MAY 1977

FEDERAL RESERVE BULLETIN

Domestic Financial Developments in the First Quarter of 1977

Survey of Terms of Bank Lending—New Series

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FEDERAL RESERVE
BULLETIN

Board of Governors of the Federal Reserve System

Washington, D.C.

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Output increased by an estimated 0.8 per cent in April.

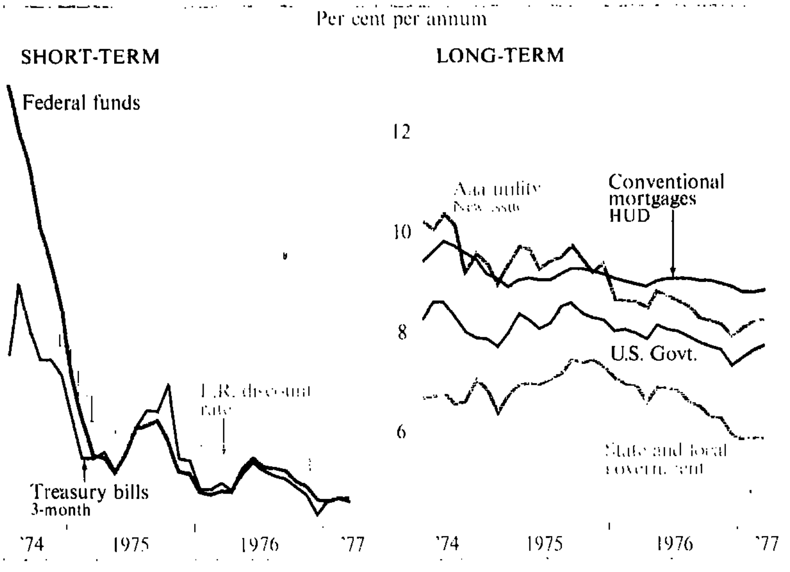
Domestic Financial Developments in the First Quarter of 1977

This report, which was sent to the Joint Economic Committee of the U.S. Congress, highlights the important developments in domestic financial markets during the winter and early spring.

Private sector credit demands in U.S. financial markets rose during the first quarter of 1977, as aggregate spending in the economy accelerated despite the severe winter conditions during part of the period. Household demands for mortgage and consumer credit expanded strongly, and total funds raised by nonfinancial corporations increased although there was some decline in the volume of bond and equity financing. In the public sector, credit demands remained at a high level as the Treasury raised funds in the credit markets to finance the continuing large Federal deficit. In addition, State and local governments undertook a record volume of long-term bond financing, a sizable portion of which was used to refund in advance outstanding high-coupon obligations.

Most short- and long-term market interest rates moved higher over the first quarter, reversing the large decline that had been recorded between mid-November and early January. Although Federal funds—overnight loans of immediately available bank funds—continued to trade narrowly in a range of 4⅝ to 4¾ per cent through year-end and beyond, many market participants apparently had been expecting a further easing in money market conditions. Indications of renewed strength in the economy and the prospect of a substantial enlargement in the Federal deficit as a result of the new administration's proposed fiscal policy program, however, caused interest rates to begin increas-

Interest rates



NOTES.

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

ing in January. By early February, Treasury bill yields had moved up 25 to 40 basis points, and coupon yields had risen 20 to 60 basis points, with intermediate-term issues recording the largest increases. After these adjustments, interest rates in general showed little further variation over the remainder of the quarter.

Although market interest rates generally rose during the first quarter, the Federal funds rate changed very little as growth in the monetary aggregates was well within target ranges adopted by the Federal Open Market Committee at its monthly meetings. The narrowly defined money stock (*M*-1) increased at a 4¾ per cent annual rate in the first quarter, down from 6¾ per cent in the previous quarter and 5¾ per cent for the year 1976. Inflows of time and savings deposits also moderated in the first quarter, contributing to reductions in the rates of expansion of the broader measures of the money stock. *M*-2 growth was about 9½ per cent in the first quarter as compared with 12¼ per cent in the previous quarter, and the rate of increase of *M*-3 slowed to 11 per cent from 14¼ per cent. The slower growth of interest-earning deposits reflected lower offering rates on some categories of savings and longer-term time deposits, higher short-term market rates of interest, and the expansion in consumption expenditures during the first quarter.

Growth in *M*-1 accelerated sharply in April. With the accompanying increased demand for bank reserves, the Federal funds rate rose in the latter part of April and early May, and member banks increased their borrowing from Federal Reserve Banks. Over all, market interest rates also increased in this period, as private credit demands, particularly in the short-term area, remained generally strong.

[illegible]

The slowing in *M*-1 growth in the first quarter relative to its pace in the previous quarter entirely reflected a reduction in the rate of growth of demand deposits, as the rate of increase of

[illegible]

Per cent, seasonally adjusted annual rates

Item	1975	1976	1976			1977
			H1	Q3	Q4	Q1
Member bank reserves:						
Total	−.2	1.0	−1.5	2.7	4.4	2.7
Nonborrowed	3.2	1.2	−1.3	2.6	4.8	2.6
Concepts of money:[1]						
M-1	4.4	5.7	5.6	4.4	6.8	4.8
M-2	8.3	10.8	10.8	9.1	12.2	9.4
M-3	11.1	12.7	13.0	11.4	14.2	11.0
M-4	6.5	7.0	6.0	6.0	9.6	8.4
M-5	9.7	10.2	8.9	9.3	12.5	10.0
Time and savings deposits at commercial banks:						
Total (excluding large CD's)	11.7	15.0	14.1	12.8	16.3	12.7
Savings	17.0	24.5	25.8	13.4	26.9	20.5
Other time	8.0	7.6	5.3	12.0	7.3	6.1
Thrift institutions[2]	15.8	15.8	14.1	14.8	17.2	13.4
Bank credit proxy[3]	4.3	4.3	2.4	3.9	8.2	5.3
MEMO (change in billions of dollars, seasonally adjusted)						
Large CD's	−5.3	−19.2	−11.8	−4.3	−3.1	.3
U.S. Govt. demand deposits at all member banks	−.2	.3	−.4	.6	.1	−.8

NOTES:

[1] *M*-1 is currency plus private demand deposits adjusted.

M-2 is *M*-1 plus bank time and savings deposits adjusted other than large CD's.

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

M-4 is *M*-2 plus large negotiable CD's.

M-5 is *M*-3 plus large negotiable CD's.

[2] Savings and loan associations, mutual savings banks, and credit unions.

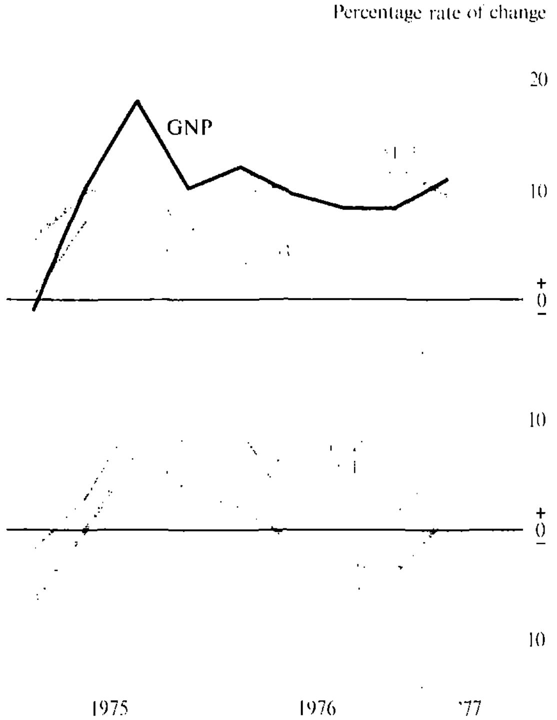
[3] Total member bank deposits plus funds provided by Euro-dollar borrowings and bank-related commercial paper.

NOTE.—Changes are calculated from the average amounts outstanding in each quarter. Annual rates of change in reserve measures have been adjusted for changes in reserve requirements.

currency remained unchanged. This moderation in *M*-1 growth during the first 3 months of 1977 occurred despite a pick-up in the pace of expansion in gross national product, and *M*-1 velocity—GNP divided by *M*-1—grew at a 6 per cent annual rate, a marked increase over the previous quarter and the largest quarterly advance in a year.

Inflows of time and savings deposits to banks and thrift institutions slowed in the first 3 months of 1977, following rapid growth in the fourth quarter of 1976. During the fourth quarter, market rates of interest fell to levels below regulatory ceilings and late in the year some depositary institutions moved to lower their cost of funds and to slow their very large time and savings deposit inflows by reducing promotional activity, by withdrawing some categories of deposits from their offering schedules, and by lowering offering rates on other categories of deposits. These actions, along with the firming of market rates of interest early in 1977, particularly on intermediate-term securities, reduced the attractiveness of interest-bearing bank and thrift deposits. Also serving to moderate the rate of growth of time and savings deposit flows in the first quarter may have been the sharp rise in consumption, as household spending on fuel and durable goods increased rapidly during the quarter. The growth of *M*-2 in the first quarter—9½ per cent at an annual rate—was below that of the fourth quarter and also below the first-quarter rate of growth of GNP; consequently, *M*-2 velocity increased modestly after declining in each of the three previous quarters.

[illegible]



Data are at seasonally adjusted annual rates of growth. Money stock data are quarterly averages.

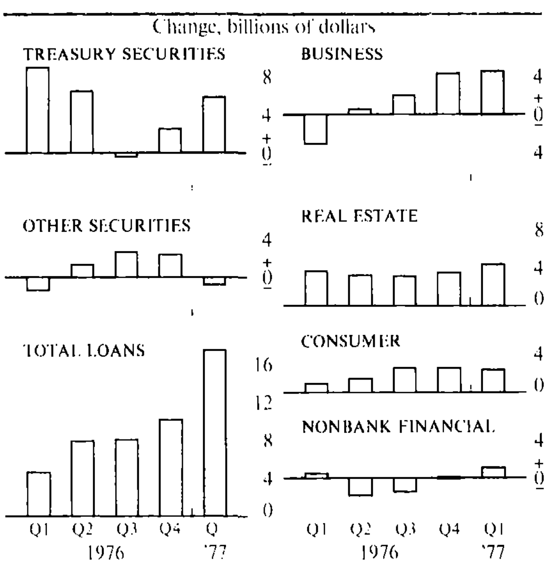
Despite reductions in the growth of commercial bank deposits included in the monetary aggregates, such flows continued to be large enough to support the bulk of the expansion of bank credit. In addition, some of the growth in bank loans and investments during the first quarter was financed by an increase in bank borrowing from nonbank sources through Federal funds and security repurchase transactions, while the amount of large negotiable certificates of deposit (CD's) outstanding remained essentially unchanged.

The first-quarter expansion in reserves available to member banks—2¾ per cent at an annual rate—was slower than that of the monetary aggregates. Accounting for some of the difference between growth in reserves and in the monetary aggregates were relatively large increases estimated for nonmember bank deposits and currency, which require no direct provision of reserves. In addition, a decline in U.S. Government and interbank demand deposits released reserves to support deposits included in money supply measures.

[illegible]

During the first 3 months of 1977 bank loans and investments expanded $22½ billion or at an 11½ per cent annual rate, the sharpest increase in 2½ years. Bank acquisitions of Treasury securities continued to be large—the $5.8 billion increase exceeded the average quarterly growth during 1976—while other securities in bank portfolios (principally tax exempt and U.S. Government agency securities) declined for the first time in a year. Total bank loans in the January-March period expanded at an annual rate of 13 per cent, well above the 7¾ per cent rate of growth in the fourth quarter and the 6 per cent rate for all of 1976. Household credit demands accounted for an important part of bank credit expansion as consumer loans continued to grow at their relatively brisk pace of the second half of 1976 and real estate loans increased more rapidly than in any quarter of 1976. Bank lending to nonbank financial institutions also increased during the first quarter, for the first time in a year.

Business loans expanded at nearly a 10 per cent annual rate for the second consecutive quarter, after generally declining earlier in the business expansion. The growth of business loans over the last two quarters, however, has been distorted by changes in bank holdings of bankers acceptances, which are included in the business loan category. Some banks acquired sizable amounts of acceptances during the fourth quarter for tax purposes (in order to expand their asset bases used to calculate tax-deductible loan loss reserves) and subsequently reduced their acceptance holdings during the first quarter to levels near those of the preceding September.



Seasonally adjusted. Total loans and business loans adjusted for transfer between banks and their holding companies, affiliates, subsidiaries, or foreign branches.

Business loans and short-term business credit

Seasonally adjusted changes at annual percentage rates

Period	Business loans: Total[1]	Business loans: Excluding bank holdings of bankers acceptances	Column 2 plus nonfinancial company commercial paper[2]
	(1)	(2)	(3)
1975—Q1	−5.1	−6.8	−5.0
Q2	−8.7	−9.0	−11.2
Q3	−3.1	−3.5	−4.0
Q4	.7	−3.3	−6.5
1976—Q1	−6.7	−4.8	−2.9
Q2	1.4	2.2	6.4
Q3	4.6	1.8	−1.1
Q4	9.7	5.9	7.4
1977—Q1	9.9	14.9	14.9

[1] At all commercial banks based on last-Wednesday-of-month data, adjusted for outstanding amounts of loans sold to affiliates.

[2] Short-term business credit is business loans excluding bank holdings of bankers acceptances plus nonfinancial company commercial paper measured from end of month to end of month.

When an adjustment is made to exclude bank holdings of bankers acceptances, business loan growth picked up substantially in the first quarter from the final quarter of 1976.

Similarly, the pace of short-term business credit expansion—business loans at banks adjusted for bank holdings of bankers acceptances plus commercial paper—advanced strongly in the first quarter. Two factors appear to be contributing to the recent expansion of short-term business credit. First, balance-sheet restructuring by businesses, which was an important factor underlying the weakness in short-term credit demands during 1975 and during most of 1976, has abated in recent months. Second, the external financing needs of businesses apparently increased in the first quarter as capital expenditures expanded relative to internally generated funds.

NONBANK INTERMEDIARIES AND THE MORTGAGE MARKET

The net increase in total mortgage debt outstanding in the first quarter of 1977 is estimated to have been about the same as the exceptionally large rise of the previous quarter. The residential component again dominated total mortgage lending; it has accounted for more than three-fourths of the net increase in total mortgage debt since the final quarter of 1974.

The deposits of savings and loan associations and mutual savings banks combined grew at a 13.3 per cent annual rate in the first 3 months of 1977. This was appreciably less than in other recent quarters, although still high by historical standards. Despite a slowing of inflows, savings and loan associations—the principal suppliers of residential mortgage credit—continued to acquire large amounts of mortgages in the first quarter, but at somewhat less than the record pace of the final quarter of 1976. Mortgage commitments outstanding, including loans in process, at savings and loan associations reached a record level of $26.3 billion at the end of March, and liquid assets held by these institutions remained large.

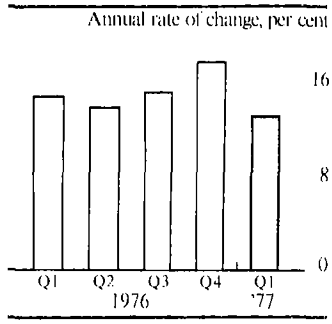
Although net acquisitions of mortgages by savings and loan associations moderated somewhat in the first quarter of 1977, the estimated net increase in mortgage loans at commercial banks was the highest in almost 3 years. On the other hand, direct mortgage investment by other diversified lenders, including mutual savings banks and life insurance companies, remained relatively weak. Commercial and multifamily mortgage lending, the sectors in which life insurance companies traditionally focus their activity, remained at low levels although outstanding commitments have risen substantially from their depressed total 1 year earlier.

Net change in mortgage debt outstanding
Billions of dollars, seasonally adjusted annual rates

Change—	1976 Q1	1976 Q2	1976 Q3	1976 Q4	1977 ³Q1
By type of debt:					
Total	79	74	92	98	97
Residential	61	56	69	74	73
Other [1]	18	18	23	24	24
By type of holder:					
Commercial banks	13	13	14	14	16
Savings and loans	37	43	47	52	48
Mutual savings banks	3	4	4	5	4
Life insurance companies	4	(*)	2	3	2
FNMA–GNMA	4	−6	−1	−5	−1
Other [2]	18	20	26	29	28

[1] Includes commercial and other nonresidential as well as farm properties.
[2] Includes net changes in mortgage-backed securities guaranteed by the Government National Mortgage Association, Federal Home Loan Mortgage Corporation, or Farmers Home Administration, some of which may have been purchased by the institutions shown separately.
[3] Estimated.
* Less than $500 million

Deposits
Savings and loans and mutual savings banks



Seasonally adjusted. Quarterly averages at annual rates.

In a lagged response to yield movements in other long-term markets, average interest rates on new commitments for home mortgages in the primary market moved about 15 basis points lower during January and February, and then backed up slightly in March. However, yields on Government-underwritten mortgages in the secondary markets, which move more closely with bond yields, increased by 35 to 50 basis points over the quarter.

SECURITIES MARKETS

Gross long-term debt and equity financing by U.S. corporations totaled $49 billion, at a seasonally adjusted annual rate, in the first quarter of 1977—the smallest quarterly total since the third quarter of 1975. In the bond market, private placements of corporate bonds are estimated to have continued at a near-record pace, but public bond offerings were at their lowest level in more than 2 years despite a large volume of bond refunding operations by telephone companies.

Industrial corporations, particularly higher-rated concerns, publicly offered only a moderate amount of new long-term debt securities during the first quarter. Many of these companies

Gross offerings of new security issues
Billions of dollars, seasonally adjusted annual rates

Type of issue	1976				1977
	Q1	Q2	Q3	Q4	ᵉQ1
Corporate securities—total	53	52	56	53	49
Bonds	39	41	47	43	40
Publicly offered	27	27	26	26	24
Privately placed	12	14	21	17	16
Stocks	14	11	9	10	9
Foreign securities	12	10	10	9	5
State and local govt. bonds	34	36	36	36	42

ᵉEstimated.

probably have completed the extensive balance-sheet restructuring that had been begun in late 1974, so their immediate need for long-term external financing appears to have been reduced. Finance companies and other financial concerns, however, continued to raise a large volume of longer-term debt capital. The large volume of new debt offered by finance companies reflects both their continuing efforts to restructure and the recent strong growth in auto sales and consumer credit.

Public utilities accounted for about one-third of total public bond offerings in the first 3 months of 1977, as telephone company issues—mostly Bell System subsidiaries—were offered in near-record amounts. The unusually large volume of telephone company obligations is attributable in part to bond refunding operations by a number of companies. Without these refundings, seasonally adjusted public bond offerings in the first quarter of 1977 would have been at their lowest level in 3 years.

A smaller volume of foreign bonds was offered on domestic capital markets in early 1977. This decline is attributable in large part to the reduced pace of new public and private bond issues by Canadian provinces and corporations. Several sizable private placements of bonds for Canadian provinces swelled foreign offerings in 1976, but offerings by these issuers were much more modest in the first quarter.

Corporate bond yields declined to their lowest levels in 3 years in early January, but then rose sharply over the next few weeks. The Federal Reserve index of new Aaa-rated utility bond yields climbed 40 basis points between early January and early March, but then retraced part of this increase in late March and ended the quarter at 8.26 per cent.

Stock prices as measured by major indexes closed 1976 at or near their highest levels of the year. However, indications of a quickening in the rate of inflation, the expected impact of the severe winter weather on profits, and uncertainty about the administration's still-to-be announced energy and anti-inflation proposals contributed to the general decline in equity prices over the first quarter. New stock offerings contracted somewhat during the quarter, due in large part to the over-all decline in share prices.

In the municipal securities market, State and local governments sold a record volume of long-term bond issues in the first quarter. The increase in offerings was due mostly to advance refundings of outstanding high coupon issues. Unlike taxable bond yields, however, the over-all level of tax-exempt interest rates remained relatively unchanged over the quarter, although risk premiums narrowed substantially. Much of the increased volume of long-term municipal bonds reportedly was absorbed by property/casualty insurance companies, open-end and unit trust investment companies, and smaller commercial banks. The *Bond Buyer* index of tax-exempt yields closed the first quarter at 5.85 per cent, little changed from the level of 5.83 per cent at year-end 1976.

The Treasury sold $14 billion of marketable securities in the first quarter, substantially below its January estimate of $20 billion to $23 billion. The reduced pace of marketable security issuance—almost all in coupon obligations—was due to several factors: (1) the combined Treasury deficit was smaller than expected, primarily because of a sizable shortfall in Federal outlays; (2) the Treasury issued an unexpectedly large amount, $3.7 billion, of nonmarketable issues—$2.2 billion of which was sold to State and local governments engaged in advance refunding operations; and (3) the Treasury reduced its cash balance between year-end 1976 and the end of March by almost $3 billion.

Although households are estimated to have liquidated a modest amount of marketable

Quarterly totals, in billions of dollars, not seasonally adjusted

Item	1975	1976				1977
	Q4	Q1	Q2	Q3	Q4	pQ1
Treasury financing:						
Budget surplus, or deficit	-26.8	-22.8	2.0	-13.0	-22.8	-18.7
Off-budget deficit[1]	-2.3	-3.7	-.6	-1.8	.4	4.3
Net cash borrowings, or repayments (−)	25.9	24.1	9.4	18.0	17.4	17.6
Other means of financing[2]	1.2	2.0	-4.0	-.7	-.8	2.7
Change in cash balance	-2.1	-.4	6.8	2.6	-5.7	-2.6
Federally sponsored credit agencies, net cash borrowings[3]	1.8	.3	.5	1.7	.4	1.0

[1] Includes outlays of the Pension Benefit Guaranty Corporation, Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, Housing for the Elderly or Handicapped Fund, and Federal Financing Bank. All data have been adjusted to reflect the return of the Export-Import Bank to the unified budget.

[2] Checks issued less checks paid, accrued items, and other transactions.

[3] Includes debt of the Federal Home Loan Mortgage Corporation, Federal home loan banks, Federal land banks, Federal intermediate credit banks, banks for cooperatives, and Federal National Mortgage Association (including discount notes and securities guaranteed by the Government National Mortgage Association).

Treasury securities in the first quarter, purchases by commercial banks, foreigners, State and local governments (almost half of which were for advance refundings), and business corporations were relatively large. In addition, the Federal Reserve System purchased outright almost $1.2 billion of Treasury bills and $1.7 billion of Treasury coupon issues in the course of providing reserves to the banking system during the quarter. The technical position of U.S. Government securities dealers strengthened over the quarter. Dealer inventories of Treasury bills were less than $3.5 billion at the end of March—about $6 billion below their mid-December level—and coupon positions also were quite modest. Total dealer holdings of Treasury securities at the end of the first quarter were at their lowest level in 2 years.

Staff Economic Studies

The research staffs of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects, and other staff members prepare papers related to such subjects. In some instances the Federal Reserve System finances similar studies by members of the academic profession.

From time to time the results of studies that are of general interest to the economics profession and to others are summarized—or they may be printed in full—in this section of the Federal Reserve BULLETIN.

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

Single copies of the full text of each of the studies or papers summarized in the BULLETIN *are available in mimeographed form. The list of Federal Reserve Board publications at the back of each* BULLETIN *includes a separate section entitled "Staff Economic Studies" that enumerates the studies for which copies are currently available in that form.*

STUDY SUMMARY

RECENT TRENDS IN LOCAL BANKING MARKET STRUCTURE

SAMUEL H. TALLEY—Staff, Board of Governors

Prepared as a staff paper in early 1977

For a number of years trends in banking market structure have attracted wide interest on the part of many varied groups—the Congress, the bank regulators, and the general public. This interest stems from the belief that the structure of banking markets has an important effect on the competitive conduct of banks and on the quantity and quality of banking services received by the public and the prices paid for those services. The purpose of this study was to identify recent trends in the structure of 213 standard metropolitan statistical area (SMSA) banking markets and 233 county banking markets over the 1966–75 period. Trends in market structure were measured by changes in (1) the number of banking organizations in the market; (2) the three-firm concentration ratio; and (3) the Herfindahl Index.

The results of the study indicate that most SMSA and county banking markets acquired a more competitive structure between 1966 and 1975, irrespective of which measure of market structure was used. Moreover, these pro-competitive changes tended to be quite sizable for a 9-year period. The study made no attempt to determine whether these pro-competitive structural changes have resulted in the provision of better banking services at more favorable prices to the public. However, since recent empirical studies have indicated that a more competitive banking structure does produce better services at lower prices, it is reasonable to assume that such desirable results have occurred.

This study also found that pro-competitive changes in banking market concentration occurred with greatest frequency and in largest magnitude in those SMSA and county banking markets that had a relatively high concentration ratio in 1966.

Finally, the study examined changes in banking market structure according to the branching laws of the States in which the markets were located. In all three branching classifications—unit banking, limited branching, and statewide branching—it was found that most markets experienced pro-competitive structural changes between 1966 and 1975. The most frequent and largest pro-competitive structural changes occurred in markets located in States with unit banking or with statewide branching. □

Survey of Terms of Bank Lending

New Series

Since as early as 1919 the Federal Reserve has been monitoring interest rates on loans at commercial banks through survey methods. Over the years, the interest rate surveys have been expanded and refined to reflect the growth and development of the banking industry. The Federal Reserve's principal interest rate survey of recent years, the Quarterly Interest Rate Survey (QIRS), has been revised to enlarge its coverage and scope. The new survey, now called the Survey of Terms of Bank Lending (STBL), was first taken in February 1977.

OBJECTIVES OF THE REDESIGNED SURVEY

The content and coverage of the STBL were designed to achieve certain objectives related to changing practices in banking and to provide better, more representative statistics on bank lending. The previous survey had been limited to collecting interest rate information on business loans made at 120 large commercial banks. The reporting panel was not representative of all commercial banks; it consisted of the largest banks, which accounted for slightly over 60 per cent of all business loans of commercial banks. While the banking sector has become more closely integrated in recent years through advances in communications and methods of transferring funds, the validity of a survey limited only to large banks came into question, as a large share of business lending was made at other banks. Moreover, issues affecting the entire banking system such as the cost or availability of funds to small business borrowers could not be addressed within the design of the old survey. This latter shortcoming prompted the Federal Reserve to initiate the monthly Survey of Selected Interest Rates in 1972 under the auspices of the then-Committee on Interest and Dividends.

The Survey of Selected Interest Rates asked approximately 350 responding banks to provide the "most common" interest rates charged on small ($10,000 to $25,000) business loans and selected types of agricultural and consumer loans. The accuracy of this survey, however, was not comparable to that of the QIRS since data on lending rates on actual loans were not collected and the survey results could not be weighted by the volume of lending by respondents.

The new STBL replaces the Quarterly Interest Rate Survey and the small business and agricultural portions of the Survey of Selected Interest Rates.[1] The STBL will gather information on actual loans made to businesses and farmers during the survey period. Construction loans secured by real estate, which are not included in the business loan category because of their collateral, were added to the survey.

Another objective in the redesign of the survey was to add information on nonprice terms of lending that might help explain movements and levels of interest rates charged on loans. The interest cost is the explicit cost of bank credit, but nonprice terms of lending—or price terms not directly associated with the loan such as commitment fees—also might justifiably be included in the total cost of borrowing. Economic theory and empirical analysis of bank

NOTE.—This article was prepared by Paul W. Boltz of the Board's Division of Research and Statistics.

[1] The consumer loan section of the Survey of Selected Interest Rates will be continued in the same form, and the results will continue to be published monthly in the modified G.10 release.

lending terms suggested the importance of compensating balances, collateral, loan insurance, and commitment fees. However, in considering the addition of such nonprice terms of lending to the interest rate survey, the availability of this information in bank records and the cost to respondents of reporting nonprice items acted as constraints.

A pretest of the survey was conducted in early 1976 to determine the feasibility of collecting nonprice terms of business and agricultural loans from banks of all sizes on a regular basis. It was found that amounts of compensating balances and commitment fees associated with individual loans presented the most difficulty to respondents, particularly large banks that have computerized data systems. Many respondents indicated that isolating compensating balances and commitments fees associated with a particular takedown could not be accomplished with their existing data systems. Still other institutions reported that they monitored the level of transactions balances maintained by borrowers and could not identify idle balances usually associated with the concept of compensating balances.

The inability of some banks to report on compensating balances and commitment fees was not inconsistent with results from occasional special surveys of bank lending that have been conducted by the Federal Reserve. Nevertheless, in the large majority of banks some nonprice terms of lending met the two criteria of availability and economic importance. These include information as to whether there was any commitment or commitment fee, whether there was Federal loan insurance or collateral, and for agricultural loans whether other lending institutions participated in the loans.[2]

Both the Quarterly Interest Rate Survey and the Survey of Selected Interest Rates were subject to a number of technical shortcomings that the new survey was designed to correct. The principal improvement in this area is the collection of information on the maturity of each loan reported. In compiling the results of the Quarterly Interest Rate Survey, the maturity of short-term business loans had to be assumed, and the results of the Survey of Selected Interest Rates reflected no adjustment for maturity on loans to small businesses. In addition, the new survey asks respondents to report on whether rates on loans are floating, that is, the interest rate charged is tied to a rate that may change over the life of the loan. Under floating rate agreements, interest rates typically are linked to the prime lending rate of the bank.

DESCRIPTION OF THE NEW SURVEY

The STBL will be conducted during the first full business week of the middle month of each quarter at about 340 member and nonmember banks, randomly selected to represent all size strata of insured commercial banks in the United States.[3] About 100 of the respondents are nonmember banks; their reports are collected and processed by the Federal Deposit Insurance Corporation. Small- and intermediate-sized banks report on business, construction, and agricultural loans made during the 5 days of the survey week. Very large commercial banks report on their loans made over two or three randomly selected days of the survey week in order to reduce the absolute burden of participation in the survey to respondents and the editing and processing costs to the Federal Reserve. A monthly supplement to the quarterly survey is conducted during the first full business week of the first and last month of the quarter. The supplement is conducted at member banks only and is limited to price terms on business loans (excluding construction loans secured by real estate).

The three sets of forms and instructions used in the quarterly survey and monthly supplement are reproduced at the end of this article.[4] The first form is used quarterly to collect data on individual loans made to businesses. Con-

[2] Many banks that are heavily engaged in farm lending are small and therefore often need the participation of other lenders in their larger loans.

[3] See the appendix, which describes the principles used in selecting the random sample.

[4] Some banks that have computerized data systems are reporting by magnetic tape or cards, obviating the need to fill out forms.

struction loans secured by real estate are reported on this form as well, and the type of structure being financed by construction loans is reported by responding banks. The second form used in the quarterly survey covers loans to farmers. The purpose of agricultural loans (feeder livestock, machinery and equipment, and so forth) is also reported by respondents, and the classifications correspond to the categories in the Survey of Selected Interest Rates, the agricultural portion of which is replaced by the STBL.

The form for the monthly supplemental survey of business lending is also reproduced at the end of the article. About 250 member banks provide monthly information on business loans. Like the quarterly survey, the monthly supplement is conducted during the first full business week of the month.

The results of the quarterly surveys and the monthly supplements will be used to approximate the lending terms of the banking system as a whole. Respondents' loans are weighted by the relationship between the amount of loans in each category as reported on the call report and the total volume of such lending by banks

1. ~~Survey of~~ terms of bank lending

Short-term commercial and industrial loans (other than construction and land development) made during February 7–12, 1977

Item	All sizes	Size of loan (in thousands of dollars)					
		1–24	25–49	50–99	100–499	500–999	1,000 and over
				All banks			
Amount of loans (thousands of dollars)	5,264,153	668,619	356,031	622,569	1,015,065	437,161	2,164,708
Number of loans	125,377	97,688	10,896	9,516	5,814	709	754
Weighted-average maturity (months)	3.4	3.6	4.3	3.4	3.6	3.1	3.1
Weighted-average interest rate (per cent)	7.48	8.99	8.43	8.43	7.64	7.15	6.57
Standard error[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interquartile range[2]	6.40–8.54	8.24–9.50	7.47–9.31	7.32–9.38	6.62–8.68	6.40–7.71	6.25–6.62
Percentage of amount of loans:							
With floating rate	44.5	11.7	26.2	16.0	38.5	58.3	65.9
Made under commitment	47.9	23.0	33.5	24.2	48.9	54.9	62.8
Insured by Federal Government	.8	.2	.7	.2	.4	.4	1.5
				48 large banks			
Amount of loans (thousands of dollars)	2,272,560	74,997	65,461	82,939	299,115	216,164	1,533,884
Number of loans	14,897	9,220	1,976	1,311	1,587	342	461
Weighted-average maturity (months)	3.4	4.4	4.7	3.9	3.2	3.0	3.2
Weighted-average interest rate (per cent)	6.82	8.34	7.90	7.73	7.35	7.17	6.49
Standard error[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interquartile range[2]	6.25–7.25	7.27–9.18	7.27–8.54	7.00–8.27	6.66–7.76	6.40–7.50	6.25–6.50
Percentage of amount of loans:							
With floating rate	66.5	42.0	55.3	56.7	63.5	72.4	68.4
Made under commitment	54.2	37.6	48.8	48.9	54.4	45.6	56.7
Insured by Federal Government	1.8	1.2	1.6	1.0	1.3	.8	2.1
				Other banks			
Amount of loans (thousands of dollars)	2,991,592	593,622	290,570	539,630	715,950	220,996	630,824
Number of loans	110,480	88,468	8,920	8,205	4,227	367	293
Weighted-average maturity (months)	3.5	3.5	4.2	3.3	3.8	3.1	2.8
Weighted-average interest rate (per cent)	7.98	9.07	8.55	8.54	7.77	7.13	6.76
Standard error[1]	.07	.14	.14	.24	.11	.07	.11
Interquartile range[2]	6.50–9.10	8.25–9.50	7.75–9.31	7.50–9.38	6.62–8.77	6.40–7.71	6.25–6.75
Percentage of amount of loans:							
With floating rate	27.9	7.9	19.6	9.8	28.0	44.5	59.9
Made under commitment	43.1	21.2	30.1	20.4	46.6	64.1	77.7
Insured by Federal Government	.1	.1	.5	.....	.....	.....	.....

[1] The chances are about 2 out of 3 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.

[2] The interquartile range shows the interest rate range that encompasses the middle 50 per cent of the total dollar amount of loans made.

n.a. Not available.

of similar size.[5] Consequently, the survey provides estimates not only for the terms of bank lending but also for the gross volume of new lending. The reliability of estimates of the volume of lending, however, is high only for short-term business loans, which constitute a very high proportion of the loans reported in the survey. The estimates of the volume of construction, agricultural, and long-term business lending are based on much smaller samples of loans.

[5] The appendix on the sample design explains more fully the blow up procedures.

SURVEY RESULTS

Tables 1 to 4 summarize the results of the first survey, taken in February 1977. They cover, in turn, short-term business loans other than construction loans, long-term (over 1 year in original maturity) business loans other than construction loans, construction loans secured and unsecured by real estate, and loans to farmers. The tables do not contain regional information on lending terms as did the QIRS because the sample is drawn on a national basis. A sample capable of producing regional data of comparable accuracy to those shown in the tables would require a much larger panel of banks.

2. Survey of terms of bank lending

Long-term commercial and industrial loans (other than construction and land development) made during February 7-12, 1977

Item	All sizes	Size of loan (in thousands of dollars) 1-99	100-499	500-999	1,000 and over
		All banks			
Amount of loans (thousands of dollars)	974,912	295,105	163,735	68,869	447,202
Number of loans	23,469	22,269	990	102	108
Weighted-average maturity (months)	41.7	41.4	38.1	38.1	43.7
Weighted-average interest rate (per cent)	8.19	10.00	8.39	7.44	7.04
Standard error[1]	n.a.	n.a.	n.a.	n.a.	n.a.
Interquartile range[2]	6.85–9.00	8.50-10.47	7.34–9.00	6.40-7.99	6.52-7.59
Percentage of amount of loans:					
With floating rate	50.9	18.8	45.3	66.6	71.7
Made under commitment	47.4	24.1	33.3	65.9	65.2
Insured by Federal Goverment	2.2	.1	.1	....	4.7
		48 large banks			
Amount of loans (thousands of dollars)	502,565	33,271	46,390	36,760	386,144
Number of loans	2,094	1,754	204	57	79
Weighted-average maturity (months)	42.4	32.8	48.9	39.7	42.8
Weighted-average interest rate (per cent)	7.20	8.82	7.66	7.24	7.00
Standard error[1]	n.a.	n.a.	n.a.	n.a.	n.a.
Interquartile range[2]	6.52-7.75	7.45-9.65	6.55-8.41	6.40–7.72	6.52–7.59
Percentage of amount of loans:					
With floating rate	74.6	59.4	76.7	84.0	74.8
Made under commitment	64.0	51.2	53.1	74.1	65.4
Insured by Federal Government	4.2	.6	....	....	5.4
		Other banks			
Amount of loans (thousands of dollars)	472,347	261,834	117,345	32,109	61,059
Number of loans	21,375	20,515	786	46	29
Weighted-average maturity (months)	40.9	42.5	33.9	36.3	49.7
Weighted-average interest rate (per cent)	9.25	10.15	8.68	7.68	7.29
Standard error[1]	.16	.59	.18	.49	.41
Interquartile range[2]	7.99-9.65	8.57-10.47	8.00-9.00	6.40-8.03	6.50-7.99
Percentage of amount of loans:					
With floating rate	25.7	13.6	32.9	46.8	52.1
Made under commitment	29.8	20.6	25.5	56.6	63.6
Insured by Federal Government	.1	.1	.2	....	....

The notes are the same as those to Table 1.

The tables contain summary statistics for all commercial banks, 48 large money center banks, and all other banks. Each table shows the volume and terms of lending for various size categories of loans at each class of bank. Nominal interest rates reported on loans are adjusted for the method of interest calculation, maturity, and the number of payments over the life of the loan in calculating the average interest rates in the tables. The interquartile range is presented as a measure of the dispersion of lending rates. Along with the average interest rates appears the standard error of the estimated average, which provides a measure of the reliability of

3. Survey of terms of bank lending

Construction and land development loans (secured and unsecured by real estate) made during February 7-12, 1977

Item	All sizes	Size of loan (in thousands of dollars)					
		1-24	25-49	50-99	100-499	500-999	1,000 and over
				All banks			
Amount of loans (thousands of dollars)	977,682	107,586	72,575	87,635	146,517	44,026	519,352
Number of loans	17,917	13,133	2,094	1,378	851	60	402
Weighted-average maturity (months)	10.6	10.8	6.2	5.7	6.9	10.6	12.7
Weighted-average interest rate (per cent)	8.40	9.33	8.97	8.80	8.38	8.27	8.08
Standard error[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interquartile range[2]	8.00-8.77	8.57-9.50	8.24-9.50	8.24-9.88	8.22-9.00	8.24-8.33	8.00-8.00
Percentage of amount of loans:							
With floating rate	25.1	16.7	17.7	21.4	43.2	55.2	20.9
Secured by real estate	89.8	64.7	92.3	96.2	90.5	92.2	93.1
Made under commitment	74.0	54.9	68.3	65.7	49.0	86.1	86.2
Made for construction	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1-4 family	33.7	70.0	82.2	74.8	59.7	50.0	3.8
Multifamily	43.1	2.0	5.4	3.8	8.0	15.6	75.8
Nonresidential	23.1	27.9	12.4	21.4	32.4	34.4	20.4
Insured by Federal Government	1.5	.3	.9	2.7	6.5	4.9	....
				48 large banks			
Amount of loans (thousands of dollars)	119,990	8,410	7,194	6,896	43,675	12,962	40,853
Number of loans	1,668	1,112	211	102	206	20	18
Weighted-average maturity (months)	12.2	8.7	8.9	7.5	10.3	8.4	18.7
Weighted-average interest rate (per cent)	8.01	8.33	8.46	8.22	8.31	7.99	7.53
Standard error[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interquartile range[2]	7.25-8.81	7.75-9.00	7.81-9.24	7.50-9.25	7.47-9.03	7.75-8.28	6.25-8.81
Percentage of amount of loans:							
With floating rate	90.2	83.6	77.8	87.3	91.9	100.0	89.4
Secured by real estate	68.2	58.1	82.9	84.2	79.2	73.6	51.6
Made under commitment	74.8	57.6	79.4	91.4	82.1	93.6	60.8
Made for construction	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1-4 family	39.6	75.9	61.7	52.8	44.1	40.6	20.9
Multifamily	5.2	3.7	5.7	12.3	6.5	14.2	.0
Nonresidential	55.2	20.3	32.6	34.9	49.4	45.1	79.1
Insured by Federal Government	2.5	.5	3.1	3.4	5.6	....	....
				Other banks			
Amount of loans (thousands of dollars)	857,702	99,176	65,382	80,739	102,842	31,064	478,499
Number of loans	16,248	12,021	1,883	1,276	645	40	384
Weighted-average maturity (months)	10.4	10.9	5.9	5.5	5.6	11.6	12.3
Weighted-average interest rate (per cent)	8.46	9.41	9.02	8.85	8.41	8.39	8.13
Standard error[1]	.24	.22	.18	.17	.17	.22	.75
Interquartile range[2]	8.00-8.77	8.71-9.50	8.24-9.50	8.24-10.00	8.24-9.00	8.25-8.33	8.00-8.00
Percentage of amount of loans:							
With floating rate	16.0	11.0	11.1	15.8	22.5	36.5	15.0
Secured by real estate	92.8	65.3	93.3	97.2	95.3	100.0	96.6
Made under commitment	73.9	54.6	67.0	63.5	34.9	83.0	88.4
Made for construction	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1-4 family	32.9	69.5	84.5	76.7	66.3	53.9	2.4
Multifamily	48.4	1.9	5.4	3.1	8.6	16.2	82.2
Nonresidential	18.7	28.6	10.1	20.2	25.1	29.9	15.4
Insured by Federal Government	1.4	.3	.7	2.6	6.9	6.9	....

The notes are the same as those to Table 1.

4. Survey of terms of bank lending

Loans to farmers made during February 7–12, 1977

Item	All sizes	Size of loan (in thousands of dollars) 1–9	10–24	25–49	50–99	100–249	250 and over
				All banks			
Amount of loans (thousands of dollars)	809,024	171,247	143,928	137,765	112,606	101,382	142,097
Number of loans	66,285	49,541	9,805	4,387	1,674	715	162
Weighted-average maturity (months)	10.8	9.1	8.8	12.8	20.8	7.4	8.0
Weighted-average interest rate (per cent)	8.80	9.00	8.97	8.65	8.63	8.77	8.69
Standard error[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interquartile range[2]	8.27–9.20	8.53–9.25	8.37–9.25	8.03–9.11	8.25–9.01	8.24–9.20	8.25–9.50
By purpose of loan:							
Feeder livestock	8.49	8.82	8.63	8.77	8.51	8.52	7.85
Other livestock	8.89	8.99	8.93	8.39	8.81	8.98	9.22
Other current operating expenses	8.78	8.91	8.89	8.71	8.51	8.76	8.73
Farm machinery and equipment	9.06	9.14	8.80	9.15	8.97	8.84	†
Other	8.80	9.26	9.65	8.45	8.56	8.98	8.43
Percentage of amount loans:							
With floating rate	15.6	4.9	7.1	4.0	8.3	13.1	56.0
Made under commitment	37.3	24.0	22.9	32.8	47.4	45.2	58.7
By purpose of loan:							
Feeder livestock	13.9	10.3	14.1	11.8	10.9	23.4	15.9
Other livestock	14.7	12.9	10.6	19.2	13.7	8.2	22.0
Other current operating expenses	35.7	45.0	39.1	24.5	32.5	44.8	27.9
Farm machinery and equipment	13.7	18.9	19.1	16.0	11.0	2.3	†
Other	21.5	12.7	17.1	28.5	29.0	21.1	23.9
				48 large banks			
Amount of loans (thousands of dollars)	98,226	3,163	4,144	4,653	7,802	11,471	66,994
Number of loans	1,472	815	280	139	114	78	45
Weighted-average maturity (months)	5.4	7.8	7.6	8.3	8.1	7.4	4.3
Weighted-average interest rate (per cent)	8.37	8.70	8.43	8.33	8.02	7.98	8.46
Standard error[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interquartile range[2]	7.85–8.84	8.11–9.13	7.98–9.00	7.80–8.81	7.00–8.81	7.31–8.56	7.85–8.84
By purpose of loan:							
Feeder livestock	7.78	8.10	7.96	8.24	(†)	7.53	(†)
Other livestock	6.94	7.78	7.85	8.17	6.52	7.54	6.58
Other current operating expenses	8.61	8.76	8.52	8.27	8.36	8.39	8.70
Farm machinery and equipment	8.77	9.31	9.06	(†)	8.33	(†)	(†)
Other	8.48	8.85	8.48	8.51	8.28	7.62	8.63
Percentage of amount of loans:							
With floating rate	81.5	35.2	52.1	62.8	69.1	67.8	90.6
Made under commitment	70.4	57.4	61.7	57.6	75.6	78.5	70.4
By purpose of loan:							
Feeder livestock	11.9	5.8	8.2	8.8	(†)	14.2	(†)
Other livestock	6.2	7.0	8.3	10.4	16.8	7.0	4.4
Other current operating expenses	49.8	61.4	54.7	64.4	54.3	42.4	48.6
Farm machinery and equipment	1.5	5.1	4.1	(†)	8.6	(†)	(†)
Other	30.4	20.4	24.7	12.3	18.6	32.6	33.5
				Other banks			
Amount of loans (thousands of dollars)	710,798	168,084	139,784	133,112	104,804	89,911	75,103
Number of loans	64,813	48,726	9,525	4,248	1,560	637	117
Weighted-average maturity (months)	11.6	9.2	8.8	12.9	21.8	7.4	13.3
Weighted-average interest rate (per cent)	8.86	9.01	8.99	8.66	8.68	8.87	8.89
Standard error[1]	.06	.06	.12	.12	.16	.08	.36
Interquartile range[2]	8.31–9.20	8.53–9.25	8.48–9.31	8.05–9.11	8.25–9.01	8.56–9.20	8.42–9.50
By purpose of loan:							
Feeder livestock	8.57	8.83	8.64	8.79	8.52	8.59	7.89
Other livestock	8.99	9.00	8.96	8.39	†	9.14	†
Other current operating expenses	8.82	8.92	8.91	8.75	8.53	8.81	8.86
Farm machinery and equipment	9.06	9.14	8.80	9.15	9.01	8.82	†
Other	8.87	9.27	9.70	8.45	8.57	9.27	8.03
Percentage of amount of loans:							
With floating rate	6.5	4.3	5.7	1.9	3.8	6.1	25.1
Made under commitment	32.8	23.4	21.8	31.9	45.3	41.0	48.4
By purpose of loan:							
Feeder livestock	14.2	10.4	14.2	11.9	11.6	24.6	18.1
Other livestock	15.9	13.1	10.6	19.5	†	8.3	†
Other current operating expenses	33.8	44.7	38.7	23.2	30.9	45.1	9.5
Farm machinery and equipment	15.4	19.1	19.6	16.4	11.2	2.3	†
Other	20.2	12.6	16.9	29.0	29.8	19.7	15.2

† Fewer than three sample banks.

Other notes are the same as those in Table 1.

the estimate.[6] Although measures of the reliability of other figures in the tables are not shown, it must be emphasized that all the data in the tables are estimates.[7]

The results of the quarterly survey for all commercial banks will appear regularly in the Financial and Business Statistics section of the Federal Reserve BULLETIN, replacing Table 1.35 "Interest Rates Charged by Banks on Business Loans." The results of the quarterly survey and the monthly supplement will also be published as the Board's G.14 (formerly E.2) statistical release.[8]

Much of the information in the tables has not been previously available or was available only in occasional special surveys. Consequently, interpretation of some parts of the survey findings may become useful only as an historical data base develops. But some of the new information made available through the STBL provides insights into bank lending practices that are of immediate interest. For example, the survey confirmed the view that a high proportion of lending by banks, particularly large banks, is being made at floating rates. Fully two-thirds of the dollar amount of short-term business loans made by large commercial banks carried floating rates in the February survey, and nearly one-third of such loans made by other banks had floating rate agreements.

In addition, the survey pointed out the wide extent to which bank borrowers are relying on prior commitments for loans. Commitments were associated with almost half of the business loans and about three-fourths of the construction loans reported on the survey. The widespread practice of arranging prior commitments was found at both the large banks and the other banks. The proportion of lending under prior commitments will likely rise and fall over the business cycle in response to changes in general credit conditions, and the survey will provide a guide to these developments.

[6] Additional programming is being performed to compute standard errors for interest rates on loans made at the 48 large banks; meanwhile, standard errors will be published for loans at other banks.

[7] Standard errors for all the estimates will be available later and may be obtained from the Banking Section of the Division of Research and Statistics.

[8] Copies may be obtained from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

APPENDIX

SAMPLING PROCEDURES OF THE SURVEY OF TERMS OF BANK LENDING

The population to be sampled by the Survey of Terms of Bank Lending was defined to be all insured commercial banks in the United States. The banks were ranked by the volume of commercial and industrial loans in their portfolios as of June 30, 1974, and divided into six strata. The largest 48 banks were assigned to the top stratum with certainty, that is, all were included in the sample. Such banks accounted for about 50 per cent of all commercial and industrial loans of commercial banks. The remaining more than 14,000 banks in the United States were divided into five strata. The method of stratification (the cumulative square root procedure) was to approximately equalize the products of the number of banks in the strata and the standard deviations of commercial and industrial loans about the mean of the strata. The number of banks in a stratum is inversely related to the size of the banks: the strata for larger banks contain relatively few banks, while the strata for smaller institutions contain many banks.

The two strata containing the banks with the smallest business loan portfolios were combined and re-ranked by agricultural loans and re-divided into two strata. These two lowest strata account for a substantial portion of commercial bank agricultural lending (more than 70 per cent of all loans to farmers), and the reliability of farm loan

NOTE. The STBL sample was designed by Irving Gedanken, Senior Statistician in the Division of Research and Statistics until his recent retirement.

information was thus improved. There would be little deterioration in the reliability of business loan information from this procedure, since the larger banks represented in the top four strata of the sample account for about 85 per cent of business lending.

Before selecting the reporting panel from the banking system so stratified, each stratum was divided into 10 zones containing equal numbers of banks. Six banks were then selected from each of the 50 zones (10 zones in each of the 5 strata) into which banks other than the 48 large banks were divided. Not all banks were able to participate in the voluntary survey, and the final sample design called for a panel of about 340 banks. As banks merge or otherwise are dropped from the panel, replacements will be selected to keep the sample representative of the population.

By dividing the strata into zones from which six banks were chosen, it became possible to identify six subsamples, each representative of the entire population of banks. The six banks chosen randomly within a zone were identified numerically as one to six in order of selection. The first bank selected from each zone in a stratum was assigned to subsample one of the stratum, the second was assigned to subsample two, and so forth. Consequently, in addition to the sample of 60 banks from each stratum, six subsamples of the 10 randomly selected banks were identified. Over the five sampled strata, the 300 respondent banks constitute six subsamples of 50 each. Including the certainty stratum of 48 banks, each complete subsample of the banking system is made up of about 98 banks.

Each of the six subsamples is a cross-section of the population and is a replicate of the other five subsamples. By ratio-estimate procedures relating call report totals for a particular loan category at sample banks to call report totals at all banks, the reports of the 340 banks in the sample are blown up to population estimates. Likewise, the six subsamples are each separately blown up to the population. Thus, seven estimates of the characteristics of the population are calculated, one over-all estimate from the large sample and six from subsamples of the whole. According to the central limit theorem, samples of the same size tend to distribute themselves about the mean of the population in a normal distribution. Relying upon this characteristic of the replicated estimates of the population, estimates of the variance of the elements can be readily calculated, and the standard errors for interest rates will be published regularly.

The first survey collected information on 23,201 business and construction loans and 2,740 loans to farmers. These loans were estimated to represent about 150,000 business loans, 18,000 construction loans, and 66,000 farm loans made by the banking system during the survey period. The relative coverage of business lending is higher than in agricultural lending because the sampling method concentrated more heavily on banks with higher business loan volume. However, the standard error of the estimates of interest rates on agricultural loans at smaller banks, other than the 48 large banks in the first stratum, are comparable to those on short-term business loans. The underlying variability of lending rates to farmers appears to be less than the variability of commercial loan rates.

TERMS OF BANK LENDING TO BUSINESS

COMMERCIAL, INDUSTRIAL, AND CONSTRUCTION AND LAND DEVELOPMENT LOANS MADE ON ______ ___ ______________

FR 2028A
Approved by Federal Reserve Board July 1976
Approval Expires Feb. 1979

Page ____ of ____

This report is authorized by law [12 U.S.C. 248(a) and 12 U.S.C. 248(i)]. Your voluntary cooperation in submitting this report is needed to make the results comprehensive, accurate, and timely.

The Federal Reserve System regards the individual bank information provided by each respondent as confidential. If it should be determined subsequently that any information collected on this form must be released, respondents will be notified.

(Please read instructions before completing form)

	DATE MADE		FACE AMOUNT OF LOAN			RATE OF INTEREST						MATURITY STATUS			COMMITMENT STATUS				FEDERAL INSURANCE STATUS			COLLATERAL AND PURPOSE						
							Method of calculation			Rate over life of loan									Check one					Complete columns 12 and 13 only for construction and land development loans				
							Check one			Check one														Check one				
						Stated rate of interest	(a) Discount	(b) Add-on	(c) On remaining balance	(a) Floating	(b) Predetermined	Date of maturity (If none, enter zero)		If maturity stated, enter number of scheduled payments over life of loan	Loan made under a commitment		Fees paid on commitment		(a) Insured or guaranteed by S.B.A.	(b) Insured or guaranteed by other U.S. agencies or depts.	(c) Not insured by U.S. agencies or depts.	Loan secured		(a) 1-4 Family	(b) Multi-family	(c) Nonresidential	Primarily secured by real estate	
	Mo.	Day	Mil.	Thous.	Dol.	Percent						Yr.	Mo.		Yes	No	Yes	No				Yes	No				Yes	No
	1		2			3	4			5		6		7	8		9		10			11		12			13	
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Return ... copy to the Federal Reserve Bank of ______________

[illegible] ______________ Person to be contacted concerning this report ______________

By ______________

[illegible] address ______________ [illegible] ______________

INSTRUCTIONS
FOR FR 2028A

This report covers loans classified in Schedule A of the Report of Condition (Call Report) under Item 5, "Commercial and Industrial Loans", and Item 1a, "Construction and Land Development Loans", secured primarily by real estate. Report loans to farmers on FR 2028B

INCLUDE

New loans which are defined as advances of funds to borrowers during the report period, takedowns under revolving credit agreements, notes written under credit lines, and renewals.

Your bank's portion of loan participations.

Commercial and industrial loans made at all offices of your bank in the States of the United States and the District of Columbia to any borrower domiciled in the States of the United States, the District of Columbia, or U.S. territories and possessions, including U.S. branches or subsidiaries of foreign businesses (C&I loans include construction and land development loans not secured primarily by real estate to builders and developers in the States of the United States, the District of Columbia, and all U.S. territories and possessions.)

Construction and land development loans secured primarily by real estate made to any borrower domiciled in the States of the United States, the District of Columbia, or U.S. territories and possessions.

EXCLUDE

Purchased loans and open market paper such as commercial paper and acceptances.

Accounts receivable loans.

Loans made by an international division or an international operations subsidiary of your bank.

Loans made to business firms domiciled outside of the United States, the District of Columbia, and all U.S. territories and possessions (foreign loans).

Loans of less than $1,000.

INFORMATION TO BE REPORTED ON EACH LOAN

COLUMN NUMBER

1. **Date made.** Enter the calendar date the loan or renewal was made. For a loan made on November 3, enter 1103.

2. **Face amount of loan.** Enter the face amount of loan in dollars. If the note represents the first advance of a loan agreement or an addition to an existing loan, enter the amount advanced on the date shown in column 1.

3. **Stated rate of interest.** Enter the stated initial rate of interest shown in the note or agreement in per cent to three decimal places. Report an 8-1/4 per cent rate as 8.250.

4. **Method of calculation.** Check the appropriate space.

   "Discount" applies when the proceeds credited to the borrower are the face amount less the interest based on the face amount to be paid at maturity.

   "Add-on" applies when the borrower repays the face amount plus interest calculated on the face amount for the full period until maturity.

   "Remaining balance" applies when the interest for any period is charged on the outstanding balance of the loan during that period.

5. **Rate over life of loan.** Check the appropriate space.

   "Floating" applies when the rate is tied to some other rate (such as the prime rate or a market interest rate) and neither the bank nor the borrower knows the exact rate of interest to be charged over the life of the loan.

   "Predetermined" applies when both the bank and the borrower know the exact rate of interest to be charged over the life of the loan. Do not check "predetermined" if at any time during the life of the loan the rate is floating.

6-7. **Maturity status.** If the loan has a specific maturity, enter the month and year in column 6. Include due dates for notes with specific maturities written under revolving credit agreements. If the loan is an instalment loan, enter the date of the last payment. If the loan is a demand loan and has no stated maturity, enter "0" and skip column 7.

   For those loans with stated maturities, enter in column 7 the number of payments on the principal scheduled over the life of the loan. If the loan is a single payment note, enter "1". If the payments are not explicitly scheduled, enter "0".

8-9. ***Commitment status.*** For purposes of this survey, a commitment is defined as an official promise to lend a specified amount that is expressly conveyed, orally or in writing, to the customer. Such commitments should include revolving credits and approved lines of credit. Authorizations (internal guidelines) where the customer is not informed of the amount are not to be considered as commitments.

   If the loan is made under a commitment so defined, check "yes" in column 8 and the appropriate response in column 9. If the loan is not made under a commitment or if the loan is a participation originated by another lender and your bank is unaware of the commitment status of the loan, check "no" in column 8 and skip column 9.

   Commitment fees are payments for access to credit under commitments and should exclude interest payments on individual loans under commitments. Fees may be based on the amount of the total commitment, the unused portion of the commitment, or both and may be charged once or periodically. If any fees have been levied on commitments associated with the loan, check "yes" in column 9, if not check "no".

10. **Federal insurance status.** Check whether the loan is fully or partially insured or guaranteed either by the Small Business Administration or by any other agency or department of the U.S. Government, including wholly-owned government corporations. If the loan is not insured by an agency or department of the U.S. Government, check "not insured by U.S. agencies or departments."

11. **Loan secured.** Check whether the loan is secured by collateral of any kind.

12-13. **Construction and land development loans.** These columns apply only to those loans made for the purposes of financing construction of new structures, demolition of existing structures to make way for new structures, or for land improvement prior to construction. In column 12, check the appropriate space to indicate the intended principal use of the property involved. If the ultimate structure type is unknown, check "non-residential". Note that all loans classified as construction loans, regardless of collateral, are limited to loans with original maturities of 5 years or less. All such loans of longer maturity are assumed to be permanent financings and are not reported as construction loans.

   If the loan is primarily secured by real estate, check "yes" in column 13. Such loans would be classified on the Report of Condition in Schedule A as Item 1a.

   Check "no" in column 13 if the construction loan is not primarily secured by real estate. Construction loans not secured by real estate would be classified in the Report of Condition in Schedule A, as part of Item 5.

TERMS OF BANK LENDING TO FARMERS

LOANS MADE ON ______________________

FR 2028B
Approved by Federal
Reserve Board -- July 1976
Approval Expires Feb. 1979

Page____ of ____

This report is authorized by law [12 U.S.C. 248(a) and 12 U.S.C. 248(i)]. Your voluntary cooperation in submitting this report is needed to make the results comprehensive, accurate, and timely.

The Federal Reserve System regards the individual bank information provided by each respondent as confidential. If it should be determined subsequently that any information collected on this form must be released, respondents will be notified.

(Please read instructions before completing form)

	DATE MADE		FACE AMOUNT OF LOAN			RATE OF INTEREST						MATURITY STATUS			COMMITMENT STATUS				FEDERAL INSURANCE STATUS			LOAN SECURED		PARTICIPATION STATUS			PRIMARY PURPOSE OF LOAN				
						Stated rate of interest	Method of calculation (Check one)			Rate over life of loan (Check one)		Date of maturity (If none enter zero)			Loan made under a commitment		Fees paid on commitment		Check one					Check one			Check one				
	Mo.	Day	Mil.	Thou.	Dol.	Per cent	(a) Discount	(b) Add-on	(c) On remaining balance	(a) Floating	(b) Predetermined	Yr.	Mo.	If maturity stated, enter number of scheduled payments over life of loan	Yes	No	Yes	No	(a) Insured or guaranteed by Farmers Home Administration	(b) Insured or guaranteed by other U.S. agencies or depts.	(c) Not insured by U.S. agencies or depts.	Yes	No	(a) Participation loan originated by your bank	(b) Participation loan originated by others	(c) Not participated	(a) Feeder livestock	(b) Other livestock	(c) Other current operating expenses	(d) Farm machinery and equipment	(e) All other loans
	1		2			3	4			5		6		7	8		9		10			11		12			13				
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____
Bank name, branch number

____
Office address

____
Person to be contacted concerning this report

____
Area code, telephone no.

Return one copy to the Federal Reserve Bank of

____

by ______________________

INSTRUCTIONS
FOR FR 2028B

This report covers loans classified in Schedule A of the Report of Condition (Call Report) as Item 4, "Loans to Farmers." Report business loans on FR 2028A.

INCLUDE: New loans, which are defined as advances of funds to borrowers during the reporting period, takedowns under revolving credit agreements, notes written under credit lines, and renewals.

Your bank's portion of loan participations.

Loans made to farmers at all offices of your bank in the States of the United States and the District of Columbia to any farm borrower domiciled in the States of the United States, the District of Columbia, or U.S. territories and possessions, including U.S. branches or subsidiaries of foreign businesses.

EXCLUDE: Purchased loans and open market paper such as commercial paper and acceptances.

Accounts receivable loans.

Loans made by an international division or an international operations subsidiary of your bank.

Loans made to farmers domiciled outside of the United States, the District of Columbia, and all U.S. territories and possessions (foreign loans).

Loans of less than $1,000.

INFORMATION TO BE REPORTED ON EACH LOAN

COLUMN NUMBER

1. **Date made.** Enter the calendar date the loan or renewal was made. For a loan made on November 3, enter 1103.

2. **Face amount of loan.** Enter the face amount of the loan in dollars. If the note represents the first advance of a loan agreement or an addition to an existing loan, enter only the amount advanced on the date shown.

3. **Stated rate of interest.** Enter the stated initial rate of interest shown in the note or agreement in per cent to three decimal places. Report 8-1/4 per cent rate as 8.250.

4. **Method of calculation.** Check the appropriate space.

"**Discount**" applies when the proceeds credited to the borrower are the face amount less the interest based on the face amount to be paid at maturity.

"**Add-on**" applies when the borrower repays the face amount plus interest calculated on the face amount for the full period until maturity.

"**Remaining balance**" applies when the interest for any period is charged on the outstanding balance of the loan during that period.

5. **Rate over life of loan.** Check the appropriate space.

"**Floating**" applies when the rate is tied to some other rate (such as the prime rate or a market interest rate) and neither the bank nor the borrower knows the exact rate of interest to be charged over the life of the loan.

"**Predetermined**" applies when both the bank and the borrower know the exact rate of interest to be charged over the life of the loan. Do not check "predetermined" if at any time during the life of the loan the rate is floating.

6-7. **Maturity status.** If the loan has a specific maturity, enter the month and the year in column 6. Include due dates for notes with specific maturities written under revolving credit agreements. If the loan is an instalment loan, enter the date of the last payment. If the loan is a demand loan and has no stated maturity, enter "0" and skip column 7.
For those loans with stated maturities, enter in column 7 the number of payments on the principal scheduled over the life of the loan. If the loan is a single payment note, enter "1". If the payments are not explicitly scheduled, enter "0".

8-9. **Commitment status.** For purposes of this survey, a commitment is defined as an official promise to lend a specified amount that is expressly conveyed, orally or in writing, to the customer. Such commitments should include revolving credits and approved lines of credit. Authorizations (internal guidance lines) where the customer is not informed of the amount are not to be considered as commitments.

If the loan is made under a commitment so defined, check "yes" in column 8 and the appropriate response in column 9. If the loan is not made under a commitment or if the loan is a participation originated by another lender and your bank is unaware of the commitment status of the loan, check "no" in column 8 and skip column 9.

Commitment fees are payments for access to credit under commitments and should exclude interest payments on individual loans under commitments. Fees may be based on the amount of the total commitment, the unused portion of the commitment, or both and may be charged once or periodically. If any fees have been levied on commitments associated with the loan, check "yes" in column 9, if not, check "no".

10. **Federal insurance status.** Check whether the loan is fully or partially insured or guaranteed by the Farmers Home Administration or any other agency or department of the U.S. Government including wholly-owned government corporations. If the loan is not insured by an agency or department of the U.S. Government, check "Not insured by U.S. agencies or departments."

11. **Loan secured.** Check whether the loan is secured by collateral of any kind.

12. **Participation status.** If the loan is participated, check whether it was originated by your bank or by other lenders. If the loan does not represent a participation with other lenders, check "Not participated."

13. **Purpose of loan.** Indicate which one of the following classifications best describes the borrower's primary use of the loan funds:

Feeder livestock. A loan used primarily to purchase feeder cattle, feeder pigs, or feeder lambs to be fattened for slaughter.

Other livestock: A loan used primarily to purchase poultry and livestock other than feeder livestock.

Other current operating expenses: A loan used primarily to finance such items as current crop production expenses and the care and feeding of livestock (including poultry).

Farm machinery and equipment: A loan used primarily to finance purchases of tractors, trucks, machinery, and other farm equipment, such as irrigation equipment and equipment for structural facilities (e.g., automated feeding equipment).

All other loans: A loan used for purposes not listed above as well as loans for which the primary purpose is unknown.

MONTHLY SUPPLEMENT TO TERMS OF BANK LENDING TO BUSINESS

COMMERCIAL AND INDUSTRIAL

LOANS MADE ON ____________

FR 2028C
Approved by Federal Reserve Board - July 1976
Approval Expires Feb 1979

Page ____ of ____

This report is authorized by law [12 U.S.C. 248(a) and 12 U.S.C. 248(i)]. Your voluntary cooperation in submitting this report is needed to make the results comprehensive, accurate, and timely.

The Federal Reserve System regards the individual bank information provided by each respondent as confidential. If it should be determined subsequently that any information collected on this form must be released, respondents will be notified.

(Please read instructions before completing form)

	DATE MADE		FACE AMOUNT OF LOAN			RATE OF INTEREST				MATURITY STATUS		
						Stated rate of interest	Method of calculation — Check one			Date of maturity (If none, enter zero)		If maturity stated, enter number of scheduled payments over life of loan
							(a) Discount	(b) Add-on	(c) On remaining balance			
	Mo	Day	Mil	Thou	Dol	Per cent				Yr	Mo.	
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Return one copy to the Federal Reserve Bank of ____________ by ____________

____
Bank name, branch number

____
Person to be contacted concerning this report

____
Office address

____
Area code, telephone no.

INSTRUCTIONS
FOR FR 2028C

This report covers loans classified in Schedule A of the Report of Condition (Call Report) under Item 5, "Commercial and Industrial Loans."

INCLUDE New loans which are defined as advances of funds to borrowers during the report period, takedowns under revolving credit agreements, notes written under credit lines, and renewals.

Your bank's portion of loan participations.

Commercial and industrial loans made at all offices of your bank in the States of the United States and the District of Columbia to any borrower domiciled in the States of the United States, the District of Columbia, or U.S. territories and possessions, including U.S. branches or subsidiaries of foreign businesses. (C&I loans include construction and land development loans not secured primarily by real estate to builders and developers in the States of the United States, the District of Columbia, and all U.S. territories and possessions.)

EXCLUDE All loans secured primarily by real estate, including all construction and land development loans secured primarily by real estate that are reported on the quarterly survey.

Purchased loans and open market paper such as commercial paper and acceptances.

Accounts receivable loans.

Loans made by an international division or an international operations subsidiary of your bank.

Loans made to business firms domiciled outside of the United States, the District of Columbia, and all U.S. territories and possessions (foreign loans).

Loans of less than $1,000.

INFORMATION TO BE REPORTED ON EACH LOAN

COLUMN NUMBER

1. **Date made.** Enter the calendar date the loan or renewal was made. For a loan made on November 3, enter 1103.

2. **Face amount of loan.** Enter the face amount of loan in dollars. If the note represents the first advance of a loan agreement or an addition to an existing loan, enter the amount advanced on the date shown in column 1.

3. **Stated rate of interest.** Enter the stated initial rate of interest shown in the note or agreement in per cent to three decimal places. Report an 8-1/4 per cent rate as 8.250.

4. **Method of Calculation.** Check the appropriate space.

"Discount" applies when the proceeds credited to the borrower are the face amount less the interest based on the face amount to be paid at maturity.

"Add-on" applies when the borrower repays the face amount plus interest calculated on the face amount for the full period until maturity.

"Remaining balance" applies when the interest for any period is charged on the outstanding balance of the loan during that period.

5-6. **Maturity status.** If the loan has a specific maturity, enter *the month and year in column 5. Include due dates for notes* with specific maturities written under revolving credit agreements. If the loan is an instalment loan, enter the date of the last payment. If the loan is a demand loan and has no stated maturity, enter "0" and skip column 6.

For those loans with stated maturities, enter in column 6 the number of payments on the principal scheduled over the life of the loan. If the loan is a single payment note, enter "1". If the payments are not explicitly scheduled, enter "0".

The Need for Order in International Finance

I plan to comment tonight on the need for order in international finance. My choice of topic does not require lengthy justification. For more than a decade now, we have been besieged by problem after problem in the working of international financial mechanisms. Strain and turbulence have, in fact, been so constant a feature of the international financial scene in recent years that I suspect they are coming to be widely regarded as the normal state of affairs.

I do not share any such mood of resignation. In the first place, governments around the world now have a better understanding of the troubles caused by inflation—both in their own economies and in international dealings—than they had only a few years ago. As a result, not a few countries have been adjusting their economic policies with a view to curbing inflation. In the second place, financial institutions—particularly commercial banks—are now giving closer attention to the volume and character of their foreign lending. And in the third place, the International Monetary Fund (IMF) has been gaining in prestige and is already exercising a more constructive influence than seemed likely a year or two ago. These are promising trends, and if we build on them we can in time reattain the financial stability that is so vital to orderly expansion of the international economy.

Certainly, we all know of the great difficulties that plagued financial relationships among countries during the 1930's. Those difficulties generated pessimism about the capacity of nations ever again to achieve orderly arrangements for the conduct of international finances. And that pessimism was deepened by the frightful disruption of the world economy during the war. Yet, it was the genius of that age to devise the structure of Bretton Woods and to strengthen that extraordinary structure with our own Marshall Plan. Within a framework of established financial rules, a great liberalization of the world economy occurred and world trade and output flourished. Although we tend to forget it now, the postwar period was a time of quite impressive stability in world finance until the early 1960's.

That experience should serve to remind us that difficulties do yield to determined effort. Our present problems in the sphere of international finance, while different from those of a generation ago, surely are no greater. They too can be dealt with effectively if once again we perceive the wisdom of some subordination of parochial interests and if nations marshal the will to live by new rules of responsible behavior.

Quite obviously, the overriding problem confronting us in world financial matters today is the massive and stubborn imbalance that prevails in payments relations among nations—a condition arising importantly, although by no means exclusively, from the action of the Organization of Petroleum Exporting Countries (OPEC) in raising the price of oil so abruptly and so steeply.

This year alone OPEC's revenues from international oil sales are likely to total something on the order of $130 billion. What is most significant about that figure is that it represents an enormous explosion of revenues in such a short time. In 1972, before OPEC's aggressive pricing policy began, receipts of the OPEC group from international oil sales totaled less than $14 billion, with most of the rise since then representing higher prices rather than enlarged volume. For the great majority of

NOTE.—Address by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, at the annual dinner of the Columbia University Graduate School of Business, New York, New York, April 12, 1977.

OPEC's customers—both affluent and needy alike—it has been the rapidity of the massive change that has been so troublesome. To be sure, OPEC members have dispensed some aid to less-developed countries, but so far the grants have been very selective and quite small relative to the size of the international problems that OPEC has created.

The imposition of the enormous tax that the OPEC group has in effect levied on the world economy has been met, as you know, partly by transferring goods and services to OPEC members and partly by deferring such transfers through borrowing arrangements. OPEC's absorption of goods and services for both consumption and development purposes has been expanding, with the consequence that OPEC's collective current-account surplus has shrunk considerably from its peak level of more than \$65 billion in 1974. Only 5 of the 13 OPEC nations in fact are currently running sizable payments surpluses. Contrary, however, to earlier widespread hopes that the aggregate OPEC surplus would continue to decline—perhaps nearing elimination by the end of this decade—it seems at present to be eroding slowly, if at all. This year it could easily run above \$40 billion, marking the fourth consecutive year that OPEC's trading partners as a group will have to seek substantial loans or grants to help meet their oil bills.

Continuation of a surplus for the OPEC group at such a high level reflects several influences: first, the further increase that occurred this January in OPEC oil prices; second, growing demand for oil as recovery of the world economy has proceeded; third, insufficient energy conservation by many non-OPEC countries, including most notably the United States; and fourth, a slowing of import absorption by the OPEC group—in some instances because bottleneck problems of one kind or another are being encountered, in other instances because development plans have come to be viewed as excessively ambitious. The apparent stickiness of the OPEC payments surplus at a high level, buttressed by what is now a significant stream of income from investments, implies large-scale financing requirements for OPEC customers for a considerable period ahead. The prospect of such persistent financing needs, year after year, is especially worrisome.

Great as must be our attention to these OPEC-related problems, we dare not lose sight of the fact that our international payments mechanism is now under stress for reasons that go beyond the extraordinarily high price of oil. The payments deficits of various nations, both industrial and less developed, can be traced to extensive social-welfare and development programs undertaken in the early 1970's and financed by heavy governmental borrowing, often directly from central banks. Even when the internal stresses resulting from inflation were aggravated by the oil burden and by weaker exports, there was little or no adjustment of economic policies in numerous instances, thus causing external positions to deteriorate sharply. There were conspicuous exceptions, of course, particularly on the part of countries that historically have the greatest sensitivity either to inflation or to payments imbalance, or both. A wide diversity of payments imbalances thus developed around the globe, accentuated for a time by differences in the severity with which recession affected national economies and, more recently, by differing inflation and recovery trends.

The current pattern of international payments imbalances, in short, is something far more complex than an OPEC phenomenon alone. Essentially, what prevails is a problem within a problem. The non-OPEC group of countries collectively not only has a massive structural deficit vis-a-vis OPEC. In addition, serious payments imbalances exist within the non-OPEC sector itself, with a few nations experiencing sizable surpluses on their current account while many others suffer deficits that reflect many factors besides the way in which the burden of costly oil imports happens to be distributed around the globe.

A great deal of effort has been devoted by scholars to the task of trying to estimate how long the present severe imbalance of international payments accounts could persist in the absence of deliberate new policy actions. The results of these exercises generally are not reassuring. They point to the distinct possibility that huge borrowing needs—that is, needs that are uncomfortably large in relation to the debt-servicing capabilities of many countries—could persist at least through the remainder of this decade.

The potential trouble in this set of circumstances should be obvious. If OPEC surpluses on current account should continue on anything like the present scale, they would inevitably be matched by deficits of identical magnitude on the part of other nations. And if some countries outside OPEC should also have sizable and persistent surpluses, as now appears to be the case, the aggregate deficit of the remaining countries will be still larger. Under such circumstances, many countries will be forced to borrow heavily, and lending institutions may well be tempted to extend credit more generously than is prudent. A major risk in all this is that it would render the international credit structure especially vulnerable in the event that the world economy were again to experience recession on the scale of the one from which we are now emerging.

To minimize the risks that face us, there is a clear need for a strong effort involving all major parties at interest. In order to achieve relatively smooth expansion of the world economy, five conditions are essential: First, the aggregate of payments imbalances around the world needs to be reduced far more rapidly than currently observable trends imply; second, the divergences that now exist among countries with regard to their balance of payments status need to be narrowed; third, protectionism must be scrupulously avoided by governments; fourth, private financial institutions need to adhere to high standards of creditworthiness in providing whatever volume of international financing occurs during the next few years; and fifth, official credit facilities need to be significantly enlarged.

The realization of these conditions requires diligent pursuit of stabilization policies by countries that have been borrowing heavily in international markets. The obstacles to speedy adjustment on the part of these countries are well known. Resistance stems chiefly from the political difficulty of gaining broad acceptance of the painful things that must be done to restrain inflation and to achieve energy conservation. Countries thus find it more attractive to borrow than to adjust their monetary and fiscal policies; and if they can do this without having lenders write restrictive covenants into loan agreements, so much the better. That is why countries typically prefer to tap foreign credit markets to the maximum extent possible rather than to borrow from the IMF, which, in aiding countries that experience significant payments disequilibrium, makes credit available only after the borrower has agreed to follow internal policies judged appropriate by the Fund. Commercial banks, as a practical matter, have neither the inclination nor the leverage to impose restrictive covenants on sovereign governments.

In these circumstances, admonition alone is likely to accomplish little in prodding countries with large payments deficits to take affirmative action. There are, however, limits dictated by financial prudence beyond which private lenders will be unwilling to go. More than one country has recently found that its ability to borrow in the private market has diminished. The fact is that commercial banks generally, and particularly those which have already made extensive loans abroad, are now evaluating country risks more closely and more methodically. Credit standards thus appear to be firming; and as information about borrowing countries improves, we can reasonably expect the market to perform its function of credit allocation more effectively.

As some of you may know, the Federal Reserve is currently engaged in a joint project with other central banks to obtain a much more complete size and maturity profile of bank credit extended to foreign borrowers, country by country. That information, which is being gathered under the auspices of the Bank for International Settlements, (BIS) will be shared with private lenders, but even so it will fill only a fraction of the existing informational gap.

What we need is a more forthcoming attitude on the part of borrowing countries in regularly supplying information to lenders on the full range of economic and financial matters relevant to creditworthiness. I realize that much of the needed information is not even collected in some countries, but such a condition should not be tolerated indefinitely. Logically, the BIS—having links with the central banks of the principal lending countries—could take the lead in setting forth a list of informational items that all countries borrowing in the international market would be expected to make available to present or prospective lenders. Compliance could then become a significant factor in the ability of countries to secure private credit, particularly if—as I would judge essential—bank regulators in the various lending countries explicitly took account of compliance in their review of bank loan portfolios.

Imperfect or incomplete information, as I think we all recognize, makes for inefficient markets and heightens the risk of disruptive discontinuities if some previously unknown but pertinent fact suddenly comes to light. In the market for bank credit, a continuous flow of factual information will produce gradual, as distinct from abrupt, changes in assessments of creditworthiness. This should induce earlier recourse to the IMF by countries experiencing payments difficulties than has been usually the case in the past. Even now, as lenders are becoming better informed and somewhat more cautious in extending foreign credit, a tendency toward earlier recourse to the IMF appears to be emerging. It seems likely, therefore, that more countries that need to adjust their economic policies will henceforth do so sooner and probably also more effectively. By so doing, the unhappy alternative of resorting to protectionism will be more readily avoided.

Private banks—both in this country and elsewhere—played a very substantial role in "recycling" petrodollars between the OPEC group and other countries, especially those whose external payments position was weakened by the higher oil prices. Had the banks not done so, the recent recession would have been more severe than it was, since there was no official mechanism in place that could have coped with recycling of funds on the vast scale that became necessary in 1974. But with many countries now heavily burdened with debt, bankers generally recognize that prudence demands moderation on their part in providing additional financing for countries in deficit. For that reason, they understandably wish to see an increase in the relative volume of official financial support to countries that continue to have large borrowing needs.

Bankers are not alone in wanting to see countries in deficit pursue adjustment policies more diligently. This interest, in fact, is widely shared by economists and other thoughtful citizens who see an urgent need for healthier and more prosperous economic conditions around the world. The interests of the international economy and of private lenders thus converge and point to the need for a much more active role by the Fund.

The leverage of the Fund in speeding the process of adjustment would clearly be enhanced if its capacity to lend were greater than it is now. One reason why countries often are unwilling to submit to conditions imposed by the IMF is that the amount of credit available to them through the Fund's regular channels—as determined by established quotas—is in many instances small relative to their structural payments imbalance. That will be so even after the scheduled increase in IMF quotas becomes effective. To remedy this deficiency, the Fund is currently seeking resources of appreciable amount that could be superimposed on the framework of the quota system. Negotiations are in progress with several countries of the OPEC group as well as with the United States and other industrial nations whose payments position is comparatively strong. Such a supplementary Fund facility should induce more deficit countries to submit to Fund discipline. But in no case must it become a substitute for an adequate adjustment policy by borrowers or serve as a bailout for private banks. If negotiations for such a facility are completed soon, which appears possible, high priority should be given to prompt ratification by our Congress and the legislatures of other countries.

The ability of the Fund to act forcefully in speeding the adjustment process will be strengthened in still another way once the 5-year effort of amending the IMF's Articles of Agreement is completed. At present the Fund normally immerses itself in urging appropriate policies on a country only when that country applies for financial assistance. Under the revised Articles, the Fund could take the initiative in determining whether individual countries are complying with formally prescribed obligations to foster orderly economic growth and price stability. This authority, once available, will enable the IMF to broaden progressively its oversight role even when a country is not an applicant for a loan.

As the number of countries brought within the reach of the Fund's influence increases—either because of the enticement of enlarged lending facilities or because an IMF "certificate of good standing" becomes essential to further borrowing from private lenders—the outlook for correction of balance of payments deficits would be considerably improved. But that outcome will also depend on full appreciation by private lenders of the need to avoid actions that tend to undercut Fund efforts.

This does not mean that Fund judgments are to replace those of private lenders in the determination of which countries should be accommodated with private credit. Nor do I even mean to suggest that the texts of the Fund's country evaluations are to be handed around in the private banking community. Were that to become a practice, I am sure the quality of such reports would suffer by becoming less explicit and less frank. But some sharing of Fund information—within the limits imposed by requirements of confidentiality—may still become feasible, the most logical conduits perhaps being the central banks of the countries in which the major private lending institutions are located.

Fund country reports are transmitted to central banks as a matter of routine, and—as I previously indicated—new factual information about individual countries is now being developed, and more may well be developed later, by the BIS. Private lenders might want to discuss with the staffs of central banks the flow of such information, and this could be done—as would surely be the Federal Reserve's practice—without advising whether or on what scale a loan should be made to this or that country. Such a consultative process, especially if it also involved frequent interchange of information among the leading central banks, would go quite far in preventing any inadvertent circumvention by private banks of the efforts of the IMF to promote financial stability.

The suggestions I am exploring with you for improving the adjustment process obviously will not work unless broadly shared agreement develops that international financial affairs require a "rule of law" to guide us through the troubled circumstances that now exist. Such a rule cannot be codified in detail, but it is essential that there be broad agreement that parochial concerns will be subordinated to the vital objective of working our way back to more stable conditions in international finance. And if the IMF is to play a leadership role in pursuing this objective, it is not only private parties that must avoid weakening the IMF's efforts. Governments also—indeed governments especially—must be prepared to forego their own quite frequent inclination to do things inconsistent with the effective pursuit of Fund objectives. There have been too many instances in which the government of a country negotiating a stabilization program with the Fund's officials has attempted to circumvent the Fund by seeking instead a loan from another government or by exerting outside political pressure on Fund officials in an effort to make loan conditions as lenient as possible. If the rule of law in international monetary affairs is ultimately to prevail, all countries—there can be no exceptions—must fully respect the IMF's integrity.

Our first requisite, therefore, is for a new sense of commitment by governments as well as private parties to a responsible code of behavior. I believe that understanding of this need has been growing—certainly within our own government. And, of course, the working of the marketplace—tending now to make credit less readily available to some foreign borrowers—is helping to foster a new set of attitudes.

As I noted earlier, the payments difficulties of countries outside the OPEC group reflect many factors besides the way in which the burden of oil costs happens to have been distributed. It is important that adjustment proceed along several paths in this vast part of the world.

First, countries whose external position has been weakened by loose financial policies are going to have to practice some fiscal and monetary restraint, either of their own volition or because they find it obligatory to do so in order to maintain access to international credit facilities, including those of the IMF. In individual instances, the adjustment process in such countries may at times also entail allowing some depreciation of the foreign exchange value of their currencies.

Second, since the burden of adjustment cannot and should not rest with deficit countries alone, those non-OPEC countries that are experiencing significant and persistent current-account surpluses must understand that they too have adjustment obligations. In saying this, I do not mean to imply that we should urge such countries to pursue expansionist policies that could undo or jeopardize the hard-won progress that some of them have made in curbing inflation. That would be both wrong and unwise. What I mean is simply that such countries should not actively resist tendencies toward appreciation in the value of their currencies in foreign exchange markets. Such appreciation will aid other countries by facilitating access to the markets of the countries in surplus; and at the same time it will make imported goods and services available at a lower cost to the citizens of the surplus countries, thus reinforcing their constructive efforts to control inflation.

Third, practically all non-OPEC countries—the deficit and surplus countries alike—must treat energy conservation as a key element of their economic policy. This is something to which the United States in particular must give the closest attention. We are by far the largest single consumer of energy in the world, and we have so far been notably laggard in addressing the energy problem. This year imported oil will probably account for over 40 per cent of domestic consumption of petroleum, up from 22 per cent in 1970. Our passive approach to energy policy, besides endangering the Nation's future, has aggravated strains in the international financial system because we are directly responsible for a large part of the OPEC surplus. And, of course, our huge appetite for oil has added to the leverage of those OPEC members that have been most reckless in urging a still higher price of oil. The energy program being prepared by President Carter unquestionably will entail sacrifices by many of our citizens. It is essential, however, that we at long last recognize that a decisive conservation effort must be a major part of our Nation's economic policy.

If, in fact, we can build momentum into payments adjustment by the non-OPEC group of countries along these three paths—that is, internal discipline by countries in deficit, nonresistance to exchange-rate appreciation by countries in surplus, and determined energy conservation by all—the favorable consequences will be enormous. To the extent that energy conservation is effective, the present serious imbalance of the non-OPEC group of nations vis-a-vis OPEC will be reduced. Beyond that, there will no longer be such extremely large differences in the balance of payments status of the non-OPEC nations. Consequently, the risk of disruption of the international financial system would be greatly reduced, and we could have greater confidence that progress will be realized around the world in reducing unemployment and otherwise improving economic conditions.

There is a critical proviso, however, to this optimistic assessment—namely, that the OPEC group, seeing their surplus decline as a result of foreign conservation efforts or their own increasing imports, will not seek to compensate for the decline by a new round of oil-price increases. Obviously, if they were to do so—and if they could make the action stick—the whole exercise of trying to reduce the massive payments imbalances traceable to the oil shock would be rendered futile.

Effective oil conservation and the development of other sources of energy would, of course, militate against such an outcome to the extent that those efforts lessened OPEC's market leverage. That is important for the longer run, but particularly in the years immediately ahead it is vital that the members of OPEC recognize that their economic and political future cannot be divorced from that of the rest of the world. Besides practicing forbearance with regard to the price of oil, it would be very helpful if they made larger grants of assistance to the less-developed countries and also expanded the volume of loans and investments made directly abroad—so that the intermediation of American or European commercial banks may be substantially reduced. Fortunately, there are various signs that the more influential members of OPEC are becoming increasingly aware that their self-interest requires a major contribution along these lines. The OPEC group has become a large factor in international finance, and there is some basis for confidence that they will play a constructive role in the re-establishment of order in the international financial structure.

In the course of my remarks tonight, I have touched on a number of actions that either need to be taken or avoided to achieve a new sense of order in international finance. Let me conclude by sketching or restating the responsibilities, as I see them, of the *major participants in the international financial system.*

First, in order to contribute to a more stable international system, the IMF must act with new assertiveness in monitoring the economic policies of its members. To give the Fund added leverage for such a role, its resources must be enlarged. But those resources must be used sparingly and dispensed only when applicant countries agree to pursue effective stabilization policies. In view of the clear need for better financial discipline around the world, this would be a poor time for a new allocation of special drawing rights—or, in plain language, printing up new international money.

Second, national governments must encourage and support the IMF, so that it can become an effective guardian of evolving law in the international monetary sphere. Governments need to resist the temptation to circumvent the Fund by seeking bilateral official loans or to embarrass the Fund by exerting political pressure on Fund officials. Commercial and investment bankers also need to recognize that their actions must not undercut IMF efforts to speed adjustment. The IMF, in its turn, will have to equip itself to handle appropriately its new and larger responsibilities.

Third, a better framework of knowledge for evaluating the creditworthiness of individual countries is badly needed. Among other things, central banks could work together through the BIS and establish a common list of informational items that borrowing countries will be expected to supply to lenders.

Fourth, commercial and investment bankers need to monitor their foreign lending with great care, and bank examiners need to be alert to excessive concentration of loans in individual countries.

Fifth, protectionist policies need to be shunned by all countries.

Sixth, countries with persistent payments deficits need to adopt effective domestic stabilization policies.

Seventh, non-OPEC countries experiencing large and persistent payments surpluses also need to adjust their economic policies, and they can probably best do so by allowing some appreciation of their exchange rates.

Eighth, all countries, and especially the United States, need to adopt stringent oil conservation policies and, wherever possible, to speed the development of new sources of energy.

Ninth, the members of OPEC must avoid a new round of oil-price increases. They also need to play an increasingly constructive role in assisting the less-developed countries and in the evolution of the international financial system.

Observance of these do's and don'ts would go a significant distance, in my judgment, in meeting the formidable challenges that now confront us. But we shall undoubtedly need to be ready to improvise in the fluid and complex area of international finance. I have no illusions that the ideas that I have presented here tonight can serve as a rigid blueprint. I hope, however, that they will have some value in suggesting directions in which governments, private lenders, and official institutions need to move. By working together toward a rule of law in international finance, we shall be contributing to a stable prosperity for both our own citizens and those of our trading partners. □

Statements to Congress

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, May 3, 1977.

It is a pleasure to meet once again with this distinguished committee to present the report of the Board of Governors of the Federal Reserve System on the condition of the national economy and the course of monetary policy.

When we last met to discuss these subjects in November, the economy was beginning to emerge from a period of relatively slow growth. That fact was not widely recognized at the time. By concentrating unduly on comprehensive measures of economic activity, many people failed to see the gathering momentum of positive economic forces. Then, early this year, the disruptions caused by unusual weather obscured further the underlying strength of the economy.

It is quite apparent today, however, that a reacceleration of economic growth did get under way late last year and that expansion is again proceeding vigorously. As 1976 drew to a close, final sales of goods and services picked up, reflecting primarily a resurgence of consumer buying and a strong advance in homebuilding. The improvement in sales enabled business firms to work off a good part of the excess inventories that had accumulated over the preceding months when buying was sluggish. With sales and stocks coming into better balance, the pace of new orders and production began to quicken. The demand for labor strengthened, and personal income expanded more rapidly.

The inclement winter weather and shortages in fuel supplies disrupted this expansionary process only briefly, and not nearly so severely as was suggested by early reports. As the weather took a turn for the better in the second half of February, industrial and commercial activities snapped back smartly in most parts of the country.

Even with the adverse effects of the weather, the Nation's total production of goods and services rose in the first quarter at about a 5½ per cent annual rate—twice the pace of the preceding quarter. Conditions in the labor market improved, as is evidenced by the sharp rise in hirings while layoffs remained at a low level. The unemployment rate fell by ½ of a percentage point as sizable gains in employment more than offset the continued rapid growth of the labor force. At the same time, the rate of utilization of our Nation's industrial plant also edged higher during the first quarter and by March reached 82 per cent in manufacturing.

In all, the recent behavior of economic activity has been encouraging, and the prospects for further economic advance are good. Trends in the consumer sector certainly are favorable. The expansion of jobs and incomes during the past half year has served powerfully to improve consumer sentiment. During the final quarter of 1976 the percentage of disposable income devoted to consumer spending was the highest in several years, and in the first quarter of this year the spending percentage rose still further. Our households, viewed collectively, did not let higher fuel bills interfere with other expenditures. In fact, automobile sales rose to the highest level since 1973, as an increasing number of consumers displayed a willingness to incur additional instalment debt in order to finance the purchase of big-ticket items.

The strong pace of consumer buying late in 1976 caused inventories to fall below desired levels in many lines of activity. More recently, inventory investment has picked up as businessmen sought to keep larger stocks to accommodate their customers. The increasing volume of work at manufacturing plants has had a similar effect. Nevertheless, inventories generally remain quite lean, and inventory investment can be expected to continue rising as sales move up in the months ahead.

Homebuilding has also shown strength in recent months—especially in the single-family sector where new starts apparently reached a record high in March. With credit readily available and consumer confidence improving, sales of new homes were brisk even during the harsh winter months. Activity in the multifamily sector, meanwhile, has recovered much more slowly from the depression brought on by overbuilding in the early 1970's. But vacancy rates are now generally falling, and it is thus reasonable to expect the construction of apartment units to gather strength as time passes.

The pace of business investment in new plant and equipment, while still lagging relative to earlier business-cycle expansions, is also gaining strength. Business equipment posted the largest advance of any major category of industrial production during the first quarter. The most recent surveys of business plans point to a substantial further increase in spending on plant and equipment this year. So, too, does the trend of orders for business capital goods, which have risen more than 20 per cent over the past year. With corporate profits improving and with rates of utilization of industrial capacity rising, the potential clearly exists for good gains in business fixed investment.

Governmental demand for goods and services also appears to be an expansive influence in the economy at this time. Budget estimates suggest that Federal purchases of goods and services in calendar 1977 will increase at a faster rate in constant-dollar terms than they did last year. In addition, a quickening pace of spending by State and local governments is likely to take place in the months ahead. In the aggregate, State and local operating budgets have moved during the past 2 years from deficit to surplus, thanks to the combination of strongly rising tax receipts and relatively subdued expenditure growth. With this turnabout in their budgetary situation, State and local governments are likely to loosen their purse strings. And the tendency in that direction may well be accelerated if the Congress follows through with present plans to enlarge, both this year and next, the flow of Federal grants-in-aid to States and localities.

The only major component of final demand that is not exhibiting strength at present is our foreign trade balance. The dollar value of oil imports increased sharply in the first quarter because of the cold weather, but other imports—including coffee and other consumer goods—also rose substantially. Meanwhile, the relatively slow recovery of many foreign economies kept down the expansion of our exports. Only strength of investment income and other nontrade items has held the over-all current-account deficit to moderate proportions. Although the deterioration in our trade balance may be behind us, it is hard to see significant improvement over the remainder of the year.

With the exception of foreign trade, however, demand factors generally seem to point to good growth in our Nation's output of goods and services this year. Buttressing that expectation is the fact that financial conditions provide a satisfactory foundation for further economic expansion.

The Federal Reserve has continued to pursue a course of monetary policy intended to promote conditions conducive to substantial expansion in economic activity, while guarding against the release of new inflationary forces. During the past 2 years the increases that have occurred in the stock of money have proved adequate to finance substantial gains in the physical volume of output and employment. This experience has demonstrated once again that consideration of the stock of money alone is not sufficient for assessment of the adequacy of the economy's liquidity. Money has a second dimension, namely, velocity, or—in common parlance—the intensity with which it is being used. Over short periods of time the truly dynamic factor is not so much the stock of money as the willingness of the public to use their money balances. Upswings in business and consumer confidence are commonly reflected in substantial increases of monetary velocity. Moreover, in the case of the narrowly defined money supply, intensity of use has been increasing with special rapidity since 1975, reflecting numerous innovations in financial technology that serve to reduce reliance on demand deposits for handling monetary transactions.

Supplies of credit have been ample—perhaps more than ample—during the past 6 months, and most rates of interest are near their lowest levels in several years. In this environment, many economic entities have been able to achieve a further strengthening of their financial condition.

Large business firms with high credit ratings issued a massive volume of long-term bonds during 1975 and the first half of 1976, and they used the proceeds largely to repay short-term debt and to acquire liquid assets. Such restructuring of balance sheets appears to have abated in the past half year or so, and many companies are now cautiously enlarging their borrowing from banks and through the commercial paper market. This expansion of short- and intermediate-term liabilities has occurred unusually late in the current cyclical expansion and it has been moderate to date.

Meanwhile, some large corporations—especially utility and communications firms—have availed themselves of the attractive financing conditions by selling bonds to refund high coupon issues of earlier years. More important still, many smaller and lower-rated firms have found in the past several quarters a more receptive market for their long-term debt obligations, and they have thus been able to make progress in strengthening their balance sheets. Life insurance companies and other investors in the private placement market have been aggressively seeking lending opportunities and have recently supplied a record amount of credit to small- and medium-sized firms. Moreover, the spread between interest rates on prime and lower-rated bond issues in the public market for securities—which had become unusually wide during the recent recession—has now narrowed to dimensions that are normal for business-cycle expansion.

The favorable condition of financial markets has been of help as well to State and local governments during the past half year. Particularly in the final quarter of 1976, the proceeds of substantial issues of new long-term bonds were used to repay outstanding short-term debt, thus continuing a practice that has prevailed since mid-1975. This process of debt restructuring, together with the progress made in strengthening budgetary positions, has improved dramatically the standing of many States and municipalities with the investment community. Testifying to that is the fact that interest rates on municipal securities have declined more than interest rates on other fixed-income obligations. Not only that, the spread between yields on higher- and lower-quality bond issues has narrowed sharply in recent months. These developments have led to numerous advance refundings of existing debt, thereby lowering the future interest burden on taxpayers.

Despite larger loan demand from business and consumers since last fall, commercial banks have been able to maintain their sharply improved liquidity. Indeed, they have added further to their holdings of Treasury securities, which today are more than double what they were at the end of 1974. Many banks have strengthened their equity position during the past 6 months through earnings retention, and some have also augmented their capital by issuing new stock or subordinated long-term debt.

Savings banks and savings and loan associations too have been able to accommodate heavy credit demands without reducing liquidity. The relatively low level of market rates of interest has sustained good inflows of consumer time and savings deposits to those institutions. Against this background, outstanding mortgage commitments have risen to record levels and mortgage interest rates have declined. These developments have contributed to the brisk pace of home sales and to the upward thrust of housing construction.

In sum, both general financial conditions and the growth patterns that have been unfolding in key sectors of our economy justify considerable optimism about the immediate future. Even so, there are some uncertainties in the present situation that deserve serious attention. The most important of these relate to energy and inflation.

One of the reasons capital spending has lagged during this economic expansion has been a reluctance of businessmen to undertake long-term investment projects without a clearer view of the future cost and availability of petrochemical feedstocks and various energy sources. The President's proposal of a broad energy program is a long-needed step toward creating a more certain environment for decision-making. However, with congressional action still to be taken and with the final shape of any program unknown, the situation at the moment is as uncertain as ever. Furthermore, in view of the prospect of significant tax or other incentives or disincentives in the not too distant future, there will be a tendency here and there to hold off on major expenditures a bit longer to see what develops. This could have the effect of retarding the advance not only of business capital outlays in the months ahead but also of spending by households—especially on automobiles and energy-saving home improvements.

Because of these possibilities, it obviously is important that the Congress lose no time in considering the President's energy recommendations. I fully realize the practical obstacles to quick action in matters so complex, but I also feel bound to observe that significant risks to economic performance will exist as long as businessmen and the general public remain uncertain of what to expect in the energy area.

The course of economic expansion may also be significantly affected by the pace of inflation. Inflation has accelerated in recent months. Both wholesale and consumer prices advanced at an annual rate of about 10 per cent in the first quarter, with the flare-up of food prices only part of the explanation. Particularly worrisome is the fact that we have now experienced three successive quarters of increase at about an 8 per cent annual rate in the critically important industrial commodities component of the wholesale price index. This development reflects an upward climb during the past year of close to 6 per cent in the labor cost per unit of output for private business firms; it also reflects an effort on the part of many companies to widen profit margins from the low level to which they had fallen during the recession. With wage increases now showing some tendency to quicken and with the economy at a stage where productivity gains are likely to become smaller than they have been during the past 2 years, there is no relief in sight for the underlying cost pressures that businesses have been experiencing. This unhappy circumstance inevitably casts a cloud on our Nation's ability to maintain a satisfactory rate of economic growth into 1978 and beyond.

Experience teaches that when serious inflation persists, consumer confidence and purchasing power will ultimately erode. Continuing inflation at high rates likewise tends to work against sustained expansion in business investment activity, for it raises the risk premium that businessmen attach to new undertakings. Forward business planning becomes more hesitant in an environment in which managers are unable to assess cost and profit prospects with any confidence over the long time horizons that are frequently involved in new investment projects.

Recognizing these difficulties, President Carter has outlined a multifaceted program to fight inflation. I want to assure this committee that the members of the Federal Reserve Board fully support the President's determination to bring down the rate of inflation. All of the measures in his projected program can be helpful, but there is no doubt in our minds that the main key to success in the battle against inflation is prudent management of the Nation's finances.

The Federal Open Market Committee was well aware of its heavy responsibility to encourage economic expansion and yet help to curb inflation when it met last month to discuss the longer-run growth of the monetary aggregates. The Committee decided to leave unchanged over the year ending in the first quarter of 1978 the previous growth range of 4½ to 6½ per cent in *M*-1, which is a monetary measure confined to currency and demand deposits. For *M*-2, and likewise for *M*-3, the upper boundary of the growth range was reduced, however, by ½ of a percentage point. Consequently, the growth ranges projected for the coming year are 7 to 9½ per cent for *M*-2 and 8½ to 11 per cent for *M*-3. As the committee may recall, *M*-2 includes savings and consumer-type time deposits at commercial banks besides currency and demand deposits, while *M-3* is a still more comprehensive aggregate since it also includes the deposits at savings banks, savings and loan associations, and credit unions.

As you can see, the Federal Open Market Committee has again moved very cautiously in adjusting the projected monetary growth ranges. In addition to taking account of the usual uncertainties about the relationship between money and economic activity, we recognized that the impact of the as yet unsettled energy program on aggregate supply and demand in the period ahead cannot be foreseen with any precision. Nonetheless, we did feel it appropriate to take another small step toward bringing the long-run growth of the monetary aggregates down to rates compatible with general price stability.

Sustained progress in this direction will, I believe, be absolutely necessary if President Carter's publicly announced goal of reducing the pace of inflation by 2 percentage points by the end of 1979 is to be achieved. The trend of growth in monetary aggregates is still rapid, perhaps much too rapid. To be sure, the Federal Reserve has moved fairly steadily toward lower ranges for monetary expansion during the past 2 years. But that movement has been extremely gradual; indeed, at the current pace it would require nearly a decade to reach rates of growth that are consistent with a stable price level.

I must report, moreover, that despite the gradual reduction of projected growth ranges for the aggregates during the past 2 years, no meaningful reduction has as yet occurred in actual growth rates. That unintended consequence is partly the result of data deficiencies that complicate the already formidable task of adjusting or approximating monetary growth objectives. Initial estimates of the monetary aggregates sometimes differ considerably from estimates made later when fuller data became available.

A factor contributing to the measurement problem has been the inadequacy of deposit data for nonmember commercial banks. While our estimates of nonmember bank deposits—which constitute a growing proportion of the money stock—have often been on the mark, on occasions there have been significant errors. Our most recent benchmark revision of *M-1*, based on nonmember bank data from the call report for last September, raised the estimate of growth over the year ended in the fourth quarter of 1976 from 5.4 to 5.7 per cent; and this figure is still subject to subsequent revision on the basis of the call report for December.

We at the Federal Reserve are diligently trying to improve the quality of the Nation's monetary data. Last year a committee of distinguished economists, whose aid we had sought, completed a study of the statistics on monetary aggregates. Some of the recommendations of the committee are being implemented with the aid of the Federal Deposit Insurance Corporation. Other recommendations of the consultant committee are being studied by our staff, and further changes are likely to be instituted in the near future. Nevertheless, experience suggests that monetary measurement will continue to lack the precision of science, and so too will the Federal Reserve's actions aiming to influence developments in financial markets.

Events during the past several months have again demonstrated quite clearly that the twists and turns that occur in financial markets often are dominated by developments unrelated to Federal Reserve actions. For instance, from late in 1976 to late April, the Federal funds rate—the one interest rate over which the Federal Reserve has close control—traded within a narrow range between 4⅝ per cent and 4¾ per cent; yet, other market rates of interest in that period fluctuated over ranges as wide as a full percentage point. Those fluctuations in interest rates in large part reflected changing public perceptions of the outlook for the Federal budget. Thus, interest rates moved upward sharply when the administration proposed a new fiscal policy, including the so-called rebate program; and they fell markedly when the President announced that he had dropped the rebate plan.

What this demonstrates anew is that financial market participants have become acutely aware of the inflationary pressures created by Federal budget deficits and the resultant adverse impact on credit conditions. The caution of the Congress with respect to the tax rebate proposal and the President's willingness to adjust his fiscal program in light of emerging economic developments have done much to enhance confidence that our Government is moving toward a more responsible financial posture.

In concluding this morning, I am obliged to observe that we have still a considerable distance to go in putting our financial house in order. Too often in the past, we have lacked the courage or the patience to stay long enough on a monetary and fiscal path that will lead to noninflationary economic growth. We cannot afford to backslide once again. Unless we achieve a less inflationary environment, there will be little chance of sustaining the expansion that is now in progress or of significantly reducing the high level of unemployment that is blighting the lives of millions of Americans. That, in a sentence, is the Board's central message to the Congress. □

Statement by David M. Lilly, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Employee Ethics and Utilization of the Committee on Post Office and Civil Service, U.S. House of Representatives, May 4, 1977.

I appreciate the opportunity to appear before this subcommittee to express the support of the Board of Governors of the Federal Reserve System for H.R. 2387—a bill that would raise to Level I of the Executive Schedule the positions of the Chairman of the Board of Governors and of the Director of the Office of Management and Budget, and to Level II the positions of the Board Members and the Deputy Director of the Office of Management and Budget.

Let me state at the outset my recognition that an appearance before a subcommittee by an individual who is a principal beneficiary of proposed legislation could possibly raise a question of objectivity. I am serving as a Member of the Board through January 31, 1978, having commenced service on June 1, 1976, after appointment to the unexpired portion of a 14-year term of office. As a consequence I have little to gain from the proposed legislation. However, my appearance before this subcommittee can, I believe, provide you with an informed viewpoint on issues related to the legislation being considered, since my background includes not only membership on the Board of Governors but also service as a member of the Board of Directors of the Federal Reserve Bank of Minneapolis.

During my 5 years on the Bank's Board—2 years as Deputy Chairman and 3 years as Chairman—I endeavored to familiarize myself with System goals, responsibilities, and objectives. At that time, my perspective was that of a System director encountering the operating problems and responsibilities of a Reserve Bank. In my present capacity as a Member of the Board of Governors, I am required, in association with my colleagues on the Board, to deal with issues in the field of monetary policy, international finance, bank regulatory issues, and consumer protection. This experience enables me, I believe, to appraise the importance of the Board's responsibilities regarding the stability of this Nation's economic and banking systems and the corresponding justification for moving the positions of the Chairman and Board Members to higher levels within the Executive Schedule. The fact that I have recently transferred from a higher-paying business career to an Executive Schedule, Level III position as a Member of the Board of Governors perhaps lends a degree of emphasis to many of the comments that I will make regarding the proposed adjustment to the Executive Schedule.

Let me now address the issue under consideration by this committee; namely, the merits of the Executive Schedule levels proposed by H.R. 2387, with emphasis on the positions of the Chairman and Members of the Board of Governors. A decision in this regard requires an historical review of past actions affecting Board Members' salaries, as well as a brief outline of the nature and expanding scope of Board Member duties.

There is clear historical evidence that these considerations have been uppermost in the mind of the Congress when similar legislation involving levels of Board Members' compensation has been considered. For example, in the 1913 Federal Reserve Act originally establishing the Board, the Congress recognized the importance of the new agency's responsibilities by providing compensation for Board Members at a level equal to that of Cabinet officers, which at that time was $12,000 per annum. This equality prevailed until 1925, when the salaries of Cabinet officers were increased to $15,000 without a similar increase for Board Members. However, in the Banking Act of 1935, compensation of Board Members was increased to $15,000, thus re-establishing the parity that was contemplated by the original Federal Reserve Act.

In 1949 Cabinet officers' compensation was increased from $15,000 to $22,500 per annum. At the same time, compensation of Board Members, including the Chairman, was raised from $15,000 to $16,000 per annum.

In 1950 a Subcommittee of the Joint Committee on the Economic Report stated that "every effort should be made to build up the quality and prestige of Federal Reserve officials," and recommended that the salary of the Chairman of the Board be raised to Cabinet officer level (then $22,500) and that the salaries of other Board Members be increased to $20,000 per annum. In 1952 this judgment of the importance of an appropriate salary base was reaffirmed by another subcommittee of the Joint Committee on the Economic Report. That subcommittee's report stated ". . . it is of great importance that the Chairman and Members of the Board of Governors should be persons of the highest caliber." The subcommittee then repeated the 1950 salary recommendations for the Chairman and Board Members.

In 1956 the salaries of the Chairman and Board Members were raised, respectively, to $20,500 and $20,000 per annum; but in the same year, the pay level of Cabinet officers was raised to $25,000 per annum.

In 1962 President John F. Kennedy recommended that "the salary of the Chairman be fixed at $25,000, equal to that of Department heads, and that the salary of other Governors be fixed at $22,000." In a special message to Congress on April 17, 1962, President Kennedy said in support of his recommendation:

> The Board of Governors has immense responsibilities for the health of the United States economy. The performance of its tasks requires specialized knowledge and good judgment in exceedingly complex fields of domestic and international economics and finance. The salaries of the Governors should be commensurate with their grave responsibilities, sufficient to attract outstanding men and to give them the prestige and status necessary for effective performance of their duties. As I said in my Economic Report, "The United States is behind other countries in the status accorded, by this concrete symbol, to the leadership of its 'central bank,' and I urge that the Congress take corrective action."

In 1964 the Executive Pay Schedule was established, with the Chairman of the Board placed in Level II and the Board Members placed in Level III. The positions currently remain at these levels, still below that of Cabinet officers.

I believe that the original concept of Executive Pay Schedule parity between Board Members and Members of the Cabinet was a sound one. Over the years this equality of compensation has been lost, although there have been frequent calls for correction of the discrepancy, particularly with respect to the Chairman's salary. The December 1976 Report of the Commission on Executive, Legislative and Judicial Salaries, which was submitted to President Ford, concluded that "a significant number of Federal Government jobs, both in the super grades and Executive Levels, are evaluated erroneously," and cited as examples of "the classification problems," the Level II classifications of the Chairman of the Federal Reserve

Board and the Director of the Office of Management and Budget. With respect to the office of the Federal Reserve Board Chairman, the Commission's Report concluded:

> By any standard, the Chairman of the Federal Reserve Board has responsibilities that one could argue are roughly equivalent to the Secretary of the Treasury. His position has many aspects of a career job—given the fourteen year tenure. Thus, it does not offer the prospect of a short government career.

I submit that the broad range of responsibilities faced by the Board, particularly as those duties have increased in recent years, offers ample justification for the Executive Schedule adjustments contemplated for the Chairman and Board Members in the bill before you.

The foremost responsibility of the Federal Reserve is the formulation and implementation of monetary policy that will ensure a sufficient availability of money and credit to facilitate the achievement of a rising standard of living within the United States. Toward that end, the Federal Reserve seeks to combat inflationary pressures, which have plagued the country in past years, while providing the financial basis for growing employment and output. The Federal Reserve has the additional responsibility, as a lender of last resort, to forestall national liquidity crises and financial panics. General monetary policy is carried out through the coordinated use of open market operations, the regulation of member bank discounting with the Federal Reserve Banks, and changes in member bank reserve requirements. The latter two activities are exercised pursuant to the direction or approval of the Board.

System open market operations (with transactions in Government securities last year averaging about $2.0 billion per day, with a single day's high of $9.0 billion) are achieved under the direction of the Federal Open Market Committee, which is composed of the seven Members of the Board and five Presidents of Reserve Banks. In addition, the Board determines the margin requirements applicable to stock market credit transactions and sets the maximum interest rates member banks may pay on time and savings deposits. The foregoing responsibilities are of an imperative and unique nature.

One indication of the weight of Board responsibilities is the fact that as of year-end 1976, Federal Reserve System assets totaled $133.4 billion. Government securities in the System's portfolio at year-end 1976 totaled $105 billion and produced 1976 total income of $6.5 billion. Ninety-eight per cent of the net System earnings, or $5.9 billion, was turned over to the Treasury by the System at year-end 1976.

A second responsibility of the Federal Reserve System is that of banker for the Federal Government. In this capacity, the Federal Reserve issues, redeems, and exchanges Government securities; handles a major portion of the Government's cash balances; and, as fiscal agent of the Federal Government, processes and handles tax payments and food stamps. More than 2 billion food stamps were processed by the Federal Reserve System in 1976—a 58.2 per cent increase over the 1970 level.

The Federal Reserve, in close and continuous consultation and cooperation with the U.S. Treasury, engages in foreign currency operations, for the most part to counter disorderly conditions in foreign exchange markets. Such foreign currency transactions are the responsibility of the Federal Open Market Committee, acting through its Special Manager at the Federal Reserve Bank of New York.

By statute, the Federal Reserve has a general regulatory and supervisory responsibility over all member banks. As of June 30, 1976, there were approximately 5,800 member commercial banks in the Federal Reserve System, holding $586 billion of deposits. The Federal Reserve is responsible for examining about 1,000 State member banks and, as to any unsatisfactory conditions found to exist with respect to such banks, for effecting appropriate corrective action. In recent years, correction of unsafe or unsound banking practices has involved the Federal Reserve System, under the Board's direction, in an increasing number of cease-and-desist proceedings under the Financial Institutions Supervisory Act.

The Federal Reserve System is also responsible for regulation of some 1,900 registered bank holding companies, which control banks holding roughly two-thirds of the banking deposits in the Nation. In the 14-year period, 1956 through 1970, the System acted upon 470 bank holding company applications. Between 1971 and 1976, the number of applications increased to 5,079.

In the field of foreign activities of domestic banks, the Federal Reserve is responsible for processing applications by member banks to establish foreign branches and to make investments in foreign subsidiaries. We must also supervise their activities on a continuing basis. Assets of foreign branches of U.S. banks at year-end 1976 totaled $180 billion, an increase of $52 billion over the 1970 level. As the operations of U.S. banks continue to expand abroad, regulatory and supervisory responsibilities of the Board will increase correspondingly.

The Federal Reserve also provides services to the banking system and the general public through the issuance of currency and coin and the processing of checks. Presently, 50 million checks are processed *daily* by the System, an increase of 85 per cent over the 1970 level. This has required the establishment of 11 new regional check processing facilities over the last 6 years.

With the enactment of the Truth in Lending Act in 1968, the Federal Reserve System has been assigned a major new area of responsibility in consumer credit protection. In increasing number and complexity, laws relating to some aspect of consumer protection have been enacted that require the Board's direct involvement in the issuance of regulations and interpretations, consumer education activities, and enforcement procedures. In the past 3 years alone, there have been enacted the Fair Credit Billing, Equal Credit Opportunity, Consumer Leasing, Home Mortgage Disclosure, Real Estate Settlement Procedures, and the Federal Trade Commission Improvement Acts.

I have taken the time to spell out the Board's major functions in the belief that this subcommittee, in considering the proposed adjustments to the Executive Schedule, would wish to take into account the quantity and nature of responsibilities assigned to these positions; the extent of discretionary judgment involved in the Board's decision-making authority; and the over-all significance and impact of decisions made by the Board as a collegial body.

The Executive Schedule Level assigned to the Chairman and Members of the Board, as is the case with all Government officials, is indicative of the importance the Congress places on the responsibilities it has assigned to a particular office or agency. It is my belief that if the responsibilities of the Chairman and Members of the Board were purely of a regulatory, or enforcement nature, their present Levels would be appropriate. However, Board Members have been assigned primary responsibility for the determination of national monetary and credit policies. Certainly, the degree of importance assigned to this function has not diminished since 1913, when Board Members were paid at Cabinet officer level. Nor has there been a diminution in the complex issues confronting Board Members. Rather, the increasing complexities of both domestic monetary policy and international finance, and the leadership role now performed by this Nation in international monetary and economic matters, has added to the importance of the role played by the Chairman and Board Members as this Nation's central banking authority. The Congress, itself, has evidenced its increasing attention to monetary policy and other responsibilities of the Board in its adoption of House Concurrent Resolution 133 and by its increasing requests for testimony of the Chairman and other Board Members. The Chairman testified before congressional committees a total of 32 times in 1975 and 1976, and the other Members of the Board appeared an additional 47 times during the same period. Only yesterday, Chairman Burns appeared before the Committee on Banking, Housing and Urban Affairs of the Senate to report on the condition of the national economy and the course of monetary policy.

To attract individuals of the highest qualification to the Board and to permit the Chairman and other Members of the Board to be accorded appropriate recognition status in international financial circles, it would appear only logical to place the positions of the Chairman and Board Members at the proposed Executive Schedule Levels. This is obviously the intent of H.R. 2387 and a step that I believe is long overdue.

I might also point out a characteristic that distinguishes Board Member positions from those of other Government officials. First, the statutory term of a Board Member is 14 years—a period certainly constituting a major portion of an individual's professional career. To attract an individual to Government service for this length of time, particularly an individual with acknowledged expertise in one or more of the areas of endeavor specified in the Federal Reserve Act, the Congress should compensate such individual at a realistic and equitable level. I have reviewed the service records of Board appointees for the 10-year period 1966–76 and found that in that time, of the 12 individuals appointed to the Board, 5—all 50 years of age or younger—resigned prior to completion of their term of office. I am convinced that a primary factor contributing to the early departure of these individuals was the financial strain they faced as Board Members.

I would make a final observation regarding the treatment accorded the position of Chairman by this legislation. The Chairman's responsibilities as the Board's "active executive officer" (Section 10 of the Federal Reserve Act), his role as Alternate Governor to the International Monetary Fund, his position as Chairman of the Federal Open Market Committee, and other uniquely sensitive duties he performs, particularly warrant his classification at Level I of the Executive Schedule. I wish to add, however, a word of qualification to this statement. While, on each occasion that Chairman Burns has expressed himself on this subject, he has strongly endorsed the principle of increased salaries for the Chairman and Members of the Board, he has also stated quite clearly that he did not wish to benefit personally from a higher salary for the Office of Chairman. Accordingly, he has requested that any new salary level established for the Office of Chairman become effective with his successor. The Chairman has asked that this point of personal reservation be placed on the record of this hearing.

My statement supporting favorable action on H.R. 2387 has stressed the substantial character and scope of responsibilities of the Chairman and Board Members and the increase in the volume and complexity of these responsibilities in recent years. The same rationale would, in my judgment, appropriately apply to the positions of Director and Deputy Director of the Office of Management and Budget. The responsibilities of these officials relating to preparation and administration of the annual budget, formulation of the Government's fiscal program, coordination of Executive Department views and recommendations on legislative matters, and development of improved coordinating and administrative procedures within the Executive Department, are highly significant in nature and greatly impact upon the performance of the entire Executive Branch. It would thus seem entirely appropriate to compensate the Director at Level I of the Executive Schedule, and his Deputy at Level II. □

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON MARCH 15, 1977

1. Domestic Policy Directive

The information reviewed at this meeting suggested that growth in real output of goods and services in the first quarter of 1977 had increased from the pace in the fourth quarter of 1976—now indicated by revised estimates of the Commerce Department to have been at an annual rate of 2.4 per cent, compared with 3.9 per cent in the third quarter and 4.5 per cent in the second. The rise in average prices—as measured by the fixed-weighted index for gross domestic business product—appeared to have been faster than the annual rate of 4.9 per cent estimated for the fourth quarter of last year, in part because of the adverse effects of severe winter weather on prices of foods.

Staff projections suggested that real GNP would grow at a considerably better rate in the current quarter than had appeared likely a month earlier. The rate of inventory investment—which had fallen sharply in the fourth quarter of 1976, according to the revised estimates—was now expected to increase, whereas a month earlier it had been projected to decline further. Moreover, the gain in business fixed investment was now anticipated to be larger. On the other hand, the new projections suggested less growth in residential construction and in government purchases of goods and services.

The staff projections for subsequent quarters, like those of a month earlier, incorporated assumptions that rebates of Federal income taxes and one-time payments to recipients of social security would be disbursed in the second quarter; that both personal income taxes and corporate taxes would be reduced; and that Federal spending for job-creating programs would be expanded. Reflecting these assumptions as well as expectations of continuing recovery from the effects of the severe weather, real GNP was projected to grow at a rapid rate in the second quarter and at a more moderate—but still rather substantial—pace in succeeding quarters. It was expected that the fixed-weighted price index for gross business product would rise less rapidly than in the first quarter.

During February economic activity rebounded following the disruptions caused by the severe winter weather and shortages of natural gas. The index of industrial production for the month as a whole rose 1 per cent and recovered to about the December level—reflecting widespread gains among consumer goods, business equipment, and industrial materials.

Retail sales also rebounded in February, recovering almost to the advanced level reached in December. The number of new automobiles sold was at an annual rate of about 10¾ million, compared with 10½ million in January and about 11 million in December; during those 3 months sales were higher than for any other 3-month period in the current business expansion.

Payroll employment in nonfarm establishments expanded considerably further in February, even though plant shutdowns and energy-related layoffs were still numerous in the week ending February 12—the reference week in the month for the labor market surveys. Increases in employment were reported by three-fifths of the industries in the establishment survey. Employment in manufacturing was unchanged, after having expanded appreciably over the month ending in early January, but the average workweek increased much more than it had declined in January. In the household survey, the unemployment rate rose from 7.3 to 7.5 per cent, as the civilian labor force more than recovered its decrease in January; however, the rate remained below the 7.8 per cent of December.

Personal income increased little in January, following 3 months of sizable gains. The slowing of growth was attributable to three main causes: a weather-related loss of wages and salaries; a drop in disbursements of corporate dividends from an unusually large December volume; and an increase in deductions for social security taxes levied on employees. For February, the labor market surveys and other information suggested a strong gain in over-all personal income.

Indicators of residential construction had been strong in the closing months of 1976, but activity was curtailed in January by the severe weather, especially in the Northeast and North Central regions of the country. In January private housing starts were more than one-fifth below the advanced average for the fourth quarter, and according to estimates of the Bureau of the Census, residential construction outlays were nearly one-tenth below the December level. At the same time, however, sales of new and existing houses remained strong, mortgage commitments outstanding at savings and loan associations at the end of January were close to the record high level of a month earlier, and through the end of 1976 rental markets continued to tighten in most areas.

Businesses were planning to spend 11.7 per cent more for plant and equipment in 1977 than in 1976—according to the latest Department of Commerce survey, conducted in late January and early February. The Department's first survey for 1977, conducted in December, had suggested a rise of 11.3 per cent. Current indicators suggested improvement in business demands for fixed capital. New orders for nondefense capital goods rose substantially more in December than had been estimated earlier, and a further modest increase was reported for January. Contract awards for commercial and industrial buildings—measured in terms of floor space—declined somewhat in January, but they were still slightly above the monthly average for the fourth quarter of 1976.

The index of average hourly earnings for private nonfarm production workers was essentially unchanged in February, after having risen sharply in January. Over the first 2 months of 1977, the index advanced at an annual rate of about 5¾ per cent, compared with a rise of about 7 per cent over the 12 months of 1976.

The wholesale price index for all commodities rose 0.9 per cent in February, compared with an average increase of about 0.6 per cent in the preceding 5 months. Average prices of farm products and foods rose sharply in February, in part because of the effects of the cold weather on supplies of fresh fruits and vegetables and of drought on prospective supplies of grains and cotton. The price index for industrial commodities continued upward at about the average pace of recent months, reflecting mainly a sizable increase in the index for fuels and power following decreases in the preceding 2 months. The advance was especially large for natural gas; because of a 2-month lag in reporting natural gas prices, the

February index reflected increases that had been effected last December.

The consumer price index rose 0.8 per cent in January, compared with 0.4 per cent in December and also with 0.4 per cent on the average during the second half of 1976. Retail prices of foods rose substantially, even though the prices in the index were recorded early in January and did not show in full the effects of the bad weather. Among nonfood items, increases were reported for used automobiles, fuel oil, medical care services, property taxes, and water and sewage rates.

The average value of the U.S. dollar against leading foreign currencies, on a trade-weighted basis, changed little over the period between the February and March meetings of the Committee, continuing the relative stability that dated from April 1976. In the latest 4-week period it appreciated against the Canadian dollar, the Italian lira, and the Swiss franc and depreciated against the Japanese yen and the currencies associated in the European "snake" arrangement.

The U.S. foreign deficit increased further in January to a record rate. Exports declined a little from the rate in the fourth quarter of 1976 because shipments of coal and perhaps of other commodities were slowed by the weather, and exports of wheat were reduced by expectations of ample supplies; exports of other agricultural commodities expanded. Imports were up substantially from the fourth-quarter rate, reflecting increases for iron and steel products and a number of finished industrial products. Imports of foods also expanded, owing to price increases for coffee and cocoa.

Total credit at U.S. commercial banks rose more in February than in any other month since the summer of 1974. Acquisitions of U.S. Treasury securities were especially large, holdings of other securities rose somewhat for the first time since November, and total loans continued to expand.

Business demands for short-term credit strengthened further in February, both at banks and in the commercial paper market, but business financing in the capital market slowed. Over the January–February period the combined total of business loans at banks (excluding bankers acceptances) and the outstanding volume of commercial paper issued by nonfinancial corporations expanded at an annual rate of about 16½ per cent, compared with a rate of

7 per cent in the fourth quarter of 1976 and a small decline over the preceding three quarters. In the most recent period, business demands for short-term credit may have been swelled temporarily by the weather-induced disruptions to production and distribution and by "bridge" financing associated with advance refundings of some high-yielding issues of corporate bonds.

Growth in the narrowly defined money stock (*M*-1) slowed sharply to an annual rate of a little less than 1 per cent in February from the revised rate of about 5½ per cent in January. Nevertheless, *M*-1 had grown at an annual rate of about 5 per cent over the latest 6 months and by about 5¾ per cent over the past year.

Expansion in *M*-2 and *M*-3 also slowed sharply in February—to annual rates of about 6½ and 8¾ per cent, respectively, from rates of about 9¼ and 11¼ per cent in January. In addition to the weakness of growth of *M*-1, flows into savings and small-denomination time deposits at both banks and nonbank thrift institutions continued to moderate. Over the 6 months ending in February, *M*-2 and *M*-3 grew at annual rates of about 11 and 13 per cent, respectively.

The continuing slowdown in growth of savings and small-denomination time deposits at banks and other thrift institutions was attributable in part to reductions in interest rates offered on these deposits by some institutions and to the firming of market interest rates after the turn of the year. In addition, deposit inflows may have been adversely affected by the weather-related reductions in wage and salary payments and by increases in fuel bills of households.

At its February meeting the Committee had decided that growth in *M*-1 and *M*-2 over the February–March period at annual rates within ranges of 3 to 7 per cent and 6½ to 10½ per cent, respectively, would be appropriate, and it had judged that such growth rates were likely to be associated with a weekly-average Federal funds rate in the area of 4⅝ to 4¾ per cent. The Committee also had agreed that if growth rates of the aggregates over the 2-month period appeared to be deviating significantly from the midpoints of the indicated ranges, the operational objective for the weekly-average Federal funds rate should be modified in an orderly fashion within a range of 4¼ to 5 per cent.

Throughout the interval since the February meeting, the Manager of the System Open Market Account had continued to aim for a Federal funds rate in the area of 4⅝ to 4¾ per cent. In the early weeks of the interval, incoming data had suggested that growth in both *M*-1 and *M*-2 over the February–March period would be close to the midpoints of the specified ranges. Estimates of the 2-month growth rates subsequently were revised downward, but they remained reasonably well within their specified ranges.

Short-term market interest rates in general changed little during the inter-meeting period, in part because of the continued relative stability in the Federal funds rate and in part because money market participants inferred—on the basis of the behavior of the aggregates—that a near-term rise in the funds rate was unlikely. However, yields on most longer-term bonds edged higher, apparently in response to signs that economic activity was rebounding from the weather-induced slowdown more vigorously than had been anticipated and also to greater apprehension about prospects for the rate of inflation engendered in part by the price indexes released during the period.

In February the U.S. Government borrowed $9.1 billion of new money from the public, including $7.5 billion through auctions of marketable notes and bonds. No additional market financing occurred during the first half of March, but a 2-year note auction involving $450 million of new money had been announced for later in the month. In congressional testimony Treasury officials reported a sizable downward revision in their estimate of near-term cash needs based on evidence of a continuing substantial shortfall of Federal spending from projected levels.

In the corporate bond market the volume of new securities offered publicly in February was less than half that in each of the two preceding months. Some potential issuers, particularly those with higher bond ratings, had apparently been discouraged by the January rise in bond yields. In addition, underwriters reported that some lesser-rated corporations were electing to place debt issues privately rather than publicly—an option that was apparently facilitated by the continued availability of a large supply of investable funds at life insurance companies.

Offerings of new long-term State and local government securities rose to an estimated volume of about $3 billion in February—a record for the month and about 15 per cent above the volume sold in February 1976. A significant part of this supply was attributable to the issuance of bonds in advance of refundings of issues bearing higher interest rates. To preserve the tax-exempt status of such new bonds under current Treasury regulations, many of the issuers place the proceeds in special Treasury obligations until the existing State and local issues are called. Accordingly, these financings accounted for a large proportion of the sales of nonmarketable securities by the Treasury.

Yields in secondary mortgage markets increased a little during February along with bond yields, but interest rates on new commitments for conventional home mortgages continued to edge down. Takedowns of mortgages by savings and loan associations slowed during January, probably due in part to the weather, but the volume was still relatively large.

It appeared likely that over-all credit demands would remain strong in the period immediately ahead. The forward calendars of new issues suggested that offerings of corporate bonds would rise substantially in March from the reduced level in February and that offerings of State and local government bonds would continue to be large. In addition, the Treasury was expected to raise a sizable amount of new money during the period up to the mid-April date for payment of taxes, although a significant share of the required funds was expected to be raised through short-term instruments. It appeared likely that business demands for bank credit would remain moderately strong but that the over-all expansion in outstanding business loans might be held down for a time by repayments with proceeds from capital market financings.

At its January meeting the Committee had agreed that from the fourth quarter of 1976 to the fourth quarter of 1977, average rates of growth in the monetary aggregates within the following ranges appeared to be consistent with broad economic aims: *M*-1, 4½ to 6½ per cent; *M*-2, 7 to 10 per cent; and *M*-3, 8½ to 11½ per cent. The associated range for growth in the bank credit proxy was 7 to 10 per cent. It was agreed that the longer-term ranges, as well as the particular aggregates for which such ranges were specified, would be subject to review and modification at subsequent meetings. It also was understood that short-run factors might cause growth rates from month to month to fall outside the ranges contemplated for annual periods.

In the discussion of the economic situation at this meeting, members of the Committee were in general agreement with the staff projection that real GNP would expand at a rapid rate in the second quarter of 1977 and at a more moderate, but still rather substantial, rate in subsequent quarters. However, one member expressed the opinion that the strength in the outlook derived from factors other than the expected fiscal policy measures; in his view, the stimulative effects of those measures would be largely offset over the longer run by their tendency to raise interest rates and to increase inflationary expectations. Another member reported that in some parts of the West economic prospects were viewed with pessimism as a result not only of declines in prices of some farm products and increases in farm costs but also of the severe winter and drought.

One or two members expressed the belief that the behavior of real GNP during the second half might differ somewhat from that portrayed by the staff projections: specifically, expansion might be somewhat more rapid than that projected for the third quarter but then might taper off. Another member suggested that throughout the second half of the year the pace of economic activity might be stronger than projected by the staff, reflecting a larger rise in business investment in both fixed capital and inventories, stimulated in part by growing confidence in the economic outlook. Moreover, he thought that some of the shortfall in Federal expenditures that had developed in the first 2 months of 1977 might well be made up in the months ahead.

Several members expressed concern about the recent and prospective behavior of prices. It was noted that over the past few months price increases had been relatively large for a number of commodities, and that the extent to which increases seemed to be spreading among industrial materials might well be intensifying upward pressures on prices of industrial products in general. Moreover, businessmen appeared to have become more concerned about inflation within the past month or so.

One member noted that large increases over recent months in prices for some commodities—such as coffee, cocoa, and fuels—reflected special problems having little to do with more general influences on the behavior of prices. With respect to the influence of aggregate demand, he noted that the substantial margin of unused capacity and the high rate of unemployment at this time should tend to limit the rate of increase in wage rates and in the broad measures of prices.

It was observed during the discussion that, given the longer-run ranges for growth in the monetary aggregates adopted at the January meeting, the projected rates of increase in nominal GNP implied a rise in the income velocity of money that was large for this stage of a business expansion. In that connection it was noted that significant upward pressures on interest rates might develop later in the year, particularly if prices should rise more rapidly than projected or if inflationary expectations should strengthen. On the other hand, one member remarked that, while interest rates played a role, the predominant determinant of velocity changes was the state of confidence. On the basis of his judgment that confidence was improving, he thought it was likely that the rate of increase in velocity would be quite high. Another member observed that in almost every business expansion since World War II, the rate of increase in velocity had reached a primary peak, then dropped back before reaccelerating to a secondary peak not quite so high as the first one.

As to policy for the period immediately ahead, members of the Committee did not differ greatly in their preferences for ranges of growth for the monetary aggregates over the March–April period. It was suggested that the forces that had contributed to particularly slow growth in the monetary aggregates in February might be reversed and might contribute to rapid growth in March, and that such a development should not necessarily cause concern. It was also observed that the upward momentum of economic activity in the weeks ahead would tend to expand demands for transactions balances and thus to exert some upward pressure on growth rates for the monetary aggregates. For *M*-1, most members favored a range of 4½ to 8½ per cent; some sentiment was expressed for ranges of 4 to 8 per cent and 4 to 9 per cent. For *M*-2, most members favored a range of 7 to 11 per cent, but some preferences were expressed for 6½ to 10½ per cent and 6 to 10 per cent.

The members in general favored directing initial operations during the coming inter-meeting interval toward the objective of maintaining the Federal funds rate in the area of 4⅝ to 4¾ per cent. A few members suggested that the Federal funds rate should be permitted to drift up over coming weeks to 4¾ or 4⅞ per cent even if the aggregates appeared to be growing at rates near the midpoints of their specified ranges, but the majority did not favor this course. The members also differed somewhat with respect to the degree of leeway that should be provided for System operations during the inter-meeting period in the event that growth in the aggregates appeared to be deviating significantly from the midpoints of the specified ranges. The largest number of members preferred to specify an inter-meeting range for the Federal funds rate of 4¼ to 5¼ per cent; a few favored retaining the range of 4¼ to 5 per cent that had been specified at the preceding two meetings; and some sentiment was expressed for a range of 4½ to 5¼ per cent.

At the conclusion of the discussion the Committee decided that growth in *M*-1 and *M*-2 over the March–April period at annual rates within ranges of 4½ to 8½ per cent and 7 to 11 per cent, respectively, would be appropriate. It was understood that in assessing the behavior of the aggregates, the Manager should continue to give approximately equal weight to the behavior of *M*-1 and *M*-2.

In the judgment of the Committee, such growth rates of the aggregates were likely to be associated with a weekly-average Federal funds rate in the area of 4⅝ to 4¾ per cent. The Committee agreed that if growth rates of the aggregates over the 2-month period appeared to be deviating significantly from the midpoints of the indicated ranges, the operational objective for the weekly-average Federal funds rate should be modified in an orderly fashion within a range of 4¼ to 5¼ per cent. As customary, it was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives.

The following domestic policy directive was issued to the Federal Reserve Bank of New York:

> The information reviewed at this meeting suggests that growth in real output of goods and services has increased in the current quarter from the reduced pace in the fourth quarter of 1976. In February industrial output and retail sales expanded substantially after being held down for a time by the effects of unusually severe

weather. Employment rose considerably further; the unemployment rate increased somewhat to 7.5 per cent—as the labor force more than recovered the decline of January—but it remained below the 7.8 per cent of December. The wholesale price index for all commodities rose substantially in February, reflecting large increases for farm products and foods and for fuels and power. The index of average wage rates rose more moderately over the first 2 months of 1977 than it had on the average during 1976.

The average value of the dollar against leading foreign currencies has changed little over the past month. In January the U.S. foreign trade deficit increased further: exports were down a little from the fourth-quarter rate and imports were substantially higher.

Growth in *M*-1 slowed sharply in February from the moderate pace in January. At banks and thrift institutions, inflows of time and savings deposits other than large-denomination CD's continued to slacken. Business demands for short-term credit appear to have strengthened further in early 1977. Since mid-February short-term market interest rates have changed little on balance, but most longer-term rates have edged higher.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster bank reserve and other financial conditions that will encourage continued economic expansion, while resisting inflationary pressures and contributing to a sustainable pattern of international transactions.

At its meeting on January 18, 1977, the Committee agreed that growth of *M*-1, *M*-2, and *M*-3 within ranges of 4½ to 6½ per cent, 7 to 10 per cent, and 8½ to 11½ per cent, respectively, from the fourth quarter of 1976 to the fourth quarter of 1977 appears to be consistent with these objectives. These ranges are subject to reconsideration at any time as conditions warrant.

The Committee seeks to encourage near-term rates of growth in *M*-1 and *M*-2 on a path believed to be reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, at present, it expects the annual growth rates over the March–April period to be within the ranges of 4½ to 8½ per cent for *M*-1 and 7 to 11 per cent for *M*-2. In the judgment of the Committee such growth rates are likely to be associated with a weekly-average Federal funds rate of about 4⅝ to 4¾ per cent. If, giving approximately equal weight to *M*-1 and *M*-2, it appears that growth rates over the 2-month period will deviate significantly from the midpoints of the indicated ranges, the operational objective for the Federal funds rate shall be modified in an orderly fashion within a range of 4¼ to 5¼ per cent.

If it appears during the period before the next meeting that the operating constraints specified above are proving to be significantly inconsistent, the Manager is promptly to notify the Chairman who will then decide whether the situation calls for supplementary instructions from the Committee.

Votes for this action: Messrs. Burns, Volcker, Coldwell, Gardner, Guffey, Jackson, Lilly, Mayo, Morris, Partee, Roos, and Wallich. Votes against this action: None.

2. Authorization for Domestic Open Market Operations

At this meeting the Committee amended, effective immediately, paragraph 1(b) of the authorization for domestic open market operations, relating to outright purchases and sales of bankers acceptances. The words "when appropriate" were added at the beginning of the paragraph and the dollar limit on holdings of bankers acceptances specified at the end of the paragraph was reduced from $1 billion to $100 million.

As amended, paragraph 1(b) read as follows:

(b) When appropriate, to buy or sell in the open market, from or to acceptance dealers and foreign accounts maintained at the Federal Reserve Bank of New York, on a cash, regular, or deferred delivery basis, for the account of the Federal Reserve Bank of New York at market discount rates, prime bankers acceptances with maturities of up to nine months at the time of acceptance that (1) arise out of the current shipment of goods between countries or within the United States, or (2) arise out of the storage within the United States of goods under contract of sale or expected to move into the channels of trade within a reasonable time and that are secured throughout their life by a warehouse receipt or similar document conveying title to the underlying goods; provided that the aggregate amount of bankers acceptances held at any one time shall not exceed $100 million;

Votes for this action: Messrs. Burns, Volcker, Coldwell, Gardner, Guffey, Jackson, Lilly, Mayo, Morris, Partee, Roos, and Wallich. Votes against this action: None.

This action reflected a decision by the Committee that the System should permit its existing holdings of bankers acceptances to mature and that it should no longer purchase these instruments outright under ordinary circumstances. It was noted that present System holdings were in excess of the newly established limit of $100 million, but it was anticipated that maturities within the next 2 months would reduce holdings below that level. The Committee also agreed that the Federal Reserve should remain an active participant in the market for bankers acceptances by continuing to make with dealers repurchase agreements that are secured by bankers acceptances and by continuing to serve as agent in buying and selling acceptances for the accounts of foreign central banks.

In taking this action, the Committee noted that the market for bankers acceptances was well developed and efficient and no longer in need of support through Federal Reserve participation. Also, outright purchases and sales of acceptances had not been of sufficient size to contribute materially to the needed volume of open market operations in recent years. However, repurchase agreements in acceptances had been a useful tool in meeting short-term needs for bank reserves.

3. Review of Continuing Authorizations

This being the first meeting of the Federal Open Market Committee following the election of new members from the Federal Reserve Banks to serve for the year beginning March 1, 1977, the Committee followed its customary practice of reviewing all of its continuing authorizations and directives. The Committee reaffirmed the paragraphs of the authorization for domestic open market operations not affected by the preceding action, the authorization for foreign currency operations, and the foreign currency directive, in the forms in which they were presently outstanding. The Committee also reaffirmed the procedural instructions with respect to proposed or ongoing operations under the foreign currency documents and the special authorization relating to System obligations in Swiss francs, in the forms adopted effective December 28, 1976.

> Votes for these actions: Messrs. Burns, Volcker, Coldwell, Gardner, Guffey, Jackson, Lilly, Mayo, Morris, Partee, Roos, and Wallich. Votes against these actions: None.

In reviewing the authorization for domestic open market operations, the Committee took special note of paragraph 3, which authorizes the Reserve Banks to engage in the lending of U.S. Government securities held in the System Open Market Account under such instructions as the Committee might specify from time to time. That paragraph had been added to the authorization on October 7, 1969, on the basis of a judgment by the Committee that in the existing circumstances such lending of securities was reasonably necessary to the effective conduct of open market operations and to the effectuation of open market policies, and on the understanding that the authorization would be reviewed periodically. At this meeting the Committee concurred in the judgment of the Manager that the lending activity in question remained reasonably necessary and that, accordingly, the authorization should remain in effect subject to periodic review.

* * * * *

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

Law Department

Statutes, regulations, interpretations, and decisions

MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

The Board of Governors has amended its Regulation H to implement the exemptive provisions provided in Public Law 94-375 concerning certain real loans made by State member banks in identified flood hazard areas of communities that are not participating in the National Flood Insurance program.

Effective April 13, 1977, the last sentence of *section 208.8(e)(5) of Regulation H is amended* by deleting the language that follows ". . . Provided," and adding the following:

SECTION 208.8 BANKING PRACTICES

* * * * *

(e) LOANS BY STATE MEMBER BANKS IN IDENTIFIED FLOOD HAZARD AREAS.

* * * * *

(5) . . . that the prohibition contained in this section shall not apply to (i) any loan made to finance the acquisition of a residential dwelling occupied as a residence prior to March 1, 1976, or one year following identification of the area within which such dwelling is located as an area containing special flood hazards, whichever is later, or made to extend, renew, or increase the financing in connection with such a dwelling, (ii) any loan, which does not exceed an amount prescribed by the Secretary of Housing and Urban Development, to finance the acquisition of a building or structure completed and occupied by a small business concern, as defined by the Secretary, prior to January 1, 1976, (iii) any loan or loans, which in the aggregate do not exceed $5,000, to finance improvements to or rehabilitation of a building or structure occupied as a residence prior to January 1, 1976, or (iv) any loan or loans, which in the aggregate do not exceed an amount prescribed by the Secretary, to finance nonresidential additions or improvements to be used solely for agricultural purposes on a farm.

* * * * *

CREDIT BY BROKERS AND DEALERS

The Board of Governors has amended its Regulation T to (1) relax a rule to permit a put and a call on the same underlying security but with different exercise prices and different expiration dates to be combined for special margin treatment in the same manner as a "straddle" (a put and a call with identical terms) and (2) delete a reference in the existing "straddle" rule to the special bond account and the special convertible debt security account as it is impractical to use these accounts for the described transaction.

Effective June 1, 1977, section 220.3(i) is amended as follows:

SECTION 220.3 GENERAL ACCOUNT

* * * * *

(i) OPTIONS.

(4) When both a put and a call are issued, endorsed or guaranteed in a general account on *the same number of shares of the same underlying* security, the amount of margin required shall be the margin on either the put or the call, whichever is greater, plus any unrealized loss on the other option.

INTERPRETATIONS OF REGULATION B

California law requiring delivery of notices to unmarried co-signers is not inconsistent with Equal Credit Opportunity Act. The Board has been asked to determine whether certain provisions of the California Civil Code are inconsistent with the Federal Equal Credit Opportunity Act (the ECOA) and Regulation B. The ECOA preempts those State laws that are inconsistent with it, unless the State law provides greater protection to the applicant. Section 202.11(b)(1) of Regulation B further defines the statutory preemption standard by listing five types of State law that are deemed inconsistent and less protective of an applicant. The Board had determined, as more fully discussed below, that the notification and Spanish-language translation requirements of §§ 1799.90-1799.96 and 1632 of the California Civil Code are not inconsistent with the Act and Regulation B.

California Civil Code §§ 1799.90-1799.96 require that whenever more than one person signs a consumer credit contract, each signer must receive a notice explaining the obligations imposed by the contract as well as a copy of all documents affecting the obligations to be undertaken. If the signers are married to each other, however, no notice need be delivered.

Section 202.11(b)(1)(i) of Regulation B provides that if a State law ". . . requires or permits a practice or act prohibited by the Act or [Regulation B]," it is preempted. In order to determine whether favoring unmarried applicants over married applicants when delivering notices is a practice intended to be prohibited by the ECOA, the scope and purpose of the Act must be identified.

The Act forbids discrimination in the granting of credit on several bases, but marital status is the only prohibited basis relevant to this discussion. The purpose of the Act as stated in § 502 is:

> . . . to require that financial institutions and other firms engaged in the extension of credit make that credit equally available to all credit-worthy customers without regard to . . . marital status.

Although the State law in question clearly discriminates on the basis of marital status by requiring protections for unmarried co-signers not required for married ones, the Board has determined that the discrimination is not the type prohibited by the Act because the State law does not inhibit the equal availability of credit to all creditworthy customers. The Board believes that a law requiring the delivery of a notice affects neither the availability of credit nor the creditworthiness of the applicant to the extent that would render it inconsistent with the Act and Regulation B, unless: (1) the notice conveys information that is inconsistent with the intent of the Act or Regulation B; or (2) the State law prohibits delivery of a notice required by the Act or Regulation B.

Accordingly, the Board had determined that §§ 1799.90-1799.96 of the California Civil Code requiring notifications for co-signers are not inconsistent with Regulation B. Creditors will not violate the Equal Credit Opportunity Act or Regulation B by complying with this State law.

California law requiring Spanish translation of credit documents is not inconsistent with Equal Credit Opportunity Act. California Civil Code § 1632 generally requires that any person who negotiates primarily in the Spanish language orally or in writing in the course of entering into certain transactions, including some consumer credit contracts, must display a Spanish-language notice advising customers that they may request an unexecuted Spanish-language contract or agreement. Section 1799.91 requires that where the notice to co-signers, discussed above, is required, a Spanish translation of the notice must also be provided.

The Board has been asked to determine whether the State law, by requiring creditors to give preferential treatment to Spanish-speaking credit applicants, requires discrimination against other credit applicants on the basis of their national origin, and, therefore, is preempted by § 202.11(b)(1)(i) of Regulation B.

The judgment must be made whether a translation requirement benefiting only one national group frustrates the intent of the Federal Act and regulation: that is, whether affording special protection to one group adversely affects the creditworthiness of other groups or makes credit less available to them. The Board has determined that in the case of §§ 1632 and 1799.91 of the California Civil Code, it does not.

The right to obtain a translation of documents relating to a consumer credit transaction does not affect an applicant's creditworthiness nor does it make credit more readily available. It aids consumers in understanding the obligation they are about to incur. The Federal Equal Credit Opportunity Act requires that creditors apply their standards of creditworthiness in a uniform manner without regard to national origin. A State requirement that contract terms be made more easily understandable for one group is therefore not inconsistent with the Act and Regulation B. Creditors may comply with the notification and translation requirements imposed by §§ 1632 and 1799.91 of the California Civil Code without violating Regulation B.

This interpretation should not be construed to *condone a refusal to negotiate with certain groups* or the discouraging of their applications because they are afforded special protection by State law. Such a practice may violate the Act and regulation.

INTEREST ON DEPOSITS

The Board of Governors has amended its Regulation Q to establish a new category of time deposit for IRA and Keogh funds deposited with member banks. The rule permits member banks to pay interest on funds with a maturity of three years or longer deposited pursuant to IRA and Keogh Plans established with the bank at a rate of up to 7.75 per cent.

Effective July 6, 1977, section 217.7 is amended as follows:

SECTION 217.7—MAXIMUM RATES OF INTEREST PAYABLE BY MEMBER BANKS ON TIME AND SAVINGS DEPOSITS

* * * * *

(b) TIME DEPOSITS OF LESS THAN $100,000. (1) Except as provided in paragraphs (a), (d), and (e) and subparts 2 and 3 of this paragraph, no member bank shall pay interest on any time deposit at a rate in excess of the applicable rate under the following schedule:

* * * * *

(e) INDIVIDUAL RETIREMENT ACCOUNT AND KEOGH (H.R. 10) PLAN DEPOSITS OF LESS THAN $100,000. Except as provided in paragraph (a), a member bank may pay interest on any time deposit with a maturity of three years or more that consists of funds deposited to the credit of, or in which the entire beneficial interest is held by, an individual pursuant to an Individual Retirement Account agreement or Keogh (H.R. 10) Plan established pursuant to 26 U.S.C. (I.R.C. 1954) §§ 408, 401, at a rate not in excess of the highest of any of the permissible rates that can be paid on time deposits under $100,000 by any Federally insured commercial bank, mutual savings bank, or savings and loan association.[3]

[3] The highest permissible rate is currently 7.75 per cent per annum (12 CFR 329.7 and 12 CFR 526.5).

BANK HOLDING COMPANIES

DEFERRAL OF RULEMAKING PROPOSAL

The Board of Governors on August 2, 1976, proposed an amendment to its Regulation Y (12 CFR § 225) that would add the activities of providing management consulting advice to nonaffiliated savings banks and possibly to other nonaffiliated, depositary-type financial institutions *to the list of activities that the Board has previously* determined to be permissible for bank holding companies, as specified in § 225.4(a) of Regulation Y. Notice of the proposed amendment was published in the *Federal Register* on August 9, 1976 (41 Fed. Reg. 33306 (1976)). The amendments were proposed in connection with an application by Worcester Bancorp, Inc., Worcester, Massachusetts, pursuant to § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) and § 225.4 of the Board's Regulation Y (12 CFR 225.4), for prior approval to engage *de novo* in providing management consulting advice to nonaffiliated savings banks.

By *letter of March 3, 1977, to the Federal* Reserve Bank of Boston, Worcester Bancorp. Inc. has withdrawn its application to engage in providing management consulting advice to nonaffiliated savings banks. In accord with its general policy, the Board, in the absence of a specific bank holding company proposal, has determined to defer further consideration of the proposed activity, and hereby suspends the rulemaking proceeding initiated on August 2, 1976.

TRUTH IN LENDING

The Board of Governors has amended its Regulation Z to require creditors to make certain additional disclosures when variable interest rate clauses are used in credit transactions. It requires disclosure of the fact that the annual percentage rate is subject to increase, the conditions under which an increase may occur, the manner in which an increase would be effected, and in some cases, information on the effect a rate increase would have on the payment amounts and/or maturity of the obligation.

Effective October 10, 1977 12 C.F.R. Part 226 is amended as follows:

1. Section 226.8(b) is amended by the addition of subparagraph (8) as follows:

SECTION 226.8—CREDIT OTHER THAN OPEN END—SPECIFIC DISCLOSURES

* * * * *

(b) * * *

(8) If the annual percentage rate as disclosed under § 226.8(b)(2) is prospectively subject to increase[10a], the following additional disclosures shall be made:

(i) the fact that the annual percentage rate is subject to increase and the conditions under which such rate may increase, including: (A) identification of the index, if any, with respect to which such increase in annual percentage rate is tied; and (B) any limitation on such increase;

(ii) the manner(s) (such as an increase in payment amounts, number of scheduled periodic payments, or in the amount due at maturity) in which any increase in the annual percentage rate may be effected;

(iii) if the obligation is repayable in substantially equal instalments at substantially equal intervals (including those obligations providing for "balloon" payments) and the increase could be effected by an increase in the periodic payment amount, a statement of the estimated increase in the amount of the payment caused by a hypothetical immediate increase of one quarter of one percentage point, based upon the number of scheduled periodic payments and original amount financed disclosed at consummation;

(iv) if the obligation is repayable in substantially equal instalments at substantially equal intervals (including those obligations providing for "balloon" payments) and the increase could be effected by an increase in the number of periodic payments, a statement of the estimated increase in the number of periodic payments caused by a hypothetical immediate increase of one quarter of one percentage point, based upon the periodic payment amount and the original amount financed disclosed at consummation.

Any increase in the annual percentage rate within the conditions or limitations disclosed in accordance with this paragraph is a subsequent occurrence under § 226.6(g) and is not a refinancing under § 226.8(j).

The disclosures required under § 226.8(b)(8)(iii) and (iv) need be made only in transactions in which a security interest is taken in real property used or expected to be used as the customer's dwelling, and they need not be made in transactions primarily for agricultural purposes, transactions in which the obligation is repayable in substantially equal instalments which do not include repayments of principal, or transactions in which disclosures are made pursuant to § 226.814.

[10a] For this purpose, the phrase "prospectively subject to increase" does not apply to increases in the annual percentage rate upon such occurrences as default, acceleration, late payment, assumption or transfer of property.

2. Interpretation § 226.810, previously issued by the Board, is rescinded effective October 10, 1977, since the amendment to § 226.8(b) of the Regulation makes this interpretation unnecessary.

3. The Board has also amended Regulation Z to permit the use of Spanish rather than English language Truth in Lending disclosures in the commonwealth of Puerto Rico. English language disclosures must be provided to customers if they so request.

Effective April 11, 1977, 12 CFR Part 226 is amended by adding a new paragraph to § 226.6(a) to read as follows:

SECTION 226.6—GENERAL DISCLOSURE REQUIREMENTS

(a) DISCLOSURES; GENERAL RULE.***

All disclosures required to be given by this Part shall be made in the English language except in the Commonwealth of Puerto Rico where disclosures may be made in the Spanish language with English language disclosures provided upon the customer's request, either in substitution for the Spanish disclosures or as additional information in accordance with § 226.6(c).

INTERPRETATIONS OF REGULATION C

Treatment of Majority-Owned, Depository Subsidiaries of Depository Institutions. The Board has been asked whether a majority-owned, depository subsidiary of a depository institution should be treated in the same way as a non-depository subsidiary. The first sentence of § 203.2(c) defines a depository institution as "any commercial bank, savings bank, savings and loan association, building and loan association, homestead association (including cooperative banks), or credit union, which makes Federally-related mortgage loans." The second sentence deals with subsidiaries: "Any majority-owned subsidiary of a depository institution shall be deemed to be part of its parent depository institution for the purposes of this

Part." The purpose of the subsidiary provision is to provide a more complete picture of a parent's lending patterns by including information regarding the lending activities of any non-depository, majority-owned subsidiary.

A few depository institutions, however, have majority-owned subsidiaries that are themselves depository institutions. This raises the issue of how a depository institution as defined in the first part of § 203.2(e), which is also a majority-owned subsidiary of a depository institution, should be treated for Regulation C disclosure purposes. If, absent the second part of § 203.2(e), the depository subsidiary otherwise would make separate disclosures under Regulation C, then combining the subsidiary's loan data with the parent's into a single statement would reduce public disclosure, contrary to the intent of § 203.2(e) and the purpose of the Home Mortgage Disclosure Act.

Therefore, to further the intent of the act and the regulation, a parent depository institution may draw a distinction for disclosure purposes between depository and non-depository, majority-owned subsidiaries. A majority-owned, non-depository subsidiary of a depository institution should be treated as an integral part of its parent, with no distinction made between them for reporting purposes, in accordance with the second sentence of § 203.2(e). On the other hand, at the parent's option, a majority-owned, depository subsidiary of a depository institution may be treated as a distinct, unaffiliated entity since it is a depository institution as defined in the first sentence of § 203.2(e).

Disclosure After Loss of Exemption. The Board has been requested to clarify the Regulation C disclosure requirements that apply to a depository institution that ceases to be exempt from the Home Mortgage Disclosure Act.

Section 203.3(a) of Regulation C describes the three classes of depository institutions that are exempt from the regulation's disclosure requirements. They are: (1) institutions that have assets of $10,000,000 or less as of the last day of their fiscal year; (2) institutions that do not have an office in a standard metropolitan statistical area; and (3) State-chartered institutions that are subject to a State disclosure law that the Board had determined imposes substantially similar requirements to those mandated by the Home Mortgage Disclosure Act.

Section 203.3(b) sets forth the initial disclosure requirements applicable to an exempt institution that subsequently loses its exemption. It states:

> A depository institution that was exempt on or after the effective date of this Part on the basis of paragraph (a) of this section and that subsequently becomes no longer exempt shall compile the data described in section 203.4 of this Part for each fiscal year beginning with its last full fiscal year ending prior to the date it was no longer exempt, and that last full fiscal year shall be deemed to be a "full fiscal year ending prior to July 1, 1976" for the purposes of section 203.4 of this Part.

The first point on which clarification has been sought is the meaning of the language "last full fiscal year ending prior to the date it was no longer exempt. . . ." For any depository institution that loses its exemption under § 203.3(a)(2) because of the re-definition of a standard metropolitan statistical area or loses its exemption under § 203.3(a)(3) because applicable State disclosure law is found not to be substantially similar to the Federal Act, "its last full fiscal year ending prior to the date it was no longer exempt" is its fiscal year immediately preceding the fiscal year during which the exemption was lost. For example, a depository institution having a calendar fiscal year that ceases to be exempt during 1977 would have to disclose relevant 1976 data.

For any depository institution that loses its exemption under § 203.3(a)(1) because its assets exceed $10,000,000 on the final day of its last fiscal year, the period to be covered by its initial disclosure statement is that last fiscal year. For example, a calendar fiscal year institution that has assets of more than $10,000,000 on December 31, 1977 would have to disclose relevant 1977 loan information.

The Board also has been asked to explain the significance of the phrase " 'full fiscal year ending prior to July 1, 1976. . . .' " The purpose in § 203.3(b) of equating an institution's "last full fiscal year ending prior to the date it was no longer exempt" with a " 'full fiscal year ending prior to July 1, 1976' " is to make available to an institution that loses its exemption the same disclosure options that were available to institutions when Regulation C became effective. Thus, for the purposes of § 203.4, a depository institution that ceases to be exempt may compile the necessary mortgage and home improvement loan data by United States Postal Service ZIP codes, in lieu of Census Bureau census tracts, for its last full fiscal year and any portion of its current fiscal year ending prior to the loss of exemption. In addition, such an institution may exercise the options and rely on the presumption contained in paragraphs (a)(4)(ii) and (c) of § 203.4 as if it had lost its exemption and become subject to the regulation on July 1, 1976.

The following examples illustrate the points made in this interpretation. Assume that a depository institution having a calendar fiscal year ceases to be exempt under § 203.3(a)(2) on April 1, 1977 because of the enlargement of a standard metropolitan statistical area to include a county in which the institution has an office. Pursuant to § 203.5(a)(1)(iii), that institution would be required to prepare and make available publicly a disclosure statement by June 29, 1977, ninety days after its loss of exemption.

Under § 203.3(b), the disclosure statement would have to cover the institution's "last full fiscal year ending prior to the date it was no longer exempt," which, as indicated previously, would be 1976. Pursuant to § 203.4(a)(2)(i), read in view of § 203.3(b), the institution could compile the necessary loan information for 1976 by ZIP code if it chose.

Also, under § 203.4(a)(2)(ii), it could elect to issue a separate disclosure statement, compiled on a ZIP-code basis, for the first three months of its current fiscal year—January, February, March 1977, if it also made that statement available on June 29, 1977. If it chose that option, then it would report on its relevant lending activities for the remainder of 1977 by census tract on March 31, 1978. The alternative to this latter option would be for the institution to report on all of its relevant lending activities during 1977 by census tract on March 31, 1978. Finally, the institution may exercise the reporting options and rely on the residence presumption set forth in §§ 203.4(a)(4)(ii) and 203.4(c) for its 1976 disclosure statement and the January through March 1977 statement if that option is chosen.

The second example assumes that a depository institution having a calendar fiscal year ceases to be exempt under § 203.3(a)(1) because its assets exceed $10,000,000 as of December 31, 1977. Pursuant to the applicable provisions of the regulation as outlined in the preceding example, the institution would have to prepare a disclosure statement by March 31, 1978, covering its relevant lending activities during 1977 on a ZIP-code basis. Since the loss of exemption would not have occurred during the course of its fiscal year, no partial fiscal year report would be possible. The options and presumption contained in §§ 203.4(a)(4)(ii) and 203.4(c) respectively could be used, however, in preparing the 1977 disclosure statement.

INTERPRETATION OF REGULATION Z

Disclosure of dealer participation. Section 226.8(c)(8)(i) requires the itemization of each component of a finance charge consisting of more than one type of charge. Section 226.4(a)(3) lists among the types of charges to be included in the finance charge a "finder's fee or similar charge." In certain credit transactions, such as the sale of automobiles and other consumer goods, where the finance charge is determined by application of a percentage rate or rates to the amount financed, a portion of that charge may be allocated to the dealer by the financial institution as a dealer participation. The question arises whether such allocations must be itemized as a separate component of the total finance charge in the nature of a finder's fee.

The requirement for itemization of a finance charge which includes a finder's fee or other elements in addition to an interest component is intended to assure that the total finance charge disclosed to the customer properly reflects all components which must be included in that amount. Any component of the finance charge which is computed by the application of a percentage rate or rates to the amount financed constitutes a single charge of the type described in § 226.4(a(1). As such, it must be included in the finance charge calculation and disclosure. A portion of such single component of the finance charge which is distributed to a dealer is not considered a "finder's fee or similar charge" and need not be separately identified or disclosed. The concept of a "finder's fee," as that term is used in § 226.4(a)(3), is intended to cover certain charges in the nature of brokerage fees which are imposed in addition to that portion of the finance charge attributable to the application of a percentage rate or rates to the amount financed. Any such separate fee must, of course, be separately itemized. (Interprets and applies 12 C.F.R. 226.8)

FEDERAL OPEN MARKET COMMITTEE—RULES REGARDING AVAILABILITY OF INFORMATION

The Federal Open Market Committee has amended its Rules Regarding Availability of Information as required by section 5(b) of the Government in the Sunshine Act.

Effective March 12, 1977, consistent with section 5(b) of the Government in the Sunshine Act (Pub. L. No. 94-409, 5 U.S.C. §552b), the Federal Open Market Committee hereby amends section 271.6(a) of Title 12 of the Code of Federal Regulations. The amendment will revise the Committee's Rules with regard to exemption (3) of the Freedom of Information Act, and will read as follows:

SECTION 271.6—INFORMATION NOT DISCLOSED

Except as may be authorized by the Committee, information of the Committee that is not available to the public through other sources will not be published or made available for inspection, examination, or copying by any person if such information

(a) is specifically exempted from disclosure by statute (other than section 552b of Title 5 United States Code), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld; or is specifically authorized under criteria established by an executive order to be kept secret in the interest of national defense or foreign policy and is in fact properly classified pursuant to such executive order.

* * * * *

The requirements of section 553 of Title 5 United States Code with respect to notice, public participation, and deferred effective date were not followed in connection with this amendment because the amendment merely conforms the Committee's rules to the language of exemption 552(b)(3) of the Freedom of Information Act, as amended by section 5(b) of the Government in the Sunshine Act which will become effective on March 12, 1977, and thus such procedures were found to be unnecessary.

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

ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

Central Bancompany,
Jefferson City, Missouri

Order for Oral Presentation

Central Bancompany, Jefferson City, Missouri, has filed an application pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. § 1842(a)(3)) for prior approval by the Board of Governors to acquire not less than 57 per cent of the voting shares of The First National Bank of Mexico, Mexico, Missouri. Notice of receipt of this application was published in the *Federal Register* (41 F.R. 51462) on November 22, 1976. The published notice advised that the application was available for inspection at the offices of both the Board of Governors and the Federal Reserve Bank of St. Louis and designated a period within which comments and views on the proposed acquisition could be filed with the Board of Governors.

Having considered the numerous comments submitted on the proposal, including a request, with accompanying statement of reasons, that an oral presentation be conducted on this application, the Board of Governors has concluded that the public interest would be served by the conduct of an oral presentation with respect to the application.

Accordingly, *it is hereby ordered* that pursuant to section 262.3(g)(3) of the Board's Rules of Procedures [12 CFR § 262.3(g)(3) (1976)] a public oral presentation be held with respect to this application before Baldwin B. Tuttle, Deputy General Counsel of the Board of Governors, at the Federal Reserve Bank of St. Louis, 411 Locust Street, St. Louis, Missouri, in such manner and at such date and time as he shall designate after receipt of requests to appear.

It is further ordered that the proceeding will consist of presentations of statements in either oral or written form, together with any supporting or supplementary written submissions allowed by the presiding officer, all of which submissions are to be addressed to the factors set forth in Section 3(c) of the Bank Holding Company Act of 1956, as amended, with respect to this application.

It is further ordered that any person desiring to give testimony, present evidence, or otherwise participate in the scheduled oral presentation, should file with the Secretary of the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, on or before May 6, 1977, a written request to appear at said oral presentation, including a statement of the nature of the petitioner's interest in the proceedings, the extent of the participation desired, and a summary of the matters concerning which the petitioner desires to either give testimony or submit evidence. Requests to participate in the proceedings will be submitted to the presiding officer for his determination and petitioners submitting them will be notified of the decision as well as the date and time of the proceeding.

By order of the Board of Governors, effective April 11, 1977.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Partee, and Lilly. Voting against this action: Governors Coldwell and Jackson. Absent and not voting: Chairman Burns.

(Signed) RUTH A. REISTER,
[SEAL] *Assistant Secretary of the Board.*

Commerce Bancshares, Inc.,
Kansas City, Missouri

Order Denying Acquisition of Bank

Commerce Bancshares, Inc., Kansas City, Missouri, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. §1842(a)(3)) to acquire 51.96 per cent of the voting shares of the Farmers State Bank, St. Joseph, Missouri, St. Joseph, Missouri ("Bank").

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

Applicant, the third largest banking organization in Missouri,[1] controls 31 banks with aggregate deposits of approximately $1.3 billion, representing 7.7 per cent of the total commercial bank deposits in the State. Acquisition of Bank ($13.3 million in deposits) would not significantly increase the concentration of banking resources in Missouri; however, it would have adverse effects upon concentration in the relevant market.

Bank, the fifth largest of 21 banks in the relevant market[2] and the only remaining independent bank in the City of St. Joseph, has total deposits of $13.3 million, representing 3 per cent of the total commercial bank deposits in the relevant market. Applicant is already represented in the St. Joseph market through its ownership of Commerce Bank of St. Joseph ("Commerce Bank"). Commerce Bank is the fourth largest bank in the market, with total deposits of $39.9 million, representing 8.83 per cent of the total commercial bank deposits in the relevant market. The four largest banking organizations in the St. Joseph banking market hold in the aggregate about 85.6 per cent of total commercial bank deposits in the market. Consummation of this proposal would further increase that concentration level to 88.6 per cent and Applicant would enhance its position in the market by becoming the third largest banking organization.

In addition to having adverse effects on concentration in the St. Joseph market, it appears that consummation of this proposal would eliminate significant existing competition between Bank and Commerce Bank. Applicant maintains that Bank and Commerce Bank serve essentially different kinds of customers[3] and that Bank's location and orientation toward farm lending make it unlikely that Bank would expand its operations in the primary service area of Commerce Bank. However, the record shows that each derives a significant amount of its deposits and loans from the service area of the other. Thus, the Board concludes that consummation of the proposal would eliminate significant existing competition between Applicant and Bank.

[1] All banking data are as of December 31, 1975.

[2] The relevant market is the St. Joseph banking market, which is approximated by Buchanan County (less Rush and Bloomington Townships), Andrew County, and western De Kalb County, all in Misouri, and northern Doniphan County in Kansas.

[3] Applicant characterizes Commerce Bank's customers as primarily a merchant and wage-earner clientele not associated with the south St. Joseph area. Applicant states that Bank primarily serves agriculturally oriented businesses in the south St. Joseph area. The Board does not view this as a legitimate distinction in defining the relevant product for purposes of competitive analysis.

In acting on this application, the Board has also considered the comments of the Department of Justice and of the Missouri Commissioner of Finance ("the Commissioner") and Applicant's responses thereto. Both the Department of Justice and the Commissioner indicated that, in their respective opinions, the proposed acquisition would eliminate existing competition and lead to a further concentration of banking resources in the City of St. Joseph. Both agencies noted that because Bank was the last independent bank in the City of St. Joseph, it was a likely candidate for acquisition as a vehicle for entry into the City of St. Joseph by a regional or Statewide banking organization not presently represented in the market.

While both the Department of Justice and the Commissioner placed emphasis on the effects of the proposal on the City of St. Joseph rather than the somewhat larger St. Joseph banking market,[4] the Board is of the view that their general findings as to the adverse effects of the subject proposal are supported by the facts of record. In addition, the Board finds on the basis of the foregoing and other facts of record, that competitive considerations relating to this application weigh sufficiently against approval so that it should not be approved unless the anticompetitive effects are clearly outweighed by benefits to the public in meeting the convenience and needs of the community to be served.

The financial and managerial resources and prospects of Bank are regarded as satisfactory. The financial and managerial resources and prospects of Applicant and its subsidiaries are regarded as generally satisfactory. Although Applicant would incur some debt as a result of this acquisition, it appears that Applicant's earnings from normal operations are sufficient to retire that debt as projected. Accordingly, the Board finds that considerations relating to financial and managerial resources and future prospects are consistent with approval; however, such considerations do not lend significant weight for approval of the application.

Applicant states that upon acquisition of Bank it would expand Bank's services, including increasing Bank's lending capacity through loan participations and providing Bank with agricultural lending advice. The Board notes that Bank has only a limited need for help in handling loans above its present legal lending limit.[5] Furthermore, with respect to Applicant's proposal to provide Bank with agricultural lending advice, Applicant made a similar argument in its earlier application to the Board to acquire Commerce Bank some six years ago, and it appears that Commerce Bank has made no significant increases in its agricultural lending program since its acquisition by Applicant. Accordingly, the Board finds that little weight can be accorded such services and that considerations relating to the convenience and needs of the community to be served lend no significant weight toward approval of the application. In summary, therefore, the considerations relating to banking factors and the considerations relating to the convenience and needs of the community to be served do not outweigh the adverse competitive effects that would result from Applicant's acquisition of Bank.

On the basis of the facts in the record, and in light of the factors set forth in § 3(c) of the Act, it is the Board's judgment that approval of the proposal would not be in the public interest. Accordingly, the application is denied for the reasons summarized herein.

By order of the Board of Governors, effective April 1, 1977.

Voting for this action: Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Gardner.

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

Country Bank Shares Corporation,
Janesville, Wisconsin

Order Denying Acquisition of Bank

Country Bank Shares Corporation, Janesville, Wisconsin ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 72.8 per cent of the voting shares of the State Bank of Argyle, Argyle, Wisconsin ("Bank").

[4]See the Board's Order approving the merger of Ameribanc, Inc., St. Joseph, Missouri, with First American Bancshares, Inc., St. Joseph, Missouri. 62 Federal Reserve BULLETIN, p. 384.

[5]Bank has no large business customers, and the farmers in its service area conduct small operations. The few loans for which Bank has needed assistance have been readily handled by its St. Joseph and Kansas City correspondents.

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

Applicant presently controls one bank, The Montello State Bank, Montello, Wisconsin, with deposits of $10.1 million, representing .07 per cent of total commercial bank deposits in Wisconsin.[1] Bank ($9.5 million in deposits) is the sixth largest of thirteen commercial banking organizations competing in the Darlington/Monroe banking market,[2] controlling 5.0 per cent of market deposits. Bank is currently controlled by McGuire Wausau Agency and Management Operations, Inc., both of which are controlled by Applicant's principals. Several of Applicant's principals are affiliated with six other Wisconsin banks, each of which is located in a banking market separate from Bank. Inasmuch as the proposal involves essentially a restructuring of Bank's ownership, the proposed transfer would eliminate neither existing nor potential competition, and would not increase the concentration of banking resources in any relevant area. Therefore, competitive considerations are consistent with approval of the application.

The Board's inquiry, however, does not end here. As the Board has indicated on previous occasions, it believes a bank holding company should constitute a source of both financial and managerial strength to its subsidiary bank(s). Accordingly, in acting upon any application under the Act, the Board will closely examine the financial condition, managerial resources, and future prospects of an applicant and its subsidiary bank(s) with these factors in mind. Based upon an evaluation of such factors with respect to this application, the Board has determined that denial of this application is warranted.

With respect to the financial resources and future prospects associated with this application, the record indicates that the overall financial condition of Applicant does not permit it to be a source of strength to Bank. Based upon an examination of all the facts of record, including the debt burden Applicant must bear and the flow of funds needed to service such debt, consummation of the proposal may cause Applicant to make demands upon Bank in the form of dividend payments which may serve to weaken the capital position of Bank. In view of the limited financial flexibility of Applicant, a strain may be placed upon Bank's capital position as a result of Applicant's debt servicing requirements. Furthermore, in light of Applicant's financial condition, it is not in a position to come to Bank's assistance in the event any unexpected problems arise at Bank. Accordingly, the Board concludes that financial considerations weigh against approval of this application.

With respect to managerial resources, the facts of record suggest that Applicant's principals have engaged in certain transactions involving other financial institutions with which they are affiliated which reflect unfavorably on the managerial resources of Applicant and lend weight for denial. In considering all the facts of record, the Board is unable to conclude that approval of the subject application would be consistent with the financial and managerial standards the Board is required to consider under Section 3(c) of the Act, or that the public interest would be served by such action.

In regard to considerations relating to the convenience and needs of the communities to be served, the record indicates that banking needs are currently being adequately served by Bank. While these considerations appear to be consistent with approval of the application, they are not sufficient, in the Board's view, to outweigh the adverse banking factors reflected in the record that are associated with this proposal. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application should be denied. Accordingly, the application is hereby denied for the reasons summarized above.

By order of the Board of Governors, effective April 25, 1977.

Voting for this action: Chairman Burns and Governors Gardner, Wallich, Partee, and Lilly. Absent and not voting: Governors Coldwell and Jackson.

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

[1] All deposit data are as of December 31, 1975.

[2] The Darlington/Monroe banking market is approximated by Green County, except Decatur township and the eastern three-fifths of Lafayette County.

NBC Corp.,
Jackson, Tennessee

Order Approving Formation of Bank Holding Company

NBC Corp., Jackson, Tennessee has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 100 per cent[1] of the voting shares of the successor by merger to The National Bank of Commerce of Jackson ("Jackson Bank"), Jackson, Tennessee and 83.1 per cent of the voting shares of The First National Bank of Gibson County ("Humboldt Bank"), Humboldt, Tennessee (hereinafter collectively referred to as "Banks"). The bank into which Jackson Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Jackson Bank. Accordingly, the proposed acquisition of the shares of the successor organization is treated herein as the proposed acquisition of shares of Jackson Bank.

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

Applicant is a non-operating corporation organized for the purpose of becoming a bank holding company. Jackson Bank and Humboldt Bank have aggregate deposits of $78.3 million, representing .6 per cent of the total deposits in commercial banks in Tennessee and, upon consummation, Applicant would rank as the eleventh largest of twelve multibank holding companies in the State.[2] Approval of the application would not increase significantly the concentration of banking resources in Tennessee.

Jackson Bank ($66.2 million in deposits as of June 30, 1976) is the second largest of four banks operating in the Madison County banking market and holds approximately 29.1 per cent of total market deposits. Humboldt Bank ($14.4 million in deposits as of June 30, 1976) is the fifth largest of thirteen banks in the Gibson County banking market, with 9.7 per cent of total market deposits. Neither Jackson Bank nor Humboldt Bank derives substantial amounts of deposits or loans from the other's market area, and, accordingly, no significant competition between Jackson Bank and Humboldt Bank would be eliminated by consummation of the acquisitions. Moreover, potential competition would not be adversely affected by consummation of the acquisitions as neither banking market appears attractive for *de novo* entry. Accordingly, it is concluded that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant, which are dependent upon those of Banks, are regarded as satisfactory. Although Applicant will incur debt in connection with its acquisition of shares of Humboldt Bank, its income from Banks should provide sufficient revenue to service the debt without impairing the financial condition of either proposed subsidiary bank. In addition to incurring debt, Applicant will fund the subject proposal through a special dividend from Jackson Bank that may equal or exceed Jackson Bank's income for 1977 but, in light of Jackson Bank's capital strength, satisfactory management and future prospects, the dividend should not adversely affect Jackson Bank's overall financial condition.[3] Although the financial and managerial resources and future prospects of Jackson Bank are considered satisfactory, those of Humboldt Bank are not entirely satisfactory at the present time but are expected to show marked improvement as a result of Humboldt Bank's affiliation with Jackson Bank and Applicant. Therefore, considerations relating to banking factors are consistent with approval of the application, and considerations relating to convenience and needs are also regarded as being consistent with approval of the application. It is the Board's judgment that consummation of the proposal to form a bank holding company would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction should not be made (a) before the thirtieth calendar day following the effective date

[1] Applicant subsequently will resell qualifying shares to directors of The National Bank of Commerce of Jackson.

[2] All banking data are as of December 31, 1975, unless otherwise noted.

[3] Payment of the special dividend will not be in an amount violative of section 5199 of the Revised Statutes.

of this Order, or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of St. Louis pursuant to delegated authority.

By order of the Board of Governors, effective April 6, 1977.

Voting for this action: Chairman Burns and Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Governor Gardner.

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

The Royal Trust Company,
Montreal, Quebec, Canada

Order Approving Acquisition of Bank

The Royal Trust Company, Montreal, Quebec, Canada, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under Section 3(a)(3) of the Act [12 U.S.C. § 1842(a)(3)] to acquire 80 per cent or more of the voting shares of Baymeadows Bank, Jacksonville, Florida ("Bank").

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

Applicant, with total assets of $4.1 billion (as of September 30, 1976) is one of the largest financial institutions in Canada, and operates, through its subsidiaries and other interests, in both Europe and the Caribbean Islands. In the United States, Applicant controls five Florida banks[1] and operates one nonbank subsidiary.[2] Through its five subsidiary banks, Applicant controls aggregate deposits of $148.8 million, representing approximately six-tenths of one per cent of the total deposits held by commercial banks in Florida and ranks as the twenty-ninth largest commercial banking organization in that State.[3] Consummation of the subject proposal would increase Applicant's share of State deposits by approximately one-hundredth of one per cent, and would not have a significant effect upon the concentration of banking resources in Florida.

Bank (with deposits of $7.4 million as of September 30, 1976) is the twelfth largest of the 17 banking organizations in the Jacksonville banking market[4] and holds approximately three-tenths of one per cent of the market's total commercial bank deposits. Applicant is not currently represented in the relevant banking market and its closest banking subsidiary to Bank is located approximately 185 miles southwest of Bank. There does not appear to be any existing competition between Bank and any of Applicant's present banking or nonbanking subsidiaries and, in view of the distances involved, it does not appear likely that any significant competition would develop in the future. While Applicant could enter the relevant market *de novo*, in view of Bank's relative size and its market position, the Board views the proposed acquisition of Bank as essentially a foothold entry by Applicant into the market.[5] Such entry by Applicant should have a salutary effect upon competition among the banking organizations in the relevant market by enabling Bank to compete more effectively in that market. Therefore, on the basis of the facts of record, the Board concludes that consummation of the proposal would not have any significant adverse effects upon either existing or potential competition in any relevant area, and that competitive considerations are consistent with approval of the application.

[1]Applicant currently controls these subsidiary banks through Royal Trust Bank Corp., Miami, Florida ("Corp."), itself a registered bank holding company. Corp. was formed in 1976 as a wholly owned subsidiary of Applicant in order to hold directly all of Applicant's banking interests in the United States.

[2]Information Systems Design of Florida, Inc., Miami, Florida ("ISD-Florida"), is a subsidiary of Information Systems Design, Inc., Santa Clara, California ("ISD-California"), which is owned by Computel Systems, Ltd. ("Computel"), a Canadian data processing company. By Order of December 6, 1973, the Board denied Applicant's retention of ISD California after Applicant's acquisition of Computel pursuant to § 4(c)(9) of the Act [38 *Federal Register* 34514 (1973); 60 Federal Reserve BULLETIN 58 (1974)]. ISD-California is engaged in nonpermissible data processing activities while ISD-Florida is engaged in permissible data processing activities. The Board granted Applicant a 2-year period, after its acquisition of Computel, within which to divest itself of ISD-California. On January 31, 1977, the Board approved a plan of divestiture of ISD-California that had been submitted by Applicant. Immediately prior to consummation of the divestiture proposal, Applicant will retain ISD-Florida through a corporate reorganization by which ISD Florida will be transferred to Applicant or to another subsidiary of Applicant.

[3]All banking data are as of December 31, 1975, unless otherwise indicated.

[4]The Jacksonville banking market encompasses Duval County and the Orange Park area in northern Clay County.

[5]Bank opened for business on May 15, 1975.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks and Bank are regarded as being generally satisfactory. Therefore, considerations relating to banking factors are consistent with approval of the application. Applicant will provide Bank with its expertise in the areas of international banking, trust services, investment management, accounts receivable financing, factoring, personal property and equipment leasing, and will be a source of capital to Bank as needed. Considerations relating to the convenience and needs of the community to be served lend some weight toward approval. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective April 8, 1977.

Voting for this action: Chairman Burns and Governors Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Governors Gardner and Wallich.

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

Sibley Bancorporation,
Sibley, Iowa

Order Denying
Formation of Bank Holding Company

Sibley Bancorporation, Sibley, Iowa, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisition of 93 per cent or more of the voting shares of The First National Bank of Sibley, Sibley, Iowa ("Bank").

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

Applicant, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company through the acquisition of Bank. Bank holds deposits of $9.6 million[1] and was, as of December 31, 1975, the second largest of five commercial banks in the relevant market,[2] controlling 20.6 per cent of the total deposits in commercial banks in the relevant market. Upon acquisition of Bank, Applicant would control approximately .08 per cent of the total commercial bank deposits in Iowa. Since the proposed transaction is essentially a reorganization of existing ownership interests whereby Bank's principal shareholders would substitute for their direct control of Bank indirect control of Bank through Applicant, consummation of the proposal would not eliminate any existing competition, nor would it appear to have any adverse effects on other banks or on the development of potential competition in the relevant market. Therefore, competitive considerations do not weigh against approval of the application.

The Board has indicated on previous occasions that it believes that a holding company should constitute a source of financial and managerial strength to its subsidiary bank(s), and that the Board will closely examine the condition of an applicant in each case with this consideration in mind. The record indicates that Bank is in need of additional capital. However, Applicant proposes to incur a substantial amount of debt to acquire shares of Bank. Applicant proposes to repay that debt over a period of twelve years solely with dividends from Bank. The dividend payout that would be required of Bank under Applicant's proposal would serve to weaken the capital position of Bank.[3] In view of the limited financial flexibility of Applicant, the strain that would be placed on Bank's capital position as a result of Applicant's debt servicing requirements, and other facts of record, the Board is of the opinion that considerations relating to the financial and managerial resources and future prospects of Applicant and Bank weigh against approval of the application.

[1] All banking data are as of December 31, 1975.

[2] The relevant banking market is Osceola County.

[3] Applicant proposes that Bank sell $150,000 in long term notes to be due two years after Applicant's acquisition debt matures. Proceeds of that note issue would not constitute permanent capital and repayment of those notes may well serve further to weaken Bank's capital.

Applicant proposes to make minor changes in Bank's services. However, the Board finds that the considerations relating to the convenience and needs of the community to be served do not outweigh the adverse findings with respect to the financial and managerial resources and future prospects of Applicant and Bank.

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

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

By order of the Board of Governors, effective April 8, 1977.

Voting for this action: Chairman Burns and Governors Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Governors Gardner and Wallich.

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

Texas Commerce Bancshares, Inc.,
Houston, Texas

Order Approving the
Merger of Bank Holding Companies

Texas Commerce Bancshares, Inc., Houston, Texas ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)) to merge with The BanCapital Financial Corporation, Austin, Texas ("Company"), a bank holding company, and thereby acquire 100 per cent (less directors' qualifying shares) of The Capital National Bank in Austin, Austin, Texas ("Bank"). In light of the facts that Company's only assets are the shares of Bank, and that Company does not engage in any activity other than controlling Bank, Applicant's proposed merger with Company is treated herein as the proposed acquisition of Bank.

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

Applicant, the third largest banking organization in Texas, controls 31 banks with aggregate deposits of approximately $3.3 billion, representing 6.9 per cent of the total deposits in commercial banks in the State.[1] As a result of the acquisition of Bank, Applicant's share of commercial bank deposits in Texas would increase by 0.7 per cent to a total of 7.6 per cent, and Applicant would become the largest banking organization in the State.

In recent years, the Board has denied certain applications submitted by some of the larger banking organizations in Texas to acquire leading banks in the State's secondary banking markets. In its orders relating to those applications, the Board found generally that approval of such proposals would result in an increase in the share of deposits held by the State's largest organizations, as well as an increase in the size disparity between those institutions and the State's smaller bank holding companies.[2] The Board is now of the view that its previously stated concern relating to the level of concentration of banking resources involving the largest banking organizations in Texas is no longer entirely warranted and should be tempered in light of developments subsequent to 1974. In particular, since the time of those denials, the percentage of commercial banking resources in Texas controlled by the State's four largest banking organizations has not increased appreciably, thus indicating that the Board's earlier actions have had a salutary effect in retarding the rate at which increased concentration was occurring. Furthermore, the present level of concentration of banking resources in Texas is relatively low in comparison to the level of concentration in other States as evidenced by the fact that, based on the percentage of deposits held by the three largest

[1] Unless otherwise noted, all banking data are as of September 30, 1976, and reflect bank holding company formations and acquisitions approved through February 28, 1977.

[2] See the Board's Orders denying the applications of First International Bancshares, Inc., Dallas, Texas, to acquire Citizens First National Bank of Tyler, Tyler, Texas (60 Fed. Res. BULLETIN 43 (1974)) and The First National Bank of Waco, Waco, Texas (60 Fed. Res. BULLETIN 290 (1974)); and application of First City Bancorporation of Texas, Inc., Houston, Texas, to acquire The Lufkin National Bank, Lufkin, Texas (60 Fed. Res BULLETIN 450 (1974)).

banking organizations, Texas ranks 43rd out of the 50 States in terms of concentration levels.[3] Accordingly, while the Board continues to be of the view that the effect of a proposal on concentration is a matter that deserves studied attention, the recent trend in the banking structure of Texas is such that the Board does not view the concentration increase that would follow upon consummation of this proposal as so adverse as to require denial thereof.

Bank holds deposits of approximately $356.5 million, representing 21.4 per cent of total deposits in commercial banks in the Austin banking market,[4] and ranks as the second largest of 23 banks operating in the market. Applicant is not presently represented in the Austin banking market; its subsidiary bank closest to Bank is located 48 miles away in the San Antonio banking market. It appears that no meaningful competition currently exists between the two organizations. Thus, consummation of Applicant's proposal would not have any significant adverse effects on existing competition within the relevant market.

This application represents Applicant's second attempt to enter the Austin banking market through acquisition of one of that market's leading banks. In January of 1975, the Board denied Applicant's proposed acquisition of The Austin National Bank, Austin, Texas ("Austin Bank").[5] In denying that application, the Board stated that the acquisition of such a significant competitor as Austin Bank in a highly concentrated market by one of the State's leading competitors would significantly reduce the likelihood that the market would become less concentrated and more competitive in the future. At that time, Austin Bank was the largest commercial bank in the market and controlled approximately 23 per cent of the market's deposits. The four largest banking organizations in the Austin banking market controlled 79 per cent of deposits. In that denial Order, the Board also stated that reasonable alternative means of entry into the Austin market were available to Applicant other than the acquisition of the market's largest bank. The Board concluded that Applicant's acquisition of Austin Bank would have significant adverse effects on the concentration of banking resources and on potential competition within the Austin banking market and that such anticompetitive effects were not outweighed by considerations relating to the convenience and needs of the communities to be served.

The Board has reexamined the Austin banking market in the context of the subject proposal. Upon such reexamination, the Board is of the view that its previous concerns, which it then believed were justified, regarding the structure of the Austin market and the likely adverse competitive effects within that market of Applicant's proposed acquisition, should not presently be given the weight that they were at that time. Although the level of concentration of banking resources in the Austin market has not changed appreciably since the Board's denial of Applicant's previous proposal, the Board does not now view Applicant's acquisition of Bank as significantly reducing the likelihood that the market would become less concentrated in the future. The Austin area has experienced exceptionally rapid growth in recent years. In view of this economic growth, it appears that the market is attractive for entry by other banking organizations and a number of the State's largest banking organizations are not presently represented in that market. The Board concludes that approval of this application would not foreclose the possibility of such other competitors entering the market either *de novo* or through acquisition of one of the many independent banks.

With respect to potential competition, while consummation of this proposal would eliminate the possibility of Applicant entering the Austin market *de novo* or through acquisition of one of the numerous smaller independent banks, the Board is now of the view that Applicant's entry into the Austin market should not be restricted to establishing a bank *de novo* or acquiring a foothold entry. Thus, the Board is presently unable to conclude that consummation of the proposed transaction would have such adverse effects upon the concentration of banking resources or upon potential competition within the Austin banking market as to justify denial of the subject application. On the other hand, approval of this application may have a positive effect on competition in

[3] Concentration data are as of December 31, 1975.

[4] The relevant geographic market for purposes of analyzing the competitive effects of the subject application is approximated by the Austin SMSA, which is comprised of Hays and Travis Counties, Texas.

[5] Board Order dated January 22, 1975, denying the applications of Texas Commerce Bancshares, Inc., Houston, Texas, to acquire The Austin National Bank, Austin, Texas, and Oak Hill National Bank, Oak Hill, Texas (61 Fed. Res. BULLETIN 109 (1975)). In its Order, the Board approved the application to acquire Oak Hill National Bank, but under the terms of the agreement between Applicant and Austin Bancshares Corporation, the parent holding company of the two banks, Applicant could not acquire only the shares of Oak Hill National Bank.

the market by introducing a new and aggressive competitor into the Austin banking market.

The financial and managerial resources of Applicant, its subsidiaries and Bank are considered generally satisfactory and the future prospects for each appear favorable. In commenting upon the subject proposal, the Comptroller of the Currency recommended conditioning approval of the application upon injection of $3 million in capital into Bank within six months of its acquisition by Applicant. In response to the Comptroller of the Currency's comments, Applicant has committed to inject $5 million of equity capital into Bank upon consummation of its proposal. Thus, the Board is of the view that the banking factors involved in the proposal lend weight toward approval of the application.

Information contained in the record indicates that banks within the Austin market are not presently fully meeting all of the banking needs of the area, especially the needs of large national and international corporations located in the Austin vicinity. Applicant proposes to provide Bank with its specialized expertise in international banking, trust operations and investments. In addition, affiliation with Applicant would expand Bank's credit capabilities. While the weight to be accorded to such improved services and increased convenience is somewhat uncertain, it is clear that the ready availability of Applicant's financial resources and expertise should benefit the Austin area by providing a climate for continued economic expansion. Accordingly, considerations relating to the convenience and needs of the communities to be served lend some weight toward approval of the application. In view of the foregoing, it is the Board's judgment that Applicant's acquisition of Bank would be in the public interest.

On the basis of the record, the application is approved for the reasons summarized above.[6] The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order, or (b). later than three months after the effective date of this Order unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

[6] A member of Applicant's board of directors is also a member of the board of directors of Austin Bancshares Corporation, the holding company which controls two banks in the Austin market including the largest bank in the market. Accordingly, the Board conditions its approval of this application upon a termination of this director interlock prior to consummation of the subject proposal.

By order of the Board of Governors, effective April 13, 1977.

Voting for this action: Chairman Burns and Governors Gardner, Coldwell, Jackson, Partee, and Lilly. Voting against this action: Governor Wallich.

(Signed) RUTH A. REISTER,

[SEAL] *Assistant Secretary of the Board.*

Dissenting Statement of Governor Wallich

I would deny the application of Texas Commerce Bancshares to acquire BanCapital Financial Corporation, Austin, Texas. I cannot agree with the majority in their conclusion that the proposed acquisition may have a positive effect on competition in the Austin banking market. In my view, this acquisition will have significantly adverse effects in reducing potential competition in the Austin banking market that are not outweighed by any projected convenience and needs. Additionally, I believe this acquisition will have an adverse effect on the structure of Texas banking markets in general by signaling a decrease in the Board's concern over increased concentration in Texas banking markets.

In a decision just two years ago,[1] the Board denied an application by Texas Commerce to acquire the largest bank in the Austin banking market, a bank with approximately 23 per cent of the market's total deposits. The same Applicant now seeks to acquire a bank of almost identical size, the second largest in the Austin market, with approximately 21.4 per cent of the market. The prior denial was based upon the Board's concerns with concentration in the Austin market and the significantly adverse effect upon potential competition the acquisition would have, given the likelihood of either *de novo* or foothold entry.

Neither the factual situation nor the underlying adverse competitive effects have changed significantly in the two years since the first application was denied. Applicant has increased both its share of total State deposits (6.9 per cent as opposed to 6.3 per cent) and the number of banks it controls (31 from 25) since the 1975 denial. Approval of this acquisition will make Applicant the largest banking organization in Texas. Addi-

[1] Board Order denying the application of Texas Commerce Bancshares, Houston, Texas, to acquire Austin Bancshares Corporation, Austin, Texas (61 Fed. Res. BULLETIN 109 (1975)).

tionally, the Austin banking market remains very attractive to *de novo* entry and highly concentrated. The largest four banking organizations in the Austin market control approximately 78 per cent of total deposits, while the largest eight control approximately 91 per cent.

As to the underlying adverse competitive effects, I am somewhat concerned over the level of concentration in the Austin banking market itself. Approval will establish Applicant, the largest banking organization in Texas, as the second largest banking organization in the Austin market. I must also note that an application has been received by the Board from the second largest banking organization in Texas to acquire the third largest bank in the Austin market. If that application and the present one were both approved, the chances of the Austin market becoming less concentrated and more competitive in the future would be significantly reduced.

I am also concerned that the proposed acquisition will produce significant adverse effects on potential competition. The Austin market is highly concentrated and Applicant, as one of the largest organizations in Texas, is viewed as one of the most likely entrants into the Austin market given its past expansion history. This is especially true given Applicant's prior attempt to acquire the largest bank in Austin. Besides the possibility of entering the market *de novo*, which must be viewed as a strong probability given the attractiveness of the Austin market, there are numerous smaller banks in the Austin market, some of them in the city of Austin, suitable as foothold entry points. Given Applicant's history of increasing the market shares of its acquired banks, such foothold or *de novo* entry should have the pro-competitive effect of decreasing concentration in the Austin market. A smaller acquisition would also leave the Austin bank as a possible entry point for one of the State's smaller bank holding companies or independent banks wishing to form a holding company, or leave the Austin bank free to expand on its own.

Worth noting also is the fact that this acquisition is within the Justice Department's "Merger Guidelines." Those guidelines state that the Department will ordinarily challenge a conglomerate merger (a market extension acquisition) between one of the most likely entrants into a market and "one of the four largest firms in a market in which the shares of the eight largest firms amount to approximately 75 per cent or more, provided the merging firm's share of the market amounts to approximately 10 per cent or more."

The Board, like the Department of Justice, must rely upon market shares and on concentration ratios, whether measured in the traditional form or through devices such as the "Herfindahl" index or "Gini" coefficient, as the principal means of detecting anticompetitive acquisitions and oligopolistic behavior. Contrary to the majority view, I do not believe this reliance is misplaced given the large number of studies which have found a direct relationship between the competitive structure of a given market and the pricing, conduct and economic performance of firms operating in that market. In my view, the analytical linkages between structure, conduct and performance produce economic predictions fully adequate for the Board's responsibilities under the Bank Holding Company Act and place the burden upon the applicant to come forward with an affirmative showing which would contradict these predictions. The Applicant in this case has not done so.

While my primary concern is the adverse effect this acquisition would have in the Austin market, I am also concerned about the implications this approval would have for market structure in Texas generally. During the early 1970's, bank holding companies in Texas engaged in an intensive round of consolidations and acquisitions. With the upswing in economic activity and improvement in market conditions, the major bank holding companies appear poised for another round of acquisition activity. While not rigidly adhering to the so-called "Tyler Doctrine" which would prevent any of the four first-tier holding companies from acquiring the largest banks in any of the secondary markets, I would look more favorably upon such acquisitions by the second-tier holding companies or the larger independent banks. Such activity by the smaller banking organizations in Texas would tend to decrease the absolute size disparity between the largest organizations and the rest of the State's organizations, thereby increasing the number of effective competitors in Texas and increasing competition within the State. Additionally, Austin is the largest of the secondary markets in Texas and would provide a key entry point for one of the smaller organizations in Texas not represented in that market. Such growth by the smaller Texas organizations would greatly increase the amount of financial expertise and capabilities available to meet the expanding banking needs of Texas.

For the foregoing reasons, I would deny this application.

Texas Commerce Bancshares, Inc.,
Houston, Texas

Order Denying Acquisition of Bank

Texas Commerce Bancshares, Inc., Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842 (a)(3)) to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Bexar County National Bank of San Antonio, San Antonio, Texas ("Bank").

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

Applicant, the largest banking organization in Texas, controls 32 banks with aggregate deposits of approximately $3.7 billion, representing 7.6 per cent of the total commercial bank deposits in the State.[1] Acquisition of Bank ($126.7 million in deposits) would increase Applicant's share of Statewide deposits by 0.2 per cent and would not result in a significant increase in the concentration of banking resources in Texas.

Bank is the fourth largest of 44 banking organizations operating in the San Antonio banking market, controlling 4.8 per cent of market deposits.[2] Applicant operates two banks in the San Antonio market and is the eighth largest commercial banking organization therein, controlling 4.1 per cent of market deposits. Thus, consummation of the proposal would significantly increase Applicant's market share, to 8.9 per cent. Furthermore, the facts of record show that one of Applicant's San Antonio banking subsidiaries is located only 3.3 miles southeast of Bank and that approval would eliminate significant existing competition between Bank and Applicant's banking subsidiaries in the market.[3]

Bank ranks among the top 5 per cent of all Texas banks in deposit size[4] and is the largest independent bank in the San Antonio banking market, more than twice the size of the largest remaining independent bank in downtown San Antonio; thus, approval of the proposal would remove an attractive entry vehicle for a Texas bank holding company not currently represented in the growing San Antonio market.[5] Approval would also lessen the possibility of future market deconcentration through the entry of another banking organization into the market. On the basis of the foregoing and other facts of record, the Board concludes that approval of the application would have significantly adverse competitive effects.

In acting upon this application, the Board has considered the comments of the Department of Justice and Applicant's responses thereto. The Justice Department indicated that, in its opinion, the proposed acquisition would have an adverse competitive effect since it would eliminate existing competition to a significant degree, eliminate the potential for increased competition between Applicant and Bank, and lead to a significant increase in the concentration of commercial banking in the San Antonio area, and, more specifically, within Bexar County. Applicant responded that existing competition between Applicant and Bank was *de minimis* since Applicant's closest banking subsidiary, Highland Park State Bank, is a suburban retail bank while Bank is a downtown commercial bank. Applicant further contended that the concentration ratio of the four largest banks in the San Antonio commercial banking market is the lowest in any principal city in Texas; that no significant increase in concentration will result from consummation of the proposal; and, moreover, the concentration ratio has decreased by 3.4 percentage points since 1970. Finally, Applicant indicated that consummation of the proposal would not eliminate the potential for increased competition by foreclosing

[1] Unless otherwise noted, all banking data are as of September 30, 1976, and reflect bank holding company formations and acquisitions approved through April 15, 1977

[2] The relevant banking market for analyzing the competitive effects of the subject proposal is the San Antonio banking market which is approximated by the San Antonio SMSA (standard metropolitan statistical area), comprised of Bexar, Comal, and Guadalupe Counties. All market data are as of December 31, 1975.

[3] Bank derives 8.9 per cent of its deposits and 16.2 per cent of its loans from the service areas of Applicant's two market subsidiaries, Highland Park State Bank and The First National Bank of New Braunfels.

[4] Bank ranks 34th out of the 1,144 banking organizations in Texas as of December 31, 1975

[5] Between 1970 and 1975 the population of the San Antonio SMSA increased 10.7 per cent while the population of Texas increased 8.8 per cent over the same time period.

the possibility that Applicant would establish a *de novo* bank or that Bank would form a holding company, since Applicant, as a matter of management policy, has never formed a *de novo* bank outside the area of metropolitan Houston, and Bank's management had considered and rejected the possibility of forming its own bank holding company or becoming affiliated with a smaller regional bank holding company.

It is the Board's opinion, however, based on the foregoing and other facts of record, that competitive considerations relating to this application weigh sufficiently against approval so that it should not be approved unless the anticompetitive effects are clearly outweighed by benefits to the public in meeting the convenience and needs of the communities to be served.

The financial and managerial resources and prospects of Applicant, its subsidiary banks, and Bank are generally satisfactory. Thus, banking factors are consistent with approval of the application. Considerations relating to the convenience and needs of the communities to be served lend little, if any, weight toward approval. Applicant contends that by affiliation it would provide Bank with the capability of offering full-line wholesale banking services, consumer-sized certificates of deposit, and an extension of Bank's operating hours; however, the banking needs of the area are currently being met and an array of such services is already available in the San Antonio market. The Board finds that neither the considerations relating to banking factors, nor to convenience and needs, are sufficient to outweigh the significantly adverse competive effects of Applicant's proposal.

Based upon the foregoing and other considerations reflected in the record, and in light of the factors set forth in § 3(c) of the Act, it is the Board's judgment that approval of the proposal would not be in the public interest. Accordingly, the application should be, and hereby is, denied for the reasons summarized above.

By order of the Board of Governors, effective April 29, 1977.

Voting for this action: Chairman Burns and Governors Jackson, Partee, and Lilly. Abstaining: Governor Coldwell. Absent and not voting: Vice Chairman Gardner and Governor Wallich.

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

Trust Company of Georgia,
Atlanta, Georgia

Order Approving Acquisition of Bank

Trust Company of Georgia ("Applicant"), Atlanta, Georgia, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares (except directors' qualifying shares) of the successor by merger to The First National Bank of Brunswick ("Bank"), Brunswick, Georgia. The successor bank into which Bank is to be merged has no significance except as a means of facilitating the acquisition of the voting shares of Bank. Accordingly, the proposed transaction is treated in this Order as a proposed direct acquisition by Applicant of the shares of Bank.

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

Applicant, the third largest banking organization in Georgia, directly controls Trust Company Bank, Atlanta, Georgia, which has deposits of $796 million, and indirectly controls five other banks with aggregate deposits of approximately $400 million.[1] The aggregate deposits of Applicant's existing and approved subsidiary banks represent about ten per cent of the total deposits in commercial banks in the State. Acquisition of Bank would increase Applicant's share of the commercial bank deposits in the State by 0.5 per cent, and the Board views this increase with a degree of concern because of the increasing trend toward further concentration in the State.[2]

[1] All banking and market data are as of December 31, 1975, unless otherwise noted. Since that date, the Board has approved Applicant's acquisition of Security National Bank, Smyrna, Georgia, which has deposits of $17.4 million, and its merger with Central Bankshares Corporation, Jonesboro, Georgia, the subsidiary bank of which has deposits of $13.7 million. This expansion has occurred in part because of more permissive State bank holding company legislation that became effective in July 1976.

[2] Georgia's three largest banking organizations, including both existing and approved bank subsidiaries, presently control approximately 44 per cent of State deposits, and applications by those organizations now pending would add 1.7 per cent to that figure, if approved.

Bank is the largest of three banking organizations in the relevant banking market[3] and holds deposits of $57.2 million, representing approximately 51 per cent of the total deposits in commercial banks in the market. The other two banks in the market hold about 36 and 13 per cent of the market's deposits, respectively. Applicant's nearest existing or proposed subsidiary bank is located almost 75 miles from Bank, and it appears that this acquisition will eliminate no significant existing competition between Bank and Applicant's bank and nonbank subsidiaries. Although Applicant has sufficient resources to enter the Brunswick banking market *de novo*, Georgia law prohibits Applicant from branching into or acquiring a *de novo* bank in the relevant banking market. In bypassing a small existing bank as a market entry vehicle, however, Applicant will add 0.5 per cent to a rising level of Statewide concentration, and will contribute to some extent to an imbalance of the financial resources among existing banks in the market by solidifying Bank's position in that market. For these reasons and based on the facts of record, the Board concludes that the proposed acquisition would have slightly adverse effects on competition.

The financial and managerial resources of Applicant and Bank, and their future prospects, are regarded as generally satisfactory, and considerations relating to banking factors are consistent with approval of the application. Applicant intends to offer services not now available to Bank's customers and to strengthen Bank's management and improve the services presently offered by Bank. Following consummation of the acquisition, Applicant will provide full-time executive personnel for Bank, and will provide Bank's customers with new services, including corporate trust, investment management, international banking, and factoring services. In addition, Bank may be expected to benefit from access to Applicant's specialized expertise in all areas of existing services. These considerations relating to convenience and needs of the community to be served lend weight toward approval of the application to acquire Bank, and in the Board's judgment outweigh the slightly adverse effects on competition that might result from consummation of this proposal. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

[3]The relevant banking market is approximated by Glynn County.

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

By order of the Board of Governors, effective April 1, 1977.

Voting for this action: Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Gardner.

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

Western Michigan Corporation,
Niles, Michigan

Order Approving Acquisition of Bank

Western Michigan Corporation, Niles, Michigan, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act [12 U.S.C. § 1842(a)(3)] to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to The First National Bank of Cassopolis, Cassopolis, Michigan ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

By Order dated June 30, 1976, the Board of Governors denied the application of Western Michigan Corporation to acquire Bank [41 *Federal Register* 28361 (1976); 62 Federal Reserve BULLETIN 624 (1976)]. Thereafter, Applicant filed a Request for Reconsideration of the Board's Order pursuant to section 262.3(g)(5) of the Board's Rules of Procedure [12 CFR § 262.3(g) (5)]. By Order dated November 26, 1976 [41 *Federal Register* 53118 (1976); 62 Federal Reserve BULLETIN 1058 (1976)], the Board granted Applicant's request for reconsideration of the application.

Notice of the Board's action granting a reconsideration of the application and affording an opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act [41 *Federal Register* 53118 (1976)]. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act [12 U.S.C. § 1842(c)].

Applicant is the 32nd largest banking organization in Michigan and through its sole subsidiary bank, First National Bank of Southwestern Michigan, Niles, Michigan ("FNB"), holds deposits of approximately $129.0 million, representing 0.4 per cent of the total deposits held by commercial banks in the State.[1] Acquisition of Bank would increase Applicant's share of Statewide deposits by approximately .05 per cent and would make Applicant the 29th largest banking organization in Michigan: however, consummation of the proposal would not significantly increase the concentration of banking resources in Michigan.

In its earlier denial Order, the Board determined that the relevant banking market for analyzing the competitive effects of the proposal was the Cass County banking market, which was found to be approximated by all of Cass County except the two extreme southwestern townships of Howard and Milton. Based upon such a market definition the Board concluded that acquisition of Bank (second largest of five banking organizations in the market) by Applicant (fourth largest of five in the market) would have significant adverse effects upon concentration in the relevant banking market because Applicant's share of market deposits would increase by 20.1 percentage points to 37.2 per cent and the two-firm concentration ratio would become 75.3 per cent.[2] The Board also concluded that consummation of the transaction would have adverse effects upon existing competition within that market. In addition, approval of the proposed transaction would have adverse effects upon future competition because there would result a reduction in the number of banking alternatives operating in the market and the elimination of Bank as both a competitor of Applicant and a viable entry vehicle for a Michigan bank holding company not represented in the market. This latter factor was even more significant in light of the fact that the Cass County banking market was regarded by the Board as not being particularly attractive for *de novo* entry by other banking organizations seeking to gain access thereto. Furthermore, although the Board found that considerations relating to convenience and needs did lend some weight toward approval, the Board concluded that neither of these considerations nor those relating to banking factors were sufficient to outweigh the adverse competitive effects of Applicant's proposal.

In requesting reconsideration, Applicant submitted evidence indicating that the relevant banking market is more appropriately a redefined South Bend/Elkhart, Indiana Ranally Metro Area ("RMA").[3] In the the redefined banking market, Applicant would rank as the sixth largest of twenty banking organizations and would control total market deposits of $107.9 million, representing approximately 7.1 per cent of the total deposits held by commercial banks in the market. With $17.7 million in deposits, Bank would rank as the thirteenth largest banking organization in the relevant banking market and would control approximately 1.2 per cent of total market deposits. Acquisition of Bank by Applicant would increase Applicant's share of total deposits in the relevant banking market to approximately 8.3 per cent while Applicant's rank therein would remain unchanged. Thus, consummation of the proposal would not have the significant adverse effects on concentration in the relevant banking market that were of concern to the Board in its original Order.

Consummation of the proposed transaction would continue to eliminate some existing competition because FNB operates its head office and eight branches within the relevant market and FNB's nearest office to Bank is located in Dowagiac, Michigan, 10 miles northwest of Bank. While consummation of the proposal would slightly increase the concentration of banking resources in the relevant market and eliminate Bank as both a competitor and a potential entry vehicle for a Michigan bank holding company not repre-

[1] Unless otherwise indicated, all banking data are as of June 30, 1976, and reflect bank holding company formations and acquisitions approved through March 4, 1977.

[2] Banking data are as of June 30, 1975

[3] Board staff undertook a systematic review (township by township) of Cass County to determine the correct market and, as a result of this analysis, the Board has determined that the competitive effects of this proposal are more appropriately analyzed in the Niles, Michigan South Bend/Elkhart, Indiana banking market, which is approximated by the South Bend/Elkhart, Indiana RMA, Cass County, Michigan, and Niles, Michigan

sented in the market, it now appears that any adverse effects upon the market's competitive structure are minimized by the existence of several other independent banking alternatives in the market, including the second largest banking organization in Michigan. In light of the revised definition of the relevant market, the competitive effects of Applicant's proposal are significantly lessened and are not as adverse as they were at the time the Board issued its denial Order. It is the Board's judgment that, on balance, consummation of Applicant's proposal would have only slightly adverse competitive effects.

The financial and managerial resources and future prospects of Applicant, its subsidiary bank, and Bank are regarded as satisfactory and consistent with approval of the application. Acquisition of Bank by Applicant would enhance Bank's ability to compete because Bank currently possesses limited capabilities in terms of the banking services that it is able to offer to the residents of the areas in which it is operating. As the Board previously indicated, affiliation with Applicant would enable Bank to expand its trust department, increase its lending capacity through loan participations, upgrade its agricultural loan services, and create new time deposit services and municipal and corporate savings programs. In the Board's view, these considerations relating to both the convenience and needs of the community to be served and the banking factors lend weight toward approval of the application and are sufficient to outweigh any slightly adverse competitive effects present in this proposal. Therefore, it is the Board's judgment that consummation of the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective April 29, 1977.

Voting for this action: Governors Wallich, Coldwell, Partee, and Lilly. Voting against this action: Governor Jackson. Absent and not voting: Chairman Burns and Vice Chairman Gardner.

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

Dissenting Statement of Governor Jackson

I would deny the application of Western Michigan Corporation to acquire The First National Bank of Cassopolis. It appears from the facts of record that, although consummation of this transaction would not significantly increase the concentration of banking resources in Michigan, it would have significant adverse effects within the relevant banking market.

In the Board's previous consideration of this application, the facts of record indicated to the Board that acquisition of Bank by Applicant would have significantly increased Applicant's share of total deposits in the relevant banking market[1] from approximately 17.1 per cent to approximately 37.2 per cent and would have resulted in Applicant becoming the market's second largest of five banking organizations.[2] Thus, the two-bank concentration ratio in the relevant market would have become 75.3 per cent, a significant increase in the concentration of banking resources in that market. Furthermore, in addition to the significant adverse effects upon market concentration, the proposal would have had adverse effects upon existing competition within the Cass County market. It was the Board's judgment that approval of the transaction would have resulted in a reduction in the number of banking alternatives operating in the market and would have eliminated Bank as a viable entry vehicle for a bank holding company not represented in that market. The Board, on the basis of these and other facts of record, including the denial recommendation of the Department of Justice, concluded that approval of the application would have significant adverse effects upon existing competition. In addition, the Board concluded that the anticompetitive effects of the proposal were not clearly outweighed by benefits to the public in meeting the convenience and needs of the communities to be served. Accordingly, the application was denied.

The application is being reconsidered by the Board in light of a revised definition of the relevant banking market, which now will be the Niles, Michigan-South Bend/Elkhart, Indiana banking

[1] The relevant market was approximated by all of Cass County except for the two extreme southwestern townships of Howard and Milton, which are part of the Niles, Michigan-South Bend/Elkhart, Indiana, banking market.

[2] At that time, Michigan National Corporation, Bloomfield Hills, Michigan, controlled approximately 38.1 per cent of total market deposits and ranked as the largest banking organization therein.

market. This market has been expanded to include Cass County, including Cassopolis, formerly contained in the Cass County banking market.[3] Even in light of this revised banking market, I would deny this application for reasons similar to those expressed above.

Applicant would rank as the sixth largest of twenty banking organizations in the new market and would control total market deposits of $107.9 million, representing approximately 7.1 per cent of market deposits. Bank would be the thirteenth largest organization in the new market, with total deposits of $17.7 million, representing approximately 1.2 per cent of total market deposits. Accordingly, upon consummation of this transaction, the resulting organization would rank sixth in the new market with 8.3 per cent of market deposits. It is my opinion that competitive factors relating to this application are significantly adverse inasmuch as consummation of the proposed transaction would (1) eliminate significant existing competition between Applicant's subsidiary bank and Bank; (2) eliminate a banking alternative in this market; (3) increase market concentration; and (4) remove Bank as a potential entry vehicle for other organizations not currently represented in the market. Of particular significance is the elimination of existing competition between Applicant and Bank in the market inasmuch as Applicant's subsidiary bank derives loans and deposits from Bank's service area that represent approximately 28 and 10 per cent, respectively, of Bank's total loans and deposits.

The application should be denied unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of this transaction in meeting the convenience and needs of the community to be served. Applicant has indicated that it would provide trust services for Bank's customers, increase Bank's lending capacity through loan participations, upgrade its agricultural loan services, and create new time deposit services and municipal and corporate savings programs. The Board's majority has concluded that these public benefits outweigh the anticompetitive effects of this proposal. I disagree with that conclusion. The considerations relating to the convenience and needs of the community to be served lend some weight toward approval of the application; however, in my view, they are not sufficient to outweigh the adverse competitive effects of Applicant's proposal.

Therefore, based upon the above reasons, I would deny this application.

[3]Evidence in the record indicates that Rand McNally Corporation has redefined the South Bend/Elkhart, Indiana Ranally Metro Area based upon commuting and trade patterns between Cass County and the Niles, Michigan-South Bend/Elkhart, Indiana areas, to include Cass County.

Yoakum County Bancshares, Inc.,
Denver City, Texas

Order Approving
Formation of Bank Holding Company

Yoakum County Bancshares, Inc., Denver City, Texas, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisition of 96.04 per cent of the voting shares (less directors' qualifying shares) of Yoakum County State Bank, Denver City, Texas ("Bank").

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

Applicant, a nonoperating corporation with no subsidiaries, was formed for the purpose of becoming a bank holding company through the acquisition of Bank. Bank has total deposits of $17.8 million, representing .04 per cent of total deposits in commercial banks in the State of Texas.[1] Bank is the larger of two commercial banks in the relevant banking market,[2] controlling 74.6 per cent of the deposits therein. The purpose of the proposed transaction is to facilitate the transfer of the ownership of shares of Bank from individuals to a corporation owned by the same individuals. Principals of Applicant are principals of West Texas Bancorporation, a one-bank holding company controlling The First National Bank of Post, Post, Texas. First National Bank is located ninety-three miles from Bank in a separate banking market. In view of the relatively small sizes of Bank and First National Bank and the distance

[1]All deposit data are as of December 31, 1975.

[2]The relevant banking market is approximated by Yoakum County.

between them, consummation of the instant proposal will have no adverse effect upon existing or potential competition nor increase the concentration of banking resources in any relevant market. Accordingly, it is concluded that competitive considerations are consistent with approval of the application.

The Board applies multi-bank holding company standards in assessing the financial and managerial resources and future prospects both of an applicant seeking to become a one-bank holding company, and of its proposed subsidiary bank, where the principals of the Applicant are engaged in establishing a chain of one-bank holding companies.[3] First National Bank appears to be in satisfactory condition, which suggests that Applicant's principals would conduct the operations of the proposed holding company and of Bank in a satisfactory manner. In addition, Applicant has committed that it will not declare dividends on its common stock unless the debt it will incur to purchase shares of Bank is amortized as projected in the application. Applicant has also committed that, in the event any such dividend is paid, certain capital ratios set forth in the application will be maintained. Applicant proposes to service the debt it will incur as a result of the proposed transaction through dividends from Bank over a 12-year period. Based on Bank's past earnings, it appears that Applicant will be able to meet its annual debt-servicing requirements and maintain Bank's capital position. These commitments together with other commitments by Applicant and Applicant's shareholders, individually, which commitments are contained in the instant application, cause the considerations relating to banking factors to be consistent with approval of the application.

It does not appear that the convenience and needs of the community to be served are not being met currently. Although there will be no immediate change in the services offered by Bank upon consummation of the proposal, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Consummation of the proposed transaction is in the public interest and it should be approved.

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

By order of the Secretary of the Board, acting pursuant to delegated authority from the Board of Governors, effective April 22, 1977.

(Signed) THEODORE E. ALLISON,

[SEAL] *Secretary of the Board.*

American General Insurance Company,
Houston, Texas

Order Amending Prior Board Order with regard to Divestiture of Shares of Texas Commerce Bancshares, Inc., held by American General Insurance Company

By Order of April 11, 1972,[1] the Board determined that American General Insurance Company ("American General"), Houston, Texas, had ceased to be a bank holding company for purposes of the Bank Holding Company Act of 1956, as amended ("Act"). The Board's determination was conditioned upon American General exchanging all voting shares of Texas Commerce Bancshares, Inc. ("TCB"), Houston, Texas, then held by American General for a new class of shares of TCB that, while held by American General would be nonvoting. The determination was further conditioned upon American General's fulfilling four commitments enumerated in the Board's Order. American General committed to divest itself by January 1, 1981, of all nonvoting shares of TCB and to accomplish said divestiture through a public offering underwritten by investment bankers under an agreement that no purchaser either directly or indirectly would acquire at the sale shares aggregating more than 2 per cent of the then outstanding common stock of TCB. American General has exchanged its voting shares of TCB for nonvoting shares.

[3]See the Board's Order of June 14, 1976, denying the application of Nebraska Banco, Inc., Ord, Nebraska (62 Fed. Res. BULLETIN 638 (1976)).

[1]58 Federal Reserve BULLETIN 487 (1972).

American General has now requested that the Board modify its Order to permit American General to divest itself of the nonvoting TCB shares through dividend distributions to American General's common stock shareholders at a rate of not less than one TCB share for every 100 shares of American General common stock held. American General has fulfilled the other conditions of the Board's Order and there is no evidence indicating that American General has sought to exercise a controlling influence over TCB. American General's common stock is widely held, and it appears that no shareholder of American General would receive shares of TCB aggregating more than 2 per cent of the outstanding common stock of TCB.[2]

On the basis of the facts of record, the Board concludes that approval of American General's request is consistent with the purposes of the Act the Board sought to accomplish in its Order of April 11, 1952. Accordingly, the Board's Order of April 11, 1972, is hereby amended to permit American General to divest its interest in TCB through dividend distributions to the common stock shareholders of American General. This amendment is subject to the following conditions:

(1) American General will not hold any voting or nonvoting TCB shares on January 1, 1981.

(2) American General will dispose of any TCB shares received by its subsidiaries or other shareholders directly or indirectly under its control within three months of receipt of said shares.

The Board's actions herein is subject to amendment, revocation, or nullification by the Board should it conclude that American General at any time exercises or has attempted to exercise control or a controlling influence over TCB or any of its subsidiaries.

By order of the Board of Governors, effective April 14, 1977.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Jackson, and Partee. Absent and not voting: Chairman Burns and Governor Lilly.

(Signed) RUTH A. REISTER,
[SEAL] *Assistant Secretary of the Board.*

[2]Certain American General subsidiaries and employee and agent benefit plans hold shares of American General's common stock. American General has indicated that those subsidiaries and benefit plans would promptly resell pursuant to Rule 144 of the Securities and Exchange Commission all shares of TCB stock received in connection with the dividend distributions.

Ellis Banking Corporation,
Bradenton, Florida

Order Approving Acquisition of Bank and Granting a Requested Determination Pursuant to Section 2(g)(3)

Ellis Banking Corporation, Bradenton, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 50.1 per cent or more of the voting shares of the Citizens Bank of Bunnell, Bunnell, Florida ("Bank").

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

Applicant, the tenth largest banking organization in Florida, controls 25 banks with aggregate deposits of approximately $692.3 million, representing approximately 2.8 per cent of total commercial bank deposits in Florida.[1] Acquisition of Bank (approximately $11.8 million in deposits) would increase Applicant's share of commercial bank deposits in Florida by .05 per cent and would have no appreciable effect upon the concentration of banking resources in Florida.

Bank, the larger of the two banks in the relevant market,[2] controls total deposits of approximately $11.8 million, representing about 63 per cent of the total deposits in commercial banking institutions in the market. The closest subsidiary bank of Applicant is located 150 miles south of Bank in a separate banking market. Approval of the proposal would eliminate no significant existing competition between Applicant's subsidiaries and Bank. Common ownership and control of Bank and the only other bank in the relevant market has led to common senior operating management and numerous director interlocks. Because of this relationship, the two banking institutions do not presently compete with each other to any meaningful extent. If the subject proposal is approved,

[1]All banking data are as of June 30, 1976.

[2]The relevant market is approximated by Flagler County.

Applicant has indicated that the present relationship would be terminated and Bank would become independent and an alternative source of banking services in the relevant market. On the basis of the facts of record, the Board concludes that competitive considerations are consistent with, and lend some weight toward, approval of the application.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as generally satisfactory. The financial and managerial resources and future prospects of Bank appear satisfactory. Considerations relating to banking factors are consistent with approval.

Applicant has indicated that it will provide Bank with specialized lending expertise and assist it in securing loan participations. Furthermore, affiliation with Applicant will provide Bank with access to Applicant's centralized auditing, accounting, investment counseling, and management training program. Considerations relating to the convenience and needs of the community to be served, therefore, lend some weight toward approval of the application. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

In connection with this proposal, Applicant will offer two types of debt instruments in exchange for Bank's stock: a seven-year maturity convertible debenture and a ten-year maturity nonconvertible debenture. Florida National Banks of Florida, Inc. ("Florida National"), Jacksonville, Florida, will exchange the 50.1 per cent of the voting shares it now holds in Bank for the ten-year maturity *nonconvertible* debentures Applicant is offering.[3] Under § 2(g)(3) of the Act, shares transferred after January 1, 1966, by a bank holding company directly or indirectly to any transferee that is indebted to the transferor are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. On the basis of the facts of record, including submissions from both Applicant and Florida National, the Board has determined, pursuant to § 2(g)(3) of the Act (12 U.S.C. § 1841(g)(3)), that Florida National will not in fact be capable of controlling Applicant.[4] Furthermore, upon consummation of this transaction, Florida National will terminate its interest in Bank, as required by the Board's Order of July 29, 1976.

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

By order of the Board of Governors, effective April 4, 1977.

Voting for this action: Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Gardner.

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

PRIOR CERTIFICATIONS UNDER THE BANK HOLDING COMPANY TAX ACT OF 1976

Helmerich & Payne, Inc., Tulsa, Oklahoma

Helmerich & Payne, Inc., Tulsa, Oklahoma ("H&P") has requested a prior certification pursuant to § 1101(b) of the Internal Revenue Code (the "Code"), as amended by § 2(a) of the Bank Holding Company Tax Act of 1976, that its proposed divestiture of substantially all of the 85,510 shares of Utica Bankshares Corporation, Tulsa,

[3] Officers of Florida National acquired a controlling interest in Bank in 1974. In its Order of July 29, 1976, denying Florida National's application to acquire control of Bank from its officers, the Board found that Florida National had violated the prior approval requirements of § 3 of the Act, and required Florida National to divest of all direct or indirect interest in Bank (62 Fed. Res. BULLETIN 696). The subject application represents the means by which Florida National seeks to comply with the Board's Order.

[4] Among the facts of record upon which the Board bases this determination, the Board notes, in particular, that Florida National has no directors or officers in common with Applicant. Florida National will hold *nonconvertible* debentures totalling less than 5 per cent of Applicant's total liabilities and Florida National's Board of Directors has resolved that it "will not exercise or attempt to exercise any degree or manner of control of Ellis Banking Corporation as long as Florida National is the owner or holder of the ten-year maturity nonconvertible debentures of Ellis." Furthermore, there are no agreements or understandings between Florida National and Ellis whereby Florida National would regain the shares of Bank's stock it has exchanged

Oklahoma ("Bankshares"), presently held by H&P, through the *pro rata* distribution of such shares to the common shareholders of H&P, is necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 *et. seq.*) ("BHC Act"). H&P proposes to distribute to its shareholders one share of Bankshares for each 50 shares of H&P held by such shareholders. H&P shareholders who would be entitled to fractional interests in Bankshares shares will receive cash in lieu of such fractional interests. H&P anticipates that because it will not distribute fractional shares, it will, after the distribution, remain in possession of approximately 0.6 per cent of the total outstanding shares of Bankshares.

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

1. H&P is a corporation organized under the laws of the State of Delaware on February 3, 1940.

2. On July 7, 1970, H&P controlled 36.6 per cent of the outstanding voting shares of Utica National Bank and Trust Company, Tulsa, Oklahoma ("Bank").

3. H&P become a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its control at that time of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board in August 1971.

4. H&P holds property acquired by it on or before July 7, 1970, the disposition of which would be necessary or appropriate to effectuate § 4 of the BHC Act if H&P were to continue to be a bank holding company beyond December 31, 1980, which property is "prohibited property" within the meaning of section 1103(c) of the Code.

5. On or about February 1, 1974, H&P sold 12,500 shares of voting stock of Bank, thereby reducing to approximately 23 per cent of Bank's outstanding voting stock the number of shares of such stock controlled by H&P. Subsequent to that date, H&P requested a determination by the Board that it was no longer a bank holding company. However, on July 11, 1974, H&P was advised that the Legal Division of the Board and the Federal Reserve Bank of Kansas City had concluded that H&P had not established that it no longer controlled or exercised a controlling influence over the management or policies of Bank. This conclusion was based in part upon the fact that H&P still held approximately 23 per cent of the voting shares of Bank; that three persons who were officers or directors of H&P served as directors of Bank; and that no other individual or organization controlled more than 9 per cent of Bank's voting stock.[2]

6. H&P has, continuously since its registration as a bank holding company, remained subject to the BHC Act and has conducted its affairs as a bank holding company. Specifically, on January 14, 1975, it filed with the Board, and the Board accepted, an irrevocable declaration, pursuant to section 225.4(d) of the Board's Regulation Y, that it will cease to be a bank holding company by January 1, 1981; on March 3, 1975, the Board approved an application filed by H&P as a bank holding company pursuant to section 3(a)(3) of the BHC Act to acquire control of 22.2 per cent of the voting shares of Bankshares in connection with the reorganization of Bank into a wholly-owned subsidiary of Bankshares; and during 1975 and 1976 H&P filed with the Board all of the reports required of it under the BHC Act.

7. H&P has indicated that it will terminate all interlocking relationships between H&P and its subsidiaries, on one hand, and Bankshares and its subsidiaries, including Bank, on the other hand, within six months following the distribution of H&P's shares of Bankshares.

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

(A) H&P is a qualified bank holding corporation, within the meaning of subsection (b) of section 1103 of the Code, and satisfies the requirements of that subsection;

(B) the shares of Bankshares that H&P proposes to distribute to its shareholders are all or part of the property by reason of which H&P controls (within the meaning of § 2(a) of the BHC Act) a bank or bank holding company; and

(C) the distribution of such shares is necessary or appropriate to effectuate the policies of the BHC Act.

This certification is based upon the representations made to the Board by H&P and upon the facts set forth above. In the event the Board

[1] This information derives from H&P's correspondence with the Board concerning its request for this certification, H&P's Registration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.

[2] In fact, although members of one family owned approximately 9 per cent of Bank's voting stock at that time, no single individual or organization controlled more than 5 per cent of Bank's voting stock.

should hereafter determine that facts material to this certification are otherwise than as represented by H&P, or that H&P has failed to disclose to the Board other material facts, it may revoke this certification. This certification is granted upon the condition that no later than six months after the distribution by H&P of its shares of Bankshares, no person who is an employee with management functions, officer or director (including an advisory or honorary director) of H&P or any subsidiary of H&P shall at the same time serve in any such capacity with Bankshares or any subsidiary of Bankshares, including Bank.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority, (12 C.F.R. 265.2(b)(3)), effective March 25, 1977.

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

Republic of Texas Corporation,
Dallas, Texas

Republic of Texas Corporation, Dallas, Texas ("Republic") has requested a prior certification pursuant to § 6158(a) of the Internal Revenue Code (the "Code"), as amended by § 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that the proposed sale by The Howard Corporation ("Howard"), a subsidiary of Republic, of the Town & Country Shopping Center, Midland, Texas ("Town & Country) is necessary or appropriate to effectuate § 4 of the Bank Holding Company Act (12 U.S.C. § 1843 *et seq.*) ("BHC Act"). Howard proposes to sell Town & Country to Hotelmattschappij Duin & Daal B.V., a corporation of Holland, for $1,025,000 cash and assumption of the unpaid principal balance owed by Howard on a note dated March 1, 1966, to The Equitable Life Assurance Association of the United States.

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

1. On July 7, 1970, Republic National Bank of Dallas ("Old Republic Bank"), a national banking association, indirectly controlled 29.9 per cent of the outstanding voting shares of Oak Cliff Bank and Trust Company, Dallas, Texas ("Oak Cliff Bank").

2. On July 7, 1970, Old Republic Bank indirectly controlled, through Howard, a trusteed affiliate, property the disposition of which would be necessary or appropriate to effectuate § 4 of the BHC Act if Old Republic Bank were to continue to be a bank holding company beyond December 31, 1980, which property is "prohibited property" within the meaning of § 1103(c) of the Code.

3. Old Republic Bank became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its indirect control at that time of more than 25 per cent of the outstanding voting shares of Oak Cliff Bank, and it registered as such with the Board on September 24, 1971.

4. Republic is a corporation that was organized under the laws of the State of Delaware on July 12, 1972, for the purpose of effecting the reorganization of Old Republic Bank into a subsidiary of Republic.

5. On September 10, 1973, the Board ruled that in the event Republic were to become a bank holding company through the acquisition of the successor by merger to Old Republic Bank, Republic would not be regarded as a "successor" to Old Republic as defined in § 2(e) of the BHC Act for the purposes of § 2(a)(6) of the BHC Act, or as a "company covered in 1970," as that term is defined in the BHC Act, and that Republic was not entitled to the benefit of any grandfather privileges that Old Republic Bank may have possessed pursuant to the proviso in § 4(a)(2) of the BHC Act.

6. By Order dated October 25, 1973, the Board approved Republic's application under § 3(a)(1) of the BHC Act to become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to Old Republic Bank and the indirect acquisition of control of 29.9 per cent of the voting shares of Oak Cliff Bank. Pursuant to the provisions of § 4(a)(2) of the BHC Act, Republic was required by that order to divest itself, within two years from the date as of which it would become a bank holding company, of the impermissible nonbanking interests that would be directly or indirectly controlled by the successor by merger to Old Republic Bank, including such impermissible interests held by Howard.

7. On May 9, 1974, in a transaction described in § 368(a)(1)(A) and § 368(a)(2)(D) of the Code, Old Republic Bank was merged into the present

[1] This information derives from Republic's correspondence with the Board concerning its request for this certification, Republic's Registration Statement filed with the Board pursuant to the BHC Act as well as the Registration Statement of Republic National Bank and other records of the Board.

Republic National Bank of Dallas ("New Republic Bank"), a national banking association which was a wholly-owned subsidiary (except for directors' qualifying shares) of Republic. New Republic Bank thereby acquired substantially all of the properties of Old Republic Bank and Republic thereupon became a bank holding company. By virtue of two one-year extensions granted by the Board, Republic presently has until May 9, 1978, to complete the divestitures required by the Board's Order of October 25, 1973.

8. As part of the same transaction by which Republic became a bank holding company, in a transaction to which § 351 of the Code applied, Republic acquired beneficial interests in the shares of Howard held by trustees for the benefit of shareholders of New Republic Bank, which shares are shares described in § 2(g)(2) of the BHC Act.

9. Town & Country was acquired by Howard on November 2, 1965, and is a part of the property of Howard in which Republic acquired a beneficial interest pursuant to § 2(g)(2) of the BHC Act.

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

(A) Prior to May 9, 1974, Old Republic Bank was a "qualified bank holding corporation," within the meaning of subsection (b) of § 1103 of the Code, and satisfied the requirements of that subsection.

(B) New Republic Bank is a corporation that acquired substantially all of the properties of a qualified bank holding corporation, and as such is treated as a qualified bank holding corporation for the purposes of § 6158 of the Code, pursuant to § 3(d) of the Tax Act.

(C) Republic is a corporation in control (within the meaning of § 2(a)(2) of the BHC Act) of New Republic Bank, and as such is treated as a qualified bank holding corporation for the purposes of § 6158 of the Code, pursuant to § 3(d) of the Tax Act.

(D) Howard is a subsidiary (within the meaning of § 2(d) of the BHC Act) of Republic, and as such is treated as a qualified bank holding corporation for the purposes of § 6158 of the Code, pursuant to § 3(d) of the Tax Act.

(E) Town & Country is "prohibited property" for the purposes of § 6158 of the Code; and

(F) The sale of Town & Country is necessary or appropriate to effectuate § 4 of the BHC Act.

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

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 CFR § 265.2(b)(3)), effective March 30, 1977.

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

Republic of Texas Corporation,
Dallas, Texas

Republic of Texas Corporation, Dallas, Texas ("Republic") has requested a prior certification pursuant to § 6158(a) of the Internal Revenue Code (the "Code"), as amended by § 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that the proposed sale by The Howard Corporation ("Howard"), a subsidiary of Republic, of the Uptown Shopping Center, Shreveport, Louisiana ("Uptown") is necessary or appropriate to effectuate § 4 of the Bank Holding Company Act (12 U.S.C. § 1843 *et seq.*) ("BHC Act"). Howard proposes to sell Uptown to Hexalon B.V., a Netherland corporation ("Hexalon"). As consideration, Hexalon will assume the payment of the unpaid balances totalling $3,075,000 owed by Howard on two notes dated May 26, 1966, to Lincoln National Life Insurance Company.

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

1. On July 7, 1970, Republic National Bank of Dallas ("Old Republic Bank"), a national banking association, indirectly controlled 29.9 per cent of the outstanding voting shares of Oak Cliff Bank and Trust Company, Dallas, Texas ("Oak Cliff Bank").

2. On July 7, 1970, Old Republic Bank indirectly controlled, through Howard, a trusteed affiliate, property the disposition of which would be necessary or appropriate to effectuate § 4 of the BHC Act if Old Republic Bank were to continue to be a bank holding company beyond December 31, 1980, which property is "prohibited property" within the meaning of § 1103(c) of the Code.

3. Old Republic Bank became a bank holding

[1] This information derives from Republic's correspondence with the Board concerning its request for this certification, Republic's Registration Statement filed with the Board pursuant to the BHC Act as well as the Registration Statement of Republic National Bank and other records of the Board

company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its indirect control at that time of more than 25 per cent of the outstanding voting shares of Oak Cliff Bank, and it registered as such with the Board on September 24, 1971.

4. Republic is a corporation that was organized under the laws of the State of Delaware on July 12, 1972, for the purpose of effecting the reorganization of Old Republic Bank into a subsidiary of Republic.

5. On September 10, 1973, the Board ruled that in the event Republic were to become a bank holding company through the acquisition of the successor by merger to Old Republic Bank, Republic would not be regarded as a "successor" to Old Republic as defined as § 2(e) of the BHC Act for the purpose of § 2(a)(6) of the BHC Act, or as a "company covered in 1970," as that term is defined in the BHC Act, and that Republic was not entitled to the benefit of any grandfather privileges that Old Republic Bank may have possessed pursuant to the proviso in § 4(a)(2) of the BHC Act.

6. By Order dated October 25, 1973, the Board approved Republic's application under § 3(a)(1) of the BHC Act to become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to Old Republic Bank and the indirect acquisition of control of 29.9 per cent of the voting shares of Oak Cliff Bank. Pursuant the provisions of § 4(a)(2) of the BHC Act, Republic was required by that order to divest itself, within two years from the date as of which it would become a bank holding company, of the impermissible nonbanking interests that would be directly or indirectly controlled by the successor by merger to Old Republic Bank, including such impermissible interests held by Howard.

7. On May 9, 1974, in a transaction described in § 368(a)(1)(A) and § 368(a)(2)(D) of the Code, Old Republic Bank was merged into the present Republic National Bank of Dallas ("New Republic Bank"), a national banking association which was a wholly-owned subsidiary (except for directors' qualifying shares) of Republic. New Republic Bank thereby acquired substantially all of the properties of Old Republic Bank and Republic thereupon became a bank holding company. By virtue of two one-year extensions granted by the Board, Republic presently has until May 9, 1978, to complete the divestitures required by the Board's Order of October 25, 1973.

8. As part of the same transaction by which Republic became a bank holding company, in a transaction to which § 351 of the Code applied, Republic acquired beneficial interests in the shares of Howard held by trustees for the benefit of shareholders of new Republic Bank, which shares are shares described in § 2(g)(2) of the BHC Act.

9. Uptown was acquired by Howard on May 26, 1966, and is a part of the property of Howard in which Republic acquired a beneficial interest pursuant to § 2(g)(2) of the BHC Act.

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

(A) Prior to May 9, 1974, Old Republic Bank was a "qualified bank holding corporation," within the meaning of subsection (b) of § 1103 of the Code, and satisfied the requirements of that subsection.

(B) New Republic Bank is a corporation that acquired substantially all of the properties of a qualified bank holding corporation, and as such is treated as a qualified bank holding corporation for the purposes of § 6158 of the Code, pursuant to § 3(d) of the Tax Act.

(C) Republic is a corporation in control (within the meaning of § 2(a)(2) of the BCH Act) of New Republic Bank, and as such is treated as a qualified bank holding corporation for the purposes of § 6158 of the Code, pursuant to § 3(d) of the Tax Act.

(D) Howard is a subsidiary (within the meaning of § 2(d) of the BHC Act) of Republic, and as such is treated as a qualified bank holding corporation for the purposes of § 6158 of the Code, pursuant to § 3(d) of the Tax Act.

(E) Uptown is "prohibited property" for the purposes of § 6158 of the Code; and

(F) The sale of Uptown is necessary or appropriate to effectuate § 4 of the BHC Act.

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

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 CFR § 265.2(B)(3)), effective April 15, 1977.

(Signed) RUTH A. REISTER,
[SEAL] *Assistant Secretary of the Board.*

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Board of Governors

During April 1977, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies are available upon request to Publications Services, Division of Administration Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	*Bank(s)*	*Board action (effective date)*	*Federal Register citation*
American Bankcorp, Inc., Lansing, Michigan	The Muskegon Bank & Trust Company, Muskegon, Michigan	4/29/77	42 F.R. 23206 5/6/77
Banker Agency, Inc., Mohall, North Dakota	The Citizens State Bank at Mohall, Mohal. North Dakota	4/25/77	42 F.R. 22200 5/2/77
Chemical Financial Corporation, Midland, Michigan	Gladwin County Bank, Gladwin, Michigan. Beaverton, Michigan	4/14/77	42 F.R. 20663 4/21/77
Clevetrust Corporation, Cleveland, Ohio	Columbus Trust Company, Columbus, Ohio	4/5/77	42 F.R. 18898 4/11/77
Glen-An Corporation, Kanaranzi, Minnesota	Farmers State Bank of Kanaranzi, Kanaranzi, Minnesota	4/15/77	42 F.R. 20663 4/21/77
Montbello Bankcorp, Inc., Denver, Colorado	Montbello State Bank, Denver, Colorado	4/7/77	42 F.R. 19512 4/14/77
Wilber Co., Wilber, Nebraska	Saline State Bank, Wilber, Nebraska	4/21/77	42 F.R. 21662 4/25/77
Woodford Bancorporaation, Inc., El Paso, Illinois	Woodford County Bank, El Paso, Illinois	4/20/77	42 F.R. 21662 4/28/77

By Federal Reserve Banks

During April 1977, applications were approved by the Federal Reserve Banks as listed below. The orders have been published in the Federal Register, and copies are available upon request to the Reserve Banks.

Section 3

Applicant	*Bank(s)*	*Reserve Bank*	*Effective date*	*Federal Register citation*
First Bankers Corporation of Florida, Pompano Beach, Florida	First National Bank of Winter Garden, Florida	Atlanta	4/18/77	42 F.R. 21663 4/28/77
Chemical Financial Corporation, Midland, Michigan	The Au Gres State Bank, Au Gres, Michigan	Chicago	4/20/77	42 F.R. 22201 5/2/77
Central Wisconsin Bankshares, Inc., Wausau, Wisconsin	Eagle River State Bank, Eagle River, Wisconsin	Chicago	4/7/77	42 F.R. 20662 4/21/77
Valley Bancorporation, Appleton, Wisconsin	The Brownsville State Bank, Brownsville, Wisconsin	Chicago	4/19/77	42 F.R. 22202 5/2/77

PENDING CASES INVOLVING THE BOARD OF GOVERNORS*

First Security Corporation v. *Board of Governors*, filed March 1977, U.S.C.A. for the Tenth Circuit.

Farmers State Bank of Crosby v. *Board of Governors*, filed January 1977, U.S.C.A. for the Eighth Circuit.

National Automobile Dealers Association, Inc. v. *Board of Governors*, filed November 1976, U.S.C.A. for the District of Columbia.

First Security Corporation v. *Board of Governors*, filed August 1976, U.S.C.A. for the Tenth Circuit.

First State Bank of Clute, Texas, et al. v. *Board of Governors*, filed July 1976, U.S.C.A. for the Fifth Circuit.

North Lawndale Economic Development Corporation v. *Board of Governors*, filed June 1976, U.S.C.A. for the Seventh Circuit.

Central Wisconsin Bankshares, Inc. v. *Board of Governors*, filed June 1976, U.S.C.A. for the Seventh Circuit.

National Urban League, et al. v. *Office of the Comptroller of the Currency, et al.*, filed April 1976, U.S.D.C. for the District of Columbia Circuit.

Farmers & Merchants Bank of Las Cruces, New Mexico v. *Board of Governors*, filed April 1976, U.S.C.A. for the District of Columbia Circuit.

Grandview Bank & Trust Company v. *Board of Governors*, filed March 1976, U.S.C.A. for the Eighth Circuit.

Association of Bank Travel Bureaus, Inc. v. *Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.

Memphis Trust Company v. *Board of Governors*, filed February 1976, U.S.D.C. for the Western District of Tennessee.

First Lincolnwood Corporation v. *Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.

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

*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.

National Computer Analysts, Inc. v. *Decimus Corporation, et al.*, filed November 1975, U.S.D.C. for the District of New Jersey.

Florida Association of Insurance Agents, Inc. v. *Board of Governors*, and *National Association of Insurance Agents, Inc.* v. *Board of Governors*, filed August 1975, actions consolidated in U.S.C.A. for the Fifth Circuit.

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

Louis J. Roussel v. *Board of Governors*, filed April 1975, U.S.D.C. for the Eastern District of Louisiana.

Georgia Association of Insurance Agents, et al. v. *Board of Governors*, filed October 1974, U.S.C.A. for the Fifth Circuit.

Alabama Association of Insurance Agents, et al. v. *Board of Governors*, filed July 1974, U.S.C.A. for the Fifth Circuit.

†*Consumers Union of the United States, et al.* v. *Board of Governors*, filed September 1973, U.S.D.C. for the District of Columbia.

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

† Decision have been handed down in these cases, subject to appeals noted.

‡ The Board of Governors is not named as a party in this action

Announcements

REGULATION T: Amendment

The Board of Governors of the Federal Reserve System on April 28, 1977, adopted an amendment to Regulation T (*Credit by Brokers and Dealers*) affecting the trading of stock options.

Such options may be a "call"—an option to buy stock at a specified price within a given time, or a "put"—a similar option to sell stock.

The Board amended Regulation T to permit a minor easing of its rules for calculating the margin required on a "straddle" transaction—when both a put and a call in the same stock are held in the customer's account.

The Board's rules at present provide special treatment when puts and calls are issued on the same security, with the same expiration date and the same exercise price. The revision deletes the requirement that both the put and the call must have the same expiration date and the same exercise price to qualify for the special margin requirement. The margin requirement remains the (30 per cent)[1] requirement on either the put or the call, whichever is greater, plus any unrealized loss on the other option. Certain other technical requirements regarding straddles were adopted.

The new requirements for calculating the margin on straddles are effective June 1, 1977, to coincide with the beginning of exchange trading of put options recently approved by the Securities and Exchange Commission.

INTERPRETATIONS

The Board of Governors on April 28, 1977, issued two interpretations of its Regulation B (Equal Credit Opportunity) that: (1) clarify when notices to borrowers required by State law should be considered inconsistent with the requirements of the Equal Credit Opportunity Act (ECOA), and (2) state that the translation of notices and procedures under ECOA into Spanish (or other foreign language) does not discriminate against borrowers who use another language.

The Board made its rulings in response to requests for determinations whether ECOA preempts two California laws. The act authorizes the Board to make such determinations if it finds that a State law is inconsistent with ECOA, but specifies that there may be no such pre-emption if the State law is more protective of credit applicants than the Federal law.

[1] The margin requirement generally applicable to purchases or sales of stock on credit is 50 per cent.

REGULATION C: Continued Exemption

The Board of Governors on May 9, 1977, approved continuance of the exemption that it had previously granted to most New York State lenders from the disclosure requirements of the Home Mortgage Disclosure Act.

The Board had granted the exemption last December under provisions of the act permitting exemptions when State law imposes home mortgage and home improvement loan disclosure requirements that are substantially similar to the requirements of the Federal law and contain adequate provisions for enforcement. The Federal law requires lenders covered by the act to disclose the geographic location of their loans. It is implemented by the Board's Regulation C.

REGULATION Y: Deferral of Action

The Board of Governors on April 28, 1977, announced that it had deferred action on the question whether bank holding companies should be allowed to supply management consulting advice to depositary institutions other than commercial banks.

The Board deferred action in light of the withdrawal last month of an application from a bank holding company (Worcester Bancorp, Inc., Worcester, Mass.) to engage in the activity of supplying management consulting advice to nonaffiliated savings banks.

On the basis of the application the Board on August 2, 1976, had announced it would consider possible adoption of a rule to permit bank holding companies to provide management consulting advice to nonaffiliated savings banks and other nonaffiliated depositary institutions.

The Board in 1974 permitted bank holding companies to provide certain kinds of management consulting advice to nonaffiliated commercial banks.

PROPOSED AMENDMENTS

The Board of Governors has proposed an amendment to Regulation T (Credit by Brokers and Dealers) affecting the trading of stock options. Comments will be received through May 31, 1977.

The Board has also proposed four simplifying revisions of its Regulation Z (Truth in Lending) to eliminate unnecessary information from the Truth in Lending disclosure statement. The Board will receive comments on these proposals through June 15, 1977.

REVISIONS IN DATA AND NOMENCLATURE

Call report data for March 31 and June 30, 1976, which had been published in the BULLETIN earlier in 1977, are shown in revised form on pages A70 and A71 and on pages A18 and A19, respectively, of this issue of the BULLETIN. Henceforth, revised figures for a given call date will be shown in the BULLETIN only if figures for the subsequent call have not become available. In the event that it does become necessary to revise the data, the revised figures will be made available, as will any extensive revisions in other series published by the Board, in the Board's *Annual Statistical Digest*, each issue of which will contain all revised data available at the time the *Digest* is published.

Readers' attention is called to the mislabeling, beginning with November 12, 1975, of the following weekly series for deposits of large weekly reporting commercial banks as shown in the Federal Reserve BULLETIN:

Figures shown for savings deposits of individuals, partnerships, and corporations (IPC's) represent *total* savings deposits, not just savings deposits of IPC's. Figures labeled "Other" deposits of IPC's actually are time deposits of this group. The figures for "States and political subdivisions," "Domestic interbank," and "Foreign governments, official institutions, etc." represent only time deposits of these groups. (Figures showing ownership categories of savings deposits have been shown correctly among the memoranda items.)

The correct nomenclature will be used in the *Annual Statistical Digest, 1972-1976*, which will include figures for all large weekly reporting banks. Similar information for large commercial banks in New York City and for large weekly reporting banks outside New York City may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

EQUAL CREDIT OPPORTUNITY PAMPHLETS

Two new consumer pamphlets—*The Equal Credit Opportunity Act and . . . Women* and *The Equal Credit Opportunity Act and . . . Age*—are now available for distribution.

The Equal Credit Opportunity Act forbids discrimination in credit transactions on the basis of sex, marital status, race, color, religion, national origin, age, receipt of income from public assistance programs, and good faith exercise of rights under the Consumer Protection Act of 1968 (Truth in Lending, Fair Credit Billing, Equal Credit Opportunity, Fair Credit Reporting, and Consumer Leasing Acts).

Copies of the new pamphlets may be obtained from any Federal Reserve Bank or from the Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

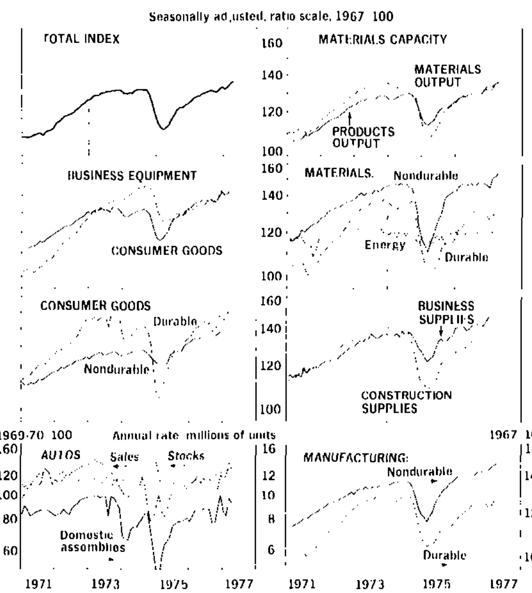
Industrial Production

Released for publication May 16

Industrial production in April increased by an estimated 0.8 per cent, following the 1.4 per cent gain in March. With the exception of automobiles, relatively large gains in output were widespread in April. Auto production declined, following the sharp surge in March. At a level of 136.1 per cent of the 1967 average, total industrial production in April was 6.0 per cent above a year ago and more than 3 per cent above the pre-recession high in June 1974.

Output of durable consumer goods declined slightly in April. Auto assemblies, at an annual rate of 9.3 million units, were 4 per cent below the March rate, reflecting strikes at some motor vehicle plants and production adjustments because of continued relatively large stocks of small-model cars. Production of other consumer durable goods continued to advance strongly, and output of nondurable consumer goods picked up. Production of business equipment increased 0.8 per cent, following a 1.1 per cent rise in March. Output of construction supplies also increased appreciably last month.

Production of materials increased 1.2 per cent in April, reflecting strong gains in both durable and nondurable goods materials. Among durable goods materials, output of iron and steel rose sharply for the third successive month. The increase in production of nondurable materials was also large, particularly textiles, paper, and chemicals.



F R indexes, seasonally adjusted. Latest figures: April. ¹ Auto sales and stocks include imports.

Industrial production	Seasonally adjusted, 1967 100				Per cent changes from		
	1977						
	Jan	Feb	Mar p	Apr. e	Month ago	Year ago	Q4 to Q1
Total	**132.1**	**133.2**	**135.0**	**136.1**	**.8**	**6.0**	**1.2**
Products, total	133.1	133.8	135.2	135.8	.4	6.1	1.7
Final products	130.8	131.7	133.4	134.1	.5	6.2	1.7
Consumer goods	140.2	141.1	143.3	143.8	.3	5.7	1.6
Durable goods	145.1	146.1	153.8	153.4	.3	8.7	2.4
Nondurable goods	138.3	139.0	139.1	140.0	.6	4.5	1.2
Business equipment	142.0	143.0	144.6	145.7	.8	8.7	2.4
Intermediate products	141.8	141.7	141.4	142.1	.5	5.5	1.9
Construction supplies	136.1	135.7	136.0	136.9	.7	7.0	.6
Materials	130.7	132.6	134.7	136.3	1.2	5.5	.7

p Preliminary. e Estimated.

Financial and Business Statistics

CONTENTS

1.10 MONETARY AGGREGATES AND INTEREST RATES

	Item	1976 Q2	1976 Q3	1976 Q4	1977 Q1	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
					Monetary and credit aggregates (annual rates of change, seasonally adjusted in per cent)[12]					
	Member bank reserves									
1	Total	0.6	2.7	4.4	2.7	4.9	10.9	-13.1	-3.1	....
2	Required	1.1	2.4	4.0	3.0	4.3	11.3	-10.9	3.7	....
3	Nonborrowed	0.4	2.6	4.8	2.6	5.6	10.4	-13.3	-4.3	....
	Concepts of money [1]									
4	*M*-1	8.2	r4.4	r6.8	4.8	r8.5	r5.8	0.8	6.1	....
5	*M*-2	10.5	r9.1	r12.2	9.4	r12.5	r9.3	r6.6	8.2	....
6	*M*-3	11.8	11.4	r14.2	11.0	r13.1	r11.2	r8.7	9.2	....
	Time and savings deposits									
	Commercial banks:									
7	Total	5.4	r7.0	r11.5	11.3	r15.9	r9.8	r9.7	5.8	....
8	Other than large CD's	12.4	r12.8	r16.3	12.7	r15.1	r11.8	r10.6	9.7	....
9	Thrift institutions [2]	r13.8	14.8	17.3	13.4	r14.2	r14.0	r11.7	10.4	....
10	Total loans and investments at commercial banks [3]	r8.7	r5.8	r8.6	8.9	r1.7	r8.9	r14.5	10.7	....
					Interest rates (levels, per cent per annum)					
	Short-term rates									
11	Federal funds [4]	5.19	5.28	4.88	4.66	4.65	4.61	4.68	4.69	4.73
12	Treasury bills (3-month market yield) [5]	5.16	5.15	4.67	4.63	4.35	4.62	4.67	4.60	4.54
13	Commercial paper (90- to 119-day) [6]	5.45	5.41	4.91	4.74	4.66	4.72	4.76	4.75	4.75
14	Federal Reserve discount [7]	5.50	5.50	5.39	5.25	5.25	5.25	5.25	5.25	5.25
	Long-term rates									
	Bonds:									
15	U.S. Govt.[8]	8.01	7.90	7.54	7.62	7.30	7.48	7.64	7.74	7.67
16	Aaa utility (new issue) [9]	8.69	8.48	8.15	8.17	7.94	8.08	8.22	8.25	8.26
17	State and local government [10]	6.78	6.64	6.18	5.88	5.94	5.87	5.89	5.89	5.73
18	Conventional mortgages [11]	8.98	9.03	8.95	8.82	8.90	8.80	8.80	8.85	....

1 *M*-1 equals currency plus private demand deposits adjusted.
M-2 equals *M*-1 plus bank time and savings deposits other than large CD's.
M-3 equals *M*-2 plus deposits at mutual savings banks, savings and loan associations, and credit union shares.
2 Savings and loan associations, mutual savings banks, and credit unions.
3 Quarterly changes calculated from figures shown in Table 1.23.
4 Seven-day averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).
5 Quoted on a bank-discount rate basis.
6 Most representative offering rate quoted by five dealers.
7 Rate for the Federal Reserve Bank of New York.
8 Market yields adjusted to a 20-year maturity by the U.S. Treasury.
9 Weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa basis. Federal Reserve compilations.
10 *Bond Buyer* series for 20 issues of mixed quality.
11 Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development.
12 Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.

1.11 FACTORS AFFECTING MEMBER BANK RESERVES

Millions of dollars

	Factors	Monthly averages of daily figures			Weekly averages of daily figures for weeks ending						
		1977			1977						
		Feb.	Mar.	Apr.p	Mar. 16	Mar. 23	Mar. 30	Apr. 6	Apr. 13	Apr. 20p	Apr. 27p
	SUPPLYING RESERVE FUNDS										
1	**Reserve Bank credit outstanding**	**109,021**	**108,085**	**108,589**	**105,067**	**110,019**	**109,366**	**105,962**	**105,822**	**109,011**	**111,314**
2	*U.S. Govt. securities*[1]	*95,843*	*95,310*	*95,316*	*92,611*	*96,758*	*96,996*	*93,329*	*92,673*	*95,740*	*97,850*
3	Bought outright	94,674	94,313	94,534	92,611	94,865	94,976	93,266	92,311	95,290	96,123
4	Held under repurchase agreement	1,169	997	782	....	1,893	2,020	63	362	450	1,727
5	*Federal agency securities*	*6,846*	*6,782*	*6,813*	*6,744*	*6,778*	*6,815*	*6,739*	*6,752*	*6,748*	*6,846*
6	Bought outright	6,787	6,750	6,766	6,744	6,744	6,744	6,731	6,731	6,731	6,731
7	Held under repurchase agreement	59	32	47	....	34	71	8	21	17	115
8	Acceptances	330	289	284	174	341	444	167	165	164	419
9	Loans	79	110	73	24	338	58	65	38	29	99
10	Float	2,899	2,833	3,023	2,816	3,006	2,171	2,647	3,261	3,233	2,926
11	Other Federal Reserve assets	3,024	2,761	3,080	2,698	2,798	2,883	3,016	2,933	3,097	3,174
12	Gold stock	11,658	11,646	11,636	11,651	11,647	11,636	11,636	11,636	11,636	11,636
13	Special Drawing Rights certificate account	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
14	Treasury currency outstanding	10,930	10,966	11,014	10,962	10,969	10,986	10,984	11,008	11,014	11,029
	ABSORBING RESERVE FUNDS										
15	Currency in circulation	91,753	92,831	94,298	93,084	93,086	93,013	93,645	94,753	94,657	94,108
16	Treasury cash holdings	499	494	452	504	492	470	466	450	448	447
	Deposits, other than member bank reserves with F.R. Banks:										
17	Treasury	10,698	8,577	7,369	5,803	9,800	9,182	5,858	5,279	6,231	9,606
18	Foreign	294	271	294	301	251	259	284	309	313	272
19	Other[2]	616	669	633	676	649	592	637	650	622	634
20	Other F.R. liabilities and capital	3,224	3,206	3,266	3,131	3,273	3,375	3,238	3,113	3,295	3,343
21	Member bank reserves with F.R. Banks	25,725	25,849	26,127	25,381	26,282	26,296	25,654	25,112	27,296	26,768

		End-of-month figures			Wednesday figures						
		1977			1977						
		Feb.	Mar.	Apr.p	Mar. 16	Mar. 23	Mar. 30	Apr. 6	Apr. 13	Apr. 20p	Apr. 27p
	SUPPLYING RESERVE FUNDS										
22	**Reserve Bank credit outstanding**	**108,413**	**109,468**	**114,185**	**103,964**	**115,261**	**109,044**	**101,183**	**107,915**	**113,033**	**114,915**
23	*U.S. Govt. securities*[1]	*95,837*	*95,987*	*99,967*	*90,359*	*99,864*	*96,112*	*86,819*	*94,329*	*98,440*	*100,240*
24	Bought outright	94,905	95,547	97,993	90,359	94,855	96,112	86,819	91,794	95,292	97,045
25	Held under repurchase agreement	932	440	1,974	....	5,009	....	....	2,535	3,148	3,195
26	*Federal agency securities*	*6,844*	*6,785*	*7,201*	*6,744*	*6,903*	*6,744*	*6,731*	*6,880*	*6,849*	*6,900*
27	Bought outright	6,767	6,731	7,077	6,744	6,744	6,744	6,731	6,731	6,731	6,731
28	Held under repurchase agreement	77	54	124	....	159	....	....	149	118	169
29	Acceptances	322	280	881	171	460	155	142	320	361	591
30	Loans	24	271	377	29	2,195	149	36	42	58	486
31	Float	2,595	3,286	2,516	3,858	2,918	2,913	4,440	3,204	4,112	3,477
32	Other Federal Reserve assets	2,791	2,859	3,243	2,803	2,921	2,971	3,015	3,140	3,213	3,221
33	Gold stock	11,650	11,636	11,636	11,651	11,636	11,636	11,636	11,636	11,636	11,636
34	Special Drawing Rights certificate account	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
35	Treasury currency outstanding	10,884	10,939	11,034	10,962	10,979	10,990	10,995	11,012	11,017	11,029
	ABSORBING RESERVE FUNDS										
36	Currency in circulation	91,697	93,383	94,008	93,382	93,219	93,469	94,538	95,119	94,548	94,345
37	Treasury cash holdings	506	451	443	493	491	471	446	452	443	444
	Deposits, other than member bank reserves with F.R. Banks:										
38	Treasury	12,179	7,150	13,628	4,274	10,764	7,769	7,199	4,790	11,301	11,323
39	Foreign	362	349	305	243	261	288	237	252	280	266
40	Other[2]	856	637	591	781	525	563	666	631	740	662
41	Other F.R. liabilities and capital	3,630	3,457	3,528	3,191	3,346	3,426	2,992	3,153	3,283	3,410
42	Member bank reserves with F.R. Banks	22,916	27,814	25,552	25,413	30,470	26,883	18,936	27,367	26,291	28,329

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

2 Includes certain deposits of foreign-owned banking institutions voluntarily held with member banks and redeposited in full with Federal Reserve Banks.

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

1.12 RESERVES AND BORROWINGS Member Banks

Millions of dollars

	Reserve classification	1975 Dec.	1976 Aug.	Sept.	Oct.	Nov.	Dec.	1977 Jan.	Feb.	Mar.	Apr.p
		Monthly averages of daily figures									
	All member banks										
	Reserves:										
1	At F.R. Banks	27,215	26,001	25,708	26,127	26,458	26,430	27,229	25,725	25,849	26,127
2	Currency and coin	7,773	7,989	8,113	8,025	8,180	8,548	8,913	8,326	8,134	8,374
3	*Total held*[1]	*34,989*	*34,141*	*33,979*	*34,305*	*34,797*	*35,136*	*36,290*	*34,199*	*34,135*	*34,649*
4	Required	34,727	33,844	33,692	34,116	34,433	34,964	35,796	34,234	33,870	34,614
5	Excess[1]	262	297	287	189	364	172	494	−35	265	35
	Borrowings at F.R. Banks:[2]										
6	Total	127	104	75	66	84	62	61	79	110	73
7	Seasonal	13	28	31	32	21	12	8	12	13	15
	Large banks in New York City										
8	*Reserves held*	*6,812*	*6,559*	*6,372*	*6,374*	*6,589*	*6,520*	*7,076*	*6,442*	*6,331*	*6,192*
9	Required	6,748	6,501	6,308	6,346	6,485	6,602	6,948	6,537	6,259	6,352
10	Excess	64	58	64	28	104	82	128	−95	72	160
11	Borrowings[2]	63	28	22	....	36	15	6	47	44	16
	Large banks in Chicago										
12	*Reserves held*	*1,740*	*1,684*	*1,615*	*1,648*	*1,621*	*1,632*	*1,731*	*1,624*	*1,610*	*1,626*
13	Required	1,758	1,625	1,617	1,635	1,602	1,641	1,698	1,624	1,611	1,634
14	Excess	−18	59	−2	13	19	−9	33	....	−1	−8
15	Borrowings[2]	....	6	3	3	....	4	2	....	3	*
	Other large banks										
16	*Reserves held*	*13,249*	*12,610*	*12,584*	*12,704*	*12,889*	*13,117*	*13,556*	*12,683*	*12,779*	*12,933*
17	Required	13,160	12,549	12,521	12,706	12,802	13,053	13,427	12,765	12,705	13,107
18	Excess	89	61	63	−2	87	64	129	−82	74	−174
19	Borrowings[2]	26	20	3	17	7	14	25	4	29	25
	All other banks										
20	*Reserves held*	*13,188*	*13,288*	*13,408*	*13,579*	*13,698*	*13,867*	*13,927*	*13,450*	*13,415*	*13,634*
21	Required	13,061	13,169	13,246	13,429	13,544	13,668	13,723	13,308	13,295	13,521
22	Excess	127	119	162	150	154	199	204	142	120	113
23	Borrowings[2]	38	50	47	46	41	29	28	28	34	32

	Reserve classification	Feb. 23	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30	April 6	April 13	April 20p	April 27p
		Weekly averages of daily figures for weeks ending 1977									
	All member banks										
	Reserves:										
24	At F.R. Banks	26,416	25,725	25,278	25,381	26,282	26,296	25,654	25,112	27,296	26,768
25	Currency and coin	7,594	8,212	8,181	8,500	7,492	8,290	8,477	8,721	7,751	8,346
26	*Total held*[1]	*34,157*	*34,083*	*33,607*	*34,029*	*33,921*	*34,737*	*34,264*	*33,988*	*35,198*	*35,265*
27	Required	33,928	33,933	33,334	33,861	33,844	34,404	34,008	33,714	35,153	35,100
28	Excess[1]	229	150	273	168	77	333	256	274	45	165
	Borrowings at F.R. Banks:[2]										
29	Total	36	30	20	24	338	58	65	38	29	99
30	Seasonal	11	12	11	11	13	14	14	12	14	15
	Large banks in New York City										
31	*Reserves held*	*6,439*	*6,326*	*5,993*	*6,385*	*6,213*	*6,485*	*6,343*	*6,237*	*6,420*	*6,191*
32	Required	6,391	6,362	5,988	6,380	6,233	6,401	6,282	6,176	6,597	6,293
33	Excess	48	−36	5	5	−20	84	61	61	−177	−102
34	Borrowings[2]	7	....	....	....	167	....	29	....	....	34
	Large banks in Chicago										
35	*Reserves held*	*1,596*	*1,628*	*1,621*	*1,643*	*1,560*	*1,659*	*1,621*	*1,616*	*1,663*	*1,635*
36	Required	1,621	1,593	1,616	1,631	1,571	1,635	1,594	1,594	1,694	1,621
37	Excess	−25	35	5	12	−11	24	27	22	−31	14
38	Borrowings[2]	....	....	....	....	....	14	1	....	....	1
	Other large banks										
39	*Reserves held*	*12,709*	*12,699*	*12,686*	*12,623*	*12,701*	*13,022*	*12,802*	*12,814*	*13,133*	*13,320*
40	Required	12,618	12,730	12,549	12,642	12,659	12,950	12,799	12,788	13,312	13,333
41	Excess	91	31	137	−19	42	72	3	26	−179	−13
42	Borrowings[2]	....	1	1	1	117	11	1	11	4	27
	All other banks										
43	*Reserves held*	*13,413*	*13,430*	*13,307*	*13,378*	*13,447*	*13,571*	*13,498*	*13,321*	*13,664*	*13,951*
44	Required	13,298	13,248	13,181	13,208	13,381	13,418	13,333	13,156	13,550	13,853
45	Excess	115	182	126	170	66	153	165	165	114	98
46	Borrowings[2]	29	29	19	23	54	33	34	27	25	37

1 Adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19, 1975, of permitting transitional relief on a graduated basis over a 24-month period when a nonmember bank merges into an existing member bank, or when a nonmember bank joins the Federal Reserve System. For weeks for which figures are preliminary, figures by class of bank do not add to total because adjusted data by class are not available.

2 Based on closing figures.

1.13 FEDERAL FUNDS TRANSACTIONS of Money Market Banks

Millions of dollars, except as noted

	Type	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30r	April 6	April 13	April 20	April 27
		Total, 46 banks								
	Basic reserve position									
1	Excess reserves[1]	79	124	49	19	126	187	112	−13	3
	LESS:									
2	Borrowings at F.R. Banks	....	....	....	241	14	29	11	4	49
3	Net interbank Federal funds transactions	15,664	18,027	18,488	16,396	14,363	17,149	21,273	18,670	14,593
	EQUALS: Net surplus, or deficit (−):									
4	Amount	−15,585	−17,903	−18,439	−16,618	−14,251	−16,990	−21,172	18,688	−14,639
5	*Per cent of average required reserves*	*106.3*	*125.7*	*125.3*	*114.5*	*95.7*	*116.0*	*144.9*	*121.2*	*97.3*
	Interbank Federal funds transactions									
	Gross transactions:									
6	Purchases	22,763	24,478	25,141	23,263	22,819	24,728	27,297	26,572	23,441
7	Sales	7,099	6,451	6,653	6,868	8,457	7,580	6,024	7,902	8,848
8	Two-way transactions[2]	5,358	4,864	4,620	4,574	5,338	5,268	5,074	5,282	5,463
	Net transactions:									
9	Purchases of net buying banks	17,405	19,614	20,521	18,689	17,481	19,460	22,223	21,290	17,978
10	Sales of net selling banks	1,741	1,588	2,034	2,293	3,118	2,311	951	2,260	3,384
	Related transactions with U.S. Govt. securities dealers									
11	Loans to dealers[3]	2,560	3,489	4,496	2,819	2,469	4,226	5,497	3,632	2,468
12	Borrowing from dealers[4]	2,008	1,829	1,671	1,892	1,895	1,512	1,273	1,248	1,552
13	Net loans	553	1,660	2,825	927	574	2,714	4,224	2,384	915
		8 banks in New York City								
	Basic reserve position									
14	Excess reserves[1]	−7	....	−18	−24	51	101	62	15	20
	LESS:									
15	Borrowings at F.R. Banks	....	....	....	153	....	29	....	....	34
16	Net interbank Federal funds transactions	4,709	6,353	6,894	4,901	4,984	5,724	7,508	7,135	5,464
	EQUALS: Net surplus, or deficit (−):									
17	Amount	4,716	−6,353	−6,912	−5,079	4,933	−5,652	−7,445	−7,119	5,518
18	*Per cent of average required reserves*	*81.6*	*117.1*	*118.7*	*89.5*	*84.6*	*98.9*	*132.2*	*118.4*	*96.6*
	Interbank Federal funds transactions									
	Gross transactions:									
19	Purchases	5,807	7,275	6,503	5,936	6,172	6,515	8,156	8,028	6,663
20	Sales	1,098	922	609	1,035	1,188	791	648	893	1,199
21	Two-way transactions[2]	1,097	922	609	1,035	1,187	790	648	893	1,199
	Net transactions:									
22	Purchases of net buying banks	4,710	6,353	6,894	4,901	4,984	5,724	7,507	7,134	5,464
23	Sales of net selling banks	....	....	....	....	....	....	....	....	....
	Related transactions with U.S. Govt. securities dealers									
24	Loans to dealers[3]	1,611	2,040	2,480	1,593	1,353	1,964	2,482	2,240	1,427
25	Borrowing from dealers[4]	795	822	788	871	804	611	364	386	491
26	Net loans	816	1,218	1,702	722	549	1,353	2,118	1,854	936
		38 banks outside New York City								
	Basic reserve position									
27	Excess reserves[1]	85	124	67	43	75	86	50	29	22
	LESS:									
28	Borrowings at F.R. Banks	....	....	....	88	14	....	11	4	14
29	Net interbank Federal funds transactions	10,955	11,674	11,594	11,495	9,379	11,425	13,766	11,536	9,129
	EQUALS: Net surplus, or deficit (−):									
30	Amount	−10,869	−11,550	−11,527	−11,539	9,318	−11,339	−13,727	11,568	−9,122
31	*Per cent of average required reserves*	*122.4*	*131.0*	*129.7*	*130.5*	*102.8*	*126.8*	*152.8*	*122.9*	*97.7*
	Interbank Federal funds transactions									
	Gross transactions:									
32	Purchases	16,956	17,203	17,638	17,328	16,648	18,214	19,141	18,544	16,779
33	Sales	6,001	5,529	6,044	5,833	7,269	6,789	5,376	7,009	7,649
34	Two-way transactions[2]	4,260	3,942	4,011	3,539	4,151	4,478	4,425	4,389	4,265
	Net transactions:									
35	Purchases of net buying banks	12,696	13,262	13,627	13,788	12,497	13,736	14,716	14,156	12,514
36	Sales of net selling banks	1,741	1,588	2,034	2,293	3,118	2,311	951	2,620	3,384
	Related transactions with U.S. Govt. securities dealers									
37	Loans to dealers[3]	950	1,449	2,016	1,226	1,117	2,263	3,015	1,392	1,041
38	Borrowing from dealers[4]	1,213	1,007	893	1,022	1,091	901	909	862	1,062
39	Net loans	−264	442	1,123	205	25	1,361	2,106	530	−21

For notes see end of table.

1.13 Continued

	Type	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30[p]	April 6	April 13	April 20	April 27
		1977, week ending—								
		5 banks in City of Chicago								
	Basic reserve position									
40	Excess reserves[1]	31	24	44	-7	17	39	40	24	4
	LESS:									
41	Borrowings at F.R. Banks	......	......	......	......	14	......	......	......	......
42	Net interbank Federal funds transactions	5,972	6,182	6,105	6,136	5,617	6,197	6,662	6,394	5,364
	EQUALS: Net surplus, or deficit (—):									
43	Amount	-5,941	-6,158	6,061	6,143	-5,615	6,159	-6,622	-6,418	5,368
44	*Per cent of average required reserves*	*399.3*	*408.0*	*401.6*	*419.1*	*367.4*	*414.0*	*445.1*	*404.0*	*354.1*
	Interbank Federal funds transactions									
	Gross transactions:									
45	Purchases	6,893	6,888	6,850	6,794	6,575	7,155	7,528	7,206	6,491
46	Sales	921	706	745	658	958	958	865	812	1,127
47	Two-way transactions[2]	921	707	745	658	958	958	866	812	1,127
	Net transactions:									
48	Purchases of net buying banks	5,972	6,182	6,105	6,136	5,617	6,197	6,662	6,394	5,364
49	Sales of net selling banks	......	......	......	......	......	......	......	......	......
	Related transactions with U.S. Govt. securities dealers									
50	Loans to dealers[3]	205	413	460	310	226	816	611	421	171
51	Borrowing from dealers[4]	525	412	393	493	481	189	392	444	541
52	Net loans	-320	1	67	-183	-255	627	220	-23	-370
		33 other banks								
	Basic reserve position									
53	Excess reserves[1]	54	100	22	50	58	48	10	-4	26
	LESS:									
54	Borrowings at F.R. Banks	......	......	......	88	......	......	11	4	14
55	Net interbank Federal funds transactions	4,982	5,492	5,489	5,359	3,762	5,227	7,103	5,142	3,766
	EQUALS: Net surplus, or deficit (—):									
56	Amount	-4,928	5,392	-5,466	-5,396	-3,704	-5,180	-7,105	-5,150	-3,754
57	*Per cent of average required reserves*	*66.7*	*73.8*	*74.1*	*73.2*	*49.1*	*69.5*	*94.8*	*65.8*	*48.0*
	Interbank Federal funds transactions									
	Gross transactions:									
58	Purchases	10,063	10,315	10,788	10,533	10,073	11,058	11,614	11,338	10,288
59	Sales	5,080	4,823	5,299	5,175	6,311	5,831	4,510	6,196	6,522
60	Two-way transactions[2]	3,339	3,235	3,266	2,882	3,193	3,520	3,560	3,576	3,137
	Net transactions:									
61	Purchases of net buying banks	6,723	7,080	7,522	7,652	6,880	7,539	8,054	7,762	7,150
62	Sales of net selling banks	1,741	1,588	2,034	2,293	3,118	2,311	951	2,620	3,384
	Related transactions with U.S. Govt. securities dealers									
63	Loans to dealers[3]	744	1,036	1,555	916	891	1,447	2,403	971	870
64	Borrowing from dealers[4]	688	595	500	528	611	713	517	418	520
65	Net loans	57	441	1,056	388	280	734	1,886	554	350

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

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

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

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

NOTE.—Weekly averages of daily figures. For description of series, see Federal Reserve BULLETIN for August 1964, pp. 944–53. Back data for 46 banks appear in the Board's *Annual Statistical Digest, 1971–1975*, Table 3.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Per cent per annum

Current and previous levels

Federal Reserve Bank	Loans to member banks— Under Secs. 13 and 13a[1]			Under Sec. 10(b)[2] Regular rate			Special rate[3]			Loans to all others under last par. Sec. 13[4]		
	Rate on 4/30/77	Effective date	Previous rate	Rate on 4/30/77	Effective date	Previous rate	Rate on 4/30/77	Effective date[3]	Previous rate	Rate on 4/30/77	Effective date	Previous rate
Boston	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
New York	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Philadelphia	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Cleveland	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Richmond	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Atlanta	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Chicago	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
St. Louis	5¼	11/26/76	5½	5¾	11/26/76	6	6¼	11/26/76	6½	8¼	11/26/76	8½
Minneapolis	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Kansas City	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Dallas	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
San Francisco	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½

Range of rates in recent years[5]

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1970	5½	5½
1971—Jan. 8	5¼–5½	5¼
15	5¼	5¼
19	5 –5¼	5¼
22	5 5¼	5
29	5	5
Feb. 13	4¾ 5	5
19	4¾	4¾
July 16	4¾–5	5
23	5	5
Nov. 11	4¾–5	5
19	4¾	4¾
Dec. 13	4½–4¾	4¾
17	4½–4¾	4½
24	4½	4½

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
1973—Jan. 15	5	5
Feb. 26	5–5½	5½
Mar. 2	5½	5½
Apr. 23	5½–5¾	5½
May 4	5¾	5¾
11	5¾–6	6
18	6	6
June 11	6–6½	6½
15	6½	6½
July 2	7	7
Aug. 14	7–7½	7½
23	7½	7½
1974—Apr. 25	7½–8	8
30	8	8
Dec. 9	7¾–8	7¾
16	7¾	7¾

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
1975—Jan. 6	7¼–7¾	7¾
10	7¼–7¾	7¼
24	7¼	7¼
Feb. 5	6¾–7¼	6¾
7	6¾	6¾
Mar. 10	6¼–6¾	6¼
14	6¼	6¼
May 16	6–6¼	6
23	6	6
1976—Jan. 19	5½–6	5½
23	5½	5½
Nov. 22	5¼–5½	5¼
26	5¼	5¼
In effect Apr. 30, 1977	5¼	5¼

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

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

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

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

5 Rates under Secs. 13 and 13a (as described above). For description and earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, *Banking and Monetary Statistics, 1941–1970*, and *Annual Statistical Digest, 1971–75*.

1.15 MEMBER BANK RESERVE REQUIREMENTS[1]

Per cent of deposits

Type of deposit, and deposit interval in millions of dollars	Requirements in effect Apr. 30, 1977		Previous requirements	
	Per cent	Effective date	Per cent	Effective date
Net demand:[2]				
0-2	7	12/30/76	7½	2/13/75
2-10	9½	12/30/76	10	2/13/75
10-100	11¾	12/30/76	12	2/13/75
100-400	12¾	12/30/76	13	2/13/75
Over 400	16¼	12/30/76	16½	2/13/75
Time:[2,3]				
Savings	3	3/16/67	3½	3/2/67
Other time:				
0-5, maturing in				
30-179 days	3	3/16/67	3½	3/2/67
180 days to 4 years	[4] 2½	1/8/76	3	3/16/67
4 years or more	[4] 1	10/30/75	3	3/16/67
Over 5, maturing in				
30-179 days	6	12/12/74	5	10/1/70
180 days to 4 years	[4] 2½	1/8/76	3	12/12/74
4 years or more	[4] 1	10/30/75	3	12/12/74

	Legal limits, Apr. 30, 1977	
	Minimum	Maximum
Net demand:		
Reserve city banks	10	22
Other banks	7	14
Time	3	10

[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 1975, Table 13.

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

(b) The Federal Reserve Act specifies different ranges of requirements for reserve city banks and for other banks. Reserve cities are designated under a criterion adopted effective Nov. 9, 1972, by which a bank having net demand deposits of more than $400 million is considered to have the character of business of a reserve city bank. The presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of $400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see the Board's Regulation D.

(c) Member banks are required under the Board's Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Loans aggregating $100,000 or less to any U.S. resident are excluded from computations, as are total loans of a bank to U.S. residents if not exceeding $1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. A reserve of 4 per cent is required for each of these classifications.

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

[4] The average of reserves on savings and other time deposits must be at least 3 per cent, the minimum specified by law.

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

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

Per cent per annum

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks			
	In effect Apr. 30, 1977		Previous maximum		In effect Apr. 30, 1977		Previous maximum	
	Per cent	Effective date	Per cent	Effective date	Per cent	Effective date	Per cent	Effective date
1 Savings	5	7/1/73	4½	1/21/70	5¼	(4)	5	(5)
2 Negotiable order of withdrawal (NOW) accounts [1]	5	1/1/74	....	....	5	1/1/74	....	....
Time (multiple- and single-maturity unless otherwise indicated): [2]								
30-89 days:								
3 Multiple-maturity	5	7/1/73	4½	1/21/70	(6)	....	(6)	....
4 Single-maturity			5	9/26/66				
90 days to 1 year:								
5 Multiple-maturity	5½	7/1/73	5	7/20/66	[3] 5¼	(4)	5¼	1/21/70
6 Single-maturity				9/26/66				
7 1 to 2 years [3]	6	7/1/73	5½	1/21/70	6½	(4)	5¾	1/21/70
8 2 to 2½ years [3]			5¾	1/21/70			6	1/21/70
9 2½ to 4 years	6½	7/1/73	5¾	1/21/70	6¾	(4)	6	1/21/70
10 4 to 6 years	7¼	11/1/73	(7)	....	7½	11/1/73	(7)	....
11 6 years or more	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
12 Governmental units (all maturities)	7¾	12/23/74	7½	11/27/74	7¾	12/23/74	7½	11/27/74

1 For authorized States only. Federally insured commercial banks, *savings and loan associations, cooperative banks, and mutual savings* banks were first permitted to offer NOW accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976.

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

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

4 July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loan associations.

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

6 No separate account category.

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

Effective Nov. 1, 1973, the present ceilings were imposed on certificates maturing in 4 years or more with minimum denominations of $1,000. There is no limitation on the amount of these certificates that banks can issue. In December 1975, the Federal regulatory agencies removed the minimum-denomination requirement on time deposits representing funds contributed to an individual retirement account (IRA) established pursuant to the Internal Revenue Code. Similar action was taken for Keogh (H.R. 10) plans in November 1976.

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

1.161 MARGIN REQUIREMENTS

Per cent of market value; effective dates shown.

Type of security on sale	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
1 Margin stocks	70	80	65	55	65	50
2 Convertible bonds	50	60	50	50	50	50
3 Short sales	70	80	65	55	65	50

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

	Type of transaction	1974	1975	1976	1976				1977		
					Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	U.S. GOVT. SECURITIES										
	Outright transactions (excl. matched sale-purchase transactions)										
	Treasury bills:										
1	Gross purchases	11,660	11,562	14,343	1,125	618	346	975	2,535	110	......
2	Gross sales	5,830	5,599	8,462	171	......	480	1,546	313	801	368
3	Redemptions	4,550	[2] 6,431	[2] 5,017	......	200	600	......	......	......	......
	Others within 1 year:[1]										
4	Gross purchases	450	3,886	472	129	......	18	59	45	107	41
5	Gross sales	......	......	......	......	......	......	......	......	......	......
6	Exchange, or maturity shift	1,183	4	792	285	66	1,047	7	252	63	266
7	Redemptions	131	3,549	......	......	......	......	......	......	......	......
	1 to 5 years:										
8	Gross purchases	797	[2] 3,284	[2] 3,202	580	......	113	681	475	348	174
9	Gross sales	......	......	177	......	......	......	......	......	......	......
10	Exchange, or maturity shift	697	3,854	2,588	285	66	430	-7	252	880	266
	5 to 10 years:										
11	Gross purchases	434	1,510	1,048	272	......	62	170	128	151	46
12	Gross sales	......	......	......	......	......	......	......	......	......	......
13	Exchange, or maturity shift	1,675	-4,697	1,572	......	......	1,167	......	......	517	......
	Over 10 years:										
14	Gross purchases	196	1,070	642	95	......	73	119	48	81	37
15	Gross sales	......	......	......	......	......	......	......	......	......	......
16	Exchange, or maturity shift	205	848	225	......	......	310	......	......	300	......
	All maturities:[1]										
17	Gross purchases	13,537	[2] 21,313	19,707	2,202	618	612	2,004	3,229	797	298
18	Gross sales	5,830	5,599	8,639	171	......	480	1,546	313	801	368
19	Redemptions	4,682	[2] 9,980	[2] 5,017	......	200	600	......	......	......	......
	Matched sale-purchase transactions										
20	Gross sales	64,229	151,205	196,078	19,828	23,289	22,675	23,193	24,595	22,674	30,115
21	Gross purchases	62,801	152,132	196,579	19,563	24,501	21,525	24,343	22,544	23,447	30,828
	Repurchase agreements										
22	Gross purchases	71,333	140,311	232,891	24,108	16,603	17,612	30,872	23,820	13,853	14,368
23	Gross sales	70,947	139,538	230,355	23,477	18,821	20,173	27,119	27,573	12,921	14,860
24	Net change in U.S. Govt. securities	1,984	7,434	9,087	2,397	588	-4,179	5,361	2,887	1,702	151
	FEDERAL AGENCY OBLIGATIONS										
	Outright transactions:										
25	Gross purchases	3,087	1,616	891	......	......	115	......	......	......	......
26	Gross sales	......	......	......	......	......	......	......	......	......	......
27	Redemptions	322	246	169	22	......	14	63	4	24	36
	Repurchase agreements:										
28	Gross purchases	23,204	15,179	10,520	1,071	705	897	1,380	930	689	523
29	Gross sales	22,735	15,566	10,360	889	949	976	1,102	1,208	612	546
	BANKERS ACCEPTANCES										
30	Outright transactions, net	511	163	545	55	9	-9	8	5	18	19
31	Repurchase agreements, net	420	-35	410	85	-492	140	795	795	149	23
32	**Net change in total System Account**	**6,149**	**8,539**	**9,833**	**2,587**	**-1,332**	**4,307**	**6,379**	**3,969**	**1,886**	**50**

[1] Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): 1973, 1,187; 1974, 131; and 1975, 3,549.

[2] In 1975, the System obtained $421 million of 2-year Treasury notes in exchange for maturing bills. In 1976 there was a similar transaction amounting to $189 million. Acquisition of these notes is treated as a purchase; the run-off of bills, as a redemption.

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

1.18 FEDERAL RESERVE BANKS Condition and F.R. Note Statements

Millions of dollars

	Account	Wednesday					End of Month		
		1977					1977		
		Mar. 30	Apr. 6	Apr. 13	Apr. 20p	Apr. 27p	Feb.	Mar.	Apr.p
		Consolidated condition statement							
	ASSETS								
1	Gold certificate account	11,636	11,636	11,636	11,636	11,636	11,651	11,636	11,636
2	Special Drawing Rights certificate account	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
3	Coin[1]	359	340	322	328	327	388	360	340
	Loans:								
4	Member bank borrowings	149	36	42	58	486	24	271	377
5	Other	...	...	...	...	...	...	...	...
	Acceptances:								
6	Bought outright	155	142	134	121	107	173	154	103
7	Held under repurchase agreements	...	...	186	240	484	149	126	778
	Federal agency obligations:								
8	Bought outright	6,744	6,731	6,731	6,731	6,731	6,767	6,731	7,077
9	Held under repurchase agreements	...	...	149	118	169	77	54	124
	U.S. Govt. securities								
	Bought outright:								
10	Bills	39,735	30,442	35,417	38,915	40,179	38,826	39,170	41,127
11	Certificates Special	...	...	...	...	...	...	...	...
12	Other	...	...	...	...	...	...	...	...
13	Notes	49,181	49,181	49,181	49,181	49,632	48,920	49,181	49,632
14	Bonds	7,196	7,196	7,196	7,196	7,234	7,159	7,196	7,234
15	Total[2]	96,112	86,819	91,794	95,292	97,045	94,905	95,547	97,993
16	Held under repurchase agreements	...	...	2,535	3,148	3,195	932	440	1,974
17	**Total U.S. Govt. securities**	**96,112**	**86,819**	**94,329**	**98,440**	**100,240**	**95,837**	**95,987**	**99,967**
18	**Total loans and securities**	**103,160**	**93,728**	**101,571**	**105,708**	**108,217**	**103,027**	**103,323**	**108,426**
19	Cash items in process of collection	8,519	10,544	9,414	10,509	9,661	6,378	8,045	8,015
20	Bank premises	373	374	365	366	366	371	372	366
	Other assets:								
21	Denominated in foreign currencies	58	59	59	99	64	62	61	56
22	All other	2,540	2,582	2,716	2,748	2,791	2,358	2,426	2,821
23	**Total assets**	**127,845**	**120,463**	**127,283**	**132,594**	**134,262**	**125,435**	**127,423**	**132,860**
	LIABILITIES								
24	F.R. notes	83,310	84,329	84,880	84,302	84,088	81,709	83,257	83,757
	Deposits:								
25	Member bank reserves	26,883	18,936	27,367	26,291	28,329	22,916	27,814	25,552
26	U.S. Treasury– General account	7,769	7,199	4,790	11,301	11,323	12,179	7,150	13,628
27	Foreign	288	237	252	280	266	362	349	305
28	Other[3]	563	666	631	740	662	856	637	591
29	**Total deposits**	**35,503**	**27,038**	**33,040**	**38,612**	**40,580**	**36,313**	**35,950**	**40,076**
30	Deferred availability cash items	5,606	6,104	6,210	6,397	6,184	3,783	4,759	5,499
31	Other liabilities and accrued dividends	998	900	952	969	979	1,193	1,016	1,052
32	**Total liabilities**	**125,417**	**118,371**	**125,082**	**130,280**	**131,831**	**122,998**	**124,982**	**130,384**
	CAPITAL ACCOUNTS								
33	Capital paid in	990	991	990	992	991	989	991	993
34	Surplus	983	983	983	983	983	983	983	983
35	Other capital accounts	455	118	228	339	457	465	467	500
36	**Total liabilities and capital accounts**	**127,845**	**120,463**	**127,283**	**132,594**	**134,262**	**125,435**	**127,423**	**132,860**
37	MEMO: Marketable U.S. Govt. securities held in custody for foreign and intl. account	56,409	57,609	57,626	58,238	57,976	53,991	56,623	60,092
		Federal Reserve note statement							
38	F.R. notes outstanding (issued to Bank)	88,563	88,805	89,250	89,503	89,565	88,205	88,664	89,630
	Collateral held against notes outstanding:								
39	*Gold certificate account*	*11,634*	*11,633*	*11,634*	*11,634*	*11,631*	*11,645*	*11,633*	*11,631*
40	Special Drawing Rights certificate account	643	643	643	643	643	643	643	643
41	Acceptances	...	...	...	...	...	...	...	...
42	U.S. Govt. securities	78,130	78,073	78,543	78,693	78,833	78,030	78,130	78,933
43	**Total collateral**	**90,407**	**90,349**	**90,820**	**90,970**	**91,107**	**90,318**	**90,406**	**91,207**

1 Effective Jan. 1, 1977 Federal Reserve notes of other Federal Reserve Banks were merged into the liability account for Federal Reserve notes.

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

3 Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions voluntarily held with member banks and redeposited in full with F.R. Banks.

NOTE.—Beginning Jan. 1, 1977 Operating equipment was transferred to Other assets.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity	Wednesday					End of month		
	1977					1977		
	Mar. 30	April 6	April 13	April 20	April 27	Feb. 28	Mar. 31	April 30
1 **Loans**	**149**	**36**	**41**	**58**	**486**	**24**	**270**	**377**
2 Within 15 days	145	31	29	55	481	19	267	371
3 16 days to 90 days	4	5	12	3	5	5	3	6
4 91 days to 1 year								
5 **Acceptances**	**155**	**142**	**320**	**361**	**591**	**322**	**280**	**881**
6 Within 15 days	22	78	217	275	516	169	147	812
7 16 days to 90 days	90	41	71	61	56	106	90	51
8 91 days to 1 year	43	23	32	25	19	47	43	18
9 **U.S. Govt. securities**	**96,112**	**86,819**	**94,329**	**98,440**	**100,240**	**95,837**	**95,987**	**99,967**
10 Within 15 days[1]	5,595	2,525	4,809	7,717	8,483	3,994	3,494	6,259
11 16 days to 90 days	20,422	13,343	18,656	19,780	21,096	20,862	20,422	22,770
12 91 days to 1 year	24,218	24,808	24,721	24,800	24,050	25,362	25,928	24,327
13 Over 1 year to 5 years	30,575	30,841	30,841	30,841	31,168	30,401	30,841	31,168
14 Over 5 years to 10 years	9,888	9,888	9,888	9,888	9,991	9,841	9,888	9,991
15 Over 10 years	5,414	5,414	5,414	5,414	5,452	5,377	5,414	5,452
16 **Federal agency obligations**	**6,744**	**6,731**	**6,880**	**6,849**	**6,900**	**6,844**	**6,785**	**7,201**
17 Within 15 days[1]	41	46	195	163	214	247	82	170
18 16 days to 90 days	268	282	282	238	289	171	268	289
19 91 days to 1 year	1,178	1,137	1,137	1,143	1,092	1,091	1,178	1,091
20 Over 1 year to 5 years	3,291	3,300	3,300	3,317	3,317	3,358	3,291	3,490
21 Over 5 years to 10 years	1,206	1,211	1,211	1,233	1,233	1,217	1,206	1,371
22 Over 10 years	760	755	755	755	755	760	760	790

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

1.20 DEMAND DEPOSIT ACCOUNTS Debits and Rate of Turnover

Monthly data are at seasonally adjusted annual rates.

Standard metropolitan statistical area	1973	1974	1975	1976		1977		
				Nov.	Dec.	Jan.	Feb.	Mar.
	Debits (billions of dollars)[2]							
1 **All 233 SMSA's**	**18,641.3**	**22,192.2**	**23,565.1**	**[r]28,049.0**	**[r]28,911.0**	**[r]29,288.1**	**[r]30,148.5**	**30,415.9**
2 New York City	8,097.7	9,931.8	10,970.9	13,495.5	13,835.0	14,411.8	14,898.0	14,612.1
3 *232 SMSA's*	*10,543.6*	*12,260.6*	*12,594.2*	*[r]14,553.5*	*[r]15,076.1*	*[r]14,876.3*	*[r]15,250.4*	*15,803.9*
4 6 leading SMSA's other than N.Y.C.[1]	4,462.8	5,152.7	4,937.5	5,693.2	5,917.1	5,864.3	5,887.1	6,155.7
5 226 others	6,080.8	7,107.9	7,661.8	[r]8,860.4	[r]9,159.0	[r]9,012.0	[r]9,363.3	9,648.1
	Turnover of deposits (annual rate)							
6 **All 233 SMSA's**	**110.2**	**128.0**	**131.0**	**[r]147.3**	**[r]153.5**	**154.3**	**153.3**	**155.1**
7 New York City	269.8	312.8	351.8	395.1	419.8	443.5	437.3	436.0
8 *232 SMSA's*	*75.8*	*86.6*	*84.7*	*[r]93.2*	*[r]97.0*	*94.6*	*93.8*	*97.2*
9 6 leading SMSA's other than N.Y.C.[1]	115.0	131.8	118.4	131.7	136.9	133.9	129.9	135.2
10 226 others	60.6	69.3	71.6	[r]78.4	[r]81.7	79.4	[r]79.9	82.4

[1] Boston, Philadelphia, Chicago, Detroit, San Francisco–Oakland, and Los Angeles–Long Beach.

[2] Excludes interbank and U.S. Govt. demand deposit accounts.

NOTE.—Total SMSA's includes some cities and counties not designated as SMSA's.

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1973 Dec.	1974 Dec.	1975 Dec.	1976 Sept.[r]	1976 Oct.[r]	1976 Nov.[r]	1976 Dec.[r]	1977 Jan.[r]	1977 Feb.[r]	1977 Mar.[r]
	Seasonally adjusted									
MEASURES[1]										
1 *M*-1	270.5	283.1	294.8	306.9	310.5	310.6	312.8	314.3	314.5	316.1
2 *M*-2	571.4	612.4	664.3	716.3	725.7	731.7	739.3	745.0	749.1	754.2
3 *M*-3	919.6	981.5	[r]1,092.6	1,193.9	1,210.5	1,222.8	1,236.1	1,247.6	1,256.6	1,266.2
4 *M*-4	634.4	701.4	746.5	779.4	788.0	794.0	802.6	808.0	812.3	816.3
5 *M*-5	982.5	1,070.5	[r]1,174.7	1,257.0	1,272.8	1,285.0	1,299.3	1,310.7	1,319.9	1,328.4
COMPONENTS										
6 Currency	61.5	67.8	73.7	79.2	79.8	80.3	80.6	81.3	82.0	82.4
Commercial bank deposits:										
7 Demand	209.0	215.3	221.0	227.7	230.7	230.3	232.1	233.0	232.5	233.7
8 *Time and savings*	*363.9*	*418.3*	*451.7*	*472.5*	*477.5*	*483.4*	*489.8*	*493.8*	*497.8*	*500.2*
9 Negotiable CD's[2]	63.0	89.0	82.1	63.1	62.3	62.2	63.3	63.1	63.3	62.2
10 Other	300.9	329.3	369.6	409.4	415.2	421.2	426.5	430.7	434.5	438.0
11 Nonbank thrift institutions[3]	348.1	369.1	[r]428.3	477.6	484.8	491.0	496.8	502.6	507.5	512.0
	Not seasonally adjusted									
MEASURES[1]										
12 *M*-1	278.3	291.3	303.2	304.9	309.4	312.5	321.7	320.2	310.4	313.1
13 *M*-2	576.5	617.5	669.3	712.6	722.8	729.4	744.3	749.9	745.6	754.3
14 *M*-3	921.8	983.8	[r]1,094.3	1,188.6	1,204.9	1,215.7	1,236.9	1,250.1	1,251.5	1,267.9
15 *M*-4	640.5	708.0	752.8	777.9	786.9	792.3	808.6	813.0	806.9	815.1
16 *M*-5	985.8	1,074.3	[r]1,177.7	1,253.9	1,269.0	1,278.6	1,301.2	1,313.2	1,312.7	1,328.7
COMPONENTS										
17 Currency	62.7	69.0	75.1	79.0	79.6	80.8	82.1	80.7	80.9	81.7
Commercial bank deposits:										
18 *Demand*	*215.7*	*222.2*	*228.1*	*225.9*	*229.8*	*231.7*	*239.5*	*239.5*	*229.5*	*231.4*
19 Member	156.5	159.7	162.1	158.9	161.7	162.5	168.4	168.1	161.0	162.1
20 Domestic nonmember	56.3	58.5	62.6	63.8	64.9	65.9	67.5	67.9	65.0	65.7
21 *Time and savings*	*362.2*	*416.7*	*449.6*	*473.0*	*477.5*	*479.8*	*486.9*	*492.8*	*496.4*	*502.0*
22 Negotiable CD's[2]	64.0	90.5	83.5	65.3	64.2	62.9	64.3	63.1	61.3	60.8
23 Other	298.2	326.3	366.2	407.8	413.4	416.9	422.6	429.7	435.1	441.2
24 Nonbank thrift institutions[3]	345.3	366.3	[r]424.9	476.0	482.1	486.3	492.6	500.2	505.9	513.6
25 U.S. Govt. deposits (all commercial banks)	6.3	4.9	4.1	5.0	4.0	4.1	4.5	3.9	4.1	4.3

1 Composition of the money stock measures is as follows:

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

M-2: *M*-1 plus savings deposits, time deposits open account, and time certificates of deposits (CD's) other than negotiable CD's of $100,000 or more of large weekly reporting banks.

M-3: *M*-2 plus the average of the beginning and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).

M-4: *M*-2 plus large negotiable CD's.

M-5: *M*-3 plus large negotiable CD's.

For a description of the latest revisions in the money stock measures' see "Money Stock Measures Revisions" on pp. 305–306 of the March 1977 BULLETIN.

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

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

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

NOTES TO TABLE 1.23:

1 Adjusted to exclude domestic commercial interbank loans.

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

3 Reclassification of loans reduced these loans by about $1.2 billion as of Mar. 31, 1976.

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

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

5 Data revised beginning Jan. 1976 to conform with June 1976 call report benchmarks. Complete revisions will be published in the *Annual Statistical Digest, 1972–1976*.

NOTE.—Data are for last Wednesday of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

1.22 AGGREGATE RESERVES AND DEPOSITS Member Banks

Billions of dollars, averages of daily figures

Item	1973 Dec.	1974 Dec.	1975 Dec.	1976 Aug.	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.
						Seasonally adjusted					
1 **Reserves** [1]	**34.94**	**33.60**	**34.73**	**34.51**	**34.34**	**34.51**	**34.85**	**34.95**	**34.78**	**34.40**	**34.31**
2 Nonborrowed	33.64	35.87	34.60	34.41	34.27	34.41	34.78	34.90	34.71	34.33	34,20
3 Required	34.64	36.34	34.46	34.31	34.14	34.29	34.59	34.68	34.51	34.20	34,09
4 **Deposits subject to reserve requirements** [2]	**442.3**	**486.2**	**505.4**	**514.2**	**515.6**	**520.0**	**524.9**	**529.6**	**532.5**	**532.0**	**535.2**
5 Time and savings	279.2	322.1	337.9	341.7	343.3	346.2	350.2	355.0	357.3	360.1	361.3
Demand:											
6 Private	158.1	160.6	164.5	168.6	168.7	170.4	170.7	171.4	172.5	169.5	171.1
7 U.S. Govt.	5.0	3.5	3.0	3.9	3.6	3.4	4.0	3.2	2.7	2.5	2.8
8 **Deposits plus nondeposit items** [3]	**448.9**	**r494.6**	**513.8**	**523.1**	**523.8**	**529.0**	**534.0**	**538.8**	**540.8**	**539.5**	**542.9**
						Not seasonally adjusted					
9 **Deposits subject to reserve requirements** [2]	**447.5**	**491.8**	**510.9**	**511.3**	**514.9**	**518.9**	**522.5**	**534.8**	**537.7**	**528.7**	**534.0**
10 Time and savings	278.5	321.7	337.2	342.7	344.1	346.7	347.6	353.6	357.0	358.4	361.7
Demand:											
11 Private	164.0	166.6	170.7	165.9	167.2	169.5	171.9	177.9	177.8	167.2	169.1
12 U.S. Govt.	5.0	3.4	3.1	2.7	3.6	2.8	3.0	3.3	2.9	3.1	3.2
13 **Deposits plus nondeposit items** [3]	**454.0**	**500.1**	**519.3**	**520.2**	**523.1**	**527.9**	**531.5**	**544.0**	**546.0**	**536.2**	**541.7**

[1] Series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. There are breaks in series because of changes in reserve requirements effective Dec. 12, 1974; Feb. 13, May 22, and Oct. 30, 1975; and Jan. 8, 1976. In addition, effective Jan. 1, 1976, statewide branching in New York was instituted. The subsequent merger of a number of banks raised required reserves because of higher reserve requirements on aggregate deposits at these banks.

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

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

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

1.23 LOANS AND INVESTMENTS All Commercial Banks

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

Category	1973 Dec. 31	1974 [4] Dec. 31	1975 Dec. 31	1976 Oct. 27 p	1976 Nov. 24 p	1976 Dec. 31 p	1977 Jan. 26 p	1977 Feb. 23 p	1977 Mar. 30 p	1977 Apr. 27 p
					Seasonally adjusted					
1 **Loans and investments** [1]	**633.4**	**690.4**	**721.1**	**767.6**	**773.8**	**774.9**	**780.5**	**790.1**	**797.1**	**806.4**
2 Including loans sold outright [2]	637.7	695.2	725.5	771.4	777.6	778.7	784.5	794.0	801.1	810.4
Loans:										
3 Total	449.0	500.2	496.9	525.8	528.4	528.1	535.0	539.3	545.3	551.9
4 Including loans sold outright [2]	453.3	505.0	501.3	529.6	532.2	531.9	539.0	543.2	549.3	555.9
5 Commercial and industrial [3]	156.4	183.3	176.0	177.2	179.3	178.8	179.9	181.4	183.0	184.8
6 Including loans sold outright [2,3]	159.0	186.0	178.5	179.6	181.7	181.2	182.5	184.0	185.7	187.6
Investments:										
7 U.S. Treasury	54.5	50.4	79.4	93.8	94.7	96.9	96.1	100.7	102.7	101.9
8 Other	129.9	139.8	144.8	148.0	150.7	149.9	149.4	150.1	149.1	152.6
					Not seasonally adjusted					
9 **Loans and investments** [1]	**647.3**	**705.6**	**737.0**	**765.9**	**773.5**	**792.0**	**778.8**	**783.8**	**795.2**	**803.7**
10 Including loans sold outright	651.6	710.4	741.4	769.7	777.3	795.8	782.8	787.7	799.2	807.7
Loans:										
11 Total [1]	458.5	510.7	507.4	524.7	527.2	539.2	530.1	532.9	542.0	547.7
12 Including loans sold outright [2]	462.8	515.5	511.8	528.5	531.0	543.0	534.1	536.8	546.0	551.7
13 Commercial and industrial [3]	159.4	186.8	179.3	176.6	178.6	182.2	177.9	179.6	182.9	185.0
14 Including loans sold outright [2,3]	162.0	189.5	181.8	179.0	181.0	184.6	180.5	182.2	185.6	187.8
Investments:										
15 U.S. Treasury	58.3	54.5	84.1	93.8	97.3	102.1	100.2	101.7	103.8	102.2
16 Other	130.6	140.5	145.5	147.4	149.1	150.7	148.5	149.2	149.4	153.8

For notes see bottom of opposite page.

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

Billions of dollars, except for number of banks

	Account	1975 Dec. 31	1976[3] July[p]	Aug.[p]	Sept.[p]	Oct.[p]	Nov.[p]	Dec.[p]	1977 Jan.[p]	Feb.[p]	Mar.[p]	Apr.[p]
							All commercial					
1	**Loans and investments**	**775.8**	**780.6**	**790.0**	**798.4**	**804.9**	**813.9**	**834.7**	**819.7**	**827.0**	**836.1**	**842.0**
2	Loans, gross	546.2	544.8	551.6	558.1	563.7	567.6	583.5	571.0	576.1	582.9	586.0
	Investments:											
3	U.S. Treasury securities	84.1	89.9	92.2	93.0	93.8	97.3	101.6	100.2	101.7	103.8	102.2
4	Other	145.5	146.0	146.2	147.3	147.4	149.1	149.7	148.5	149.2	149.4	153.8
5	**Cash assets**	**133.6**	**110.8**	**108.6**	**118.0**	**114.5**	**123.8**	**128.0**	**117.0**	**123.5**	**119.3**	**120.4**
6	Currency and coin	12.3	12.2	12.0	12.3	12.6	11.8	13.9	12.6	12.3	12.8	13.2
7	Reserves with F.R. Banks	26.8	28.0	25.4	29.8	26.4	29.1	29.9	28.6	28.6	26.9	28.2
8	Balances with banks	47.3	33.7	35.5	35.3	35.9	39.5	38.7	36.3	38.5	38.7	38.1
9	Cash items in process of collection	47.3	36.8	35.7	40.7	39.6	43.4	45.2	39.5	44.3	40.9	40.9
10	**Total assets/total liabilities and capital**[1]	**964.9**	**939.5**	**945.8**	**965.4**	**967.9**	**988.4**	**1,016.2**	**988.6**	**1,003.1**	**1,010.1**	**1,017.7**
11	**Deposits**	**786.3**	**765.2**	**763.5**	**777.3**	**782.0**	**793.4**	**816.4**	**796.6**	**804.8**	**812.9**	**815.1**
	Demand:											
12	Interbank	41.8	32.8	33.1	34.9	34.4	39.6	38.8	35.4	36.6	37.6	33.9
13	U.S. Govt.	3.1	3.5	3.6	5.7	3.6	3.2	3.3	3.8	3.6	2.9	7.2
14	Other	278.7	251.8	248.8	254.3	259.5	262.3	277.1	258.6	262.4	261.1	266.0
	Time:											
15	Interbank	12.0	10.2	9.7	9.6	9.2	9.1	9.2	8.9	8.7	9.0	8.7
16	Other	450.6	466.9	468.3	473.0	475.2	479.2	487.9	490.0	493.5	502.1	499.4
17	Borrowings	60.2	66.7	72.2	77.4	75.9	83.5	87.9	81.1	86.0	83.1	86.6
18	**Total capital accounts**[2]	**69.1**	**72.5**	**72.9**	**73.5**	**74.0**	**74.4**	**75.4**	**75.9**	**76.3**	**76.7**	**77.0**
19	MEMO: Number of banks	14,633	14,636	14,650	14,656	14,660	14,674	14,671	14,667	14,688	14,685	14,685
							Member					
20	**Loans and investments**	**578.6**	**572.3**	**580.3**	**585.7**	**590.7**	**597.6**	**614.9**	**600.9**	**605.9**	**611.8**	**614.8**
21	Loans, gross	416.4	407.5	412.9	417.2	421.6	424.1	437.5	426.3	429.9	434.6	435.9
	Investments:											
22	U.S. Treasury securities	61.5	64.5	66.7	67.0	67.7	70.8	74.3	72.6	73.7	74.9	73.0
23	Other	100.7	100.3	100.7	101.5	101.4	102.7	103.1	102.0	102.3	102.3	105.8
24	**Cash assets, total**	**108.5**	**92.3**	**89.4**	**98.9**	**94.9**	**103.0**	**107.6**	**97.7**	**102.8**	**100.0**	**99.4**
25	Currency and coin	9.2	9.2	9.0	9.2	9.5	8.9	10.5	9.5	9.3	9.6	9.9
26	Reserves with F.R. Banks	26.8	28.0	25.4	29.8	26.4	29.1	29.9	28.6	28.6	26.9	28.2
27	Balances with banks	26.9	19.6	20.5	20.6	20.9	23.3	23.5	21.5	22.2	24.0	21.9
28	Cash items in process of collection	45.5	35.5	34.4	39.3	38.2	41.8	43.7	38.1	42.7	39.5	39.4
29	**Total assets/total liabilities and capital**[1]	**733.6**	**706.3**	**710.7**	**726.8**	**727.6**	**744.8**	**769.1**	**744.6**	**755.1**	**759.7**	**762.7**
30	**Deposits**	**590.8**	**565.2**	**562.3**	**573.9**	**576.1**	**584.8**	**604.6**	**587.0**	**592.0**	**598.1**	**597.8**
	Demand:											
31	Interbank	38.6	30.7	30.9	32.7	32.2	37.2	36.4	33.1	34.1	35.3	31.6
32	U.S. Govt.	3.2	2.7	2.8	4.3	2.9	2.4	2.5	3.0	2.7	2.1	5.9
33	Other	210.8	188.7	185.9	191.0	194.7	196.0	208.6	193.7	196.6	195.9	199.0
	Time:											
34	Interbank	10.0	8.2	7.6	7.5	7.1	7.0	7.2	6.8	6.6	6.9	6.6
35	Other	329.1	334.9	335.1	338.4	339.2	342.1	349.9	350.3	351.9	357.9	354.7
36	Borrowings	53.6	60.3	65.9	70.6	69.1	76.4	80.4	73.6	78.0	75.3	78.1
37	**Total capital accounts**[2]	**52.1**	**55.1**	**55.4**	**55.7**	**56.2**	**56.6**	**57.3**	**57.7**	**57.9**	**58.1**	**58.3**
38	MEMO: Number of banks	5,788	5,768	5,772	5,774	5,769	5,767	5,759	5,739	5,740	5,739	5,739

[1] Includes items not shown separately.

Effective Mar. 31, 1976, some of the item "reserve for loan losses" and all of the item "unearned income on loans" are no longer reported as liabilities. As of that date the "valuation" portion of "reserve for loan losses" and the "unearned income on loans" have been netted against "other assets," and against "total assets" as well.

Total liabilities continue to include the deferred income tax portion of "reserve for loan losses."

[2] Effective Mar. 31, 1976, includes "reserves for securities" and the contingency portion (which is small) of "reserve for loan losses."

[3] Figures partly estimated except on call dates.

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

Commercial banks: All such banks in the United States, including member and nonmember banks, stock savings banks, nondeposit trust companies, and U.S. branches of foreign banks, but excluding one national bank in Puerto Rico and one in the Virgin Islands.

Member banks: The following numbers of noninsured trust companies that are members of the Federal Reserve System are excluded from member banks in Tables 1.24 and 1.25 and are included with noninsured banks in Table 1.25: 1974 June, 2; December, 3; 1975– June and December, 4; 1976 (beginning month shown)– July, 5, December, 7; 1977–January 8.

1.25 COMMERCIAL BANK ASSETS AND LIABILITIES Call-Date Series

Millions of dollars except for number of banks

	Account	1974	1975		1976	1974	1975		1976
		Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30
		Total insured				National (all insured)			
1	**Loans and investments, Gross**	**734,516**	**736,164**	**762,400**	**773,696**	**428,433**	**428,167**	**441,135**	**443,955**
	Loans:								
2	Gross	541,111	526,272	535,170	539,017	321,466	312,229	315,738	315,624
3	Net	(2)	(2)	(2)	520,970	(2)	(2)	(2)	305,275
	Investments:								
4	U.S. Treasury securities	54,132	67,833	83,629	90,947	29,075	37,606	46,799	49,688
5	Other	139,272	142,060	143,602	143,731	77,892	78,331	78,598	78,642
6	Cash assets	125,375	125,181	128,256	124,072	76,523	75,686	78,026	75,488
7	**Total assets/total liabilities**[1]	**906,325**	**914,781**	**944,654**	**942,510**	**534,207**	**536,836**	**553,285**	**548,697**
8	**Deposits**	**741,665**	**746,348**	**775,209**	**776,957**	**431,039**	**431,646**	**447,590**	**444,251**
	Demand:								
9	U.S. Govt	4,799	3,106	3,108	4,622	2,437	1,723	1,788	2,858
10	Interbank	42,587	41,244	40,259	37,503	23,497	21,096	22,305	20,329
11	Other	265,444	261,903	276,384	265,670	154,397	152,576	159,840	152,382
	Time:								
12	Interbank	10,693	10,252	10,733	9,407	6,750	6,804	7,302	5,532
13	Other	418,142	429,844	444,725	459,754	243,959	249,446	256,355	263,148
14	Borrowings	55,988	59,310	56,775	63,823	39,603	41,954	40,875	45,183
15	**Total capital accounts**	**63,039**	**65,986**	**68,474**	**68,989**	**35,815**	**37,483**	**38,969**	**39,502**
16	MEMO: Number of banks	14,216	14,320	14,372	14,373	4,706	4,730	4,741	4,747
		State member (all insured)				Insured nonmember			
17	**Loans and investments, Gross**	**140,373**	**134,759**	**137,620**	**136,915**	**165,709**	**173,238**	**183,645**	**192,825**
	Loans:								
18	Gross	108,346	100,968	100,823	98,889	111,300	113,074	118,609	124,503
19	Net	(2)	(2)	(2)	96,037	(2)	(2)	(2)	119,658
	Investments:								
20	U.S. Treasury securities	9,846	12,004	14,720	16,323	15,211	18,223	22,109	24,934
21	Other	22,181	21,787	22,077	21,702	39,199	41,942	42,927	43,387
22	Cash assets	30,473	31,466	30,451	30,422	18,380	18,029	19,778	18,161
23	**Total assets/total liabilities**	**181,683**	**179,787**	**180,495**	**179,645**	**190,435**	**198,157**	**210,874**	**214,167**
24	**Deposits**	**144,799**	**141,995**	**143,409**	**142,061**	**165,827**	**172,707**	**184,210**	**190,644**
	Demand:								
25	U.S. Govt	746	443	467	869	1,616	940	853	894
26	Interbank	17,565	18,751	16,265	15,834	1,525	1,397	1,689	1,339
27	Other	49,807	48,621	50,984	49,658	61,240	60,706	65,560	63,629
	Time:								
28	Interbank	3,301	2,771	2,712	3,074	642	676	719	799
29	Other	73,380	71,409	72,981	72,624	100,804	108,989	115,389	123,980
30	Borrowings	13,247	14,380	12,771	15,300	3,138	2,976	3,128	3,339
31	**Total capital accounts**	**12,425**	**12,773**	**13,105**	**12,791**	**14,799**	**15,730**	**16,400**	**16,696**
32	MEMO: Number of banks	1,074	1,064	1,046	1,029	8,436	8,526	8,585	8,597
		Noninsured nonmember				Total nonmember			
33	**Loans and investments, Gross**	**9,981**	**11,725**	**13,674**	**15,905**	**175,690**	**184,963**	**197,319**	**208,730**
	Loans:								
34	Gross	8,461	9,559	11,283	13,209	119,761	122,633	129,892	137,712
35	Net	(2)	(2)	(2)	13,092	(2)	(2)	(2)	132,751
	Investments:								
36	U.S. Treasury securities	319	358	490	472	15,530	18,581	22,599	25,407
37	Other	1,201	1,808	1,902	2,223	40,400	43,750	44,829	45,610
38	Cash assets	2,667	3,534	5,359	4,362	21,047	21,563	25,137	22,524
39	**Total assets/total liabilities**	**13,616**	**16,277**	**20,544**	**21,271**	**204,051**	**214,434**	**231,418**	**235,439**
40	**Deposits**	**6,627**	**8,314**	**11,323**	**11,735**	**172,454**	**181,021**	**195,533**	**202,380**
	Demand:								
41	U.S. Govt	8	11	6	4	1,624	951	859	899
42	Interbank	897	1,338	1,552	1,006	2,422	2,735	3,241	2,346
43	Other	2,062	2,124	2,308	2,555	63,302	62,830	67,868	66,184
	Time:								
44	Interbank	803	957	1,291	1,292	1,445	1,633	2,010	2,092
45	Other	2,857	3,883	6,167	6,876	103,661	112,872	121,556	130,857
46	Borrowings	2,382	3,110	3,449	3,372	5,520	6,086	6,577	6,711
47	**Total capital accounts**	**611**	**570**	**651**	**663**	**15,410**	**16,300**	**17,051**	**17,359**
48	MEMO: Number of banks	249	253	261	270	8,685	8,779	8,846	8,867

1 Includes items not shown separately.
2 Not available.

For Note see Table 1.24.

1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Detailed Balance Sheet, June 30, 1976◀

Asset and liability items are shown in millions of dollars.

Asset account	All commercial banks	Insured commercial banks	Member banks[1]					Non-member banks[1]
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
1 **Cash bank balances, items in process**	**128,435**	**124,072**	**105,911**	**28,242**	**4,699**	**39,769**	**33,201**	**22,524**
2 Currency and coin	11,984	11,972	8,987	824	184	2,916	5,063	2,997
3 Reserves with F.R. Banks	28,212	28,212	28,212	5,194	2,174	11,269	9,575	....
4 Demand balances with banks in United States	30,921	28,765	17,838	6,607	286	3,306	7,639	13,083
5 Other balances with banks in United States	6,833	6,041	3,818	95	7	1,476	2,240	3,015
6 Balances with banks in foreign countries	4,948	3,623	3,179	327	33	1,767	1,052	1,769
7 Cash items in process of collection	45,537	45,459	43,877	15,194	2,016	19,035	7,633	1,660
8 **Total securities held Book value**	**235,836**	**233,184**	**165,113**	**19,743**	**7,553**	**51,970**	**85,847**	**70,723**
9 U.S. Treasury	91,420	90,948	66,013	9,810	3,766	21,562	30,875	25,408
10 Other U.S. Govt. agencies	34,264	33,729	20,706	1,153	348	5,724	13,482	13,558
11 States and political subdivisions	102,994	102,694	74,465	8,349	3,225	23,691	39,201	28,529
12 All other securities	6,995	5,701	3,849	430	214	965	2,240	3,146
13 Unclassified total	162	113	80	....	....	29	50	83
14 *Trading-account securities*	*5,795*	*5,745*	*5,654*	*2,635*	*678*	*2,079*	*261*	*141*
15 U.S. Treasury	3,535	3,535	3,507	1,950	494	970	93	28
16 Other U.S. Govt. agencies	665	665	659	248	44	338	28	6
17 States and political subdivisions	1,043	1,043	1,025	335	80	538	73	17
18 All other trading acct. securities	391	391	383	103	60	204	17	8
19 Unclassified	162	113	80	....	....	29	50	83
20 *Bank investment portfolios*	*230,042*	*227,439*	*159,460*	*17,108*	*6,875*	*49,891*	*85,586*	*70,582*
21 U.S. Treasury	87,886	87,413	62,506	7,861	3,272	20,592	30,782	25,380
22 Other U.S. Govt. agencies	33,600	33,064	20,048	905	304	5,385	13,454	13,552
23 States and political subdivisions	101,952	101,651	73,440	8,014	3,145	23,153	39,128	28,512
24 All other portfolio securities	6,605	5,310	3,466	328	155	761	2,223	3,138
25 F.R. stock and corporate stock	1,539	1,495	1,244	261	78	457	448	295
26 **Federal funds sold and securities resale agreement**	**36,120**	**34,262**	**26,819**	**1,957**	**1,150**	**14,082**	**9,630**	**9,300**
27 Commercial banks	30,954	29,471	22,170	1,100	1,016	10,930	9,124	8,784
28 Brokers and dealers	2,658	2,459	2,376	200	108	1,683	384	283
29 Others	2,507	2,333	2,273	656	26	1,469	123	234
30 **Other loans, gross**	**516,107**	**504,755**	**387,695**	**71,886**	**20,802**	**142,307**	**152,699**	**128,412**
31 Less: Unearned income on loans	12,000	11,941	8,286	560	81	2,736	4,909	3,714
32 Reserves for loan loss	6,163	6,105	4,916	1,191	331	1,752	1,642	1,248
33 *Other loans, net*	497,944	486,709	374,494	70,136	20,390	137,820	146,148	123,451
Other loans, gross, by category								
34 *Real estate loans*	*141,964*	*141,737*	*100,545*	*9,737*	*1,988*	*35,890*	*52,930*	*41,419*
35 Construction and land development	16,565	16,560	13,584	3,287	532	6,184	3,582	2,981
36 Secured by farmland	6,355	6,343	2,717	15	14	275	2,413	3,638
37 Secured by residential	80,204	80,064	57,631	4,508	922	20,636	31,564	22,573
38 *1- to 4-family residences*	*75,830*	*75,696*	*54,454*	*4,082*	*821*	*19,515*	*30,036*	*21,376*
39 FHA-insured or VA-guaranteed	8,298	8,263	7,151	628	52	3,863	2,608	1,147
40 Conventional	67,532	67,432	47,303	3,454	769	15,652	27,428	20,229
41 *Multifamily residences*	*4,374*	*4,368*	*3,177*	*426*	*101*	*1,122*	*1,528*	*1,197*
42 FHA-insured	412	411	321	126	25	94	77	90
43 Conventional	3,963	3,957	2,856	300	76	1,028	1,452	1,107
44 Secured by other properties	38,840	38,770	26,613	1,927	521	8,795	15,370	12,227
45 *Loans to financial institutions*	*41,667*	*36,703*	*34,742*	*12,757*	*4,548*	*14,488*	*2,949*	*6,925*
46 To REIT's and mortgage companies	10,726	10,680	10,341	3,967	1,457	4,149	769	384
47 To domestic commercial banks	5,182	3,201	2,527	838	138	1,183	369	2,655
48 To banks in foreign countries	8,625	6,076	5,907	2,445	324	2,725	413	2,718
49 To other depositary institutions	1,411	1,346	1,199	194	25	829	151	212
50 To other financial institutions	15,724	15,401	14,768	5,313	2,605	5,602	1,248	956
51 Loans to security brokers and dealers	7,743	7,521	7,390	4,807	987	1,462	134	353
52 Other loans to purch./carry securities	4,032	4,018	3,373	435	314	1,712	911	659
53 Loans to farmers--except real estate	22,174	22,149	12,380	91	135	2,974	9,179	9,795
54 Commercial and industrial loans	174,325	169,286	140,028	35,648	10,435	53,707	40,238	34,297
55 Loans to individuals	110,393	110,032	77,597	5,620	1,627	26,915	43,435	32,796
56 *Instalment loans*	*87,466*	*87,141*	*61,239*	*4,149*	*916*	*21,557*	*34,617*	*26,227*
57 Passenger automobiles	36,952	36,686	24,066	746	150	7,055	16,115	12,886
58 Residential-repair/modernize	6,107	6,106	4,320	314	37	1,695	2,273	1,787
59 Credit cards and related plans	12,196	12,193	10,746	1,446	534	5,792	2,973	1,450
60 Charge-account credit cards	9,517	9,516	8,540	1,039	504	4,765	2,232	977
61 Check and revolving credit plans	2,680	2,677	2,206	407	30	1,027	741	473
62 Other retail consumer goods	15,537	15,527	10,731	301	86	3,787	6,558	4,805
63 Mobile homes	8,721	8,720	6,238	166	33	2,246	3,793	2,483
64 Other	6,816	6,808	4,493	135	52	1,541	2,766	2,323
65 Other instalment loans	16,674	16,629	11,376	1,341	109	3,228	6,697	5,299
66 Single-payment loans to individuals	22,927	22,891	16,358	1,471	711	5,358	8,818	6,569
67 All other loans	13,807	13,309	11,639	2,792	766	5,159	2,922	2,168
68 **Total loans and securities, net**	**771,439**	**755,650**	**567,670**	**92,096**	**29,171**	**204,329**	**242,074**	**203,769**
69 Direct lease financing	4,675	4,675	4,455	1,042	128	2,655	630	221
70 Fixed assets—Buildings, furniture, real estate	18,585	18,485	13,902	1,745	611	5,486	6,060	4,683
71 Investment in unconsolidated subsidiaries	2,107	2,104	2,063	853	160	980	70	44
72 Customer acceptances outstanding	10,681	10,315	9,989	5,461	517	3,741	271	692
73 Other assets	27,860	27,210	24,353	9,266	1,627	9,589	3,871	3,507
74 **Total assets**	**963,782**	**942,510**	**728,343**	**138,705**	**36,912**	**266,549**	**286,177**	**235,440**

For notes see opposite page.

1.26 Continued◀

Liability or capital account	All commercial banks	Insured commercial banks	Member banks[1] Total	Large banks: New York City	Large banks: City of Chicago	Large banks: Other large	All other	Non-member banks[1]
75 **Demand deposits**	**311,363**	**307,796**	**241,932**	**57,143**	**9,807**	**84,664**	**90,318**	**69,431**
76 *Mutual savings banks*	1,299	1,113	1,014	510	2	211	291	286
77 Other individuals, partnerships, and corporations	236,613	235,546	179,037	31,574	7,268	65,745	74,449	57,577
78 U.S. Govt.	4,627	4.623	3,728	515	154	1,563	1,496	900
79 States and political subdivisions	17,336	17.216	12,278	810	155	3,543	7.770	5,058
80 Foreign governments, central banks, etc.	1,757	1.295	1,250	987	21	225	17	507
81 Commercial banks in United States	30,870	30,573	29,454	14,252	1,781	9,861	3.560	1,416
82 Banks in foreign countries	6.341	5,817	5,697	4,349	148	1,083	117	644
83 Certified and officers' checks, etc.	12,520	11,612	9,477	4,146	278	2,434	2,619	3,043
84 **Time deposits**	**293,219**	**285,446**	**212,755**	**35,016**	**13,165**	**75,212**	**89,363**	**80,464**
85 Accumulated for personal loan payments	171	171	136	....	....	13	123	35
86 Mutual savings banks	481	458	445	266	7	135	36	36
87 Other individuals, partnerships, and corporations	227,592	222,515	163,950	24,420	9,494	56,979	73,056	63,643
88 U.S. Govt.	678	678	550	78	1	251	220	128
89 States and political subdivisions	43,943	43,654	30,740	1,245	1,106	13,268	15,121	13,203
90 Foreign governments, central banks, etc.	10,143	9.029	8,778	5,381	1,295	2,061	41	1,366
91 Commercial banks in United States	8.082	7,522	6,797	2,642	1,162	2,309	685	1,285
92 Banks in foreign countries	2,129	1,419	1,360	984	100	196	80	769
93 **Savings deposits**	**184,111**	**183,716**	**131,625**	**9,994**	**2,715**	**47,121**	**71,796**	**52,486**
94 Individuals and nonprofit organizations	175,366	174,981	125,255	9,530	2,611	44,794	68,320	50,111
95 *Corporations* and *other profit organizations*	6,049	6,043	4,521	302	95	1,943	2.182	1,529
96 U.S. Govt.	2,648	2,645	1,805	133	9	373	1.290	843
97 All other	47	47	44	28	....	11	4	4
98 **Total deposits**	**788,694**	**776,958**	**586,313**	**102,153**	**25,687**	**206,997**	**251,476**	**202,381**
99 **Federal funds purchased and securities sold under agreements to repurchase**	**60,719**	**58,944**	**55,906**	**11,539**	**7,215**	**28,994**	**8,158**	**4,813**
100 Commercial banks	35,182	33,936	32,667	6,495	4,883	17.324	3,965	2,514
101 Brokers and dealers	8,053	7,976	7,512	800	1,073	4.837	801	542
102 Others	17,484	17,031	15,727	4,243	1,259	6.833	3,392	1,757
103 Other liabilities for borrowed money	6.477	4,880	4,578	2,249	80	1,800	449	1,899
104 Mortgage indebtedness	790	788	578	57	16	312	193	212
105 Bank acceptances outstanding	11,286	10.916	10,590	6.040	525	3.752	274	696
106 Other liabilities	21.264	16,199	14.150	4.825	892	5.487	2,946	7.114
107 **Total liabilities**	**889,229**	**868,684**	**672,115**	**126,862**	**34,415**	**247,342**	**263,497**	**217,114**
108 Subordinated notes and debentures	4,901	4,837	3.935	1.100	83	1.751	1,001	966
109 **Equity capital**	**69,653**	**68,989**	**52,293**	**10,743**	**2,414**	**17,457**	**21,680**	**17,360**
110 Preferred stock	81	75	34	....	....	10	24	47
111 Common stock	15.963	15,843	11,723	2.444	570	3,714	4,995	4.239
112 *Surplus*	27,903	27,648	20,676	4.149	1,155	7,325	8,047	7.226
113 Undivided profits	23,842	23.630	18,566	4,036	645	5,976	7,909	5,276
114 Other capital reserves	1,865	1,793	1,294	114	44	431	705	571
115 **Total liabilities and equity capital**	**963,782**	**942,510**	**728,343**	**138,705**	**36,912**	**266,549**	**286,177**	**235,440**
116 MEMO: Demand deposits adjusted[2]	230.329	227,142	164,874	27,182	5,857	54,206	77,629	65,455
Average for last 15 or 30 days:								
117 Cash and due from bank	123,702	119.245	102,290	27,714	4,360	38,225	31,992	21,412
118 Federal funds sold and securities purchased under agreements to resell	38,280	35,632	27,149	2,306	1,341	13,300	10,202	11,131
119 Total loans	502,155	490.759	377,741	71,043	20,569	138,707	147,421	124,414
120 Time deposits of $100,000 or more	144,736	138,861	115,899	30,462	10,747	47,240	27,450	28,838
121 Total deposits	775,140	763,837	574,789	96,456	25,003	203,331	249,999	200.350
122 Federal funds purchased and securities sold under agreements to repurchase	64,665	62.022	58,970	14.909	7,184	28,637	8,240	5.695
123 Other liabilities for borrowed money	6,485	4,782	4,474	2,078	87	1,943	367	2,011
124 Standby letters of credit outstanding	10,769	10,355	9,874	5,450	954	2.834	636	895
125 Time deposits of $100,000 or more	145,209	139,572	117,265	30,470	11.159	47,947	27,688	27,944
126 Certificates of deposit	120,619	117.020	97,457	25,724	8,937	38,645	24,150	23.162
127 Other time deposits	24,590	22,552	19,808	4,746	2,221	9,302	3,538	4.782
128 *Number of banks*	14,643	14,373	5,776	12	9	154	5,601	8,867

◀ Revised data shown in this table reflect mainly changes for large banks in New York City and for other large banks.

Similarly revised data for Mar. 31, 1977, appear on pp. A-70 and A-71.

[1] Member banks exclude and nonmember banks include 5 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

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

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. *Holdings by type of security will be reported* as soon as they become available.

Back data in lesser detail were shown in previous BULLETINS. Details may not add to totals because of rounding.

1.27 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS Assets and Liabilities

Millions of dollars, Wednesday figures

	Account	1977 Mar. 9	Mar. 16	Mar. 23	Mar. 30	Apr. 6	Apr. 13	Apr. 20	Apr. 27
1	**Total loans and investments**	**412,780**	**416,040**	**409,650**	**411,156**	**421,508**	**416,608**	**417,691**	**413,879**
	Loans:								
2	*Federal funds sold*[1]	*23,990*	*23,769*	*20,589*	*22,340*	*27,804*	*23,622*	*22,015*	*20,789*
3	To commercial banks	18,337	16,922	16,116	17,016	18,622	17,392	17,488	16,696
	To brokers and dealers involving—								
4	U.S. Treasury securities	3,163	3,884	2,488	2,713	4,926	3,143	2,517	2,284
5	Other securities	1,170	1,036	451	689	1,133	679	538	414
6	To others	1,320	1,927	1,534	1,922	3,123	2,408	1,472	1,395
7	*Other, gross*	*286,819*	*289,683*	*287,914*	*287,996*	*290,470*	*290,674*	*290,555*	*290,633*
8	Commercial and industrial	116,325	117,060	117,233	116,791	117,285	117,416	117,572	117,427
9	Agricultural	4,223	4,245	4,251	4,259	4,300	4,336	4,352	4,369
	For purchasing or carrying securities:								
	To brokers and dealers:								
10	U.S. Treasury securities	1,596	2,520	1,125	1,363	2,756	2,269	1,284	1,382
11	Other securities	7,656	7,892	7,513	7,715	8,043	7,852	8,647	8,009
	To others:								
12	U.S. Treasury securities	70	71	69	74	82	81	97	97
13	Other securities	2,514	2,528	2,518	2,530	2,492	2,535	2,502	2,488
	To nonbank financial institutions:								
14	Personal and sales finance cos., etc.	7,132	7,263	7,293	7,257	7,230	7,284	7,174	7,216
15	Other	15,907	15,910	15,767	15,803	15,771	15,768	15,798	15,814
16	Real estate	64,503	64,824	64,930	64,974	65,005	65,151	65,310	65,422
	To commercial banks:								
17	Domestic	1,956	2,082	2,064	2,007	2,112	2,220	1,896	2,216
18	Foreign	5,668	5,684	5,492	5,439	5,383	5,667	5,497	5,504
19	Consumer instalment	39,492	39,516	39,591	39,761	39,805	39,967	40,113	40,365
20	Foreign governments, official institutions, etc.	1,768	1,757	1,723	1,758	1,704	1,745	1,653	1,668
21	All other loans	18,009	18,331	18,345	18,265	18,502	18,383	18,660	18,656
22	LESS: Loan loss reserve and unearned income on loans	8,734	8,773	8,784	8,687	8,600	8,658	8,708	8,722
23	*Other loans, net*	*278,085*	*280,910*	*279,130*	*279,309*	*281,870*	*282,016*	*281,847*	*281,911*
	Investments:								
24	*U.S. Treasury securities*	*50,651*	*50,691*	*49,872*	*49,489*	*51,488*	*50,241*	*50,369*	*47,707*
25	Bills	10,750	10,859	10,442	10,399	11,663	10,449	10,278	7,592
	Notes and bonds, by maturity:								
26	Within 1 year	8,054	8,046	8,101	7,935	8,425	8,427	8,502	8,376
27	1 to 5 years	28,090	27,901	27,690	27,554	27,215	27,170	27,291	27,502
28	After 5 years	3,757	3,885	3,639	3,601	4,185	4,195	4,298	4,237
29	*Other securities*	*60,054*	*60,670*	*60,059*	*60,018*	*60,346*	*60,729*	*63,460*	*63,472*
	Obligations of States and political subdivisions:								
30	Tax warrants, short-term notes, and bills	6,234	6,607	6,365	6,189	6,169	6,649	8,937	8,911
31	All other	40,185	40,538	40,287	40,458	40,712	40,638	40,699	40,822
	Other bonds, corporate stocks, and securities:								
32	Certificates of participation[2]	2,206	2,214	2,266	2,287	2,178	2,107	2,162	2,175
33	All other, including corporate stocks	11,429	11,311	11,141	11,084	11,287	11,335	11,662	11,564
34	Cash items in process of collection	32,126	37,776	35,525	35,862	37,447	37,522	37,433	35,932
35	Reserves with F.R. Banks	18,934	19,418	23,786	20,434	12,783	21,580	19,493	21,297
36	Currency and coin	5,283	5,582	5,735	5,901	5,211	6,027	5,939	6,081
37	Balances with domestic banks	12,665	12,620	12,126	14,568	12,520	12,609	12,664	12,431
38	Investments in subsidiaries not consolidated	2,522	2,579	2,540	2,524	2,573	2,584	2,609	2,608
39	Other assets	50,421	51,181	51,506	52,262	53,544	53,839	52,564	52,962
40	**Total assets/total liabilities**	**534,731**	**545,196**	**540,868**	**542,707**	**545,586**	**550,769**	**548,393**	**545,190**
	Deposits:								
41	*Demand deposits*	*164,326*	*178,073*	*167,078*	*170,675*	*176,422*	*176,531*	*176,414*	*173,438*
42	Individuals, partnerships, and corporations	120,164	126,723	121,706	123,137	127,687	130,418	128,207	125,746
43	States and political subdivisions	5,603	5,969	6,315	5,706	5,912	6,080	5,986	6,219
44	U.S. Govt.	1,252	6,856	1,126	1,045	1,796	1,511	3,523	4,791
	Domestic interbank:								
45	Commercial	23,813	24,610	23,435	26,323	25,451	24,679	24,785	22,753
46	Mutual savings	821	842	722	756	968	868	850	806
	Foreign:								
47	Governments, official institutions, etc.	1,160	868	1,019	1,148	1,090	1,062	1,039	1,061
48	Commercial banks	5,684	5,721	5,484	5,882	5,628	5,626	5,444	5,813
49	Certified and officers' checks	5,829	6,484	7,271	6,678	7,890	6,287	6,580	6,249
50	*Time and savings deposits*[3]	*231,890*	*231,912*	*233,261*	*234,857*	*233,858*	*232,731*	*231,776*	*231,862*
51	Savings[4]	93,337	93,723	94,119	94,997	95,398	95,034	94,687	94,691
	Time:								
52	Individuals, partnerships, and corporations	104,974	104,568	105,505	106,158	105,392	104,813	104,271	104,260
53	States and political subdivisions	20,038	19,908	20,040	20,059	19,597	19,717	19,687	19,915
54	Domestic interbank	5,183	5,352	5,311	5,390	5,125	4,890	4,729	4,627
55	Foreign govts., official institutions, etc.	6,948	6,950	6,876	6,854	6,927	6,845	6,943	6,939
56	Federal funds purchased, etc.[5]	68,637	64,690	67,889	66,924	65,164	71,850	70,894	69,167
	Borrowings from:								
57	F.R. Banks	7	5	2,101	100	8	16	28	423
58	Others	3,693	3,804	3,945	3,926	4,063	3,565	3,412	3,426
59	Other liabilities, etc.[6]	24,223	24,842	24,722	24,418	24,023	24,011	23,829	24,786
60	Total equity capital and subordinated notes/debentures[7]	41,955	41,870	41,872	41,807	42,048	42,065	42,040	42,088

1 Includes securities purchased under agreements to resell.
2 Federal agencies only.
3 Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.
4 For amounts of these deposits by ownership categories, see Table 1.30.
5 Includes securities sold under agreements to repurchase.
6 Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.
7 Includes reserves for securities and contingency portion of reserves for loans.

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

Millions of dollars, Wednesday figures

	Account	1977 Mar. 9	Mar. 16	Mar. 23	Mar. 30	Apr. 6	Apr. 13	Apr. 20	Apr. 27
1	**Total loans and investments**	**90,398**	**91,896**	**88,562**	**89,235**	**89,454**	**88,857**	**90,949**	**89,395**
	Loans:								
2	*Federal funds sold* [1]	*2,899*	*3,393*	*3,135*	*4,043*	*2,123*	*2,591*	*2,922*	*3,213*
3	To commercial banks	1,478	2,026	2,000	2,221	1,236	1,512	1,797	2,173
	To brokers and dealers involving–								
4	U.S. Treasury securities	725	717	494	641	439	586	527	516
5	Other securities	554	413	....	145	....	....	....	....
6	To others	142	237	641	1,036	448	493	598	524
7	*Other, gross*	*67,868*	*69,410*	*66,839*	*67,206*	*68,375*	*68,098*	*67,275*	*66,897*
8	Commercial and industrial	33,982	34,170	33,897	33,939	34,074	33,847	33,750	33,543
9	Agricultural	115	120	121	121	120	123	126	128
	For purchasing or carrying securities:								
	To brokers and dealers:								
10	U.S. Treasury securities	1,427	2,158	896	1,154	2,354	2,012	1,027	1,160
11	Other securities	4,206	4,677	4,080	4,210	4,460	4,305	4,946	4,422
	To others:								
12	U.S. Treasury securities	12	12	11	11	11	10	25	25
13	Other securities	374	373	371	372	367	368	340	340
	To nonbank financial institutions:								
14	*Personal and sales finance cos., etc.*	2,422	2,508	2,433	2,492	2,377	2,386	2,278	2,357
15	Other	5,255	5,231	5,174	5,129	5,065	5,034	5,049	5,043
16	Real estate	8,953	8,979	8,991	8,924	8,875	8,841	8,823	8,806
	To commercial banks:								
17	Domestic	726	718	628	628	561	848	540	610
18	Foreign	2,603	2,583	2,416	2,397	2,338	2,568	2,428	2,455
19	Consumer instalment	4,045	4,018	3,998	3,977	3,974	4,002	4,009	4,017
20	Foreign governments, official institutions, etc.	374	403	366	426	391	435	383	388
21	All other loans	3,374	3,460	3,457	3,426	3,408	3,319	3,551	3,603
22	LESS: Loan loss reserve and unearned income on loans	1,720	1,720	1,697	1,618	1,571	1,592	1,597	1,592
23	*Other loans, net*	*66,148*	*67,690*	*65,142*	*65,588*	*66,804*	*66,506*	*65,678*	*65,305*
	Investments:								
24	*U.S. Treasury securities*	*12,775*	*12,232*	*11,877*	*11,230*	*12,095*	*11,201*	*11,913*	*10,528*
25	Bills	3,549	3,279	3,064	2,602	3,107	2,447	3,229	1,633
	Notes and bonds, by maturity:								
26	Within 1 year	831	868	889	868	875	894	898	891
27	1 to 5 years	7,677	7,266	7,227	7,078	7,035	6,866	6,815	7,008
28	After 5 years	718	819	697	682	1,078	994	971	996
29	*Other securities*	*8,576*	*8,581*	*8,408*	*8,374*	*8,432*	*8,559*	*10,436*	*10,349*
	Obligations of States and political subdivisions:								
30	*Tax warrants, short-term notes, and bills*	869	939	995	843	815	863	2,494	2,504
31	All other	5,974	6,063	5,936	5,975	5,963	6,049	6,025	5,999
	Other bonds, corporate stocks, and securities:								
32	Certificates of participation [2]	220	220	220	220	213	213	215	215
33	All other, including corporate stocks	1,513	1,359	1,257	1,336	1,441	1,434	1,702	1,631
34	Cash items in process of collection	10,316	12,355	13,398	13,596	12,795	11,675	11,668	11,539
35	Reserves with F.R. Banks	6,081	5,128	6,048	5,386	2,406	6,533	4,324	4,160
36	Currency and coin	815	892	913	921	839	919	945	944
37	Balances with domestic banks	5,869	5,473	5,739	6,757	5,408	5,930	5,813	5,623
38	Investments in subsidiaries not consolidated	1,157	1,190	1,191	1,165	1,198	1,213	1,242	1,241
39	Other assets	17,012	17,424	17,901	17,545	18,548	18,968	17,770	17,967
40	**Total assets/total liabilities**	**131,648**	**134,358**	**133,752**	**134,605**	**130,648**	**134,095**	**132,711**	**130,869**
	Deposits:								
41	*Demand deposits*	*46,048*	*51,125*	*48,958*	*49,793*	*49,050*	*48,343*	*48,050*	*47,230*
42	Individuals, partnerships, and corporations	26,011	28,880	27,671	27,627	27,728	27,846	27,602	27,558
43	States and political subdivisions	511	657	733	500	457	527	527	501
44	U.S. Govt.	81	1,994	158	102	128	165	583	749
	Domestic interbank:								
45	Commercial	11,069	11,102	10,841	12,494	11,089	11,588	11,098	10,227
46	*Mutual savings*	419	436	347	381	520	467	433	417
	Foreign:								
47	Governments, official institutions, etc.	925	657	800	912	865	844	795	672
48	Commercial banks	4,385	4,337	4,192	4,510	4,199	4,181	4,161	4,419
49	Certified and officers' checks	2,647	3,062	4,216	3,267	4,064	2,725	2,851	2,687
50	*Time and savings deposits* [3]	*41,875*	*41,609*	*41,748*	*42,163*	*41,570*	*41,044*	*40,893*	*40,796*
51	Savings [4]	10,739	10,767	10,773	10,920	10,924	10,892	10,907	10,934
	Time:								
52	Individuals, partnerships, and corporations	23,065	22,753	23,083	23,190	22,820	22,499	22,361	22,311
53	States and political subdivisions	1,193	1,219	1,219	1,333	1,277	1,276	1,305	1,324
54	Domestic interbank	2,091	2,109	2,003	2,099	2,045	1,988	1,967	1,891
55	*Foreign govts., official institutions, etc.*	4,025	3,997	3,910	3,861	3,738	3,625	3,556	3,559
56	Federal funds purchased, etc. [5]	19,619	16,978	17,275	18,018	15,779	20,589	19,810	18,158
	Borrowings from:								
57	F.R. Banks	....	....	1,107	....	....	....	....	240
58	Others	1,791	1,650	1,729	1,861	1,861	1,565	1,427	1,429
59	Other liabilities, etc. [6]	10,401	11,087	11,015	10,841	10,440	10,612	10,605	11,077
60	Total equity capital and subordinated notes/debentures [7]	11,914	11,909	11,920	11,929	11,948	11,942	11,926	11,939

1 Includes securities purchased under agreements to resell.
2 *Federal agencies only.*
3 Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.
4 For amounts of these deposits by ownership categories, see Table 1.30.
5 Includes securities sold under agreements to repurchase.
6 Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.
7 Includes reserves for securities and contingency portion of reserves for loans.

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

Millions of dollars, Wednesday figures

	Account	1977							
		Mar. 9	Mar. 16	Mar. 23	Mar. 30	Apr. 6	Apr. 13	Apr. 20	Apr. 27
1	**Total loans and investments**	**322,382**	**324,144**	**321,088**	**321,921**	**332,054**	**327,751**	**326,742**	**324,484**
	Loans:								
2	*Federal funds sold*[1]	*21,091*	*20,376*	*17,454*	*18,297*	*25,681*	*21,031*	*19,093*	*17,576*
3	To commercial banks	16,859	14,896	14,116	14,795	17,386	15,880	15,691	14,523
	To brokers and dealers involving--								
4	U.S. Treasury securities	2,438	3,167	1,994	2,072	4,487	2,557	1,990	1,768
5	Other securities	616	623	451	544	1,133	679	538	414
6	To others	1,178	1,690	893	886	2,675	1,915	874	871
7	*Other, gross*	*218,951*	*220,273*	*221,075*	*220,790*	*222,095*	*222,576*	*223,280*	*223,736*
8	Commercial and industrial	82,343	82,890	83,336	82,852	83,211	83,569	83,822	83,884
9	Agricultural	4,108	4,125	4,130	4,138	4,180	4,213	4,226	4,241
	For purchasing or carrying securities:								
	To brokers and dealers:								
10	U.S. Treasury securities	169	362	229	209	402	257	257	222
11	Other securities	3,450	3,215	3,433	3,505	3,583	3,547	3,701	3,587
	To others:								
12	U.S. Treasury securities	58	59	58	63	71	71	72	72
13	Other securities	2,140	2,155	2,147	2,158	2,125	2,167	2,162	2,148
	To nonbank financial institutions:								
14	Personal and sales finance cos., etc.	4,710	4,755	4,860	4,765	4,853	4,898	4,896	4,859
15	Other	10,652	10,679	10,593	10,674	10,706	10,734	10,749	10,771
16	Real estate	55,550	55,845	55,939	56,050	56,130	56,310	56,487	56,616
	To commercial banks:								
17	Domestic	1,230	1,364	1,436	1,379	1,551	1,372	1,356	1,606
18	Foreign	3,065	3,101	3,076	3,042	3,045	3,099	3,069	3,049
19	Consumer instalment	35,447	35,498	35,593	35,784	35,831	35,965	36,104	36,348
20	Foreign governments, official institutions, etc.	1,394	1,354	1,357	1,332	1,313	1,310	1,270	1,280
21	All other loans	14,635	14,871	14,888	14,839	15,094	15,064	15,109	15,053
22	Less: Loan reserve and unearned income on loans	7,014	7,053	7,087	7,069	7,029	7,066	7,111	7,130
23	*Other loans, net*	*211,937*	*213,220*	*213,988*	*213,721*	*215,066*	*215,510*	*216,169*	*216,606*
	Investments:								
24	*U.S. Treasury securities*	*37,876*	*38,459*	*37,995*	*38,259*	*39,393*	*39,040*	*38,456*	*37,179*
25	Bills	7,201	7,580	7,378	7,797	8,556	8,002	7,058	5,959
	Notes and bonds, by maturity:								
26	Within 1 year	7,223	7,178	7,212	7,067	7,550	7,533	7,604	7,485
27	1 to 5 years	20,413	20,635	20,463	20,476	20,180	20,304	20,476	20,494
28	After 5 years	3,039	3,066	2,942	2,919	3,107	3,201	3,318	3,241
29	*Other securities*	*51,478*	*52,089*	*51,651*	*51,644*	*51,914*	*52,170*	*53,024*	*53,123*
	Obligations of States and political subdivisions:								
30	Tax warrants, short-term notes, and bills	5,365	5,668	5,370	5,346	5,354	5,786	6,443	6,407
31	All other	34,211	34,475	34,351	34,483	34,749	34,589	34,674	34,823
	Other bonds, corporate stocks, and securities:								
32	Certificates of participation[2]	1,986	1,994	2,046	2,067	1,965	1,894	1,947	1,960
33	All other, including corporate stocks	9,916	9,952	9,884	9,748	9,846	9,901	9,960	9,933
34	Cash items in process of collection	21,810	25,421	22,127	22,266	24,652	25,847	25,765	24,393
35	Reserves with F. R. Banks	12,853	14,290	17,738	15,048	10,377	15,047	15,169	17,137
36	Currency and coin	4,468	4,690	4,822	4,980	4,372	5,108	4,994	5,137
37	*Balances with domestic banks*	*6,796*	*7,147*	*6,387*	*7,811*	*7,112*	*6,679*	*6,851*	*6,808*
38	Investments in subsidiaries not consolidated	1,365	1,389	1,349	1,359	1,375	1,371	1,367	1,367
39	Other assets	33,409	33,757	33,605	34,717	34,996	34,871	34,794	34,995
40	**Total assets/total liabilities**	**403,083**	**410,838**	**407,116**	**408,102**	**414,938**	**416,674**	**415,682**	**414,321**
	Deposits:								
41	*Demand deposits*	*118,278*	*126,948*	*118,120*	*120,882*	*127,372*	*128,188*	*128,364*	*126,208*
42	Individuals, partnerships, and corporations	94,153	97,843	94,035	95,510	99,959	102,572	100,605	98,188
43	States and political subdivisions	5,092	5,312	5,582	5,206	5,455	5,553	5,459	5,718
44	U.S. Govt.	1,171	4,862	968	943	1,668	1,346	2,940	4,042
	Domestic interbank:								
45	Commercial	12,744	13,508	12,594	13,829	14,362	13,091	13,687	12,526
46	Mutual savings	402	406	375	375	448	401	417	389
	Foreign:								
47	Governments, official institutions, etc.	235	211	219	236	225	218	244	389
48	Commercial banks	1,299	1,384	1,292	1,372	1,429	1,445	1,283	1,394
49	Certified and officers' checks	3,182	3,422	3,055	3,411	3,826	3,562	3,729	3,562
50	*Time and savings deposits*[3]	*190,015*	*190,303*	*191,513*	*192,694*	*192,288*	*191,687*	*190,883*	*191,066*
51	Savings[4]	82,598	82,956	83,346	84,077	84,474	84,142	83,780	83,757
	Time:								
52	Individuals, partnerships, and corporations	81,909	81,815	82,422	82,968	82,572	82,314	81,910	81,949
53	States and political subdivisions	18,845	18,689	18,821	18,726	18,320	18,441	18,382	18,591
54	Domestic interbank	3,092	3,243	3,308	3,291	3,080	2,902	2,762	2,736
55	Foreign govts., official institutions, etc.	2,923	2,953	2,966	2,993	3,189	3,220	3,387	3,380
56	Federal funds purchased, etc.[5]	49,018	47,712	50,614	48,906	49,385	51,261	51,084	51,009
	Borrowings from:								
57	F. R. Banks	7	5	994	100	8	16	28	183
58	Others	1,902	2,154	2,216	2,065	2,202	2,000	1,985	1,997
59	Other liabilities, etc.[6]	13,822	13,755	13,707	13,577	13,583	13,399	13,224	13,709
60	Total equity capital and subordinated notes/debentures[7]	30,041	29,961	29,952	29,878	30,100	30,123	30,114	30,149

1 Includes securities purchased under agreements to resell.
2 Federal agencies only.
3 Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.
4 For amounts of these deposits by ownership categories, see Table 1.30.
5 Includes securities sold under agreements to repurchase.
6 Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.
7 Includes reserves for securities and contingency portion of reserves for loans.

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

	Account and bank group	1977 Mar. 9	Mar. 16	Mar. 23	Mar. 30	Apr. 6	Apr. 13	Apr. 20	Apr. 27
	Total loans (gross) and investments, adjusted[1]								
1	*Large banks*	*401,221*	*405,809*	*400,254*	*400,826*	*409,374*	*405,654*	*407,015*	*403,689*
2	New York City banks	89,914	90,872	87,631	88,004	89,228	88,089	90,209	88,204
3	Banks outside New York City	311,307	314,937	312,623	312,816	320,146	317,565	316,806	315,485
	Total loans (gross), adjusted								
4	*Large banks*	*290,516*	*294,448*	*290,323*	*291,313*	*297,540*	*294,684*	*293,186*	*292,510*
5	New York City banks	68,563	70,059	67,346	68,400	68,701	68,329	67,860	67,327
6	Banks outside New York City	221,953	224,389	222,977	222,913	228,839	226,355	225,326	225,183
	Demand deposits, adjusted[2]								
7	*Large banks*	*107,135*	*108,831*	*106,992*	*107,445*	*111,728*	*112,819*	*110,673*	*109,962*
8	New York City banks	24,582	25,674	24,561	23,601	25,038	24,915	24,701	24,715
9	Banks outside New York City	82,553	83,157	82,431	83,844	86,690	87,904	85,972	85,247
	Large negotiable time CD's included in time and savings deposits[3]								
	Total:								
10	**Large banks**	**60,774**	**60,277**	**61,257**	**61,945**	**60,805**	**59,947**	**59,344**	**59,260**
11	New York City	20,941	20,472	20,642	20,858	20,307	19,843	19,684	19,606
12	Banks outside New York City	39,833	39,805	40,615	41,087	40,498	40,104	39,660	39,654
	Issued to IPC's:								
13	*Large banks*	*39,733*	*39,141*	*40,113*	*40,654*	*39,804*	*39,234*	*38,774*	*38,657*
14	New York City Banks	14,265	13,829	14,205	14,251	13,859	13,562	13,441	13,381
15	Banks outside New York City	25,468	25,312	25,908	26,403	25,945	25,672	25,333	25,276
	Issued to others:								
16	*Large banks*	*21,041*	*21,136*	*21,144*	*21,291*	*21,001*	*20,713*	*20,570*	*20,603*
17	New York City banks	6,676	6,643	6,437	6,607	6,448	6,281	6,243	6,225
18	Banks outside New York City	14,365	14,493	14,707	14,684	14,553	14,432	14,327	14,378
	All other large time deposits[4]								
	Total:								
19	**Large banks**	**25,990**	**25,928**	**25,778**	**25,717**	**25,337**	**25,472**	**25,392**	**25,472**
20	New York City banks	5,200	5,303	5,247	5,252	5,213	5,170	5,115	5,070
21	Banks outside New York City	20,790	20,625	20,531	20,465	20,124	20,302	20,277	20,402
	Issued to IPC's:								
22	*Large banks*	*14,221*	*14,224*	*14,065*	*14,114*	*14,021*	*14,041*	*13,911*	*13,929*
23	New York City banks	3,862	3,902	3,842	3,861	3,879	3,827	3,790	3,785
24	Banks outside New York City	10,359	10,322	10,223	10,253	10,142	10,214	10,121	10,144
	Issued to others:								
25	*Large banks*	*11,769*	*11,704*	*11,713*	*11,603*	*11,316*	*11,431*	*11,481*	*11,543*
26	New York City banks	1,338	1,401	1,405	1,391	1,334	1,343	1,325	1,285
27	Banks outside New York City	10,431	10,303	10,308	10,212	9,982	10,088	10,156	10,258
	Savings deposits, by ownership category								
	Individuals and nonprofit organizations:								
28	*Large banks*	*85,728*	*86,195*	*86,572*	*87,386*	*87,870*	*87,458*	*86,976*	*86,999*
29	New York City banks	9,675	9,716	9,745	9,816	9,873	9,848	9,802	9,815
30	Banks outside New York City	76,053	76,479	76,827	77,570	77,997	77,610	77,174	77,184
	Partnerships and corporations for profit:[5]								
31	*Large banks*	*4,906*	*4,866*	*4,931*	*4,988*	*5,029*	*5,024*	*5,000*	*5,027*
32	New York City banks	531	533	533	544	560	561	564	568
33	Banks outside New York City	4,375	4,333	4,398	4,444	4,469	4,463	4,436	4,459
	Domestic governmental units:								
34	*Large banks*	*2,600*	*2,570*	*2,521*	*2,514*	*2,395*	*2,453*	*2,622*	*2,579*
35	New York City banks	452	446	422	472	414	409	480	492
36	Banks outside New York City	2,148	2,124	2,099	2,042	1,981	2,044	2,142	2,087
	All other:[6]								
37	*Large banks*	*103*	*92*	*95*	*109*	*104*	*99*	*89*	*86*
38	New York City banks	81	72	73	88	77	74	61	59
39	Banks outside New York City	22	20	22	21	27	25	28	27
	Gross liabilities of banks to their foreign branches								
40	*Large banks*	*3,158*	*4,785*	*3,682*	*3,797*	*2,878*	*3,371*	*3,375*	*3,293*
41	New York City banks	2,359	3,827	2,643	3,027	1,914	2,309	2,458	2,234
42	Banks outside New York City	799	958	1,039	770	964	1,062	917	1,059
	Loans sold outright to selected institutions by all large banks[7]								
43	Commercial and industrial	2,667	2,674	2,718	2,721	2,707	2,745	2,728	2,759
44	Real estate	211	173	213	216	226	213	212	212
45	All other	1,073	1,078	1,067	1,105	1,126	1,127	1,076	1,053

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

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

3 Certificates of deposit (CD's) issued in denominations of $100,000 or more.

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

5 Other than commercial banks.

6 Domestic and foreign commercial banks, and official international organizations.

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

1.31 LARGE WEEKLY REPORTING COMMERCIAL BANKS Commercial and Industrial Loans

Millions of dollars

Industry group	Outstanding 1977 Mar. 30	Apr. 6	Apr. 13	Apr. 20	Apr. 27	Net change during— 1976 Q4	1977 I	1977 Feb.	Mar.	Apr.
					Total loans classified[2]					
1 **Total**	**95,794**	**96,036**	**96,107**	**96,222**	**95,974**	**r4,041**	**−916**	**r665**	**616**	**180**
Durable goods manufacturing:										
2 Primary metals	2,577	2,496	2,501	2,464	2,422	138	377	148	40	−155
3 Machinery	4,766	4,770	4,777	4,789	4,793	41	108	44	136	27
4 Transportation equipment	2,304	2,288	2,330	2,352	2,353	−180	74	−13	107	49
5 Other fabricated metal products	1,891	1,901	1,932	1,919	1,907	22	181	77	116	16
6 Other durable goods	3,344	3,418	3,442	3,427	3,448	249	90	81	156	104
Nondurable goods manufacturing:										
7 Food, liquor, and tobacco	3,349	3,355	3,334	3,333	3,308	128	−151	−43	−20	−41
8 Textiles, apparel, and leather	3,377	3,454	3,568	3,521	3,514	−504	381	128	132	137
9 Petroleum refining	2,336	2,353	2,378	2,432	2,436	120	−305	−117	−186	100
10 Chemicals and rubber	2,689	2,756	2,775	2,774	2,775	18	131	31	113	86
11 Other nondurable goods	2,044	2,059	2,071	2,043	2,041	14	147	61	84	−3
12 Mining, including crude petroleum and natural gas	7,415	7,424	7,460	7,555	7,606	361	94	r16	−14	191
Trade:										
13 Commodity dealers	2,137	2,138	2,098	2,069	2,018	377	204	197	28	−119
14 Other wholesale	6,725	6,781	6,731	6,812	6,844	211	465	165	352	119
15 Retail	6,507	6,564	6,534	6,643	6,580	r264	405	r101	304	73
16 Transportation	5,165	5,102	5,085	5,071	5,053	81	−140	135	−12	−112
17 Communication	1,348	1,411	1,341	1,329	1,312	−131	−10	183	−246	−36
18 Other public utilities	5,540	5,612	5,586	5,440	5,384	−101	−61	92	−165	−156
19 Construction	3,973	3,956	3,981	4,021	4,048	−203	64	67	44	75
20 Services	10,953	10,933	10,936	11,017	11,066	129	398	62	93	113
21 All other domestic loans	7,616	7,607	7,630	7,497	7,430	576	−303	r−110	229	−186
22 Bankers acceptances	3,943	3,908	3,906	3,955	3,929	3,285	−2,930	−631	−488	−14
23 Foreign commercial and industrial loans	5,795	5,750	5,711	5,759	5,707	172	−135	−9	−187	−88
MEMO:										
24 Commercial paper included in total classified loans[1]	352				293	241	−216	−42	18	−59
25 Total commercial and industrial loans of all large weekly reporting banks	116,791	117,285	117,416	117,572	117,427	r4,269	203	1,013	1,336	636

Industry group	1976 Dec. 29	1977 Jan. 26	Feb. 23	Mar. 30	Apr. 27	1976 Q4	1977 Q1	1977 Feb.	Mar.	April
					"Term" loans classified[3]					
26 **Total**	**45,211**	**r45,290**	**45,735**	**r45,841**	**45,894**	**r450**	**r630**	**r445**	**r99**	**53**
Durable goods manufacturing:										
27 Primary metals	1,317	1,449	1,481	1,521	1,344	103	204	32	40	−177
28 Machinery	2,585	2,587	2,551	2,552	2,499	−90	−33	36	1	−53
29 Transportation equipment	1,352	1,365	1,298	1,339	1,383	−29	−13	67	41	44
30 Other fabricated metal products	776	767	815	820	841	20	44	48	5	21
31 Other durable goods	1,625	1,549	1,585	1,625	1,630	−111	....	36	40	5
Nondurable goods manufacturing:										
32 Food, liquor, and tobacco	1,398	1,449	1,447	1,412	1,374	37	14	−2	35	−38
33 Textiles, apparel, and leather	1,098	1,033	1,036	1,071	1,099	−46	−27	3	35	28
34 Petroleum refining	1,972	1,925	1,901	1,770	1,805	64	−202	−24	−131	35
35 Chemicals and rubber	1,444	1,456	1,522	1,547	1,589	−20	103	66	25	42
36 Other nondurable goods	954	975	987	1,032	1,101	19	78	12	45	69
37 Mining, including crude petroleum and natural gas	5,683	5,793	5,761	5,856	6,015	341	173	−32	95	159
Trade:										
38 Commodity dealers	200	227	219	199	200	−9	−1	−8	20	1
39 Other wholesale	1,463	1,483	1,478	r1,479	1,489	69	r16	−5	r1	10
40 Retail	2,045	r2,087	2,212	r2,268	2,274	−89	r223	r125	r56	6
41 Transportation	3,937	r3,717	3,830	3,773	3,695	3	−164	r113	−57	−78
42 Communication	847	810	829	779	802	−56	−68	19	−50	23
43 Other public utilities	3,664	3,762	3,869	3,907	3,796	60	243	107	38	−111
44 Construction	1,629	1,638	1,683	1,661	1,720	−62	32	45	−22	59
45 Services	4,998	5,212	5,216	5,111	5,188	31	113	4	−105	77
46 All other domestic loans	2,600	2,383	2,352	r2,433	2,408	181	r−167	40	74	−25
47 Foreign commercial and industrial loans	3,624	3,623	3,663	3,686	3,642	108	62	−31	23	−44

1 Reported for the last Wednesday of each month.
2 Includes "term" loans, shown below.
3 Outstanding loans with an original maturity of more than 1 year and all outstanding loans granted under a formal agreement—revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.

1.32 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations

Billions of dollars; estimated daily-average balances

Type of holder	1972 Dec.	1973 Dec.	1974 Dec.	1975 Sept.	1975 Dec.	1976 Mar.	1976 June	1976 Sept.	1976 Dec.	1977 Mar.p
	All commercial banks									
1 **All holders, IPC**	**208.0**	**220.1**	**225.0**	**227.0**	**236.9**	**227.9**	**234.2**	**236.1**	**250.1**	**242.3**
2 Financial business	18.9	19.1	19.0	19.0	20.1	19.9	20.3	19.7	22.3	21.6
3 Nonfinancial business	109.9	116.2	118.8	118.7	125.1	116.9	121.2	122.6	130.2	125.1
4 Consumer	65.4	70.1	73.3	76.5	78.0	77.2	78.8	80.0	82.6	81.6
5 Foreign	1.5	2.4	2.3	2.2	2.4	2.4	2.5	2.3	2.7	2.4
6 Other	12.3	12.4	11.7	10.6	11.3	11.4	11.4	11.5	12.4	11.6

Type of holder	1973 Dec.	1974 Dec.	1975 Dec.	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.p
	All weekly reporting banks									
7 ***All holders, IPC***	**118.1**	**119.7**	**124.4**	**121.4**	**123.8**	**124.3**	**128.5**	**127.4**	**123.0**	**124.7**
8 Financial business	14.9	14.8	15.6	15.4	16.8	16.2	17.5	16.7	15.6	16.7
9 Nonfinancial business	66.2	66.9	69.9	66.6	68.4	68.7	69.7	69.5	67.4	67.8
10 Consumer	28.0	29.0	29.9	30.7	29.6	30.4	31.7	32.0	31.1	31.5
11 Foreign	2.2	2.2	2.3	2.2	2.4	2.5	2.6	2.2	2.4	2.2
12 Other	6.8	6.8	6.6	6.6	6.6	6.6	7.1	7.1	6.5	6.5

NOTE.—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.

1.33 COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1974 Dec.	1975 Dec.	1976 Dec.	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.
	Commercial paper									
1 **All issuers**	**49,144**	**47,690**	**52,041**	**49,852**	**51,370**	**53,116**	**52,041**	**53,905**	**r59,432**	**54,671**
Financial companies:[1]										
Dealer-placed paper:[2]										
2 Total	4,611	6,239	7,294	6,347	6,674	7,113	7,294	7,347	7,291	7,271
3 Bank-related	1,814	1,762	1.900	1,644	1,703	1,825	1.900	1,895	1,929	1,839
Directly-placed paper:[3]										
4 Total	31,839	31,276	32,416	31,476	31.880	32,691	32,416	32,753	r32,392	33,709
5 Bank-related	6,518	6,892	5,959	6,250	5,864	5,944	5,959	5,637	5,502	6,126
6 Nonfinancial companies[4]	12,694	10,175	12,331	12,029	12.816	13,312	12,331	13,805	14,749	13,691
	Dollar acceptances									
7 **Total**	**18,484**	**18,727**	**22,523**	**19,599**	**20,312**	**20,678**	**22,523**	**22,362**	**22,187**	**22,694**
Held by:										
8 *Accepting banks*	*4,226*	*7,333*	10,442	*6,798*	*7,959*	*9,031*	*10,442*	*8,183*	*7,991*	*7,787*
9 Own bills	3,685	5,899	8,769	5,865	6,789	7,706	8,769	7,011	6,654	6.367
10 Bills bought	542	1,435	1,673	933	1,170	1.325	1,673	1,172	1,337	1,421
F.R. Banks:										
11 Own account	999	1,126	991	838	337	188	991	191	322	289
12 Foreign correspondents	1,109	293	375	417	387	349	375	374	440	435
13 Others	12,150	9,975	13,447	11,545	11.629	11,111	10.715	13,615	13,434	14,182
Based on:										
14 Imports into United States	4,023	3,726	4,992	4,498	4,737	4,667	4,992	4,992	5,138	4,983
15 Exports from United States	4,067	4,001	4,818	4,420	4,715	4,628	4,818	5,137	5,074	5,222
16 All other	10,394	11,000	12,713	10,680	10,860	11,383	12,713	12,233	11,974	12,489

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

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

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

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

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

Per cent per annum

Effective date	Rate
1975—Jan. 9	10¼
15	10
20	9¾
28	9½
Feb. 3	9¼
10	9
18	8¾
24	8½
Mar. 5	8¼
10	8
18	7¾
24	7½
May 20	7¼
June 9	7
July 18	7¼
28	7½

Effective date	Rate
1975—Aug. 12	7¾
Sept. 15	8
Oct. 27	7¾
Nov. 5	7½
Dec. 2	7¼
1976—Jan. 12	7
21	6¾
June 1	7
7	7¼
Aug. 2	7
Oct. 4	6¾
Nov. 1	6½
Dec. 13	6¼

Month	Average rate
1975—Aug.	7.66
Sept.	7.88
Oct.	7.96
Nov.	7.53
Dec.	7.26
1976—Jan.	7.00
Feb.	6.75
Mar.	6.75
Apr.	6.75
May	6.75
June	7.20
July	7.25
Aug.	7.01
Sept.	7.00
Oct.	6.78
Nov.	6.50
Dec.	6.35
1977—Jan.	6.25
Feb.	6.25
Mar.	6.25
Apr.	6.25

1.35 INTEREST RATES CHARGED BY BANKS on Business Loans

Per cent per annum

Center	All sizes		Size of loan (in thousands of dollars): 1–9		10–99		100–499		500–999		1,000 and over	
	1976 Nov.	1976 Aug.	1976 Nov.	1976 Aug.	1976 Nov.	1976 Aug.	1976 Nov.	1976 Aug.	1976 Nov.	1976 Aug.	1976 Nov.	1976 Aug.
	Short-term rates											
1 **All 35 centers**	**7.28**	**7.80**	**8.83**	**9.06**	**8.18**	**8.58**	**7.66**	**7.99**	**7.31**	**7.84**	**7.02**	**7.61**
2 New York City	6.88	7.48	8.56	8.85	7.94	8.40	7.43	7.91	7.24	7.77	6.74	7.36
3 7 Other Northeast	7.62	8.18	9.22	9.41	8.34	8.84	7.88	8.25	7.49	8.16	7.34	7.98
4 8 North Central	7.28	7.70	8.45	8.65	8.12	8.50	7.69	7.85	7.36	7.71	7.03	7.55
5 7 Southeast	7.51	7.95	9.13	9.33	8.48	8.76	7.71	8.00	7.04	7.85	7.07	7.54
6 8 Southwest	7.33	7.75	8.51	8.83	7.82	8.24	7.39	7.80	7.21	7.61	7.12	7.55
7 4 West Coast	7.52	8.15	8.69	9.26	8.46	8.79	7.88	8.28	7.44	8.06	7.34	8.05
	Revolving credit rates											
8 **All 35 centers**	**7.19**	**7.87**	**8.37**	**8.70**	**8.14**	**8.33**	**7.60**	**8.02**	**7.41**	**7.80**	**7.12**	**7.88**
9 New York City	7.18	8.14	7.23	7.25	7.86	8.26	7.21	7.70	6.97	7.56	7.19	8.19
10 7 Other Northeast	6.92	7.59	8.15	8.00	8.20	8.22	7.26	7.67	7.75	8.36	6.75	7.47
11 8 North Central	7.54	7.96	8.52	8.94	8.95	9.03	8.05	8.50	7.88	7.74	7.39	7.90
12 7 Southeast	7.05	7.48	8.31	8.75	8.09	8.40	7.56	8.16	6.77	....	6.83	7.13
13 8 Southwest	7.45	7.81	8.19	8.74	7.96	8.09	7.74	8.20	7.24	7.47	7.39	7.80
14 4 West Coast	7.11	7.73	8.77	9.10	7.85	8.08	7.58	7.95	7.45	7.91	7.01	7.68
	Long-term rates											
15 **All 35 centers**	**7.48**	**8.45**	**9.39**	**9.61**	**8.88**	**9.02**	**8.14**	**8.55**	**8.13**	**8.60**	**7.24**	**8.40**
16 New York City	7.36	8.52	7.19	....	8.55	8.27	7.93	8.05	8.06	8.44	7.26	8.56
17 7 Other Northeast	6.64	8.62	9.22	9.40	8.84	9.43	7.95	8.93	7.92	7.50	5.73	8.70
18 8 North Central	7.66	8.05	9.20	8.83	9.03	9.07	8.35	8.26	8.99	8.36	7.32	7.92
19 7 Southeast	7.59	8.88	9.87	9.60	9.35	9.08	7.93	9.88	4.00	8.18	7.79	8.06
20 8 Southwest	7.73	8.42	10.54	10.85	9.05	9.04	8.28	8.23	8.44	8.69	7.20	8.30
21 4 West Coast	8.04	8.67	8.70	9.28	8.54	8.58	8.31	8.81	7.78	10.00	8.03	8.46

NOTE.—Weighted-average rates based on sample of loans made during first 7 days of the survey month.

1.36 INTEREST RATES Money and Capital Markets

Averages, per cent per annum

	Instrument	1974	1975	1976	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.	1977, week ending— Apr. 2	Apr. 9	Apr. 16	Apr. 23	Apr. 30
	Money market rates												
	Prime commercial paper [1]												
1	90- to 119-day	10.05	6.26	5.24	4.72	4.76	4.75	4.75	4.75	4.75	4.75	4.75	4.75
2	4- to 6-month	9.87	6.33	5.35	4.74	4.82	4.87	4.87	4.88	4.88	4.88	4.86	4.86
3	Finance company paper, directly placed, 3- to 6- month [2]	8.62	6.16	5.22	4.64	4.75	4.77	4.81	4.85	4.88	4.85	4.75	4.75
4	Prime bankers acceptances, 90-day [3]	9.92	6.30	5.19	4.81	4.83	4.80	4.78	4.76	4.79	4.76	4.76	4.82
5	Federal funds [4]	10.51	5.82	5.05	4.61	4.68	4.69	4.73	4.74	4.60	4.65	4.71	4.82
	Large negotiable certificates of deposit												
6	3-month, secondary market [5]	10.27	6.43	5.26	4.82	4.65	4.83	4.81	4.83	4.86	4.78	4.79	4.79
7	3-month, primary market [6]	......	......	5.15	4.68	4.69	4.74	4.72	4.75	4.71	4.75	4.68	4.74
8	Euro-dollar deposits, 3-month [7]	10.96	6.97	5.57	5.14	5.08	5.13	5.16	5.24	5.18	5.27	5.09	5.14
	U.S. Govt. securities												
	Bills: [8]												
	Market yields:												
9	3-month	7.84	5.80	4.98	4.62	4.67	4.60	4.54	4.57	4.58	4.55	4.51	4.51
10	6-month	7.95	6.11	5.26	4.83	4.90	4.88	4.80	4.81	4.84	4.75	4.76	4.84
11	1-year	7.71	6.30	5.52	5.00	5.16	5.19	5.10	5.15	5.14	5.03	5.04	5.18
	Rates on new issue:												
12	3-month	7.886	5.838	4.989	4.597	4.662	4.613	4.540	4.609	4.585	4.561	4.494	4.518
13	6-month	7.926	6.122	5.266	4.783	4.896	4.883	4.790	4.870	4.846	4.767	4.708	4.838
	Notes and bonds maturing in— [9]												
14	9 to 12 months	8.25	6.70	5.84	5.34	5.50	5.50	5.37	5.45	5.42	5.32	5.31	5.41
15	3 to 5 years	7.81	7.55	6.94	6.49	6.69	6.73	6.58	6.70	6.70	6.52	6.49	6.61
	Constant maturities: [10]												
16	1-year	8.18	6.76	5.88	5.29	5.47	5.50	5.44	5.45	5.43	5.39	5.41	5.54
17	2-year	......	......	6.31	5.90	6.09	6.09	5.97	6.05	6.03	5.88	5.92	6.04
18	3-year	7.82	7.49	6.77	6.22	6.44	6.47	6.32	6.45	6.45	6.22	6.23	6.38
19	5-year	7.80	7.77	7.18	6.58	6.83	6.93	6.79	6.94	6.94	6.73	6.70	6.80
	Capital market rates												
	Government notes and bonds												
	U.S. Treasury:												
	Constant maturities: [10]												
20	7-year	7.71	7.90	7.42	6.92	7.16	7.20	7.11	7.22	7.22	7.06	7.04	7.14
21	10-year	7.56	7.99	7.61	7.21	7.39	7.46	7.37	7.45	7.45	7.32	7.31	7.40
22	20-year	8.05	8.19	7.86	7.48	7.64	7.73	7.67	7.73	7.72	7.65	7.62	7.69
23	30-year	......	......	......	......	......	7.80	7.73	7.79	7.78	7.71	7.68	7.76
24	Long-term [9]	6.99	6.98	6.78	6.68	7.15	7.20	7.14	7.19	7.19	7.11	7.09	7.15
	State and local: [11]												
	Moody's series:												
25	Aaa	5.89	6.42	5.66	5.10	5.17	5.21	5.18	5.20	5.17	5.17	5.20	5.17
26	Baa	6.53	7.62	7.49	6.58	6.50	6.41	6.27	6.35	6.31	6.25	6.27	6.25
27	*Bond Buyer* series [12]	6.17	7.05	6.64	5.87	5.89	5.89	5.73	5.85	5.79	5.70	5.73	5.68
	Corporate bonds												
	Seasoned issues [13]												
28	All industries	9.03	9.57	9.01	8.41	8.48	8.51	8.49	8.53	8.52	8.50	8.46	8.46
	By rating groups:												
29	Aaa	8.57	8.83	8.43	7.96	8.04	8.10	8.04	8.10	8.10	8.05	7.99	8.01
30	Aa	8.84	9.17	8.75	8.16	8.26	8.28	8.28	8.31	8.31	8.28	8.27	8.27
31	A	9.20	9.65	9.09	8.45	8.49	8.55	8.55	8.59	8.58	8.56	8.53	8.53
32	Baa	9.50	10.61	9.75	9.08	9.12	9.12	9.07	9.11	9.11	9.10	9.05	9.03
	Aaa utility bonds: [14]												
33	New issue	9.33	9.40	8.48	8.08	8.22	8.25	8.26	r8.26	8.26	8.25	8.21	8.31
34	Recently offered issues	9.34	9.41	8.49	8.09	8.19	8.29	8.22	r8.28	8.25	8.16	8.21	8.25
	Common stocks												
	Dividend/price ratio:												
35	Preferred stocks	8.23	8.38	7.97	7.54	7.55	7.56	4.47	4.47	4.50	4.41	4.23	4.36
36	Common stocks	4.47	4.31	3.77	3.99	4.21	4.37	7.60	7.60	7.62	7.52	7.61	7.65

1 Averages of the most representative daily offering rate quoted by dealers.

2 Averages of the most representative daily offering rates published by finance companies for varying maturities in this range.

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

4 Weekly figures are 7-day averages of daily effective rates for the week ending Wednesday; the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates.

5 Averages of the daily midpoints as determined from the range of offering rates in the secondary market.

6 Posted rates, which are the annual interest rates most often quoted on new offerings of negotiable CD's in denominations of $100,000 or more. Rates prior to 1976 not available. Weekly figures are for Wednesday dates.

7 Averages of daily quotations for the week ending Wednesday.

8 Except for new bill issues, yields are computed from daily closing bid prices. Yields for all bills are quoted on a bank-discount basis.

9 Unweighted averages for all outstanding notes and bonds in maturity ranges shown, based on daily closing bid prices. "Long-term" includes all bonds neither due nor callable in less than 10 years.

10 Yields on the more actively traded issues adjusted to constant maturities by the U.S. Treasury, based on daily closing bid prices.

11 General obligations only, based on figures for Thursday, from Moody's Investors Service.

12 Twenty issues of mixed quality.

13 Averages of daily figures from Moody's Investors Service.

14 Compilation of the Board of Governors of the Federal Reserve System.

Issues included are long-term (20 years or more). New-issue yields are based on quotations on date of offering; those on recently offered issues (included only for first 4 weeks after termination of underwriter price restrictions), on Friday close-of-business quotations.

1.37 STOCK MARKET Selected Statistics

	Indicator	1974	1975	1976	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
	Prices and trading (averages of daily figures)										
	Common stock prices										
1	**New York Stock Exchange (Dec. 31, 1965 = 50)**	**43.84**	**45.73**	**54.45**	**54.43**	**54.17**	**56.34**	**56.28**	**54.93**	**54.67**	**53.92**
2	Industrial	48.08	51.88	60.44	60.07	59.45	61.54	61.26	59.65	59.56	58.47
3	Transportation	31.89	30.73	39.57	38.37	39.28	41.77	41.93	40.59	40.52	41.51
4	Utility	29.82	31.45	36.97	38.33	38.85	40.61	41.13	40.86	40.18	40.24
5	Finance	49.67	46.62	52.94	52.74	53.25	57.45	57.86	55.65	54.84	54.30
6	**Standard and Poor's Corporation (1941–43 = 10)**[1]	**82.85**	**85.17**	**102.01**	**101.89**	**101.19**	**104.66**	**103.81**	**100.96**	**100.57**	**99.05**
7	**American Stock Exchange (Aug. 31, 1973 = 100)**	**79.97**	**83.15**	**101.63**	**98.99**	**99.20**	**104.06**	**111.04**	**112.17**	**111.77**	**111.70**
	Volume of trading (thousands of shares)[2]										
8	New York Stock Exchange	13,883	18,568	21,189	17,397	19,370	23,621	23,562	19,310	17,814	17,380
9	American Stock Exchange	1,908	2,150	2,565	1,700	2,211	3,095	3,268	2,830	2,580	2,500
	Customer financing (end-of-period balances, in millions of dollars)										
10	**Regulated margin credit at brokers/dealers and banks**[3]	**4,836**	**6,500**	**8,995**	**8,772**	**r8,640**	**8,995**	**9,289**	....	....	....
11	*Brokers, total*	*3,980*	*5,540*	*8,166*	*7,704*	*7,790*	*8,166*	*8,469*	*8,679*	*8,891*	....
12	Margin stock[4]	3,840	5,390	7,960	7,530	7,610	7,960	8,270	8,480	8,690	....
13	Convertible bonds	137	147	204	r169	178	204	196	197	199	....
14	Subscription issues	3	3	2	6	2	2	3	2	2	....
15	*Banks, total*	*856*	*960*	*829*	*1,068*	*r850*	*829*	*820*	*830*	*796*	....
16	Margin stocks	815	909	786	1,019	r801	786	776	786	754	....
17	Convertible bonds	30	36	29	34	35	r29	27	27	25	....
18	Subscription issues	11	15	14	15	14	14	17	17	17	....
19	**Unregulated nonmargin stock credit at banks**[5]	**2,064**	**2,281**	**3,684**	**2,774**	**3,737**	**3,684**	**3,693**	**3,751**	**3,720**	....
	MEMO: Free credit balances at brokers[6]										
20	Margin-account	410	475	585	611	615	585	645	605	605	....
21	Cash-account	1,425	1,525	1,855	1,580	1,740	1,855	1,930	1,815	1,720	....
	Margin-account debt at brokers (percentage distribution, end of period)										
22	**Total**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	....
	By equity class (in per cent):[7]										
23	Under 40	45.4	r24.0	r12.0	15.0	14.0	r12.0	15.0	18.0	16	....
24	40–49	23.0	28.8	r23.0	34.0	32.0	r23.0	23.0	23	23	....
25	50–59	13.9	22.3	35.0	25.6	27.0	35.0	35.0	35	37	....
26	60–69	8.8	11.6	15.0	12.7	13.0	15.0	13.0	12	12	....
27	70–79	4.6	6.9	8.7	7.2	8.0	8.7	8.0	7	7	....
28	80 or more	4.3	5.3	6.0	5.7	6.0	6.0	6.0	5	5	....
	Special miscellaneous-account balances at brokers (end of period)										
29	Total balances (millions of dollars)[8]	7,010	7,290	8,776	8,560	8,576	8,776	9,073	9,172	9,355	....
	Distribution by equity status (per cent)										
30	Net credit status	41.1	43.8	41.3	42.7	41.1	41.3	42.3	42.8	42.3	....
	Debit status, equity of—										
31	60 per cent or more	32.4	40.8	47.8	45.3	46.8	47.8	46.7	45.6	46.0	....
32	Less than 60 per cent	26.5	15.4	10.9	12.0	12.1	10.9	11.0	11.6	11.7	....

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 Based on trading for a 5½-hour day.

3 Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange; June data for banks are universe totals; all other data for banks are estimates for all commercial banks based on data from a sample of reporting banks.

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

4 A distribution of this total by equity class is shown below.

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

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

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

8 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.

NOTE.—For table on "Margin Requirements" see p. A-10, Table 1.161.

1.38 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1974	1975	1976	1976 July	1976 Aug.	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan	1977 Feb.	1977 Mar.
						Savings and loan associations						
1 **Assets**	**295,545**	**338,233**	**391,999**	**371,770**	**376,188**	**379,747**	**385,013**	**389,173**	**391,999**	**398,299**	**403,591**	**409,299**
2 Mortgages	249,301	278,590	323,130	303,527	307,766	311,847	315,742	319,273	323,130	326,056	329,086	333,623
3 Cash and investment securities[1]	23,251	30,853	35,660	35,968	35,815	35,209	36,442	36,605	35,660	38,252	39,505	39,685
4 Other	22,993	28,790	33,209	32,275	32,607	32,691	32,829	33,295	33,209	33,991	35,000	35,991
5 **Liabilities and net worth**	**295,545**	**338,233**	**391,999**	**371,770**	**376,188**	**379,747**	**385,013**	**389,173**	**391,999**	**398,299**	**403,591**	**409,299**
6 Savings capital	242,974	285,743	336,030	316,072	318,227	323,800	327,252	329,833	336,030	341,211	344,616	352,131
7 *Borrowed money*	*24,780*	*20,634*	*19,087*	*18,360*	*18,856*	*19,083*	*18,810*	*18,715*	*19,087*	*18,455*	*18,256*	*18,291*
8 FHLBB	21,508	17,524	15,708	15,139	15,495	15,832	15,636	15,571	15,708	15,029	14,661	14,329
9 Other	3,272	3,110	3,379	3,221	3,361	3,251	3,174	3,144	3,379	3,426	3,595	3,962
10 Loans in process	3,244	5,128	6,836	6,572	6,628	6,688	6,735	6,753	6,836	6,718	6,783	7,341
11 Other	6,105	6,949	8,015	9,756	11,197	8,779	10,531	11,918	8,015	9,667	11,418	8,837
12 Net worth[2]	18,442	19,779	22,031	21,010	21,280	21,398	21,685	21,954	22,031	22,248	22,518	22,699
MEMO:												
13 Mortgage loan commitments outstanding[3]	7,454	10,673	14,828	16,301	15,773	15,449	15,319	15,467	14,828	15,079	16,796	19,257
						Mutual savings banks						
14 **Assets**	**109,550**	**121,056**	**134,702**	**129,826**	**130,571**	**131,413**	**132,455**	**133,361**	**134,812**	**135,906**	**137,307**	....
Loans:												
15 Mortgage	74,891	77,221	81,554	79,398	79,781	80,145	80,543	80,884	81,630	81,826	81,982	....
16 Other	3,812	4,023	5,192	5,341	5,210	5,478	5,549	5,801	5,183	5,956	6,254	....
Securities:												
17 U.S. Govt.	2,555	4,740	5,911	5,640	5,733	5,851	5,796	5,836	5,840	5,917	6,096	....
18 State and local government	930	1,545	2,420	2,376	2,339	2,359	2,429	2,466	2,417	2,295	2,366	....
19 Corporate and other[4]	22,550	27,992	33,676	32,028	32,319	32,432	32,793	33,074	33,793	34,475	35,088	....
20 Cash	2,167	2,330	2,374	1,538	1,552	1,581	1,695	1,668	2,355	1,800	1,835	....
21 Other assets	2,645	3,205	3,574	3,505	3,576	3,567	3,649	3,632	3,593	3,637	3,686	....
22 **Liabilities**	**109,550**	**121,056**	**134,702**	**129,826**	**130,571**	**131,413**	**132,455**	**133,361**	**134,812**	**135,906**	**137,307**	....
23 *Deposits*	*98,701*	*109,873*	*122,802*	*117,883*	*118,225*	*119,590*	*120,360*	*120,971*	*122,877*	*123,864*	*124,728*	....
24 Regular:[5]	98,221	109,291	121,874	116,895	117,203	118,510	119,346	120,125	121,961	122,874	123,721	....
25 Ordinary savings	64,286	69,653	74,483	73,223	72,872	73,484	73,610	73,857	74,535	74,621	75,038	....
26 Time and other	33,935	39,639	47,391	43,662	44,331	45,027	45,736	46,268	47,426	48,253	48,683	....
27 Other	480	582	928	988	1,022	1,080	1,014	846	916	989	1,007	....
28 Other liabilities	2,888	2,755	2,853	3,161	3,490	2,898	3,140	3,376	2,884	2,940	3,368	....
29 General reserve accounts	7,961	8,428	9,047	8,781	8,855	8,925	8,955	9,015	9,052	9,102	9,211	....
MEMO:												
30 Mortgage loan commitments outstanding[6]	2,040	1,803	2,439	2,433	2,459	2,671	2,548	2,553	....	....	....	....
						Life insurance companies						
31 **Assets**	**263,349**	**289,304**	**320,555**	**307,005**	**309,295**	**312,044**	**313,960**	**316,505**	**320,555**	**322,489**	**324,164**	....
Securities:												
32 *Government*	*10,900*	*13,758*	*17,270*	*16,672*	*16,902*	*16,862*	*17,329*	*17,565*	*17,270*	*17,549*	*17,817*	....
33 United States[7]	3,372	4,736	5,156	5,150	5,922	5,150	5,448	5,606	5,156	5,291	5,382	....
34 State and local	3,667	4,508	5,551	5,263	5,324	5,364	5,446	5,467	5,551	5,614	5,666	....
35 Foreign[8]	3,861	4,514	6,563	6,259	6,286	6,348	6,435	6,492	6,563	6,644	6,769	....
36 *Business*	*119,637*	*135,317*	*157,625*	*148,617*	*150,303*	*152,125*	*153,298*	*154,502*	*157,625*	*159,464*	*160,683*	....
37 Bonds	97,717	107,256	123,149	116,101	117,806	118,706	120,358	121,659	123,149	125,892	127,542	....
38 Stocks	21,920	28,061	34,476	32,516	32,497	33,419	32,940	32,843	34,476	33,572	33,141	....
39 Mortgages	86,234	89,167	91,581	89,753	89,891	90,217	90,323	90,808	91,581	91,615	91,646	....
40 Real estate	8,331	9,621	10,526	10,050	10,146	10,175	10,285	10,310	10,526	10,550	10,632	....
41 Policy loans	22,862	24,467	25,849	25,257	25,383	25,505	25,607	25,710	25,849	25,921	26,051	....
42 Other assets	15,385	16,971	17,704	16,656	16,670	17,160	17,118	17,610	17,704	17,390	17,335	....
						Credit unions						
43 **Total assets/liabilities and capital**	**31,948**	**38,037**	**44,897**	**41,729**	**42,266**	**43,079**	**43,415**	**44,089**	**44,835**	**44,906**	**45,798**	**47,111**
44 Federal	16,715	20,209	24,164	22,385	22,698	23,198	23,283	23,668	24,164	24,188	24,756	25,596
45 State	15,233	17,828	20,733	19,344	19,658	19,881	20,132	20,421	20,671	20,718	21,042	21,515
46 *Loans outstanding*	*24,432*	*28,169*	*34,033*	*31,555*	*32,300*	*33,093*	*33,275*	*33,732*	*34,293*	*34,188*	*34,549*	*35,411*
47 Federal	12,730	14,869	18,022	16,614	17,065	17,458	17,522	17,786	18,202	18,081	18,275	18,776
48 State	11,702	13,300	16,011	14,941	15,235	15,635	15,753	15,946	16,091	16,107	16,274	16,635
49 *Savings*	*27,518*	*33,013*	*39,264*	*36,615*	*36,752*	*37,436*	*37,854*	*38,281*	*38,968*	*39,344*	*39,981*	*41,161*
50 Federal (shares)	14,370	17,530	21,149	19,663	19,783	20,167	20,358	20,597	20,980	21,165	21,559	22,346
51 State (shares and deposits)	13,148	15,483	18,115	16,952	16,969	17,269	17,496	17,684	17,988	18,179	18,442	18,815

For notes see bottom of page A30.

1.39 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

	Type of account or operation	Fiscal year 1975	Fiscal year 1976	Transition quarter (July–Sept. 1976)	Calendar year 1975 H2	Calendar year 1976 H1	Calendar year 1976 H2	Calendar year 1977 Jan.	Calendar year 1977 Feb.	Calendar year 1977 Mar.
	U.S. Budget									
1	Receipts	280,997	300,005	81,773	139,455	160,552	157,961	29,977	24,327	25,171
2	Outlays [1,2]	326,105	366,466	94,746	185,097	181,369	193,719	32,640	30,880	34,646
3	*Surplus, or deficit* (–)	*–45,108*	*–66,461*	*–12,973*	*–45,642*	*–20,816*	*–35,758*	*–2,664*	*–6,554*	*–9,475*
4	Trust funds	7,419	2,409	–1,952	–3,125	5,503	–4,621	–2,344	1,099	–1,441
5	Federal funds [3]	–52,526	–68,870	–11,021	–42,517	–26,320	–31,137	–321	–7,654	–8,033
	Off-budget entities surplus, or deficit (–)									
6	Federal Financing Bank outlays	–6,389	–5,915	–2,575	–2,693	–3,222	–5,176	–1,009	–460	–843
7	Other [1,4]	–1,652	–1,355	793	–236	–1,119	3,809	–1,881	9	–83
	U.S. Budget plus off-budget, including Federal Financing Bank									
8	*Surplus, or deficit* (–)	*–53,149*	*–73,731*	*–14,755*	*–48,571*	*–25,158*	*–37,125*	*–5,554*	*–7,005*	*–10,402*
	Financed by:									
9	Borrowing from the public [2]	50,867	82,922	18,027	49,361	33,561	35,457	3,157	9,118	5,351
10	Cash and monetary assets (decrease, or increase (–))	–320	–7,796	–2,899	–2,046	–7,909	2,153	–1,583	–1,194	5,610
11	Other [5]	2,602	–1,396	–373	1,256	–495	–485	3,980	–920	–559
	MEMO:									
12	**Treasury operating balance (level, end of period)**	**7,591**	**14,836**	**17,418**	**8,452**	**14,836**	**11,670**	**12,688**	**14,599**	**9,028**
13	F.R. Banks	5,773	11,975	13,299	7,286	11,975	10,393	11,397	12,179	7,150
14	Tax and loan accounts	1,475	2,854	4,119	1,159	2,854	1,277	1,292	2,420	1,878
15	Other demand accounts [6]	343	7	....	7	7	....	....	....	....

1 Outlay totals reflect the reclassification of the Export-Import Bank from off-budget status to unified budget status.

2 Export-Import Bank certificates of beneficial interest (effective July 1, 1975) and loans to Pefco are treated as debt rather than asset sales.

3 Half years calculated as a residual of total surplus/deficit and trust fund surplus/deficit.

4 Includes Pension Benefit Guaranty Corp., Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, and Housing for the Elderly or Handicapped Fund.

5 Includes: Public debt accrued interest payable to the public; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seignorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment.

6 Excludes the gold balance but includes deposits in certain commercial depositories that have been converted from a time deposit to a demand deposit basis to permit greater flexibility in Treasury cash management.

SOURCE.—"Monthly Treasury Statement of Receipts and Outlays of the U.S. Government", *Treasury Bulletin*, and *U.S. Budget, Fiscal Year 1978*.

NOTES TO TABLE 1.38

1 Stock of the Federal Home Loan Bank Board (FHLBB) is included in "other assets."

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

3 Excludes figures for loans in process, which are shown as a liability.

4 Includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

5 Excludes checking, club, and school accounts.

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

7 Direct and guaranteed obligations. Excludes Federal agency issues not guaranteed, which are shown in this table under "business" securities.

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

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

Mutual savings banks: Estimates of National Association of Mutual Savings Banks for all savings banks in the United States. Data are reported on a gross-of-valuation-reserves basis.

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

Credit unions: Estimates by the National Credit Union Administration for a group of Federal and State-chartered credit unions that account for about 30 per cent of credit union assets. Figures are preliminary and revised annually to incorporate recent benchmark data.

1.40 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

	Source or type	Fiscal year 1975	Fiscal year 1976	Transition quarter (July–Sept. 1976)	Calendar year 1975 H2	Calendar year 1976 H1	Calendar year 1976 H2	Calendar year 1977 Jan.	Calendar year 1977 Feb.	Calendar year 1977 Mar.
	Receipts									
1	**All sources**	**280,997**	**300,005**	**81,773**	**139,455**	**160,552**	**157,961**	**29,977**	**24,327**	**25,171**
2	*Individual income taxes, net*	*122,386*	*131,603*	*38,801*	*65,835*	*65,767*	*75,094*	*18,108*	*8,515*	*6,131*
3	Withheld	122,071	123,408	32,949	59,549	63,859	68,023	11,979	11,398	12,961
4	Presidential Election Campaign Fund	32	34	1	....	33	1	1	8	10
5	Nonwithheld	34,296	35,528	6,809	7,649	27,879	8,426	6,141	1,154	2,719
6	Refunds	34,013	27,367	958	1,362	26,004	1,356	13	4,045	9,559
7	*Corporation income taxes:*									
8	Gross receipts	45,747	46,783	9,808	18,810	27,973	20,706	2,007	1,311	9,131
9	Refunds	5,125	5,374	1,348	2,735	2,639	2,886	313	363	412
10	*Social insurance taxes and contributions, net*	*86,441*	*92,714*	*25,760*	*40,886*	*51,828*	*47,596*	*7,320*	*10,764*	*7,412*
11	Payroll employment taxes and contributions [1]	71,789	76,391	21,534	35,443	40,947	40,427	6,271	9,110	6,569
12	Self-employment taxes and contributions [1]	3,417	3,518	269	268	3,250	286	240	247	290
13	Unemployment insurance	6,771	8,054	2,698	2,861	5,193	4,379	347	997	126
14	Other net receipts [2]	4,466	4,752	1,259	2,314	2,438	2,504	462	410	428
15	Excise taxes	16,551	16,963	4,473	8,761	8,204	8,910	1,447	1,294	1,283
16	Customs	3,676	4,074	1,212	1,927	2,147	2,361	381	347	466
17	Estate and gift	4,611	5,216	1,455	2,573	2,643	2,943	504	1,890	625
18	Miscellaneous receipts [3]	6,711	8,026	1,612	3,397	4,630	3,236	521	568	534
	Outlays									
19	**All types** [4]	**326,105**	**366,466**	**94,746**	**185,097**	**181,369**	**193,719**	**32,640**	**30,880**	**34,646**
20	National defense	86,585	89,996	22,518	46,214	44,052	45,002	7,082	8,131	8,572
21	International affairs [4]	5,862	5,067	1,997	2,574	2,668	3,028	349	381	521
22	General science, space, and technology	3,989	4,370	1,161	2,415	1,708	2,377	304	333	403
23	Natural resources, environment, and energy	9,537	11,282	3,324	5,018	6,900	7,206	1,042	895	1,180
24	Agriculture	1,660	2,502	584	1,489	417	2,019	582	350	564
25	Commerce and transportation	16,010	17,248	4,700	11,496	5,766	9,643	681	323	1,265
26	Community and regional development	4,431	5,300	1,530	2,548	2,411	3,192	397	480	496
27	Education, training, employment, and social services	15,248	18,167	5,013	8,423	9,116	9,083	1,541	1,585	1,645
28	Health	27,647	33,448	8,720	16,681	17,008	19,329	2,961	3,064	2,674
29	Income security	108,605	127,406	32,796	61,655	65,336	65,456	11,652	11,719	13,045
30	Veterans benefits and services	16,597	18,432	3,962	9,010	9,450	8,542	1,630	1,606	1,611
31	Law enforcement and justice	2,942	3,320	859	1,589	1,784	1,839	340	244	292
32	General government	3,089	2,927	878	1,929	870	1,734	93	285	284
33	Revenue sharing and general purpose fiscal assistance	7,005	7,119	2,024	3,528	3,664	4,729	2,062	44	31
34	Interest [5]	30,974	34,589	7,246	15,180	18,560	18,409	2,382	2,674	2,522
35	Undistributed offsetting receipts [5,6]	14,075	−14,704	−2,567	−4,652	−8,340	−7,869	−460	−588	−459

1 Old-age, disability and hospital insurance, and Railroad Retirement accounts.

2 Supplementary medical insurance premiums, Federal employee retirement contributions and Civil Service retirement and disability fund.

3 Deposits of earnings by F.R. Banks and other miscellaneous receipts.

4 Outlay totals reflect the reclassification of the Export-Import Bank from off-budget status to unified budget status. Export-Import Bank certificates of beneficial interest (effective July 1, 1975) and loans to Pefco are treated as debt rather than asset sales.

5 Effective September 1976, "Interest" and "Undistributed Offsetting Receipts" reflect the accounting conversion for the interest on special issues for U.S. Govt. accounts from an accrual basis to a cash basis.

6 Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. Govt. contributions for employee retirement.

1.41 FEDERAL DEBT SUBJECT TO STATUTORY LIMIT

Billions of dollars

Item	1973 June 30	1973 Dec. 31	1974 June 30	1974 Dec. 31	1975 June 30	1975 Dec. 31	1976 June 30	1976 Sept. 30	1976 Dec. 31
1 **Federal debt outstanding**	**468.4**	**480.7**	**486.2**	**504.0**	**544.1**	**587.6**	**631.9**	**[2]646.4**	**665.5**
2 *Public debt securities*	*457.3*	*469.1*	*474.2*	*492.7*	*533.7*	*576.6*	*620.4*	*634.7*	*653.5*
3 Held by public	333.9	339.4	336.0	351.5	387.9	437.3	470.8	488.6	506.4
4 Held by agencies	123.4	129.6	138.2	141.2	145.3	139.3	149.6	146.1	147.1
5 *Agency securities*	*11.1*	*11.6*	*12.0*	*11.3*	*10.9*	*10.9*	*11.5*	*11.6*	*12.0*
6 Held by public	9.1	9.6	10.0	9.3	9.0	8.9	9.5	[2]9.7	10.0
7 Held by agencies	2.0	2.0	2.0	2.0	1.9	2.0	2.0	1.9	1.9
8 **Debt subject to statutory limit**	**459.1**	**470.8**	**476.0**	**493.0**	**534.2**	**577.8**	**621.6**	**635.8**	**654.7**
9 Public debt securities	456.7	468.4	473.6	490.5	532.6	576.0	619.8	634.1	652.9
10 Other debt[1]	2.4	2.4	2.4	2.4	1.6	1.7	1.7	1.7	1.7
11 MEMO: Statutory debt limit	465.0	475.7	495.0	495.0	577.0	595.0	636.0	636.0	682.0

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

[2] Gross Federal debt and Agency debt held by the public increased $0.5 billion due to a retroactive reclassification of the Export-Import Bank certificates of beneficial interest from loan asset sales to debt, effective July 1, 1975.

~~SOURCE.~~ [redacted] Treasury *Bulletin*.

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

Billions of dollars, end of period

Type and holder	1973	1974	1975	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
1 **Total gross public debt**[1]	**469.9**	**492.7**	**576.6**	**644.6**	**653.5**	**653.9**	**663.3**	**669.2**	**671.0**
By type:									
2 **Interest-bearing debt**	**467.8**	**491.6**	**575.7**	**643.6**	**652.5**	**653.0**	**662.3**	**668.2**	**668.5**
3 *Marketable*	*270.2*	*282.9*	*363.2*	*415.4*	*421.3*	*424.0*	*431.6*	*435.4*	*434.1*
4 Bills	107.8	119.7	157.5	161.7	164.0	164.0	164.2	164.3	162.0
5 Notes	124.6	129.8	167.1	213.0	216.7	219.5	225.9	229.6	230.7
6 Bonds	37.8	33.4	38.6	40.7	40.6	40.5	41.6	41.5	41.4
7 *Nonmarketable*[2]	*197.6*	*208.7*	*212.5*	*228.2*	*231.2*	*229.0*	*230.7*	*232.8*	*234.4*
8 Convertible bonds[3]	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.2	2.2
9 Foreign issues[4]	26.0	22.8	21.6	22.5	22.3	22.2	22.1	22.1	21.9
10 Savings bonds and notes	60.8	63.8	67.9	71.9	72.3	72.6	73.0	73.4	73.9
11 Govt. account series[5]	108.0	119.1	119.4	127.4	129.7	126.8	127.8	128.2	129.0
By holder:[6]									
12 U.S. Govt. agencies and trust funds	129.6	141.2	139.3	144.9	147.1	144.0	144.4	...	...
13 F.R. Banks	78.5	80.5	87.9	91.7	97.0	94.1	95.8	...	...
14 **Private investors**	**261.7**	**271.0**	**349.4**	**408.1**	**409.5**	**415.8**	**423.1**	...	...
15 Commercial banks	60.3	55.6	85.1	99.8	102.5	101.0	104.5	...	...
16 Mutual savings banks	2.9	2.5	4.5	5.3	5.5	5.6	5.7	...	...
17 Insurance companies	6.4	6.1	9.3	12.2	12.3	12.2	12.2	...	...
18 Other corporations	10.9	11.0	20.2	24.2	25.5	27.8	27.9	...	...
19 State and local governments	29.2	29.2	33.8	42.1	41.6	44.4	42.3	...	...
Individuals:									
20 Savings bonds	60.3	63.4	67.3	71.6	72.0	72.4	72.8	...	...
21 Other securities	16.9	21.5	24.0	29.0	28.8	28.6	28.7	...	...
22 Foreign and international[7]	55.5	58.4	66.5	76.0	78.1	80.3	82.3	...	...
23 Other miscellaneous investors[8]	19.3	23.2	38.6	47.7	43.2	43.4	46.7	...	...

[1] Includes $2.5 billion of non-interest-bearing debt (of which $612 million on Apr. 30, 1977, was not subject to statutory debt limitations).

[2] Includes (not shown separately): Securities issued to the Rural Electrification Administration and to State and local governments, depositary bonds, retirement plan bonds, and individual retirement bonds.

[3] These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1½ per cent, 5-year marketable Treasury notes. Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category above.

[4] Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency series.

[5] Held only by U.S. Govt. agencies and trust funds.

[6] Data for F.R. Banks and U.S. Govt. agencies and trust funds are actual holdings; data for other groups are Treasury estimates.

[7] Consists of the investments of foreign balances and international accounts in the United States. Beginning with 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.

[8] Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain Govt. deposit accounts, and Govt.-sponsored agencies.

NOTE.—Gross public debt excludes guaranteed agency securities and, beginning in July 1974, includes Federal Financing Bank security issues.

~~SOURCE.~~ [redacted]ata by type of security, *Monthly Statement of the Public Debt of the United States*, U.S. Treasury Department; for data by holder, *Treasury Bulletin*.

1.43 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars; end of period

	Type of holder	1975	1976	1977 Feb.	1977 Mar.	1975	1976	1977 Feb.	1977 Mar.
		All maturities				1 to 5 years			
1	**All holders**	**363,191**	**421,276**	**431,607**	**435,379**	**112,270**	**141,132**	**143,927**	**43,204**
2	U.S. Govt. agencies and trust funds	19,347	16,485	15,788	15,788	7,058	6,141	6,167	6,158
3	F. R. Banks	87,934	96,971	95,837	95,987	30,518	31,249	31,076	30,966
4	*Private investors*	*255,860*	*307,820*	*319,982*	*323,604*	*74,694*	*103,742*	*106,684*	*109,984*
5	Commercial banks	64,398	78,262	79,706	80,133	29,629	40,005	42,533	42,980
6	Mutual savings banks	3,300	4,072	4,304	4,519	1,524	2,010	2,114	2,186
7	Insurance companies	7,565	10,284	10,121	10,091	2,359	3,885	3,765	3,827
8	Nonfinancial corporations	9,365	14,193	16,367	14,284	1,967	2,618	3,884	3,708
9	Savings and loan associations	2,793	4,576	5,138	5,605	1,558	2,360	2,475	2,734
10	State and local governments	9,285	12,252	12,883	12,625	1,761	2,543	2,746	2,848
11	All others	159,154	184,182	191,463	196,347	35,894	50,321	49,168	51,701
		Total, within 1 year				5 to 10 years			
12	**All holders**	**199,692**	**211,035**	**217,404**	**218,080**	**26,436**	**43,045**	**43,223**	**43,204**
13	U.S. Govt. agencies and trust funds	2,769	2,012	1,934	1,957	3,283	2,879	2,163	2,149
14	F. R. Banks	46,845	51,569	49,528	49,695	6,463	9,148	9,856	9,901
15	*Private investors*	*150,678*	*157,454*	*165,942*	*166,428*	*16,690*	*31,018*	*31,204*	*31,154*
16	Commercial banks	29,875	31,213	30,035	29,881	4,071	6,278	6,367	6,559
17	Mutual savings banks	983	1,214	1,262	1,333	448	567	649	703
18	Insurance companies	2,024	2,191	1,998	2,050	1,592	2,546	2,500	2,645
19	Nonfinancial corporations	7,105	11,009	11,942	9,959	175	370	295	337
20	Savings and loan associations	914	1,984	2,404	2,627	216	155	188	174
21	State and local governments	5,288	6,622	6,997	6,557	782	1,465	1,466	1,416
22	All others	103,889	103,220	111,305	114,020	9,405	19,637	19,740	19,319
		Bills, within 1 year				10 to 20 years			
23	**All holders**	**157,483**	**163,992**	**164,175**	**164,264**	**14,264**	**11,865**	**11,764**	**11,718**
24	U.S. Govt. agencies and trust funds	207	449	269	305	4,233	3,102	3,102	3,102
25	F. R. Banks	38,018	41,279	38,865	39,455	1,507	1,363	1,371	1,380
26	*Private investors*	*119,258*	*122,264*	*125,041*	*124,504*	*8,524*	*7,400*	*7,291*	*7,236*
27	Commercial banks	17,481	17,303	14,314	13,974	552	339	322	322
28	Mutual savings banks	554	454	426	436	232	139	136	136
29	Insurance companies	1,513	1,463	1,128	1,123	1,154	1,114	1,339	1,084
30	Nonfinancial corporations	5,829	9,939	10,628	8,745	61	142	169	191
31	Savings and loan associations	518	1,266	1,445	1,617	82	64	58	55
32	State and local governments	4,566	5,556	5,689	5,287	896	718	700	663
33	All others	88,797	86,282	91,410	93,322	5,546	4,884	4,567	4,785
		Other, within 1 year				Over 20 years			
34	**All holders**	**42,209**	**47,043**	**53,229**	**53,816**	**10,530**	**14,200**	**15,288**	**15,269**
35	U.S. Govt. agencies and trust funds	2,562	1,563	1,665	1,652	2,053	2,350	2,421	2,421
36	F. R. Banks	8,827	10,290	10,663	10,240	2,601	3,642	4,006	4,045
37	*Private investors*	*30,820*	*35,190*	*40,901*	*41,924*	*5,876*	*8,208*	*8,861*	*8,803*
38	Commercial banks	12,394	13,910	15,721	15,907	271	427	449	390
39	Mutual savings banks	429	760	836	897	112	143	143	162
40	Insurance companies	511	728	870	927	436	548	519	485
41	Nonfinancial corporations	1,276	1,070	1,314	1,214	57	55	77	89
42	Savings and loan associations	396	718	959	1,010	22	13	14	15
43	State and local governments	722	1,066	1,308	1,270	558	904	975	1,140
44	All others	15,092	16,938	19,895	20,698	4,420	6,120	6,684	6,522

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership from *Treasury Bulletin* (U.S. Treasury Dept.).

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of March 31, 1977; (1) 5,498 commercial banks, 467 mutual savings banks, and 725 insurance companies, each about 90 per cent; (2) 447 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 500 State and local govts., about 40 per cent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

1.44 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1974	1975	1976	1977 Jan.	1977 Feb.	1977 Mar.	1977 Week ending Wednesday Mar. 23	Mar. 30	Apr. 6	Apr. 13	Apr. 20	Apr. 27
1 **U.S. Govt. securities**	**3,579**	**6,027**	**10,449**	**12,502**	**12,871**	**11,128**	**10,517**	**10,738**	**11,057**	**11,306**	**15,260**	**14,798**
By maturity:												
2 Bills	2,550	3,889	6,676	7,630	7,593	7,445	7,048	7,094	7,690	7,111	9,502	9,302
3 Other within 1 year	250	223	210	156	283	234	235	245	175	207	163	285
4 1–5 years	465	1,414	2,317	2,805	3,262	2,373	2,351	2,088	1,628	2,283	3,366	3,365
5 5–10 years	256	363	1,019	1,604	1,388	883	697	1,122	1,401	1,502	1,905	1,606
6 Over 10 years	58	138	229	307	346	193	187	189	162	204	325	240
By type of customer:												
7 U.S. Govt. securities dealers	652	885	1,360	1,641	1,537	1,492	1,553	1,456	1,390	1,749	1,603	1,301
8 U.S. Govt. securities brokers	965	1,750	3,407	4,586	4,428	3,300	2,869	3,441	3,279	3,491	5,478	5,742
9 Commercial banks	998	1,451	2,426	2,884	3,013	2,528	2,503	2,194	2,417	2,489	3,047	2,884
10 All others[1]	964	1,941	3,257	3,392	3,893	3,808	3,592	3,647	3,971	3,577	5,132	4,872
11 **Federal agency securities**	**965**	**1,043**	**1,548**	**1,764**	**1,579**	**1,590**	**1,984**	**1,586**	**1,875**	**2,078**	**2,512**	**1,797**

1 Includes—among others—all other dealers and brokers in commodities and securities, foreign banking agencies, and the F.R. System.

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

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

1.45 U.S. GOVERNMENT SECURITIES DEALERS Positions and Sources of Financing

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

Item	1974	1975	1976	1977 Jan.	1977 Feb.	1977 Mar.	1977 Week ending Wednesday Feb. 23	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30
	Positions[2]											
1 **U.S. Govt. securities**	**2,580**	**5,884**	**7,592**	**8,914**	**6,251**	**5,266**	**6,295**	**5,431**	**5,791**	**5,828**	**5,273**	**3,770**
2 Bills	1,932	4,297	6,290	6,596	4,646	4,864	5,325	4,511	5,439	5,525	5,000	3,298
3 Other within 1 year	−6	265	188	138	193	237	211	221	184	224	276	292
4 1–5 years	265	886	515	1,270	587	−14	247	347	−38	−46	−94	13
5 5–10 years	302	300	402	532	417	52	178	126	53	−9	1	65
6 Over 10 years	88	136	198	379	407	128	334	226	153	135	91	103
7 **Federal agency securities**	**1,212**	**943**	**729**	**923**	**466**	**383**	**482**	**421**	**394**	**468**	**394**	**216**
	Sources of financing[3]											
8 **All sources**	**3,977**	**6,666**	**8,715**	**11,938**	**9,017**	**9,433**	**10,049**	**9,433**	**9,006**	**9,729**	**10,482**	**8,671**
Commercial banks:												
9 New York City	1,032	1,621	1,896	2,362	1,360	1,552	1,383	1,451	1,635	1,864	1,581	1,183
10 Outside New York City	1,064	1,466	1,660	2,353	1,727	1,910	1,832	1,771	2,065	2,400	1,944	1,288
11 Corporations[1]	459	842	1,479	2,141	2,038	2,131	2,187	2,173	2,301	2,372	2,050	1,851
12 All other	1,423	2,738	3,681	5,082	3,892	3,839	4,648	4,038	3,004	3,093	4,908	4,350

1 All business corporations except commercial banks and insurance companies.

2 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. The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities purchased under agreements to resell.

3 Total amounts outstanding of funds borrowed by nonbank dealer firms and dealer departments of commercial banks against U.S. Govt. and Federal agency securities (through both collateral loans and sales under agreements to repurchase), plus internal funds used by bank dealer departments to finance positions in such securities. Borrowings against securities held under agreement to resell are excluded where the borrowing contract and the agreement to resell are equal in amount and maturity, that is, a matched agreement.

NOTE.—Averages for positions are based on number of trading days in the period; those for financing, on the number of calendar days in the period.

1.46 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1973	1974	1975	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.
1 **Federal and Federally sponsored agencies**	**71,594**	**89,381**	**97,680**	**102,456**	**103,865**	**103,415**	**103,308**	**103,487**	**103,354**
2 *Federal agencies*	*11,554*	*12,719*	*19,046*	*21,895*	*22,676*	*22,645*	*22,419*	*22,168*	*22,307*
3 Defense Department[1]	1,439	1,312	1,220	1,136	1,128	1,117	1,113	1,095	1,086
4 Export-Import Bank[2,3]	2,625	2,893	7,188	7,728	8,353	8,336	8,574	8,557	8,580
5 Federal Housing Administration[4]	415	440	564	578	589	585	575	579	581
6 Government National Mortgage Association Participation Certificates[5]	4,390	4,280	4,200	4,145	4,145	4,145	4,120	3,845	3,845
7 Postal Service[6]	250	721	1,750	3,498	3,498	3,498	2,998	2,998	2,998
8 Tennessee Valley Authority	2,435	3,070	3,915	4,713	4,865	4,865	4,935	4,985	5,005
9 United States Railway Association[6]	....	3	209	97	98	99	104	109	212
10 *Federally sponsored agencies*	*60,040*	*76,662*	*78,634*	*80,561*	*81,189*	*80,770*	*80,889*	*81,321*	*81,047*
11 Federal home loan banks	15,362	21,890	18,900	17,061	17,122	16,807	16,811	16,805	16,587
12 Federal Home Loan Mortgage Corporation	1,784	1,551	1,550	1,150	1,150	1,150	1,150	1,350	1,350
13 Federal National Mortgage Association	23,002	28,167	29,963	30,685	30,656	30,413	30,565	30,394	30,143
14 Federal land banks	10,062	12,653	15,000	16,566	17,124	17,127	17,127	17,304	17,304
15 Federal intermediate credit banks	6,932	8,589	9,254	10,791	10,712	10,669	10,494	10,631	10,556
16 Banks for cooperatives	2,695	3,589	3,655	3,901	4,023	4,207	4,330	4,425	4,695
17 Student Loan Marketing Association[7]	200	220	310	405	400	395	410	410	410
18 *Other*	*3*	*3*	*2*	*2*	*2*	*2*	*2*	*2*	*2*
MEMO:									
19 **Federal Financing Bank debt[6,8]**	....	**4,474**	**17,154**	**25,888**	**26,636**	**27,028**	**28,711**	**29,848**	**30,328**
Lending to Federal and Federally sponsored agencies:									
20 Export-Import Bank[3]	....	....	4,595	4,768	4,768	4,768	5,208	5,208	5,237
21 Postal Service[6]	....	500	1,500	3,248	3,248	3,248	2,748	2,748	2,748
22 Student Loan Marketing Association[7]	....	220	310	405	400	395	410	410	410
23 Tennessee Valley Authority	....	895	1,840	2,738	2,810	2,890	3,110	3,160	3,180
24 United States Railway Association[6]	....	3	209	97	98	99	104	109	212
Other lending:[9]									
25 Farmers Home Administration	....	2,500	7,000	9,650	10,250	10,250	10,750	11,450	11,450
26 Rural Electrification Administration	....	....	566	1,514	1,573	1,674	1,768	1,509	1,584
27 Others	....	356	1,134	3,468	3,489	3,704	4,613	5,254	5,507

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

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

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

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

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

6 Off-budget.

7 Unlike other Federally sponsored agencies, the Student Loan Marketing Association may borrow from the Federal Financing Bank (FFB) since its obligations are guaranteed by the Department of Health, Education, and Welfare.

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

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

1.47 NEW SECURITY ISSUES State and Local Government and Corporate

Millions of dollars

Type of issue or issuer, or use	1974	1975	1976r	1976 Aug.r	1976 Sept.r	1976 Oct.r	1976 Nov.	1976 Dec.	1977 Jan.
	State and local government								
1 **All issues, new and refunding** [1]	**24,315**	**30,607**	**35,313**	**2,829**	**2,819**	**3,544**	**3,345**	**2,352**	**3,428**
By type of issue:									
2 General obligation	13,563	16,020	18,040	1,295	1,265	1,973	1,529	1,176	1,866
3 Revenue	10,212	14,511	17,140	1,526	1,549	1,551	1,807	1,166	1,552
4 Housing Assistance Administration [2]	461	....	....	....	....	....	....	....	....
5 U.S. Govt. loans	79	76	133	8	5	20	9	10	10
By type of issuer:									
6 State	4,784	7,438	7,054	669	470	499	537	361	468
7 Special district and statutory authority	8,638	12,441	15,304	1,213	1,238	1,470	1,725	1,251	1,786
8 Municipalities, counties, townships, school districts	10,817	10,660	12,845	941	1,105	1,553	1,074	732	1,165
9 **Issues for new capital, total**	**23,508**	**29,495**	**32,108**	**2,561**	**2,591**	**2,921**	**2,879**	**1,847**	**3,083**
By use of proceeds:									
10 Education	4,730	4,689	4,900	373	356	428	351	334	489
11 Transportation	1,712	2,208	2,586	170	251	332	221	107	104
12 Utilities and conservation	5,634	7,209	9,594	814	747	632	1,333	723	1,050
13 Social welfare	3,820	4,392	6,566	714	767	676	574	233	483
14 Industrial aid	494	445	483	27	31	23	69	63	15
15 Other purposes	7,118	10,552	7,979	463	439	830	331	387	942
	Corporate								
16 **All issues** [3]	**38,313**	**53,619**	**53,356**	**3,357**	**4,817**	**4,431**	**3,047**	**6,480**	**3,989**
17 **Bonds**	**32,066**	**42,756**	**42,262**	**2,679**	**4,263**	**3,482**	**2,357**	**5,560**	**3,387**
By type of offering:									
18 Public	25,903	32,583	26,453	1,565	2,100	2,729	1,256	2,568	2,786
19 Private placement	6,160	10,172	15,808	1,113	2,163	753	1,101	2,992	601
By industry group:									
20 Manufacturing	9,867	16,980	13,243	749	670	1,261	501	2,275	817
21 Commercial and miscellaneous	1,845	2,750	4,361	319	546	77	376	696	743
22 Transportation	1,550	3,439	4,357	48	1,212	240	193	564	165
23 Public utility	8,873	9,658	8,297	663	1,118	803	795	560	634
24 Communication	3,710	3,464	2,787	209	140	155	163	196	50
25 Real estate and financial	6,218	6,469	9,222	692	577	946	328	1,271	979
26 **Stocks**	**6,247**	**10,863**	**11,094**	**678**	**554**	**949**	**690**	**920**	**602**
By type:									
27 Preferred	2,253	3,458	2,789	214	136	276	282	308	103
28 Common	3,994	7,405	8,305	464	418	673	408	612	499
By industry group:									
29 Manufacturing	544	1,670	2,237	282	83	88	9	110	89
30 Commercial and miscellaneous	940	1,470	1,183	69	33	73	34	198	136
31 Transportation	22	1	24	13	7	....	....	....	....
32 Public utility	3,964	6,235	6,101	257	347	611	532	596	352
33 Communication	217	1,002	776	3	....	....	27	....	....
34 Real estate and financial	562	488	771	54	84	177	88	15	25

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

2 Only bonds sold pursuant to the 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

3 Figures, which represent gross proceeds of issues maturing in more than 1 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.

SOURCES.—State and local government securities, Securities Industry Association; corporate securities, Securities and Exchange Commission.

1.48 CORPORATE SECURITIES Net Change in Amounts Outstanding

Millions of dollars

	Source of change, or industry	1974	1975	1976	1975 Q2	1975 Q3	1975 Q4	1976 Q1	1976 Q2	1976 Q3	1976 Q4
	All issues[1]										
1	New issues	39,344	53,255	53,123	15,602	9,079	13,363	13,671	14,229	11,385	13,838
2	Retirements	9,935	10,991	12,184	3,211	2,576	3,116	2,315	3,668	2,478	3,723
3	**Net change**	**29,399**	**42,263**	**40,939**	**12,390**	**6,503**	**10,247**	**11,356**	**10,561**	**8,907**	**10,115**
	Bonds and notes										
4	New issues	31,354	40,468	38,994	11,460	6,654	9,595	9,404	10,244	8,701	10,645
5	Retirements	6,255	8,583	9,109	2,336	2,111	2,549	1,403	3,159	1,826	2,721
6	**Net change: Total**	**25,098**	**31,886**	**29,884**	**9,124**	**4,543**	**7,047**	**8,001**	**7,084**	**6,875**	**7,924**
	By industry:										
7	Manufacturing	7,404	13,219	8,978	4,574	1,442	2,069	2,966	1,529	1,551	2,932
8	Commercial and other[2]	1,116	1,605	2,259	483	221	528	203	726	610	720
9	Transportation, including railroad	341	2,165	3,078	429	147	1,588	985	488	1,092	513
10	Public utility	7,308	7,236	6,829	1,977	1,395	1,211	1,820	1,260	2,109	1,640
11	Communication	3,499	2,980	1,687	810	472	429	498	953	335	-99
12	Real estate and financial	5,428	4,682	7,054	852	866	1,222	1,530	2,128	1,178	2,218
	Common and preferred stock										
13	New issues	7,980	12,787	14,129	4,142	2,425	3,768	4,267	3,985	2,684	3,193
14	Retirements	3,678	2,408	3,075	875	465	567	912	509	652	1,002
15	**Net change: Total**	**4,302**	**10,377**	**11,055**	**3,266**	**1,960**	**3,200**	**3,355**	**3,477**	**2,032**	**2,191**
	By industry:										
16	Manufacturing	17	1,607	2,634	500	412	433	838	1,120	744	-68
17	Commercial and other[2]	-135	1,137	762	490	108	462	88	318	117	239
18	Transportation, including railroad	-20	65	96	7	53	4	5	25	17	49
19	Public utility	3,834	6,015	6,171	1,866	1,043	1,537	2,174	1,300	932	1,765
20	Communication	398	1,084	854	359	97	604	47	735	19	53
21	Real estate and financial	207	468	538	43	247	160	203	-21	203	153

1 Excludes issues of investment companies.
2 Extractive and commercial and miscellaneous companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only, as published in the Commission's *Statistical Bulletin*.

New issues and retirements exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements, defined in the same way, include securities retired with internal funds or with proceeds of issues for that purpose.

1.49 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

	Item	1975	1976	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.
	INVESTMENT COMPANIES excluding money market funds									
1	Sales of own shares[1]	3,302	4,226	338	378	446	661	655	423	463
2	Redemptions of own shares[2]	3,686	6,802	573	450	419	628	628	463	553
3	Net sales	-384	2,496	-235	-72	27	33	141	-40	-90
4	**Assets**[3]	**42,179**	**47,537**	**46,138**	**44,858**	**45,369**	**47,537**	**45,760**	**r45,040**	**44,516**
5	Cash position[4]	3,748	2,747	2,507	2,434	2,635	2,747	2,958	r3,260	3,474
6	Other	38,431	44,790	43,631	42,424	42,734	44,790	42,802	r41,780	41,042

1 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.
2 Excludes share redemption resulting from conversions from one fund to another in the same group.
3 Market value at end of period, less current liabilities.
4 Also includes all U.S. Govt. securities and other short-term debt securities.

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

1.50 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1974	1975	1976	1975			1976			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4 r
1 **Profits before tax**	**127.6**	**114.5**	**r147.9**	**105.8**	**126.9**	**131.3**	**141.1**	**146.2**	**150.2**	**154.2**
2 Profits tax liability	52.4	49.2	64.4	44.8	54.8	57.2	61.4	63.5	65.1	67.4
3 Profits after tax	75.2	65.3	r83.5	61.0	72.1	r74.1	79.7	82.7	85.1	86.8
4 Dividends	30.8	32.1	35.2	31.9	32.6	32.2	33.1	34.4	35.4	37.7
5 Undistributed profits	44.4	33.2	r48.3	29.1	39.5	r41.9	46.6	48.3	49.7	49.1
6 Capital consumption allowances	81.6	89.4	97.3	87.9	90.5	92.9	94.3	96.2	98.2	100.5
7 Net cash flow	126.0	122.6	r145.6	117.0	130.0	r134.8	140.9	144.5	147.9	149.6

SOURCE.—U.S. Dept. of Commerce, *Survey of Current Business.*

1.51 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, end of period

Account	1971	1972	1973	1974	1975		1976			
					Q3	Q4	Q1	Q2	Q3	Q4
1 **Current assets**	**529.4**	**574.4**	**643.2**	**712.2**	**716.5**	**731.6**	**753.5**	**775.4**	**791.8**	**816.8**
2 Cash	53.3	57.5	61.6	62.7	65.6	68.1	68.4	70.8	71.1	77.0
3 U.S. Govt. securities	11.0	10.2	11.0	11.7	14.3	19.4	21.7	23.3	23.9	26.4
4 *Notes and accounts receivable*	*221.1*	*243.4*	*269.6*	*293.2*	*298.0*	*298.2*	*310.9*	*321.8*	*328.5*	*328.2*
5 U.S. Govt.[1]	3.5	3.4	3.5	3.5	3.3	3.6	3.6	3.7	4.3	4.3
6 Other	217.6	240.0	266.1	289.7	294.7	294.6	307.3	318.1	324.2	323.9
7 Inventories	200.4	215.2	246.7	288.0	279.6	285.8	288.8	295.6	302.1	315.4
8 Other	43.8	48.1	54.4	56.6	59.0	60.0	63.6	63.9	66.3	69.8
9 **Current liabilities**	**326.0**	**352.2**	**401.0**	**450.6**	**444.7**	**457.5**	**465.9**	**475.9**	**484.1**	**499.9**
10 *Notes and accounts payable*	*220.5*	*234.4*	*265.9*	*292.7*	*279.6*	*288.0*	*286.9*	*293.8*	*291.7*	*302.9*
11 U.S. Govt.[1]	4.9	4.0	4.3	5.2	6.2	6.4	6.4	6.8	7.0	7.0
12 Other	215.6	230.4	261.6	287.5	273.4	281.6	280.5	287.0	284.7	295.9
13 Accrued Federal income taxes	13.1	15.1	18.1	23.2	19.4	20.7	23.9	22.0	24.9	26.8
14 Other	92.4	102.6	117.0	134.8	145.6	148.8	155.0	160.1	167.5	170.2
15 **Net working capital**	**203.6**	**221.3**	**242.3**	**261.5**	**271.8**	**274.1**	**287.6**	**299.5**	**307.7**	**316.9**

1 Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

SOURCE.—Securities and Exchange Commission estimates published in the Commission's *Statistical Bulletin.*

1.52 BUSINESS EXPENDITURES on New Plant and Equipment

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

Industry	1975	1976	1975 Q3	1975 Q4	1976 Q1	1976 Q2	1976 Q3	1976 Q4	1977 Q1	1977 Q2[2]
1 **All industries**	**112.75**	**120.82**	**112.16**	**111.80**	**114.72**	**118.12**	**122.55**	**125.22**	**129.19**	**132.71**
Manufacturing										
2 Durable goods industries	21.88	23.50	21.01	21.07	21.63	22.54	24.59	25.50	25.33	26.77
3 Nondurable goods industries	26.13	29.22	26.38	25.75	27.58	28.09	30.20	28.93	30.84	31.13
Nonmanufacturing										
4 Mining	3.80	3.98	3.82	3.82	3.83	3.83	4.21	4.13	4.26	4.16
Transportation:										
5 Railroad	2.56	2.35	2.75	2.39	2.08	2.64	2.69	2.63	2.37	2.68
6 Air	1.87	1.31	2.12	1.65	1.18	1.44	1.12	1.41	1.76	1.45
7 Other	3.03	3.56	2.99	3.56	3.29	4.16	3.44	3.49	2.87	2.45
Public utilities:										
8 Electric	16.99	18.90	16.58	17.92	18.56	18.82	18.22	19.49	20.44	21.96
9 Gas and other	3.14	3.47	3.21	3.00	3.36	3.03	3.45	3.96	4.08	4.24
10 Communication	12.76	12.93	12.95	12.22	12.54	12.62	13.64	14.30	37.25	37.87
11 Commercial and other[1]	20.61	20.87	20.34	20.44	20.68	20.94	20.99	21.36		

[1] Includes trade, service, construction, finance, and insurance.
[2] Anticipated by business.

NOTE.—Estimates for corporate and noncorporate business, excluding agriculture; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.

SOURCE.—U.S. Dept. of Commerce, *Survey of Current Business*.

1.53 MORTGAGE MARKETS

Millions of dollars, except as noted

	Item	1974	1975	1976	1976			1977		
					Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
		Terms and yields in primary and secondary markets								
	PRIMARY MARKETS									
	Conventional mortgages on new homes									
	Terms:[1]									
1	Purchase price (thous. dollars)	40.1	44.6	48.4	49.0	48.6	51.0	52.5	r53.1	53.8
2	Amount of loan (thous. dollars)	29.8	33.3	35.9	36.2	36.0	37.1	39.0	r39.3	40.9
3	Loan/price ratio (per cent)	74.3	74.7	74.2	75.3	75.6	74.7	76.3	r75.8	77.5
4	Maturity (years)	26.3	26.8	27.2	28.0	27.0	27.7	28.2	r27.8	28.0
5	Fees and charges (per cent of loan amount)[2]	1.30	1.54	1.44	1.38	1.36	1.38	1.38	r1.31	1.34
6	Contract rate (per cent per annum)	8.71	8.75	8.76	8.85	8.83	8.87	8.82	r8.78	8.74
	Yield (per cent per annum):									
7	FHLBB series[3]	8.92	9.01	8.99	9.07	9.05	9.10	9.05	r8.99	8.95
8	HUD series[4]	9.22	9.10	8.99	9.00	8.95	8.90	8.80	8.80	8.85
	SECONDARY MARKETS									
	Yields (per cent per annum) on									
9	FHA mortgages (HUD series)[5]	9.55	9.19	8.82	8.55	8.45	8.25	8.40	8.50	8.58
10	GNMA securities[6]	8.72	8.52	8.17	7.98	7.93	7.59	7.85	7.98	8.06
	FNMA auctions:[7]									
11	Government-underwritten loans	r9.55	r9.26	8.92	8.75	8.66	8.45	8.48	8.55	8.68
12	Conventional loans	r9.65	r9.38	9.12	9.05	9.00	8.84	8.82	8.86	8.91
		Activity in secondary markets								
	FEDERAL NATIONAL MORTGAGE ASSOCIATION									
	Mortgage holdings at end of period:									
13	Total	29,578	31,824	32,904	32,019	32,929	32,904	32,848	32,792	32,830
14	FHA-insured	19,189	19,732	18,916	19,077	18,986	18,916	18,854	18,771	18,739
15	VA-guaranteed	8,310	9,573	9,212	9,314	9,264	9,212	9,162	9,115	9,099
16	Conventional	2,080	2,519	4,776	3,628	4,679	4,776	4,833	4,906	4,992
	Mortgage transactions during period:									
17	Purchases	6,953	4,263	3,606	162	1,131	191	141	150	283
18	Sales	4	2	86	....	8	....	....	....	....
	Mortgage commitments:[8]									
19	Contracted during period	10,765	6,106	6,247	480	615	290	1,180	968	1,119
20	Outstanding at end of period	7,960	4,126	3,398	3,672	3,649	3,398	4,142	4,707	5,184
	Auction of 4-month commitments to buy--									
	Government-underwritten loans:									
21	Offered[9]	5,492.7	7,042.8	4,929.8	235.5	494.1	56.9	747.4	868.4	1,138.2
22	Accepted	2,371.4	3,848.3	2,787.2	107.1	221.1	41.5	549.1	484.7	612.0
	Conventional loans:									
23	Offered[9]	1,206.8	1,401.1	2,595.7	297.5	353.3	150.2	326.8	300.0	373.9
24	Accepted	656.4	765.2	1,879.3	215.8	296.9	135.4	238.3	235.8	268.1
	FEDERAL HOME LOAN MORTGAGE CORPORATION									
	Mortgage holdings at end of period:[10]									
25	Total	4,586	4,987	4,269	4,190	4,162	4,269	3,896	3,672	3,557
26	FHA/VA	1,904	1,824	1,618	1,660	1,638	1,618	1,594	1,580	1,564
27	Conventional	2,682	3,163	2,651	2,530	2,523	2,651	2,302	2,092	1,993
	Mortgage transactions during period:									
28	Purchases	2,191	1,716	1,175	78	101	208	16	98	200
29	Sales	52	1,020	1,396	116	91	60	51	290	285
	Mortgage commitments:[11]									
30	Contracted during period	4,553	982	1,477	171	245	105	250	170	459
31	Outstanding at end of period	2,390	111	333	326	452	333	462	533	760

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

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

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

4 Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points; from Dept. of Housing and Urban Development.

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

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

7 Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30-year mortgages. No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month.

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

9 Mortgage amounts offered by bidders are total bids received.

10 Includes participations as well as whole loans.

11 Includes conventional and Government-underwritten loans.

1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars

Type of holder, and type of property	End of year 1972	1973	1974	1975	End of quarter 1976 Q2	1976 Q3	1976 Q4	1977 Q4
1 **All holders**	**603,417**	**682,321**	**742,504**	**r801,640**	**r841,694**	**r866,283**	**r889,465**	**911,666**
2 1- to 4-family	372,793	416,883	449,937	r491,568	r522,734	r542,170	r559,255	575,318
3 Multifamily	82,572	92,877	99,851	r100,471	r101,216	r101,566	r101,958	103,028
4 Commercial	112,294	131,308	146,428	r158,724	r163,616	r166,695	r170,753	174,049
5 Farm	35,758	41,253	46,288	r50,877	r54,128	r55,852	r57,499	59,271
6 **Major financial institutions**	**450,000**	**505,400**	**542,552**	**581,296**	**r611,802**	**r630,241**	**r647,314**	**662,023**
7 *Commercial banks*[1]	*99,314*	*119,068*	*132,105*	*136,186*	*r143,699*	*r147,636*	*r150,869*	*154,007*
8 1- to 4-family	57,004	67,998	74,758	77,018	r82,900	r86,013	r87,897	89,725
9 Multifamily	5,778	6,932	7,619	5,915	r6,107	r6,201	r6,336	6,468
10 Commercial	31,751	38,696	43,679	46,882	r48,125	r48,749	r49,817	50,853
11 Farm	4,781	5,442	6,049	6,371	r6,567	r6,673	r6,819	6,961
12 *Mutual savings banks*	*67,556*	*73,230*	*74,920*	*77,249*	*r78,838*	*r80,249*	*r81,734*	*82,494*
13 1- to 4-family	46,229	48,811	49,213	50,025	r51,326	r52,250	r53,217	53,712
14 Multifamily	10,910	12,343	12,923	13,792	r13,674	r13,915	r14,173	14,304
15 Commercial	10,355	12,012	12,722	13,373	r13,780	r14,028	r14,287	14,420
16 Farm	62	64	62	59	r58	r56	r57	58
17 *Savings and loan associations*	*206,182*	*231,733*	*249,293*	*278,693*	*299,574*	*312,139*	*323,130*	*333,623*
18 1- to 4-family	167,049	187,750	201,553	224,710	241,996	252,521	261,732	270,235
19 Multifamily	20,783	22,524	23,683	25,417	26,722	27,468	28,116	29,025
20 Commercial	18,350	21,459	24,057	28,566	30,856	32,150	33,282	34,363
21 *Life insurance companies*	*76,948*	*81,369*	*86,234*	*89,168*	*89,691*	*90,217*	*91,581*	*91,899*
22 1- to 4-family	22,315	20,426	19,026	17,590	16,861	16,458	r16,108	15,708
23 Multifamily	17,347	18,451	19,625	19,629	19,374	19,256	r19,201	19,191
24 Commercial	31,608	36,496	41,256	45,196	46,456	47,322	r48,854	49,362
25 Farm	5,678	5,996	6,327	6,753	7,000	7,181	r7,418	7,638
26 **Federal and related agencies**	**40,157**	**46,721**	**58,320**	**66,891**	**66,033**	**67,314**	**r66,753**	**67,117**
27 *Government National Mortgage Assn.*	*5,113*	*4,029*	*4,846*	*7,438*	*5,557*	*5,068*	*4,241*	4,004
28 1- to 4-family	2,513	1,455	2,248	4,728	3,165	2,486	1,970	1,682
29 Multifamily	2,600	2,574	2,598	2,710	2,392	2,582	2,271	2,322
30 *Farmers Home Admin.*	*1,019*	*1,366*	*1,432*	*1,109*	*830*	*1,355*	*1,064*	*1,378*
31 1- to 4-family	279	743	759	208	228	754	454	657
32 Multifamily	29	29	167	215	46	143	218	328
33 Commercial	320	218	156	190	151	133	72	92
34 Farm	391	376	350	496	405	325	320	301
35 *Federal Housing and Veterans Admin.*	*3,338*	*3,476*	*4,015*	*4,970*	*5,111*	*5,092*	*5,150*	*5,406*
36 1- to 4-family	2,199	2,013	2,009	1,990	1,781	1,716	1,676	1,732
37 Multifamily	1,139	1,463	2,006	2,980	3,330	3,376	3,474	3,674
38 *Federal National Mortgage Assn.*	*19,791*	*24,175*	*29,578*	*31,824*	*32,028*	*32,962*	*32,904*	*32,830*
39 1- to 4-family	17,697	20,370	23,778	25,813	26,112	27,030	26,934	26,836
40 Multifamily	2,094	3,805	5,800	6,011	5,916	5,932	5,970	5,994
41 *Federal land banks*	*9,107*	*11,071*	*13,863*	*16,563*	*17,978*	*18,568*	*r19,125*	*19,942*
42 1- to 4-family	13	123	406	549	575	586	r601	611
43 Farm	9,094	10,948	13,457	16,014	17,403	17,982	18,524	19,331
44 *Federal Home Loan Mortgage Corp.*	*1,789*	*2,604*	*4,586*	*4,987*	*4,529*	*4,269*	*4,269*	*3,557*
45 1- to 4-family	1,754	2,446	4,217	4,588	4,166	3,917	3,889	3,200
46 Multifamily	35	158	369	399	363	352	380	357
47 **Mortgage pools or trusts**[2]	**14,404**	**18,040**	**23,799**	**34,138**	**41,225**	**44,960**	**49,801**	**54,811**
48 *Government National Mortgage Assn.*	*5,504*	*7,890*	*11,769*	*18,257*	*23,634*	*26,725*	*30,572*	34,260
49 1- to 4-family	5,353	7,561	11,249	17,538	22,821	25,841	29,583	33,190
50 Multifamily	151	329	520	719	813	884	989	1,070
51 *Federal Home Loan Mortgage Corp.*	*441*	*766*	*757*	*1,598*	*2,153*	*2,506*	*2,671*	*3,570*
52 1- to 4-family	331	617	608	1,349	1,831	2,141	2,282	3,112
53 Multifamily	110	149	149	249	322	365	389	458
54 *Farmers Home Admin.*	*8,459*	*9,384*	*11,273*	*14,283*	*15,438*	*15,729*	*16,558*	*16,981*
55 1- to 4-family	5,017	5,458	6,782	9,194	9,670	9,587	10,219	10,423
56 Multifamily	131	138	116	295	541	535	532	530
57 Commercial	867	1,124	1,473	1,948	2,104	2,291	2,440	2,560
58 Farm	2,444	2,664	2,902	2,846	3,123	3,316	3,367	3,468
59 **Individuals and others**[3]	**98,856**	**112,160**	**117,833**	**r119,315**	**r122,634**	**r123,768**	**r125,597**	**127,715**
60 1- to 4-family	45,040	51,112	53,331	r56,268	r59,302	r60,870	r62,693	64,495
61 Multifamily	21,465	23,982	24,276	r22,140	r21,616	r20,557	r19,909	19,307
62 Commercial	19,043	21,303	23,085	r22,569	r22,144	r22,022	r22,001	22,399
63 Farm	13,308	15,763	17,141	r18,338	r19,572	r20,319	r20,994	21,514

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

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

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

NOTE.—Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations where required, are estimated mainly by Federal Reserve. Multifamily debt refers to loans on structures of 5 or more units.

1.55 CONSUMER INSTALMENT CREDIT Total Outstanding, and Net Change

Millions of dollars

Holder, and type of credit	1974	1975	1976	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.
	Amounts outstanding (end of period)									
1 **Total**	**155,384**	**162,237**	**178,775**	**172,918**	**173,930**	**175,333**	**178,775**	**177,975**	**178,252**	**179,695**
By holder:										
2 Commercial banks	75,846	78,703	85,379	83,714	84,152	84,278	85,379	85,051	85,005	85,916
3 Finance companies	36,208	36,695	39,642	38,575	38,809	39,129	39,642	39,665	39,831	39,889
4 Credit unions	22,116	25,354	30,546	29,600	29,711	30,053	30,546	30,410	30,701	31,448
5 Retailers[1]	17,933	18,002	19,178	17,012	17,205	17,726	19,178	18,693	18,322	18,068
6 Others[2]	3,281	3,483	4,030	4,017	4,053	4,147	4,030	4,156	4,393	4,374
By type of credit:										
7 *Automobile*	*50,392*	*53,028*	*60,498*	*59,270*	*59,717*	*60,002*	*60,498*	*60,349*	*60,774*	*61,841*
8 Commercial banks	30,994	31,534	35,313	34,701	35,009	35,095	35,313	35,284	35,492	36,232
9 Indirect	18,687	18,353	19,642	19,495	19,611	19,575	19,642	19,566	19,640	20,005
10 Direct	12,306	13,181	15,671	15,206	15,398	15,520	15,671	15,719	15,852	16,227
11 Finance companies	10,618	11,439	13,059	12,808	12,901	12,957	13,059	12,973	13,042	13,084
12 Credit unions	8,414	9,653	11,633	11,270	11,311	11,442	11,633	11,579	11,690	11,976
13 Others	366	402	493	491	496	508	493	513	550	549
Mobile homes:										
14 Commercial banks	8,972	8,704	8,233	8,340	8,294	8,254	8,233	8,146	8,094	8,076
15 Finance companies	3,524	3,451	3,277	3,319	3,309	3,295	3,277	3,248	3,207	3,197
16 *Home improvement*	*7,754*	*8,004*	*8,773*	*8,665*	*8,726*	*8,790*	*8,773*	*8,736*	*8,750*	8,816
17 Commercial banks	4,694	4,965	5,381	5,318	5,359	5,388	5,381	5,340	5,307	5,343
Revolving credit:										
18 Bank credit cards	8,281	9,501	11,075	10,153	10,232	10,329	11,075	10,996	10,820	10,705
19 Bank check credit	2,797	2,810	3,010	2,922	2,933	2,935	3,010	3,031	3,039	3,030
20 *All other*	*73,664*	*76,738*	*83,910*	*80,249*	*80,719*	*81,728*	*83,910*	*83,469*	*83,568*	*84,031*
21 Commercial banks, total	20,108	21,188	22,368	22,280	22,325	22,277	22,368	22,254	22,253	22,531
22 Personal loans	13,771	14,629	15,606	15,450	15,534	15,517	15,606	15,569	15,590	15,769
23 Finance companies, total	21,717	21,655	23,178	22,316	22,469	22,748	23,178	23,319	23,454	23,480
24 Personal loans	16,961	17,681	19,043	18,371	18,509	18,773	19,043	19,002	18,998	19,048
25 Credit unions	13,037	14,937	17,993	17,438	17,505	17,706	17,993	17,915	18,086	18,524
26 Retailers	17,933	18,002	19,178	17,012	17,205	17,726	19,178	18,693	18,322	18,068
27 Others	869	956	1,193	1,203	1,215	1,271	1,193	1,288	1,453	1,428
	Net change (during period)[3]									
28 **Total**	**8,952**	**6,843**	**16,539**	**1,481**	**1,564**	**1,243**	**1,823**	**1,918**	**2,022**	**2,717**
By holder:										
29 Commercial banks	3,975	2,851	6,678	697	671	381	913	565	829	1,462
30 Finance companies	806	483	2,946	233	317	245	364	481	442	373
31 Credit unions	2,507	3,238	5,192	483	280	395	537	416	540	717
32 Retailers	1,538	69	1,176	24	263	98	64	249	118	238
33 Others	126	202	547	45	33	124	−55	207	93	−72
By type of credit:										
34 *Automobile*	*327*	*2,631*	*7,470*	*605*	*528*	*477*	*1,013*	*758*	*884*	*1,201*
35 Commercial banks	−508	535	3,779	376	350	221	652	418	504	759
36 Indirect	−310	−340	1,289	125	117	70	330	160	239	385
37 Direct	−198	875	2,490	251	233	151	322	258	265	373
38 Finance companies	−100	821	1,620	28	77	98	146	99	161	194
39 Credit unions	958	1,239	1,980	172	105	144	207	174	213	267
40 Other	−23	36	91	28	−4	14	8	66	6	−19
Mobile homes:										
41 Commercial banks	632	−268	−471	−53	−56	−43	32	−43	−26	16
42 Finance companies	168	−73	−174	−16	−16	−16	−16	−18	−43	3
43 *Home improvement*	*804*	*248*	*768*	*65*	*73*	*103*	*73*	*130*	*73*	97
44 Commercial banks	611	271	416	43	44	55	54	36	14	75
Revolving credit:										
45 Bank credit cards	1,443	1,220	1,576	166	123	71	−33	28	170	293
46 Bank check credit	543	14	199	17	27	6	7	41	32	38
47 *All other*	*5,036*	*3,072*	*7,172*	*698*	*884*	*645*	*747*	*1,023*	*931*	*1,069*
48 Commercial banks, total	1,255	1,080	1,180	148	183	72	199	85	134	281
49 Personal loans	898	858	977	108	161	47	148	101	114	200
50 Finance companies, total	803	−64	1,523	223	258	163	236	401	320	175
51 Personal loans	479	717	1,362	198	237	161	113	178	129	168
52 Credit unions	1,473	1,900	3,056	297	166	239	313	227	312	428
53 Retailers	1,538	69	1,176	24	263	98	64	249	118	238
54 Others	−33	87	237	5	15	73	−66	60	48	−54

1 Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

2 Mutual savings banks, savings and loan associations, and auto dealers.

3 Net change equals extensions minus liquidations (repayments, charge-offs, and other credits); figures for all months are seasonally adjusted.

NOTE.—Total consumer noninstalment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to $39.0 billion at the end of 1976, $35.0 billion at the end of 1975, and $33.4 billion at the end of 1974. Comparable data for Dec. 31, 1977, will be published in the *Bulletin* for February 1978.

1.56 CONSUMER INSTALMENT CREDIT Extensions and Liquidations

Millions of dollars

	Holder, and type of credit	1974	1975	1976	1976				1977		
					Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
					Extensions[1]						
1	**Total**	**160,008**	**163,483**	**186,221**	**15,775**	**16,055**	**15,763**	**16,702**	**16,870**	**17,186**	**18,253**
	By holder:										
2	Commercial banks	72,605	77,131	88,666	7,546	7,618	7,486	8,182	7,546	8,055	8,715
3	Finance companies	35,644	32,582	35,956	3,072	3,148	3,059	3,157	3,431	3,437	3,559
4	Credit unions	22,403	24,151	28,829	2,424	2,350	2,395	2,688	2,683	2,743	2,978
5	Retailers[2]	27,034	27,049	29,569	2,463	2,673	2,467	2,480	2,775	2,603	2,817
6	Others[3]	2,322	2,570	3,201	271	266	356	194	436	347	185
	By type of credit:										
7	*Automobile*	*43,209*	*48,103*	*55,807*	*4,769*	*4,587*	*4,632*	*5,263*	*4,940*	*5,205*	*5,654*
8	Commercial banks	26,406	28,333	32,687	2,846	2,770	2,691	3,170	2,892	3,075	3,350
9	Indirect	15,576	15,761	17,600	1,511	1,479	1,426	1,723	1,544	1,641	1,818
10	Direct	10,830	12,572	15,087	1,335	1,291	1,265	1,446	1,349	1,435	1,532
11	Finance companies	8,630	9,598	11,210	891	904	927	992	964	999	1,151
12	Credit unions	7,788	9,702	11,336	963	875	957	1,051	974	1,075	1,124
13	Others	385	470	574	69	37	57	51	110	55	30
	Mobile homes:										
14	Commercial banks	3,486	2,681	2,449	200	178	207	267	195	207	254
15	Finance companies	1,413	771	690	53	59	54	53	50	52	57
16	*Home improvement*	*4,571*	*4,398*	*5,034*	*434*	*463*	*464*	*461*	*494*	*457*	*478*
17	Commercial banks	2,789	2,722	3,036	266	282	276	288	262	251	308
	Revolving credit:										
18	Bank credit cards	17,098	20,428	25,481	2,165	2,198	2,181	2,217	2,117	2,332	2,434
19	Bank check credit	4,227	4,024	4,832	375	413	410	426	462	448	456
20	*All other*	*86,004*	*83,079*	*91,928*	*7,779*	*8,158*	*7,815*	*8,015*	*8,612*	*8,484*	*8,920*
21	Commercial banks, total	18,599	18,944	20,182	1,693	1,777	1,721	1,815	1,618	1,742	1,913
22	Personal loans	13,176	13,386	14,463	1,193	1,286	1,238	1,317	1,213	1,281	1,379
23	Finance companies, total	25,316	22,135	24,014	2,125	2,182	2,072	2,108	2,413	2,379	2,346
24	Personal loans	16,691	17,333	19,610	1,745	1,776	1,696	1,688	1,787	1,843	1,814
25	Credit unions	14,228	13,992	16,911	1,410	1,426	1,389	1,582	1,656	1,612	1,792
26	Retailers	27,034	27,049	29,569	2,463	2,673	2,467	2,480	2,775	2,603	2,817
27	Others	827	959	1,253	87	100	166	30	151	149	52
					Liquidations[1]						
28	**Total**	**151,056**	**156,640**	**169,682**	**14,294**	**14,491**	**14,520**	**14,879**	**14,952**	**15,164**	**15,536**
	By holder:										
29	Commercial banks	68,630	74,280	81,988	6,849	6,947	7,105	7,269	6,981	7,227	7,253
30	Finance companies	34,838	32,099	33,010	2,839	2,831	2,814	2,793	2,949	2,995	3,186
31	Credit unions	19,896	20,913	23,637	1,941	2,070	2,000	2,151	2,267	2,203	2,261
32	Retailers[2]	25,496	26,980	28,393	2,439	2,410	2,369	2,416	2,526	2,485	2,579
33	Others[3]	2,196	2,368	2,654	226	233	232	249	228	254	257
	By type of credit:										
34	*Automobile*	*42,883*	*45,472*	*48,337*	*4,165*	*4,059*	*4,155*	*4,250*	*4,183*	*4,320*	*4,453*
35	Commercial banks	26,915	27,798	28,908	2,470	2,420	2,470	2,517	2,474	2,571	2,591
36	Indirect	15,886	16,101	16,311	1,386	1,363	1,356	1,393	1,384	1,402	1,432
37	Direct	11,029	11,697	12,597	1,084	1,058	1,114	1,124	1,090	1,169	1,159
38	Finance companies	8,730	8,777	9,590	862	827	829	846	866	838	957
39	Credit unions	6,830	8,463	9,356	791	770	813	843	800	862	857
40	Others	408	434	483	42	42	43	43	43	49	49
	Mobile homes:										
41	Commercial banks	2,854	2,949	2,921	253	233	250	234	238	233	238
42	Finance companies	1,245	844	864	69	74	70	70	67	96	53
43	*Home improvement*	*3,767*	*4,150*	*4,266*	*369*	*390*	*360*	*388*	*364*	*385*	*382*
44	Commercial banks	2,178	2,451	2,620	223	239	221	234	227	237	233
	Revolving credit:										
45	Bank credit cards	15,655	19,208	23,905	2,000	2,074	2,110	2,250	2,089	2,161	2,141
46	Bank check credit	3,684	4,010	4,632	358	386	404	419	421	416	419
47	*All other*	*80,969*	*80,007*	*84,757*	*7,081*	*7,274*	*7,170*	*7,268*	*7,590*	*7,553*	*7,850*
48	Commercial banks, total	17,345	17,864	19,002	1,545	1,594	1,649	1,615	1,533	1,608	1,632
49	Personal loans	12,278	12,528	13,486	1,085	1,125	1,191	1,169	1,111	1,167	1,179
50	Finance companies, total	24,513	22,199	22,491	1,902	1,924	1,909	1,872	2,012	2,059	2,171
51	Personal loans	16,212	16,616	18,248	1,547	1,539	1,535	1,575	1,608	1,714	1,646
52	Credit unions	12,755	12,092	13,855	1,113	1,260	1,150	1,268	1,429	1,300	1,363
53	Retailers	25,496	26,980	28,393	2,439	2,410	2,369	2,416	2,526	2,485	2,579
54	Others	860	872	1,016	82	86	93	96	90	101	105

1 Monthly figures are seasonally adjusted.
2 Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.
3 Mutual savings banks, savings and loan associations, and auto dealers.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

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

	Transaction category, or sector	1971	1972	1973	1974	1975	1976	1975 H1	1975 H2	1976 H1	1976 H2	
	Nonfinancial sectors											
1	**Total funds raised**	**151.0**	**176.9**	**197.6**	**188.8**	**210.4**	**271.6**	**184.2**	**236.5**	**256.6**	**286.3**	1
2	*Excluding equities*	*139.6*	*166.4*	*190.0*	*185.0*	*200.3*	*260.8*	*173.8*	*226.9*	*243.0*	*278.2*	2
	By sector and instrument:											
3	**U.S. Govt.**	**24.7**	**15.2**	**8.3**	**12.0**	**85.2**	**69.0**	**80.8**	**89.6**	**71.6**	**66.6**	3
4	Public debt securities	26.0	14.3	7.9	12.0	85.8	69.1	82.0	89.7	71.5	66.9	4
5	Agency issues and mortgages	−1.3	1.0	.4	*	−.6	−.1	1.2	.1	.1	.3	5
6	**All other nonfinancial sectors**	**126.3**	**161.7**	**189.4**	**176.8**	**125.2**	**202.6**	**103.4**	**146.9**	**185.0**	**219.7**	6
7	Corporate equities	11.5	10.5	7.7	3.8	10.0	10.8	10.5	9.6	13.6	8.1	7
8	Debt instruments	114.8	151.2	181.7	173.0	115.1	191.8	93.0	137.3	171.4	211.7	8
9	**Private domestic nonfinancial sectors**	**121.1**	**157.7**	**183.1**	**161.6**	**112.2**	**181.1**	**94.9**	**129.4**	**169.1**	**192.5**	9
10	Corporate equities	11.4	10.9	7.9	4.1	9.9	10.5	10.3	9.5	13.3	7.7	10
11	*Debt instruments*	*109.7*	*146.8*	*175.3*	*157.5*	*102.3*	*170.5*	*84.6*	*119.9*	*155.8*	*184.8*	11
12	*Debt capital instruments*	*86.8*	*102.8*	*106.7*	*101.2*	*101.3*	*123.6*	*97.5*	*105.1*	*113.5*	*133.8*	12
13	State and local obligations	17.5	15.4	16.3	19.6	17.3	17.2	16.2	18.4	18.1	16.4	13
14	Corporate bonds	18.8	12.2	9.2	19.7	27.2	22.8	33.4	21.0	20.7	25.0	14
	Mortgages:											
15	Home	28.6	42.6	46.4	34.6	40.8	64.4	33.5	48.1	58.1	70.7	15
16	Multifamily residential	9.7	12.7	10.4	7.0	−.1	1.1	*	−.2	1.6	.6	16
17	Commercial	9.8	16.4	18.9	15.1	10.9	11.7	8.7	13.1	9.8	13.5	17
18	Farm	2.4	3.6	5.5	5.1	5.2	6.4	5.6	4.8	5.1	7.6	18
19	*Other debt instruments*	*22.8*	*44.0*	*68.6*	*56.3*	*1.0*	*46.9*	*−12.8*	*14.8*	*42.3*	*51.0*	19
20	Consumer credit	11.6	18.6	21.7	9.8	8.5	20.5	1.1	16.0	19.4	21.6	20
21	Bank loans n.e.c.	6.5	18.1	34.8	26.2	−14.5	7.7	−23.5	−5.5	2.2	12.7	21
22	Open market paper	−.4	.8	2.5	6.8	−2.2	3.5	−.2	−4.2	8.2	1.3	22
23	Other	5.1	6.5	9.6	13.5	9.1	15.3	9.7	8.5	12.6	17.9	23
24	*By borrowing sector*	*121.1*	*157.7*	*183.1*	*161.6*	*112.2*	*181.1*	*94.9*	*129.4*	*169.1*	*192.5*	24
25	State and local governments	17.8	15.2	14.8	18.6	14.9	16.8	13.9	15.9	16.4	17.2	25
26	Households	42.1	64.8	73.5	45.2	49.7	90.7	39.0	60.4	88.3	93.0	26
27	Farm	4.5	5.8	9.7	7.9	9.4	12.3	9.4	9.4	11.0	13.6	27
28	Nonfarm noncorporate	10.3	13.1	12.3	6.7	1.2	4.7	−.8	3.2	4.2	4.8	28
29	Corporate	46.4	58.8	72.9	83.1	37.1	56.6	33.5	40.6	49.3	63.9	29
30	**Foreign**	**5.2**	**4.0**	**6.2**	**15.3**	**13.0**	**21.5**	**8.5**	**17.4**	**15.9**	**27.2**	30
31	Corporate equities	*	−.4	−.2	−.2	.1	.3	.1	.1	.3	.3	31
32	*Debt instruments*	*5.2*	*4.4*	*6.4*	*15.5*	*12.8*	*21.2*	*8.4*	*17.3*	*15.6*	*26.9*	32
33	Bonds	.9	1.0	1.0	2.1	6.2	8.4	5.7	6.7	7.3	9.4	33
34	Bank loans n.e.c.	2.1	3.0	2.8	4.7	4.0	6.8	.6	7.4	4.2	9.3	34
35	Open market paper	.3	−1.0	.9	7.1	−.1	2.5	−1.2	1.0	.8	4.2	35
36	U.S. Govt. loans	1.8	1.5	1.7	1.6	2.8	3.6	3.3	2.2	3.2	4.0	36
	Financial sectors											
37	**Total funds raised**	**17.0**	**29.1**	**56.7**	**43.0**	**14.8**	**29.8**	**14.4**	**15.3**	**27.5**	**32.1**	37
	By instrument:											
38	*U.S. Govt. related*	*5.9*	*8.4*	*19.9*	*23.1*	*13.5*	*17.7*	*14.0*	*13.1*	*18.0*	*17.4*	38
39	Sponsored credit agency securities	1.1	3.5	16.3	16.6	2.3	2.4	1.4	3.3	3.9	.9	39
40	Mortgage pool securities	4.8	4.9	3.6	5.8	10.3	15.7	11.5	9.2	14.2	17.2	40
41	Loans from U.S. Govt.	....	....	....	.7	.9	−.4	1.1	.6	*	−.7	41
42	*Private financial sectors*	*11.1*	*20.7*	*36.8*	*19.9*	*1.3*	*12.1*	*.4*	*2.1*	*9.5*	*14.7*	42
43	Corporate equities	3.5	2.8	1.5	1.0	1.2	1.8	1.2	1.2	.3	3.3	43
44	*Debt instruments*	*7.6*	*18.0*	*35.3*	*18.9*	*.1*	*10.3*	*−.8*	*1.0*	*9.1*	*11.4*	44
45	Corporate bonds	3.8	5.1	3.5	2.1	2.9	5.8	2.5	3.3	7.2	4.4	45
46	Mortgages	2.1	1.7	−1.2	−1.3	2.3	1.9	1.2	3.4	1.0	2.8	46
47	Bank loans n.e.c.	3.5	6.8	14.0	7.5	−3.9	−3.3	−4.7	−3.2	−3.6	−3.0	47
48	Open market paper and Rp's	.9	4.4	11.8	3.9	2.8	7.8	7.6	−1.9	6.8	8.8	48
49	Loans from FHLB's	−2.7	*	7.2	6.7	−4.0	−2.0	−7.3	−.6	−2.3	−1.7	49
	By sector:											
50	Sponsored credit agencies	1.1	3.5	16.3	17.3	3.2	2.0	2.5	4.0	3.9	.2	50
51	Mortgage pools	4.8	4.9	3.6	5.8	10.3	15.7	11.5	9.2	14.2	17.2	51
52	*Private financial sectors*	*11.1*	*20.7*	*36.8*	*19.9*	*1.3*	*12.1*	*.4*	*2.1*	*9.5*	*14.7*	52
53	Commercial banks	2.4	4.8	8.1	−1.1	1.7	7.6	5.7	−2.3	9.9	5.3	53
54	Bank affiliates	−.4	.7	2.2	3.5	.3	−.8	.9	−.3	−1.3	−.3	54
55	Foreign banking agencies	1.6	.8	5.1	2.9	−.3	.4	.9	.2	1.5	2.4	55
56	Savings and loan associations	−.1	2.0	6.0	6.3	−2.1	−.1	−7.8	3.6	−1.0	.7	56
57	Other insurance companies	.6	.5	.5	.9	.9	1.0	.9	1.0	1.0	1.0	57
58	Finance companies	2.7	6.2	9.4	4.5	.7	6.1	−.8	2.1	6.0	6.2	58
59	REIT's	2.9	6.3	6.5	1.1	−1.9	−2.1	−1.6	−2.2	−1.8	−2.5	59
60	Open-end investment companies	1.3	−.5	−1.2	−.5	.8	.3	1.5	.1	−1.1	1.8	60
61	Money market funds	....	....	....	2.4	1.3	−.3	2.6	*	−.7	.2	61
	All sectors											
62	**Total funds raised, by instrument**	**168.1**	**206.0**	**254.3**	**231.8**	**225.2**	**301.4**	**198.6**	**251.8**	**284.1**	**318.4**	62
63	Investment company shares	1.3	−.5	−1.2	−.5	.8	.3	1.5	.1	−1.1	1.8	63
64	Other corporate equities	13.7	13.8	10.4	5.4	10.4	12.3	10.2	10.7	15.0	9.6	64
65	*Debt instruments*	*153.1*	*192.8*	*245.2*	*227.0*	*214.0*	*288.7*	*187.0*	*241.0*	*270.2*	*307.0*	65
66	U.S. Govt. securities	30.7	23.7	28.3	34.5	98.0	87.2	93.6	102.4	89.8	84.7	66
67	State and local obligations	17.5	15.4	16.3	19.6	17.3	17.2	16.2	18.4	18.1	16.4	67
68	Corporate and foreign bonds	23.5	18.4	13.6	23.9	36.3	37.0	41.6	31.0	35.2	38.8	68
69	Mortgages	52.5	76.8	79.9	60.5	59.0	85.4	49.1	69.0	75.7	95.2	69
70	Consumer credit	11.6	18.6	21.7	9.8	8.5	20.5	1.1	16.0	19.4	21.6	70
71	Bank loans n.e.c.	12.1	27.8	51.6	38.4	−14.4	11.2	−27.6	1.2	2.9	19.1	71
72	Open market paper and Rp's	.9	4.1	15.2	17.8	.5	13.8	6.2	−5.1	15.8	11.8	72
73	Other loans	4.2	8.0	18.5	22.5	8.7	16.5	6.8	10.7	13.4	19.5	73

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category or sector	1971	1972	1973	1974	1975	1976	1975 H1	1975 H2	1976 H1	1976 H2	
1 **Total funds advanced in credit markets to nonfinancial sectors**	**139.6**	**166.4**	**190.0**	**185.0**	**200.3**	**260.8**	**173.8**	**226.9**	**243.0**	**278.2**	1
By public agencies and foreign:											
2 *Total net advances*	*43.4*	*19.8*	*34.2*	*52.7*	*44.2*	*55.9*	*51.9*	*36.6*	*50.5*	*61.2*	2
3 U.S. Govt. securities	34.4	7.6	9.6	11.9	22.5	26.8	32.6	12.4	26.7	26.9	3
4 Residential mortgages	7.0	7.0	8.2	14.7	16.2	12.8	15.9	16.5	10.8	14.8	4
5 FHLB advances to S&L's	-2.7	*	7.2	6.7	-4.0	-2.0	-7.3	-.6	-2.3	-1.7	5
6 Other loans and securities	4.6	5.1	9.2	19.5	9.5	18.2	10.6	8.3	15.3	21.1	6
Totals advanced, by sector											
7 U.S. Govt.	2.8	1.8	2.8	9.8	15.1	10.2	14.9	15.2	5.6	14.9	7
8 Sponsored credit agencies	5.2	9.2	21.4	25.6	14.5	20.6	15.9	13.2	20.0	21.3	8
9 Monetary authorities	8.9	.3	9.2	6.2	8.5	9.8	7.0	10.1	13.6	6.1	9
10 *Foreign*	*26.4*	*8.4*	*.7*	*11.2*	*6.1*	*15.2*	*14.2*	*-2.0*	*11.4*	*19.0*	10
11 Agency borrowing not included in line 1	5.9	8.4	19.9	23.1	13.5	17.7	14.0	13.1	18.0	17.4	11
Private domestic funds advanced											
12 *Total net advances*	*102.1*	*155.0*	*175.7*	*155.3*	*169.6*	*222.6*	*135.9*	*203.4*	*210.5*	*234.4*	12
13 U.S. Govt. securities	-3.7	16.1	18.7	22.6	75.5	60.4	61.0	90.0	63.1	57.8	13
14 State and local obligations	17.5	15.4	16.3	19.6	17.3	17.2	16.2	18.4	18.1	16.4	14
15 Corporate and foreign bonds	19.5	13.1	10.0	20.9	32.8	30.3	38.9	26.7	27.0	33.5	15
16 Residential mortgages	31.2	48.1	48.5	26.9	24.4	52.7	17.7	31.1	48.9	56.4	16
17 Other mortgages and loans	35.0	62.3	89.3	71.9	15.7	60.1	-5.2	36.5	51.1	68.6	17
18 *Less:* FHLB advances	-2.7	*	7.2	6.7	-4.0	-2.0	-7.3	-.6	-2.3	-1.7	18
Private financial intermediation											
19 *Credit market funds advanced by private financial institutions*	*109.7*	*149.4*	*163.8*	*126.2*	*116.0*	*181.8*	*97.7*	*134.3*	*161.9*	*201.1*	19
20 Commercial banks	50.6	70.5	86.5	64.6	27.6	57.7	13.5	41.7	41.5	73.6	20
21 Savings institutions	39.1	47.2	36.0	27.0	51.0	69.7	49.8	52.2	71.0	68.2	21
22 Insurance and pension funds	14.2	17.8	23.8	30.1	39.3	44.2	36.4	42.3	44.3	44.2	22
23 Other finance	5.9	13.8	17.4	4.5	-1.8	10.1	-1.9	1.8	5.1	15.1	23
24 *Sources of funds*	*109.7*	*149.4*	*163.8*	*126.2*	*116.0*	*181.8*	*97.7*	*134.3*	*161.9*	*201.1*	24
25 Private domestic deposits	89.4	100.9	86.4	69.4	90.5	122.7	90.3	90.6	103.8	141.4	25
26 Credit market borrowing	7.6	18.0	35.3	18.9	.1	10.3	-.8	1.0	9.1	11.4	26
27 *Other sources*	*12.6*	*30.5*	*42.1*	*37.8*	*25.4*	*48.8*	*8.2*	*42.7*	*49.0*	*48.3*	27
28 Foreign funds	-3.9	5.3	6.9	14.5	-.4	2.5	5.7	5.0	-2.7	7.7	28
29 Treasury balances	2.2	.7	-1.0	-5.1	-1.7	-.1	-3.5	.1	3.9	-4.2	29
30 Insurance and pension reserves	8.6	11.6	18.4	26.0	29.9	34.3	27.4	32.5	33.6	35.0	30
31 Other, net	5.7	12.8	17.8	2.4	-2.4	12.1	-10.1	5.2	14.2	9.9	31
Private domestic nonfinancial investors											
32 *Direct lending in credit markets*	*	*23.6*	*47.2*	*40.8*	*53.7*	*51.1*	*37.4*	*70.1*	*57.7*	*44.7*	32
33 U.S. Govt. securities	-10.8	4.2	19.4	17.9	23.0	19.6	5.0	41.0	21.5	17.6	33
34 State and local obligations	.5	3.1	7.5	12.2	9.9	7.1	10.3	9.6	6.0	8.2	34
35 Corporate and foreign bonds	8.3	4.2	.9	5.3	10.4	5.9	12.9	7.9	8.2	3.6	35
36 Commercial paper	-1.1	3.0	12.5	4.6	3.1	6.3	3.5	2.7	10.6	2.0	36
37 Other	3.2	9.1	6.9	8.1	7.3	12.2	5.6	8.9	11.3	13.2	37
38 *Deposits and currency*	*92.8*	*105.3*	*90.3*	*75.7*	*96.7*	*130.0*	*95.7*	*97.7*	*107.9*	*151.9*	38
39 *Time and saving accounts*	*79.1*	*83.7*	*76.2*	*67.4*	*84.8*	*113.2*	*75.0*	*94.7*	*97.9*	*128.5*	39
40 Large negotiable CD's	6.3	7.7	18.3	18.9	-13.3	-14.1	-27.3	.7	-17.9	-10.3	40
41 Other at commercial banks	33.2	30.6	29.6	26.1	39.0	58.1	39.4	38.5	50.0	66.2	41
42 At savings institutions	39.6	45.4	28.4	22.4	59.2	69.2	63.0	55.4	65.7	72.7	42
43 *Money*	*13.7*	*21.6*	*14.1*	*8.3*	*11.9*	*16.8*	*20.7*	*3.0*	*10.1*	*23.3*	43
44 Demand deposits	10.4	17.2	10.2	2.0	5.7	9.5	15.3	-4.0	5.9	12.9	44
45 Currency	3.4	4.4	3.9	6.3	6.2	7.3	5.4	7.1	4.2	10.5	45
46 **Total of credit market instruments, deposits and currency**	**92.9**	**129.0**	**137.5**	**123.7**	**150.4**	**181.2**	**133.1**	**167.8**	**165.6**	**196.5**	46
47 Public support rate (in per cent)	31.1	11.9	18.0	28.5	22.1	21.4	29.9	16.1	20.8	22.0	47
48 Private financial intermediation (in per cent)	107.4	96.4	93.2	81.2	68.4	81.6	71.9	66.0	76.9	85.8	48
49 Total foreign funds	22.5	13.7	7.6	25.7	5.7	17.7	8.5	3.0	8.7	26.6	49
MEMO: Corporate equities not included above											
50 **Total net issues**	**15.0**	**13.3**	**9.2**	**4.9**	**11.2**	**12.7**	**11.7**	**10.8**	**14.0**	**11.4**	50
51 Mutual fund shares	1.3	-.5	-1.2	-.5	.8	.3	1.5	.1	-1.1	1.8	51
52 Other equities	13.7	13.8	10.4	5.4	10.4	12.3	10.2	10.7	15.0	9.6	52
53 Acquisitions by financial institutions	17.8	15.3	13.3	5.5	8.3	12.0	9.2	7.4	11.8	12.1	53
54 Other net purchases	-2.9	-2.1	-4.1	.7	2.9	.7	2.4	3.4	2.1	-.7	54

NOTES BY LINE NO.
1. Line 2 of p. A-44.
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. Included below in lines 3, 13, and 33.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
17. Includes farm and commercial mortgages.
25. Lines 39 plus 44.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 12 less line 19 plus line 26.
33–37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.
45. Mainly an offset to line 9.
46. Lines 32 plus 38 or line 12 less line 27 plus line 45.
47. Line 2/line 1.
48. Line 19/line 12.
49. Lines 10 plus 28.
50, 52. Includes issues by financial institutions.

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

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1974	1975	1976	1976				1977			
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 **Industrial production**	**129.3**	**117.8**	**129.8**	**130.8**	**130.4**	**131.8**	**133.1**	**132.1**	**133.2**	**135.0**	**136.1**
Market groupings:											
2 *Products, total*	*129.3*	*119.3*	*129.3*	*129.7*	*129.6*	*131.7*	*133.8*	*133.1*	*133.8*	*135.2*	*135.8*
3 Final, total	125.1	118.2	127.3	127.4	127.4	129.8	132.1	130.8	131.7	133.4	134.1
4 Consumer goods	128.9	124.0	136.8	136.2	136.9	139.1	142.0	140.2	141.1	143.3	143.8
5 Equipment	120.0	110.2	114.3	115.2	114.4	116.9	118.6	117.8	118.6	119.5	120.8
6 *Intermediate*	*135.3*	*123.1*	*136.8*	*138.7*	*138.3*	*138.8*	*139.8*	*141.8*	*141.7*	*141.4*	*142.1*
7 Materials	132.4	115.5	130.5	132.5	131.6	131.9	131.9	130.7	132.6	134.7	136.3
Industry groupings:											
8 Manufacturing	129.4	116.3	129.4	130.7	129.9	131.9	132.8	131.5	132.9	134.8	135.9
Capacity utilization (per cent)[1] in—											
9 Manufacturing	84.2	73.6	80.1	80.4	79.7	80.8	81.2	80.2	80.8	81.8	82.2
10 Industrial materials industries	87.7	73.6	80.3	81.0	80.3	80.3	80.1	79.1	80.1	81.2	82.0
11 Construction contracts[2]	173.9	162.3	190.2	182.0	237.0	186.0	183.0	203.0	207.0	207.0	......
12 **Nonagricultural employment, total**[3]	**119.1**	**116.9**	**120.6**	**121.4**	**121.2**	**121.6**	**122.0**	**122.3**	**122.7**	**123.6**	**124.0**
13 Goods-producing, total	106.2	96.9	100.3	100.8	100.2	100.9	101.0	101.3	101.9	103.1	103.8
14 Manufacturing, total	103.1	94.3	97.5	98.2	97.4	98.0	98.2	98.8	98.9	99.8	100.2
15 Manufacturing, production-worker	102.1	91.3	95.2	96.1	94.9	95.6	95.7	96.5	96.5	97.6	98.1
16 Service-producing	126.1	127.8	131.7	132.6	132.7	132.9	133.5	133.8	134.1	134.7	135.0
17 **Personal income, total**[4]	**184.1**	**199.4**	**219.1**	**222.1**	**224.9**	**226.8**	**229.7**	**230.0**	**233.7**	**237.2**	**239.0**
18 Wages and salary disbursements	178.9	188.7	208.3	209.9	211.3	213.2	217.6	218.4	221.5	224.8	227.1
19 Manufacturing	157.6	157.9	176.7	178.9	179.1	182.4	184.1	185.0	188.4	192.6	194.6
20 Disposable personal income	180.5	198.5	217.0	......	......	218.1	......	......	234.2	......	......
21 Retail sales[5]	171.2	186.0	206.6	206.7	208.8	212.3	221.2	216.5	222.3	227.0	227.0
Prices:[6]											
22 Consumer	147.7	161.2	170.5	172.6	173.3	173.8	174.3	175.3	177.1	178.2	179.6
23 Wholesale	160.1	174.1	182.9	184.7	185.2	185.6	187.1	188.0	190.0	191.9	194.3

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

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

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

4 Based on data in *Survey of Current Business* (U.S. Dept. of Commerce). Series for disposable income is quarterly.

5 Based on Bureau of Census data published in *Survey of Current Business* (U.S. Dept. of Commerce).

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

NOTE.—Basic data (not index numbers) for series mentioned in notes 3, 4, and 5, and indexes for series mentioned in notes 2 and 6 may also be found in the *Survey of Current Business* (U.S. Dept. of Commerce).

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1976			1977	1976			1977	1976			1977
	Q2	Q3	Q4	Q1 r	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 r
	Output (1967 = 100)				Capacity (per cent of 1967 output)				Utilization rate (per cent)			
1 **Manufacturing**	**129.4**	**131.1**	**131.5**	**133.1**	**161.3**	**162.3**	**163.2**	**164.3**	**80.2**	**80.8**	**80.6**	**81.0**
2 Primary processing	136.6	139.3	138.9	139.8	167.5	168.8	170.1	171.4	81.5	82.5	81.7	81.5
3 Advanced processing	125.2	126.3	127.5	129.4	158.0	158.8	159.6	160.6	r79.2	79.6	79.9	80.6
4 **Materials**	**130.3**	**132.6**	**131.8**	**132.7**	**161.7**	**163.1**	**164.3**	**165.5**	**80.6**	**81.3**	**80.2**	**80.2**
5 Durable goods	126.1	130.7	128.4	128.8	165.5	166.7	167.8	169.0	76.2	78.4	76.5	76.2
6 Basic metal	110.8	117.1	107.7	107.6	143.1	143.7	144.4	144.8	77.4	81.5	74.6	74.3
7 Nondurable goods	146.9	146.6	147.0	149.0	171.0	172.5	174.1	175.6	85.9	85.0	84.4	84.9
8 Textile, paper, and chemical	151.6	151.2	151.5	153.5	178.3	180.1	182.0	183.6	85.0	84.0	83.2	83.6
9 Textile	115.5	114.4	111.7	111.1	139.0	139.8	140.6	141.4	83.1	81.8	79.4	78.6
10 Paper	132.5	131.9	130.2	132.6	145.7	146.7	147.9	148.9	90.9	89.9	88.1	89.1
11 Chemical	175.3	175.1	177.6	180.6	208.7	211.2	213.7	216.2	84.0	82.9	83.1	83.5
12 Energy	120.0	119.9	121.5	121.7	141.5	142.7	143.9	144.3	84.8	84.0	84.4	84.3

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted; except as noted.

Category	1974	1975	1976	1976			1977			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar. p	Apr. p
	Household survey data									
1 **Noninstitutional population** [1]	**150,827**	**153,449**	**156,048**	**156,788**	**157,006**	**157,176**	**157,381**	**157,584**	**157,782**	**157,986**
2 **Labor force (including Armed Forces)** [1]	**93,240**	**94,793**	**96,917**	**97,449**	**98,020**	**98,106**	**97,649**	**98,282**	**98,677**	**98,892**
3 Civilian labor force	91,011	92,613	94,773	95,302	95,871	95,960	95,516	96,145	96,539	96,760
Employment:										
4 Nonagricultural industries [2]	82,443	81,403	84,188	84,428	84,972	85,184	85,468	85,872	86,359	86,763
5 Agriculture	3,492	3,380	3,297	3,310	3,248	3,257	3,090	3,090	3,116	3,260
Unemployment:										
6 Number	5,076	7,830	7,288	7,564	7,651	7,517	6,958	7,183	7,064	6,737
7 *Rate (per cent of civilian labor force)*	*5.6*	*8.5*	*7.7*	*7.9*	*8.0*	*7.8*	*7.3*	*7.5*	*7.3*	*7.0*
8 **Not in labor force**	**57,587**	**58,655**	**59,130**	**59,339**	**58,986**	**59,071**	**59,732**	**59,302**	**59,104**	**59,094**
	Establishment survey data									
9 **Nonagricultural payroll employment** [3]	**78,413**	**77,050**	**79,443**	**79,819**	**80,106**	**80,344**	**80,561**	**r80,824**	**81,372**	**81,644**
10 Manufacturing	20,046	18,347	18,958	18,941	19,065	19,095	19,211	r19,233	19.399	19,481
11 Mining	694	745	783	800	805	808	817	r823	840	848
12 Contract construction	3,957	3,515	3,593	3,582	3,619	3,605	3,561	r3,645	3,746	3,822
13 Transportation and public utilities	4,696	4,499	4,508	4,506	4,519	4,553	4,549	r4,553	4,567	4,575
14 Trade	17,017	16,997	17,694	17,824	17,808	17,898	17,981	r18,067	18,172	18,196
15 Finance	4,208	4,222	4,315	4,359	4,381	4,403	4,423	r4,431	4,450	4,467
16 Service	13,617	14,008	14,645	14,819	14,873	14,936	15,010	15,068	15,153	15,200
17 Government	14,177	14,773	14,947	14,988	15,036	15,046	15,009	r15.004	15,045	15,055

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

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

[3] Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the *month, and exclude proprietors, self-employed persons,* domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the February 1977 benchmark. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).

2.13 INDUSTRIAL PRODUCTION

(1967 = 100) except as noted; monthly data are seasonally adjusted.

	Grouping	1967 pro-por-tion	1976 aver-age	1976 Feb.	1976 Mar.	1976 Apr.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
		Major market groupings										
1	**Total index**	**100.00**	**129.8**	**127.3**	**128.1**	**128.4**	**131.8**	**133.1**	**132.1**	**133.2**	**135.0**	**136.1**
2	**Products**	60.71	129.3	127.4	128.1	128.0	131.7	133.8	133.1	133.8	135.2	135.8
3	*Final products*	*47.82*	*127.3*	*125.3*	*126.4*	*126.3*	*129.8*	*132.1*	*130.8*	*131.7*	*133.4*	*134.1*
4	Consumer goods	27.68	136.8	134.9	136.1	136.1	139.1	142.0	140.2	141.1	143.3	143.8
5	Equipment	20.14	114.3	112.1	112.9	112.9	116.9	118.6	117.8	118.6	119.5	120.8
6	Intermediate products	12.89	136.8	135.3	134.9	134.7	138.8	139.8	141.8	141.7	141.4	142.1
7	**Materials**	39.29	130.5	127.3	128.2	129.2	131.9	131.9	130.7	132.6	134.7	136.3
	Consumer goods											
8	*Durable consumer goods*	*7.89*	*141.5*	*137.9*	*140.4*	*141.1*	*143.7*	*151.2*	*145.1*	*146.1*	*153.8*	*153.4*
9	Automotive products	2.83	154.8	148.9	155.1	155.2	161.6	180.4	164.0	161.6	180.0	176.3
10	Autos and utility vehicles	2.03	149.9	142.0	149.5	152.1	154.6	180.1	155.8	152.7	177.1	171.2
11	Autos	1.90	132.0	125.8	133.6	134.3	139.1	159.8	136.9	132.8	155.8	150.6
12	Auto parts and allied goods	.80	167.2	166.5	169.5	163.1	179.3	181.7	184.9	184.0	187.5	189.0
13	Home goods	5.06	134.1	131.7	132.0	133.1	133.8	134.9	134.6	137.4	139.1	140.5
14	Appliances, A/C, and TV	1.40	115.8	112.6	114.6	117.2	115.3	111.7	113.4	118.5	124.2	126.6
15	Appliances and TV	1.33	118.6	115.2	117.1	119.6	117.6	113.8	116.0	121.1	126.7	....
16	Carpeting and furniture	1.07	144.1	145.6	141.4	143.0	143.6	144.7	142.7	145.9	146.6	....
17	Misc. home goods	2.59	139.9	136.3	137.9	137.8	139.9	143.6	142.8	144.1	144.0	145.0
18	*Nondurable consumer goods*	*19.79*	*134.9*	*133.9*	*134.4*	*134.0*	*137.1*	*138.4*	*138.3*	*139.0*	*139.1*	*140.0*
19	Clothing	4.29	126.9	127.6	130.1	129.6	126.4	126.4	124.2	125.2	....	....
20	Consumer staples	15.50	137.2	135.7	135.5	135.2	140.0	141.7	142.2	142.7	143.0	144.0
21	Consumer foods and tobacco	8.33	130.8	129.9	129.1	128.4	132.5	132.8	132.9	134.8	135.9	....
22	Nonfood staples	7.17	144.6	142.3	143.3	143.3	149.0	151.8	153.1	151.9	150.9	152.5
23	Consumer chemical products	2.63	166.6	161.1	163.6	162.1	174.4	177.9	178.5	175.7	176.4	....
24	Consumer paper products	1.92	113.3	113.9	113.4	114.2	113.8	117.7	117.0	113.3	115.1	....
25	Consumer energy products	2.62	145.4	144.3	145.0	145.9	149.0	150.9	154.1	155.9	151.5	....
26	Residential utilities	1.45	....	153.7	153.7	154.5	....	....	....	....	....	....
	Equipment											
27	*Business equipment*	*12.63*	*136.1*	*132.6*	*134.0*	*134.1*	*140.2*	*143.2*	*142.0*	*143.0*	*144.6*	*145.7*
28	Industrial equipment	6.77	127.9	124.0	125.6	125.3	131.3	133.5	131.4	132.6	134.6	135.8
29	Building and mining equip.	1.44	177.4	171.5	172.1	170.7	181.5	187.4	187.9	191.4	195.9	198.0
30	Manufacturing equipment	3.85	106.4	102.7	104.4	105.4	109.9	110.7	107.8	108.0	109.1	109.9
31	Power equipment	1.47	135.3	133.1	135.6	132.7	138.0	140.0	137.5	139.3	141.6	142.5
32	Commercial transit, farm equip.	5.86	145.5	142.4	143.7	144.6	150.5	154.4	154.5	155.0	156.3	157.2
33	Commercial equipment	3.26	173.2	166.6	168.5	170.0	179.7	185.3	185.2	185.8	186.9	188.2
34	Transit equipment	1.93	103.8	103.7	104.7	105.6	107.6	109.1	108.4	108.7	110.6	111.5
35	Farm equipment	.67	130.6	135.3	134.7	132.7	132.2	134.8	138.0	137.7	138.6	....
36	*Defense and space equipment*	*7.51*	*77.9*	*77.6*	*77.4*	*77.3*	*77.9*	*77.4*	*77.1*	*77.6*	*77.3*	*78.8*
	Intermediate products											
37	Construction supplies	6.42	132.0	129.6	128.7	128.0	135.7	135.5	136.1	135.7	136.0	136.9
38	Business supplies	6.47	141.5	140.9	141.2	141.3	141.7	144.2	147.3	147.4	146.7	....
39	Commercial energy products	1.14	156.5	154.0	157.6	156.8	155.4	156.7	162.3	165.1	164.3	....
	Materials											
40	*Durable goods materials*	*20.35*	*126.6*	*121.6*	*122.4*	*124.5*	*128.5*	*128.3*	*126.8*	*128.5*	*131.2*	*133.0*
41	Durable consumer parts	4.58	121.6	116.7	118.5	119.2	126.2	124.7	121.5	124.2	127.6	128.7
42	Equipment parts	5.44	133.9	127.5	128.5	130.5	137.2	138.8	135.1	137.3	137.7	138.9
43	Durable materials n.e.c.	10.34	125.0	120.7	121.0	123.5	124.9	124.2	124.8	125.6	129.3	131.7
44	Basic metal materials	5.57	109.8	105.1	104.0	107.8	106.3	104.7	104.7	105.8	112.3	....
45	*Nondurable goods materials*	*10.47*	*146.4*	*145.5*	*146.7*	*146.9*	*147.2*	*146.2*	*144.6*	*150.9*	*151.5*	*154.0*
46	Textile, paper, and chem. mat.	7.62	151.2	150.5	152.7	152.2	151.3	150.6	148.8	155.0	156.7	159.2
47	Textile materials	1.85	114.4	116.2	115.5	114.1	108.8	113.6	110.6	110.4	112.4	....
48	Paper materials	1.62	131.1	130.0	130.1	132.1	131.0	127.6	127.6	133.5	136.8	....
49	Chemical materials	4.15	175.5	173.9	178.0	177.2	178.3	176.3	174.2	183.3	184.3	....
50	Containers, nondurable	1.70	142.6	142.2	141.3	141.9	145.9	143.8	139.5	151.3	149.5	....
51	Nondurable materials n.e.c.	1.14	120.0	117.3	115.1	120.4	122.2	119.7	122.6	122.4	120.8	....
52	Energy materials	8.48	120.3	118.8	119.6	118.8	121.7	123.1	122.6	119.9	122.5	....
53	Primary energy	4.65	107.0	105.4	106.2	105.0	107.1	106.6	102.9	100.1	104.9	....
54	Converted fuel materials	3.82	136.4	135.2	136.0	135.7	139.5	143.2	146.5	143.9	143.8	....
	Supplementary groups											
55	Home goods and clothing	9.35	130.8	129.8	131.1	131.5	130.4	131.0	129.8	131.8	132.8	133.5
56	Energy, total	12.23	129.0	127.5	128.6	128.2	130.7	132.2	133.0	131.7	132.6	132.1
57	Products	3.76	148.8	147.1	148.8	149.3	150.9	152.7	156.5	158.7	155.4	....
58	Materials	8.48	120.3	118.8	119.6	118.8	121.7	123.1	122.6	119.9	122.5	....

For NOTE see opposite page.

2.13 Continued

	Grouping	SIC code	1967 proportion	1976 average	1976 Feb.	1976 Mar.	1976 Apr.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
	Gross value of products in market structure (annual rates, in billions of 1972 dollars)												
1	**Products, total**		[1]507.4	**550.6**	**544.3**	**546.2**	**545.0**	**588.3**	**570.6**	**564.2**	**570.5**	**577.6**	**579.4**
2	*Final products*		[1]390.9	*426.2*	*421.7*	*422.9*	*421.8*	*432.2*	*443.9*	*436.5*	*441.6*	*448.6*	*449.6*
3	Consumer goods		[1]277.5	302.9	300.6	299.8	299.9	307.4	315.7	309.3	313.5	317.6	318.1
4	Equipment		[1]113.4	123.5	121.1	123.5	122.1	125.0	128.2	127.2	128.1	130.8	131.4
5	Intermediate products		[1]116.6	124.3	122.8	122.6	123.0	126.2	126.5	127.8	128.5	128.8	129.8
	Major industry groupings												
6	*Mining and utilities*	......	*12.05*	*131.9*	*131.5*	*131.6*	*131.2*	*134.1*	*134.8*	*136.1*	*135.6*	*136.4*	*136.7*
7	Mining	......	6.36	114.1	112.7	113.9	113.5	116.2	116.2	113.2	114.3	118.8	118.5
8	Utilities	......	5.69	151.7	152.5	151.4	150.8	154.0	155.5	161.5	159.3	156.2	157.0
9	Electric	......	3.88	......	168.7	167.3	165.7	......	......	......	......	......	......
10	*Manufacturing*	......	*87.95*	*129.4*	*127.0*	*127.9*	*128.5*	*131.9*	*132.8*	*131.5*	*132.9*	*134.8*	*135.9*
11	Nondurable	......	35.97	141.0	140.2	140.7	140.7	143.5	143.7	143.7	145.7	146.8	147.9
12	Durable	......	51.98	121.4	117.9	119.0	120.1	123.8	125.2	123.0	123.9	126.4	127.5
	Mining												
13	Metal mining	10	.51	122.8	124.2	122.3	124.3	128.1	130.4	135.6	135.5	135.1	......
14	Coal	11, 12	.69	116.9	109.6	114.4	114.4	125.1	125.9	95.3	100.8	124.1	118.4
15	Oil and gas extraction	13	4.40	112.0	110.1	111.9	111.3	112.3	112.8	112.0	112.7	115.6	115.8
16	Stone and earth minerals	14	.75	118.3	120.0	119.3	117.5	121.4	117.9	121.6	121.8	122.8	......
	Nondurable manufactures												
17	Foods	20	8.75	132.0	130.8	128.3	129.2	134.7	134.3	135.5	137.6	138.8	......
18	Tobacco products	21	.67	117.2	118.8	122.4	115.4	119.7	119.1	114.8	110.3	......	......
19	Textile mill products	22	2.68	135.9	138.7	136.4	135.7	132.2	133.3	131.8	133.0	134.3	......
20	Apparel products	23	3.31	126.1	128.0	126.3	126.1	125.9	128.0	123.6	125.3	......	......
21	Paper and products	26	3.21	133.1	133.0	132.2	133.9	132.5	131.8	130.6	136.5	137.0	138.1
22	Printing and publishing	27	4.72	120.7	121.0	121.0	122.0	119.3	123.1	124.3	123.0	123.0	123.2
23	Chemicals and products	28	7.74	169.4	167.6	170.6	168.7	174.2	173.6	172.0	175.0	176.8	......
24	Petroleum products	29	1.79	132.7	129.1	131.8	131.6	135.8	138.9	141.0	145.4	144.9	145.5
25	Rubber & plastic products	30	2.24	199.8	196.7	203.5	198.2	215.7	212.3	218.7	219.7	223.4	......
26	Leather and products	31	.86	82.0	86.1	86.0	87.7	75.8	73.4	74.8	75.0	75.4	......
	Durable manufactures												
27	Ordnance, pvt. & govt.	19, 91	3.64	71.7	69.5	69.5	69.1	72.2	71.8	70.8	70.5	70.4	72.0
28	Lumber and products	24	1.64	125.1	123.9	121.1	122.8	129.0	127.5	132.7	132.2	132.0	......
29	Furniture and fixtures	25	1.37	132.8	134.1	130.6	131.7	134.0	135.7	135.1	137.1	137.6	......
30	Clay, glass, stone prod	32	2.74	135.8	128.5	133.7	132.7	142.2	142.0	137.3	139.0	142.8	......
31	Primary metals	33	6.57	108.0	103.9	101.4	105.4	107.3	102.7	100.0	100.6	106.2	109.8
32	Iron and steel	331, 2	4.21	104.4	100.9	97.7	103.5	103.1	95.6	89.8	91.8	98.0	102.1
33	Fabricated metal prod	34	5.93	123.3	120.9	120.2	121.5	126.7	128.2	125.7	125.9	127.6	129.6
34	Nonelectrical machinery	35	9.15	134.7	131.5	132.9	133.5	137.5	141.2	139.5	139.8	140.3	141.7
35	Electrical machinery	36	8.05	131.7	126.5	127.8	130.0	135.8	135.6	134.0	137.6	138.5	140.3
36	Transportation equip	37	9.27	110.6	109.0	111.2	110.6	112.7	118.2	113.5	113.4	120.2	118.1
37	Motor vehicles & pts	371	4.50	140.7	135.2	140.8	141.3	145.8	156.4	145.5	145.4	160.8	156.9
38	Aerospace & misc. tr. eq.	372, 9	4.77	82.2	84.3	83.3	81.7	81.6	82.4	83.4	83.3	81.9	81.7
39	Instruments	38	2.11	148.2	141.8	144.4	145.4	150.3	155.7	153.7	157.0	155.8	157.6
40	Miscellaneous mfrs.	39	1.51	143.5	140.7	142.5	140.7	143.7	146.8	147.8	148.1	146.0	146.6

[1] 1972 dollars.

NOTE.—Published groupings include some series and subtotals not shown separately. For summary description and historical data, see BULLETIN for June 1976, pp. 470-79. Availability of detailed descriptive and historical data will be announced in a forthcoming BULLETIN.

2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates. Exceptions noted.

Item	1974	1975	1976	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.[r]	1977 Mar.
	Private residential real estate activity (thousands of units)									
NEW UNITS										
1 *Permits authorized*	*1,074*	*927*	*1,281*	*1,504*	*1,492*	*1,590*	*1,514*	*1,307*	*1,529*	*1,708*
2 1-family	644	669	895	926	998	1,072	1,053	927	1,064	1,205
3 2-or-more-family	431	278	386	578	494	518	461	380	465	503
4 *Started*	*1,338*	*1,160*	*1,540*	*1,768*	*1,715*	*1,706*	*1,889*	*r1,384*	*1,815*	*2,127*
5 1-family	888	892	1,163	1,254	1,269	1,236	1,324	r1,006	1,431	1,525
6 2-or-more-family	450	268	377	514	446	470	565	r378	384	602
7 *Under construction, end of period*[1]	*1,189*	*1,003*	*1,157*	*1,107*	*1,140*	*1,168*	*1,192*	*r1,209*	*1,231*	....
8 1-family	516	531	r656	641	662	671	r686	r696	717	....
9 2-or-more-family	673	472	r501	466	478	497	r507	514	514	....
10 *Completed*	*1,692*	*1,297*	*r1,362*	*1,387*	*1,326*	*1,399*	*r1,444*	*r1,411*	*1,615*	....
11 1-family	931	866	r1,026	1,017	989	1,068	r1,078	r1,099	1,210	....
12 2-or-more-family	760	430	r336	370	337	331	r366	r312	405	....
13 Mobile homes shipped	329	213	250	r248	r263	r247	r248	258	275	265
Merchant builder activity in 1-family units:										
14 Number sold	501	544	r639	714	728	r694	r798	r786	853	....
15 Number for sale, end of period[1]	407	383	433	415	420	r429	433	r433	436	....
Price (thous. of dollars)[2]										
Median:										
16 Units sold	35.9	39.3	44.2	44.7	45.3	r45.8	r46.0	r45.6	47.5	....
17 Units for sale	36.2	38.9	41.6	41.0	41.0	41.2	r41.6	r41.8	42.0	....
Average:										
18 Units sold	38.9	42.5	48.1	48.2	50.4	50.0	r50.6	r51.9	53.1	52.7
EXISTING UNITS (1-family)										
19 Number sold	2,272	2,452	3,002	3,250	3,230	3,300	3,470	3,190	3,080	3,410
Price of units sold (thous. of dollars):[2]										
20 Median	32.0	35.3	38.1	38.7	38.5	38.8	39.0	39.6	40.7	41.0
21 Average	35.8	39.0	42.2	42.7	42.4	42.9	43.3	44.0	45.1	45.5
	Value of new construction[3] (millions of dollars)									
CONSTRUCTION										
22 **Total put in place**	**138,526**	**132,043**	**144,821**	**146,631**	**148,475**	**152,819**	**152,185**	**r137,087**	**148,955**	**157,286**
23 *Private*	*100,179*	*93,034*	*108,424*	*109,000*	*114,503*	*118,752*	*118,918*	*107,153*	*116,503*	*124,294*
24 Residential	50,378	46,476	59,948	59,130	65,405	69,181	69,951	63,404	69,142	74,293
25 Nonresidential, total	49,801	46,558	48,476	49,870	49,098	49,571	48,967	43,749	47,361	50,001
Buildings:										
26 Industrial	7,902	8,017	6,910	6,894	6,407	6,461	6,453	6,088	6,398	6,929
27 Commercial	15,945	12,804	12,586	12,786	12,560	12,522	12,859	12,178	12,449	13,564
28 Other	5,797	5,585	6,252	6,669	6,489	6,677	6,497	5,978	5,892	6,099
29 Public utilities and other	20,157	20,152	22,728	23,521	23,642	23,911	23,158	19,505	22,622	23,409
30 *Public*	*38,347*	*39,009*	*36,397*	*37,631*	*33,972*	*34,067*	*33,267*	*r29,934*	*32,452*	*32,992*
31 Military	1,188	1,391	1,479	1,352	1,467	1,622	1,567	1,509	1,597	1,444
32 Highway	12,069	10,345	9,112	8,856	8,738	7,843	7,508	r5,975	7,497	....
33 Conservation and development	2,741	3,227	3,659	4,281	2,949	4,077	3,856	r3,446	3,968	....
34 Other	22,349	24,046	22,147	23,142	20,818	20,525	20,336	r19,004	19,390	....

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 due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

NOTE.—Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are for 14,000 jurisdictions reporting to the Census Bureau.

2.15 CONSUMER AND WHOLESALE PRICES

Percentage changes based on seasonally adjusted data, except as noted.

Item	12 months to: 1976 Mar.	12 months to: 1977 Mar.	3 months (at annual rate) to: 1976 June[r]	1976 Sept.[r]	1976 Dec.[r]	1977 Mar.	1 month to—: 1976 Nov.[r]	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	Index level Mar. 1977 (1967 = 100)[1]
						Consumer prices						
1 **All items**	**6.1**	**6.4**	**6.1**	**5.3**	**4.2**	**10.0**	**.3**	**.4**	**.8**	**1.0**	**.6**	**178.2**
2 *Commodities*	*4.7*	*5.9*	*6.0*	*3.9*	*3.4*	*10.4*	*.2*	*.4*	*.8*	*1.2*	*.5*	*171.8*
3 Food	4.3	5.5	6.2	1.6	0.0	14.6	−.3	.1	.9	2.0	.6	188.6
4 Commodities less food	5.0	6.1	5.6	5.5	5.7	7.4	.4	.6	.7	.7	.4	162.6
5 Durable	5.8	6.9	6.5	5.0	6.0	10.5	.4	.7	.9	.9	.6	160.8
6 Nondurable	4.4	5.5	5.0	6.0	5.4	10.1	.4	.4	.5	1.5	.5	175.9
7 *Services*	*8.6*	*7.2*	*6.5*	*7.5*	*5.1*	*9.8*	*.4*	*.4*	*.9*	*.6*	*.8*	*190.0*
8 Rent	5.3	5.7	5.4	5.4	5.3	6.3	.4	.5	r.8	.3	.5	150.8
9 Services less rent	9.0	7.5	6.7	7.7	5.4	10.4	.4	.4	.9	.7	.8	197.1
Other groupings:												
10 All items less food[1]	6.7	6.6	7.0	7.4	5.3	6.9	.5	.3	.4	.6	.6	175.1
11 All items less shelter[1]	6.2	6.5	6.9	5.6	4.3	9.4	.4	.3	.5	1.1	.6	176.1
12 Homeownership[1]	5.9	5.6	4.3	8.0	1.2	9.1	0.0	.1	.9	.7	.6	199.3
						Wholesale prices						
13 **All commodities**	**5.5**	**6.8**	**6.6**	**3.5**	**7.1**	**10.2**	**.6**	**.6**	**.5**	**.9**	**1.1**	**191.9**
14 *Farm products, and processed foods and feeds*	*2.9*	*6.1*	*13.4*	*−12.0*	*6.6*	*19.1*	*.1*	*2.1*	*.3*	*2.0*	*2.1*	*190.9*
15 Farm products	9.0	8.5	18.2	−11.9	5.8	26.0	−.6	2.6	1.1	2.2	2.5	202.4
16 Processed foods and feeds	−.8	4.6	10.3	−11.8	6.5	15.6	.5	1.8	r.1	1.8	1.9	183.9
17 *Industrial commodities*	*6.0*	*7.0*	*4.8*	*8.0*	*7.6*	*7.9*	*.6*	*.3*	*.5*	*.6*	*.8*	*191.6*
Materials, supplies, and components of which:												
18 Crude materials[2]	8.9	17.5	16.4	10.6	21.6	21.9	3.6	−2.2	−1.2	4.0	2.3	279.6
19 Intermediate materials[3]	5.5	6.7	r3.5	8.3	7.1	8.0	.5	.5	.5	.6	.9	198.6
Finished goods, excluding foods:												
20 Consumer	6.1	6.5	3.6	7.7	5.2	8.5	.4	.3	1.0	.3	.8	169.1
21 Durable	4.5	4.6	3.1	5.1	3.3	7.0	.1	.1	.7	.5	.4	149.7
22 Nondurable	6.9	7.2	3.8	9.1	6.5	9.5	.7	.3	1.1	.2	1.0	182.1
23 Producer	6.8	5.9	4.3	4.7	9.5	5.3	.5	.7	.4	.5	.4	180.7
MEMO:												
24 Consumer foods	3.5	4.5	13.2	−13.1	8.4	12.7	−.3	2.8	−.1	2.0	1.1	186.6

1 Not seasonally adjusted.

2 Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.

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

SOURCE. Bureau of Labor Statistics.

NOTE: Any revisions are for wholesale prices only.

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1974	1975	1976	1975	1976				1977
				Q4	Q1	Q2	Q3	Q4	Q1p
	Gross national product								
1 **Total**	1,413.2	1,516.3	1,691.6	1,588.2	1,636.2	1,675.2	1,708.9	1,745.1	1,792.5
By source:									
2 *Personal consumption expenditures*	887.5	973.2	1,079.7	1,012.0	1,043.6	1,064.7	1,088.5	1,122.0	1,156.8
3 Durable goods	121.6	131.7	156.5	141.8	151.4	155.0	157.6	162.0	173.4
4 Nondurable goods	376.2	409.1	440.4	421.6	429.1	434.8	441.8	456.0	463.7
5 Services	389.6	432.4	482.8	448.6	463.2	474.9	489.1	504.0	519.6
6 *Gross private domestic investment*	215.0	183.7	239.6	201.4	229.6	239.2	247.0	242.8	260.2
7 Fixed investment	204.3	198.3	227.7	205.7	214.7	223.2	231.9	241.0	252.7
8 *Nonresidential*	149.2	147.1	160.0	148.7	153.4	157.9	163.0	165.6	173.1
9 Structures	54.1	52.0	55.3	52.1	53.2	54.9	56.0	57.0	56.3
10 Producers' durable equipment	95.1	95.1	104.7	96.6	100.2	103.0	107.0	108.6	116.8
11 Residential structures	55.1	51.2	67.7	57.0	61.3	65.3	68.9	75.5	79.7
12 Nonfarm	52.7	49.0	65.1	54.2	58.6	62.9	66.3	72.7	76.9
13 Change in business inventories	10.7	−14.6	11.9	−4.3	14.8	16.0	15.1	1.7	7.5
14 Nonfarm	12.2	−17.6	11.9	−9.5	12.7	17.3	15.6	2.2	7.5
15 *Net exports of goods and services*	7.5	20.5	6.6	21.0	8.4	9.3	4.7	4.2	−4.9
16 Exports	144.4	148.1	162.7	153.7	154.1	160.3	167.7	168.5	170.5
17 Imports	136.9	127.6	156.0	132.7	145.7	151.0	163.0	164.3	175.4
18 *Govt. purchases of goods and services*	303.3	339.0	365.6	353.8	354.7	362.0	369.6	376.2	380.4
19 Federal	111.6	124.4	133.4	130.4	129.2	131.2	134.5	138.9	139.5
20 State and local	191.6	214.5	232.2	223.4	225.5	230.9	235.0	237.4	240.9
By major type of product:									
21 Final sales, total	1,402.5	1,531.0	1,679.7	1,592.5	1,621.4	1,659.2	1,694.7	1,743.4	1,785.0
22 *Goods*	639.7	681.7	760.2	719.7	742.3	758.4	766.1	774.3	799.0
23 Durable goods	247.2	254.4	300.5	270.0	282.7	301.2	308.2	309.8	330.9
24 Nondurable	392.4	427.3	459.8	449.7	459.6	457.1	457.9	464.5	468.2
25 Services	626.6	692.5	772.0	719.5	742.6	759.6	781.5	804.4	824.7
26 Structures	146.9	142.1	159.3	149.1	151.3	157.3	162.2	166.5	168.7
27 Change in business inventories	10.7	−14.6	11.9	−4.3	14.8	16.0	15.1	1.7	7.5
28 Durable goods	7.1	−12.1	2.7	−10.6	−3.6	5.4	6.8	2.0	7.2
29 Nondurable goods	3.6	−2.6	9.2	6.3	18.5	10.6	8.3	−.3	.3
MEMO:									
30 **Total GNP in 1972 dollars**	1,214.0	1,191.7	1,264.7	1,219.2	1,246.3	1,260.0	1,272.2	1,280.4	1,296.8
	National income								
31 **Total**	1,135.7	1,207.6	1,348.4	1,264.6	1,304.7	1,337.4	1,362.5	r1,389.3	....
32 Compensation of employees	875.8	928.8	1,028.4	963.1	994.4	1,017.2	1,037.5	1,064.5	1,096.6
33 *Wages and salaries*	764.5	806.7	890.4	836.4	861.5	881.1	897.8	921.0	946.2
34 Government and Government enterprises	160.4	175.8	190.7	182.2	185.4	188.7	191.7	197.0	200.0
35 Other	604.1	630.8	699.7	654.1	676.1	692.4	706.1	723.9	746.1
36 *Supplement to wages and salaries*	111.3	122.1	138.0	126.7	132.9	136.2	139.6	143.5	150.4
37 Employer contributions for social insurance	55.8	59.7	67.9	61.6	65.9	67.1	68.6	70.2	74.7
38 Other labor income	55.5	62.5	70.1	65.2	67.1	69.0	71.1	73.3	75.7
39 *Proprietors' income*[1]	86.9	90.2	96.7	97.2	93.2	100.3	96.1	97.1	103.3
40 Business and professional[1]	61.1	65.3	73.8	69.0	71.4	72.8	74.4	76.8	79.3
41 Farm[1]	25.8	24.9	22.8	28.3	21.9	27.5	21.7	20.3	24.0
42 Rental income of persons[2]	21.0	22.4	23.5	22.9	23.3	23.1	23.4	24.3	25.1
43 Corporate profits[1]	84.8	91.6	117.8	105.6	115.1	116.4	122.0	r117.8	....
44 Profits before tax[3]	127.6	114.5	147.9	131.3	141.1	146.2	150.2	r154.2	....
45 Inventory valuation adjustment	−39.8	−11.4	−14.6	−12.3	−11.5	−14.4	−12.6	−20.0	−23.2
46 Capital consumption adjustment	−3.0	−11.5	−15.5	−13.5	−14.5	−15.4	−15.7	−16.4	−17.0
47 Net interest	67.1	74.6	82.0	75.8	78.6	80.3	83.5	85.6	88.6

1 With inventory valuation and capital consumption adjustments.
2 With capital consumption adjustments.
3 For after-tax profits, dividends, etc., see Table 1.50.

SOURCE.—*Survey of Current Business* (U.S. Dept. of Commerce).

2.17 PERSONAL INCOME AND SAVING

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

Account	1974	1975	1976	1975 Q4	1976 Q1	1976 Q2	1976 Q3	1976 Q4	1977 Q1[p]
				Personal income and saving					
1 **Total personal income**	**1,153.3**	**1,249 7**	**1,375.3**	**1,299.7**	**1,331.3**	**1,362.0**	**1,386.0**	**1,421.7**	**1,462.8**
2 *Wage and salary disbursements*	*765.0*	*806.7*	*890.4*	*836.4*	*861.5*	*881.1*	*897.8*	*921.0*	*946.2*
3 Commodity-producing industries	273.9	275.3	304.8	285.8	295.3	302.9	307.0	314.0	323.0
4 Manufacturing	211.4	211.7	237.0	220.3	229.6	235.6	238.9	243.9	252.2
5 Distributive industries	184.4	195.6	214.9	202.3	208.3	212.8	216.5	221.9	229.1
6 Service industries	145.9	159.9	180.0	166.1	172.4	176.7	182.7	188.1	194.1
7 Government and government enterprises	160.9	175.8	190.7	182.2	185.4	188.7	191.7	197.0	200.0
8 Other labor income	55.5	62.5	70.1	65.2	67.1	69.0	71.1	73.3	75.7
9 *Proprietors' income*[1]	*86.9*	*90.2*	*96.7*	*97.2*	*93.2*	*100.3*	*96.1*	*97.1*	*103.3*
10 Business and professional[1]	61.1	65.3	73.8	69.0	71.4	72.8	74.4	76.8	79.3
11 Farm[1]	25.8	24.9	22.8	28.3	21.9	27.5	21.7	20.3	24.0
12 Rental income of persons[2]	21.0	22.4	23.5	22.9	23.3	23.1	23.4	24.3	25.1
13 Dividends	30.8	32.1	35.1	32.2	33.1	34.4	35.4	37.7	37.6
14 Personal interest income	101.4	110.7	123.0	114.4	118.0	120.7	125.0	128.4	131.5
15 Transfer payments	140.3	175.2	191.3	182.5	188.6	187.6	192.4	196.6	203.0
16 Old-age survivors, disability, and health insurance benefits	70.1	81.4	93.0	86.3	88.1	89.5	95.8	98.5	100.1
17 LESS: Personal contributions for social insurance	47.6	50.0	54.9	51.0	53.4	54.3	55.2	56.6	59.7
18 EQUALS: Personal income	1,153.3	1,249.7	1,375.3	1,299.7	1,331.3	1,362.0	1,386.0	1,421.7	1,462.8
19 LESS: Personal tax and nontax payments	170.4	168.8	193.6	[r]179.8	183.8	189.5	195.8	205.3	214.3
20 EQUALS: Disposable personal income	982.9	1,080.9	1,181.7	1,119.9	1,147.6	1,172.5	1,190.2	1,216.5	1,245.5
21 LESS: Personal outlays	910.7	996.9	1,105.2	1,036.2	1,068.0	1,089.6	1,114.3	1,148.6	1,183.8
22 EQUALS: Personal saving	72.2	84.0	76.5	83.7	79.5	82.9	75.8	67.8	61.8
MEMO: Per capita (1972 dollars):									
23 Gross national product	3,968.0	4,007.0	4,140.0	4,049.0	4,103.0	4,143.0	4,142.0	4,168.0	4,195.0
24 Personal consumption expenditures	887.5	973.2	1,079.7	1,012.0	1,043.6	1,064.7	1,088.5	1,122.0	1,156.8
25 Disposable personal income	840.8	855.5	890.5	867.5	880.4	890.5	892.0	899.6	906.8
26 Saving rate (per cent)	7.3	7.8	6.5	7.5	6.9	7.1	6.4	5.6	5.0
				Gross saving					
27 **Gross private saving**	**211.6**	**255.6**	**274.6**	**269.4**	**273.8**	**279.1**	**278.9**	**266.7**	....
28 Personal saving	72.2	84.0	76.5	83.7	79.5	82.9	75.8	67.8	61.8
29 Undistributed corporate profits[1]	1.7	10.3	18.3	16.2	20.6	18.5	21.5	12.7	....
30 Corporate inventory valuation adjustment	−39.8	−11.4	−14.6	−12.3	−11.5	−14.4	−12.6	−20.0	−23.2
Capital consumption allowances:									
31 Corporate	84.6	100.9	112.8	106.4	108.8	111.6	113.9	116.9	119.5
32 Noncorporate	53.1	60.4	67.0	63.2	64.8	66.1	67.7	69.3	71.7
33 Wage accruals less disbursements	....	....	....	....	....	....	....	....	....
34 *Government surplus, or deficit (−), national income and product accounts*	*−4.2*	*−64.4*	*−44.7*	*−61.5*	*−51.6*	*−44.9*	*−44.7*	*−37.4*	....
35 Federal	−11.5	−71.2	−58.6	−69.4	−63.8	−54.1	−57.4	−59.3	....
36 State and local	7.3	6.9	14.0	7.9	12.2	9.2	12.7	21.9	....
37 Capital grants received by the United States, net	−2.0	....	....	....	....	....	....	....	....
38 *Investment*	*211.9*	*195.6*	*237.7*	*214.0*	*229.4*	*240.0*	*242.9*	*238.4*	*246.4*
39 Gross private domestic	215.0	183.7	239.6	201.4	229.6	239.2	247.0	242.8	260.2
40 Net foreign	−3.0	11.9	−2.0	12.6	−.2	.8	−4.1	−4.3	−13.8
41 Statistical discrepancy	6.8	4.4	7.7	6.1	7.2	5.8	8.7	9.2	....

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

SOURCE.—*Survey of Current Business* (U.S. Dept. of Commerce).

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

Item credits or debits	1974	1975	1976	1975 Q4	1976 Q1	1976 Q2	1976 Q3	1976 Q4
1 Merchandise exports	98,310	107,088	114,692	27,657	26,997	28,378	29,600	29,717
2 Merchandise imports	103,679	98,058	123,916	25,437	28,324	29,914	32,387	33,291
3 Merchandise trade balance[2]	−5,369	9,030	−9,224	2,220	−1,327	−1,536	−2,787	−3,574
4 Military transactions, net	−2,083	−883	391	12	−15	−155	339	223
5 Investment income, net	10,227	6,007	10,538	1,670	2,286	2,468	2,784	3,000
6 Other service transactions, net	812	2,163	2,696	455	475	781	860	578
7 Balance on goods and services[3]	**3,586**	**16,316**	**4,401**	**4,357**	**1,419**	**1,558**	**1,196**	**227**
8 Remittances, pensions, and other transfers	−1,710	−1,727	−1,866	−433	−483	−452	−446	−487
9 U.S. Govt. grants (excluding military)	−5,475	−2,893	−3,139	−818	−635	−468	−1,479	−557
10 Balance on current account	**−3,598**	**11,697**	**−604**	**3,106**	**301**	**638**	**−729**	**−817**
11 *Not seasonally adjusted*	....	....	....	*4,305*	*1,449*	*742*	*−3,677*	*883*
12 Change in U.S. Govt. assets, other than official reserve assets, net (increase, −)	365	−3,463	−4,295	−952	−684	−1,009	−1,450	−1,153
13 *Change in U.S. official reserve assets (increase, −)*	*1,434*	*−607*	*−2,530*	*89*	*−773*	*−1,578*	*−407*	*228*
14 Gold	....	....	....	....	....	....	....	....
15 SDR's	−172	−66	−78	−21	−45	14	−18	−29
16 Reserve position in IMF	−1,265	−466	−2,212	−57	−237	−798	−716	−461
17 Foreign currencies	3	−75	−240	167	−491	−794	327	718
18 Change in U.S. private assets abroad (increase, −)	**−32,323**	**−27,523**	**−36,195**	**−10,375**	**−8,550**	**−7,288**	**−6,824**	**−13,534**
19 *Bank-reported claims*	*−19,494*	*−13,487*	*−20,742*	*−5,348*	*−3,582*	*−4,767*	*−3,355*	*−9,038*
20 Long-term	−1,183	−2,373	−2,098	−943	−250	−385	−993	−470
21 Short-term	−18,311	−11,114	−18,644	−4,405	−3,332	−4,382	−2,362	−8,568
22 *Nonbank-reported claims*	*−3,221*	*−1,522*	*−1,772*	*−972*	*−751*	*−962*	*721*	*−780*
23 Long-term	−474	−441	−14	−379	−187	146	53	−26
24 Short-term	−2,747	−1,081	−1,758	−593	−564	−1,108	668	−754
25 U.S. purchase of foreign securities, net	−1,854	−6,206	−8,682	−2,361	−2,460	−1,357	−2,743	−2,123
26 U.S. direct investments abroad, net	−7,753	−6,307	−5,000	−1,694	−1,757	−202	−1,447	−1,593
27 *Change in foreign official assets in the United States (increase, +)*	*10,981*	*6,899*	*18,107*	*2,771*	*3,942*	*4,105*	*2,999*	*7,061*
28 U.S. Treasury securities	3,282	4,338	9,301	1,069	1,998	2,166	1,261	3,876
29 Other U.S. Govt. obligations	902	891	566	307	68	316	66	116
30 Other U.S. Govt. liabilities[4]	724	1,732	5,013	499	1,482	797	1,746	988
31 Other U.S. liabilities reported by U.S. banks	5,818	−2,158	1,012	134	−275	135	−598	1,750
32 Other foreign official assets[5]	254	2,095	2,215	762	669	691	524	331
33 Change in foreign private assets in the United States (increase, +)	**21,452**	**8,427**	**15,022**	**3,103**	**1,454**	**3,225**	**5,248**	**5,095**
34 *U.S. bank-reported liabilities*	*16,017*	*647*	*10,974*	*691*	*675*	*3,518*	*1,766*	*5,015*
35 Long-term	9	−300	172	146	−91	−25	67	221
36 Short-term	16,008	947	10,802	545	766	3,543	1,699	4,794
37 *U.S. nonbank-reported liabilities*	*1,615*	*171*	*−588*	*−68*	*24*	*−248*	*−324*	*−40*
38 Long-term	−212	345	−1,017	10	−332	−188	−285	−212
39 Short-term	1,827	−174	429	−78	356	−60	−39	172
40 Foreign private purchases of U.S. Treasury securities, net	697	2,667	2,825	213	453	−598	3,026	−56
41 Foreign purchases of other U.S. securities, net	378	2,505	1,250	1,038	1,030	131	68	21
42 Foreign direct investments in the United States, net	2,745	2,437	561	1,229	−728	422	712	155
43 Allocations of SDR's	....	....	....	....	....	....	....	....
44 *Discrepancy*	*4,557*	*4,570*	*10,495*	*2,258*	*4,310*	*1,907*	*1,163*	*3,120*
45 Owing to seasonal adjustments	....	....	....	1,275	958	73	−2,800	1,773
46 Statistical discrepancy in recorded data before seasonal adjustment	4,557	4,570	10,495	983	3,352	1,834	3,963	1,347
MEMO:								
Changes in official assets:								
47 U.S. official reserve assets (increase, −)	−1,434	−607	−2,530	89	−773	−1,578	−407	228
48 Foreign official assets in the U.S. (increase, +)	10,257	5,166	13,094	2,272	2,460	3,308	1,253	6,073
49 Changes in OPEC official assets in the U.S. (part of line 27 above)	10,841	7,108	9,517	1,996	3,491	3,339	1,687	1,000
50 Transfers under military grant programs (excluded from lines 1, 4, and 9 above)	1,817	2,232	400	177	50	99	156	95

[1] Seasonal factors are no longer calculated for lines 13 through 50.

[2] Data are on an international accounts (IA) basis. Differs from the Census basis primarily because the IA basis includes imports into the U.S. Virgin Islands, and it excludes military exports, which are part of Line 4.

[3] Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition excludes certain military sales to Israel from exports and excludes U.S. Govt. interest payments from imports.

[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* (U.S. Department of Commerce).

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1974	1975	1976	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	97,908	107,130	114,807	9,788	9,699	9,589	10,410	9,599	9,808	10,072
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	100,252	96,115	120,677	10,651	10,555	10,623	11,020	11,269	11,674	12,459
3 **Trade balance**	**−2,344**	**+11,014**	**−5,870**	**−863**	**857**	**−1,034**	**610**	**−1,670**	**−1,866**	**−2,387**

NOTE.—Bureau of Census data reported on a free-alongside-ship (f.a.s.) value basis. Before 1974 imports were reported on a customs import value basis. For calendar year 1974 the f.a.s. import value was $100.3 billion, about 0.7 per cent less than the corresponding customs import value. The international-accounts-basis data shown in Table 3.10 adjust the Census basis data for reasons of coverage and timing. On the *export side*, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military exports (which are combined with other military transactions and are reported separately in the "service account"). On the *import* side, the largest single adjustment is the addition of imports into the Virgin Islands (largely oil for a refinery on St. Croix), which are not included in Census statistics.

SOURCE. U.S. Dept. of Commerce, Bureau of the Census, Summary of U.S. Export and Import Merchandise Trade (FT 900).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1973	1974	1975	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
1 **Total**	**[3] 14,378**	**15,883**	**16,226**	**19,013**	**19,416**	**18,747**	**19,087**	**19,122**	**19,120**	**[4] 18,868**
2 Gold stock, including Exchange Stabilization Fund[1]	[3] 11,652	11,652	11,599	11,598	11,598	11,598	11,658	11,658	11,658	11,658
3 Special Drawing Rights[2]	[3] 2,166	2,374	2,335	2,352	2,365	2,395	2,375	2,383	2,389	[4] 2,384
4 Reserve position in International Monetary Fund	[3] 552	1,852	2,212	3,997	4,307	4,434	4,682	4,819	4,812	[4] 4,720
5 Convertible foreign currencies	8	5	80	1,066	1,146	320	372	262	261	106

1 Gold held under earmark at F.R. Banks for foreign and international accounts is not included in the gold stock of the United States; see Table 3.24.

2 Includes allocations by the International Monetary Fund of SDR's as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; and $710 million on Jan. 1, 1972; plus net transactions in SDR's.

3 Change in par value of U.S. dollar on Oct. 18, 1973 increased total reserve assets by $1,436 million, gold stock by $1,165 million, SDR's by $217 million, and reserve position in IMF by $54 million.

4 Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR1 = $1.20635) total U.S. reserve assets at end of April amounted to $19,020; SDR holdings, $2,475, and reserve position in IMF, $4,781.

3.13 SELECTED U.S. LIABILITIES TO FOREIGNERS

Millions of dollars, end of period

Holder, and type of liability	1973	1974 Dec.[9]	1974 Dec.[9]	1975	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.[p]	1977 Mar.[p]
1 **Total**	**92,490**	**119,240**	**119,164**	**126,552**	**143,728**	**144,643**	**151,329**	**147,913**	**149,093**	**151,583**
2 **Foreign countries**	**90,487**	**115,918**	**115,842**	**120,929**	**136,093**	**136,411**	**142,846**	**139,994**	**141,108**	**143,455**
3 *Official institutions*[1]	*66,861*	*76,801*	*76,823*	*80,695*	*86,827*	*87,745*	*91,850*	*93,046*	*93,859*	*96,408*
4 Short-term, reported by banks in the United States.[2]	43,923	53,057	53,079	49,513	49,017	49,273	53,478	54,515	54,796	55,913
U.S. Treasury bonds and notes:										
5 Marketable[3]	5,701	5,059	5,059	6,671	11,027	11,367	11,788	12,017	12,725	13,528
6 Nonmarketable[4]	15,564	16,339	16,339	19,976	20,876	21,131	20,648	20,622	20,496	21,106
7 Other readily marketable liabilities[5]	1,673	2,346	2,346	4,535	5,907	5,974	5,936	5,892	5,842	5,861
Commercial banks abroad:										
8 Short-term reported by banks in the United States[2,6]	17,694	30,314	30,106	29,516	36,940	35,384	37,429	33,510	33,173	32,941
9 *Other foreigners*	*5,932*	*8,803*	*8,913*	*10,718*	*12,326*	*13,282*	*13,567*	*13,438*	*14,076*	*14,106*
10 Short-term, reported by banks in the United States[2]	5,502	8,305	8,415	10,017	11,399	12,312	12,591	12,441	13,056	12,929
11 Marketable U.S. Treasury bonds and notes[3,7]	430	498	498	701	927	970	976	997	1,020	1,177
12 **Nonmonetary international and regional organization**[8]	**2,003**	**3,322**	**3,322**	**5,623**	**7,635**	**8,232**	**8,483**	**7,919**	**7,985**	**8,128**
13 Short-term, reported by banks in the United States[2]	1,955	3,171	3,171	5,292	5,102	5,506	5,450	4,625	3,918	4,309
14 Marketable U.S. Treasury bonds and notes[3]	48	151	151	331	2,533	2,726	3,033	3,294	4,067	3,819

1 Includes Bank for International Settlements.
2 Includes Treasury bills as shown in Table 3.15.
3 Derived by applying reported transactions to benchmark data.
4 Excludes notes issued to foreign official nonreserve agencies.
5 Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally sponsored agencies and U.S. corporations.
6 Includes short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.
7 Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad and other foreigners.
8 Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.
9 Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding date; figures in the second column are comparable with those shown for the following date.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks (including Federal Reserve banks) and brokers in the United States. Data exclude the holdings of dollars of the International Monetary Fund derived from payments of the U.S. subscription, and from the exchange transactions and other operations of the IMF. Data also exclude U.S. Treasury letters of credit and nonnegotiable, noninterest-bearing special U.S. notes held by nonmonetary international and regional organizations.

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Area	1973	1974 Dec.[3]	1974 Dec.[3]	1975	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.[p]	1977 Mar.[p]
1 **Total**	**66,861**	**76,801**	**76,823**	**80,695**	**86,827**	**87,745**	**91,850**	**93,046**	**93,859**	**96,408**
2 Western Europe[1]	45,764	44,328	44,328	45,685	41,933	44,075	45,855	45,927	46,108	47,895
3 Canada	3,853	3,662	3,662	3,132	3,389	2,406	3,406	3,197	2,844	2,684
4 Latin American republics	2,544	4,419	4,419	4,450	4,086	4,087	4,853	4,546	4,530	4,747
5 Asia	10,887	18,604	18,626	22,550	33,438	33,906	34,112	35,562	36,458	37,427
6 Africa	788	3,161	3,161	2,984	2,415	1,925	1,843	1,757	1,771	1,681
7 Other countries[2]	3,025	2,627	2,627	1,894	1,566	1,346	1,781	2,057	2,148	1,974

1 Includes Bank for International Settlements.
2 Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.
3 See Note 9 to Table 3.13.

NOTE.—Data represent breakdown by area of line 3, Table 3.13.

3.15 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States
By Holder and by Type of Liability
Millions of dollars, end of period

	Holder, and type of liability	1973	1974		1975	1976			1977		
			Dec.[8]			Oct.	Nov.	Dec.	Jan.	Feb.p	Mar.p
1	**All foreigners, excluding the International Monetary Fund**	**69,074**	**94,847**	**94,771**	**94,338**	**102,458**	**102,474**	**108,949**	**105,091**	**104,943**	**106,092**
2	*Payable in dollars*	*68,477*	*94,081*	*94,004*	*93,780*	*101,692*	*101,693*	*108,225*	*104,359*	*104,128*	*105,231*
	Deposits:										
3	Demand	11,310	14,068	14,051	13,564	14,658	15,811	16,803	15,314	16,098	15,175
4	Time[1]	6,882	10,106	9,932	10,348	10,546	10,757	11,546	11,395	11,205	11,203
5	U.S. Treasury bills and certificates[2]	31,886	35,662	35,662	37,414	38,934	38,643	40,744	41,275	42,669	43,553
6	Other short-term liabilities[3]	18,399	34,246	34,359	32,466	37,552	36,484	39,133	36,374	34,157	35,299
7	*Payable in foreign currencies*	*597*	*766*	*766*	*558*	*766*	*781*	*724*	*732*	*815*	*861*
8	**Nonmonetary international and regional organizations[4]**	**1,955**	**3,171**	**3,171**	**5,293**	**5,102**	**5,506**	**5,450**	**4,625**	**3,918**	**4,309**
9	*Payable in dollars*	*1,955*	*3,171*	*3,171*	*5,284*	*5,098*	*5,502*	*5,445*	*4,621*	*3,912*	*4,306*
	Deposits:										
10	Demand	101	139	139	139	256	287	290	166	216	229
11	Time[1]	83	111	111	148	164	199	208	230	237	236
12	U.S. Treasury bills and certificates	296	497	497	2,554	3,196	3,604	2,701	2,890	2,779	2,743
13	Other short-term liabilities[5]	1,474	2,424	2,424	2,443	1,482	1,412	2,247	1,335	680	1,098
14	*Payable in foreign currencies*	...	...	...	*8*	*4*	*4*	*5*	*4*	*6*	*3*
15	**Official institutions, banks, and other foreigners**	**67,119**	**91,676**	**91,600**	**89,046**	**97,356**	**96,969**	**103,499**	**100,466**	**101,025**	**101,783**
16	*Payable in dollars*	*66,522*	*90,910*	*90,834*	*88,497*	*96,594*	*96,193*	*102,780*	*99,738*	*100,216*	*100,925*
	Deposits:										
17	Demand	11,209	13,928	13,912	13,426	14,402	15,524	16,513	15,148	15,882	14,947
18	Time[1]	6,799	9,995	9,821	10,200	10,383	10,558	11,338	11,166	10,968	10,967
19	U.S. Treasury bills and certificates[2]	31,590	35,165	35,165	34,860	35,736	35,039	38,042	38,386	39,889	40,811
20	Other short-term liabilities[3]	16,925	31,822	31,935	30,023	36,070	35,072	36,886	35,039	33,476	34,201
21	*Payable in foreign currencies*	*597*	*766*	*766*	*549*	*762*	*776*	*719*	*728*	*809*	*858*
22	**Official institutions[6]**	**43,923**	**53,057**	**53,079**	**49,513**	**49,017**	**49,273**	**53,478**	**54,515**	**54,796**	**55,913**
23	*Payable in dollars*	*43,795*	*52,930*	*52,952*	*49,513*	*49,017*	*49,273*	*53,478*	*54,515*	*54,796*	*55,913*
	Deposits:										
24	Demand	2,125	2,951	2,951	2,644	2,706	2,685	3,394	2,931	2,404	2,606
25	Time[1]	3,911	4,257	4,167	3,423	2,127	2,149	2,335	2,456	2,376	2,273
26	U.S. Treasury bills and certificates[2]	31,511	34,656	34,656	34,182	35,241	34,656	37,675	38,081	39,559	40,454
27	Other short-term liabilities[5]	6,248	11,066	11,178	9,264	8,943	9,783	10,075	11,047	10,457	10,580
28	*Payable in foreign currencies*	*127*	*127*	*127*	...	...	...	...	...	...	...
29	**Banks and other foreigners**	**23,196**	**38,619**	**38,520**	**39,533**	**48,339**	**47,696**	**50,021**	**45,951**	**46,229**	**45,870**
30	*Payable in dollars*	*22,727*	*37,980*	*37,881*	*38,984*	*47,577*	*46,920*	*49,302*	*45,223*	*45,420*	*45,012*
31	Banks[7]	17,224	29,676	29,467	28,966	36,178	34,608	36,710	32,788	32,364	32,083
	Deposits:										
32	Demand	6,941	8,248	8,231	7,534	8,361	8,897	9,104	8,475	9,387	8,477
33	Time[1]	529	1,942	1,910	1,942	2,291	1,949	2,479	2,074	1,779	1,777
34	U.S. Treasury bills and certificates	11	232	232	335	223	174	169	122	102	108
35	Other short-term liabilities[3]	9,743	19,254	19,094	19,155	25,303	23,589	24,957	22,116	21,096	21,721
36	Other foreigners	5,502	8,304	8,414	10,017	11,399	12,312	12,592	12,436	13,056	12,929
	Deposits:										
37	Demand	2,143	2,729	2,730	3,248	3,335	3,943	4,015	3,741	4,091	3,864
38	Time[1]	2,359	3,796	3,744	4,823	5,965	6,461	6,524	6,636	6,813	6,917
39	U.S. Treasury bills and certificates	68	277	277	342	274	209	198	183	229	248
40	Other short-term liabilities[5]	933	1,502	1,664	1,605	1,824	1,700	1,854	1,876	1,924	1,900
41	*Payable in foreign currencies*	*469*	*639*	*639*	*549*	*762*	*776*	*719*	*728*	*809*	*858*

1 Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."

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

3 Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches of their head offices, bankers acceptances, commercial paper, and negotiable time certificates of deposit.

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

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

6 Foreign central banks and foreign central governments and their agencies, and Bank for International Settlements.

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

8 Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable with those for the preceding date; figures in the second column are comparable with those shown for the following date.

NOTE.—"Short-term obligations" are those payable on demand, or having an original maturity of 1 year or less.

3.16 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States
By Country

Millions of dollars, end of period

	Area and country	1973	1974 Dec.[7]	1974 Dec.[7]	1975	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.[p]	1977 Mar.[p]
1	**Total**	**69,074**	**94,847**	**94,771**	**94,338**	**102,458**	**102,475**	**108,949**	**105,091**	**104,943**	**106,092**
2	**Foreign countries**	**67,119**	**91,676**	**91,600**	**89,046**	**97,356**	**96,969**	**103,499**	**100,466**	**101,025**	**101,783**
3	*Europe*	*40,742*	*48,667*	*48,813*	*43,988*	*39,967*	*42,480*	*46,925*	*43,765*	*43,584*	*44,327*
4	Austria	161	607	607	754	334	332	348	373	401	498
5	Belgium-Luxembourg	1,483	2,506	2,506	2,898	1,879	2,085	2,268	2,376	2,411	2,568
6	Denmark	659	369	369	332	372	416	363	419	419	569
7	Finland	165	266	266	391	407	378	419	389	367	315
8	France	3,483	4,287	4,287	7,733	4,409	4,642	4,875	3,701	4,590	4,807
9	Germany	13,227	9,420	9,429	4,357	6,532	5,418	5,965	5,304	5,495	4,681
10	Greece	389	248	248	284	405	378	403	421	346	296
11	Italy	1,404	2,617	2,577	1,072	1,583	2,884	3,206	2,858	2,703	2,401
12	Netherlands	2,886	3,234	3,234	3,411	2,534	2,694	3,007	2,832	2,817	3,181
13	Norway	965	1,040	1,040	996	690	740	785	566	793	746
14	Portugal	534	310	310	195	177	206	239	172	228	209
15	Spain	305	382	382	426	506	478	565	492	546	555
16	Sweden	1,885	1,138	1,138	2,286	1,295	1,420	1,693	1,613	1,593	1,717
17	Switzerland	3,377	9,986	10,139	8,514	8,331	8,846	9,453	9,571	9,619	8,931
18	Turkey	98	152	152	118	74	88	166	85	82	88
19	United Kingdom	6,148	7,559	7,584	6,886	7,953	8,401	10,001	8,996	8,711	10,338
20	Yugoslavia	86	183	183	126	131	147	188	113	121	96
21	Other Western Europe[1]	3,352	4,073	4,073	2,970	2,089	2,639	2,672	2,263	2,136	2,101
22	U.S.S.R.	22	82	82	40	80	84	51	47	45	50
23	Other Eastern Europe	110	206	206	200	184	203	255	172	162	178
24	*Canada*	*3,627*	*3,517*	*3,520*	*3,076*	*4,033*	*3,944*	*4,784*	*4,519*	*4,900*	*4,401*
25	*Latin America*	*7,664*	*12,038*	*11,754*	*14,942*	*19,065*	*17,684*	*19,010*	*17,847*	*18,529*	*19,000*
26	Argentina	924	886	886	1,147	1,374	1,293	1,538	1,648	1,820	1,889
27	Bahamas	852	1,448	1,054	1,827	4,817	2,654	2,789	1,979	2,439	2,200
28	Brazil	860	1,034	1,034	1,227	1,323	1,168	1,432	1,292	1,272	1,108
29	Chile	158	276	276	317	298	315	335	325	302	403
30	Colombia	247	305	305	417	804	922	1,017	1,090	1,152	1,200
31	Cuba	7	7	7	6	6	6	6	6	6	6
32	Mexico	1,296	1,770	1,770	2,066	2,475	2,860	2,848	2,710	2,782	2,750
33	Panama	282	488	510	1,099	866	1,188	1,140	909	1,002	1,001
34	Peru	135	272	272	244	247	243	257	244	228	246
35	Uruguay	120	147	165	172	233	238	245	250	239	241
36	Venezuela	1,468	3,413	3,413	3,289	2,644	3,009	3,060	2,986	2,909	2,833
37	Other Latin American republics	884	1,316	1,316	1,494	1,676	1,740	2,064	2,033	2,225	2,427
38	Netherlands Antilles[2]	71	158	158	129	160	157	140	151	157	162
39	Other Latin America	359	519	589	1,507	2,142	1,890	2,139	2,223	1,995	2,533
40	*Asia*	*10,839*	*21,073*	*21,130*	*21,539*	*29,745*	*28,982*	*28,461*	*29,789*	*29,258*	*29,539*
41	China, People's Republic of (Mainland)	38	50	50	123	48	59	47	47	47	52
42	China, Republic of (Taiwan)	757	818	818	1,025	1,182	1,092	985	1,058	1,158	1,052
43	Hong Kong	372	530	530	623	887	859	892	941	1,039	1,018
44	India	85	261	261	126	1,048	910	648	510	559	538
45	Indonesia	133	1,221	1,221	369	1,154	314	340	695	546	480
46	Israel	327	386	389	386	310	325	385	430	547	496
47	Japan	6,967	10,897	10,931	10,218	14,663	14,736	14,380	14,481	13,358	13,269
48	Korea	195	384	384	390	366	324	437	448	483	381
49	Philippines	515	747	747	698	582	606	627	602	554	623
50	Thailand	247	333	333	252	223	244	275	301	313	312
51	Middle East oil-exporting countries[3]	....	4,633	4,623	6,461	7,741	8,124	8,073	9,029	9,276	9,968
52	Other[4]	1,202	813	844	867	1,539	1,388	1,373	1,245	1,378	1,350
53	*Africa*	*1,056*	*3,551*	*3,551*	*3,373*	*2,782*	*2,281*	*2,300*	*2,207*	*2,406*	*2,285*
54	Egypt	35	103	103	343	213	171	333	209	244	250
55	Morocco	11	38	38	68	85	72	88	97	105	94
56	South Africa	114	130	130	169	183	132	143	211	155	136
57	Zaire	87	84	84	63	45	64	35	48	41	39
58	Oil-exporting countries[5]	....	2,814	2,814	2,239	1,732	1,321	1,116	1,033	1,125	965
59	Other[4]	808	383	383	491	524	521	585	609	735	802
60	*Other countries*	*3,190*	*2,831*	*2,831*	*2,128*	*1,763*	*1,598*	*2,019*	*2,339*	*2,348*	*2,231*
61	Australia	3,131	2,742	2,742	2,014	1,645	1,486	1,911	2,224	2,231	2,101
62	All other	59	89	89	114	119	112	108	166	118	130
63	**Nonmonetary international and regional organizations**	**1,955**	**3,171**	**3,171**	**5,293**	**5,102**	**5,506**	**5,450**	**4,625**	**3,918**	**4,309**
64	International	1,627	2,900	2,900	5,064	4,717	5,109	5,091	4,275	3,599	3,991
65	Latin American regional	272	202	202	187	182	160	136	160	133	141
66	Other regional[6]	57	69	69	42	203	237	223	190	186	177

For notes see bottom of p. A59.

3.17 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Supplemental "Other" Countries [1]

Millions of dollars, end of period

	Area and country	1974 Dec.	1975 Apr.	1975 Dec.	1976 Apr.	1976 Dec.
	Other Western Europe:					
1	Cyprus	7	17	6	38	69
2	Iceland	21	20	33	43	40
3	Ireland, Republic of	29	29	75	39	......
	Other Eastern Europe:					
4	Bulgaria	36	13	19	13	34
5	Czechoslovakia	34	11	32	10	21
6	German Democratic Republic	36	18	17	3	......
7	Hungary	14	11	13	10	19
8	Poland	55	42	66	65	77
9	Rumania	25	14	44	28	19
	Other Latin American republics:					
10	Bolivia	96	93	110	104	133
11	Costa Rica	118	120	124	69	141
12	Dominican Republic	128	214	169	149	275
13	Ecuador	122	157	120	150	319
14	El Salvador	129	144	171	128	178
15	Guatemala	219	255	260	177	397
16	Haiti	35	34	38	33	47
17	Honduras	88	92	99	69	137
18	Jamaica	69	62	41	49	35
19	Nicaragua	127	125	133	89	119
20	Paraguay	46	38	43	43	49
21	Surinam[2]	......	......	......	12	......
22	Trinidad and Tobago	107	31	131	44	167
	Other Latin America:					
23	Bermuda	116	100	170	197	177
24	British West Indies	449	627	1,311	2,284	1,874

	Area and country	1974 Dec.	1975 Apr.	1975 Dec.	1976 Apr.	1976 Dec.
	Other Asia:					
25	Afghanistan	18	19	41	54	57
26	Bangladesh	21	50	54	41	......
27	Burma	65	49	31	34	13
28	Cambodia	4	4	4	3	4
29	Jordan	22	30	39	20	37
30	Laos	3	5	2	2	1
31	Lebanon	126	180	117	132	140
32	Malaysia	63	92	77	105	396
33	Nepal	25	22	28	34	33
34	Pakistan	91	118	74	89	189
35	Singapore	245	215	256	34	280
36	Sri Lanka (Ceylon)	14	13	13	9	23
37	Vietnam	126	70	62	33	66
	Other Africa:					
38	Ethiopia (incl. Eritrea)	95	76	60	70	41
39	Ghana	18	13	23	45	27
40	Ivory Coast	7	11	62	76	10
41	Kenya	31	32	19	37	46
42	Liberia	39	33	53	63	77
43	Southern Rhodesia	2	3	1	1	1
44	Sudan	4	14	12	17	22
45	Tanzania	11	21	30	18	......
46	Tunisia	19	23	29	33	20
47	Uganda	13	38	22	50	43
48	Zambia	22	18	78	14	......
	All Other:					
49	New Zealand	47	36	42	29	45

1 Represents a partial breakdown of the amounts shown in the "Other" categories on Table 3.16.

2 Surinam included with Netherlands Antilles until January 1976.

3.18 LONG-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States

Millions of dollars, end of period

	Holder, and area or country	1973	1974	1975	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.p	1977 Mar.p
1	**Total**	**1,462**	**1,285**	**1,812**	**2,206**	**2,315**	**2,310**	**2,393**	**2,352**	**2,297**	**2,302**
2	**Nonmonetary international and regional organizations**	**761**	**822**	**415**	**214**	**333**	**308**	**261**	**263**	**248**	**250**
3	**Foreign countries**	**700**	**464**	**1,397**	**1,991**	**1,983**	**2,003**	**2,132**	**2,090**	**2,049**	**2,052**
4	Official institutions, including central banks	310	124	931	1,386	1,314	1,313	1,352	1,262	1,192	1,165
5	Banks, excluding central banks	291	261	364	446	499	524	585	604	627	645
6	Other foreigners	100	79	100	159	170	165	194	224	230	242
	Area or country:										
7	Europe	470	226	330	458	489	507	525	555	580	593
8	Germany	159	146	214	312	310	309	313	313	296	354
9	United Kingdom	66	59	66	87	99	125	132	144	131	125
10	Canada	8	19	23	26	26	26	29	31	29	35
11	Latin America	132	115	140	125	151	152	230	244	267	261
12	Middle East oil-exporting countries[1]	....	94	894	1,340	1,286	1,239	1,251	1,186	1,104	1,091
13	Other Asia[2]	82	7	8	41	27	77	96	68	67	69
14	African oil-exporting countries[3]	....	*	*	*	*	*	*	*	*	*
15	Other Africa[4]	1	1	1	1	1	1	1	2	1	2
16	All other countries	7	*	*	1	1	1	1	4	1	1

1 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
2 Includes Middle East oil-exporting countries until December 1974.
3 Comprises Algeria, Gabon, Libya, and Nigeria.
4 Includes African oil-exporting countries until December 1974.

NOTE.—Long-term obligations are those having an original maturity of more than 1 year.

NOTES TO TABLE 3.16:

1 Includes Bank for International Settlements.
2 Surinam included with Netherlands Antilles until January 1976.
3 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4 Includes oil-exporting countries until December 1974.
5 Comprises Algeria, Gabon, Libya, and Nigeria.
6 Asian, African, and European regional organizations, except BIS, which is included in "Other Western Europe."
7 Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable with those shown for the preceding date; figures in the second column are comparable with those shown for the following date.

3.19 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States

By Country

Millions of dollars, end of period

	Area and country	1973	1974	1975	1976				1977		
					Sept.	Oct.	Nov.	Dec.	Jan.	Feb.p	Mar.p
1	**Total**	**20,723**	**39,056**	**50,231**	**60,317**	**60,986**	**63,890**	**69,011**	**63,599**	**63,414**	**65,134**
2	**Foreign countries**	**20,723**	**39,055**	**50,229**	**60,305**	**60,981**	**63,884**	**69,005**	**63,592**	**63,409**	**65,128**
3	*Europe*	*3,970*	*6,255*	*8,987*	*9,436*	*10,435*	*10,797*	*12,072*	*10,390*	*10,764*	*10,893*
4	Austria	11	21	15	47	42	54	44	41	42	58
5	Belgium-Luxembourg	147	384	352	437	504	501	662	554	611	570
6	Denmark	48	46	49	57	64	129	85	72	64	67
7	Finland	108	122	128	129	137	136	141	137	131	147
8	France	621	673	1,471	1,169	1,096	1,098	1,448	1,246	1,372	1,343
9	Germany	311	589	436	498	585	577	562	511	667	575
10	Greece	35	64	49	117	88	76	79	57	85	54
11	Italy	316	345	370	648	733	877	929	875	802	870
12	Netherlands	133	348	300	256	399	240	304	246	510	252
13	Norway	72	119	71	68	79	85	98	124	127	133
14	Portugal	23	20	16	55	46	53	65	80	90	98
15	Spain	222	196	249	265	264	304	429	362	375	284
16	Sweden	153	180	167	106	101	93	177	112	85	74
17	Switzerland	176	335	237	417	499	511	472	539	530	496
18	Turkey	10	15	86	80	125	140	183	199	207	281
19	United Kingdom	1,459	2,580	4,718	4,844	5,376	5,591	6,068	4,868	4,671	5,218
20	Yugoslavia	10	22	38	28	37	38	45	60	64	37
21	Other Western Europe	25	22	27	56	54	58	52	53	60	56
22	U.S.S.R.	46	46	103	52	83	103	99	82	95	104
23	Other Eastern Europe	44	131	108	107	123	134	130	177	175	177
24	*Canada*	*1,955*	*2,776*	*2,817*	*3,169*	*3,129*	*3,136*	*3,100*	*2,944*	*3,510*	*3,695*
25	*Latin America*	*5,900*	*12,377*	*20,532*	*30,042*	*29,275*	*31,580*	*34,034*	*31,435*	*31,457*	*32,030*
26	Argentina	499	720	1,203	961	902	858	962	937	867	914
27	Bahamas	883	3,405	7,570	14,192	12,587	14,594	15,340	13,872	14,071	15,436
28	Brazil	900	1,418	2,221	2,891	3,125	3,259	3,383	3,456	3,145	2,945
29	Chile	151	290	360	343	350	358	396	370	379	357
30	Colombia	397	713	689	459	517	523	575	593	598	544
31	Cuba	12	14	13	13	13	14	13	13	13	13
32	Mexico	1,373	1,972	2,802	3,457	3,211	3,285	3,414	3,366	3,331	3,278
33	Panama	274	505	1,052	809	1,119	781	1,021	760	861	849
34	Peru	178	518	583	694	638	629	690	737	748	733
35	Uruguay	55	63	51	28	28	35	38	41	39	39
36	Venezuela	518	704	1,086	1,305	1,338	1,512	1,553	1,296	1,260	1,241
37	Other Latin American republics	493	852	967	1,112	1,037	1,068	1,140	1,128	1,120	1,133
38	Netherlands Antilles[1]	13	62	49	42	41	43	40	45	41	41
39	Other Latin America	154	1,142	1,885	3,737	4,369	4,620	5,469	4,824	4,985	4,509
40	*Asia*	*8,224*	*16,226*	*16,057*	*15,695*	*16,099*	*16,365*	*17,765*	*16,686*	*15,471*	*16,117*
41	China, People's Republic of (Mainland)	31	4	22	4	5	3	3	4	30	5
42	China, Republic of (Taiwan)	140	500	736	981	991	1,099	987	1,028	1,089	1,124
43	Hong Kong	147	223	258	252	208	267	361	229	265	317
44	India	16	14	21	33	64	48	41	28	23	32
45	Indonesia	88	157	102	119	117	120	76	54	55	53
46	Israel	155	255	491	313	320	330	554	344	337	328
47	Japan	6,398	12,518	10,776	10,220	10,534	10,428	10,992	10,579	9,472	9,485
48	Korea	403	955	1,561	1,594	1,555	1,577	1,722	1,710	1,574	1,736
49	Philippines	181	372	384	472	478	495	559	592	479	463
50	Thailand	273	458	499	434	415	414	422	421	446	491
51	Middle East oil-exporting countries[2]	......	330	524	721	765	1,082	1,312	981	1,044	1,389
52	Other[3]	392	441	684	553	647	503	735	714	658	693
53	*Africa*	*388*	*855*	*1,228*	*1,332*	*1,382*	*1,394*	*1,486*	*1,519*	*1,478*	*1,613*
54	Egypt	35	111	101	114	106	109	132	151	126	149
55	Morocco	5	18	9	17	8	14	13	19	13	26
56	South Africa	129	329	545	691	772	748	763	798	797	802
57	Zaire	61	98	34	23	14	25	29	16	11	10
58	Oil-exporting countries[4]	......	115	231	176	215	213	257	238	249	343
59	Other[3]	158	185	308	312	267	284	292	298	282	283
60	*Other countries*	*286*	*565*	*609*	*631*	*661*	*612*	*549*	*618*	*729*	*779*
61	Australia	243	466	535	521	558	502	450	512	604	663
62	All other	43	99	73	110	103	110	99	105	125	116
63	**Nonmonetary international and regional organizations**	**1**	*	**1**	**12**	**5**	**6**	**5**	**7**	**5**	**6**

[1] Includes Surinam until January 1976.

[2] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

[3] Includes oil-exporting countries until December 1974.

[4] Comprises Algeria, Gabon, Libya, and Nigeria.

3.20 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States
By Type of Claim

Millions of dollars, end of period

Type	1973	1974	1975	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.p	1977 Mar.p
1 **Total**	**20,723**	**39,056**	**50,231**	**60,317**	**60,986**	**63,890**	**69,011**	**63,599**	**63,414**	**65,134**
2 *Payable in dollars*	*20,061*	*37,859*	*48,902*	*58,661*	*59,330*	*62,085*	*67,365*	*61,867*	*61,455*	*63,236*
3 *Loans, total*	*7,660*	*11,291*	*13,205*	*14,914*	*16,221*	*16,191*	*18,347*	*16,085*	*16,234*	*15,845*
4 Official institutions, including central banks	284	381	613	781	1,055	1,269	1,452	1,250	935	848
5 Banks, excluding central banks	4,538	7,332	7,665	9,003	10,015	9,639	11,081	9,334	9,764	9,743
6 All other, including nonmonetary international and regional organizations	2,838	3,579	4,926	5,130	5,151	5,282	5,815	5,500	5,535	5,254
7 Collections oustanding	4,307	5,637	5,467	5,746	5,586	5,628	5,846	5,833	5,868	6,195
8 Acceptances made for accounts of foreigners	4,160	11,237	11,147	11,213	11,461	11,422	12,367	12,018	12,140	12,936
9 Other claims[1]	3,935	9,689	19,082	26,789	26,015	28,843	30,805	27,931	27,214	28,260
10 *Payable in foreign currencies*	*662*	*1,196*	*1,329*	*1,656*	*1,704*	*1,805*	*1,645*	*1,732*	*1,959*	*1,898*
11 Deposits with foreigners	428	669	656	1,029	1,052	1,084	1,063	1,126	1,091	1,100
12 Foreign government securities, commercial and finance paper	119	289	301	120	102	85	84	145	272	323
13 Other claims	115	238	372	507	550	635	498	460	596	474

[1] Includes claims of U.S. banks on their foreign branches and claims of U.S. agencies and branches of foreign banks on their head offices and foreign branches of their head offices.

NOTE.– Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

3.21 LONG-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States

Millions of dollars, end of period

Type, and area or country	1973	1974	1975	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.p	1977 Mar.p
1 **Total**	**5,996**	**7,179**	**9,540**	**11,205**	**11,345**	**11,612**	**11,687**	**11,684**	**11,873**	**12,240**
By type:										
2 *Payable in dollars*	*5,924*	*7,099*	*9,423*	*11,063*	*11,206*	*11,465*	*11,539*	*11,534*	*11,662*	*12,050*
3 *Loans, total*	*5,446*	*6,490*	*8,316*	*9,551*	*9,670*	*9,837*	*9,933*	9,953	10,131	10,421
4 Official institutions, including central banks	1,156	1,324	1,350	1,312	1,323	1,364	1,420	1,404	1,522	1,612
5 Banks, excluding central banks	591	929	1,567	2,039	2,115	2,164	2,212	2,178	2,231	2,201
6 All other, including nonmonetary international and regional organizations	3,698	4,237	5,399	6,201	6,232	6,308	6,298	6,371	6,377	6,607
7 Other long-term claims	478	609	1,107	1,512	1,536	1,628	1,606	1,580	1,531	1,629
8 *Payable in foreign currencies*	*72*	*80*	*116*	*142*	*139*	*147*	*148*	*150*	*211*	*190*
By area or country:										
9 Europe	1,271	1,908	2,708	3,133	3,191	3,285	3,246	3,309	3,362	3,616
10 Canada	490	501	555	623	570	590	586	518	536	566
11 Latin America	2,116	2,614	3,468	4,519	4,565	4,694	4,806	4,878	4,950	4,951
12 *Asia*	*1,582*	*1,619*	*1,795*	*1,856*	*1,901*	*1,885*	*1,886*	*1,835*	*1,841*	*1,891*
13 Japan	251	258	296	370	381	368	391	383	363	417
14 Middle East oil-exporting countries[1]	....	384	220	171	171	141	146	117	123	152
15 Other Asia[2]	1,331	977	1,279	1,315	1,349	1,376	1,349	1,334	1,356	1,322
16 *Africa*	*355*	*366*	*747*	*800*	*839*	*888*	*883*	*856*	*876*	*890*
17 Oil-exporting countries[3]	....	62	151	236	259	269	264	201	201	209
18 Other[4]	355	305	596	564	580	619	619	655	675	681
19 All other countries[5]	181	171	267	274	281	270	280	288	308	327

[1] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

[2] Includes Middle East oil-exporting countries until December 1974.

[3] Comprises Algeria, Gabon, Libya, and Nigeria.

[4] Includes oil-exporting countries until December 1974.

[5] Includes nonmonetary international and regional organizations.

3.22 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

	Asset account	1973	1974	1975	1976					1977	
					Aug.	Sept.	Oct.	Nov.[r]	Dec.[r]	Jan.	Feb.[p]
						All foreign countries					
1	**Total, all currencies**	**121,866**	**151,905**	**176,493**	**196,174**	**199,843**	**206,383**	**207,424**	**219,859**	**213,094**	**216,407**
2	*Claims on United States*	*5,091*	*6,900*	*6,743*	*6,980*	*6,628*	*9,939*	*7,561*	*7,954*	*6,518*	*7,035*
3	Parent bank	1,886	4,464	3,665	3,934	3,248	6,834	4,280	4,390	2,935	3,712
4	Other	3,205	2,435	3,078	3,046	3,381	3,105	3,281	3,564	3,583	3,323
5	*Claims on foreigners*	*111,974*	*138,712*	*163,391*	*182,499*	*186,192*	*189,317*	*192,657*	*204,864*	*198,967*	*202,311*
6	Other branches of parent bank	19,177	27,559	34,508	41,000	41,174	41,812	42,729	46,585	47,141	49,084
7	Other banks	56,368	60,283	69,206	71,802	74,796	76,152	77,216	83,576	77,136	77,236
8	Official institutions	2,693	4,077	5,792	8,766	9,208	9,205	9,550	10,608	10,835	11,168
9	Nonbank foreigners	33,736	46,793	53,886	60,932	61,015	62,148	63,162	64,095	63,855	64,823
10	Other assets	4,802	6,294	6,359	6,695	7,022	7,128	7,207	7,041	7,609	7,060
11	**Total payable in U.S. dollars**	**79,445**	**105,969**	**132,901**	**147,245**	**150,434**	**156,031**	**156,416**	**168,270**	**163,855**	**166,453**
12	*Claims on United States*	*4,599*	*6,603*	*6,408*	*6,666*	*6,269*	*9,595*	*7,218*	*7,660*	*6,239*	*6,748*
13	Parent bank	1,848	4,428	3,628	3,895	3,184	6,790	4,218	4,330	2,896	3,667
14	Other	2,751	2,175	2,780	2,771	3,085	2,805	3,001	3,330	3,343	3,081
15	*Claims on foreigners*	*73,018*	*96,209*	*123,496*	*137,374*	*140,919*	*143,083*	*145,884*	*157,407*	*153,705*	*156,085*
16	Other branches of parent bank	12,799	19,688	28,478	33,009	33,358	34,051	34,382	38,540	39,418	41,140
17	Other banks	39,527	45,067	55,319	56,422	58,877	59,316	60,283	66,257	60,660	60,327
18	Official institutions	1,777	3,289	4,864	7,606	7,906	7,885	8,298	9,017	9,468	9,833
19	Nonbank foreigners	18,915	28,164	34,835	40,337	40,779	41,831	42,920	43,593	44,159	44,785
20	Other assets	1,828	3,157	2,997	3,206	3,246	3,353	3,314	3,203	3,911	3,619
						United Kingdom					
21	**Total, all currencies**	**61,732**	**69,804**	**74,883**	**73,229**	**73,589**	**76,854**	**77,249**	**81,466**	**76,482**	**78,335**
22	*Claims on United States*	*1,789*	*3,248*	*2,392*	*1,758*	*2,036*	*3,256*	*3,426*	*3,354*	*2,262*	*1,772*
23	Parent bank	738	2,472	1,449	938	1,081	2,413	2,538	2,376	1,357	991
24	Other	1,051	776	943	821	955	843	888	978	905	781
25	*Claims of foreigners*	*57,761*	*64,111*	*70,331*	*69,298*	*69,217*	*71,162*	*71,477*	*75,859*	*71,995*	*74,713*
26	Other branches of parent bank	8,773	12,724	17,557	18,044	17,745	18,358	17,949	19,753	19,483	21,450
27	Other banks	34,442	32,701	35,904	34,135	34,405	35,336	35,846	38,089	34,827	35,517
28	Official institutions	735	788	881	1,007	1,138	1,211	1,168	1,274	1,377	1,595
29	Nonbank foreigners	13,811	17,898	15,990	16,112	15,929	16,257	16,514	16,743	16,309	16,150
30	Other assets	2,183	2,445	2,159	2,173	2,335	2,436	2,345	2,253	2,225	1,851
31	**Total payable in U.S. dollars**	**40,323**	**49,211**	**57,361**	**54,522**	**54,547**	**57,161**	**57,699**	**61,587**	**57,758**	**60,036**
32	*Claims on United States*	*1,642*	*3,146*	*2,273*	*1,658*	*1,902*	*3,124*	*3,313*	*3,275*	*2,185*	*1,684*
33	Parent bank	730	2,468	1,445	934	1,064	2,406	2,523	2,374	1,352	988
34	Other	912	678	828	724	838	719	789	902	833	696
35	*Claims on foreigners*	*37,817*	*44,694*	*54,121*	*52,006*	*51,782*	*53,112*	*53,541*	*57,488*	*54,735*	*57,492*
36	Other branches of parent bank	6,509	10,265	15,645	15,401	15,195	15,829	15,405	17,249	17,183	19,114
37	Other banks	23,389	23,716	28,224	25,826	25,866	26,421	27,008	28,983	26,184	26,767
38	Official institutions	510	610	648	799	862	912	817	846	1,110	1,320
39	Nonbank foreigners	7,409	10,102	9,604	9,980	9,859	9,950	10,311	10,410	10,258	10,291
40	Other assets	865	1,372	967	858	863	925	845	824	838	860
						Bahamas and Caymans					
41	**Total, all currencies**	**23,771**	**31,733**	**45,203**	**57,677**	**60,753**	**63,508**	**61,758**	**67,398**	**67,393**	**67,271**
42	*Claims on United States*	*2,210*	*2,464*	*3,229*	*3,554*	*3,330*	*5,464*	*2,892*	*3,461*	*3,148*	*3,696*
43	Parent bank	317	1,081	1,477	1,641	1,257	3,490	766	1,095	767	1,393
44	Other	1,893	1,383	1,752	1,913	2,072	1,973	2,126	2,365	2,381	2,303
45	*Claims on foreigners*	*21,041*	*28,453*	*41,040*	*52,933*	*56,255*	*56,806*	*57,634*	*62,720*	*62,498*	*62,163*
46	Other branches of parent bank	1,928	3,478	5,411	6,791	7,250	7,296	7,389	8,853	9,521	9,139
47	Other banks	9,895	11,354	16,298	20,217	22,447	22,136	22,438	25,324	23,748	22,970
48	Official institutions	1,151	2,022	3,576	5,929	6,059	6,040	6,485	7,101	7,004	7,225
49	Nonbank foreigners	8,068	11,599	15,756	19,995	20,498	21,334	21,322	21,442	22,225	22,829
50	Other assets	520	815	933	1,190	1,169	1,239	1,232	1,217	1,747	1,413
51	**Total payable in U.S. dollars**	**21,937**	**28,726**	**41,887**	**53,520**	**56,600**	**59,219**	**57,672**	**63,329**	**63,180**	**62,742**

3.22 Continued

	Liability account	1973	1974	1975	1976 Aug.	1976 Sept.	1976 Oct.	1976 Nov.r	1976 Dec.r	1977 Jan.	1977 Feb.p
					All foreign countries						
52	**Total, all currencies**	**121,866**	**151,905**	**176,493**	**196,174**	**199,843**	**206,383**	**207,424**	**219,859**	**213,094**	**216,407**
53	*To United States*	*5,610*	*11,982*	*20,221*	*27,118*	*29,978*	*29,457*	*30,757*	*31,684*	*30,343*	*29,383*
54	Parent bank	1,642	5,809	12,165	16,495	18,957	17,869	19,058	18,318	18,673	18,137
55	Other	3,968	6,173	8,057	10,623	11,020	11,588	11,699	13,367	11,670	11,247
56	*To foreigners*	*111,615*	*132,990*	*149,815*	*162,711*	*163,318*	*170,083*	*169,914*	*181,442*	*175,879*	*180,546*
57	Other branches of parent bank	18,213	26,941	34,111	40,071	40,119	41,044	41,692	46,586	45,397	48,867
58	Other banks	65,389	65,675	72,259	74,367	75,054	78,912	77,819	83,302	79,550	77,941
59	Official institutions	10,330	20,185	22,773	23,428	23,731	25,019	23,967	25,828	25,480	26,631
60	Nonbank foreigners	17,683	20,189	20,672	24,844	24,414	25,107	26,436	25,725	25,453	27,108
61	Other liabilities	4,641	6,933	6,456	6,346	6,547	6,844	6,753	6,733	6,871	6,478
62	**Total payable in U.S. dollars**	**80,374**	**107,890**	**135,907**	**151,788**	**155,149**	**160,440**	**160,875**	**173,637**	**168,390**	**171,528**
63	*To United States*	*5,027*	*11,437*	*19,503*	*26,348*	*29,088*	*28,683*	*29,867*	*30,897*	*29,402*	*28,465*
64	Parent bank	1,477	5,641	11,939	16,254	18,624	17,633	18,821	18,105	18,419	17,886
65	Other	3,550	5,795	7,564	10,094	10,464	11,049	11,046	12,793	10,982	10,580
66	*To foreigners*	*73,189*	*92,503*	*112,879*	*122,187*	*122,677*	*128,358*	*127,585*	*139,224*	*135,229*	*139,425*
67	Other branches of parent bank	12,554	19,330	28,217	32,690	32,921	33,850	33,993	39,317	38,789	41,914
68	Other banks	43,641	43,656	51,583	53,298	53,505	56,302	55,472	60,158	56,973	55,861
69	Official institutions	7,491	17,444	19,982	20,620	20,787	21,910	20,924	22,877	22,747	23,598
70	Nonbank foreigners	9,502	12,072	13,097	15,579	15,465	16,296	17,196	16,872	16,720	18,052
71	Other liabilities	2,158	3,951	3,526	3,252	3,383	3,400	3,423	3,515	3,759	3,638
					United Kingdom						
72	**Total, all currencies**	**61,732**	**69,804**	**74,883**	**73,229**	**73,589**	**76,854**	**77,249**	**81,466**	**76,482**	**78,335**
73	*To United States*	*2,431*	*3,978*	*5,646*	*5,266*	*5,379*	*5,310*	*5,520*	*5,997*	*5,101*	*4,871*
74	Parent bank	136	510	2,122	1,520	1,442	1,468	1,459	1,198	1,211	1,191
75	Other	2,295	3,468	3,523	3,746	3,938	3,842	4,061	4,798	3,889	3,681
76	*To foreigners*	*57,311*	*63,409*	*67,240*	*65,883*	*66,026*	*69,151*	*69,368*	*73,228*	*69,202*	*71,523*
77	Other branches of parent bank	3,944	4,762	6,494	6,668	6,788	6,826	6,783	7,092	7,663	7,981
78	Other banks	34,979	32,040	32,964	30,834	31,015	32,488	33,690	36,259	32,627	32,097
79	Official institutions	8,140	15,258	16,553	16,147	16,389	17,567	16,181	17,273	16,684	18,204
80	Nonbank foreigners	10,248	11,349	11,229	12,234	11,834	12,270	12,713	12,605	12,228	13,242
81	Other liabilities	1,990	2,418	1,997	2,080	2,184	2,394	2,360	2,241	2,179	1,940
82	**Total payable in U.S. dollars**	**39,689**	**49,666**	**57,820**	**55,701**	**55,625**	**58,031**	**58,757**	**63,174**	**59,009**	**61,329**
83	*To United States*	*2,173*	*3,744*	*5,415*	*5,093*	*5,183*	*5,152*	*5,330*	*5,849*	*4,876*	*4,704*
84	Parent bank	113	484	2,083	1,498	1,404	1,448	1,447	1,182	1,195	1,166
85	Other	2,060	3,261	3,332	3,595	3,779	3,704	3,883	4,666	3,681	3,538
86	*To foreigners*	*36,646*	*44,594*	*51,447*	*49,746*	*49,579*	*52,017*	*52,503*	*56,372*	*53,230*	*55,675*
87	Other branches of parent bank	2,519	3,256	5,442	5,604	5,790	5,742	5,520	5,874	6,573	6,906
88	Other banks	22,051	20,526	23,330	20,910	20,526	21,493	23,040	25,527	22,428	22,211
89	Official institutions	5,923	13,225	14,498	14,296	14,418	15,550	14,283	15,423	14,893	16,345
90	Nonbank foreigners	6,152	7,587	8,176	8,936	8,846	9,233	9,660	9,547	9,336	10,213
91	Other liabilities	870	1,328	959	862	862	862	924	953	903	950
					Bahamas and Caymans						
92	**Total, all currencies**	**23,771**	**31,733**	**45,203**	**57,677**	**60,753**	**63,508**	**61,758**	**67,398**	**67,392**	**67,271**
93	*To United States*	*1,573*	*4,815*	*11,147*	*18,237*	*21,218*	*20,640*	*21,144*	*21,571*	*21,617*	*20,533*
94	Parent bank	307	2,636	7,628	12,311	15,243	14,000	14,797	14,587	15,136	14,112
95	Other	1,266	2,180	3,520	5,927	5,975	6,640	6,347	6,984	6,481	6,421
96	*To foreigners*	*21,747*	*26,140*	*32,949*	*38,380*	*38,411*	*41,815*	*39,515*	*44,672*	*44,363*	*45,446*
97	Other branches of parent bank	5,508	7,702	10,569	12,416	11,854	13,381	12,931	16,085	14,665	16,861
98	Other banks	14,071	14,050	16,825	20,125	20,621	22,240	19,525	21,389	22,236	20,992
99	Official institutions	492	2,377	3,308	2,857	2,712	2,784	3,198	3,573	3,607	3,314
100	Nonbank foreigners	1,676	2,011	2,248	2,982	3,224	3,409	3,861	3,626	3,856	4,279
101	Other liabilities	451	778	1,106	1,059	1,125	1,053	1,099	1,154	1,412	1,293
102	**Total payable in U.S. dollars**	**22,328**	**28,840**	**42,197**	**54,154**	**57,232**	**59,972**	**58,244**	**64,046**	**63,770**	**63,553**

3.23 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

	Country or area	1975	1976	1977 Jan.–Mar.p	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.p	1977 Mar.p
					Holdings (end of period)[4]						
1	**Estimated total**	7,703	15,798	....	**13,467**	**14,487**	**15,063**	**15,798**	**16,307**	**17,813**	**18,524**
2	**Foreign countries**	7,372	12,765	....	**11,671**	**11,954**	**12,337**	**12,765**	**13,014**	**13,746**	**14,706**
3	*Europe*	*1,085*	*2,330*	....	*2,024*	*2,064*	*2,293*	*2,330*	*2,300*	*2,504*	*2,870*
4	Belgium-Luxembourg	13	14	....	9	13	14	14	14	14	14
5	Germany	215	764	....	518	535	746	764	764	789	894
6	Netherlands	16	288	....	282	283	288	288	287	367	388
7	Sweden	276	191	....	240	242	192	191	191	188	188
8	Switzerland	55	261	....	268	267	291	261	271	324	317
9	United Kingdom	363	485	....	396	403	433	485	476	512	713
10	Other Western Europe	143	323	....	307	317	325	323	293	306	354
11	Eastern Europe	4	4	....	4	4	4	4	4	4	4
12	Canada	395	256	....	386	390	250	256	256	261	270
13	Latin America	200	312	....	178	160	302	312	314	295	405
14	Venezuela	4	149	....	4	4	149	149	149	149	258
15	Other Latin America republics	29	35	....	26	32	28	35	21	21	26
16	Netherlands Antilles[1]	161	118	....	138	113	115	118	125	121	120
17	Asia	5,370	9,323	....	8.552	8,808	8,950	9.323	9,637	10,330	10.793
18	Japan	3,271	2,687	....	3,052	3,093	2,587	2.687	2,682	2,806	3.123
19	Africa	321	543	....	531	531	543	543	506	356	356
20	All other	*	*	....	*	*	*	*	*	*	11
21	**Nonmonetary international and regional organizations**	331	3,033	....	**1,796**	**2,533**	**2,726**	**3,033**	**3,294**	**4,068**	**3,819**
22	International	322	2,905	....	1,768	2,504	2.655	2.905	3,180	3,948	3,700
23	*Latin American regional*	9	128	....	28	28	71	128	114	119	118
					Transactions (net purchases, or sales (–), during period)						
24	**Total**	**1,994**	**8,095**	**2,727**	**1,315**	**1,019**	**577**	**735**	**510**	**1,505**	**712**
25	**Foreign countries**	**1,814**	**5,393**	**1,941**	**925**	**283**	**383**	**428**	**249**	**731**	**960**
26	Official institutions	1,612	5,116	1,740	964	227	340	421	229	709	803
27	Other foreign	202	276	201	-39	56	43	6	21	23	157
28	***Nonmonetary international and regional organizations***	**180**	**2,702**	**1,283**	**390**	**736**	**193**	**307**	**261**	**773**	**248**
	MEMO: Oil-exporting countries										
29	Middle East[2]	1,797	3,886	892	315	98	630	140	254	505	133
30	Africa[3]	170	221	–187	10	....	11	....	-37	150	....

1 Includes Surinam until January 1976.

2 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States). Data not available until 1975.

3 Comprises Algeria, Gabon, Libya, and Nigeria. Data not available until 1975.

4 Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

3.24 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

	Assets	1973	1974	1975	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
1	Deposits	251	418	353	362	305	352	383	361	349	305
	Assets held in custody:										
2	U.S. Treasury securities[1]	52,070	55,600	60,019	64,942	63,962	66,532	66,992	68,653	71,435	73,261
3	Earmarked gold[2]	17,068	16,838	16,745	16,505	16,457	16,414	16,343	16,304	16,271	16,281

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

2 The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

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

3.25 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1975	1976	1977 Jan.-Mar.p	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.p	1977 Mar.p
	U.S. corporate securities									
Stocks										
1 Foreign purchases	15,347	18,227	3,688	1,124	1,226	977	1,562	1,425	1,162	1,101
2 Foreign sales	10,678	15,474	3,152	1,116	1,321	1,025	1,287	1,137	1,035	980
3 **Net purchases, or sales (−)**	**4,669**	**2,752**	**536**	**9**	**−95**	**49**	**274**	**288**	**127**	**121**
4 **Foreign countries**	**4,651**	**2,740**	**531**	**7**	**98**	**−50**	**281**	**290**	**125**	**116**
5 Europe	2,491	336	249	−60	251	−118	111	130	47	72
6 France	262	256	21	23	−12	−25	37	27	−10	4
7 Germany	251	68	10	6	−16	−13	24	1	7	4
8 Netherlands	359	−199	9	−26	−37	−29	−35	24	−5	10
9 Switzerland	899	−100	92	55	−95	44	−7	39	23	30
10 United Kingdom	594	340	130	29	−72	−5	84	39	36	55
11 Canada	361	325	47	5	18	1	60	8	30	9
12 Latin America	−7	155	32	10	−17	25	1	4	14	14
13 Middle East[1]	1,640	1,803	167	60	126	64	115	100	50	17
14 Other Asia[2]	142	117	32	−4	28	−23	9	46	−17	3
15 Africa	10	7	*	−4	−3	1	2	*	*	*
16 Other countries	15	4	4	*	1	*	−17	2	1	1
17 **Nonmonetary international and regional organizations**	**18**	**12**	**4**	**2**	**4**	**2**	**6**	**−2**	**1**	**5**
Bonds[3]										
18 Foreign purchases	5,408	5,529	1,276	361	625	355	533	400	534	342
19 Foreign sales	4,642	4,322	744	375	386	364	524	322	214	208
20 **Net purchases, or sales (−)**	**766**	**1,207**	**532**	**−14**	**239**	**−9**	**9**	**78**	**320**	**134**
21 **Foreign countries**	**1,795**	**1,248**	**509**	**−9**	**203**	**110**	**6**	**73**	**329**	**107**
22 Europe	113	92	359	−16	−10	24	53	8	281	70
23 France	82	49	10	−1	−1	5	7	−5	−3	−2
24 Germany	6	−50	*	*	5	4	1	4	4	*
25 Netherlands	−8	29	3	*	−5	3	−20	2	−2	3
26 Switzerland	117	158	78	−7	2	−3	13	15	32	31
27 United Kingdom	52	23	271	7	*	15	54	8	225	38
28 Canada	128	96	63	18	1	16	7	11	55	−3
29 Latin America	31	94	4	5	29	6	27	5	8	1
30 Middle East[1]	1,553	1,179	100	18	156	74	−21	59	−7	48
31 Other Asia[2]	−35	−165	13	−15	3	−8	−43	1	8	6
32 Africa	5	−25	−2	−19	−2	−2	−14	*	*	2
33 Other countries	1	21	*	*	*	*	−2	*	*	*
34 **Nonmonetary international and regional organizations**	**−1,030**	**−41**	**22**	**−4**	**64**	**−119**	**3**	**4**	**−9**	**27**
	Foreign securities									
35 **Stocks, net purchases, or sales (−)**	**−189**	**322**	**−189**	**−27**	**−1**	**−1**	**4**	**18**	**−109**	**−62**
36 Foreign purchases	1,541	1,937	498	126	132	167	217	181	130	187
37 Foreign sales	1,730	2,259	686	153	133	168	213	199	238	249
38 **Bonds, net purchases, or sales (−)**	**−6,324**	**−8,547**	**−484**	**−427**	**−367**	**−400**	**−1,298**	**30**	**−374**	**−80**
39 Foreign purchases	2,383	4,932	2,012	363	452	455	670	818	581	613
40 Foreign sales	8,707	13,479	2,496	790	819	855	1,968	848	955	693
41 **Net purchases, or sales (−) of stocks and bonds**	**−6,514**	**−8,870**	**−674**	**−454**	**−369**	**−402**	**−1,294**	**49**	**−483**	**−142**
42 **Foreign countries**	**−4,323**	**−6,972**	**−985**	**−471**	**−282**	**270**	**765**	**−338**	**488**	**−159**
43 Europe	−53	836	−174	−145	−37	−10	−140	21	−207	54
44 Canada	3,202	−5,129	−656	−331	−301	26	643	−298	−265	−93
45 Latin America	−306	1	102	20	13	−28	37	25	42	35
46 Asia	−622	640	−268	−16	34	10	−24	−53	61	−154
47 Africa	15	48	1	*	1	*	2	1	2	*
48 Other countries	−155	−416	10	2	9	−197	3	9	1	*
49 **Nonmonetary international and regional organizations**	**2,192**	**−1,898**	**312**	**17**	**−87**	**−132**	**−529**	**290**	**5**	**17**

[1] Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

[2] Includes Middle East oil-exporting countries until 1975.

[3] Includes State and local government securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investment abroad.

3.26 SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Nonbanking Concerns in the United States

Millions of dollars, end of period

	Type, and area or country	Liabilities to foreigners 1975 Dec.r	1976 Mar.r	June r	Sept.	Dec.p	Claims on foreigners 1975 Dec.r	1976 Mar.r	June r	Sept.	Dec.p
1	**Total**	**6,006**	**6,350**	**6,301**	**6,318**	**6,477**	**12,151**	**12,698**	**13,847**	**13,190**	**14,148**
	By type:										
2	*Payable in dollars*	*5,402*	*5,700*	*5,676*	*5,702*	*5,867*	*11,048*	*11,713*	*12,912*	*12,211*	*13,211*
3	*Payable in foreign currencies*	*605*	*650*	*625*	*615*	*610*	*1,103*	*985*	*935*	*980*	*936*
4	Deposits with banks abroad in reporter's name						564	478	496	493	379
5	Other						539	508	439	487	557
	By area or country:										
6	**Foreign countries**	**5,602**	**6,132**	**6,055**	**6,131**	**6,269**	**12,150**	**12,697**	**13,846**	**13,189**	**14,147**
7	*Europe*	*2,333*	*2,344*	*2,286*	*2,270*	*2,122*	*4,499*	*4,935*	*5,330*	*5,155*	*5,250*
8	Austria	14	6	13	15	10	16	17	17	21	21
9	Belgium-Luxembourg	299	296	233	183	166	133	116	193	195	163
10	Denmark	9	12	12	13	7	39	35	30	26	50
11	Finland	14	10	7	21	4	91	36	138	139	79
12	France	149	205	159	185	198	291	355	363	413	426
13	Germany	149	152	228	256	173	355	305	358	492	377
14	Greece	19	25	29	28	48	33	41	47	56	51
15	Italy	171	125	116	128	97	381	406	335	358	383
16	Netherlands	114	162	170	141	141	167	176	146	142	162
17	Norway	20	23	22	24	29	40	58	52	43	49
18	Portugal	4	3	3	5	13	44	45	22	28	40
19	Spain	81	68	51	36	40	408	516	432	336	369
20	Sweden	29	25	24	35	34	62	80	84	62	89
21	Switzerland	130	159	213	241	187	242	207	270	254	241
22	Turkey	25	14	20	16	13	28	26	31	23	25
23	United Kingdom	998	929	846	789	811	1,901	2,280	2,599	2,363	2,437
24	Yugoslavia	76	91	108	113	123	36	30	28	30	26
25	Other Western Europe	8	6	7	8	7	14	18	14	17	19
26	U.S.S.R.	20	23	10	19	9	150	106	96	81	156
27	Other Eastern Europe	11	10	16	14	13	70	80	75	79	85
28	*Canada*	*295*	*313*	*369*	*324*	*377*	*2,109*	*2,234*	*2,202*	*2,216*	*2,449*
29	*Latin America*	*912*	*1,176*	*1,077*	*1,011*	*1,017*	*2,367*	*2,563*	*3,053*	*2,813*	*3,557*
30	Argentina	36	41	42	41	38	58	48	43	39	44
31	Bahamas	277	376	330	251	260	667	883	1,150	925	1,368
32	Brazil	96	91	90	53	65	409	475	462	417	682
33	Chile	14	11	15	16	17	36	27	46	26	34
34	Colombia	17	16	19	11	13	49	47	57	66	59
35	Cuba	*	*	*	*	*	1	1	1	1	1
36	Mexico	82	92	72	74	95	362	332	332	352	332
37	Panama	16	10	12	10	34	91	84	101	83	74
38	Peru	29	30	31	32	25	41	38	39	35	42
39	Uruguay	3	2	3	3	4	4	4	4	22	5
40	Venezuela	100	163	184	222	219	178	156	186	215	194
41	Other Latin American republics	71	71	95	100	137	159	170	184	179	270
42	Netherlands Antilles [1]	35	58	55	68	10	12	7	10	9	9
43	Other Latin America	138	214	130	129	101	301	292	437	444	442
44	*Asia*	*1,721*	*1,733*	*1,752*	*2,027*	*2,080*	*2,631*	*2,489*	*2,727*	*2,419*	*2,330*
45	China, People's Republic of (Mainland)	6	5	8	7	20	65	35	23	11	23
46	China, Republic of (Taiwan)	97	110	124	129	112	164	100	215	136	199
47	Hong Kong	18	23	28	33	40	111	66	104	88	96
48	India	7	9	10	11	23	39	60	51	53	55
49	Indonesia	137	141	133	144	136	140	155	160	193	209
50	Israel	31	26	34	32	39	54	42	53	48	41
51	Japan	295	307	290	275	228	1,130	1,161	1,169	1,008	912
52	Korea	69	53	62	85	77	263	105	131	142	120
53	Philippines	14	18	18	28	53	96	106	114	93	86
54	Thailand	18	18	11	23	24	22	20	19	23	22
55	Other Asia	1,031	1,022	1,035	1,260	1,326	549	638	691	624	567
56	*Africa*	*390*	*502*	*527*	*432*	*597*	*405*	*343*	*378*	*407*	*390*
57	Egypt	37	30	22	25	27	22	22	28	36	28
58	Morocco	8	7	32	42	43	10	10	12	9	10
59	South Africa	99	113	88	65	54	93	80	83	78	87
60	Zaire	6	7	12	24	36	24	23	25	28	21
61	Other Africa	239	345	372	276	438	256	207	230	257	245
62	*Other countries*	*70*	*65*	*44*	*67*	*76*	*141*	*133*	*155*	*178*	*171*
63	Australia	55	47	32	50	57	102	97	100	112	106
64	All other	14	18	12	18	19	39	36	56	67	65
65	**Nonmonetary international and regional organizations**	**276**	**219**	**246**	**186**	**208**	**1**	**1**	**1**	**1**	**1**

[1] Includes Surinam until 1976.

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States. *Data exclude claims held through U.S. banks and intercompany accounts between U.S. companies and their affiliates.*

3.27 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Large Nonbanking Concerns in the United States

Millions of dollars, end of period

Type and country	1973	1974	1075	1976 Aug.	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.[p]
1 **Total**	**3,164**	**3,357**	**3,792**	**5,140**	**4,725**	**4,897**	**5,123**	**5,419**	**5,358**	**5,575**
By type:										
2 *Payable in dollars*	*2,625*	*2,660*	*3,038*	*4,559*	*4,077*	*4,326*	*4,600*	*4,802*	*4,743*	*4,941*
3 Deposits	2,588	2,591	2,706	4,140	3,707	3,935	4,213	4,429	4,375	4,564
4 Short-term investments [1]	37	69	332	419	370	391	387	373	368	377
5 *Payable in foreign currencies*	*540*	*697*	*756*	*582*	*648*	*571*	*523*	*618*	*616*	*634*
6 Deposits	435	429	510	368	438	339	307	332	308	336
7 Short-term investments [1]	105	268	246	214	210	232	216	286	308	298
By country:										
8 United Kingdom	1,118	1,350	1,304	2,077	1,709	1,640	1,693	1,835	1,851	1,844
9 Canada	765	967	1,153	1,401	1,336	1,429	1,552	1,539	1,291	1,321
10 Bahamas	589	390	546	823	810	1,059	1,059	1,247	1,312	1,396
11 Japan	306	398	343	137	146	116	135	110	127	164
12 All other	386	252	445	702	724	653	684	688	777	850

[1] Negotiable and other readily transferable foreign obligations payable on demand or having a contractural maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

NOTE.—Data represent the assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 3.26.

3.28 LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Nonbanking Concerns in the United States

Millions of dollars, end of period

Area and country	1975 Dec.[r]	1976 Mar.[r]	1976 June	1976 Sept.	1976 Dec.[p]	1975 Dec.[r]	1976 Mar.[r]	1976 June	1976 Sept.	1976 Dec.[p]
	Liabilities to foreigners					Claims on foreigners				
1 **Total**	**4,256**	**4,069**	**3,935**	**3,725**	**3,507**	**4,977**	**5,177**	**5,034**	**4,971**	**4,910**
2 Europe	3,267	3,114	2,992	2,820	2,697	1,026	973	984	953	910
3 Germany	506	446	425	406	396	37	34	35	73	72
4 Netherlands	202	214	214	270	258	217	219	211	211	156
5 Switzerland	522	484	467	327	260	59	56	56	54	57
6 United Kingdom	1,604	1,577	1,493	1,445	1,407	396	349	365	298	297
7 Canada	155	144	166	111	86	1,426	1,473	1,516	1,511	1,534
8 Latin America	269	248	222	230	241	1,634	1,770	1,602	1,547	1,520
9 Bahamas	210	184	157	132	138	8	7	37	37	36
10 Brazil	4	5	5	5	5	170	182	164	171	203
11 Chile	1	1	1	1	1	315	312	306	244	248
12 Mexico	3	6	6	7	15	216	209	187	219	195
13 Asia	496	495	489	498	423	669	685	710	737	771
14 Japan	397	394	388	402	397	90	91	85	80	80
15 Africa	2	2	2	2	2	168	214	163	165	189
16 All other [1]	66	65	64	64	58	55	61	59	58	58

[1] Includes nonmonetary international and regional organizations.

3.29 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Per cent per annum

Country	Rate on Apr. 30, 1977		Country	Rate on Apr. 30, 1977		Country	Rate on Apr. 30, 1977	
	Per cent	Month effective		Per cent	Month effective		Per cent	Month effective
Argentina	18.0	Feb. 1972	France	10.5	Sept. 1976	Norway	6.0	Sept. 1976
Austria	4.0	June 1976	Germany, Fed. Rep. of.	3.5	Sept. 1975	Sweden	8.0	Oct. 1976
Belgium	7.0	Feb. 1977	Italy	15.0	Oct. 1976	Switzerland	2.0	June 1976
Brazil	28.0	May 1976	Japan	5.0	Apr. 1977	United Kingdom	8.25	Apr. 1977
Canada	8.0	Feb. 1977	Mexico	4.5	June 1942	Venezuela	5.0	Oct. 1970
Denmark	9.0	Mar. 1977	Netherlands	4.5	Apr. 1977			

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.30 FOREIGN SHORT-TERM INTEREST RATES

Per cent per annum, averages of daily figures

Country, or type	1974	1975	1976	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
1 Euro-dollars	11.01	7.02	5.58	5.29	5.01	5.14	5.08	5.13	5.16
2 United Kingdom	13.34	10.63	11.35	14.75	14.27	13.53	11.56	10.31	8.59
3 Canada	10.47	8.00	9.39	9.08	8.51	8.24	7.78	7.63	7.58
4 Germany	9.80	4.87	4.19	4.61	4.82	4.70	4.64	4.70	4.57
5 Switzerland		3.01	1.45	2.12	1.98	1.24	1.68	2.88	2.61
6 Netherlands		5.17	7.02	8.22	6.51	6.18	6.04	5.73	4.89
7 France		7.91	8.65	10.41	10.55	10.02	9.81	9.87	9.33
8 Italy		10.37	16.32	17.76	17.13	15.68	15.86	16.57	16.26
9 Belgium		6.63	10.25	12.48	10.73	8.49	7.59	7.07	7.01
10 Japan		11.64	7.70	8.00	8.00	7.50	7.50	7.20	6.46

NOTE.—Rates are for 3-month interbank loans except for—Canada, finance company paper; Belgium, time deposits of 20 million francs and over; and Japan, loans and discounts that can be called after being held over a minimum of two month-ends.

3.31 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1974	1975	1976	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
1 Australia/dollar	143.89	130.77	122.15	120.66	105.29	108.53	109.04	109.94	110.53
2 Austria/shilling	5.3564	5.7467	5.5744	5.8332	5.9061	5.8852	5.8453	5.8822	5.9252
3 Belgium/franc	2.5713	2.7253	2.5921	2.7047	2.7483	2.7249	2.7114	2.7258	2.7509
4 Canada/dollar	102.26	98.30	101.41	101.46	98.204	98.985	97.295	95.125	95.103
5 Denmark/krone	16.442	17.437	16.546	16.934	17.145	16.967	16.891	17.038	16.710
6 Finland/markka	26.565	27.285	25.938	26.073	26.315	26.313	26.169	26.296	24.899
7 France/franc	20.805	23.354	20.942	20.042	20.055	20.108	20.083	20.075	20.133
8 Germany/deutsche mark	38.723	40.729	39.737	41.443	41.965	41.792	41.582	41.812	42.119
9 India/rupee	12.460	11.926	11.148	11.155	11.296	11.231	11.285	11.313	11.310
10 Ireland/pound	234.03	222.16	180.48	163.81	167.84	171.24	171.03	171.74	171.90
11 Italy/lira	.15372	.15328	.12044	.11554	.11521	.11372	.11327	.11276	.11264
12 Japan/yen	.34302	.33705	.33741	.33879	.33933	.34359	.35087	.35687	.36339
13 Malaysia/ringgit	41.682	41.753	39.340	39.513	39.550	39.718	40.011	40.152	40.305
14 Mexico/peso	8.0000	8.0000	6.9161	4.0200	4.8626	4.8114	4.4084	4.3978	4.4076
15 Netherlands/guilder	37.267	39.632	37.846	39.678	40.240	39.953	39.813	40.079	40.464
16 New Zealand/dollar	140.02	121.16	99.115	95.392	92.179	94.839	95.192	95.689	96.129
17 Norway/krone	18.119	19.180	18.327	18.954	19.193	18.946	18.904	19.035	18.909
18 Portugal/escudo	3.9506	3.9286	3.3159	3.1742	3.1674	3.1276	3.0717	2.5778	2.5752
19 South Africa/rand	146.98	136.47	114.85	114.88	114.95	114.94	115.00	115.00	114.93
20 Spain/peseta	1.7337	1.7424	1.4958	1.4626	1.4634	1.4577	1.4475	1.4530	1.4536
21 Sri Lanka/rupee	14.978	14.385	11.908	11.479	11.246	11.421	11.442	12.820	13.676
22 Sweden/krona	22.563	24.141	22.957	23.699	24.051	23.734	23.543	23.726	23.004
23 Switzerland/franc	33.688	38.743	40.013	40.958	40.823	40.127	39.669	39.209	39.582
24 United Kingdom/pound	234.03	222.16	180.48	163.81	167.84	171.24	171.03	171.74	171.90
MEMO:									
25 United States/dollar [1]	84.11	82.20	89.68	91.06	90.55	90.35	90.55	90.45	90.13

[1] Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. May 1970 parities = 100. Weights are 1972 global trade of each of the 10 countries.

NOTE.—Averages of certified noon buying rates in New York for cable transfers.

Guide to Tabular Presentation and Statistical Releases

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

p	Preliminary
r	Revised
rp	Revised preliminary
e	Estimated
c	Corrected
n.e.c.	Not elsewhere classified
Rp's	Repurchase agreements
IPC's	Individuals, partnerships, and corporations
SMSA's	Standard metropolitan statistical areas
REIT's	Real estate investment trusts
*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
......	(1) Zero, (2) no figure to be expected, or (3) figure delayed or, (4) no change (when figures are expected in percentages).

General Information

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

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

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

STATISTICAL RELEASES

List Published Semiannually, with Latest Bulletin Reference

	Issue	*Page*
Anticipated schedule of release dates for individual releases	Dec. 1976	A-82

Revised data for call report for March 31, 1976, appear on following two pages.

1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Revised Detailed Balance Sheet, March 31, 1976◀

Asset and liability items are shown in millions of dollars

	Asset account	Insured commercial banks	Member banks[1]					Non-member banks[1]
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
1	**Cash bank balances, items in process**	**119,029**	**101,776**	**27,683**	**4,185**	**37,976**	**31,931**	**17,260**
2	Currency and coin	11,216	8,440	843	158	2,716	4,723	2,776
3	Reserves with F.R. Banks	28,523	28,523	4,862	2,065	11,787	9,810	
4	Demand balances with banks in United States	27,673	17,250	6,716	102	3,175	7,256	10,430
5	Other balances with banks in United States	6,579	4,260	42	16	1,592	2,611	2,319
6	Balances with banks in foreign countries	2,918	2,538	169	41	1,465	864	379
7	Cash items in process of collection	42,120	40,764	15,052	1,803	17,242	6,667	1,356
8	**Total securities held—Book value**	**229,517**	**162,986**	**18,873**	**7,459**	**52,532**	**84,121**	**66,534**
9	U.S. Treasury	89,044	65,008	9,568	3,763	21,487	30,189	24,038
10	Other U.S. Govt. agencies	33,685	20,914	1,318	350	6,081	13,165	12,771
11	States and political subdivisions	100,917	73,140	7,479	3,168	23,908	38,585	27,777
12	All other securities	5,792	3,870	508	178	1,036	2,148	1,923
13	Unclassified total	79	54			20	34	25
14	*Trading-account securities*	*5,664*	*5,584*	*2,394*	*772*	*2,160*	*259*	*79*
15	U.S. Treasury	3,672	3,641	1,770	625	1,130	115	31
16	Other U.S. Govt. agencies	738	732	260	27	396	49	5
17	States and political subdivisions	782	764	224	84	407	48	19
18	All other trading acct. securities	393	393	139	35	206	13	
19	Unclassified	79	54			20	34	25
20	*Bank investment portfolios*	*223,853*	*157,401*	*16,480*	*6,687*	*50,373*	*83,862*	*66,454*
21	U.S. Treasury	85,372	61,367	7,798	3,137	20,357	30,074	24,007
22	Other U.S. Govt. agencies	32,947	20,182	1,058	324	5,685	13,116	12,766
23	States and political subdivisions	100,135	72,376	7,255	3,083	23,501	38,537	27,759
24	All other portfolio securities	5,399	3,477	369	143	830	2,135	1,923
25	F.R. stock and corporate stock	1,508	1,261	255	82	446	477	248
26	**Federal funds sold and securities resale agreement**	**36,012**	**27,144**	**1,910**	**1,484**	**13,095**	**10,655**	**8,893**
27	Commercial banks	31,447	22,809	1,115	1,110	10,353	10,231	8,663
28	Brokers and dealers	3,200	3,019	352	344	2,008	314	181
29	Others	1,365	1,316	443	30	734	109	49
30	**Other loans, gross**	**491,772**	**379,971**	**73,015**	**20,875**	**139,159**	**146,922**	**111,801**
31	LESS: Unearned income on loans	11,217	7,829	492	83	2,654	4,601	3,388
32	Reserves for loan loss	6,067	4,862	1,157	331	1,736	1,637	1,205
33	Other loans, net	474,488	367,281	71,366	20,461	134,769	140,684	107,208
	Other loans, gross, by category							
34	*Real estate loans*	*138,447*	*98,728*	*9,836*	*2,007*	*35,464*	*51,421*	*39,719*
35	Construction and land development	16,019	13,183	3,369	502	6,051	3,261	2,836
36	Secured by farmland	6,111	2,645	20	15	273	2,337	3,466
37	Secured by residential	78,391	56,705	4,493	923	20,465	30,824	21,686
38	*1- to 4-family residences*	*73,925*	*53,421*	*4,040*	*827*	*19,223*	*29,331*	*20,504*
39	FHA-insured or VA-guaranteed	8,236	7,133	658	52	3,797	2,626	1,104
40	Conventional	65,689	46,289	3,382	775	15,426	26,705	19,400
41	*Multifamily residences*	*4,466*	*3,284*	*453*	*96*	*1,242*	*1,493*	*1,182*
42	FHA-insured	407	340	127	25	99	90	66
43	Conventional	4,059	2,944	326	71	1,142	1,404	1,115
44	Secured by other properties	37,925	26,194	1,954	567	8,675	14,999	11,731
45	*Loans to financial institutions*	*37,353*	*35,465*	*13,711*	*4,773*	*13,999*	*2,984*	*1,888*
46	To REIT's and mortgage companies	10,457	10,148	4,067	1,536	3,805	739	309
47	To domestic commercial banks	3,050	2,388	819	111	1,038	421	662
48	To banks in foreign countries	5,687	5,560	2,671	327	2,154	408	126
49	To other depositary institutions	2,194	2,067	818	15	1,063	171	126
50	To other financial institutions	15,966	15,301	5,335	2,783	5,938	1,245	664
51	Loans to security brokers and dealers	6,125	6,017	4,206	627	1,062	122	108
52	Other loans to purch./carry securities	3,863	3,233	411	315	1,613	895	630
53	Loans to famers—except real estate	20,434	11,380	95	170	2,589	8,526	9,054
54	Commercial and industrial loans	167,026	138,870	36,560	10,642	52,771	38,898	28,156
55	Loans to individuals	105,635	74,954	5,755	1,604	26,374	41,221	30,681
56	*Instalment loans*	*83,192*	*58,745*	*4,094*	*903*	*20,964*	*32,784*	*24,447*
57	Passenger automobiles	34,200	22,522	708	157	6,729	14,928	11,677
58	Residential-repair/modernize	5,839	4,161	312	35	1,688	2,126	1,678
59	Credit cards and related plans	11,926	10,523	1,397	511	5,714	2,901	1,403
60	Charge-account credit cards	9,252	8,306	991	481	4,645	2,190	946
61	Check and revolving credit plans	2,674	2,217	406	30	1,069	711	457
62	Other retail consumer goods	15,088	10,457	281	92	3,699	6,385	4,632
63	Mobile homes	8,641	6,200	164	36	2,231	3,768	2,441
64	Other	6,447	4,257	116	56	1,468	2,617	2,190
65	Other instalment loans	16,139	11,082	1,396	108	3,133	6,445	5,057
66	Single-payment loans to individuals	22,443	16,209	1,661	701	5,411	8,437	6,234
67	All other loans	12,888	11,323	2,442	738	5,288	2,855	1,565
68	**Total loans and securities, net**	**741,525**	**558,671**	**92,404**	**29,486**	**200,843**	**235,938**	**182,882**
69	Direct lease financing	4,201	3,988	696	129	2,559	604	212
70	Fixed assets—Buildings, furniture, real estate	17,834	13,369	1,554	560	5,339	5,917	4,466
71	Investment in unconsolidated subsidiaries	1,983	1,959	836	152	898	72	24
72	Customer acceptances outstanding	9,752	9,460	5,010	372	3,794	284	291
73	Other assets	25,296	22,435	8,112	1,677	8,885	3,760	2,907
74	**Total assets**	**919,620**	**711,659**	**136,296**	**36,562**	**260,295**	**278,505**	**208,043**

For notes see opposite page.

1.26 Continued◀

	Liability or capital account	Insured commercial banks	Member banks[1]						Non-member banks[1]
			Total	Large banks				All other	
				New York City	City of Chicago	Other large			
75	**Demand deposits**	**295,012**	**231,681**	**55,009**	**9,057**	**81,115**		**86,500**	**63,331**
76	Mutual savings banks	1,034	941	450	2	204		285	92
77	Other individuals, partnerships, and corporations	228,642	173,792	31,011	6,570	63,816		72,395	54,849
78	U.S. Govt.	2,474	1,798	136	25	646		990	676
79	States and political subdivisions	15,860	11,183	634	191	3,339		7,019	4,677
80	Foreign governments, central banks, etc.	1,434	1,388	1,173	18	166		30	47
81	Commercial banks in United States	29,640	28,582	13,835	1,823	9,511		3,413	1,058
82	Banks in foreign countries	5,518	5,388	4,120	136	1,016		117	130
83	Certified and officers' checks, etc.	10,411	8,610	3,651	291	2,417		2,251	1,801
84	**Time deposits**	**285,634**	**213,831**	**35,869**	**13,466**	**75,705**		**88,790**	**71,803**
85	Accumulated for personal loan payments	196	150	....	....	12		138	45
86	Mutual savings banks	556	540	297	2	193		48	16
87	Other individuals, partnerships, and corporations	219,508	162,351	24,723	9,460	56,716		71,452	57,157
88	U.S. Govt.	619	478	91	1	200		186	141
89	States and political subdivisions	46,330	32,822	1,483	1,442	13,696		16,200	13,508
90	Foreign governments, central banks, etc.	8,551	8,338	5,278	1,136	1,892		33	213
91	Commercial banks in United States	8,525	7,864	3,016	1,340	2,792		716	661
92	Banks in foreign countries	1,350	1,287	981	86	203		17	63
93	**Savings deposits**	**179,027**	**128,701**	**9,954**	**2,706**	**46,229**		**69,813**	**50,326**
94	Individuals and nonprofit organizations	170,797	122,765	9,456	2,616	44,216		66,477	48,032
95	Corporations and other profit organizations	5,233	3,880	225	66	1,645		1,944	1,353
96	U.S. Govt.	2,930	1,992	222	23	360		1,387	938
97	All other	67	64	50	....	8		5	3
98	**Total deposits**	**759,673**	**574,213**	**100,832**	**25,229**	**203,049**		**245,103**	**185,460**
99	**Federal funds purchased and securities sold under agreements to repurchase**	**57,248**	**54,654**	**12,057**	**7,536**	**27,495**		**7,566**	**2,594**
100	Commercial banks	35,330	34,269	6,712	5,261	18,301		3,995	1,061
101	Brokers and dealers	5,609	5,409	755	1,001	2,963		689	200
102	Others	16,309	14,976	4,591	1,273	6,231		2,881	1,333
103	Other liabilities for borrowed money	4,469	4,165	1,919	58	1,866		321	304
104	Mortgage indebtedness	770	554	57	16	299		182	216
105	Bank acceptances outstanding	10,405	10,114	5,634	374	3,822		285	291
106	Other liabilities	15,209	13,220	4,356	897	5,072		2,895	2,065
107	**Total liabilities**	**847,774**	**656,920**	**124,856**	**34,110**	**241,603**		**256,351**	**190,930**
108	Subordinated notes and debentures	4,549	3,676	917	84	1,697		978	873
109	**Equity capital**	**67,297**	**51,063**	**10,523**	**2,368**	**16,995**		**21,176**	**16,241**
110	Preferred stock	53	34	....	....	10		24	20
111	Common stock	15,699	11,631	2,439	570	3,695		4,928	4,070
112	Surplus	27,108	20,273	4,089	1,149	7,092		7,943	6,836
113	Undivided profits	22,707	17,902	3,921	600	5,786		7,596	4,807
114	Other capital reserves	1,730	1,223	75	50	412		686	508
115	**Total liabilities and equity capital**	**919,620**	**711,659**	**136,296**	**36,562**	**260,295**		**278,505**	**208,043**
	MEMO:								
116	Demand deposits adjusted[2]	220,779	160,538	25,986	5,405	53,716		75,430	60,241
	Average for last 15 or 30 days:								
117	Average cash and due from bank	117,461	101,148	28,576	4,255	37,278		31,039	16,316
118	Average Federal funds sold and securities purchased under agreements to resell	36,702	27,391	1,900	1,379	12,723		11,389	9,340
119	Average total loans	486,169	371,806	72,794	20,828	136,099		142,085	114,363
120	Average time deposits of $100,000 or more	144,211	120,666	31,643	11,156	49,255		28,612	23,545
121	Average total deposits	751,499	567,979	98,482	25,185	200,717		243,595	183,520
122	Average Federal funds purchased and securities sold under agreements to repurchase	59,309	56,744	14,858	7,312	26,869		7,706	2,565
123	Average other liabilities for borrowed money	4,094	3,814	1,677	47	1,803		287	280
124	Standby letters of credit outstanding	9,758	9,307	4,924	950	2,817		615	452
125	Time deposits of $100,000 or more	143,510	121,015	31,753	11,432	48,996		28,834	22,495
126	Certificates of deposit	119,935	100,230	26,167	9,273	39,542		25,248	19,705
127	Other time deposits	23,575	20,785	5,586	2,159	9,454		3,586	2,790
128	Number of banks	14,368	5,778	12	9	154		5,603	8,595

◀ Revised data shown in this table reflect mainly changes for large banks in New York City and for other large banks.

Similarly revised data for Mar. 31, 1977, appear on pp. A-18 and A-19. Henceforth the Board does not plan to include revised data for individual call reports in the *Bulletin*. Its journal of record will be the *Annual Statistical Digest*, each issue of which will contain all revised data available at the time of publication for call report data as well as other series.

1 Member banks exclude and nonmember banks include 5 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

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

NOTE. Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. Holdings by type of security will be reported as soon as they become available.

Back data in lesser detail were shown in previous BULLETINS. Details may not add to totals because of rounding.

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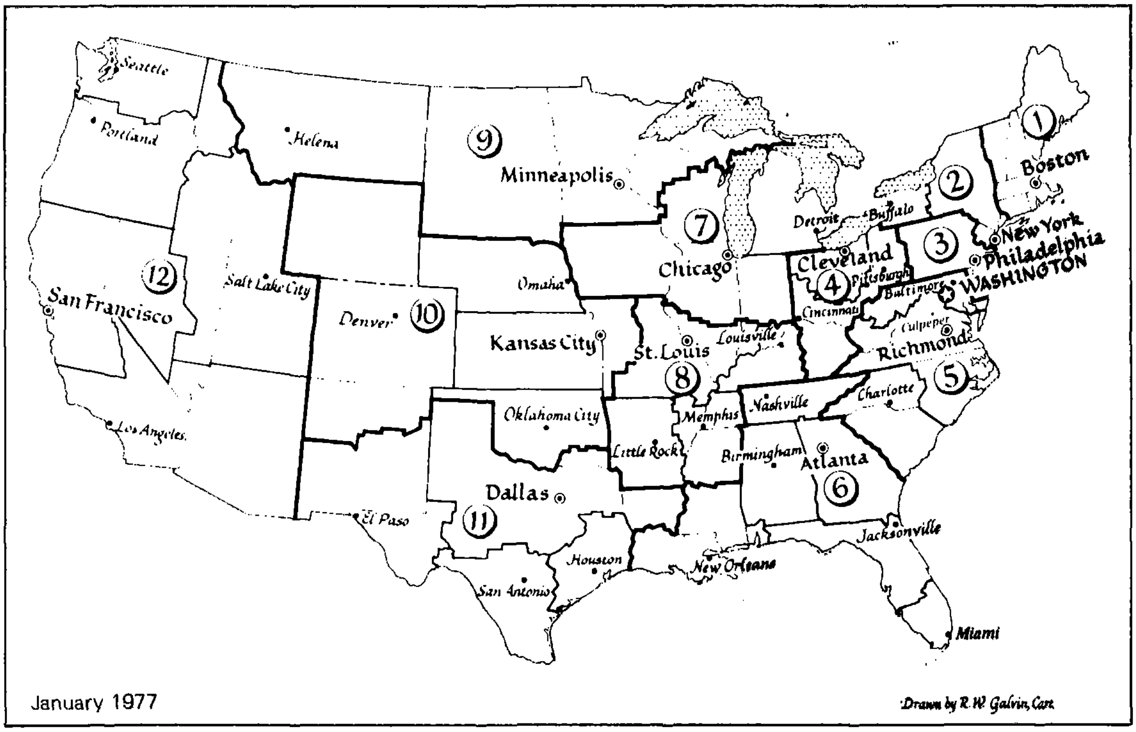

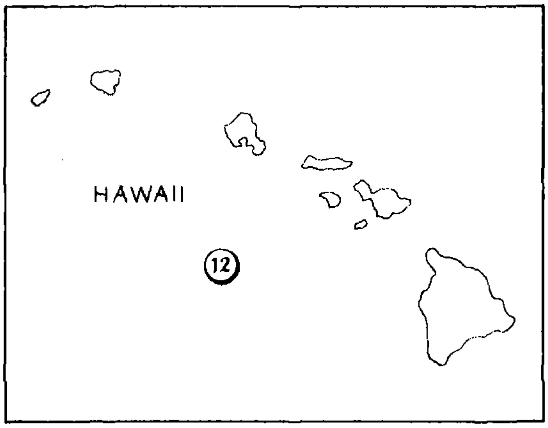

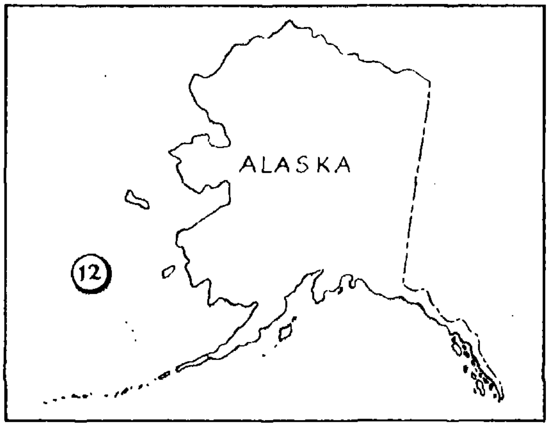

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