURING CORPORATIONS

(In millions of dollars)

Industry	1971	1972	1973	1972		1973				1974			
				III	IV	I	II	III	IV	I	II	III	
<b>Total (170 corps.):</b>													
Sales.....	334,957	371,946	442,254	89,550	100,194	102,932	109,967	108,370	120,985	126,889	142,950	144,775	
Total revenue.....	339,134 <sup>1</sup>	376,604	448,795	90,803	101,078	104,181	111,526	109,984	123,108	128,788	145,101	147,109	
Profits before taxes.....	35,771	41,164	53,833	8,978	12,003	12,672	14,009	12,411	14,742	16,847	18,191	17,863	
Profits after taxes.....	19,146	21,753	28,772	4,936	5,931	6,769	7,491	6,762	7,750	7,739	9,280	8,427	
Memo: PAT unadj. <sup>2</sup> .....	18,020	21,233	28,804	4,490	5,894	6,754	7,385	6,732	7,930	7,626	9,210	8,487	
Dividends.....	10,104	10,538	11,513	2,525	2,877	2,639	2,715	2,767	3,393	2,906	2,928	3,075	
<b>Nondurable goods industries (86 corps.):<sup>3</sup></b>													
Sales.....	160,973	176,329	210,118	43,865	46,815	47,519	50,223	53,168	59,207	68,860	77,066	80,264	
Total revenue.....	163,448	178,915	213,904	44,689	47,023	48,259	51,191	54,098	60,357	70,142	78,528	81,880	
Profits before taxes.....	19,900	21,799	30,200	5,278	6,479	6,473	7,129	7,610	8,988	11,880	11,972	12,595	
Profits after taxes.....	10,490	11,154	15,538	2,852	2,946	3,390	3,667	4,018	4,463	5,056	5,728	5,464	
Memo: PAT unadj. <sup>2</sup> .....	10,085	10,859	15,421	2,574	3,035	3,348	3,597	3,957	4,517	4,957	5,677	5,389	
Dividends.....	5,664	5,780	6,103	1,427	1,476	1,480	1,462	1,527	1,633	1,625	1,645	1,722	
<b>Durable goods industries (84 corps.):<sup>4</sup></b>													
Sales.....	173,985	195,618	232,136	45,685	53,379	55,413	59,744	55,202	61,778	58,029	65,884	64,511	
Total revenue.....	175,686	197,690	234,891	46,115	54,055	55,922	60,335	55,886	62,751	58,646	66,573	65,229	
Profits before taxes.....	15,871	19,365	23,633	3,697	5,524	6,199	6,880	4,801	5,754	4,967	6,219	5,268	
Profits after taxes.....	8,656	10,599	13,234	2,083	2,984	3,379	3,824	2,744	3,287	2,638	3,552	2,963	
Memo: PAT unadj. <sup>2</sup> .....	7,935	10,374	13,383	1,916	2,859	3,406	3,788	2,775	3,413	2,669	3,531	3,068	
Dividends.....	4,440	4,758	5,410	1,097	1,401	1,159	1,253	1,240	1,760	1,281	1,283	1,353	
<b>Selected industries:</b>													
<b>Food and kindred prod. (28 corps.):</b>													
Sales.....	34,584	37,624	42,628	9,531	10,039	9,561	10,183	11,014	11,871	11,885	12,729	13,523	
Total revenue.....	35,090	38,091	43,198	9,665	10,115	9,711	10,348	11,201	11,938	12,110	12,996	13,937	
Profits before taxes.....	3,372	3,573	3,957	940	960	897	962	1,031	1,067	1,046	1,190	1,289	
Profits after taxes.....	1,714	1,845	2,063	486	490	474	499	546	543	529	607	645	
Memo: PAT unadj. <sup>2</sup> .....	1,644	1,805	2,074	492	452	453	501	546	573	533	610	646	
Dividends.....	862	893	935	223	227	230	230	236	240	243	248	253	
<b>Chemical and allied prod. (22 corps.):</b>													
Sales.....	33,005	36,638	43,208	9,099	9,593	10,153	10,693	10,828	11,534	12,507	13,892	14,606	
Total revenue.....	33,388	37,053	43,784	9,196	9,723	10,261	10,849	10,968	11,704	12,664	14,066	14,778	
Profits before taxes.....	4,123	4,853	6,266	1,216	1,280	1,487	1,606	1,599	1,572	1,856	2,293	2,194	
Profits after taxes.....	2,290	2,622	3,504	683	669	835	886	901	1,044	1,044	1,247	1,223	
Memo: PAT unadj. <sup>2</sup> .....	2,167	2,671	3,469	684	712	834	884	871	880	1,031	1,245	1,180	
Dividends.....	1,332	1,395	1,496	340	378	346	359	374	417	483	405	422	
<b>Petroleum refining (15 corps.):</b>													
Sales.....	68,534	74,662	93,505	18,298	19,925	20,477	21,689	23,586	27,752	36,196	41,339	42,726	
Total revenue.....	69,903	76,133	95,722	18,837	19,845	20,892	22,258	23,988	28,584	37,006	42,237	43,638	
Profits before taxes.....	10,835	11,461	17,494	2,628	3,717	3,514	3,884	4,371	5,724	8,296	7,564	8,339	
Profits after taxes.....	5,624	5,562	8,550	1,398	1,509	1,760	1,899	2,230	2,662	3,098	3,449	3,181	
Memo: PAT unadj. <sup>2</sup> .....	5,519	5,325	8,505	1,119	1,578	1,737	1,888	2,192	2,688	3,011	3,304	3,132	
Dividends.....	2,952	2,992	3,147	741	746	777	748	789	832	864	853	899	
<b>Primary metals and prod. (23 corps.):</b>													
Sales.....	31,441	34,359	42,400	8,525	9,099	9,635	10,784	10,602	11,379	11,888	13,976	14,285	
Total revenue.....	31,808	34,797	43,104	8,629	9,253	9,733	10,891	10,764	11,715	12,045	14,171	14,504	
Profits before taxes.....	1,517	1,969	3,221	413	589	618	885	799	1,232	1,586	1,796	1,904	
Profits after taxes.....	969	1,195	1,966	274	302	383	542	480	561	589	927	1,033	
Memo: PAT unadj. <sup>2</sup> .....	561	1,109	2,039	128	256	397	538	496	608	607	942	1,137	
Dividends.....	739	653	789	162	168	200	178	184	227	221	209	248	
<b>Machinery (27 corps.):</b>													
Sales.....	49,206	55,615	65,041	13,862	15,018	14,828	16,035	16,306	17,871	16,830	18,836	18,853	
Total revenue.....	49,846	56,348	65,925	14,050	15,203	14,997	16,241	16,519	18,168	17,612	19,023	19,075	
Profits before taxes.....	5,277	6,358	7,669	1,583	1,810	1,705	1,880	1,936	2,149	1,829	2,074	1,943	
Profits after taxes.....	2,884	3,522	4,236	870	1,017	933	1,034	1,069	1,200	1,006	1,149	1,076	
Memo: PAT unadj. <sup>2</sup> .....	2,560	3,388	4,208	865	902	931	1,020	1,070	1,188	996	1,137	1,096	
Dividends.....	1,450	1,497	1,606	375	375	389	401	407	410	441	441	475	
<b>Motor vehicles and equipment (9 corps.):</b>													
Sales.....	61,481	70,653	83,016	14,703	19,725	21,616	22,256	17,959	21,186	18,467	20,979	19,443	
Total revenue.....	61,804	71,139	83,671	14,735	19,946	21,752	22,415	18,142	21,362	18,597	21,146	19,593	
Profits before taxes.....	5,648	6,955	7,429	628	2,019	2,716	2,704	729	1,280	636	1,115	253	
Profits after taxes.....	2,948	3,626	3,992	343	1,060	1,405	1,446	431	709	369	657	134	
Memo: PAT unadj. <sup>2</sup> .....	2,952	3,640	4,078	337	1,091	1,429	1,436	450	763	361	648	147	
Dividends.....	1,433	1,762	2,063	365	599	369	473	404	817	380	382	386	

<sup>1</sup> Selected items have been revised so that figures for quarters now add to annual totals.

<sup>2</sup> Profits after taxes (PAT) as reported by the individual companies. In contrast to other profits data in the series, these figures reflect company variations in accounting treatment of special charges and credits.

<sup>3</sup> Includes 21 corporations in groups not shown separately.

<sup>4</sup> Includes 25 corporations in groups not shown separately.

Note— Data are obtained from published reports of companies and

reports made to the Securities and Exchange Commission. Sales are net of returns, allowances, and discounts, and exclude excise taxes paid directly by the company. Total revenue data include, in addition to sales, income from nonmanufacturing operations and nonoperating income. Profits are before dividend payments and have been adjusted to exclude special charges and credits to surplus reserves and extraordinary items not related primarily to the current reporting period. Income taxes, (not shown) include Federal, State and local government, and foreign. Previous series last published in June 1972 BULLETIN, p. A-50.

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CHANGES IN TIME AND SAVINGS DEPOSITS AT COMMERCIAL BANKS, APRIL-JULY 1974. 1/75.

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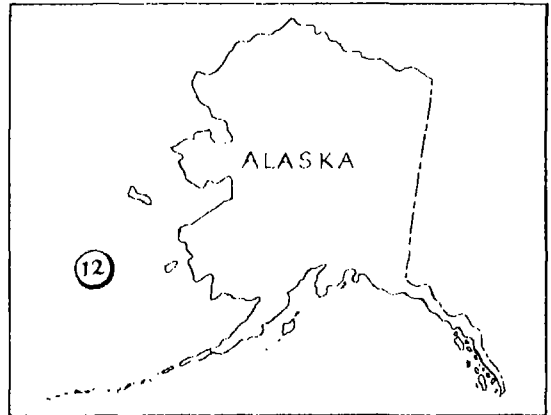
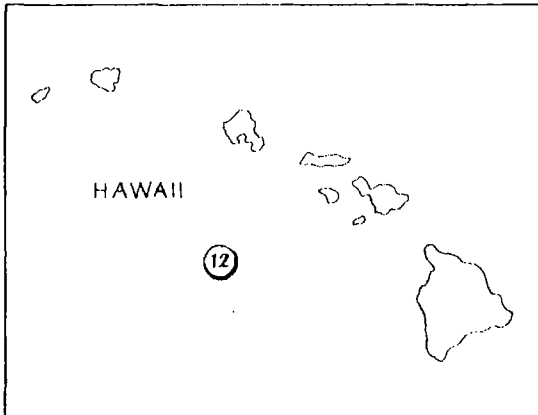
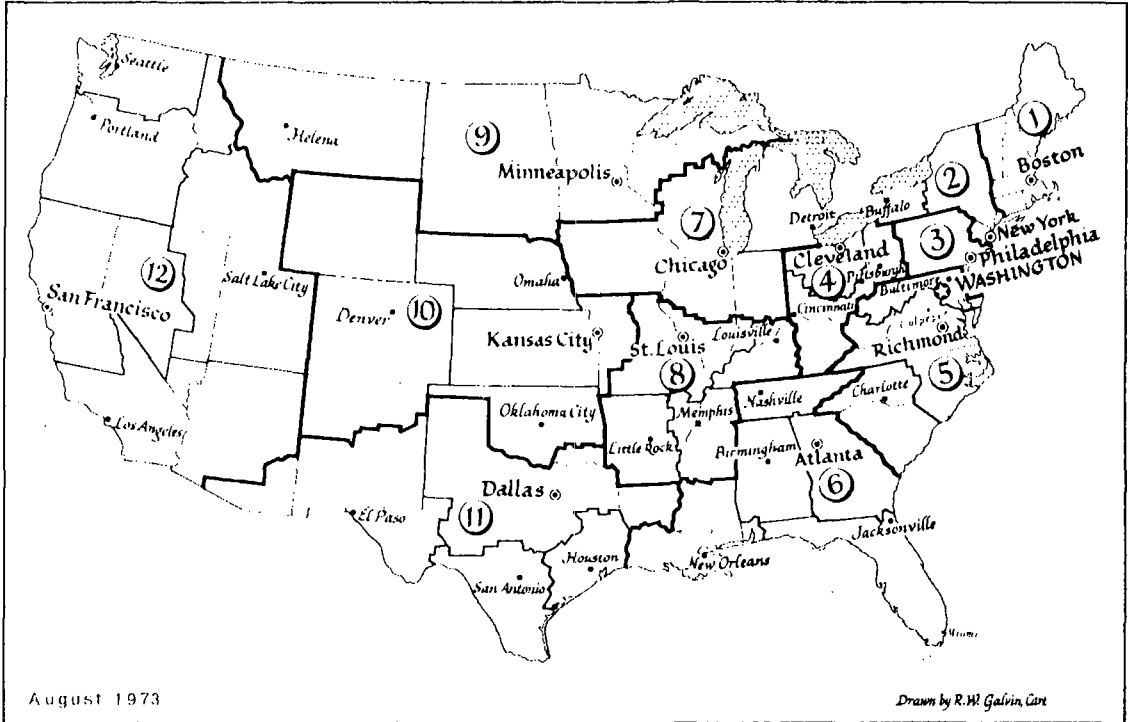
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# The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



## LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facilities