
VOLUME 72 □ NUMBER 3 □ MARCH 1986



FEDERAL RESERVE BULLETIN

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, WASHINGTON, D.C.

PUBLICATIONS COMMITTEE

Joseph R. Coyne, *Chairman* □ Stephen H. Axilrod □ Michael Bradfield □ S. David Frost
□ Griffith L. Garwood □ James L. Kichline □ Edwin M. Truman

Naomi P. Salus, *Coordinator*

The FEDERAL RESERVE BULLETIN is issued monthly under the direction of the staff publications committee. This committee is responsible for opinions expressed except in official statements and signed articles. It is assisted by the Economic Editing Unit headed by Mendelle T. Berenson, the Graphic Communications Section under the direction of Peter G. Thomas, and Publications Services supervised by Linda C. Kyles.

Table of Contents

163 *FINANCIAL CHARACTERISTICS OF HIGH-INCOME FAMILIES*

This article based on the 1983 Survey of Consumer Finances (1) describes the demographic characteristics of families in the highest income decile and presents statistics on the size and composition of their wealth; (2) examines the attitudes and behavior of high-income families with regard to savings and asset portfolio composition; and (3) compares the estimates of aggregate household wealth made from the survey data used in this article with those made from flow of funds account data.

178 *INDUSTRIAL PRODUCTION*

Industrial production rose an estimated 0.7 percent in December 1985.

180 *STATEMENTS TO CONGRESS*

Emmett J. Rice, Member, Board of Governors, presents the views of the Board on two legislative proposals that would establish nationwide ceilings on credit card interest rates and says that a federal ceiling on credit card rates would be inappropriate, before the Subcommittee on Financial Institutions and Consumer Affairs of the Senate Committee on Banking, Housing, and Urban Affairs, January 28, 1986.

184 Paul A. Volcker, Chairman, Board of Governors, discusses the issues involved in the budgetary treatment and procedures of the Federal Reserve System and says that the Federal Reserve wants to operate with maximum efficiency and welcomes congressional oversight, before the Subcommittee on Domestic Monetary Policy of the House Committee on Banking, Finance and Urban Affairs, January 29, 1986.

191 *ANNOUNCEMENTS*

Appointment of new members to the Consumer Advisory Council.

Issuance of interpretation of margin requirements involving a shell corporation used to finance the acquisition of margin stock of a target company.

Release of preliminary figures on income and expenses of the Federal Reserve Banks.

Availability of revised list of OTC stocks subject to margin regulations.

Proposed revisions to Regulation Q; extension of comment period on proposals concerning Federal Reserve float; proposal for Supplemental Adjusted Capital measure.

Changes in Board staff.

Admission of six state banks to membership in the Federal Reserve System.

195 *LEGAL DEVELOPMENTS*

Various bank holding company, bank service corporation, and bank merger orders; and pending cases.

A1 *FINANCIAL AND BUSINESS STATISTICS*

- A3 Domestic Financial Statistics
- A44 Domestic Nonfinancial Statistics
- A53 International Statistics

A69 *GUIDE TO TABULAR PRESENTATION, STATISTICAL RELEASES, AND SPECIAL TABLES*

A76 *BOARD OF GOVERNORS AND STAFF*

**A78 FEDERAL OPEN MARKET COMMITTEE
AND STAFF; ADVISORY COUNCILS**

**A85 FEDERAL RESERVE BANKS, BRANCHES,
AND OFFICES**

**A80 FEDERAL RESERVE BOARD
PUBLICATIONS**

A86 MAP OF FEDERAL RESERVE SYSTEM

A83 INDEX TO STATISTICAL TABLES

Financial Characteristics of High-Income Families

Robert B. Avery and Gregory E. Elliehausen of the Board's Division of Research and Statistics prepared this article with the assistance of Glenn B. Canner, Thomas A. Gustafson, Julia Springer, and members of the Board's Flow of Funds Section. Special thanks are due Richard T. Curtin of the Survey Research Center of the University of Michigan, who supervised the design of the survey and its implementation. This is the last in a series of three reports on the 1983 Survey of Consumer Finances. The first report appeared in the September 1984 issue, and the second appeared in the December 1984 issue. Footnotes appear at the end of the article.

Families with high incomes and large amounts of assets constitute a relatively small proportion of the population but have a relatively large share of its income and wealth. The financial decisions of these families, therefore, can have a disproportionate effect on saving and investment in the household sector. However, because the number of these families is small, household surveys provide an insufficient number of observations with which to study their behavior unless the surveys have very large sample sizes or oversample such families. The 1983 Survey of Consumer Finances, jointly sponsored by the Federal Reserve Board, the Department of Health and Human Services, and five other federal agencies, collected a comprehensive inventory of the assets and liabilities of a base sample of 3,824 randomly selected U.S. households. To increase the representation of the wealthy in the survey, the base sample was augmented with 438 high-income families drawn from tax files. The data on these 438 families, most of which are in the

top 1 percent of families ranked by income, offer a unique opportunity to examine the financial behavior of the wealthiest U.S. families.

Although surveys of household wealth have been conducted fairly regularly since the end of the Second World War, adequate data on the portfolios of the wealthy are available from only a few sources. One such source is data published by the Internal Revenue Service from federal estate tax returns.¹ Unfortunately, demographic characteristics are not available for these data. Another source is the 1979 Income Survey Development Program of the Department of Health and Human Services, which provides information for a sample of households larger than that of most other surveys of wealth.² The 1962 Survey of Financial Characteristics of Consumers generally has been regarded as the most comprehensive and accurate source of information ever obtained on the size and composition of household portfolios.³ The 1962 survey, which contains a very detailed inventory of assets and liabilities, includes a supplemental sample of high-income families drawn from federal income tax files to ensure that a sufficient number of wealthy families are covered.

The 1983 Survey of Consumer Finances is the most comprehensive survey of household wealth since the 1962 survey. The results presented here include responses of high-income families from the base sample of the 1983 survey, which was the sample discussed in the two earlier BULLETIN articles on the survey; but the majority of the observations used here are those from the special, high-income subsample and are being reported for the first time.

The article is divided into three sections. The first describes the demographic characteristics of families belonging to the highest income decile and analyzes the size and composition of their wealth. The second section examines the atti-

NOTE. The data from the 1983 Survey of Consumer Finances, including the high-income supplement, are available on request from the National Technical Information Service, 5285 Port Royal Road, Springfield, Virginia 22161.

tudes and behavior of high-income families with regard to saving and the interrelationship between such attitudes and the composition of asset portfolios. The third section compares the estimates of aggregate household wealth made from the survey data with estimates made from flow of funds account data. Appendix A discusses the design of the main survey and subsample and the preparation of the data; appendix B discusses errors of sampling.

CHARACTERISTICS OF HIGH-INCOME FAMILIES

The survey offers a rare picture of the demographic and financial characteristics of wealthy families. Although other data, such as tax information, are available on individuals, the focus of the survey is the family.⁴ Data reported here are as of the date of the survey, February through July 1983, except for income, which is measured for 1982. All responses were weighted using the procedures described in appendix A.

Table 1 displays the characteristics of the full, weighted sample of the 1983 survey, called "all families," as well as of four high-income subgroups. The category "all families" consists of the base sample plus the high-income subsample (4,103 families). The high-income subgroups are made up of the special subsample plus high-income families in the base sample, for a total of 774 families (see appendix table B.2). The income ranges of the four subgroups and the estimated proportion of total U.S. families in each group are as follows: (1) \$50,000–\$99,999, about 8 percent; (2) \$100,000–\$149,999, about 1 percent; (3) \$150,000–\$279,999, about ½ percent; and (4) \$280,000 or more, the upper ½ percent. Thus, the weighted high-income group represents about 10 percent of all families.

Families in the four subgroups show significantly different distributions for virtually every characteristic. Families with income from \$50,000 to \$99,999 are likely to be younger, have less education, and have two earners, and they are more likely than higher-income families to be nonwhite or Hispanic. The table shows that families in the \$150,000–\$279,999 subgroup are the most likely to have only one spouse working. However, it is the families in the highest income

category that are most likely to have a household with a working husband and nonworking wife (in virtually all of the households with one earner, it is the husband, and only 21 percent of the wives are employed full time). Also, families in the highest income group are almost all non-Hispanic Caucasians, are the most likely to have significant unearned income, and are the oldest of the high-income families. The data suggest that even for very high income groups, most wealth is saved out of accumulated earnings, not inherited. For the lower three of the four high-income groups, the percentage of families earning more than half of their income is higher than that of the total sample average.

Data on occupation offer a revealing glimpse of the relative return of various economic sectors. Although the family heads of only 2 percent of the overall sample work in commercial and investment banking, insurance, and real estate, they constitute more than 31 percent of the family heads of the highest income subgroup. Lawyers and accountants represent less than 1 percent of the family heads of the overall sample, yet they constitute 12 percent of the highest income subgroup and 12 percent of the second-highest group. Interestingly, health professionals are most highly represented in the \$100,000–\$149,999 subgroup. Although professionals, such as doctors, lawyers, and accountants, constitute a disproportionate fraction of all the high-income subgroups, their greatest concentration is in the second-highest group. Families headed by entrepreneurs and by individuals in banking, insurance, and real estate appear to have the best odds of earning the highest incomes.

The 1983 survey collected data on virtually every aspect of the family's balance sheet. These data can be summed to produce an estimate of each family's net worth, accounting for all financial assets, equity in homes, businesses, and other properties, as well as all financial liabilities. The survey also collected data on automobiles and employer-provided pension assets, but these data were not used for this article. A surprisingly large percentage of all U.S. families were estimated to have a net worth of more than \$500,000 (table 2). Net worth was at least \$500,000 for 4 percent of families, and almost 2 percent of families (an estimated 1,310,000) had a net worth of at least \$1 million. Almost ½ percent

of the population (320,000 households) were estimated to have net financial assets (which exclude business, property, and housing assets) of at least \$1 million. Somewhat surprisingly, families that inherited most of their wealth appear in the various categories of net worth with approximately the same frequency as those who accumulated it out of saving; households grouped by the age of the family head show patterns of distribution by net worth that are similar across groups, except for the youngest. However, the distribution of nonwhite and Hispanic families is considerably more concentrated in the lower

categories of wealth than is that of non-Hispanic Caucasians.

Because of the special nature of the sample design of the 1983 survey, a comparison of its findings with most earlier surveys of wealth is inappropriate. The design of the 1962 Survey of Consumer Finances, however, was almost identical and thus offers an interesting point of comparison. Even after adjusting for inflation, the number of wealthy families has increased significantly since 1962 (table 3). About 14 percent of the families in the 1983 survey were estimated to have a net worth of at least \$163,800, in contrast

1. Distribution of 1982 high-income families with given levels of income, by selected characteristics, and of all families, by such characteristics¹

Family characteristic	Family income (dollars)				All families
	50,000-99,999	100,000-149,999	150,000-279,999	280,000 or more	
<i>Age of head (years)</i>					
Less than 25.....	1	*	*	*	8
25-34.....	13	13	1	2	23
35-44.....	30	19	15	16	20
45-54.....	26	33	29	28	16
55-64.....	19	23	37	32	15
65-74.....	8	11	15	19	12
75 or more.....	2	1	3	4	7
<i>Education of head</i>					
0-12 grades.....	23	16	5	4	60
Some college.....	18	7	12	12	17
College degree.....	28	32	30	36	13
Graduate school.....	31	46	54	48	10
<i>Occupation of head</i>					
Not working.....	9	12	5	11	31
Clerical or sales.....	6	5	2	1	8
Craftsman or foreman.....	10	2	*	*	12
Operative, labor, or service work.....	4	*	*	*	18
Lawyer, accountant.....	3	14	12	12	1
Health service professional.....	2	13	8	2	1
Banking, insurance, real estate.....	8	13	17	31	2
<i>Other professional or managerial</i>					
<i>Service sector</i>					
Not self-employed.....	17	10	9	3	9
Self-employed.....	6	5	7	9	3
<i>Manufacturing sector</i>					
Not self-employed.....	22	16	20	14	8
Self-employed.....	11	11	18	17	7
<i>Race or national origin of head</i>					
Caucasian.....	92	91	96	98	82
Nonwhite or Hispanic.....	8	9	4	2	18
<i>Marital status of head</i>					
<i>Unmarried</i>					
Not working.....	2	3	2	*	17
Working.....	8	7	4	9	22
<i>Married</i>					
Neither spouse working.....	4	7	2	10	10
One spouse working.....	29	44	54	49	23
Both spouses working.....	56	39	38	31	28
<i>Source of income and of assets</i>					
More than one-half of income from earnings.....	85	83	84	66	70
More than one-half of assets from saving or earnings.....	94	95	91	93	93

1. Here and in the following tables, components may not add to totals because of rounding; totals for Caucasians exclude Hispanics, who are defined as individuals of Spanish origin regardless of race;

and an asterisk denotes a value of less than 0.5 percent or no cases reported.

2. Distribution of all families with selected characteristics, by net worth, 1983

Percent except where otherwise noted

Family characteristic	Net worth (dollars) ¹							Total	Mean (dollars)	Median (dollars)
	Less than \$0,000	50,000-99,999	100,000-149,999	150,000-249,999	250,000-499,999	500,000-999,999	1,000,000 or more			
<i>Family income (dollars)</i>										
Less than 10,000	86	10	2	1	1	*	*	100	25,140	2,565
10,000-19,999	71	17	6	4	2	1	*	100	45,551	18,750
20,000-29,999	63	18	7	6	4	1	*	100	69,381	31,000
30,000-49,999	40	26	13	11	8	3	*	100	109,871	70,055
50,000 or more	13	15	14	14	18	12	14	100	797,662	194,297
<i>Age of head (years)</i>										
Less than 35	86	8	2	2	1	*	*	100	25,603	3,454
35-44	59	20	9	6	4	2	1	100	85,051	37,332
45-54	49	21	11	8	6	3	3	100	193,935	51,394
55-64	42	22	9	11	9	4	3	100	201,573	64,806
65 or more	49	20	10	7	7	4	3	100	250,068	51,933
<i>Occupation of head</i>										
Not working	64	15	8	5	5	2	1	100	88,963	23,331
Clerical or sales	69	17	6	5	4	*	*	100	52,228	21,202
Craftsman or foreman	65	21	7	5	1	1	*	100	51,429	28,672
Operative, labor, or service work	81	13	4	2	1	*	*	100	28,539	11,245
Lawyer, accountant	43	10	10	12	4	7	13	100	375,055	95,202
<i>Health service</i>										
professional	28	7	13	14	14	16	8	100	412,462	200,156
<i>Banking, insurance, real estate</i>										
Other professional or managerial	26	17	9	11	15	12	10	100	746,798	141,480
<i>Service sector</i>										
Not self-employed	59	20	7	9	3	2	1	100	83,205	30,136
Self-employed	41	20	9	11	13	1	4	100	344,515	69,827
<i>Manufacturing sector</i>										
Not self-employed	48	25	10	8	5	2	2	100	129,641	55,055
Self-employed	29	15	13	12	16	8	7	100	525,370	120,172
<i>Race or national origin of head</i>										
Caucasian	56	19	9	7	5	3	2	100	155,812	39,919
Nonwhite or Hispanic	84	9	2	2	2	*	*	100	34,276	3,428
<i>Source of more than one-half of assets</i>										
Gifts and inheritance	56	17	10	7	4	3	2	100	156,466	33,161
Saving	61	17	7	6	5	2	2	100	131,744	30,393
All families	61	17	8	6	5	2	2	100	133,502	30,553

1. Net worth is defined as total assets less outstanding debts. Total assets consist of (1) value of the family's home; (2) value of other properties; (3) net value of nonpublic businesses; (4) liquid assets (checking accounts, money market deposit accounts, money market mutual fund accounts, savings accounts, and certificates of deposit); (5) retirement assets (individual retirement accounts, Keogh accounts, cash value of whole-life insurance policies, and employer-sponsored

thrift, profit-sharing, stock-option, and tax-deferred-savings plans); and (6) other financial assets (U.S. government savings bonds, municipal bonds, Treasury bills and bonds, corporate and other bonds, publicly traded stock, other mutual funds, trust accounts, and notes owed to the family). Outstanding debts include mortgages on homes and other properties, credit card debt, outstanding balances on credit lines, and all other installment and noninstallment debts.

to about 6 percent of the 1962 families. However, a slightly larger portion of the 1983 sample had a negative net worth, perhaps because the 1983 figures exclude vehicles, which are a significant portion of the wealth of poorer families.

There are significant variations in the distribution of wealth even within the high-income subgroups (table 4). The mean net worth of families with incomes of at least \$280,000 is about 20 times that for families with incomes between \$50,000 and \$99,999; more than 80 percent of

families with incomes of at least \$280,000 have a net worth of at least \$1 million, compared with only 5 percent of the lowest subgroup. Differences in the distribution of wealth across age groups are much more pronounced in the high-income group than in the population as a whole. About 43 percent of the high-income families headed by persons aged 65 years or more had a net worth of at least \$1 million; less than 5 percent of the high-income families headed by persons younger than 45 had a net worth that

3. Distribution of all families, by net worth, 1962 and 1983¹

Net worth (dollars)	1962 Survey of Consumer Finances	1983 Survey of Consumer Finances
Percent		
Negative	11	13
0	5	4
1-3,274	12	10
3,275-16,399	17	13
16,400-32,749	15	11
32,750-81,899	23	22
81,900-163,799	10	14
163,800-327,499	4	7
327,500-655,149	1	4
655,150-1,637,899	1	2
1,637,900 or more	*	1
Total	100	100

1. Intervals for 1962 net worth have been converted to 1983 dollars. SOURCE: For 1962 survey, Dorothy S. Projector and Gertrude S. Weiss, *Survey of Financial Characteristics of Consumers* (Board of Governors of the Federal Reserve System, 1966), table A.1.

high. In contrast, differences in the distribution of occupations by net worth are less pronounced in the high-income subgroups than in the whole sample. Self-employed managers on average have greater net worth than comparable managers working for others. This may be misleading, however, in that employer-provided pension assets, which are not included in these figures, are likely to be significant assets for managers who work for others. Unlike the population as a whole, high-income families whose wealth is from gifts and inheritance are significantly more likely to have very high levels of net worth than those who accumulate their wealth through saving.

The distribution of wealth among different types of assets shows significant variation within the high-income group (table 5). Families increase their relative holdings of nonliquid financial assets and, to a lesser extent, businesses as their income rises. The proportion that families invest in every other asset category except non-housing property falls as income rises. Families with income between \$150,000 and \$279,999 appear to have an anomalously high share of their assets invested in businesses. This result, however, is attributable to the extremely large business holdings (more than \$300 million) of a small number of families that fall into this group. Age differences in portfolio composition are also apparent. The value of the home dominates the portfolios of high-income families headed by

individuals aged less than 45 years, whereas nonliquid financial assets are the largest component of the portfolios of high-income families headed by individuals aged 55 years or more. The amount of debt declines dramatically from 36 percent of total assets in the youngest group to 1 percent in the oldest group. High-income families whose assets are derived mostly from saving have the largest part of their portfolios in business assets. In contrast, high income families whose assets are mostly from gifts and inheritance have greater amounts of liquid and other financial assets.

The data suggest that, even among high-income families, the ownership of some types of financial assets is not widespread (table 6). For example, less than 50 percent of those families with incomes between \$50,000 and \$99,999 own publicly traded stock. Even in the highest income group, less than 50 percent of the families own corporate or Treasury bonds, certificates of deposit, or money market deposit accounts. As their income rises, families are increasingly more likely to own virtually every type of financial asset with the exception of savings accounts. The mean holding for each type of financial asset for those who own it also rises consistently with income. However, the proportion of total assets held in depository institutions, particularly as certificates of deposit, declines as income rises, as do retirement-oriented assets such as individual retirement accounts (IRAs), life insurance, and thrift accounts. Business and property assets are held by an increasing percentage of families as income rises, although their share of total assets is constant.

Data on the concentration of assets show similar patterns. Houses, bank accounts, savings bonds, and life insurance are broadly held. The most concentrated holdings of assets are in non-bank financial assets such as bonds, trust accounts, and stocks. More than 56 percent of the municipal bonds held by sampled families are held by those in the top ½ percent of the income distribution. Businesses, IRAs, and thrift accounts are concentrated in the top 10 percent of the income distribution, but within the highest income decile, they do not appear to be disproportionately held by the top ½ percent of families. Over all, families in the top 10 percent of the income distribution hold 34 percent of the

4. Distribution of high-income families with selected characteristics, by net worth, 1983

High-income family characteristic	Net worth (dollars)							Total	MEMO	
	Less than 50,000	50,000-99,999	100,000-149,999	150,000-249,999	250,000-499,999	500,000-999,999	1,000,000 or more		Mean (dollars)	Median (dollars)
<i>Family income (dollars)</i>										
50,000-99,999	16	18	18	16	19	7	5	100	270,827	143,987
100,000-149,999	5	7	5	8	17	35	24	100	756,821	648,395
150,000-279,999	*	1	*	*	16	29	55	100	3,696,705	1,085,957
280,000 or more	*	*	*	*	2	16	82	100	5,400,338	2,422,800
<i>Age of head (years)</i>										
Less than 35	36	26	22	8	5	1	1	100	128,619	69,595
35-44	18	22	14	11	22	8	5	100	294,427	121,932
45-54	9	12	23	14	16	12	14	100	776,780	203,714
55-64	6	12	4	23	21	16	18	100	790,483	306,006
65 or more	2	*	6	8	18	23	43	100	2,730,325	866,567
<i>Occupation of head</i>										
Not working	6	1	9	6	34	14	30	100	885,602	402,293
Clerical or sales	28	20	14	5	25	5	2	100	192,018	102,389
Craftsman or foreman	27	21	18	16	7	11	*	100	165,337	102,359
Operative, labor, or service work	36	26	24	15	*	*	*	100	79,853	73,388
Lawyer, accountant	15	4	11	11	10	17	32	100	815,072	454,316
<i>Health service</i>										
professional	6	2	22	17	14	27	13	100	628,190	419,670
Banking, insurance, real estate	6	5	12	12	21	19	25	100	1,595,280	445,402
<i>Other professional or managerial</i>										
Service sector										
Not self-employed	19	26	13	17	11	11	4	100	273,609	111,000
Self-employed	*	19	15	27	23	1	14	100	1,162,881	218,316
Manufacturing sector										
Not self-employed	16	23	16	16	16	7	6	100	351,315	135,071
Self-employed	*	2	11	8	25	20	33	100	2,312,305	583,528
<i>Source of more than one-half of assets</i>										
Gifts and inheritance	*	14	25	17	9	11	25	100	1,038,252	205,732
Saving	14	15	14	14	18	12	13	100	782,763	191,878
All high-income families	13	15	14	14	18	12	14	100	797,662	194,297

total assets and 64 percent of the financial assets in the total sample. Families in the top ½ percent of the income distribution hold 19 percent of the total assets and 31 percent of the financial assets.

ATTITUDES AND BEHAVIOR TOWARD SAVINGS

One of the advantages of the 1983 survey over other sources of information on the portfolios of the wealthy is the link it provides between balance sheet data and responses to attitudinal and behavioral questions. The survey asked about attitudes toward financial risk and liquidity and about stock diversification and trading activity, sources of investment advice, and the family's relationship with its primary depository institution.

Greater potential returns are generally available only if an investor is willing to assume

greater risks. Responses to two questions provide information on the preferences of families regarding tradeoffs between expected return and risk. The first question involves attitudes toward financial risk. Respondents were asked to choose one of four responses, from "not willing to take any financial risks" to "take substantial financial risk expecting to earn substantial returns," that best describes the amount of financial risk they are willing to take when they save or make investments. While few families in any income group indicated a willingness to take substantial financial risk, high-income families were much more likely than the population as a whole to report a willingness to take above average or average financial risk to earn higher returns (table 7). Nearly half of all families but less than 20 percent of high-income families indicated that they were not willing to take any financial risk.

The second question concerns attitudes toward liquidity. Higher returns are generally of-

5. Composition of balance sheet of high-income families with selected characteristics, 1983

High-income family characteristic	Type of asset							Debt	Net worth	Total
	House	Other property	Non-public business	Liquid assets	Retirement assets	Other financial assets	Total			
<i>Family income (dollars)</i>										
50,000-99,999	31	21	23	9	6	11	100	16	84	100
100,000-149,999	22	13	22	8	7	28	100	11	89	100
150,000-279,999	7	8	67	2	3	12	100	3	97	100
280,000 or more	8	20	27	4	2	39	100	6	94	100
<i>Age of head (years)</i>										
Less than 35	42	20	23	7	3	6	100	36	64	100
35-44	33	16	28	7	6	10	100	22	78	100
45-54	17	16	30	5	4	27	100	11	89	100
55-64	18	15	26	7	7	28	100	7	93	100
65 or more	5	17	51	4	2	21	100	1	99	100
<i>Occupation of head</i>										
Not working	13	20	16	11	2	39	100	8	92	100
Clerical or sales	38	16	2	10	13	22	100	18	82	100
Craftsman or foreman	44	22	12	6	9	7	100	20	80	100
Operative, labor, or service work	48	5	18	18	10	*	100	20	80	100
Lawyer, accountant	17	27	29	5	5	17	100	11	89	100
Health service professional	26	20	24	5	11	13	100	12	88	100
Banking, insurance, real estate	12	27	26	5	3	27	100	6	94	100
<i>Other professional or managerial</i>										
<i>Service sector</i>										
Not self-employed	33	16	15	11	8	17	100	14	86	100
Self-employed	10	17	19	4	3	48	100	11	89	100
<i>Manufacturing sector</i>										
Not self-employed	29	15	14	7	8	27	100	18	82	100
Self-employed	9	6	72	3	1	9	100	4	96	100
<i>Source of more than one-half of assets</i>										
Gifts and inheritance	14	13	16	7	2	48	100	4	96	100
Saving	16	17	38	5	4	20	100	9	91	100
All high-income families	16	16	36	5	4	23	100	9	91	100

ferred on assets that have longer maturities, but long-term investments may have lower returns if liquidated before maturity. Respondents were asked to choose one of four responses, from "not willing to tie up money at all" to "willing to tie up money for a long period of time to earn substantial returns." High-income families are more likely than other families to say that they are willing to invest their savings in illiquid assets in the expectation of earning higher returns. More than two-thirds of high-income families but only 38 percent of the population as a whole reported being willing to tie up money for an intermediate or long period of time to earn higher returns (table 7). Less than 5 percent of high-income families are not willing to tie up money at all, whereas 29 percent of all families are not willing to tie up money.

The survey shows that, as might be expected, those families willing to tolerate greater financial risks, in this case those with high incomes, hold proportionately more business assets and smaller

portfolio shares of housing, other property, and liquid assets than families not willing to take risks (table 8). High-income families willing to invest in illiquid assets have smaller shares of assets in housing and other properties than families not willing to tie up money. Those indicating a willingness to take substantial risks have larger debt-to-equity ratios; otherwise, debt-to-equity ratios are surprisingly similar across risk attitudes, suggesting that most families do not increase expected returns by using leverage. Those unwilling to tie up money also have a higher debt-to-equity ratio. These findings are consistent with the view that most families use debt conservatively to finance the acquisition of real or durable assets.

As mentioned, high-income families are more likely than other families to own publicly traded stock, and their holdings of such stocks are a larger share of total assets than that for the population as a whole. High-income families, especially those with incomes of \$100,000 or

6. Proportion of families holding various assets, mean holdings, and such assets as a proportion of total assets, for all families and for 1982 high-income families

Asset	All families			Family income (dollars) 50,000-99,999		
	Percent owning	Mean holding of owners (dollars)	Mean percent of assets for owners	Percent owning	Mean holding of owners (dollars)	Mean percent of assets for owners
<i>Property</i>						
House	64	70,150	68	88	112,320	52
Other, net	19	96,854	30	41	121,899	26
<i>Nonpublic business</i>						
No management interest	3	133,794	24	8	185,698	19
Management interest	12	305,593	37	24	240,235	37
<i>Liquid assets</i>						
Checking accounts	79	1,844	11	97	3,464	3
Money market deposit accounts	9	19,626	15	21	22,720	10
Money market mutual fund accounts	7	19,864	10	24	16,655	7
Savings accounts	62	3,857	15	76	7,791	6
Certificates of deposit	20	24,016	19	35	31,433	12
<i>Retirement assets</i>						
Individual retirement or Keogh accounts	17	10,395	7	52	10,190	5
Thrift accounts	11	20,879	14	30	26,896	10
Cash value of whole-life insurance policies	33	9,788	17	50	10,287	5
<i>Other financial assets</i>						
U.S. savings bonds	21	1,760	5	34	1,986	1
Municipal bonds	2	105,786	10	7	49,662	10
Other bonds	3	59,188	16	9	55,606	16
Publicly traded stock	19	59,158	12	47	39,880	10
Mutual funds	5	25,839	8	19	20,289	8
Trust accounts	4	155,915	22	9	30,260	10
Notes owed to family	5	28,862	18	11	23,008	8
Family income (dollars)						
Asset	100,000-149,999			150,000-279,999		
	Percent owning	Mean holding of owners (dollars)	Mean percent of assets for owners	Percent owning	Mean holding of owners (dollars)	Mean percent of assets for owners
<i>Property</i>						
House	91	207,932	36	98	272,015	23
Other, net	43	184,245	19	62	463,989	21
<i>Nonpublic business</i>						
No management interest	26	131,698	15	28	263,437	10
Management interest	52	292,897	25	60	4,155,433	37
<i>Liquid assets</i>						
Checking accounts	95	8,081	2	99	10,223	1
Money market deposit accounts	37	46,198	6	34	46,616	3
Money market mutual fund accounts	43	39,195	5	49	54,199	4
Savings accounts	67	13,248	3	61	12,494	1
Certificates of deposit	32	57,179	16	33	47,396	5
<i>Retirement assets</i>						
Individual retirement or Keogh accounts	75	26,947	4	84	42,614	3
Thrift accounts	20	99,129	13	50	117,539	10
Cash value of whole-life insurance policies	55	31,179	6	60	36,235	3
<i>Other financial assets</i>						
U.S. savings bonds	36	2,748	*	25	6,449	1
Municipal bonds	19	139,990	9	25	115,494	7
Other bonds	22	110,235	10	22	92,883	7
Publicly traded stock	61	206,827	17	75	364,051	19
Mutual funds	25	67,255	9	46	51,734	4
Trust accounts	13	233,038	14	28	362,945	16
Notes owed to family	22	63,456	7	18	83,121	4

6. Continued

Asset	Family income (dollars) 280,000 or more			Concentration of ownership	
	Percent owning	Mean holding of owners (dollars)	Mean percent of assets for owners	Percent owned by top 10 percent of income distribution	Percent owned by top ½ percent of income distribution
<i>Property</i>					
House	94	465,150	15	30	5
Other, net	71	1,366,957	16	63	27
<i>Nonpublic business</i>					
No management interest	46	621,279	14	76	31
Management interest	60	2,114,260	33	78	18
<i>Liquid assets</i>					
Checking accounts	98	34,687	1	40	12
Money market deposit accounts	47	87,913	3	47	11
Money market mutual fund accounts	61	132,334	5	72	28
Savings accounts	57	22,644	1	28	3
Certificates of deposit	37	199,328	7	32	8
<i>Retirement assets</i>					
Individual retirement or Keogh accounts	74	64,411	2	62	14
Thrift accounts	28	161,719	6	64	10
Cash value of whole-life insurance policies	64	62,071	2	28	6
<i>Other financial assets</i>					
U.S. savings bonds	36	28,421	*	35	14
Municipal bonds	50	456,723	10	92	56
Other bonds	30	311,981	9	72	28
Publicly traded stock	90	1,046,640	20	85	43
Mutual funds	46	168,268	6	80	31
Trust accounts	25	3,363,447	17	88	69
Notes owed to family	29	190,716	6	47	18

more, are also distinguished from other families by the diversification of their stock portfolios and their stock trading activity (table 9). The majority of all families owning stock have shares in only one company (10 percent of all families own shares in one company, and 8 percent own shares in two or more companies). Of families with incomes between \$50,000 and \$99,999 that own stocks, however, more than half have two

or more stocks: the majority of families with incomes of \$100,000 or more that own stocks have shares of five or more companies in their stock portfolios.

The difference between high-income families and the population as a whole is even more dramatic when stock trading activity is considered. About 6 percent of all families purchased or sold stocks in the previous year. In contrast,

7. Proportion of high-income families, and of all families, holding various attitudes toward financial risk and liquidity, 1983¹

Attitude	Family income (dollars)				All families
	50,000-99,999	100,000-149,999	150,000-279,999	280,000 or more	
<i>Financial risk</i>					
Take substantial financial risk to earn substantial return	6	8	5	10	6
Take above-average financial risk to earn above-average return	22	25	36	34	11
Take average financial risk to earn average return	55	57	52	46	38
Take no financial risk	17	9	3	5	43
<i>Liquidity</i>					
Tie up money for long term to earn substantial return	20	30	22	26	12
Tie up money for intermediate term to earn above-average return	42	48	56	47	26
Tie up money for short term to earn average return	30	17	18	18	30
Do not tie up money at all	5	3	2	2	29

1. Does not report cases in which attitude was not ascertained.

8. Composition of balance sheet of high-income families with various attitudes toward financial risk and liquidity, 1983

Percent of total assets

Attitude	Type of asset							Debt	Net worth	Total
	House	Other property	Non-public business	Liquid assets	Retirement assets	Other financial assets	Total			
<i>Financial risk</i>										
Take substantial financial risk to earn substantial return	17	9	45	4	4	22	100	12	88	100
Take above-average financial risk to earn above-average return	11	11	56	4	3	16	100	7	93	100
Take average financial risk to earn average return	19	22	23	6	5	26	100	9	91	100
Take no financial risk	26	12	18	13	6	26	100	8	92	100
<i>Liquidity</i>										
Tie up money for long term to earn substantial return	19	12	26	7	6	31	100	9	91	100
Tie up money for intermediate term to earn above-average return	13	12	46	5	3	21	100	7	93	100
Tie up money for short term to earn average return	19	31	23	6	4	17	100	10	90	100
Do not tie up money at all	31	9	28	6	3	24	100	14	86	100

nearly a quarter of families with incomes between \$50,000 and \$99,999, about half of families with incomes between \$100,000 and \$279,999, and almost three-quarters of families with incomes of \$280,000 or more had stock transactions in the previous year. About 30 percent of families with incomes between \$100,000 and \$279,999 and nearly half of families with incomes of \$280,000 or more had five or more transactions in the previous year.

High-income families are about twice as likely

as the population as a whole to seek financial advice from a professional (table 10). About half of the high-income families reported seeking financial advice, but the source of advice varies by income. Accountants and brokers are the sources most frequently used by families with incomes from \$50,000 to \$279,999. For families with incomes of \$280,000 or more, however, brokers are mentioned most often as a source of financial advice. Banks, the primary source of advice for the population as a whole, are cited

9. Distribution of high-income families with given levels of income, and of all families, by selected characteristics of stock investment, 1983

Percent

Investment characteristic	Family income (dollars)				All families
	50,000-99,999	100,000-149,999	150,000-279,999	280,000 or more	
<i>Number of publicly traded stocks</i>					
0	53	39	25	10	81
1	20	13	17	8	10
2-4	16	15	15	19	4
5-9	6	12	15	26	2
10-19	4	12	14	19	1
20 or more	2	10	15	18	1
Total	100	100	100	100	100
<i>Number of times stocks purchased or sold through broker in past year</i>					
0	77	53	48	29	94
1	5	5	6	4	1
2-4	11	15	16	17	3
5-9	4	9	9	16	1
10-19	1	10	10	18	1
20 or more	2	8	11	15	*
Total	100	100	100	100	100
MEMO: Has brokerage account	28	55	59	80	7

10. Proportion of high-income families, and of all families, that obtain financial advice from various sources, 1983

Percent

Source of advice	Family income (dollars)				All families
	50,000-99,999	100,000-149,999	150,000-279,999	280,000 or more	
Accountant	19	29	30	28	6
Bank	12	10	17	16	12
Broker	23	32	29	38	8
Tax advisor	11	15	25	26	4
Lawyer	6	17	17	19	5
Any professional	47	53	57	53	26

more frequently than tax advisors and lawyers by the \$50,000 to \$99,999 income group but become relatively less important as income increases.

High-income families choose a commercial bank for their main checking account much more frequently than other families, and within the high-income group, the frequency increases with income (table 11). Table 11 also shows that high-income families are more likely than others to use services offered by depository institutions.

However, for those families that use a particular service, the likelihood that they obtain it from the same institution as their main checking account is about the same for the high income groups as the total sample. Particularly noteworthy is that a substantial proportion of families obtain their services at a different financial institution than the one where the main checking account is held, suggesting that these families are willing to forgo the convenience of obtaining a service at the same location if rates or other terms are more attractive at a different institution.

COMPARISON OF THE SURVEY WITH FLOW OF FUNDS

Estimates of the aggregate holdings of assets of U.S. households can be obtained by appropriately weighting and summing the amount reported from consumer surveys. It is also possible to estimate such holdings from the aggregate data

11. Proportion of high-income families, and of all families, that use various financial institutions for their main checking account, and proportion that use their main checking institution or any institution for selected other services, 1983

Percent

Institution and service	Family income (dollars)				All families
	50,000-99,999	100,000-149,999	150,000-279,999	280,000 or more	
<i>Institution for main checking account</i>					
Commercial bank	79	87	91	93	64
Savings institution	14	6	8	5	11
Credit union	3	1	*	*	4
Broker	1	1	1	*	*
<i>Use of other services at financial institutions</i>					
<i>Other checking account</i>					
Main checking institution	21	30	37	43	9
Any institution	52	58	71	84	21
<i>Individual retirement account</i>					
Main checking institution	16	19	27	18	5
Any institution	53	75	84	75	17
<i>Certificate of deposit</i>					
Main checking institution	13	14	14	26	10
Any institution	35	32	33	37	20
<i>Money market or savings account</i>					
Main checking institution	36	55	39	40	34
Any institution	86	86	93	88	67
<i>Credit card</i>					
Main checking institution	29	46	49	53	17
Any institution	81	85	95	90	43
<i>Mortgage</i>					
Main checking institution	13	21	19	21	8
Any institution	74	75	73	69	40
<i>Other loan</i>					
Main checking institution	22	19	21	18	14
Any institution	66	56	51	63	51
<i>Brokerage or trust account</i>					
Main checking institution	1	2	5	3	1
Any institution	34	57	70	84	10

compiled in the Federal Reserve's flow of funds accounts. Historically, however, these two methods have produced significantly different estimates. This is particularly true of financial assets, where survey-based estimates have typically been only half as large as those derived from flow of funds data. Many reasons have been advanced to explain this discrepancy, but the most commonly given are that (1) the data for the flow of funds household sector overstate holdings of families because the data include trusts and nonprofit organizations and (2) survey-based estimates suffer from significant underreporting because of ignorance, intentional withholding of information, and the undersampling or underweighting of the wealthy. Two recent developments offer the potential to test these explanations. First, the special subsample of the wealthy in the 1983 survey potentially allows more accurate weighting of the survey data and fuller sampling of the wealthy. Second, the Flow of Funds Section of the Federal Reserve has recently employed information from the Internal Revenue Service and other sources to make estimates of the financial assets of some trusts, foundations, and other nonprofit organizations, which can be used to separate the holdings of these entities from those of families.

12. Aggregate family assets and liabilities from flow of funds accounts and from the 1983 Survey of Consumer Finances

Billions of dollars

Category	Flow of funds accounts		1983 Survey of Consumer Finances	
	Unadjusted ¹	Adjusted ²	Base sample only	Total sample
Assets				
Deposits ³	1,999	1,942	989	1,100
Bonds and notes ⁴	677	425	336	469
Stocks and equities	1,275	1,033	582	982
Life insurance cash value	233	233	256	261
Liabilities				
Home mortgages	1,097	1,097	897	927
Other debt	635	603	281	334

1. As of December 31, 1982. Includes total household sector.

2. As of December 31, 1982. Total household sector less estimated holdings of nonprofit organizations.

3. Checking, savings, and money market accounts plus individual retirement and Keogh accounts, broker call accounts, and certificates of deposit.

4. Bonds estimated at book value.

Table 12 compares four different estimates of aggregate household holdings of deposits, bonds and notes, stocks, and the cash value of life insurance and home mortgages and other family debts. Two flow of funds calculations were made as of the end of 1982, one including nonprofit organizations and one excluding them. Some flow of funds categories were modified to provide comparability with survey data. Two aggregate estimates from the 1983 survey were calculated, one using only the base sample and the other with the addition of the high-income subsample, appropriately weighted. The data shown in the first and third columns of table 12 reflect the comparisons typically made previously. The survey-based estimates of deposits, bonds, and stocks are only about 50 percent of the flow of funds estimates. However, when each of these estimates is adjusted, as shown in the second and fourth columns, the change is striking. Survey-based estimates of bonds and stocks are 93 percent and 110 percent, respectively, of those in the flow of funds accounts. Data for debts still show some discrepancy, though less than in the conventional comparison. Data for deposits, however, remain an enigma. The survey estimate is still only 57 percent of the flow of funds estimate. Currency holdings, which are included in the flow of funds data but not in the survey, total \$150 billion at most and thus cannot account for the full difference. A more detailed comparison of the components of deposits (not shown in the table) indicates the same discrepancy for each component. One explanation is that the underreporting of "hidden" accounts may still be a problem with consumer surveys. Over all, the adjustments offer encouragement to the view that flow of funds data and survey data offer comparable estimates of the same phenomena.

SUMMARY OF FINDINGS

This article has presented information on the financial behavior of high-income U.S. families from the 1983 Survey of Consumer Finances. A special, high-income sample drawn from tax files and added to the survey's randomly drawn base sample allows a more accurate examination of the behavior of the wealthy than was previously

available. A significant concentration of wealth was found. More than 19 percent of the total assets and 34 percent of the financial assets were estimated to be held by families in the top ½ percent of the income distribution. Stocks, bonds, and trust holdings were found to be particularly concentrated among very wealthy families. The number of households with net worth of at least \$1 million was estimated to have risen significantly since a similar survey in 1962, to almost 2 percent of all families. Somewhat surprisingly, except for young households, the distribution of families across the various levels of wealth does not appear to be strongly related to age. Families headed by entrepreneurs and by individuals in banking, insurance, and real estate were more likely than families in other occupations to earn the highest incomes.

The behavior of high-income families with regard to their savings can be distinguished from that of other families in several ways. High-income families indicated a greater willingness to assume risks to earn higher returns, and the greater diversification of their portfolios affords them the ability to assume these risks. Unlike other families, a substantial proportion of high-income families reported having stock transactions during the year. Thus, it is not surprising that high-income families are more likely to seek investment advice from professionals. Brokers are the most important source of investment advice for high-income families. In contrast, other families, who typically own only liquid assets that are available from depository institutions, most frequently obtain investment advice from banks.

Estimates of aggregate family assets based on data from consumer surveys have historically been about only one-half of estimates compiled in the Federal Reserve's flow of funds accounts. The 1983 survey offered an opportunity to examine the extent to which this discrepancy might be explained by undersampling of the wealthy. Estimates of aggregate stock and bond holdings from the 1983 survey came within 5 percent of comparable flow of funds estimates, offering encouragement to the view that they measure the same phenomena.

FOOTNOTES

1. See Robert J. Lampman, *The Share of Top Wealth Holders in National Wealth, 1922-56* (Princeton University Press, 1962); James D. Smith and Stephen D. Franklin, "The Concentration of Personal Wealth, 1922-1969," *American Economic Review*, vol. 64 (May 1974), pp. 162-67; Marvin Schwartz, "Trends in Personal Wealth, 1976-1981," *SOI Bulletin*, vol. 3 (Summer 1983), pp. 1-26.

2. Martynas A. Ycas and Charles A. Lininger, "The Income Survey Development Program: Design Features and Initial Findings," *Social Security Bulletin*, vol. 44 (November 1981), pp. 13-19.

3. Dorothy S. Projector and Gertrude S. Weiss, *Survey of Financial Characteristics of Consumers* (Board of Governors of the Federal Reserve System, 1966).

4. The survey defines the family to be any group of persons living together who are related by marriage, blood, or adoption, and any individual living alone or with persons to whom the individual is not related. The head of the family is defined as the individual living alone, the male of a married couple, or the adult in a family with more than one person and only one adult. Generally, when there is no married couple and more than one adult, the head is the economically dominant person or the one closest to age 45. Adults are persons aged 18 years or more.

Appendixes A and B follow.

APPENDIX A: SURVEY DESIGN

The methods employed in selecting the base sample of the 1983 Survey of Consumer Finances are similar to those used in earlier surveys. A multistage probability design was used to select a representative sample of all families in the contiguous 48 states of the United States, exclusive of those on military bases and those that have been institutionalized. Participating families were drawn from 74 sample points in 37 states and the District of Columbia.

The high-income supplement was drawn from tax files in a manner designed to preserve the privacy of tax information and to shield the identity of sample participants from the government. Applying multifaceted sampling criteria to the tax returns for 1982, approximately 5,000 high-income families who lived in the 74 geographic sampling units used for the base survey were selected. The Office of the Comptroller of the Currency, an agency of the Treasury Department, sent these households a letter asking if they wished to join in the survey, with a postcard supplied for those choosing to participate. Names and addresses of the 459 households that returned postcards were forwarded to the Survey Research Center of the University of Michigan, which conducted the survey. The Office of the Comptroller of the Currency was also able to compute appropriate sampling weights for high-income participants using formulas supplied by the Internal Revenue Service. Field interviewers were not told which households were part of the high-income supplement, and the questionnaire was that used for the base sample. The Internal Revenue Service does not have access to the names of the survey participants.

Interviewing for the 1983 survey was carried out by the Survey Research Center from Febru-

ary through July 1983. A total of 5,396 families were solicited as part of the base sample, of whom 3,824 (71 percent) participated in the survey. A total of 438 of the responding high-income families completed interviews. Interviews were done in person and lasted an average of 75 minutes. Within each participating family, the person selected as respondent was either the head of the family or, in the case of a married couple, the person most knowledgeable about family finances. Respondents were encouraged to consult other family members or financial records when appropriate.

The numbers presented in the tables of this article are based on data that differ from the raw sample responses. Particularly for questions of a sensitive nature, respondents are not always willing to answer. As a result, conclusions based only on actual responses can be biased. To correct for this potential bias, a series of statistical procedures were used with the 1983 survey data to impute missing values. The base sample and the high-income supplement were handled separately. For the base sample, 159 observations that were missing virtually all dollar values were discarded. To calculate a sampling weight to compensate for any nonrandom exclusion of observations, a probit equation using information available for all observations was fit for the included and excluded groups. Imputations were made for all missing values of the remaining 3,665 base sample observations. All of the 438 high-income observations were retained, as they had very few missing values. The weights for the 4,103 observations used in constructing the numbers in the tables were formed from the high-income weights supplied by the Internal Revenue Service, response rates for the different sampling units, and weights formed from the exclusion of the 159 base sample observations.

APPENDIX B: ERRORS OF SAMPLING

The results of any survey and the estimates of population characteristics derived from it are subject to errors based on the degree to which the sample varies from the population (sampling error), errors arising during the interview, and

errors derived from incomplete responses. Because the 1983 sample was drawn from two different sources, additional error may be introduced if the samples are incorrectly meshed.

The only one of these sources of error whose

B.1 Approximate sampling errors of survey results, by size of sample¹

Percentage points

Survey results (percent)	Size of sample				
	3,000	2,000	500	300	100
50	2.5	2.8	3.6	6.2	10.5
30 or 70	2.3	2.5	3.3	5.7	9.6
20 or 80	2.0	2.2	2.9	4.9	8.4
10 or 90	1.5	1.7	2.2	3.7	6.3
5 or 95	1.1	1.2	1.6	2.7	4.6

1. Two standard errors, 95 percent confidence interval.

potential impact can be predictably forecast is sampling error. This is a measure of possible random deviation of the survey findings resulting from the selection of a particular sample. Table

B.1 shows the approximate percentage points of sampling error associated with various sample sizes and results reported from a survey, assuming a confidence level of 95 percent; that is, the chances are 95 in 100 that the actual value lies within a range equal to the reported percentage plus or minus the sampling error. The importance of the high-income supplement is apparent from sample information given in table B.2, which shows the number of sample observations used for the four income subgroups. The number of observations in the highest income group, for example, rises from 12 to 212 when the base sample is augmented with the high-income supplement. The base sample clearly would not offer enough observations with which to make the kinds of inferences sought in this article.

B.2 Size of base sample and of high-income subsamples of the 1983 Survey of Consumer Finances

Number of families

Sample group	All families	Family income (dollars)			
		50,000-99,999	100,000-149,999	150,000-279,999	280,000 or more
Base	3,665	269	50	10	12
High-income, from tax files	438	34	70	129	200
Total	4,103	303	120	139	212

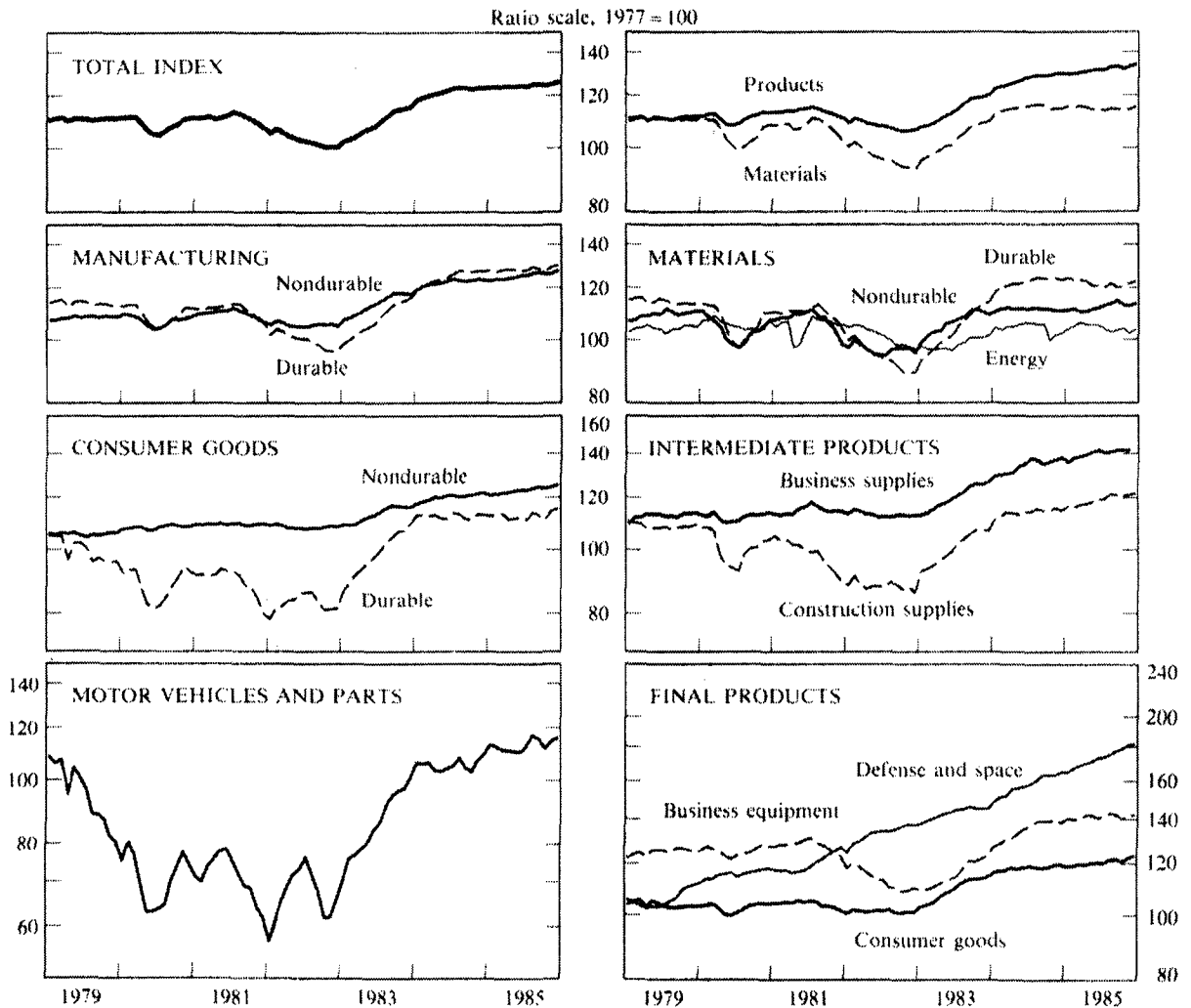
Industrial Production

Released for publication January 16

Industrial production rose an estimated 0.7 percent in December. This rise followed an upward revised gain of 0.6 percent in November and a decline of 0.6 percent in October. The preliminary average for fourth-quarter industrial production was 1¼ percent higher at an annual rate than the average for the third quarter. At 126.0

percent of the 1977 average, the index in December was 2.1 percent higher than that of a year earlier.

Production gains occurred in most market groups for the second consecutive month. The output of durable consumer goods increased 0.8 percent in December following an upward revised gain of 2.9 percent in November. In December, autos were assembled at a seasonally



All series are seasonally adjusted. Latest figures: December.

Group	1977 = 100		Percentage change from preceding month					Percentage change, Dec. 1984 to Dec. 1985
	1985		1985					
	Nov.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	
Major market groups								
Total industrial production	125.1	126.0	.9	.0	-.6	.6	.7	2.1
Products, total	133.1	133.9	1.1	.1	-.8	.8	.6	3.2
Final products	133.4	134.2	1.1	.0	-1.0	1.0	.6	2.7
Consumer goods	122.0	123.0	1.1	.3	-.9	1.1	.8	2.7
Durable	114.6	115.5	2.5	-1.0	-1.4	2.9	.8	2.1
Nondurable	124.8	125.8	.7	.7	-.7	.5	.8	3.0
Business equipment	141.9	142.1	1.2	-.6	-1.4	1.2	.2	2.7
Defense and space	181.1	182.0	.9	1.1	.8	1.2	.5	10.1
Intermediate products	132.3	133.2	1.0	.3	-.2	.2	.7	4.6
Construction supplies	121.2	121.9	1.8	-.2	-.5	.4	.6	6.3
Materials	114.2	115.1	.7	-.3	-.2	.2	.8	.4
Major industry groups								
Manufacturing	128.0	129.0	1.0	-.4	-.5	.7	.8	2.5
Durable	129.2	130.0	1.2	-.8	-.4	1.1	.6	2.1
Nondurable	126.4	127.6	.8	.2	-.6	.2	1.0	3.4
Mining	106.3	106.6	-.4	.1	-.4	-1.6	.3	-2.1
Utilities	113.2	114.7	-.3	2.6	-.6	.6	1.4	2.8

NOTE. Indexes are seasonally adjusted.

adjusted annual rate of 8.1 million units compared with a 7.8 million rate in November. Output of home goods, which includes appliances and furniture, rose about 1 percent, the third consecutive strong gain. Nondurable consumer goods increased 0.8 percent in December. The production of business equipment edged up 0.2 percent in December, while defense and space output rose 0.5 percent. Construction supplies and business supplies increased 0.6 and 0.8 percent respectively. Materials output rose 0.8

percent in December, with gains in most major components except metals.

In industry groups, manufacturing output increased 0.8 percent in December to a level 2½ percent higher than that of a year earlier. Durable manufacturing rose 0.6 percent, and nondurables increased 1.0 percent in December. The output of utilities rose 1.4 percent, but mining output increased only slightly after a sharp decline in November.

Statements to Congress

Statement by Emmett J. Rice, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions and Consumer Affairs of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, January 28, 1986.

I appreciate the opportunity to appear before the subcommittee to present the views of the Federal Reserve Board on two legislative proposals that would establish nationwide ceilings on credit card interest rates. One of these bills, S. 1603, would specify that the rate of interest on any credit card transaction could not be more than 5 percentage points higher than the average yield on 26-week Treasury bills during the preceding calendar year. The other bill, S. 1922, would limit the interest rate on credit card debt to 4 percentage points above the rate specified by the Internal Revenue Code for calculation of interest payable on overdue income tax payments or on income tax refunds. The latter rate is essentially an average of the prime rate charged by commercial banks during a specified period six months earlier.

Both bills under review today would set floating ceilings on credit card rates that would supersede generally less restrictive state-imposed limits. In the past, the Board has commented on similar proposals, including two bills currently pending in the House of Representatives. In doing so, it has endorsed the principle that—as with other types of credit—consumer loans are most fairly and efficiently allocated when there are no regulatory constraints on interest rates. Indeed, the Board has been concerned about the adverse impact that interest rate ceilings can have on the availability of funds in local credit markets and on individuals with limited access to credit. On frequent occasions, it has stated its opposition to such limits.

Recently, a number of observers have taken note that interest rates on bank credit card loans

have edged up since the early 1980s even though market rates, which represent costs of funding, have fallen substantially. Some of these observers have concluded that the resistance of credit card rates to downward pressure indicates that credit card users have received inequitable treatment as compared with other borrowers—a premise that underlies both bills. However, the Board believes that the relative stability of credit card interest rates reflects the particular cost and revenue characteristics of credit card lending, as well as state regulatory constraints on credit card rates, rather than any significant ability of lenders to take unfair advantage of credit card borrowers.

Implicit in the notion that variations in credit card finance rates should correspond closely to changes in market rates is the assumption that the cost of funds is a dominant cost factor for suppliers of credit card services. In fact, however, the cost of funds seems to be much less important in credit card lending than it is in most other types of credit. For credit card plans, the bulk of total costs consists of operating costs incurred for processing transactions, making monthly billings, and evaluating credit applications, along with costs associated with delinquent accounts and credit losses. These cost factors vary in ways that usually differ from the pattern followed by changes in market costs of funds.

The Federal Reserve System surveys a number of commercial banks each year to obtain information about their costs of providing various services. From these average cost data, published under the title, Functional Cost Analysis, the importance of financing costs and other costs can be compared for credit card operations and for other kinds of bank lending. During the period 1972 through 1984, financing costs averaged only about three-tenths of total expenses, before taxes, for the credit card function at participating medium- and large-sized banks that issue credit cards. By comparison, financing

costs at banks in the same size classes accounted for more than three-fourths of total costs of the commercial lending function, and for nearly nine-tenths of total costs of mortgage lending. Studies of credit card operations at retailers likewise have shown that funding costs are less important than operating and collection costs.

But there is an even more striking difference between credit card loans and other types of lending. The key characteristic of revolving credit plans is that terms of repayment are quite flexible and actual repayments in any given period are largely at the discretion of the account holder. Excluding cash advances, which typically earn finance charges from the transaction date, most credit card plans charge interest only if card holders pay less than the full amount of the outstanding balance by the end of the grace period. Thus, unlike other kinds of credit, the way the credit card holder uses the account determines how much—and, indeed, whether any—interest income is earned by the card issuer.

There is evidence that some credit card holders—perhaps nearly 10 percent at any one time—do not use their credit cards at all. These non-users produce no revenue from finance charges that would offset costs incurred by card issuers in establishing and maintaining their accounts; however, many bank credit card issuers now charge card holders an annual fee. Of card holders who use their credit cards, some surveys indicate that roughly half of them usually pay off the entire balance when they are billed. Customers of this type also generate no finance charge revenue to offset costs of processing, financing, and billing; however, bank credit card issuers do derive some income from fees that merchants pay to help defray processing costs, and, in many cases, from annual card holder fees.

These considerations indicate that the behavior of credit card rates cannot be evaluated adequately by simply comparing them with a market interest rate. Doing so would overlook fundamental differences in the behavior of costs and revenues between credit card operations and other types of lending—namely, that funding costs are a lower share of total costs for credit card lending, and that some credit card borrowers pay little interest, if any.

One measure that takes these differences into

account is the net return to card issuers after deducting the cost of funds and other expenses. Again, the Functional Costs Analysis statistics for respondent banks provide some basis for comparison among types of lending. Data for the period 1972 through 1984 show that—in contrast to the higher gross finance rate charged by banks on credit card indebtedness—average earnings before taxes were substantially lower as a proportion of credit outstanding for bank credit card operations than they were for commercial or mortgage lending. These figures, of course, include periods of relatively low or negative net returns on credit card lending, such as in 1980, and periods such as 1984, when the net yield for the credit card function exceeded the net yield for commercial loans and mortgage loans. Thus, the evidence suggests that, on average, credit card rates have remained well in line with costs as compared with other types of commercial bank lending. Accordingly, the data on the relative profitability of bank credit cards and other types of bank lending do not support the view that credit card issuers have been able to take advantage of credit card borrowers.

But while there is no reason to think that credit card rates have been unduly high on average over time, the fact remains that—in contrast to other loan rates—credit card rates have remained essentially unchanged despite substantial variation in the cost of funds. Partly, as noted earlier, the relative stability of credit card rates reflects the lesser role of financing expense as a share of overall costs. However, this stability also reflects other special features of the credit card business. One of these features is the existence of state-established statutory ceilings on interest rates.

In all but a few states, 18 percent per year was the upper limit on rates that card issuers could charge on credit card balances in the late 1970s when other interest rates were beginning to climb. Judging from the Functional Cost Analysis, average returns to banks on credit card operations in most prior years had been below, or no higher than, net earnings on other major forms of lending.

Then, when market costs of funds rose sharply between 1979 and 1981 while credit card rates were restrained by the ceilings, net returns became negative on credit card plans at banks.

Many diversified creditors, such as commercial banks, tightened their lending standards and de-emphasized their credit card business in favor of other types of lending that seemed more profitable at the time. Some institutions stopped accepting new credit card accounts.

Now that credit card programs generally have become profitable again, many credit card issuers have intensified their efforts to market new credit card accounts and to encourage account use. That is, credit card issuers in most cases have responded to falling costs of funding their operations, mainly by increasing the availability of credit card accounts rather than by reducing finance rates. This move has helped to reverse the earlier curtailment of credit card lending that card issuers undertook when market rates moved up and many lenders were unable to adjust their income to match the rising costs of funding and operations. Thus, it appears that much of the inertia in credit card interest rates has been attributable to the influence of restrictive rate ceilings imposed by the states.

Of course, rate ceilings in the credit card market are considerably less pervasive now than they were before 1980 because a number of states have raised or removed applicable rate ceilings or have permitted lenders to charge annual fees for credit card accounts. These changes, besides the declines in the cost of funds, contributed to the rise in the overall net return, before taxes, on credit card plans at respondent banks to about 3½ percent in 1984. So it may be that a growing number of credit card issuers now are in a position to consider offering somewhat lower finance rates to credit card borrowers as some institutions already have done.

Factors on the demand side of the market also may have been conducive to the observed stability of interest rates on credit card plans. As noted earlier, a substantial share of card holders either use their credit cards infrequently or usually pay off their credit card balances promptly. These card holders are thus likely to base their choice of credit card plans on features other than the level of finance charges.

Also, even for card holders who "roll over" their balances and pay finance charges, other characteristics of credit card borrowing, such as convenience and suitability for small transac-

tions, may outweigh any rate disadvantage. Whatever the case, credit card debt has expanded rapidly for more than two years—a sign that consumers view credit card use as an attractive source of short-term financing despite what many observers regard as high rates of interest.

Furthermore, the recent emergence of above-average returns to bank credit card lending may not lead to an immediate, widespread reduction in finance rates on credit card borrowing. Credit card issuers may be uncertain whether such favorable conditions will persist. Also, instead of offering lower finance rates, card issuers may seek to compete by easing credit standards somewhat, by making nonrate credit terms more attractive, or by offering other products and services.

In this connection, one should keep in mind that finance rates on credit cards already have shown some tendency to decline. The average finance rate on bank credit card plans at reporting banks moved down 25 basis points, on balance, during 1985; at year-end, it was the lowest in more than three years. In the course of readjusting their finance rates, some credit card issuers have adopted floating finance rates of the general kind proposed by the legislation under review. However, those adjustable rates often have been paired with the imposition of annual credit card fees.

An effort to establish a federally mandated ceiling on credit card interest rates would likely encounter substantial difficulties. From experience with the imposition of credit controls in 1980 and the sharp, unexpected contraction in consumer spending that accompanied them, we know that regulatory measures can have unpredictable and unwanted consequences. Setting a federal ceiling on credit card rates below those ceilings that currently prevail in many states would likely reduce the amount of credit made available, forcing consumers to rely instead on less convenient and possibly more expensive substitutes, or to lose access to credit at any rate. Moreover, such a curtailment would be apt to fall most heavily on less affluent borrowers with relatively limited access to other sources of credit. The current ceiling for credit card rates under the proposed bills would be in the vicinity of 13 to 14 percent, well below the finance rates that have been typical since credit cards emerged

in the early 1960s as a major method of consumer financing.

Furthermore, the imposition of stringent rate ceilings might be countered by a tightening of nonrate credit card terms by card issuers, for example, by increasing annual fees, by levying processing charges on each credit card purchase or cash advance, and by stiffening penalties for late payments or for exceeding the authorized credit limit. Some card issuers also might begin applying the reduced finance charges from the date of purchase, when permitted, rather than after the grace period expires, and might seek to increase the discount fees charged to merchants who submit credit card vouchers to them for payment.

Turning to the specific provisions of the two bills before the Congress, it should be emphasized that credit cards are issued by a broad variety of retail merchants and financial institutions that differ both as to their sources of funding and their liability structures. Under these circumstances, a single index rate would be unlikely to mirror changes in costs for such a diverse array of card issuers. In any case, short-term rates, such as those on Treasury bills, fluctuate a good deal more widely than do costs of funds of most lenders. They do so because a lender's overall average cost of funds at any point is a blend of current interest rates and rates on previously issued liabilities, and because market rates on longer-term liabilities—which usually make up part of the cost of funds—typically vary less than do shorter-term rates.

Another question at issue is whether any regulation of credit card interest rates is more appropriately a matter for federal or for state intervention. In contrast to efforts at the federal level to assure the safety and soundness of financial institutions, the establishment of interest rate ceilings on consumer loans has long been a state prerogative, and one that the Board feels should not be preempted. In recent years, virtually every state has reviewed and overhauled its laws regulating consumer interest rates. After studying the situation in their own jurisdictions, many of these states have opted to raise or remove interest rate ceilings for credit card borrowings. The Board respects the collective judgment of a growing number of states that higher—not lower—ceilings are appropriate to assure that an

adequate supply of credit card services is available from lenders located there. Of course, these states retain the authority to lower or restore ceilings if convincing evidence of excessive rates appeared.

Besides the issue of the desirability of federal rate regulations that is central to both proposals under review, there are certain other aspects of S. 1922 about which the Board would like to comment. Section 3 would amend the Truth in Lending Act to require that credit card issuers clearly and conspicuously disclose on initial applications for credit cards the annual percentage rate to be charged for credit extensions made with the credit card—or the means of determining that rate—and any annual or other fee imposed for issuing or using the credit card.

Many of us routinely receive credit card solicitations in the mail inviting us to apply for a particular credit card program. Generally, credit card mail solicitations are considered advertisements under the Truth in Lending Act. If a credit card issuer includes in an advertisement any of the specific credit cost terms of its credit card program, then current disclosure rules under Truth in Lending and the Federal Reserve Board's Regulation Z require the card issuer to clearly disclose at that time additional important credit cost information—for example, minimum finance charges, transaction charges, membership or participation fees, and any annual percentage rate that may be applied. However, if no cost information is contained in the mail solicitation, the card issuer is not now required to include the Truth in Lending disclosures. In such cases, the proposed disclosure requirements probably would aid consumers in comparing offers to apply for particular credit card programs.

S. 1922 also would require each credit card issuer to report to the Board on a monthly basis the average annual percentage rate and any annual or other fee applicable during the preceding month. While this idea may seem appealing on initial examination, there are a number of questions about its practicality and cost that would need to be considered. In that connection, the Federal Reserve currently is analyzing the results of a study that is being conducted at the request of the Congress to measure the benefits of providing consumers with comparative cost

information about closed-end credit. The findings from this project will provide a means of better evaluating the use that consumers make of published lists of comparative rate data in the process of obtaining credit. In view of the costs that would be associated with the collection and dissemination of comprehensive information about credit card interest rates and fees, the Board suggests that the Congress consider postponing any action in this area until the results of the demonstration project are available.

Section 4 of S. 1922 would direct the Consumer Advisory Council of the Federal Reserve Board to transmit a report to the Congress each year describing and analyzing several detailed aspects of credit card markets. Among the matters to be addressed would be the costs and risks of issuing credit cards, the proportion of credit card customers whose cards have been revoked for nonpayment or delinquent payments, revenues received by credit card issuers derived from finance charges, annual fees, and application fees, and the impact of the statutory rate ceiling on consumers and card issuers. The preparation of such a comprehensive document, however, would far exceed the range of the Council's own resources.

As you may know, the Consumer Advisory Council is an independent advisory group to the Board. It consists of 30 individuals drawn from the financial services industry, the academic community, state government offices, consumer advocacy groups, legal aid offices, and community organizations. Its function is to provide the Board with a cross section of informed opinion

about current regulatory matters in the area of consumer financial affairs. Members of the Council meet three times a year for 1½-day sessions to consult with the Board on various questions related to the Board's consumer financial protection responsibilities. As an outside advisory body, the Council has no independent staff; as needed, it draws on Board staff support. Therefore, the duties assigned to the Council under section 4 of S. 1922, requiring a substantial information-gathering and analysis effort, would go well beyond the Council's capabilities and perhaps would even be inconsistent with its consultative nature.

In closing, I would like to reemphasize the Board's conviction that financial markets distribute credit most efficiently and productively when interest rates are determined in markets that are as free from artificial restraints as possible. In the credit card business, the balance of the evidence suggests that revenues have stayed well in line with total costs, notwithstanding the minimal variation in finance rates. Furthermore, in recent months there has been some tendency for credit card rates to decline. Efforts to constrain credit card rates through federal regulation are likely to have undesirable side effects in the form of reduced credit availability, especially for those consumers that these bills would seek to aid. Moreover, they may encourage less efficient means of offsetting costs of credit card operations. Accordingly, the Board concludes that it would be inappropriate to impose a federal ceiling on credit card rates. □

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, January 29, 1986.

I appreciate the opportunity to appear before this committee to discuss issues involved in the budgetary treatment and procedures of the Federal Reserve System.

The committee has been given copies of our new publication entitled *Annual Report: Budget Review*. That document is intended to bring

together in one convenient place, for congressional and public use, information about our spending results and outlook, and about our budgetary process in some detail. I hope that it will prove helpful to the committee, and I would greatly welcome any comments and suggestions that you may have to make next year's edition even more useful. We have also supplied the committee with answers to the specific questions raised in Chairman Fauntroy's letter of November 15, 1985. I request that the *Budget Review* and those lengthy materials be included in the record.

I might also point out to the committee that

highly detailed information about expenses, employment, and productivity—service by service, office by office, and quarter by quarter—has for some years been available publicly in our so-called PACS (Planning and Control System) reports. These PACS reports provide the detailed informational base for our internal planning and control system, and I would be glad to provide copies to the committee if you so desire. Moreover, budgets for both the Board of Governors and the Reserve Banks have for a number of years been discussed and approved in open meetings of the Board.

I will not claim special expertise about the financial reports that are regularly provided by government agencies as part of the regular budget process of the executive branch, or how those reports compare in detail, volume, and clarity with ours. What I do submit is that there is not now, and never has been, a real question about the availability of detailed information about Federal Reserve spending patterns. In that respect, our operations are an “open book.” Rather, the questions we are dealing with this morning are conceptual in nature—the appropriate treatment of the central bank’s operational budget within the framework of the Federal Reserve’s overall purposes and the desired degree of insulation from narrow political pressures.

The appropriate budgetary treatment of the Federal Reserve has been carefully considered by the Congress and outside commissions a number of times. These inquiries have consistently concluded that our budget should be maintained outside of executive review and determination and of the appropriation process. In substance, the Congress has repeatedly reached the judgment that the Federal Reserve’s *functional* independence is inextricably intertwined with its *budgetary* independence.

I believe that the ability of the Federal Reserve to conduct its monetary policy with relative freedom from day-to-day political pressure, as provided and intended by the Congress, has served the nation well over the years. I realize, Mr. Chairman, that you and other members of this committee have also been sensitive to those concerns. For our part, you can be sure that the Federal Reserve clearly recognizes that our independence carries with it the responsibility to

meet the highest standards of accountability in financial reporting.

That is why I welcome your desire to have these oversight hearings to provide a better understanding of how our expenditure process works, to take a critical look at how and why we spend more than a billion dollars a year, and to assure that adequate information and forums are available to permit appropriate congressional oversight and public understanding of Federal Reserve spending.

In approaching the problem of accountability, we share the common ground that the Federal Reserve is a creature of the Congress, and through the Congress, ultimately accountable to the American public. At the same time, the burden of my comments this morning is that the legitimate objectives of disclosure and accountability can be best achieved within a framework of independent budgetary treatment and reporting for the Federal Reserve.

Federal Reserve net earnings, as you know, exceed our expenditures many times over. Those net earnings are largely paid into the Treasury and are properly reflected as a receipt in the U.S. budget. Thus, the budget already clearly reflects the influence of Federal Reserve operations on the overall fiscal position of the government. The question that has been raised is whether the U.S. budget should also include details of our expenditures and receipts.

I feel certain that integrating Federal Reserve expenditures and receipts into the federal budget, contrary to our entire history and earlier congressional decisions, would be interpreted as a clear step toward executive influence and control over the central bank. As a practical matter, I am also convinced that, in the end, the effect would be to make our operations less intelligible and “transparent” rather than more. At the same time, I believe we can better achieve your objectives and ours by working with the Congress to improve procedures for reporting and oversight within the present framework.

THE FEDERAL RESERVE AS A SELF-FUNDING CENTRAL BANK

The Congress established a permanent central bank for the United States much later in the

nation's history than has been the case in most other industrialized countries. To a considerable extent this action reflected long and strongly felt concerns about concentrations of economic power. At the same time, the Congress clearly wished to insulate the Federal Reserve from partisan politics. These concerns led to the creation of a regional system, with day-to-day operational responsibilities diffused among 12 Reserve Banks, each with its own budget and board of directors drawn from the private sector. Policies for the entire system are set by the Board of Governors in Washington, and the Board also supervises the operations and approves the budgets of the Banks. This basic structure has been little changed since the original act was approved in 1913. The act always contemplated that the System's operations, funding, and expenditures be independent of the executive budget and of the congressional appropriations processes required of most government agencies.

In deciding upon these matters originally, the Congress plainly felt that the ability to make considered monetary judgments, independent of day-to-day pressures of the political arena, required freedom from outside fiscal control. These concerns remained evident in later revisions of the Federal Reserve Act in 1933 and 1935, which cast the System's responsibilities in essentially the form that they take today.

The desirability of independent funding of the Federal Reserve and freedom from potential domination by the executive branch has been reaffirmed each time questions have been raised since then. Thus such treatment was clarified in the Banking Acts of 1933 and 1935. Congressional inquiries in 1964 and 1975 did not lead to any changes. The President's Commission on Budget Concepts in 1967 and the President's Commission on Financial Structure and Regulation (the Hunt Commission) in 1971 both considered the matter as part of their congressionally sponsored mission and recommended no change in budgetary treatment, in both cases noting its relevance to wider questions of functional independence.

It has not been a partisan or a parochial position. For instance, in 1975 six former Secretaries of the Treasury, in a letter to Senator Proxmire, stressed how important they felt it was that the Federal Reserve retain its status as a nonappropriated agency in these words:

We all feel that the Congressional reasoning of 60 years ago which purposely insulated the Federal Reserve from immediate political pressures is even more valid today. It is probably more difficult today than 60 years ago for the Congress to take a long view that may well appear to conflict with immediate problems. And yet, this is precisely what the Federal Reserve must do each day and why we feel that its independence must be preserved.

We all agree from a combined total of many years of experience in government that the independence of the Federal Reserve would inexorably be eroded by the appropriations process exposing our country to great potential danger.¹

I should also point out that the budgetary status of the Federal Reserve is not unique; it is indeed the norm for central banks around the world. For instance, whatever other arrangements surround their functional independence, all the central banks of the G-10 countries finance their expenditures out of their own income. Typically, they return all or major parts of their income in excess of expenses to the national treasury, as is the case in the United States, but in no instance is a budget statement for the central bank included in the budget for the central government. That approach by other major industrialized countries reflects widely held concerns about assuring operational autonomy for central banks. (The financing of the central banks of other major countries is discussed in more detail in the submission to the committee.)

I recognize and appreciate that a recent proposal—H.R. 1659—apparently intends that we "only" submit expenditure and receipt information to the executive branch for inclusion in the budget totals and would not necessarily disturb the present method of Federal Reserve funding or expense control. My concern, nonetheless, is that such proposed inclusion of Federal Reserve expenditures within the executive's budget document would easily imply further steps—that it would indeed be a first step down a slippery slope, encouraging those who clearly do wish to impair our functional independence by bringing

1. *Federal Reserve Reform and Audit*, Hearings before the Senate Committee on Banking, Housing, and Urban Affairs on S. 2285 and S. 2509, 94 Cong., 1 Sess. (Government Printing Office, 1976), p. 140. (The history of Federal Reserve budgetary independence is more fully discussed in the materials submitted to the committee in response to Chairman Fauntroy's letter of November 15, 1985.)

the System more fully into the budgetary and appropriation process or otherwise.

FEDERAL RESERVE SYSTEM BUDGET

To help place this issue in context, I would like to summarize the existing budget process and results.

The Process. The Federal Reserve has intensive planning, budget, and control processes for both the Reserve Banks and the Board of Governors. They are summarized in our new *Budget Review* in appendixes 3.A and 4.A respectively.

Those processes reflect at each step strong concern with both efficiency and economy. General guidelines for System spending are initially approved by the Board of Governors on the basis of analyses and projections of expected work loads, trends in prices and wages, and anticipated productivity gains in each area of Federal Reserve responsibility. Within that framework, each of the Reserve Banks, working with directors drawn from the private sector and subject to their approval, develops detailed budget plans for the following calendar year. Those budgets are approved by the Bank Directors, carefully reviewed by the staff of the Board of Governors, and finally approved by the Board itself in public meetings.

I would emphasize too that more than 50 percent of Reserve Bank budgets are for services that are provided to the private sector or government agencies, and fees and reimbursements for these services amount to fully 57 percent of all our spending. As a matter of law (the Monetary Control Act of 1980) and principle, most of these services must meet a clear market test. Specifically, all expenses (including overhead and the imputed cost of capital and taxes) involved in providing "priced" services are covered by charges to users. The market for correspondent banking services, in which we operate in providing those services, is highly competitive, providing a strong and direct incentive to maintain our efficiency.

The Results Over Time. In the end, the effectiveness of the process must be measured by results. In the 10-year period from 1976 to 1986

Federal Reserve spending has increased at an average annual rate of about 0.8 percent in constant dollars (chart 1).² Over the same period, total System employment has fallen about 6.0 percent, from roughly 26,632 to 25,047. Meanwhile, the principal measures of operational work load have increased significantly, for example, 42 percent in the case of check collections, our most costly service, and almost 280 percent in the case of electronic fund transfers. At the same time, as a result of the Monetary Control Act, we now receive regular reports from some 24,000 banks and thrift institutions, compared with 6,000 a decade ago.

The long-term decline in Federal Reserve employment in the face of persistent increases in output is a direct reflection of our success in improving productivity in the operating functions of the Federal Reserve Banks. I might also note that our operating expenditures over the decade have increased much more slowly than those of the government as a whole or those of the commercial banking system.

1985 Results and the 1986 Budget. In December, the Federal Reserve Banks and the Board of Governors budgeted total operating expenditures of approximately \$1.27 billion for calendar year 1986, up 5.5 percent from 1985.³ Of this amount, some \$919 million—an increase of less than 5 percent—reflects operational services to financial institutions, the public, and government agencies. The great bulk of those expenses is recovered by fees or reimbursements. The remaining \$350 million is accounted for by policy and statistical functions and by supervision and regulation. The sharpest increases—some 10.7 percent—have been budgeted for the latter function, reflecting a deliberate effort to improve both our analytic work and examining manpower resources in the light of current needs.

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

3. This amount does not include another \$187 million, which will be paid to the U.S. Bureau of Engraving and Printing for Federal Reserve notes to be distributed to the public. This sum is not included in the analyses of Federal Reserve spending because it represents a reimbursement to the Bureau for printing currency, the cost of which we do not manage or control.

As I indicated a few moments ago, under the provisions of the Monetary Control Act, the Federal Reserve must aim to recover the full cost of most services, including an adjustment for imputed taxes and the cost of capital that it makes available to depository institutions. In this area—clearing checks, providing wire transfers, and other payment services—the Federal Reserve effectively has to compete in terms of price and quality with other actual and potential suppliers of such services. In 1985 the Federal Reserve met this test and recovered both costs of priced services and imputed taxes and profits. We expect to do likewise in 1986, when such revenue is estimated to total \$617 million. And we are pleased to report that we shall do so with small decreases in prices, averaging 1.5 percent. The increased expenditures in this area of our work entirely reflect higher projected volumes.

As fiscal agent for the U.S. government, the Federal Reserve is responsible for issuing and redeeming a variety of Treasury and other government debt instruments ranging from savings bonds and food stamps to large-denomination Treasury bills, notes, and bonds. We have in the past been reimbursed in whole or in part for the direct cost of these services by other agencies but not for allocated overhead.

TECHNICAL BUDGET ISSUES

Our Federal Reserve budgeting generally follows business accounting principles, including depreciation of capital assets. The budgets are on a calendar-year basis. While much forward planning is done, we have not found it useful to regularly make comprehensive multiyear expenditure forecasts—which would essentially involve arbitrary assumptions about price and wage trends—other than for major capital projects.

With respect to accounting conventions, the Federal Reserve is a “business-like” organization that basically keeps its books as would a private concern—that is, using generally accepted accounting principles (GAAP). The primary difference in approach from federal budget concepts is that the Federal Reserve capitalizes and depreciates major assets rather than expensing them in the year that they are acquired. Indeed, we could not sensibly price our services on any

other basis, given that the production of these services is capital intensive and that our prices, by law, must be set in a manner consistent with methods used by private sector providers.

Specifically, expensing computers and other equipment in the year acquired—rather than following GAAP—would result in widely fluctuating costs for Federal Reserve services, rendering the pricing approach stipulated by the Monetary Control Act practically impossible. More generally, from the standpoint of budgetary management of both the Board of Governors and the various Federal Reserve Banks—and the comprehensibility of those budgets to the public—GAAP accounting seems more sensible.

In that connection, I would note that the GAAP approach used by the Federal Reserve is particularly recommended by the accounting profession for organizations that must cost and price products. I would refer you, for instance, to a report by the Comptroller General of the United States to the Senate Banking Committee reviewing our pricing practices and to a similar report by Arthur Andersen & Co.⁴ Indeed, in the light of the trend of thinking in the accounting profession, “cash outlay” accounting for capital expenditures would appear as retrogressive.⁵

Our budgetary cycle is also on a calendar rather than on a government fiscal year basis. Summary information is provided by the Board of Governors about its expenditures (but not Reserve Bank expenditures) to the Office of Management and Budget for inclusion, without changes, in an appendix to the federal budget. The Office of Management and Budget makes its own estimate of the amount of funds that the

4. Comptroller General of the United States, Report to the Chairman, Senate Committee on Banking, Housing, and Urban Affairs, *An Examination of Concerns Expressed About the Federal Reserve's Pricing of Check Clearing Activities*, January 14, 1985; and Arthur Anderson & Co., *Federal Reserve System: Report on Priced Services Activities*.

5. The General Accounting Office (GAO) encourages depreciation accounting and amortization for all federal functions and activities, and requires it for financial statements of (a) business-like operations and (b) activities that recover costs from reimbursements or user charges. See *GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 2—Accounting*, November 14, 1984 (Government Printing Office, 1984); and U.S. General Accounting Office, Comptroller General of the United States, *Managing the Cost of Government: Building an Effective Financial Management Structure*, vol. 1, GAO/AFMD-85-35 (GPO, 1985).

Federal Reserve will return to the Treasury to estimate total federal revenues. Those funds, amounting to some \$17.8 billion in 1985, mainly reflect the earnings on the holdings of securities in the System Open Market Account and loans through the discount window. They are thus a by-product of our monetary policy responsibilities and dependent upon market interest rates and specific monetary policy decisions that cannot in practice be forecast very far ahead with any reliability. Indeed, such projections would be wholly misleading if interpreted as an indication of future interest rates or of monetary policy decisions.

POLICY CONCERNS

Changing these budgetary reporting procedures to conform to the conventions of the U.S. budget document would entail certain transitional and ongoing expenses because we would almost certainly have to maintain our books on two different accounting bases. However, my greatest concerns about changing the budgetary treatment of the Federal Reserve have little to do with technical considerations—such as whether we use a calendar year or fiscal year, whether our expenditures appear in some obscure part of the appendix to the budget, or whether we use a particular accounting standard. In the end, the question revolves around the consistency of certain changes with the fundamental idea of a central bank insulated from day-to-day political and partisan pressures in the conduct of its monetary operations.

We plainly recognize our obligation to report to the Congress fully both on our policies and on our operations in a variety of forms and forums. My general sense is that the arrangements for such reporting have, in most respects, worked relatively well over the years. As you know, as a matter of law, I testify at least four times each year before the Congress on the general conduct of monetary policy; in practice it is much more frequent. Altogether, other Governors, Federal Reserve officials, and I appeared formally before the Congress on 34 occasions in 1984, and 52 times in 1985, testifying on a variety of subjects.

One question in my mind, and apparently that of others, is whether in testimony, in reports, or

otherwise, there has been enough focus on our “housekeeping” responsibilities—running an economical, cost-effective operation. Appropriate congressional oversight of Federal Reserve spending can, and should, contribute to that process. I believe this oversight can be done in a manner that does not raise questions about our functional independence or the independence of our budgetary processes, but which contributes more fully to public understanding.

To those ends, in testimony before the Joint Economic Committee last year, I suggested three steps to help improve the process:

1. That within the Federal Reserve, we take steps to assure that the mass of information now available in several documents about our spending and budgetary process be presented at times and in a manner more accessible to public and congressional oversight. We have now prepared a comprehensive document, focusing on our current budget, placing that budget in appropriate historical context, and reviewing our budgetary procedures. I hope that the result will be to make this material more readily available and easily understandable. We would, of course, be prepared to make any changes in format or in scope should that appear desirable in the light of experience.

2. That we retain our present accounting format, using GAAP concepts rather than shifting to the federal budget accounting conventions. My strong belief is that Federal Reserve spending is likely to receive more, and better informed, congressional and public scrutiny as part of a separate report consistent with GAAP accounting.

The *net* fiscal impact of Federal Reserve operations is already fully and accurately reported in the budget. Forcing the full array of supporting material into the recesses and precise format of a governmental budget presentation developed for quite different purposes—a presentation that already runs to thousands of pages—could hardly be a service to public understanding. It would, I suspect, become just another hard-to-understand “special analysis,” alongside a number of others, virtually incomprehensible to those untutored in the intricacies of budget accounting for government or government-sponsored enterprises.

3. Finally, that the appropriate oversight committees in the House and the Senate might wish to resume a practice, followed for some years in the Senate, of annual hearings directed specifically toward the Federal Reserve budget and internal management. I believe we, as an organization, benefited from the procedure in the past. In that context, I welcome this hearing and the planned companion hearing on the specifics of our expenditures as constructive steps that will provide for better understanding and accountability of our budget and budget process.

In closing, Mr. Chairman, I want to reemphasize that I believe our goals are congruent—to achieve effective cost containment and appropriate accountability. I believe that those goals can be achieved in a way that is fully consistent with our traditional role in government.

I realize that some may not share my concerns about maintaining the independence of the Federal Reserve, and look upon even seemingly small changes to incorporate the Federal Reserve budget within the overall federal budget document as a welcome step toward further measures to achieve executive or congressional control of our budget. Therein lies, to my mind, the risk and the danger, for ultimately detailed control of the budget means control of policy.

We want to operate with maximum efficiency, and in that respect we welcome your oversight. More broadly, we also welcome the challenge to explain and to review our policies with you. We have, together, the ability to do both without impairing the basic framework set out in the original Federal Reserve Act and maintained over many decades. □

Announcements

APPOINTMENT OF NEW MEMBERS TO CONSUMER ADVISORY COUNCIL

The Federal Reserve Board on January 27, 1986, named twelve new members to its Consumer Advisory Council to replace members whose terms are expiring or who resigned, and designated a new chairman and vice chairman of the Council.

The Council advises the Board in the field of consumer financial protection laws and other consumer-related matters. Its 30 members come from all parts of the country and include a broad representation of consumer and financial industry interests.

Margaret M. Murphy will chair the Council and succeeds Timothy D. Marrinan, whose term expired in December 1985. Ms. Murphy is Associate Professor and Director of the Columbia Center at Johns Hopkins University, Columbia, Maryland. Her term runs through December 1986.

Lawrence S. Okinaga was named vice chairman to succeed Thomas L. Clark, Jr., whose term expired in December 1985. Mr. Okinaga is a partner with the law firm of Carlsmith, Carlsmith, Wichman and Case in Honolulu, Hawaii. His term runs through December 1986.

The twelve new members, named for three-year terms beginning January 1, 1986, are the following:

Edwin B. Brooks, Richmond, Virginia, has been President of Security Federal Savings and Loan Association since it was founded in 1954. He is a former Chairman of the United States League of Savings Institutions and is presently Chairman of the Legislative Committee. Mr. Brooks has been a member of numerous federal advisory councils including the Board's Truth in Lending Advisory Committee and Thrift Institutions Advisory Council. He holds a B.A. and an M.S. from the University of Richmond.

Michael S. Cassidy, New York, New York, has been with Chase Manhattan Bank for 20 years. As

Senior Vice President, Mr. Cassidy is responsible for Chase's Metropolitan Community Bank, which provides financial services to consumers, small and medium-sized businesses, nonprofit organizations, and municipalities in the New York metropolitan area. Mr. Cassidy is Vice Chairman of the Executive Committee of the Branch Administration Division of the American Bankers Association and of the Executive Committee of the Consumer Banking Division of the New York State Bankers Association. He served as a member of the Consumer Issues Task Force of the American Bankers Association and currently is a member of the National Advisory Committee of the Federal Home Loan Mortgage Corporation.

Neil J. Fogarty, Jersey City, New Jersey, has been with Hudson County Legal Services for eight years, specializing in consumer credit law. He is also the President of the Consumers League of New Jersey. Mr. Fogarty chairs the Consumer Task Force of Legal Services of New Jersey. He holds a law degree from New York University.

Kenneth A. Hall, Jackson, Mississippi, recently assumed the presidency of Great Southern National Bank of Jackson. He was formerly the President of First Bank in McComb, Mississippi. As Executive Vice President at First Bank, he was in charge of all lending activity including consumer credit. Previously, as Vice President of First National Bank of Commerce in New Orleans, Mr. Hall was responsible for all bank card activity and small business loans. Mr. Hall is a former member of the Louisiana Bankers Association's Consumer Credit Committee.

Steven W. Hamm, Columbia, South Carolina, is the Administrator for the South Carolina Department of Consumer Affairs and is also the Consumer Advocate for the state. He is responsible for enforcing state consumer credit laws, assisting consumers with complaints, and representing the public before regulatory agencies. Mr. Hamm is a member of numerous professional associations including the American Conference of Uniform Consumer Credit Code States and serves as Vice President of the National Association of Consumer Agency Administrators. He holds a B.A. from the University of California and a law degree from the University of South Carolina.

Robert J. Hobbs, Boston, Massachusetts, has been with the National Consumer Law Center for 13 years.

He serves as a consulting attorney for legal services and private attorneys, representing low-income consumers nationwide. He has also taught continuing legal education courses. Mr. Hobbs was formerly with the New Orleans Legal Assistance Corporation. He holds a law degree from Vanderbilt University.

Robert W. Johnson, West Lafayette, Indiana, has been the Director of the Credit Research Center at Purdue University for 11 years. He also is Professor of Management at the university. Formerly an economist with the Federal Reserve Board, he has served in a variety of consulting positions, including work for the Board and the Federal Trade Commission. He was a Presidential appointee to the National Commission on Consumer Finance. Dr. Johnson has a Ph.D. in Economics from Northwestern University and an M.B.A. from Harvard. He is the author of numerous economic publications.

John M. Kolesar, Cleveland, Ohio, is President of Ameritrust Development Bank, which specializes in financial services for nonprofit organizations and in developmental finance for communities. Mr. Kolesar is a former social services administrator. Since 1982, he has served as a Vice President at Ameritrust Company. In this position, he was responsible for bank relations and for planning, marketing, and underwriting credit facilities for economic and community development. He is Chairman of the Consumer Bankers Association's Basic Banking Services Task Force. Mr. Kolesar has an M.B.A. from Harvard University.

Alan B. Lerner, Dallas, Texas, is Senior Executive Vice President for Associates Corporation of North America and has been associated with the consumer finance industry for 25 years. He currently serves as a member of the Texas Finance Commission. In the late 1960s, Mr. Lerner was a drafting participant on the Uniform Consumer Credit Code, and in the early 1970s served as a consultant to the Federal Reserve Board on matters relating to bank holding company supervision and regulation. Mr. Lerner holds a law degree from Yale University.

Sandra R. Parker, Richmond, Virginia, is a community organizer and the Principal of the John F. Kennedy Building of Armstrong-Kennedy High School in Richmond. Mrs. Parker is the former Chair of Richmond United Neighborhoods (RUN) and is currently Chair of its banking committee. RUN has been active in bringing community reinvestment concerns to the attention of local banks.

Jane Shull, Philadelphia, Pennsylvania, is the Director of the Institute for the Study of Civic Values, a nonprofit educational organization with a special interest in the development of strong neighborhood com-

munities. She has been active in providing technical assistance to community-based organizations, has helped to form community development credit unions as substitutes for banks in low- and moderate-income neighborhoods, and has assisted in the development of partnership activities among banks, credit unions, and communities. Ms. Shull holds a number of community service positions.

Edward J. Williams, Chicago, Illinois, has been with Harris Trust and Savings Bank for 22 years, 5 years in his current capacity as Senior Vice President. Mr. Williams serves on several committees at the city government and neighborhood level. His community involvement includes serving as Vice Chairman of the Board of the Provident Medical Center. He is also a visiting professor for the National Urban League's Black Executive Exchange Program, and Treasurer of the Association for Shared Electronic Funds Transfer. Mr. Williams is a former member of the Board of Directors of the Neighborhood Housing Services, Inc., in Chicago.

INTERPRETATION OF MARGIN REQUIREMENTS

The Federal Reserve Board adopted on January 10, 1986, an interpretation applying margin requirements to a narrow class of debt securities that are sometimes issued to obtain credit for the purchase of margin stock in corporate takeovers.

The interpretation deals only with certain situations involving a shell corporation used to finance the acquisition of margin stock of a target company. Such a shell has the following characteristics: virtually no business operations, no significant business function other than to acquire and hold the shares of the target company, and substantially no assets or cash flow to support the credit other than the margin stock it has acquired or intends to acquire.

The interpretation clarifies that debt securities issued by such a shell are presumed to be indirectly secured by the stock to be acquired and are thus subject to provisions of Regulation G (Securities Credit by Persons Other than Banks, Brokers, or Dealers).

The presumption in the interpretation that debt securities are indirectly secured by margin stock would not apply if there were specific evidence that lenders could in good faith rely on assets other than the margin stock as collateral, such as a guaranty by the parent of the shell corporation.

The interpretation also would not apply to other general types of transactions involving operating companies with substantial assets or cash flow, or when there is an agreed-upon merger or statutory "short-form" merger.

The Board wrote clarifying language into the final version of the interpretation to narrow its scope further and to make clear that the term "indirectly secured" will continue to apply as it has in the past.

At present, the Board has a margin requirement of 50 percent on margin stock and convertible bonds. This requirement means that a lender may extend credit for half the value of the stock securing the credit.

The interpretation does not apply to written contracts to extend credit entered into before the effective date of the interpretation, January 10, 1986.

INCOME AND EXPENSES OF THE FEDERAL RESERVE BANKS

Preliminary figures released on January 10, 1986, indicate that gross income of the Federal Reserve Banks amounted to \$18.132 billion during 1985. More than \$17 billion was paid to the U.S. Treasury.

Income of the Federal Reserve System is derived primarily from interest accrued on U.S. government securities that the Federal Reserve has acquired through open market operations. Income from the provision of financial services amounted to \$614 million.

Operating expenses of the 12 Reserve Banks and their branches totaled \$1.127 billion including \$102 million for earnings credits granted to depository institutions. Assessments by the Board of Governors for Board expenditures totaled \$77 million, and the cost of currency amounted to \$174 million. Net additions to current net income amounted to \$1.3 billion. This income resulted primarily from a \$1.2 billion increase in the value of assets denominated in foreign currencies related to revaluation of these assets at market exchange rates and a gain of \$99 million on sales of U.S. government obligations.

Net income before dividends, additions to surplus, and payments to the Treasury totaled \$18.056 billion. Statutory dividends to member banks were \$103 million; additions to Reserve

Bank surplus were \$155 million; and payments to the Treasury amounted to \$17.798 billion.

Under the policy established by the Board of Governors at the end of 1964, all net income after the statutory dividend to member banks and the amount necessary to equate surplus to paid-in capital is transferred to the U.S. Treasury as interest on Federal Reserve notes.

REVISED LIST OF OTC MARGIN STOCKS

The Federal Reserve Board has published a revised list of over-the-counter (OTC) stocks that are subject to its margin regulations, effective February 11, 1986.

The list includes all over-the-counter securities designated by the Board pursuant to its established criteria as well as all securities qualified for trading in the national market system (NMS). This list included all securities qualified for trading in tier 1 of the NMS through February 11 and those in tier 2 through January 21, 1986. Additional OTC securities may be designated as NMS securities in the interim between the Board's quarterly publications and will be immediately marginable. The next publication of the Board's list is scheduled for May 1986.

This List of Marginable OTC Stocks supersedes the revised list that was effective on November 12, 1985. Changes that have been made in the list, which now includes 2,595 OTC stocks, are as follows: 149 stocks have been included for the first time, 110 under NMS designation; 31 stocks previously on the list have been removed for substantially failing to meet the requirements for continued listing; 44 stocks have been removed for reasons such as listing on a national securities exchange or involvement in an acquisition.

In addition to NMS-designated securities, the Board will continue to monitor the market activity of other OTC stocks to determine which stocks meet the requirements for inclusion and continued inclusion on the list.

PROPOSED ACTIONS

The Federal Reserve Board has proposed for comment revisions to Regulation Q (Interest on Deposits) that would update and simplify the requirements for advertising of interest on de-

posits by member banks. Comment is requested by March 6, 1986.

The Federal Reserve Board has also announced extension until February 3, 1986, of the period for comment on proposals published in November concerning Federal Reserve float.

The Federal Reserve Board also issued for public comment a proposal intended to bring its policies on bank capital into better alignment with the risk profile of the banking industry. The overall objective of this Supplemental Adjusted Capital Measure is to enhance the strength and promote the safety and soundness of the banking system. Comment is requested by April 25, 1986.

CHANGES IN BOARD STAFF

The Board of Governors has announced the following appointments to the official staff in the Division of Banking Supervision and Regulation: William A. Ryback as Deputy Associate Director, with responsibility for international supervisory policy and activities; and Michael G. Martinson as Assistant Director, with responsibility for oversight of the International Applications and International Supervision Sections.

Mr. Ryback had been on the staff of the Office of the Comptroller of the Currency, and in 1983, became Director of Regional and Multinational

Policy. Mr. Ryback has a B.S. from Seton Hall University.

Mr. Martinson came to the Board in 1971 in the Division of Banking Supervision and Regulation where he became Project Manager for International Activities in 1982. Mr. Martinson has a B.A. from Grinnell College and an M.I.A. from Columbia University.

SYSTEM MEMBERSHIP: ADMISSION OF STATE BANKS

The following banks were admitted to membership in the Federal Reserve System during the period January 1 through January 31, 1986:

Indiana

Hartford City Pacesetter Bank of
Hartford City

Montana

Billings First Trust Company of Montna

New York

New York City Dominican Bank

Texas

Lorena Lorena State Bank

Utah

Salt Lake City Lockhart Company

Virginia

Portsmouth Community Trust Bank

Legal Developments

AMENDMENT TO REGULATION G

The Board of Governors is amending its Regulation G, Securities Credit by Persons Other Than Banks, Brokers, or Dealers, by issuing a final interpretative rule concerning the applicability of the margin requirements to debt securities issued to finance the acquisition of the margin stock of a target company in a corporate takeover attempt. The Board is interpreting the term "indirectly secured" in the margin rules to apply to a limited class of transactions used to finance corporate takeovers. Because the debt securities at issue clearly involve "purpose credit" and are purchased by persons who may become "lenders" as defined in Regulation G and typically are not directly secured by margin stock, the margin requirements apply if the debt securities are "indirectly secured" by margin stock.

The interpretation provides that the Board is of the view that debt securities issued by a shell corporation to finance the acquisition of the margin stock of a target company are indirectly secured by the margin stock for purposes of the restrictions on lending in the margin regulations. Such a shell has virtually no business operations, no significant business function other than to acquire and hold the shares of the target company, and substantially no assets or cash flow to support the credit other than the margin stock that it has acquired or intends to acquire.

The presumption that the debt securities are indirectly secured by margin stock would not apply if there is specific evidence that lenders could in good faith rely on assets other than margin stock as collateral, such as a guaranty of the debt securities by the shell corporation's parent company or another company that has substantial non-margin stock assets or cash flow. This presumption would also not apply if there is a merger agreement between the acquiring and target companies entered into at the time the commitment is made to purchase the debt securities or in any event before the loan funds are advanced. In addition, the presumption would not apply if the obligation of the purchasers of the debt securities to advance funds to the shell corporation is contingent on the shell's acquisition of the minimum number of shares necessary under applicable state law to effect a merger between the acquiring and target companies without the ap-

proval of either the shareholders or directors of the target company. The interpretation also provides that the Board does not presume debt securities, issued by an operating company with substantial assets or cash flow to finance the acquisition of margin stock of a target company, are indirectly secured by margin stock and thus subject to the restrictions on margin lending in Regulation G.

Effective January 10, 1986, the Board amends 12 C.F.R. Part 207 as follows:

Part 207—Securities Credit by Persons Other Than Banks, Brokers, or Dealers

1. The authority citation for 12 C.F.R. Part 207 continues to read as follows:

Authority: 15 U.S.C. 78c, 78g, 78h, 78q and 78w.

2. Part 204 is amended by adding a new section 207.112 to read as follows:

Section 207.112—Purchase of Debt Securities to Finance Corporate Takeovers

(a) Petitions have been filed with the Board raising questions as to whether the margin requirements in Regulation G apply to two types of corporate acquisitions in which debt securities are issued to finance the acquisition of margin stock of a target company.

(b) In the first situation, the acquiring company, Company A, controls a shell corporation that would make a tender offer for the stock of Company B, which is margin stock (as defined in section 207.2(i)). The shell corporation has virtually no operations, has no significant business function other than to acquire and hold the stock of Company B, and has substantially no assets other than the margin stock to be acquired. To finance the tender offer, the shell corporation would issue debt securities which, by their terms, would be unsecured. If the tender offer is successful, the shell corporation would seek to merge with Company B. However, the tender offer seeks to acquire fewer shares of Company B than is necessary under state law to effect a "short form" merger with Company B,

which could be consummated without the approval of shareholders or the board of directors of Company B. (c) The purchase of the debt securities issued by the shell corporation to finance the acquisition clearly involves "purpose credit" (as defined in section 207.2(1)). In addition, such debt securities would be purchased only by sophisticated investors in very large minimum denominations, so that the purchasers may be "lenders" for purposes of Regulation G. See 12 C.F.R. § 207.2(h). Since the debt securities contain no direct security agreement involving the margin stock, applicability of the lending restrictions of the Regulation turns on whether the arrangement constitutes an extension of credit that is secured indirectly by margin stock.

(d) As the Board has recognized, "indirect security" can encompass a wide variety of arrangements between lenders and borrowers with respect to margin stock collateral that serve to protect the lenders' interest in assuring that a credit is repaid where the lenders do not have a conventional direct security interest in the collateral. See 12 C.F.R. § 221.113. However, credit is not indirectly secured by margin stock if the lender in good faith has not relied on the margin stock as collateral in extending or maintaining credit. See 12 C.F.R. § 207.2(f)(2)(iv).

(e) The Board is of the view that, in the situation described in paragraph (b) above, the debt securities would be presumed to be indirectly secured by the margin stock to be acquired by the shell acquisition vehicle. The staff has previously expressed the view that nominally unsecured credit extended to an investment company, a substantial portion of whose assets consist of margin stock, is indirectly secured by the margin stock. See *Federal Reserve Regulatory Service* ¶ 5-917.12. This opinion notes that the investment company has substantially no assets other than margin stock to support indebtedness and thus credit could not be extended to such a company in good faith without reliance on the margin stock as collateral.

(f) The Board believes that this rationale applies to the debt securities issued by the shell corporation described above. At the time the debt securities are issued, the shell corporation has substantially no assets to support the credit other than the margin stock that it has acquired or intends to acquire and has no significant business function other than to hold the stock of the target company in order to facilitate the acquisition. Moreover, it is possible that the shell may hold the margin stock for a significant and indefinite period of time, if defensive measures by the target prevent consummation of the acquisition. Because of the difficulty in predicting the outcome of a contested takeover at the time that credit is committed to the shell corporation, the Board believes that the purchas-

ers of the debt securities could not, in good faith, lend without reliance on the margin stock as collateral. The presumption that the debt securities are indirectly secured by margin stock would not apply if there is specific evidence that lenders could in good faith rely on assets other than margin stock as collateral, such as a guaranty of the debt securities by the shell corporation's parent company or another company that has substantial non-margin stock assets or cash flow. This presumption would also not apply if there is a merger agreement between the acquiring and target companies entered into at the time the commitment is made to purchase the debt securities or in any event before loan funds are advanced. In addition, the presumption would not apply if the obligation of the purchasers of the debt securities to advance funds to the shell corporation is contingent on the shell's acquisition of the minimum number of shares necessary under applicable state law to effect a merger between the acquiring and target companies without the approval of either the shareholders or directors of the target company. In these two situations where the merger will take place promptly, the Board believes the lenders could reasonably be presumed to be relying on the assets of the target for repayment.

(g) In addition, the Board is of the view that the debt securities described in paragraph (b) above are indirectly secured by margin stock because there is a practical restriction on the ability of the shell corporation to dispose of the margin stock of the target company. "Indirectly secured" is defined in section 207.2(f) of the regulation to include any arrangement under which the customer's right or ability to sell, pledge, or otherwise dispose of margin stock owned by the customer is in any way restricted while the credit remains outstanding. The purchasers of the debt securities issued by a shell corporation to finance a takeover attempt clearly understand that the shell corporation intends to acquire the margin stock of the target company in order to effect the acquisition of that company. This understanding represents a practical restriction on the ability of the shell corporation to dispose of the target's margin stock and to acquire other assets with the proceeds of the credit.

(h) In the second situation, Company C, an operating company with substantial assets or cash flow, seeks to acquire Company D, which is significantly larger than Company C. Company C establishes a shell corporation that together with Company C makes a tender offer for the shares of Company D, which is margin stock. To finance the tender offer, the shell corporation would obtain a bank loan that complies with the margin lending restrictions of Regulation U and Company C would issue debt securities that would not be directly secured by any margin stock. The Board is of

the opinion that these debt securities should not be presumed to be indirectly secured by the margin stock of Company D, since, as an operating business, Company C has substantial assets or cash flow without regard to the margin stock of Company D. Any presumption would not be appropriate because the purchasers of the debt securities may be relying on assets other than margin stock of Company D for repayment of the credit.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT, BANK MERGER ACT, BANK SERVICE CORPORATION ACT, AND FEDERAL RESERVE ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

**First Interstate BancSystem of Montana, Inc.
Billings, Montana**

Order Approving Acquisition of a Bank

First Interstate BancSystem of Montana, Inc., Billings, Montana, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 *et seq.*) ("Act"), has applied for the Board's approval pursuant to section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire First National Montana Bank of Missoula, Missoula, Montana ("Bank").

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

Applicant is the third largest commercial banking organization in Montana, controlling deposits of \$379.3 million, representing 6.4 percent of the total deposits in commercial banking organizations in the state.¹ Bank is the ninth largest commercial banking organization in the state, controlling deposits of \$101.6 million, representing 1.7 percent of the total deposits in commercial banking organizations in the state. Upon consummation of the proposed acquisition, Applicant would remain the third largest commercial banking organization and would control approximately 8.1 percent of the total deposits in commercial banking

organizations in the state. The Board has considered the effects of the proposal on the structure of banking in Montana and has concluded that consummation of this transaction would not have a significant adverse effect on the concentration of banking resources in the state.

Applicant and Bank do not compete in the same banking markets. Therefore, consummation of this proposal would not eliminate existing competition in any geographic market. The financial and managerial resources of Applicant and Bank are regarded as satisfactory and consistent with approval of the proposal. Considerations relating to the convenience and needs of the communities to be served are also consistent with approval of the proposal.

Based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved for the reasons set forth above. The transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Minneapolis, acting pursuant to delegated authority.

By order of the Board of Governors, effective January 27, 1986.

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

JAMES MCAFEE
[SEAL] Associate Secretary of the Board

**Landmark Bancshares Corporation
Clayton, Missouri**

Order Approving Acquisition of Bank Holding Company and Bank

Landmark Bancshares Corporation, Clayton, Missouri, a bank holding company within the meaning of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("Act"), has applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)) to acquire Brentwood Bancshares Corporation, Brentwood, Missouri ("BBC"), and thereby indirectly to acquire Brentwood Bank, Brentwood, Missouri ("Bank").

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

1. All banking data are as of June 30, 1985.

has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act.

Applicant controls six commercial banking organizations with total deposits of \$747.3 million.¹ Applicant is the ninth largest commercial banking organization in Missouri, controlling approximately 2.0 percent of the total deposits in commercial banking organizations in the state. Applicant seeks to acquire BBC, and thereby control Bank, which holds deposits of \$66.2 million and is the 115th largest commercial banking organization in the state, controlling approximately 0.2 percent of total deposits in commercial banking organizations in the state. Upon consummation of this proposal, Applicant would remain the ninth largest commercial banking organization in the state, controlling deposits of \$813.5 million, representing 2.18 percent of total deposits in commercial banking organizations in the state. Consummation of this transaction would not have any significant adverse effects upon the concentration of banking resources in the state.

Both Applicant and BBC operate subsidiary banks in the St. Louis banking market.² Applicant is the seventh largest of 60 commercial banking organizations there controlling 4.2 percent of total deposits in commercial banks in the market. BBC is the 39th largest commercial banking organization controlling 0.4 percent of total deposits in commercial banks in the market. Upon consummation, Applicant would be the sixth largest commercial banking organization in the market, controlling 4.6 percent of the total deposits in commercial banks there.

The St. Louis banking market is unconcentrated, with a four-firm concentration ratio of 55.1 percent and a Herfindahl-Hirschman Index ("HHI") of 879. Upon consummation, the HHI would increase by only three points to 882. Accordingly, the Board concludes that the acquisition will have no significant adverse effect on existing competition.³

In evaluating this application, the Board has considered the financial and managerial resources of Applicant and the effect on these resources of this proposal.

The Board has stated and continues to believe that capital adequacy is an especially important factor in the analysis of bank holding company proposals, and that it will consider the implications of a significant level of intangible assets in evaluating an application.

In the Board's Capital Adequacy Guidelines,⁴ the Board has stated that, in reviewing acquisition proposals, it will take into consideration both the stated primary capital ratio and the primary capital ratio after deducting intangibles. In acting on applications under the Guidelines, the Board will also take into account the nature and amount of intangible assets and, as appropriate, will adjust capital ratios to include intangible assets on a case-by-case basis.

In its assessment of Applicant's capital adequacy, the Board has considered the fact that at the time of consummation of this proposal, Applicant would meet the minimum capital ratios required under the Board's Guidelines without undue reliance on intangible assets and with no reliance on goodwill. In addition, Applicant has submitted a capital plan by which it will continue to improve its tangible primary capital ratio and its total capital ratio. Based upon these facts, the Board concludes that the financial and managerial resources and future prospects of Applicant, its subsidiary bank, BBC, and Bank are consistent with approval, particularly in light of commitments made by Applicant in connection with this application. Considerations relating to the convenience and needs of the communities to be served also are consistent with approval.

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

By order of the Board of Governors, effective January 27, 1986.

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

JAMES MCAFEE
Associate Secretary of the Board

[SEAL]

1. Deposit data are as of December 31, 1984.

2. The St. Louis banking market is approximated by the St. Louis Ranally Metro Area, adjusted to include all of St. Charles and Jefferson Counties, Missouri, and all of Lebanon and Mascoutah townships in St. Clair County, Illinois.

3. Under the Department of Justice's revised *Merger Guidelines* (49 *Federal Register* 26,823 (June 29, 1984)), a market with a post-merger HHI between 1000 and 1800 is considered moderately concentrated. This proposal will result in a post-merger HHI that falls below the moderately concentrated definition specified in the Guidelines and thus is not subject to challenge under the Department's Guidelines.

4. Capital Adequacy Guidelines, 71 *FEDERAL RESERVE BULLETIN* 445 (1985).

St. James Bancorp, Inc.
St. James, Minnesota

Order Denying Acquisition of Bank Holding Company and Bank

St. James Bancorp, Inc., St. James, Minnesota, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (the "Act") (12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the outstanding voting shares of Roseville Bancorp, Inc., Minneapolis, Minnesota ("Company"), and thereby to acquire indirectly Mid America National Bank of Roseville, Roseville, Minnesota ("Bank").

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

Applicant's principals presently control Company and Bank. This proposal represents a reorganization of ownership interests in Applicant, Company and Bank. Applicant is the 90th largest commercial banking organization in Minnesota, with two banks holding total deposits of \$37.9 million, representing 0.1 percent of total deposits in commercial banks in the state.¹ Bank is the 226th largest commercial bank in Minnesota, holding total deposits of \$21.6 million, representing less than 0.1 percent of total deposits in commercial banks in the state. Upon consummation of this proposal, Applicant would become the 40th largest commercial banking organization in Minnesota, holding total deposits of \$59.5 million, representing 0.2 percent of total deposits in commercial banks in the state.

Bank operates in the Minneapolis-St. Paul banking market,² where it is the 84th largest of 124 commercial banks, controlling 0.1 percent of total deposits in commercial banks in the market. Applicant, its subsidiary banks, and its principals do not operate in the Minneapolis-St. Paul banking market. Consummation of this proposal would not result in any significant adverse effects on competition or increase in the concentration of banking resources in any relevant area. Accordingly, the Board concludes that the fac-

tors relating to competition under the Act are consistent with approval of this proposal.

The Board has previously stated that bank holding companies are expected to serve as a source of managerial and financial strength to their subsidiary banks.³ The Board closely examines the condition of each applicant with this consideration in mind. In this regard, the Board has cautioned against the assumption of substantial amounts of debt by a bank holding company because the Board was concerned that the holding company would no longer have the financial flexibility to meet unexpected problems of its subsidiary banks or would be forced to place substantial demands on its subsidiary banks to meet its debt servicing requirements. A high debt-to-equity ratio also may give rise to the risks associated with leveraging. Such risks include a significant reduction in the parent company's ability to use the debt and capital markets to aid its subsidiary banks, should the need arise.⁴

Applicant is currently highly leveraged and proposes to assume more debt in connection with this acquisition. Applicant would be dependent on the earnings of its subsidiary banks and Bank to service this debt. Applicant's subsidiary banks and Bank show combined negative earnings for 1985. Applicant's ability to service its proposed debt thus is questionable in light of the historical earnings and debt servicing performance of Applicant and two of its affiliated holding companies. Further, the Board notes that Applicant's proposal is substantially similar to a stock redemption since the net result of Applicant's proposal is the buyout of one of Applicant's principals and the replacement of equity with debt. In light of Applicant's proposed high level of debt and questions concerning Applicant's ability to service that debt, the Board concludes, based on these and other facts of record, that this proposal presents adverse factors bearing upon the financial resources and future prospects of Applicant and Bank.

Applicant has proposed no new services for Bank upon consummation of this proposal. Accordingly, considerations relating to the convenience and needs of the community to be served are consistent with, but lend no weight toward, approval of the application.

On the basis of all of the facts of record of this application, the Board concludes that the financial considerations involved in this proposal are adverse

1. All banking data are as of March 31, 1985.

2. The Minneapolis-St. Paul banking market is defined as the Minneapolis-St. Paul Ranally Metro Area, adjusted to include all of Carver and Scott Counties, and Lanesburgh Township in LeSueur County, all in Minnesota.

3. See *Midwest Bancshares, Inc.*, 71 FEDERAL RESERVE BULLETIN 103 (1985); See also *Singer & Associates*, 70 FEDERAL RESERVE BULLETIN 883 (1984).

4. See *Spur Bancshares Inc.*, 69 FEDERAL RESERVE BULLETIN 806 (1983); *Holcomb Bancshares, Inc.*, 69 FEDERAL RESERVE BULLETIN 804 (1983).

and are not outweighed by any relevant competitive or convenience and needs considerations. Accordingly, it is the Board's judgment that approval of this application would not be in the public interest and that the application should be, and hereby is, denied for the reasons summarized above.

By order of the Board of Governors, effective January 21, 1986.

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

JAMES MCAFEE

[SEAL]

Associate Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

Bergen Bank A/S
Bergen, Norway

Order Approving Acquisition of Shares of a Nonbanking Company

Bergen Bank A/S, Bergen, Norway, a foreign bank that is subject to section 4(c)(8) of the Bank Holding Company Act ("Act") (12 U.S.C. § 1843(c)(8)) pursuant to section 8(a) of the International Banking Act of 1978 ("IBA") (12 U.S.C. § 3106(a)) by virtue of its indirect control of an agency in the United States, has applied for Board approval under section 4(c)(8) of the Act and section 225.23(a)(3) of Regulation Y (12 C.F.R. § 225.23(a)(3)) to acquire 20 percent of the voting shares of Skandinaviska Enskilda Banken Corporation, New York, New York ("SEBC"). SEBC is an investment company organized under Article XII of the New York State Banking Law (a "New York Investment Company"), and engages in the following activities: borrowing and lending money, with or without real or personal security; as principal or agent, purchasing, discounting, acquiring, investing in, selling and disposing of bills of exchange, drafts, notes, acceptances and other obligations for the payment of money; as principal or agent, purchasing, acquiring, investing in, servicing, selling and disposing of, and making loans upon the security of, bonds and mortgages on real property; accepting bills of exchange or drafts drawn upon it; issuing letters of credit; buying and selling foreign exchange; receiving money for transmission and transmitting the same to and from the United States; receiving and maintaining credit bal-

ances incidental to, or arising out of, the exercise of its lawful powers; buying and selling coin and bullion; purchasing, acquiring, investing in and holding stocks of any corporation and selling and disposing of such stock, provided that (unless authorized by the Board) no such investment will exceed 5 percent of the voting securities of any corporation; entering, directly or indirectly, into leasing transactions of a type permissible for bank holding company affiliates under section 225.25(b)(5) of Regulation Y; operating a Cayman Islands branch and establishing, subject to Board approval under section 225.23(b)(1), other branches outside the United States and engaging at those offices in transactions of the type that it can engage in at its home office; receiving time deposits at branches located outside the United States; and issuing guarantees of its customers' obligations at offices outside the United States if the guarantee or related agreement specifies a maximum monetary liability.

Bergen Bank has also applied for Board approval to acquire indirectly shares of Skandinaviska Enskilda Banken International Corporation, New York, New York, a corporation chartered pursuant to section 25(a) of the Federal Reserve Act (the "Edge Act") (12 U.S.C. § 611 *et seq.*) and owned by SEBC.

Notice of the applications, affording interested persons an opportunity to submit comments, has been given in accordance with section 4 of the Act. The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the considerations specified in section 4(c)(8) of the Act and the purposes of the Edge Act.

Bergen Bank, with total assets of approximately \$3.7 billion as of December 31, 1984, is the third largest bank in Norway, and operates 110 branch offices in Norway. In the United States, Bergen Bank maintains representative offices in Houston, Los Angeles and New York City, and a subsidiary of Bergen Bank, Skandinavian Bank Limited, London, England, maintains an agency in Los Angeles, California.

SEBC is a New York Investment Company with approximately \$445.9 million in assets as of December 31, 1984. All of the voting shares of SEBC are currently owned by Skandinaviska Enskilda Banken, Stockholm, Sweden, the second largest bank in Sweden, which will retain 80 percent of the shares of SEBC upon consummation of the proposed transaction.

In acting on Bergen Bank's application to acquire shares of SEBC, the Board must first determine that ownership of these shares and the activities conducted by SEBC are closely related to banking or managing or controlling banks. The Board has previously determined by order that ownership and operation of a New York Investment Company, and, in particular, ownership and operation of SEBC, is closely related to

banking.¹ In making that determination, the Board considered the unique statutory powers of New York investment companies and the fact that the lending and banking activities involved were generally offered by commercial banks. In this case, the activities proposed by Applicant have been authorized by previous Board order. In light of this and other facts of record, the Board believes that the proposed activities of SEBC are closely related to banking for purposes of section 4 of the Act.

In acting on applications under section 4 of the Act, the Board is required to determine whether the performance of the proposed activities by an applicant "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." (12 U.S.C. § 1843(c)(8)).

Applicant's proposed acquisition would maintain an existing source of banking services in New York and add an additional source of strength to SEBC. There is no evidence in the record that indicates that Applicant's proposal would result in any undue concentration of resources, decreased or unfair competition, conflicts of interest or unsound banking practices.

Accordingly, the Board has determined that the benefits to the public, subject to the conditions described above and commitments made by Applicant, would outweigh any potentially adverse effects.

The financial and managerial resources of Applicant are also consistent with its indirect acquisition of shares of Skandinaviska Enskilda Banken International Corporation. This acquisition would result in the continuation of the international services currently provided, and is consistent with the purposes of the Edge Act. In this regard, the Board notes that SEBC's Edge Act subsidiary may not fund SEBC through transactions that would be inconsistent with the purposes for which an Edge Corporation is established. Accordingly, the Board finds that the indirect acquisition of shares of Skandinaviska Enskilda Banken International Corporation by Bergen Bank would be in the public interest.

Based on all of the facts of record, the Board has determined that the applications under section 4 of the Act and under the Edge Act should be, and hereby are, approved. The acquisition of shares shall be consummated no later than three months after the date of this

Order, unless such time is extended for good cause by the Board or by the Federal Reserve Bank of New York, pursuant to delegated authority. The Board's determination in this case is subject to all of the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b) (12 C.F.R. §§ 225.4(d) and 225.23(b)), and to the Board's authority to require such modifications or termination of activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and prevent evasions of, the provisions and purposes of the Act and the Board's regulations and orders issued thereunder.

By order of the Board of Governors, effective January 23, 1986.

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

JAMES MCAFEE
Associate Secretary of the Board

[SEAL]

The Chase Manhattan Corporation
New York, New York

Order Approving Acquisition of a Company Engaged in Leasing Activities

The Chase Manhattan Corporation, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act, 12 U.S.C. § 1841 *et seq.* ("BHC Act"), has applied for the Board's approval under section 4(c)(8) of the BHC Act and section 225.23(a)(1) of the Board's Regulation Y (12 C.F.R. § 225.23(a)(1)), to acquire Sturgeon Company, Third Century, Inc., and Third Century, Ltd., all of Moberly, Missouri (the "Leasing Group"); and to acquire a 75 percent interest in Third Century Limited TCG ("Company"), Moberly, Missouri, a *de novo* general partnership. The remaining 25 percent interest in Company will be held by Genola II, Inc., a privately held corporation owned by the sellers of the Leasing Group. Applicant proposes to engage through the Leasing Group and Company in the activity of leasing personal property, including acting as agent, broker and advisor in leasing such property, and through the Leasing Group directly or the Company indirectly in remarketing repossessed property. These activities have been determined by the Board to be closely related to banking and permissible for bank holding companies (12 C.F.R. § 225.25(b)(5)).

Notice of the application, affording interested persons an opportunity to submit comments, has been

1. *Skandinaviska Enskilda Banken*, 69 FEDERAL RESERVE BULLETIN 42 (1983). See also *The Industrial Bank of Japan*, 72 FEDERAL RESERVE BULLETIN 71 (1986); *European American Bancorp*, 63 FEDERAL RESERVE BULLETIN 595 (1977).

duly published, 50 *Federal Register* 45,665 (1985). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Applicant is the third largest banking organization in the United States, controlling consolidated assets of \$87.8 billion as of September 30, 1985. Applicant has five bank subsidiaries. Applicant's primary bank subsidiary, Chase Manhattan Bank N.A., New York, New York, is the second largest bank in the state of New York, with total domestic deposits of \$23.5 billion, representing 14.3 percent of the total deposits in commercial banks in the state of New York.¹ Applicant also is engaged through nonbank subsidiaries in various nonbanking activities, including commercial financing, leasing, factoring and related servicing activities.

The Leasing Group currently engages in the leasing and remarketing of "small-ticket" (less than \$250,000 per item) personal property to non-municipal lessees. These items include copying equipment, telephone systems, medical equipment, computers, and manufacturing equipment. In conjunction with its leasing/remarketing activities, the Leasing Group also currently offers to its customers direct repair and maintenance services for the leased property. The direct repair and maintenance services will not be offered by the Leasing Group or Company after consummation of the proposed transaction.

The Leasing Group operates its leasing business from its office in Moberly, Missouri. Two offices in Moberly and Columbia, Missouri, conduct the Leasing Group's remarketing business. The Leasing Group had consolidated assets of \$43.2 million as of August 31, 1985, and competes in the market for small-ticket leasehold equipment through an established nationwide network of more than 500 dealers who offer the Leasing Group's lease financing products.

This proposal has been structured as a joint venture to take advantage of the complementary resources and experience of Applicant and Leasing Group. While Applicant engages in leasing small-ticket items, Applicant does not offer to a large extent the product line offered by the Leasing Group. In addition, the Leasing Group has developed specialized software for conducting the leasing business and engages in extensive telemarketing operations. Applicant's financial resources and capital-raising capabilities are expected to help ensure that the Leasing Group will continue to operate successfully.

1. All banking data are as of June 30, 1984, unless otherwise indicated.

Because this proposal involves the use of a joint venture between a bank holding company and a non-banking company, the Board has analyzed the effects of the proposal on existing and potential competition between Applicant and its co-venturer in the nationwide market for leasing personal property.² Applicant, through offices of its nonbanking subsidiaries, and Leasing Group both engage in small-ticket equipment leasing throughout the United States. Other companies competing in the leasing business vary in size from very large national corporations to small, regional companies. The market for small-ticket equipment leasing is not concentrated. Applicant holds \$331 million in lease receivables, and the Leasing Group holds \$36.6 million. Upon consummation of this proposal Applicant would control lease receivables of approximately 0.5 percent of the estimated \$74.4 billion worth of equipment that was leased in the United States in 1984.³ Accordingly, the Board concludes that consummation of this proposal would not have a significant adverse effect on either existing or potential competition in any relevant market.

Financial and managerial considerations are consistent with approval of this proposal. Moreover, there is no evidence in the record that consummation of this proposal would result in adverse effects, such as unsound banking practices, unfair competition, conflicts of interests or an undue concentration of resources.

Based upon the foregoing and all the facts of record, the Board has determined that the balance of public interest factors it is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to all of the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of the holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

This transaction shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause

2. The Board has previously indicated its concerns regarding the potential for undue concentration of resources that could result from the combination in a joint venture of banking and nonbanking institutions. The Board is also concerned that joint ventures not lead to a matrix of relationships that could undermine the legally-mandated separation of banking and commerce. See e.g., *Amsterdam-Rotterdam Bank, N.V.*, 70 FEDERAL RESERVE BULLETIN 835 (1984); *Deutsche Bank AG*, 67 FEDERAL RESERVE BULLETIN 449 (1981).

3. American Association of Equipment Lessors, Annual Report 1 (1984).

by the Board, or by the Federal Reserve Bank of New York, pursuant to delegated authority.

By order of the Board of Governors, effective January 16, 1986.

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

[SEAL] WILLIAM W. WILES
Secretary of the Board

The Chase Manhattan Corporation
New York, New York

*Order Approving Application to Execute and Clear
Futures Contracts on Stock Indexes*

The Chase Manhattan Corporation, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act, 12 U.S.C. § 1841 *et seq.* ("BHC Act"), has applied pursuant to section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(3) of the Board's Regulation Y (12 C.F.R. § 225.23(a)(3)) to engage *de novo* through its wholly owned subsidiary, Chase Manhattan Futures Corporation ("CMFC"), in the execution and clearance, on major commodity exchanges, of futures contracts on stock indexes and options on such futures contracts.

CMFC proposes to execute and clear:

(1) the Standard and Poor's 100 Stock Price Index futures contract, the Standard & Poor's 500 Stock Price Index futures contract ("S&P 500"), options on the S&P 500, and the Standard & Poor's Over-the-Counter 250 Stock Index futures contract, all of which are currently traded on the Index and Option Division of the Chicago Mercantile Exchange;

(2) the New York Stock Exchange ("NYSE") Composite Index futures contract, and options on the NYSE Composite Index futures, both of which are currently traded on the New York Futures Exchange, a subsidiary of the New York Stock Exchange;

(3) the Major Market Index futures contract, and the NASD Financial Index Futures Contract, both of which are currently traded on the Chicago Board of Trade;

(4) the FT-SE 100 Equity Index futures contract, currently traded on the London International Financial Futures Exchange; and

(5) the National Over-the-Counter Index, currently traded on the Philadelphia Board of Trade.

Applicant proposes to offer these services to major corporations, other financial institutions, and other

sophisticated customers in the United States and abroad.

Notice of the application, affording interested persons an opportunity to submit comments on the relation of the proposed activities to banking and on the balance of public interest factors, has been duly published (50 *Federal Register* 50,959 (1985)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Applicant, with consolidated assets of \$87.8 billion,¹ is the third largest banking organization in the United States. Applicant operates five subsidiary banks and also engages in various nonbanking activities through a number of subsidiaries. CMFC is a Futures Commission Merchant ("FCM") registered with the Commodity Futures Trading Commission ("CFTC"), that engages in futures trading activities permissible for bank holding companies under section 225.25(b)(18) of the Board's Regulation Y, 12 C.F.R. § 225.25(b)(18).

The Board has previously determined that the execution and clearance of futures contracts, and options on futures contracts, based on stock indexes is closely related to banking. *J.P. Morgan & Co. Incorporated*, 71 *FEDERAL RESERVE BULLETIN* 251 (1985). The proposed activities of CMFC are essentially identical to those activities previously approved by the Board. Thus, the Board concludes that Applicant's proposal to execute and clear futures contracts on stock indexes is closely related to banking.

In order to approve this application, the Board is also required to determine that the performance of the proposed activities by Applicant "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." (12 U.S.C. § 1843(c)(8)).

Consummation of Applicant's proposal would provide added convenience to those clients of Applicant and its subsidiaries that trade in the cash, forward and futures markets for these instruments. The Board expects that the *de novo* entry of Applicant into the market for these services would increase the level of competition among providers of these services. Accordingly, the Board concludes that the performance of the proposed activities by Applicant can reasonably be expected to provide benefits to the public.

The Board also has considered the potential for adverse effects that may be associated with this proposal. There is no evidence in the record that consum-

1. As of September 30, 1985.

mation of the proposed FCM activities would result in any adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. In addition, the Board has taken into account and has relied on the regulatory framework established pursuant to law by the CFTC for the trading of futures, as well as the conditions set forth in section 225.25(b)(18) of Regulation Y with respect to executing and clearing futures contracts.

Based upon a consideration of all the relevant facts, the Board concludes that the balance of the public interest factors that the Board is required to consider under section 4(c)(8) is favorable.

This determination is also subject to all of the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b)(3) (12 C.F.R. §§ 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective January 21, 1986.

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

JAMES MCAFEE

[SEAL] Associate Secretary of the Board

Home Interstate Bancorp, Inc.
Signal Hill, California

Cobanco, Inc.
Santa Cruz, California

*Order Approving Joint Venture to Engage in
Investment and Financial Advisory Services*

Home Interstate Bancorp, Inc. ("Home Interstate"), Signal Hill, California, and Cobanco, Inc. ("Cobanco"), Santa Cruz, California (collectively, "Applicants"), bank holding companies within the meaning of the Bank Holding Company Act ("Act") (12 U.S.C. § 1841 *et seq.*), have applied for the Board's approval under the Act and section

225.23(a)(1) of the Board's Regulation Y (12 C.F.R. § 225.23(a)(1)), to establish a joint venture by the sale of a one-third interest in Home Interstate's existing subsidiary, Bancorp Capital Group, Inc. ("Company"), to each of Cobanco and First Trust Bank, Ontario, California, a state-chartered nonmember bank. By virtue of this sale, the joint venturers will establish equity interests in Company that parallel their interests in Bancorp Venture Capital, Inc. ("BVC"), a small business investment corporation. To date, Company's major activity has been to provide permissible management and advisory services to BVC.¹ Company anticipates that it will offer investment or financial advisory services to other small business ventures in the future.

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published. 50 *Federal Register* 32,491 (1985). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant Home Interstate, controlling consolidated assets of \$244 million, is the 49th largest banking organization in California.² Its sole bank subsidiary, Home Bank, Signal Hill, California, holds deposits of \$220 million, which represents .12 percent of the total deposits in commercial banks in California. As noted earlier, Applicant is engaged in various nonbanking activities through its ownership of Company and a one-third interest in a small business investment corporation.

Applicant Cobanco, with total consolidated assets of \$469 million, is the 25th largest banking organization in California. Its sole bank subsidiary, County Bank and Trust, Santa Cruz, California, controls total deposits of \$431.5 million, representing .23 percent of the deposits in commercial banks in California. Cobanco's nonbanking activities consist of a data processing subsidiary and its one-third interest in BVC.

Since this proposal involves the use of a joint venture to engage in the relevant activities, the Board has analyzed the effects of the proposal on existing and potential competition among Applicants and their co-venturer in the nationwide market for the offering of investment and financial advice to businesses. In this regard, the Board notes that this proposal represents a reorganization of Company to reflect the same ownership interests in Company that already exist in Appli-

1. The Federal Reserve Bank of San Francisco, acting under delegated authority, approved a prior application by Home Interstate to allow Company to engage in lending, leasing, and investment or financial advisory services under sections 225.25(b)(1), .25(b)(4)(iii), .25(b)(4)(iv), and .25(b)(5), respectively, of Regulation Y.

2. Banking data are as of June 30, 1985.

cants' (and First Trust Bank's) current joint venture in BVC, itself a small business investment corporation and currently Company's sole customer for advisory activities. The purpose of the reorganization is merely to preclude any potential inequity in the sharing of revenues and losses that could occur as Company expands its activities while remaining wholly owned by Applicant Home Interstate. Moreover, numerous existing and potential competitors in the nationwide market for such advisory services would remain after consummation of the proposal. Accordingly, the Board concludes that consummation of this proposal would not have a significant adverse effect on either existing or potential competition in any relevant market.

Financial and managerial considerations are consistent with approval of this proposal. Applicants' investments in Company are not significant in relation to their assets. Furthermore, the pooling of resources by the three banking organizations would reduce the business risk that would have to be borne by any one organization engaging in these activities alone. In addition, there is no evidence in the record that consummation of this proposal would result in adverse effects such as unsound banking practices, unfair competition, conflicts of interests or undue concentration of resources.

Based upon the foregoing and all the facts of record, the Board has determined that the balance of public interest factors it is required to consider under section 4(c)(8) is favorable. Accordingly, the applications are hereby approved. This determination is subject to all of the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of the 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.

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

By order of the Board of Governors, effective January 28, 1986.

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

[SEAL] JAMES MCAFEE
Associate Secretary of the Board

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By Federal Reserve Banks

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

Section 3

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
American Bancorporation, Inc., Sapulpa, Oklahoma	Beggs Bancshares, Inc., Beggs, Oklahoma	Kansas City	January 3, 1986
Acadiana Financial Services, Inc., Lafayette, Louisiana	Acadiana National Bank, Lafayette, Louisiana	Atlanta	December 30, 1985
ADBANC, Inc., Ogallala, Nebraska	ADCO Company, Ogallala, Nebraska Chase County Corporation, Ogallala, Nebraska Adams Bank and Trust, Ogallala, Nebraska	Kansas City	December 20, 1985
Alice Financial Corporation, Alice, Texas	First National Bank, Alice, Texas	Dallas	December 30, 1985

Section 3—Continued

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
HPK Financial Corporation, Chicago, Illinois	Hyde Park Bank and Trust Company, Chicago, Illinois	Chicago	January 13, 1986
International Bancshares Corporation, Laredo, Texas	Intercontinental National Bank- Starcrest, San Antonio, Texas	Dallas	December 26, 1985
Kootenai Bancorp, Inc., Libby, Montana	First National Bank in Libby, Libby, Montana	Minneapolis	January 10, 1986
Lamar Bancorporation, Inc., Paris, Texas	Lamar National Bank, Paris, Texas	Dallas	December 30, 1985
LEIGHTON INVESTMENT COMPANY, Leighton, Iowa	Farmers Savings Bank, Leighton, Iowa	Chicago	December 20, 1985
The Marine Corporation, Milwaukee, Wisconsin	The Commercial Banc-Corp, Monroe, Wisconsin	Chicago	January 14, 1986
Marisub, Inc., Milwaukee, Wisconsin	Mequon State Bank, Mequon, Wisconsin		
Mobile National Corporation, Mobile, Alabama	The Bank of Mobile, National Association, Mobile, Alabama	Atlanta	January 6, 1986
Monticello Corporation, Monticello, Wisconsin	Bank of Monticello, Monticello, Wisconsin	Chicago	December 31, 1985
National Bancshares Corporation, Orrville, Ohio	First National Bank, Orrville, Ohio	Cleveland	January 10, 1986
National Bancshares Corporation of Texas, San Antonio, Texas	City National Bank of Laredo, Laredo, Texas	Dallas	January 6, 1986
National Bancshares Corporation of Texas, San Antonio, Texas	First Bancshares of Seguin, Seguin, Texas The First National Bank of Seguin, Seguin, Texas	Dallas	December 19, 1985
New Tripoli Bancorp, Inc., New Tripoli, Pennsylvania	The New Tripoli National Bank, New Tripoli, Pennsylvania	Philadelphia	January 10, 1986
The North Salem State Bancorporation, North Salem, Indiana	The North Salem State Bank, North Salem, Indiana	Chicago	January 15, 1986
North Vernon 1st Financial Corporation, North Vernon, Indiana	The First National Bank of North Vernon, North Vernon, Indiana	Chicago	December 30, 1985
Pennsylvania National Financial Corporation, Harrisburg, Pennsylvania	Hamburg Savings and Trust Company, Hamburg, Pennsylvania	Philadelphia	January 10, 1986
Rising Star Bancshares, Inc., Rising Star, Texas	First State Bank of Rising Star, Rising Star, Texas	Dallas	December 24, 1985

Section 3—Continued

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
St. Paul Bancshares, Inc., St. Paul, Minnesota	Summit State Bank of Phalen Park, St. Paul, Minnesota	Minneapolis	December 26, 1985
Sandhills Holding Company, Inc., Bethune, South Carolina	Sandhills Bank, Bethune, South Carolina	Richmond	January 7, 1986
SOLON FINANCIAL, INC., Solon, Iowa	Solon State Bank, Solon, Iowa	Chicago	January 7, 1986
Tampa State Bankshares, Inc., Tampa, Kansas	Chase County Bankshares, Inc., Strong City, Kansas	Kansas City	January 7, 1986
Tattnall Bancshares, Inc., Reidsville, Georgia	The Tattnall Bank, Reidsville, Georgia	Atlanta	January 16, 1986
Valley Holding Company, Aurora, Illinois	Valley National Bank of Aurora, Aurora, Illinois	Chicago	December 30, 1985
Vernon Bancshares, Inc., Leesville, Louisiana	The Vernon Bank, Leesville, Louisiana	Atlanta	January 10, 1986
Western Bancshares of Alamogordo, Inc., Alamogordo, New Mexico	Western Bank, Alamogordo, New Mexico	Dallas	December 23, 1985
Wheatland Bankshares, Inc., Wheatland, Wyoming	The American Bank of Wheatland, Wheatland, Wyoming	Kansas City	December 19, 1985

Section 4

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
Dakota Bankshares, Inc., Fargo, North Dakota	offering management consulting services to nonaffiliated banks	Minneapolis	January 9, 1986
Dakota Company, Inc., Milbank, South Dakota	Big Stone Insurance Agency, Big Stone City, South Dakota	Minneapolis	January 8, 1986
First Bank System, Inc., Minneapolis, Minnesota	W.W. Wallwork, Inc., Fargo, North Dakota Wallwork Lease and Rental Company, Inc., Fargo, North Dakota TEC Leasing, Inc., Casper, Wyoming Northwest Leasing Corporation, Fargo, North Dakota	Minneapolis	December 30, 1985
Manufacturers Hanover Corporation, New York, New York	securities brokerage activities	New York	January 2, 1986

Section 4—Continued

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
Marine Midland Banks, Inc., Buffalo, New York	substantially all commercial finance receivables of	New York	December 31, 1985
The Hongkong and Shanghai Banking Corporation, Hong Kong, B.C.C.	Commercial Credit Business Loans, Inc., Los Angeles, California		
Kellett, N.V., Curacao, Netherlands Antilles	Commercial Credit Business Loans, Inc., Baltimore, Maryland		
HSBC Holdings B.V., Amsterdam, The Netherlands	Commercial Credit Business Services, Inc., New York, New York		
Metro Bancorp, Incorporated, Phoenix, Arizona	M. B. Mortgage Company, Phoenix, Arizona	San Francisco	December 23, 1985

Section 3 and 4

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
Huntington Bancshares Kentucky, Inc., Columbus, Ohio	Commonwealth Trust Bancorp, Inc., Covington, Kentucky	Cleveland	December 27, 1985
Huntington Bancshares Incorporated, Columbus, Ohio	Huntington Bancshares Kentucky, Inc., Columbus, Ohio	Cleveland	December 27, 1985

*ORDERS APPROVED UNDER BANK MERGER ACT**By Federal Reserve Banks*

Applicant	Bank(s)	Reserve Bank	Effective date
The Bank of New York, New York, New York	acquire certain assets and assume certain liabilities of Fidata Trust Company New York, New York, New York	New York	December 31, 1985
Central Trust Company, Rochester, New York	acquire certain assets and assume liability to pay certain deposits of a branch of Chemical Bank, New York, New York	New York	December 31, 1985
Colonial Bank, Montgomery, Alabama	Luverne Bank and Trust Company, Luverne, Alabama	Atlanta	January 8, 1986

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

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

- CBC, Inc. v. Board of Governors*, No. 86-1001 (10th Cir., filed Jan. 2, 1986).
- Carter v. Board of Governors*, No. 85-4021 (6th Cir., filed Dec. 9, 1985).
- Howe v. United States, et al.*, No. 85-4504-C (D. Mass., filed Dec. 6, 1985).
- Myers, et al. v. Federal Reserve Board*, No. 85-1427 (D. Idaho, filed Nov. 18, 1985).
- Souser, et al. v. Volcker, et al.*, No. 85-C-2370, *et al.* (D. Colo., filed Nov. 1, 1985).
- Podolak v. Volcker*, No. C85-0456, *et al.* (D. Wyo., filed Oct. 28, 1985).
- Kolb v. Wilkinson, et al.*, No. C85-4184 (N.D. Iowa, filed Oct. 22, 1985).
- Farmer v. Wilkinson, et al.*, No. 4-85-CIVIL-1448 (D. Minn., filed Oct. 21, 1985).
- Kurkowski v. Wilkinson, et al.*, No. CV-85-0-916 (D. Neb., filed Oct. 16, 1985).
- Jensen v. Wilkinson, et al.*, No. 85-4436-S, *et al.* (D. Kan., filed Oct. 10, 1985).
- Alfson v. Wilkinson, et al.*, No. A1-85-267 (D. N.D., filed Oct. 8, 1985).
- First National Bank of Blue Island Employee Stock Ownership Plan v. Board of Governors*, No. 85-2615 (7th Cir., filed Sept. 23, 1985).
- First National Bancshares II v. Board of Governors*, No. 85-3702 (6th Cir., filed Sept. 4, 1985).
- McHuin v. Volcker, et al.*, No. 85-2170 WARB (W.D. Okl., filed Aug. 29, 1985).
- Independent Community Bankers Association of South Dakota v. Board of Governors*, No. 84-1496 (D.C. Cir., filed Aug. 7, 1985).
- Florida Bankers Association, et al. v. Board of Governors*, No. 85-193 (U.S., filed Aug. 5, 1985).
- Populist Party of Iowa v. Federal Reserve Board*, No. 85-626-B (S.D. Iowa, filed Aug. 2, 1985).
- Urwylker, et al. v. Internal Revenue Service, et al.*, No. CV-F-85-402 REC (E.D. Cal., filed July 18, 1985).
- Johnson v. Federal Reserve System, et al.*, No. S85-0958(R) and S85-1269(N) (S.D. Miss., filed July 16, 1985).
- Wight, et al. v. Internal Revenue Service, et al.*, No. CIV S-85-0012 MLS (E.D. Cal., filed July 12, 1985).
- Cook v. Spillman, et al.*, No. CIV S-85-0953 EJJ (E.D. Cal., filed July 10, 1985).
- Florida Bankers Association v. Board of Governors*, No. 84-3883 and No. 84-3884 (11th Cir., filed Feb. 15, 1985).
- Florida Department of Banking v. Board of Governors*, No. 84-3831 (11th Cir., filed Feb. 15, 1985), and No. 84-3832 (11th Cir., filed Feb. 15, 1985).
- Dimension Financial Corporation v. Board of Governors*, No. 84-1274 (U.S., filed Feb. 6, 1985).
- Lewis v. Volcker, et al.*, No. C-1-85-0099 (S.D. Ohio, filed Jan. 14, 1985).
- Brown v. United States Congress, et al.*, No. 84-2887-6(IG) (S.D. Cal., filed Dec. 7, 1984).
- Melcher v. Federal Open Market Committee*, No. 84-1335 (D.D.C., filed Apr. 30, 1984).
- Colorado Industrial Bankers Association v. Board of Governors*, No. 84-1122 (10th Cir., filed Jan. 27, 1984).
- First Bancorporation v. Board of Governors*, No. 84-1011 (10th Cir., filed Jan. 5, 1984).
- Securities Industry Association v. Board of Governors*, No. 80-2614 (D.C. Cir., filed Oct. 24, 1980), and No. 80-2730 (D.C. Cir., filed Oct. 24, 1980).

Financial and Business Statistics

CONTENTS

Domestic Financial Statistics

MONEY STOCK AND BANK CREDIT

- A3 Reserves, money stock, liquid assets, and debt measures
- A4 Reserves of depository institutions, Reserve Bank credit
- A5 Reserves and borrowings—Depository institutions
- A5 Federal funds and repurchase agreements—Large member banks

POLICY INSTRUMENTS

- A6 Federal Reserve Bank interest rates
- A7 Reserve requirements of depository institutions
- A8 Maximum interest rates payable on time and savings deposits at federally insured institutions
- A9 Federal Reserve open market transactions

FEDERAL RESERVE BANKS

- A10 Condition and Federal Reserve note statements
- A11 Maturity distribution of loan and security holdings

MONETARY AND CREDIT AGGREGATES

- A12 Aggregate reserves of depository institutions and monetary base
- A13 Money stock, liquid assets, and debt measures
- A15 Bank debits and deposit turnover
- A16 Loans and securities—All commercial banks

COMMERCIAL BANKING INSTITUTIONS

- A17 Major nondeposit funds
- A18 Assets and liabilities, last-Wednesday-of-month series

WEEKLY REPORTING COMMERCIAL BANKS

Assets and liabilities

- A19 All reporting banks
- A20 Banks in New York City
- A21 Branches and agencies of foreign banks
- A22 Gross demand deposits—individuals, partnerships, and corporations

FINANCIAL MARKETS

- A23 Commercial paper and bankers dollar acceptances outstanding
- A23 Prime rate charged by banks on short-term business loans
- A24 Interest rates—money and capital markets
- A25 Stock market—Selected statistics
- A26 Selected financial institutions—Selected assets and liabilities

FEDERAL FINANCE

- A28 Federal fiscal and financing operations
- A29 U.S. budget receipts and outlays
- A30 Federal debt subject to statutory limitation
- A30 Gross public debt of U.S. Treasury—Types and ownership
- A31 U.S. government securities dealers—Transactions
- A32 U.S. government securities dealers—Positions and financing
- A33 Federal and federally sponsored credit agencies—Debt outstanding

SECURITIES MARKETS AND CORPORATE FINANCE

- A34 New security issues—State and local governments and corporations
- A35 Open-end investment companies—Net sales and asset position

- A35 Corporate profits and their distribution
- A36 Nonfinancial corporations—Assets and liabilities
- A36 Total nonfarm business expenditures on new plant and equipment
- A37 Domestic finance companies—Assets and liabilities and business credit

REAL ESTATE

- A38 Mortgage markets
- A39 Mortgage debt outstanding

CONSUMER INSTALLMENT CREDIT

- A40 Total outstanding and net change
- A41 Terms

FLOW OF FUNDS

- A42 Funds raised in U.S. credit markets
- A43 Direct and indirect sources of funds to credit markets

Domestic Nonfinancial Statistics

SELECTED MEASURES

- A44 Nonfinancial business activity—Selected measures
- A45 Labor force, employment, and unemployment
- A46 Output, capacity, and capacity utilization
- A47 Industrial production—Indexes and gross value
- A49 Housing and construction
- A50 Consumer and producer prices
- A51 Gross national product and income
- A52 Personal income and saving

International Statistics

SUMMARY STATISTICS

- A53 U.S. international transactions—Summary
- A54 U.S. foreign trade
- A54 U.S. reserve assets

- A54 Foreign official assets held at Federal Reserve Banks
- A55 Foreign branches of U.S. banks—Balance sheet data
- A57 Selected U.S. liabilities to foreign official institutions

REPORTED BY BANKS IN THE UNITED STATES

- A57 Liabilities to and claims on foreigners
- A58 Liabilities to foreigners
- A60 Banks' own claims on foreigners
- A61 Banks' own and domestic customers' claims on foreigners
- A61 Banks' own claims on unaffiliated foreigners
- A62 Claims on foreign countries—Combined domestic offices and foreign branches

REPORTED BY NONBANKING BUSINESS ENTERPRISES IN THE UNITED STATES

- A63 Liabilities to unaffiliated foreigners
- A64 Claims on unaffiliated foreigners

SECURITIES HOLDINGS AND TRANSACTIONS

- A65 Foreign transactions in securities
- A66 Marketable U.S. Treasury bonds and notes—Foreign transactions

INTEREST AND EXCHANGE RATES

- A67 Discount rates of foreign central banks
- A67 Foreign short-term interest rates
- A68 Foreign exchange rates

- A69 *Guide to Tabular Presentation, Statistical Releases, and Special Tables*

SPECIAL TABLES

- A70 Terms of lending at commercial banks, November 1985

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

Item	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) ¹									
	1985				1985					
	Q1	Q2	Q3	Q4	Aug.	Sept.	Oct.	Nov. ⁷	Dec.	
<i>Reserves of depository institutions²</i>										
1 Total	17.4	12.2	16.4	12.1	16.5	8.7	4.0	20.0	22.1	
2 Required	16.9	12.3	17.1	11.1	17.7	13.5	1.6	15.4	18.8	
3 Nonborrowed	57.3	14.1	18.2	10.0	18.0	2.8	7.0	4.9	34.8	
4 Monetary base ³	8.2	7.5	10.2	8.4	13.3	7.0	6.1	10.1	9.4	
<i>Concepts of money, liquid assets, and debt⁴</i>										
5 M1	10.6	10.2	15.0	8.9	20.3	11.9	-1.6	13.4	13.2	
6 M2	12.1	5.3	10.2	5.9	11.3	7.1	2.0 ⁷	6.7	7.8	
7 M3	10.7	5.3	8.3	6.7	9.8 ⁷	10.2 ⁷	3.9	5.6	7.1	
8 L	10.1 ⁷	6.0	9.1 ⁷	n.a.	12.4	10.9 ⁷	4.8	12.4	n.a.	
9 Debt	13.5 ⁷	11.9 ⁷	12.2 ⁷	13.5	12.0	11.1 ⁷	11.7	15.6	n.a.	
<i>Nontransaction components</i>										
10 In M2 ⁵	12.5	3.8	8.7	4.9	8.4	5.5 ⁷	3.1 ⁷	4.6	6.0	
11 In M3 only ⁶	5.5	5.4 ⁷	.6 ⁷	10.2	3.8 ⁷	22.7 ⁷	11.6 ⁷	1.5	4.3	
<i>Time and savings deposits</i>										
<i>Commercial banks</i>										
12 Savings	-8.7	-1.7	11.3	3.2	9.7	3.9	4.8	1.9	-5.7	
13 Small-denomination time ⁸	-1.8	6.5	-4.4	-2.7	-13.3	-4.1	-3.4 ⁷	-3	8.2	
14 Large-denomination time ^{9,10}	2.6	8.3	-3.2	16.1	8.6	23.8	18.9	12.6	5.1	
<i>Thrift institutions</i>										
15 Savings	2.2	3.1	14.7	10.7	22.9	6.8	14.2 ⁷	8.7	-2.0	
16 Small-denomination time	1.7	3.9	-4.6	-3.1	-13.9	-6.6	-4.1	.5	9.8	
17 Large-denomination time ⁹	21.0	2.6	-2.8	8.5	-3.9	15.6	3.1	11.5	16.0	
<i>Debt components⁴</i>										
18 Federal	15.2	12.3	14.6	15.3	14.2	7.7	8.8 ⁷	25.1	n.a.	
19 Nonfederal	13.0 ⁷	11.8 ⁷	11.5 ⁷	13.0	11.4	12.2 ⁷	12.6 ⁷	12.7	n.a.	
20 Total loans and securities at commercial banks ¹¹	10.1	9.7	9.6	8.8	6.5	8.2	2.0	16.4	16.6	

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Excludes MMDAs.

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

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

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

11. Changes calculated from figures shown in table 1.23.

A4 Domestic Financial Statistics □ March 1986

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending								
	1985			1985								
	Oct.	Nov.	Dec.	Nov. 13	Nov. 20	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25		
SUPPLYING RESERVE FUNDS												
1 Reserve Bank credit	193,817	196,936	203,644	198,178	196,468	198,854	199,327	201,454	203,121	204,641		
2 U.S. government securities ¹	170,018	171,234	178,242	172,407	171,242	171,384	173,638	176,785	178,203	178,911		
3 Bought outright	170,018	170,943	177,120	172,180	170,222	171,384	171,397	176,574	177,874	177,887		
4 Held under repurchase agreements	0	291	1,122	227	1,020	0	2,241	211	329	1,024		
5 Federal agency obligations	8,227	8,362	8,661	8,476	8,556	8,227	8,811	8,310	8,325	8,703		
6 Bought outright	8,227	8,227	8,227	8,227	8,227	8,227	8,227	8,227	8,227	8,227		
7 Held under repurchase agreements	0	135	434	249	329	0	584	83	98	476		
8 Acceptances	0	0	0	0	0	0	0	0	0	0		
9 Loans	1,140	1,920	1,107	791	1,565	4,282	1,573	681	1,001	948		
10 Float	669	1,203	1,176	1,471	1,494	1,287	1,244	1,536	1,137	1,390		
11 Other Federal Reserve assets	13,763	14,217	14,458	15,033	13,610	13,674	14,061	14,143	14,454	14,689		
12 Gold stock	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090		
13 Special drawing rights certificate account	4,692	4,718	4,718	4,718	4,718	4,718	4,718	4,718	4,718	4,718		
14 Treasury currency outstanding	16,943	16,994	17,037	16,985	16,997	17,009	17,020	17,028	17,036	17,043		
ABSORBING RESERVE FUNDS												
15 Currency in circulation	189,053 ²	191,396	195,367	191,389	191,553	191,743	193,737	194,589	194,747	195,944		
16 Treasury cash holdings	543	553	557	554	554	554	556	556	560	557		
Deposits, other than reserve balances, with Federal Reserve Banks												
17 Treasury	3,006	2,925	3,499	3,064	3,008	2,587	2,258	2,565	3,776	3,577		
18 Foreign	214	242	262	229	231	246	318	245	254	251		
19 Service-related balances and adjustments	1,738	1,795	2,024	1,714	1,718	1,729	2,155	1,810	2,284	2,054		
20 Other	446	574	488	473	667	518	554	438	530	449		
21 Other Federal Reserve liabilities and capital	6,270	6,339	6,410	6,343	6,267	6,390	6,484	6,526	6,331	6,334		
22 Reserve balances with Federal Reserve Banks ²	25,272	25,914	27,882	27,207	25,274	27,903	26,093	27,562	27,484	28,326		
			End-of-month figures			Wednesday figures						
			1985			1985						
			Oct.	Nov.	Dec.	Nov. 13	Nov. 20	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25
SUPPLYING RESERVE FUNDS												
23 Reserve Bank credit	192,884	194,729	210,598	201,217	191,810	192,701	210,853	205,123	207,752	204,384		
24 U.S. government securities ¹	168,705	169,168	181,327	172,282	163,594	167,889	182,177	178,907	179,578	177,730		
25 Bought outright	168,705	169,168	177,798	172,282	163,594	167,889	175,149	177,434	177,276	177,730		
26 Held under repurchase agreements	0	0	3,529	0	0	0	7,028	1,473	2,302	0		
27 Federal agency obligations	8,227	8,227	9,921	8,227	8,227	8,227	9,736	8,806	8,912	8,227		
28 Bought outright	8,227	8,227	8,227	8,227	8,227	8,227	8,227	8,227	8,227	8,227		
29 Held under repurchase agreements	0	0	1,694	0	0	0	1,509	579	685	0		
30 Acceptances	0	0	0	0	0	0	0	0	0	0		
31 Loans	886	1,602	3,060	758	4,682	924	3,927	719	2,293	1,362		
32 Float	335	909	988	4,653	1,327	1,848	511	2,177	1,942	2,219		
33 Other Federal Reserve assets	14,731	14,823	15,302	15,297	13,780	13,813	14,302	14,514	15,027	14,846		
34 Gold stock	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090		
35 Special drawing rights certificate account	4,718	4,718	4,718	4,718	4,718	4,718	4,718	4,718	4,718	4,718		
36 Treasury currency outstanding	16,971	17,019	17,032	16,995	17,007	17,019	17,027	17,035	17,043	17,043		
ABSORBING RESERVE FUNDS												
37 Currency in circulation	189,490	193,463	197,465	192,022	191,441	193,131	194,491	194,793	195,122	196,668		
38 Treasury cash holdings	547	556	530	554	554	556	556	559	557	554		
Deposits, other than reserve balances with Federal Reserve Banks												
39 Treasury	1,528	2,294	9,351	3,310	2,652	2,331	2,293	1,629	3,351	3,286		
40 Foreign	268	340	480	229	236	250	320	260	303	209		
41 Service-related balances and adjustments	1,469	1,483	1,490	1,481	1,481	1,484	1,483	1,497	1,498	1,491		
42 Other	372	598	1,041	479	534	440	449	472	487	413		
43 Other Federal Reserve liabilities and capital	6,339	6,475	5,940	6,096	6,018	6,004	6,462	6,190	6,168	6,385		
44 Reserve balances with Federal Reserve Banks ²	25,650	22,347	27,141	29,849	21,708	21,332	37,634	32,566	33,117	28,229		

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

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

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

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages ⁶										
	1982	1983	1984	1985							
	Dec.	Dec.	Dec.	May	June	July	Aug.	Sept.	Oct.	Nov.	
1 Reserve balances with Reserve Banks ¹	24,939	21,138	21,738	22,385	23,367	23,503	23,415	24,972	25,431	26,385	
2 Total vault cash ²	20,392	20,755	22,316	21,898	22,180	22,530	22,839	22,465	22,724	22,457	
3 Vault cash used to satisfy reserve requirements ³	17,049	17,908	18,958	18,666	18,985	19,300	19,548	19,475	20,038	19,997	
4 Surplus vault cash ⁴	3,343	2,847	3,358	3,231	3,196	3,230	3,291	2,990	2,686	2,460	
5 Total reserves ⁵	41,853	38,894	40,696	41,051	42,352	42,803	42,963	44,447	44,469	46,382	
6 Required reserves	41,353	38,333	39,843	40,247	41,447	41,948	42,135	43,782	44,716	45,454	
7 Excess reserve balances at Reserve Banks ⁶	500	561	853	804	905	855	827	666	753	928	
8 Total borrowings at Reserve Banks	697	774	3,186	1,334	1,205	1,107	1,073	1,289	1,187	1,741	
9 Seasonal borrowings at Reserve Banks	33	96	113	165	151	167	221	203	172	107	
10 Extended credit at Reserve Banks ⁷	187	2	2,604	534	665	507	570	656	629	530	
Biweekly averages of daily figures for weeks ending											
1985 and 1986											
	Sept. 11	Sept. 25	Oct. 9	Oct. 23	Nov. 6	Nov. 20	Dec. 4 ⁸	Dec. 18 ⁸	Jan. 1	Jan. 15	
11 Reserve balances with Reserve Banks ¹	43,509	44,800	25,553	25,232	25,643	26,242	27,029	27,503	27,943	28,471	
12 Total vault cash ²	21,887	22,705	23,067	22,831	22,151	22,528	22,543	22,464	23,612	23,591	
13 Vault cash used to satisfy reserve requirements ³	18,880	19,766	19,971	20,294	19,667	20,117	20,028	20,199	21,035	21,270	
14 Surplus vault cash ⁴	3,008	2,939	3,097	2,538	2,484	2,412	2,515	2,265	2,577	2,322	
15 Total reserves ⁵	43,509	44,800	45,523	45,525	45,310	46,359	47,057	47,702	48,978	49,741	
16 Required reserves	42,838	44,133	44,876	44,733	44,508	45,466	46,005	46,875	47,648	48,489	
17 Excess reserve balances at Reserve Banks ⁶	672	667	647	793	802	893	1,052	828	1,330	1,252	
18 Total borrowings at Reserve Banks	1,392	1,171	1,395	1,118	1,075	1,178	2,928	841	1,338	614	
19 Seasonal borrowings at Reserve Banks	196	212	195	169	151	104	84	53	51	28	
20 Extended credit at Reserve Banks ⁷	669	656	627	649	598	522	503	524	472	471	

1. Excludes required clearing balances and adjustments to compensate for float.
 2. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements. Under contemporaneous reserve requirements, maintenance periods end 30 days after the lagged computation periods in which the balances are held.
 3. Equal to all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.
 4. Total vault cash at institutions having no required reserve balances less the amount of vault cash equal to their required reserves during the maintenance period.
 5. Total reserves not adjusted for discontinuities consist of reserve balances with Federal Reserve Banks, which exclude required clearing balances and adjustments to compensate for float, plus vault cash used to satisfy reserve requirements. Such vault cash consists of all vault cash held during the lagged

computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.
 6. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements less required reserves.
 7. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.
 8. Before February 1984, data are prorated monthly averages of weekly averages; beginning February 1984, data are prorated monthly averages of biweekly averages.
 NOTE: These data also appear in the Board's H.3 (502) release. For address, see inside front cover.

1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks¹

Averages of daily figures, in millions of dollars

By maturity and source	1985 and 1986 week ending Monday									
	Nov. 18	Nov. 25	Dec. 2 ²	Dec. 9 ²	Dec. 16	Dec. 23	Dec. 30	Jan. 6	Jan. 13	
<i>One day and continuing contract</i>										
1 Commercial banks in United States	69,983 ³	66,797	70,688	74,994	70,735	68,338	65,939	72,134	71,450	
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	30,383	33,679	31,775	34,067	34,198	33,875	32,376	33,421	34,812	
3 Nonbank securities dealers	10,095	9,867	9,965	10,306	9,783	10,847	10,511	9,176	9,039	
4 All other	27,453	30,288	27,660	29,696	29,388	29,060	26,184	26,474	26,202	
<i>All other maturities</i>										
5 Commercial banks in United States	9,333	9,778	9,848	9,078	9,114	9,696	9,918	9,294	10,100	
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	7,476	6,911	8,051	7,324	6,953	7,132	7,299	6,563	7,100	
7 Nonbank securities dealers	8,733	8,093	8,746	7,755	8,509	8,477	8,062	8,066	10,207	
8 All other	8,446	8,175	12,667	8,002	8,752	10,380	11,570	9,780	9,218	
MEMO: Federal funds and resale agreement loans in maturities of one day or continuing contract										
9 Commercial banks in United States	34,330	32,778	35,876	32,610	29,179	33,521	31,448	32,608	29,590	
10 Nonbank securities dealers	8,979	8,234	8,810	9,948	9,918	8,785	8,976	9,235	10,088	

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

A6 Domestic Financial Statistics □ March 1986

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

Federal Reserve Bank	Short-term adjustment credit and seasonal credit ¹			Extended credit ²						Effective date for current rates
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days		
	Rate on 1/29/86	Effective date	Previous rate	Rate on 1/29/86	Previous rate	Rate on 1/29/86	Previous rate	Rate on 1/29/86	Previous rate	
Boston	↑	5/20/85	↑	7½	8	8½	9	9½	10	5/20/85
New York		5/20/85								5/20/85
Philadelphia		5/24/85								5/24/85
Cleveland		5/21/85								5/21/85
Richmond		5/20/85								5/20/85
Atlanta		5/20/85								5/20/85
Chicago	↓	5/20/85	↓	7½	8	8½	9	9½	10	5/20/85
St. Louis		5/21/85								5/21/85
Minneapolis		5/20/85								5/20/85
Kansas City		5/20/85								5/20/85
Dallas		5/20/85								5/20/85
San Francisco		5/21/85								5/21/85

Range of rates in recent years³

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1973	7½	7½	1978— July 3	7-7¼	7¼	1981— May 8	14	14
1974— Apr. 25	7½-8	8	10	7¼	7¼	Nov. 2	13-14	13
30	8	8	Aug. 21	7¾	7¾	6	13	13
Dec. 9	7¾-8	7¾	Sept. 22	8	8	Dec. 4	12	12
16	7¾	7¾	Oct. 16	8-8½	8½			
1975— Jan. 6	7¼-7¾	7¾	20	8½	8½	1982— July 20	11½-12	11½
10	7¼-7¾	7¼	Nov. 1	8½-9½	9½	23	11½	11½
24	7¼	7¼	3	9½	9½	Aug. 2	11-11½	11
Feb. 5	6¾-7¼	6¾	1979— July 20	10	10	3	11	11
7	6¾	6¾	Aug. 17	10-10½	10½	16	10½	10½
Mar. 10	6¼-6¾	6¼	Aug. 20	10½	10½	27	10-10½	10
14	6¼	6¼	Sept. 19	10½-11	11	30	10	10
May 16	6-6¼	6	Oct. 8	11-12	12	Oct. 12	9½-10	9½
23	6	6	21	11	11	13	9½	9½
1976— Jan. 19	5½-6	5½	Oct. 8	11-12	12	Nov. 22	9-9½	9
23	5½	5½	10	12	12	26	9	9
Nov. 22	5¼-5½	5¼	1980— Feb. 15	12-13	13	Dec. 14	8½-9	9
26	5¼	5¼	19	13	13	15	8½-9	8½
1977— Aug. 30	5¼-5¾	5¼	May 29	12-13	13	17	8½	8½
31	5¼-5¾	5¾	30	12	12	1984— Apr. 9	8½-9	9
Sept. 2	5¾	5¾	June 13	11-12	11	13	9	9
Oct. 26	6	6	16	11	11	Nov. 21	8½-9	8½
1978— Jan. 9	6-6½	6½	July 28	10-11	10	26	8½	8½
20	6½	6½	29	10	10	Dec. 24	8	8
May 11	6½-7	7	Sept. 26	11	11	1985— May 20	7½-8	7½
12	7	7	Nov. 17	12	12	24	7½	7½
			Dec. 5	12-13	13	In effect Jan. 29, 1986	7½	7½
			8	13	13			
			5	13-14	14			

1. A temporary simplified seasonal program was established on Mar. 8, 1985, and the interest rate was set at 8½ percent at that time. On May 20 this rate was lowered to 8 percent.

2. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution and to advances when an institution is under sustained liquidity pressures. As an alternative, for loans outstanding for more than 150 days, a Federal Reserve Bank may charge a flexible rate that takes into account rates on market sources of funds, but in no case will the rate charged be less than the basic rate plus one percentage point. Where credit provided to a particular depository institution is anticipated to be outstanding for an unusually prolonged period and in relatively large amounts, the time period in which each rate under this structure is applied may be shortened. See section 201.3(b)(2) of Regulation A.

3. Rates for short-term adjustment credit. For description and earlier data see the following publications of the Board of Governors: *Banking and Monetary*

Statistics, 1914-1941, and 1941-1970; Annual Statistical Digest, 1970-1979, 1980, 1981, and 1982.

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Percent of deposits

Type of deposit, and deposit interval	Member bank requirements before implementation of the Monetary Control Act		Type of deposit, and deposit interval ⁵	Depository institution requirements after implementation of the Monetary Control Act ⁶	
	Percent	Effective date		Percent	Effective date
<i>Net demand</i> ²			<i>Net transaction accounts</i> ^{7,8}		
\$0 million-\$2 million	7	12/30/76	\$0-\$31.7 million	3	12/31/85
\$2 million-\$10 million	9½	12/30/76	Over \$31.7 million	12	12/31/85
\$10 million-\$100 million	11¾	12/30/76	<i>Nonpersonal time deposits</i> ⁹		
\$100 million-\$400 million	12¾	12/30/76	By original maturity		
Over \$400 million	16¼	12/30/76	Less than 1½ years	3	10/6/83
<i>Time and savings</i> ^{2,3}			1½ years or more	0	10/6/83
Savings	3	3/16/67	<i>Eurocurrency liabilities</i>		
<i>Time</i> ⁴			All types	3	11/13/80
\$0 million-\$5 million, by maturity					
30-179 days	3	3/16/67			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			
Over \$5 million, by maturity					
30-179 days	6	12/12/74			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			

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

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

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

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

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

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

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

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

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

5. The Garn-St Germain Depository Institutions Act of 1982 (Public Law 97-320) provides that \$2 million of reservable liabilities (transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities) of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the next succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. Effective Dec. 9, 1982, the amount of the exemption was established at \$2.1 million. Effective with the reserve maintenance period beginning Jan. 1, 1985, the amount of the exemption is \$2.4 million. Effective with the reserve computation period beginning Dec. 31, 1985, the amount of the exemption is \$2.7 million. In determining the reserve requirements of a depository institution, the exemption shall apply in the following order: (1) nonpersonal money market deposit accounts (MMDAs) authorized under 12 CFR section 1204.122; (2) net NOW accounts (NOW accounts less allowable deductions); (3) net other transaction accounts; and (4) nonpersonal time deposits or Eurocurrency liabilities starting with those with the highest reserve ratio. With respect to NOW accounts and other transaction accounts, the exemption applies only to such accounts that would be subject to a 3 percent reserve requirement.

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

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

8. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage increase in transaction accounts held by all depository institutions determined as of June 30 each year. Effective Dec. 31, 1981, the amount was increased accordingly from \$25 million to \$26 million; effective Dec. 30, 1982, to \$26.3 million; effective Dec. 29, 1983, to \$28.9 million; effective Jan. 1, 1985, to \$29.8 million; and effective Dec. 31, 1985, to \$31.7 million.

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

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

A8 Domestic Financial Statistics □ March 1986

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

Type of deposit	Commercial banks		Savings and loan associations and mutual savings banks (thrift institutions) ¹	
	In effect Jan. 31, 1986		In effect Jan. 31, 1986	
	Percent	Effective date	Percent	Effective date
1 Savings	5½	1/1/84	5½	7/1/79
2 Negotiable order of withdrawal accounts	(2)	1/1/86	(2)	1/1/86
3 Money market deposit account	(3)	12/14/82	(3)	12/14/82
<i>Time accounts</i>				
4 7-31 days	(4)	1/1/86	(4)	9/1/86
5 More than 31 days .....	.....	10/1/83	.....	10/1/83

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

2. Before Jan. 1, 1986, NOW accounts with minimum denomination requirements of less than \$1,000 were subject to an interest rate ceiling of 5¼ percent. NOW accounts with minimum required denominations of \$1,000 or more and IRA/Keough (HR10) Plan accounts were not subject to interest rate ceilings. Effective Jan. 1, 1986, the minimum denomination requirement was removed.

3. Effective Dec. 14, 1982, depository institutions are authorized to offer a new account with a required initial balance of \$2,500 and an average maintenance

balance of \$2,500 not subject to interest rate restrictions. Effective Jan. 1, 1985, the minimum denomination and average balance maintenance requirements was lowered to \$1,000. Effective Jan. 1, 1986, the minimum denomination and average balance maintenance requirements were removed. No minimum maturity period is required for this account, but depository institutions must reserve the right to require seven days, notice before withdrawals. Depository institutions may not guarantee a rate of interest for this account for a period longer than one month or condition the payment of a rate on a requirement that the funds remain on deposit for longer than one month.

4. Before Jan. 1, 1986, deposits of less than \$1,000 were subject to an interest rate ceiling of 5½ percent. Deposits of less than \$1,000 issued to governmental units were subject to an interest rate ceiling of 8 percent. Effective Jan. 1, 1986, the minimum denomination requirement was removed.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1982	1983	1984	1985						
				May	June	July	Aug.	Sept.	Oct.	Nov.
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched transactions)										
<i>Treasury bills</i>										
1 Gross purchases	17,067	18,888	20,036	274	2,099	0	3,056	1,171	0	1,180
2 Gross sales	8,369	3,420	8,557	417	0	0	0	0	265	0
3 Exchange	0	0	0	0	0	0	0	350	0	-350
4 Redemptions	3,000	2,400	7,700	800	0	200	0	0	0	0
<i>Others within 1 year</i>										
5 Gross purchases	312	484	1,126	0	0	0	0	0	0	0
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shift	17,295	18,887	16,354	2,443	1,312	1,238	4,895	1,028	529	2,363
8 Exchange	-14,164	-16,553	-20,840	-2,945	0	-1,778	-3,275	-1,807	-942	-615
9 Redemptions	0	87	0	0	0	0	0	0	0	0
<i>1 to 5 years</i>										
10 Gross purchases	1,797	1,896	1,638	0	0	0	6	0	0	0
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shift	-14,524	-15,533	-13,709	-2,101	-1,312	-1,153	-3,760	-1,028	-520	-1,731
13 Exchange	11,804	11,641	16,039	1,940	0	1,778	1,825	1,807	942	650
<i>5 to 10 years</i>										
14 Gross purchases	388	890	536	0	0	0	6	0	0	0
15 Gross sales	0	0	300	0	0	0	0	0	0	0
16 Maturity shift	-2,172	-2,450	-2,371	42	0	-85	-1,136	0	-10	-600
17 Exchange	2,128	2,950	2,750	600	0	0	800	0	0	184
<i>Over 10 years</i>										
18 Gross purchases	307	383	441	0	0	0	0	0	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	-601	-904	-275	-384	0	0	0	0	0	-32
21 Exchange	234	1,962	2,052	405	0	0	650	0	0	131
<i>All maturities</i>										
22 Gross purchases	19,870	22,540	23,476	274	2,099	0	3,068	1,171	0	1,180
23 Gross sales	8,369	3,420	7,553	417	0	0	0	0	265	0
24 Redemptions	3,000	2,487	7,700	800	0	200	0	0	0	0
Matched transactions										
25 Gross sales	543,804	578,591	808,986	78,870	81,016	60,980	64,263	73,925	100,929	85,486
26 Gross purchases	543,173	576,908	810,432	77,597	83,782	59,165	64,209	72,347	100,197	84,769
Repurchase agreements										
27 Gross purchases	130,774	105,971	139,441	21,716	2,801	10,486	1,928	14,029	0	3,684
28 Gross sales	130,286	108,291	139,019	29,168	2,801	10,486	1,928	14,029	0	3,684
29 Net change in U.S. government securities	8,358	12,631	8,908	-9,668	4,865	-2,015	3,014	-408	-997	463
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	189	292	256	8	60	46	30	0	0	-1
Repurchase agreements										
33 Gross purchases	18,957	8,833	1,205	1,336	120	2,439	354	3,522	0	1,454
34 Gross sales	18,638	9,213	817	1,867	120	2,439	354	3,522	0	154
35 Net change in federal agency obligations	130	-672	132	-540	-60	-46	-30	0	0	-1
BANKERS ACCEPTANCES										
36 Repurchase agreements, net	1,285	-1,062	-418	0	0	0	0	0	0	0
37 Total net change in System Open Market Account	9,773	10,897	6,116	-10,208	4,805	-2,061	2,984	-408	-997	463

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

A10 Domestic Financial Statistics □ March 1986

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1985					1985		
	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25	Oct.	Nov.	Dec.
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090
2 Special drawing rights certificate account	4,718	4,718	4,718	4,718	4,718	4,718	4,718	4,718
3 Coin	508	496	493	505	498	524	504	487
Loans								
4 To depository institutions	924	3,927	719	2,293	1,362	886	1,602	3,060
5 Other	0	0	0	0	0	0	0	0
Acceptances—Bought outright								
6 Held under repurchase agreements	0	0	0	0	0	0	0	0
Federal agency obligations								
7 Bought outright	8,227	8,227	8,227	8,227	8,227	8,227	8,227	8,227
8 Held under repurchase agreements	0	1,509	579	685	0	0	0	1,694
U.S. government securities								
Bought outright								
9 Bills	77,383	84,328	85,061	84,903	85,357	78,234	78,347	85,425
10 Notes	66,107	66,292	67,647	67,647	67,647	66,072	66,292	67,647
11 Bonds	24,399	24,529	24,726	24,726	24,726	24,399	24,529	24,726
12 Total bought outright ¹	167,889	175,149	177,434	177,276	177,730	168,705	169,168	177,798
13 Held under repurchase agreements	0	7,028	1,473	2,302	0	0	0	3,529
14 Total U.S. government securities	167,889	182,177	178,907	179,578	177,730	168,705	169,168	181,327
15 Total loans and securities	177,040	195,840	188,432	190,783	187,319	177,818	178,997	194,308
16 Cash items in process of collection	8,702	7,279	8,445	8,865	10,796	5,843	5,915	10,147
17 Bank premises	600	601	602	604	604	595	600	607
Other assets								
18 Denominated in foreign currencies ²	6,644	6,834	6,836	6,845	6,848	6,530	6,834	7,016
19 All other ³	6,569	7,067	7,076	7,578	7,394	7,606	7,389	7,679
20 Total assets	215,871	233,925	227,692	230,988	229,267	214,724	216,047	236,052
LIABILITIES								
21 Federal Reserve notes	177,176	178,516	178,810	179,141	180,677	173,590	177,504	181,450
Deposits								
22 To depository institutions	22,816	39,117	34,063	34,615	29,720	27,119	23,830	28,631
23 U.S. Treasury—General account	2,331	2,293	1,629	3,351	3,286	1,528	2,294	9,351
24 Foreign—Official accounts	250	320	260	303	209	268	340	480
25 Other	440	449	472	487	413	372	598	1,041
26 Total deposits	25,837	42,179	36,424	38,756	33,628	29,287	27,062	39,503
27 Deferred availability cash items	6,854	6,768	6,268	6,923	8,577	5,508	5,006	9,159
28 Other liabilities and accrued dividends ⁴	2,141	2,407	2,331	2,297	2,236	2,335	2,306	2,378
29 Total liabilities	212,008	229,870	223,833	227,117	225,118	210,720	211,878	232,490
CAPITAL ACCOUNTS								
30 Capital paid in	1,773	1,775	1,776	1,779	1,779	1,762	1,773	1,781
31 Surplus	1,626	1,626	1,626	1,626	1,626	1,626	1,626	1,781
32 Other capital accounts	464	654	457	466	744	616	770	0
33 Total liabilities and capital accounts	215,871	233,925	227,692	230,988	229,267	214,724	216,047	236,052
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account	126,551	127,174	125,661	125,935	125,161	123,099	127,566	125,624
Federal Reserve note statement								
35 Federal Reserve notes outstanding	208,797	209,548	210,213	209,909	209,189	206,884	208,830	208,427
36 Less: Held by bank	31,621	31,032	31,403	30,768	28,512	33,294	31,326	26,977
37 Federal Reserve notes, net	177,176	178,516	178,810	179,141	180,677	173,590	177,504	181,450
Collateral held against notes net:								
38 Gold certificate account	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090
39 Special drawing rights certificate account	4,718	4,718	4,718	4,718	4,718	4,718	4,718	4,718
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. government and agency securities	161,368	162,708	163,002	163,333	164,869	157,782	161,696	165,642
42 Total collateral	177,176	178,516	178,810	179,141	180,677	173,590	177,504	181,450

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

2. Assets shown in this line are revalued monthly at market exchange rates.
3. Includes special investment account at Chicago of Treasury bills maturing within 90 days.

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

NOTE: Some of these data also appear in the Board's H.4.1 (503) release. For address, see inside front cover.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1985					1985		
	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25	Oct. 31	Nov. 29	Dec. 31
1 Loans—Total	924	3,927	719	2,293	1,362	886	1,602	3,060
2 Within 15 days	884	3,892	683	2,270	1,355	829	1,564	3,033
3 16 days to 90 days	40	35	36	23	7	57	38	27
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	0	0	0	0	0	0	0	0
6 Within 15 days	0	0	0	0	0	0	0	0
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S. government securities—Total	167,889	182,177	178,907	179,578	177,730	168,705	169,168	181,327
10 Within 15 days ¹	8,332	13,662	9,552	10,386	7,948	1,133	1,558	9,307
11 16 days to 90 days	35,441	40,332	39,680	39,518	42,115	37,043	41,194	43,462
12 91 days to 1 year	53,674	57,226	57,309	57,309	55,301	58,933	55,659	56,364
13 Over 1 year to 5 years	34,755	34,955	35,822	35,822	35,822	35,277	34,755	35,650
14 Over 5 years to 10 years	14,256	14,440	14,785	14,785	14,785	14,856	14,440	14,785
15 Over 10 years	21,431	21,562	21,759	21,758	21,759	21,463	21,562	21,759
16 Federal agency obligations—Total	8,227	9,736	8,806	8,912	8,227	8,227	8,227	9,921
17 Within 15 days ¹	273	1,673	579	827	143	84	273	1,836
18 16 days to 90 days	504	645	835	692	754	668	504	962
19 91 days to 1 year	1,820	1,779	1,676	1,676	1,614	1,757	1,820	1,471
20 Over 1 year to 5 years	4,070	4,080	4,092	4,092	4,092	4,141	4,070	4,056
21 Over 5 years to 10 years	1,161	1,160	1,215	1,216	1,215	1,178	1,161	1,187
22 Over 10 years	399	399	409	409	409	399	399	409

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE

Billions of dollars, averages of daily figures

Item	1982 Dec.	1983 Dec.	1984 Dec.	1985 Dec.	1985							
					May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS¹					Seasonally adjusted							
1 Total reserves ²	34.28	36.14	39.08	45.19	41.32	42.18	42.61	43.19	43.51	43.65	44.38	45.19
2 Nonborrowed reserves	33.65	35.36	35.90	43.87	39.99	40.97	41.50	42.12	42.22	42.46	42.64	43.87
3 Nonborrowed reserves plus extended credit ³	33.83	35.37	38.50	44.37	40.52	41.64	42.01	42.69	42.87	43.09	43.17	44.37
4 Required reserves	33.78	35.58	38.23	44.13	40.52	41.27	41.75	42.37	42.84	42.90	43.45	44.13
5 Monetary base ⁴	170.14	185.49	199.03	216.94	205.35	207.66	208.83	211.15	212.38	213.46	215.25	216.94
Not seasonally adjusted												
6 Total reserves ²	35.01	36.86	40.13	46.41	40.64	41.96	42.41	42.60	43.22	43.75	44.62	46.41
7 Nonborrowed reserves	34.37	36.09	36.94	45.09	39.31	40.75	41.30	41.52	41.93	42.56	42.88	45.09
8 Nonborrowed reserves plus extended credit ³	34.56	36.09	39.55	45.59	39.84	41.42	41.81	42.09	42.59	43.19	43.41	45.59
9 Required reserves	34.51	36.30	39.28	45.35	39.84	41.05	41.55	41.77	42.36	42.99	43.70	45.35
10 Monetary base ⁴	173.17	188.76	202.02	219.98	204.54	207.99	210.26	211.23	211.81	212.97	215.64	219.98
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS⁵												
11 Total reserves ²	41.85	38.89	40.70	48.15	41.05	42.35	42.80	42.96	44.45	45.47	46.38	48.15
12 Nonborrowed reserves	41.22	38.12	37.51	46.83	39.72	41.15	41.70	41.89	43.16	44.28	44.64	46.83
13 Nonborrowed reserves plus extended credit ³	41.41	38.12	40.09	47.41	40.45	41.88	42.23	42.50	43.83	44.90	45.07	47.41
14 Required reserves	41.35	38.33	39.84	47.08	40.25	41.45	41.95	42.14	43.78	44.72	45.45	47.08
15 Monetary base ⁴	180.52	192.36	202.59	221.72	204.94	208.39	210.65	211.60	213.04	214.69	217.40	221.72

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

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

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

4. The monetary base not adjusted for discontinuities consists of total reserves plus required clearing balances and adjustments to compensate for float at Federal Reserve Banks and the currency component of the money stock less the amount

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

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

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

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

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Billions of dollars, averages of daily figures

Item ¹	1982 Dec.	1983 Dec.	1984 Dec.	1985 Dec.	1985			
					Sept.	Oct.	Nov. ²	Dec.
Seasonally adjusted								
1 M1	480.8	528.0	558.5	624.7	611.9	611.1	617.9	624.7
2 M2	1,954.9	2,188.8	2,371.7	2,563.6	2,528.8 ⁸	2,533.0 ⁸	2,547.1	2,563.6
3 M3	2,446.8	2,701.8	2,995.0	3,213.4	3,169.3 ⁸	3,179.7 ⁸	3,194.5	3,213.4
4 L	2,854.7	3,168.8	3,541.3	n.a.	3,766.7 ⁸	3,781.7 ⁸	3,820.7	n.a.
5 Debt	4,649.8	5,177.1 ¹	5,927.0 ⁸	n.a.	6,479.2 ⁸	6,542.1 ¹	6,626.0	n.a.
M1 components								
6 Currency ²	134.3	148.4	158.7	170.8	167.9	168.8	170.0	170.8
7 Travelers checks ³	4.3	4.9	5.2	5.9	5.9	5.9	5.9	5.9
8 Demand deposits ⁴	238.6	243.5	248.6	270.9	266.8	264.0	266.3	270.9
9 Other checkable deposits ⁵	103.5	131.3	146.0	177.1	171.3	172.4	175.7	177.1
Nontransactions components								
10 In M2 ⁶	1,474.0	1,660.8	1,813.3	1,938.9	1,916.9 ⁹	1,921.9 ⁹	1,929.2	1,938.9
11 In M3 only ⁷	492.0	512.9	623.3	649.8	640.5 ⁸	646.7 ⁸	647.5	649.8
Savings deposits ⁹								
12 Commercial Banks	163.5	133.4	122.6	124.7	124.6	125.1	125.3	124.7
13 Thrift institutions	194.4	173.6	166.0	180.2	177.1	179.2 ⁸	180.5	180.2
Small denomination time deposits ⁹								
14 Commercial Banks	379.8	350.7	387.0	384.2	382.8	381.7 ⁸	381.6	384.2
15 Thrift institutions	471.7	433.8	498.6	494.1	491.6	489.9	490.1	494.1
Money market mutual funds								
16 General purpose and broker/dealer	185.2	138.2	167.5	175.8	176.7	177.0 ⁸	176.5	175.8
17 Institution-only	51.1	43.2	62.7	64.5	62.3	63.3	64.5	64.5
Large denomination time deposits ¹⁰								
18 Commercial Banks ¹¹	262.0	228.9	264.4	281.3	272.9	277.2	280.1	281.3
19 Thrift institutions	66.2	101.9	151.8	159.7	155.7	156.1	157.6	159.7
Debt components								
20 Federal debt	979.2	1,173.0	1,367.4	n.a.	1,505.6	1,516.6	1,548.2	n.a.
21 Non-federal debt	3,670.6	4,004.1 ¹	4,559.6 ⁸	n.a.	4,973.6 ⁸	5,025.5 ⁸	5,077.7	n.a.
Not seasonally adjusted								
22 M1	491.8	539.7	570.4	637.9	608.6	610.9 ⁹	620.1	637.9
23 M2	1,959.6	2,194.0	2,376.7	2,569.4	2,517.4 ⁸	2,529.6 ⁸	2,545.0	2,569.4
24 M3	2,454.4	2,709.2	3,002.2	n.a.	3,157.5 ⁸	3,174.2 ⁸	3,195.2	3,221.5
25 L	2,859.5	3,172.7	3,542.9	n.a.	3,754.7 ⁸	3,776.2	3,821.5	n.a.
26 Debt	4,644.6 ⁸	5,171.6	5,921.2	6,730.7	6,463.8 ⁸	6,528.4 ⁸	6,613.5	n.a.
M1 components								
27 Currency ²	136.5	150.5	160.9	173.1	167.6	168.5	170.8	173.1
28 Travelers checks ³	4.0	4.6	4.9	5.5	6.2	5.9	5.6	5.5
29 Demand deposits ⁴	247.2	252.2	257.4	280.3	265.4 ⁸	265.4	268.5	280.3
30 Other checkable deposits ⁵	104.1	132.4	147.2	179.0	169.3	171.2	175.3	179.0
Nontransactions components								
31 M2 ⁶	1,467.8	1,654.2	1,806.3	1,931.5	1,908.9 ⁹	1,918.7 ⁸	1,924.9	1,931.5
32 M3 only ⁷	494.8	515.2	625.4	632.1	640.1 ⁸	644.5 ⁸	650.2	632.1
Money market deposit accounts								
33 Commercial banks	26.3	230.5	267.1	332.4	321.2	324.3	329.2	332.4
34 Thrift institutions	16.9	148.7	147.9	176.6	175.5	176.8	177.3	176.6
Savings deposits ⁸								
35 Commercial Banks	162.1	132.2	121.4	123.5	123.7	124.5	124.2	123.5
36 Thrift institutions	193.2	172.5	164.9	178.9	176.0	179.0	179.6	178.9
Small denomination time deposits ⁹								
37 Commercial Banks	380.1	351.1	387.6	384.9	385.1 ⁸	384.8 ⁸	384.3	384.9
38 Thrift institutions	471.7	434.2	499.4	495.0	492.3	493.6	493.6	495.0
Money market mutual funds								
39 General purpose and broker/dealer	185.2	138.2	167.5	175.8	176.7	177.0 ⁸	176.5	175.8
40 Institution-only	51.1	43.2	62.7	64.5	62.3	63.3	64.5	64.5
Large denomination time deposits ¹⁰								
41 Commercial Banks ¹¹	265.2	230.8	265.9	282.7	274.6 ⁸	278.2	280.1	282.7
42 Thrift institutions	65.9	101.4	151.1	158.9	156.3	157.4	158.2	158.9
Debt components								
43 Federal debt	976.4	1,170.2	1,364.7	n.a.	1,506.9	1,515.5 ⁸	1,544.2	n.a.
44 Non-federal debt	3,668.2 ⁸	4,001.4	4,556.4	n.a.	4,956.9 ⁸	5,012.9 ⁸	5,069.3	n.a.

For notes see following page.

NOTES TO TABLE I.21

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

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

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

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

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

2. Currency outside the U.S. Treasury, Federal Reserve Banks, and vaults of commercial banks. Excludes the estimated amount of vault cash held by thrift institutions to service their OCD liabilities.

3. Outstanding amount of U.S. dollar-denominated travelers checks of non-bank issuers. Travelers checks issued by depository institutions are included in demand deposits.

4. Demand deposits at commercial banks and foreign-related institutions other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float. Excludes the estimated amount of demand deposits held at commercial banks by thrift institutions to service their OCD liabilities.

5. Consists of NOW and ATS balances at all depository institutions, credit union share draft balances, and demand deposits at thrift institutions. Other checkable deposits seasonally adjusted equals the difference between the seasonally adjusted sum of demand deposits plus OCD and seasonally adjusted demand deposits. Included are all ceiling free "Super NOWs," authorized by the Depository Institutions Deregulation committee to be offered beginning Jan. 5, 1983.

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

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

8. Savings deposits exclude MMDAs.

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

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

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

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

1.22 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1982 ¹	1983 ¹	1984 ¹	1985					
				June	July	Aug.	Sept.	Oct.	Nov.
DEBITS TO									
Seasonally adjusted									
Demand deposits ²									
1 All insured banks	90,914.4	109,642.3	128,440.8	146,714.9	157,128.3	147,455.5	159,593.3	162,205.4	163,038.1
2 Major New York City banks	37,932.9	47,769.4	57,392.7	66,615.5	69,932.8	65,645.6	72,765.4	76,706.3	77,069.6
3 Other banks	52,981.5	61,873.1	71,048.1	80,099.4	87,175.5	81,809.9	86,827.9	85,499.2	85,968.5
4 ATS-NOW accounts ³	1,036.2	1,405.5	1,588.7	1,614.3	1,870.1	2,008.8	2,465.3	2,212.7	2,227.8
5 Savings deposits ⁴	720.3	741.4	633.1	544.4	584.3	550.7	509.1	562.0	533.4
DEPOSIT TURNOVER									
Demand deposits ²									
6 All insured banks	324.2	379.7	434.4	471.4	506.4	469.6	510.9	513.2	508.1
7 Major New York City banks	1,287.6	1,528.0	1,843.0	2,104.9	2,131.4	1,965.4	2,326.3	2,422.2	2,368.5
8 Other banks	211.1	240.9	268.6	286.5	314.2	291.5	308.9	300.6	298.1
9 ATS-NOW accounts ³	14.5	15.6	15.8	14.4	16.4	17.1	20.6	18.4	18.2
10 Savings deposits ⁴	4.5	5.4	5.0	4.6	4.9	4.6	4.2	4.6	4.3
DEBITS TO									
Not seasonally adjusted									
Demand deposits ²									
11 All insured banks	91,031.8	109,517.6	128,059.1	148,651.5	157,898.2	152,985.1	148,788.8	167,639.3	157,070.9
12 Major New York City banks	38,001.0	47,707.4	57,282.4	67,999.4	70,496.1	68,401.8	68,967.9	78,010.5	73,982.4
13 Other banks	53,030.9	64,310.2	70,776.9	80,652.1	87,402.1	84,583.3	79,820.9	89,628.8	83,088.6
14 ATS-NOW accounts ³	1,027.1	1,397.0	1,579.5	1,744.0	1,807.5	1,770.5	2,289.9	2,157.7	2,007.8
15 MMDA ⁵		567.4	848.8	1,077.9	1,183.3	1,201.2	1,192.2	1,293.0	1,221.5
16 Savings deposits ⁴	720.0	742.0	632.9	549.7	586.0	538.4	490.1	579.9	496.3
DEPOSIT TURNOVER									
Demand deposits ²									
17 All insured banks	325.0	379.9	433.5	480.6	509.5	499.3	475.0	532.1	489.3
18 Major New York City banks	1,295.7	1,510.0	1,838.6	2,125.9	2,185.9	2,189.4	2,216.6	2,507.4	2,332.4
19 Other banks	211.5	240.5	267.9	290.8	314.8	307.4	282.9	315.7	287.2
20 ATS-NOW accounts ³	14.4	15.5	15.7	15.5	15.9	15.3	19.4	18.1	16.4
21 MMDA ⁵		2.8	3.5	3.5	3.5	3.8	3.7	4.0	3.7
22 Savings deposits ⁴	4.5	5.4	5.0	4.6	4.8	4.5	4.1	4.8	4.0

1. Annual averages of monthly figures.

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

3. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS). ATS data availability starts with December 1978.

4. Excludes ATS and NOW accounts, MMDA and special club accounts, such as Christmas and vacation clubs.

5. Money market deposit accounts.

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

These data also appear on the Board's G.6 (406) release. For address, see inside front cover.

A16 Domestic Financial Statistics □ March 1986

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars; averages of Wednesday figures

Category	1985											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Seasonally adjusted											
1 Total loans and securities ²	1,726.3	1,744.8	1,761.6	1,768.8	1,788.5	1,802.7	1,819.0	1,828.8	1,841.3	1,844.4	1,869.6	1,895.5
2 U.S. government securities	260.3	266.0	267.1	261.4	266.3	267.1	271.6	271.4	273.1	270.0	275.0	270.7
3 Other securities	142.6	141.1	138.9	140.2	142.2	144.5	145.4	148.2	151.3	154.8	160.7	174.5
4 Total loans and leases ²	1,323.4	1,337.7	1,355.6	1,367.1	1,380.0	1,391.0	1,402.1	1,409.2	1,416.9	1,419.7	1,433.9	1,450.3
5 Commercial and industrial	469.2	474.1	481.2	481.9	484.3	484.3	484.1	485.7	487.2	487.0	490.6	493.9
6 Bankers acceptances held ³	5.1	6.2	6.4	5.4	4.9	4.7	5.1	5.0	4.7	4.7	4.9	5.2
7 Other commercial and industrial	464.1	468.0	474.9	476.5	479.3	479.6	479.0	480.7	482.5	482.3	485.7	488.6
8 U.S. addressees ⁴	454.0	457.4	464.2	465.8	469.2	470.1	469.6	471.1	473.3	473.7	477.3	479.8
9 Non-U.S. addressees ⁴	10.2	10.6	10.7	10.7	10.1	9.5	9.4	9.6	9.2	8.6	8.4	8.8
10 Real estate	378.6	382.8	386.7	390.8	394.8	398.7	403.7	407.1	409.9	414.5	419.2	423.2
11 Individual	255.3	258.5	262.9	266.5	269.9	272.7	276.3	278.5	280.3	281.3	283.8	286.5
12 Security	31.9	31.6	32.8	35.1	37.5	40.0	40.3	36.7	38.1	37.9	37.6 ⁴	38.3
13 Nonbank financial institutions	31.4	30.9	30.6	31.1	31.5	31.2	31.6	32.3	32.5	32.4	33.2	33.4
14 Agricultural	39.9	39.6	39.5	39.4	39.4	39.4	39.6	39.6	40.1	40.3	40.5	40.8
15 State and political subdivisions	47.0	46.7	47.0	47.2	47.5	47.5	47.8	48.8	48.8	49.3	50.0	52.4
16 Foreign banks	11.5	11.5	11.2	10.9	10.6	10.3	10.4	10.2	9.9	9.6	9.6	9.5
17 Foreign official institutions	7.0	7.1	7.0	7.0	7.0	6.8	6.7	6.5	6.7	6.9	7.0	7.1
18 Lease financing receivables	15.6	15.8	16.1	16.4	16.7	17.0	17.3	17.5	17.6	17.7	17.9	18.2
19 All other loans	36.0	39.0	40.6	40.8	40.8	43.1	44.2	46.4	45.8	42.8	44.8	47.1
	Not seasonally adjusted											
20 Total loans and securities ²	1,734.3	1,742.9	1,757.7	1,769.0	1,784.6	1,803.6	1,812.5	1,822.1	1,839.8	1,846.1	1,870.8	1,908.5
21 U.S. government securities	260.2	266.9	269.2	266.9	268.4	270.8	271.4	269.8	270.7	266.9	270.6	267.2
22 Other securities	143.4	141.3	139.1	139.9	142.8	144.2	144.0	147.7	150.7	154.2	160.8	176.5
23 Total loans and leases ²	1,330.6	1,334.6	1,349.4	1,362.3	1,373.4	1,388.6	1,397.2	1,404.6	1,418.4	1,424.9	1,439.4	1,464.8
24 Commercial and industrial	471.1	473.7	480.8	482.1	482.8	482.8	483.2	483.5	487.2	488.0	491.0	497.3
25 Bankers acceptances held ³	5.2	6.1	6.3	5.5	4.9	4.8	5.0	4.9	4.6	4.6	4.8	5.5
26 Other commercial and industrial	465.9	467.6	474.5	476.6	477.9	477.9	478.2	478.6	482.6	483.4	486.2	491.8
27 U.S. addressees ⁴	455.6	457.5	464.3	466.7	468.3	468.6	468.7	469.0	473.1	474.3	477.1	481.8
28 Non-U.S. addressees ⁴	10.3	10.1	10.2	9.9	9.6	9.3	9.5	9.6	9.4	9.1	9.1	10.0
29 Real estate	379.3	382.4	385.6	389.5	393.8	398.1	403.1	407.3	411.2	415.9	420.3	423.8
30 Individual	257.8	258.2	260.7	264.3	267.7	270.7	274.5	278.3	281.5	283.4	285.8	290.0
31 Security	33.0	30.8	32.2	35.0	36.0	39.9	38.3	35.8	36.7	37.7	39.5	43.0
32 Nonbank financial institutions	31.5	30.7	30.6	31.3	31.3	31.2	31.7	32.4	32.6	32.4	33.0 ⁴	33.6
33 Agricultural	39.3	38.8	38.6	38.8	39.3	39.9	40.4	40.5	40.9	40.9	40.6	40.4
34 State and political subdivisions	47.0	46.7	47.0	47.2	47.5	47.5	47.8	48.8	48.8	49.3	50.0	52.4
35 Foreign banks	11.7	11.5	11.0	10.5	10.3	10.0	10.3	9.9	10.1	9.9	9.8	10.1
36 Foreign official institutions	7.0	7.1	7.0	7.0	7.0	6.8	6.7	6.5	6.7	6.9	7.0	7.1
37 Lease financing receivables	15.8	16.0	16.3	16.4	16.7	16.9	17.2	17.4	17.5	17.6	17.7	18.1
38 All other loans	37.2	38.8	39.8	40.2	41.0	44.7	44.1	44.2	45.3	43.0	44.6	49.0

1. Data are prorated averages of Wednesday estimates for domestically chartered insured banks, based on weekly sample reports and quarterly universe reports. For foreign-related institutions, data are averages of month-end estimates based on weekly reports from large U.S. agencies and branches and quarterly reports from all U.S. agencies and branches, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

2. Excludes loans to commercial banks in the United States.
 3. Includes nonfinancial commercial paper held.
 4. United States includes the 50 states and the District of Columbia.
 NOTE: These data also appear in the Board's G.7 (407) release. For address, see inside front cover.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS¹

Monthly averages, billions of dollars

Source	1985											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Total nondeposit funds												
1 Seasonally adjusted ²	102.5	113.9	116.9	105.2	112.0	112.6	108.5	112.9	116.1	118.8	120.7	126.2
2 Not seasonally adjusted	104.8	117.4	119.4	108.4	117.2	114.9	107.4	114.8	116.2	120.4	126.7	128.8
Federal funds, RPs, and other borrowings from nonbanks ³												
3 Seasonally adjusted	138.8	146.8	147.2	138.8	142.0	146.7	146.9	144.1	146.3	145.4	149.0	153.9
4 Not seasonally adjusted	141.1	150.2	149.7	141.9	147.2	149.0	145.8	146.0	146.4	147.0	155.0	156.5
5 Net balances due to foreign-related institutions, not seasonally adjusted	-36.3	-32.8	-30.3	-33.5	-30.0	-34.1	-38.4	-31.2	-30.2	-26.6	-28.3	-27.7
MEMO												
6 Domestically chartered banks' net positions with own foreign branches, not seasonally adjusted ⁴	-34.8	-31.6	-29.5	-32.4	-29.6	-32.5	-38.3	-32.8	-30.7	-28.7	-30.3	-31.5
7 Gross due from balances	71.4	70.5	71.4	74.8	74.5	76.4	79.1	75.8	74.6	74.1	74.0	76.2
8 Gross due to balances	36.6	38.9	41.9	42.4	44.9	44.0	40.8	43.0	44.0	45.4	43.8	44.6
9 Foreign-related institutions' net positions with directly related institutions, not seasonally adjusted ⁵	-1.5	-1.2	-.8	-1.1	-.5	-1.7	-.1	1.6	.5	2.1	2.0	3.8
10 Gross due from balances	53.1	54.1	53.4	51.8	52.4	53.8	54.9	55.3	56.1	55.5	56.0	56.6
11 Gross due to balances	51.6	52.8	52.7	50.7	52.0	52.1	54.9	56.8	56.6	57.6	58.0	60.4
Security RP borrowings												
12 Seasonally adjusted ⁶	82.3	90.1	92.0	85.4	85.5	86.5	87.1	87.4	90.8	88.4	87.9	94.0
13 Not seasonally adjusted	82.2	91.1	92.0	86.0	88.3	86.3	83.4	86.8	88.4	87.5	91.3	94.0
U.S. Treasury demand balances ⁷												
14 Seasonally adjusted	14.7	13.0	11.8	14.6	22.6	17.4	24.9	16.7	15.3	3.8	13.4 ^r	19.0
15 Not seasonally adjusted	18.5	15.8	12.8	15.4	20.9	14.9	23.1	13.4	16.8	5.4	7.9 ^r	14.6
Time deposits, \$100,000 or more ⁸												
16 Seasonally adjusted	324.8	325.4	329.9	332.6	331.2	326.8	323.2	325.1	330.3	334.5 ^r	336.6	337.1
17 Not seasonally adjusted	325.6	324.9	330.3	330.1	329.1	326.4	322.4	326.9	332.0 ^r	335.5 ^r	336.6 ^r	338.5

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

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

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

banks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans.

4. Averages of daily figures for member and nonmember banks.

5. Averages of daily data.

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

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

8. Averages of Wednesday figures.

NOTE: These data also appear in the Board's G.10 (411) release. For address see inside front cover.

A18 Domestic Financial Statistics □ March 1986

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

Billions of dollars

Account	1985											
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ¹	Dec.	
ALL COMMERCIAL BANKING INSTITUTIONS¹												
1 Loans and securities	1,875.9	1,883.4	1,899.2	1,908.6	1,927.3	1,948.5	1,952.1	1,969.9	1,979.1	2,027.7	2,059.3	
2 Investment securities	382.2	383.7	383.9	390.3	392.1	392.3	393.7	397.0	396.3	404.6	413.6	
3 U.S. government securities	248.1	251.1	250.4	254.4	255.3	256.1	254.2	254.4	249.3	251.8	249.9	
4 Other	134.1	132.5	133.5	135.9	136.8	136.2	139.6	142.6	147.0	152.8	163.6	
5 Trading account assets	27.6	23.7	23.5	23.5	23.1	22.3	24.2	26.4	25.0	32.0	31.1	
6 Total loans	1,466.0	1,476.0	1,491.8	1,494.9	1,512.1	1,534.0	1,534.1	1,546.5	1,557.8	1,591.2	1,614.6	
7 Interbank loans	128.8	126.0	130.9	124.0	123.1	133.0	128.6	129.1	131.7	147.0	149.6	
8 Loans excluding interbank	1,337.3	1,350.0	1,360.9	1,370.8	1,388.9	1,401.0	1,405.5	1,417.5	1,426.1	1,444.1	1,465.0	
9 Commercial and industrial	477.0	483.2	482.1	483.4	484.3	485.9	484.6	489.2	488.8	493.1	495.9	
10 Real estate	383.3	386.9	390.7	395.8	400.0	405.6	409.3	412.8	418.3	421.8	425.0	
11 Individual	259.0	261.4	265.2	268.5	272.1	276.1	280.0	282.1	285.1	286.8	291.1	
12 All other	218.0	218.5	222.9	223.0	232.6	233.4	231.5	233.4	233.9	242.5	253.0	
13 Total cash assets	189.4	183.6	187.6	202.3	190.4	198.0	188.4	188.2	190.1	207.7	211.6	
14 Reserves with Federal Reserve Banks	19.6	19.8	22.9	20.7	21.6	21.0	24.5	24.9	19.6	20.5	27.6	
15 Cash in vault	21.8	21.3	21.3	23.3	22.2	22.0	22.7	22.1	22.6	21.4	22.2	
16 Cash items in process of collection	68.8	63.9	64.2	76.5	68.4	70.5	62.5	61.4	67.9	81.9	79.3	
17 Demand balances at U.S. depository institutions	32.3	31.7	30.2	35.2	31.3	33.5	30.6	30.8	31.6	35.8	36.1	
18 Other cash assets	46.8	46.9	49.0	46.6	46.8	51.0	48.2	49.1	48.4	48.1	46.5	
19 Other assets	195.4	188.5	188.6	183.4	189.4	194.5	180.8	185.8	178.1	185.0	189.4	
20 Total assets/total liabilities and capital	2,260.7	2,255.5	2,275.4	2,294.2	2,307.1	2,341.1	2,321.3	2,344.0	2,347.3	2,420.5	2,460.3	
21 Deposits	1,619.5	1,627.5	1,638.5	1,661.5	1,659.8	1,685.0	1,676.9	1,683.0	1,705.6	1,743.9	1,763.6	
22 Transaction deposits	459.5	457.9	465.6	480.3	474.0	492.3	475.4	474.9	491.4	521.9	536.4	
23 Savings deposits	407.2	410.4	410.1	418.7	425.6	434.3	436.4	438.3	443.8	448.4	450.0	
24 Time deposits	752.7	759.2	762.9	762.5	760.1	758.4	765.0	769.8	770.4	773.6	777.1	
25 Borrowings	309.4	301.3	310.3	305.4	315.8	321.6	308.9	323.2	309.0	350.8	361.5	
26 Other liabilities	182.2	177.0	175.6	176.0	179.7	181.1	182.0	183.6	177.9	170.6	178.5	
27 Residual (assets less liabilities)	149.6	149.7	150.9	151.3	151.8	153.4	153.4	154.1	154.8	155.1	156.7	
MEMO												
28 U.S. government securities (including trading account)	269.6	268.6	266.7	269.3	271.0	270.0	268.3	271.5	265.1	271.7	265.7	
29 Other securities (including trading account)	140.2	138.8	140.7	144.4	144.3	144.6	149.7	151.9	156.2	164.9	178.9	
DOMESTICALLY CHARTERED COMMERCIAL BANKS²												
30 Loans and securities	1,777.1	1,784.8	1,799.6	1,812.7	1,829.2	1,847.9	1,850.8	1,863.6	1,872.3	1,917.7	1,944.2	
31 Investment securities	374.9	376.9	377.1	383.8	385.1	385.1	386.5	389.1	388.1	396.6	405.9	
32 U.S. government securities	243.4	246.9	246.4	250.7	251.4	252.4	250.4	250.5	245.0	248.0	246.0	
33 Other	131.5	130.1	130.7	133.1	133.8	132.7	136.0	138.6	143.1	148.7	159.9	
34 Trading account assets	27.6	23.7	23.5	23.5	23.1	22.3	24.2	26.4	25.0	32.0	31.1	
35 Total loans	1,374.6	1,384.1	1,399.0	1,405.5	1,420.9	1,440.5	1,440.1	1,448.1	1,459.2	1,489.1	1,507.2	
36 Interbank loans	101.1	100.1	103.3	100.6	110.0	104.7	103.8	106.8	121.1	121.2		
37 Loans excluding interbank	1,273.5	1,284.0	1,295.7	1,304.9	1,320.3	1,335.5	1,336.3	1,341.3	1,358.0	1,368.0		
38 Commercial and industrial	431.9	436.0	436.5	436.6	436.0	437.6	435.7	437.9	437.4	440.0		
39 Real estate	378.0	381.8	385.4	394.4	399.9	403.7	407.0	412.7	416.3	419.4		
40 Individual	258.7	261.2	265.0	268.3	271.8	275.9	279.8	281.8	284.8	286.5		
41 All other	204.8	205.0	208.7	209.6	218.1	217.2	216.3	217.5	217.5	225.2		
42 Total cash assets	178.0	172.7	176.0	191.2	179.2	185.3	176.4	176.1	178.0	195.8	199.3	
43 Reserves with Federal Reserve Banks	18.7	19.2	22.3	19.6	20.9	20.4	23.8	24.4	18.6	19.5		
44 Cash in vault	21.8	21.3	21.3	23.2	22.2	22.0	22.6	22.0	22.6	21.4		
45 Cash items in process of collection	68.5	63.7	63.9	76.2	68.2	70.3	62.2	61.1	67.7	81.6		
46 Demand balances at U.S. depository institutions	31.0	30.4	28.8	33.8	29.8	32.2	29.0	29.4	30.2	34.0		
47 Other cash assets	38.0	38.1	39.6	38.3	38.1	40.4	38.8	39.2	38.9	39.2		
48 Other assets	139.0	137.2	137.5	131.5	137.7	144.9	132.6	133.3	132.0	137.1		
49 Total assets/total liabilities and capital	2,094.2	2,094.7	2,113.1	2,135.4	2,146.2	2,178.1	2,189.8	2,173.0	2,182.3	2,250.6	2,284.8	
50 Deposits	1,575.4	1,582.4	1,593.8	1,618.4	1,617.2	1,642.3	1,631.9	1,636.6	1,659.5	1,697.5	1,716.7	
51 Transaction deposits	453.1	451.7	459.3	473.8	467.7	486.0	468.9	468.3	484.9	515.2		
52 Savings deposits	406.1	409.2	408.9	417.5	424.3	432.9	435.1	436.9	442.4	446.9		
53 Time deposits	716.2	721.6	725.6	727.1	725.2	723.3	727.9	731.4	732.2	735.4		
54 Borrowings	247.6	240.6	248.5	246.1	253.8	258.4	249.6	259.0	248.0	280.5		
55 Other liabilities	124.3	124.8	122.6	122.4	126.1	126.8	127.4	125.9	122.7	120.2		
56 Residual (assets less liabilities)	146.9	147.0	148.3	148.6	149.1	150.7	150.8	151.5	152.2	152.5		

1. Commercial banking institutions include insured domestically chartered commercial banks, branches and agencies of foreign banks, Edge Act and Agreement corporations, and New York State foreign investment corporations.
 2. Insured domestically chartered commercial banks include all member banks and insured nonmember banks.

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

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

Millions of dollars, Wednesday figures

Account	1985								1986	Adjustment bank 1985 ¹
	Nov. 13	Nov. 20	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25	Dec. 31	Jan. 8	
1 Cash and balances due from depository institutions	109,386 ²	92,206 ²	99,262	108,122	101,713	107,263	104,125	121,438	94,982	590
2 Total loans, leases and securities, net	873,641 ²	891,817 ²	894,309 ²	902,671	886,893	910,057	908,262	926,834	923,116	5,282
3 U.S. Treasury and government agency	87,845	90,409	90,439	90,354	86,868	91,145	85,422	82,193	83,678	785
4 Trading account	18,724	21,339	19,892	18,994	15,810	19,081	15,776	13,278	14,308	14
5 Investment account, by maturity	69,122	69,070	70,547	71,361	71,058	72,064	69,647	68,915	69,370	771
6 One year or less	19,622	20,541	21,069	20,006	20,042	19,187	18,520	17,995	18,413	282
7 Over one through five years	35,375	34,683	35,286	35,092	34,407	34,778	33,760	33,328	33,916	409
8 Over five years	14,125	13,846	14,192	16,263	16,610	18,099	17,366	17,592	17,041	80
9 Other securities	54,984 ²	55,699 ²	58,424	59,144	59,983	62,959	67,888	79,448	77,736	387
10 Trading account	5,245	5,063	6,262	6,423	6,064	7,254	9,369	12,156	9,794	2
11 Investment account	49,739 ²	50,636 ²	52,162	52,721	53,919	55,706	58,519	67,923	67,942	384
12 States and political subdivisions, by maturity	44,335	45,224	46,713	47,254	48,450	50,114	52,900	61,579	62,216	372
13 One year or less	6,599	6,636	6,894	7,016	7,037	7,462	7,698	11,036	11,063	70
14 Over one year	37,736	38,587	39,820	40,238	41,412	42,652	45,202	50,544	51,153	303
15 Other bonds, corporate stocks, and securities	5,404 ²	5,413 ²	5,449	5,466	5,469	5,592	5,619	5,714	5,726	12
16 Other trading account assets	4,660	4,440	5,807	6,421	5,603	5,396	5,932	4,774	5,391	.....
17 Federal funds sold ²	57,185	64,826	61,179	68,035	58,485	63,246	59,190	60,932	60,994	1,686
18 To commercial banks	36,389	42,558	40,145	44,451	36,108	42,675	38,349	39,632	36,264	1,686
19 To nonbank brokers and dealers in securities	13,712	13,064	13,904	16,641	14,759	13,659	14,031	14,789	16,070	.....
20 To others	7,084	9,205	7,130	6,943	7,618	6,911	6,810	6,510	8,659	.....
21 Other loans and leases, gross ³	687,588 ²	695,011 ²	696,967 ²	697,405	694,666	706,006	708,559	718,082	714,034	2,530
22 Other loans, gross ³	673,146 ²	680,507 ²	682,426 ²	682,833	680,038	691,235	693,715	702,823	698,744	2,511
23 Commercial and industrial ³	253,468 ²	254,210 ²	254,792 ²	256,358	254,026	254,953	255,245	260,067	258,426	1,433
24 Bankers acceptances and commercial paper	2,345	2,181	2,198	2,646	2,163	2,036	2,164	2,014	1,885	27
25 All other	251,124 ²	252,030 ²	252,594 ²	253,712	251,862	252,919	253,081	258,053	256,540	1,406
26 U.S. addressees	246,252 ²	247,179 ²	247,644 ²	248,766	246,956	248,094	248,235	253,181	251,770	1,405
27 Non-U.S. addressees	4,872	4,850	4,949	4,946	4,906	4,826	4,846	4,872	4,770	1
28 Real estate loans ³	177,621 ²	177,808 ²	177,873 ²	178,252	178,798	179,540	179,102	179,470	180,767	1,324
29 To individuals for personal expenditures	128,771 ²	129,160 ²	129,913 ²	130,012	130,859	131,843	132,614	133,561	133,436	-534
30 To depository and financial institutions	40,940 ²	41,117 ²	41,411 ²	42,713	42,639	43,214	42,468	45,127	42,402	66
31 Commercial banks in the United States	10,638 ²	10,808 ²	11,322 ²	11,891	11,532	12,096	11,720	12,424	11,238	10
32 Banks in foreign countries	5,229 ²	4,968	4,936	5,674	5,876	5,248	5,468	5,762	5,356	56
33 Nonbank depository and other financial institutions	25,073 ²	25,342 ²	25,153 ²	25,148	25,230	25,869	25,279	26,942	25,808	56
34 For purchasing and carrying securities	15,854 ²	21,449 ²	20,738 ²	17,598	16,070	22,274	22,527	19,553	20,907	36
35 To finance agricultural production	6,862	6,816 ²	6,760	6,676	6,611	6,597	6,573	6,724	6,647	2
36 To states and political subdivisions	31,450	31,575	31,886	31,861	31,950	32,438	33,257	36,186	36,660	82
37 To foreign governments and official institutions	3,470	3,307	3,284	3,365	3,271	3,322	3,334	3,284	3,352	23
38 All other	14,710 ²	15,064 ²	15,768 ²	15,998	15,813	17,140	18,595	18,832	16,148	79
39 Lease financing receivables	14,404 ²	14,504 ²	14,571 ²	14,572	14,628	14,772	14,844	15,260	15,289	19
40 Less: Unearned income	5,098	5,090	5,089	5,046	5,049	5,062	5,084	5,060	5,096	57
41 Loan and lease reserve ³	13,524	13,478	13,417	13,642	13,663	13,634	13,645	13,536	13,620	48
42 Other loans and leases, net ³	668,966 ²	676,442 ²	678,460 ²	678,717	675,954	687,311	689,831	699,486	695,317	2,425
43 All other assets	125,924 ²	126,945 ²	129,882 ²	130,625	129,147	131,813	132,689	139,032	129,148	191
44 Total assets	1,108,950 ²	1,110,968 ²	1,123,453 ²	1,141,418	1,117,753	1,149,138	1,145,076	1,187,304	1,147,246	6,064
45 Demand deposits	208,576	201,285	211,661	213,866	206,688	217,340	220,207	253,940	209,434	1,147
46 Individuals, partnerships, and corporations	158,297	151,076 ²	160,775 ²	161,800	156,207	160,592	164,722	190,705	161,544	964
47 States and political subdivisions	4,739	5,254	5,345	5,194	5,457	5,556	5,748	6,563	5,350	91
48 U.S. government	1,558	3,678	2,899	3,749	2,531	3,748	2,068	1,582	2,722	10
49 Depository institutions in United States	27,619	24,072	26,421	25,808	24,732	27,374	29,174	32,133	23,484	32
50 Banks in foreign countries	5,667	5,618	5,449	5,292	6,271	5,489	6,779	7,389	5,620	.....
51 Foreign governments and official institutions	1,060	854	1,219	755	694	991	822	1,090	960	.....
52 Certified and officers' checks	9,636	10,734	9,553	11,268	10,795	13,590	10,892	14,478	9,750	49
53 Transaction balances other than demand deposits	40,547	40,158	40,587	42,173	41,584	41,709	41,799	43,109	44,280	461
54 Nontransaction balances	478,537	479,542	479,732 ²	479,203	480,939	480,530	482,622	490,164	493,740	3,722
55 Individuals, partnerships and corporations	441,376	443,536	444,202 ²	444,274	445,450	444,588	446,601	453,082	456,376	3,521
56 States and political subdivisions	24,893	23,879	23,657 ²	23,181	23,570	23,588	23,830	24,812	25,196	187
57 U.S. government	492	502	535	540	551	559	548	522	512	2
58 Depository institutions in the United States	9,136	9,054	9,081	8,795	8,976	9,475	9,329	9,407	9,456	11
59 Foreign governments, official institutions and banks	2,641	2,570	2,258	2,413	2,392	2,321	2,313	2,339	2,200	.....
60 Liabilities for borrowed money	216,790 ²	225,730 ²	228,476 ²	240,614	222,074	242,632	233,277	230,232	234,370	170
61 Borrowings from Federal Reserve Banks	250	4,124	365	3,311	260	1,667	812	2,395	195	.....
62 Treasury tax-and-loan notes	3,218	622	9,454	908	204	11,596	15,681	16,906	7,888	.....
63 All other liabilities for borrowed money ⁴	213,322 ²	220,985 ²	218,657 ²	236,395	221,610	229,369	216,784	210,931	226,287	170
64 Other liabilities and subordinated note and debentures	86,486 ²	86,560 ²	85,618 ²	87,444	88,238	88,639	88,662	91,025	85,370	113
65 Total liabilities	1,030,936 ²	1,033,277 ²	1,046,074 ²	1,063,301	1,039,524	1,070,850	1,066,568	1,108,470	1,067,194	5,613
66 Residual (total assets minus total liabilities) ⁵	78,014	77,692	77,379	78,118	78,229	78,288	78,509	78,833	80,052	450
MEMO										
67 Total loans and leases (gross) and investments adjusted ⁶	845,235 ²	857,020 ²	861,348 ²	865,016	857,965	873,981	876,922	893,374	894,330	3,692
68 Total loans and leases (gross) adjusted ^{3,6}	697,746 ²	706,472 ²	706,678 ²	709,097	705,511	714,480	717,680	726,959	727,525	2,520
69 Time deposits in amounts of \$100,000 or more	157,060 ²	157,402 ²	157,757 ²	156,818	158,258	158,246	159,788	163,850	164,755	279
70 Loans sold outright to affiliates—total ⁷	2,014	1,977	1,896	1,912	1,897	1,884	1,890	1,830	1,888	.....
71 Commercial and industrial	1,260	1,213	1,137	1,184	1,099	1,187	1,147	1,115	1,159	.....
72 Other	754	764	760	729	798	731	742	714	729	.....
73 Nontransaction savings deposits (including MMDAs)	190,803	191,471	191,322 ²	191,659	191,834	191,580	192,139	195,514	195,984	1,161

1. These amounts represent accumulated adjustments originally made to offset the cumulative effects of bank mergers during the calendar year. The adjustment data for 1985 should be added to reported data for 1985 to establish comparability with data reported for 1986.

2. Includes securities purchased under agreements to resell.

3. Levels of major loan items were affected by the Sept. 26, 1984, transaction between Continental Illinois National Bank and the Federal Deposit Insurance Corporation. For details see the H.4.2 statistical release dated Oct. 5, 1984.

4. Includes federal funds purchased and securities sold under agreements to

repurchase; for information on these liabilities at banks with assets of \$1 billion or more on Dec. 31, 1977, see table 1.13.

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

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

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

A20 Domestic Financial Statistics □ March 1986

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

Millions of dollars, Wednesday figures except as noted

Account	1985								1986
	Nov. 13	Nov. 20	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25	Dec. 31 ¹	Jan. 8
1 Cash and balances due from depository institutions	24,998	22,401	22,043	28,884	25,849	28,260	24,833	32,251	22,129
2 Total loans, leases and securities, net ²	183,784	193,723	191,685	200,363	193,040	199,610	196,522	197,591	199,144
<i>Securities</i>									
3 U.S. Treasury and government agency ³									
4 Trading account ³									
5 Investment account, by maturity	10,993	11,319	11,644	13,502	13,728	14,047	12,379	11,441	11,092
6 One year or less	2,276	2,556	2,557	2,504	2,505	2,334	1,894	1,409	1,438
7 Over one through five years	6,870	6,874	7,228	7,520	7,546	7,499	6,576	5,878	5,953
8 Over five years	1,848	1,889	1,858	3,478	3,677	4,214	3,910	4,154	3,701
9 Other securities ³									
10 Trading account ³									
11 Investment account	11,602	11,839	12,245	12,449	12,826	13,264	13,706	15,468	15,725
12 States and political subdivisions, by maturity	10,118	10,338	10,736	10,919	11,304	11,544	11,972	13,716	13,954
13 One year or less	1,749	1,778	1,778	1,788	1,785	1,769	1,512	1,922	1,758
14 Over one year	8,369	8,560	8,957	9,131	9,519	9,775	10,460	11,794	12,196
15 Other bonds, corporate stocks and securities	1,484	1,500	1,510	1,530	1,522	1,720	1,734	1,752	1,770
16 Other trading account assets ³									
<i>Loans and leases</i>									
17 Federal funds sold ⁴	23,617	28,387	25,772	32,591	26,372	27,362	25,360	24,724	28,344
18 To commercial banks	11,222	13,699	13,074	17,786	12,355	15,173	13,167	13,781	12,555
19 To nonbank brokers and dealers in securities	7,242	7,148	7,260	10,022	8,418	7,176	7,254	6,656	8,980
20 To others	5,153	7,540	5,438	4,783	5,600	5,014	4,939	4,286	6,808
21 Other loans and leases, gross	143,028	147,623	147,466	147,286	145,634	150,436	150,600	151,336	149,401
22 Other loans, gross	140,242	144,831	144,668	144,477	142,805	147,602	147,758	148,514	146,515
23 Commercial and industrial	59,700	59,405	59,236	60,454	59,302	58,927	58,545	59,218	59,649
24 Bankers acceptances and commercial paper	644	620	630	751	597	531	565	529	415
25 All other	59,056	58,785	58,606	59,703	58,705	58,397	57,980	58,688	59,233
26 U.S. addressees	58,361	58,085	57,880	59,001	57,982	57,735	57,292	57,993	58,580
27 Non-U.S. addressees	695	701	726	702	723	662	688	696	653
28 Real estate loans	28,699	28,699	28,833	28,939	29,019	29,048	29,377	29,363	29,490
29 To individuals for personal expenditures	17,934	18,041	18,081	18,091	18,177	18,288	18,377	18,553	17,938
30 To depository and financial institutions	12,404	12,410	12,741	13,791	13,793	13,788	13,413	15,117	12,751
31 Commercial banks in the United States	2,753	2,754	3,106	3,774	3,391	3,694	3,469	4,555	3,103
32 Banks in foreign countries	2,246	2,132	2,088	2,421	2,844	2,290	2,453	2,759	2,312
33 Nonbank depository and other financial institutions	7,404	7,523	7,547	7,596	7,558	7,803	7,490	7,803	7,335
34 For purchasing and carrying securities	8,260	12,868	11,687	9,349	8,701	13,081	12,669	9,716	11,938
35 To finance agricultural production	324	325	328	301	276	283	294	317	296
36 To states and political subdivisions	8,236	8,210	8,390	8,313	8,275	8,329	8,464	9,731	9,482
37 To foreign governments and official institutions	1,064	930	882	901	892	922	975	894	916
38 All other	3,621	3,942	4,490	4,338	4,369	4,936	5,644	5,605	4,054
39 Lease financing receivables	2,786	2,792	2,798	2,810	2,828	2,835	2,842	2,822	2,886
40 Less: Unearned income	1,425	1,427	1,429	1,417	1,424	1,433	1,441	1,435	1,453
41 Loan and lease reserve	4,032	4,018	4,013	4,049	4,097	4,068	4,083	3,944	3,965
42 Other loans and leases, net	137,571	142,178	142,024	141,820	140,113	144,936	145,076	145,958	143,983
43 All other assets ⁵	71,371	72,443	73,707	72,030	67,968	72,878	70,786	73,232	69,141
44 Total assets	280,154	288,567	287,436	301,277	286,858	300,748	292,141	305,074	290,414
<i>Deposits</i>									
45 Demand deposits	50,064	50,326	51,642	55,157	52,668	57,606	56,302	71,163	52,941
46 Individuals, partnerships, and corporations	32,868	31,838	34,342	37,018	33,302	35,365	35,543	46,258	37,034
47 States and political subdivisions	831	1,051	761	745	703	837	681	1,152	683
48 U.S. government	285	712	550	727	502	665	401	181	424
49 Depository institutions in the United States	6,355	6,032	6,811	6,703	6,864	8,078	8,199	9,256	5,486
50 Banks in foreign countries	4,296	4,382	4,243	3,900	5,004	4,177	5,461	6,004	4,338
51 Foreign governments and official institutions	881	669	1,042	582	516	820	638	873	775
52 Certified and officers' checks	4,547	5,641	3,892	5,482	5,749	7,664	5,379	7,440	4,201
53 Transaction balances other than demand deposits (ATS, NOW, Super NOW, telephone transfers)	4,312	4,274	4,380	4,429	4,430	4,516	4,517	4,616	4,790
54 Nontransaction balances	86,797	87,996	87,995	87,753	88,458	88,635	89,380	92,914	92,287
55 Individuals, partnerships and corporations	78,408	79,727	79,884	79,672	80,383	80,382	81,009	83,956	83,392
56 States and political subdivisions	4,961	4,972	5,064	4,983	4,944	4,936	5,112	5,619	5,735
57 U.S. government	37	43	41	44	38	42	39	39	37
58 Depository institutions in the United States	2,109	1,981	1,985	1,821	1,880	2,138	2,082	2,151	2,106
59 Foreign governments, official institutions and banks	1,282	1,272	1,020	1,233	1,212	1,137	1,138	1,149	1,017
60 Liabilities for borrowed money	79,429	87,242	84,541	92,660	81,076	91,114	82,135	72,917	81,739
61 Borrowings from Federal Reserve Banks		3,143		1,490				2,020	
62 Treasury tax-and-loan notes	980	120	2,314	167		2,971	3,733	3,984	1,834
63 All other liabilities for borrowed money ⁶	78,449	83,979	82,227	91,002	81,076	88,142	78,402	66,914	79,905
64 Other liabilities and subordinated note and debentures	34,704	33,931	34,271	36,262	35,246	34,149	34,827	38,176	33,197
65 Total liabilities	255,306	263,768	262,829	276,260	261,878	276,020	267,162	279,786	264,954
66 Residual (total assets minus total liabilities) ⁷	24,848	24,798	24,607	25,017	24,979	24,728	24,979	25,287	25,460
<i>MEMO</i>									
67 Total loans and leases (gross) and investments adjusted ^{2,8}	175,267	182,714	180,948	184,270	182,815	186,243	185,410	184,634	188,904
68 Total loans and leases (gross) adjusted ⁸	152,671	159,556	157,058	158,318	156,260	158,932	159,324	157,724	162,088
69 Time deposits in amounts of \$100,000 or more	33,114	33,758	33,458	33,697	34,018	34,440	34,865	37,247	37,288

1. These data are as of Tuesday the last day of the year.
 2. Excludes trading account securities.
 3. Not available due to confidentiality.
 4. Includes securities purchased under agreements to resell.
 5. Includes trading account securities.
 6. Includes federal funds purchased and securities sold under agreements to repurchase.

7. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.
 8. Exclusive of loans and federal funds transactions with domestic commercial banks.
 NOTE: These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.

1.30 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS WITH ASSETS OF \$750 MILLION OR MORE ON JUNE 30, 1980 Assets and Liabilities ▲

Millions of dollars, Wednesday figures

Account ¹	1985							1986	
	Nov. 13 ²	Nov. 20 ²	Nov. 27 ²	Dec. 4	Dec. 11	Dec. 18	Dec. 25	Jan 1	Jan. 8
1 Cash and due from depository institutions	7,866	8,149	8,034	8,888	8,646	8,890	8,267	9,994	9,297
2 Total loans and securities	58,848	62,390	61,648	59,638	59,752	64,372	64,649	70,759	63,885
3 U.S. Treasury and govt. agency securities	4,014	3,505	3,673	4,027	3,874	3,716	3,728	3,700	3,663
4 Other securities	3,324	3,409	3,464	3,490	3,518	3,542	3,096	3,866	3,784
5 Federal funds sold ²	3,849	5,991	4,956	3,862	3,149	5,699	4,789	4,938	4,517
6 To commercial banks in the United States	2,970	5,017	3,965	2,995	2,434	4,730	4,167	4,368	3,906
7 To others	879	974	991	867	715	969	622	569	611
8 Other loans, gross	47,661	49,486	49,556	48,259	49,211	51,416	53,037	58,254	51,920
9 Commercial and industrial	29,233	29,724	30,027	29,374	29,709	30,150	30,429	33,725	30,560
10 Bankers acceptances and commercial paper	1,865	1,983	1,962	2,087	2,233	2,123	2,203	3,132	2,414
11 All other	27,368	27,742	28,065	27,288	27,476	28,028	28,226	30,592	28,146
12 U.S. addressees	25,856	26,239	26,503	25,736	25,881	26,415	26,633	27,873	26,363
13 Non-U.S. addressees	1,512	1,502	1,562	1,552	1,595	1,613	1,593	2,719	1,783
14 To financial institutions	12,975	13,415	13,177	12,845	13,405	14,444	15,110	15,377	14,302
15 Commercial banks in the United States	10,205	10,342	10,371	9,506	10,483	11,133	11,440	11,640	10,807
16 Banks in foreign countries	1,084	1,187	1,076	1,458	1,119	1,059	1,660	1,112	1,104
17 Nonbank financial institutions	1,686	1,885	1,730	1,881	1,803	2,252	2,506	2,625	2,392
18 To foreign govt. and official institutions	738	754	741	751	746	750	790	801	692
19 For purchasing and carrying securities	1,418	2,327	2,301	1,868	1,993	2,673	3,360	4,854	2,883
20 All other	3,298	3,266	3,310	3,420	3,357	3,398	3,348	3,498	3,482
21 Other assets (claims on nonrelated parties)	20,692	21,353	20,831	20,867	21,906	22,101	22,118	20,355	20,636
22 Net due from related institutions	13,828	12,406	15,051	15,698	14,858	12,893	15,064	12,521	11,689
23 Total assets	101,234	104,298	105,564	105,091	103,199	110,312	110,098	113,629	105,507
24 Deposits or credit balances due to other than directly related institutions	31,911	31,226	32,116	32,504	32,426	32,621	32,738	33,477	32,447
25 Transaction accounts and credit balances ³	3,345	2,997	3,463	4,008	3,924	4,045	4,458	3,540	2,461
26 Individuals, partnerships, and corporations	1,214	1,192	1,307	1,825	1,425	1,466	1,760	1,818	1,420
27 Other	2,131	1,805	2,156	2,183	2,499	2,578	2,698	1,722	1,041
28 Nontransaction accounts ⁴	28,566	28,229	28,652	28,496	28,501	28,576	28,280	29,937	29,986
29 Individuals, partnerships, and corporations	22,668	22,442	22,958	22,723	22,558	22,491	22,016	22,261	23,184
30 Other	5,898	5,787	5,694	5,774	5,944	6,085	6,263	7,676	6,801
31 Borrowings from other than directly related institutions	39,302	39,254	42,305	42,547	38,729	43,581	42,813	44,746	38,460
32 Federal funds purchased ⁵	18,145	18,360	17,617	19,972	16,649	21,204	19,817	19,945	15,845
33 From commercial banks in the United States	13,644	15,017	14,113	16,515	12,681	17,326	15,823	15,690	11,387
34 From others	4,502	3,342	3,503	3,457	3,968	3,877	3,994	4,255	4,457
35 Other liabilities for borrowed money	21,156	20,894	24,688	22,375	22,079	22,377	22,996	24,801	22,615
36 To commercial banks in the United States	19,298	19,113	22,481	20,552	19,843	20,125	20,650	22,127	20,653
37 To others	1,859	1,781	2,207	2,023	2,236	2,252	2,347	2,674	1,961
38 Other liabilities to nonrelated parties	23,559	23,604	23,578	23,652	23,868	23,787	23,921	23,843	22,944
39 Net due to related institutions	6,462	10,214	7,566	6,388	8,176	10,322	10,627	11,563	11,657
40 Total liabilities	101,234	104,298	105,564	105,091	103,199	110,312	110,098	113,629	105,507
MEMO									
41 Total loans (gross) and securities adjusted ⁶	45,674	47,031	47,313	47,138	46,835	48,510	49,042	54,750	49,172
42 Total loans (gross) adjusted ⁶	38,335	40,117	40,176	39,620	39,443	41,252	42,218	47,183	41,724

▲ Levels of many asset and liability items were revised beginning Oct. 31, 1984. For details, see the H.4.2 (504) statistical release dated Nov. 23, 1984.

1. Effective Jan. 1, 1986, The reporting panel includes 65 U.S. branches and agencies of foreign banks instead of the 50 banks previously reporting. Data shown for weeks before Jan. 1, 1986 are estimated to represent the new 65-bank panel. Minor definitional changes were made in a few items effective with Jan. 1 data due to a change in treatment of credit balances and other checkable deposits. Credit balances formerly were reported as a separate item and are now included in the transaction account breakdowns. Other checkable deposits are now included

in transaction accounts. Before Jan. 1, 1986, they were included in savings (nontransaction) accounts.

2. Includes securities purchased under agreements to resell.

3. Includes credit balances, demand deposits, and other checkable deposits.

4. Includes savings deposits, money market deposit accounts, and time deposits.

5. Includes securities sold under agreements to repurchase.

6. Exclusive of loans to and federal funds sold to commercial banks in the United States.

1.31 GROSS DEMAND DEPOSITS Individuals, Partnerships, and Corporations¹

Billions of dollars, estimated daily-average balances, not seasonally adjusted

Type of holder	Commercial banks									
	1980 Dec.	1981 Dec.	1982 Dec.	1983 Dec.	1984			1985		
					June	Sept.	Dec.	Mar. ³	June	Sept.
1 All holders—Individuals, partnerships, and corporations	315.5	288.9	291.8	293.5	286.3	288.8	302.7	286.6^r	298.6	299.6^r
2 Financial business	29.8	28.0	35.4	32.8	30.8	30.4	31.7	28.1	28.9	28.9 ^r
3 Nonfinancial business	162.8	154.8	150.5	161.1	156.7	158.9	166.3	158.3 ^r	164.7	168.1 ^r
4 Consumer	102.4	86.6	85.9	78.5	78.7	79.9	81.5	77.9	81.8	80.7 ^r
5 Foreign	3.3	2.9	3.0	3.3	3.5	3.3	3.6	3.5	3.7	3.5
6 Other	17.2	16.7	17.0	17.8	16.7	16.3	19.7	18.8	19.5	18.5
	Weekly reporting banks									
	1980 Dec.	1981 Dec.	1982 Dec.	1983 Dec. ²	1984			1985		
					June	Sept.	Dec.	Mar. ³	June	Sept.
7 All holders—Individuals, partnerships, and corporations	147.4	137.5	144.2	146.2	145.3	145.3	157.1	147.8	151.4	153.7
8 Financial business	21.8	21.0	26.7	24.2	23.6	23.7	25.3	22.6	22.9	23.3
9 Nonfinancial business	78.3	75.2	74.3	79.8	79.7	79.2	87.1	82.8	84.0	85.9
10 Consumer	35.6	30.4	31.9	29.7	29.9	29.8	30.5	29.1	29.9	30.6
11 Foreign	3.1	2.8	2.9	3.1	3.2	3.2	3.4	3.3	3.5	3.3
12 Other	8.6	8.0	8.4	9.3	8.9	9.3	10.9	10.0	11.0	10.6

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

2. In January 1984 the weekly reporting panel was revised; it now includes 168 banks. Beginning with March 1984, estimates are constructed on the basis of 92 sample banks and are not comparable with earlier data. Estimates in billions of dollars for December 1983 based on the newly weekly reporting panel are: financial business, 24.4; nonfinancial business, 80.9; consumer, 30.1; foreign, 3.1; other, 9.5.

3. Beginning March 1985, financial business deposits and, by implication, total gross demand deposits have been redefined to exclude demand deposits due to thrift institutions. Historical data have not been revised. The estimated volume of such deposits for December 1984 is \$5.0 billion at all insured commercial banks and \$3.0 billion at weekly reporting banks.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1980 Dec.	1981 Dec.	1982 Dec. ¹	1983 Dec.	1984 Dec. ²	1985					
						June	July	Aug.	Sept.	Oct.	Nov.
Commercial paper (seasonally adjusted unless noted otherwise)											
1 All issuers	124,374	165,829	166,436	188,312	239,117	254,627	262,769	273,327	276,559	280,930	288,648
Financial companies ³											
Dealer-placed paper ⁴											
2 Total	19,599	30,333	34,605	44,622	56,917	61,602	67,419	67,816	69,904	68,378	71,191
3 Bank-related (not seasonally adjusted)	3,561	6,045	2,516	2,441	2,035	2,051	2,083	2,136	2,333	2,077	1,969
Directly placed paper ⁵											
4 Total	67,854	81,660	84,393	96,918	110,474	118,432	118,722	128,216	131,801	131,064	131,578
5 Bank-related (not seasonally adjusted)	22,382	26,914	32,034	35,566	42,105	43,454	41,228	42,926	43,224	42,570	41,490
6 Nonfinancial companies ⁶	36,921	53,836	47,437	46,772	71,726	74,593	76,628	77,295	74,854	81,488	85,879
Bankers dollar acceptances (not seasonally adjusted) ⁷											
7 Total	54,744	69,226	79,543	78,309	75,470	70,636 [*]	71,082 [*]	69,505 [*]	70,845 [*]	69,272 [*]	67,890
Holder											
8 Accepting banks	10,564	10,857	10,910	9,355	10,255	8,911 [*]	8,755 [*]	8,563 [*]	10,014 [*]	9,719 [*]	11,027
9 Own bills	8,963	9,743	9,471	8,125	9,065	7,310 [*]	7,468 [*]	7,365 [*]	8,501 [*]	8,041 [*]	8,903
10 Bills bought	1,601	1,115	1,439	1,230	1,191	1,601	1,287	1,198	1,513	1,679 [*]	2,123
Federal Reserve Banks											
11 Own account	776	195	1,480	418	0	0	0	0	0	0	0
12 Foreign correspondents	1,791	1,442	949	729	671	511	652	789	793	850	874
13 Others	41,614	56,731	66,204	68,225	67,595	64,927 [*]	64,900 [*]	63,338 [*]	63,857 [*]	62,910 [*]	61,109
Basis											
14 Imports into United States	11,776	14,765	17,683	15,649	16,975	16,871 [*]	17,058 [*]	17,350 [*]	17,146 [*]	16,503 [*]	15,845
15 Exports from United States	12,712	15,400	16,328	16,880	15,859	13,353 [*]	12,978 [*]	12,861 [*]	13,242 [*]	13,116 [*]	13,030
16 All other	30,257	39,060	45,531	45,781	42,635	38,290 [*]	38,030 [*]	38,281 [*]	38,776 [*]	38,362 [*]	37,516

1. Effective Dec. 1, 1982, there was a break in the commercial paper series. The key changes in the content of the data involved additions to the reporting panel, the exclusion of broker or dealer placed borrowings under any master note agreements from the reported data, and the reclassification of a large portion of bank-related paper from dealer-placed to directly placed.
 2. Correction of a previous misclassification of paper by a reporter has created a break in the series beginning December 1983. The correction adds some paper to nonfinancial and to dealer-placed financial paper.
 3. Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage

financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.
 4. Includes all financial company paper sold by dealers in the open market.
 5. As reported by financial companies that place their paper directly with investors.
 6. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
 7. Beginning October 1984, the number of respondents in the bankers acceptance survey will be reduced from 340 to 160 institutions—those with \$50 million or more in total acceptances. The new reporting group accounts for over 95 percent of total acceptances activity.

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

Percent per annum

Effective date	Rate	Effective Date	Rate	Month	Average rate	Month	Average rate
1983—Jan. 11	11.00	1984—Oct. 17	12.50	1983—Jan.	11.16	1984—Aug.	13.00
Feb. 28	10.50	29	12.00	Feb.	10.98	Sept.	12.97
Aug. 8	11.00	Nov. 9	11.75	Mar.	10.50	Oct.	12.58
1984—Mar. 19	11.50	28	11.25	Apr.	10.50	Nov.	11.77
Apr. 5	12.00	Dec. 20	10.75	May.	10.50	Dec.	11.06
May 8	12.50	1985—Jan. 15	10.50	June	10.50	1985—Jan.	10.61
June 25	13.00	May 20	10.00	July	10.50	Feb.	10.50
1984—Sept. 27	12.75	June 18	9.50	Aug.	10.89	Mar.	10.50
				Sept.	11.00	Apr.	10.50
				Oct.	11.00	May.	10.31
				Nov.	11.00	June.	9.78
				Dec.	11.00	July	9.50
				1984—Jan.	11.00	Aug.	9.50
				Feb.	11.00	Sept.	9.50
				Mar.	11.21	Oct.	9.50
				Apr.	11.93	Nov.	9.50
				June	12.60	Dec.	9.50
				July	13.00		

NOTE: These data also appear in the Board's H.15 (519) release. For address, see inside front cover.

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1983	1984	1985	1985				1985, week ending				
				Sept.	Oct.	Nov.	Dec.	Nov. 29	Dec. 6	Dec. 13	Dec. 20	Dec. 27
MONEY MARKET RATES												
1 Federal funds ^{1,2}	9.09	10.22	8.10	7.92	7.99	8.05	8.27	7.71	8.49	8.03	8.05	8.02
2 Discount window borrowing ^{1,2,3}	8.50	8.80	7.69	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Commercial paper ^{4,5}												
3 1-month.....	8.87	10.05	7.94	7.83	7.81	7.84	7.87	7.82	7.94	7.85	7.79	7.86
4 3-month.....	8.88	10.10	7.95	7.83	7.80	7.77	7.75	7.77	7.85	7.76	7.67	7.73
5 6-month.....	8.89	10.16	8.01	7.86	7.79	7.69	7.62	7.69	7.74	7.65	7.52	7.58
Finance paper, directly placed ^{4,5}												
6 1-month.....	8.80	9.97	7.91	7.84	7.79	7.81	7.81	7.74	7.90	7.84	7.75	7.75
7 3-month.....	8.70	9.73	7.77	7.64	7.60	7.58	7.57	7.58	7.68	7.58	7.53	7.49
8 6-month.....	8.69	9.65	7.75	7.60	7.59	7.57	7.51	7.56	7.57	7.53	7.48	7.45
Bankers acceptances ^{1,6}												
9 3-month.....	8.90	10.14	7.92	7.81	7.76	7.70	7.65	7.71	7.75	7.64	7.54	7.67
10 6-month.....	8.91	10.19	7.96	7.84	7.75	7.59	7.52	7.57	7.67	7.53	7.40	7.48
Certificates of deposit, secondary market ⁷												
11 1-month.....	8.96	10.17	7.97	7.88	7.85	7.82	7.87	7.86	7.93	7.83	7.75	7.99
12 3-month.....	9.07	10.37	8.05	7.93	7.88	7.81	7.80	7.86	7.94	7.81	7.67	7.80
13 6-month.....	9.27	10.68	8.25	8.09	7.97	7.82	7.80	7.88	7.95	7.81	7.67	7.79
14 Eurodollar deposits, 3-month ⁸	9.56	10.73	8.28	8.14	8.08	8.02	7.99	8.05	8.14	8.01	7.86	7.98
U.S. Treasury bills ⁵												
Secondary market ⁹												
15 3-month.....	8.61	9.52	7.48	7.10	7.16	7.24	7.10	7.18	7.24	7.10	7.06	7.02
16 6-month.....	8.73	9.76	7.65	7.27	7.33	7.30	7.14	7.28	7.31	7.12	7.06	7.06
17 1-year.....	8.80	9.92	7.81	7.50	7.45	7.33	7.16	7.33	7.35	7.13	7.07	7.08
Auction average ¹⁰												
18 3-month.....	8.64	9.56	7.48	7.08	7.17	7.20	7.07	7.15	7.19	7.05	7.00	7.02
19 6-month.....	8.76	9.79	7.66	7.26	7.32	7.26	7.27	7.26	7.26	7.02	7.01	7.05
20 1-year.....	8.85	9.91	7.80	7.36	7.42	7.33	7.06	n.a.	n.a.	n.a.	n.a.	7.06
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds ¹¹												
Constant maturities ¹²												
21 1-year.....	9.57	10.89	8.43	8.07	8.01	7.88	7.67	7.87	7.90	7.65	7.57	7.59
22 2-year.....	10.21	11.65	9.27	8.98	8.86	8.58	8.15	8.51	8.50	8.12	8.00	8.00
23 2-1/2-year ¹³									8.65	n.a.	8.20	n.a.
24 3-year.....	10.45	11.89	9.64	9.37	9.25	8.88	8.40	8.75	8.75	8.41	8.23	8.24
25 5-year.....	10.80	12.24	10.13	9.81	9.69	9.28	8.73	9.17	9.12	8.76	8.55	8.54
26 7-year.....	11.02	12.40	10.51	10.24	10.11	9.62	9.11	9.52	9.52	9.15	8.94	8.91
27 10-year.....	11.10	12.44	10.62	10.37	10.24	9.78	9.26	9.65	9.65	9.31	9.09	9.05
28 20-year.....	11.34	12.48	10.97	10.80	10.67	10.24	9.75	10.14	10.13	9.81	9.58	9.53
29 30-year.....	11.18	12.39	10.79	10.61	10.50	10.06	9.54	9.93	9.90	9.61	9.38	9.31
30 Composite ¹⁴	10.84	11.99	10.75	10.67	10.56	10.08	9.60	9.96	9.96	9.66	9.44	9.38
State and local notes and bonds												
Moody's series ¹⁵												
31 Aaa.....	8.80	9.61	8.60	8.70	8.58	8.13	7.98	8.00	8.00	8.00	7.95	7.95
32 Baa.....	10.17	10.38	9.58	9.63	9.54	9.20	9.05	9.10	9.10	9.10	9.00	9.00
33 Bond Buyer series ¹⁶	9.51	10.10	9.10	9.27	9.08	8.54	8.43	8.51	8.54	8.42	8.38	8.36
Corporate bonds												
Seasoned issues ¹⁷												
34 All industries.....	12.78	13.49	12.05	11.75	11.69	11.29	10.89	11.16	11.16	10.99	10.77	10.70
35 Aaa.....	12.04	12.71	11.37	11.07	11.02	10.55	10.16	10.43	10.43	10.26	10.05	9.97
36 Aa.....	12.42	13.31	11.82	11.46	11.45	11.07	10.63	10.95	10.93	10.73	10.50	10.43
37 A.....	13.10	13.74	12.28	11.99	11.94	11.54	11.19	11.42	11.40	11.25	11.09	11.05
38 Baa.....	13.55	14.19	12.72	12.48	12.36	11.99	11.58	11.85	11.87	11.70	11.43	11.36
39 A-rated, recently-offered utility bonds ¹⁸	12.73	13.81	12.06	11.87	11.82	11.38	10.91	11.25	11.27	10.95	10.68	10.62
MEMO: Dividend/price ratio ¹⁹												
40 Preferred stocks.....	11.02	11.59	10.49	10.26	10.35	10.12	10.05	9.84	10.04	9.98	10.06	10.04
41 Common stocks.....	4.40	4.64	4.25	4.32	4.28	4.06	3.88	3.98	3.95	3.91	3.84	3.88

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

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

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

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

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

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

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

8. Calendar week average. For indication purposes only.

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

10. Rates are recorded in the week in which bills are issued. Beginning with the Treasury bill auction held on Apr. 18, 1983, bidders were required to state the percentage yield (on a bank discount basis) that they would accept to two decimal places. Thus, average issuing rates in bill auctions will be reported using two rather than three decimal places.

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

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

13. Each biweekly figure is the average of five business days ending on the Monday following the date indicated. Until Mar. 31, 1983, the biweekly rate determined the maximum interest rate payable in the following two-week period on 2-1/2-year small saver certificates. (See table 1.16.)

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

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

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

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

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

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

NOTE: These data also appear in the Board's H.15 (519) and G.13 (415) releases. For address, see inside front cover.

1.36 STOCK MARKET Selected Statistics

Indicator	1983	1984	1985	1985								
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Prices and trading (averages of daily figures)												
<i>Common stock prices</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50).....	92.63	92.46	108.09	104.66	107.00	109.52	111.64	109.09	106.62	107.57	113.93	119.33
2 Industrial.....	107.45	108.01	123.79	119.93	121.88	124.11	126.94	124.92	122.35	123.65	130.53	136.77
3 Transportation.....	89.36	85.63	104.11	96.47	99.66	105.79	111.67	109.92	104.96	103.72	108.61	113.52
4 Utility.....	47.00	46.44	56.75	55.51	57.32	59.61	59.68	56.99	55.93	55.84	59.07	61.69
5 Finance.....	95.34	89.28	114.21	109.39	115.31	118.47	119.85	114.68	110.21	112.36	122.83	128.86
6 Standard & Poor's Corporation (1941-43 = 10) ¹	160.41	160.50	186.84	180.62	184.90	188.89	192.54	188.31	184.06	186.18	197.45	207.26
7 American Stock Exchange ² (Aug. 31, 1973 = 50).....	216.48	207.96	229.10	229.46	228.75	227.48	235.21	232.65	226.27	225.00	236.53	243.28
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange.....	85,418	91,084	109,191	94,387	106,827	105,849	111,952	87,468	97,910	110,569	122,263	133,446
9 American Stock Exchange.....	8,215	6,107	8,355	7,801	7,171	7,128	7,284	7,275	7,057	7,648	9,183	11,890
Customer financing (end-of-period balances, in millions of dollars)												
10 Margin credit at broker-dealers ³	23,000	22,470	28,390	23,900	24,300	25,260	25,220	25,780	25,330	26,350	26,400	28,390
<i>Free credit balances at brokers⁴</i>												
11 Margin-account.....	6,620	7,015	7,120	6,910	6,865	7,300	7,000	6,455	6,225	6,125	6,490	7,120
12 Cash-account.....	8,430	10,215	12,840	9,230	9,230	10,115	9,700	9,440	10,080	9,630	10,340	12,840
Margin-account debt at brokers (percentage distribution, end of period)												
13 Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>By equity class (in percent)⁵</i>												
14 Under 40.....	41.0	46.0	34.0	39.0	36.0	34.0	34.0	35.0	40.0	37.0	35.0	34.0
15 40-49.....	22.0	18.0	20.0	19.0	19.0	20.0	20.0	21.0	22.0	22.0	20.0	20.0
16 50-59.....	16.0	16.0	19.0	18.0	19.0	19.0	19.0	18.0	16.0	17.0	19.0	19.0
17 60-69.....	9.0	9.0	11.0	10.0	11.0	11.0	11.0	11.0	9.0	10.0	11.0	11.0
18 70-79.....	6.0	5.0	8.0	7.0	7.0	8.0	8.0	8.0	6.0	7.0	7.0	8.0
19 80 or more.....	6.0	6.0	8.0	7.0	8.0	8.0	8.0	7.0	7.0	7.0	8.0	8.0
Special miscellaneous-account balances at brokers (end of period)												
20 Total balances (millions of dollars) ⁶	58,329	75,840	99,310	82,990	87,120	86,910	89,240	90,930	91,400	92,250	95,240	99,310
<i>Distribution by equity status (percent)</i>												
21 Net credit status.....	63.0	59.0	58.0	60.0	60.0	59.0	59.0	59.0	59.0	58.0	57.0	58.0
<i>Debt status, equity of</i>												
22 60 percent or more.....	28.0	29.0	31.0	30.0	30.0	31.0	32.0	30.0	31.0	31.0	32.0	31.0
23 Less than 60 percent.....	9.0	11.0	11.0	10.0	10.0	10.0	9.0	11.0	10.0	11.0	11.0	11.0
Margin requirements (percent of market value and effective date)⁷												
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974						
24 Margin stocks.....	70	80	65	55	65	50						
25 Convertible bonds.....	50	60	50	50	50	50						
26 Short sales.....	70	80	65	55	65	50						

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

2. Beginning July 5, 1983, the American Stock Exchange rebased its index effectively cutting previous readings in half.

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

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

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

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

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

A26 Domestic Financial Statistics □ March 1986

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1982	1983	1985										
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
FSLIC insured institutions													
1 Assets.....	692,663	819,168	974,881	982,182	992,289	995,430	1,003,225	1,012,312	1,022,388	1,034,964	1,041,917	1,048,870	1,061,515
2 Mortgages.....	477,009	521,308	602,180	603,308	608,267	613,334	617,574	623,275	627,260	632,933	638,156	644,368	647,984
3 Mortgage-backed securities.....	62,793	90,902	106,836	107,779	108,755	108,174	106,433	102,892	105,870	108,562	113,053	111,253	110,393
4 Cash and investment securities ¹	82,300	109,923	129,481	131,625	132,438	125,528	129,918	132,109	132,994	134,968	130,696	130,757	139,552
5 Other.....			91,211	93,100	94,625	96,903	98,034	100,595	101,341	101,701	101,679	102,701	103,178
6 Liabilities and net worth.....	692,663	819,168	974,881	982,182	992,289	995,430	1,003,225	1,012,312	1,022,388	1,034,964	1,041,917	1,048,870	1,061,515
7 Savings capital.....	554,584	671,059	791,475	792,566	801,293	801,293	809,083	817,551	822,106	826,840	831,262	833,182	837,456
8 Borrowed money.....	97,459	98,511	125,605	129,321	132,665	132,230	129,082	130,269	133,995	139,482	144,835	146,978	152,842
9 FHLBB.....	63,818	57,253	70,509	71,470	71,674	72,785	74,159	75,897	77,756	80,129	81,486	82,569	82,716
10 Other.....	33,641	41,258	55,096	57,851	60,991	59,445	54,923	54,372	56,239	59,353	63,349	64,409	70,126
11 Other.....	15,233	16,619	19,961	21,816	19,290	22,468	24,215	22,055	23,246	25,189	21,852	24,267	26,118
12 Net worth ²	25,386	32,980	37,840	38,488	39,041	39,476	40,845	42,436	43,042	43,454	43,969	44,443	45,099
13 MEMO: Mortgage loan commitments outstanding ³	27,806	56,785	64,154	65,323	67,615	68,671	69,683	69,585	68,712	65,793	65,865	64,863	65,257
Mutual savings banks⁴													
14 Assets.....	174,197	193,535	204,859	206,175	210,568	210,469	212,509	212,163	213,824	215,298	215,560	215,893	216,793
Loans													
15 Mortgage.....	94,091	97,356	103,393	103,654	104,340	105,102	105,869	105,891	106,441	107,322	108,842	109,171	109,494
16 Other.....	16,957	19,129	25,747	26,456	27,798	28,000	28,530	29,211	30,339	30,195	29,672	29,967	31,217
Securities													
17 U.S. government.....	9,743	15,360	14,628	14,917	15,098	14,504	14,895	14,074	13,960	13,868	13,686	13,734	13,434
18 Mortgage-backed securities.....	14,055	18,205	19,459	19,167	19,694	19,750	19,527	19,160	19,779	20,101	20,368	20,012	19,828
19 State and local government.....	2,470	2,177	2,067	2,069	2,092	2,097	2,094	2,093	2,086	2,105	2,107	2,163	2,148
20 Corporate and other ⁷	22,106	25,375	23,892	23,896	24,194	24,139	24,344	24,047	23,738	23,735	23,534	23,039	22,816
21 Cash.....	6,919	6,263	4,140	4,423	4,864	4,679	5,004	4,935	4,544	4,821	4,916	4,893	4,771
22 Other assets.....	7,855	9,670	11,533	11,593	12,488	12,288	12,246	12,770	12,937	13,151	12,345	12,914	13,085
23 Liabilities.....	174,197	193,535	204,859	206,175	210,568	210,469	212,509	212,163	213,824	215,298	215,560	215,893	216,793
24 Deposits.....	155,196	172,665	181,062	181,849	185,197	184,478	185,802	186,091	186,824	187,207	187,722	187,239	187,552
25 Regular ⁸	152,777	170,135	18,834	18,856	18,938	19,168	19,287	19,362	19,488	19,541	19,601	19,718	19,662
26 Ordinary savings.....	46,862	38,554	33,413	33,413	33,715	33,211	33,457	33,526	33,495	33,398	33,252	33,303	33,638
27 Time.....	96,369	95,129	104,098	103,536	105,204	104,527	104,843	104,756	104,737	104,448	104,668	104,024	104,116
28 Other.....	2,419	2,530	3,108	3,058	3,455	3,689	3,674	3,873	3,943	3,985	4,162	3,943	3,836
29 Other liabilities.....	8,336	10,154	12,931	13,387	14,393	14,959	15,546	14,348	15,137	15,971	15,546	15,996	16,309
30 General reserve accounts.....	9,235	10,368	10,619	10,670	10,720	10,803	10,913	11,238	11,453	11,704	11,882	12,299	12,567
Life insurance companies⁸													
31 Assets.....	588,163	654,948	731,113	735,332	742,154	748,865	757,523	765,891	772,452	778,293	783,828	791,483	↑
Securities													
32 Government.....	36,499	50,752	63,979	65,867	65,603	66,402	67,880	68,636	68,983	69,975	71,049	72,334	
33 United States ⁶	16,529	28,636	41,982	43,916	43,502	44,200	45,593	46,260	46,514	47,343	48,181	49,300	
34 State and local.....	8,664	9,986	8,913	9,000	8,902	8,923	8,998	9,044	8,980	9,201	9,293	9,475	
35 Foreign ⁷	11,306	12,130	13,084	12,951	13,199	13,279	13,289	13,332	13,489	13,431	13,575	13,559	
36 Business.....	287,126	322,854	368,300	371,009	374,757	379,247	384,342	388,448	393,386	397,202	355,505	403,832	
37 Bonds.....	231,406	257,986	302,260	303,452	307,078	311,123	314,021	317,029	321,752	325,647	285,164	331,675	
38 Stocks.....	55,720	64,868	66,046	67,557	67,679	68,124	70,321	71,419	71,634	71,555	70,341	72,157	
39 Mortgages.....	141,989	150,999	156,850	157,253	158,162	159,393	160,470	161,485	162,690	163,027	163,929	165,687	
40 Real estate.....	20,264	22,234	25,983	26,186	26,527	26,828	27,215	27,831	28,240	28,450	28,476	28,637	
41 Policy loans.....	52,961	54,063	54,414	54,489	54,438	54,439	54,384	54,320	54,300	54,238	54,225	54,142	
42 Other assets.....	48,571	54,046	61,571	60,528	62,667	62,556	63,232	65,171	64,853	65,401	66,629	67,313	↓
Credit unions⁹													
43 Total assets/liabilities and capital.....	69,585	81,961	94,646	96,183	98,646	101,268	104,992	106,783	107,991	111,150	113,016	114,783	117,029
44 Federal.....	45,493	54,482	64,505	65,989	67,799	68,903	71,342	72,021	72,932	74,869	75,567	76,415	77,829
45 State.....	24,092	27,479	30,141	30,194	30,847	32,365	33,650	34,762	35,059	36,281	37,449	38,368	39,200
46 Loans outstanding.....	43,232	50,083	62,662	62,393	62,936	64,341	65,298	66,817	67,662	69,171	70,765	71,811	72,404
47 Federal.....	27,948	32,930	42,220	42,283	42,804	43,414	44,042	44,707	44,963	46,036	46,702	47,065	47,538
48 State.....	15,284	17,153	20,442	20,110	20,132	20,927	21,256	22,110	22,699	23,135	24,063	24,746	24,866
49 Savings.....	62,990	74,739	86,047	86,048	88,560	91,275	95,278	96,702	98,026	99,834	101,318	103,677	105,384
50 Federal (shares).....	41,352	49,889	58,820	59,914	61,758	62,867	66,680	66,243	67,070	68,087	68,592	70,063	71,117
51 State (shares and deposits).....	21,638	24,850	27,227	26,134	26,802	28,408	28,598	30,459	30,956	31,747	32,726	33,614	34,267

NOTES TO TABLE 1.37

1. Holdings of stock of the Federal Home Loan Banks are in "other assets."
2. Includes net undistributed income accrued by most associations.
3. As of July 1985, data include loans in process.
4. The National Council reports data on member mutual savings banks and on savings banks that have converted to stock institutions, and to federal savings banks.
5. Excludes checking, club, and school accounts.
6. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.
7. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.
8. Data for December 1984 through April 1985 have been revised.
9. As of June 1982, data include federally chartered or federally insured, state-chartered credit unions serving natural persons. Before that date, data were estimates of all credit unions.

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

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

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

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

A28 Domestic Financial Statistics □ March 1986

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1983	Fiscal year 1984	Fiscal year 1985	Calendar year					
				1984	1985		1985		
				H2	H1	H2	Oct.	Nov.	Dec.
<i>U.S. budget</i>									
1 Receipts ¹	600,562	666,457	733,996	341,393	380,619	364,791	57,881	51,163	68,193
2 Outlays ¹	795,917	841,800	936,809	446,949	463,735	488,740	85,074	84,763	84,079
3 Surplus, or deficit (-)	-195,355	-175,343	-202,813	-105,557	-83,115	-123,950	-27,193	-33,601	-15,886
4 Trust funds ^{2,3}	23,056	30,565	53,540	31,473	22,592	30,278	3,371	-1,420	15,268
5 Federal funds ^{2,3}	-218,410	-205,908	-256,353	-137,032	-105,707	-154,229	-30,564	-32,181	-31,155
<i>Off-budget entities (surplus, or deficit (-))</i>									
6 Federal Financing Bank outlays	-10,404	-7,277	-7,339	-1,913	-6,274	-529	86	-322	1,020
7 Other ^{3,4}	-1,953	-2,719	-1,779	-77	-1,567	-545	20	537	210
<i>U.S. budget plus off-budget, including Federal Financing Bank</i>									
8 Surplus, or deficit (-)	-207,711	-185,339	-211,931	-109,474	-90,553	-125,022	-27,087	-33,386	-14,656
Source of financing									
9 Borrowing from the public	212,425	170,817	197,269	118,209	87,054	136,567	11,390	45,863	33,261
10 Cash and monetary assets (decrease, or increase (-)) ⁴	-9,889	5,636	10,673	-16,683	-6,479	-10,428	13,964	-8,671	-21,020
11 Other ⁵	5,176	8,885	3,989	7,948	9,978	1,117	1,733	-3,806	2,415
MEMO									
12 Treasury operating balance (level, end of period)	37,057	22,345	17,060	17,649	24,013	30,935	1,823	10,051	30,935
13 Federal Reserve Banks	16,557	3,791	4,174	5,316	3,288	9,351	1,528	2,294	9,351
14 Tax and loan accounts	20,500	18,553	12,886	12,333	20,725	21,584	294	7,757	21,584

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

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

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

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

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

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and the *Budget of the U.S. Government, Fiscal Year 1986*.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1984	Fiscal year 1985	Calendar year						
			1984		1985		1985		
			H1	H2	H1	H2	Oct.	Nov.	Dec.
RECEIPTS									
1 All sources.....	666,457	733,996	341,808	341,392	380,618	364,790	57,881	51,162	68,193
2 Individual income taxes, net.....	295,960	330,918	144,691	157,229	166,852	169,987	29,730	23,399	30,193
3 Withheld.....	279,350	298,941	140,637	145,210	149,288	155,725	29,360	23,416	28,568
4 Presidential Election Campaign Fund.....	35	35	29	5	29	6	0	0	0
5 Nonwithheld.....	81,346	97,685	61,463	19,403	76,155	22,295	1,547	1,269	2,448
6 Refunds.....	64,770	65,743	57,458	7,387	58,684	8,038	1,177	1,286	822
Corporation income taxes									
7 Gross receipts.....	74,179	77,413	40,328	35,190	42,193	36,528	3,383	2,364	13,108
8 Refunds.....	17,286	16,082	10,045	6,847	8,370	7,751	2,202	973	821
9 Social insurance taxes and contributions, net.....	241,902	268,805	131,372	118,690	144,528	128,017	20,431	20,151	19,662
10 Payroll employment taxes and contributions ¹	212,180	238,288	114,102	105,624	125,969	116,276	18,708	17,478	19,012
11 Self-employment taxes and contributions ²	8,709	10,468	7,667	1,086	9,482	985	144	0	0
12 Unemployment insurance.....	25,138	25,758	14,942	10,706	16,213	9,281	1,340	2,241	221
13 Other net receipts ³	4,580	4,759	2,329	2,360	2,350	2,458	382	432	429
14 Excise taxes.....	37,361	35,865	18,304	18,961	17,259	18,470	2,958	3,211	3,017
15 Customs deposits.....	11,370	12,079	5,576	6,329	5,807	6,354	1,106	1,028	1,008
16 Estate and gift taxes.....	6,010	6,422	3,102	3,029	3,204	3,323	574	564	514
17 Miscellaneous receipts ⁴	16,965	18,576	8,481	8,812	9,144	9,861	1,902	1,419	1,511
OUTLAYS									
18 All types.....	841,800	936,809	420,700	446,943	463,842	488,739	85,074	84,763	84,079
19 National defense.....	227,411	251,468	114,639	118,286	124,186	134,675	21,942	21,971	23,915
20 International affairs.....	13,063	15,426	5,426	8,550	6,675	8,367	2,387	831	1,121
21 General science, space, and technology.....	8,310	8,700	3,981	4,473	4,230	4,727	1,029	697	853
22 Energy.....	2,538	3,906	1,080	1,423	680	3,305	384	480	384
23 Natural resources and environment.....	12,591	13,298	5,463	7,370	5,892	7,553	1,363	1,088	1,306
24 Agriculture.....	12,203	22,780	7,129	8,524	11,705	15,412	3,048	4,307	4,407
25 Commerce and housing credit.....	5,213	1,817	2,572	2,663	-260	644	954	-194	-33
26 Transportation.....	24,587	25,874	10,616	13,673	11,440	15,360	2,602	2,667	2,387
27 Community and regional development.....	7,307	7,748	3,154	4,836	3,408	3,901	898	661	615
28 Education, training, employment, social services.....	26,579	28,352	13,445	13,737	14,149	14,481	2,581	2,776	2,058
29 Health.....	30,432	33,560	15,551	15,692	16,945	17,237	3,125	2,780	2,799
30 Social security and medicare.....	235,764	254,446	119,420	119,613	128,351	129,037	21,843	21,326	21,502
31 Income security.....	112,556	128,993	58,684 ⁵	61,558 ⁶	65,246	10,577,923	9,340	10,791	10,022
32 Veterans benefits and services.....	25,614	26,376	12,849	13,317	11,956	14,527	2,132	3,302	2,418
33 Administration of justice.....	5,660	6,188	2,807	2,992	3,016	3,212	538	441	587
34 General government.....	5,117	5,483	2,462	2,552	2,857	3,634	265	600	1,287
35 General-purpose fiscal assistance.....	6,770	6,140	2,943	3,458	2,659	3,391	1,667	74	45
36 Net interest ⁶	111,058	129,148	54,748	61,293	65,143	67,448	11,440	12,312	11,287
37 Undistributed offsetting receipts ⁷	-31,957	-32,893	-16,270 ⁷	-17,061 ⁷	-14,436	-17,953	-2,465	-2,146	-2,881

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

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

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

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

5. In accordance with the Social Security Amendments Act of 1983, the Treasury now provides social security and medicare outlays as a separate

function. Before February 1984, these outlays were included in the income security and health functions.

6. Net interest function includes interest received by trust funds.

7. Consists of rents and royalties on the outer continental shelf and U.S. government contributions for employee retirement.

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

A30 Domestic Financial Statistics □ March 1986

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1983	1984				1985			
	Dec. 31	Mar. 31	June 30	Sep. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
1 Federal debt outstanding	1,415.3	1,468.3	1,517.2	1,576.7	1,667.4	1,715.1	1,779.0	1,827.5	n.a.
2 Public debt securities	1,410.7	1,463.7	1,512.7	1,572.3	1,663.0	1,710.7	1,774.6	1,823.1	1,945.9
3 Held by public	1,174.4	1,223.9	1,255.1	1,309.2	1,373.4	1,415.2	1,460.5	1,506.6	n.a.
4 Held by agencies	236.3	239.8	257.6	263.1	289.6	295.5	314.2	316.5	n.a.
5 Agency securities	4.6	4.6	4.5	4.5	4.5	4.4	4.4	4.4	n.a.
6 Held by public	3.5	3.5	3.4	3.4	3.4	3.3	3.3	3.3	n.a.
7 Held by agencies	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	n.a.
8 Debt subject to statutory limit	1,411.4	1,464.5	1,513.4	1,573.0	1,663.7	1,711.4	1,775.3	1,823.8	1,932.4
9 Public debt securities	1,410.1	1,463.1	1,512.1	1,571.7	1,662.4	1,710.1	1,774.0	1,822.5	1,931.1
10 Other debt ¹	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
11 MEMO: Statutory debt limit	1,490.0	1,490.0	1,520.0	1,573.0	1,823.8	1,823.8	1,823.8	1,823.8	2,078.7

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

NOTE: Data from *Treasury Bulletin* and *Daily Treasury Statement* (U.S. Treasury Department).

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

Billions of dollars, end of period

Type and holder	1980	1981	1982	1983	1984	1985		
					Q4	Q1	Q2	Q3
1 Total gross public debt	930.2	1,028.7	1,197.1	1,410.7	1,663.0	1,710.7	1,774.6	1,823.1
By type								
2 Interest-bearing debt	928.9	1,027.3	1,195.5	1,400.9	1,660.6	1,695.2	1,759.8	1,821.0
3 Marketable	623.2	720.3	881.5	1,050.9	1,247.4	1,271.7	1,310.7	1,360.2
4 Bills	216.1	245.0	311.8	343.8	374.4	379.5	381.9	384.2
5 Notes	321.6	375.3	465.0	573.4	705.1	713.8	740.9	776.4 ¹
6 Bonds	85.4	99.9	104.6	133.7	167.9	178.4	187.9	199.5 ¹
7 Nonmarketable ²	305.7	307.0	314.0	350.0	413.2	423.6	449.1	460.8 ¹
8 State and local government series	23.8	23.0	25.7	36.7	44.4	47.7	53.9	62.8 ¹
9 Foreign issues ³	24.0	19.0	14.7	10.4	9.1	9.1	8.3	6.6 ¹
10 Government	17.6	14.9	13.0	10.4	9.1	9.1	8.3	6.6
11 Public	6.4	4.1	1.7	.0	.0	.0	.0	.0
12 Savings bonds and notes	72.5	68.1	68.0	70.7	73.1 ¹	74.1 ¹	75.4 ¹	77.0 ¹
13 Government account series ³	185.1	196.7	205.4	231.9	286.2	292.2	311.0	313.9 ¹
14 Non-interest-bearing debt	1.3	1.4	1.6	9.8	2.3	15.5	14.8	2.1 ¹
By holder ⁴								
15 U.S. government agencies and trust funds	192.5	203.3	209.4	236.3	289.6	295.5	314.2	316.5
16 Federal Reserve Banks	121.3	131.0	139.3	151.9	160.9	161.0	169.1	169.7
17 Private investors	616.4	694.5	848.4	1,022.6	1,212.5	1,254.1	1,292.0	1,338.2
18 Commercial banks	112.1	111.4	131.4	188.8	183.4	195.0	196.3	196.9
19 Money market funds	3.5	21.5	42.6	22.8	25.9	26.7	24.8	22.7
20 Insurance companies	24.0	29.0	39.1	56.7	82.3	84.0	n.a.	n.a.
21 Other companies	19.3	17.9	24.5	39.7	50.1	50.9	52.3	56.5
22 State and local governments	87.9	104.3	127.8	155.1	n.a.	n.a.	n.a.	n.a.
Individuals								
23 Savings bonds	72.5	68.1	68.3	71.5	74.5	75.4	76.7	78.2
24 Other securities	44.6	42.7	48.2	61.9	69.3	69.7 ¹	72.0 ¹	73.1
25 Foreign and international ⁵	129.7	136.6	149.5	166.3	192.9	186.4 ¹	200.7 ¹	210.2
26 Other miscellaneous investors ⁶	122.8	163.0	217.0	259.8	n.a.	n.a.	n.a.	n.a.

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

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

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

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

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

6. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. government deposit accounts, and U.S. government-sponsored agencies. Sources: Data by type of security, U.S. Treasury Department, *Monthly Statement of the Public Debt of the United States*; data by holder, *Treasury Bulletin*.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

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

Item	1982	1983	1984	1985			1985 week ending Wednesday						
				Oct. 7	Nov. 7	Dec.	Nov. 20 ²	Nov. 27 ²	Dec. 4	Dec. 11	Dec. 18	Dec. 25	
Immediate delivery ²													
1 U.S. government securities	32,261	42,135	52,778	71,623	91,999	80,824	104,299	95,632	84,449	83,810	96,725	73,716	
<i>By maturity</i>													
2 Bills	18,393	22,393	26,035	31,732	35,970	31,610	46,599	35,463	33,092	27,370	35,534	30,179	
3 Other within 1 year	810	708	1,305	1,924	1,954	2,217	1,953	2,062	2,400	1,857	2,090	1,883	
4 1-5 years	6,271	8,758	11,733	15,326	21,328	20,027	26,963	23,331	15,701	19,510	27,544	20,256	
5 5-10 years	3,555	5,279	7,606	13,599	18,779	14,784	15,287	19,211	20,088	20,250	16,924	11,378	
6 Over 10 years	3,232	4,997	6,099	9,041	13,968	12,185	13,498	15,564	13,168	14,824	14,633	10,020	
<i>By type of customer</i>													
7 U.S. government securities dealers	1,770	2,257	2,919	3,243	3,122	2,843	3,116	3,473	2,894	2,276	3,032	2,579	
8 U.S. government securities brokers	15,794	21,045	25,580	33,811	43,655	38,010	49,558	44,141	38,877	41,197	47,569	33,193	
9 All others ³	14,697	18,833	24,278	34,569	45,222	39,971	51,626	48,018	42,678	40,337	46,125	37,944	
10 Federal agency securities	4,140	5,576	7,846	13,352	15,286	15,310	20,452	15,156	10,369	16,023	22,241	15,044	
11 Certificates of deposit	5,001	4,333	4,947	3,246	3,093	3,767	3,844	2,844	2,929	3,750	5,034	3,202	
12 Bankers acceptances	2,502	2,642	3,243	2,789	2,630	2,845	3,110	2,402	2,822	3,143	3,235	2,304	
13 Commercial paper	7,595	8,036	10,018	14,381	14,702	16,571	15,815	15,013	15,842	15,096	17,787	15,236	
<i>Futures transactions⁴</i>													
14 Treasury bills	5,055	6,655	6,947	4,608	4,990	4,883	6,545	4,745	5,041	6,526	5,422	4,188	
15 Treasury coupons	1,487	2,501	4,503	6,038	7,439	6,763	7,830	7,422	7,791	8,527	7,641	4,959	
16 Federal agency securities	261	265	262	564	467	229	169	146	87	557	221	180	
<i>Forward transactions⁵</i>													
17 U.S. government securities	835	1,493	1,364	721	1,733	1,313	2,602	2,481	1,229	620	2,046	1,604	
18 Federal agency securities	978	1,646	2,843	4,774	5,663	6,161	7,114	4,322	3,826	8,014	7,816	5,296	

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers.

Averages for transactions are based on the number of trading days in the period. The figures exclude allotments of, and exchanges for, new U.S. government securities, redemptions of called or matured securities, purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts.

2. Data for immediate transactions does not include forward transactions.

3. Includes, among others, all other dealers and brokers in commodities and

securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.

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

5. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.

A32 Domestic Financial Statistics □ March 1986

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Averages of daily figures, in millions of dollars

Item	1982	1983	1984	1985			1985 week ending Wednesday				
				Oct.	Nov.	Dec.	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25
Positions											
Net immediate ²											
1 U.S. government securities	14,769	14,224	5,538	3,911 ^r	17,703 ^r	10,635	20,860 ^r	14,961	9,444	12,417	11,828
2 Bills	8,226	10,800	5,500	12,166 ^r	17,498 ^r	14,065	19,922	14,819	12,063	16,982	16,163
3 Other within 1 year	1,088	921	63	1,056	1,112	1,520	1,368	1,434	1,540	1,396	1,809
4 1-5 years	3,293	1,912	2,159	6,164	9,242	8,851	8,650	7,881	7,204	8,284	10,561
5 5-10 years	-318	-78	-1,119	-9,192	-7,630 ^r	-11,002	-6,742 ^r	-6,937	-8,793	-11,504	-13,218
6 Over 10 years	2,026	528	-1,174	-6,483	-2,727 ^r	-3,057	-2,543 ^r	-2,452	-2,802	-2,985	-3,826
7 Federal agency securities	4,169	7,313	15,294	25,314 ^r	26,485	33,138	27,889	28,270	30,050	34,432	36,058
8 Certificates of deposit	5,532	5,838	7,369	8,850	9,993 ^r	10,692	10,499	10,786	10,421	11,167	10,685
9 Bankers acceptances	2,832	3,332	3,874	4,949 ^r	5,518 ^r	5,366	5,389	6,099	5,202	5,527	5,252
10 Commercial paper	3,317	3,159	3,788	5,699	7,449	7,957	7,044	8,147	7,438	8,404	8,063
Futures positions											
11 Treasury bills	-2,507	-4,125	-4,525	-13,573	-15,857	-12,469	-14,373	-12,874	-11,480	-12,335	-13,297
12 Treasury coupons	-2,303	-1,033	1,794	5,789	2,618 ^r	3,274	2,878 ^r	2,884	2,937	3,645	3,620
13 Federal agency securities	-224	171	233	-2,677 ^r	-1,333 ^r	-1,050	-622 ^r	-739	-699	-1,173	-1,353
Forward positions											
14 U.S. government securities	-788	-1,936	-1,643	-1,574	-862	-388	72	-843	-702	127	-959
15 Federal agency securities	-1,432	-3,561	-9,205	-9,329 ^r	-11,102 ^r	-14,282	-11,155	-11,785	-13,698	-15,187	-14,510
Financing³											
Reverse repurchase agreements ⁴											
16 Overnight and continuing	26,754	29,099	44,078	77,247	76,817	79,435	69,065	86,679	82,127	82,837	68,950
17 Term agreements	48,247	52,493	68,357	88,981 ^r	96,966	99,204	100,601	94,362	92,657	94,696	107,036
Repurchase agreements ⁵											
18 Overnight and continuing	49,695	57,946	75,717	93,334 ^r	116,992	120,458	93,413	132,340	128,322	130,714	99,691
19 Term agreements	43,410	44,410	57,047	74,425	88,119	90,233	108,969	80,043	76,087	79,572	112,707

1. Data for dealer positions and sources of financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers.

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

2. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securi-

ties involved are not available for trading purposes. Immediate positions include reverses to maturity, which are securities that were sold after having been obtained under reverse repurchase agreements that mature on the same day as the securities. Data for immediate positions does not include forward positions.

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

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

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1982	1983	1984	1985					
				June	July	Aug.	Sept.	Oct.	Nov.
1 Federal and federally sponsored agencies	237,787	240,068	271,220	284,871	286,189	289,277	288,657⁷	292,584	293,930
2 Federal agencies	33,055	33,940	35,145	35,646	35,354	35,338	35,903 ⁷	35,990 ⁷	36,121
3 Defense Department ¹	354	243	142	97	93	89	82	79	75
4 Export-Import Bank ^{2,3}	14,218	14,853	15,882	15,746	15,746	15,744	15,419	15,417 ⁷	15,417
5 Federal Housing Administration ⁴	288	194	133	119	118	116	117	116	115
6 Government National Mortgage Association participation certificates ⁵	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165
7 Postal Service ⁶	1,471	1,404	1,337	970	970	970	1,940	1,940	1,940
8 Tennessee Valley Authority	14,365	14,970	15,435	16,475	16,188	16,180 ⁷	16,106 ⁷	16,199 ⁷	16,335
9 United States Railway Association ⁶	194	111	51	74	74	74	74	74	74
10 Federally sponsored agencies ⁷	204,732	206,128	236,075	249,225	250,805	253,939	252,754	256,594 ⁷	257,809
11 Federal Home Loan Banks	55,967	48,930	65,085	69,898	70,244	71,949	72,384	73,260	73,840
12 Federal Home Loan Mortgage Corporation	4,524	6,793	10,270	12,723	13,197	13,393	12,720	13,239	11,016
13 Federal National Mortgage Association ⁸	70,052	74,594	83,720	89,518	90,208	91,318	91,693	92,578	94,576
14 Farm Credit Banks	73,004	72,816	71,193	70,039	70,069	70,092	68,287	69,274	69,933
15 Student Loan Marketing Association	2,293	3,402	5,745	7,047	7,087	7,187	7,670	8,243 ⁷	8,444
MEMO									
16 Federal Financing Bank debt⁹	126,424	135,791	145,217	149,957	152,962	152,941	153,513	153,565	154,145
<i>Lending to federal and federally sponsored agencies</i>									
17 Export-Import Bank ³	14,177	14,789	15,852	15,729	15,729	15,729	15,409	15,409	15,409
18 Postal Service ⁶	1,221	1,154	1,087	720	720	720	1,690	1,690	1,609
19 Student Loan Marketing Association	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
20 Tennessee Valley Authority	12,640	13,245	13,710	14,750	14,463	14,455	14,381	14,474	14,610
21 United States Railway Association ⁶	194	111	51	74	74	74	74	74	74
<i>Other Lending¹⁰</i>									
22 Farmers Home Administration	53,261	55,266	58,971	62,606	63,546	63,779	64,169	63,969	64,189
23 Rural Electrification Administration	17,157	19,766	20,693	21,183	21,364	21,463	21,676	21,792	21,826
24 Other	22,774	26,460	29,853	31,909	32,066	31,721	31,114	31,157	31,428

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

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

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

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

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

6. Off-budget.

7. Includes outstanding noncontingent liabilities: Notes, bonds, and debentures. Some data are estimated.

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

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

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

A34 Domestic Financial Statistics □ March 1986

1.45 NEW SECURITY ISSUES State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1982	1983	1984	1985							
				Mar.	Apr.	May	June	July	Aug.	Sept. ¹	Oct.
1 All issues, new and refunding¹	79,138	86,421	106,641	9,873	12,095	14,097	11,801	12,268	15,239	13,345	20,780
<i>Type of issue</i>											
2 General obligation.....	21,094	21,566	26,485	2,998	3,265	4,535	2,739	5,257	3,160	3,953	5,852
3 U.S. government loans ²	225	96	16	5	0	2	0	0	0	0	0
4 Revenue.....	58,044	64,855	80,156	6,875	8,830	9,562	9,062	7,011	12,079	9,392	14,928
5 U.S. government loans ²	461	253	17	0	2	0	1	6	2	0	6
<i>Type of issuer</i>											
6 State.....	8,438	7,140	9,129	252	958	1,298	350	786	800	1,501	1,337
7 Special district and statutory authority.....	45,060	51,297	63,550	5,754	7,279	8,126	7,625	6,893	9,484	7,580	12,374
8 Municipalities, counties, townships, school districts.....	25,640	27,984	33,962	3,867	3,858	4,673	3,826	4,589	4,955	4,264	6,371
9 Issues for new capital, total	74,804	72,441	94,050	8,253	9,075	9,279	7,966	7,660	10,709	9,797	12,288
<i>Use of proceeds</i>											
10 Education.....	6,482	8,099	7,553	1,018	1,121	1,169	962	797	1,194	1,317	1,518
11 Transportation.....	6,256	4,387	7,552	173	319	631	276	651	252	471	1,264
12 Utilities and conservation.....	14,259	13,588	17,844	1,491	2,347	1,478	1,844	720	1,987	1,358	2,924
13 Social welfare.....	26,635	26,910	29,928	3,155	3,105	3,454	2,956	3,155	4,283	3,989	4,305
14 Industrial aid.....	8,349	7,821	15,415	584	293	782	560	553	1,524	735	1,507
15 Other purposes.....	12,822	11,637	15,758	1,832	1,890	1,765	1,368	1,784	1,469	2,009	2,466

1. Par amounts of long-term issues based on date of sale.
2. Consists of tax-exempt issues guaranteed by the Farmers Home Administration.

SOURCE: Public Securities Association.

1.46 NEW SECURITY ISSUES Corporations

Millions of dollars

Type of issue or issuer, or use	1982	1983	1984	1985							
				Apr.	May	June	July	Aug. ¹	Sept.	Oct.	Nov. ²
1 All issues¹	84,638	120,074	132,311	11,855²	12,958²	19,450²	11,959²	14,733	11,267²	11,527	13,469
2 Bonds²	54,076	68,495	109,683	8,915²	9,800²	15,710²	8,752²	11,337	8,796²	9,229	10,844
<i>Type of offering</i>											
3 Public.....	44,278	47,369	73,357	8,915 ²	9,800 ²	15,710 ²	8,752 ²	11,337	8,796 ²	9,229	10,844
4 Private placement.....	9,798	21,126	36,326	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Industry group</i>											
5 Manufacturing.....	12,822	16,851	24,607	922	1,500	8,044	2,688	2,352	2,079	1,953	4,072
6 Commercial and miscellaneous.....	5,442	7,540	13,726	1,317	639	865	1,642	921	186	898	933
7 Transportation.....	1,491	3,833	4,694	334	357	512	76	459	177	348	125
8 Public utility.....	12,327	9,125	10,679	860	1,136	585	434 ²	857	1,042	863	1,114
9 Communication.....	2,390	3,642	2,997	0	150	125	110	1,295	367	690	100
10 Real estate and financial.....	19,604	27,502	52,980	5,483 ²	6,018 ²	5,579 ²	3,802 ²	5,453	4,945 ²	4,477	4,500
11 Stocks³	30,562	51,579	22,628	2,940	3,158	3,740	3,207	3,396	2,471	2,298	2,625
<i>Type</i>											
12 Preferred.....	5,113	7,213	4,118	312	634	726	631	754	653	406	782
13 Common.....	25,449	44,366	18,510	2,628	2,524	3,014	2,576	2,642	1,818	1,892	1,843
<i>Industry group</i>											
14 Manufacturing.....	5,649	14,135	4,054	283	504	558	601	235	820	279	746
15 Commercial and miscellaneous.....	7,770	13,112	6,277	1,019	624	1,453	562	1,293	507	385	566
16 Transportation.....	709	2,729	589	322	33	236	0	127	107	113	21
17 Public utility.....	7,517	5,001	1,624	157	185	91	87	73	47	408	12
18 Communication.....	2,227	1,822	419	5	119	151	99	18	7	41	5
19 Real estate and financial.....	6,690	14,780	9,665	954	1,693	1,251	1,798	1,650	983	1,072	1,275

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

2. Monthly data include only public offerings.
3. Beginning in August 1981, gross stock offerings include new equity volume from swaps of debt for equity.

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

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1983	1984 ^r	1985							
			Apr.	May	June	July	Aug.	Sept.	Oct. ^r	Nov.
INVESTMENT COMPANIES¹										
1 Sales of own shares ²	84,345	107,480	18,049	16,408	18,191	20,284	18,049	16,936	22,099	20,630
2 Redemptions of own shares ³	57,100	77,032	13,500	10,069	9,836	11,502	10,837	9,963	10,653	11,238
3 Net sales	27,245	30,448	4,549	6,339	8,355	8,782	7,212	6,973	11,446	9,392
4 Assets ⁴	113,599	137,126	164,087	178,275	186,284	195,707	201,608	203,210	218,720	236,350
5 Cash position ⁵	8,343	11,978	15,444	15,017	15,565	16,943	17,959	18,700	21,987	21,621
6 Other	105,256	125,148	148,643	163,258	170,719	178,764	183,649	184,510	196,733	214,729

- 1. Excluding money market funds.
- 2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.
- 3. Excludes share redemption resulting from conversions from one fund to another in the same group.
- 4. Market value at end of period, less current liabilities.

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

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

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1982	1983	1984	1983	1984				1985		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Corporate profits with inventory valuation and capital consumption adjustment	150.0	213.8	273.3	247.6	268.0	277.8	271.2	276.2	281.7	288.1	309.1
2 Profits before tax	169.6	205.0	237.6	227.6	247.4	247.4	227.7	228.0	220.0	218.7	228.6
3 Profits tax liability	63.1	75.2	93.6	84.0	99.1	100.6	87.4	87.4	83.4	82.3	87.4
4 Profits after tax	106.5	129.8	144.0	143.6	148.3	146.7	140.3	140.6	136.6	136.4	141.1
5 Dividends	66.9	70.8	78.1	73.1	75.3	77.5	78.9	80.7	82.0	83.1	83.9
6 Undistributed profits	39.6	59.0	65.9	70.6	73.1	69.2	61.3	60.0	54.6	53.3	57.3
7 Inventory valuation	-10.4	-10.0	-5.4	-8.9	-13.0	-5.6	-1.3	-1.6	.7	2.2	4.7
8 Capital consumption adjustment	-9.2	18.8	41.0	28.9	33.5	36.0	44.8	49.8	61.1	67.2	75.9

SOURCE. Survey of Current Business (Department of Commerce).

A36 Domestic Financial Statistics □ March 1986

1.49 NONFINANCIAL CORPORATIONS Assets and Liabilities

Billions of dollars, except for ratio

Account	1979	1980	1981	1982	1983	1984			1985	
						Q2	Q3	Q4	Q1	Q2
1 Current assets	1,214.8	1,327.0	1,418.4	1,432.7	1,557.3	1,630.1	1,666.1	1,682.0	1,694.7	1,704.0
2 Cash	118.0	126.9	135.5	147.0	165.8	154.7	150.0	160.9	153.5	154.6
3 U.S. government securities	16.7	18.7	17.6	22.8	30.6	36.9	33.2	36.6	35.2	35.1
4 Notes and accounts receivable	459.0	506.8	532.0	519.2	577.8	615.4	630.6	622.3	635.2	635.9
5 Inventories	505.1	542.8	583.7	578.6	599.3	629.8	656.9	655.6	664.6	663.7
6 Other	116.0	131.8	149.5	165.2	183.7	193.4	195.4	206.6	206.2	214.7
7 Current liabilities	807.3	889.3	970.0	976.8	1,043.0	1,111.9	1,142.2	1,150.7	1,159.5	1,163.9
8 Notes and accounts payable	460.8	513.6	546.3	543.0	577.8	605.1	623.9	627.4	615.6	625.9
9 Other	346.5	375.7	423.7	433.8	465.3	506.9	518.2	523.3	543.9	538.1
10 Net working capital	407.5	437.8	448.4	455.9	514.3	518.1	523.9	531.3	535.2	540.1
11 MEMO: Current ratio ¹	1.505	1.492	1.462	1.467	1.493	1.466	1.459	1.462	1.462	1.464

1. Ratio of total current assets to total current liabilities.
 NOTE. For a description of this series, see "Working Capital of Nonfinancial Corporations" in the July 1978 BULLETIN, pp. 533-37.
 All data in this table reflect the most current benchmarks. Complete data are available upon request from the Flow of Funds Section, Division of Research and

Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.
 SOURCE: Federal Trade Commission and Bureau of the Census.

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

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

Industry	1983	1984	1985	1984			1985				1986
				Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹		Q1^{1}
1 Total nonfarm business	304.78	354.44	384.22	349.97	361.48	368.29	371.16	387.83	388.90	388.98	402.13
<i>Manufacturing</i>											
2 Durable goods industries	53.08	66.24	72.53	64.03	68.26	71.43	69.87	73.96	72.85	73.46	71.95
3 Nondurable goods industries	63.12	72.58	79.89	71.93	74.18	75.53	75.78	80.36	81.19	82.22	82.79
<i>Nonmanufacturing</i>											
4 Mining	15.19	16.86	15.84	16.38	16.82	17.00	15.66	16.51	15.94	15.24	15.30
5 Transportation											
5 Railroad	4.88	6.79	7.33	7.34	7.31	6.44	6.02	7.48	8.13	7.68	7.02
6 Air	4.36	3.56	4.42	3.53	3.72	3.65	4.20	3.66	5.20	4.64	5.96
7 Other	4.72	6.17	6.02	6.14	6.47	6.18	6.01	6.37	5.77	5.93	5.83
Public utilities											
8 Electric	37.27	37.03	35.60	37.79	36.63	35.40	36.65	36.04	35.34	34.38	35.49
9 Gas and other	7.70	10.44	12.63	10.16	11.28	11.52	11.81	12.43	12.80	13.47	13.50
10 Commercial and other ²	114.45	134.75	149.96	132.67	136.80	141.13	145.16	151.02	151.69	151.96	164.30

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

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1981	1982	1983	1984				1985		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3
ASSETS										
Accounts receivable, gross										
1 Consumer	72.4	78.1	87.4	87.4	90.5	95.6	96.7	99.1	106.0	116.4
2 Business	100.3	101.4	113.4	120.5	124.4	124.5	135.2	142.1	144.6	141.4
3 Real estate	17.9	20.2	22.5	22.2	23.0	25.2	26.3	27.2	28.4	29.0
4 Total	190.5	199.7	223.4	230.1	238.0	245.3	258.3	268.5	279.0	286.5
<i>Less:</i>										
5 Reserves for unearned income	30.0	31.9	33.0	32.8	33.9	36.0	36.5	36.6	38.6	41.0
6 Reserves for losses	3.2	3.5	4.0	4.1	4.4	4.3	4.4	4.9	4.8	4.9
7 Accounts receivable, net	157.3	164.3	186.4	193.2	199.6	205.0	217.3	227.0	235.6	240.6
8 All other	27.1	30.7	34.0	35.7	35.8	36.4	35.4	35.9	39.5	46.3
9 Total assets	184.4	195.0	220.4	228.9	235.4	241.3	252.7	262.9	275.2	286.9
LIABILITIES										
10 Bank loans	16.1	18.3	18.7	16.2	18.3	19.7	21.3	19.8	18.5	18.2
11 Commercial paper	57.2	51.1	59.7	64.8	68.5	66.8	72.5	79.1	82.6	93.6
Debt										
12 Other short-term	11.3	12.7	13.9	14.1	15.5	16.1	16.2	16.8	16.6	16.6
13 Long-term	56.0	64.4	68.1	70.3	69.7	73.8	77.2	78.3	85.7	86.4
14 All other liabilities	18.5	21.2	30.1	32.4	32.1	32.6	33.1	35.4	36.9	36.6
15 Capital, surplus, and undivided profits	25.3	27.4	29.8	31.1	31.4	32.3	32.3	33.5	34.8	35.7
16 Total liabilities and capital	184.4	195.0	220.4	228.9	235.4	241.3	252.7	262.9	275.2	286.9

NOTE. Components may not add to totals due to rounding. These data also appear in the Board's G.20 (422) release. For address, see inside front cover.

1.52 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Nov. 30, 1985 ¹	Changes in accounts receivable			Extensions			Repayments		
		1985			1985			1985		
		Sept.	Oct.	Nov.	Sept.	Oct.	Nov.	Sept.	Oct.	Nov.
1 Total	148,624	-3,380	5,112	2,181	26,111	31,099	29,341	29,491	25,987	27,160
Retail financing of installment sales										
2 Automotive (commercial vehicles)	14,437	660	586	199	1,488	1,441	1,081	828	855	882
3 Business, industrial, and farm equipment	20,122	-329	-46	-185	1,180	1,222	1,202	1,509	1,268	1,387
Wholesale financing										
4 Automotive	21,277	-4,746	3,716	1,358	7,853	12,252	10,747	12,599	8,536	9,389
5 Equipment	4,435	6	32	63	508	494	591	502	462	528
6 All other	7,395	118	45	267	1,751	1,815	1,861	1,633	1,770	1,594
Leasing										
7 Automotive	15,037	409	417	-832	1,119	972	700	710	555	1,532
8 Equipment	38,720	271	381	574	1,215	1,178	1,754	944	797	1,180
9 Loans on commercial accounts receivable and factored commercial accounts receivable	15,652	677	-662	526	9,654	9,749	10,182	8,977	10,411	9,656
10 All other business credit	11,549	-446	643	211	1,343	1,976	1,223	1,789	1,333	1,012

1. Not seasonally adjusted.

NOTE. These data also appear in the Board's G.20 (422) release. For address, see inside front cover.

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1982	1983	1984	1985						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
Conventional mortgages on new homes										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars)	94.6	92.8	96.8	102.4	119.2	104.4	104.6	104.1	107.5 ^r	108.4
2 Amount of loan (thousands of dollars)	69.8	69.5	73.7	79.7	89.4	74.4	76.7	77.1	78.5 ^r	78.8
3 Loan/price ratio (percent)	76.6	77.1	78.7	79.9	77.5	74.6	76.0	76.0	75.5 ^r	75.4
4 Maturity (years)	27.6	26.7	27.8	27.7	27.5	24.5	26.7	26.7	26.4 ^r	26.6
5 Fees and charges (percent of loan amount) ²	2.95	2.40	2.64	2.40	2.24	2.46	2.62	2.49	2.57 ^r	2.61
6 Contract rate (percent per annum)	14.47	12.20	11.87	11.31	10.94	10.78	10.69	10.64	10.55 ^r	10.39
<i>Yield (percent per annum)</i>										
7 FHLBB series ³	15.12	12.66	12.37	11.75	11.34	11.24	11.17	11.09	11.01 ^r	10.87
8 HUD series ⁴	15.79	13.43	13.80	12.06	12.09	12.06	12.02	11.86	11.56	11.03
SECONDARY MARKETS										
<i>Yield (percent per annum)</i>										
9 FHA mortgages (HUD series) ⁵	15.30	13.11	13.81	11.89	12.12	11.99	12.04	11.87	11.28	10.70
10 GNMA securities ⁶	14.68	12.25	13.13	11.54	11.48	11.24	11.29	11.16	10.81	10.39
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total	66,031	74,847	83,339	94,777	95,634	96,324	96,769	97,228	97,807	98,282
12 FHA/VA-insured	39,718	37,393	35,148	34,307	34,276	34,177	34,084	33,885	33,828	33,684
13 Conventional	26,312	37,454	48,191	60,470	61,359	62,147	62,685	63,343	63,979	64,598
<i>Mortgage transactions (during period)</i>										
14 Purchases	15,116	17,554	16,721	1,904	1,918	1,921	1,739	1,767	1,624	1,663
15 Sales	2	3,528	978	0	251	230	101	200	100	319
<i>Mortgage commitments⁷</i>										
16 Contracted (during period)	22,105	18,607	21,007	1,593	1,583	1,797	1,638	1,733	1,199	1,858
17 Outstanding (end of period)	7,606	5,461	6,384	5,062	4,517	4,245	3,974	3,840	3,330	3,402
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁸</i>										
18 Total	5,131	5,996	9,283	12,576	12,844	13,521	13,088	13,025	13,194	n.a.
19 FHA/VA	1,027	974	910	838	842	835	829	823	816	n.a.
20 Conventional	4,102	5,022	8,373	11,738	12,002	12,686	12,259	12,202	12,378	n.a.
<i>Mortgage transactions (during period)</i>										
21 Purchases	23,673	23,089	21,886	4,106	4,626	3,602	4,219	3,215	3,680	n.a.
22 Sales	24,170	19,686	18,506	3,292	4,200	2,682	4,501	3,076	3,449	n.a.
<i>Mortgage commitments⁹</i>										
23 Contracted (during period)	28,179	32,852	32,603	5,172	3,259	3,958	2,919	3,995	4,854	n.a.
24 Outstanding (end of period)	7,549	16,964	13,318	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups; compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.

2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.

3. Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.

4. Average contract rates on new commitments for conventional first mortgages; from Department of Housing and Urban Development.

5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.

6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are averages of Friday figures from the *Wall Street Journal*.

7. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.

8. Includes participation as well as whole loans.

9. Includes conventional and government-underwritten loans. FHLMC's mortgage commitments and mortgage transactions include activity under mortgage/securities swap programs, while the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1982	1983	1984	1984		1985		
				Q3	Q4	Q1	Q2	Q3
1 All holders	1,631,262	1,811,395	2,022,521	1,972,773	2,022,521	2,068,282	2,126,905	2,183,935
2 1- to 4-family	1,074,670	1,192,840	1,329,606	1,296,534	1,329,606	1,360,325	1,401,952	1,443,651
3 Multifamily	145,767	156,738	170,536	167,892	170,536	175,474	178,488	181,452
4 Commercial	300,799	349,195	410,742	395,683	410,742	420,997	435,708	449,821
5 Farm	110,026	112,622	111,637	112,664	111,637	111,486	110,757	109,011
6 Major financial institutions	1,021,327	1,108,249	1,241,197	1,214,729	1,241,197	1,261,901	1,292,438	1,321,195
7 Commercial banks ¹	301,272	330,521	374,780	363,156	374,780	383,444	395,956	408,227
8 1- to 4-family	173,804	182,514	196,540	193,090	196,540	198,912	203,510	207,775
9 Multifamily	16,480	18,410	20,216	20,083	20,216	21,974	21,698	21,963
10 Commercial	102,553	120,210	147,845	139,742	147,845	152,242	160,121	167,532
11 Farm	8,435	9,387	10,179	10,241	10,179	10,316	10,627	10,957
12 Mutual savings banks	94,452	131,940	154,441	146,072	154,441	161,032	165,705	173,476
13 1- to 4-family	64,488	93,649	107,302	101,810	107,302	111,592	114,375	119,023
14 Multifamily	14,780	17,247	19,817	18,947	19,817	20,668	21,357	22,368
15 Commercial	15,156	21,016	27,291	25,285	27,291	28,741	29,942	31,971
16 Farm	28	28	31	30	31	31	31	114
17 Savings and loan associations	483,614	494,789	555,277	550,129	555,277	559,263	569,292	575,563
18 1- to 4-family	393,323	390,883	431,450	429,101	431,450	433,429	441,201	446,061
19 Multifamily	38,979	42,552	48,309	47,861	48,309	48,936	49,813	50,362
20 Commercial	51,312	61,354	75,518	73,167	75,518	76,898	78,278	79,140
21 Life insurance companies	141,989	150,999	156,699	155,372	156,699	158,162	161,485	163,929
22 1- to 4-family	16,751	15,319	14,120	14,159	14,120	13,840	13,562	13,382
23 Multifamily	18,856	19,107	18,938	18,769	18,938	18,964	18,983	18,972
24 Commercial	93,547	103,831	111,175	109,801	111,175	113,187	116,812	119,543
25 Farm	12,835	12,742	12,466	12,643	12,466	12,171	12,128	12,032
26 Federal and related agencies	138,741	148,328	158,993	154,768	158,993	163,531	165,912	166,248
27 Government National Mortgage Association	4,227	3,395	2,301	2,389	2,301	1,964	1,825	1,640
28 1- to 4-family	676	630	585	594	585	576	564	552
29 Multifamily	3,551	2,765	1,716	1,795	1,716	1,388	1,261	1,088
30 Farmers Home Administration	1,786	2,141	1,276	738	1,276	1,062	790	577
31 1- to 4-family	783	1,159	206	213	213	156	223	185
32 Multifamily	218	173	119	126	119	82	136	139
33 Commercial	377	409	497	113	497	421	163	72
34 Farm	408	400	447	293	447	403	268	181
35 Federal Housing and Veterans Administration	5,228	4,894	4,816	4,749	4,816	4,878	4,888	4,918
36 1- to 4-family	1,980	1,893	2,048	1,982	2,048	2,181	2,199	2,251
37 Multifamily	3,248	3,001	2,768	2,767	2,768	2,697	2,689	2,667
38 Federal National Mortgage Association	71,814	78,256	87,940	84,850	87,940	91,975	94,777	96,769
39 1- to 4-family	66,500	73,045	82,175	79,175	82,175	86,129	88,788	90,590
40 Multifamily	5,314	5,211	5,765	5,675	5,765	5,846	5,989	6,179
41 Federal Land Banks	50,953	52,010	52,261	52,595	52,261	52,104	51,056	49,255
42 1- to 4-family	3,130	3,081	3,074	3,068	3,074	3,064	3,006	2,895
43 Farm	47,823	48,929	49,187	49,527	49,187	49,040	48,050	46,360
44 Federal Home Loan Mortgage Corporation	4,733	7,632	10,399	9,447	10,399	11,548	12,576	13,089
45 1- to 4-family	4,686	7,559	9,654	8,841	9,654	10,642	11,288	11,457
46 Multifamily	47	73	745	606	745	906	1,288	1,632
47 Mortgage pools or trusts ²	216,654	285,073	332,057	317,548	332,057	347,793	365,748	388,948
48 Government National Mortgage Association	118,940	159,850	179,981	175,770	179,981	185,954	192,925	201,026
49 1- to 4-family	116,038	155,950	175,590	171,481	175,589	181,419	188,228	196,198
50 Multifamily	2,902	3,900	4,392	4,289	4,392	4,335	4,697	4,828
51 Federal Home Loan Mortgage Corporation	42,964	57,895	70,822	63,964	70,822	76,759	83,327	91,915
52 1- to 4-family	42,560	57,273	70,253	63,352	70,253	75,781	82,369	90,997
53 Multifamily	404	622	569	612	569	978	958	918
54 Federal National Mortgage Association ³	14,450	25,121	36,215	32,888	36,215	39,370	42,755	48,769
55 1- to 4-family	14,450	25,121	35,965	32,730	35,965	38,772	41,985	47,857
56 Multifamily	n.a.	n.a.	250	158	250	598	770	912
57 Farmers Home Administration	40,300	42,207	45,039	44,926	45,039	45,710	46,741	47,238
58 1- to 4-family	20,005	20,404	21,813	21,595	21,813	21,928	21,962	22,090
59 Multifamily	4,344	5,090	5,841	5,618	5,841	6,041	6,377	6,415
60 Commercial	7,011	7,351	7,539	7,844	7,539	7,681	8,014	8,192
61 Farm	8,940	9,362	9,826	9,869	9,826	10,060	10,388	10,541
62 Individual and others ⁴	254,540	269,745	290,274	285,728	290,274	295,057	302,807	307,544
63 1- to 4-family ⁵	155,496	164,360	178,825	175,350	178,825	181,904	188,692	192,338
64 Multifamily	36,644	38,587	41,091	40,586	41,091	41,861	42,472	43,009
65 Commercial	30,843	35,024	40,857	39,731	40,857	41,827	43,371	43,711
66 Farm	31,557	31,774	29,501	30,061	29,501	29,465	29,265	28,826

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

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

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

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

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

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

A40 Domestic Financial Statistics □ March 1986

1.55 CONSUMER INSTALLMENT CREDIT¹ Total Outstanding, and Net Change

Millions of dollars

Holder, and type of credit	1983	1984	1985								
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ²	Nov.
Amounts outstanding (end of period)											
1 Total	383,701	460,500	471,567	479,935	488,666	495,813	503,834	512,393	524,698	531,603	537,021
<i>By major holder</i>											
2 Commercial banks	171,978	212,391	219,970	223,850	226,973	229,676	232,913	236,390	241,030	243,573	246,064
3 Finance companies	87,429	96,747	99,133	101,324	104,130	105,971	107,985	110,378	116,422	118,846	119,632
4 Credit unions	53,471	67,858	70,432	71,418	72,381	73,468	74,614	75,689	76,447	77,181	77,760
5 Retailers ²	37,470	40,913	37,082	37,091	37,472	37,548	37,399	37,481	37,421	37,784	38,905
6 Savings and loans	23,108	29,945	32,349	33,514	34,754	35,901	37,301	38,496	39,421	40,281	40,732
7 Gasoline companies	4,131	4,315	3,820	3,834	3,918	4,075	4,316	4,467	4,346	4,241	4,145
8 Mutual savings banks	6,114	8,331	8,781	8,904	9,038	9,174	9,306	9,492	9,611	9,697	9,783
<i>By major type of credit</i>											
9 Automobile	143,114	172,589	179,661	183,558	187,795	191,315	194,678	197,768	205,102	208,125	208,932
10 Commercial banks	67,557	85,501	89,257	90,915	92,403	94,099	95,763	96,576	98,042	98,604	98,787
11 Credit unions	25,574	32,456	33,687	34,159	34,620	35,139	35,687	36,201	36,563	36,914	37,191
12 Finance companies	49,983	54,632	56,717	58,484	60,772	62,077	63,228	64,991	70,497	72,607	72,954
13 Revolving	81,977	101,555	100,434	101,887	103,492	104,333	105,539	107,584	109,941	111,919	115,184
14 Commercial banks	44,184	60,549	63,684	65,127	66,311	66,956	68,093	69,949	72,514	74,255	76,567
15 Retailers	33,662	36,691	32,930	32,926	33,263	33,302	33,130	33,168	33,081	33,423	34,472
16 Gasoline companies	4,131	4,315	3,820	3,834	3,918	4,075	4,316	4,467	4,346	4,241	4,145
17 Mobile home	23,862	24,556	24,456	24,675	24,925	25,205	25,545	25,826	26,043	26,197	26,235
18 Commercial banks	9,842	9,610	9,425	9,432	9,445	9,480	9,493	9,550	9,600	9,598	9,592
19 Finance companies	9,547	9,243	8,981	8,992	9,016	9,061	9,146	9,163	9,170	9,177	9,141
20 Savings and loans	3,906	4,985	5,305	5,496	5,699	5,887	6,117	6,313	6,465	6,606	6,680
21 Credit unions	567	718	745	755	765	777	789	800	808	816	822
22 Other	134,748	161,800	167,016	169,815	172,454	174,960	178,072	181,215	183,612	185,362	186,670
23 Commercial banks	50,395	56,731	57,604	58,376	58,814	59,141	59,564	60,315	60,874	61,116	61,118
24 Finance companies	27,899	32,872	33,435	33,848	34,342	34,833	35,611	36,224	36,755	37,062	37,537
25 Credit unions	27,330	34,684	36,000	36,504	36,996	37,552	38,138	38,688	39,076	39,451	39,747
26 Retailers	3,808	4,222	4,152	4,165	4,209	4,246	4,269	4,313	4,340	4,361	4,433
27 Savings and loans	19,202	24,960	27,044	28,018	29,055	30,014	31,184	32,183	32,956	33,675	34,052
28 Mutual savings banks	6,114	8,331	8,781	8,904	9,038	9,174	9,306	9,492	9,611	9,697	9,783
Net change (during period)											
29 Total	48,742	76,799	8,342	8,270	9,042	5,227	6,247	5,726	11,531	8,125	4,883
<i>By major holder</i>											
30 Commercial banks	19,488	40,413	4,847	3,853	4,108	1,690	1,824	1,764	3,748	2,863	3,213
31 Finance companies	18,572	18,636	2,048	1,885	2,373	1,218	1,629	2,371	6,407	3,140	550
32 Credit unions	6,218	14,387	797	1,215	673	797	1,149	479	374	1,179	484
33 Retailers ²	5,075	3,443	91	168	341	-31	112	-99	-27	97	245
34 Savings and loans	7,285	6,837	715	1,063	1,327	1,417	1,338	969	924	620	339
35 Gasoline companies	68	184	-142	-45	59	-51	21	103	-43	62	30
36 Mutual savings banks	1,322	2,217	-14	131	161	187	174	139	148	164	22
<i>By major type of credit</i>											
37 Automobile	16,856	29,475	3,391	3,488	3,792	2,686	2,365	2,206	7,204	3,654	1,085
38 Commercial banks	8,002	17,944	1,767	1,546	1,589	1,488	1,025	136	1,048	494	263
39 Credit unions	2,978	6,882	381	580	325	380	550	226	180	565	239
40 Finance companies	11,752	9,298	1,243	1,362	1,878	818	790	1,844	5,976	2,595	583
41 Revolving	12,353	19,578	2,631	2,126	2,429	-73	856	936	1,974	2,042	2,856
42 Commercial banks	7,518	16,365	2,698	2,003	2,095	42	733	968	2,071	1,908	2,627
43 Retailers	4,767	3,029	75	168	275	-64	102	-135	-54	72	199
44 Gasoline companies	68	184	-142	-45	59	-51	21	103	-43	62	30
45 Mobile home	1,452	694	-11	218	186	196	324	199	168	178	-4
46 Commercial banks	237	-232	-50	19	-21	-31	-22	3	61	13	3
47 Finance companies	776	-608	-63	13	-19	1	74	-13	-19	32	-12
48 Savings and loans	763	1,079	92	175	219	217	261	204	121	122	1
49 Credit unions	64	151	10	11	7	9	11	12	5	11	4
50 Other	18,081	27,052	2,331	2,438	2,635	2,418	2,702	2,385	2,185	2,251	946
51 Commercial banks	3,731	6,336	432	285	445	191	88	657	568	448	320
52 Finance companies	6,044	9,946	868	510	514	399	765	540	450	513	-21
53 Credit unions	3,176	7,354	406	624	341	408	588	248	189	603	241
54 Retailers	308	414	16	0	66	33	10	36	27	25	46
55 Savings and loans	6,522	5,758	623	888	1,108	1,200	1,077	765	803	498	338
56 Mutual savings banks	1,322	2,217	-14	131	161	187	174	139	148	164	22

1. The Board's series cover most short- and intermediate-term credit extended to individuals through regular business channels, usually to finance the purchase of consumer goods and services or to refinance debts incurred for such purposes, and scheduled to be repaid (or with the option of repayment) in two or more installments.

2. Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies.

NOTE. Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to, not seasonally adjusted, \$85.9 billion at the end of 1982, \$96.9 billion at the end of 1983, and \$116.6 billion at the end of 1984.

These data also appear in the Board's G.19 (421) release. For address, see inside front cover.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT

Percent unless noted otherwise

Item	1982	1983	1984	1985						
				May	June	July	Aug.	Sept.	Oct.	Nov.
INTEREST RATES										
Commercial banks ¹										
1 48-month new car ²	16.82	13.92	13.71	13.16	n.a.	n.a.	12.72	n.a.	n.a.	12.39
2 24-month personal	18.64	16.50	16.47	16.09	n.a.	n.a.	15.84	n.a.	n.a.	15.61
3 120-month mobile home ²	18.05	16.08	15.58	15.03	n.a.	n.a.	14.72	n.a.	n.a.	14.66
4 Credit card	18.51	18.78	18.77	18.74	n.a.	n.a.	18.62	n.a.	n.a.	18.57
Auto finance companies										
5 New car	16.15	12.58	14.62	11.87	12.06	12.46	10.87	8.84	9.97	11.71
6 Used car	20.75	18.74	17.85	17.84	17.77	17.49	17.57	17.31	17.21	17.28
OTHER TERMS³										
Maturity (months)										
7 New car	45.9	45.9	48.3	50.9	51.3	51.7	51.1	51.2	51.5	52.0
8 Used car	37.0	37.9	39.7	41.4	41.3	41.5	41.6	41.4	41.4	41.5
Loan-to-value ratio										
9 New car	85	86	88	91	91	91	91	92	93	92
10 Used car	90	92	92	94	94	95	95	95	95	95
Amount financed (dollars)										
11 New car	8,178	8,787	9,333	9,775	9,965	10,355	10,422	10,449	10,498	10,205
12 Used car	4,746	5,033	5,691	6,117	6,116	6,146	6,139	6,097	6,091	6,167

1. Data for midmonth of quarter only.

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

3. At auto finance companies.

NOTE. These data also appear in the Board's G.19 (421) release. For address, see inside front cover.

A42 Domestic Financial Statistics □ March 1986

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

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

Transaction category, sector	1979	1980	1981	1982	1983	1984	1982		1983		1984		1985
							H2	H1	H2	H1	H2	H1	
Nonfinancial sectors													
1 Total net borrowing by domestic nonfinancial sectors	388.7	340.0	371.6	398.3	538.9	755.6	442.1	508.8	569.0	704.0	807.3	718.0	
By sector and instrument													
2 U.S. government	37.4	79.2	87.4	161.3	186.6	198.8	218.4	222.0	151.1	172.7	224.9	181.1	
3 Treasury securities	38.8	79.8	87.8	162.1	186.7	199.0	218.8	222.1	151.2	172.9	225.0	181.2	
4 Agency issues and mortgages	-1.4	-6	-5	-9	-1	-2	-4	-1	-1	-2	-1	-1	
5 Private domestic nonfinancial sectors	351.3	260.8	284.2	237.0	352.3	556.8	223.7	286.7	417.9	531.3	582.4	536.9	
6 Debt capital instruments	213.9	186.3	153.7	153.5	249.1	322.1	167.1	225.4	272.7	281.8	362.4	347.7	
7 Tax-exempt obligations	30.3	30.3	23.4	48.6	57.3	65.8	54.6	57.3	57.3	38.9	92.6	88.5	
8 Corporate bonds	17.3	26.7	21.8	18.7	16.0	42.3	25.3	21.4	10.6	24.4	60.2	61.5	
9 Mortgages	166.2	129.4	108.5	86.2	175.7	214.1	87.1	146.7	204.7	218.5	209.6	199.7	
10 Home mortgages	121.7	93.8	71.6	50.4	115.6	139.2	50.1	96.2	135.1	144.8	133.5	136.7	
11 Multifamily residential	8.3	7.1	4.8	5.3	9.4	14.0	5.8	6.3	12.6	16.0	12.0	15.1	
12 Commercial	24.4	19.2	22.2	25.2	47.6	58.8	27.3	42.3	53.0	55.6	62.0	49.7	
13 Farm	11.8	9.3	9.9	5.3	3.0	2.1	3.9	1.9	4.1	2.0	2.1	-1.8	
14 Other debt instruments	137.5	74.5	130.5	83.6	103.3	234.8	56.6	61.3	145.2	249.5	220.0	187.2	
15 Consumer credit	45.4	4.7	22.7	20.1	59.8	96.5	21.7	44.1	75.5	102.1	90.9	116.7	
16 Bank loans n.e.c.	51.2	37.0	54.7	54.1	26.7	79.4	41.9	13.7	39.8	90.2	68.7	25.4	
17 Open market paper	11.1	5.7	19.2	-4.7	-1.6	23.7	-19.3	-10.0	6.9	33.5	13.8	16.3	
18 Other	29.7	27.1	33.9	14.0	18.3	35.2	12.4	13.6	23.1	23.7	46.7	28.8	
19 By borrowing sector	351.3	260.8	284.2	237.0	352.3	556.8	223.7	286.7	417.9	531.3	582.4	536.9	
20 State and local governments	17.6	17.2	6.8	25.9	37.6	45.0	29.3	36.1	39.2	21.4	68.6	71.6	
21 Households	181.0	117.9	119.2	90.4	190.4	249.5	93.5	156.0	224.8	248.2	250.7	268.0	
22 Farm	21.4	14.3	16.4	7.9	4.5	2.9	5.9	1.1	7.8	2.1	3.8	-7.2	
23 Nonfarm noncorporate	35.3	31.0	38.4	40.9	65.2	77.8	42.1	55.5	75.0	83.0	72.5	71.4	
24 Corporate	96.0	80.4	103.4	71.9	54.6	181.7	52.9	38.0	71.1	176.6	186.8	133.0	
25 Foreign net borrowing in United States	20.2	27.2	27.2	15.7	18.9	1.7	21.2	15.3	22.5	22.9	-19.5	-7.1	
26 Bonds	3.9	.8	5.4	6.7	3.8	4.1	11.0	4.6	2.9	1.1	7.0	5.2	
27 Bank loans n.e.c.	2.3	11.5	3.7	-6.2	4.9	-7.8	-4.7	11.3	-1.5	-4.6	-11.0	-6.0	
28 Open market paper	11.2	10.1	13.9	10.7	6.0	1.4	9.0	-4.6	16.5	20.9	-18.1	-8.8	
29 U.S. government loans	2.9	4.7	4.2	4.5	4.3	4.0	6.0	3.9	4.6	5.5	2.6	2.6	
30 Total domestic plus foreign	408.9	367.2	398.8	414.0	557.8	757.4	463.3	524.0	591.5	726.9	787.8	710.9	
Financial sectors													
31 Total net borrowing by financial sectors	82.4	57.6	89.0	76.2	85.2	130.3	57.5	66.7	103.7	119.2	141.3	165.6	
By instrument													
32 U.S. government related	47.9	44.8	47.4	64.9	67.8	74.9	69.7	66.2	69.4	69.6	80.1	92.7	
33 Sponsored credit agency securities	24.3	24.4	30.5	14.9	1.4	30.4	7.5	-4.1	6.9	29.9	31.0	26.1	
34 Mortgage pool securities	23.1	19.2	15.0	49.5	66.4	44.4	62.2	70.3	62.5	39.7	49.2	66.7	
35 Loans from U.S. government . . . . .	.6	1.2	1.9	.4	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
36 Private financial sectors	34.5	12.8	41.6	11.3	17.4	55.4	-12.2	.5	34.4	49.6	61.2	72.8	
37 Corporate bonds	7.8	1.8	3.5	9.7	8.6	18.5	11.2	6.4	10.7	12.2	24.7	30.6	
38 Mortgages	*	*	*	.1	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
39 Bank loans n.e.c.	-5	-9	.9	1.9	-2	1.0	.6	-2.5	2.2	.3	1.6	1.8	
40 Open market paper	18.0	4.8	20.9	-1.1	16.0	20.4	-14.6	8.7	23.4	21.3	19.5	28.8	
41 Loans from Federal Home Loan Banks	9.2	7.1	16.2	.8	-7.0	15.7	-9.5	-12.1	-2.0	15.9	15.5	11.7	
By sector													
42 Sponsored credit agencies	24.8	25.6	32.4	15.3	1.4	30.4	7.5	-4.1	6.9	29.9	31.0	26.1	
43 Mortgage pools	23.1	19.2	15.0	49.5	66.4	44.4	62.2	70.3	62.5	39.7	49.2	66.7	
44 Private financial sectors	34.5	12.8	41.6	11.3	17.4	55.4	-12.2	.5	34.4	49.6	61.2	72.8	
45 Commercial banks	1.6	.5	.4	1.2	.5	4.4	1.7	.8	.2	4.8	3.9	5.2	
46 Bank affiliates	6.5	6.9	8.3	1.9	8.6	10.9	-5.8	6.1	11.1	20.0	1.8	9.2	
47 Savings and loan associations	12.6	7.4	15.5	2.5	-2.1	22.7	-9.3	-9.3	5.2	19.7	25.6	10.9	
48 Finance companies	15.3	-1.1	18.2	6.3	11.3	18.1	1.9	3.9	18.8	5.6	30.6	48.4	
49 REITs	-1	-5	-2	*	.3	.2	.2	-3	-2	.3	.1	.1	
All sectors													
50 Total net borrowing	491.3	424.9	487.8	490.2	643.0	887.6	520.8	590.7	695.2	846.1	929.2	876.5	
51 U.S. government securities	84.8	122.9	133.0	225.9	254.4	273.8	288.3	288.4	220.5	242.4	305.1	273.9	
52 State and local obligations	30.3	30.3	23.4	48.6	57.3	65.8	54.6	57.3	57.3	38.9	92.6	88.5	
53 Corporate and foreign bonds	29.0	29.3	30.7	35.0	28.4	64.8	47.5	32.5	24.3	37.7	92.0	97.2	
54 Mortgages	166.1	129.3	108.4	86.2	175.6	213.9	87.1	146.6	204.7	218.3	209.4	199.6	
55 Consumer credit	45.4	4.7	22.7	20.1	59.8	96.5	21.7	44.1	75.5	102.1	90.9	116.7	
56 Bank loans n.e.c.	52.9	47.7	59.2	49.9	31.4	72.6	37.8	22.5	40.4	85.9	59.3	21.2	
57 Open market paper	40.3	20.6	54.0	4.9	20.4	45.4	-25.0	-5.9	46.8	75.7	15.2	36.3	
58 Other loans	42.4	40.1	56.2	19.7	15.5	54.9	8.9	5.3	25.7	45.1	64.8	43.1	
External corporate equity funds raised in United States													
59 Total new share issues	-4.3	21.9	-3.0	35.3	67.8	-33.1	47.2	83.4	52.1	-40.8	-25.5	25.9	
60 Mutual funds . . . . .	.1	5.2	6.3	18.4	32.8	37.7	24.3	36.8	28.9	39.6	35.7	92.0	
61 All other	-4.3	16.8	-9.3	16.9	35.0	-70.8	22.9	46.7	23.2	-80.4	-61.2	-66.1	
62 Nonfinancial corporations	-7.8	12.9	-11.5	11.4	28.3	-77.0	15.8	38.2	18.4	-84.5	-69.4	-75.7	
63 Financial corporations	2.7	1.8	1.9	4.0	2.7	5.1	4.1	2.7	2.6	4.8	5.3	5.4	
64 Foreign shares purchased in United States . . . . .	.8	2.1	.3	1.5	4.0	1.1	3.0	5.7	2.2	-7	2.9	4.2	

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1979	1980	1981	1982	1983	1984	1982		1983		1984		1985
							H2	H1	H2	H1	H2	H1	H1
1 Total funds advanced in credit markets to domestic nonfinancial sectors	388.7	340.0	371.6	398.3	538.9	755.6	442.1	508.8	569.0	704.0	807.3	718.0	
<i>By public agencies and foreign</i>													
2 Total net advances	75.2	97.1	97.7	114.1	117.5	142.2	127.1	120.2	114.7	123.2	161.2	193.3	
3 U.S. government securities	-6.3	15.8	17.1	22.7	27.6	36.0	35.7	40.7	14.4	29.5	42.5	52.1	
4 Residential mortgages	35.8	31.7	23.5	61.0	76.1	56.5	74.5	80.2	72.1	52.8	60.1	86.0	
5 FHLB advances to savings and loans	9.2	7.1	16.2	.8	-7.0	15.7	-9.5	-12.1	-2.0	15.9	15.5	11.7	
6 Other loans and securities	36.5	42.5	40.9	29.5	20.8	34.1	26.5	11.5	30.2	25.1	43.2	43.5	
Total advanced, by sector													
7 U.S. government	19.0	23.7	24.0	15.9	9.7	17.2	17.1	9.1	10.3	7.9	26.5	19.4	
8 Sponsored credit agencies	53.1	45.6	48.2	65.5	69.8	73.3	69.1	68.6	71.0	73.6	73.0	97.7	
9 Monetary authorities	7.7	4.5	9.2	9.8	10.9	8.4	15.7	15.6	6.2	11.9	4.9	27.3	
10 Foreign	-4.5	23.3	16.2	22.8	27.1	43.4	25.3	27.0	27.2	29.9	56.9	48.9	
Agency and foreign borrowing not in line 1													
11 Sponsored credit agencies and mortgage pools	47.9	44.8	47.4	64.9	67.8	74.9	69.7	66.2	69.4	69.6	80.1	92.7	
12 Foreign	20.2	27.2	27.2	15.7	18.9	1.7	21.2	15.3	22.5	22.9	-19.5	-7.1	
<i>Private domestic funds advanced</i>													
13 Total net advances	381.6	314.9	348.5	364.8	508.1	690.0	405.9	470.0	546.1	673.3	706.8	610.3	
14 U.S. government securities	91.0	107.1	115.9	203.1	226.9	237.8	252.6	247.6	206.1	213.0	262.7	221.8	
15 State and local obligations	30.3	30.3	23.4	48.6	57.3	65.8	54.6	57.3	57.3	38.9	92.6	88.5	
16 Corporate and foreign bonds	18.5	19.3	18.8	14.8	14.9	29.9	29.6	21.4	8.5	17.7	42.2	33.9	
17 Residential mortgages	94.2	69.1	52.9	-5.5	48.9	96.6	-18.7	22.2	75.5	107.9	85.3	65.7	
18 Other mortgages and loans	156.7	96.3	153.8	104.6	153.0	275.6	78.2	109.4	196.7	311.7	239.5	212.1	
19 Less: Federal Home Loan Bank advances	9.2	7.1	16.2	.8	-7.0	15.7	-9.5	-12.1	-2.0	15.9	15.5	11.7	
<i>Private financial intermediation</i>													
20 Credit market funds advanced by private financial institutions	316.4	281.3	317.2	287.6	382.7	553.2	300.7	334.6	430.7	548.1	558.3	472.9	
21 Commercial banking	123.1	100.6	102.3	107.2	136.1	181.9	114.5	121.6	150.6	196.0	167.9	149.6	
22 Savings institutions	56.5	54.5	27.4	31.4	140.5	143.0	37.6	132.7	148.4	161.5	124.6	62.0	
23 Insurance and pension funds	85.6	94.5	97.6	107.4	94.2	123.1	103.8	83.0	105.3	111.8	134.4	117.1	
24 Other finance	51.2	31.7	89.9	41.5	11.9	105.1	44.8	-2.7	26.5	78.8	131.4	144.2	
25 Sources of funds	316.4	281.3	317.2	287.6	382.7	553.2	300.7	334.6	430.7	548.1	558.3	472.9	
26 Private domestic deposits and RPs	137.4	169.6	211.9	174.4	205.2	287.7	201.7	194.1	216.3	277.1	298.2	173.8	
27 Credit market borrowing	34.5	12.8	41.6	11.3	17.4	55.4	-12.2	.5	34.4	49.6	61.2	72.8	
28 Other sources	144.5	98.8	63.7	101.8	160.0	210.1	111.2	140.0	180.0	221.3	198.9	226.3	
29 Foreign funds	27.6	-21.7	-8.7	-26.7	22.1	19.0	-25.1	-14.2	58.5	27.2	10.9	10.8	
30 Treasury balances	.4	-2.6	-1.1	6.1	-3.3	4.0	14.1	10.1	-20.8	1.7	6.4	19.4	
31 Insurance and pension reserves	72.9	83.7	90.7	103.2	95.1	111.7	95.3	83.5	106.8	118.0	105.5	117.4	
32 Other, net	43.6	39.4	-17.2	19.3	48.1	75.4	26.9	60.6	35.6	74.6	76.2	78.8	
<i>Private domestic nonfinancial investors</i>													
33 Direct lending in credit markets	99.7	46.5	72.9	88.5	142.8	192.2	93.0	135.9	149.8	174.8	209.6	210.2	
34 U.S. government securities	52.5	24.6	29.3	32.1	88.3	122.8	28.9	97.5	79.1	128.3	117.3	110.0	
35 State and local obligations	9.9	7.0	11.1	29.2	43.5	42.2	29.7	47.2	39.8	24.3	60.1	49.2	
36 Corporate and foreign bonds	-1.4	-11.0	-3.9	3.9	-9.2	*	13.8	-14.5	-4.0	-8.4	8.5	11.4	
37 Open market paper	8.6	-3.1	2.7	-6	6.5	-1.0	-4.7	-6.0	19.1	4.4	-6.5	15.7	
38 Other	30.1	29.1	33.7	24.0	13.7	28.2	25.4	11.8	15.6	26.2	30.3	23.9	
39 Deposits and currency	146.8	181.1	221.9	181.6	224.4	292.2	211.5	215.9	232.8	288.5	296.0	188.0	
40 Currency	8.0	10.3	9.5	9.7	14.3	8.6	12.7	14.8	13.8	15.9	1.4	18.6	
41 Checkable deposits	18.3	5.2	18.0	15.4	23.0	21.4	29.3	49.1	-3.0	25.0	17.7	7.4	
42 Small time and savings accounts	59.3	82.9	47.0	138.1	219.5	149.2	193.1	278.9	160.1	129.9	168.6	162.7	
43 Money market fund shares	34.4	29.2	107.5	24.7	-44.1	47.2	10.0	-84.0	-4.2	30.2	64.2	4.2	
44 Large time deposits	18.8	45.8	36.9	-7.7	-7.5	75.7	-37.3	-61.0	45.9	88.8	62.7	.8	
45 Security RPs	6.6	6.5	2.5	3.8	14.3	-5.8	6.6	11.0	17.5	3.3	-15.0	-1.3	
46 Deposits in foreign countries	1.5	1.1	.5	-2.5	4.8	-4.0	-2.9	7.0	2.7	-4.5	-3.6	-4.3	
47 Total of credit market instruments, deposits and currency	246.5	227.6	294.7	270.1	367.2	484.5	304.5	351.8	382.6	463.3	505.6	398.3	
48 Public holdings as percent of total	18.4	26.4	24.5	27.6	21.1	18.8	27.4	22.9	19.4	17.0	20.5	27.2	
49 Private financial intermediation (in percent)	82.9	89.3	91.0	78.8	75.3	80.2	74.1	71.2	78.9	81.4	79.0	77.5	
50 Total foreign funds	23.1	1.6	7.6	-3.9	49.2	62.4	.1	12.8	85.7	57.0	67.8	59.7	
MEMO: Corporate equities not included above													
51 Total net issues	-4.3	21.9	-3.0	35.3	67.8	-33.1	47.2	83.4	52.1	-40.8	-25.5	25.9	
52 Mutual fund shares	.1	5.2	6.3	18.4	32.8	37.7	24.3	36.8	28.9	39.6	35.7	92.0	
53 Other equities	-4.3	16.8	-9.3	16.9	35.0	-70.8	22.9	46.7	23.2	-80.4	-61.2	-66.1	
54 Acquisitions by financial institutions	12.9	24.9	20.9	37.1	56.4	11.1	63.9	76.2	36.5	2.6	19.6	40.9	
55 Other net purchases	-17.1	-3.0	-23.9	-1.8	11.4	-44.3	-16.7	7.2	15.6	-43.4	-45.1	-15.0	

NOTES BY LINE NUMBER.

1. Line 1 of table 1.58.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
26. Line 39 less lines 40 and 46.
27. Excludes equity issues and investment company shares. Includes line 19.
29. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
30. Demand deposits at commercial banks.
31. Excludes net investment of these reserves in corporate equities.

32. Mainly retained earnings and net miscellaneous liabilities.

33. Line 13 less line 20 plus line 27.

34-38. Lines 14-18 less amounts acquired by private finance. Line 38 includes mortgages.

40. Mainly an offset to line 9.

47. Lines 33 plus 39, or line 13 less line 28 plus 40 and 46.

48. Line 2/line 1.

49. Line 20/line 13.

50. Sum of lines 10 and 29.

51, 53. Includes issues by financial institutions.

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

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures¹

1977 = 100; monthly and quarterly data are seasonally adjusted. Exceptions noted.

Measure	1982	1983	1984	1985								
				Apr.	May	June	July	Aug.	Sept.	Oct. ²	Nov.	Dec.
1 Industrial production.....	103.1	109.2	121.8	124.1	124.1	124.3	124.1	125.2	125.1 ¹	124.4	125.1	126.0
<i>Market groupings</i>												
2 Products, total.....	107.8	113.9	127.1	130.8	131.4	131.6	131.6	133.0	133.1	132.0	133.1	133.9
3 Final, total.....	109.5	114.7	127.8	131.3	131.7	131.6	131.8	133.3	133.3	132.0	133.4 ¹	134.2
4 Consumer goods.....	101.4	109.3	118.2	119.5	120.0	120.4	120.1	121.5	121.8 ¹	120.7	122.0 ¹	123.0
5 Equipment.....	120.2	121.7	140.5	146.9	147.1	146.6	147.3	149.0	148.6	147.1	148.5	148.9
6 Intermediate.....	101.7	111.2	124.9	129.3	130.3	131.4	130.7	132.0	132.3 ¹	132.0	132.3 ¹	133.2
7 Materials.....	96.7	102.8	114.6	115.0	114.2	114.3	113.8	114.5	114.2 ¹	114.0	114.2	115.1
<i>Industry groupings</i>												
8 Manufacturing.....	102.2	110.2	123.9	126.6	126.6	126.7	126.9	128.2	127.7 ¹	127.1	128.0 ¹	129.0
Capacity utilization (percent) ²												
9 Manufacturing.....	70.3	74.0	80.8	80.5	80.3	80.1	80.1	80.7	80.1 ¹	79.5	79.9 ¹	80.3
10 Industrial materials industries.....	71.7	75.3	82.3	80.9	80.1	80.1	79.5	79.9	79.5 ¹	79.2	79.1	79.6
11 Construction contracts (1977 = 100) ³	111.0	137.0	149.0	161.0	162.0	142.0	164.0	163.0	166.0	169.0	160.0	157.0
12 Nonagricultural employment, total ⁴	136.1	137.1	143.6	147.6	148.0	148.1	148.5	148.9	149.3	149.8	150.1	150.5
13 Goods-producing, total.....	102.2	100.1	106.1	107.6	107.5	107.3	107.2	107.3	107.1	107.5	107.6	107.8
14 Manufacturing, total.....	96.6	94.8	99.8	100.1	99.9	99.7	99.5	99.6	99.1	99.4	99.6	99.9
15 Manufacturing, production-worker.....	89.1	87.9	94.0	92.6	92.3	92.0	91.8	91.9	91.5	91.8	92.0 ¹	92.4
16 Service-producing.....	154.7	157.3	164.1	169.5	170.3	170.5	171.1	171.7	172.4	173.0	173.3 ¹	174.0
17 Personal income, total.....	414.4 ¹	440.1 ¹	482.8 ¹	510.3 ¹	507.6 ¹	509.0 ¹	510.5 ¹	511.3 ¹	513.6 ¹	516.8	519.4 ¹	526.6
18 Wages and salary disbursements.....	369.8 ¹	390.7 ¹	427.8 ¹	452.4 ¹	453.9 ¹	456.6 ¹	456.9 ¹	459.2 ¹	461.9 ¹	464.3	467.1 ¹	472.1
19 Manufacturing.....	285.9 ¹	295.9 ¹	326.8 ¹	338.0 ¹	338.8 ¹	339.4 ¹	339.2 ¹	340.7 ¹	341.3 ¹	344.9	344.6 ¹	347.9
20 Disposable personal income ⁵	164.0	175.8	193.6	203.6	207.2	202.1	202.7	202.8	203.5	204.8	205.7	208.7
21 Retail sales (1977 = 100) ⁶	148.1	162.0	179.0	191.5	190.7	188.8	189.9	194.2	198.4	190.6	191.9 ¹	195.6
<i>Prices⁷</i>												
22 Consumer.....	289.1	298.4	311.1	320.1	321.3	322.3	322.8	323.5	324.5	325.5	326.6	327.4
23 Producer finished goods.....	280.7	285.2	291.1	293.1	294.1	294.0	294.8	293.5	290.2	294.8	296.7	297.2

1. A major revision of the industrial production index and the capacity utilization rates was released in July 1985. See "A Revision of the Index of Industrial Production" and accompanying tables that contain revised indexes (1977 = 100) through December 1984 in the FEDERAL RESERVE BULLETIN, vol. 71 (July 1985), pp. 487-501. The revised indexes for January through June 1985 were shown in the September BULLETIN.

2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, Department of Commerce, and other sources.

3. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.

4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.

5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).

6. Based on Bureau of Census data published in *Survey of Current Business*.

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

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

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1982	1983	1984	1985							
				May	June	July	Aug.	Sept.	Oct. ^r	Nov. ^r	Dec.
HOUSEHOLD SURVEY DATA											
1 Noninstitutional population ¹	174,450	176,414	178,602	180,171	180,322	180,492	180,657	180,831	181,011	181,186	181,349
2 Labor force (including Armed Forces) ¹	112,383	113,749	115,763	117,566 ^r	117,250 ^r	117,501 ^r	117,595 ^r	118,049 ^r	118,355	118,376	118,466
3 Civilian labor force	110,204	111,550	113,544	115,339 ^r	115,024 ^r	115,272 ^r	115,343 ^r	115,790 ^r	116,114	116,130	116,229
<i>Employment</i>											
4 Nonagricultural industries ²	96,125	97,450	101,685	103,655 ^r	103,461 ^r	103,751 ^r	104,115 ^r	104,502 ^r	104,755	104,899	105,055
5 Agriculture	3,401	3,383	3,321	3,284 ^r	3,140 ^r	3,120 ^r	3,095 ^r	3,017 ^r	3,058	3,070	3,151
<i>Unemployment</i>											
6 Number	10,678	10,717	8,539	8,400 ^r	8,423 ^r	8,401 ^r	8,133 ^r	8,271 ^r	8,301	8,161	8,023
7 Rate (percent of civilian labor force) ...	9.7	9.6	7.5	7.3	7.3	7.3	7.1 ^r	7.1	7.1	7.0	6.9
8 Not in labor force	62,067	62,665	62,839	62,605 ^r	63,072 ^r	62,991 ^r	63,062 ^r	62,782 ^r	62,656	62,810	62,883
ESTABLISHMENT SURVEY DATA											
9 Nonagricultural payroll employment ³	89,566	90,196	94,461	97,421	97,473	97,707	97,977	98,217	98,559	98,739	99,059
10 Manufacturing	18,781	18,434	19,412	19,426	19,398	19,351	19,362	19,279	19,338	19,375	19,420
11 Mining	1,128	952	974	982	974	969	965	962	960	953	952
12 Contract construction	3,905	3,948	4,345	4,658	4,638	4,660	4,688	4,721	4,753	4,748	4,764
13 Transportation and public utilities	5,082	4,954	5,171	5,301	5,295	5,302	5,282	5,317	5,327	5,341	5,358
14 Trade	20,457	20,881	22,134	23,140	23,193	23,226	23,305	23,344	23,440	23,455	23,503
15 Finance	5,341	5,468	5,682	5,888	5,906	5,932	5,959	5,987	6,011	6,046	6,066
16 Service	19,036	19,694	20,761	21,270	21,276	21,284	21,314	21,338	21,356	21,376	21,397
17 Government	15,837	15,870	15,987	16,213	16,213	16,341	16,343	16,452	16,486	16,463	16,523

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

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

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1984 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

A46 Domestic Nonfinancial Statistics □ March 1986

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1985				1985				1985					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	Output (1977 = 100)				Capacity (percent of 1977 output)				Utilization rate (percent)					
1 Total industry	123.8	124.2	124.8	125.2	152.8	154.0	155.1	156.2	81.0	80.7	80.5	80.1		
2 Mining	110.1	110.0	108.5 ^r	107.0	133.4	133.6	133.9	134.1	82.6	82.3	81.0 ^r	79.8		
3 Utilities	114.2	113.6	111.4	113.5	133.7	134.5	135.4	136.3	85.5	84.4	82.3	83.3		
4 Manufacturing	126.0	126.6	127.6 ^r	128.0	156.5	157.7	158.9	160.2	80.5	80.3	80.3	79.9		
5 Primary processing	107.5	108.1	109.5	110.4	131.6	132.0	132.4	132.8	81.6	81.9	82.7	83.1		
6 Advanced processing	137.1	137.9	138.6 ^r	138.6	171.4	173.2	174.9	176.7	80.0	79.6	79.2 ^r	78.5		
7 Materials	115.4	114.5	114.2 ^r	114.5	141.6	142.5	143.4	144.3	81.5	80.4	79.6	79.3		
8 Durable goods	123.6	121.4	120.7	121.6	155.9	157.4	158.9	160.5	79.3	77.1	76.0	75.8		
9 Metal materials	80.6	80.2	79.4	82.3	117.3	117.3	117.3	117.3	68.7	68.4	67.7	70.1		
10 Nondurable goods	110.9	111.2	113.7 ^r	112.9	137.3	137.8	138.2	138.7	80.7	80.7	82.2	81.4		
11 Textile, paper, and chemical	111.6	111.0	114.1	112.7	136.7	137.0	137.4	137.8	81.7	81.0	83.0	81.8		
12 Paper	126.3	121.8	123.8	n.a	136.1	136.2	136.3	n.a	92.8	89.0 ^r	90.8	n.a		
13 Chemical	113.2	112.6	114.6	n.a	141.5	142.0	142.6	n.a	80.0	79.3	80.4	n.a		
14 Energy materials	105.0	105.2	103.2 ^r	103.2	120.0	120.3	120.6	120.9	87.5	87.5	85.5 ^r	85.4		
	Previous cycle ¹		Latest cycle ²		1984		1985							
	High	Low	High	Low	Dec.	Apr.	May	June	July	Aug.	Sept. ^r	Oct. ^r	Nov. ^r	Dec.
	Capacity utilization rate (percent)													
15 Total industry	88.6	72.1	86.9	69.5	81.1	80.8	80.6	80.5	80.2	80.7	80.5	79.8	80.1	80.5
16 Mining	92.8	87.8	95.2	76.9	81.7	82.1	82.2	82.7	81.2	80.9	81.0	80.6	79.2	79.4
17 Utilities	95.6	82.9	88.5	78.0	83.8	84.6	84.5	84.1	81.9	81.5	83.4	82.8	83.1	84.0
18 Manufacturing	87.7	69.9	86.5	68.0	80.9	80.5	80.3	80.1	80.1	80.7	80.1	79.5	79.9	80.3
19 Primary processing	91.9	68.3	89.1	65.1	80.9	82.1	81.5	82.0	82.3	82.9	82.8	82.9	83.0	83.4
20 Advanced processing	86.0	71.1	85.1	69.5	80.8	79.7	79.8	79.3	79.1	79.6	79.0	78.0	78.5	78.9
21 Materials	92.0	70.5	89.1	68.4	81.3	80.9	80.1	80.1	79.5	79.9	79.5	79.2	79.1	79.6
22 Durable goods	91.8	64.4	89.8	60.9	79.7	78.3	76.6	76.5	75.8	76.6	75.4	75.2	75.9	76.2
23 Metal materials	99.2	67.1	93.6	45.7	68.0	69.9	66.2	69.0	66.4	69.4	67.3	69.4	71.0	70.0
24 Nondurable goods	91.1	66.7	88.1	70.6	80.8	80.2	80.8	81.0	81.7	82.1	82.9	81.5	81.2	81.7
25 Textile, paper, and chemical	92.8	64.8	89.4	68.6	80.7	80.7	80.9	81.4	82.7	82.8	83.7	81.9	81.4	82.1
26 Paper	98.4	70.6	97.3	79.9	93.7	89.1	88.8	90.5	91.7	90.1	90.7	88.8	90.2	n.a
27 Chemical	92.5	64.4	87.9	63.3	78.3	79.2	79.5	79.2	80.1	79.8	81.2	79.7	79.0	n.a
28 Energy materials	94.6	86.9	94.0	82.2	85.5	87.6	87.5	87.3	85.8	85.1	85.6	86.0	84.6	85.5

1. Monthly high 1973; monthly low 1975.
 2. Monthly highs 1978 through 1980; monthly lows 1982.

NOTE: These data also appear in the Board's G.3 (402) release. For address, see inside front cover.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value ▲

Monthly data are seasonally adjusted

Grouping	1977 pro- por- tion	1984 avg.	1985												
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ^r	Oct.	Nov. ^p	Dec. ^r
Index (1977 = 100)															
MAJOR MARKET															
1 Total index	100.00	121.8	123.3	123.6	123.7	124.0	124.1	124.1	124.3	124.1	125.2	125.1	124.4	125.1	126.0
2 Products	57.72	127.1	129.8	129.6	129.8	130.3	130.8	131.4	131.6	131.6	133.0	133.1	132.0	133.1	133.9
3 Final products	44.77	127.8	130.6	130.4	130.4	130.8	131.3	131.7	131.6	131.8	133.3	133.3	132.0	133.4	134.2
4 Consumer goods	25.52	118.2	119.7	118.8	119.1	119.8	119.5	120.0	120.4	120.1	121.5	121.8	120.7	122.0	123.0
5 Equipment	19.25	140.5	144.9	145.7	145.3	145.4	146.9	147.1	146.6	147.3	149.0	148.6	147.1	148.5	148.9
6 Intermediate products	12.94	124.9	127.3	126.8	127.7	128.6	129.3	130.3	131.4	130.7	132.0	132.3	132.0	132.3	133.2
7 Materials	42.28	114.6	114.6	115.4	115.4	115.5	115.0	114.2	114.3	113.8	114.5	114.2	114.0	114.2	115.1
<i>Consumer goods</i>															
8 Durable consumer goods	6.89	112.6	113.1	112.8	112.8	113.5	111.5	111.8	112.0	111.3	114.0	112.9	111.3	114.6	115.5
9 Automotive products	2.98	109.8	111.6	114.2	115.4	115.1	113.1	113.6	113.4	115.0	120.0	117.8	112.9	116.6	117.2
10 Autos and trucks	1.79	103.0	104.7	112.5	111.7	110.5	109.0	109.6	109.4	113.7	120.2	116.6	108.7	113.7	113.9
11 Autos, consumer	1.16	93.2	95.6	102.5	100.7	101.3	100.5	98.1	97.0	101.1	101.3	98.8	92.3	94.9	99.9
12 Trucks, consumer .....	.63	121.2	121.5	131.1	132.0	127.5	124.7	130.9	132.0	137.2	155.4	149.7	139.1	148.6	.....
13 Auto parts and allied goods	1.19	120.1	122.1	116.8	121.1	122.0	119.4	119.6	119.4	116.8	119.6	119.5	119.3	121.0	122.1
14 Home goods	3.91	114.8	114.3	111.6	110.9	112.2	110.2	110.4	110.9	108.4	109.5	109.3	110.1	113.0	114.1
15 Appliances, A/C and TV	1.24	136.2	137.2	126.1	127.1	131.8	126.9	129.3	131.5	121.6	124.5	123.7	126.3	134.2	135.6
16 Appliances and TV	1.19	137.5	138.2	126.6	127.2	131.8	127.1	128.7	131.7	123.2	125.5	126.6	128.6	136.5	.....
17 Carpeting and furniture .....	.96	117.6	114.1	112.7	117.9	117.7	118.1	116.9	119.6	122.2	119.5	120.2	120.1	121.2	.....
18 Miscellaneous home goods	1.71	97.8	97.9	100.6	95.1	95.0	93.7	93.1	91.2	91.2	93.0	92.7	92.9	93.1	.....
19 Nondurable consumer goods	18.63	120.2	122.1	121.1	121.4	122.1	122.5	123.1	123.5	123.4	124.2	125.1	124.1	124.8	125.8
20 Consumer staples	15.29	125.0	127.7	126.6	126.9	127.9	128.5	129.0	129.6	129.3	130.3	131.0	129.8	130.4	131.4
21 Consumer foods and tobacco	7.80	126.2	129.1	127.1	127.8	128.0	129.4	128.9	130.5	130.1	130.8	131.5	129.1	129.5	.....
22 Nonfood staples	7.49	123.9	126.5	126.0	126.0	127.7	127.6	129.1	128.7	128.5	129.7	130.5	130.6	131.4	132.3
23 Consumer chemical products	2.75	137.4	142.7	142.9	143.2	145.1	145.1	147.3	145.4	145.4	149.1	151.4	149.4	150.3	.....
24 Consumer paper products	1.88	138.4	141.8	141.2	138.1	141.7	142.0	143.7	144.6	144.9	143.9	144.7	145.5	147.2	.....
25 Consumer energy	2.86	101.4	100.7	99.9	101.5	101.9	101.5	102.1	102.2	101.5	101.8	101.0	102.9	103.1	.....
26 Consumer fuel	1.44	89.3	87.7	85.1	84.9	87.0	90.0	90.2	88.8	89.2	91.1	85.8	90.2	89.4	.....
27 Residential utilities	1.42	113.7	113.9	115.0	118.4	117.1	113.2	114.4	115.9	114.0	112.7	116.5	115.8	.....	.....
<i>Equipment</i>															
28 Business and defense equipment	18.01	139.6	143.9	145.5	145.6	146.1	147.7	147.9	147.4	147.9	149.4	149.4	148.1	149.9	150.3
29 Business equipment	14.34	134.9	138.4	140.4	140.0	140.2	142.0	141.9	140.7	141.3	143.0	142.2	140.2	141.9	142.1
30 Construction, mining, and farm	2.08	66.6	68.5	68.8	68.3	67.1	68.4	67.4	67.7	68.6	67.2	67.0	65.9	67.7	.....
31 Manufacturing	3.27	109.4	111.5	111.6	112.3	112.0	112.4	113.1	111.9	113.5	115.1	114.8	112.6	113.1	113.4
32 Power	1.27	79.2	84.5	82.5	81.8	79.6	81.8	82.8	84.1	85.6	84.5	85.1	85.5	84.8	85.8
33 Commercial	5.22	209.2	214.5	217.4	217.0	218.9	221.8	222.8	219.6	219.5	222.8	219.4	215.2	218.3	220.0
34 Transit	2.49	98.6	100.9	106.7	104.9	104.5	106.0	102.9	103.4	103.3	106.0	108.3	109.5	110.8	108.3
35 Defense and space equipment	3.67	157.9	165.3	165.3	167.3	169.0	170.1	171.2	173.4	173.9	175.5	177.5	178.9	181.1	182.0
<i>Intermediate products</i>															
36 Construction supplies	5.95	114.0	114.7	116.2	115.7	116.9	117.4	118.1	119.2	119.4	121.5	121.3	120.7	121.2	121.9
37 Business supplies	6.99	134.2	138.0	135.9	137.9	138.6	139.4	140.7	141.7	140.3	140.9	141.7	141.6	141.8	.....
38 General business supplies	5.67	137.9	141.4	140.2	141.1	141.9	143.4	144.4	146.1	144.4	145.1	145.4	145.3	145.5	.....
39 Commercial energy products	1.31	118.0	122.9	117.1	124.1	124.5	122.4	124.6	122.7	122.7	122.5	125.7	125.7	125.6	.....
<i>Materials</i>															
40 Durable goods materials	20.50	122.3	123.4	124.2	123.3	123.3	122.8	120.7	120.8	120.2	121.8	120.2	120.3	121.8	122.6
41 Durable consumer parts	4.92	98.0	99.8	102.6	102.2	102.1	101.8	100.1	98.7	98.3	100.0	99.0	99.6	100.4	102.6
42 Equipment parts	5.94	164.5	168.8	166.7	164.2	163.3	161.1	157.8	157.3	157.0	158.7	156.5	154.4	156.0	157.0
43 Durable materials n.e.c.	9.64	108.6	107.4	109.1	109.0	109.6	110.0	108.2	109.6	108.6	110.2	108.7	109.9	111.8	111.6
44 Basic metal materials	4.64	86.4	84.0	83.5	84.1	85.1	86.6	82.0	85.0	82.5	85.1	82.8	85.7	88.0	.....
45 Nondurable goods materials	10.09	111.2	110.7	110.9	111.4	110.3	110.4	111.3	111.8	112.8	113.5	114.7	112.9	112.6	113.4
46 Textile, paper, and chemical															
47 Textile materials	7.53	111.6	110.1	111.5	112.1	111.3	110.5	110.9	111.7	113.5	113.8	115.1	112.7	112.1	113.2
48 Pulp and paper materials	1.52	101.5	91.2	90.3	93.5	93.0	94.1	95.0	97.3	100.2	104.4	104.1	100.9	98.1	.....
49 Chemical materials	1.55	126.5	127.2	127.5	126.0	125.4	121.3	120.9	123.3	125.0	122.8	123.7	121.1	123.1	.....
50 Miscellaneous nondurable materials	4.46	109.9	110.6	113.3	113.5	112.7	112.3	112.9	112.6	114.0	113.8	115.9	113.9	113.1	.....
51 Energy materials	2.57	109.8	112.1	109.2	109.4	107.2	110.1	112.5	112.0	110.8	112.7	113.5	113.3	113.8	.....
52 Primary energy	11.69	104.0	102.4	103.9	104.9	106.2	105.3	105.3	105.1	103.5	102.7	103.4	103.9	102.3	103.5
53 Converted fuel materials	7.57	107.3	106.0	107.0	107.6	110.2	107.9	107.8	109.0	107.4	106.4	106.8	107.7	106.1	.....
	4.12	97.6	96.0	98.2	100.0	99.0	100.6	100.6	98.1	96.2	95.9	97.0	97.0	95.2	.....

A48 Domestic Nonfinancial Statistics □ March 1986

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value—Continued

Grouping	SIC code	1977 proportion	1984 avg.	1985												
				1984 Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ^r	Oct.	Nov. ^p	Dec. ^e
Index (1977 = 100)																
MAJOR INDUSTRY																
1 Mining and utilities.....		15.79	110.9	109.9	111.4	111.9	111.8	111.1	111.3	111.6	109.4	109.1	110.3	109.7	108.9	109.7
2 Mining.....		9.83	110.9	108.9	110.5	109.5	110.5	109.6	109.8	110.6	108.7	108.3	108.4	108.0	106.3	106.6
3 Utilities.....		5.96	110.9	111.6	113.0	115.8	113.9	113.6	113.7	113.4	110.7	110.3	113.2	112.6	113.2	114.7
4 Manufacturing.....		84.21	123.9	125.8	125.9	125.8	126.3	126.6	126.6	126.7	126.9	128.2	127.7	127.1	128.0	129.0
5 Nondurable.....		35.11	122.5	123.4	123.2	123.8	123.9	124.3	124.7	125.5	125.6	126.6	126.9	126.1	126.4	127.6
6 Durable.....		49.10	124.8	127.4	127.8	127.2	128.0	128.2	127.9	127.6	127.9	129.4	128.3	127.8	129.2	130.0
<i>Mining</i>																
7 Metal.....	10	.50	77.0	69.3	70.5	74.5	83.6	81.2	78.3	77.5	60.9	73.1	71.4	74.1	77.2	.....
8 Coal.....	11.12	1.60	127.6	116.2	118.5	121.5	131.9	128.5	128.7	134.0	128.0	127.7	126.3	130.1	125.5	127.0
9 Oil and gas extraction.....	13	7.07	109.1	109.8	110.7	108.2	106.8	106.5	106.9	106.9	106.9	105.5	106.0	104.3	102.7	103.0
10 Stone and earth minerals.....	14	.66	116.1	113.2	118.5	119.8	118.7	118.5	118.7	117.9	116.6	117.7	119.3	119.6	119.5	.....
<i>Nondurable manufactures</i>																
11 Foods.....	20	7.96	127.1	129.0	128.2	129.4	128.5	130.8	131.4	131.8	132.2	132.6	132.5	131.0	130.6	.....
12 Tobacco products.....	21	.62	100.7	107.4	97.2	103.8	103.4	98.4	95.7	98.9	96.0	97.7	97.8	97.7	97.0	.....
13 Textile mill products.....	22	2.29	103.7	94.7	93.6	98.5	99.4	99.0	100.0	103.3	104.1	106.3	106.7	104.7	104.0	.....
14 Apparel products.....	23	2.79	102.8	102.5	102.6	103.1	101.3	100.2	100.3	99.2	100.6	100.4	101.8	102.6	103.6	.....
15 Paper and products.....	26	3.15	127.3	128.8	128.3	126.4	126.9	125.1	124.1	127.1	129.0	127.5	128.6	127.3	127.9	.....
16 Printing and publishing.....	27	4.54	147.9	151.2	150.4	150.3	152.6	154.2	155.4	156.7	154.3	156.3	156.2	156.1	158.3	160.0
17 Chemicals and products.....	28	8.05	121.7	123.4	125.7	125.8	126.5	125.8	126.7	126.4	126.4	128.2	129.0	127.5	126.9	.....
18 Petroleum products.....	29	2.40	87.4	84.7	84.1	84.0	84.7	87.3	87.4	87.1	88.3	88.2	85.9	87.7	88.3	88.7
19 Rubber and plastic products.....	30	2.80	143.2	146.6	145.9	145.7	144.1	144.9	144.3	145.5	145.6	148.0	148.6	148.7	149.7	.....
20 Leather and products.....	31	.53	76.7	71.4	69.1	69.2	69.4	69.9	71.0	71.5	72.2	72.7	72.3	71.4	71.8	.....
<i>Durable manufactures</i>																
21 Lumber and products.....	24	2.30	109.1	109.4	109.2	109.1	109.5	110.9	112.2	113.5	113.0	114.8	115.9	116.5	.....	.....
22 Furniture and fixtures.....	25	1.27	136.7	138.0	136.5	139.0	139.2	141.0	142.0	141.9	145.3	144.3	143.2	141.9	142.9	.....
23 Clay, glass, stone products.....	32	2.72	112.3	111.8	112.7	110.5	111.4	114.5	116.3	116.1	115.1	116.2	116.2	115.6	115.7	.....
24 Primary metals.....	33	5.33	82.4	78.4	81.7	80.2	81.8	81.4	76.4	78.3	79.0	82.0	80.3	83.0	84.4	83.0
25 Iron and steel.....	331.2	3.49	73.5	68.9	71.0	68.5	73.2	71.9	65.4	67.6	68.7	71.6	69.7	74.4	75.8	.....
26 Fabricated metal products.....	34	6.46	102.8	105.9	106.4	107.6	108.6	109.1	108.3	107.4	107.3	107.8	107.5	108.4	108.8	109.9
27 Nonelectrical machinery.....	35	9.54	142.0	144.6	145.0	144.9	146.5	148.9	149.1	145.6	147.5	149.2	146.5	143.5	144.9	145.9
28 Electrical machinery.....	36	7.15	172.4	180.2	176.0	173.2	173.1	168.9	169.3	169.5	165.7	166.1	165.1	164.8	167.3	168.7
29 Transportation equipment.....	37	9.13	113.6	117.8	120.4	120.5	120.8	120.7	120.9	121.8	123.7	126.8	126.2	124.6	126.8	127.7
30 Motor vehicles and parts.....	371	5.25	105.6	109.5	113.0	112.5	111.3	110.9	110.5	110.5	112.8	116.8	115.3	111.7	114.5	115.6
31 Aerospace and miscellaneous transportation equipment.....	372-6.9	3.87	124.4	129.0	130.5	131.4	133.7	134.1	134.9	137.1	138.5	140.4	141.1	142.0	143.6	144.0
32 Instruments.....	38	2.66	136.9	138.9	138.7	138.7	139.0	138.5	139.9	140.7	141.1	141.8	139.4	139.8	141.8	143.3
33 Miscellaneous manufactures.....	39	1.46	98.0	97.2	99.0	96.4	96.0	98.3	98.3	96.8	95.9	97.2	96.4	95.9	95.4	.....
<i>Utilities</i>																
34 Electric.....		4.17	116.8	117.5	118.9	121.9	119.5	119.1	119.5	119.4	117.5	116.7	120.6	119.3	120.1	122.1
Gross value (billions of 1972 dollars, annual rates)																
MAJOR MARKET																
35 Products, total.....		596.0	745.6	756.5	761.3	764.2	769.5	773.3	774.4	773.4	769.0	778.7	777.9	773.0	780.9	782.7
36 Final.....		472.7	593.7	601.8	606.5	608.7	613.3	616.2	616.2	613.9	610.1	618.6	617.8	613.7	620.7	621.2
37 Consumer goods.....		309.2	356.5	360.0	358.8	360.9	364.6	364.7	365.1	364.0	361.7	366.2	365.6	363.6	368.4	370.7
38 Equipment.....		163.5	237.6	242.3	247.6	247.8	248.7	251.4	251.1	249.9	248.4	252.4	252.2	250.1	252.3	250.5
39 Intermediate.....		123.3	151.8	154.6	154.9	155.5	156.3	157.1	158.2	159.5	158.9	160.1	160.1	159.9	160.2	161.5

▲ A major revision of the industrial production index and the capacity utilization rates was released in July 1985. See "A Revision of the Index of Industrial Production" and accompanying tables that contain revised indexes (1977=100) through December 1984 in the FEDERAL RESERVE BULLETIN, vol. 71

(July 1985), pp. 487-501. The revised indexes for January through June 1985 were shown in the September BULLETIN.

NOTE: These data also appear in the Board's G.12.3 (414) release. For address, see inside front cover.

2.14 HOUSING AND CONSTRUCTION

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

Item	1982	1983	1984	1985										
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	
Private residential real estate activity (thousands of units)														
NEW UNITS														
1 Permits authorized	1,000	1,605	1,682	1,624	1,741	1,704	1,778	1,712	1,694	1,784	1,808	1,688	1,661	
2 1-family	546	902	922	927	993	948	933	961	967	990	949	965	918	
3 2-or-more-family	454	703	759	697	748	756	845	751	727	794	859	723	743	
4 Started	1,062	1,703	1,749	1,662	1,785	1,824	1,883	1,834	1,976	1,945	2,052	2,042	2,051	
5 1-family	663	1,067	1,084	1,135	1,168	1,155	1,039	1,031	1,062	1,059	975	1,120	961	
6 2-or-more-family	400	635	665	512	721	778	642	670	601	681	641	652	605	
7 Under construction, end of period ¹	720	1,003	1,051	1,066	1,063	1,088	1,089	1,075	1,073	1,084	1,063	1,089	1,085	
8 1-family	400	524	556	580	578	583	582	575	578	583	567	577	572	
9 2-or-more-family	320	479	494	485	485	505	507	500	495	502	496	513	513	
10 Completed	1,005	1,390	1,652	1,794	1,685	1,641	1,627	1,789	1,725	1,721	1,793	1,527	1,645	
11 1-family	631	924	1,025	1,082	1,043	1,074	1,020	1,097	1,048	1,019	1,110	1,062	1,052	
12 2-or-more-family	374	466	627	712	642	567	607	692	677	702	683	465	593	
13 Mobile homes shipped	240	296	295	276	283	287	287	270	286	290	278	298	291	
Merchant builder activity in 1-family units														
14 Number sold	413	622	639	676	699	649	682	710	748	708	676	623	671	
15 Number for sale, end of period ¹	255	304	358	360	357	356	356	354	351	348	350	355	357	
Price (thousands of dollars) ²														
Median														
16 Units sold	69.3	75.5	80.0	82.0	84.2	85.6	80.1	86.3	82.1	83.3	84.7	85.5	84.7	
Average														
17 Units sold	83.8	89.9	97.5	96.2	100.9	104.7	98.1	99.6	99.4	99.2	103.2	102.4	102.5	
EXISTING UNITS (1-family)														
18 Number sold	1,991	2,719	2,868	2,880	3,030	3,040	3,040	3,060	3,140	3,500	3,450	3,550	3,420	
Price of units sold (thousands of dollars) ²														
Median														
19 Median	67.7	69.8	72.3	73.5	74.2	74.5	75.0	76.2	77.4	76.9	75.5	74.8	74.6	
Average														
20 Average	80.4	82.5	85.9	87.2	88.6	89.7	90.1	91.5	93.5	93.0	91.1	90.8	90.0	
Value of new construction ³ (millions of dollars)														
CONSTRUCTION														
21 Total put in place	236,935	268,730	312,989	334,254	333,723	341,861	339,943	343,837	344,206	343,246	346,084	346,290	348,186	
22 Private	186,091	218,016	257,802	276,452	274,575	281,988	276,420	278,939	279,521	279,371	282,505	282,683	283,668	
23 Residential	80,609	121,309	145,058	146,042	146,195	146,539	142,254	147,158	148,699	146,858	148,915	150,596	150,297	
24 Nonresidential, total	105,482	96,707	112,744	130,410	128,380	135,449	134,166	131,781	130,822	132,513	133,590	132,087	133,371	
Buildings														
25 Industrial	17,346	12,863	13,746	15,815	14,585	17,283	16,443	15,170	15,384	15,118	15,567	15,429	15,532	
26 Commercial	37,281	35,787	48,102	58,922	59,382	61,219	60,064	58,290	57,956	59,910	61,227	60,820	61,544	
27 Other	10,507	11,660	12,298	12,054	11,245	12,663	12,929	12,786	12,578	12,957	12,769	12,249	12,722	
28 Public utilities and other	40,348	36,397	38,598	43,619	43,168	44,284	44,730	45,535	44,904	44,528	44,027	43,589	43,573	
29 Public	50,843	50,715	55,186	57,802	59,148	59,873	63,523	64,897	64,686	63,875	63,580	63,606	64,518	
30 Military	2,205	2,544	2,839	3,036	3,078	3,166	3,349	3,426	3,364	2,966	3,008	3,354	2,947	
31 Highway	13,293	14,143	16,295	18,416	19,176	19,920	22,314	21,093	19,589	20,224	19,585	19,180	19,844	
32 Conservation and development	5,029	4,822	4,656	4,674	4,727	4,393	5,051	5,410	5,075	4,824	5,254	4,921	5,564	
33 Other	30,316	29,206	31,396	31,676	32,167	32,394	32,809	34,968	36,658	35,861	35,733	36,151	36,163	

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

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

A50 Domestic Nonfinancial Statistics □ March 1986

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (at annual rate)				Change from 1 month earlier					Index level Dec. 1985 (1967 = 100) ¹
	1984 Dec.	1985 Dec.	1985				1985					
			Mar.	June	Sept.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	
CONSUMER PRICES²												
1 All items	4.0	3.8	4.1	3.3	2.3	5.3	.2	.2	.3	.6	.4	327.4
2 Food	3.8	2.7	2.6	-9	1.8	7.0	.0	.3	.2	.7	.8	313.2
3 Energy items .....	.2	1.8	-8	9.6	-4.3	3.3	-6	-2	-8	.9	.7	426.5
4 All items less food and energy	4.7	4.4	5.5	3.4	3.5	5.2	.3	.2	.5	.4	.3	320.7
5 Commodities	3.1	2.1	6.6	-1.4	.8	2.8	.1	.3	.4	.2	.1	262.2
6 Services	5.6	5.7	5.0	6.4	5.0	6.6	.5	.2	.6	.6	.4	385.8
PRODUCER PRICES												
7 Finished goods	1.7	1.8	.5	1.7	-2.4	8.5	-3	-6	.9	.8	.4	297.2
8 Consumer foods	3.5	.3	-3.0	-8.1	-1.6	16.0	-8 ^r	-7 ^r	1.4	1.6	.8	274.4
9 Consumer energy	-4.1	.0	-21.3	27.3	-12.8	20.2	-1.7	-2 ^r	-2	3.1	1.8	736.1
10 Other consumer goods	2.2	2.7	6.5	1.4	-2	3.4	.0	-6 ^r	.8	.1	.0	254.7
11 Capital equipment	1.8	2.7	6.2	1.6	-1.2	4.2	.3 ^r	-6	1.0	.1	-1	303.5
12 Intermediate materials ³	1.7	-1	-2.5	1.1	-1.2	2.6	.0 ^r	.0 ^r	.0	.2	.4	325.2
13 Excluding energy	2.1	-2	-1.0	1.2	-1.2	.4	.0 ^r	-2 ^r	.0	.0	.1	304.2
Crude materials												
14 Foods	-1.2	-6.4	-24.9	-20.4	-19.9	61.4	-3.8 ^r	-5 ^r	6.3	5.8	.2	236.8
15 Energy	-1.3	-4.3	-13.1	4.4	-4.7	-3.1	-1.3 ^r	.3 ^r	-3	-1	-5	739.5
16 Other	-3.3	-4.5	-13.3	3.1	-4.2	-2.7	-1.2	-6	.5	-2	-1.0	242.6

1. Not seasonally adjusted.
2. Figures for consumer prices are those for all urban consumers and reflect a rental equivalence measure of homeownership after 1982.

3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.
SOURCE: Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1983	1984	1985	1984	1985			
				Q4	Q1	Q2	Q3	Q4
GROSS NATIONAL PRODUCT								
1 Total	3,401.6	3,774.7	3,992.5	3,852.5	3,917.5	3,960.6	4,016.9	4,075.1
<i>By source</i>								
2 Personal consumption expenditures	2,229.3	2,423.0	2,581.9	2,480.1	2,525.0	2,563.3	2,606.1	2,633.3
3 Durable goods	289.6	331.1	360.8	341.5	351.5	356.5	376.0	359.2
4 Nondurable goods	817.0	872.4	912.5	883.1	895.7	910.2	914.5	929.4
5 Services	1,122.7	1,219.6	1,308.6	1,255.4	1,277.8	1,296.6	1,315.6	1,344.6
6 Gross private domestic investment	501.9	674.0	670.4	676.2	657.6	672.8	666.1	685.2
7 Fixed investment	508.3	607.0	661.4	637.2	639.1	657.3	665.9	683.2
8 Nonresidential	356.3	427.9	475.7	458.1	459.6	474.2	478.5	490.6
9 Structures	126.1	147.6	170.0	157.2	166.1	169.7	170.4	173.7
10 Producers' durable equipment	230.2	280.2	305.8	300.9	293.5	304.5	308.1	316.9
11 Residential structures	152.0	179.1	185.6	179.1	179.4	183.1	187.4	192.5
12 Change in business inventories	-6.4	67.1	9.1	39.0	18.5	15.5	.2	2.1
13 Nonfarm .....	.8	58.0	11.4	36.4	14.2	10.8	3.1	17.6
14 Net exports of goods and services	-5.3	-59.2	-74.4	-72.2	-42.3	-70.3	-87.8	-97.2
15 Exports	354.1	384.6	370.4	389.5	379.6	369.2	363.2	369.7
16 Imports	359.4	443.8	444.8	461.7	421.9	439.5	451.0	466.9
17 Government purchases of goods and services	675.7	736.8	814.6	768.4	777.2	794.8	832.5	853.7
18 Federal	284.8	312.9	353.9	332.9	334.4	337.8	364.8	378.6
19 State and local	390.9	423.9	460.7	435.5	442.8	457.1	467.7	475.2
<i>By major type of product</i>								
20 Final sales, total	3,408.0	3,707.6	3,983.4	3,813.5	3,899.0	3,945.0	4,016.7	4,073.0
21 Goods	1,394.7 ¹	1,585.9 ¹	1,644.2	1,604.1 ¹	1,628.3	1,636.1	1,650.7	1,661.8
22 Durable	572.3 ¹	679.5 ¹	712.4	701.9 ¹	706.2	705.9	714.8	722.8
23 Nondurable	822.4 ¹	906.3 ¹	931.8	902.2 ¹	922.1	930.2	935.9	939.0
24 Services	1,678.0	1,806.6	1,928.8	1,855.6	1,887.6	1,908.2	1,939.9	1,979.4
25 Structures	328.9	382.2	419.5	392.9	401.5	416.3	426.2	433.9
26 Change in business inventories	-6.4	67.1	9.1	39.0	18.5	15.5	.2	2.1
27 Durable goods	-8	37.0	7.8	29.3	16.9	1.8	-6.4	19.1
28 Nondurable goods	-5.5	30.1	1.2	9.7	1.6	13.7	6.6	-17.0
29 MEMO: Total GNP in 1982 dollars	3,275.2	3,492.0	3,573.5	3,515.6	3,547.8	3,587.4	3,584.1	3,605.0
NATIONAL INCOME								
30 Total	2,718.3	3,039.3	3,214.4	3,104.4	3,155.3	3,192.2	3,228.0	n.a.
31 Compensation of employees	2,025.9	2,221.3	2,372.7	2,278.5	2,320.4	2,356.9	2,385.2	2,428.1
32 Wages and salaries	1,675.4	1,835.2	1,960.5	1,884.4	1,917.7	1,947.6	1,970.1	2,006.5
33 Government and government enterprises	324.2	346.1	370.8	354.7	362.6	367.4	372.6	379.7
34 Other	1,351.6	1,488.9	1,589.9	1,529.8	1,555.1	1,580.2	1,597.5	1,626.7
35 Supplement to wages and salaries	350.5	386.2	412.2	394.0	402.7	409.4	415.1	421.6
36 Employer contributions for social insurance	171.0	192.8	205.8	196.8	201.8	204.6	206.7	210.2
37 Other labor income	179.5	193.4	206.4	197.2	200.9	204.8	208.4	211.5
38 Proprietors' income ¹	192.3	233.7	242.4	232.9	239.4	240.9	237.5	251.6
39 Business and professional ¹	178.0	201.6	221.3	206.3	212.9	218.1	225.3	229.1
40 Farm ¹	14.3	32.1	21.0	26.6	26.5	22.8	12.2	22.5
41 Rental income of persons ²	12.8	10.8	14.0	9.7	11.0	13.8	14.5	16.5
42 Corporate profits ¹	213.8	273.3	297.8	276.2	281.7	288.1	309.1	n.a.
43 Profits before tax ³	205.0	237.6	226.3	228.0	220.0	218.7	228.6	n.a.
44 Inventory valuation adjustment	-10.0	-5.4	-4	-1.6	.7	2.2	4.7	-9.0
45 Capital consumption adjustment	18.8	41.0	71.8	49.8	61.1	67.2	75.9	83.2
46 Net interest	273.6	300.2	287.7	307.0	302.9	292.4	281.8	273.7

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

3. For after-tax profits, dividends, and the like, see table 1.48.
SOURCE: Survey of Current Business (Department of Commerce).

A52 Domestic Nonfinancial Statistics □ March 1986

2.17 PERSONAL INCOME AND SAVING

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

Account	1983	1984	1985	1984		1985		
				Q4	Q1	Q2	Q3	Q4
PERSONAL INCOME AND SAVING								
1 Total personal income.....	2,836.4	3,111.9	3,294.2	3,186.2	3,240.9	3,280.1	3,298.5	3,357.4
2 Wage and salary disbursements.....	1,675.8	1,834.9	1,960.7	1,883.9	1,917.6	1,948.6	1,970.1	2,006.5
3 Commodity-producing industries.....	523.0	577.9	607.2	591.2	600.1	604.7	607.6	616.3
4 Manufacturing.....	397.4	438.9	457.5	449.0	453.5	454.9	457.2	464.4
5 Distributive industries.....	404.2	441.6	468.8	453.0	459.8	467.4	471.2	476.8
6 Service industries.....	424.4	469.4	513.9	485.5	495.2	508.1	518.7	533.6
7 Government and government enterprises.....	324.2	346.1	370.8	354.1	362.5	368.4	372.6	379.7
8 Other labor income.....	179.5	193.4	206.4	197.2	200.9	204.8	208.4	211.5
9 Proprietors' income ¹	192.3	233.7	242.4	232.9	239.4	240.9	237.5	251.6
10 Business and professional ¹	178.0	201.6	221.3	206.3	212.9	218.1	225.3	229.1
11 Farm ¹	14.3	32.1	21.0	26.6	26.5	22.8	12.2	22.5
12 Rental income of persons ²	12.8	10.8	14.0	9.7	11.0	13.8	14.5	16.5
13 Dividends.....	68.0	74.6	78.9	76.9	77.9	78.7	79.1	79.8
14 Personal interest income.....	385.7	442.2	456.5	461.3	462.8	460.5	450.6	452.1
15 Transfer payments.....	442.2	454.7	484.5	459.2	477.6	481.0	488.1	491.4
16 Old-age survivors, disability, and health insurance benefits.....	221.7	235.7	253.4	241.8	249.2	250.7	256.5	257.3
17 Less: Personal contributions for social insurance.....	119.8	132.4	149.1	134.9	146.3	148.3	149.7	152.1
18 EQUALS: Personal income.....	2,836.4	3,111.9	3,294.2	3,186.2	3,240.9	3,280.1	3,298.5	3,357.4
19 Less: Personal tax and nontax payments.....	411.1	441.8	493.1	462.4	501.7	462.4	498.2	510.1
20 EQUALS: Disposable personal income.....	2,425.4	2,670.2	2,801.1	2,723.8	2,739.2	2,817.7	2,800.2	2,847.2
21 Less: Personal outlays.....	2,292.2	2,497.7	2,671.4	2,559.4	2,608.4	2,650.6	2,697.6	2,729.2
22 EQUALS: Personal saving.....	133.2	172.5	129.7	164.5	130.9	167.2	102.6	118.1
MEMO								
Per capita (1982 dollars)								
23 Gross national product.....	13,962.0	14,750.9	14,961.3	14,797.2	14,902.6	14,915.5	14,988.3	15,039.4
24 Personal consumption expenditures.....	9,147.8 ¹	9,461.8	9,682.2	9,520.8	9,613.3	9,658.1	9,742.1	9,714.9
25 Disposable personal income.....	9,952.0	10,427.0	10,504.0	10,457.0	10,429.0	10,617.0	10,468.0	10,504.0
26 Saving rate (percent).....	5.5	6.5	4.6	6.0	4.8	5.9	3.7	4.1
GROSS SAVING								
27 Gross saving.....	469.8	584.5	558.7	573.5	578.3	571.7	537.3	n.a.
28 Gross private saving.....	600.6	693.0	696.4	700.3	677.7	723.6	681.8	n.a.
29 Personal saving.....	133.2	172.5	129.7	164.5	130.9	167.2	102.6	118.1
30 Undistributed corporate profits ¹	67.9	101.6	128.5	108.2	116.3	122.6	137.8	n.a.
31 Corporate inventory valuation adjustment.....	-10.0	-5.4	-4	-1.6	7	2.2	4.7	-9.0
<i>Capital consumption allowances</i>								
32 Corporate.....	245.0	256.6	269.2	261.8	264.3	266.8	270.9	274.7
33 Noncorporate.....	154.6	162.3	169.1	165.9	166.3	167.0	170.5	172.5
34 Wage accruals less disbursements.....	.0	.0	.0	.0	.0	.0	.0	.0
35 Government surplus, or deficit (-), national income and product accounts.....	-130.8	-108.5	-137.8	-126.8	-99.4	-151.9	-144.5	n.a.
36 Federal.....	-179.4	-172.9	-196.0	-192.7	-162.6	-209.1	-201.3	n.a.
37 State and local.....	48.6	64.4	58.3	65.8	63.2	57.3	56.9	n.a.
38 Capital grants received by the United States, net.....	.0	.0	.0	.0	.0	.0	.0	.0
39 Gross investment.....	469.2	583.0	559.4	565.8	580.8 ¹	567.0	539.9	549.9
40 Gross private domestic.....	501.9	674.0	670.4	676.2	657.6	672.8	666.1	685.2
41 Net foreign.....	-32.7	-91.0	-111.0	-110.4	-76.8	-105.8	-126.2	-135.4
42 Statistical discrepancy.....	-6	-1.5	.7	-7.6	2.5	-4.7	2.5	2.5

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

SOURCE: Survey of Current Business (Department of Commerce).

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

Item credits or debits	1982	1983	1984	1984		1985		
				Q3	Q4	Q1	Q2	Q3 ^p
1 Balance on current account	-8,051	-45,994	-107,358	-28,969	-31,805	-24,247	-27,696	-30,451
2 Not seasonally adjusted				-32,297	-28,982	-23,417	-27,927	-34,087
3 Merchandise trade balance ²	-36,444	-67,216	-114,107	-28,977	-30,885	-23,454	-28,587	-33,142
4 Merchandise exports	211,198	201,712	219,916	55,649	56,242	55,302	53,624	52,310
5 Merchandise imports	-247,642	-268,928	-334,023	-84,626	-87,127	-78,756	-82,211	-85,452
6 Military transactions, net	-318	-163	-1,765	-250	-575	-212	-586	-487
7 Investment income, net ³	29,493	25,401	19,109	3,256	4,003	2,537	5,387	7,549
8 Other service transactions, net	7,353	4,837	819	-122	-253	54	-482	-403
9 Remittances, pensions, and other transfers	-2,633	-2,566	-2,891	-669	-782	-934	-843	-849
10 U.S. government grants (excluding military)	-5,501	-6,287	-8,522	-2,207	-3,313	-2,238	-2,585	-3,119
11 Change in U.S. government assets, other than official reserve assets, net (increase, -)	-6,131	-5,006	-5,516	-1,369	-734	-850	-853	-420
12 Change in U.S. official reserve assets (increase, -)	-4,965	-1,196	-3,130	-799	-1,109	-233	-356	-121
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-1,371	-66	-979	-271	-194	-264	-180	-264
15 Reserve position in International Monetary Fund	-2,552	-4,434	-995	-331	-143	281	72	388
16 Foreign currencies	-1,041	3,304	-1,156	-197	-772	-250	-248	-245
17 Change in U.S. private assets abroad (increase, -) ³	-108,121	-48,842	-11,800	20,532	-13,003	718	-1,246	-9,458
18 Bank-reported claims	-111,070	-29,928	-8,504	17,725	-4,933	135	4,095	-1,408
19 Nonbank-reported claims	6,626	-6,513	6,266	2,099	970	1,201	1,863	n.a.
20 U.S. purchase of foreign securities, net	-8,102	-7,007	-5,059	-1,313	-3,663	-2,494	-2,214	-1,787
21 U.S. direct investments abroad, net ³	4,425	-5,394	-4,503	2,021	-5,377	1,876	-4,990	-6,263
22 Change in foreign official assets in the United States (increase, +)	3,672	5,795	3,424	-686	7,119	-11,204	8,465	2,415
23 U.S. Treasury securities	5,779	6,972	4,690	-575	5,814	-7,219	8,722	-90
24 Other U.S. government obligations	-694	-476	167	85	-67	-307	136	24
25 Other U.S. government liabilities ⁴	684	552	453	-139	-197	-462	575	-95
26 Other U.S. liabilities reported by U.S. banks	-1,747	545	663	430	2,052	-3,099	-134	2,954
27 Other foreign official assets ⁵	-350	-1,798	-2,549	-487	-483	-117	-834	-378
28 Change in foreign private assets in the United States (increase, +) ³	90,775	78,527	93,895	3,825	26,191	24,915	17,849	31,494
29 U.S. bank-reported liabilities	65,922	49,341	31,674	-5,125	4,481	13,345	195	6,452
30 U.S. nonbank-reported liabilities	-2,383	-118	4,284	-2,939	-1,863	-2,655	-1,324	n.a.
31 Foreign private purchases of U.S. Treasury securities, net	7,052	8,721	22,440	5,058	9,501	2,633	5,106	7,824
32 Foreign purchases of other U.S. securities, net	6,392	8,636	12,983	1,603	9,380	9,510	7,135	11,641
33 Foreign direct investments in the United States, net ³	13,792	11,947	22,514	5,228	4,692	2,082	6,737	5,377
34 Allocation of SDRs	0	0	0	0	0	0	0	0
35 Discrepancy	32,821	16,717	30,486	7,466	13,341	10,901	3,837	6,541
36 Owing to seasonal adjustments				-3,274	4,305	-384	-570	-3,487
37 Statistical discrepancy in recorded data before seasonal adjustment	32,821	16,717	30,486	10,740	9,036	11,285	4,407	10,028
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, -)	-4,965	-1,196	-3,130	-799	-1,110	-233	-356	-121
39 Foreign official assets in the United States (increase, +)	2,988	5,243	2,971	-547	7,316	-10,742	7,890	2,510
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	7,291	-8,283	-4,143	-453	812	-2,021	-1,808	-1,960
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	585	194	190	45	61	10	12	15

1. Seasonal factors are not calculated for lines 6, 10, 12-16, 18-20, 22-34, and 38-41.

2. Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing; military exports are excluded from merchandise data and are included in line 6.

3. Includes reinvested earnings.

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

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

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

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1982	1983	1984	1985						
				May	June	July	Aug.	Sept.	Oct.	Nov.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	212,193	200,486	217,865	17,414	17,438	17,411	17,423	17,732	17,368	17,976
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	243,952	258,048	325,726	28,685	29,425	26,630	26,083	31,764	27,594	30,285
3 Trade balance	-31,759	-57,562	107,861	-11,271	-11,987	-9,219	-8,660	-14,032	-10,226	-12,310

NOTE. The data through 1981 in this table are reported by the Bureau of Census data of a free-alongside-ship (f.a.s.) value basis—that is, value at the port of export. Beginning in 1981, foreign trade of the U.S. Virgin Islands is included in the Census basis trade data; this adjustment has been made for all data shown in the table. Beginning with 1982 data, the value of imports are on a customs valuation basis.

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On

the export side, the largest adjustments are: (1) the addition of exports to Canada not covered in Census statistics, and (2) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the import side, additions are made for gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately as indicated above.

SOURCE: FT900 "Summary of U.S. Export and Import Merchandise Trade" (Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1982	1983	1984	1985						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Total	33,958	33,747	34,934	36,088	37,071	37,154	38,295	41,657	42,852	43,191
2 Gold stock, including Exchange Stabilization Fund ¹	11,148	11,121	11,096	11,091	11,090	11,090	11,090	11,090	11,090	11,090
3 Special drawing rights ^{2,3}	5,250	5,025	5,641	6,196	6,510	6,692	6,847	6,926	7,253	7,293
4 Reserve position in International Monetary Fund ²	7,348	11,312	11,541	11,394	11,513	11,478	11,686	11,843	11,955	11,952
5 Foreign currencies ⁴	10,212	6,289	6,656	7,408	7,958	7,894	8,672	11,798	12,554	12,856

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13. Gold stock is valued at \$42.22 per fine troy ounce.

2. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.

3. Includes allocations by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; \$1,139 million on Jan. 1, 1979; \$1,152 million on Jan. 1, 1980; and \$1,093 million on Jan. 1, 1981; plus transactions in SDRs.

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1982	1983	1984	1985						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Deposits	328	190	253	310	274	223	535	267	340	480
<i>Assets held in custody</i>										
2 U.S. Treasury securities ¹	112,544	117,670	118,267	121,755	124,400	123,321	120,978	118,000	117,814	121,004
3 Earmarked gold ²	14,716	14,414	14,265	14,262	14,251	14,251	14,245	14,242	14,240	14,245

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

2. Earmarked gold is valued at \$42.22 per fine troy ounce.

NOTE. Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data¹

Millions of dollars, end of period

Asset account	1982	1983	1984	1985						
				May ^r	June ^r	July ^r	Aug. ^r	Sept.	Oct.	Nov. ^p
All foreign countries										
1 Total, all currencies	469,712	477,090	453,656	459,991	458,244	464,062	457,554	456,405	454,216	455,532
2 Claims on United States	91,805	115,542	113,449	121,125	121,267	119,379	122,925	119,431	121,702	115,479
3 Parent bank	61,666	82,026	78,165	85,595	85,239	84,033	86,779	85,447	87,291	82,379
4 Other banks in United States ²	30,139	33,516	13,664	14,098	14,437	14,737	14,051	13,129	12,655	11,924
5 Nonbanks ²			21,620	21,432	21,551	20,609	22,095	20,855	21,796	21,176
6 Claims on foreigners	358,493	342,689	320,106	318,126	316,048	322,720	313,037	314,717	310,412	317,355
7 Other branches of parent bank	91,168	96,004	95,128	91,390	89,826	91,167	89,634	87,658	86,876	89,530
8 Banks	133,752	117,668	100,397	102,238	101,481	104,785	99,005	102,135	98,465	102,285
9 Public borrowers	24,131	24,517	23,343	23,193	23,037	23,110	22,859	23,277	23,512	24,128
10 Nonbank foreigners	109,442	107,785	101,238	101,307	101,704	103,658	101,539	101,647	101,539	101,412
11 Other assets	19,414	18,859	20,101	20,738	20,929	21,903	21,592	22,257	22,102	22,698
12 Total payable in U.S. dollars	361,982	371,508	350,636	351,180	350,138	346,112	341,872	335,021	331,299	329,220
13 Claims on United States	90,085	113,436	111,482	118,670	118,709	116,408	120,177	116,535	118,526	112,311
14 Parent bank	61,010	80,909	77,285	84,626	84,273	82,883	85,850	84,236	86,137	81,212
15 Other banks in United States ²	29,075	32,527	13,500	13,702	14,015	14,113	13,444	12,568	12,105	11,291
16 Nonbanks ²			20,697	20,342	20,421	19,412	20,883	19,731	20,284	19,808
17 Claims on foreigners	259,871	247,406	228,544	222,526	221,443	219,796	211,987	208,664	202,808	206,970
18 Other branches of parent bank	73,537	78,431	78,690	75,631	74,586	74,466	72,431	69,226	68,540	70,499
19 Banks	106,447	93,332	76,940	75,632	75,316	75,312	70,946	70,890	67,244	69,027
20 Public borrowers	18,413	17,890	17,626	17,394	17,206	17,019	17,033	17,274	17,320	17,643
21 Nonbank foreigners	61,474	60,977	55,288	53,869	54,335	52,999	51,577	51,274	49,704	49,801
22 Other assets	12,026	10,666	10,610	9,984	9,983	9,908	9,708	9,822	9,965	9,939
United Kingdom										
23 Total, all currencies	161,067	158,732	144,385	148,860	149,600	151,456	151,118	150,276	149,607	152,456
24 Claims on United States	27,354	34,433	27,731	30,314	31,322	31,140	35,300	32,635	33,852	33,824
25 Parent bank	23,017	29,111	21,918	23,554	23,930	24,368	28,200	25,813	26,992	26,768
26 Other banks in United States ²	4,337	5,322	1,429	1,613	1,691	1,525	1,474	1,334 ^r	1,269	1,289
27 Nonbanks ²			4,384	5,147	5,701	5,247	5,626	5,488	5,599	5,767
28 Claims on foreigners	127,734	119,280	111,772	113,396	113,185	114,822	110,469	112,514	110,435	112,961
29 Other branches of parent bank	37,000	36,565	37,897	34,515	34,181	33,534	32,610	32,403	32,074	30,550
30 Banks	50,767	43,352	37,443	39,905	39,850	40,546	37,796	40,504 ^r	37,858	40,001
31 Public borrowers	6,240	5,898	5,334	4,932	4,973	5,056	5,054	5,112	5,628	6,362
32 Nonbank foreigners	33,727	33,465	31,098	34,044	34,181	35,686	35,009	34,495	34,875	36,048
33 Other assets	5,979	5,019	4,882	5,150	5,093	5,494	5,349	5,127	5,320	5,671
34 Total payable in U.S. dollars	123,740	126,012	112,809	111,880	112,687	110,482	110,973	108,731	108,024	108,699
35 Claims on United States	26,761	33,756	26,924	29,389	30,368	30,087	34,251	31,520	32,605	32,603
36 Parent bank	22,756	28,756	21,551	23,261	23,625	23,995	27,897	25,342	26,531	26,260
37 Other banks in United States ²	4,005	5,000	1,363	1,488	1,604	1,415	1,355	1,247	1,194	1,205
38 Nonbanks ²			4,010	4,640	5,139	4,677	4,999	4,931	4,880	5,138
39 Claims on foreigners	92,228	88,917	82,889	79,596	79,457	77,441	73,763	74,286	72,287	72,792
40 Other branches of parent bank	31,648	31,838	33,551	29,797	29,357	28,618	26,987	26,581	26,683	24,939
41 Banks	36,717	32,188	26,805	27,184	27,317	26,349	24,382	25,458	23,888	25,189
42 Public borrowers	4,329	4,194	4,030	3,500	3,587	3,538	3,599	3,633	3,966	4,460
43 Nonbank foreigners	19,534	20,697	18,503	19,115	19,196	18,936	18,795	18,614	17,750	18,204
44 Other assets	4,751	3,339	2,996	2,895	2,862	2,924	2,959	2,925	3,132	3,304
Bahamas and Caymans										
45 Total, all currencies	145,156	152,083	146,811	144,033	143,549	140,786	138,510	135,214	134,981	133,274
46 Claims on United States	59,403	75,309	77,296	78,834	78,032	75,261	74,441	72,634	73,432	69,765
47 Parent bank	34,653	48,720	49,449	51,872	51,158	48,657	47,815	47,299	47,918	45,811
48 Other banks in United States ²	24,750	26,589	11,544	11,720	11,995	12,379	11,718	11,009	10,659	9,910
49 Nonbanks ²			16,303	15,242	14,879	14,225	14,908	14,326	14,855	14,044
50 Claims on foreigners	81,450	72,868	65,598	61,576	61,933	62,185	60,934	59,277	58,302	60,296
51 Other branches of parent bank	18,720	20,626	17,661	15,268	15,645	15,669	16,479	15,428	15,856	17,050
52 Banks	42,699	36,842	30,246	28,868	28,482	29,212	27,574	26,964	25,761	26,627
53 Public borrowers	6,413	6,093	6,089	6,669	6,628	6,491	6,428	6,486	6,305	6,328
54 Nonbank foreigners	13,618	12,592	11,602	10,771	11,178	10,813	10,453	10,399	10,380	10,291
55 Other assets	4,303	3,906	3,917	3,623	3,584	3,340	3,135	3,303	3,217	3,213
56 Total payable in U.S. dollars	139,685	145,641	141,562	138,720	138,579	135,474	133,521	129,830	129,476	127,626

1. Beginning with June 1984 data, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from \$50 million to \$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

2. Data for assets vis-à-vis other banks in the United States and vis-à-vis nonbanks are combined for dates before June 1984.

3.14 Continued

Liability account	1982	1983	1984	1985						
				May ^r	June ^r	July ^r	Aug. ^r	Sept.	Oct.	Nov. ^p
All foreign countries										
57 Total, all currencies	469,712	477,090	453,656	459,991	458,244	464,002	457,554	456,405	454,216	455,532
58 Negotiable CDs ³	n.a.	n.a.	37,725	37,755	37,946	37,679	37,880	39,676	38,044	36,607
59 To United States	179,015	188,070	147,583	145,591	147,386	146,374	144,390	143,252 ^r	139,832	142,796
60 Parent bank	75,621	81,261	78,739	78,410	79,819	80,650	77,472	78,415	75,236	80,857
61 Other banks in United States	33,405	29,453	18,409	18,774	19,424	17,025	16,085	17,006	15,582	15,457
62 Nonbanks	69,989	77,356	50,435	48,407	48,143	48,699	50,833	47,831	49,014	46,482
63 To foreigners	270,853	269,685	247,907	254,521	251,573	256,751	252,696	250,344	252,252	252,207
64 Other branches of parent bank	90,191	90,615	93,909	91,961	91,103	92,979	90,477	87,854	88,539	88,441
65 Banks	96,860	92,889	78,203	81,530	80,507	82,762	80,931	82,424 ^r	82,473	81,874
66 Official institutions	19,614	18,896	20,281	21,827	21,703	20,935	21,234	21,017 ^r	21,319	21,655
67 Nonbank foreigners	64,188	68,845	55,514	59,203	58,260	60,075	60,054	59,049	59,921	60,237
68 Other liabilities	19,844	19,335	20,441	22,124	21,339	23,198	22,588	23,133	24,088	23,922
69 Total payable in U.S. dollars	379,270	388,291	367,145	365,165	365,813	361,407	357,183	350,089 ^r	346,572	345,407
70 Negotiable CDs ³	n.a.	n.a.	35,227	34,783	34,631	33,712	34,025	35,695	33,995	32,838
71 To United States	175,528	184,305	143,571	140,939	142,461	141,128	138,768	136,613	133,956	136,666
72 Parent bank	73,295	79,035	76,254	75,786	77,013	77,537	74,164	74,562	71,753	77,581
73 Other banks in United States	33,040	28,936	17,935	18,201	18,863	16,439	15,464	16,081	15,108	14,893
74 Nonbanks	69,193	76,334	49,382	46,952	46,585	47,152	49,140	45,970	47,095	44,192
75 To foreigners	192,510	194,139	178,260	179,553	179,354	177,130	174,624	167,784 ^r	168,377	165,392
76 Other branches of parent bank	72,921	73,522	77,770	76,101	75,923	76,381	73,764	69,606	70,007	69,261
77 Banks	57,463	57,022	45,123	44,406	44,705	43,676	42,850	41,183 ^r	41,562	39,685
78 Official institutions	15,055	13,855	15,773	17,407	17,278	15,935	16,238	16,221	16,007	15,902
79 Nonbank foreigners	47,071	51,260	39,594	41,639	41,448	41,138	41,772	40,774	40,801	40,544
80 Other liabilities	11,232	9,847	10,087	9,890	9,367	9,437	9,766	9,997	10,244	10,511
United Kingdom										
81 Total, all currencies	161,067	158,732	144,385	148,860	149,600	151,456	151,118	150,276	149,607	152,456
82 Negotiable CDs ³	n.a.	n.a.	34,413	34,228	34,431	34,090	34,151	35,819	33,913	32,708
83 To United States	53,954	55,799	25,230	24,811	25,480	24,167	25,158	25,547	24,958	27,933
84 Parent bank	13,091	14,021	14,651	14,278	14,910	13,434	14,336	14,592	13,893	18,167
85 Other banks in United States	12,205	11,328	3,125	2,735	3,571	2,853	2,839	3,526	2,602	2,453
86 Nonbanks	28,658	30,450	7,474	7,798	6,999	7,880	7,983	7,429	8,463	7,313
87 To foreigners	99,567	95,847	77,424	81,034	81,004	83,480	82,317	79,671	80,646	81,446
88 Other branches of parent bank	18,361	19,038	21,631	21,785	22,565	23,647	22,348	20,233	20,175	21,932
89 Banks	44,020	41,624	30,436	31,573	30,852	32,389	31,518	32,041	33,102	32,200
90 Official institutions	11,504	10,151	10,154	11,260	11,240	10,180	10,823	10,824	10,812	10,519
91 Nonbank foreigners	25,682	25,034	15,203	16,416	16,347	17,264	17,628	16,573	16,575	16,795
92 Other liabilities	7,546	7,086	7,298	8,787	8,685	9,719	9,492	9,239	10,090	10,369
93 Total payable in U.S. dollars	130,261	131,167	117,497	116,317	117,334	114,124	115,065	112,816	111,263	112,681
94 Negotiable CDs ³	n.a.	n.a.	33,070	32,707	32,715	31,739	31,906	33,380	31,574	30,570
95 To United States	53,029	54,691	24,105	23,206	23,729	22,254	23,119	23,329	22,854	25,581
96 Parent bank	12,814	13,839	14,339	13,869	14,472	12,777	13,773	13,995	13,350	17,651
97 Other banks in United States	12,026	11,044	2,980	2,550	3,387	2,687	2,628	3,309	2,479	2,295
98 Nonbanks	28,189	29,808	6,786	6,787	5,870	6,790	6,718	6,025	7,025	5,635
99 To foreigners	73,477	73,279	56,923	56,886	57,504	56,783	56,208	52,245	52,469	52,091
100 Other branches of parent bank	14,300	15,403	18,294	18,376	19,033	19,640	18,241	15,999	15,480	16,687
101 Banks	28,810	29,320	18,356	17,417	17,175	17,249	16,975	15,787	17,053	15,840
102 Official institutions	9,668	8,279	8,871	9,687	9,648	8,430	9,005	9,055	8,877	8,357
103 Nonbank foreigners	20,699	20,277	11,402	11,406	11,628	11,464	11,987	11,404	11,059	11,207
104 Other liabilities	3,755	3,197	3,399	3,518	3,386	3,348	3,832	3,862	4,366	4,439
Bahamas and Caymans										
105 Total, all currencies	145,156	152,083	146,811	144,033	143,549	140,786	138,510	135,214	134,951	133,274
106 Negotiable CDs ³	n.a.	n.a.	615	436	344	320	356	686	745	747
107 To United States	104,425	111,299	102,955	99,360	99,818	98,667	95,775	94,071	92,668	92,138
108 Parent bank	47,081	50,980	47,162	45,548	45,713	47,141	43,372	44,431	42,841	43,198
109 Other banks in United States	18,466	16,057	13,938	14,537	14,742	12,972	12,151	12,081	11,940	11,871
110 Nonbanks	38,878	44,262	41,855	39,275	39,363	38,554	40,252	37,559	37,887	37,069
111 To foreigners	38,274	38,445	40,320	41,422	40,622	39,063	39,658	37,667	38,786	37,306
112 Other branches of parent bank	15,796	14,936	16,782	17,752	16,608	16,640	17,632	16,023	17,201	15,993
113 Banks	10,166	11,876	12,405	12,872	13,611	12,314	11,443	11,423	11,123	10,957
114 Official institutions	1,967	1,919	2,054	2,194	1,866	1,939	1,687	1,760	1,869	2,275
115 Nonbank foreigners	10,345	11,274	9,079	8,604	8,537	8,170	8,896	8,461	8,593	8,481
116 Other liabilities	2,457	2,339	2,921	2,815	2,765	2,736	2,721	2,790	2,752	3,083
117 Total payable in U.S. dollars	141,908	148,278	143,582	139,909	139,648	136,823	134,623	130,921	130,681	129,204

3. Before June 1984, liabilities on negotiable CDs were included in liabilities to the United States or liabilities to foreigners, according to the address of the initial purchaser.

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1983	1984	1985						
			May	June	July	Aug.	Sept. ⁷	Oct.	Nov. ⁸
1 Total ¹	177,950	180,525	173,725	177,780	180,766	181,175	180,309	178,348	179,883
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	25,534	26,089	23,153	22,915	22,101	23,224	25,889	27,050	29,211
3 U.S. Treasury bills and certificates ³	54,341	59,976	56,691	58,589	60,727	60,921	56,493	54,398	54,311
U.S. Treasury bonds and notes									
4 Marketable	68,514	69,029	70,552	73,265	75,053	75,157	76,221	75,012	74,743
5 Nonmarketable ⁴	7,250	5,800	4,500	4,500	4,500	3,550	3,550	3,550	3,550
6 U.S. securities other than U.S. Treasury securities ⁵	22,311	19,631	18,829	18,511	18,385	18,323	18,156	18,338	18,048
<i>By area</i>									
7 Western Europe ¹	67,645	69,789	67,948	70,346	73,378	75,226	74,545	74,338	76,779
8 Canada	2,438	1,528	1,538	1,571	2,010	1,664	1,561	1,586	1,536
9 Latin America and Caribbean	6,248	8,554	8,072	8,467	8,846	9,524	10,532	10,079	10,817
10 Asia	92,572	93,920	90,181	91,406	90,834	89,483	88,282	87,245	85,863
11 Africa	958	1,264	1,262	1,299	1,259	1,110	1,397	1,410	1,629
12 Other countries ⁶	8,089	5,470	4,704	4,691	4,439	4,166	3,992	3,690	3,259

1. Includes the Bank for International Settlements.
 2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
 3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
 4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.
 5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
 6. Includes countries in Oceania and Eastern Europe.
 NOTE: Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies

Millions of dollars, end of period

Item	1981	1982	1983	1984	1985		
				Dec.	Mar.	June	Sept.
1 Banks' own liabilities	3,523	4,844	5,219	8,578	8,012	10,150	12,048
2 Banks' own claims	4,980	7,707	7,231	11,874	12,639	14,012	14,895
3 Deposits	3,398	4,251	2,731	4,998	6,148	7,437	8,498
4 Other claims	1,582	3,456	4,501	6,876	6,491	6,375	6,397
5 Claims of banks' domestic customers ¹	971	676	1,059	569	440	243	328

1. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.
 NOTE: Data on claims exclude foreign currencies held by U.S. monetary authorities.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars
Millions of dollars, end of period

Holder and type of liability	1982	1983	1984	1985						
				May	June	July	Aug.	Sept. ⁷	Oct.	Nov. ⁸
1 All foreigners	307,056	369,607	407,133	411,297	412,861	416,420	420,182	420,801	417,875	421,216
2 Banks' own liabilities	227,089	279,087	306,499	315,608	317,062	318,944	321,364	323,382	322,191	323,937
3 Demand deposits	15,889	17,470	19,371	17,705	19,423	17,662	17,735	20,926	18,453	20,825
4 Time deposits ¹	68,797	90,632	110,286	120,792	116,331	116,069	119,071	115,221	114,544	114,392
5 Other ²	23,184	25,874	26,002	25,614	25,782	25,875	25,701	29,754	28,978	30,188
6 Own foreign offices ³	119,219	145,111	150,640	151,496	155,526	159,338	158,857	157,481	160,216	158,532
7 Banks' custody liabilities ⁴	79,967	90,520	100,634	95,690	95,799	97,477	98,818	97,419	95,684	97,280
8 U.S. Treasury bills and certificates ⁵	55,628	68,669	76,368	71,397	73,061	75,396	75,797	73,398	72,163	73,165
9 Other negotiable and readily transferable instruments ⁶	20,636	17,467	18,747	17,690	16,207	16,165	16,610	17,160	16,755	16,974
10 Other	3,702	4,385	5,518	6,403	6,532	5,916	6,412	6,861	6,766	7,140
11 Nonmonetary international and regional organizations ⁷	4,922	5,987	4,083	6,694	5,709	5,019	7,353	7,467	6,766	7,803
12 Banks' own liabilities	1,909	4,632	1,644	4,389	3,928	3,243	5,569	3,275	1,842	1,535
13 Demand deposits	106	297	254	264	164	134	252	243	143	252
14 Time deposits ¹	1,664	3,584	1,102	3,747	3,023	2,556	4,366	2,261	1,299	1,051
15 Other ²	139	750	288	377	740	553	951	771	399	233
16 Banks' custody liabilities ⁴	3,013	1,325	2,440	2,305	1,782	1,777	1,784	4,192	4,924	6,268
17 U.S. Treasury bills and certificates	1,621	463	916	775	642	767	742	2,759	3,636	5,069
18 Other negotiable and readily transferable instruments ⁶	1,392	862	1,524	1,531	1,140	1,010	1,042	1,433	1,287	1,195
19 Other	0	0	0	0	0	0	1	0	1	5
20 Official institutions ⁸	71,647	79,876	86,065	79,844	81,504	82,828	84,145	82,382	81,447	83,542
21 Banks' own liabilities	16,640	19,427	19,039	17,652	17,795	17,256	17,720	20,262	21,214	23,263
22 Demand deposits	1,899	1,837	1,823	1,630	1,891	1,546	1,538	2,151	1,707	2,012
23 Time deposits ¹	5,528	7,318	9,374	8,728	9,050	9,070	9,334	8,954	10,262	10,520
24 Other ²	9,212	10,272	7,842	7,294	6,853	6,640	6,849	9,157	9,245	10,731
25 Banks' custody liabilities ⁴	55,008	60,448	67,026	62,192	63,710	65,572	66,425	62,120	60,234	60,279
26 U.S. Treasury bills and certificates ⁵	46,658	54,341	59,976	56,691	58,589	60,727	60,921	56,493	54,398	54,331
27 Other negotiable and readily transferable instruments ⁶	8,321	6,082	6,966	5,451	5,042	4,725	5,291	5,492	5,767	5,843
28 Other	28	25	84	50	78	120	213	135	69	105
29 Banks ⁹	185,881	226,887	248,897	251,784	254,045	257,113	256,645	257,733	256,610	254,895
30 Banks' own liabilities	169,449	205,347	225,372	229,858	232,319	235,488	234,401	235,106	234,659	233,070
31 Unaffiliated foreign banks	50,230	60,236	74,732	78,361	76,793	76,150	75,544	77,625	74,443	74,539
32 Demand deposits	8,675	8,759	10,556	8,714	9,847	8,647	8,594	10,468	9,045	9,934
33 Time deposits ¹	28,386	37,439	47,155	52,674	49,968	49,919	49,915	48,779	47,889	46,836
34 Other ²	13,169	14,038	17,021	16,973	16,977	17,584	17,035	18,377	17,510	17,769
35 Own foreign offices ³	119,219	145,111	150,640	151,496	155,526	159,338	158,857	157,481	160,216	158,532
36 Banks' custody liabilities ⁴	16,432	21,540	23,525	21,926	21,727	21,625	22,244	22,627	21,951	21,825
37 U.S. Treasury bills and certificates	5,809	10,178	11,448	10,216	9,745	9,934	9,966	9,952	9,896	9,405
38 Other negotiable and readily transferable instruments ⁶	7,857	7,485	7,236	6,104	6,231	6,390	6,569	6,462	5,906	5,853
39 Other	2,766	3,877	4,841	5,606	5,751	5,301	5,710	6,213	6,148	6,567
40 Other foreigners	44,606	56,887	68,087	72,976	71,602	71,460	72,039	73,219	73,051	74,976
41 Banks' own liabilities	39,092	49,680	60,444	63,710	63,020	62,957	63,674	64,740	64,476	66,069
42 Demand deposits	5,209	6,577	6,938	7,098	7,520	7,335	7,351	8,064	7,558	8,627
43 Time deposits	33,219	42,290	52,655	55,643	54,290	54,524	55,456	55,227	55,093	55,986
44 Other ²	664	813	851	969	1,211	1,098	867	1,449	1,825	1,456
45 Banks' custody liabilities ⁴	5,514	7,207	7,642	9,266	8,581	8,503	8,365	8,479	8,575	8,907
46 U.S. Treasury bills and certificates	1,540	3,686	4,029	3,915	4,085	3,968	4,169	4,193	4,232	4,360
47 Other negotiable and readily transferable instruments ⁶	3,065	3,038	3,021	4,604	3,793	4,040	3,708	3,774	3,795	4,083
48 Other	908	483	593	746	704	495	489	513	548	463
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	14,307	10,346	10,476	9,081	8,679	8,567	8,903	9,228	9,088	9,146

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."

2. Includes borrowing under repurchase agreements.

3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank.

4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.

8. Foreign central banks and foreign central governments, and the Bank for International Settlements.

9. Excludes central banks, which are included in "Official institutions."

3.17 Continued

Area and country	1982	1983	1984	1985						
				May	June	July	Aug.	Sept.	Oct.	Nov. ^p
1 Total	307,056	369,607	407,133	411,297	412,861	416,420	420,182	420,801 ^r	417,875	421,216
2 Foreign countries	302,134	363,649	403,049	404,603	407,152	411,401	412,829	413,334 ^r	411,109	413,413
3 Europe	117,756	138,072	153,212	151,219	153,718	156,132	160,127	157,265 ^r	158,349	163,503
4 Austria	519	585	615	627	563	711	767	767	613	655
5 Belgium-Luxembourg	2,517	2,709	4,114	4,619	4,889	5,743	5,416	5,725 ^r	5,262	5,556
6 Denmark	509	466	438	494	727	684	617	778	558	624
7 Finland	748	531	418	604	325	349	377	350 ^r	594	497
8 France	8,171	9,441	12,701	14,178	13,849	15,237	15,626	15,741 ^r	15,986	16,320
9 Germany	5,351	3,599	3,358	3,727	4,003	4,389	5,359	5,224 ^r	4,366	7,264
10 Greece	537	520	699	585	605	588	531	593 ^r	536	574
11 Italy	5,626	8,462	10,762	8,467	9,276	9,624	9,537	9,088	9,722	9,069
12 Netherlands	3,362	4,290	4,799	4,685	4,386	4,689	4,588	4,568	4,285	4,361
13 Norway	1,567	1,673	1,548	1,994	1,397	1,183	1,156	1,043	1,132	1,008
14 Portugal	388	373	397	665	635	658	641 ^r	641 ^r	647	619
15 Spain	1,405	1,603	2,082	2,030	2,015	2,113	2,034	2,140	2,100	2,122
16 Sweden	1,390	1,799	1,676	1,689	2,277	2,559	2,008	1,668	1,760	1,492
17 Switzerland	29,066	32,246	31,740	29,706	29,547	29,835	29,475	29,290 ^r	28,495	29,102
18 Turkey	296	467	584	384	631	598	404	516	417	289
19 United Kingdom	48,172	60,683	68,671	69,779	70,958	70,208	73,562	70,540 ^r	73,317	74,226
20 Yugoslavia	499	562	602	585	729	626	647	647	626	718
21 Other Western Europe ¹	7,006	7,403	7,192	5,877	6,261	6,004	6,884	7,432 ^r	7,454	8,438
22 U.S.S.R.	50	65	79	67	31	72	45	37	51	36
23 Other Eastern Europe ²	576	596	537	458	614	406	503	477	429	534
24 Canada	12,232	16,026	16,048	16,214	15,874	16,284	16,739	17,358 ^r	16,239	16,471
25 Latin America and Caribbean	114,163	140,088	153,516	157,092	158,310	159,011	157,634	157,480 ^r	157,150	154,894
26 Argentina	3,578	4,038	4,394	4,912	5,081	5,322	5,187	5,634	5,872	5,899
27 Bahamas	44,744	55,818	56,897	58,195	57,406	55,858	55,486	53,694 ^r	54,524	53,290
28 Bermuda	1,572	2,266	2,370	3,192	2,503	2,741	2,124	2,238	2,238	2,393
29 Brazil	2,014	3,168	5,275	5,376	5,187	5,602	5,918	5,894	5,861	5,614
30 British West Indies	26,381	34,545	36,773	35,489	38,965	40,965	38,338	38,931 ^r	37,047	35,692
31 Chile	1,626	1,842	2,001	1,922	1,870	1,910	1,966	1,907	1,940	2,867
32 Colombia	2,594	1,689	2,514	2,452	2,526	2,421	2,543	2,599	2,562	2,920
33 Cuba	9	8	10	7	6	10	9	13	64	7
34 Ecuador	455	1,047	1,092	987	1,004	1,046	1,043	1,251	1,029	1,255
35 Guatemala	670	788	896	979	963	972	995	1,005	957	1,087
36 Jamaica	126	109	183	146	123	194	152	144	122	150
37 Mexico	8,377	10,392	12,506	13,678	13,533	13,123	13,381	13,809	13,610	13,940
38 Netherlands Antilles	3,597	3,879	4,153	4,439	4,200	4,025	4,364	4,973	4,666	4,603
39 Panama	4,805	5,924	6,951	7,370	7,427	7,462	7,447	7,168	8,251	6,504
40 Peru	1,147	1,166	1,266	1,162	1,168	1,113	1,133	1,159	1,093	1,123
41 Uruguay	759	1,244	1,394	1,492	1,415	1,460	1,557	1,576	1,498	1,535
42 Venezuela	8,417	8,632	10,545	10,696	10,471	10,853	10,940	11,121	11,404	11,353
43 Other Latin America and Caribbean	3,291	3,535	4,297	4,396	4,460	4,297	4,435	4,479	4,414	4,661
44 Asia	48,716	58,570	71,192	71,641	70,477	71,715	70,509	73,292 ^r	71,676	71,060
45 China	203	249	1,153	698	886	939	1,135	1,973	1,809	1,380
46 Taiwan	2,761	4,051	4,975	5,381	5,545	5,849	6,047	6,244	6,455	7,429
47 Hong Kong	4,465	6,657	6,594	7,360	7,989	7,831	8,012	7,924 ^r	7,964	8,181
48 India	433	464	507	546	569	555	484	644 ^r	473	562
49 Indonesia	857	997	1,033	1,164	1,264	1,463	1,337	1,363	1,570	1,381
50 Israel	606	1,722	1,268	988	1,053	1,011	885	1,189 ^r	2,118	1,595
51 Japan	16,078	18,079	21,652	22,688	21,103	22,913	22,537	23,597 ^r	22,092	21,689
52 Korea	1,692	1,648	1,724	1,598	1,705	1,493	1,580	1,657	1,751	1,685
53 Philippines	770	1,234	1,383	1,305	1,443	1,335	1,694	1,607 ^r	1,325	1,189
54 Thailand	629	747	1,257	1,167	1,063	984	1,073	1,029	1,014	1,066
55 Middle-East oil-exporting countries ³	13,433	12,976	16,804	16,316	15,052	15,410	14,811	15,352 ^r	15,253	14,941
56 Other Asia	6,789	9,748	12,841	12,430	12,805	11,932	10,916	10,713 ^r	9,852	9,962
57 Africa	3,124	2,827	3,396	3,429	3,920	3,384	3,501	3,635	3,723	3,989
58 Egypt	432	671	647	618	745	881	737	923	885	780
59 Morocco	81	84	118	189	161	98	162	157	140	145
60 South Africa	292	449	328	273	332	181	420	370	404	462
61 Zaire	23	87	153	124	170	87	103	115	136	140
62 Oil-exporting countries ⁴	1,280	620	1,189	1,114	1,497	1,099	1,092	1,049	1,076	1,407
63 Other Africa	1,016	917	961	1,112	1,015	1,037	986	1,021	1,082	1,056
64 Other countries	6,143	8,067	5,684	5,009	4,854	4,876	4,319	4,303 ^r	3,971	3,495
65 Australia	5,904	7,857	5,300	4,608	4,462	4,364	3,850	3,762	3,477	2,962
66 All other	239	210	384	401	392	511	469	541 ^r	494	534
67 Nonmonetary international and regional organizations	4,922	5,957	4,083	6,694	5,709	5,019	7,353	7,467	6,766	7,803
68 International	4,049	5,273	3,376	5,636	4,698	3,967	6,458	6,542	5,770	6,942
69 Latin American regional	517	419	587	834	808	782	739	796	646	580
70 Other regional ⁵	357	265	120	224	203	270	156	129	350	281

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

5. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1982	1983	1984	1985						
				May	June	July	Aug.	Sept.	Oct.	Nov. ^P
1 Total	355,705	391,312	398,845	391,355	396,253	390,368	387,997	392,778 ^r	380,518	384,217
2 Foreign countries	355,636	391,148	398,251	390,540	395,543	390,094	387,558	392,395 ^r	379,750	383,605
3 Europe	85,584	91,927	98,151	100,205	100,953	100,377	101,028	105,734 ^r	101,829	106,680
4 Austria	229	401	433	552	536	815	703	763 ^r	673	613
5 Belgium-Luxembourg	5,138	5,639	4,794	5,264	5,219	5,740	5,501	6,147	5,871	6,815
6 Denmark	554	1,275	648	560	474	498	492	615	636	545
7 Finland	990	1,044	898	700	896	875	738	905	796	909
8 France	7,251	8,766	9,142	10,462	9,969	10,001	10,282	11,029 ^r	10,193	9,788
9 Germany	1,876	1,284	1,313	1,015	1,223	1,115	948	999	1,036	1,349
10 Greece	452	476	817	921	1,002	947	959	1,016	966	854
11 Italy	7,560	9,018	9,119	7,798	7,520	7,623	6,527	7,436 ^r	7,597	7,763
12 Netherlands	1,425	1,425	1,351	1,040	1,339	1,137	1,200	1,297 ^r	1,110	1,384
13 Norway	572	690	675	753	750	710	683	858	787	755
14 Portugal	950	1,114	1,243	1,158	1,156	1,151	1,181	1,211	1,141	1,128
15 Spain	3,744	3,573	2,884	2,587	2,700	2,387	2,156	2,438	2,312	2,199
16 Sweden	3,038	3,358	2,220	2,177	2,067	2,698	2,496	2,474 ^r	2,640	2,541
17 Switzerland	1,639	1,863	2,123	1,631	2,231	2,669	2,629	3,091	2,604	3,161
18 Turkey	560	812	1,130	1,130	1,208	1,313	1,234	1,303	1,355	1,269
19 United Kingdom	45,781	47,364	55,352	58,020	58,377	56,437	59,280	60,105 ^r	57,577	60,944
20 Yugoslavia	1,430	1,718	1,886	1,940	1,958	1,972	1,954	1,899	1,866	1,879
21 Other Western Europe ¹	368	477	596	760	775	679	629	699 ^r	1,206	1,558
22 U.S.S.R.	263	192	142	312	297	250	239	199	332	125
23 Other Eastern Europe ²	1,762	1,598	1,382	1,393	1,255	1,358	1,198	1,252	1,131	1,102
24 Canada	13,678	16,341	16,093	17,926	17,889	16,696	17,005	16,940 ^r	15,932	16,179
25 Latin America and Caribbean	187,969	205,491	207,649	201,180	203,974	200,765	197,106	196,388 ^r	190,587	191,640
26 Argentina	10,974	11,749	11,043	11,346	11,416	11,456	11,293	11,855 ^r	11,230	11,486
27 Bahamas	56,649	59,633	57,949	56,781	59,477	55,610	53,707	53,414 ^r	51,236	48,977
28 Bermuda	603	566	592	506	563	405	502	480 ^r	1,017	563
29 Brazil	23,271	24,667	26,315	26,434	26,549	26,559	26,441	26,017 ^r	25,394	25,412
30 British West Indies	29,101	35,527	38,120	36,107	36,372	37,436	35,853	35,096 ^r	34,147	37,069
31 Chile	5,513	6,072	6,839	6,634	6,680	6,663	6,476	6,524	6,138	6,249
32 Colombia	3,211	3,745	3,499	3,270	3,207	3,210	3,205	3,195	3,209	3,211
33 Cuba	3	0	0	0	0	0	0	0	4	0
34 Ecuador	2,062	2,307	2,420	2,487	2,493	2,450	2,430	2,486	2,411	2,419
35 Guatemala ³	124	129	158	149	145	153	149	168	165	197
36 Jamaica ³	181	215	252	237	227	234	228	228	222	222
37 Mexico	29,552	34,802	34,824	32,748	32,384	32,129	32,375	32,349	31,700	32,293
38 Netherlands Antilles	839	1,154	1,350	1,386	1,249	1,110	1,135	1,170	1,387	1,059
39 Panama	10,210	7,848	7,707	6,751	6,856	6,985	6,923	7,108 ^r	6,526	6,522
40 Peru	2,357	2,536	2,384	2,310	2,286	2,237	2,221	2,206	2,013	1,990
41 Uruguay	686	977	1,088	1,013	1,013	1,007	1,018	1,035	947	956
42 Venezuela	10,643	11,287	11,017	10,947	10,996	10,992	11,028	11,052	10,818	10,874
43 Other Latin America and Caribbean	1,991	2,277	2,091	2,072	2,060	2,129	2,122	2,005	2,022	2,142
44 Asia	60,952	67,837	66,296	61,833	63,470	63,242	63,710	64,547 ^r	62,834	60,549
45 China										
45 Mainland	214	292	710	543	358	635	560	1,148	997	748
46 Taiwan	2,288	1,908	1,849	1,641	1,718	1,540	1,527	1,525	1,329	1,258
47 Hong Kong	6,787	8,489	7,283	7,290	7,237	7,473	7,999	7,718	6,917	6,452
48 India	222	330	425	270	310	385	460	461	388	439
49 Indonesia	348	805	724	701	682	631	623	718	653	608
50 Israel	2,029	1,832	2,088	2,038	2,598	2,053	1,955	1,875	1,901	1,958
51 Japan	28,379	30,354	29,066	25,429	26,529	26,336	27,785	27,002 ^r	28,558	26,757
52 Korea	9,387	9,943	9,285	9,127	9,158	9,707	9,337	9,223 ^r	9,088	8,902
53 Philippines	2,625	2,107	2,550	2,384	2,448	2,454	2,487	2,445 ^r	2,237	2,285
54 Thailand	643	1,219	1,125	852	862	746	757	781 ^r	756	788
55 Middle East oil-exporting countries ⁴	3,087	4,954	5,044	5,546	5,120	5,315	4,116	4,845	4,574	4,247
56 Other Asia	4,943	5,603	6,147	6,012	6,449	5,967	6,104	6,805 ^r	5,436	6,106
57 Africa	5,346	6,654	6,615	6,203	6,075	5,957	5,718	5,700 ^r	5,458	5,415
58 Egypt	322	747	728	612	626	606	585	634	668	685
59 Morocco	353	440	583	577	592	596	598	592	610	584
60 South Africa	2,012	2,634	2,795	2,497	2,524	2,402	2,214	2,062 ^r	1,968	1,848
61 Zaire	57	33	18	24	24	24	25	22	21	21
62 Oil-exporting countries ⁵	801	1,073	842	871	740	743	722	859 ^r	674	680
63 Other	1,802	1,727	1,649	1,621	1,569	1,587	1,574	1,531	1,516	1,597
64 Other countries	2,107	2,898	3,447	3,194	3,183	3,057	2,991	3,087 ^r	3,110	3,143
65 Australia	1,713	2,256	2,769	2,536	2,498	2,320	2,227	2,304 ^r	2,293	2,341
66 All other	394	642	678	658	685	737	764	783 ^r	818	803
67 Nonmonetary international and regional organizations ⁶	68	164	594	815	710	275	438	382	768	612

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.
3. Included in "Other Latin America and Caribbean" through March 1978.

4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5. Comprises Algeria, Gabon, Libya, and Nigeria.

6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars
Millions of dollars, end of period

Type of claim	1982	1983	1984	1985						
				May	June	July	Aug.	Sept. ^r	Oct.	Nov. ^p
1 Total	396,015	426,215	431,761	.....	425,692	.....	.....	426,246	.....	.....
2 Banks' own claims on foreigners	355,705	391,312	398,845	391,355	396,253	390,368	387,997	392,778	380,518	384,217
3 Foreign public borrowers	45,422	57,569	61,595	61,673	61,241	61,239	60,961	62,196	60,103	59,954
4 Own foreign offices ¹	127,293	146,393	156,174	157,026	162,840	158,164	155,734	159,520	156,063	158,785
5 Unaffiliated foreign banks	121,377	123,837	123,967	119,435	118,493	117,446	118,023	118,048	113,108	114,925
6 Deposits	44,223	47,126	48,379	48,459	48,135	48,786	49,528	49,406	46,845	47,125
7 Other	77,153	76,711	75,588	70,976	70,358	68,660	68,495	68,642	66,264	67,799
8 All other foreigners	61,614	63,514	57,109	53,222	53,679	53,520	53,279	53,013	51,244	50,554
9 Claims of banks' domestic customers ² ..	40,310	34,903	32,916	.....	29,439	.....	.....	33,468	.....	.....
10 Deposits	2,491	2,969	3,380	.....	2,870	.....	.....	3,314	.....	.....
11 Negotiable and readily transferable instruments ³ ..	30,763	26,064	23,805	.....	21,064	.....	.....	24,827	.....	.....
12 Outstanding collections and other claims	7,056	5,870	5,732	.....	5,505	.....	.....	5,327	.....	.....
13 MEMO: Customer liability on acceptances	38,153	37,715	37,103	.....	31,699	.....	.....	30,517	.....	.....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁴	42,499	46,337 ^r	40,656 ^r	37,651 ^r	36,366 ^r	37,769 ^r	38,434 ^r	38,399	37,479	.....

1. U.S. banks: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies, Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

3. Principally negotiable time certificates of deposit and bankers acceptances.
4. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p. 550.
NOTE: Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars
Millions of dollars, end of period

Maturity; by borrower and area	1981 [▲]	1982	1983	1984	1985		
				Dec.	Mar.	June	Sept. ^r
1 Total	154,590	228,150	243,715	243,409	239,521	231,713	231,773
<i>By borrower</i>							
2 Maturity of 1 year or less ¹	116,394	173,917	176,158	166,381	165,185	158,641	160,727
3 Foreign public borrowers	15,142	21,256	24,039	22,758	23,615	23,899	25,534
4 All other foreigners	101,252	152,661	152,120	143,623	141,570	134,742	135,193
5 Maturity of over 1 year ¹	38,197	54,233	67,557	77,027	74,335	73,072	71,046
6 Foreign public borrowers	15,589	23,137	32,521	39,247	38,164	37,425	36,775
7 All other foreigners	22,608	31,095	35,036	37,780	36,171	35,647	34,271
<i>By area</i>							
8 Maturity of 1 year or less ¹							
9 Europe	28,130	50,500	56,117	58,398	60,391	55,656	57,867
10 Canada	4,662	7,642	6,211	6,015	7,531	6,135	6,052
11 Latin America and Caribbean	48,717	73,291	73,660	61,653	60,162	63,545	62,023
12 Asia	31,485	37,578	34,403	33,484	30,690	27,537	29,049
13 Africa	2,457	3,680	4,199	4,442	4,109	4,003	3,954
14 All other ²	943	1,226	1,569	2,388	2,301	1,764	1,782
15 Maturity of over 1 year ¹							
16 Europe	8,100	11,636	13,576	9,605	8,545	8,628	8,078
17 Canada	1,808	1,931	1,857	1,890	2,181	2,116	1,940
18 Latin America and Caribbean	25,209	35,247	43,888	57,069	55,372	53,507	52,994
19 Asia	1,907	3,185	4,850	5,323	5,221	5,203	5,212
20 Africa	900	1,494	2,286	2,033	1,963	1,996	1,665
21 All other ²	272	740	1,101	1,107	1,053	1,622	1,157

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

1. Remaining time to maturity.
2. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks¹

Billions of dollars, end of period

Area or country	1981	1982	1983		1984				1985		
			Sept.	Dec.	Mar.	June ⁷	Sept.	Dec.	Mar.	June	Sept. ⁸
1 Total	415.2	438.7	431.0	437.3	435.1	432.4	411.9	409.2	411.0	402.6	403.9
2 G-10 countries and Switzerland	175.5	179.7	168.8	168.0	166.0	157.9	148.2	148.0	152.8	146.8	153.2
3 Belgium-Luxembourg	13.3	13.1	12.6	12.4	11.0	10.9	9.8	8.8	9.4	9.0	9.5
4 France	15.3	17.1	16.2	16.3	15.9	14.2	14.3	14.1	14.6	13.6	14.9
5 Germany	12.9	12.7	11.6	11.3	11.7	10.9	10.0	9.0	8.9	9.6	9.8
6 Italy	9.6	10.3	9.9	11.4	11.2	11.5	9.7	10.1	10.0	8.5	8.4
7 Netherlands	4.0	3.6	3.6	3.5	3.4	3.0	3.4	3.9	3.7	3.7	3.4
8 Sweden	3.7	5.0	4.9	5.1	5.2	4.3	3.5	3.2	3.1	2.8	3.1
9 Switzerland	5.5	5.0	4.2	4.3	4.3	4.2	3.9	3.9	4.2	4.0	4.1
10 United Kingdom	70.1	72.1	67.8	65.4	65.1	60.6	57.5	60.0	65.1	65.6	68.1
11 Canada	10.9	10.4	8.9	8.3	8.6	8.9	8.1	7.9	9.0	8.0	7.5
12 Japan	30.2	30.2	29.0	29.9	29.7	29.3	27.9	27.2	24.8	21.9	24.3
13 Other developed countries	28.4	33.7	34.3	36.1	35.7	37.2	36.4	33.9	33.0	32.5	32.3
14 Austria	1.9	1.9	1.9	1.9	2.0	1.9	1.8	1.6	1.6	1.6	1.7
15 Denmark	2.3	2.4	3.3	3.4	3.4	3.1	2.9	2.2	2.1	1.9	2.1
16 Finland	1.7	2.2	1.8	2.4	2.1	2.3	1.9	1.9	1.8	1.8	1.8
17 Greece	2.8	3.0	2.9	2.8	3.0	3.3	3.2	2.9	2.9	2.9	2.8
18 Norway	3.1	3.3	3.2	3.3	3.2	3.2	3.2	3.0	2.9	2.9	3.4
19 Portugal	1.1	1.5	1.4	1.5	1.4	1.7	1.6	1.4	1.4	1.3	1.4
20 Spain	6.6	7.5	7.1	7.1	7.1	7.3	6.9	6.5	6.4	5.9	6.2
21 Turkey	1.4	1.4	1.5	1.7	1.9	2.0	2.0	1.9	1.9	2.0	2.1
22 Other Western Europe	2.1	2.3	2.1	1.8	1.8	1.9	1.7	1.7	1.7	1.8	1.7
23 South Africa	2.8	3.7	4.7	4.7	4.8	4.7	5.0	4.5	4.2	3.9	3.3
24 Australia	2.5	4.4	4.4	5.5	5.2	5.8	6.3	6.2	6.2	6.4	5.8
25 OPEC countries ²	24.8	27.4	27.2	28.9	28.6	27.0	25.2	25.8	25.4	23.8	24.1
26 Ecuador	2.2	2.2	2.1	2.2	2.1	2.1	2.1	2.2	2.2	2.3	2.3
27 Venezuela	9.9	10.5	9.8	9.9	9.7	9.5	9.2	9.3	9.3	9.3	9.2
28 Indonesia	2.6	3.2	3.4	3.8	4.0	4.3	4.0	3.9	3.8	3.6	3.6
29 Middle East countries	7.5	8.7	9.1	10.0	9.8	8.4	7.4	8.2	7.8	6.6	6.7
30 African countries	2.5	2.8	2.8	3.0	3.0	2.7	2.5	2.3	2.3	2.2	2.3
31 Non-OPEC developing countries	96.3	107.1	109.8	111.6	112.2	113.5	112.7	112.9	111.8	111.0	111.1
Latin America											
32 Argentina	9.4	8.9	9.5	9.5	9.5	9.2	9.1	8.7	8.6	8.6	9.3
33 Brazil	19.1	22.9	23.1	23.1	25.1	25.4	26.3	26.3	26.4	26.6	26.1
34 Chile	5.8	6.3	6.3	6.4	6.5	6.7	7.1	7.0	7.0	6.9	6.9
35 Colombia	2.6	3.1	3.2	3.2	3.1	3.0	2.9	2.9	2.8	2.7	2.6
36 Mexico	21.6	24.5	25.9	26.1	25.6	26.2	26.2	26.0	25.7	25.6	25.2
37 Peru	2.0	2.6	2.4	2.4	2.3	2.3	2.2	2.2	2.2	2.1	2.0
38 Other Latin America	4.1	4.0	4.2	4.2	4.4	4.1	3.9	3.9	3.7	3.6	3.5
Asia											
39 China											
40 Mainland	.2	.2	.2	.3	.3	.6	.5	.7	.7	.3	1.1
41 Taiwan	5.1	5.3	5.2	5.3	4.9	5.4	5.3	5.3	5.4	5.5	5.2
42 India	.3	.6	.8	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.2
43 Israel	2.1	2.3	1.7	1.9	1.6	1.9	1.7	1.8	1.7	2.3	1.5
44 Korea (South)	9.4	10.9	10.9	11.3	11.1	11.3	10.5	10.9	10.6	10.3	10.6
45 Malaysia	1.7	2.1	2.8	2.9	2.8	2.9	3.1	3.0	2.9	3.0	2.9
46 Philippines	6.0	6.3	6.2	6.2	6.7	6.3	5.9	6.0	6.1	6.0	6.1
47 Thailand	1.5	1.6	1.8	2.2	2.1	1.9	1.8	1.8	1.7	1.6	1.7
48 Other Asia	1.0	1.1	1.0	1.0	.9	1.1	1.0	1.2	1.1	1.0	1.1
Africa											
49 Egypt	1.1	1.2	1.4	1.5	1.4	1.4	1.2	1.2	1.1	1.0	1.0
50 Morocco	.7	.7	.8	.8	.8	.8	.8	.8	.8	.8	.9
51 Zaire	.2	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
52 Other Africa ³	2.3	2.4	2.4	2.3	2.2	1.9	1.9	2.1	2.2	2.0	2.0
53 Eastern Europe	7.8	6.2	5.3	5.3	4.9	4.9	4.5	4.4	4.3	4.3	4.6
54 U.S.S.R.	.6	.3	.2	.2	.2	.2	.2	.1	.2	.2	.2
55 Yugoslavia	2.5	2.2	2.3	2.4	2.3	2.3	2.3	2.3	2.2	2.2	2.5
56 Other	4.7	3.7	2.8	2.8	2.5	2.4	2.1	2.0	1.9	1.8	1.9
57 Offshore banking centers	63.7	66.8	68.7	70.5	71.4	74.6	67.4	67.0	66.6	66.8	61.2
58 Bahamas	19.0	19.0	21.6	21.8	24.6	27.5	23.8	21.5	21.6	21.9	16.8
59 Bermuda	.7	.9	.8	.9	.7	.7	1.0	.9	.7	.9	.8
60 Cayman Islands and other British West Indies	12.4	12.9	10.5	12.2	12.0	12.2	11.1	11.7	12.4	12.4	12.5
61 Netherlands Antilles	3.2	3.3	4.1	4.2	3.3	3.3	3.1	3.4	3.3	3.2	2.3
62 Panama ⁴	7.7	7.6	5.7	6.0	6.3	6.6	5.7	6.8	5.7	5.5	6.2
63 Lebanon	.2	.1	.1	.1	.1	.1	.1	.1	.1	.1	.0
64 Hong Kong	11.8	13.9	15.2	15.0	14.4	13.9	13.1	12.8	12.9	13.1	13.2
65 Singapore	8.7	9.2	10.5	10.3	10.0	10.3	9.5	9.8	10.0	9.7	9.4
66 Others ⁵	.1	.0	.1	.0	.0	.0	.0	.0	.0	.0	.0
67 Miscellaneous and unallocated ⁶	18.8	17.9	16.9	17.0	16.3	17.4	17.4	17.3	17.1	17.4	17.8

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices not covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

2. Besides the Organization of Petroleum Exporting Countries shown individually, this group includes other members of OPEC (Algeria, Gabon, Iran, Iraq,

Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates) as well as Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

6. Includes New Zealand, Liberia, and international and regional organizations.

7. Beginning with June 1984 data, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from \$50 million to \$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type, and area or country	1981	1982	1983	1984			1985	
				June ^r	Sept. ^r	Dec.	Mar.	June
1 Total	28,618	27,812	25,346 ^r	34,886	31,438	29,447 ^r	26,223 ^r	24,871 ^r
2 Payable in dollars	24,909	24,280	22,233 ^r	31,567	28,538	26,479 ^r	23,456 ^r	21,935 ^r
3 Payable in foreign currencies	3,709	3,232	3,113 ^r	3,290	2,900	2,968 ^r	2,767 ^r	2,636 ^r
<i>By type</i>								
4 Financial liabilities	12,157	11,066	10,572 ^r	19,192	16,488	14,599 ^r	11,702 ^r	11,468 ^r
5 Payable in dollars	9,499	8,858	8,700 ^r	17,058	14,602	12,643 ^r	9,863 ^r	9,323 ^r
6 Payable in foreign currencies	2,658	2,208	1,872 ^r	2,134	1,886	1,955 ^r	1,839 ^r	1,946 ^r
7 Commercial liabilities	16,461	16,446	14,774	15,665	14,950	14,849 ^r	14,521	13,103
8 Trade payables	10,818	9,438	7,765	7,912	7,015	7,005 ^r	7,052	5,854
9 Advance receipts and other liabilities	5,643	7,008	7,009	7,753	7,936	7,843 ^r	7,469	7,249
10 Payable in dollars	15,409	15,423	13,533	14,509	13,936	13,836 ^r	13,593	12,413
11 Payable in foreign currencies	1,052	1,023	1,241	1,156	1,014	1,013 ^r	928	690
<i>By area or country</i>								
<i>Financial liabilities</i>								
12 Europe	6,825	6,501	5,742	7,355	6,697	6,818 ^r	6,118 ^r	5,913 ^r
13 Belgium-Luxembourg	471	505	302	359	428	471	298	351 ^r
14 France	709	783	843	900	910	995	896	865
15 Germany	491	467	502	571	521	489	506	474
16 Netherlands	748	711	621	607	605	590 ^r	613 ^r	597
17 Switzerland	715	792	486	514	569	569	541	566
18 United Kingdom	3,565	3,102	2,839	4,105	3,470	3,397 ^r	3,035 ^r	2,821 ^r
19 Canada	963	746	764	735	825	863	840	850
20 Latin America and Caribbean	3,356	2,751	2,596	9,494	7,253	5,086 ^r	3,147 ^r	3,106
21 Bahamas	1,279	904	751	4,090	3,052	1,926 ^r	1,341 ^r	1,107
22 Bermuda	7	14	13	13	11	13	25	10
23 Brazil	22	28	32	25	33	35	29	27
24 British West Indies	1,241	1,027	1,041	4,567	3,271	2,103	1,521	1,734
25 Mexico	102	121	213	237	260	267	25	32
26 Venezuela	98	114	124	124	130	137	3	3
27 Asia	976	1,039	1,424 ^r	1,561	1,662	1,777 ^r	1,555 ^r	1,555 ^r
28 Japan	792	715	991 ^r	1,104	1,174	1,209 ^r	1,033 ^r	965 ^r
29 Middle East oil-exporting countries ²	75	169	170	188	151	155 ^r	124 ^r	147
30 Africa	14	17	19	16	16	14	12	14
31 Oil-exporting countries ³	0	0	0	0	1	0	0	0
32 All other ⁴	24	12	27 ^r	31	35	41 ^r	31 ^r	30 ^r
<i>Commercial liabilities</i>								
33 Europe	3,770	3,831	3,245	3,415	4,052	4,001 ^r	3,519	3,485
34 Belgium-Luxembourg	71	52	62	45	34	48	37	53
35 France	573	598	437	525	430	438	401	425
36 Germany	545	468	427	502	561	622 ^r	590	431
37 Netherlands	220	346	268	265	238	245	272	284
38 Switzerland	424	367	241	253	405	257	233	353
39 United Kingdom	880	1,027	732	794	1,224	1,095 ^r	752	740
40 Canada	897	1,495	1,841	1,840	1,906	1,975	1,727	1,494
41 Latin America and Caribbean	1,044	1,570	1,473	1,705	1,780	1,871	1,717	1,244
42 Bahamas	2	16	1	17	1	7	11	12
43 Bermuda	67	117	67	124	110	114	112	77
44 Brazil	67	60	44	31	68	124	101	90
45 British West Indies	2	32	6	5	8	32	21	1
46 Mexico	340	436	585	568	641	586	654	492
47 Venezuela	276	642	432	630	628	636	395	309
48 Asia	9,384	8,144	6,741	6,967	5,547	5,285 ^r	5,721	5,259
49 Japan	1,094	1,226	1,247	1,235	1,429	1,256	1,241	1,232
50 Middle East oil-exporting countries ^{2,5}	7,008	5,503	4,178	4,190	2,364	2,372	2,786	2,396
51 Africa	703	753	553	691	597	588	765	633
52 Oil-exporting countries ³	344	277	167	224	251	233	294	265
53 All other ⁴	664	651	921	1,046	1,068	1,128	1,070	988

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Includes nonmonetary international and regional organizations.

5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type, and area or country	1981	1982	1983	1984			1985	
				June	Sept.	Dec.	Mar.	June
1 Total	36,185	28,725	34,911 ¹	32,478 ²	30,939 ²	29,768 ²	28,633 ²	26,904 ²
2 Payable in dollars	32,582	26,085	31,815 ²	29,497 ²	28,148 ²	27,171 ¹	26,062 ²	24,276 ²
3 Payable in foreign currencies	3,603	2,640	3,096	2,982	2,792	2,597	2,571	2,629 ²
<i>By type</i>								
4 Financial claims	21,142	17,684	23,780 ²	21,960 ²	20,435 ²	19,122 ²	18,336 ²	16,417 ²
5 Deposits	15,081	13,058	18,496 ²	16,813 ²	15,626 ²	14,489 ²	14,344 ²	12,576 ²
6 Payable in dollars	14,456	12,628	17,993 ²	16,291 ¹	15,187 ²	14,069 ²	13,847 ²	12,020 ²
7 Payable in foreign currencies	625	430	503	522	439	420	497	556 ²
8 Other financial claims	6,061	4,626	5,284	5,148	4,808	4,633	3,992	3,841 ²
9 Payable in dollars	3,599	2,979	3,328	3,387	3,116	3,190	2,427	2,361 ²
10 Payable in foreign currencies	2,462	1,647	1,956	1,761	1,693	1,442	1,565	1,480
11 Commercial claims	15,043	11,041	11,131	10,518 ²	10,505 ²	10,646 ²	10,297	10,487
12 Trade receivables	14,007	9,994	9,721	9,186 ²	9,012 ²	9,177 ²	8,784	9,121
13 Advance payments and other claims	1,036	1,047	1,410	1,332 ²	1,493 ²	1,470 ²	1,513	1,367
14 Payable in dollars	14,527	10,478	10,494	9,819 ²	9,845 ²	9,912 ²	9,787	9,895
15 Payable in foreign currencies	516	563	637	699	659	735	510	592
<i>By area or country</i>								
<i>Financial claims</i>								
16 Europe	4,596	4,873	6,488 ²	6,564 ²	5,783 ²	5,693 ²	5,725 ²	5,427 ²
17 Belgium-Luxembourg	43	15	37	37	15	15	29	15
18 France	285	134	150	151	151	126	92 ²	49 ²
19 Germany	224	178	163	166	192	224	196	174 ²
20 Netherlands	50	97	71	158	62	66	72	37
21 Switzerland	117	107	38	61	64	66	46	16
22 United Kingdom	3,546	4,064	5,817 ²	5,739 ²	5,068 ²	4,795 ²	5,001 ²	4,862 ²
23 Canada	6,755	4,377	5,989 ²	5,302	4,492	4,006	3,957 ²	3,747 ²
24 Latin America and Caribbean	8,812	7,546	10,234 ²	8,850 ²	8,987 ²	8,137 ²	7,600 ²	6,397 ²
25 Bahamas	3,650	3,279	4,771 ¹	3,317 ¹	3,435 ²	3,282 ²	3,015 ²	2,153 ²
26 Bermuda	18	32	102	11	5	4	5	5
27 Brazil	30	62	53	83	84	100	98	96
28 British West Indies	3,971	3,255	4,206 ²	4,602 ²	4,580 ²	3,985 ²	3,894 ²	3,580 ²
29 Mexico	313	274	293	230	232	215	201	206 ²
30 Venezuela	148	139	134	124	128	125	101	100
31 Asia	758	698	764	977	900	961	856	639 ²
32 Japan	366	153	297	321	371	353	509	281
33 Middle East oil-exporting countries ²	37	15	4	8	7	13	6	6
34 Africa	173	158	147	158	160	210	101	111
35 Oil-exporting countries ³	46	48	55	35	37	85	32	25
36 All other ⁴	48	31	159	109	113	114	97	95
<i>Commercial claims</i>								
37 Europe	5,405	3,826	3,670	3,573 ²	3,618 ²	3,801 ²	3,360	3,707
38 Belgium-Luxembourg	234	151	135	142	128	165 ²	149	224
39 France	776	474	459	408	411	440	375	410
40 Germany	561	357	349	473 ²	368 ²	374	358	373
41 Netherlands	299	350	334	300 ²	298 ²	335 ²	340	301
42 Switzerland	431	360	317	250	289	271	253	376
43 United Kingdom	985	811	809	812	949 ²	1,063	885	952
44 Canada	967	633	829	933	1,026	1,021	1,248	1,065
45 Latin America and Caribbean	3,479	2,526	2,695	2,089 ²	2,027 ²	2,052 ²	1,973	2,137
46 Bahamas	12	21	8	4	14	8	9	11
47 Bermuda	223	261	190	89	88	115	164	65
48 Brazil	668	258	493	310	219	214	210	193
49 British West Indies	12	12	7	8	10	7	6	6
50 Mexico	1,022	775	884	577	595	583	493	616
51 Venezuela	424	351	272	241	245	206	192	224
52 Asia	3,959	3,050	3,063	3,091	2,901 ²	3,073 ²	2,985	2,720
53 Japan	1,245	1,047	1,114	1,183	1,089	1,191	1,154	968
54 Middle East oil-exporting countries ²	905	751	737	710	703	668	666	593
55 Africa	772	588	588	536	595	470	510	522
56 Oil-exporting countries ³	152	140	139	128	135	134	141	139
57 All other ⁴	461	417	286	297	338	229	221	337

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1983	1984	1985							
			Jan.-Nov.	May	June	July	Aug.	Sept.	Oct.	Nov. ^P
U.S. corporate securities										
Stocks										
1 Foreign purchases.....	69,770	60,704	70,655	6,520	6,471	7,181	6,366	4,802	7,232	8,399
2 Foreign sales.....	64,360	63,628	67,946	6,423	6,069	6,522	5,721	4,690	6,560	7,123
3 Net purchases, or sales (-).....	5,410	-2,924	2,710	97	402	659	645	112	673	1,276
4 Foreign countries.....	5,312	-3,039	2,788	140	404	559	644	163	644	1,365
5 Europe.....	3,979	-2,975	645	-285	72	336	364	170	554	950
6 France.....	-97	-405	-336	17	26	-3	-41	-120	-82	-85
7 Germany.....	1,045	-50	447	39	5	126	76	29	235	270
8 Netherlands.....	-109	-315	-237	-51	-86	42	18	25	33	47
9 Switzerland.....	1,325	-1,490	-347	-90	49	38	-28	-87	125	107
10 United Kingdom.....	1,799	-647	879	-219	49	104	295	293	210	581
11 Canada.....	1,151	1,672	262	7	-62	66	68	34	-31	-70
12 Latin America and Caribbean.....	529	493	1,396	247	132	119	109	-35	78	243
13 Middle East ¹	-808	-2,006	11	53	106	53	35	54	8	-174
14 Other Asia.....	395	-372	338	101	174	-23	58	-26	-16	384
15 Africa.....	42	-23	12	-8	13	25	9	0	-4	-1
16 Other countries.....	24	171	123	25	-31	-16	1	-34	55	32
17 Nonmonetary international and regional organizations.....	98	115	-78	-44	-1	100	1	-51	28	-89
BONDS ²										
18 Foreign purchases.....	24,000	39,853	77,843	6,789	5,319	8,502	5,547	7,482	7,401	12,501
19 Foreign sales.....	23,097	26,612	38,967	3,697	3,943	4,254	3,741	3,632	2,783	4,294
20 Net purchases, or sales (-).....	903	13,241	38,876	3,092	1,376	4,249	1,806	3,850	4,618	8,207
21 Foreign countries.....	888	12,944	38,521	3,230	1,243	3,597	2,118	4,176	4,772	7,757
22 Europe.....	909	11,793	34,725	2,752	1,199	3,210	1,834	3,949	3,665	6,769
23 France.....	-89	207	215	0	-35	-2	169	42	8	-15
24 Germany.....	344	1,731	1,605	-17	13	182	103	159	308	897
25 Netherlands.....	51	93	210	-11	-9	-2	25	-4	0	158
26 Switzerland.....	583	644	2,979	71	93	492	243	154	249	804
27 United Kingdom.....	434	8,520	28,891	2,398	1,039	2,391	1,368	3,519	3,037	4,837
28 Canada.....	123	-76	183	44	4	-4	-24	-31	42	110
29 Latin America and Caribbean.....	100	390	426	178	27	39	-81	-64	81	124
30 Middle East ¹	-1,161	-1,026	-2,208	-119	-507	-265	-80	-187	11	-215
31 Other Asia.....	865	1,862	5,367	372	518	610	465	508	966	975
32 Africa.....	0	1	7	1	0	3	1	0	1	0
33 Other countries.....	52	0	20	2	1	3	3	1	6	-5
34 Nonmonetary international and regional organizations.....	15	297	355	-138	133	651	-312	-326	-154	450
Foreign securities										
35 Stocks, net purchases, or sales (-).....	-3,765	-1,219	-3,491	100	-174	-550	-213	-221 ^r	-72	-284
36 Foreign purchases.....	13,281	14,597	18,265	1,764	1,632	1,580	1,689	1,564 ^r	2,172	2,171
37 Foreign sales.....	17,046	15,816	21,756	1,665	1,806	2,130	1,902	1,785 ^r	2,244	2,455
38 Bonds, net purchases, or sales (-).....	-3,239	-4,131	-3,762	-1,059	-261	-589	305	-420 ^r	-691	182
39 Foreign purchases.....	36,333	57,312	74,622	7,448	6,691	7,147	6,959	6,840 ^r	8,538	8,903
40 Foreign sales.....	39,572	61,443	78,384	8,507	6,952	7,736	6,654	7,260 ^r	9,229	8,721
41 Net purchases, or sales (-), of stocks and bonds.....	-7,004	-5,350	-7,253	-959	-434	-1,139	92	-641 ^r	-763	-102
42 Foreign countries.....	-6,559	-4,961	-7,981	-1,123	-386	-1,368	302	-876 ^r	-751	-325
43 Europe.....	-5,492	-8,740	-9,368	-2,024	-680	-1,185	-258	-764	-579	-1,037
44 Canada.....	-1,328	404	-1,408	-96	-157	-783	36	2 ^r	-27	14
45 Latin America and Caribbean.....	1,120	2,472	1,763	810	73	150	178	191	48	32
46 Asia.....	-855	1,252	1,112	201	353	418	387	-322 ^r	-193	832
47 Africa.....	141	-107	33	2	13	18	9	-2	-5	37
48 Other countries.....	-144	-242	-114	-15	14	13	-51	19	6	-204
49 Nonmonetary international and regional organizations.....	-445	-389	728	164	-49	229	-210	235	-13	223

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
 2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securi-

ties sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions

Millions of dollars

Country or area	1983	1984	1985	1985						
			Jan.-Nov.	May	June	July	Aug.	Sept.	Oct.	Nov. ^P
Transactions, net purchases or sales (-) during period ¹										
1 Estimated total ²	3,693	21,447	23,359	3,069	5,757	4,786	-3,345	6,533 ^r	-653	2,545
2 Foreign countries ²	3,162	16,444	26,226	4,337	5,757	5,364	1,027	3,988 ^r	-122	2,309
3 Europe ²	6,226	11,081	3,866	686	1,025	975	953	958	-701	-910
4 Belgium-Luxembourg.....	-431	289	521	101	17	21	92	49	10	29
5 Germany ²	2,450	2,958	1,619	838	415	725	937	294	17	-102
6 Netherlands.....	375	454	358	-73	10	148	386	127	-126	155
7 Sweden.....	170	46	1,017	157	775	119	-89	-33	-41	-42
8 Switzerland ²	-421	635	906	-135	143	-21	72	25	116	-124
9 United Kingdom.....	1,966	5,234	-2,170	-865	-96	-761	-82	283	-735	-526
10 Other Western Europe.....	2,118	1,466	1,615	663	-239	743	-363	214	58	-301
11 Eastern Europe.....	0	0	0	0	0	0	0	0	0	0
12 Canada.....	699	1,526	-145	113	6	7	-144	106	138	-394
13 Latin America and Caribbean.....	-212	1,413	4,168	581	205	156	524	562	125	735
14 Venezuela.....	-124	14	275	-9	80	0	33	2	91	72
15 Other Latin America and Caribbean.....	60	528	2,031	463	123	-7	95	556	110	367
16 Netherlands Antilles.....	-149	871	1,862	126	2	163	397	4	-76	296
17 Asia.....	-3,535	2,377	17,947	2,891	4,516	4,307	-416	2,225 ^r	244	2,928
18 Japan.....	2,315	6,062	17,939	1,060	2,666	3,752	875	1,884 ^r	1,630	3,039
19 Africa.....	3	-67	103	57	10	10	-1	0	9	1
20 All other.....	-17	114	287	9	-6	-91	111	137	63	-51
21 Nonmonetary international and regional organizations.....	535	5,001	-2,867	-1,268	-1	-577	-4,372	2,545	-530	236
22 International.....	218	4,610	-3,372	-1,057	-105	-219	-4,400	1,883	-430	-3
23 Latin American regional.....	0	0	10	5	0	0	0	-1	0	8
MEMO										
24 Foreign countries ²	3,162	16,444	26,226	4,337	5,757	5,364	1,027	3,988 ^r	-122	2,309
25 Official institutions.....	779	515	5,714	3,330	2,713	1,788	104	1,064	-1,209	-269
26 Other foreign ²	2,382	15,930	20,511	807	3,045	3,575	923	2,924 ^r	1,087	2,578
Oil-exporting countries										
27 Middle East ³	-5,419	6,277	-2,374	52	1,422	-1	-1,132	-838	-818	-467
28 Africa ⁴	-1	-101	5	0	0	0	0	0	4	0

1. Estimated official and private transactions in marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on Dec. 31, 1985		Country	Rate on Dec. 31, 1985		Country	Rate on Dec. 31, 1985	
	Per-cent	Month effective		Per-cent	Month effective		Per-cent	Month effective
Austria	4.0	Aug. 1985	France ¹	8.75	Nov. 1985	Norway	8.0	June 1983
Belgium	9.75	Dec. 1985	Germany, Fed. Rep. of ...	4.0	Aug. 1984	Switzerland	4.0	Mar. 1983
Brazil	49.0	Mar. 1981	Italy	15.0	Nov. 1985	United Kingdom ²	8.0	Oct. 1985
Canada	9.49	Dec. 1985	Japan	5.0	Oct. 1983	Venezuela		
Denmark	7.0	Oct. 1983	Netherlands	5.0	Aug. 1985			

1. As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.

2. Minimum lending rate suspended as of Aug. 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either discounts

or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1983	1984	1985	1985						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Eurodollars	9.57	10.75	8.27	7.60	7.89	8.02	8.14	8.08	8.02	7.99
2 United Kingdom	10.06	9.91	12.16	12.38	12.01	11.42	11.49	11.49	11.50	11.66
3 Canada	9.48	11.29	9.64	9.58	9.33	9.16	9.10	8.73	8.85	9.25
4 Germany	5.73	5.96	5.40	5.66	5.31	4.75	4.64	4.77	4.82	4.80
5 Switzerland	4.11	4.35	4.92	5.14	5.07	4.64	4.59	4.53	4.07	4.13
6 Netherlands	5.58	6.08	6.29	6.58	6.29	5.80	5.72	5.89	5.90	5.79
7 France	12.44	11.66	9.91	10.18	9.97	9.79	9.57	9.29	8.95	8.92
8 Italy	18.95	17.08	14.86	15.00	14.37	14.36	13.95	14.16	14.29	14.71
9 Belgium	10.51	11.41	9.60	8.96	8.95	9.50	9.33	8.97	8.66	9.14
10 Japan	6.49	6.32	6.47	6.30	6.29	6.30	6.31	6.47	7.29	7.36

NOTE. Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills; and Japan, Gensaki rate.

3.28 FOREIGN EXCHANGE RATES

Currency units per dollar

Country/currency	1983	1984	1985	1985						
				July	Aug.	Sept.	Oct.	Nov.	Dec.	
1 Australia/dollar ¹	90.14	87.937	70.026	69.95	70.70	68.96	70.25	67.74	68.11	
2 Austria/schilling	17.968	20.005	20.676	20.446	19.632	19.949	18.569	18.236	17.658	
3 Belgium/franc	51.121	57.749	59.336	58.626	56.543	57.395	53.618	52.474	51.251	
4 Brazil/cruzeiro	573.27	1841.50	6205.10	6236.19	6714.00	7453.33	8203.57	8913.95	9915.71	
5 Canada/dollar	1.2325	1.2953	1.3658	1.3526	1.3575	1.3703	1.3667	1.3765	1.3954	
6 China, P. R./yuan	1.9809	2.3308	2.9434	2.8809	2.9093	2.9722	3.0782	3.2086	3.2095	
7 Denmark/krone	9.1483	10.354	10.598	10.456	10.1459	10.2906	9.5880	9.3918	9.1221	
8 Finland/markka	5.5636	6.0007	6.1971	6.0798	5.9464	6.0140	5.6836	5.5709	5.4824	
9 France/franc	7.6203	8.7355	8.9799	8.8513	8.5323	8.6599	8.0641	7.9095	7.6849	
10 Germany/deutsche mark	2.5539	2.8454	2.9419	2.9083	2.7937	2.8381	2.6446	2.5954	2.5122	
11 Greece/drachma	87.895	112.73	138.40	131.75	131.75	136.74	145.74	153.037	150.186	
12 Hong Kong/dollar	7.2569	7.8188	7.7911	7.7527	7.7906	7.8043	7.7908	7.8042	7.8064	
13 India/rupee	10.1040	11.348	12.332	12.031	11.898	12.126	12.033	12.1010	12.1524	
14 Ireland/pound ¹	124.81	108.64	106.62	107.79	111.43	109.55	117.00	119.19	122.48	
15 Italy/lira	1519.30	1756.10	1908.90	1900.33	1873.51	1903.42	1785.43	1753.72	1713.50	
16 Japan/yen	237.55	237.45	238.47	241.14	237.46	236.53	214.68	204.07	202.79	
17 Malaysia/ringgit	2.3204	2.3448	2.4806	2.4696	2.4644	2.4841	2.4529	2.4341	2.4291	
18 Netherlands/guilder	2.8543	3.2083	3.3184	3.2732	3.1429	3.1921	2.9819	2.9230	2.8293	
19 New Zealand/dollar	66.790	57.837	49.752	49.826	53.564	53.285	56.931	57.230	52.633	
20 Norway/krone	7.3012	8.1596	8.5933	8.4338	8.2487	8.3337	7.9099	7.8076	7.6524	
21 Portugal/escudo	111.610	147.70	172.07	169.77	167.34	172.5	164.59	162.963	160.798	
22 Singapore/dollar	2.1136	2.1325	2.2008	2.2109	2.2191	2.2268	2.1387	2.1084	2.1213	
23 South Africa/rand ¹	89.85	69.534	45.57	51.07	43.07	39.49	38.38	37.57	37.05	
24 South Korea/won	776.04	807.91	861.89	876.46	885.09	847.46	894.49	893.35	893.13	
25 Spain/peseta	143.500	160.78	169.98	167.97	164.49	168.91	161.712	159.658	156.052	
26 Sri Lanka/rupee	23.510	25.428	27.187	27.327	27.377	27.430	27.421	27.449	27.420	
27 Sweden/krona	7.6717	8.2706	8.6031	8.4703	8.3106	8.3907	7.9557	7.8127	7.6817	
28 Switzerland/franc	2.1006	2.3500	2.4551	2.4060	2.2962	2.3749	2.1692	2.1306	2.1042	
29 Taiwan/dollar	n.a.	39.633	39.889	40.136	40.501	40.465	40.195	39.981	39.906	
30 Thailand/baht	22.991	23.582	27.193	27.053	26.889	27.050	26.569	26.315	26.715	
31 United Kingdom/pound ¹	151.59	133.66	129.74	138.07	138.40	136.42	142.15	143.96	144.47	
MEMO										
32 United States/dollar ²	125.34	138.19	143.01	140.94	137.55	139.14	130.71	128.08	125.80	

1. Value in U.S. cents.
 2. Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. March 1973 = 100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of the Weighted-Average Exchange Value of the U.S. Dollar: Revision" on p. 700 of the August 1978 BULLETIN.

NOTE. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) release. For address, see inside front cover.

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	REITs	Real estate investment trusts
		RPs	Repurchase agreements
		SMSAs	Standard metropolitan statistical areas
		.....	Cell not applicable

General Information

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

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct

obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

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

STATISTICAL RELEASES

List Published Semiannually, with Latest Bulletin Reference

	Issue	Page
Anticipated schedule of release dates for periodic releases.....	December 1985	A77

SPECIAL TABLES

Published Irregularly, with Latest Bulletin Reference

Assets and liabilities of commercial banks, March 31, 1983.....	August 1983	A70
Assets and liabilities of commercial banks, June 30, 1983	December 1983	A68
Assets and liabilities of commercial banks, September 30, 1983	March 1984	A68
Assets and liabilities of commercial banks, December 31, 1983	June 1984	A66
Assets and liabilities of U.S. branches and agencies of foreign banks, September 30, 1984	April 1985	A74
Assets and liabilities of U.S. branches and agencies of foreign banks, December 31, 1984	August 1985	A76
Assets and liabilities of U.S. branches and agencies of foreign banks, March 31, 1985	November 1985	A76
Assets and liabilities of U.S. branches and agencies of foreign banks, June 30, 1985	January 1986	A70
Terms of lending at commercial banks, February 1985	June 1985	A70
Terms of lending at commercial banks, May 1985	August 1985	A70
Terms of lending at commercial banks, August 1985	November 1985	A70
Terms of lending at commercial banks, November 1985	March 1986	A70

Special tables begin on next page.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 4-8, 1985¹

A. Commercial and Industrial Loans

Characteristics	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²	Loan rate (percent)			Loans made under commitment (percent)	Participation loans (percent)
			Days	Weighted average effective ³	Standard error ⁴	Inter-quartile range ⁵		
ALL BANKS								
1 Overnight ⁶	12,417,025	3,397	*	9.11	.15	8.87-9.28	64.8	7.1
2 One month and under	7,179,094	428	17	9.32	.28	8.87-9.55	71.6	11.6
3 Fixed rate	5,594,603	437	17	9.47	.43	8.86-9.44	67.4	12.4
4 Floating rate	1,584,491	398	16	9.70	.32	8.98-9.94	86.2	8.9
5 Over one month and under a year ...	7,640,986	78	142	10.46	.30	9.21-11.07	67.5	10.8
6 Fixed rate	3,637,434	58	117	10.32	.59	9.08-11.18	63.3	10.8
7 Floating rate	4,003,551	111	165	10.41	.24	9.37-11.02	71.3	10.8
8 Demand ⁷	4,833,914	172	*	10.12	.08	9.25-11.02	81.5	3.6
9 Fixed rate	858,496	187	*	9.39	.23	8.84-9.65	79.1	.3
10 Floating rate	3,975,418	169	*	10.28	.16	9.64-11.02	82.0	4.3
11 Total short term	32,071,018	218	45	9.68	.21	8.95-9.94	69.5	8.5
12 Fixed rate (thousands of dollars) ...	21,651,796	261	26	9.44	.47	8.87-9.44	64.8	7.4
13 1-24	453,990	7	101	13.38	.38	12.07-14.65	21.9	1.0
14 25-49	320,804	35	184	12.38	.38	11.07-13.46	31.6	12.8
15 50-99	177,245	66	113	12.40	.59	10.47-13.38	29.3	1.4
16 100-499	651,645	165	110	12.22	.54	10.36-13.31	30.3	9.1
17 500-999	224,162	673	48	9.87	.36	9.07-10.52	60.6	5.8
18 1000 and over	19,823,950	7,762	18	9.18	.04	8.86-9.35	67.9	7.5
19 Floating rate (thousands of dollars) ...	10,419,222	163	106	10.16	.18	9.19-11.02	79.1	10.6
20 1-24	300,037	9	146	11.73	.17	11.02-12.19	66.9	.8
21 25-49	324,565	34	163	11.61	.17	11.07-12.13	60.0	1.6
22 50-99	502,055	63	146	11.31	.13	10.47-11.85	66.0	2.5
23 100-499	1,888,834	191	121	10.92	.15	9.96-11.57	66.0	12.6
24 500-999	969,896	655	164	10.54	.12	9.92-11.02	70.9	7.7
25 1000 and over	6,433,835	3,999	88	9.65	.22	9.06-9.96	86.7	12.0
			Months					
26 Total long term	5,824,912	219	30	10.31	.51	9.28-10.92	76.5	16.8
27 Fixed rate (thousands of dollars) ...	1,486,899	89	64	10.84	1.03	9.17-10.94	77.2	9.7
28 1-99	180,685	12	63	16.49	1.41	13.30-17.23	12.0	.5
29 100-499	117,088	153	136	12.09	.32	11.07-12.75	31.0	6.0
30 500-999	61,707	697	36	10.89	.85	9.92-12.01	65.6	20.0
31 1000 and over	1,127,420	6,0646	57	9.81	.59	9.15-10.87	93.1	11.0
32 Floating rate (thousands of dollars) ...	4,338,013	439	45	10.12	.27	9.32-10.75	76.2	19.2
33 1-99	209,390	29	32	11.34	.08	10.75-12.00	54.8	1.5
34 100-499	424,802	217	42	11.39	.25	10.47-12.68	51.5	31.3
35 500-999	199,698	667	44	10.60	.27	9.84-11.02	80.1	13.5
36 1000 and over	3,504,124	6,726	47	9.87	.17	9.25-10.11	80.3	19.1
			Days	Loan rate (percent)		Prime rate ⁹		
				Effective ³	Nominal ⁸			
LOANS MADE BELOW PRIME¹⁰								
37 Overnight ⁶	11,745,734	9,922	*	9.04	8.65	9.50	64.3	7.5
38 One month and under	5,814,114	3,214	15	9.08	8.70	9.52	76.7	12.5
39 Over one month and under a year ...	3,388,756	359	132	9.31	8.96	9.75	80.1	13.6
40 Demand ⁷	1,792,704	1,514	*	9.05	8.72	9.53	85.3	2.5
41 Total short term	22,741,308	1,669	26	9.09	8.72	9.55	71.5	9.3
42 Fixed rate	18,509,780	1,612	19	9.08	8.71	9.54	66.3	8.1
43 Floating rate	4,231,528	1,975	71	9.13	8.76	9.59	94.2	14.6
			Months					
44 Total long term	2,081,591	1,876	46	9.17	8.46	9.59	93.7	23.2
45 Fixed rate	605,799	839	35	9.13	7.59	9.65	91.9	6.7
46 Floating rate	1,475,792	3,806	50	9.19	8.82	9.57	94.5	30.0

For notes see end of table.

4.23 Continued

A. Continued

Characteristics	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²	Loan rate (percent)			Loans made under commitment (percent)	Participation loans (percent)
				Days	Weighted average effective ³	Standard error ⁴			Inter-quartile range^{5}
48 LARGE BANKS								
1 Overnight ⁶	10,303,415	10,453	*	9.11	.02	8.87-9.28	66.7	8.6
2 One month and under.....	5,453,598	2,398	16	9.34	.11	8.91-9.44	78.2	9.7
3 Fixed rate.....	4,319,862	3,708	17	9.31	.12	8.91-9.44	74.5	9.7
4 Floating rate.....	1,133,736	1,023	16	9.47	.08	8.97-9.68	92.1	9.6
5 Over one month and under a year.....	3,702,065	491	124	9.76	.08	9.10-10.20	88.1	8.8
6 Fixed rate.....	2,132,404	1,191	94	9.61	.24	9.00-9.92	89.5	10.7
7 Floating rate.....	1,569,661	273	165	9.98	.13	9.18-10.65	86.2	6.3
8 Demand ⁷	2,334,279	314	*	10.09	.03	9.31-10.75	88.8	2.5
9 Fixed rate.....	355,856	414	*	9.65	.09	8.84-9.65	96.5	.1
10 Floating rate.....	1,978,423	300	*	10.17	.10	9.38-10.75	87.4	3.0
11 Total short term.....	21,793,356	1,195	29	9.39	.02	8.95-9.61	75.6	8.3
12 Fixed rate (thousands of dollars).....	16,421,578	3,487	18	9.23	.01	8.90-9.42	71.5	7.1
13 1-24.....	13,379	9	95	12.19	.10	10.52-13.31	58.4	.3
14 25-49.....	11,578	32	103	11.76	.11	10.52-12.68	63.2	.7
15 50-99.....	22,038	66	85	11.33	.06	10.52-12.07	65.9	1.4
16 100-499.....	113,573	215	67	10.51	.09	9.84-11.12	74.5	1.8
17 500-999.....	81,704	664	50	9.83	.28	9.02-10.56	62.6	2.4
18 1000 and over.....	16,179,306	8,581	17	9.21	.01	8.90-9.41	71.6	7.2
19 Floating rate (thousands of dollars).....	5,371,778	397	82	9.85	.07	9.09-10.47	87.9	11.7
20 1-24.....	54,047	10	136	11.74	.01	11.02-12.19	77.0	2.0
21 25-49.....	68,548	34	129	11.40	.03	10.75-12.13	73.2	3.5
22 50-99.....	126,176	65	142	11.16	.00	10.47-11.58	74.8	3.5
23 100-499.....	551,724	196	132	10.76	.02	9.94-11.07	77.7	4.7
24 500-999.....	384,765	670	135	10.56	.03	9.92-11.02	80.7	6.1
25 1000 and over.....	4,186,518	4,708	71	9.58	.07	9.06-9.92	90.7	13.7
			Months					
26 Total long term.....	4,065,691	923	49	9.95	.10	9.29-10.52	84.3	11.3
27 Fixed rate (thousands of dollars).....	1,030,810	1,333	61	10.00	.14	9.25-10.87	93.4	10.6
28 1-99.....	9,932	22	47	12.68	.28	11.30-13.77	27.6	1.9
29 100-499.....	30,643	212	54	11.66	.06	10.47-12.47	64.5	22.8
30 500-999.....	32,954	706	56	10.40	.17	9.92-11.00	76.7	17.2
31 1000 and over.....	957,282	6,871	61	9.90	.22	9.17-10.87	95.6	10.0
32 Floating rate (thousands of dollars).....	3,034,880	835	45	9.93	.09	9.29-10.35	81.2	11.6
33 1-99.....	81,882	34	23	10.91	.00	10.75-11.02	86.0	1.1
34 100-499.....	152,105	202	35	10.98	.12	10.20-11.19	81.2	9.7
35 500-999.....	111,664	685	41	10.56	.25	9.84-11.02	97.1	17.2
36 1000 and over.....	2,689,230	7,854	46	9.82	.05	9.29-9.96	80.4	11.8
			Days	Loan rate (percent)		Prime rate ⁹		
				Effective ³	Nominal ⁸			
LOANS MADE BELOW PRIME¹⁰								
37 Overnight ⁶	9,912,650	11,181	*	9.07	8.67	9.30	66.6	8.9
38 One month and under.....	4,659,844	5,204	15	9.10	8.73	9.52	80.9	9.7
39 Over one month and under a year.....	2,241,424	3,876	123	9.16	8.82	9.51	92.1	11.6
40 Demand ⁷	884,640	3,554	*	9.17	8.81	9.51	94.4	.0
41 Total short term.....	17,698,558	6,783	21	9.09	8.71	9.51	75.0	9.0
42 Fixed rate.....	14,878,657	7,459	15	9.08	8.70	9.30	70.9	7.4
43 Floating rate.....	2,819,901	4,589	60	9.15	8.77	9.56	96.7	17.6
			Months					
44 Total long term.....	1,530,176	5,880	46	9.16	8.84	9.53	96.4	16.9
45 Fixed rate.....	451,444	4,271	37	9.16	8.97	9.54	94.4	2.4
46 Floating rate.....	1,078,732	6,981	49	9.16	8.79	9.53	97.2	23.0

For notes see end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS SURVEY of Loans Made, November 4-8, 1985¹—Continued

A. Commercial and Industrial Loans—Continued

Characteristics	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²	Loan rate (percent)			Loans made under commitment (percent)	Participation loans (percent)
				Days	Weighted average effective ³	Standard error ⁴			Inter-quartile range^{5}
OTHER BANKS								
1 Overnight ⁶	2,113,610	792	*	9.10	.15	8.80-9.21	55.3	.1
2 One month and under.....	1,725,496	119	18	10.09	.26	8.83-10.26	50.7	17.6
3 Fixed rate.....	1,274,742	110	18	10.02	.42	8.83-9.93	43.4	21.3
4 Floating rate.....	450,755	157	18	10.28	.31	9.03-11.03	71.3	7.2
5 Over one month and under a year.....	3,938,921	43	158	11.12	.29	9.84-12.13	48.2	12.7
6 Fixed rate.....	1,505,030	25	149	11.81	.53	9.33-13.38	26.1	11.0
7 Floating rate.....	2,433,891	81	164	10.68	.20	9.84-11.55	61.8	13.7
8 Demand ⁷	2,499,635	121	*	10.16	.08	9.16-11.02	74.7	4.6
9 Fixed rate.....	502,640	135	*	9.21	.21	8.62-9.38	66.7	.4
10 Floating rate.....	1,996,995	118	*	10.39	.13	9.84-11.02	76.7	5.6
11 Total short term.....	10,277,662	80	85	10.30	.21	9.00-11.02	56.5	8.9
12 Fixed rate (thousands of dollars).....	5,230,218	67	53	10.11	.47	8.83-10.25	43.8	8.5
13 1-24.....	440,610	7	101	13.62	.36	12.13-14.65	20.8	1.0
14 25-49.....	309,227	35	186	12.61	.37	11.24-13.46	30.4	13.3
15 50-99.....	155,207	66	116	12.55	.58	10.46-13.38	24.1	1.4
16 100-499.....	538,072	157	116	12.58	.53	10.69-15.00	20.9	10.6
17 500-999.....	142,458	678	47	9.89	.22	9.07-10.52	59.4	7.8
18 1000 and over.....	3,644,643	5,451	22	9.01	.04	8.73-9.16	51.3	9.0
19 Floating rate (thousands of dollars).....	5,047,444	101	134	10.49	.17	9.69-11.07	69.7	9.5
20 1-24.....	245,990	9	148	11.73	.17	11.02-12.19	64.7	.5
21 25-49.....	256,016	34	170	11.67	.16	10.79-12.13	56.4	1.1
22 50-99.....	375,880	63	147	11.36	.13	10.47-12.01	63.0	2.2
23 100-499.....	1,337,111	189	118	10.99	.15	9.96-11.57	61.2	15.9
24 500-999.....	585,130	646	179	10.53	.11	9.92-11.07	64.4	8.7
25 1000 and over.....	2,247,317	3,123	123	9.77	.21	9.03-10.24	79.3	9.0
			Months					
26 Total long term.....	1,759,221	79	53	11.13	.50	9.32-12.13	58.3	29.4
27 Fixed rate (thousands of dollars).....	456,089	29	72	12.76	1.02	9.05-13.31	40.5	7.7
28 1-99.....	170,753	11	64	16.71	1.38	13.31-17.23	11.1	.5
29 100-499.....	86,445	139	165	12.24	.32	11.57-12.75	19.1	.0
30 500-999.....	28,753	688	56	11.45	.83	9.92-12.68	53.0	23.2
31 1000 and over.....	170,138	3,652	36	9.27	.55	8.31-9.82	78.8	16.3
32 Floating rate (thousands of dollars).....	1,303,133	209	46	10.56	.25	9.48-11.46	64.6	37.0
33 1-99.....	127,508	27	38	11.62	.08	11.02-12.13	34.7	1.8
34 100-499.....	272,697	227	46	11.63	.22	10.92-12.68	34.9	43.4
35 500-999.....	88,034	646	48	10.65	.11	9.92-11.46	58.5	8.9
36 1000 and over.....	814,894	4,563	48	10.03	.17	9.07-10.75	79.9	43.4
			Days	Loan rate (percent)		Prime rate ⁹		
				Effective ³	Nominal ⁸			
LOANS MADE BELOW PRIME¹⁰								
37 Overnight ⁶	1,833,085	6,167	*	8.93	8.55	9.50	51.4	.1
38 One month and under.....	1,154,270	1,264	17	8.97	8.61	9.52	60.0	23.8
39 Over one month and under a year.....	1,147,333	129	151	9.59	9.24	10.22	56.6	17.6
40 Demand ⁷	908,063	971	*	8.93	8.63	9.54	76.5	4.8
41 Total short term.....	5,042,750	458	47	9.09	8.73	9.68	59.1	10.4
42 Fixed rate.....	3,631,123	383	33	9.08	8.73	9.68	47.4	11.1
43 Floating rate.....	1,411,627	924	98	9.10	8.75	9.66	89.3	8.5
			Months					
44 Total long term.....	551,415	649	46	9.21	7.42	9.77	86.4	40.5
45 Fixed rate.....	154,355	251	28	9.04	3.57	9.95	84.6	19.1
46 Floating rate.....	397,059	1,703	53	9.27	8.91	9.70	87.1	48.8

For notes see end of table.

4.23 Continued

B. Construction and Land Development Loans

Characteristics	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity (months) ²	Loan rate (percent)			Loans made under commitment (percent)	Participation loans (percent)
				Weighted average effective ³	Standard error ⁴	Inter-quartile range ⁵		
Total								
1 Total	2,094,476	134	12	11.28	.65	10.13-12.19	77.4	7.0
2 Fixed rate (thousands of dollars)	788,004	97	4	11.37	1.12	10.13-10.19	85.9	9.1
3 1-24	37,714	7	8	15.58	1.13	13.88-16.08	28.5	.0
4 25-49	75,263	35	9	17.08	1.30	13.81-21.60	53.4	.0
5 50-99	56,189	70	12	14.21	.42	14.20-14.94	54.8	1.0
6 100-499	9,091	224	15	11.45	.45	10.93-12.13	60.3	.0
7 500 and over	609,746	8,994	2	10.14	.05	10.13-10.13	96.7	11.6
8 Floating rate (thousands of dollars) ..	1,306,473	174	18	11.22	.26	10.75-12.19	72.3	5.7
9 1-24	28,127	10	7	11.54	.13	11.02-12.13	87.8	3.6
10 25-49	56,580	34	10	11.34	.09	11.07-11.30	68.2	25.1
11 50-99	84,287	69	10	12.01	.16	11.30-13.52	83.6	2.3
12 100-499	204,722	186	21	11.51	.11	11.02-12.19	63.9	5.2
13 500 and over	932,755	1,460	20	11.07	.38	10.20-12.19	72.8	5.1
<i>By type of construction</i>								
14 Single family	423,851	42	22	12.61	1.27	10.75-12.75	66.3	.8
15 Multifamily	151,141	103	14	12.08	.50	10.79-13.52	62.4	1.7
16 Nonresidential	1,519,484	382	8	10.83	.24	10.13-11.57	82.0	9.3
Total								
1 Total	927,912	947	9	10.46	.01	10.13-10.75	95.0	8.5
2 Fixed rate (thousands of dollars)	600,685	3,332	2	10.11	.05	10.13-10.13	97.2	11.9
3 1-24	925	11	10	12.45	.32	12.13-13.24	74.3	.0
4 25-49	*	*	*	*	*	*	*	*
5 50-99	*	*	*	*	*	*	*	*
6 100-499	*	*	*	*	*	*	*	*
7 500 and over	595,229	10,658	2	10.09	.05	10.13-10.13	97.3	11.9
8 Floating rate (thousands of dollars) ..	327,227	409	22	11.10	.39	10.75-11.57	91.6	2.3
9 1-24	3,051	11	8	11.49	.07	11.02-11.57	91.6	3.2
10 25-49	4,092	34	11	11.46	.00	11.02-11.85	84.2	6.6
11 50-99	6,962	72	11	11.63	.14	11.02-12.13	85.7	5.2
12 100-499	49,039	229	14	11.24	.15	11.02-11.57	93.7	4.4
13 500 and over	264,083	3,126	24	11.05	.51	9.92-11.57	91.5	1.8
<i>By type of construction</i>								
14 Single family	188,998	411	27	11.09	.57	9.92-12.13	95.9	1.2
15 Multifamily	20,305	160	14	11.02	.07	10.50-11.46	59.4	8.0
16 Nonresidential	718,609	1,825	4	10.28	.09	10.13-10.13	96.1	10.4
Total								
1 Total	1,166,564	80	16	11.93	.75	10.95-12.19	63.2	5.8
2 Fixed rate (thousands of dollars)	187,318	24	13	15.42	1.31	13.52-16.06	49.7	.0
3 1-24	36,789	7	8	15.66	1.27	13.88-16.08	27.3	.0
4 25-49	74,991	35	9	17.09	1.35	13.81-21.60	53.3	.0
5 50-99	54,941	70	12	14.27	.44	14.20-14.94	54.6	.0
6 100-499	6,080	205	19	11.63	.43	10.93-12.69	40.7	.0
7 500 and over	*	*	*	*	*	*	*	*
8 Floating rate (thousands of dollars) ..	970,246	146	16	11.26	.21	10.90-12.19	65.8	6.9
9 1-24	25,076	10	7	11.54	.14	11.02-12.13	87.3	3.7
10 25-49	52,488	34	10	11.33	.10	11.07-11.30	66.9	26.6
11 50-99	77,326	69	10	12.04	.17	11.30-13.52	83.4	2.1
12 100-499	155,683	176	24	11.59	.08	11.02-12.19	54.6	5.4
13 500 and over	668,673	1,206	17	11.08	.26	10.47-12.19	65.5	6.3
<i>By type of construction</i>								
14 Single family	234,853	24	17	13.83	1.39	11.30-14.24	42.5	.4
15 Multifamily	130,836	98	14	12.25	.59	10.79-13.52	62.9	.7
16 Nonresidential	800,875	223	15	11.32	.27	10.92-12.19	69.3	8.2

For notes see end of table.
 *Fewer than 10 sample loans.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS SURVEY of Loans Made, November 4-8, 1985—Continued

C. Loans to Farmers¹¹

Characteristics	Size class of loans (thousands)						
	All sizes	\$1-9	\$10-24	\$25-49	\$50-99	\$100-249	\$250 and over
ALL BANKS							
1 Amount of loans (thousands of dollars).....	915,981	128,955	139,035	105,925	142,670	159,405	239,991
2 Number of loans	53,274	36,523	10,081	3,053	2,158	1,113	346
3 Weighted average maturity (months) ²	8.2	6.1	6.3	5.2	12.1	5.8	11.6
4 Weighted average interest rate (percent) ³	12.27	13.64	12.91	12.79	12.76	12.31	10.62
5 Standard error ⁴.....	.28	.37	.22	.32	.28	.35	.54
6 Interquartile range ⁵	11.02-13.60	12.50-14.13	12.11-13.70	12.17-13.66	11.96-13.71	11.02-13.61	9.50-11.57
<i>By purpose of loan</i>							
7 Feeder livestock.....	12.09	13.47	12.74	12.72	12.57	11.53	10.65
8 Other livestock.....	11.59	13.23	12.73	12.88	12.27	11.41	10.71
9 Other current operating expenses.....	12.23	13.34	12.97	12.93	13.09	12.33	10.15
10 Farm machinery and equipment.....	13.71	14.52	13.50	12.97	*	12.33	*
11 Other.....	12.21	13.14	12.35	12.42	12.21	13.15	11.27
<i>Percentage of amount of loans</i>							
12 With floating rates.....	46.1	26.3	38.9	32.1	44.5	53.7	63.0
13 Made under commitment.....	49.1	25.0	33.8	29.0	41.5	55.1	80.2
<i>By purpose of loan</i>							
14 Feeder livestock.....	22.9	13.3	18.3	47.6	18.2	33.2	15.7
15 Other livestock.....	7.8	6.3	7.3	3.2	3.0	7.2	14.2
16 Other current operating expenses.....	40.2	49.1	56.2	26.1	47.3	20.5	41.4
17 Farm machinery and equipment.....	8.5	25.7	9.8	14.0	*	*	*
18 Other.....	20.6	5.6	8.4	9.1	24.4	36.0	28.4
48 LARGE BANKS¹¹							
1 Amount of loans (thousands of dollars).....	300,854	7,501	11,062	13,542	23,721	38,090	206,937
2 Number of loans	3,805	1,842	730	394	360	253	226
3 Weighted average maturity (months) ²	10.7	5.5	5.5	6.0	4.9	5.8	12.9
4 Weighted average interest rate (percent) ³	10.56	12.03	11.61	11.67	11.42	10.87	10.22
5 Standard error ⁴.....	.25	.16	.09	.16	.13	.12	.32
6 Interquartile range ⁵	9.82-11.46	11.25-12.55	10.92-12.19	11.02-12.13	10.92-12.01	9.96-11.58	9.50-11.02
<i>By purpose of loan</i>							
7 Feeder livestock.....	10.86	11.56	11.11	11.49	11.40	10.94	10.59
8 Other livestock.....	10.87	12.15	11.65	*	12.06	*	10.71
9 Other current operating expenses.....	10.28	12.12	11.59	11.78	11.46	10.94	9.79
10 Farm machinery and equipment.....	11.33	13.62	*	*	*	*	*
11 Other.....	10.64	11.91	11.88	11.73	11.10	10.46	10.46
<i>Percentage of amount of loans</i>							
12 With floating rates.....	76.1	75.3	87.0	91.2	89.1	95.9	69.4
13 Made under commitment.....	85.1	76.4	78.0	83.6	88.6	88.5	84.8
<i>By purpose of loan</i>							
14 Feeder livestock.....	17.7	15.2	15.5	26.5	32.3	24.0	14.6
15 Other livestock.....	14.1	6.8	10.8	*	8.8	*	16.4
16 Other current operating expenses.....	43.5	51.9	52.9	39.4	39.4	40.1	44.1
17 Farm machinery and equipment.....	1.0	2.8	*	*	*	*	*
18 Other.....	23.6	23.3	18.1	26.0	18.7	22.4	24.6
OTHER BANKS¹¹							
1 Amount of loans (thousands of dollars).....	615,127	121,454	127,972	92,383	118,949	121,315	*
2 Number of loans	49,469	34,682	9,351	2,660	1,798	860	*
3 Weighted average maturity (months) ²	7.2	6.1	6.4	5.1	13.3	5.8	*
4 Weighted average interest rate (percent) ³	13.11	13.74	13.02	12.95	13.02	12.77	*
5 Standard error ⁴.....	.12	.33	.19	.27	.25	.32	*
6 Interquartile range ⁵	12.36-13.80	12.53-14.17	12.18-13.70	12.30-13.70	12.50-13.71	12.01-13.96	*
<i>By purpose of loan</i>							
7 Feeder livestock.....	12.51	13.61	12.86	12.82	13.06	11.65	*
8 Other livestock.....	12.64	13.30	12.87	*	*	*	*
9 Other current operating expenses.....	13.31	13.42	13.09	13.20	13.35	*	*
10 Farm machinery and equipment.....	13.82	14.52	13.51	*	*	*	*
11 Other.....	13.16	13.53	12.45	12.82	*	*	*
<i>Percentage of amount of loans</i>							
12 With floating rates.....	31.4	23.3	34.8	23.5	35.6	40.5	*
13 Made under commitment.....	31.5	21.8	30.0	21.0	32.2	44.6	*
<i>By purpose of loan</i>							
14 Feeder livestock.....	25.4	13.2	18.6	50.7	15.4	36.0	*
15 Other livestock.....	4.7	6.3	7.0	*	*	*	*
16 Other current operating expenses.....	38.6	48.9	56.5	24.1	48.9	*	*
17 Farm machinery and equipment.....	12.1	27.1	10.4	*	*	*	*
18 Other.....	19.1	4.5	7.6	6.6	*	*	*

For notes see following page.

NOTES TO TABLE 4.23

1. The survey of terms of bank lending to business collects data on gross loan extensions made during the first full business week in the mid-month of each quarter by a sample of 340 commercial banks of all sizes. The sample data are blown up to estimate the lending terms at all insured commercial banks during that week. The estimated terms of bank lending are not intended for use in collecting the terms of loans extended over the entire quarter or residing in the portfolios of those banks. Construction and land development loans include both unsecured loans and loans secured by real estate. Thus, some of the construction and land development loans would be reported on the statement of condition as real estate loans and the remainder as business loans. The survey of terms of bank lending to farmers covers about 250 banks selected to represent all sizes of banks. Mortgage loans, purchased loans, foreign loans, and loans of less than \$1,000 are excluded from the survey.

As of March 31, 1985, average domestic assets of 48 large banks were \$14.2 billion and assets of the smallest of these banks were \$2.7 billion. For all insured banks total domestic assets averaged \$148 billion.

2. The weighted average maturity is calculated only for loans with a stated date of maturity (that is, loans payable on demand are excluded). In computing the average, each loan is weighted by its dollar amount.

3. The approximate compounded annual interest rate on each loan is calculated from survey data on the stated rate and other terms of the loan; then, in computing the average of these approximate effective rates, each loan is weighted by its dollar amount.

4. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of lending at all banks.

5. The interquartile range shows the interest rate range that encompasses the middle 50 percent of the total dollar amount of loans made.

6. Overnight loans are loans that mature on the following business day.

7. Demand loans have no stated date of maturity.

8. The approximate annual interest rate on each loan—without regard to compounding—is calculated from survey data on the stated rate and other terms of the loan; then in computing the average of these approximate nominal rates, each loan is weighted by its dollar amount.

9. The prime rate reported by each bank is weighted by the volume of loans extended and then averaged.

10. This survey provides data on gross loan extensions made during one week of each quarter. The proportion of these loan extensions that is made at rates below prime may vary substantially from the proportion of such loans outstanding in bank loan portfolios.

11. Among banks reporting loans to farmers, most "large banks" had over \$500 million in total assets, and most "other banks" had total assets below \$500 million.

Federal Reserve Board of Governors

PAUL A. VOLCKER, *Chairman*
PRESTON MARTIN, *Vice Chairman*

HENRY C. WALLICH
EMMETT J. RICE

OFFICE OF BOARD MEMBERS

JOSEPH R. COYNE, *Assistant to the Board*
DONALD J. WINN, *Assistant to the Board*
STEVEN M. ROBERTS, *Assistant to the Chairman*
ANTHONY F. COLE, *Special Assistant to the Board*
BOB S. MOORE, *Special Assistant to the Board*
NAOMI P. SALUS, *Special Assistant to the Board*

LEGAL DIVISION

MICHAEL BRADFIELD, *General Counsel*
J. VIRGIL MATTINGLY, JR., *Deputy General Counsel*
RICHARD M. ASHTON, *Associate General Counsel*
OLIVER IRELAND, *Associate General Counsel*
RICKI R. TIGERT, *Assistant General Counsel*
MARYELLEN A. BROWN, *Assistant to the General Counsel*

OFFICE OF THE SECRETARY

WILLIAM W. WILES, *Secretary*
BARBARA R. LOWREY, *Associate Secretary*
JAMES MCAFEE, *Associate Secretary*

DIVISION OF CONSUMER AND COMMUNITY AFFAIRS

GRIFFITH L. GARWOOD, *Director*
JERAULD C. KLUCKMAN, *Associate Director*
GLENN E. LONEY, *Assistant Director*
DOLORES S. SMITH, *Assistant Director*

DIVISION OF BANKING SUPERVISION AND REGULATION

WILLIAM TAYLOR, *Director*
WELFORD S. FARMER, *Deputy Director*¹
FREDERICK R. DAHL, *Associate Director*
DON E. KLINE, *Associate Director*
FREDERICK M. STRUBLE, *Associate Director*
WILLIAM A. RYBACK, *Deputy Associate Director*
STEPHEN C. SCHEMERING, *Deputy Associate Director*
RICHARD SPILLENKOTHEN, *Deputy Associate Director*
HERBERT A. BIERN, *Assistant Director*
ANTHONY CORNYN, *Assistant Director*
JAMES I. GARNER, *Assistant Director*
JAMES D. GOETZINGER, *Assistant Director*
MICHAEL G. MARTINSON, *Assistant Director*
ROBERT S. PLOTKIN, *Assistant Director*
SIDNEY M. SUSSAN, *Assistant Director*
LAURA M. HOMER, *Securities Credit Officer*

OFFICE OF STAFF DIRECTOR FOR MONETARY AND FINANCIAL POLICY

STEPHEN H. AXILROD, *Staff Director*
DONALD L. KOHN, *Deputy Staff Director*
STANLEY J. SIGEL, *Assistant to the Board*
NORMAND R.V. BERNARD, *Special Assistant to the Board*

DIVISION OF RESEARCH AND STATISTICS

JAMES L. KICHLINE, *Director*
EDWARD C. ETTIN, *Deputy Director*
MICHAEL J. PRELL, *Deputy Director*
JOSEPH S. ZEISEL, *Deputy Director*
JARED J. ENZLER, *Associate Director*
DAVID E. LINDSEY, *Associate Director*
ELEANOR J. STOCKWELL, *Associate Director*
THOMAS D. SIMPSON, *Deputy Associate Director*
LAWRENCE SLIFMAN, *Deputy Associate Director*
HELMUT F. WENDEL, *Deputy Associate Director*
MARTHA BETHEA, *Assistant Director*
ROBERT M. FISHER, *Assistant Director*
DAVID B. HUMPHREY, *Assistant Director*
SUSAN J. LEPPER, *Assistant Director*
RICHARD D. PORTER, *Assistant Director*
PETER A. TINSLEY, *Assistant Director*
LEVON H. GARABEDIAN, *Assistant Director*
(Administration)

DIVISION OF INTERNATIONAL FINANCE

EDWIN M. TRUMAN, *Director*
LARRY J. PROMISEL, *Senior Associate Director*
CHARLES J. SIEGMAN, *Senior Associate Director*
DAVID H. HOWARD, *Deputy Associate Director*
ROBERT F. GEMMILL, *Staff Adviser*
PETER HOOPER III, *Assistant Director*
KAREN H. JOHNSON, *Assistant Director*
RALPH W. SMITH, JR., *Assistant Director*

1. On loan from the Federal Reserve Bank of Richmond.

and Official Staff

MARTHA R. SEGER
WAYNE D. ANGELL

MANUEL H. JOHNSON

OFFICE OF STAFF DIRECTOR FOR MANAGEMENT

S. DAVID FROST, *Staff Director*
EDWARD T. MULRENIN, *Assistant Staff Director*
CHARLES L. HAMPTON, *Senior Technical Adviser*
PORTIA W. THOMPSON, *Equal Employment Opportunity
Programs Officer*

DIVISION OF PERSONNEL

DAVID L. SHANNON, *Director*
JOHN R. WEIS, *Assistant Director*
CHARLES W. WOOD, *Assistant Director*

OFFICE OF THE CONTROLLER

GEORGE E. LIVINGSTON, *Controller*
BRENT L. BOWEN, *Assistant Controller*

DIVISION OF SUPPORT SERVICES

ROBERT E. FRAZIER, *Director*
WALTER W. KREIMANN, *Associate Director*
GEORGE M. LOPEZ, *Assistant Director*

OFFICE OF COMPUTING AND INFORMATION SERVICES

ALLEN E. BEUTEL, *Executive Director*

DIVISION OF COMPUTING SERVICES

BRUCE M. BEARDSLEY, *Director*
THOMAS C. JUDD, *Assistant Director*
ELIZABETH B. RIGGS, *Assistant Director*
ROBERT J. ZEMEL, *Assistant Director*

DIVISION OF INFORMATION SERVICES

WILLIAM R. JONES, *Director*
STEPHEN R. MALPHRUS, *Assistant Director*
WILLIAM C. SCHNEIDER, JR., *Assistant Director*
RICHARD C. STEVENS, *Assistant Director*

OFFICE OF STAFF DIRECTOR FOR FEDERAL RESERVE BANK ACTIVITIES

THEODORE E. ALLISON, *Staff Director*

DIVISION OF FEDERAL RESERVE BANK OPERATIONS

CLYDE H. FARNSWORTH, JR., *Director*
ELLIOTT C. MCENTEE, *Associate Director*
DAVID L. ROBINSON, *Associate Director*
C. WILLIAM SCHLEICHER, JR., *Associate Director*
WALTER ALTHAUSEN, *Assistant Director*
CHARLES W. BENNETT, *Assistant Director*
ANNE M. DEBEER, *Assistant Director*
JACK DENNIS, JR., *Assistant Director*
EARL G. HAMILTON, *Assistant Director*
WILLIAM E. PASCOE III, *Assistant Director*
JOHN H. PARRISH, *Assistant Director*
FLORENCE M. YOUNG, *Adviser*

Federal Open Market Committee

FEDERAL OPEN MARKET COMMITTEE

PAUL A. VOLCKER, *Chairman*

E. GERALD CORRIGAN, *Vice Chairman*

WAYNE D. ANGELL
ROGER GUFFEY
KAREN N. HORN

MANUEL H. JOHNSON
PRESTON MARTIN
THOMAS C. MELZER

FRANK E. MORRIS
EMMETT J. RICE
MARTHA R. SEGER
HENRY C. WALLICH

STEPHEN H. AXILROD, *Staff Director and Secretary*
NORMAND R. V. BERNARD, *Assistant Secretary*
NANCY M. STEELE, *Deputy Assistant Secretary*
MICHAEL BRADFIELD, *General Counsel*
JAMES H. OLTMAN, *Deputy General Counsel*
JAMES L. KICHLINE, *Economist*
EDWIN M. TRUMAN, *Economist (International)*
ANATOL B. BALBACH, *Associate Economist*

JOHN M. DAVIS, *Associate Economist*
RICHARD G. DAVIS, *Associate Economist*
THOMAS E. DAVIS, *Associate Economist*
DONALD L. KOHN, *Associate Economist*
DAVID E. LINDSEY, *Associate Economist*
ALICIA H. MUNNELL, *Associate Economist*
MICHAEL J. PRELL, *Associate Economist*
CHARLES J. SIEGMAN, *Associate Economist*

PETER D. STERNLIGHT, *Manager for Domestic Operations, System Open Market Account*
SAM Y. CROSS, *Manager for Foreign Operations, System Open Market Account*

FEDERAL ADVISORY COUNCIL

ROBERT L. NEWELL, *First District*
JOHN F. MCGILICUDDY, *Second District*
GEORGE A. BUTLER, *Third District*
JULIEN L. MCCALL, *Fourth District*
JOHN G. MEDLIN, JR., *Fifth District*
BENNETT A. BROWN, *Sixth District*

HAL C. KUEHL, *Seventh District*
WILLIAM H. BOWEN, *Eighth District*
DEWALT H. ANKENY, JR., *Ninth District*
F. PHILLIPS GILTNER, *Tenth District*
NAT S. ROGERS, *Eleventh District*
G. ROBERT TRUEX, JR., *Twelfth District*

HERBERT V. PROCHNOW, *SECRETARY*
WILLIAM J. KORSVIK, *ASSOCIATE SECRETARY*

and Advisory Councils

CONSUMER ADVISORY COUNCIL

MARGARET M. MURPHY, Columbia, Maryland, *Chairman*
LAWRENCE S. OKINAGA, Honolulu, Hawaii, *Vice Chairman*

RACHEL G. BRATT, Medford, Massachusetts
JONATHAN BROWN, Washington, D.C.
MICHAEL S. CASSIDY, New York, New York
THERESA FAITH CUMMINGS, Springfield, Illinois
NEIL J. FOGARTY, Jersey City, New Jersey
STEVEN M. GEARY, Jefferson City, Missouri
KENNETH HALL, Jackson, Mississippi
STEVEN W. HAMM, Columbia, South Carolina
ROBERT J. HOBBS, Boston, Massachusetts
ROBERT W. JOHNSON, West Lafayette, Indiana
JOHN M. KOLESAR, Cleveland, Ohio
EDWARD N. LANGE, Seattle, Washington
FRED S. MCCHESENEY, Atlanta, Georgia

FREDERICK H. MILLER, Norman, Oklahoma
ROBERT F. MURPHY, Detroit, Michigan
HELEN NELSON, Mill Valley, California
SANDRA PARKER, Richmond, Virginia
JOSEPH L. PERKOWSKI, Centerville, Minnesota
BRENDA SCHNEIDER, Detroit, Michigan
JANE SHULL, Philadelphia, Pennsylvania
TED L. SPURLOCK, New York, New York
MEL STILLER, Boston, Massachusetts
CHRISTOPHER J. SUMNER, Salt Lake City, Utah
EDWARD J. WILLIAMS, Chicago, Illinois
MERVIN WINSTON, Minneapolis, Minnesota
MICHAEL ZOROYA, St. Louis, Missouri

THRIFT INSTITUTIONS ADVISORY COUNCIL

RICHARD H. DEIHL, Los Angeles, Florida, *President*
MICHAEL R. WISE, Denver, Colorado, *Vice President*

ELLIOTT G. CARR, Harwich Port, Massachusetts
M. TODD COOKE, Philadelphia, Pennsylvania
JOHN C. DICUS, Topeka, Kansas
HAROLD W. GREENWOOD, JR., Minneapolis, Minnesota
JOHN A. HARDIN, Rock Hill, South Carolina

JAMIE J. JACKSON, Houston, Texas
FRANCES LESNIESKI, East Lansing, Michigan
DONALD F. MCCORMICK, Livingston, New Jersey
HERSCHEL ROSENTHAL, Miami, Florida
GARY L. SIRMON, Walla Walla, Washington

Federal Reserve Board Publications

Copies are available from PUBLICATIONS SERVICES, Mail Stop 138, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. When a charge is indicated, remittance should accompany request and be made payable to the order of the Board of Governors of the Federal Reserve System. Remittance from foreign residents should be drawn on a U.S. bank. Stamps and coupons are not accepted.

THE FEDERAL RESERVE SYSTEM—PURPOSES AND FUNCTIONS. 1984. 120 pp.

ANNUAL REPORT.

FEDERAL RESERVE BULLETIN. Monthly. \$20.00 per year or \$2.00 each in the United States, its possessions, Canada, and Mexico; 10 or more of same issue to one address, \$18.00 per year or \$1.75 each. Elsewhere, \$24.00 per year or \$2.50 each.

BANKING AND MONETARY STATISTICS. 1914–1941. (Reprint of Part I only) 1976. 682 pp. \$5.00.

BANKING AND MONETARY STATISTICS. 1941–1970. 1976. 1,168 pp. \$15.00.

ANNUAL STATISTICAL DIGEST

1974–78. 1980. 305 pp. \$10.00 per copy.

1981. 1982. 239 pp. \$ 6.50 per copy.

1982. 1983. 266 pp. \$ 7.50 per copy.

1983. 1984. 264 pp. \$11.50 per copy.

1984. 1985. 254 pp. \$12.50 per copy.

FEDERAL RESERVE CHART BOOK. Issued four times a year in February, May, August, and November. Subscription includes one issue of Historical Chart Book. \$7.00 per year or \$2.00 each in the United States, its possessions, Canada, and Mexico. Elsewhere, \$10.00 per year or \$3.00 each.

HISTORICAL CHART BOOK. Issued annually in Sept. Subscription to the Federal Reserve Chart Book includes one issue. \$1.25 each in the United States, its possessions, Canada, and Mexico; 10 or more to one address, \$1.00 each. Elsewhere, \$1.50 each.

SELECTED INTEREST AND EXCHANGE RATES—WEEKLY SERIES OF CHARTS. Weekly. \$15.00 per year or \$.40 each in the United States, its possessions, Canada, and Mexico; 10 or more of same issue to one address, \$13.50 per year or \$.35 each. Elsewhere, \$20.00 per year or \$.50 each.

THE FEDERAL RESERVE ACT, as amended through August 31, 1985, with an appendix containing provisions of certain other statutes affecting the Federal Reserve System. 576 pp. \$7.00.

REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

REAPPRAISAL OF THE FEDERAL RESERVE DISCOUNT MECHANISM. *Vol. 1.* 1971. 276 pp. *Vol. 2.* 1971. 173 pp. Each volume, \$3.00; 10 or more to one address, \$2.50 each.

THE ECONOMETRICS OF PRICE DETERMINATION CONFERENCE, October 30–31, 1970, Washington, D.C. 1972. 397 pp. Cloth ed. \$5.00 each; 10 or more to one address, \$4.50 each. Paper ed. \$4.00 each; 10 or more to one address, \$3.60 each.

ANNUAL PERCENTAGE RATE TABLES (Truth in Lending—Regulation Z) Vol. I (Regular Transactions). 1969. 100 pp. *Vol. II (Irregular Transactions).* 1969. 116 pp. Each volume \$.25; 10 or more of same volume to one address, \$2.00 each.

FEDERAL RESERVE MEASURES OF CAPACITY AND CAPACITY UTILIZATION. 1978. 40 pp. \$1.75 each; 10 or more to one address, \$1.50 each.

THE BANK HOLDING COMPANY MOVEMENT TO 1978: A COMPENDIUM. 1978. 289 pp. \$2.50 each; 10 or more to one address, \$2.25 each.

INTRODUCTION TO FLOW OF FUNDS. 1980. 68 pp. \$1.50 each; 10 or more to one address, \$1.25 each.

PUBLIC POLICY AND CAPITAL FORMATION. 1981. 326 pp. \$13.50 each.

SEASONAL ADJUSTMENT OF THE MONETARY AGGREGATES: REPORT OF THE COMMITTEE OF EXPERTS ON SEASONAL ADJUSTMENT TECHNIQUES. 1981. 55 pp. \$2.75 each.

FEDERAL RESERVE REGULATORY SERVICE. Looseleaf; updated at least monthly. (Requests must be prepaid.) Consumer and Community Affairs Handbook. \$60.00 per year.

Monetary Policy and Reserve Requirements Handbook. \$60.00 per year.

Securities Credit Transactions Handbook. \$60.00 per year.

Federal Reserve Regulatory Service. 3 vols. (Contains all three Handbooks plus substantial additional material.) \$175.00 per year.

Rates for subscribers outside the United States are as follows and include additional air mail costs:

Federal Reserve Regulatory Service, \$225.00 per year.

Each Handbook, \$75.00 per year.

THE U.S. ECONOMY IN AN INTERDEPENDENT WORLD: A MULTICOUNTRY MODEL, May 1984. 590 pp. \$14.50 each.

WELCOME TO THE FEDERAL RESERVE.

PROCESSING AN APPLICATION THROUGH THE FEDERAL RESERVE SYSTEM. August 1985. 30 pp.

THE MONETARY AUTHORITY OF THE FEDERAL RESERVE, May 1984. (High School Level.)

WRITING IN STYLE AT THE FEDERAL RESERVE. August 1984. 93 pp. \$2.50 each.

REMARKS BY CHAIRMAN PAUL A. VOLCKER, AT XIII AMERICAN-GERMAN BIENNIAL CONFERENCE, March 1985.

REMARKS BY CHAIRMAN PAUL A. VOLCKER, TO THE EMPIRE CLUB OF CANADA AND THE CANADIAN CLUB OF TORONTO, October 28, 1985.

CONSUMER EDUCATION PAMPHLETS

Short pamphlets suitable for classroom use. Multiple copies available without charge.

Alice in Debitland
 Consumer Handbook on Adjustable Rate Mortgages
 Consumer Handbook to Credit Protection Laws
 The Equal Credit Opportunity Act and Business Credit
 The Equal Credit Opportunity Act and . . . Credit Rights in Housing
 Fair Credit Billing
 Federal Reserve Glossary
 Guide to Federal Reserve Regulations
 How to File A Consumer Credit Complaint
 If You Borrow To Buy Stock
 If You Use A Credit Card
 Instructional Materials of the Federal Reserve System
Series on the Structure of the Federal Reserve System
 The Board of Governors of the Federal Reserve System
 The Federal Open Market Committee
 Federal Reserve Bank Board of Directors
 Federal Reserve Banks
 Organization and Advisory Committees
 U.S. Currency
 What Truth in Lending Means to You

STAFF STUDIES: Summaries Only Printed in the Bulletin

Studies and papers on economic and financial subjects that are of general interest. Requests to obtain single copies of the full text or to be added to the mailing list for the series may be sent to Publications Services.

Staff Studies 115-125 are out of print.

114. MULTIBANK HOLDING COMPANIES: RECENT EVIDENCE ON COMPETITION AND PERFORMANCE IN BANKING MARKETS, by Timothy J. Curry and John T. Rose. Jan. 1982. 9 pp.
126. DEFINITION AND MEASUREMENT OF EXCHANGE MARKET INTERVENTION, by Donald B. Adams and Dale W. Henderson. August 1983. 5 pp.
127. U.S. EXPERIENCE WITH EXCHANGE MARKET INTERVENTION: JANUARY-MARCH 1975, by Margaret L. Greene. August 1984. 16 pp.
128. U.S. EXPERIENCE WITH EXCHANGE MARKET INTERVENTION: SEPTEMBER 1977-DECEMBER 1979, by Margaret L. Greene. October 1984. 40 pp.
129. U.S. EXPERIENCE WITH EXCHANGE MARKET INTERVENTION: OCTOBER 1980-OCTOBER 1981, by Margaret L. Greene. August 1984. 36 pp.
130. EFFECTS OF EXCHANGE RATE VARIABILITY ON INTERNATIONAL TRADE AND OTHER ECONOMIC VARIABLES: A REVIEW OF THE LITERATURE, by Victoria S. Farrell with Dean A. DeRosa and T. Ashby McCown. January 1984. *Out of print.*
131. CALCULATIONS OF PROFITABILITY FOR U.S. DOLLAR-DEUTSCHE MARK INTERVENTION, by Laurence R. Jacobson. October 1983. 8 pp.
132. TIME-SERIES STUDIES OF THE RELATIONSHIP BETWEEN EXCHANGE RATES AND INTERVENTION: A REVIEW OF THE TECHNIQUES AND LITERATURE, by Kenneth Rogoff. October 1983. 15 pp.
133. RELATIONSHIPS AMONG EXCHANGE RATES, INTERVENTION, AND INTEREST RATES: AN EMPIRICAL INVESTIGATION, by Bonnie E. Loopesko. November 1983. *Out of print.*
134. SMALL EMPIRICAL MODELS OF EXCHANGE MARKET INTERVENTION: A REVIEW OF THE LITERATURE, by Ralph W. Tryon. October 1983. 14 pp.
135. SMALL EMPIRICAL MODELS OF EXCHANGE MARKET INTERVENTION: APPLICATIONS TO CANADA, GERMANY, AND JAPAN, by Deborah J. Danker, Richard A. Haas, Dale W. Henderson, Steven A. Symansky, and Ralph W. Tryon. April 1985. 27 pp.
136. THE EFFECTS OF FISCAL POLICY ON THE U.S. ECONOMY, by Darrell Cohen and Peter B. Clark. January 1984. 16 pp. *Out of print.*
137. THE IMPLICATIONS FOR BANK MERGER POLICY OF FINANCIAL DEREGULATION, INTERSTATE BANKING, AND FINANCIAL SUPERMARKETS, by Stephen A. Rhoades. February 1984. *Out of print.*
138. ANTITRUST LAWS, JUSTICE DEPARTMENT GUIDELINES, AND THE LIMITS OF CONCENTRATION IN LOCAL BANKING MARKETS, by James Burke. June 1984. 14 pp.
139. SOME IMPLICATIONS OF FINANCIAL INNOVATIONS IN THE UNITED STATES, by Thomas D. Simpson and Patrick M. Parkinson. August 1984. 20 pp.
140. GEOGRAPHIC MARKET DELINEATION: A REVIEW OF THE LITERATURE, by John D. Wolken. November 1984. 38 pp.
141. A COMPARISON OF DIRECT DEPOSIT AND CHECK PAYMENT COSTS, by William Dudley. November 1984. 15 pp.
142. MERGERS AND ACQUISITIONS BY COMMERCIAL BANKS, 1960-83, by Stephen A. Rhoades. December 1984. 30 pp.
143. COMPLIANCE COSTS AND CONSUMER BENEFITS OF THE ELECTRONIC FUND TRANSFER ACT: RECENT SURVEY EVIDENCE, by Frederick J. Schroeder. April 1985. 23 pp.
144. SCALE ECONOMIES IN COMPLIANCE COSTS FOR CONSUMER CREDIT REGULATIONS: THE TRUTH IN LENDING AND EQUAL CREDIT OPPORTUNITY LAWS, by Gregory E. Elliehausen and Robert D. Kurtz. May 1985. 10 pp.
145. SERVICE CHARGES AS A SOURCE OF BANK INCOME AND THEIR IMPACT ON CONSUMERS, by Glenn B. Canner and Robert D. Kurtz. August 1985. 31 pp.
146. THE ROLE OF THE PRIME RATE IN THE PRICING OF BUSINESS LOANS BY COMMERCIAL BANKS, 1977-84, by Thomas F. Brady. November 1985. 25 pp.
147. REVISIONS IN THE MONETARY SERVICES (DIVISIA) INDEXES OF THE MONETARY AGGREGATES, by Helen T. Farr and Deborah Johnson. December 1985. 42 pp.
148. THE MACROECONOMIC AND SECTORAL EFFECTS OF THE ECONOMIC RECOVERY TAX ACT: SOME SIMULATION RESULTS, by Flint Brayton and Peter B. Clark. December 1985. 17 pp.

REPRINTS OF BULLETIN ARTICLES

Most of the articles reprinted do not exceed 12 pages.

The Commercial Paper Market since the Mid-Seventies. 6/82.
Foreign Experience with Targets for Money Growth. 10/83.
Intervention in Foreign Exchange Markets: A Summary of
Ten Staff Studies. 11/83.
A Financial Perspective on Agriculture. 1/84.
Survey of Consumer Finances, 1983. 9/84.
Bank Lending to Developing Countries. 10/84.

Survey of Consumer Finances, 1983: A Second Report.
12/84.
Union Settlements and Aggregate Wage Behavior in the
1980s. 12/84.
The Thrift Industry in Transition. 3/85.
U.S. International Transactions in 1984. 5/85.
A Revision of the Index of Industrial Production. 7/85.
Financial Innovation and Deregulation in Foreign Industrial
Countries. 10/85.
Recent Developments in the Bankers Acceptance Market.
1/86.

Index to Statistical Tables

References are to pages A3–A75 although the prefix "A" is omitted in this index

- ACCEPTANCES, bankers (*See* Bankers acceptances)
 Agricultural loans, commercial banks, 19, 20, 74
 Assets and liabilities (*See also* Foreigners)
 Banks, by classes, 18–20
 Domestic finance companies, 37
 Federal Reserve Banks, 10
 Financial institutions, 26
 Foreign banks, U.S. branches and agencies, 21
 Nonfinancial corporations, 36
 Automobiles
 Consumer installment credit, 40, 41
 Production, 47, 48
- BANKERS acceptances, 9, 23, 24
 Bankers balances, 18–20 (*See also* Foreigners)
 Bonds (*See also* U.S. government securities)
 New issues, 34
 Rates, 24
 Branch banks, 21, 55
 Business activity, nonfinancial, 44
 Business expenditures on new plant and equipment, 36
 Business loans (*See* Commercial and industrial loans)
- CAPACITY utilization, 46
 Capital accounts
 Banks, by classes, 18
 Federal Reserve Banks, 10
 Central banks, discount rates, 67
 Certificates of deposit, 24
 Commercial and industrial loans
 Commercial banks, 16, 19, 70–72
 Weekly reporting banks, 19–21
 Commercial banks
 Assets and liabilities, 18–20
 Commercial and industrial loans, 16, 18, 19, 20, 21, 70–72
 Consumer loans held, by type, and terms, 40, 41
 Loans sold outright, 19
 Nondeposit funds, 17
 Real estate mortgages held, by holder and property, 39
 Terms of lending, 70–75
 Time and savings deposits, 3
 Commercial paper, 23, 24, 37
 Condition statements (*See* Assets and liabilities)
 Construction, 44, 49, 73
 Consumer installment credit, 40, 41
 Consumer prices, 44, 50
 Consumption expenditures, 51, 52
 Corporations
 Nonfinancial, assets and liabilities, 36
 Profits and their distribution, 35
 Security issues, 34, 65
 Cost of living (*See* Consumer prices)
 Credit unions, 26, 40 (*See also* Thrift institutions)
 Currency and coin, 18
 Currency in circulation, 4, 13
 Customer credit, stock market, 25
- DEBITS to deposit accounts, 15
 Debt (*See specific types of debt or securities*)
 Demand deposits
 Banks, by classes, 18–21
 Demand deposits—Continued
 Ownership by individuals, partnerships, and corporations, 22
 Turnover, 15
 Depository institutions
 Reserve requirements, 7
 Reserves and related items, 3, 4, 5, 12
 Deposits (*See also specific types*)
 Banks, by classes, 3, 18–20, 21
 Federal Reserve Banks, 4, 10
 Turnover, 15
 Discount rates at Reserve Banks and at foreign central banks and foreign countries (*See* Interest rates)
 Discounts and advances by Reserve Banks (*See* Loans)
 Dividends, corporate, 35
- EMPLOYMENT, 45
 Eurodollars, 24
- FARM mortgage loans, 39
 Federal agency obligations, 4, 9, 10, 11, 31, 32
 Federal credit agencies, 33
 Federal finance
 Debt subject to statutory limitation, and types and ownership of gross debt, 30
 Receipts and outlays, 28, 29
 Treasury financing of surplus, or deficit, 28
 Treasury operating balance, 28
 Federal Financing Bank, 28, 33
 Federal funds, 5, 17, 19, 20, 21, 24, 28
 Federal Home Loan Banks, 33
 Federal Home Loan Mortgage Corporation, 33, 38, 39
 Federal Housing Administration, 33, 38, 39
 Federal Land Banks, 39
 Federal National Mortgage Association, 33, 38, 39
 Federal Reserve Banks
 Condition statement, 10
 Discount rates (*See* Interest rates)
 U.S. government securities held, 4, 10, 11, 30
 Federal Reserve credit, 4, 5, 10, 11
 Federal Reserve notes, 10
 Federal Savings and Loan Insurance Corporation—insured institutions, 26
 Federally sponsored credit agencies, 33
 Finance companies
 Assets and liabilities, 37
 Business credit, 37
 Loans, 40, 41
 Paper, 23, 24
 Financial institutions
 Loans to, 19, 20, 21
 Selected assets and liabilities, 26
 Float, 4
 Flow of funds, 42, 43
 Foreign banks, assets and liabilities of U.S. branches and agencies, 21
 Foreign currency operations, 10
 Foreign deposits in U.S. banks, 4, 10, 19, 20
 Foreign exchange rates, 68
 Foreign trade, 54
 Foreigners
 Claims on, 55, 57, 60, 61, 62, 64
 Liabilities to, 20, 54, 55, 57, 58, 63, 65, 66

GOLD

- Certificate account, 10
- Stock, 4, 54
- Government National Mortgage Association, 33, 38, 39
- Gross national product, 51

HOUSING, new and existing units, 49**INCOME, personal and national, 44, 51, 52**

- Industrial production, 44, 47
- Installment loans, 40, 41
- Insurance companies, 26, 30, 39
- Interest rates
 - Bonds, 24
 - Commercial banks, 70-75
 - Consumer installment credit, 41
 - Federal Reserve Banks, 6
 - Foreign central banks and foreign countries, 67
 - Money and capital markets, 24
 - Mortgages, 38
 - Prime rate, 23
 - Time and savings deposits, 8
- International capital transactions of United States, 53-67
- International organizations, 57, 58, 60, 63, 64
- Inventories, 51
- Investment companies, issues and assets, 35
- Investments (*See also specific types*)
 - Banks, by classes, 18, 19, 20, 21, 26
 - Commercial banks, 3, 16, 18-20, 39
 - Federal Reserve Banks, 10, 11
 - Financial institutions, 26, 39

LABOR force, 45**Life insurance companies (*See Insurance companies*)****Loans (*See also specific types*)**

- Banks, by classes, 18-20
- Commercial banks, 3, 16, 18-20, 70-75
- Federal Reserve Banks, 4, 5, 6, 10, 11
- Financial institutions, 26, 39
- Insured or guaranteed by United States, 38, 39

MANUFACTURING

- Capacity utilization, 46
- Production, 46, 48
- Margin requirements, 25
- Member banks (*See also Depository institutions*)
 - Federal funds and repurchase agreements, 5
 - Reserve requirements, 7
- Mining production, 48
- Mobile homes shipped, 49
- Monetary and credit aggregates, 3, 12
- Money and capital market rates, 24
- Money stock measures and components, 3, 13
- Mortgages (*See Real estate loans*)
- Mutual funds, 35
- Mutual savings banks, 8, 26, 39, 40 (*See also Thrift institutions*)

NATIONAL defense outlays, 29**National income, 51****OPEN market transactions, 9****PERSONAL income, 52****Prices**

- Consumer and producer, 44, 50
- Stock market, 25
- Prime rate, 23
- Producer prices, 44, 50
- Production, 44, 47
- Profits, corporate, 35

REAL estate loans

- Banks, by classes, 16, 19, 20, 39
- Financial institutions, 26
- Terms, yields, and activity, 38
- Type of holder and property mortgaged, 39
- Repurchase agreements, 5, 17, 19, 20, 21
- Reserve requirements, 7
- Reserves
 - Commercial banks, 18
 - Depository institutions, 3, 4, 5, 12
 - Federal Reserve Banks, 10
 - U.S. reserve assets, 54
- Residential mortgage loans, 38
- Retail credit and retail sales, 40, 41, 44

SAVING

- Flow of funds, 42, 43
- National income accounts, 51
- Savings and loan associations, 8, 26, 39, 40, 42 (*See also Thrift institutions*)
- Savings banks, 26
- Savings deposits (*See Time and savings deposits*)
- Securities (*See specific types*)
 - Federal and federally sponsored credit agencies, 33
 - Foreign transactions, 65
 - New issues, 34
 - Prices, 25
- Special drawing rights, 4, 10, 53, 54
- State and local governments
 - Deposits, 19, 20
 - Holdings of U.S. government securities, 30
 - New security issues, 34
 - Ownership of securities issued by, 19, 20, 26
 - Rates on securities, 24
- Stock market, selected statistics, 25
- Stocks (*See also Securities*)
 - New issues, 34
 - Prices, 25
- Student Loan Marketing Association, 33

TAX receipts, federal, 29

- Thrift institutions, 3 (*See also Credit unions, Mutual savings banks, and Savings and loan associations*)
- Time and savings deposits, 3, 8, 13, 17, 18, 19, 20, 21
- Trade, foreign, 54
- Treasury cash, Treasury currency, 4
- Treasury deposits, 4, 10, 28
- Treasury operating balance, 28

UNEMPLOYMENT, 45

- U.S. government balances
 - Commercial bank holdings, 18, 19, 20
 - Treasury deposits at Reserve Banks, 4, 10, 28
- U.S. government securities
 - Bank holdings, 18-20, 21, 30
 - Dealer transactions, positions, and financing, 32
 - Federal Reserve Bank holdings, 4, 10, 11, 30
 - Foreign and international holdings and transactions, 10, 30, 66
 - Open market transactions, 9
 - Outstanding, by type and holder, 26, 30
 - Rates, 24
- U.S. international transactions, 53-67
- Utilities, production, 48

VETERANS Administration, 38, 39

- WEEKLY reporting banks, 19-21
- Wholesale (producer) prices, 44, 50

YIELDS (*See Interest rates*)

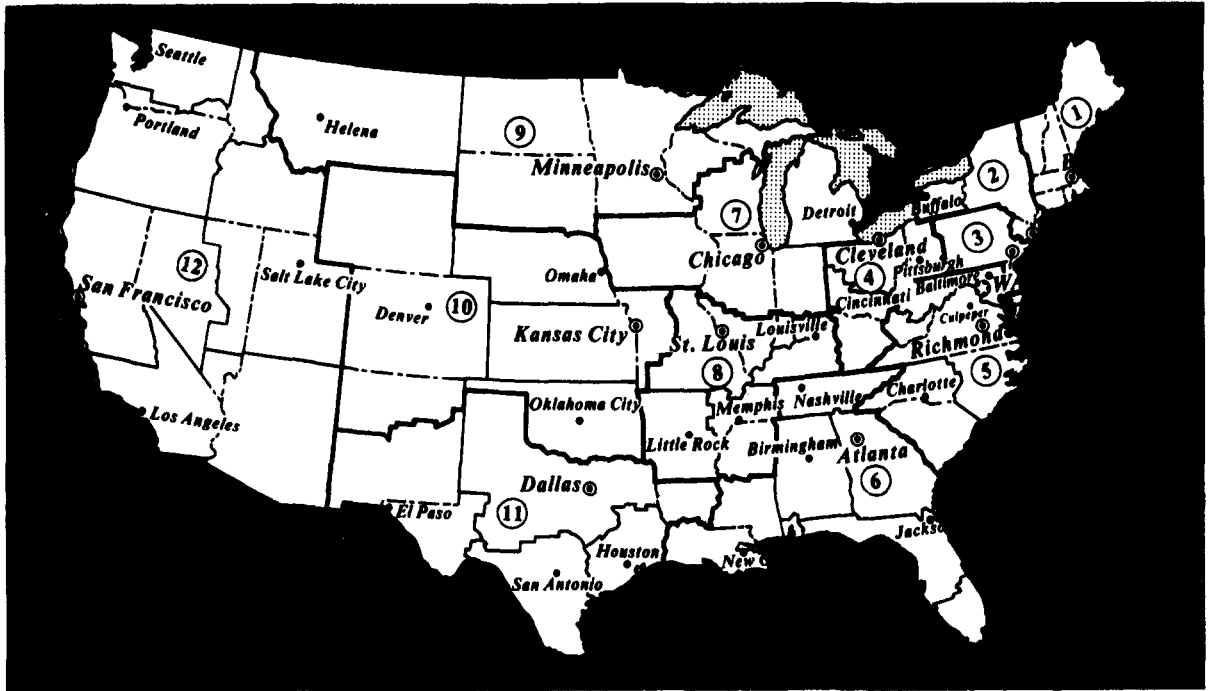
Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK, branch, or facility	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON* .....02106	Joseph A. Baute George N. Hatsopoulos	Frank E. Morris Robert W. Eisenmenger	
NEW YORK* .....10045	John Brademas Clifton R. Wharton, Jr.	E. Gerald Corrigan Thomas M. Timlen	John T. Keane
Buffalo .....14240	Mary Ann Lambertsen		
PHILADELPHIA .....19105	Robert M. Landis Nevius M. Curtis	Edward G. Boehne Richard L. Smoot	
CLEVELAND* .....44101	William H. Knoell E. Mandell de Windt	Karen N. Horn William H. Hendricks	Charles A. Cerino Harold J. Swart
Cincinnati .....45201	Robert E. Boni		
Pittsburgh .....15230	James E. Haas		
RICHMOND* .....23219	Leroy T. Canoles, Jr. Robert A. Georgine	Robert P. Black Jimmie R. Monhollon	Robert D. McTeer, Jr. Albert D. Tinkelenberg John G. Stoides
Baltimore .....21203	Robert L. Tate		
Charlotte .....28230	Wallace J. Jorgenson		
<i>Culpeper Communications and Records Center 22701</i>			
ATLANTA .....30303	John H. Weitnauer, Jr. Bradley Currey, Jr.	Robert P. Forrestal Jack Guynn	Delmar Harrison Fred R. Herr James D. Hawkins Patrick K. Barron Jeffrey J. Wells Henry H. Bourgaux
Birmingham .....35283	A. G. Trammell		
Jacksonville .....32231	JoAnn Smith		
Miami .....33152	Sue McCourt Cobb		
Nashville .....37203	Patsy R. Williams		
New Orleans .....70161	Sharon A. Perlis		
CHICAGO* .....60690	Robert J. Day Marcus Alexis	Silas Keehn Daniel M. Doyle	Roby L. Sloan
Detroit .....48231	Robert E. Brewer		
ST. LOUIS .....63166	W.L. Hadley Griffin Mary P. Holt	Thomas C. Melzer Joseph P. Garbarini	John F. Breen James E. Conrad Paul I. Black, Jr.
Little Rock .....72203	Sheffield Nelson		
Louisville .....40232	William C. Ballard, Jr.		
Memphis .....38101	G. Rives Neblett		
MINNEAPOLIS .....55480	John B. Davis, Jr. Michael W. Wright	Gary H. Stern Thomas E. Gainor	Robert F. McNellis
Helena .....59601	Marcia S. Anderson		
KANSAS CITY .....64198	Irvine O. Hockaday, Jr. Robert G. Lueder	Roger Guffey Henry R. Czerwinski	Wayne W. Martin William G. Evans Robert D. Hamilton
Denver .....80217	James E. Nielson		
Oklahoma City .....73125	Patience S. Latting		
Omaha .....68102	Kenneth L. Morrison		
DALLAS .....75222	Robert D. Rogers Bobby R. Inman	Robert H. Boykin William H. Wallace	James L. Stull Joel L. Koonce, Jr. J.Z. Rowe Thomas H. Robertson
El Paso .....79999	Peyton Yates		
Houston .....77252	Walter M. Mischer, Jr.		
San Antonio .....78295	Lawrence L. Crum		
SAN FRANCISCO .....94120	Alan C. Furth Fred W. Andrew	Robert T. Parry Richard T. Griffith	Oren L. Christensen Robert M. McGill Angeio S. Carella E. Ronald Liggett Gerald R. Kelly
Los Angeles .....90051	Richard C. Seaver		
Portland .....97208	Paul E. Bragdon		
Salt Lake City .....84125	Don M. Wheeler		
Seattle .....98124	John W. Ellis		

*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility