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Table of Contents

Federal and State Laws on Consumer Financial Services: The Doctrine of Preemption

This article was prepared by Rugenia Silver, with the assistance of other attorneys in the Division of Consumer and Community Affairs.

Over the past decade, both the federal government and the individual states have extensively regulated consumer financial services. While the states have traditionally occupied this field—setting usury limits, establishing permissible contract provisions, and providing other consumer protections—the federal government has become increasingly involved by regulating areas such as credit disclosures, billing practices, consumer leasing transactions, electronic fund transfers, mortgage rates, and mortgage instruments.

With the passage of each federal act and regulation, differences arise between the federal law and state laws on the same subject matter. Although sometimes minor, these differences may complicate compliance and confuse consumers. For example, federal law gives a consumer 60 days to assert a billing error, starting from the date a periodic statement was *sent* by the creditor. Some state laws give the consumer 60 days from the time the statement was *received.* Similarly, some state laws require the inclusion of application fees in the "finance charge" in disclosing the cost of credit; federal law requires their exclusion. Are both laws applicable as long as a creditor can comply with both without violating either? Or has federal entry into the field had the effect of nullifying state action?

The Congress in most instances has provided that state legislation governing consumer financial services continue to coexist with federal law, and it has set standards for determining whether federal law has preempted similar state law. This article will consider the relationship of federal and state laws governing consumer financial services and the way the doctrine of federal preemption operates in this area. The analysis concentrates on those titles of the Consumer Credit Protection Act for which the Federal Reserve Board has rulewriting authority because, along with that authority, the Board has special responsibility for determining whether state laws are preempted by the federal legislation. This article discusses the doctrine of federal preemption, the Board's role in implementing the preemption standards prescribed by the Congress, and some problems associated with dual legislation. It also presents suggestions for developing an alternative preemption standard.

What Is Preemption?

Federal preemption means that by operation of constitutional law, federal law overrides state law in a given field. The override may take one of two forms: the federal law may nullify the state law for all purposes, or it may render the state law inapplicable under limited circumstances.

The doctrine of preemption was developed by the U.S. Supreme Court early in the nation's history to delineate the proper relationship between federal and state law in areas in which both levels of government have jurisdiction. The doctrine derives from the supremacy clause in the Constitution, which declares that the laws of the United States shall be the supreme law of the land. Under early Supreme Court interpretations of the supremacy clause, once the federal government regulated a given subject, any state law regulating the same subject was superseded and became invalid. The Congress was assumed to have completely occupied that field of legislation, precluding any state involvement.

More recent decisions of the Supreme Court recognize that the Congress itself may permit state law to coexist with the federal law. In these interpretations, the Supreme Court has developed a two-step analysis for applying the preemption doctrine. The first step involves establishing whether the Congress has so comprehensively occupied a certain field, either expressly or by implication, that it precludes any state regulation of the same subject matter. Some of the factors considered by the Court in determining congressional intent are the dominance of federal interest in the field; the completeness of the federal scheme of legislation; the interest in uniform national regulation; the extent to which the subject matter has traditionally been regulated by state law; and the Congress' own expression of its intent to occupy the field.

When the Congress has acted to regulate a field completely, the Court has applied the preemption doctrine to invalidate all state regulation in that field, even if the state law does not conflict with the federal law—and even if the state law was intended to complement the federal law. The rationale is that the federal law is pervasive, leaving no room for state regulation.

If, on the other hand, the Court determines that the Congress has not precluded state regulation, the second step of the analysis is to determine whether any aspect of the corresponding state law conflicts with the federal law. If so, the state law must yield. But because this analysis is applied when the Congress is deemed to have contemplated coexisting state legislation, the Court has said that only those parts of state law that actually conflict with federal law will be preempted. The most obvious case for invalidating a state law involves a provision that on its face plainly contradicts a federal statute. For example, if the state statute authorizes conduct expressly forbidden by federal law, the supremacy clause dictates that federal law prevail.

In the case of the federal laws that apply to consumer financial services, the Congress intended for the federal and state laws to coexist. It made this intention clear by explicitly limiting the preemptive effect of the federal statutes when there is state legislation on the same subject. Thus the question is not whether the federal scheme will occupy the field, but how the federal and state provisions can be made to fit together. Such coordination is necessary because of the significant involvement of the federal and state governments in this area.

FEDERAL AND STATE INVOLVEMENT

The Truth in Lending Act, passed in 1968, was the first in a series of federal laws to address consumer concerns relating to financial services. Its goal was simple: to inform consumers about the cost of their credit transactions and thereby to facilitate comparison shopping among various credit sources. When Truth in Lending was adopted, however, the Congress did not anticipate extensive federal involvement in the area of consumer financial services. As the legislative history makes clear, the Congress not only permitted state legislation on credit disclosures to coexist with federal law, but also expressed the hope that the states eventually would take over the field so that federal legislation could be reduced to a minimum.

In the next decade, however, the Congress expanded its lawmaking in the area of consumer financial services. Although Truth in Lending was initially intended to govern disclosure of credit costs, amendments expanded its scope to include rules governing the issuance of credit cards, liability for their unauthorized use, and resolution of billing errors. In addition, the Congress enacted other consumer protection statutes, such as the Equal Credit Opportunity Act, which bars discrimination on certain bases in the granting of credit; the Consumer Leasing Act, which requires disclosure of lease terms; and the Electronic Fund Transfer Act, which governs the rights and responsibilities of consumers and financial institutions engaged in electronic transfers.

Over the years, state involvement in the various aspects of consumer financial services also grew. Some states have legislated extensively; others have remained relatively silent. In some areas, such as credit disclosures, the states have always been active, while in electronic banking, among other areas, they have mostly left regulation to the federal government or have relied on voluntary compliance with industry standards of conduct.

When states have chosen to regulate, the scope and substance of state laws also have differed widely. Some state disclosure laws, for instance, contain more requirements or more stringent ones than do the federal Truth in Lending Act and the Federal Reserve Board's Regulation Z; other laws provide for significantly fewer or less detailed disclosures than the federal law does. Similarly, some state laws on electronic fund transfers apply to the same types of transfers, and require basically the same disclosure of terms and conditions, as do the Electronic Fund Transfer Act and the Board's Regulation E; other states have imposed less comprehensive coverage and fewer disclosures. As another example, a number of states prohibit creditors from taking certain factors into account in the granting of credit; some also identify specific creditor practices as discriminatory and prohibit them, but do not list all of the practices barred by the federal Equal Credit Opportunity Act and the Board's Regulation B.

Given the wide range of state laws governing consumer financial services, it probably is inevitable that some of them set forth requirements beyond those mandated by the Congress—and inevitable that some are inconsistent with the federal regulatory scheme.

THE BOARD'S ROLE: DELINEATING THE FEDERAL-STATE RELATIONSHIP

Traditionally, the determination as to whether a state law conflicts with, and is therefore superseded by, a corresponding federal law has been viewed as the proper function of the courts. However, in the statutes covering consumer financial services, the Congress has assigned to the Federal Reserve Board the responsibility for establishing the proper relationship between what the Congress prescribes and what the states fashion. The Board discharges this responsibility in two ways: it explains the congressional standards of preemption in its regulations, and it applies those standards to individual state laws through formal preemption determinations. The Congress actually preempts the state laws that are inconsistent with the federal law; the Board simply clarifies which laws the Congress has preempted.

The Statutory Standard: "Inconsistency"

Each law on consumer financial services that is administered by the Board contains limitations on state law. In the Truth in Lending Act, the Congress has set out a single standard, with one important modification, to indicate the state laws that are preempted. A state law is preempted if it is "inconsistent" with the federal law. This single word summarizes the congressional test to be applied in determining whether the federal law has made the state law inapplicable.

The modification of this test applies to provisions of the consumer protection laws that deal with the substantive rights of consumers and not the simple disclosure of information. Under the modified test, a state law is not preempted if it is "more protective" of the consumer than is the comparable federal provision. For example, a law that allows consumers a longer period in which to assert billing errors is "more protective" because it gives the consumer more time to act; therefore it stands even though it is inconsistent with the federal law.

Defining the "Inconsistency" Standard

In revising Regulation Z to implement the Truth in Lending Simplification and Reform Act of 1980, the Board was faced with defining the basic standard of inconsistency, a task that raised both practical and policy considerations.

The term "inconsistency" itself may be defined in many ways, with widely varying effects on state law. For example, if an inconsistent law is defined as one that *differs* from the federal law, then all state laws relating to consumer credit disclosures will be preempted except the few that are identical to the federal act. At the other extreme, if inconsistency is defined as *clear conflict* with the federal law, then only those state laws that flatly contradict the federal law will be preempted.

These two options, and a range of others, all had their advocates among the commenters in the course of the Board's revision of Regulation Z. For the most part, representatives of the industry urged a sweeping preemption of state laws, citing the burdens of compliance and the potential confusion associated with dual legislation. Consumer groups generally favored the preservation of as much state law as possible, in the belief that consumers would thus be assured of the greatest protection. Not surprisingly, state officials also supported a position that would preserve virtually all state law in the field.

Though limited, the legislative history on the preemption provision made it clear that the Congress envisioned a narrow impact on state laws regarding consumer credit. The statute itself reflected a general intent for most state laws to coexist with federal law. Supporting legislative history also evidenced the congressional intent that the standard of inconsistency be narrowly applied. Consequently, the Board concluded that the more sweeping preemption standard espoused by some commenters clearly would not carry out the congressional purpose. There remained, however, a variety of potential definitions from which to choose.

Ultimately, the Board determined that inconsistency requires the finding of a conflict with the federal law. The definition adopted by the Board in revised Regulation Z deemed a state law to be inconsistent with the federal law if it required a creditor to provide disclosures or take actions that *contradict* the federal law. Two provisions in the regulation explain the meaning of contradiction. Under the first provision, a state law contradicts the federal law if it prescribes the use of the same term as the federal law to represent a meaning or an amount different from the one disclosed under federal law. To illustrate: Regulation Z requires the disclosure of the "finance charge"—which measures the dollar cost of credit in a manner specified by the regulation—and also requires use of that term. If a state law also requires disclosure of the "finance charge" but calls for a calculation that yields a different dollar cost for a like transaction, it is preempted.

The second provision in Regulation Z classifies a state law as contradictory to the federal law if a creditor must use a term different from that the federal law requires to describe the same item. Thus a state law is preempted if it calls for use of the term "time charge" to describe an item that corresponds to the "finance charge" on the federal disclosures.

Application of the "Contradiction" Test

Having defined inconsistency for purposes of the regulation, the Board was ready for the next major task: to examine state laws to determine whether they contradict the federal law. This task—which the Board performs in response to requests by creditors, states, or other interested parties—has proved to be even more complex than that of defining the standard.

In the past year, the Board has made preemption determinations under the Truth in Lending Act regarding disclosure provisions in the laws of eight states. This process has refined the "contradiction" standard applied by the Board in analyzing and comparing state laws with federal law. For example, the Board reviewed a provision in Arizona's law that requires a disclosure of the finance charge. The state law requires the use of the term "finance charge," as does the federal law. In some cases, however, the amount may be different because the state requires insurance costs to be included in the finance charge, whereas under the federal law such costs may be excluded if certain conditions are met. In those cases, the Board found the state law to be preempted because it requires the use of the same term as the federal law, but the amounts the term represents differ.

The Board's action regarding a Missouri law illustrates the limited displacement of state law. The Missouri law required creditors to give certain notices to the buyer, using the terms "time price differential" and "time charge." The Board found that those terms were preempted by the federal law, and could not be used either in the disclosure of credit cost or in the separately required notices. The notices themselves were determined not to be preempted, however, because they merely provided more information than that required under federal law. Creditors thus remain free to give the notices, but must use the federally prescribed term "finance charge" instead of the preempted terms.

Application of the "More Protective" Test

The inconsistency standard set by the Congress is used alone to determine whether Truth in Lending preempts state laws relating primarily to consumer credit disclosures. That standard is modified by a "more protective" test in certain areas of law that involve substantive consumer rights rather than simple disclosure of information. The Board has applied this modified test under the provisions of the Electronic Fund Transfer Act and the Board's Regulation E.

Regulation E prescribes the rules for transfers to or from a consumer's asset account (such as a checking or savings account, or a money market fund) that are made electronically instead of by paper check. In the case of a Michigan law on electronic transfers, the Board determined that some provisions were preempted because they were inconsistent, while others were saved by the "more protective" test. Both state and federal laws permit the unsolicited issuance of an access device—such as an automated teller machine (ATM) card—provided certain rules are followed. But the Michigan law limited issuance to the issuer's current customers and required written acceptance of the unsolicited card by the customer. The Michigan requirements were plainly inconsistent with the federal ones. But the Board ruled that the state's additional requirements were more protective and thus should stand.

Another provision of Michigan law was preempted because it was inconsistent with federal law and it did *not* provide greater protection to consumers. It involved a consumer's liability for unauthorized use of an ATM card or other access device. The federal law prescribes a standard of prompt notification for determining a consumer's liability for unauthorized withdrawals: If the consumer reports the loss or theft of an access device within two business days of learning of the loss or theft, the consumer's liability is limited to $50; the financial institution bears the remaining loss. (Other dollar limits are applicable if the consumer delays beyond two business days.)

The Michigan standard, which was related to negligence, appeared to impose liability greater than $50 on a consumer who handled the card negligently—by writing the personal identification number on the card, for example—even if the consumer reported the loss promptly. The Board determined that this negligence standard was preempted because it increased the consumer's exposure to liability. In reaching this result, the Board also relied on the rejection by the Congress of a negligence standard in apportioning liability between the consumer and the institution holding the account.

IMPLICATIONS OF DUAL LEGISLATION

Under the preemption standard now prescribed by the Congress for the financial services area, federal preemption applies so narrowly as to leave almost all state laws in place. The existence of dual legislation has implications for financial institutions, consumers, and the regulatory process itself.

Impact on Financial Institutions

For the industry, the burdens of compliance with two separate levels of legislation are substantial; some of these are summarized below.

Discerning the Law. Institutions that offer financial services must consult both state and federal law (including administrative or judicial interpretations) to know whether those laws apply and what they require. If both federal and state laws are applicable, financial institutions must monitor legislative, regulatory, and judicial decisions at both levels to learn of any changes. Even when the state and federal laws are identical, compliance with one may not ensure compliance with the other if state administrative rulings of the law differ from federal interpretations. Creditors that operate in many states confront the problem of learning the requirements of federal law and the law of every one of those states. Failure to comply may expose the institution to enforcement actions by administrative agencies at both the federal and the state levels—in addition to the risk of civil damages that consumers may be entitled to seek under both the federal and the state laws.

Compliance Procedures. When state law varies substantially from federal law by imposing additional or different requirements that are not preempted, the financial institution must establish procedures to ensure that the state requirements are also met. State disclosure laws may require, for example, either more credit disclosures or more detailed information than does the federal Truth in Lending Act. Because creditors must comply with the federal law and any additional demands of the corresponding state law, they must establish procedures to satisfy both. Differences between state and federal law also may complicate the development of the standard forms that are widely used to comply with most laws on financial services or may require the use of separate forms.

Preemption Determinations. A Board determination that certain provisions in a state's law are preempted may impose on all covered institutions in that state the expense of revising forms and retraining personnel to accommodate changes mandated by that preemption. This result is most likely to occur in the case of determinations made under the Truth in Lending Act because that act prohibits creditors from giving disclosures required by a state law that has been preempted.

Impact on Consumers

Dual legislation has both positive and negative implications for consumers. Federal laws governing consumer financial services are generally designed to establish minimum or uniform rights, to ensure that consumers across the nation receive basic information and protections relating to their financial transactions. State legislation in the area may be more responsive to local issues, however, and set standards above the national minimum. State laws that parallel the federal statutes often contain provisions that establish substantive rights and obligations of consumers and financial institutions. In the laws of some states, the provisions on credit disclosure are but a small part of a larger regulatory scheme governing the content, validity, and enforceability of credit contracts. This broader scheme expresses the states' interest in policing certain conduct and protecting consumers.

At the same time, the existence of overlapping legislation can confuse consumers. Duplicative, additional, and more detailed disclosures required by states may compete for the consumer's attention with the basic disclosures required by federal law and may cause "information overload." In fact, the Congress based its simplific tion of Truth in Lending in 1980 on the idea th overdisclosure reduces the effectiveness of cre it information as a credit shopping tool.

Impact on Federal Regulation

Concurrent state regulation also has implicatioı for the federal regulatory process. It may impe deregulation on the federal level, as in the case the Truth in Lending Simplification and Refor Act of 1980. That act represented a major co gressional effort toward deregulation. Its goa were to reduce the burden of compliance creditors and to simplify disclosures so th consumers could more easily understand ar compare the terms of credit from varioı sources. The act reduced the number of feder disclosures and provided that they should segregated from state-required information. Tl Congress aimed for a simple, concise disclosu document that would communicate effectively consumers the cost of credit.

In many cases, disclosure forms became lon er after the federal reforms went into effect. Sta laws still on the books had been modeled on tl original, longer federal disclosures. Before 198 these state disclosures could be interminglε with the federal disclosures, which often cou be substituted for the state requirements. Nov state disclosures must be appended to the segr gated federal disclosures, so that the documeı has actually become longer.

EXPLORING OTHER APPROACHES

Dual legislation is costly to the industry and consumers, who ultimately bear that cost. It appropriate, therefore, to look for better ways balance the competing concerns: the states' i terest in regulating business within their borde and the federal government's desire to legisla comprehensively in the financial services area.

Some critics of the present preemption stai dard believe state involvement is unnecessai and favor total preemption of state law. In tl Truth in Lending area, for instance, many se ments of the industry suggest that federal la should preempt all state disclosure laws that ca for additional, parallel, or more detailed information.

Other approaches call for some deference to the states' interest in regulating. One suggestion is to permit states to enact additional protections, but to require that such protections be significantly greater than those provided by federal law—and that they not place undue burdens of compliance on the industry. Proponents of this approach argue that states should not enact technical variations that add to cost without expanding consumer benefits.

Another approach, one that the Congress has used recently in other areas, calls for total preemption of state laws but allows an override of that preemption. The Depository Institutions Deregulation and Monetary Control Act of 1980 preempted all state limitations on rates and charges related to most first mortgages on residential property. Nonetheless, that legislation reflected the congressional concern for states' rights by allowing any state to override the preemption within three years of the passage of the act. The Congress also explicitly permitted states to enact new limitations on certain charges at any time. An analogous approach in the financial services area might be to preempt state laws, but to allow states to assess the need for their own law and to re-enact one.

In 1981, a bill supported by many in the consumer financial services industry was introduced in the Senate. That bill, which was not enacted, would have substituted for the inconsistency standard a far more sweeping preemption of all state laws on credit disclosure that were in any way similar to the federal Truth in Lending Act.

A more recent industry proposal, which emerged in connection with a bill to simplify the Consumer Leasing Act, would substantially broaden the preemptive effect of that act. Lessors would have no liability for failing to give state disclosures, except those related to substantive rights created by state law. For example, if state law created substantive rights—such as requiring a lessor to provide a two-year warranty on leased merchandise—the state-required disclosure of that right would not be preempted.

The Board traditionally has been reluctant to endorse broad preemption of state laws on disclosure and other consumer matters, recognizing that such laws frequently represent a careful balancing of various state interests. To preempt totally one segment of the states' laws could affect that balance. The industry concern about developing an approach different from the present narrow standard is legitimate, however, and it is appropriate to continue to explore alternatives that might reduce the burden of dual legislation on the industry without diminishing consumer protections.

CONCLUSION

Experience with overlapping state and federal involvement in the regulation of consumer financial services raises a question about whether benefits to consumers under the narrow preemption standard, and the deference this scheme pays to states' rights, are outweighed by the complications associated with the coexistence of state and federal laws. Although the Federal Reserve Board has been reluctant to support preemption of state law, it nevertheless has suggested that, given the extent of federal involvement in this area, it may now be time for the Congress to examine the possibility of more sweeping federal preemption.

The problem has no easy solutions. Although some of the overlapping state provisions appear in statutes that closely parallel the federal laws, numerous others are scattered throughout a wide assortment of state laws that only tangentially duplicate the federal rules. Analyzing and preempting these isolated provisions would be both administratively complicated and potentially disruptive to a broad array of state laws. Moreover, the more sweeping preemption proposals that have been presented to the Congress do not provide clear guidance for identifying the state provisions that would be displaced. All of these proposals leave the task of interpretation to the Federal Reserve Board, thus placing the Board in the uncomfortable position of serving as the primary instrument for nullifying state law. Should the Congress provide for broader preemption, the Board would need considerable guidance in carrying out this responsibility. □

Intervention in Foreign Exchange Markets

A Summary of Ten Staff Studies

The staffs of the Federal Reserve System and the U.S. Department of the Treasury have recently completed a set of ten studies on intervention in foreign exchange markets that the Federal Reserve has released as Staff Studies 126–35. The following article summarizes the results of these studies. It was prepared by Dale Henderson and Stephanie Sampson, with the assistance of the authors of the studies.

The analyses and conclusions set forth in the staff studies and in this summary article are those of the authors and do not necessarily reflect the views of the Working Group on Exchange Market Intervention, the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, the U.S. Department of the Treasury, or other members of their staffs.

Fluctuations in exchange rates have concerned economic policymakers since the transition to widespread floating in 1973. There has been much debate about the feasibility and desirability of using intervention in foreign exchange markets to limit movements in exchange rates.

Participants at the Versailles summit in June 1982 accepted a U.S. proposal to study their experience with intervention. A special Working Group on Exchange Market Intervention (the Working Group) was commissioned to carry out the study. Entirely retrospective, the study examined the motives, methods, and effects of intervention operations by the various countries. The Working Group devoted much of its effort to analyzing the effects of intervention. It addressed the important question of whether sterilized intervention (which does not affect any monetary base) can have significant effects on exchange rates.

The April 1983 Report of the Working Group on Exchange Market Intervention draws no explicit conclusions. The analysis in the report seems to suggest that (1) sterilized intervention has a much smaller impact on exchange rates than does unsterilized intervention; (2) sterilized intervention can have some short-run impact on exchange rates and may therefore be effective in achieving some short-run exchange market objectives; (3) sterilized intervention does not appear to have much long-run impact, and its effects are often swamped by those of other macroeconomic policies; and (4) coordinated intervention is more effective than intervention by a single country, although the conditions for successful coordination are exacting.

The Working Group based its report on three types of background papers: case studies examining episodes of intervention of special interest; surveys of the literature on intervention; and more formal econometric analyses. The staffs of the Federal Reserve System and the U.S. Department of the Treasury produced ten of these papers, and the Federal Reserve has released these as a series of Staff Studies. This article summarizes the objectives, methodologies, and conclusions of each of these Staff Studies.

Defining Intervention

In their study, Donald Adams and Dale Henderson argue that, in attempting to isolate the effects of intervention as an independent policy tool, the analyst will find it is useful to view intervention as sterilized intervention—operations in the exchange market that leave unchanged the monetary liabilities of both the home and foreign authorities. From this perspective, an intervention operation is the analytical equivalent of a trade between the authorities and the public of securities denominated in one currency for those denominated in another.

The authors list a wide range of actions that alter the relative supplies of securities denominated in different currencies that are available to the public. One such action is the purchase or sale by central banks of foreign exchange for domestic currency in the interbank market; this is the only type of transaction included in the narrow, traditional definition of intervention. A somewhat broader definition might include transactions in foreign currency directly with entities that otherwise would have dealt with market agents. These so-called customer transactions can be dealings with nonbank entities, central banks in other countries, or the central bank's own government (supplying the foreign exchange needed by the government to make interest payments on foreign debt, for example). An even broader definition might include borrowings of foreign currency by public sector enterprises or by commercial banks when those borrowings are induced or directed by the monetary authority.

U.S. Experience with Intervention

The series includes three in-depth case studies analyzing the experience of the United States with its intervention operations. In particular, these studies discuss the objectives and effects of U.S. intervention operations for several important episodes during the period of floating dollar rates in terms of the perceptions and motivations of U.S. monetary authorities at the time. These operations are then evaluated from the present perspective of the U.S. authorities.

In the first study, which covers January through March 1975, Margaret Greene describes U.S. efforts to check the sharp day-to-day declines in the dollar rate against the deutsche mark and the Swiss franc. Concerned that these declines would cumulate, U.S. authorities changed their intervention strategy, deciding to be prepared to commit larger amounts of funds and to enter the market earlier than they had on previous occasions during the floating rate period. U.S. authorities also sought closer cooperation from major central banks abroad. In February 1975, the first large-scale concerted intervention began. These operations appear to have met the objectives of the U.S. authorities because the pattern of virtually continuous daily declines ended, and intra-day variability declined somewhat. They did not reverse the trend in the value of the dollar, however; after a brief rise, dollar rates fell back during most of the rest of February. The trend of dollar movements appears not to have been reversed until the market became convinced that U.S. economic performance was improving relative to performance in other countries.

In her second case history, Greene studies a much longer period of sustained pressure on the dollar, the two years between September 1977 and October 1979. The United States moved throughout this period to halt declines in the dollar, but when the U.S. authorities did not soon follow up their intervention operations with consistent and effective measures to deal with the underlying causes of the dollar's weakness, any positive short-run impact of the intervention faded.

Complicating U.S. intervention operations at the beginning of the period was the market's impression that the United States welcomed a depreciation of the dollar. In addition, the divergence between the domestic economic paths followed by the United States and its trading partners had a significant impact on exchange rates. The United States tried to induce other countries with strong external positions to join it in a coordinated expansion, but in general the policies of those countries were less expansionary and less inflationary. A relatively slow adjustment by the United States to higher oil prices also contributed to a decline in the dollar.

The domestic policy changes in the United States and Japan in late 1978, which were accompanied by joint intervention operations, proved sufficient to strengthen the dollar substantially against the yen. Against the major European currencies, in which intervention operations were larger, the dollar's decline came to a halt and the dollar stayed above its lows of the fall of 1978. But new concerns about the U.S. economy developed during the summer of 1979, and large joint intervention operations did not prevent a renewed decline in the dollar. Near the end of the period, convergence of economic fundamentals, including economic policies, helped to reverse the decline in the dollar. The change in Federal Reserve operating procedures in October 1979 and the subsequent tightening of money market conditions pushed the yen down vis-à-vis the dollar and helped turn around the dollar–

deutsche mark rate, although the dollar did not appreciate significantly until early 1980.

The third study covers the period from October 1980 to October 1981, in roughly the middle of which came the announcement of a change in the implementation of U.S. intervention policy. Greene divides this period into two subperiods, October 1980 to February 1981 and February to October 1981.

In each subperiod examined by Greene, the dollar appreciated 23 percent against the deutsche mark. U.S. authorities intervened during the earlier rise in the dollar to counter disorderly market conditions by limiting fluctuations in the dollar–deutsche mark rate and to rebuild its foreign-currency reserves. Data compiled by the U.S. authorities during the period distinguish between these two types of operations, and this distinction frequently held in practice. However, it would be a mistake to infer that the distinction was clear-cut. At the margin, the willingness of the U.S. authorities to operate on the scale they did in countering disorderly market conditions was influenced by their desire to accumulate net foreign-currency balances. The U.S. and the German authorities intervened heavily between October 1980 and February 1981, but the objectives of the two countries were not always the same. Thus, although regular and close communication was maintained, it would not be entirely accurate to characterize these operations as coordinated intervention.

After February 1981, U.S. intervention ceased, and the Bundesbank increased its own intervention activity for a time. It is not evident that the two decisions were related, or that these changes had a demonstrable impact on the extent of appreciation of the dollar. Variability in all major bilateral dollar exchange rates increased slightly after February, especially after mid-August when the dollar was depreciating and intervention by both the German and U.S. authorities was negligible.

Examining the Effects of Exchange Rate Variability

Three economists from the U.S. Treasury—Victoria Farrell with Dean DeRosa and T. Ashby McCown—review the theoretical and empirical literature on the effects of exchange rate variability on international trade and other economic variables. The empirical tests they review use data from the floating-rate period through 1977. Although the results of these tests do not support a clear-cut conclusion about the effects of exchange rate variability on the volume of trade, they indicate that such variability has had no generalized effect on inflation. The authors conclude that instability in national economies causes variability in exchange rates, and not the other way around.

The authors highlight the problems in trying to model precisely how exchange rate variability affects the behavior of firms and therefore how it influences the demand for and supply of internationally traded goods. For example, one should account for the ability of firms to hold assets and liabilities denominated in various currencies, thereby reducing their exposure to exchange rate risk, and for the way movements in the exchange rate are related to those in other economic variables.

Empirical evidence on the relationship between the volume of trade and exchange rate variability is mixed. Most analyses of data from cross-sections made up of a number of countries conclude that the volume of a country's trade is not affected by the variability of short-term changes in nominal and real exchange rates. However, analyses of time-series data on trade of individual countries, bilateral trade flows, and trade of several Brazilian industries present a somewhat different picture; four of six of these analyses find that variability in nominal or real exchange rates has had a significant, on average negative, effect on some trade flows. The Treasury economists suggest that future work examine measures of real risk relevant for highly diversified firms and the effects of variability of longer-term changes in exchange rates.

Some evidence across countries shows a negative relationship between growth rates in real gross fixed-capital formation between 1973 and 1976 and measures of variability in nominal exchange rates. The authors suggest that increased uncertainty about future rates of inflation may cause both exchange rate volatility and cutbacks in investment plans.

Calculating the Profitability of Intervention

Laurence Jacobson begins his study by reviewing the literature that analyzes profitability as a criterion of the effectiveness of intervention in stabilizing exchange rates. According to this criterion, intervention stabilizes exchange rates if and only if the intervention is profitable. Apparently, if the monetary authorities bought low and sold high, they would reduce variability in exchange rates as well as earn a profit. However, Jacobson cites papers that call into question this proposition; profits can be associated with increased variability and losses with reduced variability. Significantly, if the monetary authorities prevent any fluctuation in the exchange rate, they earn zero profits.

After summarizing the theoretical issues, Jacobson points out the substantial practical problems that beset attempts to calculate profits made from intervening in exchange markets. One must choose the sample period and decide how to value initial and ending stocks of reserve assets. Also, profits should include a measure of net interest earnings on foreign-currency reserves derived from a relevant interest rate differential or the forward discount.

The author first calculates the profits on U.S. dollar–deutsche mark intervention, varying the beginning and ending point of the sample period. His measure of profits includes an inventory adjustment for accumulated stocks of foreign currency. Evaluation of the profitability of cumulated intervention from 1973 to 1979 shows a loss of $500 million, a consequence of revaluing large net dollar purchases at the dollar's historic low. However, the appreciation of the dollar and substantial dollar sales over the next two years made cumulated intervention activity from 1973 to 1981 moderately profitable.

Jacobson then calculates profits for eight subperiods (one of which is the entire period) in which net intervention was near zero. This exercise is interesting because inventory valuation problems are virtually eliminated. Profits are positive for all but one subperiod when the differential between the U.S. Treasury bill rate and the German interbank rate is used to calculate net interest earnings; and they are positive for all subperiods when the forward discount is used.

Including net interest earnings increases measured profits significantly. Almost 90 percent of gross daily intervention occurred during one subperiod, October 1977 to January 1981. Profits calculated for this episode are close to the total calculated for the entire period. Moreover, net interest earnings in this subperiod constitute more than half the total profit figure: the United States gained by issuing its mark debt at interest rates substantially lower than dollar interest rates.

Isolating the Effects of Sterilized Intervention

The last four studies—two literature surveys and two econometric analyses—focus on the important question of whether sterilized intervention is an independent policy instrument. A sterilized purchase of deutsche marks against dollars, for example, results in a larger supply of dollar-denominated government debt and a smaller supply of mark-denominated government debt available to the public. If investors require an inducement to switch their mark assets for dollar assets—that is, if dollar debt and mark debt are imperfect substitutes in the portfolios of private agents—then the expected return on mark securities falls relative to that on dollar securities, and the mark appreciates against the dollar. However, if securities denominated in different securities are perfect substitutes, then sterilized intervention has no direct effect on the exchange rate. Sterilized intervention is an independent policy instrument if securities denominated in different currencies are not perfect substitutes.

Even if sterilized intervention is not an independent policy instrument, it may be a signaling device. For example, by conveying otherwise unavailable information about the future course of monetary policy, sterilized intervention may have an indirect effect on the exchange rate.

Analysis of Daily Data

Because the effect of sterilized intervention may be relatively short-lived, the Working Group on

Exchange Market Intervention decided it was important to analyze daily data. Unfortunately, formidable difficulties hamper attempts to draw conclusions from these data.

Kenneth Rogoff explores whether nonstructural time-series techniques, especially vector autoregressions, can be used to examine the impact of intervention in the short run. A vector autoregression system seems to have an advantage for analyzing the relationship among economic variables using limited daily data: no structural model needs to be imposed to estimate the coefficients of the system. However, that advantage is more apparent than real. The researcher must impose such a structural model to interpret the coefficients of a vector autoregression. Thus the vector autoregression technique is not a way of escaping the severe problem of omitted variables presented by daily data. The money supply is not available daily, and one can reasonably assume that changes in the money supply are correlated with sterilized intervention and changes in the exchange rate. This correlation clouds the interpretation of the vector autoregression. Even if daily data on the money supply were available, the presence of contemporaneous correlation between intervention and movements in exchange rates would continue to confound interpretation of the autoregression coefficients. Also, the number of variables included in a vector autoregression system has to be limited to attain computational tractability.

Turning to a review of current literature, Rogoff reports on two time-series investigations of the effectiveness of exchange market intervention. One uses daily data on exchange rates and intervention to analyze the Canadian experience with floating exchange rates. It concludes that official intervention did play an important role in stabilizing the Canadian dollar from 1952 to 1960. However, as Rogoff points out, this investigation was not concerned with the distinction between sterilized and nonsterilized intervention. The other investigation does make this important distinction. It contains estimates of separate six-variable vector autoregressions for the United States, the United Kingdom, Germany, and Japan using quarterly data. Unfortunately, the presence of contemporaneous correlation makes it very difficult to use these vector autoregressions to analyze the relationship between exchange rates and intervention while holding the current and expected future path of the money supply constant.

To extract as much information as possible from daily intervention data, Bonnie Loopesko adopts a widely used empirical approach that has minimal data requirements. She tests a joint hypothesis composed of two underlying hypotheses: (1) securities denominated in different currencies are perfect substitutes, and (2) exchange markets are "efficient" in the sense that market participants use all relevant information in forecasting spot exchange rates. Realized profits from speculating in the foreign exchange market will reflect any expected risk premium and any error in forecasting the spot rate. If perfect asset substitutability holds, then the expected risk premium should always be zero. Realized profits therefore result only from forecasting errors. And, if markets are efficient, the public makes no systematic forecasting errors; thus realized profits (measured as the interest differential in favor of a currency minus its actual rate of depreciation) should be random.

If the joint hypothesis does not hold, then systematic realized profits may be attributable either to a risk premium, or to a systematic error in forecasting the spot rate, or to both. The first would imply that assets denominated in different currencies were not perfect substitutes, while the second would indicate that speculators consistently ignored some relevant information in making their forecasts.

Loopesko tests to see whether realized profits are indeed random, using exchange rates for six currencies (the Canadian dollar, the French franc, the deutsche mark, the yen, the lira, and the pound sterling) against the U.S. dollar. The joint hypothesis is soundly rejected, but this conclusion leaves open the question of which of the underlying hypotheses is false. To address this question, the author considers whether predictions of realized profits are improved by the use of data on cumulated intervention. For almost half the subsamples examined, cumulated intervention does help predict realized profits. These findings provide limited support for the view that securities denominated in different currencies are not perfect substitutes and thus sterilized intervention can have at least a short-run effect on exchange rates.

This study also includes tests for whether coordinated intervention has a different effect (but not necessarily a stronger one) on exchange rates than does noncoordinated intervention. Only in the case of dollar–deutsche mark intervention are there clearly enough instances of coordinated intervention in the sample period from which to obtain statistically significant results. In one set of tests, coordinated intervention has a different effect, but in another it does not.

Analysis of Monthly and Quarterly Data

Economists have more hope of isolating the effects of sterilized intervention in empirical analyses of monthly and quarterly data because data on more variables are available at these intervals than at daily ones. Ralph Tryon describes the theoretical underpinnings of existing empirical analyses of this type and summarizes their findings.

Tests for the imperfect substitutability of securities denominated in different currencies are based on the portfolio-balance model of international financial markets. In this model, market participants in each country allocate their wealth among domestic money and securities denominated in both the home and foreign currencies. The return on foreign-currency securities is risky because the future exchange rate is uncertain. Because they are averse to risk, investors diversify their holdings of securities instead of holding the single security with the highest expected rate of return; the share allocated to each security is an increasing function of the expected return on that security. If securities are imperfect substitutes, one expects to find a statistically significant relationship between the holdings of securities and rates of return.

Two important problems are encountered in empirical estimation of the portfolio-balance model. First, data on the bond holdings of residents of each country are not generally available by currency. To get around this problem, investigators have estimated either a capital flow equation using data from the balance of payments accounts, or an equation representing the aggregate demand by residents of all countries for bonds denominated in a given currency. Second, because the expected future exchange rate is unobservable, one must make an assumption about how expectations are formed. In early empirical work, investigators imposed static expectations—that is, the expected future exchange rate was assumed to be equal to the current rate. In more recent research, analysts have postulated rational expectations—that is, market participants were assumed to make no systematic errors in forecasting the exchange rate.

Tryon concludes that the empirical analyses he reviews do not resolve the question of whether securities denominated in different currencies are imperfect substitutes and thus sterilized intervention can have significant effects on exchange rates. Earlier analyses, most of which are based on capital flow equations, provide some support for the view that securities are imperfect substitutes. More recent analyses, most of which are based on bond demand equations and the hypothesis of rational expectations, provide almost no support for this view. Instead, they suggest that securities are such close substitutes that sterilized intervention is unlikely to have significant effects on exchange rates.

Deborah Danker, Richard Haas, Dale Henderson, Steven Symansky, and Ralph Tryon provide new empirical evidence from monthly and quarterly data on the degree of asset substitutability. Their version of the theoretical portfolio-balance model is conventional, except that it includes a more complete specification of commercial bank behavior. Exchange rate expectations play an important role in the model; both static and rational expectations are included in the empirical analysis.

To test for imperfect substitutability, the authors investigate the relationship between realized profits from speculation (or the ex post risk premium) and other variables, including a stock of securities, obtained by rearranging the security demand function. Direct estimates of security demand functions are presented for completeness but are not emphasized because such estimates are probably unreliable when the degree of substitutability is high.

Tests are performed for Germany and Japan using monthly data and for Canada using quarterly data. For Germany and Japan, it was possible to obtain data on holdings of securities in the domestic currency by both domestic and foreign residents. A recently developed technique is used to correct for a moving-average error problem that may arise in estimating rational expectations models.

To compare their results with those of other researchers, the authors test the joint hypothesis of perfect substitutability and market efficiency. As in some previous tests, the joint hypothesis is rejected for Canada and Germany but not for Japan. For Canada and Germany, realized profits from speculation are correlated with both lagged realized profits and the explanatory variables suggested by the portfolio-balance model. However, the results provide only limited support for imperfect substitutability. The estimated parameters of the portfolio-balance model are either insignificant, of the wrong sign, or both, in almost all cases.

Correlation among explanatory variables may make it difficult to determine whether the data are consistent with a particular theoretical relationship. A simple procedure for overcoming this problem is to exclude some explanatory variables. The authors report that they can obtain more estimated coefficients that have signs consistent with the portfolio-balance model when they follow this procedure than when they include all explanatory variables. These modified relationships are useful if one is confident that securities are imperfect substitutes and wants to obtain some estimate of the size of the effect of sterilized intervention. However, they are suspect because the explanatory variables are not precisely those implied by the portfolio-balance theory and because several alternatives were tried before one was selected. □

Listed below are the titles of the Staff Studies summarized in this article. Single copies of these studies as well as of the *Report of the Working Group on Exchange Market Intervention* are available free of charge from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.[1]

126. *Definition and Measurement of Exchange Market Intervention,* Donald B. Adams and Dale W. Henderson.

127. *U.S. Experience with Exchange Market Intervention: January–March 1975,* Margaret L. Greene.

128. *U.S. Experience with Exchange Market Intervention: September 1977–December 1979,* Margaret L. Greene.

129. *U.S. Experience with Exchange Market Intervention: October 1980–October 1981,* Margaret L. Greene.

130. *Effects of Exchange Rate Variability on International Trade: A Review of the Literature,* Victoria S. Farrell with Dean A. DeRosa and T. Ashby McCown.

131. *Calculations of Profitability for U.S. Dollar–Deutsche Mark Intervention,* Laurence R. Jacobson.

132. *Time-Series Studies of the Relationship between Exchange Rates and Intervention: A Review of the Techniques and Literature,* Kenneth Rogoff.

133. *Relationships among Exchange Rates, Intervention, and Interest Rates: An Empirical Investigation,* Bonnie E. Loopesko.

134. *Small Empirical Models of Exchange Market Intervention: A Review of the Literature,* Ralph W. Tryon.

135. *Small Empirical Models of Exchange Market Intervention: Applications to Canada, Germany, and Japan,* Deborah J. Danker, Richard A. Haas, Dale W. Henderson, Steven A. Symansky, and Ralph W. Tryon.

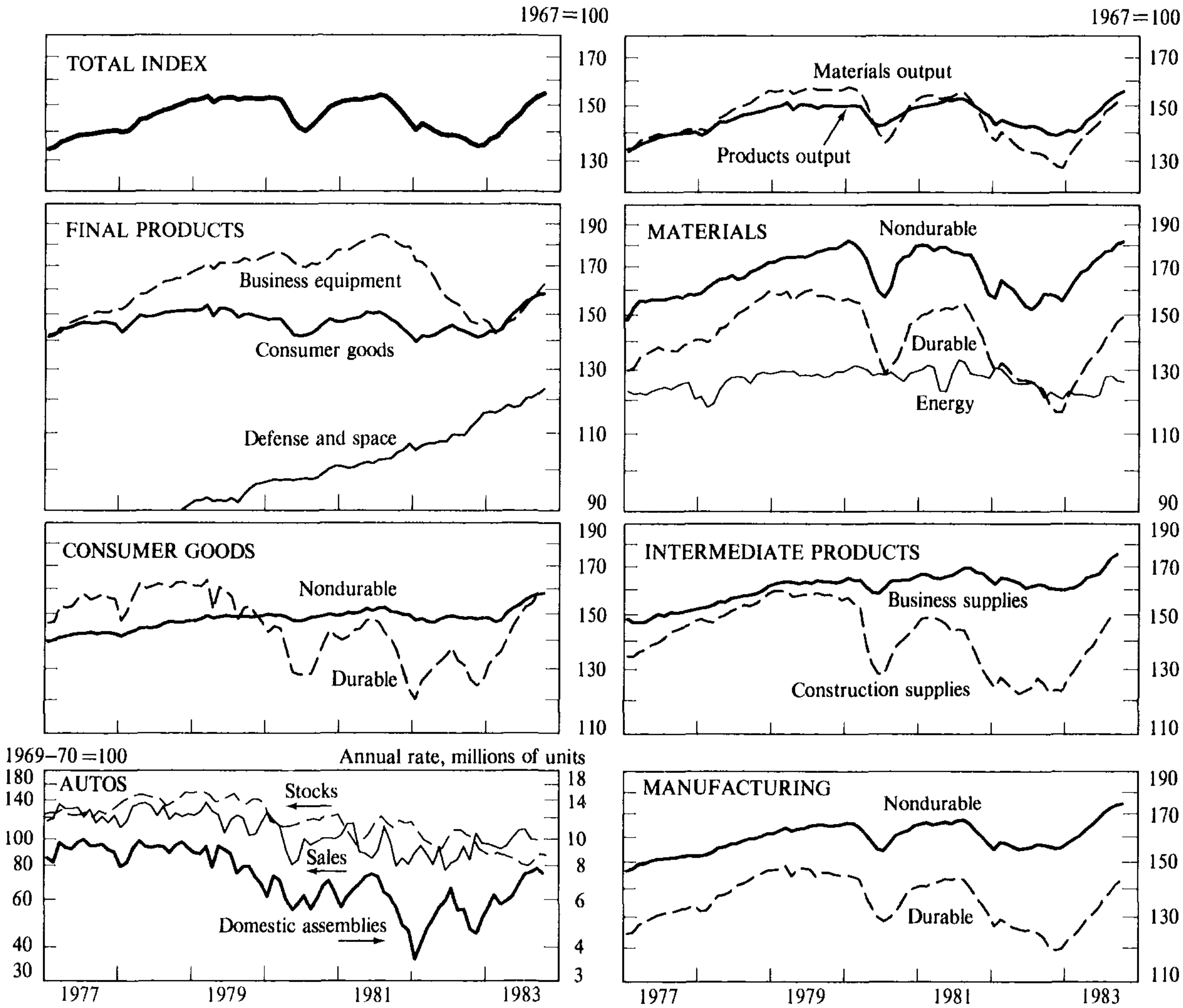
1. Numbers 126, 131, 132, and 134 are currently available. The availability of the other studies will be announced in a forthcoming BULLETIN.

Industrial Production

Released for publication November 15

Industrial production increased an estimated 0.8 percent in October following revised gains of 1.3 percent in both September and August. In October, production of consumer goods and construction supplies increased only slightly, but the output of equipment rose sharply. At 154.8 percent of the 1967 average, industrial ouput in October surpassed the previous monthly highs reached in July 1981 (153.9) and March 1979 (153.5). The index has risen 14.8 percent since the business cycle trough of November 1982.

In market groupings, output of durable consumer goods edged up only 0.1 percent in October. The annual rate of auto assemblies declined somewhat to 7.5 million units during October, largely because of reported temporary shortages



All series are seasonally adjusted and are plotted on a ratio scale. Auto sales and stocks include imports. Latest figures: October.

Grouping	1967 = 100, 1983, Sept.	1967 = 100, 1983, Oct.	Percentage change from preceding month, 1983, June	July	Aug.	Sept.	Oct.	Percentage change, Oct. 1982 to Oct. 1983
	Major market groupings							
Total industrial production	**153.6**	**154.8**	**1.4**	**2.3**	**1.3**	**1.3**	**.8**	**14.1**
Products, total	154.7	155.9	1.3	1.9	1.4	1.1	.8	11.9
Final products	152.5	153.8	1.3	1.8	1.1	1.3	.9	10.9
Consumer goods	157.8	158.2	1.3	1.6	.8	1.1	.3	11.3
Durable	157.9	158.0	2.5	2.5	.7	2.5	.1	24.9
Nondurable	157.8	158.2	.9	1.3	.8	.6	.3	6.5
Business equipment	158.8	162.3	1.7	2.1	2.1	1.5	2.2	10.3
Defense and space	122.0	123.5	.3	2.0	.2	1.1	1.2	10.4
Intermediate products	163.2	163.9	1.5	2.3	2.3	.9	.4	15.7
Construction supplies	150.7	151.0	2.7	2.6	2.3	1.0	.2	23.3
Materials	151.7	153.0	1.4	2.9	1.2	1.4	.9	17.7
	Major industry groupings							
Manufacturing	154.8	156.2	1.6	2.2	1.3	1.4	.9	15.7
Durable	141.6	143.5	1.7	2.7	1.4	2.1	1.3	19.3
Nondurable	173.9	174.6	1.5	1.7	1.1	.8	.4	11.8
Mining	117.4	118.5	−.2	2.1	1.1	.9	.9	2.2
Utilities	176.4	174.8	.1	3.7	2.0	−1.7	−.9	4.2

NOTE. Indexes are seasonally adjusted.

of parts; output of trucks for consumer use, however, continued to increase. Production of home goods is estimated to have increased 0.9 percent. Output of nondurable consumer goods showed moderate increases in most components but a reduced rate of production of consumer fuel and electricity. Production of business equipment rose 2.2 percent, with sizable increases in most major categories; production of defense and space equipment also increased strongly. Following eight months in which gains averaged more than 2.5 percent, the rise in output of construction supplies in September was revised to 1.0 percent and is estimated to have changed little in October.

Output of materials increased 0.9 percent—a somewhat slower pace than the average during the first nine months of 1983. Production of durable materials advanced 1.4 percent, with large increases in metals and equipment parts; output of nondurable materials gained 0.5 percent.

In industry groupings, manufacturing production increased 0.9 percent, with a gain of 1.3 percent in durables and 0.4 percent in nondurables. Mining output was up 0.9 percent, but output by utilities was reduced again.

Statements to Congress

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, October 18, 1983.

I appreciate this opportunity to give the views of the Federal Reserve Board on a number of bills of importance for the structure and functioning of the Federal Reserve. Two bills, which I will be discussing together, would add three directors representing thrift institutions to the boards of directors of the Federal Reserve Banks and would provide for the retirement of Federal Reserve stock now held by the member banks. The third bill, called "The Federal Reserve Modernization Act," includes a provision for the compilation and publication of detailed minutes of Federal Open Market Committee meetings, addresses several issues regarding the office of Chairman, and also covers some housekeeping matters.

Thrift Directors and Federal Reserve Stock

Both H.R. 3868 and H.R. 3869 address some issues that have been raised because the relationship of the Federal Reserve to depository institutions has been changed as a result of the Monetary Control Act of 1980. That act applied reserve requirements to all depository institutions over a certain size and made Federal Reserve credit and services available to these institutions as well. However, certain distinctions remain between member banks and other depository institutions; only member banks are supervised by the Federal Reserve, own stock in the Federal Reserve Banks, participate in the election of Reserve Bank directors, and are assured of representation on the board of directors of the head offices. Moreover, only institutions that ai eligible for FDIC (Federal Deposit Insuranc Corporation) insurance can be members; thu under current law, savings and loans and cred unions may not apply for membership.

Recognizing the need to broaden contacts b tween the Federal Reserve and the thrift industi after passage of the Monetary Control Act, tl Board established a Thrift Institutions Adviso Council, with members from each of the types institutions mentioned in H.R. 3868—that i savings and loan associations, savings bank and credit unions. This council meets with tl Board quarterly—as does the statutory Feder Advisory Council, whose members are comme cial bankers—to discuss a variety of issues mutual concern. In addition, the Federal Reser Banks have also made an effort to enhanc interactions with thrift institutions. They ha appointed thrift industry participants to tl boards of 11 of our 25 Reserve Bank branche They have also established mechanisms—suc as industry advisory committees—for moi effective mutual communication with the thri institutions in their Districts.

The Board shares the objective of adding the head-office boards of the Federal Reser Banks individuals with direct and current exper ence in the thrift industry. But we believe th objective should and can be accomplished witl out establishing a new class of three directo composed entirely of thrift institution represe tatives.

Several considerations of the appropriate ba ance and size of Reserve Bank boards are rel vant to that conclusion. H.R. 3868 would sul stantially increase the size of the board directors, but entirely through new thrift repr sentatives. This approach would not assist o efforts to broaden the boards in other dire tions—for example, by adding directors wi background in smaller businesses, consumer an community affairs, and labor. There is also a apparent anomaly in the proposed legislation because it would not permit the Board of Governors to select directors from among the 8,000 nonmember banks, even though these banks are subject to the same reserve requirements and have the same access to System services as the thrifts (and actually keep more reserves and use more services). Moreover, those commercial banks often have an additional relationship with the Federal Reserve through our regulation of their holding companies.

A more technical deficiency in the proposal is that it requires a representative of a savings and loan, a savings bank, and a credit union on the Board of every District Bank, with no attention to the differing importance of those institutions in various regions of the country. I would also point out that member banks, which are required to purchase Federal Reserve stock on which a dividend of only 6 percent is paid and which are directly supervised by the Federal Reserve, elect three bankers, the same number as proposed for the thrifts.

As the last point implies, a whole new class of directors, selected from among thrift institutions, would inevitably raise more general questions about the organization of the Federal Reserve and the nature of voting rights of Reserve Bank stock. As you know, present arrangements for stock ownership in the Federal Reserve and for selection of Federal Reserve Bank Directors do not confer control over policy to the stockholders or to the Bank Directors. Federal Reserve policy is determined by public officials acting, under the law, wholly in the public interest. But stock ownership and local boards have implications for the entire regional and independent structure of the Federal Reserve System. From the standpoint of banks, the opportunity to join the Federal Reserve System allows a bank some latitude in its choice of a primary federal regulator and provides an institutional basis for communicating with the System. From the standpoint of the organization of the System, local directors chosen locally help assure the stature and identity of regional Federal Reserve Bank officials in the decisionmaking process, while at the same time providing for active review and surveillance of regional operations. By providing for technical ownership of the System insulated from political control, present stockholding arrangements help assure the independent role of the Federal Reserve within government.

We would be glad to review in greater depth the proper role of stock ownership in the structure of the Federal Reserve System with the subcommittee. We believe it would be appropriate to embark on changes in this area only after considerable deliberation and careful study. Questions concerning Reserve Bank stock need not be raised by other steps that could and should be taken to achieve a broader composition of the boards of the regional Reserve Banks.

Specifically, the Board recommends that you provide for expansion of the present Class C directors from three to five and for the inclusion of nonmember depository institutions specifically among the various groups that should be considered in choosing such directors. Class C directors are appointed by the Board of Governors, and such a provision would enable the Board to broaden representation on the boards while keeping them to an effective, workable size. We would undertake normally to provide that one Class C director at each Federal Reserve Bank be drawn from the thrift industry, and that among the 12 Banks the directors would include individuals with savings and loan, savings bank, and credit union backgrounds. We would also continue to encourage the service of thrift industry participants on Branch boards.

I believe this proposal would further assure that the interests of thrift institutions would be fully taken into account in the deliberations of the Reserve Bank boards. At the same time, it would also make possible choices from a greater range of backgrounds in appointing Class C directors generally. We agree with numerous comments in both the House and Senate in the past that directors should adequately reflect the diversity of the American economy and society, and a larger number of Class C directors would help achieve that result.

FEDERAL RESERVE MODERNIZATION ACT

The Federal Reserve supports the passage of H.R. 4009, the Federal Reserve Modernization Act.

Detailed FOMC Minutes

One section of that bill would require that detailed minutes be maintained for all meetings of the Federal Open Market Committee (FOMC) and that these minutes be made available to the public on a deferred basis. The Federal Reserve already provides the public with a great deal of information on FOMC policy decisions. The Record of Policy Actions prepared for each meeting includes a summary of the views expressed by Committee members on economic developments and on monetary policy, including any divergent views, and records all the votes on monetary policy actions. Information on monetary policy is also provided to the Congress and to the public through the Board's semiannual reports under the Humphrey–Hawkins Act and through frequent testimony before congressional committees.

H.R. 4009 would supplement the information now released primarily by requiring that the decisions and debate be recorded in full, and that the views expressed by any member of the FOMC be attributed to that member. In our judgment, the detailed minutes in question would not add substantively to the information now being made available to the public about the nature of our policy decisions, but the Board understands the desire to establish a more detailed record that might be of future interest to historians, economists, and other close students of monetary policy. Accordingly, the Board has no objection to the preparation and eventual release of such minutes provided a suitable period of time has elapsed.

We believe such a time period is essential to preserve the confidentiality and spontaneity of the deliberations. The provisions of H.R. 4009 make clear that no portion of the minutes may legally be released before a specified minimum period of approximately four years after the calendar year in which the meeting occurred and provide for the withholding of references to sensitive international financial developments for additional periods. A minimum time period of that length is necessary to avoid inhibiting the frank exchange of views during policy discussions and the risk of politicizing the decisionmaking process.

Occasionally there are particular sensitivities in the international financial area, in which premature release of information on ongoing negotiations and on the views and operations of foreign governments could have an adverse impact on the ability of the Federal Reserve to act in an atmosphere of mutual confidentiality and trust with foreign countries. The provisions of the bill to deal with this contingency seem to us adequate and appropriate.

Proposals Regarding Appointment of the Chairman

The Board believes there is merit in providing for a consistent relationship between the term of the Chairman of the Federal Reserve with the term of the President. At present, the beginning of a Chairman's term is an accident of history—a product of the timing of previous appointments, resignations, and expirations of the term of a Chairman as a member of the Board of Governors. The principal problem with the present arrangement is that a new four-year appointment might be required late in a presidential term or in the midst of, or shortly after, a contentious political campaign, tending to bring the choice into the heat of the political contest.

It is difficult to argue that there is a single optimal alignment of the two terms, but among the possibilities there is a sound basis for making the four-year term of the Chairman begin on February 1 of the year after the President's term of office commences, as proposed in H.R. 4009. Such an alignment would permit a President to nominate a Chairman relatively early in his term, but at a point in time somewhat removed from the series of political appointments required at the very start of a new administration. Continuity at the central bank in the midst of a transition of administrations would be especially desirable. Moreover, the proposed date has a technical advantage in that the expiration of the Chairman's term would coincide with the expiration of the term of a member of the Board of Governors, so there would be no question of an opening on the Board for a new appointment.

To avoid the possibility of appointment for a short, unexpired portion of a term, a provision could be added to the proposed legislation that, in the event of an opening within the year after the inauguration of a President, the term of the new Chairman would encompass both the remaining months of the current term and the next regular four-year term.

Another provision of the proposed legislation would assure that a President would not be constrained in his choice of Chairman by the geographic restriction applicable to other governors. Specifically, the restriction that no two members of the Board of Governors may be selected from the same Federal Reserve District would be lifted in the case of the appointment of a Chairman. The Board supports this "at large" appointment of the Chairman on the grounds that the President should be permitted to select the most qualified individual for the position.

The proposed legislation also (1) authorizes the Vice Chairman to act as Chairman in the event of the unavailability of the Chairman or, in the event of a vacancy, pending the appointment and confirmation of a successor; and (2) clarifies that the Chairman or Vice Chairman shall continue to serve in that capacity after expiration of his or her term until a successor is confirmed. The Board supports these amendments to the Federal Reserve Act. The act currently makes no clear provision for the former situation and contains an ambiguity with regard to the latter by allowing Board members to continue serving until their successor is confirmed without specifying their continuation as Chairman or Vice Chairman per se.

Federal Reserve Bank Branches

Finally, the Board also supports the removal of the limit on the cumulative dollar amount that may be spent on the construction of Federal Reserve branch buildings. The current limitation—last amended in 1974 to bring it to a cumulative total of $140 million—will be exhausted by projects that are under way and currently in an advanced planning stage. We have established a process that requires Board approval at each of several stages of every building program of the Reserve Banks to assure that the space needs are projected appropriately, that alternative approaches are evaluated thoroughly, and that construction costs are well controlled. The lack of authorization for further funding introduces unnecessary difficulties to the construction and planning processes. In short, retention of the current limitation could impede the efficiency of System operations. □

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee, October 20, 1983.

I am pleased to have the opportunity to meet with this committee to discuss the current economic situation. As you know, the Federal Reserve's most recent official monetary policy report was submitted to the Congress in mid-July.[1] Because that report treated the economic situation in considerable detail, my remarks on the current economic and financial situation will be limited mainly to an updating. More importantly, I also would like to reemphasize a number of concerns that I expressed at the time that the midyear report was submitted to the Congress.

At that time, it was evident that the current economic recovery had gained considerable momentum and was following in many respects a typical cyclical pattern. Advances in residential construction had been large; consumer spending had registered exceptional increases in the spring; and business investment spending also was beginning to strengthen. Employment gains were substantial through the first half, and the unemployment rate—though still high—had moved steadily lower. By midyear, only the export sector remained a major depressant on the growth of real gross national product, reflecting the further widening of this country's foreign trade deficit.

By and large, the economic trends evident at midyear have continued through the third quarter. Industrial production has continued rising at a rapid pace through September. Payroll employ-

1. "Monetary Policy Report to the Congress," FEDERAL RESERVE BULLETIN, vol. 69 (August 1983), pp. 579–90.

ment increased nearly two-thirds of a million during the three months ending in September, and the unemployment rate fell three-fourths of a percentage point over that same period. Preliminary indications suggest that growth in real GNP remained fairly close to the exceptionally high rate of the second quarter. On the whole, I believe that the data indicate that the economy remains firmly on the path of expansion.

Moreover, the recent price information continues to underscore the gains made against inflation over the past two or three years. During the first eight months of 1983, the consumer price index rose at about a 3½ percent annual rate, somewhat less than the rate achieved in 1982, and the producer price index, on balance, has showed virtually no change over that same period. This price information is better than we have experienced in a decade or more, in sharp contrast to the racheting upward of prices in the 1970s.

Because labor inputs account for about two-thirds of total GNP, an easing in growth of labor costs is crucial if our gains against inflation are to prove sustainable. On this score, we have made further progress so far this year. The rate of increase in nominal wage gains has trended downward; the hourly earnings index, the most current wage measure, has risen at a rate of less than 4 percent this year. The easing of cost pressures has been reinforced by rapid productivity gains that appear to reflect not only the cyclical gains normally associated with the early stages of expansion, but also some apparent improvement in the trend rate of productivity growth. It is this kind of pattern, if sustained, that can keep the underlying inflation rate moving lower—and real wages rising.

Overall, these recent indicators of economic activity, inflation, and productivity provide a strong start toward a much more satisfactory economic performance than we have seen for many years. At the same time, as I have said many times before, what counts is not the rate of economic growth over a short time span of a few months, or even a few quarters, but rather the performance of the economy over time. The current expansion, though more robust than generally expected at the beginning of the year, still is less than a year old. And, on the surface, it could be said that recent events do not dif dramatically from the early phases of some ea er business cycles that also began with strc growth and improved price performance—t later deteriorated into accelerating inflation a stagnating real activity. That past record shoı be warning enough to resist any temptation to back and let events take their course, hoping tl the momentum of expansion and the progrı already made against inflation will be sustain pretty much on their own.

Moreover, there are obvious potential obs cles in the path to sustained progress. Mı importantly, the current prospect that fede budget deficits will remain exceptionally laı into the indefinite future is a major factor prı ping up interest rates and continues to pose serious risk to the stability of financial markets the future, threatening the balance and ultim sustainability of the recovery itself. The econo ic and financial problems of many developi countries—aggravated by the high level of dol interest rates—remain a dark cloud over t international financial system, and unless cı tained, could jeopardize our own economy. Aı despite our substantial progress against inflatic doubts about the sustainability of that proce and temptations to revert to attitudes and beh ior characteristic of the 1970s, could undermi prospects for continuing economic expansion. these respects, we are in a period of testing.

It is well within our capacity to pass the tests. But it will take a positive approach, no wait-and-see attitude. Data for the past fis year provide some sense of the budgetary prı lem; in fiscal 1983 the federal budget deficit, r counting Treasury financing of off-budget pı grams, apparently reached almost $200 billic nearly twice the previous year's deficit, whi itself had been of record proportions. The 19 federal deficit amounted to about 6½ percent nominal GNP: before 1983, there had been oı one year in the past three decades in whi federal deficits were as much as 4 percent GNP.

Obviously, the magnitude of the federal defi in future years will depend on both the actions the Congress and on the strength of the econon recovery. A large portion of the 1983 deficit perhaps half—reflected the influence of the bu ness cycle on federal receipts and expenditures. As the economy improves, this "cyclical" element in the deficit will become smaller.

But given current legislation, the noncyclical, or "structural" part of the deficit is all too likely to rise further. Indeed, under even the most optimistic economic assumptions now being made, the federal deficit appears likely to remain at levels, relative to the size of the economy, that are without historical precedent during periods of economic expansion.

A year ago there appeared to be a growing commitment in the Congress to address the problems associated with federal deficits. Today, I fear the sense of urgency has dissipated. Instead, with the economy growing again, there may be a temptation to try to live with historically unprecedented peacetime deficits.

That course implies great hazards. Even in the period just completed—during which private credit growth was reduced substantially by the recession—the influence of heavy federal borrowing contributed to the persistence of high interest rates. Maintaining large deficits in coming years makes it far more likely that interest rates will remain historically high well into the recovery, posing a risk to the sustainability of the expansion.

The progress we have made against inflation—if sustained—is one fundamental force that should tend to make interest rates lower over time. But the huge budget deficits have an impact in the opposite direction. One result is to dampen prospects for business investment, particularly for long-lived investment with relatively slower "pay-out." But that investment is what is needed to revitalize some of our basic industries and to support productivity generally.

Some of those same industries also suffer from depressed exports or strong import competition. To the extent that large capital inflows are induced by pressures on our domestic capital and credit markets, those inflows have contributed to maintaining the dollar at "artificially" high levels, viewed from the perspective of the current competitive position of our industry. In the short run, those capital inflows may help to moderate pressures on the financial markets. But, viewed in a longer perspective, we have the irony of the largest and richest country in the world in effect turning to foreign investors to help finance its government deficits, while, by the same process, draining vitality from the firms and industries that in the past have been important exporters. As I noted earlier, exports have been a weak element in the business picture, and our trade and current account deficits are growing toward levels that would be unsustainably large. The longer that process lasts, the greater the potential instability for the U.S. and for the world economy.

The persistence of large federal deficits and high interest rates also complicates the efforts to deal with the international debt situation. The developing countries—excluding those that are members of the Organization of Petroleum Exporting Countries—have a total indebtedness of about $575 billion. Of that total, about $285 billion is owed to banks around the world, with more than $100 billion owed to U.S. banks. The level of indebtedness is high relative to the current income-generating potential of those economies, and the great bulk of the debt is in dollars, paying dollar interest rates. As you know, difficulties in servicing these debts have been widespread.

Thus far, problems have been contained through an extraordinary degree of cooperation among borrowers, private creditors, national authorities, and international organizations. The borrowing nations themselves have undertaken strong adjustment measures to restore financial stability, increase debt-servicing capacity, and improve their creditworthiness. There also has been a major cooperative effort among the lending banks to agree upon financing programs involving the restructuring of existing debts and provision of some new loans.

At the center of this process have been the coordinating efforts of the International Monetary Fund (IMF). On several previous occasions when I have testified before the Congress, I have urged prompt action to bolster the resources of the IMF. However, as you know, the work on that important legislation has not been completed.

International understandings look toward action before the end of next month, so time is growing short. Apart from the actual funds involved, our failure, alone among nations, to participate in this effort would send a strong message around the world that we do not support the cooperative efforts to manage and contain the debt problems of the developing countries. Put positively, participating in the proposed increase in IMF resources is a necessary and prudent investment in our own future.

Another important element in dealing with the current external financing problems of developing countries is a concerted effort to maintain the flow of bank credit to these countries. The question is sometimes raised as to whether such lending will be at the expense of lending to domestic borrowers and the expansion of our own economy. In that connection, I would emphasize the new bank lending to these countries will, in the aggregate, be at a substantially reduced pace from that of recent years, and as I have noted, on balance we are currently large net *borrowers* from the rest of the world. In the absence of these cooperative lending efforts by banks and the IMF, I do not believe we could be successful in avoiding widespread defaults or worse. The clear threat would be that such an international financial disturbance would have major repercussions on our own credit markets, our interest rates, and our growth prospects—far outweighing any effects on our markets of the limited foreign lending required to maintain stability internationally.

Finally, I must emphasize the crucial importance of maintaining the progress against inflation. As I noted earlier, looking back, the recent data on prices and wages are favorable. However, it is also true that for a while some temporary factors caused measured rates of inflation to exaggerate the slowdown in underlying rates of inflation. As the temporary factors have subsided, there has been some increase in reported monthly rates of increase in prices from the essentially flat record of the first half. That is not, in itself, surprising, but it does warn against any sense of complacency.

The fact is that there continue to be deep-seated concerns both in financial markets and among the general public that more strongly inflationary trends could soon resume. The experience of the 1970s with accelerating inflation, despite some cyclical "pauses," is still deeply ingrained in people's minds, and, looking ahead, there is concern about whether appropriate restraint of money and credit growth will be maintained in the face of sustained huge deficits.

There are strong grounds for believing that these attitudes and expectations may be lagging behind reality and that underlying inflation rates are lower—and can continue to move lower—than is generally perceived. Indeed, with the period of low inflation still lengthening, with spare capacity still extensive in many sectors, with strong domestic and international competition, and with labor amply available, there is a rare opportunity to "build in" greater stability.

Whether that optimistic view will, in the end, prove correct depends, in part, on the attitudes and behavior of business and labor. We currently see strong efforts to contain costs and improve efficiency in industries subject to the most intense competitive pressure, whether because of depressed markets or other factors. In some other areas, new wage contracts or pricing policies appear to be out of touch, both with our recent experience with inflation and with current conditions in labor or product markets generally. Rather, we see symptoms of a kind of carryover—or a "hangover"—of attitudes instilled in a more inflationary environment. Should those attitudes be reinforced and generally prevail, our effort to move toward sustainable economic growth with greater stability would be greatly complicated.

Experience suggests that expectations developed over a lengthy period of accelerating inflation are rarely changed suddenly. But they will change over time, so long as public policy remains steadfast in its commitment to an environment of greater price stability.

Monetary policy inevitably must play a central role in that process, essentially by containing growth of money and credit to amounts consistent with containing inflation over time. I doubt that such efforts can ever be reduced, in a complex, changing economy like ours, to a simple mechanical formula to govern growth in one measure of the money supply or another. For instance, in the midst of both institutional and economic change last year and during the early part of 1983, the Federal Reserve accommodated faster growth in some of the various monetary aggregates than it had planned earlier, responding in part to the visible evidence of a pronounced slowdown in the turnover, or "velocity," of money. With some indications that more normal patterns may be returning, and with the momentum of recovery strong, limited steps were taken to resist monetary and credit growth during the spring and early summer. In a real sense, in a climate sensitive to inflation and the possible future inflationary implications of current policy, timely steps to preempt excesses can avert the need for much stronger action later.

In recent weeks, all the monetary and credit aggregates have moved comfortably within the target ranges, easing concerns of a surge in liquidity growth. Also, interest rates, for the most part, have edged slightly lower in recent weeks, following moderate increases in late spring and ear summer. But the looming budget deficits remain a focus for doubts about the future.

In conclusion, the economic situation, in i broadest terms, does not differ dramatically fro the situation that was apparent at midyear. Cu rent economic indicators have continued to sho a strongly growing economy coupled with on moderate rates of inflation. At the same tim concerns about the longer-run outlook that we apparent at midyear are still with us today. Nov as then, we broadly know what policies a needed to provide greater assurance of sustaine economic growth and lasting price stabilit What remains to be done is to implement tho policies.

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, October 27, 1983.

I appreciate this opportunity to give the views of the Federal Reserve Board on proposals to permit the payment of interest on demand deposits. The Board supports repeal of the existing prohibition on interest payments on demand deposits. We believe that such a step is appropriate at this time in light of the vast changes in banking and financial markets over the past 50 years, and that the benefits in terms of enhanced return to some depositors and a more efficient use of our nation's resources will outweigh the temporarily adverse effects on bank profits.

The Congress has already recognized the distortion and inequity inherent in interest rate ceilings on time, savings, and household transaction accounts, and in accord with its congressional mandate, the Depository Institutions Deregulation Committee (DIDC) has eliminated ceilings on the great bulk of such deposits. Many of the same arguments apply to the prohibition of interest on demand deposits, and the repeal of this prohibition would complete the process of rate ceiling deregulation. As I will explain later, however, we do have some differences with yo Mr. Chairman, on the details of how to impl ment the repeal. In addition, we believe it wou be desirable to couple a move in this directi with action to begin paying interest on requir reserve balances held at Federal Reserve Bank Finally, as you requested, I will discuss issu associated with brokered deposits.

HISTORY AND CURRENT IMPACT OF PROHIBITING INTEREST ON DEMAND DEPOSITS

The prohibition of the payment of interest demand deposits was first put in place 50 yea ago in the midst of the banking crisis that acco panied the deepening economic depressio Banks that were members of the Federal Reser System were banned from paying interest demand deposits in 1933 and this prohibition w extended to insured nonmember banks in 19 (and to savings and loan associations in 19 when they were first authorized to offer dema deposits). The payment of interest on dema balances was thought to have contributed to t Great Depression in two ways. First, it allow large city banks to bid funds away from ru areas, primarily through the medium of "banke balances" or deposits of smaller banks in larg ones. This flow, it was believed, not only drain credit from agriculture and small-town businesses, but also tended to foster speculative excesses in securities markets because the large banks allegedly were using the funds to make loans to stock purchasers buying on margin. Second, the unregulated payment of interest on demand and other deposits was felt to have contributed to the weakened condition of the banking system. Excessive competition for funds on a rate basis was thought to encourage banks to generate needed revenue by making riskier loans on which subsequent defaults led to bank failures. In addition, prohibiting interest on demand deposits was intended to reduce costs so that banks could more easily afford the premiums on newly introduced deposit insurance.

With the benefit of historical hindsight, we can now see that some of the reasons given for prohibiting interest payments on demand deposits might not have been so compelling as they seemed at the time. Bankers balances, or a close substitute for them, would have been held in any case, because they served a number of useful functions to smaller, rural banks, including providing a source of liquidity to meet seasonal swings in loans and deposits and facilitating check-clearing and other services received from the larger banks. With respect to the effect of interest rate competition, any related deterioration in credit-underwriting standards was swamped by general financial and economic events, so that subsequent studies fail to show an association between rates paid on deposits and the incidence of bank failure during the period.

I would note also that the prohibition of interest rates on demand deposits has not prevented the emergence of close, interest-bearing substitutes whose use has greatly eroded whatever effectiveness rate limitations once had. Large account holders, including business corporations and others, long ago began utilizing a variety of instruments and techniques enabling them to minimize the impact of the inability to earn interest on demand deposit balances. In 1980 the Congress authorized the nationwide availability of interest-bearing transaction accounts for households and nonprofit organizations and, in 1982, for governmental bodies.

Certainly, the absence of interest on demand deposits has not inhibited the flow of funds from one area of the country to another. The federal funds market provides an efficient way for banks with surplus funds—often smaller institutions—to make them available at market-determined rates to banks with funding needs—often those located in money centers. Money center banks have come up with a variety of other instruments as well that allow them to bid for large volumes of funds in what is in effect an interregional—indeed, an international—dollar market.

In addition, for many banks the prohibition of interest on demand deposits probably has not significantly held down the overall cost of funding. Customers, working with banks, have developed sophisticated cash management techniques that minimize the volume of balances in demand accounts by moving funds on a short-term basis between demand deposits and highly liquid instruments paying market yields. Some instruments, such as money market deposit accounts and money market funds, can even be substituted to a limited extent directly for demand deposits in making transactions; others, including repurchase agreements and Eurodollar deposits, can be acquired for periods as short as overnight to earn interest on surplus balances. Although these techniques were developed initially by and for large corporations, in an environment of high interest rates and improving technology, they have increasingly become available to smaller customers as well.

Moreover, the balances remaining in demand deposit accounts are by no means "free" to the bank. Rather, in exchange for those balances the bank provides a variety of services to demand deposit holders, charging considerably less than their cost. In this way, depositors earn "implicit" interest on their funds in demand deposits. These services include check clearing, deposit processing, and other transactions associated directly with the use of the demand account itself, and they may involve other banking functions, such as loan commitments, wire transfers, processing credit card drafts, and payroll preparation. Banks commonly inform businesses holding demand deposits what level of balances they must hold so that the bank's earnings from the zero-interest balances cover the expense of providing the services.

When businesses use cash management techniques to keep their balances to the minimums set by the banks, the implicit interest return to the holder probably about matches the market-determined interest rate that would be paid, and the prohibition of interest on demand deposits offers no cost savings to banks. However, many smaller businesses and households still holding demand deposits may not have the expertise or time available to manage their demand accounts that closely. These account holders are earning some implicit interest from the services they receive, but that compensation is likely to be below competitive interest rates, especially for holders of relatively large, inactive accounts.

The Effect of Allowing Interest to be Paid on Demand Deposits

Repeal of the prohibition of interest on demand deposits will affect the banking business in a number of important ways. In general, banks will probably move more rapidly to explicit pricing of the services they offer customers and away from asking for low- or no-interest compensating balances. Interest rates on the various types of deposits available at banks and thrift institutions are likely to depend primarily on the maturity of the deposit rather than on what the deposit is used for. Just how this process will evolve and precisely what its effects might be cannot be predicted with confidence, but some broad outlines can be discerned.

Some bank customers will stand to benefit, especially those holding higher demand balances than needed to compensate for the services they are now receiving. As I indicated before, the most important class of such customers probably is small to medium-sized businesses. They will be able to realize a return on transaction balances without the expenditure of time and money to learn about and utilize sophisticated cash management techniques. Those already employing such techniques will be free to redirect resources into more productive uses, since interest-earning demand accounts could provide a direct and competitive outlet for holding liquid funds. In addition, more explicit pricing of bank services should help all bank customers achieve a better balance between their use of each type service and its cost to them.

Of course, not all bank customers will benefi Households making heavy use of services ma find their net compensation reduced by the su stitution of taxable, explicit returns for tax-fr implicit yields on deposit balances, while servi charges, which are not tax deductible, rise. T accommodate these customers, banks may co tinue to offer accounts paying little or no explic interest and carrying reduced service charges depositors whose balances are adequate to cor pensate for their use of services. Howeve banks are not going to be able to allow custome whose demand deposits are small relative to tl use of services to continue to be subsidized this fashion, and these depositors will face higher cost of banking. On balance, however, tl movement toward explicit and full pricing services and deposits should improve and rati nalize the provision and use of banking servic in this country.

For banks, earnings will be affected by tl balance between the cost of paying interest the deposits and the rise in revenue from tl explicit pricing of services. An important fact in this regard is the competitive environmen bank earnings could be reduced substantially if fierce struggle for depositors' dollars develop with excessive interest rates paid on demar balances or continued underpricing of servic being used as "come-ons" to lure deposito from other institutions. But our recent expe ence with rates on Super NOW (negotiable ord of withdrawal) and money market deposit a counts indicates that after an introductory pe od, they have been kept about in line wi potential returns to banks and thrifts. Therefor as a generality, I think it reasonable to expe that interest paid on demand deposits and rat charged for services would reflect fairly quick the underlying investment opportunities ar costs of banks.

Under these circumstances, banks that a now earning more on their investment of inte est-free deposits than they are incurring in unr covered costs to provide subsidized servic would experience some downward pressure earnings. The intensity of this pressure will d pend also on how rapidly deposit funds a shifted into accounts paying explicit interest rates. Eventually, the bulk of all transaction funds likely would be held in such deposits. But initially, some holders may not take the trouble to change accounts, and some, as noted above, may prefer the combination of no interest and low service charges they now are receiving. The extent of the shifting will depend in part on the structure of the legislation—whether, for example, the DIDC is empowered to put the proposed $2,500 floor on decontrolled balances at first—and on the marketing approach of the institutions.

The negative impact of demand deposit interest on earnings will not be distributed equally across depository institutions. Thrift institutions, for example, have very few demand deposits, and they would welcome the opportunity that a lifting of the ceiling would give them to compete with banks for business deposits. Large, wholesale-type banks that do a sizable share of their business with more sophisticated corporations also may not feel much of an impact, since these corporations probably already are getting a market return on their deposits. Rather the effect will be felt most keenly by small and medium-sized banks, and large retail branch systems—especially those with a disproportionate share of demand deposits from small and medium-sized businesses. It is impossible to estimate with any precision just how large this effect would be, and obviously it will vary quite a bit among banks, depending on the particular situation of the institution. But it does seem possible that some classes of banks could be affected considerably, at least until they have had time to make other adjustments in lending rates, service charges, and other fee income.

As the entire spectrum of banks' revenues and costs adjusts over time to the new situation, the initial adverse effect on earnings should tend to diminish. Even in the absence of the initiative on demand deposit rates, many of these same adjustments probably would become necessary. Household transaction deposits already have been significantly deregulated and are slated for complete interest rate deregulation by 1986, and it has been evident for some time that careful cash management techniques have been spreading to more and more businesses. Thus, whatever earnings benefit banks are receiving from the prohibition of interest on demand deposits is rapidly eroding in any case.

From a monetary policy perspective, the payment of interest on demand deposits could create more uncertainty with respect to formulating monetary targets and interpreting incoming information about money growth. The level and behavior of demand deposits relative to income and prices is likely to change as these deposits become more attractive vehicles for holding liquid savings, rather than being used almost exclusively for transaction purposes. With competitive interest rates, some of the funds that are now normally shifted to close substitutes for demand deposits will remain in these accounts. At the same time, some of the balances now held in demand deposits solely to compensate banks for services received will be invested elsewhere as explicit charges are placed on these services.

The uncertainties are likely to be greatest in the transition period, when deposit holders are adjusting their behavior to the availability of interest-earning accounts and explicit prices for services. The problem, however, is one of degree, since we are already facing similar difficulties with M1, our measure of transaction money, as a result of the movement of household funds into NOW and Super NOW accounts. Moreover, by inducing the utilization of demand deposit substitutes and the spread of cash management techniques, the current regulatory framework has created its own problems for monetary policy, which the payment of interest on demand deposits would tend to reduce. The Federal Reserve has already had to accept and adjust to the need for increased flexibility when implementing policy in a changing financial environment, and I feel confident that we could deal with the effects of the advent of interest on demand deposits as well.

Implementation of Interest on Demand Deposits

Although the Federal Reserve Board shares the desire to permit interest to be paid on demand deposits, we do have some concerns about how this is to be implemented. Generally, we favor the approach in H.R. 3895, which you introduced at the request of the DIDC. It is my understanding, Mr. Chairman, that your own bill differs from the DIDC proposal in three respects.

First, your bill would eliminate the current restrictions limiting thrift-institution checking accounts for businesses to those with other customer relationships. This action, it seems to us, is not appropriate at this time. Thrifts are still in the process of adapting their business strategies to the new powers they obtained only last December. The Federal Reserve believes that the question of a still broader scope for the checking account authority of thrifts should be addressed later on, when the wider issues concerning the structure and organization of the financial system are considered.

Second, we believe that the DIDC should have the authority to decontrol demand deposits in a fashion parallel with NOW accounts. As you know, NOW account interest rates are still regulated for accounts of less than $2,500—a minimum that will drop to $1,000 in January 1985 before total elimination in the spring of 1986. If the same minimum were not imposed for interest-bearing demand deposits, the DIDC would need to end the regulation of NOW accounts immediately, and probably also of savings accounts. In the absence of such action, a sizable volume of funds in savings accounts and smaller NOW accounts would simply shift to deregulated demand deposits. The effect on the earnings of banks and thrifts could be substantial, and I would prefer to see the floor phased out as the DIDC has proposed. At thrift institutions in particular, the need to pay higher rates on $185 billion of savings deposits could have very serious consequences on a still weakened industry.

Finally, we would urge that the Federal Reserve be allowed to impose full transaction reserve requirements on increases in demand deposits at each institution from the date of enactment, as in the DIDC bill. This provision is necessitated by the nature of the phase-in of reserve requirements for nonmember banks and thrifts under the Monetary Control Act. The Congress directed that NOW accounts be subject to full transaction account reserve requirements immediately, while requirements on demand deposits would be brought up to the NOW account level only slowly. Decontrol of demand depos interest rates would allow thrifts and nonmemb banks to avoid full reserve requirements c household accounts for the remaining transitio al years by transferring the funds already NOW accounts to demand deposits. The resu would impose an additional, unfair competiti disadvantage on member banks.

Let me reiterate, Mr. Chairman, that our di agreements are related to technical matters co cerning the precise way interest on demar deposits would be phased in—not to the fund mental intent of your bill, on which we are agreement.

Interest on Reserves

In addition, the Board would urge that a legislation to eliminate the prohibition of intere on demand deposits include a plan to beg paying interest on required reserve balances the Federal Reserve. The two steps are compl mentary—interest on reserves will reinfor some of the beneficial effects of allowing intere on demand deposits while alleviating some of t short-run impact on bank earnings.

Reserve requirements serve a vital and ef cient role in the conduct of monetary policy; th are the fulcrum through which policy actio affecting reserve balances are transmitted to t depository institutions and through them to t general public. But it is not necessary that r serve balances be interest-free. In their prese form, reserves act as a tax on the institutio forced to hold them, which, like any other ta probably is partly absorbed by the institutio and partly passed on to the public in the form lower deposit rates or higher service charge Such a tax might be justifiable at a time when t government also was setting rate ceilings th held down the cost of deposits, but these ceilin will soon be gone. By enabling depository ins tutions to compete for savers' dollars on an equ footing with other intermediaries, payment interest on required reserves could increase t flow of funds through banks and enable depos tors to enjoy the maximum benefits of depos rate deregulation.

We recognize that there are some difficulties associated with the proposal that market interest rates be paid on such reserves. For example, movements in the monetary aggregates—especially the narrow transaction aggregate M1—might become even more difficult to interpret if this substantial regulatory cost, which would tend to force interest rates to be lower on transaction accounts than on other deposits, is eliminated. But by removing one more incentive for people to find new and innovative methods of avoiding holding reservable deposits, interest on reserves, along with interest on demand deposits, may in time contribute to a more stable financial environment and hence to greater ease in making monetary policy.

Interest on reserves would also result in a loss of Treasury revenue. Currently, about $20 billion of reserve balances are held at the Federal Reserve, and with the System's portfolio yielding around 10 percent, this amount generates about $2 billion of revenues annually that are available to be remitted to the Treasury. Of course, a sizable part of any interest paid out to banks and thrifts would be recaptured through increased tax payments by those institutions and their depositors. Nonetheless, at a time when very large federal deficits seem in prospect for the indefinite future, the loss of revenues is a serious matter.

To spread the fiscal effects of such a move, therefore, interest payments on reserve balances might be phased-in over a number of years. This could be done by gradually increasing the rate paid on reserve balances until it eventually reached its final level—perhaps keyed to the Federal Reserve's earnings on its portfolio of Treasury bills. Alternatively, full interest could be paid initially only on the reserves held against certain types of deposits, adding to the eligible classes of deposits over time. This would be consistent in its initial stages with the proposals now before the Congress to have the Federal Reserve pay interest on reserves held against money market deposit and Super NOW accounts. Its disadvantage is the need to allocate reserve balances to deposit classes, and the arbitrary competitive handicap that deposits still subject to the reserve "tax" would incur until the phase-out is complete.

BROKERED DEPOSITS

You asked, Mr. Chairman, that I discuss possible regulatory approaches to dealing with problems that may arise in association with bank or thrift use of brokers to obtain deposits. As you know, Chairman Volcker already has responded to your request for suggestions on this subject, and I have attached his letter for reference.[1]

Briefly, our view is that deposit brokering has a legitimate role to play in our financial system. By channeling funds from areas in which they are in surplus to areas of relative shortage, money brokerage is but one of a number of similar activities that contribute to the efficient functioning of our financial markets. By and large, this works to the benefit of depositor, depository institutions, and the economy in general.

At the same time, we recognize that deposit brokerage has been subject to abuse, particularly by troubled institutions that have been willing to pay large premiums for brokered funds to bolster their deposit base. Recently, this practice has been facilitated by the technique of placing large sums with a given institution and parceling them out in pieces of $100,000 or less, so that the holdings of each participating depositor are federally insured. As a result, any market discipline associated with risk is undermined, and the deposit insurance funds are faced with potentially much larger calls on their assets if the troubled institution subsequently fails.

Since there is the possibility of abusing an implied fiduciary relationship between broker and deposit customer, it may be appropriate to require registration and regulations of such firms, perhaps along the lines of the Investment Advisers Act of 1940 already being administered by the Securities and Exchange Commission. The application of suitability standards and disclosure requirements similar to those in this act to deposit brokers could be quite beneficial.

The most serious aspect of the problem, however, has been the use of brokered deposits by troubled institutions, which we believe can best be approached through closer supervision of the depository institutions themselves. The first re-

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

quirement is to identify institutions that are relying heavily on brokered deposits, or that have increased such reliance sharply over a short period of time. This finding would alert the primary supervisors of these institutions to the need for in-depth reviews to ascertain whether this practice indicated that the institution was facing fundamental problems, and to take remedial action as warranted.

Beginning with the quarterly call report for September 30, 1983, banks have been required to report the volume of deposits obtained through brokers. This requirement will make possible the monitoring of the amount and distribution · brokered funds and the identification of instit tions in which brokered deposits account for ε unusual proportion of total funding. I wou envisage a follow-up review of all such instit tions, probing in greater depth the source terms, and conditions of the brokerage arrang ments. It seems to me that such reports, alor with on-site inspections when indicated, wou enable supervisors to discover and take time steps against any abusive practices that may t facilitated by the availability of brokerε funds.

Announcements

New Fee Schedules for Check Collection Services

The Federal Reserve Board has approved new fee schedules for the check collection services of the Federal Reserve Banks in 1984, effective December 1, 1983.

The 1984 check collection fees are generally higher than in 1983, due mainly to the inclusion of the value of Federal Reserve check collection float in the projected costs of providing check collection services in 1984. Such float is the value of checks for which the Federal Reserve has given credit to depository institutions that sent the checks to the Federal Reserve for collection, but for which the Federal Reserve has not yet collected from the institution on which the checks were drawn.

Under the Board's program to eliminate and price Federal Reserve check float—as required by the Monetary Control Act—the value of float remaining after implementation of operational changes designed to reduce such float was added to the costs of the System's check collection service beginning October 1.

Including float costs of approximately $42 million, total costs of the Federal Reserve's check services for 1984 are estimated to be $419 million, an increase of approximately 11 percent over 1983 costs. This cost includes the private sector adjustment factor (PSAF), which is the cost of capital and taxes that would be paid if the services were performed by private firms. Without check float costs, total operating costs for 1984 would have increased 4.4 percent. The Reserve Banks have projected 1984 revenues from check collection fees at $423 million.

The accompanying table compares projected 1983 and 1984 Federal Reserve check collection costs and revenues.

In approving increases in check collection fees for 1984, the Board noted that operational changes in check collection implemented by the Reserve Banks have reduced check float by approximately half from June through August 1983: that is, from a daily average in June of $1.6 billion to $823 million daily in August. It is anticipated that check float will be further reduced in 1984 to an estimated daily average of $450 million. Reductions in check float decrease the amount that would otherwise have to be added to check collection fees to recover the cost of such float.

Following are examples of basic check collection fees at the head offices of the 12 Federal Reserve Banks. Check collection services are priced on a local-office basis. Therefore, fees will vary according to location. Moreover, fees vary according to a number of other factors, such as deposit times, whether checks are delivered to

Federal Reserve System comparison of check collection costs and revenues, 1983 and 1984

Millions of dollars, except as noted

Item	1985	1984	Change	
			Amount	Percent
Operating costs	317.5	331.5	14.0	4.4
PSAF	12.7	45.5	2.8	6.6
Float value	16.8	42.0	25.2	150.0
Total costs to be recovered	377.0	419.0	42.0	11.1
Revenue	375.4	423.0	47.6	12.7
Net revenue	(1.6)	4.0	5.6	...

Examples of basic check collection fees

Cents per item

Office	City	Regional check processing center
Boston	1.7	2.2
New York	3.3	...
Philadelphia	1.9	2.7
Cleveland	1.7	2.2
Richmond	1.7	2.3
Atlanta	1.5	2.1
Chicago	2.7	3.6
St. Louis	2.6	2.6
Minneapolis	2.0	2.5
Kansas City	2.3	...
Dallas (local)	1.6	2.1
San Francisco	2.0	2.5

the Federal Reserve sorted or unsorted, the costs of returning to the sender checks that cannot be collected, and the number of checks received from a sender that are not in condition to be machine-processed.

REGULATION L: AMENDMENTS

The Federal Reserve Board has announced that the effective date of amendments to its Regulation L (Management Official Interlocks) approved in August will be November 30, 1983.

Although the Board approved its amendments earlier, the effective date could not be set until the other federal regulators of depository institutions had approved corresponding changes in their regulations. The five federal regulators (Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, and National Credit Union Administration) have now published a joint set of amendments affecting management interlocks among depository organizations and establishing the effective date of the amendments. The joint rules do not alter the amendments to Regulation L approved by the Board in August.

PROPOSED ACTIONS

The Federal Reserve Board has requested comment by November 30, 1983, on proposed revisions to its procedure for calculation of the private sector adjustment factor (PSAF). As provided in the Monetary Control Act of 1980, the PSAF is an allowance for the taxes that would have been paid and a return on capital had the Federal Reserve's priced services been furnished by a private sector firm.

The Board is also requesting comment on an alternative method of determining the income tax rate used in calculating the PSAF.

The Federal Reserve Board has also proposed changes in its Regulation O (Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks) to conform the regulation to the Garn-St Germain Depository Institutions Act of 1982. The Board requested comment by N vember 25, 1983.

In addition, the Board has requested comme by November 30, 1983, on a proposal to coı pletely revise Regulation X (Rules Governiı Borrowers Who Obtain Securities Credit).

REVISED REGULATION T: NEW DATE FOR COMPLIANCE

The Federal Reserve Board has announced th it is deferring the effective date for complian with its newly revised Regulation T (Credit l Brokers and Dealers) to March 31, 1984.

The Board deferred the effective date of tl completely revised regulation, which was ori inally November 21 (or any earlier date aft June 20, 1983), in response to requests by br ker–dealers encountering operational problen in conforming their computer systems to tl requirements of the revised regulation.

The new regulation governing credit extend by brokers and dealers was adopted by the Boa May 16, 1983.

EXPANSION OF QUARTERLY SUBSCRIPTIO TAPES FOR REPORTS OF CONDITION AND INCOME

The Board has announced an expansion of tl quarterly subscription tapes for the Reports Condition and Income to include nine categori of data. At the same time, the price charged f the tapes will be increased from $150 to $200 p tape per reporting period.

The subscription price includes complete do umentation and applies to all reporting period Orders with remittance should be addressed Publications Services, Board of Governors of tl Federal Reserve System, Washington, D. 20551.

Beginning with reports for June 1983, tl subscription tape will contain the following da files: (1) consolidated report of condition–dome tic only, FFIEC 010 and FFIEC 012 (RCON); (consolidated foreign and domestic report of co dition, FFIEC 014 (RCFD); (3) large-bank su plement to the report of condition, FFIEC 0

(RCOS); (4) report of assets and liabilities of U.S. branches and agencies of foreign banks, FFIEC 002 (RIBA); (5) quarterly report of international banking facility accounts, FR 2073–5; (6) report of condition for banking Edge Act and Agreement corporations, FR 2886b (EDGE); (7) consolidated report of income, FFIEC 011, FFIEC 013, FFIEC 013S (RIAD); (8) large-bank supplement to the report of income, FFIEC 015 (RIAS); and (9) report of past due, nonaccrual, and renegotiated loans and lease financing receivables, FFIEC 021a,b,c (PDNL).

Information about the content or format of the magnetic tapes may be obtained by telephoning (202)452-2816, or by writing the Data Request Coordinator in the Data Services Branch, Division of Data Processing, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

System Membership: Admission of State Banks

The following banks were admitted to membership in the Federal Reserve System during the period October 10–November 10, 1983.

California
Los Angeles . . . . Guardian Bank
San Jose . . . . Silicon Valley Bank
Florida
Boca Raton . . . . Boca Bank
Oklahoma
Marietta . . . . Bank of Love County
Texas
Houston . . . . United Bank–Northwest
Virginia
Sterling . . . . Community Bank and Trust Company

Legal Developments

AMENDMENTS TO REGULATION D

The Board of Governors has amended Regulation D—Reserve Requirements of Depository Institutions (12 CFR Part 204) to modify the reserve requirements on nonpersonal time deposits. Under the amendment, nonpersonal time deposits with original maturities of 1-½ years or more will be subject to a reserve requirement ratio of zero percent. Nonpersonal time deposits with original maturities of less than 1-½ years will continue to be subject to a three percent reserve requirement ratio.

Section 204.9—Reserve Requirement Ratios

(a)(1) *Reserve percentages.* The following reserve ratios are prescribed for all depository institutions, Edge and Agreement Corporations and United States branches and agencies of foreign banks:

Category	Reserve Requirement
Net Transaction Accounts.	
$0–$26.3 million	3% of amount
Over $26.3 million	$789,000 plus 12% of amount over $26.3 million
Nonpersonal Time Deposits:	
By original maturity (or notice period):	
Less than 1-½ years	3%
1-½ years or more	0%
Eurocurrency Liabilities	3%

* * * * *

AMENDMENTS TO REGULATIONS D AND Q

The Board of Governors has adopted final amendments to Regulation D—Reserve Requirements of Depository Institutions (12 CFR Part 204) and Regulation Q—Interest on Deposits (12 CFR Part 217) to reduce the minimum maturity of all time deposits to seven days. Comments from the public were favorable to adoption of this rule. The Board's action was taken in light of recent actions by the Depository Institutions Deregulation Committee ("DIDC") to authorize the Money Market Deposit Account ("MMDA") and removing the interest rate ceiling on time deposits of $2,500 or more with maturities of seven- to 31-days.

1. In section 204.2 by revising paragraphs (b)(1) and (2), (c)(1), and (d)(1), and (f)(1)(v) to read as follows:

Section 204.2—Definitions

* * * * *

(b)(1) *"Demand deposit"* means a deposit that is payable on demand, or a deposit issued with an original maturity or required notice period of less than seven days, or a deposit representing funds for which the depository institution does not reserve the right to require at least seven days' written notice of an intended withdrawal. The term includes all deposits other than time and savings deposits. Demand deposits may be in the form of

(i) * * *

(viii) an obligation to pay on demand or within seven days a check (or other instrument, device, or arrangement for the transfer of funds) drawn on the depository institution, where the account of the institution's customer already has been debited. The term does not include an obligation that is a time deposit under § 204.2(c)(1)(ii).

(2) A "demand deposit" does not include checks or drafts drawn by the depository institution on the Federal Reserve or on another depository institution.

(c)(1) *"Time deposit"* means

(i) a deposit that the depositor does not have a right to withdraw for a period of seven days or more after the date of deposit. "Time deposit" includes funds:

(A) payable on a specified date not less than seven days after the date of deposit;

(B) payable at the expiration of a specified time not less than seven days after the date of deposit;

(C) payable upon written notice which actually is required to be given by the depositor not less than seven days before the date of repayment;

(D) such as "Christmas club" accounts and "vacation club" accounts, that are deposited under written contracts providing that no withdrawal shall be made until a certain number of periodic deposits have been made during a period of not less than three months even though some of the deposits may be made within seven days from the end of the period; or

(E) that constitute a "savings deposit" which is not regarded as a "transaction account;" and

(ii) borrowings, regardless of maturity, represented by a promissory note, an acknowledgment of advance, or similar obligation described in section 204.2(a)(1)(vii) that is issued to, or any bankers' acceptance (other than the type described in 12 USC 372) of the depository institution held by, any office located outside the United States of another depository institution or Edge or agreement corporation organized under the laws' of the United States, to any office located outside the United States of a foreign bank, or to institutions whose time deposits are exempt from interest rate limitations under section 217.3(g) of Regulation Q (12 CFR 217.3(g)(e)).

* * * * *

(d)(1) *"Savings deposit"* means a deposit or account

(i)(A) with respect to which the depositor is not required by the deposit contract but may at any time be required by the depository institution to give written notice of an intended withdrawal not less than seven days before withdrawal is made, and that is not payable on a specified date or at the expiration of a specified time after the date of deposit; and

(B)***

* * * * *

(f)(1)***

(v) a time deposit represented by a promissory note, an acknowledgment of advance, or similar obligation described in section 204.2(a)(1)(vii) that is issued to, or any bankers' acceptances (other than the type described in 12 U.S.C. 372) of the depository institution held by, any office located outside the United States of another depository institution or Edge or agreement corporation organized under the laws of the United States, to any office located outside the United States of a foreign bank, or to institutions whose time deposits are exempt from interest rate limitations under section 217.3(g) of Regulation Q (12 CFR 217.3(g)).

* * * * *

2. Section 217.1 is amended by revising paragraph (b)(1), the initial phrase in paragraph (e), and paragraphs (e)(2), (3), and (4) to read as follows:

Section 217.1—Definitions

* * * * *

(b)(1) *"Time deposit"* means

(i) a deposit that the depositor does not have a right to withdraw for a period of seven days or more after the date of deposit. "Time deposit" includes funds:

(A) payable on a specified date not less than seven days after the date of deposit;

(B) payable at the expiration of a specified time not less than seven days after the date of deposit;

(C) payable upon written notice which actually is required to be given by the depositor not less than seven days before the date of repayment; [1] or

(D) such as "Christmas club" accounts and "vacation club" accounts, that are deposited under written contracts providing that no withdrawal shall be made until a certain number of periodic deposits have been made during a period of not less than seven days from the end of the period; and

(ii) an "international banking facility time deposit."

* * * * *

(e) *"Savings deposit"* means a deposit —

(1) * * *

(2) With respect to which the depositor is not required by the deposit contract but may at any time be required by the bank to give written notice of an intended withdrawal not less than seven days before such withdrawal is made, [3] and that is not payable on a specified date or at the expiration of a specified time after the date of deposit.

(3)(i) * * *

(ii) Deposits in which any beneficial interest is held by a corporation, partnership, association, or other organization that is operated for profit or is not operated primarily for religious, philanthropic, charitable, educational, fraternal or other similar purposes, or that is not a governmental unit described in subparagraph (i)(C) may not be classified as deposits subject to negotiable orders of withdrawal, except as authorized by section 217.7(g).

(4) *"Savings deposit"* also means a deposit issued pursuant to section 217.7(c)(2)(ii) or section 217.7(g) with respect to which the member bank reserves the right to require at least seven days' notice prior to withdrawal or transfer.

* * * * *

3. The second sentence of section 217.5(c)(2) is amended by removing "14" and inserting "seven" in its place.

1. A deposit with respect to which the bank merely reserves the right to require notice of not less than seven days before any withdrawal is made is not a "time deposit" within the meaning of the above definition.

3. * * *

AMENDMENTS TO REGULATION Q

Pursuant to its authority under section 19 of the Federal Reserve Act, as amended, the Board has amended Regulation Q—Interest on Deposits (12 CFR Part 217) to incorporate rules of the Depository Institutions Deregulation Committee ("DIDC"), adopted pursuant to the Depository Institutions Deregulation Act of 1980 (Title II of Pub. L. 96–221). The amendments to Regulation Q are technical in nature and conform the Board's rules to those of the DIDC.

1. Section 217.1 is amended in paragraph (b)(1)(iii) by removing "217.7(1)" and inserting "217.7(e)" in its place, in paragraph (e)(4) by removing "217.7(m)" and inserting "217.7(g)" in its place, and by revising paragraph (h) to read as follows:

Section 217.1—Definitions

* * * * *

(h) *Obligations issued by the parent bank holding company of a member bank.*

(1) For purposes of this part, the "deposits" of a member bank also includes an obligation that is

(i) required to be registered with the Securities and Exchange Commission under the Securities Act of 1933;

(ii) issued or guaranteed in whole or in part as to principal and interest by the member bank's parent which is a bank holding company under the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841–50), regardless of the use of proceeds; and

(iii)(A) issued in a denomination of less than $100,000 and with a stated maturity, notice period or redemption period of less than seven days or

(B) issued in a denomination of less than $2,500 and with a stated maturity, notice period, or redemption period of seven to thirty-one days.

(2) The term "deposits" does not include those obligations of a bank holding company that are subject to interest rate limitations imposed pursuant to Public Law 89–597.

* * * * *

2. Section 217.3 is amended in paragraph (f) by removing "217.7(1)" and inserting "217.7(e)" in its place and by revising the second sentence of paragraph (a) to read as follows:

Section 217.3—Interest on Time and Savings Deposits

(a) * * * The effects of compounding of interest may be disregarded in ascertaining the rate of interest paid. * * *

3. Section 217.4 is amended in paragraph (f) by removing "217.7(1)(2)" and inserting "217.7(e)(2)" in its place, and paragraph (d) by revising subparagraph (1)(iii) introductory text, by adding new subparagraph (1)(iii)(D) and (E), by adding a new subparagraph (1)(iv), and by revising the last sentence of subparagraph (6) to read as follows:

Section 217.4—Payment of Time Deposits Before Maturity

* * * * *

(d) * * *

(1) * * *

(iii) The following minimum early withdrawal penalty shall apply to time deposit contracts entered into, renewed, or extended between June 2, 1980, and September 30, 1983, and that have not been renewed or extended on or after October 1, 1983:

(A) * * *

(D) Notwithstanding subparagraphs (A) and (B), where a time deposit in an amount of $2,500 to less than $100,000, with an original maturity of 91 days, or any portion thereof, is paid before maturity, a depositor shall forfeit an amount equal to at least all interest earned on the amount withdrawn.

(E) Notwithstanding subparagraph (A), where a nonnegotiable time deposit subject to an initial deposit of $2,500 or more, with an original maturity or required notice period of seven to 31 days, or any portion thereof, is paid before maturity, a depositor shall forfeit an amount equal to at least the greater of

(1) all interest earned on the amount withdrawn from the most recent date of deposit, date of maturity, or date on which notice of withdrawal was given, or

(2) all interest that could have been earned on the amount withdrawn during a period equal to one-half the maturity period or required notice period.

(iv) The following minimum early withdrawal penalty shall apply to time deposit contracts entered into, renewed, or extended on or after October 1, 1983:

(A) Where a time deposit with an original maturity or required notice period of seven to 31 days, or any portion thereof, is paid before maturity, a depositor shall forfeit an amount at least equal to the greater of

(1) all interest earned on the amount withdrawn from the most recent of the date of deposit, date of maturity, or date on which notice of withdrawal was given, or

(2) all interest that could have been earned on the amount withdrawn during a period equal to one-half the maturity period or the required notice period.

(B) Where a time deposit with an original maturity or required notice period of 32 days to one year, or any portion thereof, is paid before maturity, a depositor shall forfeit an amount at least equal to one month's interest earned, or that could have been earned, on the amount withdrawn at the nominal (simple interest) rate being paid on the deposit, regardless of the length of time the funds withdrawn have remained on deposit.

(C) Where a time deposit with an original maturity or required notice period of more than one year, or any portion thereof, is paid before maturity, the depositor shall forfeit an amount at least equal to three months' interest earned, or that could have been earned, on the amount withdrawn at the nominal (simple) interest rate being paid on the deposit, regardless of the length of time the funds withdrawn have remained on deposit.

* * * * *

(6) *** Except as provided in subparagraphs (1)(iii)(E) and (1)(iv)(A), when a time deposit is payable only after notice, for funds on deposit for at least the notice period, the penalty for early withdrawal shall be imposed for at least the notice period.

* * * * *

4. Paragraph (c)(1) of section 217.5 is amended by removing "217.7(m)" and inserting "217.7(g)" in its place.

5. Section 217.6 is amended by removing paragraph (i).

6. Section 217.7 is amended by revising paragraphs (a), (b), (c), and (d); by removing paragraphs (e), (f), (g), (i), (j) and (k); by redesignating paragraph (m) as paragraph (g) and paragraph (h) as paragraph (f); redesignated paragraph (g) is amended in subparagraph (1) by removing "(m)(2)" in both places that it appears and by inserting "(g)(2)" in its place, and by redesignating paragraph (1) as paragraph (e) and revising (e)(1) and (e)(3) to read as follows:

Section 217.7—Supplement: Maximum Rates of Interest Payable by Member Banks on Time and Savings Deposits

* * * * *

(a) *Time deposits of $100,000 or more, or with original maturities or required notice periods of 32 days or more, or IBF time deposits.*

(1) There is no maximum rate of interest presently prescribed on any time deposit of $100,000 or more, or with an original maturity or required notice period of 32 days or more, or on IBF time deposits issued under section 217.1(l).

(2) Except for IBF time deposits, a member bank may permit additional deposits to be made to any time deposit with an original maturity or required notice period of 32 days or more at any time prior to its maturity or expiration of notice period without extending the maturity or required notice period of the entire balance in the account.

(b) *Time deposits with original maturities or required notice periods of seven to 31 days.* No member bank shall pay interest on any time deposit of less than $2,500 with an original maturity or required notice period of 31 days or less at a rate in excess of 5-¼ percent.

(c) *Savings deposits.*

(1) Except as provided in paragraph (g), no member bank shall pay interest at a rate in excess of 5-¼ percent on any savings deposit.

* * * * *

(d) *Governmental unit time deposits.* Except as provided in paragraphs (a) and (e) and notwithstanding paragraph (b), no member bank shall pay interest on any time deposit which consists of funds deposited to the credit of, or in which the entire beneficial interest is held by, the United States, any state of the United States, or any county, municipality, or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or political subdivision thereof in excess of 8 percent.

(e) *Seven- to 31-day time deposits of $2,500 or more.*

(1) Notwithstanding paragraph (d), a member bank may pay interest at any rate as agreed to by the depositor on any time deposit of $2,500 or more, with a maturity or required notice period of not less than seven days nor more than 31 days. However, a member bank shall not pay interest in excess of the ceiling rate for regular savings deposits or accounts on any day the balance in a time deposit issued under this paragraph is less than $2,500.

* * * * *

(3) Where all or any part of a time deposit issued under this paragraph is withdrawn within one business day after the maturity date of the deposit or the date of expiration of notice of withdrawal, no early withdrawal penalty is required to be applied on the amount withdrawn.

* * * * *

5. Section 217.147 is revised to read as follows:

Section 217.147—Premiums, Finders Fees, Prepayment of Interest and Payment of Interest in Merchandise

For regulatory provisions relating to premiums, finders fees, prepayment of interest and payment of interest in merchandise refer to 12 C.F.R. 1204.109, 1204.110 and 1204.111.

Bank Holding Company and Bank Merger Orders Issued by the Board of Governors

Orders Under Section 3 of Bank Holding Company Act

Amoskeag Bank Shares, Inc., Manchester, New Hampshire

Order Approving Formation of a Bank Holding Company

Amoskeag Bank Shares, Inc., Manchester, New Hampshire, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("Act")(12 U.S.C. § 1842(a)(1)) to become a bank holding company through acquisition of all of the shares of Amoskeag Savings Bank, Manchester, New Hampshire ("Savings Bank"), and 42.2 percent of the shares of Amoskeag National Bank and Trust Co., Manchester, New Hampshire ("National Bank"). Savings Bank is an FDIC insured state-chartered mutual savings bank that accepts demand deposits and makes commercial loans. In connection with consummation with this proposal, Savings Bank will convert to a stock savings bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been duly published. (48 *Federal Register* 39,993). The time for filing comments has expired and the Board has considered the application and all comments received.

The Board has previously determined that a state guaranty savings bank is a "bank" for purposes of the Act if it accepts demand deposits (including NOW accounts), engages in the business of making commercial loans, and is not covered by the exemption created by the Garn-St Germain Depository Institutions Deregulation Act for FSLIC insured thrift institutions.[1] Savings Bank accepts demand deposits and NOW accounts and engages in the business of making commercial loans.[2] Its deposits are not insured by the FSLIC. Accordingly, Savings Bank is a "bank" for purposes of the BHC Act. The application thus has been considered in light of the requirements of section 3 of the Act pertaining to the acquisition of banks.

Applicant is a recently organized corporation formed for the purpose of becoming a bank holding company through the acquisition of Savings Bank and National Bank. Savings Bank controls 42.2 percent of the voting shares of National Bank, and will transfer these shares to Applicant.

Savings Bank, with deposits of approximately $429.7 million, is the largest savings bank and the fourth largest depository institution in New Hampshire, controlling 5.8 percent of all deposits in depository institutions in the state.[3] National Bank, with deposits of approximately $108.2 million, is the sixth largest commercial banking organization and 19th largest depository institution in New Hampshire, controlling 2.73 percent of total deposits in commercial banks in the state and 1.4 percent of total deposits in depository institutions in the state. Upon acquisition of both Savings Bank and National Bank, Applicant would become the second largest depository organization in New Hampshire, with 7.2 percent of total deposits in all depository institutions in the state. Because of the small increase in Applicant's share of total statewide deposits, the Board has determined that the transaction would have no significant effect on statewide concentration of banking resources.

Savings Bank and National Bank each operate nine offices in the Manchester banking market, and National Bank operates one office in the Nashua banking market.[4] National Bank is the sixth largest of seven commercial banks in the Nashua banking market with

1. *First NH Banks, Inc.*, 69 Federal Reserve Bulletin 874 (1983).

2. As of June 30, 1983, 9.21 percent of Savings Bank's total loans were real estate construction loans and real estate loans secured by nonfarm and nonresidential properties. Slightly over 5 percent of Savings Banks loans were commercial and industrial loans other than those secured primarily by real estate.

3. All banking data are as of June 30, 1982.

4. The Manchester banking market is approximated by the Manchester Ranally Metropolitan Area (RMA), plus the towns of Weare, New Boston, Allenstown, Deerfield, Chester, and Derry, New Hampshire. The Nashua banking market is approximated by the Nashua RMA minus the town of Brookline, New Hampshire.

1.4 percent of total deposits in commercial banks in that market. Because Savings Bank does not operate in the Nashua market, consummation of the proposal would have no effect on existing competition in that market.

Savings Bank is the largest depository institution in the Manchester market, controlling 28.2 percent of total deposits in all depository institutions in the market. National Bank is the third largest commercial bank and sixth largest depository institution in the Manchester market, with 13.9 percent of total deposits in commercial banks in the market and 4.8 percent of total market deposits. Upon consummation of this proposal, Applicant would control 33.0 percent of total deposits in depository institutions in the Manchester market.[5]

Ordinarily, the affiliation of competing institutions with such large market shares might raise significant competitive issues. In this case, however, no adverse competitive effect would result from the proposal due to the longstanding affiliation of these two institutions and the fact that their original affiliation did not eliminate any existing competition between them.[6] National Bank and Savings Bank were each formed de novo by the same organizers in 1848 and 1852, respectively, and Savings Bank has owned 42.2 percent of National Bank's outstanding voting shares since 1880.[7] The two institutions have been associated through common ownership, common banking quarters and common advertising for over 130 years. Approval of Applicant's proposal would not decrease competition since the proposal seeks to merely transfer ownership of National Bank's stock from Savings Bank to the holding company. Accordingly, consummation of the proposal would not result in any significant lessening of existing competition in the Manchester market.

Under New Hampshire law, Savings Bank is authorized to engage in real estate development and investment activities broader than those that are permitted for a bank holding company under the Act. Savings Bank in fact engages in real estate development activities through a wholly-owned subsidiary. Applicant has committed to divest the subsidiary within two years of consummation of this proposal, and not to engage in any activities that would not be permissible for a bank holding company under the Act without the Board's prior approval.

The financial and managerial resources and future prospects of Applicant and the banks to be acquired are regarded as generally satisfactory. Accordingly, considerations relating to banking factors are consistent with approval. Considerations relating to the convenience and needs of the community to be served also are consistent with approval.

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

By order of the Board of Governors, effective October 24, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Dartmouth National Corporation, Hanover, New Hampshire

Order Approving Formation of a Bank Holding Company

Dartmouth National Corporation, Hanover, New Hampshire, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)), to become a bank holding company by acquiring 100 percent of the voting shares of Dartmouth National Bank of Hanover, Hanover, New Hampshire ("Bank").

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

5. The Manchester banking market is the largest banking market in New Hampshire in terms of total deposits. Nine commercial banking organizations, two savings banks, two savings and loan associations and fourteen credit unions operate in this market.

6. See *First Monco Bancshares, Inc.*, 69 FEDERAL RESERVE BULLETIN 293 (1983); *Texas East BanCorp, Inc.*, 69 FEDERAL RESERVE BULLETIN 636 (1983). See also *Guaranty Bancshares, Inc.*, 65 FEDERAL RESERVE BULLETIN 866 (1979).

7. Savings Bank is not a bank holding company because of an exemption in section 2(a)(5)(F) of the Act for certain mutual savings banks. (12 U.S.C.§ 1841(A)(5)(F)).

Applicant, a nonoperating New Hampshire corporation, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of $78.2 million.[1] Upon acquisition of Bank, Applicant would control the eighth largest bank in New Hampshire and would hold approximately 2.4 percent of total deposits in commercial banks in that state. Consummation of this proposal would have no significant effect on the concentration of banking resources in New Hampshire.

Bank is the largest commercial banking organization in the Upper Connecticut Valley banking market [2] and holds approximately 29 percent of total deposits in commercial banks in the market.[3] Neither Applicant nor any of its principals is affiliated with any other unrelated banking organization in the market, and it appears that consummation of the proposal would not result in any adverse effects upon competition or increase the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and Bank are satisfactory. Accordingly, considerations relating to banking factors are consistent with approval. Although Applicant does not anticipate any immediate changes in the services offered by Bank, considerations relating to the convenience and needs of the community to be served also are consistent with approval.

Based on the foregoing and other facts of record, the Board has determined that consummation of the transaction would be in the public interest and that the application should be approved. On the basis of the record, the application is approved for the reasons summarized above. The acquisition of shares shall not be made before the thirtieth calendar day following the effective date of this Order or later than three months after the effective date of this Order unless such period is extended by the Board or by the Federal Reserve Bank of Boston, acting pursuant to delegated authority.

By order of the Board of Governors, effective October 12, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

1. Deposit data are as of March 31, 1983.
2. The Upper Connecticut Valley banking market is approximated by the towns of Canaan, Dorchester, Enfield, Hanover, Lebanon, Lyme, Oxford, and Plainfield, all in New Hampshire, and Hartford, Hartland, Norwich, Thetford, and Woodstock, all in Vermont.
3. Market data are as of June 30, 1982.

GN Bancorp, Inc., Chicago, Illinois

Formation of a Bank Holding Company and Order Approving Acquisition of a Bank

GN Bancorp, Inc., Chicago, Illinois, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company through acquisition of Gladstone-Norwood Trust & Savings Bank, Chicago, Illinois ("Bank").

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

Applicant, a nonoperating company with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of $47.6 million.[1] Upon acquisition of Bank, Applicant would control the 346th largest commercial bank in Illinois, and approximately 0.05 percent of total deposits in commercial banks in the state. Consummation of this proposal would have no significant effect on the concentration of banking resources in Illinois.

Bank is the 186th largest commercial bank in the Chicago banking market,[2] controlling approximately 0.08 percent of the total deposits in commercial banks there. Neither Applicant nor any of its principals is affiliated with any other banking organization in the relevant market. It appears from the facts in the record that consummation of the proposal would not result in any adverse effects upon competition and that competitive considerations are consistent with approval.

The financial and managerial resources and future prospects of Applicant and Bank are regarded as consistent with approval. Applicant has committed to provide additional capital to Bank. As part of this proposal Applicant will sell common stock prior to consummation of this transaction. Applicant will also incur debt but it appears that Applicant is capable of servicing its debt while maintaining adequate capital at Bank. Accordingly, the Board finds considerations relating to banking factors consistent with approval.

Considerations relating to the convenience and needs of the community to be served are also consistent with approval. Thus, the Board has determined

1. Banking data are as of June 30, 1982.
2. The Chicago banking market is defined as Cook, DuPage, and Lake Counties in Illinois.

that consummation of the transaction would be consistent with the public interest and that the application should be approved.

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

By order of the Board of Governors, effective October 4, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Kentucky Bancorporation, Inc., Alexandria, Kentucky

Order Approving Formation of a Bank Holding Company

Kentucky Bancorporation, Inc., Alexandria, Kentucky, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act of 1956, as amended ("Act") (12 U.S.C. § 1842(a)(1)), to form a bank holding company by acquiring at least 80 percent of the voting shares of First National Bank and Trust Company of Covington, Covington, Kentucky ("Bank").

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

Applicant is a nonoperating corporation organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of $94.5 million.[1] Upon consummation of this proposal, Applicant would become the 36th largest of 336 banking organizations in Kentucky and would control 0.5 percent of total deposits held by commercial banks in the state.

Applicant's principal also controls a chain banking organization as a result of his ownership of 49 percent of the voting shares of two one-bank holding companies: Northern Kentucky Bancshares, Inc., Falmouth, Kentucky, which owns Falmouth Deposit Bank, Falmouth, Kentucky ("Falmouth Bank"); and Kentucky National Corporation, Alexandria, Kentucky, which owns Kentucky National Bank, Walton, Kentucky ("KN Bank"). The combined consolidated assets of the chain are $36.3 million.[2] Upon consummation of this proposal, Applicant would become the third one-bank holding company in the chain which will then have combined consolidated assets of $149.4 million.[3]

Bank operates exclusively in the Kenton County, Kentucky portion of the Cincinnati banking market where it is the eleventh largest of 39 banking organizations and controls 1.7 percent of the total deposits in commercial banks in the market.[4] Bank and Falmouth Bank operate in separate markets and are prohibited by law from branching into each other's markets; therefore, their affiliation will not have an adverse effect on competition between Bank and Falmouth Bank. KN Bank, with total deposits of $15 million, operates exclusively in the Boone County portion of the Cincinnati banking market where it is the 32nd largest of 39 banking organizations and controls 0.3 percent of the total deposits in commercial banks in the market. Although Bank also operates in this market, Kentucky law prohibits Bank and KN Bank from branching into the portion of the market where the other is located.[5] In view of these facts and the small market shares controlled by Bank and KN Bank in this market, the Board concludes that consummation of the proposal would not have any effects on competition in the Cincinnati market. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

Applicant proposes to become a bank holding company through the acquisition of at least 80 percent of the voting shares of Bank. As part of the proposal, the Central Bancorporation, Cincinnati, Ohio ("Central"), will acquire all of Applicant's nonvoting common stock as well as 4.9 percent of Applicant's voting common stock. Central's proposed investment represents 24.9 percent of Applicant's total equity. The

1. Banking data are as of December 31, 1982, unless otherwise stated.

2. The chain banking data are as of June 30, 1983.

3. Under the Board's Capital Adequacy Guidelines, 68 FEDERAL RESERVE BULLETIN 33 (1982), reprinted in Federal Reserve Regulatory Service, ¶3-1506, chain banking organizations with less than $150 million in combined assets should not be consolidated for the purpose of determining capital adequacy. Bank, Falmouth Bank and KN Bank have primary capital to total asset ratios above the minimum required 7 percent level. Accordingly, this proposal meets the Board's Capital Adequacy Guidelines.

4. The Cincinnati banking market consists of Boone, Kenton and Campbell Counties, Kentucky; Hamilton (Cincinnati), and Clermont Counties, Ohio; portions of Warren and Butler Counties, Ohio; and Dearborn County, Indiana

5. Ky. Rev. Stat. § 287.180(2).

Board has reviewed the terms of Central's acquisition and concludes that the investment is consistent with the Board's Policy Statement on Nonvoting Equity Investments by Bank Holding Companies ("Policy Statement"), as well as prior decisions involving nonvoting equity investments.[6] In this regard, the Board notes that Central has committed not to exercise control or a controlling influence over Applicant. Based on these facts and other facts of record, the Board concludes that Central would not control Applicant by virtue of the structure of the proposed investment.

In view of Central's equity investment in Applicant, as well as Applicant's commitment not to redeem its nonvoting common shares until its debt-to-equity ratio is reduced below 30 percent, the Board's judgment is that Applicant will have sufficient financial resources to service its debt and serve as a source of financial strength to its subsidiary bank in the future. Thus, financial and managerial resources of Applicant and Bank are considered generally satisfactory and their future prospects appear favorable.

The Board believes that considerations relating to the convenience and needs of the community to be served are consistent with approval. Accordingly, the Board has determined that consummation of the transaction would be consistent with the public interest and that the application should be approved.

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

By order of the Board of Governors, effective October 31, 1982.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

6. 68 FEDERAL RESERVE BULLETIN 413 (1982); 12 C.F.R. § 225.143. See *United Midwest Bancshares, Inc.*, 68 FEDERAL RESERVE BULLETIN 774 (1982); *Valley View Bancshares*, 61 FEDERAL RESERVE BULLETIN 676 (1975); *Security Bancorp, Inc.*, 66 FEDERAL RESERVE BULLETIN 977 (1980). See also letter from William W. Wiles, Secretary of the Board, to J.A. Maurer, President, Security Corp., Duncan, Oklahoma, June 23, 1982.

The Lawton Company, Sulphur, Louisiana

Order Approving Formation of a Bank Holding Company

The Lawton Company, Sulphur, Louisiana, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) (the "Act") to become a bank holding company by retaining 100 percent of the voting shares of William T. Burton Industries, Inc., Lake Charles, Louisiana ("Burton"), a bank holding company by virtue of its control of Calcasieu Marine National Bank, Lake Charles, Louisiana ("Bank"). Applicant is a limited partnership composed solely of members of the Burton family.

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

Burton became a one-bank bank holding company by virtue of the 1970 amendments to the Act. The Burton family has owned more than 85 percent of the shares of Burton prior to June 30, 1968, and may engage in a variety of nonbank activities that otherwise would be impermissible for bank holding companies except for the exemption found in section 4(c)(ii) of the Act. [1] In 1981, Applicant was formed as an estate planning measure to hold the shares of Burton previously held directly by the Burton family. At the time of its formation, Applicant acquired shares of Burton without the Board's prior approval under the Act. Applicant has now applied to the Board to retain its interest in Burton and its indirect interest in Bank.

Pursuant to section 4(a)(2) of the Act, Applicant would be required to divest its nonbank activities within two years of becoming a bank holding company unless it became a successor to the exemption enjoyed by Burton. After a review of the record, the Board has determined that Applicant's acquisition of control of Burton and Bank did not alter either the control or

1. Section 4(c)(ii) exempts from the prohibitions of section 4

a company covered in 1970 more than 85 percent centum of the voting stock of which was collectively owned on June 30, 1968 and continuously thereafter, directly or indirectly by or for members of the same family, or their spouses, who are lineal descendants of common ancestors.

beneficial ownership of Bank. In this regard, Burton's ownership of the voting shares of Bank has remained unchanged by the transaction. Moreover, ownership of Burton has changed only in that Burton's voting shares, which previously were owned directly by individual members of the Burton family, now are owned indirectly by those same individuals through a company wholly-owned by the Burton family. This transaction was essentially a reorganization of the corporate interests of the Burton family. Moreover, Applicant has committed that its only activity will be the ownership of Burton's stock. Accordingly, the Board believes it appropriate to treat Applicant as a successor to Burton. Therefore, Applicant may retain its impermissible nonbanking activities of Burton in reliance on the section 4(c)(ii) exemption.

Bank, which holds deposits of $775.0 million, [2] is the ninth largest banking organization in Louisiana, holding 2.06 percent of total deposits in commercial banks in the state. Bank is the largest of five commercial banking organizations in the banking market [3] and holds approximately 45 percent of the total deposits in commercial banks in the market. Neither Applicant nor any of its principals is affiliated with any other banking organization in the market and it appears that consummation of this proposal will not result in any adverse effects upon competition in any relevant area. Accordingly, competitive considerations are consistent with approval of this application.

The financial resources and future prospects of Applicant and Bank are satisfactory. In addition, the Board has reviewed the circumstances surrounding Applicant's acquisition of Burton's stock and, based upon the entire record, including procedures implemented by Applicant and Burton to ensure future compliance with the Act, the Board concludes that managerial resources of Applicant and Bank are consistent with approval. Considerations relating to the convenience and needs of the community to be served are also consistent with approval of the application. Accordingly, it is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective October 31, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Merchants Bancorp, Inc., Allentown, Pennsylvania

Order Approving Acquisition of a Bank

Merchants Bancorp, Inc., Allentown, Pennsylvania, 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 of Easton National Bank & Trust Company, Easton, Pennsylvania ("Bank").

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

Applicant, the eighteenth largest banking organization in Pennsylvania, controls one banking subsidiary with total deposits of approximately $630.3 million, representing 0.9 percent of the total deposits in commercial banks in the state.[1] Bank, with deposits of $215 million, is the 47th largest commercial banking organization in Pennsylvania, and controls 0.3 percent of the total deposits in commercial banks in the state. Upon consummation of this transaction, Applicant would become the fifteenth largest banking organization in the state, and would control 1.2 percent of the total deposits in commercial banks in the state. The Board concludes that consummation of this transaction would have no significant effect on the concentration of banking resources in Pennsylvania.

Both Applicant and Bank compete in the Allentown/Bethlehem/Easton banking market.[2] Bank is the sixth

2. Banking data are as of June 30, 1982.
3. The Calcasieu Parish banking market is defined as Calcasieu Parish, Louisiana.

1. All banking data are as of March 31, 1983.
2. The Allentown/Bethlehem/Easton banking market is approximated by Carbon, Lehigh, and Northampton counties in Pennsylvania, and Warren County in New Jersey.

largest banking organization in that market, controlling approximately 5.2 percent of the total deposits in commercial banks in the market. Applicant is the second largest commercial banking organization in the market, controlling approximately 14.8 percent of the total deposits in commercial banks in the market. Upon consummation of this transaction, Applicant would remain the second largest commercial banking organization in the market, and its share of the total deposits in commercial banks in the market would increase to 20 percent.[3]

Although consummation of this proposal would eliminate some existing competition between Applicant and Bank in the Allentown/Bethlehem/Easton banking market, certain facts of record mitigate the competitive effects of the transaction. The Allentown/Bethlehem/Easton banking market is not highly concentrated and would not become a highly concentrated market after consummation of this proposal. The share of deposits held by the four largest commercial banking organizations in the market is 53.4 percent and would increase to 58.6 percent upon consummation of the proposal. The Herfindahl–Hirschman Index ("HHI") in the market is 946 and would increase to 1100 points upon consummation of the proposal.[4] In addition, numerous commercial banking organizations, including the state's largest, would remain in the market after consummation of the proposal.

Furthermore, the Board has considered the presence of 24 thrift institutions in the market that hold approximately 26 percent of the total deposits in the market. Thrift institutions already exert a considerable competitive influence in the market as providers of NOW accounts and consumer loans. The Board has previously indicated that thrift institutions have become, or at least have the potential to become major competitors of commercial banks.[5] Thrift institutions in this market are in fact engaged in the business of making commercial loans and providing an alternative for such services for customers in the Allentown/Bethlehem/Easton banking market. In this case, based upon the size and activities of thrift institutions in the market, the Board concludes that thrift institutions exert a significant competitive influence that substantially mitigates the anticompetitive effects of the proposal. In light of the above, the Board concludes that the acquisition would not have any significant adverse effects on competition in any relevant area.[6]

The financial and managerial resources and future prospects of Applicant, its subsidiaries and Bank are regarded as generally satisfactory and their future prospects appear favorable. Considerations relating to banking factors are consistent with approval. Consummation of the proposal would result in reduced costs for credit life insurance for Bank's customers. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Accordingly, the Board has determined that consummation of the transaction would be consistent with the public interest and that the application should be approved.

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

By order of the Board of Governors, effective October 13, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Dissenting Statement by Governor Teeters

I would deny the application because I believe that the effect of this proposal would be substantially to lessen competition in the Allentown/Bethlehem/Easton banking market. Consummation of this proposal would result in the elimination of the sixth largest commercial banking organization in the market, and the resulting organization would control 20 percent of the total deposits in commercial banks in the market. I believe that the Board's approval of this proposal continues an undesirable trend of permitting acquisitions that substantially lessen competition in a market without any corresponding public benefit. See *Interfirst Corporation*, 69 FEDERAL RESERVE BULLETIN 468 (1983); *Banc One Corporation*, 69 FEDERAL RESERVE BULLETIN 379 (1983) and *Hartford National Corporation*, 69 FEDERAL RESERVE BULLETIN 32 (1983).

3. Market data are as of June 30, 1983, and include acquisitions through August 31, 1983.

4. Under the Department of Justice merger guidelines, a market in which the post-merger HHI is between 1,000 and 1,800 is considered moderately concentrated. In such markets, the Department is more likely than not to challenge a merger that produces an increase in the HHI of 100 points or more.

5. *Comerica, Inc.*, 69 FEDERAL RESERVE BULLETIN 797 (1983); *General Bancshares Corporation*, 69 FEDERAL RESERVE BULLETIN 802 (1983); *First Tennessee National Corporation*, 69 FEDERAL RESERVE BULLETIN 298 (1983).

6. If thrift institutions are included in the calculation of market concentration, the share of deposits held by the four largest organizations in the market is 39.5 percent, the HHI declines to 588 and the combined market shares of Bank and Applicant drop to 14.9 percent.

Accordingly I dissent from the Board's decision to approve this application.

October 13, 1983

Monmouth Financial Services, Inc., Minneapolis, Minnesota

Order Approving Acquisition of Bank

Monmouth Financial Services, Inc., Minneapolis, Minnesota, a bank holding company within the meaning of the Bank Holding Company Act (12 U.S.C. § 1841 et seq.), has applied for approval under section 3(a)(3) of the Act to acquire the First State Bank of Little York, Little York, Illinois ("Bank").

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

Applicant's only bank subsidiary is Monmouth Trust and Savings Bank, Monmouth, Illinois, which holds $44 million in total deposits, representing less than 1 percent of the total deposits in commercial banks in Illinois.[1] Bank holds $5.8 million in deposits and is among the smallest banks in the state. After consummation of the proposal, Applicant's share of the total deposits in commercial banks in the state would remain less than 1 percent. Accordingly, consummation of this proposal would not have an appreciable effect on the concentration of commercial banking resources in Illinois.

Applicant's bank subsidiary and Bank both operate in the Warren County banking market.[2] Monmouth Trust and Savings Bank is the second largest commercial banking organization in this market and operates two offices, controlling 30.8 percent of total deposits in commercial banks in the market. Bank, with only one office, is the smallest of six commercial banks in the Warren County banking market, with 4.1 percent of the deposits in commercial banks in the market. The offices of Applicant are both approximately 12 miles from Bank. Upon consummation of the proposal, Applicant will become the largest commercial bank in the market and will control 34.9 percent of the commercial bank deposits in the market. The Warren County banking market is highly concentrated, with a four-firm concentration ratio of 87.6 percent and a Herfindahl–Hirschman Index ("HHI") equal to 2376. Upon consummation of the proposed transaction, the four-firm concentration ratio would increase to 91.7 percent and the HHI would increase by 253 points to 2629.

In reviewing the effect of this proposal on competition in the Warren County banking market, the Board has considered the fact that Bank, with only $5.8 million in deposits, representing approximately 4.1 percent of total deposits in commercial banking institutions in the market, is the smallest depository institution in the market, and has experienced only minimal growth since its establishment in 1916. In addition, the record indicates that Bank has not been an active competitive factor in the market, as is indicated by its relatively low loan-to-deposit ratio and relatively high concentration of investment in U.S. Government securities.

Moreover, in view of the significant expansion of the commercial lending powers of federal thrift institutions authorized in the Garn-St Germain Depository Institutions Act of 1982, the Board has, in a number of recent cases, considered the presence and extent of competition of thrift institutions in the relevant banking market as a mitigating factor.[3] There are two thrift institutions in the Warren County banking market, one of which is, by a substantial margin, the largest depository institution in the market. Together, these thrift institutions control $81.3 million in deposits, representing approximately 36.2 percent of the total deposits in thrift institutions and commercial banks in Warren County. Accordingly, the Board has considered the presence of thrift institutions in the Warren County banking market as a significant factor in assessing the competitive effects of this transaction.[4]

Consequently, while consummation of the proposal would eliminate some existing competition in the relevant banking market, the Board has determined that, in view of all of the facts of record, consummation of this proposal would not have a significant adverse effect on existing or potential competition in the Warren County banking market. Thus, competitive effects are consistent with approval.

The financial and managerial resources of Applicant, its subsidiary bank, and Bank are regarded as generally satisfactory and their prospects appear fa-

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

2. The relevant banking market is defined as Warren County, Illinois.

3. See, e.g., *Barnett Banks of Florida*, 69 FEDERAL RESERVE BULLETIN 44 (1983); *First Tennessee National Corporaton*, 69 FEDERAL RESERVE BULLETIN 298 (1983); *Midlantic Banks, Inc.*, 69 FEDERAL RESERVE BULLETIN 652 (1983).

4. If the presence of thrift institutions in the market were given full weight, the four-firm concentration ratio becomes 81.4 percent and the HHI is reduced to 2055 points. Upon consummation of the transaction, the HHI would increase by 102 points and the four-firm concentration ratio would become 85.5 percent. Applicant would be the third largest depository institution in the market with 19.6 percent of market deposits, and upon consummation of the transaction, would become the second largest depository institution in the market, with 23.2 percent of market deposits.

vorable. As a result, considerations relating to banking factors are consistent with approval. Although no new banking services would be introduced to the Warren County banking market as a result of the proposed transaction, the customers of Bank would benefit from the addition of new services, including a broad range of trust services, expanded credit programs, and financial management services especially developed for farm operations. Thus, considerations relating to convenience and needs of the community to be served are consistent with approval and outweigh any adverse competitive effects of the transaction. Based upon the foregoing and all the facts of record, it is the Board's judgment that consummation of the transaction would be consistent with the public interest.

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

By order of the Board of Governors, effective October 27, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Dissenting Statement by Governor Teeters

I would deny the application of Monmouth Financial Services, Inc. to acquire First State Bank of Little York, Little York, Illinois, because I believe that consummation of the proposal would tend to substantially lessen competition in the Warren County market.

Applicant is the second largest commercial banking institution in the market, and would increase its market share from 30.8 percent to 34.9 percent of total deposits in commercial banks in the market. The Warren County market is highly concentrated, and, upon consummation of the proposal, the four-firm concentration ratio would increase from 87.6 percent to 91.7 percent and the Herfindahl-Hirschman Index would increase by 253 points, from 2376 to 2629. Even if weight were given to the thrift institutions in the market, the market remains highly concentrated and the Herfindahl-Hirschman Index would increase by over 100 points.

In view of these facts and the fact that Bank is a viable competitor in the market, I believe its elimination as a competitor would have significantly adverse effects on competition in the Warren County banking market.

October 27, 1983

RepublicBank Corporation, Dallas, Texas

Order Approving Acquisition of a Bank

RepublicBank Corporation, Dallas, Texas, 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 the successor by merger to First National Bank of Midland, Midland, Texas.

The Comptroller of the Currency has recommended immediate action by the Board to prevent the probable failure of Bank. Public notice of this application before the Board is not required by the Act, and in view of the emergency situation, the Board has not followed its normal practice of affording interested parties the opportunity to submit comments and views.

In connection with this application, the Director of the Division of Banking Supervision and Regulation has taken into consideration the competitive effects of the proposed transaction, the financial and managerial resources and future prospects of the banks concerned, and the convenience and needs of the communities to be served. On the basis of the information before the Board, the Director finds that an emergency situation exists so as to require that the Director act immediately pursuant to the provisions of section 3(b) of the Act (12 U.S.C. § 1842(b)) in order to safeguard depositors of Bank. Having considered the record of this application in light of the factors contained in the Act, the Director has determined that consummation of the transaction would be in the public interest and that the application should be approved on a basis that would not preclude immediate consummation of the proposal. On the basis of these considerations, the application is approved.

The transaction may be consummated immediately but in no event later than three months after the effective date of this Order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Dallas acting pursuant to delegated authority.

By order of the Director, acting pursuant to delegated authority for the Board of Governors, effective October 14, 1983.

WILLIAM W. WILES,
[SEAL] *Secretary of the Board*

Trust Company of Georgia, Atlanta, Georgia

Order Approving Merger of Bank Holding Companies and Banks

Trust Company of Georgia, Atlanta, Georgia, a bank holding company within the meaning of the Bank Holding Company Act of 1956 (12 U.S.C. § 1841 et seq.) ("BHC Act"), has applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)) to merge with Peachtree Bancshares, Chamblee, Georgia ("Peachtree"), and thereby indirectly to acquire Peachtree's two subsidiary banks, Peachtree Bank and Trust Company, Chamblee, Georgia ("Peachtree Bank"), and Bank of Woodstock, Woodstock, Georgia ("Woodstock"). Applicant also has applied for the Board's approval under the Bank Merger Act (12 U.S.C. § 1828(c)), to merge Peachtree Bank and Woodstock into Applicant's lead bank, Trust Company Bank, Atlanta, Georgia ("Trust Company").

Notice of the applications, affording opportunity for interested persons to submit comments, has been given in accordance with section 3(b) of the BHC Act and the Bank Merger Act, and reports on competitive factors have been requested from the Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act and the Bank Merger Act.

Applicant, the second largest commercial banking organization in Georgia, controls 18 banks with aggregate deposits of $2.7 billion, representing 13.2 percent of the total deposits in commercial banks in the state.[1] Peachtree, the 11th largest commercial banking organization in Georgia, controls two banks with aggregate deposits of $153 million, representing 0.75 percent of total deposits in commercial banks in the state. Consummation of the proposed transaction would increase Applicant's share of the total deposits in commercial banks in the state to 13.95 percent and its rank would remain unchanged. The Board concludes that approval of the proposal would have little effect on statewide concentration or banking structure.

Trust Company and Peachtree Bank operate in the Atlanta banking market.[2] Trust Company, with 19.9 percent of deposits in commercial banks in the market, is the third largest of 27 banking organizations in that market. Peachtree Bank, with 1.6 percent of deposits in commercial banks in the market, ranks as the eighth largest banking organization. Upon consummation of the proposal, Applicant's share of market deposits would increase to 21.5 percent and its rank would remain unchanged.

The Atlanta market is regarded as concentrated, with the four largest banking organizations controlling 79 percent of total deposits in commercial banks in the market and a Herfindahl–Hirschman Index ("HHI") of 1769. As a result of the proposed mergers, the HHI would increase by 64 points to 1833. The competitive effects of the proposal are mitigated, however, by the existence of numerous other bank competitors and thrift institutions.[3] Operating in the Atlanta banking market are 20 savings and loan associations, with deposits totalling $4.3 billion. The fourth, fifth, and sixth largest depository organizations in the market are S&Ls. If these institutions were included in the market data, the percentage of market deposits held by Applicant would decrease to 13.3 percent and the percentage held by Peachtree would decrease to 1.1 percent.

Accordingly, based on the marginal increase in concentration that would result from the proposal and the numerous other competitors in the market, the Board has determined that consummation of the proposal would not result in the elimination of any significant existing competition nor would it significantly increase concentration in the Atlanta banking market.

The Board also has examined the effect of the proposal on probable future competition in the Cherokee County banking market,[4] where Applicant would be gaining initial entry, in light of the Board's guidelines on probable future competition.[5] Woodstock, with deposits of $12.3 million, is the smallest of four banking organizations competing for $129 million in deposits in the Cherokee market. None of Applicant's banking subsidiaries competes in the market. The Cherokee County banking market is not regarded as attractive for de novo entry under the Board's guidelines, which generally require that a market have at least $250 million in deposits to be regarded as attractive for de novo entry. Accordingly, the proposal does not satisfy the criteria required to trigger an intensive review under the Board's guidelines, and the Board

1. Deposit data are as of June 30, 1982.
2. The Atlanta banking market comprises the following counties in Georgia: Fulton, DeKalb, Cobb, Gwinnett, Rockdale, Clayton, Henry, and Douglas.
3. The Board has accorded considerable weight to the competitive influence of thrifts in several recent cases, including *Merchants Bancorp, Inc.*, 69 FEDERAL RESERVE BULLETIN 865 (1983); *Comerica, Inc.*, 69 FEDERAL RESERVE BULLETIN 797 (1983); *General Bancshares Corporation*, 69 FEDERAL RESERVE BULLETIN 802 (1983); *Texas East BanCorp, Inc.*, 69 FEDERAL RESERVE BULLETIN 636 (1983); *Fidelcor, Inc.*, 69 FEDERAL RESERVE BULLETIN 444 (1983); *First Tennessee National Corporation*, 69 FEDERAL RESERVE BULLETIN 298 (1983); and *Pennbancorp*, 69 FEDERAL RESERVE BULLETIN 548 (1983).
4. The Cherokee County banking market is defined as Cherokee County, Georgia.
5. 47 *Federal Register* 9017 (March 3, 1982).

concludes that the proposal would not have substantial adverse effects on probable future competition in any relevant banking market.

The financial and managerial resources and prospects of Applicant, Peachtree, and their subsidiary banks are generally satisfactory. Accordingly, considerations relating to banking factors are consistent with approval. Although there is no evidence in the record indicating that the banking needs of the communities to be served are not being met, consummation of the merger will result in some additional services for Peachtree's customers. Accordingly, considerations relating to the convenience and needs of the communities to be served also are consistent with approval.

Based on the foregoing and other facts of record, the Board has determined that consummation of the proposed transaction would be in the public interest and that the applications should be approved.

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

By order of the Board of Governors, effective October 20, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Dissenting Statement of Governor Teeters

I would deny the application because I believe the effect of this proposal would be substantially to lessen competition in the Atlanta banking market. Consummation of this proposal would result in the elimination of the eighth largest commercial banking organization in the market, and the resulting organization would control 21.5 percent of the total deposits in commercial banks in the market. I believe that the Board's approval of this proposal continues an undesirable trend of permitting acquisitions that substantially lessen competition in a market without any corresponding public benefit. See *Merchants Bancorp, Inc.*, 69 FEDERAL RESERVE BULLETIN 865 (1983); *Interfirst Corporation*, 69 FEDERAL RESERVE BULLETIN 468 (1983); *Banc One Corporation*, 69 FEDERAL RESERVE BULLETIN 379 (1983); and *Hartford National Corporation*, 69 FEDERAL RESERVE BULLETIN 32 (1983).

Accordingly, I dissent from the Board's decision to approve this application.

October 20, 1983

Dissenting Statement of Governor Rice

I would deny this application based on the substantial lessening of competition in the Atlanta banking market that would result from the proposal. Consummation of the merger will eliminate the eighth largest competitor in the market. The market is already highly concentrated, with a four-firm concentration ratio of 79, which would increase to 80.7 percent as a result of the merger. Moreover, the merger falls within the category of transactions that may be challenged under the Justice Department's merger guidelines. Under those guidelines, a merger that increases the HHI by 50 points or more and results in a total HHI of 1800 or above is subject to challenge. The merger in this case would increase the HHI by 64 points to 1833.

In previous cases that the Board has approved involving a post-merger market share in the range of 20 percent or more, the market has not been highly concentrated or there have been other mitigating factors or public benefits, such as those associated with the takeover of a weak or failing institution by a strong one. *First Tennessee National Corporation*, 69 FEDERAL RESERVE BULLETIN 298 (1983); *Comerica, Inc.*, 69 FEDERAL RESERVE BULLETIN 797 (1983). No such mitigating factors or public benefits are present in this case. Peachtree Bank is a strong competitor in the Atlanta market. While the case for approval is strengthened by the presence of thrift institutions in the market, I am not convinced, on the basis of the record in this particular case, that this factor outweighs the substantially adverse effects of the proposal. While there are a number of large thrift institutions in the market, the record does not indicate that they are active competitors of commercial banks.

Accordingly, I would deny the application.

October 20, 1983

Trustees of Dartmouth College, Hanover, New Hampshire

Order Approving Acquisition of a Bank Holding Company

Trustees of Dartmouth College, Hanover, New Hampshire ("College"), a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.), has applied for approval under section 3(a)(3) of the Act (12 U.S.C.

§ 1842(a)(3)) to acquire 26.95 percent of the voting shares of Dartmouth National Corporation ("DNC") and thereby indirectly control Dartmouth National Bank of Hanover, Hanover, New Hampshire ("Bank").

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

College currently owns 26.95 percent of the voting shares of Bank. College proposes to exchange its voting shares of Bank for voting shares of DNC. Upon consummation of the proposal, College would retain its interest in Bank, the eighth largest bank in New Hampshire, which controls 2.4 percent of the total deposits in commercial banks in the state.[1]

College holds its shares of Bank pursuant to an exemption under section 4(d) of the Act (12 U.S.C. § 1843(d)).[2] Since the proposed transaction represents an internal reorganization that will not result in any other changes affecting the College's ownership of Bank, the proposal would not affect the College's exempt status under the Act.

Bank is the largest commercial banking organization in Upper Connecticut Valley banking market [3] and holds approximately 29.0 percent of total deposits in commercial banks in the market.[4] The College is not affiliated with any other banking organization in the market, and it appears that consummation of the proposal would not result in any adverse effects upon competition or increase the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and Bank are satisfactory. Accordingly, considerations relating to banking factors are consistent with approval. Although no immediate changes in Bank's services are planned, considerations relating to the convenience and needs of the community to be served also are consistent with approval. Thus, based on the foregoing and other facts of record, the Board has determined that consummation of the proposed transaction would be in the public interest and that the application should be approved.

1. Banking data are as of March 31, 1983.
2. Board Order of February 12, 1975.
3. The Upper Connecticut Valley banking market is approximated by the towns of Cannan, Dorchester, Enfield, Hanover, Lebanon, Lyme, Oxford, and Plainfield, all in New Hampshire, and the towns of Hartford, Hartland, Norwick, Thetford, and Woodstock, all in Vermont.
4. Market data are as of June 30, 1982.

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

By order of the Board of Governors, effective October 12, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Orders Under Section 4 of Bank Holding Company Act

Bankers Trust New York Corporation, New York, New York

Order Approving Application to Engage in Certain Futures Commission Merchant Activities

Bankers Trust New York Corporation, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.) (the "Act"), has applied for the Board's approval, under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to engage through its subsidiary, B. T. Futures Corp., New York, New York ("BT Futures"), in acting as a futures commission merchant (a "FCM") for nonaffiliated persons, in the execution and clearance of options in certain futures contracts on major commodity exchanges. Such options would cover futures contracts in bullion traded on the Commodity Exchange, Inc., New York, New York, and futures contracts in U.S. Government securities traded on the Board of Trade of the City of Chicago, Chicago, Illinois.

Notice of the application, affording interested persons an opportunity to submit comments on the relation of the proposed activity to banking and on the balance of public interest factors regarding the application, has been duly published (48 *Federal Register* 37036 (August 16, 1983)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant is a bank holding company by virtue of its control of Bankers Trust Company, New York, New

York ("Bankers Trust"). Bankers Trust holds total deposits of $25.3 billion,[1] and is the sixth largest commercial bank in New York State. Applicant, through certain of its subsidiaries, engages in various permissible nonbanking activities.

In order to approve an application submitted pursuant to section 4(c)(8) of the Act, the Board is first required to determine that the proposed activity is closely related to banking or managing or controlling banks. On several prior occasions, the Board has determined that FCM activities with respect to futures contracts in bullion and U.S. Government securities were closely related to banking.[2] Moreover, the Board recently determined that conducting FCM activities for options on futures contracts in bullion and U.S. Government securities is functionally and operationally similar to conducting FCM activities for futures contracts for the same commodity and is, therefore, closely related to banking or managing or controlling banks for purposes of section 4 of the Act.[3] Thus, the Board finds that the activities proposed by Applicant are closely related to banking.

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

Consummation of the proposal would provide added convenience to those clients of BT Futures who trade in the cash, forward, futures, and options markets for the commodities involved in this application. The Board expects that the de novo entry of BT Futures into the market for options services would increase the level of competition among FCMs already operating in this area, and would allow BT Futures to compete on a more equal basis with its nonbank competitors. Consummation of the proposal is also likely to provide Applicant with some gains in efficiency, through the reduction of average fixed costs and the increase of economies of scale. Accordingly, the Board concludes that the performance of the proposed activities by BT Futures can reasonably be expected to produce benefits to the public.

The Board has considered several issues with respect to possible adverse effects. The Board recognizes that, like the activity of executing futures contracts, the execution of options with regard to futures contracts involves various types of financial risks and potential conflicts of interest, and is susceptible to anticompetitive and manipulative practices. In approving proposals to act as a FCM with regard to futures contracts and options on futures contracts, the Board has relied in the past on action taken by Congress to address these types of possible adverse effects through the passage of the Commodity Exchange Act[4] and the creation of the Commodity Futures Trading Commission ("CFTC"). The Board also has relied on the regulations adopted by the CFTC to implement the provisions of the Commodity Exchange Act.[5] The CFTC's pilot program regarding options on futures contracts imposes many of the same safeguards that apply to trading in futures contracts, and adds additional limitations such as those requiring audits, review of promotional materials, and retention of customer complaints.[6] The Board has considered the impact of this statutory and regulatory framework in evaluating the likelihood that significant adverse effects regarding conflicts of interests, unsound banking practices, decreased or unfair competition, or undue concentration of resources would develop in this case.

In addition, the Board has placed particular reliance on the following aspects of Applicant's proposal, each of which the Board has previously relied on with regard to Applicant's original application to engage in FCM activities:

1. BT Futures will not trade for its own account.
2. The instruments and precious metals upon which the proposed futures contracts are based are essentially financial in character and are of a type that a bank may execute for its own account.
3. BT Futures has capitalization that is in substantial excess of that required by CFTC regulations, and will maintain fully adequate capitalization.
4. BT Futures and Bankers Trust have entered into a formal service agreement that specifies the services that Bankers Trust will supply to BT Futures on an explicit fee basis. These services include the assessment of customer credit risk and continuous monitoring of customer positions and the status of customer margin accounts.
5. Through its proposed service agreement with Bankers Trust, BT Futures will be able to assess customer credit risks, and will take such assessments into consideration in establishing appropriate position limits for each customer, both with respect to each type of option and with respect to the

1. Banking data are as of December 31, 1982.
2. *Bankers Trust New York Corporation*, 68 FEDERAL RESERVE BULLETIN 651 (1982); *Citicorp*, 68 FEDERAL RESERVE BULLETIN 776 (1982).
3. *J. P. Morgan & Co., Inc.*, 69 FEDERAL RESERVE BULLETIN 733 (1983).
4. 7 U.S.C. §§ 1-24.
5. *J. P. Morgan & Co., Inc.*, 69 FEDERAL RESERVE BULLETIN 733 (1983).
6. 17 C.F.R. § 33.4.

customer's aggregate position for all options and contracts.
6. With respect to each futures exchange involved in this application that requires a parent of a clearing member to also become a clearing member, Applicant has obtained a waiver of the requirement.
7. BT Futures has committed that it will, in addition to time-stamping orders of all customers to the nearest minute, execute all orders, to the extent consistent with customers' specifications, in strictly chronological sequence, and with reasonable promptness with due regard to market conditions.
8. Applicant and its subsidiaries have demonstrated expertise and established capability in the cash, forward, and futures markets for the contracts involved.
9. Applicant will require BT Futures to advise each of its customers in writing that doing business with BT Futures will not in any way affect any provision of credit to that customer by Bankers Trust or any other subsidiary of Applicant.
10. Applicant is adequately capitalized to engage in additional nonbanking activities.
11. BT Futures will not extend credit to customers for the purpose of meeting initial or maintenance margin required of customers, subject to the limited exception of posting margin on behalf of customers in advance of prompt reimbursement.

Based upon the foregoing and all the facts of record, the Board has determined that in the circumstances of this case, the provision by BT Futures of the proposed FCM services to nonaffiliated persons would not result in decreased or unfair competition, conflicts of interests, unsound banking practices, or undue concentration of resources in either commercial banking or the market for FCM services regarding options.

Moreover, for the reasons discussed above and based on the entire record, the Board has determined that the public benefits associated with consummation of this proposal can reasonably be expected to outweigh possible adverse effects, and that the balance of the public interest factors, which the Board is required to consider under section 4(c)(8) of the Act, is favorable.

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

The proposed activities shall not commence later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York.

By order of the Board of Governors, effective October 24, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Chemical New York Corporation, New York, New York

Order Approving Application to Deal in Money Market Instruments

Chemical New York Corporation, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 4(c)(8) of the Act, 12 U.S.C. § 1843(c)(8), and section 225.4(b)(1) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(1)) to engage directly and for its own account in purchases, sales and in repurchase transactions with respect to certain money market instruments, including bankers acceptances, commercial paper and certificates of deposit.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 4 of the Act (48 *Federal Register* 34336, July 28, 1983). The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant is a bank holding company by virtue of its control of Chemical Bank, New York, New York, and Chemical Bank (Delaware), Wilmington, Delaware. Applicant holds total consolidated assets of $49.2 billion, and it is the third largest commercial banking organization in New York.[1]

Applicant seeks approval to engage directly and for its own account in the activities of purchasing, selling, engaging in repurchase transactions and generally dealing in money market instruments such as bankers acceptances, commercial paper and certificates of deposit in which State member banks may from time to time be authorized to deal. These activities would be performed from offices of Applicant located in New York, New York, and serving the entire United States. This activity is not included in the list of permissible

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

activities for bank holding companies contained in section 224.5(a) of Regulation Y.

In determining whether an activity is permissible under section 4(c)(8) of the Act, the Board must first determine that the activity is "closely related to banking or managing or controlling banks." As the courts have made clear, a proposed activity that does not differ significantly from the functions traditionally or generally provided by banks is closely related to banking within the meaning of section 4(c)(8). [2] In 1974, the Board published for comment notice of a proposed rulemaking to add to the list of permissible bank holding company activities underwriting and dealing in government securities and other obligations that a State member bank may be authorized to underwrite or to deal in.[3] In orders issued in 1976 and 1978, the Board determined that such activity is closely related to banking.[4] The Board's finding that the activity is closely related to banking was premised on the facts that national and State member banks are authorized by statute to engage in the activity (12 U.S.C. § 24, Paragraph Seventh, and § 335), and that many banks in fact engage in the activity.

The Board has reiterated the view that dealing in obligations as authorized by statute for State member banks, including money market instruments, is closely related to banking.[5] Banks are permitted to deal in these money market instruments as an incident to the activities expressly authorized by statute, and a number of banks currently serve as dealers in bankers' acceptances and certificates of deposit.[6] The Board regards such activities as closely related to banking because banks engage in such functions.

Before permitting a bank holding company to engage in a permissible nonbanking activity, the Board must examine any public benefits that may reasonably be expected to derive from bank holding company performance of the activity and weigh them against any possible adverse effects to determine whether the activity is a proper incident to banking or managing or controlling banks. This application represents a corporate reorganization wherein activities currently performed to a limited extent by Applicant's subsidiary bank, Chemical Bank, will be conducted by Applicant directly. Since the proposal would result in a transfer of an activity within the same corporate structure, approval of the application would have no adverse competitive effects. In addition, this proposal will result in an expansion of Applicant's presently limited participation in these activities, which can be expected to increase competition.

Bankers acceptances, commercial paper and certificates of deposits are subject to the protections in section 23A of the Federal Reserve Act against a holding company transferring to affiliated banks at less than current market value money market instruments that cannot otherwise be distributed. Section 23A thus protects against one of the major potential abuses that has concerned the Board in permitting bank holding companies to engage in the related field of underwriting certain government securities.[7]

Based upon a consideration of all the relevant facts, the Board concludes that the balance of the public interest factors that the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective October 18, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

First NH Banks, Inc., Manchester, New Hampshire

Order Approving Acquisition of a Bank

First NH Banks, Inc., Manchester, New Hampshire, a bank holding company within the meaning of the Bank

2. *Board of Governors* v. *Investment Company Institute*, 101 S.Ct. 973, 981 (1981), *National Courier Association* v. *Board of Governors*, 516 F.2d 1229, 1237 (D.C. Cir. 1975).
3. 39 *Federal Register* 13007 (1974).
4. 62 FEDERAL RESERVE BULLETIN 928 (1976); 43 *Federal Register* 5382 (1978).
5. *Citicorp*, 68 FEDERAL RESERVE BULLETIN 249 (1982).
6. See *Comptroller's Handbook for National Bank Examiners* § 204; M. Stigum, *The Money Market: Myth, Reality and Practice*, pp. 543, 617 and 638 (1983); C. J. McCurdy, "The Dealer Market for United States Government Securities", 2 *Federal Reserve Bank of New York Quarterly Review*, 35, 39 (1977–78).
7. *Citicorp*, 68 FEDERAL RESERVE BULLETIN 249 (1982).

Holding Company Act ("Act"), has applied for the Board's approval under section 4 (12 U.S.C. § 1843(c)(8)) and section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the shares of the successor by merger to Plymouth Guaranty Savings Bank, Plymouth, New Hampshire ("Bank"), a state chartered guaranty savings bank that accepts demand deposits and makes commercial loans and the accounts of which are insured by the FDIC.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been duly published. (48 *Federal Register* 29,956). The time for filing comments and views has expired and the Board has considered the application and all comments received.

This application raises the issue of whether Bank is a "bank," as that term is defined under the Act. Section 2(c) of the Act defines "bank" to mean any institution that both accepts demand deposits and engages in the business of making commercial loans. (12 U.S.C. § 1841(c)). Bank satisfies both aspects of this definition.

Under recently enacted legislation in New Hampshire, guaranty savings banks are provided the same powers as commercial banks in the state, and Bank in fact exercises those powers by accepting demand deposits and NOW accounts and making commercial loans.[1] Bank's loan portfolio includes a substantial number of commercial real estate loans as well as loans to businesses. Indeed, Bank recently acquired the assets of Granite State Trust Company, Lincoln, New Hampshire, a state chartered commercial bank, including its commercial loan portfolio.

Section 2(c) was amended by the Garn-St Germain Depository Institutions Deregulation Act to expressly exclude institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation ("FSLIC") or that are chartered by the Federal Home Loan Bank Board. This exclusion does not apply to Bank, however, since it is not federally chartered and its deposits are not insured by the FSLIC. Similarly Bank is not a "thrift institution" under the BHC Act, 12 U.S.C. § 1841(i).

Prior to enactment of the Garn-St Germain Act, the status of thrift institutions under the BHC Act was uncertain. Notwithstanding their recently acquired deposit taking and commercial lending powers, however, the Board interpreted the Act as excluding thrift institutions from the "bank" definition based on the traditional role of thrifts as home lending institutions and the separate federal regulatory structure for such institutions established by Congress, including regulation of S&L holding companies.[2]

The Garn-St Germain Act provided the Board with express statutory guidance as to the status of thrift institutions under the BHC Act by specifically amending the Act to exclude S&Ls and savings banks the deposits of which are insured by the FSLIC from the definition of "bank" and by amending the definition of "thrift institution" to include federally chartered, but not state chartered, stock savings banks. In view of the express exemption in the BHC Act for federally chartered or FSLIC insured thrift institutions, and the lack of a similar exemption for non-FSLIC insured stock savings banks, the Board concludes that such non-FSLIC insured institutions are to be regarded as "banks" if they accept demand deposits and engage in commercial lending.[3] In this connection, the Board notes that these institutions would not be "insured institutions" for purposes of the Savings and Loan Holding Company Act.

Prior to enactment of the Garn-St Germain Act, the Board approved several bank holding company acquisitions of New Hampshire guaranty savings banks under section 4 of the Act. See *BankEast Corporation*, 68 Federal Reserve Bulletin 116 (1982), and cases cited therein. In those cases, the Board determined that guaranty savings banks were not "banks" for purposes of the BHC Act based on commitments by the institutions not to engage in demand deposit or commercial lending activities or to engage in such activities only to the extent then permissible for federal thrifts. The Board also relied on the facts that such institutions were unique to New Hampshire, only six such institutions operated in New Hampshire, and historically three of the six had been affiliated with commercial banks.

Since Bank meets the literal terms of the "bank" definition and is not included within the statutory exclusion for federally chartered or FSLIC insured thrifts, the Board has determined that it is a "bank" for purposes of the BHC Act. The application thus has been considered in light of the requirements of section 3 of the Act.

1. New Hampshire law also authorizes state savings banks to exercise all of the powers of federally chartered savings banks

2. *First Bancorporation (Beehive Thrift & Loan)*, 68 Federal Reserve Bulletin 253 (1982); *Interstate Financial Corp. (Scioto S&L)*, 68 Federal Reserve Bulletin 316 (1982); *Citicorp (Fidelity S&L)*, 68 Federal Reserve Bulletin 656 (1982).

3. The Board has previously interpreted the applicability of the Garn-St Germain thrift exemption with respect to non-FSLIC insured or federally chartered thrifts in connection with a proposal by Wilshire Oil Company of Texas to avoid bank holding company regulation by converting its subsidiary bank into a New Jersey stock savings bank. The Board determined that the bank was not covered by the exemption for FSLIC insured thrifts contained in the Garn-St Germain Act and would continue to be a "bank" since it both accepted demand deposits and engaged in commercial lending. (Letter dated December 3, 1982.)

Applicant, the second largest commercial banking organization in New Hampshire, controls eight bank subsidiaries with total deposits of $516.3 million, representing 7.1 percent of the total deposits in commercial banks in the state.[4] Bank, with deposits of approximately $67.9 million, is the 28th largest banking organization in New Hampshire, and controls 0.9 percent of the total deposits in commercial banks in the state. Upon consummation of this transaction, Applicant's share of total deposits in the state would increase only slightly, and the Board has determined that the transaction would have no significant effect on statewide concentration of banking resources.

Bank is the largest depository institution in the Plymouth banking market [5] and controls approximately 66.4 percent of deposits in all depository institutions in the market. Applicant does not operate in this banking market. Accordingly, consummation of the proposal would not have any effect on existing competition in the Plymouth market.

Bank controls 21 percent of the outstanding voting shares of The Pemigewasset National Bank of Plymouth, Plymouth, New Hampshire ("PNB"), a commercial bank that operates in the same market as Bank. Applicant has committed to divest these shares in connection with this proposal. Accordingly, the Board has determined that the proposal could have a positive effect on competition in the Plymouth banking market resulting from the disassociation of Bank and PNB.

With respect to probable future competition, the Board has examined the proposal in light of the Board's guidelines on market extension mergers.[6] The Plymouth banking market is not considered to be attractive for de novo entry under the guidelines and there appear to be numerous other potential entrants to the market. Accordingly, the Board had determined that the proposal raises no significant issues relating to potential competition.[7]

Under New Hampshire law, Bank is authorized to engage in real estate development and investment activities broader than those that are permitted for a bank holding company under the Act. Applicant has committed that Bank will not engage in any activities that would not be permissible for a bank holding company under the Act without the Board's prior approval. Bank does not presently engage in any such activities.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as generally satisfactory. Accordingly, considerations relating to banking factors are consistent with approval. Applicant has stated that it will assist Bank in offering trust services, establishing automated teller facilities, and expanding Bank's access to the secondary mortgage market. Accordingly, considerations relating to the convenience and needs of the community to be served are consistent with approval.

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

By order of the Board of Governors, effective October 13, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Orders Under Sections 3 and 4 of Bank Holding Company Act

New Mexico Banquest Investors Corporation, Santa Fe, New Mexico

Banco de Vizcaya, S.A., Bilbao, Spain

Order Approving Formation of a Multi-Bank Holding Company and Acquisition of an Interest in such Multi-Bank Holding Company

New Mexico Banquest Investors Corporation, Santa Fe, New Mexico ("Investors"), has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) ("Act") to become a bank holding company by acquiring approximately 54.8 percent of the voting shares of New Mexico Banquest Corporation, Santa Fe, New

4. All banking data are as of December 31, 1982.
5. The Plymouth banking market is comprised of the following cities and towns in Grafton County, New Hampshire: Ashland, Bridgewater, Campton, Dorchester, Ellsworth, Groton, Hebron, Holderness, Lincoln, Plymouth, Rumney, Thornton, Warren, Waterville, Wentworth, and Woodstock.
6. 47 *Federal Register* 9017 (March 3, 1982).
7. The Board has determined that it is unnecessary to impose conditions to limit the possibility of evasion of Regulation Q in view of the phase-out of the Regulation Q interest rate differential on or before January 1, 1984, as mandated by the Garn-St Germain Depository Institutions' Act of 1982.

Mexico ("Banquest")[1] and, thereby indirectly acquiring an interest in Banquest's three subsidiary banks: The First National Bank of Santa Fe, Santa Fe, New Mexico ("Santa Fe Bank"); First State Bank of Taos, Taos, New Mexico ("Taos Bank"); and Fidelity National Bank, Albuquerque, New Mexico ("Albuquerque Bank"), (collectively, "Banks").

In a related application, Banco de Vizcaya, S.A. Bilbao, Spain ("Vizcaya"), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)), to acquire 48 percent [2] of the voting shares of Investors.[3]

Both Investors and Vizcaya have also applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) to engage indirectly in the following nonbanking activities currently being conducted by Banquest: (1) making or acquiring, for its own account or the account of others, loans and other extensions of credit; (2) the purchase and sale of installment loan contracts; (3) direct lease financing; and (4) acting as agent for the sale of credit-related life, accident, health and property and casualty insurance.[4] These activities have all been determined by the Board to be closely related to banking (12 C.F.R. §§ 225.4(a)(1), (6), and (9)).

Notice of these applications, affording an opportunity for interested persons to submit comments, has been given in accordance with sections 3 and 4 of the Act (48 *Federal Register* 32084, 32085 (1983)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) and the considerations specified in section 4 of the Act.[5]

Investors, a nonoperating New Mexico corporation, was organized for the purpose of becoming a bank holding company by acquiring 54.8 percent of Banquest. Upon its acquisition of Banquest, Investors would control the sixth largest banking organization in New Mexico, with approximately $285.5 million in deposits, representing 3.6 percent of the total deposits in commercial banks in the state.[6]

None of Banquest's subsidiary banks competes in the same banking market. Santa Fe Bank is the largest of five commercial banking organizations in the Santa Fe banking market and holds approximately 35.5 percent of total deposits in commercial banks in the market.[7] Taos Bank competes in the Taos County banking market and is the largest of three commercial banking organizations in the market, controlling about 58.7 percent of total commercial bank deposits therein.[8] Albuquerque Bank is the eleventh largest of thirteen commercial banking organizations in the Albuquerque banking market and holds approximately 1.6 percent of total deposits in commercial banks in the market.[9]

Vizcaya is the fifth largest publicly owned banking institution in Spain, with total assets of $12 billion and total deposits of $7.8 billion.[10] Vizcaya presently operates a branch in New York and agencies in Miami and San Francisco, but does not engage directly or indirectly in any nonbanking activities in the United States.[11] In addition, Vizcaya recently acquired Banco Commercial de Mayaguez, Mayaguez, Puerto Rico ("Mayaguez Bank"). Mayaguez Bank, with total deposits of $191.2 million, controls approximately 1.6 percent of the total deposits in commercial banks in Puerto Rico and is the tenth largest commercial banking organization in Puerto Rico.[12] None of Vizcaya's subsidiaries competes in any of the banking markets in

1. The remaining shares of Banquest would continue to be held by existing Banquest shareholders.

2. The remaining 52 percent of Investors' shares will be acquired by individuals who currently own a majority interest in Banquest.

3. During each of the next five years, Vizcaya will have the option of purchasing $5 million per year in convertible securities of Investors. Because Vizcaya owns less than a majority of Investors' voting shares, Vizcaya may not convert any of the securities into common equity without obtaining the Board's prior approval under section 3 of the Act.

4. Although Title VI of the Garn-St Germain Depository Institutions Act of 1982 ("Garn Act") placed certain limitations on the insurance activities of bank holding companies, it specifically permits bank holding companies to act as agent for the sale of credit life, accident and health insurance and to continue to engage in insurance activities in which they were engaged on or before May 1, 1982. Banquest may continue to engage in credit-related property and casualty insurance activities because Banquest engaged in these activities before May 1, 1982.

5. The Board received comments on the applications from two minority shareholders of Banquest who claimed that they were not receiving equitable treatment in connection with the formation of Investors as a bank holding company. Although there are limits on the Board's ability to consider complaints by minority shareholders, the Board has taken these comments into consideration in reviewing these applications. See, *Western Bancshares, Inc.* v. *Board of Governors of the Federal Reserve System*, 480 F.2d 749 (10th Cir. 1973). Upon the basis of all facts of record, the Board does not believe these comments warrant an adverse finding as to Investors' overall managerial resources.

6. All banking data, except for Vizcaya's, are as of December 31, 1982.

7. The Santa Fe banking is approximated by the Santa Fe, New Mexico, RMA.

8. The Taos County banking market is approximated by Taos County, New Mexico.

9. The Albuquerque banking market is approximated by the Albuquerque, New Mexico, RMA.

10. Banking data for Vizcaya are as of September 30, 1982.

11. Vizcaya has committed to change its home state from New York to New Mexico prior to its acquisition of Investors' shares, in accordance with section 211.22 of the Board's Regulation K. In this connection, it will cease accepting deposits at its New York office from United States citizens and residents and will receive only such deposits as would be permissible for an Edge Act corporation.

12. The Board has determined that Puerto Rico is not a "state" for the purpose of the interstate banking prohibition of section 3(d) of the Act (12 U.S.C. § 1842(d)), and therefore the Board is not precluded from approving Vizcaya's acquisition of a bank holding company in New Mexico. (See, *The Royal Bank of Canada*, 66 FEDERAL RESERVE BULLETIN 582 (1980)).

which Banquest's subsidiary banks operate. Further, neither Vizcaya nor Investors, nor any of their principals is affiliated with any other banking organizations in any of the relevant markets. Therefore, it appears that consummation of these proposals would not result in any adverse effects upon competition or increase the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of these applications.

The financial and managerial resources and future prospects of Vizcaya, Investors, Banquest, and its subsidiaries are regarded as satisfactory and consistent with approval. Considerations relating to the convenience and needs of the communities to be served are also consistent with approval of the applications. Further, there is no evidence in the record to indicate that approval of these proposals would result in undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of the public interest factors it must consider under section 4 of the Act is consistent with approval of the applications. Based upon the foregoing and other facts of record, the Board has determined that the applications should be and hereby are approved.

The acquisition of Banquest's shares by Investors, and of Investors' shares by Vizcaya, shall not be made before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Kansas City, acting pursuant to delegated authority. The determination as to Vizcaya's and Investors' ability to engage indirectly in the nonbanking activities currently conducted by Banquest is subject to the conditions set forth in section 225.4(c) of Regulation Y (12 C.F.R. § 225.4(c)) and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective October 3, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Board of Governors

During October 1983, the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	Bank(s)	Board action (effective date)
Barnett Banks of Florida, Inc., Jacksonville, Florida	Flagship Bank of Kissimmee, Kissimmee, Florida Flagship Bank of Okeechobee, Okeechobee, Florida Flagship Bank of Putnam County, Crescent City, Florida	October 11, 1983
Beresford Bancorporation, Inc., Britton, South Dakota	The First National Bank of Beresford, Beresford, South Dakota	October 6, 1983
Capitol Bancorporation, Inc., Pierre, South Dakota	West Dakota Corporation, Lead, South Dakota	October 6, 1983
Central Bancorporation, Inc., Denver, Colorado	Central Bank at Stapleton, N.A., Denver, Colorado	September 30, 1983

Section 3—Continued

Applicant	Bank(s)	Board action (effective date)
Central Colorado Company, Denver, Colorado C.C.B. Inc., Denver, Colorado First Arkansas Bankstock Corporation, Little Rock, Arkansas	First Charter Bancshares, Inc., Springdale, Arkansas First State Bank, Springdale, Arkansas	October 4, 1983
Harris Bankcorp, Inc., Chicago, Illinois	Bank of Naperville, Naperville, Illinois	October 20, 1983.

Section 4

Applicant	Nonbanking activity	Effective date
Midland Bank PLC, London, England Midland California Holding Limited, London, England Crocker National Corporation, San Francisco, California	Crocker Mortgage Company, Inc., Los Angeles, California	October 27, 1983
Southeast Banking Corporation, Miami, Florida	Southeast Mortgage Company, Miami, Florida	October 27, 1983

By Federal Reserve Banks

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

Section 3

Applicant	Bank(s)	Reserve Bank	Effective date
American Banks of Florida, Inc., Jacksonville, Florida	Flagship National Bank of Alachua County, Gainesville, Florida	Atlanta	September 27, 1983
American Exchange Bancorp, Inc., Norman, Oklahoma	American Exchange Bank and Trust Company, Norman, Oklahoma	Kansas City	September 28, 1983
American National Bancorp, Inc., Lawton, Oklahoma	Sheridan Bancorp, Inc., Lawton, Oklahoma The Sheridan Bank and Trust Company, Lawton, Oklahoma	Kansas City	October 13, 1983
American National Holding Company, Kalamazoo, Michigan	Central National Bank of St. Johns, Saint Johns, Michigan	Chicago	October 7, 1983

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Banks of Iowa, Inc., Des Moines, Iowa	Henry County Savings Bank, Mount Pleasant, Iowa	Chicago	October 12, 1983
Bay Rock Bancshares, Inc., Maiden Rock, Wisconsin	The First National Bank of Maiden Rock, Maiden Rock, Wisconsin	Minneapolis	October 7, 1983
Brewster Bankshares Incorporated, Brewster, Kansas	Brewster National Bank, Brewster, Kansas	Kansas City	September 19, 1983
City Bancshares, Inc., Fort Scott, Kansas	The City State Bank, Fort Scott, Kansas	Kansas City	September 19, 1983
Cole-Taylor Financial Group, Inc., Chicago, Illinois	Skokie Trust & Savings Bank, Skokie, Illinois The Main Corporation, Chicago, Illinois Tayco Bancshares, Inc., Chicago, Illinois T-C Holdings, Inc., Chicago, Illinois	Chicago	October 5, 1983
Columbiana Bancshares, Inc., Columbiana, Alabama	First National Bank of Columbiana, Columbiana, Alabama	Atlanta	October 17, 1983
Commercial Holding Company, Inc., Paris, Tennessee	Commercial Bank and Trust Company, Paris, Tennessee	St. Louis	October 4, 1983
Community Banking Corporation, Bradenton, Florida	Community Bank of Manatee, Bradenton, Florida	Atlanta	September 30, 1983
Dawson Corporation, Lexington, Nebraska Clarke, Inc., Papillion, Nebraska	The Mitch Corporation, Mitchell, Nebraska	Kansas City	September 19, 1983
Delta Bancshares Company, St. Louis, Missouri	Eureka Bank, Eureka, Missouri	St. Louis	September 30, 1983
Dows Bancorporation, Dows, Iowa	Farmers State Bank of Dows, Dows, Iowa	Chicago	October 7, 1983
Farmers National Bancorp of Cynthiana, Inc., Cynthiana, Kentucky	The Farmers National Bank of Cynthiana, Cynthiana, Kentucky	Cleveland	September 29, 1983
First Bankers Corporation of Florida, Pompano Beach, Florida	Flagship Bank of Polk County, Haines City, Florida	Atlanta	October 14, 1983
First Citizens Bancorporation of South Carolina, Inc., Columbia, South Carolina	Rock Hill National Bank, Rock Hill, South Carolina	Richmond	October 21, 1983
First City Bancorp, Inc., Gainesville, Florida	First City Bank, Gainesville, Florida	Atlanta	September 27, 1983
First Community Bancshares, Inc., Princeton, West Virginia	Adrian Buckhannon Bank, Buckhannon, West Virginia Upshur National Bank, Buckhannon, West Virginia	Richmond	September 28, 1983

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
First Fowler Bancorp, Inc., Fowler, Colorado	The First National Bank of Fowler, Fowler, Colorado	Kansas City	September 22, 1983
First Guthrie Bancshares, Inc., Guthrie, Oklahoma	The Liberty State Bank of Tahlequah, Tahlequah, Oklahoma	Kansas City	September 21, 1983
First Illinois Bancorp, Inc., Manchester, Missouri	First National Bank in Chester, Chester, Illinois	St. Louis	September 28, 1983
First National Bancorp, Gainesville, Georgia	White County Bank, Cleveland, Georgia	Atlanta	October 12, 1983
First NorthWest Bancorporation, Seattle, Washington	Cascade Security Bank, Enumclaw, Washington	San Francisco	September 29, 1983
1st United Bancorporation, Sidney, Montana	1st United Bank of Sidney, Sidney, Montana	Minneapolis	October 7, 1983
Florida Central Banks, Inc., Chipley, Florida	Bank of Washington County, Chipley, Florida	Atlanta	September 27, 1983
Florida Community Banks, Inc., Bonifay, Florida	First Bank of Holmes County, Bonifay, Florida	Atlanta	September 28, 1983
F N BanCorp, Inc., Tullahoma, Tennessee	First American National Bank of Tullahoma, Tullahoma Tennessee	Atlanta	October 3, 1983
Fourth Financial Corporation, Wichita, Kansas	Salina Bancshares, Inc., Wichita, Kansas	Kansas City	October 7, 1983
Gorham Bancorp, Inc., Murphysboro, Illinois	The Bank of Gorham, Gorham, Illinois	St. Louis	October 12, 1983
Grand Bancshares, Inc., Dallas, Texas	Grand Bank Airport Freeway at Highway 157, N.A., Bedford, Texas	Dallas	September 30, 1983
Guaranty Bankshares, Ltd., Cedar Rapids, Iowa	Guaranty Bank and Trust Company, Cedar Rapids, Iowa	Chicago	September 26, 1983
Higginsville Bancshares, Inc., Higginsville, Missouri	Higginsville State Bank, Higginsville, Missouri	Kansas City	September 26, 1983
Horizon Bancorp, Morristown, New Jersey	Horizon Trust Company, N.A., Morristown, New Jersey	New York	October 3, 1983
Hub Bancshares, Inc., Lafayette, Louisiana	Hub City Bank and Trust Company, Lafayette, Louisiana	Atlanta	October 5, 1983
Hudson Valley Holding Corp., Yonkers, New York	Hudson Valley National Bank, Yonkers, New York	New York	October 13, 1983
I & B, Inc., Cherryvale, Kansas	City Bancshares, Inc., Fort Scott, Kansas	Kansas City	September 19, 1983
Industrial Bancshares, Inc., Kansas City, Kansas Mission Bancshares, Inc., Mission, Kansas Valley View Bancshares, Inc., Overland Park, Kansas	One Security, Inc., Kansas City, Kansas	Kansas City	October 11, 1983

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Jackass Creek Land and Livestock Company, Ennis, Montana	First Madison Valley Bank, Ennis, Montana	Minneapolis	October 21, 1983
Landmark Financial Group, Inc., Fort Worth, Texas	Arlington Heights Bank of Fort Worth, Fort Worth, Texas	Dallas	September 27, 198[illegible]
Lincoln Bankshares, Inc., Lincoln, Arkansas	Bank of Lincoln, Lincoln, Arkansas	St. Louis	October 20, 1983
Local Investors, Inc., Unadilla, Georgia	State Bank and Trust Company, Unadilla, Georgia Citizens Bank, Vienna, Georgia	Atlanta	October 17, 1983
Logansport Bancorp, Inc., Logansport, Indiana	The Farmers & Merchants State Bank, Logansport, Indiana	Chicago	September 29, 198[illegible]
Mineola Bancshares, Inc., Mineola, Texas	Mineola State Bank, Mineola, Texas	Dallas	September 30, 198[illegible]
The Mitch Corporation, Mitchell, Nebraska	First National Bank in Mitchell, Mitchell, Nebraska	Kansas City	September 19, 198[illegible]
Mountain Bancorporation, Inc., Denver, Colorado	Bank of Park County, Bailey, Colorado Mountain Valley Bank, Conifer, Colorado	Kansas City	September 15, 198[illegible]
National Bancshares Corporation of Texas, San Antonio, Texas	Heights State Bank, Houston, Texas	Dallas	October 12, 1983
North Fork Bancorporation, Inc., Mattituck, New York	The Bridgehampton National Bank, Bridgehampton, New York	New York	October 5, 1983
Northwest Bancshares, Inc., Woodward, Oklahoma	Bank of the Northwest, Woodward, Oklahoma	Kansas City	September 22, 198[illegible]
Onalaska Holding Company, Inc., Onalaska, Wisconsin	Bank of Onalaska, Onalaska, Wisconsin	Minneapolis	October 20, 1983
One Security, Inc., Kansas City, Kansas	Security Bancshares, Inc., Kansas City, Kansas	Kansas City	October 11, 1983
Peoples Bancorp, Inc., Prairie du Chien, Wisconsin	Peoples State Bank, Prairie du Chien, Wisconsin	Chicago	October 4, 1983
Progressive Bancorporation, Inc., Houma, Louisiana	Progressive Bancshares Corporation, Houma, Louisiana Progressive Bank and Trust Company, Houma, Louisiana	Atlanta	October 14, 1983
Progressive Bancshares, Inc., Owingsville, Kentucky	Farmers Bank, Owingsville, Kentucky	Cleveland	October 14, 1983
Ridgway Bancorp, Inc., Norris City, Illinois	Bank of Christopher, Christopher, Illinois	St. Louis	October 11, 1983
Scottscom Bancorp, Inc., Scottsdale, Arizona	Scottsdale Commercial Bank, Scottsdale, Arizona	San Francisco	October 5, 1983

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Tri County Investment Company, Chamberlain, South Dakota	Tri County State Bank Holding Company, Inc., Chamberlain, South Dakota	Minneapolis	September 28, 1983
Tri-State Bancshares, Inc., Knoxville, Tennessee	The First National Bank of Polk County, Copperhill, Tennessee	Atlanta	October 19, 1983
United Danville, Inc., Danville, Kentucky	Bank of Danville, Danville, Kentucky	St. Louis	September 26, 1983
Victoria Bankshares, Inc., Victoria, Texas	Allied First National Bank, Halletsville, Texas	Dallas	October 13, 1983
Wainwright Financial Corporation, Noblesville, Indiana	Wainwright Bank and Trust Company, Noblesville, Indiana	Chicago	September 29, 1983
Webb Bancshares, Inc., Highland, Kansas	The Farmers State Bank of Highland, Highland, Kansas	Kansas City	September 23, 1983

Section 4

Applicant	Nonbanking company	Reserve Bank	Effective date
First National Corporation, Covington, Louisiana	data processing activities	Atlanta	October 5, 1983
Sherman County Management, Inc., Loup City, Nebraska	Skotchdopole Agency, Inc., Ravenna, Nebraska	Kansas City	September 29, 1983
Union Bancorp Inc., Grand Rapids, Michigan	Bankers Leasing Services, Inc., Southfield, Michigan	Chicago	September 30, 1983

Sections 3 and 4

Applicant	Bank(s)/Nonbanking company	Reserve Bank	Effective date
Chimney Rock Bancorp., Bayard, Nebraska	Swanton Agency, Inc., Swanton, Nebraska general insurance activities	Kansas City	September 15, 1983
Farmers State Bancorporation of Yuma, Inc., Yuma, Colorado	Farmers State Bank, Yuma, Colorado Farmers State Agency, Yuma, Colorado	Kansas City	October 12, 1983
Financial Services of Evansville, Inc., Albany, Minnesota	Farmers State Bank of Evansville, Evansville, Minnesota general insurance agency activities	Minneapolis	October 21, 1983

Orders Approved Under Bank Merger Act

By Federal Reserve Banks

Applicant	Bank(s)	Reserve Bank	Effective date
Central Fidelity Bank, Norfolk, Virginia	Central Fidelity Bank, N.A., Richmond, Virginia	Richmond	October 7, 1983
First Virginia Bank-Colonial, Richmond, Virginia	Virginia National Bank–Azalea Mall, Richmond, Virginia	Richmond	October 12, 1983
The Schenectady Trust Company, Schenectady, New York	The Bank of New York, New York, New York	New York	October 18, 1983
Valley Bank and Trust Company, Salt Lake City, Utah	Bank of Utah, Brigham City, Utah	San Francisco	October 3, 1983

Pending Cases Involving the Board of Governors

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

Independent Insurance Agents of America, Inc. and Independent Insurance Agents of Missouri, Inc. v. *Board of Governors,* filed June 1983, U.S.C.A. for the Eighth Circuit (two cases).

The Committee for Monetary Reform, et al., v. *Board of Governors,* filed June 1983, U.S.D.C. for the District of Columbia.

Dakota Bankshares, Inc. v. *Board of Governors,* filed May 1983 U.S.C.A. for the Eighth Circuit.

Jet Courier Services, Inc., et al. v. *Federal Reserve Bank of Atlanta, et al.* filed February 1983, U.S.C.A. for the Sixth Circuit.

Securities Industry Association v. *Board of Governors, et al.,* filed February 1983, U.S.C.A. for the Second Circuit.

Flagship Banks, Inc. v. *Board of Governors,* filed January 1983, U.S.D.C. for the District of Columbia.

Flagship Banks, Inc. v. *Board of Governors,* filed October 1982, U.S.D.C. for the District of Columbia.

Association of Data Processing Service Organizations, Inc., et al. v. *Board of Governors,* filed August 1982, U.S.C.A. for the District of Columbia.

Richter v. *Board of Governors, et al.* filed May 1982, U.S.D.C. for the Northern District of Illinois.

Wyoming Bancorporation v. *Board of Governors,* filed May 1982, U.S.C.A. for the Tenth Circuit.

First Bancorporation v. *Board of Governors,* filed April 1982, U.S.C.A. for the Tenth Circuit.

Charles G. Vick v. *Paul A. Volcker, et al.,* filed Mar(1982, U.S.D.C. for the District of Columbia.

Jolene Gustafson v. *Board of Governors,* filed Mar(1982, U.S.C.A. for the Fifth Circuit.

Edwin F. Gordon v. *Board of Governors, et al.,* fil(October 1981, U.S.C.A. for the Eleventh Circı (two consolidated cases).

Allen Wolfson v. *Board of Governors,* filed Septemb 1981, U.S.D.C. for the Middle District of Florida

Bank Stationers Association, Inc., et al. v. *Board Governors,* filed July 1981, U.S.D.C. for the Nort ern District of Georgia.

Public Interest Bounty Hunters v. *Board of Gove nors, et al.,* filed June 1981, U.S.D.C. for tl Northern District of Georgia.

First Bank & Trust Company v. *Board of Governoı* filed February 1981, U.S.D.C. for the Eastern Di trict of Kentucky.

9 to 5 Organization for Women Office Workers Board of Governors, filed December 198 U.S.D.C. for the District of Massachusetts.

Securities Industry Association v. *Board of Gove nors, et al.,* filed October 1980, U.S.C.A. for tl District of Columbia.

A. G. Becker, Inc. v. *Board of Governors, et al.,* fil(October 1980, U.S.C.A. for the District of Colur bia.

A. G. Becker, Inc. v. *Board of Governors, et al.,* fil(August 1980, U.S.C.A. for the District of Columbi

Berkovitz, et al. v. *Government of Iran, et al.,* fil(June 1980, U.S.D.C. for the Northern District California.

Financial and Business Statistics

CONTENTS

Domestic Financial Statistics

POLICY INSTRUMENTS

FEDERAL RESERVE BANKS

MONETARY AND CREDIT AGGREGATES

COMMERCIAL BANKING INSTITUTIONS

WEEKLY REPORTING COMMERCIAL BANKS

FINANCIAL MARKETS

FEDERAL FINANCE

1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1982 Q4	1983 Q1	1983 Q2	1983 Q3	1983 May	1983 June	1983 July	1983 Aug	1983 Sept
Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[1]									
Reserves of depository institutions									
1 Total	11.8	4.1	12.4	4.7	-.8	15.6	6.0	-3.4	.7
2 Required	10.8	3.8	12.6^r	4.6	.1	14.8	5.2	-1.5	-.9
3 Nonborrowed	13.6	3.5	6.2	1.8	1.1	-6.7	12.4	-6.6	4.2
4 Monetary base[2]	8.2	9.5	11.1	7.6	10.5	10.1	5.1	6.5	9.0
Concepts of money and liquid assets[3]									
5 M1	13.1	14.1	12.2	8.9	26.3	10.2	8.9	2.8^r	.9
6 M2	9.3	20.3	10.1	7.8	12.4	10.4	6.8^r	6.0^r	4.6
7 M3	9.5	10.2	8.1	8.2	10.9^r	11.0	5.5^r	8.7	7.2
8 L	8.6	10.8^r	9.9^r	n.a.	10.4^r	11.0^r	n.a.	n.a.	n.a.
Time and savings deposits									
Commercial banks									
9 Total	5.3	14.2^r	3.0	6.1	-3.1^r	10.1	6.6	5.7	6.0
10 Savings[4]	13.4	-43.4	14.8	-6.8	0	0	-10.2	-11.2^r	8.7
11 Small-denomination time[5]	-.5	-48.5	24.1	14.9	-10.1	2.6	24.8	22.4	17.3
12 Large-denomination time[6]	2.0	-53.9	24.8	-8.5	38.0	-.8	-8.8	2.9	3.8
13 Thrift institutions[7]	6.2	12.1	16.0	13.7	12.0	13.3	14.6	13.5	12.5
14 Total loans and securities at commercial banks[8]	6.3^r	10.9^r	9.9^r	8.6	10.7	9.9	9.7	11.2	4.9

Item	1982 Q4	1983 Q1	1983 Q2	1983 Q3	1983 June	1983 July	1983 Aug	1983 Sept	1983 Oct
Interest rates (levels, percent per annum)									
Short-term rates									
15 Federal funds[9]	9.28	8.65	8.80	9.46	8.98	9.37	9.56	9.45	9.48
16 Discount window borrowing[10]	9.25	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
17 Treasury bills (3-month, secondary market)[11]	7.90	8.11	8.40	9.14	8.79	9.08	9.34	9.00	8.64
18 Commercial paper (3-month)[11,12]	8.80	8.34	8.62	9.34	9.00	9.25	9.54	9.24	8.99
Long-term rates									
Bonds									
19 U.S. government[13]	10.72	10.87	10.81	11.79	11.12	11.59	11.96	11.82	11.77
20 State and local government[14]	9.90	9.43	9.23	9.61	9.52	9.53	9.72	9.58	9.66
21 Aaa utility (new issue)[15]	12.10	11.89	11.46	12.39	11.87	12.32	12.25	12.53	12.43
22 Conventional mortgages[16]	13.79	13.26	13.16	13.83	13.37	14.00	13.90	13.60	13.52

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

2. Includes reserve balances at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vaults of depository institutions, and surplus vault cash at depository institutions.

3. M1: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks, (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float, and (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

M2: M1 plus money market deposit accounts (MMDAs), savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and balances of money market mutual funds (general purpose and broker/dealer).

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations and balances of institution-only money market mutual funds.

L: M3 plus other liquid assets such as term Eurodollars held by U.S. residents other than banks, bankers acceptances, commercial paper, Treasury bills and other liquid Treasury securities, and U.S. savings bonds.

4. Savings deposits exclude NOW and ATS accounts at commercial banks and thrifts and CUSD accounts at credit unions.

5. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than $100,000.

6. Large-denomination time deposits are those issued in amounts of $100,000 or more.

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

8. Changes calculated from figures shown in table 1.23. Beginning December 1981, growth rates reflect shifts of foreign loans and securities from U.S. banking offices to international banking facilities.

9. Averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).

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

11. Quoted on a bank-discount basis.

12. Unweighted average of offering rates quoted by at least five dealers.

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

14. *Bond Buyer* series for 20 issues of mixed quality.

15. 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.

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

NOTE. Revisions in reserves of depository institutions reflect the transitional phase-in of reserve requirements as specified in the Monetary Control Act of 1980.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS, RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1983			1983						
	Aug.	Sept.[r]	Oct.	Sept. 14	Sept. 21	Sept. 28	Oct. 5	Oct. 12	Oct. 19[p]	Oct. 26
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit outstanding**	**163,698**	**168,182**	**169,129**	**163,970**	**169,105**	**173,608**	**172,854**	**170,076**	**168,840**	**169,0**
2 U.S. government securities[1]	144,901	148,550	149,300	144,732	149,095	153,334	152,688	150,359	148,668	149,1
3 Bought outright	144,578	145,487	147,045	144,732	145,805	146,463	146,396	148,270	146,412	147,4
4 Held under repurchase agreements	323	3,063	2,255	0	3,290	6,871	6,292	2,089	2,256	1,6
5 Federal agency securities	8,769	8,995	8,936	8,740	8,985	9,414	9,175	9,016	8,908	8,8
6 Bought outright	8,742	8,739	8,734	8,740	8,737	8,737	8,737	8,736	8,734	8,7
7 Held under repurchase agreements	27	256	202	0	248	677	438	280	174	1
8 Acceptances	30	139	131	0	61	289	558	11	106	1
9 Loans	1,712	1,446	839	1,150	2,097	1,278	1,413	1,271	577	5
10 Float	763	1,199	1,238	1,603	966	1,112	838	1,271	1,730	1,1
11 Other Federal Reserve assets	7,524	7,853	8,685	7,745	7,901	8,181	8,182	8,148	8,851	9,1
12 Gold stock	11,128	11,128	11,127	11,128	11,128	11,128	11,128	11,128	11,128	11,1
13 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,6
14 Treasury currency outstanding	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,7
ABSORBING RESERVE FUNDS										
15 Currency in circulation	160,453	161,684	162,578	162,678	161,542	160,656	161,329	162,853	163,260	162,5
16 Treasury cash holdings	490	471	475	474	474	471	470	475	477	4
Deposits, other than reserves, with Federal Reserve Banks										
17 Treasury	3,300	7,584	6,916	3,438	7,175	14,157	12,326	8,628	5,258	5,8
18 Foreign	237	212	216	200	207	200	256	188	216	2
19 Other	431	491	614	461	605	417	474	646	628	6
20 Service-related balances and adjustment	1,066	1,117	1,185	1,070	1,112	1,047	1,118	1,126	1,095	1,2
21 Other Federal Reserve liabilities and capital	5,289	5,569	5,689	5,649	5,617	5,770	5,738	5,797	5,645	5,5
22 Reserve accounts[2]	21,965	20,585	20,986	19,533	21,907	20,424	20,674	19,897	21,793	22,0
	End-of-month figures			Wednesday figures						
	1983			1983						
	Aug.	Sept	Oct.	Sept. 14	Sept. 21	Sept. 28	Oct. 5	Oct. 12	Oct. 19[p]	Oct 26
SUPPLYING RESERVE FUNDS										
23 **Reserve Bank credit outstanding**	**167,778**	**175,755**	**165,267**	**165,819**	**174,750**	**170,883**	**169,654**	**171,851**	**169,772**	**167,5**
24 U.S. government securities[1]	146,489	155,423	146,096	144,791	149,502	149,370	149,528	148,599	148,461	147,2
25 Bought outright	144,226	146,171	146,096	144,791	148,924	145,194	146,789	148,599	145,075	147,2
26 Held under repurchase agreements	2,263	9,252	0	0	578	4,176	2,739	0	3,386	
27 Federal agency securities	8,932	9,288	8,731	8,737	8,998	9,071	8,984	8,734	8,980	8,7
28 Bought outright	8,742	8,737	8,731	8,737	8,737	8,737	8,737	8,734	8,734	8,7
29 Held under repurchase agreements	190	551	0	0	261	334	247	0	246	
30 Acceptances	209	1,122	0	0	9	89	20	0	117	
31 Loans	3,633	1,625	387	2,410	6,817	2,359	1,385	2,396	1,386	1,5
32 Float	979	−60	750	1,574	1,420	1,737	1,604	3,641	1,705	8
33 Other Federal Reserve assets	7,536	8,357	9,303	8,307	8,004	8,257	8,133	8,481	9,123	9,2
34 Gold stock	11,128	11,128	11,126	11,128	11,128	11,128	11,128	11,128	11,127	11,1
35 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,6
36 Treasury currency outstanding	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,7
ABSORBING RESERVE FUNDS										
37 Currency in circulation	161,122	161,046	162,515	162,285	161,136	160,787	162,032	163,608	163,080	162,4
38 Treasury cash holdings	490	468	478	474	471	468	474	475	477	4
Deposits, other than reserves, with Federal Reserve Banks										
39 Treasury	4,189	16,557	4,841	3,273	12,806	14,253	9,694	7,151	5,168	4,6
40 Foreign	248	297	339	243	186	205	194	182	257	2
41 Other	465	438	749	443	470	416	400	691	592	6
42 Service-related balances and adjustment	845	911	956	885	898	908	912	936	958	9
43 Other Federal Reserve liabilities and capital	5,112	5,800	5,691	5,273	5,462	5,535	5,525	5,495	5,478	5,3
44 Reserve accounts[2]	24,839	19,769	19,227	22,475	22,853	17,843	19,955	22,845	23,292	22,2

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

2. Excludes required clearing balances.

NOTE For amounts of currency and coin held as reserves, see table 1 12.

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	1981 Dec.	1982 Dec.	1983 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.p
	Monthly averages of daily figures									
1 Reserve balances with Reserve Banks[1]	26,163	24,804	22,168	22,565	22,010	21,808	22,139	21,965	20,585	20,986
2 Total vault cash (estimated)	19,538	20,392	19,484	19,569	19,710	20,098	20,413	20,035	20,798	20,462
3 Vault cash at institutions with required reserve balances[2]	13,577	14,292	13,027	13,246	13,339	13,593	13,647	13,656	13,927	13,924
4 Vault cash equal to required reserves at other institutions	2,178	2,757	2,844	2,839	2,933	3,014	3,161	3,039	3,404	3,132
5 Surplus vault cash at other institutions[3]	3,783	3,343	3,613	3,484	3,438	3,491	3,605	3,340	3,467	3,406
6 Reserve balances + total vault cash[4]	45,701	45,196	41,652	42,134	41,720	41,906	42,552	42,000	41,383	41,448
7 Reserve balances + total vault cash used to satisfy reserve requirements[4,5]	41,918	41,853	38,039	38,650	38,282	38,415	38,947	38,660	37,916	38,042
8 Required reserves (estimated)	41,606	41,353	37,602	38,174	37,833	37,935	38,440	38,214	37,418	37,626
9 Excess reserve balances at Reserve Banks[4,6]	312	500	437	476	449	480	507	446	498	416
10 Total borrowings at Reserve Banks	642	697	852	993	902	1,714	1,382	1,573	1,441	839
11 Seasonal borrowings at Reserve Banks	53	33	53	82	98	121	172	198	191	142
12 Extended credit at Reserve Banks	149	187	318	407	514	964	572	490	515	255

Reserve classification	1983 Aug 24	Aug 31	Sept 7	Sept. 14	Sept. 21	Sept 28	Oct. 5	Oct. 12	Oct. 19	Oct 26p
	Weekly averages of daily figures for week ending									
13 Reserve balances with Reserve Banks[1]	22,592	21,966	20,449	19,533	21,907	20,424	20,674	19,897	21,793	22,011
14 Total vault cash (estimated)	19,414	19,361	20,735	21,364	19,682	21,364	20,963	21,017	20,057	19,692
15 Vault cash at institutions with required reserve balances[2]	13,503	13,894	13,752	13,828	13,518	14,539	14,176	13,926	13,494	13,769
16 Vault cash equal to required reserves at other institutions	2,656	2,986	3,470	3,757	3,006	3,412	3,306	3,452	3,160	2,822
17 Surplus vault cash at other institutions[3]	3,255	2,481	3,513	3,779	3,158	3,413	3,481	3,639	3,403	3,101
18 Reserve balances + total vault cash[4]	42,006	41,327	41,184	40,897	41,589	41,788	41,637	40,914	41,850	41,703
19 Reserve balances + total vault cash used to satisfy reserve requirements[4,5]	38,751	38,846	37,671	37,118	38,431	38,375	38,156	37,275	38,447	38,602
20 Required reserves (estimated)	38,350	38,353	36,914	36,714	38,086	37,926	37,534	36,546	38,106	38,162
21 Excess reserve balances at Reserve Banks[4,6]	401	493	757	404	345	449	622	729	341	440
22 Total borrowings at Reserve Banks	1,579	1,712	1,246	1,150	2,097	1,278	1,413	1,271	577	568
23 Seasonal borrowings at Reserve Banks	207	216	192	185	186	204	161	139	138	144
24 Extended credit at Reserve Banks	524	499	489	501	520	542	539	645	96	5

1. As of Aug. 13, 1981, excludes required clearing balances of all depository institutions.
2. Before Nov. 13, 1980, the figures shown reflect only the vault cash held by member banks
3. Total vault cash at institutions without required reserve balances less vault cash equal to their required reserves.
4. 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 merged 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.
5. Reserve balances with Federal Reserve Banks, which exclude required clearing balances plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.
6 Reserve balances with Federal Reserve Banks, which exclude required clearing balances plus vault cash used to satisfy reserve requirements less required reserves (This measure of excess reserves is comparable to the old excess reserve concept published historically.)

1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks[1]

Averages of daily figures, in millions of dollars

By maturity and source	1983, week ending Wednesday Aug 31	Sept 7	Sept. 14	Sept. 21	Sept. 28	Oct. 5	Oct 12	Oct. 19	Oct 26
One day and continuing contract									
1 Commercial banks in United States	52,690r	59,384r	61,753r	56,484r	52,486r	58,481	66,374	61,282	57,028
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	23,803	23,687	23,248	25,292	24,232r	23,298	22,914	24,767	25,736
3 Nonbank securities dealers	3,877	4,210	4,054	3,925	4,071	4,846	4,550	5,444	5,780
4 All other	25,195	24,940	25,675	25,611	25,121	25,843	25,719	25,775	26,037
All other maturities									
5 Commercial banks in United States	6,184	5,754	5,825	5,885	6,664	6,506	6,410	5,769	5,234
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	9,105	8,994	9,110	8,652r	9,036r	8,787	8,614	8,608	8,721
7 Nonbank securities dealers	6,582	6,134	5,689	5,814	6,415	5,638	5,365	5,300	5,997
8 All other	9,606	9,713	9,721	9,278	9,183r	8,798	8,939	9,127	9,367
MEMO. Federal funds and resale agreement loans in maturities of one day or continuing contract									
9 Commercial banks in United States	23,065	25,322	24,353r	22,932r	22,080r	25,793	30,874	27,448	25,251
10 Nonbank securities dealers	4,710	4,736	4,778r	4,036r	4,487r	4,395	4,882	4,742	4,809

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

Federal Reserve Bank	Short-term adjustment credit and seasonal credit			Extended credit[1]						
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days		Effective date for current rates
	Rate on 10/31/83	Effective date	Previous rate	Rate on 10/31/83	Previous rate	Rate on 10/31/83	Previous rate	Rate on 10/31/83	Previous rate	
Boston	8½	12/14/82	9	8½	9	9½	10	10½	11	12/14/82
New York		12/15/82								12/15/82
Philadelphia		12/17/82								12/17/82
Cleveland		12/15/82								12/15/82
Richmond		12/15/82								12/15/82
Atlanta		12/14/82								12/14/82
Chicago		12/14/82								12/14/82
St Louis		12/14/82								12/14/82
Minneapolis		12/14/82								12/14/82
Kansas City		12/15/82								12/15/82
Dallas		12/14/82								12/14/82
San Francisco	8½	12/14/82	9	8½	9	9½	10	10½	11	12/14/82

Range of rates in recent years[2]

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec 31, 1973	7½	7½
1974— Apr 25	7½–8	8
30	8	8
Dec 9	7¾–8	7¾
16	7¾	7¾
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
1977— Aug 30	5¼–5¾	5¼
31	5¼–5¾	5¾
Sept 2	5¾	5¾
Oct 26	6	6
1978— Jan. 9	6–6½	6½
20	6½	6½
May 11	6½–7	7
12	7	7

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1978— July 3	7–7¼	7¼
10	7¼	7¼
Aug 21	7¾	7¾
Sept. 22	8	8
Oct 16	8–8½	8½
20	8½	8½
Nov 1	8½–9½	9½
3	9½	9½
1979— July 20	10	10
Aug 17	10–10½	10½
20	10½	10½
Sept 19	10½–11	11
21	11	11
Oct 8	11–12	12
10	12	12
1980— Feb 15	12–13	13
19	13	13
May 29	12–13	13
30	12	12
June 13	11–12	11
16	11	11
July 28	10–11	10
29	10	10
Sept 26	11	11
Nov 17	12	12
Dec 5	12–13	13
8	13	13

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1981— May 5	13–14	14
8	14	14
Nov 2	13–14	13
6	13	13
Dec 4	12	12
1982— July 20	11½–12	11½
23	11½	11½
Aug 2	11–11½	11
3	11	11
16	10½	10½
27	10–10½	10
30	10	10
Oct 12	9½–10	9½
13	9½	9½
Nov 22	9–9½	9
26	9	9
Dec 14	8½–9	9
15	8½–9	8½
17	8½	8½
In effect Oct 31, 1983	8½	8½

1. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution and to advances when an institution is under sustained liquidity pressures. See section 201.3(b)(2) of Regulation A.

2. Rates for short-term adjustment credit. For description and earlier data see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, and *1941–1970*; *Annual Statistical Digest, 1970–1979, 1980*, and *1981*.

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

Percent of deposits

Type of deposit, and deposit interval	Member bank requirements before implementation of the Monetary Control Act	
	Percent	Effective date
Net demand[2]		
$0 million–$2 million	7	12/30/76
$2 million–$10 million	9½	12/30/76
$10 million–$100 million	11¾	12/30/76
$100 million–$400 million	12¾	12/30/76
Over $400 million	16¼	12/30/76
Time and savings[2,3]		
Savings	3	3/16/67
Time[4]		
$0 million–$5 million, by maturity		
30–179 days	3	3/16/67
180 days to 4 years	2½	1/8/76
4 years or more	1	10/30/75
Over $5 million, by maturity		
30–179 days	6	12/12/74
180 days to 4 years	2½	1/8/76
4 years or more	1	10/30/75

Type of deposit, and deposit interval[5]	Depository institution requirements after implementation of the Monetary Control Act[6]	
	Percent	Effective date
Net transaction accounts[7,8]		
$0–$26.3 million	3	12/30/82
Over $26.3 million	12	12/30/82
Nonpersonal time deposits[9]		
By original maturity		
Less than 1½ years	3	10/6/83
1½ years or more	0	10/6/83
Eurocurrency liabilities		
All types	3	11/13/80

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. After implementation of the Monetary Control Act, nonmembers may maintain reserves on a pass-through basis with certain approved institutions.

1.16 MAXIMUM INTEREST RATES PAYABLE on Time and Savings Deposits at Federally Insured Institutions[1]

Percent per annum

Type of deposit	Commercial banks		Savings and loan associations and mutual savings banks (thrift institutions)[1]	
	In effect Oct. 30, 1983		In effect Oct. 30, 1983	
	Percent	Effective date	Percent	Effective date
1 Savings	5¼	7/1/79	5½	7/1/79
2 Negotiable order of withdrawal accounts	5¼	12/31/80	5¼	12/31/80
3 Negotiable order of withdrawal accounts of $2,500 or more	[2]	1/5/83	[2]	1/5/83
4 Money market deposit account	[2]	12/14/82	[2]	12/14/82
Time accounts by maturity				
5 7–31 days of less than $2,500[3]	5¼	9/1/82	5½	9/1/82
6 7–31 days of $2,500 or more	...	1/5/83	...	1/5/83
7 More than 31 days	...	10/1/83	...	10/1/83

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

2. Effective Dec. 14, 1982, depository institutions are authorized to offer a new account with a required initial balance of $2,500 and an average maintenance balance of $2,500 not subject to interest rate restrictions. No minimum maturity period is required for this account, but depository institutions must reserve the right to require seven days notice before withdrawals When the average balance is less than $2,500, the account is subject to the maximum ceiling rate of interest for NOW accounts, compliance with the average balance requirement may be determined over a period of one month. Depository institutions may not guarantee a rate of interest for this account for a period longer than one month or condition the payment of a rate on a requirement that the funds remain on deposit for longer than one month.

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1980	1981	1982	1983 Mar	Apr.	May	June	July	Aug.	Sept
U S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	7,668	13,899	17,067	1,259	2,880	516	1,721	666	1,768	3,184
2 Gross sales	7,331	6,746	8,369	0	0	0	0	0	289	214
3 Exchange	0	0	0	0	0	0	0	0	0	0
4 Redemptions	3,389	1,816	3,000	0	0	0	0	0	0	500
Others within 1 year										
5 Gross purchases	912	317	312	0	0	173	0	156	0	0
6 Gross sales	0	23	0	0	0	0	0	0	0	0
7 Maturity shift	12,427	13,794	17,295	1,198	826	1,795	1,398	1,162	2,212	902
8 Exchange	−18,251	−12,869	−14,164	−900	0	−1,842	−916	0	−5,344	−753
9 Redemptions	0	0	0	0	0	0	87	0	0	0
1 to 5 years										
10 Gross purchases	2,138	1,702	1,797	0	0	595	0	481	0	0
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shift	−8,909	−10,299	−14,524	−1,198	−684	−41	−1,398	−1,121	−2,212	902
13 Exchange	13,412	10,117	11,804	900	0	1,367	916	0	3,130	753
5 to 10 years										
14 Gross purchases	703	393	388	0	0	326	0	215	0	0
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Maturity shift	−3,092	−3,495	−2,172	0	−142	−1,754	0	−41	516	0
17 Exchange	2,970	1,500	2,128	0	0	300	0	0	1,300	0
Over 10 years										
18 Gross purchases	811	379	307	0	0	108	0	124	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	−426	0	−601	0	0	0	0	0	−516	0
21 Exchange	1,869	1,253	234	0	0	175	0	0	914	0
All maturities										
22 Gross purchases	12,232	16,690	19,870	1,259	2,880	1,719	1,721	1,642	1,768	3,184
23 Gross sales	7,331	6,769	8,369	0	0	0	0	0	289	214
24 Redemptions	3,389	1,816	3,000	0	0	0	87	0	0	500
Matched transactions										
25 Gross sales	674,000	589,312	543,804	47,892	37,873	43,404	50,086	40,934	45,989	48,193
26 Gross purchases	675,496	589,647	543,173	47,724	36,205	45,001	47,783	43,037	44,480	47,667
Repurchase agreements										
27 Gross purchases	113,902	79,920	130,774	3,526	7,671	0	7,891	7,816	2,263	37,211
28 Gross sales	113,040	78,733	130,286	3,526	3,984	3,687	6,730	8,978	0	30,223
29 Net change in U S government securities	3,869	9,626	8,358	1,090	4,899	−371	493	2,583	2,234	8,933
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	668	494	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	145	108	189	8	7	*	17	10	138	5
Repurchase agreements										
33 Gross purchases	28,895	13,320	18,957	379	340	0	678	558	189	2,871
34 Gross sales	28,863	13,576	18,638	379	92	248	463	773	0	2,510
35 Net change in federal agency obligations	555	130	130	−8	241	−248	198	−225	51	356
BANKERS ACCEPTANCES										
36 Repurchase agreements, net	73	−582	1,285	0	704	−704	203	203	209	913
37 Total net change in System Open Market Account	**4,497**	**9,175**	**9,773**	**1,082**	**5,844**	**−1,322**	**893**	**2,155**	**2,493**	**10,203**

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

1.18 FEDERAL RESERVE BANKS *Condition and Federal Reserve Note Statements*

Millions of dollars

Account	Wednesday 1983 Sept 28	Oct 5	Oct 12	Oct 19	Oct 26	End of month 1983 Aug	Sept	Oct
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,128	11,128	11,128	11,127	11,126	11,128	11,128	11,126
2 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
3 Coin	444	451	453	458	465	415	443	468
Loans								
4 To depository institutions	2,359	1,385	2,396	1,386	1,505	3,633	1,625	387
5 Other	0	0	0	0	0	0	0	0
Acceptances—Bought outright								
6 Held under repurchase agreements	89	20	0	117	0	209	1,122	0
Federal agency obligations								
7 Bought outright	8,737	8,737	8,734	8,734	8,731	8,742	8,737	8,731
8 Held under repurchase agreements	334	247	0	246	0	190	551	0
U S government securities								
Bought outright								
9 Bills	61,921	63,516	65,326	61,802	63,999	60,953	62,898	62,823
10 Notes	63,044	63,044	63,044	63,044	63,044	63,044	63,044	63,044
11 Bonds	20,229	20,229	20 229	20,229	20,229	20,229	20,229	20,229
12 Total bought outright[1]	145,194	146,789	148 599	145,075	147,272	144,226	146,171	146,096
13 Held under repurchase agreements	4,176	2,739	0	3,386	0	2,263	9,252	0
14 Total U S government securities	149,370	149,528	148,599	148,461	147,272	146,489	155,423	146,096
15 **Total loans and securities**	**160,889**	**159,917**	**159,729**	**158,944**	**157,508**	**159,263**	**167,458**	**155,214**
16 Cash items in process of collection	8,298	9,188	13,390	9,054	7,576	8,158	7,490	6,792
17 Bank premises	553	552	552	553	553	553	552	553
Other assets								
18 Denominated in foreign currencies[2]	3,637	3,723	3,725	3,726	3,729	3,617	3,721	3,763
19 All other[3]	4,067	3,858	4,204	4,844	4,974	3,366	4,084	4,987
20 **Total assets**	**193,634**	**193,435**	**197,799**	**193,324**	**190,549**	**191,118**	**199,494**	**187,521**
LIABILITIES								
21 Federal Reserve notes	147,913	149,171	150,750	150,230	149,637	148,241	148,172	149,676
Deposits								
22 To depository institutions	18,767	20,881	23,808	24,281	23,267	25,702	20,697	20,227
23 U S Treasury—General account	14,253	9,694	7,151	5,168	4,624	4,189	16,557	4,841
24 Foreign—Official accounts	205	194	182	257	246	248	297	339
25 Other	400	386	664	561	643	447	421	705
26 **Total deposits**	**33,625**	**31,155**	**31,805**	**30,267**	**28,780**	**30,586**	**37,972**	**26,112**
27 Deferred availability cash items	6,561	7,584	9,749	7,349	6,760	7,179	7,550	6,042
28 Other liabilities and accrued dividends[4]	2,346	2,248	2,265	2,331	2,193	2,056	2,466	2,270
29 **Total liabilities**	**190,445**	**190,158**	**194,569**	**190,177**	**187,370**	**188,062**	**196,160**	**184,100**
CAPITAL ACCOUNTS								
30 Capital paid in	1,447	1,447	1,448	1,448	1,450	1,434	1,446	1,447
31 Surplus	1,359	1,359	1,359	1,359	1,359	1,359	1,359	1,359
32 Other capital accounts	383	471	423	340	370	263	529	615
33 **Total liabilities and capital accounts**	**193,634**	**193,435**	**197,799**	**193,324**	**190,549**	**191,118**	**199,494**	**187,521**
34 MEMO Marketable U S government securities held in custody for foreign and international account	110,279	109,818	109,626	112,885	110,108	108,053	109,117	112,181
	Federal Reserve note statement							
35 Federal Reserve notes outstanding	173,014	173,625	174,326	175,407	175,863	171,346	173,093	175,946
36 LESS Held by bank[5]	25,101	24,454	23,576	25,177	26,226	23,105	24,921	26,270
37 Federal Reserve notes, net	147,913	149,171	150,750	150,230	149,637	148,241	148,172	149,676
Collateral held against notes net								
38 Gold certificate account	11,128	11,128	11,128	11,128	11,126	11,128	11,128	11,126
39 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U S government and agency securities	132,167	133,425	135,004	134,484	133,893	132,495	132,426	133,932
42 **Total collateral**	**147,913**	**149,171**	**150,750**	**150,230**	**149,637**	**148,241**	**148,172**	**149,676**

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

2 Includes U S government securities held under repurchase agreement against receipt of foreign currencies and foreign currencies warehoused for the U S Treasury Assets shown in this line are revalued monthly at market exchange rates

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

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

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1983					1983		
	Sept 28	Oct 5	Oct 12	Oct 19	Oct 26	Aug 31	Sept 30	Oct 31
1 Loans—Total	2,359	1,385	2,396	1,386	1,505	3,633	1,625	387
2 Within 15 days	2,321	1,334	2,274	1,359	1,479	3 583	1,553	317
3 16 days to 90 days	38	51	122	27	26	50	72	34
4 91 days to 1 year	0	0	0	0	0	0	0	36
5 Acceptances—Total	89	20	0	117	0	209	1,122	0
6 Within 15 days	89	20	0	117	0	209	1,122	0
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 *U S government securities*—Total	149,370	149,528	148,599	148,461	147,272	146,489	155,423	146,096
10 Within 15 days[1]	10,341	9,052	5,620	6,222	5,322	9,715	13,007	5,528
11 16 days to 90 days	29,913	32,506	33,259	32,319	32,030	28,657	33,499	30,965
12 91 days to 1 year	44,974	43,978	45,728	45,928	45,928	43,975	44,925	45,505
13 Over 1 year to 5 years	32,863	32,713	32,713	32,987	32,987	32,863	32,713	33,093
14 Over 5 years to 10 years	13,690	13,690	13,690	13,416	13,416	13,690	13,690	13,416
15 Over 10 years	17,589	17,589	17,589	17,589	17,589	17 589	17,589	17 589
16 Federal agency obligations - Total	9,071	8,984	8,734	8,980	8,731	8,932	9,288	8,731
17 Within 15 days[1]	508	389	200	543	134	336	725	133
18 16 days to 90 days	648	673	626	529	586	713	648	638
19 91 days to 1 year	1,897	1,905	1,954	1,959	1,910	1,832	1,897	1,859
20 Over 1 year to 5 years	4,331	4,330	4,267	4,262	4,353	4,370	4,331	4 353
21 Over 5 years to 10 years	1,169	1,169	1,169	1,169	1,230	1,163	1,169	1 230
22 Over 10 years	518	518	518	518	518	518	518	518

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE

Billions of dollars, averages of daily figures

Item	1979 Dec.	1980 Dec.	1981 Dec	1982 Dec.	1983 Feb	Mar	Apr.	May	June	July	Aug	Sep
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[1]												
1 **Total reserves**[2]	**30.71**	**32.46**	**33.75**	**36.23**	**36.10**	**36.80**	**37.15**	**37.13**	**37.61**	**37.80**	**37.69**r	**37**
2 Nonborrowed reserves	29.24	30.77	33.11	35.60	35.52	36.01	36.14	36.18	35.98	36.35	36.15r	36
3 Required reserves	30.38	31.94	33.43	35.73	35.66	36.37	36.68	36.68	37.13	37.29	37.25	37
4 Monetary base[3]	139.3	151.1	158.8	171.1	173.8	176.1	177.3	178.8	180.3	181.1	182.1	183
	Not seasonally adjusted											
5 **Total reserves**[2]	**31.26**	**33.4**	**34.61**	**36.96**	**35.97**	**36.06**	**36.91**	**36.64**	**36.79**	**37.34**	**37.06**r	**37**
6 Nonborrowed reserves	29.79	31.72	33.98	36.33	35.39	35.26	35.90	35.69	35.15	35.89	35.52r	35
7 Required reserves	30.93	32.89	34.29	36.46	35.54	35.62	36.44	36.19	36.31	36.83	36.62	36
8 Monetary base[3]	141.5	154.4	161.9	174.4	171.8	173.6	176.3	177.8	179.6	181.7	181.8	182
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[4]												
9 **Total reserves**[2]	**43.91**	**40.66**	**41.92**	**41.85**	**39.80**	**38.04**	**38.65**	**38.28**	**38.42**	**38.95**	**38.66**r	**37**
10 Nonborrowed reserves	42.43	38.97	41.29	41.22	39.22	37.24	37.64	37.33	36.78	37.50	37.12r	36
11 Required reserves	43.58	40.15	41.60	41.35	39.36	37.60	38.17	37.83	37.93	38.44	38.21	37
12 Monetary base[3]	156.1	162.5	169.7	179.3	176.0	175.9	178.4	179.8	181.6	183.7	183.8	183

1 *Reserve aggregates include required reserves of member banks and Edge Act corporations and other depository institutions.* Discontinuities associated with the implementation of the Monetary Control Act, the inclusion of Edge Act corporation reserves, and other changes in Regulation D have been removed.

2 Reserve balances with Federal Reserve Banks plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions

3. Consists of reserve balances and service-related balances and adjustments at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vaults of depository institutions, and surplus vault cash at depository institutions

4. Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustments to eliminate the effect of changes in Regulation D including changes associated with the implementation of the Monetary Control Act Includes required reserves of member banks and Edge Act corporations and beginning Nov. 13, 1980, other depository institutions Under the transitional phase-in program of the Monetary Control Act of 1980, the net changes in required reserves of depository institutions have been as follows. Effective Nov. 13, 1980, a reduction of $2.9 billion; Feb 12, 1981, an increase of $245 million; Mar. 12, 1981, an increase of $75 million, May 14, 1981, an increase of $245 million, Sept 3, 1981, a reduction of $1.1 billion; Nov. 12, 1981, an increase *of $210 million; Jan. 14, 1982, a reduction of $60 million, Feb 11, 1982 an incre* of $170 million, Mar. 4, 1982, an estimated reduction of $2.0 billion, May 13, 19 an estimated increase of $150 million; Aug 12, 1982 an estimated increase of $ million; and Sept. 2, 1982, an estimated reduction of $1.2 billion, Oct. 28, 1982 estimated reduction of $100 million, Dec. 23, 1982 an estimated reduction of $ million, Mar. 3, 1983 an estimated reduction of $1.9 billion; and Sept. 1, 1983, estimated reduction of $1.2 billion beginning with the week ended Dec. 23, 19 reserve aggregates have been reduced by shifts of reservable liabilities to IB On the basis of reports of liabilities transferred to IBFs by U.S. commercial ba and U.S agencies and branches of foreign banks, it is estimated that requi reserves were lowered on average by $60 million to $90 million in Dec. 1981 $180 million to $230 million in Jan. 1982, mostly reflecting a reduction reservable Eurocurrency transactions Also, beginning with the week ending A 20, 1983, required reserves were reduced an estimated $80 million as a resul the elimination of reserve requirements on nonpersonal time deposits w maturities of 2½ years or more to less than 3½ years.

NOTE. Latest monthly and weekly figures are available from the Boar H.3(502) statistical release. Back data and estimates of the impact on requi reserves and changes in reserve requirements are available from the Bank Section, Division of Research and Statistics, Board of Governors of the Fed Reserve System, Washington, D.C. 20551.

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1979 Dec	1980 Dec	1981 Dec	1982 Dec	1983 June	1983 July	1983 Aug	1983 Sept
	Seasonally adjusted							
MEASURES[1]								
1 M1	389.0	414.1	440.6	478.2	511.7	515.5	516.7	517.1
2 M2	1,497.5	1,630.3	1,794.9	1,959.5	2,114.4r	2,126.3r	2,528.3r	2,145.1
3 M3	1,758.4	1,936.7	2,167.9	2,377.6	2,498.8r	2,510.2r	2,528.5	2,543.4
4 L[2]	2,131.8	2,343.6	2,622.0	2,896.8	3,059.9r	n.a.	n.a.	n.a.
SELECTED COMPONENTS								
5 Currency	106.5	116.2	123.2	132.8	140.3	140.9	141.8	143.0
6 Travelers checks[3]	3.7	4.1	4.5	4.2	4.7	4.6	4.7	4.7
7 Demand deposits	262.0	266.8	236.4	239.8	244.0	245.8	244.5	243.4
8 Other checkable deposits[4]	17.0	26.9	76.6	101.3	122.7	124.2	125.8	126.0
9 Savings deposits[5]	423.1	400.7	344.4	359.3	325.0	323.5	322.1	320.6
10 Small-denomination time deposits[6]	635.9	731.7	828.6	859.1	722.1	735.1r	748.0	757.7
11 Large-denomination time deposits[7]	222.2	258.9	302.6	333.8	304.1	305.6r	311.6r	317.9
	Not seasonally adjusted							
MEASURES[1]								
12 M1	398.8	424.7	452.1	491.0	508.3	514.7	511.6	514.1
13 M2	1,502.1	1,635.0	1,799.6	1,964.5	2,114.1r	2,127.8r	2,129.2	2,136.8
14 M3	1,766.1	1,944.9	2,175.9	2,385.3	2,495.4r	2,508.1	2,519.3r	2,534.2
15 L[2]	2,138.9	2,350.8	2,629.7	2,904.7	3,056.2r	n.a.	n.a.	n.a.
SELECTED COMPONENTS								
16 Currency	108.2	118.3	125.4	135.2	140.3	142.0	142.1	142.6
17 Travelers checks[3]	3.5	3.9	4.3	4.0	4.9	5.2	5.1	5.0
18 Demand deposits	270.1	275.2	244.0	247.7	242.1	245.1	241.3	242.1
19 Other checkable deposits[4]	17.0	27.2	78.4	104.0	121.0	122.5	123.0	124.5
20 Overnight RPs and Eurodollars[8]	21.2	28.4	36.1	44.3	56.0	52.7	52.1r	52.7
21 Savings deposits[5]	420.7	398.3	342.1	356.7	326.3	326.6	321.5	318.2
22 Money market deposit accounts	n.a.	n.a.	n.a.	43.2	367.3	368.4	366.3	366.9
23 Small-denomination time deposits[6]	633.1	728.3	824.1	853.9	723.9	734.3	746.0	754.8
Money market mutual funds								
24 General purpose and broker/dealer	33.4	61.4	150.9	177.8	132.9	131.3	131.3	129.7
25 Institution only	9.5	14.9	36.0	43.1	34.7	34.0	33.9	34.8
26 Large-denomination time deposits[7]	226.0	262.4	305.9	336.5	301.0	301.9r	310.3r	317.0

1 Composition of the money stock measures is as follows.

M1 Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks, (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float, and (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

M2 M1 plus money market deposit accounts, savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks and balances of money market mutual funds (general purpose and broker/dealer).

M3 M2 plus large-denomination time deposits at all depository institutions, term RPs at commercial banks and savings and loan associations, and balances of institution-only money market mutual funds.

2 L M3 plus other liquid assets such as term Eurodollars held by U.S. residents other than banks, bankers acceptances, commercial paper, Treasury bills and other liquid Treasury securities, and U.S. savings bonds.

3 Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers.

4 Includes ATS and NOW balances at all institutions, credit union share draft balances, and demand deposits at mutual savings banks.

5. Excludes NOW and ATS accounts at commercial banks and thrift institutions and CUSDs at credit unions and all money market deposit accounts (MMDAs).

6 Issued in amounts of less than $100,000 and includes retail RPs.

7 Issued in amounts of $100,000 or more and are net of the holdings of domestic banks, thrift institutions, the U.S. government, money market mutual funds, and foreign banks and official institutions.

8. Overnight (and continuing contract) RPs are those issued by commercial banks to other than depository institutions and money market mutual funds (general purpose and broker/dealer), and overnight Eurodollars are those issued by Caribbean branches of member banks to U.S. residents other than depository institutions and money market mutual funds (general purpose and broker/dealer).

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

1.22 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1980[1]	1981[1]	1982[1]	1983 Apr.	May	June	July	Aug	Sept.
	Seasonally adjusted								
DEBITS TO									
Demand deposits[2]									
1 All insured banks	62,757.8	80,858.7	90,914.4	103,022.3	107,273.3	106,799 4	107,884.4	111,538 1	110,7
2 Major New York City banks	25,156.1	33,891 9	37,932.9	46,025.6	46,891 2	46,445 4	46,978 0	48,373.3	46,9
3 Other banks	37,601 7	46,966 9	52,981 6	56,996 7	60,382.1	60,354.1	60,906 4	63,164 9	63,7
4 ATS–NOW accounts[3]	159.3	743.4	1,036.2	1,202.2	1,371 5	1,342 1	1,390.1	1,679.5	1,4
5 Savings deposits[4]	670 0	672 7	721.4	714.9	743.1	776 2	659 4	706.3	7
DEPOSIT TURNOVER									
Demand deposits[2]									
6 All insured banks	198.7	285.8	324 2	359 7	370 4	367.5	371 5	385 7	3
7 Major New York City banks	803 7	1,105 1	1,287 6	1,502 8	1,471 5	1,449.1	1,432.2	1,526 7	1,5
8 Other banks	132.2	186.2	211 1	222 9	234 3	233.4	236 5	245 3	2
9 ATS–NOW accounts[3]	9.7	14.0	14.5	13.9	15 2	14 7	15.0	17.9	
10 Savings deposits[4]	3 6	4 1	4 5	5 1	5 4	5.6	4 8	5 2	
	Not seasonally adjusted								
DEBITS TO									
Demand deposits[2]									
11 All insured banks	63,124.4	81,197 9	91,031.9	100,117 1	103,947 8	113,773.4	105,057.8	115,776.6	111,7
12 Major New York City banks	25,243 1	34,032 0	38,001 0	43,678 9	44,942.5	50,643.1	45,601.0	49,788 2	48,2
13 Other banks	37,881 3	47,165.9	53,030.9	56,438.1	59,005.4	63,130 4	59,456 8	65,988.3	63,4
14 ATS–NOW accounts[3]	158 0	737.6	1,027.1	1,405 3	1,353 1	1,420 7	1,325.3	1,468.9	1,3
15 MMDA[5]	0	0	0	545.8	505.6	714 3	603.3	655 5	6
16 Savings deposits[4]	669.8	672.9	720.0	779.9	722.2	779.3	661 6	694.3	6
DEPOSIT TURNOVER									
Demand deposits[2]									
17 All insured banks	202 3	286 1	325 0	347 9	368.1	393.1	357 6	406 7	3
18 Major New York City banks	814.8	1,114.2	1,295.7	1,446 9	1,471 0	1,563.6	1,383.5	1,621 6	1,5
19 Other banks	134 8	186 2	211 5	219 1	234.3	245.6	227 9	259.8	2
20 ATS–NOW accounts[3]	9.7	14 0	14.3	15 6	15 3	15.7	14.5	16 0	
21 MMDA[5]	0	0	0	2.8	2 4	3.3	2.8	3 0	
22 Savings deposits[4]	3 6	4 1	4 5	5.6	5.2	5 6	4 8	5.1	

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

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

1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars; averages of Wednesday figures

Category	1981 Dec.[2]	1982 Dec.	1983 June	1983 July	1983 Aug.	1983 Sept.	1981 Dec.[2]	1982 Dec.	1983 June	1983 July	1983 Aug.	1983 Sept.
	Seasonally adjusted						Not seasonally adjusted					
1 **Total loans and securities[3]**	**1,316.3**	**1,412.1**	**1,488.0**	**1,499.9**	**1,513.2**	**1,520.3**	**1,326.1**	**1,422.5**	**1,485.6**	**1,493.6**	**1,507.0**	**1,521.6**
2 U.S. Treasury securities	111.0	130.9	171.2	172.9	174.4	176.9	111.4	131.5	171.6	171.6	172.4	176.3
3 Other securities	231.4	239.1	246.2	246.1	247.8	247.1	232.8	240.6	245.9	244.8	247.0	247.1
4 Total loans and leases[3]	973.9	1,042.0	1,070.6	1,080.9	1,091.0	1,096.3	981.8	1,050.4	1,068.0	1,077.2	1,087.5	1,098.2
5 Commercial and industrial loans	358.0	392.4	395.0	399.2	402.7	402.6	360.1	394.7	394.4	397.9	400.2	402.2
6 Real estate loans	285.7	303.2	317.0	319.4	322.5	326.2	286.8	304.1	315.4	318.4	322.2	326.9
7 Loans to individuals	185.1	191.8	199.8	203.1	205.5	207.7	186.4	193.1	199.0	202.1	205.7	209.1
8 Security loans	21.9	24.7	22.3	23.7	22.9	23.7	22.7	25.5	23.5	23.1	23.6	23.4
9 Loans to nonbank financial institutions	30.2	31.1	31.1	31.2	30.9	30.8	31.2	32.1	30.7	30.6	30.7	30.9
10 Agricultural loans	33.0	36.1	36.7	36.8	37.2	37.6	33.0	36.1	36.9	37.2	37.6	38.2
11 Lease financing receivables	12.7	13.1	13.0	12.9	12.9	12.9	12.7	13.1	13.0	12.9	12.9	12.9
12 All other loans	47.2	49.7	55.7	54.6	56.5	54.8	49.2	51.7	55.2	55.0	54.6	54.6
MEMO:												
13 ***Total loans and securities plus loans sold[3,4]***	**1,319.1**	**1,415.0**	**1,490.7**	**1,502.6**	**1,515.7**	**1,522.8**	**1,328.9**	**1,425.4**	**1,488.3**	**1,496.3**	**1,509.6**	**1,524.2**
14 Total loans plus loans sold[3,4]	976.7	1,045.0	1,073.3	1,083.5	1,093.5	1,098.9	984.7	1,053.3	1,070.8	1,079.9	1,090.1	1,100.8
15 Total loans sold to affiliates[3,4]	2.8	2.9	2.7	2.7	2.6	2.6	2.8	2.9	2.7	2.7	2.6	2.6
16 *Commercial and industrial loans plus loans sold[4]*	360.2	394.6	397.2	401.3	404.5[r]	404.6	362.3	396.9	396.5	400.0	402.2	404.2
17 Commercial and industrial loans sold[4]	2.2	2.3	2.1	2.1	2.0	2.0	2.2	2.3	2.1	2.1	2.0	2.0
18 Acceptances held	8.9	8.5	8.0	8.5	8.5	8.3	9.8	9.5	8.1	8.4	8.2	8.3
19 *Other commercial and industrial loans*	349.1	383.8	387.0	390.7	394.1	394.3	350.3	385.2	386.3	389.5	392.0	393.9
20 To U.S. addressees[5]	334.9	373.5	373.7	378.2	381.5[r]	381.8	334.3	372.7	374.2	377.4	379.8	381.6
21 To non-U.S. addressees	14.2	10.3	13.3	12.5	12.5	12.5	16.1	12.4	12.1	12.1	12.2	12.3
22 Loans to foreign banks	19.0	13.5	15.0	14.4	14.5	14.3	20.0	14.5	14.5	14.0	14.0	14.7

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

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

3. Excludes loans to commercial banks in the United States.

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

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

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

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

Source	1981	1982			1983								
	Dec.	Oct.	Nov.	Dec.	Jan.r	Feb.r	Mar.r	Apr.	May	June	Julyr	Aug.r	Sept.
Total nondeposit funds													
1 Seasonally adjusted[2]	96.3r	81.6r	87.8r	83.0r	73.7	76.7	76.0	80.3r	90.9r	88.3r	76.3	81.6	83.2
2 Not seasonally adjusted	98.1r	84.0r	90 0r	84.6r	75.2	77.7	76.8	79.0r	90.5r	90.0r	78.5	85.9	86.0
Federal funds, RPs, and other borrowings from nonbanks[3]													
3 Seasonally adjusted	111.8r	126.7r	129.7r	128.0r	132.4	135 3	135 4	139.9r	145 9r	140.7r	132.7	130.9	132.2
4 Not seasonally adjusted	113.5r	129.1r	131 9r	129.6r	133.9	136.3	136.2	138.5r	145.5r	142.4r	134 8	135 2	135.0
5 Net balances due to foreign-related institutions, not seasonally adjusted	−18.1r	−47.9	−44.8	−47.9r	−61.6	−61.5	−62.3	−62.4r	−57.7r	−55.1	−58.9	−51.8	−51.4
6 Loans sold to affiliates, not seasonally adjusted[4]	2 8	2 8	2.9	2.9	3.0	3.0	3.0	3.0	2.8	2.7	2.7	2.6	2.6
MEMO													
7 Domestically chartered banks' net positions with own foreign branches, not seasonally adjusted[5]	−22.4r	−40.3r	−38.3	−39.5r	−49.9	−50.4	−52.7	−52.6	−48.6r	−49.1r	−50.8	−45.2	−46.2
8 Gross due from balances	54.9	69 8	69.9	72.2r	79.2	78.9	79.7	80.3r	76 3	75.8	77.4	73.6	74.7
9 Gross due to balances	32.4	29.4	31.5r	32.6r	29.2	28.4	26.8	27.6r	27.6	26.6	26.5	28.3	28.3
10 Foreign-related institutions' net positions with directly related institutions, not seasonally adjusted[6]	4.3	−7 4r	−6 4	−8.2r	−11.6	−11.0	−9.4	−9.7r	−9.0r	−5 9	−7.9	−6.5	−5.1
11 Gross due from balances	48.1	53 9	53.6r	54.9r	57.0	55.5	56.1	55.9	55.8r	53.9	55.2	53.5	53.5
12 Gross due to balances	52.4	46.4	47 1	46.6	45.3	44.4	46.6	46.1	46.7	47.9r	47.2	47.0	48.3
Security RP borrowings													
13 Seasonally adjusted[7]	59.0	69.0	71.5	71.0	72.2	74.3	74.7	79.3	84.6	81.4	75.6	74.2	76.0
14 Not seasonally adjusted	59.2	69.8	72 1	71.1	72.2	73.7	73.9	76.3	82.6	81.5	76.1	76.9	77.2
U.S. Treasury demand balances[8]													
15 Seasonally adjusted	12.2	14.4	10.6	11.9	15.7	8.8	12.5	13.5	11.3	13.0	24.0	20.6	16.5
16 Not seasonally adjusted	11 1	16 4	7.8	10.8	16 3	10 2	13.2	14.2	12 5	13.2	21.8	16.4	18.0
Time deposits, $100,000 or more[9]													
17 Seasonally adjusted	325.4r	363.5r	360.0r	349.6r	321.4	307.2	300.0	296.6	287.2	287.0	284.9	284.2	283.2
18 Not seasonally adjusted	330.4	364.9	361.7	353.9	325.4	310.5	300.7	293.0	285.0	283.5	281.3	283.9	283.9

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.
2. *Includes seasonally adjusted federal funds*, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. Includes averages of Wednesday data for domestically chartered banks and averages of current and previous month-end data for foreign-related institutions.
3. Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans. Includes averages of daily figures for member banks and averages of current and previous month-end data for foreign-related institutions.
4. Loans initially booked by the bank and later sold to affiliates that are still held by affiliates. Averages of Wednesday data.
5. Averages of daily figures for member and nonmember banks.
6. Averages of daily data.
7. Based on daily average data reported by 122 large banks.
8. Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.
9. Averages of Wednesday figures.

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

Billions of dollars except for number of banks

	1982	1983									
	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.
DOMESTICALLY CHARTERED COMMERCIAL BANKS[1]											
1 Loans and securities, excluding interbank	1,370.3	1,370.8	1,373.7	1,392.2	1,403.8	1,411.9	1,435.1	1,437.4	1,457.0	1,466.1	1,483.0
2 Loans, excluding interbank	1,000.7	993.3	991.4	1,001.7	1,005.1	1,007.5	1,025.6	1,029.1	1,043.4	1,049.7	1,060.3
3 Commercial and industrial	356.7	355.1	355.7	358.0	357.9	356.7	360.1	361.1	363.0	364.0	367.0
4 Other	644.0	638.2	635.8	643.7	647.2	650.8	665.6	668.0	680.4	685.7	693.3
5 U.S. Treasury securities	129.0	136.0	141.4	150.6	155.5	160.9	166.0	165.1	167.5	171.2	176.8
6 Other securities	240.5	241.6	240.8	239.9	243.3	243.5	243.5	243.3	246.1	245.2	245.9
7 Cash assets, total	184.4	167.8	184.7	168.9	170.1	164.5	176.9	168.7	176.9	160.0	164.0
8 Currency and coin	23.0	20.4	20.3	19.9	20.4	20.3	21.3	20.7	21.0	20.8	20.5
9 Reserves with Federal Reserve Banks	25.4	23.9	25.3	20.5	23.9	22.4	18.8	20.6	22.5	15.4	19.7
10 Balances with depository institutions	67.6	67.7	71.6	67.1	66.1	65.6	69.7	67.1	69.0	66.7	67.1
11 Cash items in process of collection	68.4	55.9	67.5	61.5	59.6	56.3	67.1	60.3	64.4	56.9	56.6
12 Other assets[2]	265.3	260.1	263.6	257.9	252.4	248.3	253.2	254.5	257.2	252.3	253.0
13 Total assets/total liabilities and capital	**1,820.0**	**1,798.7**	**1,822.0**	**1,818.9**	**1,826.3**	**1,824.8**	**1,865.2**	**1,860.6**	**1,891.0**	**1,878.4**	**1,900.0**
14 Deposits	1,361.8	1,340.6	1,368.3	1,374.2	1,368.0	1,370.8	1,402.7	1,396.5	1,420.1	1,408.1	1,419.5
15 Demand	363.9	324.0	337.9	333.4	329.2	324.5	344.4	334.2	344.7	328.1	331.3
16 Savings	296.4	361.5	395.2	419.2	426.9	440.2	445.3	447.5	449.0	448.8	451.5
17 Time	701.5	655.1	635.2	621.6	611.9	606.1	613.1	614.8	626.4	631.2	636.8
18 Borrowings	215.1	221.6	218.0	211.3	224.0	214.1	221.2	217.5	217.2	217.8	226.8
19 Other liabilities	109.2	106.4	106.0	103.5	102.3	104.7	104.3	105.5	107.6	107.1	106.5
20 Residual (assets less liabilities)	133.8	130.1	129.6	130.0	132.0	135.1	137.0	141.0	146.1	145.4	147.2
MEMO:											
21 U.S. Treasury note balances included in borrowing	10.7	17.1	7.0	9.6	17.8	2.7	19.3	19.3	14.8	20.8	22.5
22 Number of banks	14,787	14,780	14,812	14,819	14,823	14,817	14,826	14,785	14,795	14,804	14,800
ALL COMMERCIAL BANKING INSTITUTIONS[3]											
23 Loans and securities, excluding interbank	1,429.7	1,427.5	1,429.8	1,451.3	1,460.8	1,467.6	1,491.5	1,494.1	1,515.4	1,525.4	1,541.8
24 Loans, excluding interbank	1,054.8	1,044.8	1,042.3	1,054.5	1,055.7	1,056.4	1,075.2	1,078.8	1,094.9	1,102.5	1,112.2
25 Commercial and industrial	395.3	392.4	392.3	395.9	393.5	391.7	395.3	397.7	400.6	402.7	405.3
26 Other	659.5	652.4	650.0	658.6	662.2	664.7	679.9	681.2	694.3	699.8	706.8
27 U.S. Treasury securities	132.8	139.5	145.1	155.3	160.2	166.1	171.3	170.3	172.7	176.1	182.0
28 Other securities	242.1	243.2	242.4	241.5	244.9	245.2	245.1	245.0	247.8	246.9	247.7
29 Cash assets, total	200.7	183.7	200.5	185.5	186.3	180.3	193.5	185.2	193.3	174.7	178.4
30 Currency and coin	23.0	20.4	20.3	19.9	20.4	20.3	21.3	20.7	21.1	20.9	20.5
31 Reserves with Federal Reserve Banks	26.8	25.3	26.7	22.0	25.4	23.8	20.0	21.9	24.0	16.6	20.8
32 Balances with depository institutions	81.4	81.1	84.9	81.0	79.8	78.9	84.0	81.2	82.8	79.3	79.5
33 Cash items in process of collection	69.4	56.9	68.6	62.6	60.7	57.3	68.2	61.4	65.4	58.0	57.6
34 Other assets[2]	341.7	333.2	330.2	325.4	317.8	309.5	318.1	318.7	324.6	320.9	318.8
35 Total assets/total liabilities and capital	**1,972.1**	**1,944.4**	**1,960.4**	**1,962.2**	**1,964.9**	**1,957.4**	**2,003.2**	**1,998.0**	**2,033.3**	**2,021.0**	**2,039.1**
36 Deposits	1,409.7	1,385.4	1,412.6	1,419.5	1,411.0	1,413.1	1,443.8	1,438.1	1,461.4	1,448.9	1,459.0
37 Demand	376.2	335.9	350.2	345.7	341.1	336.4	356.4	346.4	356.6	340.0	343.2
38 Savings	296.7	361.9	395.6	419.7	427.3	440.7	445.7	448.0	449.5	449.3	452.0
39 Time	736.7	687.7	666.8	654.1	642.6	636.0	641.6	643.8	655.3	659.5	663.8
40 Borrowings	278.3	283.5	276.0	269.9	281.3	269.5	278.2	277.9	280.5	282.6	289.6
41 Other liabilities	148.4	143.5	140.4	141.1	138.6	137.9	142.3	139.1	143.4	142.3	141.5
42 Residual (assets less liabilities)	135.7	132.0	131.5	131.9	133.9	137.0	138.9	142.9	148.0	147.3	149.1
MEMO:											
43 U.S. Treasury note balances included in borrowing	10.7	17.1	7.0	9.6	17.8	2.7	19.3	19.3	14.8	20.8	22.5
44 Number of banks	15,329	15,332	15,366	15,376	15,390	15,385	15,396	15,359	15,370	15,382	15,383

1. Domestically chartered commercial banks include all commercial banks in the United States except branches of foreign banks, included are member and nonmember banks, stock savings banks, and nondeposit trust companies.
2. Other assets include loans to U.S. commercial banks.
3. Commercial banking institutions include domestically chartered commercial banks, branches and agencies of foreign banks, Edge Act and Agreement corporations, and New York State foreign investment corporations.

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

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

Millions of dollars, Wednesday figures

Account	1983								
	Aug. 31	Sept 7	Sept. 14	Sept. 21	Sept. 28	Oct 5p	Oct. 12p	Oct. 19p	Oct. 26p
1 Cash items in process of collection	50,381	52,222	48,882	46,322	44,575	50,782	56,402	48,304	44,147
2 Demand deposits due from banks in the United States	7,820	7,780	7,509	7,727	7,362	7,656	8,176	7,348	7,151
3 All other cash and due from depository institutions	35,447	36,491	34,810	33,857	29,462	30,605	34,006	33,928	32,295
4 Total loans and securities	**670,863**	**671,386**	**668,254**	**667,590**	**669,390**	**685,504**	**685,466**	**683,524**	**679,952**
Securities									
5 U.S. Treasury securities	51,401	52,674	53,485	52,101	52,103	55,420	54,056	54,941	56,029
6 Trading account	8,384	9,211	9,928	8,586	8,296	9,414	7,808	8,458	9,296
7 Investment account, by maturity	43,017	43,463	43,557	43,515	43,807	46,007	46,248	46,483	46,733
8 One year or less	14,023	14,302	14,074	13,895	14,439	14,246	14,456	14,817	14,684
9 Over one through five years	26,530	26,625	26,760	26,913	26,594	28,875	28,726	28,600	28,828
10 Over five years	2,464	2,536	2,724	2,708	2,775	2,886	3,066	3,066	3,221
11 Other securities	84,421	84,732	84,079	84,429	84,178	83,886	82,904	84,365	83,860
12 Trading account	6,652	6,962	6,420	6,581	6,454	6,298	5,392	6,609	6,123
13 Investment account	77,769	77,770	77,659	77,848	77,723	77,587	77,511	77,757	77,736
14 U.S government agencies	16,389	16,438	16,271	16,317	16,132	16,065	16,020	16,054	15,952
15 States and political subdivisions, by maturity	57,756	57,678	57,731	57,889	57,948	57,922	57,868	58,030	58,126
16 One year or less	7,640	7,707	7,660	7,667	7,650	7,731	7,685	7,803	7,809
17 Over one year	50,116	49,970	50,071	50,222	50,298	50,192	50,183	50,227	50,317
18 Other bonds, corporate stocks and securities	3,624	3,654	3,656	3,641	3,643	3,600	3,624	3,672	3,658
Loans									
19 Federal funds sold[1]	41,216	40,065	38,363	36,092	39,200	47,647	49,066	45,425	41,452
20 To commercial banks	30,541	29,173	28,266	26,199	28,861	36,400	38,241	34,578	29,380
21 To nonbank brokers and dealers in securities	7,730	7,683	7,376	7,027	7,672	8,393	7,797	7,740	9,062
22 To others	2,946	3,208	2,721	2,866	2,666	2,855	3,028	3,107	3,010
23 Other loans, gross	507,295	507,476	505,893	508,552	507,418	511,999	512,929	512,283	512,158
24 Commercial and industrial	214,064	214,100	213,532	214,630	213,346	215,038	215,907	215,449	215,034
25 Bankers acceptances and commercial paper	3,955	4,048	4,218	3,916	3,653	3,728	4,573	4,556	4,396
26 All other	210,109	210,052	209,314	210,714	209,694	211,310	211,334	210,893	210,638
27 U.S. addressees	203,199	203,179	202,465	203,796	202,767	204,151	204,133	203,743	203,416
28 Non-U.S. addressees	6,909	6,873	6,849	6,918	6,927	7,158	7,201	7,151	7,222
29 Real estate	137,078	137,224	137,592	137,929	138,111	138,169	138,515	139,060	139,300
30 To individuals for personal expenditures	79,033	79,093	79,458	79,842	80,291	80,543	80,952	81,096	81,520
To financial institutions									
31 Commercial banks in the United States	7,499	7,395	6,732	7,151	7,174	7,411	7,361	7,779	7,564
32 Banks in foreign countries	8,312	8,650	8,442	8,247	8,492	8,920	8,982	8,647	8,535
33 Sales finance, personal finance companies, etc.	9,287	9,391	9,155	9,275	9,352	9,399	9,325	9,512	9,126
34 Other financial institutions	15,954	16,199	16,340	16,245	16,178	16,242	16,230	15,830	15,220
35 To nonbank brokers and dealers in securities	9,421	8,911	7,788	9,231	8,290	9,680	9,177	8,551	9,397
36 To others for purchasing and carrying securities[2]	3,182	3,135	3,140	3,190	3,211	3,255	3,289	3,268	3,222
37 To finance agricultural production	7,124	7,116	7,125	7,186	7,161	7,157	7,112	7,088	7,311
38 All other	16,342	16,262	16,589	15,627	15,813	16,186	16,080	16,003	15,930
39 LESS: Unearned income	5,034	5,040	5,054	5,071	5,048	5,006	5,024	5,008	5,008
40 Loan loss reserve	8,436	8,521	8,512	8,512	8,461	8,441	8,465	8,482	8,540
41 Other loans, net	493,824	493,915	492,327	494,968	493,909	498,551	499,440	498,792	498,610
42 Lease financing receivables	10,948	10,957	10,916	10,919	10,927	10,962	10,944	10,957	10,968
43 All other assets	141,039	141,418	145,287	143,228	142,472	147,158	142,483	141,093	140,511
44 Total assets	**916,498**	**920,255**	**915,656**	**909,643**	**904,188**	**932,667**	**937,478**	**925,155**	**915,024**
Deposits									
45 Demand deposits	177,353	181,364	179,118	170,580	167,689	181,696	188,681	174,885	168,996
46 Mutual savings banks	711	766	553	633	557	735	770	808	616
47 Individuals, partnerships, and corporations	134,781	137,965	137,874	130,820	128,721	136,996	143,995	133,582	129,802
48 States and political subdivisions	4,931	4,797	4,735	5,098	4,693	4,917	4,540	4,735	4,443
49 U.S. government	995	1,380	2,600	1,847	1,610	3,314	1,560	2,759	1,796
50 Commercial banks in the United States	20,051	21,231	18,712	18,569	17,960	20,516	21,346	18,733	18,543
51 Banks in foreign countries	5,971	6,532	6,578	5,396	5,660	5,799	6,776	5,731	5,780
52 Foreign governments and official institutions	1,361	1,312	970	894	732	979	941	809	832
53 Certified and officers' checks	8,552	7,380	7,098	7,321	7,755	8,440	8,752	7,728	7,183
54 Time and savings deposits	419,019	420,218	418,706	417,299	417,907	419,273	419,677	419,856	420,288
55 Savings	172,768	174,651	174,050	172,634	172,470	174,920	173,528	172,346	171,623
56 Individuals and nonprofit organizations	153,814	155,484	154,926	153,487	153,201	155,252	153,403	152,137	151,257
57 Partnerships and corporations operated for profit	17,786	17,968	17,906	17,945	18,086	18,344	18,830	18,946	19,157
58 Domestic governmental units	1,124	1,156	1,176	1,160	1,145	1,280	1,258	1,224	1,170
59 All other	45	42	43	42	38	44	37	38	39
60 Time	246,250	245,567	244,655	244,665	245,436	244,353	246,149	247,511	248,665
61 Individuals, partnerships, and corporations	218,694	217,983	217,037	217,106	218,041	217,818	219,656	220,998	221,932
62 States and political subdivisions	17,065	17,058	17,062	17,199	17,183	16,522	16,545	16,638	16,785
63 U.S government	320	310	307	302	270	264	268	269	236
64 Commercial banks in the United States	6,815	6,951	6,945	6,782	6,802	6,683	6,567	6,538	6,668
65 Foreign governments, official institutions, and banks	3,355	3,264	3,304	3,275	3,140	3,065	3,113	3,067	3,042
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	2,409	446	1,460	5,638	1,105	466	1,393	1,021	1,099
67 Treasury tax-and-loan notes	11,162	6,730	7,806	15,312	15,225	15,533	15,163	15,916	15,726
68 All other liabilities for borrowed money[3]	156,943	164,009	160,691	153,281	154,188	168,695	166,810	165,994	160,993
69 Other liabilities and subordinated notes and debentures	88,235	85,983	86,314	86,241	86,861	85,193	83,937	85,873	86,376
70 Total liabilities	**855,121**	**858,749**	**854,096**	**848,350**	**842,974**	**870,857**	**875,662**	**863,546**	**853,478**
71 Residual (total assets minus total liabilities)[4]	61,377	61,505	61,561	61,293	61,214	61,810	61,816	61,609	61,545

▲ All the data published in this table in the BULLETIN for October 1983 should have appeared in table 1 28 See also the notes to tables 1 27 and 1.28

1. Includes securities purchased under agreements to resell

2. Other than financial institutions and brokers and dealers.

3. Includes federal funds purchased and securities sold under agreement to repurchase, for information on these liabilities at banks with assets of $1 billion or more on Dec. 31, 1977, see table 1 13

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

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

Millions of dollars, Wednesday figures

Account	1983								
	Aug. 31	Sept 7	Sept 14	Sept. 21	Sept. 28	Oct 5	Oct 12	Oct. 19	Oct.
1 Cash items in process of collection	47,464	48,781	45,706	43,382	41,994	47,826	52,776	45,476	41,
2 Demand deposits due from banks in the United States	7,234	7,130	6,870	7,064	6,770	7,042	7,582	6,763	6,
3 All other cash and due from depository institutions	32,437	33,401	31,888	30,668	26,419	27,865	31,065	31,013	29,
4 **Total loans and securities**	**623,028**	**623,113**	**619,904**	**619,550**	**621,102**	**635,053**	**635,229**	**633,826**	**630,**
Securities									
5 U.S Treasury securities	46,618	47,798	48,587	47,272	47,162	50,468	49,050	49,952	51,
6 Trading account	8,302	9,047	9,765	8,421	8,144	9,219	7,649	8,341	9,
7 Investment account, by maturity	38,316	38,751	38,822	38,851	39,018	41,249	41,400	41,610	41,
8 One year or less	12,345	12,614	12,343	12,219	12,766	12,562	12,713	13,078	12,
9 Over one through five years	23,789	23,848	24,002	24,171	23,721	26,046	25,865	25,708	25,
10 Over five years	2,182	2,289	2,476	2,462	2,531	2,641	2,822	2,824	2,
11 Other securities	76,683	76,928	76,305	76,533	76,368	76,145	75,158	76,526	75,
12 Trading account	6,522	6,842	6,296	6,395	6,309	6,171	5,281	6,435	5,
13 Investment account	70,160	70,086	70,008	70,138	70,058	69,974	69,877	70,091	70,
14 *U S government agencies*	14,781	14,770	14,636	14,637	14,470	14,439	14,386	14,384	14,
15 States and political subdivisions, by maturity	52,150	52,054	52,108	52,246	52,325	52,317	52,250	52,412	52,
16 One year or less	6,956	7,027	6,979	6,988	7,005	7,078	7,028	7,150	7,
17 Over one year	45,194	45,027	45,130	45,258	45,320	45,240	45,222	45,263	45,
18 Other bonds, corporate stocks and securities	3,230	3,262	3,264	3,254	3,264	3,217	3,241	3,294	3,
Loans									
19 Federal funds sold[1]	37,218	35,713	33,873	32,288	35,373	41,751	43,454	40,573	36,
20 To commercial banks	27,045	25,312	24,362	23,006	25,727	31,305	33,304	30,371	25,
21 To nonbank brokers and dealers in securities	7,253	7,219	6,821	6,445	7,008	7,627	7,154	7,123	8,
22 To others	2,919	3,182	2,689	2,837	2,639	2,818	2,996	3,078	2,
23 Other loans, gross	474,951	475,205	473,672	476,004	474,677	479,114	480,033	479,239	479,
24 Commercial and industrial	202,138	202,226	201,781	202,747	201,425	203,001	203,782	203,281	202,
25 Bankers acceptances and commercial paper	3,729	3,849	4,032	3,723	3,466	3,528	4,353	4,341	4,
26 All other	198,409	198,377	197,749	199,024	197,959	199,473	199,429	198,940	198,
27 U.S. addressees	191,622	191,627	191,021	192,230	191,152	192,435	192,349	191,910	191,
28 Non-U S addressees	6,787	6,751	6,728	6,795	6,807	7,038	7,080	7,031	7,
29 Real estate	128,503	128,571	128,876	129,170	129,286	129,360	129,728	130,155	130,
30 To individuals for personal expenditures	70,086	70,133	70,457	70,806	71,201	71,438	71,808	71,930	72,
To financial institutions									
31 Commercial banks in the United States	7,025	6,928	6,320	6,657	6,627	6,913	6,880	7,358	7,
32 Banks in foreign countries	8,225	8,568	8,349	8,168	8,395	8,825	8,889	8,545	8,
33 Sales finance, personal finance companies, etc	9,066	9,184	8,942	9,064	9,140	9,182	9,110	9,299	8,
34 Other financial institutions	15,212	15,462	15,596	15,492	15,444	15,540	15,514	15,118	14,
35 To nonbank brokers and dealers in securities	9,351	8,842	7,725	9,145	8,198	9,596	9,089	8,460	9,
36 To others for purchasing and carrying securities[2]	2,918	2,865	2,874	2,928	2,937	2,993	3,028	3,006	2,
37 To finance agricultural production	6,909	6,897	6,908	6,972	6,950	6,942	6,907	6,882	7,
38 All other	15,519	15,527	15,844	14,856	15,073	15,323	15,299	15,204	15,
39 LESS. Unearned income	4,445	4,451	4,462	4,478	4,457	4,420	4,434	4,418	4,
40 Loan loss reserve	7,996	8,080	8,069	8,070	8,021	8,006	8,030	8,045	8,
41 Other loans, net	462,510	462,673	461,140	463,456	462,199	466,688	467,568	466,776	466,
42 Lease financing receivables	10,531	10,538	10,495	10,496	10,503	10,534	10,516	10,528	10,
43 All other assets	136,654	137,200	141,169	138,974	138,185	142,990	138,419	136,924	136,
44 **Total assets**	**857,349**	**860,163**	**856,033**	**850,134**	**844,973**	**871,311**	**875,588**	**864,530**	**854,**
Deposits									
45 Demand deposits	164,642	168,108	166,136	157,973	155,730	168,436	175,099	162,392	156,
46 Mutual savings banks	682	735	533	609	534	702	731	781	
47 Individuals, partnerships, and corporations	124,742	127,624	127,686	121,218	119,215	126,668	133,222	123,761	120,
48 States and political subdivisions	4,394	4,244	4,196	4,388	4,170	4,381	4,050	4,223	3,
49 U.S. government	884	1,191	2,162	1,384	1,457	3,041	1,424	2,494	1,
50 Commercial banks in the United States	18,371	19,388	17,221	17,077	16,491	18,831	19,524	17,204	17,
51 Banks in foreign countries	5,925	6,486	6,524	5,357	5,612	5,740	6,730	5,692	5,
52 Foreign governments and official institutions	1,358	1,312	968	889	731	969	934	808	
53 Certified and officers' checks	8,286	7,127	6,846	7,051	7,519	8,105	8,484	7,428	6,
54 Time and savings deposits	388,512	389,552	388,068	386,696	387,261	388,378	388,687	388,856	389,
55 Savings	159,807	161,503	160,874	159,654	159,553	161,722	160,308	159,220	158,
56 Individuals and nonprofit organizations	142,458	143,942	143,372	142,145	141,936	143,702	141,874	140,714	139,
57 *Partnerships and corporations operated for profit*	16,291	16,474	16,394	16,417	16,545	16,822	17,267	17,374	17,
58 Domestic governmental units	998	1,030	1,051	1,036	1,019	1,140	1,116	1,080	1,
59 All other	59	57	57	57	52	58	52	53	
60 Time	228,706	228,049	227,194	227,042	227,708	226,656	228,379	229,636	230,
61 Individuals, partnerships, and corporations	203,078	202,367	201,464	201,331	202,163	202,008	203,796	205,053	205,
62 States and political subdivisions	15,369	15,380	15,385	15,557	15,492	14,846	14,845	14,930	15,
63 *U S. government*	247	239	240	237	251	244	248	247	
64 Commercial banks in the United States	6,656	6,799	6,801	6,641	6,662	6,492	6,377	6,338	6,
65 Foreign governments, official institutions, and banks	3,355	3,264	3,304	3,275	3,140	3,065	3,113	3,067	3,
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	2,399	420	1,450	5,576	1,058	466	1,373	1,001	1,
67 Treasury tax-and-loan notes	10,449	6,333	7,356	14,496	14,404	14,704	14,344	15,087	14,
68 All other liabilities for borrowed money[3]	147,676	154,288	151,164	143,873	144,537	158,364	156,349	155,665	150,
69 Other liabilities and subordinated notes and debentures	86,153	83,822	84,158	84,075	84,634	83,076	81,806	83,790	84,
70 **Total liabilities**	**799,831**	**802,524**	**798,332**	**792,690**	**787,626**	**813,424**	**817,659**	**806,791**	**796,**
71 Residual (total assets minus total liabilities)[4]	57,518	57,639	57,701	57,444	57,347	57,886	57,929	57,739	57,

▲ All the data published in this table in the BULLETIN for October 1983 should have appeared in table 1.26. See also the notes to tables 1.26 and 1.28.

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

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

Millions of dollars, Wednesday figures

Account	1983								
	Aug 31	Sept. 7	Sept. 14	Sept 21	Sept. 28	Oct. 5p	Oct. 12p	Oct. 19p	Oct. 26p
1 Cash items in process of collection	17,099	14,667	14,492	14,584	14,313	15,658	17,163	16,100	13,682
2 Demand deposits due from banks in the United States	1,020	1,163	1,105	1,122	1,005	1,032	1,316	1,143	1,105
3 All other cash and due from depository institutions	6,303	8,348	5,565	5,664	3,477	5,446	7,321	7,081	4,266
4 Total loans and securities[1]	**144,843**	**143,228**	**142,305**	**142,336**	**141,575**	**145,088**	**147,112**	**145,535**	**145,075**
Securities									
5 U.S. Treasury securities[2]									
6 Trading account[2]									
7 Investment account, by maturity	8,843	8,905	8,998	8,968	8,975	9,818	9,538	9,552	9,554
8 One year or less	2,396	2,391	2,360	2,343	2,708	2,402	2,479	2,543	2,515
9 Over one through five years	5,986	5,978	5,931	5,929	5,517	6,545	6,172	6,123	6,142
10 Over five years	461	536	708	696	750	872	886	886	897
11 Other securities[2]									
12 Trading account[2]									
13 Investment account	14,833	14,760	14,699	14,695	14,659	14,696	14,710	14,871	14,885
14 U.S. government agencies	1,592	1,578	1,578	1,578	1,500	1,513	1,518	1,515	1,482
15 States and political subdivisions, by maturity	12,435	12,385	12,328	12,338	12,380	12,450	12,448	12,594	12,628
16 One year or less	1,821	1,778	1,702	1,696	1,684	1,790	1,753	1,889	1,888
17 Over one year	10,614	10,607	10,626	10,642	10,695	10,661	10,695	10,704	10,740
18 Other bonds, corporate stocks and securities	806	796	793	778	780	733	745	762	775
Loans									
19 Federal funds sold[3]	10,672	9,927	9,910	8,654	9,872	9,424	11,739	10,994	11,032
20 To commercial banks	5,467	4,542	5,132	4,537	5,093	4,508	6,517	5,657	4,932
21 To nonbank brokers and dealers in securities	3,670	3,702	3,428	3,057	3,459	3,618	3,665	3,634	4,505
22 To others	1,535	1,683	1,350	1,060	1,320	1,298	1,556	1,703	1,596
23 Other loans, gross	114,536	113,708	112,786	114,126	112,136	115,158	115,132	114,120	113,642
24 Commercial and industrial	58,029	58,100	57,791	57,934	56,932	57,818	58,174	57,851	57,188
25 Bankers' acceptances and commercial paper	950	1,008	1,069	1,132	1,064	1,126	1,443	1,576	1,499
26 All other	57,080	57,092	56,722	56,802	55,868	56,692	56,731	56,275	55,689
27 U.S. addressees	55,474	55,516	55,166	55,230	54,265	55,083	55,058	54,596	53,955
28 Non-U S addressees	1,606	1,576	1,556	1,572	1,602	1,609	1,673	1,679	1,734
29 Real estate	20,131	20,053	20,114	20,248	20,284	20,306	20,398	20,522	20,600
30 To individuals for personal expenditures	12,182	12,233	12,366	12,452	12,494	12,589	12,769	12,797	12,842
To financial institutions									
31 Commercial banks in the United States	1,906	1,829	1,614	1,869	1,591	1,743	1,780	1,655	1,554
32 Banks in foreign countries	2,737	2,767	2,524	2,551	2,597	3,112	3,133	2,678	2,662
33 Sales finance, personal finance companies, etc.	3,820	3,868	3,729	3,883	3,831	3,857	3,770	3,924	3,628
34 Other financial institutions	4,373	4,421	4,336	4,353	4,385	4,380	4,313	4,275	4,206
35 To nonbank brokers and dealers in securities	6,144	4,969	4,620	5,780	4,729	5,886	5,286	5,003	5,435
36 To others for purchasing and carrying securities[4]	635	609	577	594	586	591	603	610	599
37 To finance agricultural production	422	428	434	466	452	453	439	436	689
38 All other	4,156	4,431	4,680	3,995	4,253	4,424	4,467	4,369	4,239
39 LESS: Unearned income	1,419	1,433	1,442	1,464	1,453	1,448	1,456	1,449	1,469
40 Loan loss reserve	2,622	2,638	2,647	2,642	2,613	2,561	2,551	2,554	2,570
41 Other loans, net	110,494	109,636	108,697	110,020	108,069	111,149	111,125	110,117	109,603
42 Lease financing receivables	2,074	2,060	2,060	2,057	2,057	2,040	2,038	2,041	2,042
43 All other assets[5]	59,108	60,318	64,728	61,909	61,872	66,439	61,446	63,332	63,690
44 Total assets	**230,447**	**229,783**	**230,256**	**227,674**	**224,299**	**235,704**	**236,396**	**235,232**	**229,860**
Deposits									
45 Demand deposits	48,048	47,612	46,295	45,076	44,068	47,795	50,473	46,945	44,968
46 Mutual savings banks	332	343	232	329	240	339	381	446	291
47 Individuals, partnerships, and corporations	32,065	32,463	31,764	30,717	29,896	31,825	34,181	31,784	30,340
48 States and political subdivisions	586	660	580	666	629	908	666	786	617
49 U.S. government	172	324	684	363	446	722	310	632	461
50 Commercial banks in the United States	5,320	4,446	3,766	4,483	3,988	4,842	4,320	4,407	4,628
51 Banks in foreign countries	4,654	5,121	5,264	4,132	4,428	4,490	5,389	4,515	4,518
52 Foreign governments and official institutions	1,117	1,050	752	719	518	770	742	603	586
53 Certified and officers' checks	3,802	3,203	3,253	3,667	3,923	3,900	4,484	3,773	3,526
54 Time and savings deposits	73,285	73,262	73,158	72,304	72,359	72,504	73,103	73,378	73,394
55 Savings	28,872	29,230	29,323	29,289	29,417	28,646	27,570	27,028	26,816
56 Individuals and nonprofit organizations	26,214	26,504	26,586	26,539	26,638	25,913	24,636	24,066	23,867
57 Partnerships and corporations operated for profit	2,448	2,499	2,499	2,532	2,544	2,456	2,671	2,725	2,732
58 Domestic governmental units	171	192	198	179	201	236	230	202	183
59 All other	39	35	40	38	34	40	33	34	33
60 Time	44,413	44,032	43,835	43,016	42,942	43,859	45,534	46,350	46,578
61 Individuals, partnerships, and corporations	38,262	37,948	37,841	37,132	37,023	38,146	39,772	40,621	40,826
62 States and political subdivisions	2,096	2,052	2,010	1,983	2,003	1,939	1,996	2,029	2,105
63 U S government	24	24	22	22	22	22	21	21	18
64 Commercial banks in the United States	2,584	2,632	2,593	2,529	2,551	2,457	2,415	2,386	2,362
65 Foreign governments, official institutions, and banks	1,447	1,376	1,368	1,348	1,343	1,295	1,330	1,294	1,268
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	1,050		1,205	3,350		230	1,225	725	1,090
67 Treasury tax-and-loan notes	2,790	1,415	2,186	4,035	4,034	4,036	3,797	4,034	4,035
68 All other liabilities for borrowed money[6]	49,473	53,978	53,539	48,012	48,822	56,319	52,576	54,457	51,414
69 Other liabilities and subordinated notes and debentures	36,022	33,645	33,998	35,200	35,429	34,858	35,197	35,734	35,060
70 Total liabilities	**210,668**	**209,912**	**210,381**	**207,976**	**204,713**	**215,743**	**216,372**	**215,274**	**209,961**
71 Residual (total assets minus total liabilities)[7]	19,779	19,872	19,874	19,698	19,586	19,961	20,024	19,958	19,900

▲ All the data published in this table in the BULLETIN for October 1983 should have appeared in table 1.27. See also the notes to tables 1.26 and 1 27.
1 Excludes trading account securities.
2. Not available due to confidentiality.
3. Includes securities purchased under agreements to resell.
4. Other than financial institutions and brokers and dealers.
5 Includes trading account securities.
6. Includes federal funds purchased and securities sold under agreements to repurchase.
7. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1983								
	Aug 31	Sept 7	Sept. 14	Sept. 21	Sept 28	Oct. 5p	Oct. 12p	Oct. 19p	Oct. 26p
BANKS WITH ASSETS OF $750 MILLION OR MORE									
1 Total loans (gross) and securities adjusted[1]	646,294	648,379	646,823	647,824	646,864	655,142	653,353	654,657	656,556
2 Total loans (gross) adjusted[1]	510,472	510,973	509,259	511,294	510,582	515,836	516,394	515,351	516,667
3 Demand deposits adjusted[2]	105,926	106,531	108,925	103,842	103,543	107,084	109,372	105,088	104,509
4 Time deposits in accounts of $100,000 or more	145,492	144,550	143,316	143,018	143,732	140,540	140,014	139,922	140,227
5 Negotiable CDs	95,127	94,073	92,634	92,335	93,386	89,974	88,857	87,931	87,962
6 Other time deposits	50,366	50,477	50,682	50,683	50,345	50,566	51,158	51,991	52,265
7 Loans sold outright to affiliates[3]	2,529	2,588	2,617	2,492	2,535	2,506	2,553	2,530	2,576
8 Commercial and industrial	1,993	2,020	2,019	1,896	1,940	1,915	1,982	1,968	1,981
9 Other	536	568	598	596	595	591	571	562	596
BANKS WITH ASSETS OF $1 BILLION OR MORE									
10 Total loans (gross) and securities adjusted[1]	601,399	603,404	601,754	602,435	601,226	609,260	607,510	608,559	610,368
11 Total loans (gross) adjusted[1]	478,098	478,677	476,862	478,630	477,696	482,646	483,302	482,082	483,373
12 Demand deposits adjusted[2]	97,922	98,747	101,047	96,130	95,788	98,739	101,375	97,219	96,671
13 Time deposits in accounts of $100,000 or more	136,932	136,022	134,889	134,444	135,076	131,942	131,397	131,211	131,428
14 Negotiable CDs	90,352	89,360	88,033	87,624	88,538	85,192	84,068	83,081	83,029
15 Other time deposits	46,580	46,662	46,855	46,820	46,538	46,750	47,329	48,130	48,399
16 Loans sold outright to affiliates[3]	2,480	2,539	2,568	2,444	2,484	2,458	2,453	2,430	2,526
17 Commercial and industrial	1,949	1,976	1,975	1,852	1,894	1,872	1,931	1,917	1,944
18 Other	530	563	593	591	591	586	522	513	582
BANKS IN NEW YORK CITY									
19 Total loans (gross) and securities adjusted[1,4]	141,511	140,928	139,648	140,036	138,957	142,846	142,822	142,225	142,629
20 Total loans (gross) adjusted[1]	117,835	117,263	115,950	116,374	115,323	118,332	118,574	117,802	118,189
21 Demand deposits adjusted[2]	25,457	28,175	27,353	25,645	25,321	26,573	28,680	25,807	26,197
22 Time deposits in accounts of $100,000 or more	33,144	32,695	32,417	31,634	31,702	30,702	30,931	30,977	30,881
23 Negotiable CDs	22,468	22,119	21,766	21,020	21,054	19,478	19,182	18,781	18,499
24 Other time deposits	10,676	10,576	10,651	10,614	10,648	11,224	11,750	12,196	12,382

1. Exclusive of loans and federal funds transactions with domestic commercial banks.
2. All demand deposits except U S government and domestic banks less cash items in process of collection
3. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company
4. Excludes trading account securities.

1.30 LARGE WEEKLY REPORTING BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1983								
	Aug. 31	Sept. 7	Sept. 14	Sept. 21	Sept. 28	Oct. 5p	Oct. 12p	Oct 19p	Oct. 26p
1 Cash and due from depository institutions	7,323	6,827	6,483	6,476	6,121	6,333	6,710	6,060	5,951
2 Total loans and securities	42,942	42,416	42,337	43,338	44,846	43,262	43,103	42,233	42,530
3 U.S. Treasury securities	4,418	4,346	4,196	4,034	4,080	4,083	4,331	4,337	4,313
4 Other securities	861	859	872	905	934	939	942	956	959
5 Federal funds sold[1]	2,711	2,264	1,995	2,023	2,804	1,728	2,019	2,070	2,872
6 To commercial banks in United States	2,520	2,190	1,812	1,811	2,740	1,580	1,674	1,989	2,765
7 To others	190	74	182	212	64	148	344	80	107
8 Other loans, gross	34,952	34,947	35,274	36,375	37,027	36,512	35,811	34,870	34,386
9 Commercial and industrial	18,609	18,491	18,610	18,726	19,131	18,821	18,789	18,417	18,880
10 Bankers acceptances and commercial paper	3,004	3,112	3,161	3,141	3,122	3,016	2,998	2,874	2,938
11 All other	15,606	15,379	15,449	15,586	16,009	15,804	15,790	15,543	15,943
12 U.S. addressees	13,813	13,594	13,643	13,720	14,104	13,959	13,969	13,688	13,922
13 Non-U.S. addressees	1,793	1,785	1,806	1,866	1,905	1,845	1,821	1,855	2,020
14 To financial institutions	12,080	12,179	12,628	13,356	13,623	13,591	12,841	12,334	11,555
15 Commercial banks in United States	9,689	9,752	10,244	10,966	11,123	11,177	10,380	9,846	9,029
16 Banks in foreign countries	1,802	1,807	1,804	1,805	1,915	1,764	1,852	1,853	1,917
17 Nonbank financial institutions	589	620	580	586	585	650	608	634	609
18 For purchasing and carrying securities	591	573	499	727	536	417	581	549	487
19 All other	3,672	3,704	3,537	3,565	3,736	3,683	3,600	3,570	3,463
20 Other assets (claims on nonrelated parties)	11,436	11,432	11,568	11,578	11,750	11,544	11,789	11,976	11,822
21 Net due from related institutions	12,615	12,287	11,759	12,378	11,521	14,294	13,115	13,609	11,858
22 Total assets	74,317	72,963	72,146	73,770	74,237	75,433	74,718	73,878	72,162
23 Deposits or credit balances[2]	21,197	20,414	20,357	20,416	20,517	19,707	19,708	19,402	19,249
24 Credit balances	188	176	196	189	196	181	185	194	201
25 Demand deposits	1,976	1,774	1,627	1,657	1,736	1,752	2,042	1,958	1,754
26 Individuals, partnerships, and corporations	809	800	780	745	748	908	886	836	820
27 Other	1,167	974	847	911	989	844	1,156	1,122	934
28 Total time and savings	19,033	18,464	18,534	18,570	18,584	17,775	17,481	17,250	17,294
29 Individuals, partnerships, and corporations	16,381	15,744	15,783	15,876	15,756	15,091	14,718	14,554	14,616
30 Other	2,652	2,720	2,751	2,694	2,828	2,684	2,763	2,695	2,677
31 Borrowings[3]	33,824	33,830	33,648	35,008	34,643	37,843	37,556	36,572	33,993
32 Federal funds purchased[4]	10,243	9,610	8,630	9,037	8,737	12,260	13,090	12,171	10,611
33 From commercial banks in United States	8,152	7,832	6,755	7,026	6,951	10,425	11,105	9,910	8,507
34 From others	2,091	1,778	1,875	2,010	1,786	1,835	1,984	2,261	2,104
35 Other liabilities for borrowed money	23,580	24,219	25,018	25,970	25,906	25,583	24,466	24,401	23,382
36 To commercial banks in United States	19,618	20,274	20,897	21,910	22,045	21,767	20,815	20,628	19,705
37 To others	3,962	3,945	4,121	4,061	3,861	3,816	3,651	3,772	3,677
38 Other liabilities to nonrelated parties	12,168	12,102	12,430	12,446	12,491	12,297	12,401	12,870	12,641
39 Net due to related institutions	7,128	6,617	5,712	5,900	6,587	5,585	5,052	5,034	6,279
40 Total liabilities	74,317	72,963	72,146	73,770	74,237	75,433	74,718	73,878	72,162
MEMO									
41 Total loans (gross) and securities adjusted[5]	30,732	30,474	30,281	30,561	30,983	30,504	31,048	30,397	30,736
42 Total loans (gross) adjusted[5]	25,453	25,270	25,212	25,622	25,968	25,482	25,775	25,104	25,464

1. Includes securities purchased under agreements to resell.
2. Balances due to other than directly related institutions.
3. Borrowings from other than directly related institutions.
4. Includes securities sold under agreements to repurchase.
5. Excludes loans and federal funds transactions with commercial banks in United States.

1.31 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations[1]

Billions of dollars, estimated daily-average balances

Type of holder	1978 Dec.	1979[2] Dec.	1980 Dec.	1981 Dec.	1982 Mar.	1982 June	1982 Sept.	1982 Dec.	1983 Mar.	1983 June
	Commercial banks									
1 **All holders—Individuals, partnerships, and corporations**	**294.6**	**302.2**	**315.5**	**288.9**	**268.9**	**271.5**	**276.7**	**295.4**	**283.5**	**289.5**
2 Financial business	27.8	27.1	29.8	28.0	27.8	28.6	31.9	35.5	34.0	35.1
3 Nonfinancial business	152.7	157.7	162.3	154.8	138.7	141.4	142.9	151.7	144.4	147.7
4 Consumer	97.4	99.2	102.4	86.6	84.6	83.7	83.3	88.1	85.5	86.9
5 Foreign	2.7	3.1	3.3	2.9	3.1	2.9	2.9	3.0	3.2	3.0
6 Other	14.1	15.1	17.2	16.7	14.6	15.0	15.7	17.1	16.4	16.8
	Weekly reporting banks									
	1978 Dec.	1979[4] Dec.	1980 Dec.	1981 Dec.	1982 Mar.	1982 June	1982 Sept.	1982 Dec.	1983 Mar.	1983 June
7 **All holders—Individuals, partnerships, and corporations**	**147.0**	**139.3**	**147.4**	**137.5**	**126.8**	**127.9**	**132.1**	**144.0**	**140.7**	**141.9**
8 Financial business	19.8	20.1	21.8	21.0	20.2	20.2	23.4	26.7	25.2	26.3
9 Nonfinancial business	79.0	74.1	78.3	75.2	67.1	67.7	68.7	74.2	72.7	73.1
10 Consumer	38.2	34.3	35.6	30.4	29.2	29.7	29.6	31.9	31.2	30.4
11 Foreign	2.5	3.0	3.1	2.8	2.9	2.8	2.7	2.9	3.0	2.9
12 Other	7.5	7.8	8.6	8.0	7.3	7.5	7.7	8.4	8.6	9.3

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

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

3. Demand deposit ownership survey estimates for June 1981 are not available due to unresolved reporting errors.

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1978 Dec.	1979[1] Dec.	1980 Dec.	1981 Dec.	1982 Dec.[2]	1983 Apr.	May	June	July	Aug	Sept.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**83,438**	**112,803**	**124,374**	**165,455**	**166,208**	**170,659**	**169,503**	**170,716**	**172,199**[r]	**174,669**	**176,612**
Financial companies[3]											
Dealer-placed paper[4]											
2 Total	12,181	17,359	19,599	29,904	34,067	37,481	38,645	39,850	39,027	40,749	39,800
3 Bank-related (not seasonally adjusted)	3,521	2,784	3,561	6,045	2,516	1,950	1,954	2,192	2,367	2,353	2,303
Directly placed paper[5]											
4 Total	51,647	64,757	67,854	81,715	84,183	87,831	87,238	87,749	89,585	90,628	91,600
5 Bank-related (not seasonally adjusted)	12,314	17,598	22,382	26,914	32,034	32,495	32,943	33,420	33,613	35,085	34,856
6 Nonfinancial companies[6]	19,610	30,687	36,921	53,836	47,958	45,347	43,620	43,117	43,587	43,292	45,212
	Bankers dollar acceptances (not seasonally adjusted)										
7 **Total**	**33,700**	**45,321**	**54,744**	**69,226**	**79,543**	**70,389**	**68,797**	**70,907**	**72,710**	**75,177**	n a
Holder											
8 Accepting banks	8,579	9,865	10,564	10,857	10,910	9,494	8,223	9,147	9,008	8,498	n a
9 Own bills	7,653	8,327	8,963	9,743	9,471	7,951	7,497	7,998	8,231	7,465	n a
10 Bills bought	927	1,538	1,601	1,115	1,439	1,543	726	1,148	777	1,033	n a
Federal Reserve Banks											
11 Own account	587	704	776	195	1,480	0	0	203	0	0	n a
12 Foreign correspondents	664	1,382	1,791	1,442	949	778	788	792	670	717	n a
13 Others	23,870	33,370	41,614	56,926	66,204	60,118	59,786	60,968	63,032	65,961	n a
Basis											
14 Imports into United States	8,574	10,270	11,776	14,765	17,683	14,418	13,858	14,324	15,122	15,187	n a
15 Exports from United States	7,586	9,640	12,712	15,400	16,328	17,124	16,074	16,356	16,286	16,476	n a
16 All other	17,540	25,411	30,257	39,061	45,532	38,848	38,865	40,226	41,301	43,514	n a

1 A change in reporting instructions results in offsetting shifts in the dealer-placed and directly placed financial company paper in October 1979

2. Effective Dec. 1, 1982, there was a break in the commercial paper series. The key changes in the content of the data involved additions to the reporting panel, the exclusion of broker or dealer placed borrowings under any master note agreements from the reported data, and the reclassification of a large portion of bank-related paper from dealer-placed to directly placed.

3. Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing, factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

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

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

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

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

Percent per annum

Effective date	Rate	Effective Date	Rate	Month	Average rate	Month	Average rate
1981—Nov 24	16.00	1982—Aug. 23	13.50	1982—Jan.	15.75	1983—Jan.	11.16
Dec. 1	15.75	Oct. 7	13.00	Feb.	16.56	Feb	10 98
		14	12.00	Mar	16.50	Mar	10.50
		Nov. 22	11.50	Apr.	16 50	Apr.	10.50
				May	16.50	May	10 50
1982—Feb. 18	17.00			June	16.50	June	10.50
23	16.50			July	16.26	July	10 50
July 20	16.00			Aug	14.39	Aug	10.89
29	15 50			Sept.	13.50	Sept.	11.00
Aug 2	15 00	1983—Jan 11	11.00	Oct.	12.52	Oct.	11.00
16.	14 50	Feb. 28	10.50	Nov.	11 85		
18	14.00	Aug. 8	11.00	Dec.	11 50		

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 1–5, 1983

Item	All sizes	Size of loan (in thousands of dollars) 1–24	25–49	50–99	100–499	500–999	1,000 and over
SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS							
1 Amount of loans (thousands of dollars)	36,819,868	949,559	668,400	1,094,777	2,138,132	986,449	30,982,550
2 Number of loans	171,400	115,850	20,397	17,109	12,274	1,478	4,291
3 Weighted-average maturity (months)	1.2	3.7	4.3	3.4	4.0	3.9	.8
4 With fixed rates	.7	3.3	4.2	2.6	3.5	2.8	.4
5 With floating rates	2.1	4.6	4.5	4.7	4.3	4.5	1.5
6 Weighted-average interest rate (percent per annum)	11.09	13.99	13.56	12.73	11.89	11.81	10.81
7 Interquartile range[1]	10.52–11.07	13.10–14.93	12.25–14.50	11.85–13.65	11.02–12.53	11.02–12.46	10.52–11.01
8 With fixed rates	11.01	14.41	13.98	12.97	12.08	11.90	10.76
9 With floating rates	11.23	13.28	12.87	12.50	11.80	11.77	10.92
Percentage of amount of loans							
10 With floating rate	36.2	37.6	38.3	50.4	66.0	71.7	32.4
11 Made under commitment	64.3	32.9	33.2	45.9	51.8	65.7	67.4
12 With no stated maturity	11.3	11.2	15.7	24.7	25.2	36.4	8.9
13 With one-day maturity	38.0	.1	.1	.2	.6	.9	45.0

LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS	All sizes	1–99	100–499	500–999	1,000 and over
14 Amount of loans (thousands of dollars)	4,491,493	531,982	386,952	151,196	3,421,363
15 Number of loans	26,332	23,262	2,176	228	667
16 Weighted-average maturity (months)	55.3	48.8	68.5	40.0	55.5
17 With fixed rates	61.8	54.2	112.8	53.1	52.6
18 With floating rates	53.7	38.3	46.5	37.7	55.9
19 Weighted-average interest rate (percent per annum)	11.83	14.53	12.06	11.66	11.39
20 Interquartile range[1]	10.92–12.40	12.68–15.60	11.02–12.96	11.02–12.13	10.92–11.73
21 With fixed rates	13.00	15.54	12.05	11.77	11.17
22 With floating rates	11.53	12.59	12.07	11.64	11.42
Percentage of amount of loans					
23 With floating rate	79.8	34.1	66.8	85.4	88.1
24 Made under commitment	66.0	17.1	43.8	72.3	75.8

CONSTRUCTION AND LAND DEVELOPMENT LOANS	All sizes	1–24	25–49	50–99	100–499	500 and over
25 Amount of loans (thousands of dollars)	1,340,014	166,917	85,626	47,270	481,527	558,674
26 Number of loans	23,995	18,146	2,401	726	2,485	237
27 Weighted-average maturity (months)	15.5	5.4	10.4	11.5	19.7	17.0
28 With fixed rates	14.1	3.2	10.9	9.4	22.9	4.6
29 With floating rates	16.5	10.1	8.1	12.3	14.0	18.4
30 Weighted-average interest rate (percent per annum)	12.99	14.91	13.47	12.70	12.97	12.40
31 Interquartile range[1]	12.13–13.81	13.24–15.51	13.50–13.81	12.13–13.24	11.07–14.37	11.62–13.24
32 With fixed rates	14.18	15.57	13.66	13.10	14.08	12.61
33 With floating rates	12.33	13.50	12.81	12.56	11.93	12.37
Percentage of amount of loans						
34 With floating rate	64.1	32.1	22.0	73.3	51.7	90.0
35 Secured by real estate	80.8	81.8	97.5	89.5	96.3	63.8
36 Made under commitment	75.4	80.1	60.9	74.6	83.5	69.3
37 With no stated maturity	10.1	1.0	2.7	7.6	24.8	1.4
38 With one-day maturity	.4	.1	.2	.8	.3	.5
Type of construction						
39 1- to 4-family	23.3	65.5	17.0	36.2	12.1	20.2
40 Multifamily	10.5	7.2	4.9	16.6	8.2	13.9
41 Nonresidential	66.2	27.3	78.1	47.2	79.7	65.9

LOANS TO FARMERS	All sizes	1–9	10–24	25–49	50–99	100–249	250 and over
42 Amount of loans (thousands of dollars)	942,246	157,098	153,852	152,314	129,834	89,163	259,986
43 Number of loans	62,461	44,542	10,599	4,307	1,987	642	383
44 Weighted-average maturity (months)	7.1	6.7	6.1	7.0	8.0	6.4	8.0
45 Weighted-average interest rate (percent per annum)	13.72	14.30	14.03	14.15	13.79	13.60	12.94
46 Interquartile range[1]	12.87–14.49	13.42–14.85	13.42–14.57	13.50–14.63	13.00–14.49	12.43–14.97	11.84–14.49
By purpose of loan							
47 Feeder livestock	13.05	14.35	14.31	14.07	13.91	11.57	12.03
48 Other livestock	14.14	16.89	13.90	14.70	(2)	13.33	(2)
49 Other current operating expenses	13.93	14.01	14.03	14.07	13.99	13.81	13.74
50 Farm machinery and equipment	14.26	14.55	13.91	14.40	(2)	(2)	(2)
51 Other	13.17	14.21	13.88	13.92	13.05	13.95	11.67

1. Interest rate range that covers the middle 50 percent of the total dollar amount of loans made.
2. Fewer than 10 sample loans

NOTE. For more detail, see the Board's E 2 (111) statistical release

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1980	1981	1982	1983				1983, week ending				
				July	Aug.	Sept.	Oct.	Sept. 30	Oct. 7	Oct. 14	Oct 21	Oct.
MONEY MARKET RATES												
1 Federal funds[1,2]	13 36	16.38	12.26	9 37	9.56	9.45	9 48	9.04	10 00	9.46	9 36	9
Commercial paper[3,4]												
2 1-month	12 76	15.69	11.83	9 15	9 41	9.19	9 03	8.97	9 01	9.09	8.98	9
3 3-month	12.66	15.32	11 89	9 25	9.54	9.24	8 99	9.01	8 95	9.04	8 95	9
4 6-month	12 29	14.76	11 89	9 36	9.68	9.28	8 98	9.02	8 96	9.04	8 93	9
Finance paper, directly placed[3,4]												
5 1-month	12 44	15 30	11.64	9 13	9 35	9.15	8 99	8.97	8 95	9.04	8.95	9
6 3-month	11.49	14.08	11 23	9 11	9.41	9.09	8 82	8.83	8.83	8.87	8 80	8
7 6-month	11.28	13 73	11 20	9.10	9 42	9.09	8.79	8.81	8.82	8 85	8.78	8
Bankers acceptances[4,5]												
8 3-month	12 72	15.32	11 89	9 33	9 59	9.23	9 01	9.03	8 96	9.08	8 96	9
9 6-month	12.25	14.66	11.83	9 47	9 71	9.26	8.97	9.01	8 93	9.06	8.87	9
Certificates of deposit, secondary market[6]												
10 1-month	12.91	15 91	12 04	9.30	9.52	9 28	9.11	9 08	9.08	9 14	9.07	9
11 3-month	13.07	15 91	12 27	9 50	9.77	9 39	9.18	9.17	9.13	9.22	9 13	9
12 6-month	12.99	15 77	12 57	9.91	10.17	9 64	9.31	9 36	9.30	9 38	9.24	9
13 Eurodollar deposits, 3-month[2]	14.00	16.79	13 12	10.00	10.27	9.82	9.54	9.50	9 48	9.50	9 56	9
U.S. Treasury bills[4]												
Secondary market[7]												
14 3-month	11.43	14 03	10 61	9.08	9.34	9.00	8.64	8.75	8.62	8 79	8.53	8
15 6-month	11 37	13.80	11.07	9 26	9 51	9.15	8 83	8.89	8 81	8.97	8 72	8
16 1-year	10 89	13 14	11.07	9.34	9 60	9.27	8 98	9.04	8 93	9.10	8 89	9
Auction average[8]												
17 3-month	11 506	14.029	10.686	9 12	9 39	9.05	8.71	8.73	8 72	8.83	8 63	8
18 6-month	11 374	13 776	11.084	9.29	9 53	9.19	8 90	8.84	8 92	8.97	8 79	8
19 1-year	10.748	13 159	11.099	9.36	9.77	9 64	9.13	...	9.13	....	......	....
CAPITAL MARKET RATES												
U.S Treasury notes and bonds[9]												
Constant maturities[10]												
20 1-year	12 05	14.78	12 27	10 20	10.53	10 16	9.81	9.89	9.77	9 92	9.69	9
21 2-year	11 77	14 56	12 80	10.69	11.07	10.79	10.57	10.56	10.49	10 67	10.51	10
22 2-½-year[11]	...	.....		...	....	..	....	.	10.60		10.70	..
23 3-year	11 55	14.44	12 92	10 90	11.30	11.07	10 87	10.82	10.74	10.95	10.79	10
24 5-year	11 48	14.24	13 01	11.21	11 63	11 43	11 28	11 22	11.15	11 36	11.20	11
25 7-year	11 43	14.06	13 06	11 35	11 77	11.61	11 47	11.42	11 34	11.55	11.40	11
26 10-year	11 46	13.91	13 00	11 38	11.85	11 65	11 54	11 46	11.38	11 60	11.47	11
27 20-year	11 39	13.72	12 92	11 59	11.96	11 82	11 77	11 64	11.60	11 85	11.71	11
28 30-year	11.30	13 44	12 76	11.40	11 82	11.63	11 58	11.45	11.41	11.63	11.51	11
Composite[12]												
29 Over 10 years (long-term)	10.81	12 87	12.23	11.10	11 42	11.26	11 21	11.09	11 04	11.28	11.16	11
State and local notes and bonds												
Moody's series[13]												
30 Aaa	7.85	10 43	10.88	8.70	9 04	8.97	8 93	8.80	8 90	9 00	8.90	8
31 Baa	9 01	11 76	12 48	10.06	10.25	10 10	10.04	9 95	10 00	10.15	10.00	10
32 *Bond Buyer* series[14]	8.59	11 33	11.66	9.53	9.72	9.58	9.66	9.46	9.49	9.67	9 68	9
Corporate bonds												
Seasoned issues[15]												
33 All industries	12.75	15 06	14.94	12.73	13.01	12.91	12 79	12.81	12 77	12.77	12.75	12
34 Aaa	11 94	14.17	13 79	12.15	12.51	12 37	12.25	12.22	12.20	12.22	12 21	12
35 Aa	12.50	14 75	14 41	12 39	12.72	12 62	12.49	12.49	12.45	12 51	12.46	12
36 A	12.89	15.29	15.43	12 99	13.17	13.11	12.97	13.04	12.99	12 95	12.93	13
37 Baa	13.67	16 04	16.11	13.39	13.64	13.55	13.46	13.49	13 44	13.42	13 42	13
Aaa utility bonds[16]												
38 New issue	12 74	15.56	14 41	12 32	12.25	12 53	12.43	12 43	12.35	12.50	12.44	
39 Recently offered issues	12 70	15.56	14 45	12.39	12.75	12.50	12.42	12.38	12.32	12.46	12.33	12
MEMO Dividend/price ratio[17]												
40 Preferred stocks	10.60	12 36	12.53	11 06	11.07	11.06	10.97	10.96	11.07	11 04	10.87	10
41 Common stocks	5.26	5 20	5 81	4.21	4 35	4.24	4.25	4.23	4 24	4.19	4.27	4

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

2 Weekly figures are statement week averages—that is, averages for the week ending Wednesday

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

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

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

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

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

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

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

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

11. Each biweekly figure is the average of five business days ending on Monday following the date indicated Until Mar. 31, 1983, the biweekly determined the maximum interest rate payable in the following two-week pe on 2-½-year small saver certificates. (See table 1 16)

12. Averages of yields (to maturity or call) for all outstanding bonds neither nor callable in less than 10 years, including several very low yielding "flow bonds.

13 General obligations only, based on figures for Thursday, from Mooc Investors Service.

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

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

16 Compilation of the Federal Reserve. Issues included are long-term years or more). New-issue yields are based on quotations on date of offer those on recently offered issues (included only for first 4 weeks after terminat of underwriter price restrictions), on Friday close-of-business quotations.

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

1.36 STOCK MARKET Selected Statistics

Indicator	1980	1981	1982	1983 Feb	1983 Mar.	1983 Apr.	1983 May	1983 June	1983 July	1983 Aug	1983 Sept.	1983 Oct
	Prices and trading (averages of daily figures)											
Common stock prices												
1 New York Stock Exchange (Dec 31, 1965 = 50)	68 06	74.02	68 93	84 74	87 50	90.61	94 61	96 43	96 74	93 96	96.70	96 78
2 Industrial	78.64	85 44	78.18	97.26	100 61	104 46	109.43	112.52	113.21	109.50	112 76	112 87
3 Transportation	60.52	72 61	60.41	79 44	83 28	85.26	89.07	92.22	92 91	88 06	94 56	95 41
4 Utility	37.35	38 90	39.75	45.92	45 89	46 22	47.62	46.76	46.61	46.94	48 16	48.73
5 Finance	64 28	73 52	71.99	86.57	93 22	99 07	102.45	101.22	99.60	95.76	97 00	94.79
6 Standard & Poor's Corporation (1941–43 = 10)[1]	118.71	128 05	119.71	146.80	151 88	157 71	164 10	166.39	166.96	162 42	167 16	167.65
7 American Stock Exchange[2] (Aug 31, 1973 = 100)	150 47	171 79	141.31	187 17	191 88	202 51	223.97	237.51	244.03	230 10	234 36	223 76
Volume of trading (thousands of shares)												
8 New York Stock Exchange	44,867	46,967	64,617	85,026	82,694	89,627	93,016	89,729	79,508	74,191	82,866	85,445
9 American Stock Exchange	6,377	5,346	5,283	8,256	7,354	8,576	12,260	10,874	8,199	6,329	6,629	7,751
	Customer financing (end-of-period balances, in millions of dollars)											
10 **Regulated margin credit at brokers–dealers[3]**	**14,721**	**14,411**	**13,325**	**13,985**	**14,483**	**15,590**	**16,713**	**18,292**	**19,218**	**19,437**	**20,124**	
11 Margin stock[4]	14,500	14,150	12,980	13,680	14,170	15,260	16,370	17,930	18,870	19,090	19,760	
12 Convertible bonds	219	259	344	304	312	329	342	361	347	346	363	n a.
13 Subscription issues	2	2	1	1	1	1	1	1	1	1	1	
Free credit balances at brokers[5]												
14 Margin-account	2,105	3,515	5,735	6,195	6,370	6,090	6,090	6,150	6,275	6,350	6,550	
15 Cash-account	6,070	7,150	8,390	7,955	7,965	7,970	8,310	8,590	8,145	8,035	7,930	
	Margin-account debt at brokers (percentage distribution, end of period)											
16 **Total**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	
By equity class (in percent)[6]												
17 Under 40	14.0	37 0	21 0	18.0	17 0	14.0	14 0	13 0	21 0	23.0	23.0	
18 40–49	30.0	24.0	24 0	20 0	21.0	19.0	19.0	21 0	28 0	28 0	27.0	
19 50–59	25.0	17 0	24 0	27 0	25 0	28 0	30 0	29 0	21 0	20.0	21.0	n a.
20 60–69	14.0	10 0	14.0	16 0	18 0	19.0	16.0	16.0	14.0	13.0	13 0	
21 70–79	9.0	6.0	9 0	10 0	10.0	10.0	11.0	12.0	9 0	9 0	9.0	
22 80 or more	8.0	6 0	8.0	9 0	9 0	9 0	9.0	9.0	7.0	7.0	7 0	
	Special miscellaneous-account balances at brokers (end of period)											
23 **Total balances (millions of dollars)[7]**	**21,690**	**25,870**	**35,598**	**43,006**	**43,472**	**44,999**	**45,465**	**47,100**	**50,580**	**50,267**	**51,211**	
Distribution by equity status (percent)												
24 Net credit status	47 8	58 0	62 0	66.0	62.0	64.0	62 0	62.0	62.0	62.0	64 0	n.a.
Debt status, equity of												
25 60 percent or more	44.4	31.0	29.0	27 0	28 0	30.0	32.0	33.0	31.0	31 0	29 0	
26 Less than 60 percent	7 7	11.0	9 0	7 0	9.0	6.0	6 0	5 0	6 0	7 0	7 0	

	Margin requirements (percent of market value and effective date)[8]					
	Mar 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan 3, 1974
27 Margin stocks	70	80	65	55	65	50
28 Convertible bonds	50	60	50	50	50	50
29 Short sales	70	80	65	55	65	50

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. Beginning July 5, 1983, the American Stock Exchange rebased its index effectively cutting previous readings in half
3. Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock Credit extended is end-of-month data for member firms of the New York Stock Exhange
Besides 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 on lines 17–22
5. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.
6. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values
7 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.
8 Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1980	1981	1982			1983							
			Oct.	Nov	Dec.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept [p]
	Savings and loan associations												
1 **Assets**	**630,712**	**664,167**	**692,549**	**697,189**	**706,045**	**772,352**	**723,616**	**728,487**	**728,156**	**731,275**	**739,575**	**745,040**	**747,583**
2 Mortgages	503,192	518,547	489,923	488,614	482,234	481,090	475,688	476,248	472,124	473,134	477,919	481,691	481,346
3 Cash and investment securities[1]	57,928	63,123	75,638	78,122	84,767	94,080	96,649	99,226	103,468	101,284	101,754	98,996	99,697
4 Other	69,592	82,497	126,988	130,453	139,044	147,182	151,279	153,013	152,564	156,857	159,902	164,353	166,540
5 **Liabilities and net worth**	**630,712**	**664,167**	**692,549**	**697,189**	**706,045**	**772,352**	**723,616**	**728,487**	**728,156**	**731,275**	**739,575**	**745,040**	**747,583**
6 Savings capital	511,636	525,061	547,112	548,439	566,189	591,913	597,112	601,171	599,673	603,178	608,683	613,087	616,672
7 Borrowed money	64,586	88,782	100,881	102,948	97,979	86,544	84,884	83,640	82,722	84,328	84,682	84,345	85,909
8 FHLBB	47,045	62,794	65,015	64,202	63,861	58,841	56,859	55,933	54,392	54,234	53,579	52,303	52,162
9 Other	17,541	25,988	35,866	38,746	34,118	27,703	28,025	27,707	28,330	30,094	31,103	32,042	33,747
10 Loans in process	8,767	6,385	8,484	8,967	9,934	11,039	12,245	13,462	14,528	15,972	17,063	17,931	18,712
11 Other	12,394	15,544	20,018	21,048	15,720	17,524	14,767	16,210	18,323	15,548	17,931	19,078	16,058
12 Net worth[2]	33,329	28,395	24,538	24,754	26,157	26,371	26,853	27,466	27,438	28,221	28,279	28,530	29,944
13 MEMO: Mortgage loan commitments outstanding[3]	16,102	15,225	18,407	19,682	18,054	22,051	24,885	27,920	30,089	30,630	31,667	32,342	32,155
	Mutual savings banks[4]												
14 **Assets**	**171,564**	**175,728**	**172,908**	**172,287**	**174,197**	**176,378**	**178,814**	**178,826**	**180,071**	**181,975**	**182,822**	**183,612**	
Loans													
15 Mortgage	99,865	99,997	94,261	94,017	94,091	93,607	93,822	93,311	93,587	94,000	93,998	93,941	
16 Other	11,733	14,753	17,035	16,702	16,957	18,211	17,837	18,353	17,893	17,438	18,134	17,929	
Securities													
17 U.S. government[5]	8,949	9,810	9,219	9,456	9,743	11,081	12,187	12,364	13,110	13,572	13,931	14,484	
18 State and local government	2,390	2,288	2,505	2,496	2,470	2,440	2,403	2,311	2,260	2,257	2,248	2,247	
19 Corporate and other[6]	39,282	37,791	35,599	35,753	36,161	36,905	37,827	38,342	39,142	40,206	40,667	41,045	
20 Cash	4,334	5,442	6,749	6,291	6,919	6,104	6,548	6,039	5,960	6,224	5,322	5,168	
21 Other assets	5,011	5,649	7,540	7,572	7,855	8,031	8,189	8,107	8,118	8,276	8,522	8,799	n.a.
22 **Liabilities**	**171,564**	**175,728**	**172,908**	**172,287**	**174,197**	**176,378**	**178,814**	**178,826**	**180,071**	**181,975**	**182,822**	**183,612**	
23 Deposits	154,805	155,110	152,210	151,304	155,196	159,162	161,489	161,262	162,287	163,990	164,848	165,087	
24 Regular[7]	151,416	153,003	149,928	149,167	152,777	156,915	159,088	158,760	159,840	161,573	162,271	162,600	
25 Ordinary savings	53,971	49,425	48,520	49,208	46,862	41,165	41,183	40,379	40,467	40,451	39,983	39,360	
26 Time	97,445	103,578	101,408	99,959	96,369	87,377	86,276	84,593	83,506	84,705	85,445	86,446	
27 Other	2,086	2,108	2,283	2,137	2,419	2,247	2,401	2,502	2,447	2,417	2,577	2,487	
28 Other liabilities	6,695	10,632	11,556	11,893	8,336	7,542	7,395	7,631	3,114	7,754	7,596	7,884	
29 General reserve accounts	11,368	9,986	9,141	9,089	9,235	9,197	9,342	9,352	9,377	9,575	9,684	9,932	
30 MEMO: Mortgage loan commitments outstanding[8]	1,476	1,293	1,281	1,400	1,285	1,295	1,639	1,860	1,860	1,884	1,969	2,046	
	Life insurance companies												
31 **Assets**	**479,210**	**525,803**	**571,902**	**578,200**	**584,311**	**595,959**	**602,770**	**609,298**	**591,375**	**628,224**	**633,569**	**638,826**	
Securities													
32 Government	21,378	25,209	31,791	32,682	34,558	36,946	38,469	39,210	42,522	43,348	44,751	45,700	
33 United States[9]	5,345	8,167	13,538	14,370	16,072	17,877	19,213	19,213	20,705	21,141	22,228	22,817	
34 State and local	6,701	7,151	7,871	7,935	8,094	8,333	8,368	8,524	10,053	10,355	10,504	10,695	
35 Foreign[10]	9,332	9,891	10,382	10,377	10,392	10,736	10,888	10,940	11,764	11,852	12,019	12,188	
36 Business	238,113	255,769	279,918	283,650	283,799	293,427	296,223	300,558	309,254	313,510	316,934	318,584	n.a.
37 Bonds	190,747	208,098	226,879	229,101	228,220	235,376	236,420	238,689	245,833	248,248	252,397	253,977	
38 Stocks	47,366	47,670	53,039	54,549	55,579	58,051	59,803	61,869	63,421	65,262	64,537	64,607	
39 Mortgages	131,030	137,747	140,678	140,956	141,919	142,683	143,031	143,011	143,758	144,725	145,086	146,400	
40 Real estate	15,063	18,278	20,293	20,480	21,019	21,014	21,175	21,352	21,344	21,629	21,690	21,749	
41 Policy loans	41,411	48,706	52,751	52,916	53,114	53,383	53,560	53,715	53,804	53,914	53,972	54,063	
42 Other assets	31,702	40,094	46,471	47,516	49,902	48,506	50,322	51,452	49,889	51,098	51,136	52,330	
	Credit unions[11]												
43 **Total assets/liabilities and capital**	**71,709**	**77,682**	**68,157**	**68,876**	**69,572**	**71,412**[r]	**73,876**[r]	**74,896**[r]	**76,851**[r]	**78,467**[r]	**79,084**	**79,595**	
44 Federal	39,801	42,382	44,388	44,986	45,483	46,673[r]	48,350[r]	48,986[r]	50,275[r]	51,430[r]	51,844	52,224	
45 State	31,908	35,300	23,769	23,890	24,089	24,739[r]	22,526[r]	25,910[r]	26,576[r]	27,037[r]	27,240	27,371	
46 Loans outstanding	47,774	50,448	42,971	42,995	43,223	42,823[r]	43,067[r]	43,530[r]	44,055[r]	45,001[r]	45,616	46,880	n.a.
47 Federal	25,627	27,458	27,648	27,728	27,941	27,644[r]	27,823[r]	28,133[r]	28,512[r]	29,175[r]	29,577	30,384	
48 State	22,147	22,990	15,323	15,267	15,282	15,179[r]	15,244[r]	15,397[r]	15,543[r]	15,826[r]	16,039	16,496	
49 Savings	64,399	68,871	61,829	62,673	62,977	64,780[r]	67,494[r]	68,663[r]	70,221[r]	71,712[r]	72,438	72,550	
50 Federal (shares)	36,348	37,574	40,535	41,076	41,341	42,533[r]	44,336[r]	45,165[r]	46,192[r]	47,145[r]	47,713	47,874	
51 State (shares and deposits)	28,051	31,297	21,294	21,597	21,636	65,605[r]	23,158[r]	23,498[r]	24,029[r]	24,567[r]	24,725	24,676	

For notes see bottom of opposite page.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983	Calendar year					
				1982		1983	1983		
				H1	H2	H1	July	Aug	Sept
U.S. budget									
1 Receipts[1]	599,272	617,766	600,562	322,478	286,338	306,331	43,948	49,683	63,556
2 Outlays[1,2]	657,204	728,375	795,917	348,678	390,846	396,477	65,360	67,160	61,610
3 Surplus, or deficit (−)	−57,932	−110,609	−195,355	−26,200	−104,508	−90,146	−21,412	−17,477	1,946
4 Trust funds	6,817	5,456	23,056	−17,690	−6,576	22,680	−5,592	289	14,006
5 Federal funds[3]	−64,749	−116,065	−218,410	−43,889	−97,934	−112,822	−15,820	−17,765	−12,060
Off-budget entities (surplus, or deficit (−))									
6 Federal Financing Bank outlays	−20,769	−14,142	−10,404	−7,942	−4,923	−5,418	−1,326	−1,112	−1,270
7 Other[4]	−236	−3,190	−1,953	227	−2,267	−528	33	−155	−1,432
U.S. budget plus off-budget, including Federal Financing Bank									
8 Surplus, or deficit (−)	−78,936	−127,940	−207,711	−33,914	−111,699	−96,094	−22,705	−18,744	−756
Source or financing									
9 Borrowing from the public	79,329	134,993	212,425	41,728	119,609	102,538	11,877	20,522	15,442
10 Cash and monetary assets (decrease, or increase (−))[5]	−1,878	−11,911	−9,889	−408	−9,057	−9,664	6,317	4,328	−19,061
11 Other[6]	1,485	4,858	5,176	−7,405	1,146	3,222	4,511	−6,106	4,375
MEMO.									
12 Treasury operating balance (level, end of period)	18,670	29,164	37,057	10,999	19,773	100,243	21,646r	18,469	37,057
13 Federal Reserve Banks	3,520	10,975	16,557	4,099	5,033	19,442	3,815r	4,189	16,557
14 Tax and loan accounts	15,150	18,189	20,500	6,900	14,740	72,037	17,831r	14,280	20,500

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

2. Effective Oct 1, 1980, the Pension Benefit Guaranty Corporation was reclassified from an off-budget agency to an on-budget agency in the Department of Labor.

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

4 Other off-budget includes Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank, it also includes petroleum acquisition and transportation and strategic petroleum reserve effective November 1981

5. Includes U S. Treasury operating cash accounts, special drawing rights, gold tranche drawing rights, loans to International Monetary Fund, and other cash and monetary assets

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

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U.S Government" *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1984*.

NOTES TO TABLE 1.37

1. Holdings of stock of the Federal Home Loan Banks are included in "other assets "

2 Includes net undistributed income, which is accrued by most, but not all, associations

3. Excludes figures for loans in process, which are shown as a liability.

4. The NAMSB reports that, effective April 1979, balance sheet data are not strictly comparable with previous months. Beginning April 1979, data are reported on a net-of-valuation-reserves basis Before that date, data were reported on a gross-of-valuation-reserves basis

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

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

7. Excludes checking, club, and school accounts.

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

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

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

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

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

Mutual savings banks. Estimates of National Association of Mutual Savings Banks for all savings banks in the United States.

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

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

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983	Calendar year 1982 H1	Calendar year 1982 H2	Calendar year 1983 H1	Calendar year 1983 July	Calendar year 1983 Aug.	Calendar year 1983 Sept.
RECEIPTS									
1 **All sources**[1]	**599,272**	**617,766**	**600,563**	**322,478**	**286,338**	**306,331**	**43,948**	**49,683**	**63,**
2 Individual income taxes, net	285,917	297,744	288,938	150,565	145,676	144,550	21,938	23,259	30,
3 Withheld	256,332	267,513	266,010	133,575	131,567	135,531	21,437	22,519	21,
4 Presidential Election Campaign Fund	41	39	36	34	5	30	3	2	
5 Nonwithheld	76,844	84,691	83,586	66,174	20,040	63,014	2,160	1,967	11,
6 Refunds	47,299	54,498	60,692	49,217	5,938	54,024	1,662	1,228	1,
Corporation income taxes									
7 Gross receipts	73,733	65,991	61,780	37,836	25,661	33,522	2,562	1,816	10,
8 Refunds	12,596	16,784	24,758	8,028	11,467	13,809	1,706	1,433	1,
9 Social insurance taxes and contributions, net	182,720	201,498	209,001	108,079	94,278	110,521	15,317	20,089	17,
10 Payroll employment taxes and contributions[2]	156,932	172,744	179,010	88,795	85,063	90,912	14,108	16,137	15,
11 Self-employment taxes and contributions[3]	6,041	7,941	6,756	7,357	177	6,427	−632	0	[illegible]
12 Unemployment insurance	15,763	16,600	18,799	9,809	6,857	11,146	1,454	3,529	[illegible]
13 Other net receipts[1,4]	3,984	4,212	4,436	2,119	2,181	2,196	387	423	[illegible]
14 Excise taxes	40,839	36,311	35,300	17,525	16,556	16,904	3,369	3,112	3,
15 Customs deposits	8,083	8,854	8,655	4,310	4,299	4,010	772	967	[illegible]
16 Estate and gift taxes	6,787	7,991	6,053	4,208	3,445	2,883	559	514	[illegible]
17 Miscellaneous receipts[5]	13,790	16,161	15,594	7,984	7,891	7,751	1,137	1,359	1,
OUTLAYS									
18 **All types**[1]	**657,204**	**728,424**	**795,917**	**348,683**	**390,847**	**396,477**	**65,360**	**67,160**	**61,**
19 National defense	159,765	187,418	210,461	93,154	100,419	105,072	17,394	18,548	18,
20 International affairs	11,130	9,982	8,927	5,183	4,406	4,705	1,038	209	[illegible]
21 General science, space, and technology	6,359	7,070	7,777	3,370	3,903	3,486	687	707	[illegible]
22 Energy	10,277	4,674	4,035	2,946	2,059	2,073	243	258	−
23 Natural resources and environment	13,525	12,934	12,676	5,636	6,940	5,892	955	1,188	1,
24 Agriculture	5,572	14,875	22,173	7,087	13,260	10,154	685	−5	[illegible]
25 Commerce and housing credit	3,946	3,865	4,721	1,408	2,244	2,164	665	−332	[illegible]
26 Transportation	23,381	20,560	21,231	9,915	10,686	9,918	1,875	2,101	2,
27 Community and regional development	9,394	7,165	7,302	3,055	4,186	3,124	514	689	[illegible]
28 Education, training, employment, social services	31,402	26,300	25,726	12,607	12,187	12,801	1,943	2,673	2,
29 Health[1]	65,982	74,017	81,157	37,219	39,073	41,206	6,672	7,420	5,
30 Income security	225,101	248,343	280,244	112,782	133,779	143,001	22,536	22,418	22,
31 Veterans benefits and services	22,988	23,955	24,845	10,865	13,241	11,334	2,024	2,258	2,
32 Administration of justice	4,696	4,671	5,014	2,334	2,373	2,522	453	491	[illegible]
33 General government	4,614	4,726	4,991	2,400	2,322	2,434	−93	1,248	[illegible]
34 General-purpose fiscal assistance	6,856	6,393	6,287	3,325	3,152	3,124	1,178	36	
35 Net interest[6]	68,726	84,697	103,916	41,883	44,948	50,383	7,606	8,695	6,
36 Undistributed offsetting receipts[7]	−16,509	−13,270	−35,566	−6,490	−8,333	−16,912	−1,017	−1,444	−2,

1. Effective Feb. 8, 1982, supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other insurance receipts, have been reclassified as offsetting receipts in the health function.
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. Old-age, disability, and hospital insurance.
4. Federal employee retirement contributions and civil service retirement and disability fund.
5. Deposits of earnings by Federal Reserve Banks and other miscellane receipts.
6. Net interest function includes interest received by trust funds.
7. Consists of rents and royalties on the outer continental shelf and U government contributions for employee retirement.

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U Government" and the *Budget of the U.S. Government, Fiscal Year 1984*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1981		1982				1983		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 **Federal debt outstanding**	**1,003.9**	**1,034.7**	**1,066.4**	**1,084.7**	**1,147.0**	**1,201.9**	**1,249.3**	**1,324.3**	**1,381.9**
2 Public debt securities	997.9	1,028.7	1,061.3	1,079.6	1,142.0	1,197.1	1,244.5	1,319.6	1,377.2
3 Held by public	789.8	825.5	858.9	867.9	925.6	987.7	1,043.3	1,090.3	n.a.
4 Held by agencies	208.1	203.2	202.4	211.7	216.4	209.4	201.2	229.3	n.a.
5 Agency securities	6.1	6.0	5.1	5.0	5.0	4.8	4.8	4.7	4.7
6 Held by public	4.6	4.6	3.9	3.9	3.7	3.7	3.7	3.6	n.a.
7 Held by agencies	1.5	1.4	1.2	1.2	1.2	1.2	1.1	1.1	n.a.
8 **Debt subject to statutory limit**	**998.8**	**1,029.7**	**1,062.2**	**1,080.5**	**1,142.9**	**1,197.9**	**1,245.3**	**1,320.4**	**1,378.0**
9 Public debt securities	997.2	1,028.1	1,060.7	1,079.0	1,141.4	1,196.5	1,243.9	1,319.0	1,376.6
10 Other debt[1]	1.6	1.6	1.5	1.5	1.5	1.4	1.4	1.4	1.3
11 MEMO Statutory debt limit	999.8	1,079.8	1,079.8	1,143.1	1,143.1	1,290.2	1,290.2	1,389.0	1,389.0

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

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

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

Billions of dollars, end of period

Type and holder	1979	1980	1981	1982	1983				
					June	July	Aug.	Sept.	Oct.
1 **Total gross public debt**	**845.1**	**930.2**	**1,028.7**	**1,197.1**	**1,319.6**	**1,326.9**	**1,348.4**	**1,377.2**	**1,384.6**
By type									
2 Interest-bearing debt	844.0	928.9	1,027.3	1,195.5	1,318.1	1,320.7	1,346.9	1,375.8	1,383.3
3 Marketable	530.7	623.2	720.3	881.5	978.9	985.7	1,010.4	1,024.0	1,035.3
4 Bills	172.6	216.1	245.0	311.8	334.3	337.6	340.4	340.7	339.0
5 Notes	283.4	321.6	375.3	465.0	527.1	527.2	544.2	557.5	566.2
6 Bonds	74.7	85.4	99.9	104.6	117.5	120.9	125.8	125.7	129.2
7 Nonmarketable[1]	313.2	305.7	307.0	314.0	339.2	335.0	336.5	351.8	347.9
8 Convertible bonds[2]	2.2	...	...	...	...		...	...	...
9 State and local government series	24.6	23.8	23.0	25.7	33.1	33.2	33.9	35.1	35.3
10 Foreign issues[3]	28.8	24.0	19.0	14.7	11.4	11.2	11.1	11.5	11.5
11 Government	23.6	17.6	14.9	13.0	10.8	11.2	11.1	11.5	11.5
12 Public	5.3	6.4	4.1	1.7	.6	.0	0	0	0
13 Savings bonds and notes	79.9	72.5	68.1	68.0	69.4	69.7	70.0	70.3	70.6
14 Government account series[4]	177.5	185.1	196.7	205.4	225.0	220.6	221.4	234.7	230.3
15 Non-interest-bearing debt	1.2	1.3	1.4	1.6	1.5	6.2	1.5	1.5	1.3
By holder[5]									
16 U.S. government agencies and trust funds	187.1	192.5	203.3	209.4	229.3				
17 Federal Reserve Banks	117.5	121.3	131.0	139.3	141.7				
18 Private investors	540.5	616.4	694.5	848.4	950.5				
19 Commercial banks	96.4	116.0	109.4	131.4	171.6				
20 Mutual savings banks	4.7	5.4	5.2	n.a.					
21 Insurance companies	16.7	20.1	19.1	38.7					
22 Other companies	22.9	25.7	37.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23 State and local governments	69.9	78.8	85.6	113.4					
Individuals									
24 Savings bonds	79.9	72.5	68.0	68.3	69.7				
25 Other securities	36.2	56.7	75.6	48.2	50.7				
26 Foreign and international[6]	124.4	127.7	141.4	149.4	159.9				
27 Other miscellaneous investors[7]	90.1	106.9	152.3	233.2	n.a.				

1. Includes (not shown separately) Securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.
2. These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1½ percent, 5-year marketable Treasury notes. Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category (line 5).
3. Nonmarketable dollar-denominated and foreign currency-denominated series held by foreigners.
4. Held almost entirely by U.S. government agencies and trust funds.
5. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings, data for other groups are Treasury estimates.
6. Consists of investments of foreign balances and international accounts in the United States.
7. Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain government deposit accounts, and government sponsored agencies.

NOTE. Gross public debt excludes guaranteed agency securities.

Data by type of security from *Monthly Statement of the Public Debt of the United States* (U.S. Treasury Department); data by holder from *Treasury Bulletin*.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

	Item	1980	1981	1982	1983			1983, week ending Wednesday					
					July	Aug	Sept.	Aug. 10	Aug 17	Aug 24	Aug. 31	Sept. 7	Sept. 14
	Immediate delivery[1]												
1	U S government securities	18,331	24,728	32,271	38,095	45,684	47,617	43,108	48,116	41,962	48,052	46,610	39,807
	By maturity												
2	Bills	11,413	14,768	18,398	21,941	23,911	24,031	21,699	25,077	21,404	25,915	24,281	20,460
3	Other within 1 year	421	621	810	575	669	665	513	712	526	884	698	820
4	1–5 years	3,330	4,360	6,272	7,124	10,192	10,311	7,768	10,144	9,482	11,992	7,128	7,857
5	5–10 years	1,464	2,451	3,557	4,177	4,814	7,343	5,146	5,457	4,698	4,822	10,455	6,006
6	Over 10 years	1,704	2,528	3,234	4,278	6,098	5,267	7,984	6,726	5,852	4,439	4,048	4,664
	By type of customer												
7	U S government securities dealers	1,484	1,640	1,769	2,134	2,179	2,377	2,119	2,400	1,819	2,384	2,366	1,900
8	U S government securities brokers	7,610	11,750	15,659	19,058	23,951	24,261	22,230	25,382	22,104	24,911	22,863	19,651
9	All others[2]	9,237	11,337	15,344	16,904	19,553	20,980	18,760	20,334	18,039	20,758	21,381	18,255
10	Federal agency securities	3,258	3,306	4,142	5,005	5,267	6,170	4,209	7,005	5,083	5,326	4,532	6,287
11	Certificates of deposit	2,472	4,477	5,001	4,504	4,425	4,736	3,280	5,024	5,050	4,401	4,415	4,586
12	Bankers acceptances	↑	1,807	2,502	2,615	2,658	3,061	2,407	2,731	3,031	2,369	3,059	3,086
13	Commercial paper		6,128	7,595	8,275	7,130	7,633	7,006	7,614	6,911	7,071	8,261	7,460
	Futures transactions[3]												
14	Treasury bills		3,523	5,031	6,684	7,459	5,979	6,505	7,603	6,307	8,068	5,432	4,858
15	Treasury coupons	n.a.	1,330	1,490	2,503	3,144	2,749	2,957	3,298	3,298	3,076	1,978	2,182
16	Federal agency securities		234	259	446	270	191	316	361	204	229	139	163
	Forward transactions[4]												
17	U S government securities		365	835	1,498	1,795	2,116	1,944	809	1,894	1,146	1,084	1,833
18	Federal agency securities	↓	1,370	982	1,591	2,118	1,886	2,358	2,752	1,840	1,416	1,276	1,892

1. Before 1981, data for immediate transactions include forward transactions
2. Includes, among others, all other dealers and brokers in commodities and securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System
3. Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date
4. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.

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

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

	Item	1980	1981	1982	1983			1983, week ending Wednesday				
					June	July	Aug.	Aug 3	Aug 10	Aug 17	Aug. 24	Aug. 31
		Positions										
	Net immediate[1]											
1	U S. government securities	4,306	9,033	9,328	3,877r	572	3,255	1,108	3,819	2,956	2,843	4,270
2	Bills	4,103	6,485	4,837	3,657r	411	880	189	606	1,003	859	958
3	Other within 1 year	−1,062	−1,526	−199	63	126	−198	125	201	−89	−553	−541
4	1–5 years	434	1,488	2,932	−183	326	2,216	1,786	2,250	1,248	1,818	3,779
5	5–10 years	166	292	−341	550	352	147	18	617	374	168	−457
6	Over 10 years	665	2,294	2,001	−210	−643	211	−1,009	145	421	551	530
7	Federal agency securities	797	2,277	3,712	5,631	6,904	7,994	7,462	8,423	8,641	7,287	7,904
8	Certificates of deposit	3,115	3,435	5,531	4,488	4,729	4,687	4,425	4,683	4,526	4,461	5,230
9	Bankers acceptances		1,746	2,832	2,405	2,764	2,917	2,817	2,840	2,890	2,875	2,986
10	Commercial paper	↑	2,658	3,317	2,894	2,782	2,755	2,899	3,013	2,643	2,462	2,744
	Futures positions											
11	Treasury bills		−8,934	−2,508	−1,023	−1,578	1,493	1,960	5,396	3,413	−970	−3,208
12	Treasury coupons	n.a.	−2,733	−2,361	−2	−1,077	−1,715	−1,999	−2,523	−2,015	−1,118	−952
13	Federal agency securities		522	−224	204	381	428	96	403	626	439	435
	Forward positions											
14	U S government securities		−603	−788	−635	−1,631	−4,348	−3,925	−4,269	−4,676	−4,652	−3,940
15	Federal agency securities	↓	−451	−1,190	−1,802	−2,199	−4,046	−2,726	−3,242	−4,682	−4,320	−4,721
		Financing[2]										
	Reverse repurchase agreements[3]											
16	Overnight and continuing	↑	14,568	26,754	29,613	34,936	↑	31,969	31,019	32,870	31,967	↑
17	Term agreements		32,048	48,247	49,145	48,064		49,325	50,484	50,725	53,484	
	Repurchase agreements[4]	n a					n.a					n.a.
18	Overnight and continuing		35,919	49,695	56,459	59,099		58,369	57,932	60,765	56,115	
19	Term agreements	↓	29,449	43,410	39,423	36,772	↓	37,866	39,189	41,511	45,851	↓

For notes see opposite page

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1980	1981	1982	1983 Apr.	1983 May	1983 June	1983 July	1983 Aug.	1983 Sept
1 **Federal and federally sponsored agencies**	**188,665**	**221,946**	**237,085**	**234,852**	**234,289**	**235,041**	**236,037**	**236,931**	**236,610**
2 Federal agencies	28,606	31,806	33,055	33,120	33,065	33,353	33,436	33,420	33,744
3 Defense Department[1]	610	484	354	318	308	298	284	274	264
4 Export-Import Bank[2,3]	11,250	13,339	14,218	14,304	14,303	14,563	14,563	14,564	14,740
5 Federal Housing Administration[4]	477	413	288	255	243	228	220	213	206
6 Government National Mortgage Association participation certificates[5]	2,817	2,715	2,165	2,165	2,165	2,165	2,165	2,165	2,165
7 Postal Service[6]	1,770	1,538	1,471	1,471	1,404	1,404	1,404	1,404	1,404
8 Tennessee Valley Authority	11,190	13,115	14,365	14,485	14,520	14,570	14,675	14,675	14,840
9 United States Railway Association[6]	492	202	194	122	122	125	125	125	125
10 Federally sponsored agencies[7]	160,059	190,140	204,030	201,732	201,224	201,688	202.601	203,511	202,866
11 Federal Home Loan Banks	37,268	54,131	55,967	50,297	49,756	48,871	49,065	49,081	49,283
12 Federal Home Loan Mortgage Corporation	4,686	5,480	4,524	5,160	5,777	6,500	6,146	5,875	6,134
13 Federal National Mortgage Association	55,182	58,749	70,052	72,058	70,769	71,303	71,612	72,163	71,258
14 Farm Credit Banks	62,923	71,359	71,896	72,227	72,548	72,652	73,306	73,744	73,046
15 Student Loan Marketing Association	(8)	421	1,591	1,990	2,374	2,362	2,472	2,648	3,145
MEMO:									
16 **Federal Financing Bank debt[9]**	**87,460**	**110,698**	**126,424**	**129,125**	**130,528**	**131,987**	**133,367**	**134,505**	**136,081**
Lending to federal and federally sponsored agencies									
17 Export-Import Bank[3]	10,654	12,741	14,177	14,232	14,232	14,493	14,493	14,493	14,676
18 Postal Service[6]	1,520	1,288	1,221	1,221	1,154	1,154	1,154	1,154	1,154
19 Student Loan Marketing Association	2,720	5,400	5,000	5,000	5,000	5,000	5,000	5,000	5,000
20 Tennessee Valley Authority	9,465	11,390	12,640	12,760	12,795	12,845	12,950	12,950	13,115
21 United States Railway Association[6]	492	202	194	122	122	125	125	125	125
Other Lending[10]									
22 Farmers Home Administration	39,431	48,821	53,261	53,541	54,586	54,946	55,776	56,386	55,691
23 Rural Electrification Administration	9,196	13,516	17,157	17,970	18,076	18,378	18,497	18,638	18,936
24 Other	11,262r	12,740r	22,774r	24,279r	24,563r	25,046r	25,372r	25,759r	27,384

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.
2. Includes participation certificates reclassified as debt beginning Oct 1, 1976.
3. Off-budget Aug. 17, 1974, through Sept. 30, 1976; on-budget thereafter.
4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market
5. Certificates of participation issued before fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development, Small Business Administration; and the Veterans Administration.
6. Off-budget.
7. Includes outstanding noncontingent liabilities· Notes, bonds, and debentures.
8. Before late 1981, the Association obtained financing through the Federal Financing Bank.
9. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.
10 Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

NOTES TO TABLE 1.43

1. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities to resell (reverse RPs) Before 1981, data for immediate positions include forward positions.
2. Figures cover financing involving U.S. government and federal agency securities, negotiable CDs, bankers acceptances, and commercial paper.
3. Includes all reverse repurchase agreements, including those that have been arranged to make delivery on short sales and those for which the securities obtained have been used as collateral on borrowings, that is, matched agreements.
4. Includes both repurchase agreements undertaken to finance positions and "matched book" repurchase agreements.

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

1.45 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1980	1981	1982	1983							
				Jan	Feb r	Mar	Apr r	May r	June r	July r	Au
1 **All issues, new and refunding[1]**	**48,367**	**47,732**	**78,950**	**3,797r**	**6,170**	**8,752r**	**10,982**	**9,541**	**7,350**	**4,207**	**6,**
Type of issue											
2 General obligation	14,100	12,394	21,088	869	1,257	2,262r	3,463	3,553	1,516	826	1,
3 U S government loans[2]	38	34	225	0	3	3	2	6	7	7	
4 Revenue	34,267	35,338	57,862	2,928r	4,913	6,490r	7,519	5,988	5,834	3,381	4,
5 U S government loans[2]	57	55	461	0	2	5	9	14	16	26	
Type of issuer											
6 State	5,304	5,288	8,406	237	252	724	1,745	830	277	484	
7 Special district and statutory authority	26,972	27,499	45,000	2,220r	4,256	5,437r	5,791	4,458	4,151	2,940	3,
8 Municipalities, counties, townships, school districts	16,090	14,945	25,544	1,340	1,662	2,591r	3,446	4,253	2,922	783	2,
9 **Issues for new capital, total**	**46,736**	**46,530**	**74,612**	**3,295r**	**5,072**	**7,532r**	**9,039**	**6,965**	**5,867**	**3,731**	**4,**
Use of proceeds											
10 Education	4,572	4,547	6,444	355	1,089	831	680	827	873	524	
11 Transportation	2,621	3,447	6,256	50	541	816	560	416	228	270	
12 Utilities and conservation	8,149	10,037	14,254	977	1,050	1,732	2,591	1,515	930	253	
13 Social welfare	19,958	12,729	26,605	927r	1,511	2,794r	3,128	2,062	2,050	1,866	2,
14 Industrial aid	3,974	7,651	8,256	323	182	389	480	699	625	339	
15 Other purposes	7,462	8,119	12,797	663	699	970	1,600	1,446	1,161	479	

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

SOURCE Public Securities Association

1.46 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1980	1981	1982	1983							
				Jan	Feb	Mar	Apr	May	June	July	Aug
1 **All issues[1,2]**	**73,694**	**70,441**	**84,198**	**7,709**	**8,491**	**11,728**	**10,468**	**11,489**	**8,165**	**6,474**	**5,**
2 **Bonds**	**53,206**	**45,092**	**53,636**	**4,569**	**3,839**	**5,317**	**6,015**	**7,017**	**2,244**	**2,550**	**2,**
Type of offering											
3 Public	41,587	38,103	43,838	4,569	3,839	5,317	6,015	7,017	2,244	2,550	2,
4 Private placement	11,619	6,989	9,798	n a	n.a	n a	n a	n a	n a	n a	n
Industry group											
5 Manufacturing	15,409	12,325	13,123	849	655	962	1,449	2,158	706	60	
6 Commercial and miscellaneous	6,693	5,229	5,681	562	335	511	1,109	1,055	425	228	
7 Transportation	3,329	2,052	1,474	32	250	0	175	150	115	148	
8 Public utility	9,557	8,963	12,155	313	763	950	755	1,115	363	322	
9 Communication	6,683	4,280	2,265	0	0	650	725	505	250	1,100	
10 Real estate and financial	11,534	12,243	18,938	2,813	1,836	2,244	1,802	2,034	385	692	1,
11 **Stocks[3]**	**20,489**	**25,349**	**30,562**	**3,140**	**4,652**	**6,411**	**4,453**	**4,472**	**5,921**	**3,924**	**3,**
Type											
12 Preferred	3,631	1,797	5,113	594	1,962	893	440	492	665	290	
13 Common	16,858	23,552	25,449	2,546	2,690	5,518	4,013	3,980	5,256	3,634	3,
Industry group											
14 Manufacturing	4,839	5,074	5,649	888	1,038	1,654	1,424	1,545	2,449	1,015	1,
15 Commercial and miscellaneous	5,245	7,557	7,770	994	646	1,225	1,494	922	1,358	1,415	
16 Transportation	549	779	709	355	283	91	113	221	109	337	
17 Public utility	6,230	5,577	7,517	350	534	674	639	264	550	72	
18 Communication	567	1,778	2,227	187	2	1,133	37	8	138	20	
19 Real estate and financial	3,059	4,584	6,690	366	2,149	1,634	746	1,512	1,317	1,065	

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

2 Data for 1983 include only public offerings
3 Beginning in August 1981, gross stock offerings include new equity volu from swaps of debt for equity

SOURCE Securities and Exchange Commission and the Board of Governor the Federal Reserve System

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1981	1982	1983 Feb	Mar.	Apr	May	June	July	Aug r	Sept
INVESTMENT COMPANIES[1]										
1 Sales of own shares[2]	20,596	45,675	6,115	7,871	8,418	7,577	8,107	6,944	6,032	5,915
2 Redemptions of own shares[3]	15,866	30,078	3,510	5,066	6,482	4,486	5,416	4,500	4,885	4,412
3 Net sales	4,730	15,597	2,605	2,805	1,936	3,091	2,691	2,444	1,147	1,503
4 Assets[4]	55,207	76,841	84,981	90,075	98,669	101,423	106,449	104,279	104,494	109,325
5 Cash position[5]	5,277	6,040r	7,404	7,904	8,496	8,771	9,110	8,815	8,045	8,794
6 Other	49,930	70,801r	77,577	82,171	90,173	92,652	97,339	95,464	93,449	100,531

1. Excluding money market funds.
2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.
3. Excludes share redemption resulting from conversions from one fund to another in the same group.
4. Market value at end of period, less current liabilities.
5. Also includes all U.S. government securities and other short-term debt securities.

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

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1980	1981	1982	1981 Q3	1981 Q4	1982 Q1	1982 Q2	1982 Q3	1982 Q4	1983 Q1	1983 Q2
1 Corporate profits with inventory valuation and capital consumption adjustment	175.4	192.3	164.8	197.6	192.0	162.0	166.8	168.5	161.9	181.8	218.2
2 Profits before tax	234.6	227.0	174.2	227.7	217.2	173.2	178.8	177.3	167.5	169.7	203.3
3 Profits tax liability	84.8	82.8	59.2	83.7	75.6	60.3	61.4	60.8	54.0	61.5	76.0
4 Profits after tax	149.8	144.1	115.1	144.0	141.6	112.9	117.4	116.5	113.5	108.2	127.2
5 Dividends	58.6	64.7	68.7	66.4	67.3	67.7	67.8	68.8	70.4	71.4	72.0
6 Undistributed profits	91.2	79.5	46.6	77.6	74.3	45.2	49.6	47.7	43.1	36.7	55.2
7 Inventory valuation	-42.9	-23.6	-8.4	-19.4	-15.7	-5.5	-8.5	-9.0	-10.3	-1.7	-10.6
8 Capital consumption adjustment	-16.3	-11.0	-1.1	-10.7	-9.5	-5.6	-3.5	0.1	4.7	13.9	25.6

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

1.49 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1977	1978	1979	1980	1981ʳ	1982ʳ			1983	
						Q2	Q3	Q4	Q1ʳ	Q2
1 **Current assets**	**912.7**	**1,043.7**	**1,214.8**	**1,327.0**	**1,419.3**	**1,417.2**	**1,441.8**	**1,425.4**	**1,436.5**	**1,46**
2 Cash	97.2	105.5	118.0	126.9	131.8	124.1	126.9	144.0	139.7	14
3 U.S. government securities	18.2	17.2	16.7	18.7	17.4	16.5	18.9	22.4	25.8	2
4 Notes and accounts receivable	330.3	388.0	459.0	506 8	530.3	531.2	534.2	511.0	517.9	53
5 Inventories	376.9	431.8	505.1	542.8	585.1	587.6	596.5	575.2	573.2	57
6 Other	90.1	101.1	116.0	131.8	154.6	157.9	165.3	172.6	179 9	18
7 **Current liabilities**	**557.1**	**669.5**	**807.3**	**889.3**	**976.3**	**988.7**	**1,007.6**	**977.8**	**986.3**	**99**
8 Notes and accounts payable	317.6	383.0	460.8	513.6	558.8	554 9	562.7	552.8	543.2	55
9 Other	239.6	286.5	346.5	375.7	417.5	433.8	444.9	425.0	443.1	44
10 **Net working capital**	**355.5**	**374.3**	**407.5**	**437.8**	**442.9**	**428.5**	**434.2**	**447.6**	**450.2**	**46**
11 MEMO: Current ratio[1]	1,638	1,559	1,505	1,492	1,454	1,433	1,431	1,458	1,456	1,4

1 Ratio of total current assets to total current liabilities.

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

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

SOURCE. Federal Trade Commission and Bureau of the Census.

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

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

Industry[1]	1981	1982	1983[1]	1982			1983			
				Q2	Q3	Q4	Q1	Q2	Q3[1]	Q4[1]
1 **Total nonfarm business**	**321.49**	**316.43**	**306.57**	**323.22**	**315.79**	**302.77**	**293.03**	**293.46**	**313.04**	**326**
Manufacturing										
2 Durable goods industries	61.84	56.44	51.49	59.03	57 14	50.50	50.74	48.48	53.00	53
3 Nondurable goods industries	64 95	63.23	62 49	64.74	62.32	59.59	59.12	60.31	64 44	66
Nonmanufacturing										
4 Mining	16.86	15.45	12.71	16 56	14.63	13.31	12.03	10.91	13.29	14
Transportation										
5 Railroad	4.24	4.38	3.75	4.73	3.94	4.31	3.35	3.64	3.70	4
6 Air	3 81	3 93	3.75	3.54	4.11	4 85	4.09	4.10	3 10	3
7 Other	4.00	3 64	3.63	4.06	3 24	3.25	3.60	3 14	3 70	4
Public utilities										
8 Electric	29.74	33.40	34.46	32.26	34.98	35.12	33.97	34.86	34.34	34
9 Gas and other	8.65	8 55	7.72	9.14	8.40	7.77	7.64	6.62	7.76	8
10 Trade and services	86.33	86 95	87.68	88.85	87.31	84.00	82.38	85 85	89.31	93
11 Communication and other[2]	41.06	40.46	38.90	40.33	39.73	40.06	36.11	35.54	40.40	43

1. Anticipated by business.
2. "Other" consists of construction, social services and membership organizations; and forestry, fisheries, and agricultural services.

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1977	1978	1979	1980	1981	1982			1983	
						Q2	Q3	Q4	Q1	Q2
ASSETS										
Accounts receivable, gross										
1 Consumer	44.0	52.6	65.7	73.6	85.5	88.0	88.3	89.5	89.9	91.3
2 Business	55.2	63.3	70.3	72.3	80.6	82.6	82.2	81.0	82.2	84.9
3 Total	99.2	116.0	136.0	145.9	166.1	170.6	170.5	170.4	172.1	176.2
4 LESS: Reserves for unearned income and losses	12.7	15.6	20.0	23.3	28.9	30.2	30.4	30.5	29.7	30.4
5 Accounts receivable, net	86.5	100.4	116.0	122.6	137.2	140.4	140.1	139.8	142.4	145.8
6 Cash and bank deposits	2.6	3.5								
7 Securities	.9	1.3	24.9[1]	27.5	34.2	37.3	39.1	39.7	42.8	44.3
8 All other	14.3	17.3								
9 Total assets	**104.3**	**122.4**	**140.9**	**150.1**	**171.4**	**177.8**	**179.2**	**179.5**	**185.2**	**190.2**
LIABILITIES										
10 Bank loans	5.9	6.5	8.5	13.2	15.4	14.5	16.8	18.6	16.6	16.3
11 Commercial paper	29.6	34.5	43.3	43.4	51.2	50.3	46.7	45.8	45.2	49.0
Debt										
12 Short-term, n.e.c	6.2	8.1	8.2	7.5	9.6	9.3	9.9	8.7	9.8	9.6
13 Long-term, n.e.c	36.0	43.6	46.7	52.4	54.8	60.3	60.9	63.5	64.7	64.5
14 Other	11.5	12.6	14.2	14.3	17.8	18.9	20.5	18.7	22.8	24.0
15 Capital, surplus, and undivided profits	15.1	17.2	19.9	19.4	22.8	24.5	24.5	24.2	26.0	26.7
16 Total liabilities and capital	**104.3**	**122.4**	**140.9**	**150.1**	**171.4**	**177.8**	**179.2**	**179.5**	**185.2**	**190.2**

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

NOTE. Components may not add to totals due to rounding

1.52 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Aug. 31, 1983[1]	Changes in accounts receivable			Extensions			Repayments		
		1983			1983			1983		
		June	July	Aug.	June	July	Aug.	June	July	Aug
1 Total	**83,574**	**789**	**396**	**1,817**	**25,341**	**23,387**	**29,882**	**24,552**	**22,991**	**28,065**
2 Retail automotive (commercial vehicles)	17,540	599	503	1,052	1,675	1,615	2,184	1,076	1,112	1,132
3 Wholesale automotive	10,287	52	−239	1,039	7,468	6,363	8,285	7,416	6,602	7,246
4 Retail paper on business, industrial, and farm equipment	27,764	−98	−67	−320	1,331	1,220	1,385	1,429	1,287	1,705
5 Loans on commercial accounts receivable and factored commercial accounts receivable	9,562	−8	189	279	13,071	12,616	15,794	13,079	12,427	15,515
6 All other business credit	18,421	−244	10	−233	1,796	1,573	2,234	1,552	1,563	2,467

1. Not seasonally adjusted.

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted

Item	1980	1981	1982	1983 Mar	Apr	May	June	July	Aug.r	Sept
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Conventional mortgages on new homes										
Terms[1]										
1 Purchase price (thousands of dollars)	83 4	90.4	94 6	80 1	89.6	92.1	93 0	97 3	94 4	100 7
2 Amount of loan (thousands of dollars)	59 2	65 3	69 8	60 5	66 5	67 8	69 2	72 3	67 3	76 1
3 Loan/price ratio (percent)	73 2	74 8	76 6	76 8	74 2	77 5	76 9	76.5	73 3	78 3
4 Maturity (years)	28 2	27 7	27 6	24.2	26 9	26 8	27 3	28 1	25.7	27.5
5 Fees and charges (percent of loan amount)[2]	2 09	2.67	2 95	2 21	2.09	2 44	2 43	2 54	1 96	2.51
6 Contract rate (percent per annum)	12 25	14 16	14 47	12 97	12 02	12 21	11.90	12.02	12 01	12 09
Yield (percent per annum)										
7 FHLBB series[3]	12 65	14 74	15.12	13 41	12 42	12.67	12 36	12.50	12.38	12.57
8 HUD series[4]	13.95	16 52	15.79	13.17	13 02	13.09	13.37	14.00	13 90	13.60
SECONDARY MARKETS										
Yield (percent per annum)										
9 FHA mortgages (HUD series)[5]	13 44	16 31	15 31	12.68	12.50	12 41	12 96	14 23	13 78	13.55
10 GNMA securities[6]	12 55	15 29	14 68	11.87	11.76	11 72	12 09	12 54	13.01	12.73
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	55,104	58,675	66,031	73,666	73,554	74,116	74,669	74,630	75,057	75,174
12 FHA/VA-insured	37,365	39,341	39,718	38,409	37,901	37,669	37,376	37,092	36,894	36,670
13 Conventional	17,725	19,334	26,312	35,257	35,653	36,446	37,293	37,583	38,163	38,505
Mortgage transactions (during period)										
14 Purchases	8,099	6,112	15,116	1,433	1,004	1,579	1,333	1,358	1,213	1,203
15 Sales	0	2	2	777	586	204	83	786	18	.
Mortgage commitments[7]										
16 Contracted (during period)	8,083	9,331	22,105	1,184	1,023	1,534	2,506	1,198	1,282	2,739
17 Outstanding (end of period)	3,278	3,717	7,606	6,187	5,811	5,726	5 887	5,099	5,165	6,684
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[8]										
18 Total	4,362	5,245	5,153	4,795	4,997	6,026	6,235	6,182	6,149	
19 FHA/VA	2,116	2,236	1,921	995	990	984	982	971	964	
20 Conventional	2,246	3,010	3,224	3,800	4,008	5,042	5,253	5,211	5,185	
Mortgage transactions (during period)										
21 Purchases	3,723	3,789	23,671	2,849	1,807	2,439	1,494	1,523	1,621	n.a.
22 Sales	2,527	3,531	24,164	2,469	1,525	1,408	1,244	1,491	1,588	
Mortgage commitments[9]										
23 Contracted (during period)	3,859	6,974	28,187	1,438	3,079	2,334	2,358	4,671	6,367	
24 Outstanding (end of period)	447	3,518	7,549	5,845	7,253	6,889	7,719	10,794	15,519	

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

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

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

4 Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points, from Department of Housing and Urban Development.

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

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

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

8 Includes participation as well as whole loans.

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

1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1980	1981	1982	1982 Q3	1982 Q4	1983 Q1	1983 Q2[r]	1983 Q3
1 **All holders**	**1,471,786**	**1,583,264**	**1,654,667**	**1,632,161**	**1,654,667**	**1,682,634**	**1,724,476**	**1,775,725**
2 1- to 4-family	986,979	1,065,294	1,112,343	1,097,507	1,112,343	1,134,538	1,160,353	1,195,105
3 Multifamily	137,134	136,354	136,725	136,508	136,725	137,938	142,286	145,896
4 Commercial	255,655	279,889	298,708	291,740	298,708	303,130	313,492	325,801
5 Farm	92,018	101,727	106,891	106,406	106,891	107,028	108,345	108,923
6 Major financial institutions	997,168	1,040,827	1,023,339	1,027,027	1,023,339	1,030,068	1,049,758	1,080,316
7 Commercial banks[1]	263,030	284,536	301,742	298,342	301,742	305,672	312,663	324,063
8 1- to 4-family	160,326	170,013	177,122	175,126	177,122	179,430	183,533	190,225
9 Multifamily	12,924	15,132	15,841	15,666	15,841	16,147	16,634	17,240
10 Commercial	81,081	91,026	100,269	99,050	100,269	101,575	103,898	107,686
11 Farm	8,699	8,365	8,510	8,500	8,510	8,520	8,598	8,912
12 Mutual savings banks	99,865	99,997	97,444	94,382	97,444	105,379	119,236	128,057
13 1- to 4-family	67,489	68,187	66,533	63,849	66,533	72,912	80,281	86,221
14 Multifamily	16,058	15,960	15,247	15,026	15,247	15,862	19,257	20,681
15 Commercial	16,278	15,810	15,635	15,479	15,635	16,577	19,650	21,104
16 Farm	40	40	29	28	29	28	48	51
17 Savings and loan associations	503,192	518,547	482,234	493,899	482,234	475,688	473,134	481,346
18 1- to 4-family	419,763	433,142	396,361	410,035	396,361	389,967	385,841	389,890
19 Multifamily	38,142	37,699	36,023	36,894	36,023	35,534	35,343	36,582
20 Commercial	45,287	47,706	49,850	46,970	49,850	50,187	51,950	54,874
21 Life insurance companies	131,081	137,747	141,919	140,404	141,919	143,329	144,725	146,850
22 1- to 4-family	17,943	17,201	16,743	16,865	16,743	16,855	15,834	15,607
23 Multifamily	19,514	19,283	18,847	18,967	18,847	19,076	18,738	18,852
24 Commercial	80,666	88,163	93,501	91,640	93,501	94,727	97,482	99,623
25 Farm	12,958	13,100	12,828	12,932	12,828	12,671	12,671	12,768
26 Federal and related agencies	114,300	126,094	138,185	134,409	138,185	140,028	142,111	142,606
27 Government National Mortgage Association	4,642	4,765	4,227	4,110	4,227	3,753	3,660	3,475
28 1- to 4-family	704	693	676	682	676	665	651	631
29 Multifamily	3,938	4,072	3,551	3,428	3,551	3,088	3,009	2,844
30 Farmers Home Administration	3,492	2,235	1,786	947	1,786	2,077	1,605	1,675
31 1- to 4-family	916	914	783	302	783	707	381	398
32 Multifamily	610	473	218	46	218	380	555	580
33 Commercial	411	506	377	164	377	337	248	258
34 Farm	1,555	342	408	435	408	653	421	439
35 Federal Housing and Veterans Administration	5,640	5,999	5,228	5,362	5,228	5,138	5,084	5,117
36 1- to 4-family	2,051	2,289	1,980	2,130	1,980	1,867	1,911	1,947
37 Multifamily	3,589	3,710	3,248	3,232	3,248	3,271	3,173	3,170
38 Federal National Mortgage Association	57,327	61,412	71,814	68,841	71,814	73,666	74,669	75,174
39 1- to 4-family	51,775	55,986	66,500	63,495	66,500	68,370	69,396	69,938
40 Multifamily	5,552	5,426	5,314	5,346	5,314	5,296	5,273	5,236
41 Federal Land Banks	38,131	46,446	50,350	49,983	50,350	50,544	50,858	51,040
42 1- to 4-family	2,099	2,788	3,068	3,029	3,068	3,059	3,030	3,012
43 Farm	36,032	43,658	47,282	46,954	47,282	47,485	47,828	48,028
44 Federal Home Loan Mortgage Corporation	5,068	5,237	4,780	5,166	4,780	4,850	6,235	6,125
45 1- to 4-family	3,873	5,181	4,733	5,116	4,733	4,795	6,119	6,005
46 Multifamily	1,195	56	47	50	47	55	116	120
47 Mortgage pools or trusts[2]	142,258	163,000	216,654	198,376	216,654	234,596	252,665	270,045
48 Government National Mortgage Association	93,874	105,790	118,940	114,776	118,940	127,939	139,276	149,612
49 1- to 4-family	91,602	103,007	115,831	111,728	115,831	124,482	135,628	145,692
50 Multifamily	2,272	2,783	3,109	3,048	3,109	3,457	3,648	3,920
51 Federal Home Loan Mortgage Corporation	16,854	19,853	42,964	35,132	42,964	48,008	50,934	54,342
52 1- to 4-family	13,471	19,501	42,560	34,739	42,560	47,575	50,446	53,690
53 Multifamily	3,383	352	404	393	404	433	488	652
54 Federal National Mortgage Association[3]	n.a.	717	14,450	8,133	14,450	18,157	20,933	23,819
55 1- to 4-family	n.a.	717	14,450	8,133	14,450	18,157	20,933	23,819
56 Farmers Home Administration	31,530	36,640	40,300	40,335	40,300	40,492	41,522	42,272
57 1- to 4-family	16,683	18,378	20,005	20,079	20,005	20,263	20,728	21,103
58 Multifamily	2,612	3,426	4,344	4,344	4,344	4,344	4,343	4,421
59 Commercial	5,271	6,161	7,011	7,056	7,011	7,115	7,303	7,435
60 Farm	6,964	8,675	8,940	8,856	8,940	8,770	9,148	9,313
61 Individual and others[4]	218,060	253,343	276,489	272,349	276,489	277,942	279,942	282,758
62 1- to 4-family[5]	138,284	167,297	184,998	182,199	184,998	185,434	185,641	186,927
63 Multifamily	27,345	27,982	30,532	30,068	30,532	30,995	31,709	31,598
64 Commercial	26,661	30,517	32,065	31,381	32,065	32,612	32,961	34,821
65 Farm	25,770	27,547	28,894	28,701	28,894	28,901	29,631	29,412

1. Includes loans held by nondeposit trust companies but not bank trust departments.
2. Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.
3. Outstanding balances on FNMA's issues of securities backed by pools of conventional mortgages held in trust. The program was implemented by FNMA in October 1981.
4. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or for which separate data are not readily available.
5. Includes a new estimate of residential mortgage credit provided by individuals.

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

1.55 CONSUMER INSTALLMENT CREDIT[1] Total Outstanding, and Net Change▲

Millions of dollars

Holder, and type of credit	1980	1981	1982	1983 Feb.	Mar	Apr.	May	June	July	Aug	Sept.
	Amounts outstanding (end of period)										
1 **Total**	**313,472**	**331,697**	**344,798**	**340,343**	**342,568**	**344,748**	**347,189**	**353,012**	**358,020**	**363,662**	**367,604**
By major holder											
2 Commercial banks	147,013	147,622	152,069	150,257	151,319	152,408	153,471	156,603	159,666	163,313	165,971
3 Finance companies	76,756	89,818	94,322	93,859	94,817	94,675	95,364	96,349	97,319	97,708	97,274
4 Credit unions	44,041	45,954	47,253	46,757	47,081	47,505	47,838	48,652	49,139	50,121	51,123
5 Retailers[2]	28,448	29,551	30,202	27,734	27,472	27,455	27,541	27,804	27,900	28,067	28,319
6 Savings and loans	9,911	11,598	13,891	14,860	15,083	15,551	15,842	16,207	16,369	16,615	17,130
7 Gasoline companies	4,468	4,403	4,063	3,780	3,669	3,980	3,943	4,159	4,356	4,457	4,338
8 Mutual savings banks	2,835	2,751	2,998	3,096	3,127	3,174	3,190	3,238	3,271	3,381	3,449
By major type of credit											
9 Automobile	116,838	125,331	130,227	129,055	130,959	131,976	133,640	136,183	138,689	141,677	142,477
10 Commercial banks	61,536	58,081	58,851	57,971	58,567	59,291	60,384	61,870	63,425	66,065	67,413
11 Indirect paper	35,233	34,375	35,178	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
12 Direct loans	26,303	23,706	23,673	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
13 Credit unions	21,060	21,975	22,596	22,360	22,518	22,721	22,880	23,269	23,502	23,972	24,451
14 Finance companies	34,242	45,275	48,780	48,724	49,874	49,964	50,376	51,044	51,762	51,640	50,613
15 Revolving	58,352	62,819	67,184	63,372	63,091	63,521	63,459	64,899	65,856	66,913	67,904
16 Commercial banks	29,765	32,880	36,688	35,481	35,533	35,651	35,536	36,515	37,173	37,973	38,848
17 Retailers	24,119	25,536	26,433	24,111	23,889	23,890	23,980	24,225	24,327	24,483	24,718
18 Gasoline companies	4,468	4,403	4,063	3,780	3,669	3,980	3,943	4,159	4,356	4,457	4,338
19 Mobile home	17,322	18,373	18,988	19,374	19,379	19,400	19,448	19,647	19,750	19,882	20,087
20 Commercial banks	10,371	10,187	9,684	9,806	9,739	9,624	9,581	9,651	9,717	9,741	9,766
21 Finance companies	3,745	4,494	4,965	4,960	4,967	4,970	4,976	4,995	4,982	5,012	5,038
22 Savings and loans	2,737	3,203	3,836	4,112	4,174	4,303	4,384	4,485	4,530	4,598	4,741
23 Credit unions	469	489	503	496	499	503	507	516	521	531	542
24 Other	120,960	125,174	128,399	128,542	129,139	129,851	130,642	132,283	133,725	135,190	137,136
25 Commercial banks	45,341	46,474	46,846	46,999	47,480	47,842	47,970	48,567	49,351	49,534	49,944
26 Finance companies	38,769	40,049	40,577	40,175	39,976	39,741	40,012	40,310	40,575	41,056	41,623
27 Credit unions	22,512	23,490	24,154	23,901	24,064	24,281	24,451	24,867	25,116	25,618	26,130
28 Retailers	4,329	4,015	3,769	3,623	3,583	3,565	3,561	3,579	3,573	3,584	3,601
29 Savings and loans	7,174	8,395	10,055	10,748	10,909	11,248	11,458	11,722	11,839	12,017	12,389
30 Mutual savings banks	2,835	2,751	2,998	3,096	3,127	3,174	3,190	3,238	3,271	3,381	3,449
	Net change (during period)[4]										
31 **Total**	**1,448**	**18,217**	**2,418**	**735**	**2,582**	**2,271**	**2,696**	**4,406**	**4,840**	**3,388**	**2,375**
By major holder											
32 Commercial banks	−7,163	607	1,111	788	1,354	1,186	1,540	2,422	2,766	2,317	1,829
33 Finance companies	8,438	13,062	1,024	−658	487	−520	362	470	909	239	−721
34 Credit unions	−2,475	1,913	197	43	143	708	288	573	662	510	646
35 Retailers[2]	329	1,103	−91	36	422	147	169	368	272	5	245
36 Savings and loans	1,485	1,682	201	677	187	394	374	456	188	147	507
37 Gasoline companies	739	−65	−51	−200	−35	299	−51	77	5	65	−167
38 Mutual savings banks	95	−85	27	49	24	57	14	40	38	105	36
By major type of credit											
39 Automobile	477	8,495	1,491	−233	1,221	689	1,313	1,973	2,421	2,521	285
40 Commercial banks	−5,830	−3,455	527	321	240	612	1,066	1,284	1,482	2,359	1,243
41 Indirect paper	−3,104	−858	429	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
42 Direct loans	−2,726	−2,597	98	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
43 Credit unions	−1,184	914	89	15	68	341	137	275	328	232	309
44 Finance companies	7,491	11,033	875	−569	913	−264	110	414	611	−70	−1,267
45 Revolving	1,415	4,467	501	−135	1,177	917	514	1,210	821	313	479
46 Commercial banks	−97	3,115	650	61	786	468	373	806	556	217	404
47 Retailers	773	1,417	−98	4	426	150	192	327	260	31	242
48 Gasoline companies	739	−65	−51	−200	−35	299	−51	77	5	65	−167
49 Mobile home	483	1,049	−37	204	−61	22	17	151	141	70	150
50 Commercial banks	−276	−186	−74	26	−95	−99	−86	28	68	−14	8
51 Finance companies	355	749	−15	59	−23	8	1	−6	7	15	1
52 Savings and loans	430	466	49	120	54	107	98	123	59	64	134
53 Credit unions	−25	20	3	−1	3	6	4	6	7	5	7
54 Other	−927	4,206	463	899	245	643	852	1,072	1,457	484	1,461
55 Commercial banks	−960	1,133	8	380	423	205	187	304	660	−245	174
56 Finance companies	592	1,280	164	−148	−403	−264	251	62	291	294	545
57 Credit unions	−1,266	975	105	29	72	361	147	292	327	273	330
58 Retailers	−444	−314	7	32	−4	−3	−23	41	12	−26	3
59 Savings and loans	1,056	1,217	152	557	133	287	276	333	129	83	373
60 Mutual savings banks	95	−85	27	49	24	57	14	40	38	105	36

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

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

3. Not reported after December 1982

4. For 1982 and earlier, net change equals extensions, seasonally adjusted less liquidations, seasonally adjusted Beginning 1983, net change equals outstandings, seasonally adjusted less outstandings of the previous period, seasonally adjusted.

NOTE: Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to, not seasonally adjusted, $74.8 billion at the end of 1980, $80.6 billion at the end of 1981, and $85.9 billion at the end of 1982

▲ These data have been revised from December 1980 through February 1983.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT

Percent unless noted otherwise

	Item	1980	1981	1982	1983 Mar.	1983 Apr.	1983 May	1983 June	1983 July	1983 Aug.	1983 Sept
	INTEREST RATES										
	Commercial banks[1]										
1	48-month new car[2]	14.30	16.54	16.83		...	13.90	...		13.50	
2	24-month personal	15.47	18.09	18.65	...	...	16.57	...		16.28	...
3	120-month mobile home[2]	14.99	17.45	18.05	...	...	15.84	...	...	15.58	...
4	Credit card	17.31	17.78	18.51	...	...	18.79	...	...	18.75	...
	Auto finance companies										
5	New car	14.82	16.17	16.15	12.07	11.90	11.94	11.57	11.84	12.77	13.62
6	Used car	19.10	20.00	20.75	19.38	18.91	18.76	18.58	18.28	18.25	18.21
	OTHER TERMS[3]										
	Maturity (months)										
7	New car	45.0	45.4	46.0	45.9	45.8	45.4	45.6	45.7	45.9	46.2
8	Used car	34.8	35.8	34.0	37.7	37.7	37.9	38.0	38.0	38.0	38.0
	Loan-to-value ratio										
9	New car	87.6	86.1	85.3	84.0	86.0	86.0	87	87	87	87
10	Used car	94.2	91.8	90.3	91.0	91.0	92.0	92	93	93	93
	Amount financed (dollars)										
11	New car	6,322	7,339	8,178	8,829	8,662	8,572	8,512	8,642	8,724	8,792
12	Used car	3,810	4,343	4,746	4,802	4,869	4,984	5,039	5,052	5,103	5,144

1. Data for midmonth of quarter only
2. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.
3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

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

Transaction category, sector	1977	1978	1979	1980	1981	1982	1980	1981		1982		1983
							H2	H1	H2	H1	H2	H1
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**319.4**	**369.8**	**386.0**	**343.2**	**377.2**	**395.3**	**371.3**	**392.4**	**362.0**	**356.8**	**434.8**	**504.9**
By sector and instrument												
2 U.S. government	56.8	53.7	37.4	79.2	87.4	161.3	92.5	87.8	86.9	106.9	215.5	230.2
3 Treasury securities	57.6	55.1	38.8	79.8	87.8	162.1	93.1	88.3	87.3	108.3	215.9	230.2
4 Agency issues and mortgages	-.9	-1.4	-1.4	-.6	-.5	-.9	-.6	-.5	-.4	-1.4	-.4	-.1
5 Private domestic nonfinancial sectors	262.6	316.2	348.6	264.0	289.8	234.1	278.7	304.6	275.1	249.9	219.3	274.7
6 Debt capital instruments	171.1	199.7	211.2	192.0	158.4	152.4	189.9	179.3	137.5	139.7	166.1	222.7
7 Tax-exempt obligations	21.9	28.4	30.3	30.3	21.9	50.5	31.9	21.1	22.6	41.7	59.4	58.1
8 Corporate bonds	22.9	21.1	17.3	26.7	22.1	18.8	20.7	26.1	18.0	10.8	26.9	20.9
9 Mortgages	126.3	150.2	163.6	135.1	114.5	83.0	137.3	132.0	96.9	87.3	79.9	143.7
10 Home mortgages	94.0	112.2	120.0	96.7	75.9	56.6	99.2	92.6	59.2	55.8	58.6	110.2
11 Multifamily residential	7.1	9.2	7.8	8.8	4.3	1.3	9.6	4.9	3.7	4.2	-1.7	7.7
12 Commercial	18.1	21.7	23.9	20.2	24.6	20.0	20.9	25.2	23.9	21.4	18.6	22.5
13 Farm	7.1	7.2	11.8	9.3	9.7	5.2	7.6	9.3	10.1	5.9	4.4	3.3
14 Other debt instruments	91.6	116.5	137.5	72.0	131.5	81.6	88.8	125.3	137.6	110.1	53.2	52.0
15 Consumer credit	40.2	48.8	45.4	4.9	24.1	18.3	13.0	28.9	19.3	19.3	17.4	38.8
16 Bank loans n.e.c.	27.1	37.4	51.2	36.7	54.7	54.4	59.7	45.5	63.9	70.1	38.8	14.0
17 Open market paper	2.9	5.2	11.1	5.7	19.2	-3.3	-9.2	12.0	26.3	6.5	-13.0	-16.3
18 Other	21.3	25.1	29.7	24.8	33.4	12.2	25.3	38.9	28.0	14.3	10.2	15.6
19 By borrowing sector	262.6	316.2	348.6	264.0	289.8	234.1	278.7	304.6	275.1	249.9	219.3	274.7
20 State and local governments	15.4	19.1	20.5	20.3	9.7	36.3	21.7	9.1	10.2	29.3	43.3	47.8
21 Households	137.3	169.4	176.4	117.5	120.6	86.3	121.3	139.8	101.3	87.6	86.1	154.6
22 Farm	12.3	14.6	21.4	14.4	16.3	9.0	12.8	20.1	12.5	9.0	9.1	-.6
23 Nonfarm noncorporate	28.0	32.4	34.4	33.7	39.6	29.8	40.6	39.8	39.5	34.6	24.9	34.6
24 Corporate	69.7	80.6	96.0	78.1	103.7	72.7	82.3	95.8	111.5	89.3	56.0	38.2
25 *Foreign net borrowing in United States*	13.5	33.8	20.2	27.2	27.2	15.7	26.7	31.9	22.5	12.8	18.6	17.7
26 Bonds	5.1	4.2	3.9	.8	5.4	6.6	-.4	3.3	7.6	2.4	10.8	4.4
27 Bank loans n.e.c.	3.1	19.1	2.3	11.5	3.7	-6.2	18.5	3.1	4.2	-5.1	-7.2	11.8
28 Open market paper	2.4	6.6	11.2	10.1	13.9	10.7	4.5	20.6	7.1	12.5	9.0	-3.7
29 U.S. government loans	3.0	3.9	2.9	4.7	4.2	4.5	4.0	4.9	3.5	3.0	6.0	5.2
30 **Total domestic plus foreign**	**332.9**	**403.6**	**406.2**	**370.4**	**404.4**	**411.0**	**397.9**	**424.4**	**384.5**	**369.6**	**453.4**	**522.6**
	Financial sectors											
31 **Total net borrowing by financial sectors**	**45.8**	**74.6**	**82.5**	**63.3**	**85.4**	**69.3**	**64.0**	**87.4**	**83.4**	**89.8**	**48.7**	**71.9**
By instrument												
32 U.S. government related	22.0	37.1	47.9	44.8	47.4	64.9	40.4	45.2	49.6	61.3	68.4	67.3
33 Sponsored credit agency securities	7.0	23.1	24.3	24.4	30.5	14.9	20.8	28.9	32.1	23.6	6.3	-2.5
34 Mortgage pool securities	16.1	13.6	23.1	19.2	15.0	49.5	18.6	14.9	15.1	37.0	62.1	69.8
35 Loans from U.S. government	-1.1	.4	.6	1.2	1.9	.4	1.1	1.4	2.4	.8	...	...
36 Private financial sectors	23.8	37.5	34.6	18.5	38.0	4.4	23.6	42.2	33.8	28.5	-19.7	4.6
37 Corporate bonds	10.1	7.5	7.8	7.1	-.8	2.3	3.1	-.3	-1.4	-1.2	5.8	13.0
38 Mortgages	*	.1	*	-.1	-.5	.1	-.2	-.8	-.2	.1	.1	.1
39 Bank loans n.e.c.	-.3	2.8	-.4	-.4	2.2	3.2	-.4	3.2	1.1	5.2	1.2	-4.2
40 Open market paper	9.6	14.6	18.0	4.8	20.9	-2.0	10.8	23.5	18.4	14.0	-18.0	8.6
41 Loans from Federal Home Loan Banks	4.3	12.5	9.2	7.1	16.2	.8	10.3	16.7	15.8	10.4	-8.8	-12.9
By sector												
42 Sponsored credit agencies	5.9	23.5	24.8	25.6	32.4	15.3	21.8	30.3	34.5	24.4	6.3	-2.5
43 Mortgage pools	16.1	13.6	23.1	19.2	15.0	49.5	18.6	14.9	15.1	37.0	62.1	69.8
44 Private financial sectors	23.8	37.5	34.6	18.5	38.0	4.4	23.6	42.2	33.8	28.5	-19.7	4.6
45 Commercial banks	1.1	1.3	1.6	.5	.4	1.2	.3	.2	.5	.7	1.7	1.7
46 Bank affiliates	2.0	7.2	6.5	6.9	8.3	1.9	8.0	6.9	9.7	9.7	-5.8	6.1
47 Savings and loan associations	6.9	13.5	12.6	7.4	15.5	-3.0	12.3	16.8	14.1	9.1	-15.2	-10.1
48 Finance companies	16.9	18.1	16.6	6.3	14.1	4.9	5.8	18.5	9.7	9.5	.2	7.5
49 REITs	-2.5	-1.4	-1.3	-2.2	.2	.1	-2.5	.2	.2	.1	.1	.1
	All sectors											
50 **Total net borrowing**	**378.7**	**478.2**	**488.7**	**433.7**	**489.8**	**480.3**	**462.0**	**511.8**	**467.9**	**459.4**	**502.1**	**594.5**
51 U.S. government securities	79.9	90.5	84.8	122.9	133.0	225.9	132.0	131.8	134.3	167.6	284.0	297.6
52 State and local obligations	21.9	28.4	30.3	30.3	21.9	50.5	31.9	21.1	22.6	41.7	59.4	58.1
53 Corporate and foreign bonds	38.0	32.8	29.0	34.6	26.7	27.7	23.5	29.1	24.2	12.0	43.5	38.3
54 Mortgages	126.2	150.2	163.5	134.9	113.9	83.0	137.0	131.1	96.6	87.3	79.8	143.7
55 Consumer credit	40.2	48.8	45.4	4.9	24.1	18.3	13.0	28.9	19.3	19.3	17.4	38.8
56 Bank loans n.e.c.	29.9	59.3	53.0	47.8	60.6	51.4	77.8	51.8	69.3	70.2	32.8	21.6
57 Open market paper	15.0	26.4	40.3	20.6	54.0	5.4	6.1	56.1	51.9	33.0	-22.1	-11.4
58 Other loans	27.5	41.9	42.4	37.8	55.8	17.9	40.7	61.8	49.7	28.4	7.4	7.9
	External corporate equity funds raised in United States											
59 **Total new share issues**	**6.5**	**1.9**	**-3.8**	**22.2**	**-3.7**	**35.4**	**28.0**	**10.2**	**-17.7**	**23.7**	**47.0**	**80.8**
60 Mutual funds	.9	-.1	.1	5.2	6.8	18.6	4.6	8.1	5.6	13.2	24.0	38.5
61 All other	5.6	1.9	-3.9	17.1	-10.6	16.8	23.3	2.1	-23.2	10.6	23.0	42.3
62 Nonfinancial corporations	2.7	-.1	-7.8	12.9	-11.5	11.4	18.8	.9	-23.8	7.0	15.8	32.3
63 Financial corporations	2.5	2.5	3.2	2.1	.9	4.1	2.3	.5	1.2	3.8	4.4	4.4
64 Foreign shares purchased in United States	.4	-.5	.8	2.1	*	1.3	2.2	.7	-.7	-.2	2.9	5.7

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1977	1978	1979	1980	1981	1982	1980	1981		1982		19
							H2	H1	H2	H1	H2	H
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**319.4**	**369.8**	**386.0**	**343.2**	**377.2**	**395.3**	**371.3**	**392.4**	**362.0**	**356.8**	**434.8**	**50**
By public agencies and foreign												
2 Total net advances	79.3	102.3	75.2	97.0	97.4	109.3	77.2	113.8	81.0	107.9	110.8	12
3 U.S. government securities	34.9	36.1	-6.3	15.7	17.2	17.9	-8	31.2	3.1	17.7	18.2	4
4 Residential mortgages	20.0	25.7	35.8	31.7	23.4	61.1	28.2	21.9	25.0	48.1	74.0	7
5 FHLB advances to savings and loans	4.3	12.5	9.2	7.1	16.2	8	10.3	16.7	15.8	10.4	-8.8	-1
6 Other loans and securities	20.2	28.0	36.5	42.4	40.6	29.5	39.4	44.1	37.1	31.7	27.4	1
Total advanced, by sector												
7 U.S. government	10.0	17.1	19.0	23.7	24.1	16.7	22.2	27.9	20.3	14.2	19.1	
8 Sponsored credit agencies	22.5	40.3	53.0	45.6	48.2	65.3	44.0	47.2	49.2	62.5	68.1	6
9 Monetary authorities	7.1	7.0	7.7	4.5	9.2	9.8	10.3	2.4	16.0	1	19.5	1
10 Foreign	39.6	38.0	-4.6	23.2	16.0	17.6	21.3	36.4	-4.4	31.1	4.1	3
Agency and foreign borrowing not in line 1												
11 Sponsored credit agencies and mortgage pools	22.0	37.1	47.9	44.8	47.4	64.9	40.4	45.2	49.6	61.3	68.4	6
12 Foreign	13.5	33.8	20.2	27.2	27.2	15.7	26.7	31.9	22.5	12.8	18.6	1
Private domestic funds advanced												
13 Total net advances	275.6	338.4	379.0	318.2	354.4	366.6	361.2	355.7	353.1	323.0	411.0	46
14 U.S. government securities	45.1	54.3	91.1	107.2	115.9	207.9	132.7	100.6	131.1	149.9	265.8	24
15 State and local obligations	21.9	28.4	30.3	30.3	21.9	50.5	31.9	21.1	22.6	41.7	59.4	5
16 Corporate and foreign bonds	24.1	23.4	18.5	19.3	19.4	15.4	11.8	20.9	17.9	-1.7	32.4	2.
17 Residential mortgages	81.0	95.6	91.9	73.7	56.7	3.3	80.5	75.5	37.9	11.7	-17.2	4
18 Other mortgages and loans	107.8	149.3	156.3	94.8	156.9	96.8	114.5	154.3	159.5	131.7	62.0	8
19 Less: Federal Home Loan Bank advances	4.3	12.5	9.2	7.1	16.2	8	10.3	16.7	15.8	10.4	8.8	-1
Private financial intermediation												
20 Credit market funds advanced by private financial institutions	258.8	302.3	294.7	262.3	305.2	271.2	282.8	317.3	293.1	272.8	268.9	36
21 Commercial banking	87.8	129.0	123.1	101.1	103.6	108.5	146.5	99.6	107.6	109.7	107.1	14
22 Savings institutions	78.5	72.8	56.7	54.9	27.2	30.6	72.9	41.5	12.8	29.5	31.0	11
23 Insurance and pension funds	69.0	75.0	66.4	74.4	79.3	94.2	65.6	75.3	83.4	95.4	93.0	10
24 Other finance	23.6	25.5	48.5	32.0	95.2	37.9	-2.2	101.0	89.4	38.1	37.8	-
25 Sources of funds	258.8	302.3	294.7	262.3	305.2	271.2	282.8	317.3	293.1	272.8	268.9	36
26 Private domestic deposits and RPs	139.0	141.0	142.0	168.6	211.7	173.4	174.2	213.8	209.6	163.4	182.7	22
27 Credit market borrowing	23.8	37.5	34.6	18.5	38.0	4.4	23.6	42.2	33.8	28.5	-19.7	
28 Other sources	96.1	123.8	118.1	75.2	55.5	93.5	85.0	61.3	49.8	80.8	105.9	13
29 Foreign funds	1.4	6.5	27.6	21.7	-8.7	-27.7	-15.3	-8.7	-8.7	-30.1	-25.4	-2
30 Treasury balances	4.3	6.8	4	-2.6	-1.1	6.1	1.0	6.5	-8.7	-2.1	14.1	
31 Insurance and pension reserves	51.4	62.2	49.1	65.4	73.2	85.9	61.3	62.7	83.8	85.4	86.4	8
32 Other, net	39.0	48.4	41.0	34.0	-7.9	29.2	38.0	.8	16.7	27.6	30.7	6
Private domestic nonfinancial investors												
33 Direct lending in credit markets	40.6	73.6	118.9	74.4	87.2	99.7	102.0	80.6	93.8	78.7	122.4	11
34 U.S. government securities	24.6	36.3	61.4	38.3	47.4	58.1	58.6	37.2	57.6	43.1	72.7	7
35 State and local obligations	-8	3.6	9.9	7.0	9.6	30.9	9.2	9.5	9.7	28.4	33.4	4.
36 Corporate and foreign bonds	-3.2	-1.8	5.7	6	-8.9	9.4	-2	-5.5	-12.4	-26.3	7.4	-
37 Open market paper	9.6	15.6	12.1	4.3	3.7	-2.0	1.4	-3.3	10.7	6.7	10.7	1
38 Other	10.4	19.9	29.8	32.9	35.4	22.1	32.9	42.7	28.2	26.8	19.6	
39 Deposits and currency	148.6	152.2	151.4	180.0	221.7	179.4	185.5	222.6	220.7	166.2	192.1	24
40 Currency	8.3	9.3	7.9	10.3	9.5	8.4	9.7	8.0	11.0	4.5	12.3	1
41 Checkable deposits	17.2	16.2	18.7	5.0	18.1	13.0	9.9	29.8	6.5	6.7	19.1	6
42 Small time and savings accounts	93.6	65.9	59.2	83.1	47.2	137.0	90.2	30.7	63.6	95.1	178.6	30
43 Money market fund shares	.2	6.9	34.4	29.2	107.5	24.7	-3.4	104.1	110.8	39.4	10.0	-8
44 Large time deposits	25.7	44.4	23.0	44.7	36.4	-5.2	69.8	41.6	31.2	21.2	31.6	-7
45 Security RPs	2.2	7.5	6.6	6.5	2.5	3.8	7.8	7.7	-2.6	1.1	6.6	1
46 Deposits in foreign countries	1.3	2.0	1.5	1.1	5	-2.4	1.7	.8	2	1.8	-2.9	
47 **Total of credit market instruments, deposits and currency**	**189.1**	**225.8**	**270.3**	**254.4**	**308.9**	**279.1**	**287.5**	**303.3**	**314.5**	**244.9**	**314.5**	**35**
48 Public holdings as percent of total	23.8	25.3	18.5	26.2	24.1	26.6	19.4	26.8	21.1	29.2	24.4	2
49 Private financial intermediation (in percent)	93.9	89.3	77.7	82.4	86.1	74.0	78.3	89.2	83.0	84.4	65.4	7
50 Total foreign funds	41.0	44.6	23.0	1.5	7.3	-10.2	6.0	27.8	-13.1	1.0	-21.3	
MEMO: Corporate equities not included above												
51 **Total net issues**	**6.5**	**1.9**	**-3.8**	**22.2**	**-3.7**	**35.4**	**28.0**	**10.2**	**-17.7**	**23.7**	**47.0**	**80**
52 Mutual fund shares	9	-1	1	5.2	6.8	18.6	4.6	8.1	5.6	13.2	24.0	38
53 Other equities	5.6	1.9	-3.9	17.1	10.6	16.8	23.3	2.1	23.2	10.6	23.0	42
54 Acquisitions by financial institutions	7.4	4.5	9.7	16.8	22.1	27.9	22.3	25.3	18.9	19.3	36.4	66
55 Other net purchases	-9	-2.7	-13.5	5.4	-25.9	7.5	5.7	-15.1	-36.6	4.4	10.6	14

NOTES BY LINE NUMBER

1 Line 1 of table 1.58
2 Sum of lines 3–6 or 7–10
6 Includes farm and commercial mortgages
11 Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities
13 Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46.
18 Includes farm and commercial mortgages
26 Line 39 less lines 40 and 46.
27 Excludes equity issues and investment company shares. Includes line 19
29 Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates
30 Demand deposits at commercial banks.
31 Excludes net investment of these reserves in corporate equities
32 Mainly retained earnings and net miscellaneous liabilities
33. Line 12 less line 20 plus line 27.
34–38. Lines 14–18 less amounts acquired by private finance. Line 38 inclu mortgages
40. Mainly an offset to line 9
47 Lines 33 plus 39, or line 13 less line 28 plus 40 and 46
48 Line 2/line 1
49. Line 20/line 13
50 Sum of lines 10 and 29
51, 53 Includes issues by financial institutions

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

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1980	1981	1982	1983 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct
1 **Industrial production[1]**	**147.0**	**151.0**	**138.6**	**138.1**	**140.0**	**142.6**	**144.4**	**146.4**	**149.7r**	**151.7**	**153.6**	**154.8**
Market groupings												
2 Products, total	146.7	150.6	141.8	140.3	141.6	144.5	146.2	148 1	150.9r	153.0	154.7	155.9
3 Final, total	145.3	149.5	141.5	138.9	139.9	142.8	144.5	146 4	149.0r	150.6	152.5	153.8
4 Consumer goods	145.4	147.9	142.6	143.4	144.3	147.7	150.4	152.4	154.8r	156.1	157.8	158.2
5 Equipment	145.2	151.5	139 8	132 7	133.8	136.2	136.5	138.2	141.0r	143.1	145.1	147.8
6 Intermediate	151.9	154.4	143 3	145.3	147.8	150.8	152.2	154.5	158.1r	161 7	163.2	163 9
7 Materials	147.6	151.6	133.7	134.9	137.6	139.7	141.7	143.7	147.8r	149.6	151.7	153.0
Industry groupings												
8 Manufacturing	146 7	150.4	137.6	138.2	140.4	143.1	145.1	147.4	150.6r	152.6	154.8	156.2
Capacity utilization (percent)[1,2]												
9 Manufacturing	79.6	79.4	71.1	70.6	71.6	72.9	73.8	74.9	76.4r	77.3r	78.3r	78.9
10 Industrial materials industries	80 4	80 7	70 1	70.1	71.5	72.5	73.5	74.4	76.5r	77.4r	78.4r	78.9
11 Construction contracts (1977 = 100)[3]	107.0	111 0	111.0	119 0	131.0	129.0	148.0	151.0	137.0	146.0	143.0r	n.a.
12 Nonagricultural employment, total[4]	137.4	138.5	136.2	134.9	135.0	135.4	135.9	136.5	137.0	136.4	137.9r	138.4
13 Goods-producing, total	110.1	109.4	102.6	98.9	98.8	99.4	100.2	100.9	101.8	102.2	102.7r	103.7
14 Manufacturing, total	104 3	103.7	96.9	93.8	93.9	94.5	95.1	95.6	96.3	96.6	97.1r	97.9
15 Manufacturing, production-worker	99 3	98.0	89.4	86.0	86.1	86.9	87.6	88.2	89 2	89.5r	89.9r	91.1
16 Service-producing	152.4	154.4	154.7	154.6	154 8	155.2	155.5	156.1	156 3	155.1	157.2r	157.4
17 Personal income, total	343 7	386 5	409.3	420.7	423.8	426.8r	431.6	433.7	436.1	437.4r	441.4r	n.a
18 Wages and salary disbursements	317 7	349 7	367 2	376.2	378.6	382.2	386.9	389.0	391.9	393 6r	395.8r	n.a.
19 Manufacturing	264.4	287.3	286.2	286.9	289.3	293.4	296.4	299.2	302.6	304.5r	307.8r	n.a
20 Disposable personal income[5]	333.8	373.7	397.3	410.3	413 7	417.4	420.5	422.0	429.0r	430.0r	434.1r	n.a.
21 Retail sales[6]	303.8	330.6	326.0	348.3	356.4	364.7	376.1	378.9	380.3	373.7r	387.7r	382.8
Prices[7]												
22 Consumer	246.8	272.4	289.1	293.2	293.4	295 5	297.1	298.1	299.3	300.3	301.8r	n.a.
23 Producer finished goods	247.0	269.8	280.7	284.1	283.4	283.0	284.3	285.0	285.7	286.2	285.1r	n.a.

1. The capacity utilization series has been revised back to January 1967.
2. Ratios of indexes of production to indexes of capacity Based on data from Federal Reserve, McGraw-Hill Economics Department, Department of Commerce, and other sources.
3. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.
4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.
5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).
6. Based on Bureau of Census data published in *Survey of Current Business*.
7. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S Department of Labor.

NOTE. Basic data (not index numbers) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 may also be found in the *Survey of Current Business*.

Figures for industrial production for the last two months are preliminary and estimated, respectively.

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1982 Q4	1983 Q1	1983 Q2	1983 Q3r	1982 Q4	1983 Q1	1983 Q2r	1983 Q3	1982 Q4	1983 Q1	1983 Q2	1983 Q3r
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)			
1 **Total industry**	**135.3**	**138.5**	**144.5**	**151.7**	**193.7**	**194.6**	**195.5**	**196.4**	**69.8**	**71.2**	**73.9**	**77.2**
2 Mining	117 0	116 7	112.3	116.2	165.1	165.2	165.3	165.4	70.9	70.6	67.9	70.3
3 Utilities	166.2	163.6	169.6	177.3	207.4	208.5	209.8	211.1	80.1	78.5	80.8	84.0
4 **Manufacturing**	**134.5**	**138.4**	**145.2**	**152.7**	**194.8**	**195.7**	**196.6**	**197.5**	**69.0**	**70.7**	**73.8**	**77.3**
5 Primary processing	129.3	137 0	145 2	152.5	193.7	194.3	194.8	195.3	66.8	70.5	74.6	78.1
6 Advanced processing	137.3	139.7	145.1	152.7	195.4	196.5	197.6	198.6	70.2	71 1	73.5	76.9
7 **Materials**	**128.7**	**134.8**	**141.7**	**149.7**	**191.7**	**192.3**	**192.9**	**193.4**	**67.1**	**70.1**	**73.5**	**77.4**
8 Durable goods	117 1	125 2	134.7	144.1	194.8	195.2	195.6	196.0	60.2	64.2	68.9	73.6
9 Metal materials	66.5	78.6	84.9	89.6	140.3	140.2	139.9	139.8	47.4	56.1	60.7	64.2
10 Nondurable goods	157.0	163.7	171.7	178.6	216.9	217.8	218.8	219.6	72.4	75.2	78.5	81.3
11 Textile, paper, and chemical	160.8	169.3	179.6	186.9	228.3	229.4	230.7	231.6	70.5	73.8	77.9	80.7
12 Paper	147.6	149.9	153.4	161.8	164.4	165.3	166.1	166.9	89.7	90.7	92 3	96.9
13 Chemical	191.9	204.7	219.4	226.3	292.8	294.8	296.6	298.3	65.5	69.4	74.0	75.9
14 Energy materials	121.5	122.2	121.5	127.5	153.3	153.9	154 3	154.7	79 2	79.5	78.7	82.4

2.11 Continued

Series	Previous cycle[1] High	Previous cycle[1] Low	Latest cycle[2] High	Latest cycle[2] Low	1982 Oct	1983 Feb.	Mar.	Apr.	May	June	July[r]	Aug.[r]	Sept.[r]	Oc
	Capacity utilization rate (percent)													
15 **Total industry**	**88.4**	**71.1**	**87.3**	**76.5**	**70.1**	**71.0**	**71.8**	**73.1**	**73.9**	**74.8**	**76.3**	**77.2**	**78.1**	
16 Mining	91 8	86.0	88.5	84.0	70 3	69 9	68 1	67 5	68.2	68.1	69.5	70.3	70.9	
17 Utilities	94.9	82.0	86.7	83.8	81 0	77 7	79.4	80.9	80.9	80.8	83.5	85.0	83 4	
18 **Manufacturing**	**87.9**	**69.0**	**87.5**	**75.5**	**69.4**	**70.6**	**71.6**	**72.9**	**73.8**	**74.9**	**76.4**	**77.3**	**78.3**	
19 Primary processing	93 7	68 2	91 4	72.6	67.6	70 8	72 1	73 4	74.6	75 7	77 1	78 0	79 2	
20 Advanced processing	85.5	69.4	85.9	77.0	70 3	70 8	71.5	72.5	73.4	74.4	76.0	76.8	77 8	
21 **Materials**	**92.6**	**69.3**	**88.9**	**74.2**	**67.9**	**70.1**	**71.5**	**72.5**	**73.5**	**74.4**	**76.5**	**77.4**	**78.4**	
22 Durable goods	91.4	63.5	88.4	68.4	60 9	64.2	66.0	67.7	68.9	70.0	72.1	73.5	75.1	
23 Metal materials	97.8	68 0	95 4	59 4	49.3	56.1	58.8	59.9	61 0	61.2	62 3	64.0	66 2	
24 Nondurable goods	94.4	67 4	91 7	77 5	73 1	75.3	76.8	77.2	78.7	79.6	80.7	80.9	82 3	
25 Textile, paper, and chemical	95.1	65.4	92.3	75.5	70 9	74 1	75.8	76.4	78.1	79.2	80.4	80.3	81.3	
26 Paper	99.4	72 4	97.9	89.8	90.7	90.8	90.3	91.0	92 9	93.1	96.7	96 7	97 4	n
27 Chemical	95.5	64 2	91 3	70.7	65.7	69.9	71.9	72.6	74 0	75 3	75 9	75 3	76 5	n
28 Energy materials	94.5	84.4	88.7	84.4	80 0	79 2	79 2	78 9	78.5	78.8	82 6	82 9	81.6	

1. Monthly high 1973; monthly low 1975.

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

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1980	1981	1982	1983 Apr.	May	June	July	Aug.	Sept.	Oct
HOUSEHOLD SURVEY DATA										
1 **Noninstitutional population**[1]	**169,847**	**172,272**	**174,451**	**175,996**	**176,151**	**176,320**	**176,498**	**176,648**	**176,811**	**176,**
2 Labor force (including Armed Forces)[1]	109,042	110,812	112,384	112,988	112,947	114,127	114,067	114,469	114,577	114,
3 Civilian labor force	106,940	108,670	110,204	110,786	110,749	111,932	111,875	112,261	112,368	111,
Employment										
4 Nonagricultural industries[2]	95,938	97,030	96,125	96,088	96,190	97,264	97,758	98,074	98,655	98,
5 Agriculture	3,364	3,368	3,401	3,371	3,367	3,522	3,527	3,489	3,290	3,
Unemployment										
6 Number	7,637	8,273	10,678	11,328	11,192	11,146	10,590	10,699	10,423	9,
7 Rate (percent of civilian labor force)	7.1	7.6	9.7	10.2	10 1	10 0	9 5	9.5	9.3	
8 Not in labor force	60,805	61,460	62,067	63,008	63,204	62,193	62,431	62,179	62,234	62,
ESTABLISHMENT SURVEY DATA										
9 **Nonagricultural payroll employment**[3]	**90,406**	**91,156**	**89,596**	**89,101**	**89,421**	**89,844**[r]	**90,152**[r]	**89,735**[r]	**90,753**[r]	**91,**
10 Manufacturing	20,285	20,170	18,853	18,376	18,493	18,582[r]	18,733[r]	18,793[r]	18,876[r]	19,
11 Mining	1,027	1,132	1,122	997	994	1,003[r]	1,017[r]	1,023[r]	1,027[r]	1,
12 Contract construction	4,346	4,176	3,912	3,786	3,860	3,933[r]	3,974[r]	4,014[r]	4,040[r]	4,
13 Transportation and public utilities	5,146	5,157	5,057	4,988	4,993	4,992[r]	4,984[r]	4,341[r]	5,027[r]	5,
14 Trade	20,310	20,551	20,547	20,329	20,356	20,494[r]	20,529[r]	20,580[r]	20,613[r]	20,
15 Finance	5,160	5,301	5,350	5,423	5,435	5,451	5,465[r]	5,488	5,496[r]	5,
16 Service	17,890	20,547	20,401	19,478	19,546	19,668[r]	19,770[r]	19,835[r]	19,921[r]	20,
17 Government	16,241	16,024	15,784	15,724	15,744	15,721[r]	15,680[r]	15,661[r]	15,753[r]	15,

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

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

3. Data include all full- and part-time employees who worked during, received pay for, the pay period that includes the 12th day of the month, exclude proprietors, self-employed persons, domestic servants, unpaid fan workers, and members of the Armed Forces Data are adjusted to the March 1 benchmark and only seasonally adjusted data are available at this time Based data from *Employment and Earnings* (U S Department of Labor).

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted

Grouping	1967 proportion	1982 avg	1982 Oct.	1982 Nov.	1982 Dec.	1983 Jan.	1983 Feb.	1983 Mar.	1983 Apr	1983 May	1983 June	1983 July^r	1983 Aug.	1983 Sept^p	1983 Oct^e
			Index (1967 = 100)												
MAJOR MARKET															
1 **Total index**	**100.00**	**138.6**	**135.7**	**134.9**	**135.2**	**137.4**	**138.1**	**140.0**	**142.6**	**144.4**	**146.4**	**149.7**	**151.7**	**153.6**	**154.8**
2 Products	60.71	141.8	139.3	139.0	139.9	140.9	140.3	141.6	144.5	146.2	148.1	150.9	153.0	154.7	155.9
3 Final products	47.82	141.5	138.7	138.3	139.5	140.1	138.9	139.9	142.8	144.5	146.4	149.0	150.6	152.5	153.8
4 Consumer goods	27.68	142.6	142.2	141.3	142.0	143.6	143.4	144.3	147.7	150.4	152.4	154.8	156.1	157.8	158.2
5 Equipment	20.14	139.8	134.0	134.2	136.1	135.3	132.7	133.8	136.2	136.5	138.2	141.0	143.1	145.1	147.8
6 Intermediate products	12.89	143.3	141.6	141.8	141.5	143.7	145.3	147.8	150.8	152.2	154.5	158.1	161.7	163.2	163.9
7 Materials	39.29	133.7	130.0	128.4	127.8	132.0	134.9	137.6	139.7	141.7	143.7	147.8	149.6	151.7	153.0
Consumer goods															
8 Durable consumer goods	7.89	129.2	126.5	124.6	125.9	131.6	134.4	136.3	140.5	145.5	149.2	152.9	154.0	157.9	158.0
9 Automotive products	2.83	129.5	123.6	120.7	128.7	136.2	144.3	142.6	144.9	152.2	160.0	167.0	167.5	173.4	171.2
10 Autos and utility vehicles	2.03	99.0	89.6	86.9	99.0	107.0	120.8	116.4	117.8	124.9	135.4	145.4	147.0	153.1	149.8
11 Autos	1.90	86.6	79.5	77.7	87.9	97.1	107.3	99.9	102.7	107.4	118.3	129.8	132.0	135.0	130.3
12 Auto parts and allied goods	.80	206.9	210.0	206.6	204.0	210.2	203.9	209.3	213.6	221.5	222.6	221.9	219.7	224.8	225.5
13 Home goods	5.06	129.1	128.1	126.8	124.3	129.1	128.8	132.8	138.1	141.8	143.2	144.9	146.4	149.3	150.6
14 Appliances, A/C, and TV	1.40	102.6	106.1	104.8	94.2	109.5	105.8	105.0	106.1	112.8	114.4	116.2	121.2	126.1	129.0
15 Appliances and TV	1.33	104.6	110.5	108.4	98.3	112.9	108.8	108.5	109.7	116.1	118.4	119.7	125.0	130.7	.
16 Carpeting and furniture	1.07	149.7	151.9	151.4	150.8	149.0	156.7	168.3	180.5	181.9	185.6	187.3	187.1	187.3	.
17 Miscellaneous home goods	2.59	135.0	130.1	128.6	129.8	131.4	129.7	133.3	137.9	140.9	141.3	143.0	143.3	146.2	146.9
18 Nondurable consumer goods	19.79	148.0	148.5	147.9	148.4	148.3	147.0	147.5	150.5	152.3	153.6	155.6	156.9	157.8	158.2
19 Clothing	4.29					...		...	...	...	.....	...		...	.
20 Consumer staples	15.50	159.0	159.1	158.1	158.8	158.6	157.4	158.1	161.1	162.8	164.3	166.1	167.7	168.5	168.8
21 Consumer foods and tobacco	8.33	149.7	150.2	149.0	149.5	150.9	149.5	148.4	150.9	153.2	155.9	156.6	156.1	.....	.....
22 Nonfood staples	7.17	169.7	169.5	168.7	169.6	167.6	166.5	169.4	172.9	174.0	174.1	177.2	181.2	181.8	181.7
23 Consumer chemical products	2.63	219.9	220.0	218.9	220.9	222.6	220.9	225.6	225.5	227.8	229.0	233.8	239.2	241.4	
24 Consumer paper products	1.92	127.7	125.3	125.1	128.3	127.1	127.9	128.1	129.2	128.6	130.1	132.6	136.4	137.9	.....
25 Consumer energy products	2.62	150.2	151.1	150.2	148.4	142.2	140.2	143.3	152.2	153.4	151.2	153.2	155.7	154.1	.....
26 Residential utilities	1.45	170.8	169.1	171.5	169.3	164.1	162.9	166.1	175.5	174.3	170.5	173.2	179.9	....	. .
Equipment															
27 Business	12.63	157.9	147.1	146.4	148.1	146.6	142.7	143.7	146.9	147.7	150.2	153.3	156.5	158.8	162.3
28 Industrial	6.77	134.9	118.3	117.2	117.9	118.4	113.7	113.1	113.5	114.5	116.3	119.9	124.2	125.9	128.9
29 Building and mining	1.44	214.2	169.3	165.7	171.9	173.8	153.6	145.3	141.8	146.2	148.7	154.4	159.2	162.1	169.8
30 Manufacturing	3.85	107.2	98.0	97.5	97.0	97.6	97.9	99.7	101.7	102.5	105.0	108.9	113.5	115.1	117.7
31 Power	1.47	129.9	121.0	121.0	119.7	118.3	116.0	116.2	116.6	115.0	114.1	114.6	118.0	118.5	118.0
32 Commercial transit, farm	5.86	184.4	180.5	180.2	183.0	179.2	176.1	179.2	185.4	186.1	189.5	191.9	193.8	196.8	200.8
33 Commercial	3.26	253.5	253.5	254.8	258.6	254.9	251.2	255.7	264.3	265.0	270.9	276.0	277.0	281.1	285.9
34 Transit	1.93	103.9	93.2	92.3	96.2	90.8	88.2	90.1	92.0	92.6	93.2	92.0	95.9	97.4	101.0
35 Farm	.67	80.5	76.8	70.7	65.1	66.0	63.4	63.4	70.2	71.3	70.4	70.8	70.8	73.1	
36 Defense and space	7.51	109.4	111.9	113.6	115.9	116.4	116.1	117.0	118.2	117.6	118.0	120.4	120.7	122.0	123.5
Intermediate products															
37 Construction supplies	6.42	124.3	122.5	123.4	123.0	127.0	129.7	133.1	136.4	138.4	142.1	145.8	149.2	150.7	151.0
38 Business supplies	6.47	162.1	160.5	160.1	159.8	160.3	160.9	162.3	165.2	166.0	166.8	170.4	174.1	175.6	.....
39 Commercial energy products	1.14	181.1	180.4	182.4	182.4	180.6	178.6	180.3	183.3	183.1	181.4	185.2	185.8	185.2	....
Materials															
40 Durable goods materials	20.35	125.0	118.5	116.4	116.5	121.5	125.3	128.7	132.4	134.7	137.0	141.1	144.1	147.2	149.3
41 Durable consumer parts	4.58	95.3	91.4	90.0	91.1	96.2	101.6	104.0	106.5	108.5	109.5	115.6	119.4	123.0	124.5
42 Equipment parts	5.44	166.8	155.4	155.1	155.3	157.5	158.8	162.5	167.2	170.6	175.8	180.8	183.6	185.9	189.4
43 Durable materials n.e.c.	10.34	116.2	111.1	107.7	107.4	113.8	118.2	121.9	125.4	127.5	128.7	131.5	134.2	137.6	139.2
44 Basic metal materials	5.57	79.9	73.0	69.1	68.7	78.1	82.4	86.0	87.8	89.3	89.6	90.8	93.1	96.0	..
45 Nondurable goods materials	10.47	157.5	158.2	157.3	155.6	159.7	164.0	167.5	168.7	172.1	174.3	177.0	177.7	181.0	181.9
46 Textile, paper, and chemical materials	7.62	161.1	161.5	161.0	160.0	163.7	170.0	174.3	175.9	180.2	182.8	186.1	186.0	188.6	189.8
47 Textile materials	1.85	102.2	104.4	102.5	102.1	104.7	106.4	110.6	110.6	114.6	116.0	119.0	121.3	121.9	...
48 Paper materials	1.62	145.6	148.9	149.7	144.1	150.1	150.1	149.5	150.8	154.4	155.0	161.1	161.4	162.8	.
49 Chemical materials	4.15	193.5	192.0	191.6	192.0	195.4	206.2	212.5	214.9	219.6	223.6	225.9	224.6	228.5	.....
50 Containers, nondurable	1.70	161.4	164.9	160.8	155.2	162.1	159.6	163.8	163.2	164.3	166.1	166.5	170.6	179.3	
51 Nondurable materials n.e.c.	1.14	127.9	125.5	127.4	127.2	129.6	130.5	127.7	129.1	129.7	129.9	131.3	133.0	132.6	
52 Energy materials	8.48	125.1	122.6	121.4	120.4	123.0	121.8	121.9	121.6	121.1	121.8	127.7	128.3	126.4	126.1
53 Primary energy	4.65	116.0	114.4	113.7	113.5	116.5	115.4	114.4	113.9	113.8	112.6	115.4	114.2	112.8	
54 Converted fuel materials	3.82	136.3	132.6	130.8	128.9	130.8	129.6	131.1	131.0	129.9	132.9	142.7	145.4	143.0	
Supplementary groups															
55 Home goods and clothing	9.35	119.6	119.9	119.6	118.2	120.8	119.9	122.0	126.3	129.2	130.2	132.3	133.4	135.5	136.5
56 Energy, total	12.23	135.7	134.1	133.3	132.2	132.4	131.0	131.9	133.9	133.8	133.6	138.5	139.5	137.8	137.1
57 Products	3.76	159.6	160.0	160.0	158.7	153.8	151.9	154.5	161.7	162.4	160.4	162.9	164.9	163.6	.....
58 Materials	8.48	125.1	122.6	121.4	120.4	123.0	121.8	121.9	121.6	121.1	121.8	127.7	128.3	126.4	126.1

2.13 Continued

Grouping	SIC code	1967 proportion	1982 avg	1982 Oct.	1982 Nov.	1982 Dec.	1983 Jan.	1983 Feb.[c]	1983 Mar.	1983 Apr.	1983 May	1983 June	1983 July[r]	1983 Aug.	1983 Sept[p]	1983 Oct.[e]
				Index (1967 = 100)												
MAJOR INDUSTRY																
1 Mining and utilities	......	12.05	146.3	140.4	140.4	140.1	141.3	137.5	137.7	138.9	139.7	139.6	143.8	146.1	145.2	145 1
2 Mining	....	6.36	126.1	115.9	116 8	118.4	121.9	115.6	112 6	111.6	112.8	112.6	115.0	116.3	117.4	118 5
3 Utilities	......	5.69	168.7	167.8	166.7	164.2	163.1	162.0	165.8	169.3	169.7	169.8	176.0	179.5	176.4	174.8
4 Electric	.....	3 88	190.5	188.4	188.3	185.6	184.4	183.0	188 2	192.7	192.9	192.0	200.9	205.7	201.2	198.7
5 Manufacturing	..	87 95	137 6	135 0	134.0	134.5	136.7	138.2	140.4	143.1	145.1	147.4	150.6	152.6	154 8	156.2
6 *Nondurable*	......	35.97	*156.2*	*156.2*	*155 3*	*155.6*	*157.4*	*159.0*	*160.7*	*163 3*	*165.4*	*167.8*	*170 6*	*172.5*	*173.9*	*174 6*
7 Durable	......	51.98	124.7	120.3	119.3	119.9	122.5	123.9	126.3	129 1	131.0	133.2	136.8	138.7	141.6	143 5
Mining																
8 Metal	10	.51	82.4	63.1	70.4	74.9	81.7	75 1	75.2	79.8	84 4	82.9	82.5	80 9	80.1	..
9 Coal	11.12	.69	142.7	143.2	134.1	129.7	144 8	136.5	127.3	125.3	125.6	124.6	139.9	141.2	140.5	142 7
10 Oil and gas extraction	13	4 40	131.1	119.1	120.3	122.9	124.6	117.0	114 4	112.2	112.5	112 6	113.9	115.0	116.3	117.5
11 Stone and earth minerals	14	.75	112.1	108.5	111.9	111.7	112.8	115 7	114.0	117.7	122 5	121 7	121.2	125 0	127.9	...
Nondurable manufactures																
12 Foods	20	8 75	151.1	151.5	152 0	152.8	154 4	153.0	152.0	153.7	155 6	157.7	159.9	159 0	.	.
13 Tobacco products	21	67	118 0	110 6	113 0	109 9	104.7	108.5	113 4	114 8	112.9	120 0	112.9	118.6		...
14 Textile mill products	22	2.68	124.5	125 9	123 1	122 2	125 8	130.7	131 9	136 6	139.6	141 8	146 7	147.5	147 7	....
15 Apparel products	23	3.31	.....	.....	...	.	..	.....	.....	.	...	.....		.....	...	.....
16 Paper and products	26	3.21	150.8	155 0	154 5	151.1	158.8	155.6	156.3	157 0	161.5	163 0	165.1	168 2	168 5	168.0
17 Printing and publishing	27	4.72	144.1	142.0	141 7	142.8	141.3	144.0	145.9	145.7	145.2	147.4	152.0	156.3	158.6	160.9
18 Chemicals and products	28	7.74	196.1	194.1	192 8	195.9	197.6	202.3	205.7	208.5	211.0	214.7	218 3	220.4	222 1	...
19 Petroleum products	29	1.79	121.8	123.8	120 0	118.7	113.5	111.7	114.8	120.6	123 8	123.0	124.3	122.9	126.5	123.7
20 Rubber and plastic products	30	2.24	254.7	256.3	250 2	249.7	256.2	264.0	272.0	283.0	288.0	293 8	296.1	304.9	309 3	....
21 Leather and products	31	.86	60.9	59.5	57 7	56.0	59.5	61.7	59.4	58.7	59.6	60.1	62.3	64.4	65.1	.....
Durable manufactures																
22 Ordnance, private and government	19.91	3.64	86.9	89.5	91.9	92.5	93 5	93.3	91.9	93 2	92.6	93.3	95 2	96.8	98 5	99 8
23 Lumber and products	24	1 64	112.6	117.2	119.1	121.4	130.0	130.2	128.7	132.1	135.8	137.4	141.3	141.6	141.5	..
24 Furniture and fixtures	25	*1 37*	*151.9*	*154.3*	*152.4*	*153.7*	*150.0*	*154.0*	*161.0*	*167.7*	*169.6*	*173.1*	*175 2*	*179.0*	*179.8*	
25 Clay, glass, stone products	32	2.74	128.2	128.1	127 3	125.4	128.0	131.8	135.6	138.3	139.2	141.7	145.8	148.2	151.4	.....
26 Primary metals	33	6.57	75.3	69.6	63.6	63.5	73.1	77.9	81.2	83.1	84.9	84.8	85.5	87.2	91.3	94.1
27 Iron and steel	331.2	4.21	61.7	54.1	47.5	46.6	59.0	64.3	66.9	68.5	69.5	69.7	71.8	75.1	78.1	.....
28 Fabricated metal products	34	5.93	114.8	107 6	107 0	107 3	107.6	110.3	113 9	115.3	115.5	118 5	122.7	126.0	128.2	129.3
29 Nonelectrical machinery	35	9.15	149.0	140.4	139.6	139.2	138.0	136.2	138.6	143.1	146.1	149.5	154.2	157.2	158.5	161.9
30 Electrical machinery	36	8.05	169.3	165 4	165 5	165.5	169.5	168.9	173 8	177.2	180.1	182.4	188.3	189.2	194.4	198.1
31 Transportation equipment	37	9.27	104.9	100.8	100.2	103.7	106 3	109.6	110.1	111 4	113.8	116.6	119.7	121.1	124 7	125 6
32 Motor vehicles and parts	371	4.50	109.8	103.0	101.7	108.8	113 9	123 0	123.2	125.5	130.4	136.2	142.3	144.3	150.7	151 1
33 Aerospace and miscellaneous transportation equipment	372–9	4.77	100.4	98 6	98.7	98.9	99.1	97.0	97.7	98.1	98.1	98.1	98.5	99.2	100.1	101.5
34 Instruments	38	2.11	161.9	157.4	155.8	155 2	154.5	153.4	154 0	155.1	156.0	156.1	159.3	161.6	163.5	163.7
35 Miscellaneous manufactures	39	1.51	137.0	129.6	129.5	128.2	131 3	133.9	136.9	145 0	149 0	151.0	153 7	153.1	154 0	155 5
		Gross value (billions of 1972 dollars, annual rates)														
MAJOR MARKET																
36 Products, total	......	**507.4**	**579.6**	**570.0**	**568.4**	**572.9**	**578.1**	**578.4**	**584.1**	**592.6**	**601.8**	**610.5**	**620.5**	**624.8**	**633.3**	**638.1**
37 Final	......	390.9	451.1	442.8	441.3	445.8	448.3	447.3	451.3	457.7	465.6	471 8	478.2	481 0	488.6	492.0
38 *Consumer goods*	....	*277.5*	*308.0*	*306.6*	*305.6*	*306.8*	*310.9*	*312.0*	*313.8*	*318.8*	*325.6*	*330.4*	*333.7*	*335.8*	*340.3*	*340.3*
39 Equipment	....	113.4	143.1	136.2	135.7	138.9	137.4	135.3	137.5	138.9	140.0	141 4	144.5	145.2	148.3	151.7
40 Intermediate	....	116.6	128.5	127.2	127.1	127 1	129.8	131.1	132.8	134.9	136.2	138.7	142.3	143.8	144.7	146.2

1 1972 dollar value.

2.14 HOUSING AND CONSTRUCTION

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

Item	1980	1981	1982	1982	1983								
				Dec	Jan.	Feb	Mar	Apr	May	June	July	Aug[r]	Sept
	Private residential real estate activity (thousands of units)												
NEW UNITS													
1 Permits authorized	1,191	986	1,001	1,326	1,447	1,479	1,467	1,536	1,635	1,761	1,782	1,652	1,504
2 1-family	710	564	546	753	866	835	859	841	940	1,013	920	874	829
3 2-or-more-family	480	421	454	573	581	644	608	695	695	748	862	778	675
4 Started	1,292	1,084	1,062	1,280	1,694	1,784	1,605	1,506	1,807	1,736	1,804[r]	1,909	1,652
5 1-family	852	705	663	842	1,126	1,103	1,008	1,001	1,183	1,127	1,032[r]	1,141	1,009
6 2-or-more-family	440	379	400	438	568	681	597	505	624	609	772[r]	768	643
7 Under construction, end of period[1]	896	682	720	730	756	796	828	859	900	933[r]	966[r]	985	
8 1-family	515	382	400	411	428	455	472	489	518	532[r]	539[r]	546	
9 2-or-more-family	382	301	320	319	329	341	356	370	382	400	427[r]	439	
10 Completed	1,502	1,266	1,006	1,035	1,195	1,138	1,147	1,164	1,353	1,386[r]	1,418[r]	1,699	n.a.
11 1-family	957	818	631	647	782	709	788	803	851	959[r]	985[r]	1,038	
12 2-or-more-family	545	447	374	388	413	429	359	361	502	427[r]	433[r]	661	
13 Mobile homes shipped	222	241	239	243	284	283	276	291	298	308	299	305	
Merchant builder activity in 1-family units													
14 Number sold	545	436	413	529	611	593	611	635	665	658[r]	599[r]	556	632
15 Number for sale, end of period[1]	342	278	255	251	259	262	262	266	273	284[r]	290[r]	298	298
Price (thousands of dollars)[2]													
Median													
16 Units sold	64.7	68.8	69.3	71.7	73.5	73.8	72.5	74.7	74.5	75.8[r]	75.2	76.6	82.0
Average													
17 Units sold	76.4	83.1	83.8	86.7	87.2	86.8	86.2	87.6	88.8	90.9[r]	88.7[r]	91.2	98.7
EXISTING UNITS (1-family)													
18 Number sold	2,974	2,418	1,991	2,260	2,580	2,460	2,710	2,730	2,900	2,940	2,790	2,710	2,740
Price of units sold (thousands of dollars)[2]													
19 Median	62.1	66.1	67.7	67.8	68.1	68.2	68.9	68.8	69.2	71.4	71.8	71.5	70.4
20 Average	72.7	78.0	80.4	80.6	80.0	80.3	81.1	81.3	81.7	84.7	84.2	84.7	83.4
	Value of new construction[3] (millions of dollars)												
CONSTRUCTION													
21 **Total put in place**	**230,712**	**239,418**	**232,048**	**240,207**	**247,914**	**243,032**	**241,908**	**247,360**	**254,763**	**264,321**	**269,586**	**274,792**	**272,735**
22 Private	175,700	186,069	180,979	190,768	195,032	194,331	194,865	199,462	206,029	214,729	218,508[r]	221,409	222,160
23 Residential	87,262	86,567	74,809	86,018	89,701	93,568	96,127	101,961	107,494	113,524	118,203[r]	120,202	118,414
24 Nonresidential, total	88,438	99,502	106,170	104,750	105,331	100,763	98,738	97,501	98,535	101,205	100,305	101,207	103,746
Buildings													
25 Industrial	13,839	17,031	17,346	15,631	15,182	14,315	14,263	13,223	13,047	13,136	12,227	14,227	13,060
26 Commercial	29,940	34,243	37,281	36,934	38,167	36,675	35,469	33,619	33,291	35,898	35,871	36,277	37,400
27 Other	8,654	9,543	10,507	11,784	11,983	11,664	11,598	10,770	11,237	10,974	11,250	12,038	13,101
28 Public utilities and other	36,005	38,685	41,036	40,401	39,999	38,109	37,408	39,889	40,960	41,197	40,957	38,665	40,185
29 Public	55,011	53,346	51,068	49,439	52,882	48,701	47,043	47,897	48,734	49,592	51,078[r]	53,383	50,576
30 Military	1,880	1,966	2,205	2,432	2,341	2,421	2,541	2,784	2,255	1,894	2,336	2,196	2,318
31 Highway	13,770	13,599	13,521	13,048	13,966	12,509	11,866	12,900	13,044	12,925	14,091	15,274	n.a.
32 Conservation and development	5,089	5,300	5,029	4,625	4,756	4,532	4,894	5,023	4,548	4,853	5,612	5,100	n.a.
33 Other	34,272	32,481	30,313	29,334	31,819	29,239	27,742	27,190	28,887	29,920	29,039[r]	30,813	n.a.

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

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

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (at annual rate)				Change from 1 month earlier					Index level Sept. 1983 (1967 = 100)[1]
	1982 Sept	1983 Sept	1982	1983			1983					
			Dec.	Mar.	June	Sept	May	June	July	Aug.	Sept	
CONSUMER PRICES[2]												
1 **All items**	**5.0**	**2.9**	**.5**	**.4**	**5.4**	**5.3**	**.5**	**.2**	**.4**	**.4**	**.5**	**301.8**
2 Food	3.5	1 7	8	2 8	1 7	1.7	3	– 3	–.1	2	3	292 6
3 Energy items	1 7	1 2	10.2	– 25 1	21 0	7 1	2.5	3	3	.7	7	429.3
4 All items less food and energy	5 9	3 5	– 3	4 4	3 9	6.2	3	.3	6	5	.5	290 2
5 Commodities	5 0	5 2	5 4	5 7	2.9	7 1	.2	4	7	5	6	246.2
6 Services	6.6	2 2	–4 8	3 7	4 6	5.3	3	3	.4	4	.4	341 6
PRODUCER PRICES												
7 Finished goods	3 6	1 4	5 2	–4 7	2.9	2 7	2	.5	1	4	.2	285 1
8 Consumer foods	1 4	1 3	8	4.1	–.3	1.9	– 5	–.6	–.6	4	7	263 3
9 *Consumer energy*	– 4	–5 5	7 0	–35 5	12 0	3.1	2.2r	3 2	2	.3	.3	797 0
10 Other consumer goods	5 1	2 9	7 9	–2.0	2.5	3 4	1r	.4r	5	2	1	238 7
11 Capital equipment	5 1	2 4	3 6	2 0	2 1	2.1	2r	4r	.1	7	– 3	285.4
12 Intermediate materials[3]	4	1 2	1 5	–4.7	3 6	4 9	.4r	1.0r	3	.4	5	319.8
13 Excluding energy	9	2.1	1.0	8	2 8	4.1	.4	.4	3	.4	3	296.4
Crude materials												
14 Foods	–4 1	6 0	1 3	18 1	8	5.9	–1 2	–1 6	–2.6	3 9	.2	257.4
15 Energy	1.6	– 2.5	6.4	–9.2	–4 8	–1.9	– 3r	1r	– 6	– 2	3	788.1
16 Other	–11.5	11.0	–8.0	–16.2	59.3	22.1	5 2r	4.2r	2 2	1 0	1.8	258 7

1 Not seasonally adjusted.

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

3 Excludes intermediate materials for food manufacturing and manufactured animal feeds

SOURCE. Bureau of Labor Statistics

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1980	1981	1982	1982		1983		
				Q3	Q4	Q1	Q2	Q3
GROSS NATIONAL PRODUCT								
1 **Total**	**2,631.7**	**2,954.1**	**3,073.0**	**3,090.7**	**3,109.6**	**3,171.5**	**3,272.0**	**3,36**
By source								
2 Personal consumption expenditures	1,668.1	1,857.2	1,991.9	2,008.8	2,046.9	2,073.0	2,147.0	2,18
3 Durable goods	214.7	236.1	244.5	243.4	252.1	258.5	277.7	28
4 Nondurable goods	668.8	733.9	761.0	766.6	773.0	777.1	799.6	81
5 Services	784.5	887.1	986.4	998.9	1,021 8	1,037 4	1,069 7	1,08
6 Gross private domestic investment	401.9	474.9	414.5	425.3	377.4	404.1	450.1	50
7 Fixed investment	411 7	456.5	439.1	430.2	433.8	443.5	464.6	48
8 Nonresidential	308.8	352.2	348.3	342.3	337 0	332 1	336.3	34
9 Structures	110 9	133.4	141.9	140.0	138 6	132 9	127.4	13
10 Producers' durable equipment	197 9	218.9	206.4	202.2	198 4	199 3	208.8	21
11 Residential structures	102.9	104.3	90.8	87.9	96.8	111.3	128.4	14
12 Nonfarm	98.1	99.8	86.0	83.4	91.2	106.7	123.3	13
13 Change in business inventories	−9.8	18.5	−24 5	−4.9	−56.4	−39.4	−14.5	1
14 Nonfarm	−4.5	10.9	−23 1	−2 3	−53.7	−39.0	−10.3	2
15 Net exports of goods and services	24.0	26.3	17.4	9	5.6	17.0	−8.5	−2
16 Exports	338 8	368.8	347.6	346.0	321 6	326 9	327 1	33
17 Imports	314 8	342.5	330 2	345.0	316.1	309.9	335.6	36
18 Government purchases of goods and services	537.8	595.7	649.2	655.7	679.7	677.4	683.4	70
19 Federal	197.1	229.2	258.7	261.7	279.2	273 5	273.7	28
20 State and local	340.8	366.5	390.5	394.0	400.5	404.0	409.7	42
By major type of product								
21 Final sales, total	2,641.5	2,935.6	3,097.5	3,095.6	3,165.9	3,210.9	3,286.6	3,35
22 Goods	1,140 6	1,291.9	1,280.9	1,286.7	1,264.8	1,292.2	1,346.8	1,39
23 Durable	477.9	528 0	500.8	518.4	474.0	482.7	536 8	57
24 Nondurable	662 7	763.9	780.1	768.3	790 8	809 5	810.0	82
25 Services	1,225.2	1,374.2	1,511.2	1,527.2	1,560.5	1,588.4	1,623.4	1,64
26 Structures	266 0	288.0	281.0	276 9	284.3	290.9	301.9	32
27 Change in business inventories	−9.8	18 5	−24.5	−4.9	−56.4	−39.4	−14 5	1
28 Durable goods	−4.1	3.6	−15.5	6.4	−45.0	−38.2	−8.9	1
29 Nondurable goods	−5.7	14.9	−9 1	−11 3	−11.4	−1.2	−5.7	.
30 MEMO: **Total GNP in 1972 dollars**	**1,475.0**	**1,513.8**	**1,485.4**	**1,485.7**	**1,480.7**	**1,490.1**	**1,525.1**	**1,55**
NATIONAL INCOME								
31 **Total**	**2,116.6**	**2,373.0**	**2,450.4**	**2,458.9**	**2,474.0**	**2,528.5**	**2,612.8**	**n.**
32 Compensation of employees	1,599.6	1,769.3	1,865.7	1,879.5	1,889.0	1,923.7	1,968.7	2,01
33 Wages and salaries	1,356.6	1,493.2	1,568.1	1,579.8	1,586.0	1,610.6	1,647.1	1,68
34 Government and government enterprises	260.3	284.4	306.0	307.7	314.5	319.2	323.3	32
35 Other	1,096.4	1,208.8	1,262.1	1,272.1	1,271.5	1,291 5	1,323.8	1,35
36 Supplement to wages and salaries	243.0	276.0	297.6	299.7	302 9	313.1	321.6	33
37 Employer contributions for social insurance	115.0	132.5	140.9	141 5	142.5	148.8	151.5	15
38 Other labor income	128.0	143.5	156 6	158.2	160.4	164.3	170.1	17
39 Proprietors' income[1]	117.5	120.2	109.0	103.6	116.2	120.6	127.2	12
40 Business and professional[1]	95.6	89.7	87.5	87.8	90.2	98.4	106.2	11
41 Farm[1]	21.8	30.5	21.5	15.8	26.0	22.2	21 0	1
42 Rental income of persons[2]	31.5	41.4	49 9	50.9	52.3	54.1	54 8	5
43 Corporate profits[1]	175.4	192.3	164.8	168.5	161.9	181.8	218 2	n.
44 Profits before tax[3]	234.6	227.0	174.2	177.3	167.5	169 7	203.3	n.
45 Inventory valuation adjustment	−42.9	−23.6	−8.4	−9.0	−10.3	−1.7	−10.6	−1
46 Capital consumption adjustment	−16.3	−11 0	−1.1	.1	4.7	13 9	25 6	3
47 Net interest	192.6	249.9	261.1	256 4	254 7	248.3	243.8	24

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.48.

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1980	1981	1982	1982 Q3	1982 Q4	1983 Q1	1983 Q2	1983 Q3
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**2,165.3**	**2,435.0**	**2,578.6**	**2,591.3**	**2,632.0**	**2,657.7**	**2,713.6**	**2,761.4**
2 Wage and salary disbursements	1,356.7	1,493.2	1,568.1	1,579.8	1,586.0	1,610.7	1,648.4	1,681.5
3 Commodity-producing industries	468.1	509.5	509.2	508.9	499.5	508.6	522.2	537.7
4 Manufacturing	354.6	385.3	383.8	384.8	377.4	385.4	397.4	409.0
5 Distributive industries	330.7	361.6	378.8	381.9	383.5	386.4	394.3	398.9
6 Service industries	297.6	337.7	374.1	381.2	388.5	396.4	407.3	416.1
7 Government and government enterprises	260.3	284.4	306.0	307.7	314.5	319.2	324.6	328.8
8 Other labor income	128.0	143.5	156.6	158.2	160.4	164.3	170.1	176.4
9 Proprietors' income[1]	117.5	120.2	109.0	103.6	116.2	120.6	127.2	127.4
10 Business and professional[1]	95.6	89.7	87.5	87.8	90.2	98.4	106.2	111.8
11 Farm[1]	21.8	30.5	21.5	15.8	26.0	22.2	21.0	15.6
12 Rental income of persons[2]	31.5	41.4	49.9	50.9	52.3	54.1	54.8	53.9
13 Dividends	56.8	62.8	66.4	66.4	67.9	68.8	69.3	70.9
14 Personal interest income	266.0	341.3	366.2	364.8	363.1	357.2	357.1	368.9
15 Transfer payments	297.6	337.2	374.6	380.4	399.0	398.5	405.3	403.0
16 Old-age survivors, disability, and health insurance benefits	154.2	182.0	204.5	209.3	216.5	217.4	221.1	233.9
17 LESS: Personal contributions for social insurance	88.7	104.6	112.0	112.7	112.9	116.5	118.6	120.5
18 EQUALS: Personal income	2,165.3	2,435.0	2,578.6	2,591.3	2,632.0	2,657.7	2,713.6	2,761.4
19 LESS: Personal tax and nontax payments	336.5	387.4	402.1	399.8	404.1	401.8	412.6	399.9
20 EQUALS: Disposable personal income	1,828.9	2,047.6	2,176.5	2,191.5	2,227.8	2,255.9	2,301.0	2,361.5
21 LESS: Personal outlays	1,718.7	1,912.4	2,051.1	2,068.4	2,107.0	2,134.2	2,209.5	2,250.6
22 EQUALS: Personal saving	110.2	135.3	125.4	123.0	120.8	121.7	91.5	110.9
MEMO: Per capita (1972 dollars)								
23 Gross national product	6,478	6,584	6,399	6,393	6,355	6,382	6,518	6,627
24 Personal consumption expenditures	4,092	4,161	4,179	4,178	4,205	4,226	4,319	4,345
25 Disposable personal income	4,487	4,587	4,567	4,558	4,576	4,599	4,629	4,693
26 Saving rate (percent)	6.0	6.6	5.8	5.6	5.4	5.4	4.0	4.7
GROSS SAVING								
27 **Gross saving**	**405.9**	**483.8**	**405.8**	**397.9**	**351.3**	**398.5**	**420.6**	**n.a.**
28 Gross private saving	435.4	509.6	521.6	524.9	526.6	541.5	535.0	n.a.
29 Personal saving	110.2	135.3	125.4	123.0	120.8	121.7	91.5	110.9
30 Undistributed corporate profits[1]	32.1	44.8	37.0	38.9	37.5	48.9	70.1	n.a.
31 Corporate inventory valuation adjustment	-42.9	-23.6	-8.4	-9.0	-10.3	-1.7	-10.6	-15.1
Capital consumption allowances								
32 Corporate	179.3	202.9	222.0	224.5	227.7	228.3	229.8	232.5
33 Noncorporate	113.8	126.6	137.2	138.5	140.5	142.6	143.5	147.4
34 Wage accruals less disbursements	.0	.0	.0	.0	.0	.0	.0	.0
35 Government surplus, or deficit (−), national income and product accounts	-30.7	-26.9	-115.8	-127.0	-175.3	-142.9	-114.4	n.a.
36 Federal	-61.3	-62.2	-147.1	-158.3	-208.2	-183.3	-166.1	n.a.
37 State and local	30.6	35.3	31.3	31.3	32.9	40.4	51.7	n.a.
38 Capital grants received by the United States, net	1.2	1.1	.0	.0	.0	.0	.0	.0
39 **Gross investment**	**408.2**	**478.9**	**406.2**	**400.5**	**355.5**	**397.4**	**417.1**	**450.2**
40 Gross private domestic	401.9	474.9	414.5	425.3	377.4	404.1	450.1	501.0
41 Net foreign	6.3	4.0	-8.3	-24.8	-21.9	-6.7	-33.0	-50.7
42 **Statistical discrepancy**	**2.3**	**-4.9**	**.5**	**2.5**	**4.2**	**-1.2**	**-3.5**	-3.5

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

Item credits or debits	1980	1981	1982	1982			1983	
				Q2	Q3	Q4	Q1[r]	Q2[p]
1 Balance on current account	421	4,592	-11,211	1,434	-6,596	-6,621	-3,587	-9,712
2 Not seasonally adjusted	....	....	....	2,218	-8,143	-5,546	-3,395	-8,942
3 Merchandise trade balance[2]	-25,544	-28,067	-36,389	-5,854	-13,078	-11,354	-8,810	-14,661
4 Merchandise exports	224,237	237,019	211,217	54,996	52,241	48,344	49,506	48,913
5 Merchandise imports	-249,781	-265,086	-247,606	-60,850	-65,319	-59,698	-58,316	-63,574
6 Military transactions, net	-2,286	-1,355	179	201	54	-26	516	201
7 Investment income, net[3]	29,570	33,484	27,304	7,536	6,821	6,008	5,089	5,933
8 Other service transactions, net	5,738	7,462	5,729	1,353	1,349	1,182	1,179	653
9 Remittances, pensions, and other transfers	-2,347	-2,382	-2,621	-702	-656	-661	-608	-640
10 U S government grants (excluding military)	-4,709	-4,549	-5,413	-1,100	-1,086	-1,770	-953	-1,198
11 Change in U S government assets, other than official reserve assets, net (increase, −)	-5,140	-5,078	-5,732	-1,489	-2,502	-934	-1,053	-1,126
12 Change in U.S. official reserve assets (increase, −)	-8,155	-5,175	-4,965	-1,132	-794	-1,949	-787	16
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-16	-1,823	-1,371	-241	-434	-297	-98	-303
15 Reserve position in International Monetary Fund	-1,667	-2,491	-2,552	-814	-459	-732	-2,139	-212
16 Foreign currencies	-6,472	-861	-1,041	-77	99	-920	1,450	531
17 Change in U S. private assets abroad (increase, −)[3]	-72,757	-100,348	-107,348	-38,313	-22,803	-16,670	-19,859	-259
18 Bank-reported claims	-46,838	-83,851	-109,346	-38,653	-20,631	-17,511	-15,935	3,547
19 Nonbank-reported claims	-3,174	-1,181	6,976	-277	998	2,337	-2,374	n.a.
20 U.S. purchase of foreign securities, net	-3,524	-5,636	-7,986	-546	-3,331	-3,527	-1,808	-3,222
21 U S direct investments abroad, net[3]	-19,221	-9,680	3,008	1,163	161	2,031	258	-584
22 Change in foreign official assets in the United States (increase, +)	15,566	5,430	3,172	1,930	2,642	1,661	49	2,686
23 U.S. Treasury securities	9,708	4,983	5,759	-2,094	4,834	4,346	3,008	2,012
24 Other U S government obligations	2,187	1,289	-670	258	-71	-556	-371	-164
25 Other U.S. government liabilities[4]	685	-28	504	459	-160	130	-270	332
26 Other U S liabilities reported by U.S. banks	-159	-3,479	-2,054	3,271	-1,911	-1,717	-1,939	1,333
27 Other foreign official assets[5]	3,145	2,665	-367	36	-50	-542	-379	-827
28 Change in foreign private assets in the United States (increase, +)[3]	39,356	75,248	84,693	29,683	14,971	9,856	16,404	8,016
29 U.S. bank-reported liabilities	10,743	42,154	64,263	24,778	10,977	2,823	10,588	1,128
30 U.S. nonbank-reported liabilities	6,845	942	-3,104	-2,517	-425	20	-2,136	n a
31 Foreign private purchases of U S. Treasury securities, net	2,645	2,982	7,004	2,095	1,364	2,257	2,912	2,934
32 Foreign purchases of other U S securities, net	5,457	7,171	6,141	2,434	420	1,975	2,986	2,464
33 Foreign direct investments in the United States, net[3]	13,666	21,998	10,390	2,893	2,635	2,781	2,054	1,490
34 Allocation of SDRs	1,152	1,093	0	0	0	0	0	0
35 Discrepancy	29,556	24,238	41,390	7,887	15,082	14,657	8,833	379
36 Owing to seasonal adjustments	.....	.	.	881	-1,190	1,042	-212	801
37 Statistical discrepancy in recorded data before seasonal adjustment	29,556	24,238	41,390	7,006	16,272	13,615	9,045	-422
MEMO.								
Changes in official assets								
38 U.S. official reserve assets (increase, −)	-8,155	-5,175	-4,965	-1,132	-794	-1,949	-787	16
39 Foreign official assets in the United States (increase, +)	14,881	5,458	2,668	1,471	2,802	1,531	319	2,354
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	12,769	13,581	7,420	3,024	368	-1,162	-1,397	-3,349
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	756	680	644	125	267	158	42	30

1. Seasonal factors are no longer calculated for lines 12 through 41
2. Data are on an international accounts (IA) basis Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing, military exports are excluded from merchandise data and are included in line 6.
3. Includes reinvested earnings of incorporated affiliates.
4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.
5. Consists of investments in U S corporate stocks and in debt securities of private corporations and state and local governments.

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

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1980	1981	1982	1983 Mar	Apr	May	June	July	Aug	Sept.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	220,626	233,677	212,193	16,752	16,074	15,566	17,008	16,629	16,630	17,387
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	244,871	261,305	243,952	19,525	19,771	21,514	21,024	21,950	22,782	22,175
3 **Trade balance**	**-24,245**	**-27,628**	**-31,759**	**-2,774**	**-3,697**	**-5,948**	**-4,016**	**-5,321**	**-6,152**	**-4,788**

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

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustments are: (1) the addition of exports to Canada not covered in Census statistics, and (2) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately as indicated above.

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1980	1981	1982	1983 Apr	May	June	July	Aug	Sept	Oct
1 **Total**	**26,756**	**30,075**	**33,958**	**34,173**	**33,931**	**33,876**	**33,373**	**32,624**	**33,066**	**33,273**
2 Gold stock, including Exchange Stabilization Fund[1]	11,160	11,151	11,148	11,132	11,132	11,131	11,131	11,128	11,128	11,126
3 Special drawing rights[2,3]	2,610	4,095	5,250	5,192	5,525	5,478	5,496	5,543	5,628	5,641
4 Reserve position in International Monetary Fund[2]	2,852	5,055	7,348	9,284	9,424	9,413	9,475	9,296	9,399	9,554
5 Foreign currencies[4,5]	10,134	9,774	10,212	8,565	7,850	7,854	7,271	6,657	6,911	6,952

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13. Gold stock is valued at $42.22 per fine troy ounce.
2. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.
3. Includes allocations by the International Monetary Fund of SDRs as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; $710 million on Jan. 1, 1972; $1,139 million on Jan. 1, 1979; $1,152 million on Jan. 1, 1980; and $1,093 million on Jan. 1, 1981; plus transactions in SDRs.
4. Valued at current market exchange rates.
5. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies in 1979 and 1980.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1980	1981	1982	1983 Apr.	May	June	July	Aug	Sept	Oct.
1 Deposits	411	505	328	322	445	279	369	248	297	339
Assets held in custody										
2 U.S. Treasury securities[1]	102,417	104,680	112,544	114,880	115,401	114,499	118,105	113,476	113,498	116,327
3 Earmarked gold[2]	14,965	14,804	14,716	14,723	14,727	14,724	14,727	14,693	14,621	14,550

1. Marketable U.S. Treasury bills, notes, and bonds, and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.
2. Earmarked gold is valued at $42.22 per fine troy ounce.

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

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

Millions of dollars, end of period

Asset account	1980	1981	1982	1983 Feb	1983 Mar	1983 Apr	1983 May	1983 June[r]	1983 July	1983 Aug.[p]
				All foreign countries						
1 **Total, all currencies**	**401,135**	**462,847**	**469,432r**	**458,283r**	**465,417r**	**453,296r**	**452,253r**	**465,772**	**455,848**	**452,486**
2 Claims on United States	28,460	63,743	91,768	87,476r	93,718	91,262	91,908r	97,795	96,961	99,207
3 Parent bank	20,202	43,267	61,629	58,451r	63,342	61,792	62,596	65,826	67,729	66,862
4 Other	8,258	20,476	30,139	29,025	30,376	29,470	29,312r	31,969	29,232	32,345
5 Claims on foreigners	354,960	378,954	358,258r	351,535r	352,706r	344,069r	342,298r	349,834	340,936	335,218
6 Other branches of parent bank	77,019	87,821	91,143	89,772	89,099	84,839	86,436r	88,352	84,869	84,566
7 Banks	146,448	150,763	133,640r	129,297r	132,393r	127,365r	124,055r	130,285	123,539	118,768
8 Public borrowers	28,033	28,197	24,090	24,734	24,715	25,114	25,547	25,370	25,876	25,188
9 Nonbank foreigners	103,460	112,173	109,385	107,732	106,499	106,751	106,260	105,827	106,652	106,696
10 Other assets	17,715	20,150	19,406r	19,272r	18,993r	17,965r	18,047r	18,143	17,951	18,061
11 **Total payable in U.S. dollars**	**291,798**	**350,735**	**361,712r**	**350,644r**	**356,726r**	**344,618r**	**343,851r**	**357,405**	**350,505**	**348,323**
12 Claims on United States	27,191	62,142	90,048	85,868r	91,281	88,985	89,552r	95,518	94,547	96,739
13 Parent bank	19,896	42,721	60,973	57,766r	62,409	61,156	61,797	64,497	66,301	65,436
14 Other	7,295	19,421	29,075	28,102	28,872	27,829	27,755r	31,021	28,246	31,303
15 Claims on foreigners	255,391	276,937	259,646r	253,149r	253,840r	245,097r	243,896r	251,274	245,188	241,308
16 Other branches of parent bank	58,541	69,398	73,512	71,937	70,782	66,337	67,787r	69,496	67,160	66,648
17 Banks	117,342	122,110	106,338r	100,909r	103,725r	98,678r	96,071r	102,862	97,197	93,360
18 Public borrowers	23,491	22,877	18,374	18,962	18,766	18,941	19,001	18,681	19,108	18,876
19 Nonbank foreigners	56,017	62,552	61,422	61,341	60,567	61,141	61,037	60,235	61,723	62,424
20 Other assets	9,216	11,656	12,018r	11,627r	11,605r	10,536r	10,403r	10,613	10,770	10,276
				United Kingdom						
21 ***Total, all currencies***	**144,717**	**157,229**	**161,067**	**156,577**	**156,022**	**152,408**	**151,821**	**155,631**	**153,209**	**155,031**
22 Claims on United States	7,509	11,823	27,354	26,423	26,259	25,139	24,847	26,279	26,012	29,722
23 Parent bank	5,275	7,885	23,017	21,962	21,912	20,657	20,456	21,384	20,849	22,171
24 Other	2,234	3,938	4,337	4,461	4,347	4,482	4,391	4,895	5,163	7,551
25 Claims on foreigners	131,142	138,888	127,734	124,214	123,993	121,727	121,187	123,835	121,757	119,840
26 Other branches of parent bank	34,760	41,367	37,000	35,437	36,171	32,973	33,361	35,787	35,632	35,558
27 Banks	58,741	56,315	50,767	48,580	48,976	48,301	47,623	48,328	46,643	44,227
28 Public borrowers	6,688	7,490	6,240	6,592	6,337	6,591	6,599	6,570	6,440	6,335
29 Nonbank foreigners	30,953	33,716	33,727	33,605	32,509	33,862	33,604	33,150	33,042	33,720
30 Other assets	6,066	6,518	5,979	5,940	5,770	5,542	5,787	5,517	5,440	5,469
31 **Total payable in U.S. dollars**	**99,699**	**115,188**	**123,740**	**119,273**	**118,891**	**113,170**	**112,585**	**118,023**	**116,526**	**119,344**
32 Claims on United States	7,116	11,246	26,761	25,829	25,597	24,374	24,044	25,536	25,180	28,905
33 Parent bank	5,229	7,721	22,756	21,700	21,626	20,354	20,092	21,017	20,434	21,722
34 Other	1,887	3,525	4,005	4,129	3,971	4,020	3,952	4,519	4,746	7,183
35 Claims on foreigners	89,723	99,850	92,228	88,973	88,797	84,981	84,779	88,587	87,450	86,833
36 Other branches of parent bank	28,268	35,439	31,648	29,918	30,589	27,131	27,579	30,025	30,122	30,056
37 Banks	42,073	40,703	36,717	34,499	34,442	33,228	32,801	34,417	33,159	31,569
38 Public borrowers	4,911	5,595	4,329	4,789	4,413	4,522	4,497	4,547	4,420	4,406
39 Nonbank foreigners	14,471	18,113	19,534	19,767	19,353	20,100	19,902	19,598	19,749	20,802
40 Other assets	2,860	4,092	4,751	4,471	4,497	3,815	3,762	3,900	3,896	3,606
				Bahamas and Caymans						
41 **Total, all currencies**	**123,837**	**149,108**	**145,156r**	**138,812r**	**145,748r**	**142,126r**	**141,021r**	**146,792**	**142,430**	**139,422**
42 Claims on United States	17,751	46,546	59,403	56,225	62,576	61,417	62,546	66,456	66,030	63,646
43 Parent bank	12,631	31,643	34,653	32,839	37,967	37,971	39,031	40,497	42,944	40,031
44 Other	5,120	14,903	24,750	23,386	24,609	23,446	23,515r	25,959	23,086	23,615
45 Claims on foreigners	101,926	98,057	81,450r	78,606r	79,233r	77,034r	74,817r	76,734	72,683	72,021
46 Other branches of parent bank	13,342	12,951	18,720	19,730	17,512	18,295	18,537	16,658	15,565	15,344
47 Banks	54,861	55,151	42,699r	39,180r	42,430r	39,682r	37,589r	41,707	37,384	37,360
48 Public borrowers	12,577	10,010	6,413	6,494	6,540	6,388	6,170	5,935	6,538	6,404
49 Nonbank foreigners	21,146	19,945	13,618	13,202	12,751	12,669	12,521	12,434	13,196	12,913
50 Other assets	4,160	4,505	4,303r	3,981r	3,939r	3,675r	3,658r	3,602	3,717	3,755
51 **Total payable in U.S. dollars**	**117,654**	**143,743**	**139,605r**	**132,966r**	**139,634r**	**136,192r**	**135,192r**	**140,702**	**136,299**	**132,977**

3.14 Continued

Liability account	1980	1981	1982	1983 Feb.	Mar.	Apr.	May	June[r]	July	Aug.[p]
	All foreign countries									
52 **Total, all currencies**	**401,135**	**462,847**	**469,432[r]**	**458,283[r]**	**465,417[r]**	**453,296[r]**	**452,253[r]**	**465,772**	**455,848**	**452,486**
53 To United States	91,079	137,767	178,918[r]	178,299[r]	189,104[r]	184,071[r]	183,851[r]	191,485	187,662	183,245
54 Parent bank	39,286	56,344	75,561[r]	79,502[r]	85,274[r]	81,104[r]	80,844[r]	84,482	81,705	77,282
55 Other banks in United States	14,473	19,197	33,368	32,650	33,974	32,687	31,815	33,672	31,486	29,718
56 Nonbanks	37,275	62,226	69,989	66,147	69,856	70,280	71,192	73,331	74,471	76,245
57 To foreigners	295,411	305,630	270,678[r]	261,699[r]	258,533[r]	251,296[r]	250,813[r]	256,102	249,873	250,884
58 Other branches of parent bank	75,773	86,396	90,148	88,555	86,928	84,347	85,102[r]	86,744	84,110	83,147
59 Banks	132,116	124,906	96,739	90,244	91,738	86,950	84,637[r]	87,153	84,699	85,773
60 Official institutions	32,473	25,997	19,614	19,739	17,808	18,384	17,199[r]	18,621	18,287	17,676
61 Nonbank foreigners	55,049	68,331	64,177[r]	63,161[r]	62,059[r]	61,615[r]	63,875[r]	63,584	62,777	64,288
62 Other liabilities	14,690	19,450	19,836	18,285	17,780	17,929	17,589	18,185	18,313	18,357
63 **Total payable in U.S. dollars**	**303,281**	**364,447**	**379,003[r]**	**367,688[r]**	**374,727[r]**	**363,592[r]**	**363,354[r]**	**376,055**	**368,545**	**365,558**
64 To United States	88,157	134,700	175,431[r]	174,626[r]	185,606[r]	180,650[r]	180,075[r]	187,987	184,164	179,556
65 Parent bank	37,528	54,492	73,235[r]	77,169[r]	82,963[r]	79,022[r]	78,578[r]	82,285	79,449	74,968
66 Other banks in United States	14,203	18,883	33,003	32,223	33,534	32,226	31,222	33,242	31,112	29,172
67 Nonbanks	36,426	61,325	69,193	65,234	69,109	69,402	70,275	72,460	73,603	75,416
68 To foreigners	206,883	217,602	192,348[r]	183,683[r]	179,721[r]	173,556[r]	174,176[r]	178,877	174,783	176,163
69 Other branches of parent bank	58,172	69,299	72,878	70,887	69,038	66,387	66,863	68,554	67,427	66,091
70 Banks	87,497	79,594	57,355	51,234	52,145	48,428	47,424[r]	49,916	48,112	49,837
71 Official institutions	24,697	20,288	15,055	15,381	13,536	13,801	12,641[r]	13,912	13,517	12,999
72 Nonbank foreigners	36,517	48,421	47,060[r]	46,181[r]	45,002[r]	44,940[r]	47,248[r]	46,495	45,727	47,236
73 Other liabilities	8,241	12,145	11,224	9,379	9,400	9,386	9,103[r]	9,191	9,598	9,839
	United Kingdom									
74 **Total, all currencies**	**144,717**	**157,229**	**161,067**	**156,577**	**156,022**	**152,408**	**151,821**	**155,631**	**153,209**	**155,031**
75 To United States	21,785	38,022	53,954	51,927	55,309	52,883	53,603	56,952	56,959	58,048
76 Parent bank	4,225	5,444	13,091	14,080	14,616	14,343	13,907	14,461	15,011	16,148
77 Other banks in United States	5,716	7,502	12,205	12,198	13,172	12,119	12,773	13,503	12,993	12,343
78 Nonbanks	11,844	25,076	28,658	25,649	27,521	26,421	26,923	28,988	28,955	29,557
79 To foreigners	117,438	112,255	99,567	97,515	93,835	92,460	91,071	91,545	89,198	89,864
80 Other branches of parent bank	15,384	16,545	18,361	21,008	19,653	19,470	20,235	18,376	17,544	17,652
81 Banks	56,262	51,336	44,020	39,892	40,867	38,960	37,594	38,238	37,192	37,847
82 Official institutions	21,412	16,517	11,504	12,025	10,252	10,520	9,413	10,848	10,146	9,588
83 Nonbank foreigners	24,380	27,857	25,682	24,590	23,063	23,510	23,829	24,083	24,316	24,777
84 Other liabilities	5,494	6,952	7,546	7,135	6,878	7,065	7,147	7,134	7,052	7,119
85 **Total payable in U.S. dollars**	**103,440**	**120,277**	**130,261**	**126,007**	**126,088**	**120,683**	**120,324[r]**	**124,760**	**123,265**	**125,622**
86 To United States	21,080	37,332	53,029	50,977	54,520	51,993	52,473	56,092	56,081	57,064
87 Parent bank	4,078	5,350	12,814	13,859	14,476	14,212	13,696	14,308	14,812	15,832
88 Other banks in United States	5,626	7,249	12,026	12,041	12,987	11,929	12,439	13,313	12,833	12,104
89 Nonbanks	11,376	24,733	28,189	25,077	27,057	25,852	26,338	28,471	28,436	29,128
90 To foreigners	79,636	79,034	73,477	71,994	68,309	65,485	64,621	65,428	63,818	65,062
91 Other branches of parent bank	10,474	12,048	14,300	16,709	14,918	14,815	15,636	14,117	13,386	13,475
92 Banks	35,388	32,298	28,810	25,563	26,395	23,821	22,960	23,895	23,453	24,616
93 Official institutions	17,024	13,612	9,668	10,121	8,419	8,474	7,306	8,786	8,065	7,630
94 Nonbank foreigners	16,750	21,076	20,699	19,601	18,577	18,375	18,719	18,630	18,914	19,341
95 Other liabilities	2,724	3,911	3,755	3,036	3,259	3,205	3,230[r]	3,240	3,366	3,496
	Bahamas and Caymans									
96 **Total, all currencies**	**123,837**	**149,108**	**145,156[r]**	**138,812[r]**	**145,748[r]**	**142,126[r]**	**141,021[r]**	**146,792**	**142,430**	**139,422**
97 To United States	59,666	85,759	104,425[r]	104,575[r]	111,484[r]	109,698[r]	108,847[r]	111,631	108,572	104,150
98 Parent bank	28,181	39,451	47,081[r]	49,689[r]	55,680[r]	52,063[r]	51,145[r]	53,626	50,730	46,214
99 Other banks in United States	7,379	10,474	18,466	17,328	17,328	17,451	16,143	16,921	15,491	14,517
100 Nonbanks	24,106	35,834	38,878	37,558	38,476	40,184	41,559	41,084	42,351	43,419
101 To foreigners	61,218	60,012	38,274[r]	31,885[r]	32,055[r]	30,210[r]	29,998[r]	33,088	31,610	32,918
102 Other branches of parent bank	17,040	20,641	15,796	11,808	11,536	10,515	10,272	12,020	12,461	12,999
103 Banks	29,895	23,202	10,166	8,451	8,999	8,126	7,618	9,024	8,062	8,780
104 Official institutions	4,361	3,498	1,967	1,720	1,678	1,710	1,734	1,796	2,101	2,140
105 Nonbank foreigners	9,922	12,671	10,345[r]	9,906[r]	9,842[r]	9,859[r]	10,374[r]	10,248	8,986	8,999
106 Other liabilities	2,953	3,337	2,457	2,352	2,209	2,218	2,176	2,073	2,248	2,354
107 **Total payable in U.S. dollars**	**119,657**	**145,284**	**141,908[r]**	**135,459[r]**	**142,550[r]**	**138,987[r]**	**137,925[r]**	**143,502**	**139,244**	**135,959**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1981[r]	1982[r]	1983 Mar[r]	Apr[r]	May[r]	June[r]	July	Aug.	Sep
1 **Total**[1]	**169,735**	**172,699**	**173,058**	**173,510**	**174,541**	**174,628**	**175,986**	**173,432**	**171,**
By type									
2 Liabilities reported by banks in the United States[2]	26,737	24,989	23,067	22,914	23,514	23,677	21,831	23,066	21,
3 U S Treasury bills and certificates[3]	52,389	46,658	47,917	48,399	49,281	49,068	53,434	50,965	50,
U.S. Treasury bonds and notes									
4 Marketable	53,186	67,684	70,291	70,643	70,677	71,095	70,181	69,094	69,
5 Nonmarketable[4]	11,791	8,750	7,950	7,950	7,950	7,950	7,950	7,950	7,
6 U S securities other than U S Treasury securities[5]	25,632	24,588	23,833	23,604	23,119	22,838	22,590	22,357	22,
By area									
7 Western Europe[1]	65,699	61,288	61,578	62,080	63,125	63,742	66,409	64,336	63,
8 Canada	2,403	2,070	2,942	2,770	2,977	3,117	3,293	3,713	2,
9 Latin America and Caribbean	6,953	6,057	5,611	6,284	5,920	6,509	5,421	5,676	5,
10 Asia	91,607	95,993	96,853	95,393	95,568	94,688	94,336	92,946	92,
11 Africa	1,829	1,350	1,162	1,208	1,203	1,075	1,138	1,173	1,
12 Other countries[6]	1,244	5,911	4,912	5,775	5,748	5,497	5,389	5,588	5,

1 Includes the Bank for International Settlements

2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

3 Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries

4 Excludes notes issued to foreign official nonreserve agencies Includes bonds and notes payable in foreign currencies.

5. Debt securities of U.S. government corporations and federally sponso agencies, and U S corporate stocks and bonds.

6 Includes countries in Oceania and Eastern Europe.

NOTE Based on Treasury Department data and on data reported to Treasury Department by banks (including Federal Reserve Banks) and securi dealers in the United States.

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

Millions of dollars, end of period

Item	1979	1980	1981	1982 Dec	1983 Mar	June	Sept
1 Banks' own liabilities	1,918	3,748	3,523	4,844[r]	5,075[r]	5,810	5,
2 Banks' own claims	2,419	4,206	4,980	7,707[r]	8,097[r]	7,817	7,
3 Deposits	994	2,507	3,398	4,251[r]	3,725	3,878	3,
4 Other claims	1,425	1,699	1,582	3,456[r]	4,372[r]	3,940	4,
5 Claims of banks' domestic customers[1]	580	962	971	676	637	684	

1 Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers

NOTE Data on claims exclude foreign currencies held by U.S monet authorities

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars

Millions of dollars, end of period

Holder and type of liability	1980	1981▲r	1982r	1983						
				Mar.r	Apr.r	Mayr	June	Julyr	Aug.	Sep
1 **All foreigners**	**205,297**	**243,889**	**307,023**	**317,716**	**309,311**	**317,666**	**320,984**	**326,808**	**334,054**	**33**
2 Banks' own liabilities	124,791	163,817	227,056	235,892	226,649	233,843	236,845	238,934	247,401	25
3 Demand deposits	23,462	19,631	15,971	16,487	15,606	16,935	17,314	15,760	15,658	1
4 Time deposits[1]	15,076	29,039	67,910	69,341	68,075	70,831	73,938	73,554	78,353	8
5 Other[2]	17,583	17,647	23,980	24,655	22,210	23,841	24,881	22,601	23,302	2
6 Own foreign offices[3]	68,670	97,500	119,195	125,409	120,758	122,236	120,712	127,019	130,088	12
7 Banks' custody liabilities[4]	80,506	80,072	79,967	81,824	82,661	83,823	84,139	87,873	86,653	8
8 U S Treasury bills and certificates[5]	57,595	55,315	55,628	58,772	60,110	60,508	61,245	65,133	63,915	6
9 Other negotiable and readily transferable instruments[6]	20,079	18,788	20,636	18,830	18,823	19,169	18,731	18,106	17,977	1
10 Other	2,832	5,970	3,702	4,222	3,728	4,146	4,163	4,634	4,761	
11 **Nonmonetary international and regional organizations**[7]	**2,344**	**2,721**	**4,922**	**4,353**	**6,273**	**5,803**	**5,456**	**5,678**	**5,555**	
12 Banks' own liabilities	444	638	1,909	1,708	2,898	3,467	3,048	4,030	3,433	
13 Demand deposits	146	262	106	221	252	267	165	307	325	
14 Time deposits[1]	85	58	1,664	1,148	2,087	2,511	2,483	3,010	2,507	
15 Other[2]	212	318	139	339	559	690	400	713	601	
16 Banks' custody liabilities[4]	1,900	2,083	3,013	2,645	3,375	2,335	2,408	1,648	2,121	
17 U S Treasury bills and certificates	254	541	1,621	1,501	2,230	1,280	1,538	678	1,294	
18 Other negotiable and readily transferable instruments[6]	1,646	1,542	1,392	1,144	1,145	1,055	870	970	828	
19 Other	0	0	0	0	0	0	0	0	0	
20 **Official institutions**[8]	**86,624**	**79,126**	**71,647**	**70,985**	**71,313**	**72,795**	**72,747**	**75,265**	**74,032**	**7**
21 Banks' own liabilities	17,826	17,109	16,640	16,530	16,281	16,768	16,723	15,613	16,841	1
22 Demand deposits	3,771	2,564	1,981	2,286	2,322	2,058	2,198	1,940	1,674	
23 Time deposits[1]	3,612	4,230	5,528	5,418	6,132	6,367	6,352	6,605	6,942	
24 Other[2]	10,443	10,315	9,131	8,827	7,826	8,343	8,173	7,068	8,224	
25 Banks' custody liabilities[4]	68,798	62,018	55,008	54,454	55,032	56,026	56,023	59,652	57,191	5
26 U.S. Treasury bills and certificates[5]	56,243	52,389	46,658	47,917	48,399	49,281	49,068	53,434	50,965	5
27 Other negotiable and readily transferable instruments[6]	12,501	9,581	8,321	6,512	6,618	6,724	6,937	6,189	6,186	
28 Other	54	47	28	25	15	22	17	29	39	
29 **Banks**[9]	**96,415**	**136,008**	**185,848**	**193,562**	**183,343**	**188,957**	**191,977**	**194,869**	**202,436**	**20**
30 Banks' own liabilities	90,456	124,312	169,416	175,185	164,890	169,536	172,521	174,750	182,000	18
31 Unaffiliated foreign banks	21,786	26,812	50,221	49,776	44,132	47,301	51,809	47,731	51,911	5
32 Demand deposits	14,188	11,614	8,675	8,264	7,601	8,832	9,134	8,074	8,299	
33 Time deposits[1]	1,703	8,720	28,261	27,915	24,525	25,429	27,944	26,512	29,777	3
34 Other[2]	5,895	6,477	13,285	13,597	12,007	13,039	14,730	13,145	13,835	1
35 Own foreign offices[3]	68,670	97,500	119,195	125,409	120,758	122,236	120,712	127,019	130,088	12
36 Banks' custody liabilities[4]	5,959	11,696	16,432	18,377	18,453	19,420	19,456	20,119	20,437	2
37 U S Treasury bills and certificates	623	1,685	5,809	7,122	7,475	7,824	8,396	8,599	9,015	
38 Other negotiable and readily transferable instruments[6]	2,748	4,400	7,857	8,265	8,041	8,315	7,771	7,821	7,581	
39 Other	2,588	5,611	2,766	2,990	2,937	3,282	3,289	3,699	3,841	
40 **Other foreigners**	**19,914**	**26,035**	**44,606**	**48,816**	**48,381**	**50,111**	**50,805**	**50,996**	**52,031**	**5**
41 Banks' own liabilities	16,065	21,759	39,092	42,469	42,580	44,070	44,552	44,542	45,127	4
42 Demand deposits	5,356	5,191	5,209	5,716	5,430	5,777	5,817	5,439	5,359	
43 Time deposits	9,676	16,030	32,457	34,860	35,332	36,524	37,158	37,428	39,126	41
44 Other[2]	1,033	537	1,426	1,893	1,819	1,769	1,578	1,675	642	
45 Banks' custody liabilities[4]	3,849	4,276	5,514	6,347	5,801	6,041	6,253	6,454	6,905	
46 U.S. Treasury bills and certificates	474	699	1,540	2,231	2,006	2,123	2,242	2,422	2,641	
47 Other negotiable and readily transferable instruments[6]	3,185	3,265	3,065	2,909	3,018	3,076	3,154	3,126	3,383	
48 Other	190	312	908	1,207	776	842	857	906	881	1
49 MEMO. Negotiable time certificates of deposit in custody for foreigners	10,745	10,747	14,307	11,383	11,604	11,537	11,589	11,062	10,720	1

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."
2. Includes borrowing under repurchase agreements.
3. U.S. banks includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks. principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank
4 Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.
5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries
6 Principally bankers acceptances, commercial paper, and negotiable certificates of deposit.
7. Principally the International Bank for Reconstruction and Development the Inter-American and Asian Development Banks.
8. Foreign central banks and foreign central governments, and the Banl International Settlements.
9 Excludes central banks, which are included in "Official institutions "
▲ Liabilities and claims of banks in the United States were increa beginning in December 1981, by the shift from foreign branches to internati banking facilities in the United States of liabilities to, and claims on, foi residents.

3.17 Continued

Area and country	1980	1981▲	1982	1983 Mar.r	Apr.r	May	June	July	Aug.	Sept.p
1 **Total**	**205,297**	**243,889r**	**307,023r**	**317,716**	**309,311**	**317,666r**	**320,984**	**326,808r**	**334,054**	**338,2**
2 **Foreign countries**	**202,953**	**241,168r**	**302,101r**	**313,363**	**303,037**	**311,863r**	**315,528**	**321,130r**	**328,499**	**332,9**
3 Europe	90,897	91,275r	117,753r	116,558	111,366	116,077r	118,531	118,788r	121,000	126,2
4 Austria	523	596	519r	604	576	572r	640	610	556	6
5 Belgium-Luxembourg	4,019	4,117	2,517	2,728	2,808	2,610r	2,843	2,955	3,116	2,7
6 Denmark	497	333	509	765	849	732	616	612	573	5
7 Finland	455	296	748	408	437	280	447	292	459	3
8 France	12,125	8,486	8,171r	6,783	7,099	6,652r	6,766	8,845r	8,488	8,8
9 Germany	9,973	7,645r	5,351r	6,471	3,437	3,971	3,423	3,707	3,537	3,4
10 Greece	670	463	537	597	670	648	567	588	636	6
11 Italy	7,572	7,267r	5,626r	4,331	5,029	5,573	6,634	7,790	7,277	6,9
12 Netherlands	2,441	2,823	3,362	3,706	3,970	3,550r	3,246	3,413	3,633	4,4
13 Norway	1,344	1,457	1,567	1,061	1,565	2,227	1,719	900	1,044	1,4
14 Portugal	374	354	388	363	346	427	350	338	315	3
15 Spain	1,500	916	1,405	1,640	1,484	1,621	1,615	1,694	1,585	1,6
16 Sweden	1,737	1,545	1,390r	1,384	1,210	1,356	1,493	1,407	1,204	1,3
17 Switzerland	16,689	18,716r	29,066r	30,459	29,424	29,781	29,941	29,958	29,867	29,9
18 Turkey	242	518	296	254	231	248	198	224	315	3
19 United Kingdom	22,680	28,286r	48,172r	47,748	45,045	48,840r	50,343	48,015	51,285	55,6
20 Yugoslavia	681	375	499	491	504	549	504	427	462	5
21 Other Western Europe[1]	6,939	6,541r	7,006r	6,365	6,223	6,061r	6,666	6,514	6,232	5,9
22 U.S.S.R.	68	49	50	40	44	53	71	45	31	
23 Other Eastern Europe[2]	370	493	573	362	413	327	448	453	384	5
24 Canada	10,031	10,250	12,232r	15,182	14,540	16,309r	16,345	16,676	17,926	16,4
25 Latin America and Caribbean	53,170	85,223r	114,133r	120,899	118,096	118,528r	120,440	124,257r	128,461	126,6
26 Argentina	2,132	2,445	3,578r	4,700	4,622	4,746	4,763	5,017	4,249	4,1
27 Bahamas	16,381	34,856	44,719r	49,541	49,185	49,751r	49,741	54,506r	53,993	49,8
28 Bermuda	670	765	1,572	2,083	2,080	1,831r	2,064	2,360	2,852	2,8
29 Brazil	1,216	1,568	2,014	1,967	2,498	2,483	2,675	2,681	3,017	3,4
30 British West Indies	12,766	17,794	26,376r	27,678	24,062	23,312r	24,213	24,172	26,833	28,0
31 Chile	460	664	1,626	1,108	1,204	1,345	1,355	1,385	1,472	1,6
32 Colombia	3,077	2,993	2,594	1,891	1,825	1,873	1,719	1,618	1,674	1,6
33 Cuba	6	9	9	9	12	8	13	11	12	
34 Ecuador	371	434	455r	575	534	658	581	532	601	6
35 Guatemala	367	479	670	679	671	711	705	697	718	7
36 Jamaica	97	87	126	134	107	108	130	108	106	1
37 Mexico	4,547	7,235r	8,377r	8,126	8,365	8,536	9,027	9,142	9,445	9,6
38 Netherlands Antilles	413	3,182	3,597	3,440	3,440	3,622	3,514	3,434	3,486	3,5
39 Panama	4,718	4,857	4,805r	5,635	5,637	5,749	5,670	5,608	5,925	6,1
40 Peru	403	694	1,147	922	966	1,005	1,148	1,055	1,129	1,2
41 Uruguay	254	367	759	822	858	919	955	958	1,031	1,1
42 Venezuela	3,170	4,245	8,417r	8,196	8,622	8,576r	8,631	7,715	8,587	8,3
43 Other Latin America and Caribbean	2,123	2,548	3,291	3,392	3,407	3,295r	3,537	3,257	3,331	3,5
44 Asia	42,420	49,822r	48,716r	52,567	50,195	52,117	51,957	53,025	52,541	54,8
China										
45 Mainland	49	158	203	208	187	158	208	192r	176	1
46 Taiwan	1,662	2,082	2,761r	3,549	3,600	3,765	3,744	3,913	4,086	3,8
47 Hong Kong	2,548	3,950	4,465	5,725	5,127	5,195	5,587	5,554	5,600	6,5
48 India	416	385	433	521	669	719	669	606	528	7
49 Indonesia	730	640	857r	861	1,028	765	554	1,245	839	6
50 Israel	883	592	606	990	767	789	835	670	812	8
51 Japan	16,281	20,750	16,078	17,029	17,052	17,403	17,006	17,655	16,861	17,6
52 Korea	1,528	2,013	1,692	1,418	1,147	1,459	1,326	1,552	1,553	1,4
53 Philippines	919	874	770	718	712	783	818	770	912	1,1
54 Thailand	464	534	629	488	528	566	692	537	531	5
55 Middle-East oil-exporting countries[3]	14,453	12,992r	13,433	13,161	11,758	12,610	11,832	11,865r	11,764	12,6
56 Other Asia	2,487	4,853r	6,789r	7,899	7,620	7,906	8,685	8,467	8,877	8,5
57 Africa	5,187	3,180	3,124r	2,933	2,841	2,876	2,693	2,916	2,853	3,1
58 Egypt	485	360	432r	540	466	513	467	554	465	4
59 Morocco	33	32	81r	59	49	50	54	57	48	
60 South Africa	288	420	292r	295	310	358	355	403	452	5
61 Zaire	57	26	23	33	28	32	59	55	29	
62 Oil-exporting countries[4]	3,540	1,395	1,280	975	1,071	867	743	928	934	9
63 Other Africa	783	946	1,016	1,031	916	1,057	1,014	919	926	1,0
64 Other countries	1,247	1,419	6,143	5,224	5,999	5,956r	5,562	5,469	5,719	5,4
65 Australia	950	1,223	5,904	4,933	5,804	5,778	5,404	5,250	5,512	5,2
66 All other	297	196	239	291	195	178r	159	219	208	2
67 Nonmonetary international and regional organizations	2,344	2,721	4,922r	4,353	6,273	5,803r	5,456	5,678	5,555	5,3
68 International	1,157	1,661	4,049r	3,572	5,550	5,078r	4,747	4,987	4,861	4,6
69 Latin American regional	890	710	517	496	494	457r	443	454	441	4
70 Other regional[5]	296	350	357	285	229	267	266	237	252	1

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.
5. Asian, African, Middle Eastern, and European regional organizatior except the Bank for International Settlements, which is included in "Oth Western Europe."

▲ Liabilities and claims of banks in the United States were increased, beginni in December 1981, by the shift from foreign branches to international banki facilities in the United States of liabilities to, and claims on, foreign residents

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1980	1981▲	1982	1983 Mar.r	Apr.r	Mayr	June	July	Aug.	Sept p
1 **Total**	**172,592**	**251,573r**	**355,694r**	**374,550**	**361,811**	**364,096**	**372,437**	**366,155r**	**374,656**	**372,330**
2 **Foreign countries**	**172,514**	**251,517r**	**355,625r**	**374,477**	**361,719**	**364,019**	**372,337**	**366,070r**	**374,571**	**371,732**
3 Europe	32,108	49,262r	85,508r	89,160	84,678	83,975	86,335	84,496r	88,138	86,668
4 Austria	236	121	229r	258	307	309	342	383	338	365
5 Belgium-Luxembourg	1,621	2,849r	5,138r	5,808	5,497	5,689	5,796	5,449	5,890	5,458
6 Denmark	127	187	554	1,133	1,122	1,059	1,077	1,064	1,121	1,075
7 Finland	460	546	990	961	844	766	870	777	637	791
8 France	2,958	4,127	7,251r	7,732	7,352	7,839	7,941	7,900	8,589	7,692
9 Germany	948	940	1,876r	1,771	1,273	1,208	1,404	1,112	1,153	1,409
10 Greece	256	333	452	652	628	607	576	458	375	407
11 Italy	3,364	5,240	7,560r	7,186	7,404	6,985	7,323	7,401	7,379	6,856
12 Netherlands	575	682	1,425	1,631	1,270	1,282	1,165	967	1,048	1,163
13 Norway	227	384	572	544	628	683	652	598	634	530
14 Portugal	331	529	950	823	812	818	846	844	848	861
15 Spain	993	2,095r	3,744r	3,123	3,037	3,062	3,199	3,339	3,373	3,317
16 Sweden	783	1,205	3,038r	2,452	2,268	2,307	2,864	2,910	2,836	2,964
17 Switzerland	1,446	2,213	1,639	1,668	1,646	1,085	1,598	1,727	1,630	1,740
18 Turkey	145	424	560	595	608	578	570	629	594	616
19 United Kingdom	14,917	23,849r	45,706r	49,103	46,218	45,949	46,250	45,346r	48,024	47,745
20 Yugoslavia	853	1,225r	1,430r	1,394	1,433	1,482	1,463	1,381	1,351	1,354
21 Other Western Europe[1]	179	211r	368r	321	250	254	334	356	406	527
22 U.S.S.R.	281	377	263	315	397	349	373	288	232	217
23 Other Eastern Europe[2]	1,410	1,725	1,762r	1,690	1,685	1,664	1,692	1,566	1,680	1,580
24 Canada	4,810	9,193r	13,678r	16,464	15,081	16,536	16,616	16,497r	17,491	16,366
25 Latin America and Caribbean	92,992	138,331r	188,199r	199,297	196,075	198,139	198,880	195,018r	197,758	196,143
26 Argentina	5,689	7,527r	10,974	11,284	11,228	11,550	11,243	11,112	11,334	11,339
27 Bahamas	29,419	43,535r	56,880r	59,914	57,257	58,965	62,153	58,824r	57,240	57,978
28 Bermuda	218	346	603	500	385	628	447	358	390	637
29 Brazil	10,496	16,926r	23,271r	23,576	23,726	23,541	23,333	23,711	24,224	24,009
30 British West Indies	15,663	21,972r	29,101r	35,395	35,114	33,356	32,518r	30,349	31,774	30,600
31 Chile	1,951	3,690	5,513	5,210	5,131	5,568	5,161	5,188	5,389	5,707
32 Colombia	1,752	2,018	3,211	3,166	3,155	3,485	3,600	3,656	3,592	3,636
33 Cuba	3	3	3	2	0	0	0	0	0	3
34 Ecuador	1,190	1,531	2,062	2,054	2,093	2,040	2,038	2,018	2,014	2,005
35 Guatemala[3]	137	124	124	84	77	90	90	96	100	107
36 Jamaica[3]	36	62	181	217	196	197	207	209	204	214
37 Mexico	12,595	22,439r	29,552r	31,285	31,758	31,939	32,318	32,862	33,700	33,439
38 Netherlands Antilles	821	1,076	839	894	979	827	519	943	838	1,017
39 Panama	4,974	6,794r	10,210r	9,838	9,013	9,686	8,824	9,127	10,080	9,120
40 Peru	890	1,218	2,357r	2,303	2,333	2,416	2,624	2,506	2,421	2,416
41 Uruguay	137	157	686	707	859	824	820	833	820	856
42 Venezuela	5,438	7,069	10,643r	10,623	10,564	10,748	10,848	11,121r	11,045	10,882
43 Other Latin America and Caribbean	1,583	1,844	1,991	2,246	2,208	2,280	2,138r	2,104	2,592	2,177
44 Asia	39,078	49,851r	60,786r	61,557	57,711	57,412	62,502	61,874r	62,481	63,912
China										
45 Mainland	195	107	214	195	239	219	166	124	179	228
46 Taiwan	2,469	2,461	2,288	1,860	1,786	1,613	1,760	1,715	1,644	1,744
47 Hong Kong	2,247	4,132r	6,698r	7,656	7,487	7,552	7,845	8,033r	8,093	8,536
48 India	142	123	222	160	163	198	230	245	275	259
49 Indonesia	245	352r	348r	511	547	569	537	595	635	688
50 Israel	1,172	1,567r	2,029r	1,744	2,036	1,926	2,181	1,657	1,639	1,747
51 Japan	21,361	26,797r	28,302	28,555	24,979	24,757	27,381	27,758r	27,342	28,479
52 Korea	5,697	7,340r	9,387r	9,215	8,768	8,940	9,143	9,639	9,696	9,382
53 Philippines	989	1,819r	2,625r	2,638	2,637	2,493	2,829	2,640	2,540	2,729
54 Thailand	876	565r	643	625	741	707	788	689	735	800
55 Middle East oil-exporting countries[4]	1,432	1,581r	3,087	3,832	3,947	4,027	4,452	4,003	4,632	4,082
56 Other Asia	2,252	3,009	4,943r	4,564	4,381	4,413	5,191	4,776	5,071	5,240
57 Africa	2,377	3,503	5,346r	5,483	5,698	5,538	5,662	5,937	6,527	6,467
58 Egypt	151	238	322	309	297	378	421	486	529	595
59 Morocco	223	284	353	375	382	441	463	484	444	444
60 South Africa	370	1,011	2,012	2,185	2,123	2,123	2,231	2,407	2,630	2,703
61 Zaire	94	112	57	52	104	47	46	45	40	38
62 Oil-exporting countries[5]	805	657	801	844	750	851	830	850	1,052	964
63 Other	734	1,201	1,802r	1,717	2,041	1,699	1,671	1,664	1,832	1,722
64 Other countries	1,150	1,376	2,107	2,516	2,475	2,418	2,342	2,248	2,177	2,176
65 Australia	859	1,203	1,713	1,959	1,889	1,756	1,722	1,635	1,635	1,611
66 All other	290	172	394	557	586	662	620	613	542	566
67 Nonmonetary international and regional organizations[6]	78	56	68	73	92	77	100	85	85	598

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.
3. Included in "Other Latin America and Caribbean" through March 1978.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE. Data for period before April 1978 include claims of banks' domestic customers on foreigners.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1980	1981▲r	1982r	1983 Mar.r	Apr.r	Mayr	June	Julyr	Aug.	Sep
1 **Total**	**198,698**	**287,541**	**396,004**	**412,816**	....	....	**407,910**	....	....	**408**
2 Banks' own claims on foreigners	172,592	251,573	355,694	374,550	361,811	364,096	372,437	366,155	374,656	372
3 Foreign public borrowers	20,882	31,260	45,409	46,988	47,598	47,821	49,240	49,609	51,584	53
4 Own foreign offices[1]	65,084	96,653	127,448	144,076	135,824	139,392	140,139	135,686	139,910	136
5 Unaffiliated foreign banks	50,168	74,688	121,333	122,359	117,733	116,017	120,559	117,720	120,600	119
6 Deposits	8,254	23,365	44,180	49,527	44,952	44,403	46,883	46,166	47,383	48
7 Other	41,914	51,322	77,153	72,832	72,780	71,613	73,676	71,554	73,216	71
8 All other foreigners	36,459	48,972	61,504	61,127	60,656	60,867	62,499	63,141	62,562	61
9 Claims of banks' domestic customers[2]	26,106	35,968	40,310	38,267	....	....	35,473	....	....	36
10 Deposits	885	1,378	2,491	2,126	....	....	2,631	....	....	2
11 Negotiable and readily transferable instruments[3]	15,574	26,352	30,763	29,261	....	....	26,708	....	....	27
12 Outstanding collections and other claims	9,648	8,238	7,056	6,880	...	....	6,133		.....	5
13 MEMO: Customer liability on acceptances	22,714	29,952	38,338	35,153	...	...	34,811	....	......	34
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[4]	24,468	39,862	41,210	38,856	41,529	42,934	40,677r	41,012	41,299	n

1. *U.S. banks*: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. *Agencies, branches, and majority-owned subsidiaries of foreign banks*: principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.
3. Principally negotiable time certificates of deposit and bankers acceptances.
4. Includes demand and time deposits and negotiable and nonnegoti certificates of deposit denominated in U.S. dollars issued by banks abroad. description of changes in data reported by nonbanks, see July 1979 BULLE p. 550.

▲ Liabilities and claims of banks in the United States were increa beginning in December 1981, by the shift from foreign branches to internati banking facilities in the United States of liabilities to, and claims on, for residents.

NOTE. Beginning April 1978, data for banks' own claims are given on a mon basis, but the data for claims of banks' own domestic customers are available quarterly basis only.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area	1980	1981▲r	1982 Sept r	Dec.r	1983 Mar.r	June	Sept
1 **Total**	**106,748**	**154,574**	**215,200**	**227,967**	**229,437**	**231,022**	**233,**
By borrower							
2 Maturity of 1 year or less[1]	82,555	116,378	163,465	173,736	173,631	173,596	174,
3 Foreign public borrowers	9,974	15,142	20,095	21,236	21,667	22,442	25,
4 All other foreigners	72,581	101,236	143,370	152,500	151,964	151,154	148,
5 Maturity of over 1 year[1]	24,193	38,197	51,735	54,231	55,807	57,427	59,
6 Foreign public borrowers	10,152	15,589	22,016	23,127	24,693	26,170	26,
7 All other foreigners	14,041	22,608	29,719	31,104	31,113	31,257	32,
By area							
Maturity of 1 year or less[1]							
8 Europe	18,715	28,130	45,908	50,493	53,986	51,797	52,
9 Canada	2,723	4,662	7,062	7,642	6,845	6,957	6,
10 Latin America and Caribbean	32,034	48,701	72,353	73,239	74,998	74,622	75,
11 Asia	26,686	31,485	33,358	37,455	32,574	35,183	33,
12 Africa	1,757	2,457	3,621	3,680	3,872	3,854	4,
13 All other[2]	640	943	1,163	1,226	1,355	1,182	1,
Maturity of over 1 year[1]							
14 Europe	5,118	8,100	10,564	11,636	11,986	12,181	11,
15 Canada	1,448	1,808	2,003	1,931	1,924	1,864	1,
16 Latin America and Caribbean	15,075	25,209	34,112	35,245	35,844	36,604	38,
17 Asia	1,865	1,907	3,092	3,185	3,573	4,045	4,
18 Africa	507	900	1,328	1,494	1,485	1,667	1,
19 All other[2]	179	272	635	740	995	1,066	1,

1. Remaining time to maturity.
2. Includes nonmonetary international and regional organizations.

▲ Liabilities and claims of banks in the United States were increa beginning in December 1981, by the shift from foreign branches to internati banking facilities in the United States of liabilities to, and claims on, for residents.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1]

Billions of dollars, end of period

Area or country	1979	1980	1981			1982				1983	
			June	Sept	Dec	Mar	June	Sept	Dec	Mar	June
1 **Total**	**303.9**	**352.0**	**382.9**	**399.8**	**414.9**	**419.3**	**434.6**	**437.3**	**438.0**	**438.3r**	**435.0r**
2 G-10 countries and Switzerland	138.4	162.1	168.3	172.2	175.4	174.3	176.0	175.1	179.2	180.8	175.7r
3 Belgium-Luxembourg	11.1	13.0	13.8	14.1	13.3	13.2	14.1	13.6	13.1	13.7	13.1
4 France	11.7	14.1	14.7	16.0	15.3	15.9	16.5	15.8	16.7	16.6	17.1
5 Germany	12.2	12.1	12.1	12.7	12.9	12.5	12.7	12.2	12.7	13.4	12.5
6 Italy	6.4	8.2	8.4	8.6	9.6	9.0	9.0	9.7	10.3	10.1	10.5r
7 Netherlands	4.8	4.4	4.2	3.7	4.0	4.0	4.1	3.8	3.6	4.3	4.1
8 Sweden	2.4	2.9	3.1	3.4	3.7	4.1	4.0	4.7	5.0	4.3	4.7
9 Switzerland	4.7	5.0	5.2	5.1	5.5	5.3	5.1	5.0	5.0	4.6	4.7
10 United Kingdom	56.4	67.4	67.0	68.8	70.0	70.2	69.2	70.1	71.6	72.3	69.8r
11 Canada	6.3	8.4	10.8	11.8	10.9	11.6	11.4	11.0	11.1	12.4	10.7
12 Japan	22.4	26.5	28.9	28.0	30.1	28.5	29.9	29.3	30.1	29.1	28.5r
13 *Other developed countries*	19.9	21.6	24.8	26.4	28.4	30.7	32.1	32.7	33.7	33.9	34.3r
14 Austria	2.0	1.9	2.1	2.2	1.9	2.1	2.1	2.0	1.9	2.1	2.1
15 Denmark	2.2	2.3	2.3	2.5	2.3	2.5	2.6	2.5	2.4	3.3	3.3
16 Finland	1.2	1.4	1.3	1.4	1.7	1.6	1.6	1.8	2.2	2.1	2.1
17 Greece	2.4	2.8	3.0	2.9	2.8	2.9	2.7	2.6	3.0	2.9	2.8r
18 Norway	2.3	2.6	2.8	3.0	3.1	3.2	3.2	3.4	3.3	3.3	3.4
19 Portugal	.7	.6	.8	1.0	1.1	1.2	1.5	1.6	1.5	1.4	1.4
20 Spain	3.5	4.4	5.7	5.8	6.7	7.2	7.3	7.7	7.5	7.0	7.2
21 Turkey	1.4	1.5	1.4	1.5	1.4	1.6	1.5	1.5	1.4	1.5	1.4
22 Other Western Europe	1.4	1.7	1.8	1.9	2.1	2.1	2.2	2.1	2.3	2.2	2.1r
23 South Africa	1.3	1.1	1.9	2.5	2.8	3.3	3.5	3.6	3.7	3.6	3.9
24 Australia	1.3	1.3	1.7	1.9	2.5	3.0	4.0	4.0	4.4	4.6	4.5
25 OPEC countries[2]	22.9	22.7	22.2	23.5	24.7	25.4	26.4	27.3	27.5	28.5	28.2r
26 Ecuador	1.7	2.1	2.0	2.1	2.2	2.3	2.4	2.3	2.2	2.2	2.2
27 Venezuela	8.7	9.1	8.8	9.2	9.9	10.0	10.1	10.4	10.6	10.4	10.2
28 Indonesia	1.9	1.8	2.1	2.5	2.6	2.7	2.8	2.9	3.2	3.5	3.2
29 Middle East countries	8.0	6.9	6.8	7.1	7.5	8.2	8.7	9.0	8.7	9.3	9.5
30 African countries	2.6	2.8	2.6	2.6	2.5	2.2	2.5	2.7	2.8	3.0	3.2r
31 Non-OPEC developing countries	63.0	77.4	84.8	90.2	96.2	97.4	103.6	103.9	106.9	107.3	108.1r
Latin America											
32 Argentina	5.0	7.9	8.5	9.3	9.4	10.0	9.7	9.2	8.9	9.0	9.4
33 Brazil	15.2	16.2	17.5	17.7	19.1	19.6	21.3	22.4	22.9	23.1	22.5
34 Chile	2.5	3.7	4.8	5.5	5.8	6.0	6.4	6.2	6.3	6.0	5.8
35 Colombia	2.2	2.6	2.5	2.5	2.6	2.3	2.6	2.8	3.1	2.9	3.2
36 Mexico	12.0	15.9	18.2	20.0	21.6	22.9	25.1	24.9	24.5	24.9	25.0
37 Peru	1.5	1.8	1.7	1.8	2.0	1.9	2.5	2.6	2.6	2.4	2.6
38 Other Latin America	3.7	3.9	3.8	4.2	4.1	4.1	4.0	4.3	4.0	4.2	4.3
Asia											
China											
39 Mainland	.1	.2	.2	.2	.2	.2	.3	.2	.2	.2	.2
40 Taiwan	3.4	4.2	4.6	5.1	5.1	5.1	5.0	4.9	5.2	5.1	5.1r
41 India	.2	.3	.3	.3	.3	.5	.5	.5	.6	.4	.5
42 Israel	1.3	1.5	1.8	1.5	2.1	1.7	2.2	1.9	2.3	2.0	2.3r
43 Korea (South)	5.4	7.1	8.8	8.6	9.4	8.6	8.9	9.3	10.9	10.8	10.8
44 Malaysia	1.0	1.1	1.4	1.4	1.7	1.7	1.9	1.8	2.1	2.5	2.6
45 Philippines	4.2	5.1	5.1	5.6	6.0	5.9	6.3	6.0	6.3	6.6	6.4
46 Thailand	1.5	1.6	1.5	1.4	1.5	1.4	1.3	1.3	1.6	1.6	1.8
47 Other Asia	.5	.6	.7	.8	1.0	1.2	1.1	1.3	1.1	1.4	1.1r
Africa											
48 Egypt	.6	.8	.7	1.0	1.1	1.3	1.3	1.3	1.2	1.1	1.2
49 Morocco	.6	.7	.5	.7	.7	.7	.7	.8	.7	.8	.8
50 Zaire	.2	.2	.2	.2	.2	.2	.2	.1	.1	.1	.1
51 Other Africa[3]	1.7	2.1	2.1	2.2	2.3	2.3	2.3	2.2	2.4	2.3	2.2
52 Eastern Europe	7.3	7.4	7.7	7.7	7.8	7.2	6.7	6.3	6.2	5.8r	6.0
53 U.S.S.R.	.7	.4	.5	.4	.6	.4	.4	.3	.3	.3	.4
54 Yugoslavia	1.8	2.3	2.5	2.5	2.5	2.5	2.4	2.2	2.2	2.2r	2.3
55 Other	4.8	4.6	4.8	4.7	4.7	4.3	3.9	3.8	3.7	3.3	3.3
56 Offshore banking centers	40.4	47.0	59.3	61.7	63.6	65.7	71.7	71.7	66.6	65.7r	67.1r
57 Bahamas	13.7	13.7	17.9	21.3	19.0	20.2	23.9	21.2	18.8	17.3	19.7r
58 Bermuda	.8	.6	.7	.8	.7	.7	.7	.8	.9	1.0	.8
59 Cayman Islands and other British West Indies	9.4	10.6	12.6	12.1	12.4	12.1	12.3	13.5	13.0	11.7r	11.9r
60 Netherlands Antilles	1.2	2.1	2.4	2.2	3.2	3.2	3.0	3.3	3.3	3.2	2.6
61 Panama[4]	4.3	5.4	6.9	6.7	7.6	7.2	7.4	8.0	7.6	7.1	6.5
62 Lebanon	.2	.2	.2	.2	.2	.2	.2	.1	.1	.1	.1
63 Hong Kong	6.0	8.1	10.3	10.3	11.8	12.9	14.3	14.9	13.8	15.0	14.5
64 Singapore	4.5	5.9	8.1	8.0	8.7	9.3	9.9	9.8	9.1	10.3r	11.0r
65 Others[5]	.4	.3	.3	.1	.1	.1	.1	0	0	0	0
66 Miscellaneous and unallocated[6]	11.7	14.0	15.7	18.2	18.8	18.5	18.4	20.3	17.9	16.3	15.5r

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

2. Besides the Organization of Petroleum Exporting Countries shown individually, this group includes other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates) as well as Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

6. Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

	Type, and area or country	1979	1980	1981	1982			1983	
					June	Sept	Dec.	Mar.	June
1	**Total**	**17,433**	**29,434**	**28,604**	**25,447**	**24,995**	**24,940**	**22,925[r]**	**22,453**
2	Payable in dollars	14,323	25,689	24,904	22,685	21,896	21,841	20,032[r]	19,359
3	Payable in foreign currencies	3,110	3,745	3,700	2,763	3,099	3,099	2,893	3,094
	By type								
4	Financial liabilities	7,523	11,330	12,143	10,063	10,749	10,388	10,478	10,946
5	Payable in dollars	5,223	8,528	9,494	8,121	8,458	8,313	8,533	8,611
6	Payable in foreign currencies	2,300	2,802	2,649	1,941	2,291	2,075	1,945	2,335
7	Commercial liabilities	9,910	18,104	16,461	15,385	14,245	14,552	12,447[r]	11,507
8	Trade payables	4,591	12,201	10,818	9,475	8,039	7,601	5,620[r]	5,979
9	Advance receipts and other liabilities	5,320	5,903	5,643	5,910	6,206	6,951	6,827[r]	5,527
10	Payable in dollars	9,100	17,161	15,409	14,563	13,438	13,528	11,499[r]	10,747
11	Payable in foreign currencies	811	943	1,052	822	808	1,024	948	759
	By area or country								
	Financial liabilities								
12	Europe	4,665	6,481	6,816	5,944	6,389	6,172	6,090	6,049
13	Belgium-Luxembourg	338	479	471	518	494	502	407	434
14	France	175	327	709	581	672	635	685	697
15	Germany	497	582	491	439	446	470	487	417
16	Netherlands	829	681	748	517	759	702	687	728
17	Switzerland	170	354	715	661	670	673	623	595
18	United Kingdom	2,477	3,923	3,556	3,081	3,212	3,061	3,071	3,051
19	Canada	532	964	958	758	702	685	723	1,278
20	Latin America and Caribbean	1,514	3,136	3,356	2,805	2,969	2,707	2,690	2,453
21	Bahamas	404	964	1,279	1,003	938	890	817	694
22	Bermuda	81	1	7	7	9	14	18	35
23	Brazil	18	23	22	24	28	28	39	34
24	British West Indies	516	1,452	1,241	1,044	981	1,002	1,001	924
25	Mexico	121	99	102	83	85	121	149	151
26	Venezuela	72	81	98	100	104	114	121	124
27	Asia	804	723	976	526	658	796	943	1,140
28	Japan	726	644	792	340	424	572	699	863
29	Middle East oil-exporting countries[2]	31	38	75	66	67	69	68	105
30	Africa	4	11	14	17	17	17	20	17
31	Oil-exporting countries[3]	1	1	0	0	0	0	0	0
32	All other[4]	4	15	24	11	13	12	13	9
	Commercial liabilities								
33	Europe	3,709	4,402	3,770	3,844	3,957	3,636	3,430[r]	3,335
34	Belgium-Luxembourg	137	90	71	47	50	52	45[r]	41
35	France	467	582	573	703	762	595	576	614
36	Germany	545	679	545	457	436	457	440[r]	426
37	Netherlands	227	219	220	246	277	346	351[r]	342
38	Switzerland	316	499	424	412	358	363	354[r]	357
39	United Kingdom	1,080	1,209	880	951	1,001	850	679[r]	621
40	Canada	924	888	897	1,134	1,197	1,490	1,454	1,478
41	Latin America and Caribbean	1,325	1,300	1,044	1,460	1,235	991	1,050[r]	999
42	Bahamas	69	8	2	20	6	16	4	1
43	Bermuda	32	75	67	102	48	89	117	76
44	Brazil	203	111	67	62	128	60	51	49
45	British West Indies	21	35	2	2	3	32	4	22
46	Mexico	257	367	340	769	499	379	355[r]	391
47	Venezuela	301	319	276	219	269	148	183[r]	219
48	Asia	2,991	10,242	9,384	7,588	6,593	7,080	5,437[r]	4,685
49	Japan	583	802	1,094	1,085	1,147	1,150	1,235[r]	1,122
50	Middle East oil-exporting countries[2,5]	1,014	8,098	7,008	5,195	4,178	4,531	2,803[r]	2,294
51	Africa	728	817	703	729	669	704	497[r]	492
52	Oil-exporting countries[3]	384	517	344	340	248	277	158	167
53	All other[4]	233	456	664	630	595	651	578[r]	518

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.
5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type, and area or country	1979	1980	1981	1982			1983	
				June	Sept.	Dec.	Mar.	June
1 **Total**	**31,299**	**34,482**	**35,814**	**30,758**	**29,852**	**27,600**	**30,693[r]**	**31,135**
2 Payable in dollars	28,096	31,528	32,220	28,256	27,199	24,982	27,951[r]	28,558
3 Payable in foreign currencies	3,203	2,955	3,595	2,502	2,653	2,618	2,741[r]	2,577
By type								
4 Financial claims	18,398	19,763	20,800	18,442	17,988	16,661	19,710	20,661
5 Deposits	12,858	14,166	14,747	13,680	12,882	12,134	15,059	15,820
6 Payable in dollars	11,936	13,381	14,122	13,310	12,469	11,709	14,581	15,398
7 Payable in foreign currencies	923	785	625	370	413	426	478	422
8 Other financial claims	5,540	5,597	6,053	4,762	5,106	4,527	4,651	4,841
9 Payable in dollars	3,714	3,914	3,599	3,194	3,419	2,895	3,006	3,238
10 Payable in foreign currencies	1,826	1,683	2,454	1,568	1,687	1,632	1,645	1,603
11 Commercial claims	12,901	14,720	15,014	12,316	11,864	10,939	10,983[r]	10,474
12 Trade receivables	12,185	13,960	13,978	11,137	10,758	9,929	9,780[r]	9,222
13 Advance payments and other claims	716	759	1,036	1,179	1,106	1,010	1,203[r]	1,252
14 Payable in dollars	12,447	14,233	14,499	11,752	11,311	10,378	10,364[r]	9,923
15 Payable in foreign currencies	454	487	516	564	552	561	619[r]	551
By area or country								
Financial claims								
16 Europe	6,179	6,069	4,573	4,734	4,884	4,670	6,066	7,198
17 Belgium-Luxembourg	32	145	43	13	16	10	58	12
18 France	177	298	285	324	326	134	90	137
19 Germany	409	230	224	148	215	178	127	217
20 Netherlands	53	51	50	56	62	32	140	136
21 Switzerland	73	54	117	74	60	107	99	48
22 United Kingdom	5,099	4,987	3,522	3,847	3,834	3,945	5,301	6,406
23 Canada	5,003	5,036	6,628	4,365	4,322	4,219	4,605	4,857
24 Latin America and Caribbean	6,312	7,811	8,620	8,319	7,727	6,884	8,147	7,577
25 Bahamas	2,773	3,477	3,556	3,762	3,389	3,108	3,747	3,147
26 Bermuda	30	135	18	42	16	8	10	103
27 Brazil	163	96	30	76	76	62	50	48
28 British West Indies	2,011	2,755	3,872	3,588	3,237	2,787	3,063	2,963
29 Mexico	157	208	313	274	268	274	352	348
30 Venezuela	143	137	148	134	133	139	156	152
31 Asia	601	607	758	802	846	698	712	726
32 Japan	199	189	366	327	268	153	233	225
33 Middle East oil-exporting countries[2]	16	20	37	33	30	15	18	14
34 Africa	258	208	173	156	165	158	153	154
35 Oil-exporting countries[3]	49	26	46	41	50	48	45	48
36 All other[4]	44	32	48	66	44	31	25	149
Commercial claims								
37 Europe	4,922	5,544	5,382	4,330	4,227	3,755	3,592[r]	3,392
38 Belgium-Luxembourg	202	233	234	211	178	150	140	144
39 France	727	1,129	776	636	646	473	489[r]	495
40 Germany	593	599	559	394	427	356	419[r]	358
41 Netherlands	298	318	299	291	267	347	309[r]	242
42 Switzerland	272	354	427	414	291	339	227	303
43 United Kingdom	901	929	969	905	1,035	793	754[r]	737
44 Canada	859	914	967	714	666	635	674	740
45 Latin America and Caribbean	2,879	3,766	3,479	2,789	2,772	2,513	2,690[r]	2,714
46 Bahamas	21	21	12	30	19	21	30	30
47 Bermuda	197	108	223	225	154	259	172	108
48 Brazil	645	861	668	423	481	258	401	510
49 British West Indies	16	34	12	10	7	12	21[r]	21
50 Mexico	708	1,102	1,022	750	869	767	886[r]	951
51 Venezuela	343	410	424	383	373	351	288[r]	273
52 Asia	3,451	3,522	3,954	3,422	3,091	3,033	3,126[r]	2,741
53 Japan	1,177	1,052	1,244	1,249	973	1,047	1,115	854
54 Middle East oil-exporting countries[2]	765	825	905	809	777	748	701[r]	696
55 Africa	551	653	772	648	660	588	559	527
56 Oil-exporting countries[3]	130	153	152	138	148	140	131	130
57 All other[4]	240	321	461	413	448	415	342[r]	360

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1981	1982	1983 Jan.–Sept.	1983 Mar	Apr.	May	June	July	Aug	Sept
					U.S. corporate securities					
STOCKS										
1 Foreign purchases	40,686	41,942r	53,470	7,091r	5,946r	6,625r	6,864	5,758	5,149	[illegible]
2 Foreign sales	34,856	37,965r	48,501	6,163r	5,350r	6,365	6,454	5,198	5,122	[illegible]
3 Net purchases, or sales (−)	**5,830**	**3,976r**	**4,969**	**927r**	**597r**	**260r**	**410**	**560**	**27**	[illegible]
4 Foreign countries	**5,803**	**3,892r**	**4,868**	**901r**	**545r**	**258r**	**435**	**551**	**28**	[illegible]
5 Europe	3,662	2,616r	4,458	977r	648r	302r	202	442	96	[illegible]
6 France	900	−143	68	8	29	−28	14	33	−77	[illegible]
7 Germany	−22	333	996	226	222	86	−31	135	54	
8 Netherlands	42	−60	−132	41	12r	−81	−57	7	−13	[illegible]
9 Switzerland	288	−532r	1,637	102	277r	269	186	187	56	
10 United Kingdom	2,235	3,152r	1,872	577r	133r	122r	95	49	79	
11 Canada	783	221	841	147	122	92	98	1	75	
12 Latin America and Caribbean	−30	308r	312	−22r	117r	63	28	35	−98	
13 Middle East[1]	1,140	366	−924	−60r	−302	−192	36	−59	−98	[illegible]
14 Other Asia	287	246	114	−210	−44	0	68	146	75	
15 Africa	7	2	40	8	8	3	1	0	7	
16 Other countries	−46	131	27	60	−4	−10	2	−12	−28	
17 Nonmonetary international and regional organizations	**27**	**85**	**101**	**26**	**52**	**2**	**−25**	**9**	**−1**	
BONDS[2]										
18 Foreign purchases	17,304	21,918r	17,912	2,310r	2,275r	2,458	1,546	1,438	2,124	[illegible]
19 Foreign sales	12,272	20,463	17,902	2,447r	1,885r	2,289	1,741	1,463	1,936	[illegible]
20 Net purchases, or sales (−)	**5,033**	**1,456**	10	**−137r**	**390r**	**169**	**−195**	**−25**	**188**	[illegible]
21 Foreign countries	**4,972**	**1,483r**	**−75**	**−154r**	**405r**	**193**	**−197**	**−49**	**86**	[illegible]
22 Europe	1,351	2,081	238	−266	405r	474	−122	−74	115	[illegible]
23 France	11	295	−49	−22	7	7	−7	−5	−6	
24 Germany	848	2,116	173	127	47	85	−12	−8	25	
25 Netherlands	70	28	31	3	1	12	−4	5	−3	
26 Switzerland	108	161	536	−2	209	188	28	−8	−1	[illegible]
27 United Kingdom	196	−581	48	−182	42r	141	120	−33	112	
28 Canada	−12	25	81	21	−18	22	−10	53	−3	[illegible]
29 Latin America and Caribbean	132	160	56	0r	−3	10	19	13	−21	
30 Middle East[1]	3,465	−748	−997	32	−56r	−378	−168	−119	−78	[illegible]
31 Other Asia	44	−23	492	59	60	62	47	78	74	
32 Africa	−1	−19	0	0	−5	1	2	0	0	
33 Other countries	−7	7	56	0	21	2	35	0	0	
34 Nonmonetary international and regional organizations	**61**	**−28**	**85**	**17**	**−14**	**−24**	**2**	**24**	**102**	
					Foreign securities					
35 Stocks, net purchases, or sales (−)	−247	−1,341r	−3,432	−442r	−548	−641	−647	−487	−199	
36 Foreign purchases	9,339	7,163r	9,921	1,184r	971	1,079	1,346	972	1,032	[illegible]
37 Foreign sales	9,586	8,504r	13,353	1,626r	1,519	1,720	1,993	1,458	1,231	[illegible]
38 Bonds, net purchases, or sales (−)	−5,460	−6,602r	−2,616	−567r	−686	−838r	127	−219r	−463	[illegible]
39 Foreign purchases	17,553	29,843r	26,362	2,748r	2,396	2,655	3,220	2,534	2,708	[illegible]
40 Foreign sales	23,013	36,445r	28,979	3,315r	3,083	3,493r	3,092	2,754r	3,171	[illegible]
41 Net purchases, or sales (−), of stocks and bonds	**−5,707**	**−7,942r**	**−6,048**	**−1,009r**	**−1,234**	**−1,479r**	**−520**	**−706r**	**−663**	[illegible]
42 Foreign countries	**−4,694**	**−6,777r**	**−5,670**	**−723r**	**−1,212**	**−973r**	**−546**	**−715r**	**−669**	[illegible]
43 Europe	−728	−2,481r	−4,364	−620r	−672	−632	−583	−682	−286	
44 Canada	−3,697	−2,364	−1,206	14r	−438	−287	5	55	−97	
45 Latin America and Caribbean	69	286r	928	−23r	88	243	−80	47r	62	[illegible]
46 Asia	−367	−1,845r	−1,061	−140r	−221	−310r	−182	−145	23	
47 Africa	−55	−9	130	30	25	9	13	11	14	
48 Other countries	84	−364	−97	16	7	4	280	0	−385	
49 Nonmonetary international and regional organizations	**−1,012**	**−1,165**	**−378**	**−286r**	**−22**	**−506**	**26**	**9**	**7**	

1 Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U government agencies and corporations. Also includes issues of new debt secu ties sold abroad by U.S. corporations organized to finance direct investme abroad

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1981	1982	1983 Jan – Sept	1983 Mar	Apr	May	June r	July	Aug	Sept
				Holdings (end of period)[1]						
1 **Estimated total[2]**	**70,249**	**85,179r**	....	**88,694r**	**87,553r**	**89,513r**	**91,070r**	**88,788r**	**87,211**	**88,359**
2 Foreign countries[2]	64,565	80,596r		83,080r	84,106r	84,351r	84,887r	83,571r	82,548	82,491
3 Europe[2]	24,012	29,284r		32,388r	33,583r	33,628r	33,638r	33,081r	32,961	33,261
4 Belgium-Luxembourg	543	447		−325r	−91r	−76r	−68r	99r	88	55
5 Germany[2]	11,861	14,841		17,560	17,799r	16,954r	16,877r	16,314r	16,110	16,146
6 Netherlands	1,991	2,754		3,194	3,230	3,255	3,251	3,262	3,244	3,044
7 Sweden	643	677r		666r	666r	680r	665r	684r	627	649
8 Switzerland[2]	846	1,540		1,044	1,070	914	877	855	943	1,066
9 United Kingdom	6,709	6,549		7,478	7,721r	8,048r	8,233r	8,235r	8,269	8,305
10 Other Western Europe	1,419	2,476		2,771r	3,188r	3,855r	3,803r	3,631r	3,680	3,997
11 Eastern Europe	0	0		0	0	0	0	0	0	0
12 Canada	514	602		735r	707r	874r	982r	1,057r	1,087	1,063
13 Latin America and Caribbean	736	1,076		951	932	1,039	1,041	886	800	774
14 Venezuela	286	188		77	72	72	72	62	62	65
15 Other Latin America and Caribbean	319	656		690	676	775	773	636	622	631
16 Netherlands Antilles	131	232		184	184	192	196	188	116	78
17 Asia	38,671	49,502		48,897	48,766r	48,686r	49,094r	48,394r	47,528	47,267
18 Japan	10,780	11,578		11,736	11,858r	12,130r	12,592r	12,763r	13,007	13,210
19 Africa	631	77		80	80	79	79	79	79	79
20 All other	2	55		31	39	45r	53r	74r	94	48
21 Nonmonetary international and regional organizations	5,684	4,583		5,614r	3,447r	5,162r	6,183r	5,217r	4,663	5,868
22 International	5,638	4,186		4,966	2,969	4,514r	5,372r	4,500r	4,051	5,386
23 Latin American regional	1	6		6	6	6	6	6	6	6
				Transactions (net purchases, or sales ( ) during period)						
24 **Total[2]**	**12,699**	**14,930r**	**3,180**	**2,608r**	**−1,141r**	**1,960r**	**1,557**	**−2,281**	**−1,577**	**1,147**
25 Foreign countries[2]	11,604	16,031r	1,896	953r	1,026r	245r	536	−1,316	−1,023	−57
26 Official institutions	11,730	14,508r	1,334	966r	351r	34r	418	−914	−1,086	−23
27 Other foreign[2]	−126	1,518	567	−13r	675r	211	118	−400	64	−33
28 Nonmonetary international and regional organizations	1,095	−1,096	1,282	1,655r	−2,167	1,716r	1,021	−966	−554	1,203
MEMO: Oil-exporting countries										
29 Middle East[3]	11,156	7,534	−3,933	−691	−109r	−566	−277	−172	−1,743	−262
30 Africa[4]	−289	−552	−1	0	0	−1	0	0	0	0

1. Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on Aug. 31, 1983 Per-cent	Month effective	Country	Rate on Aug. 31, 1983 Per-cent	Month effective	Country	Rate on Aug. 31, 1983 Per-cent	Month effective
Austria	3.75	Mar 1983	France[1]	12.25	June 1983	Norway	8.0	June 1979
Belgium	9.0	June 1983	Germany, Fed. Rep. of	4.0	Mar. 1983	Switzerland	4.0	Mar 1983
Brazil	49.0	Mar 1981	Italy	17.0	Apr. 1983	United Kingdom[2]	....	
Canada	9.49	Oct 1983	Japan	5.0	Oct 1983	Venezuela	13.0	Sept. 1982
Denmark	7.5	Apr 1983	Netherlands	5.0	Sept. 1983			

1. As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.

2. Minimum lending rate suspended as of Aug. 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1980	1981	1982	1983 Apr.	May	June	July	Aug.	Sept.	Oct.
1 Eurodollars	14 00	16.79	12.24	9.23	8.96	9.66	10 00	10.27	9 82	9 54
2 United Kingdom	16 59	13.86	12.21	10.21	10.18	9.91	9 84	9 83	9.63	9 34
3 Canada	13 12	18.84	14.38	9.39	9 30	9.41	9.42	9 49	9 35	9 31
4 Germany	9 45	12.05	8.81	5.16	5.27	5.52	5 54	5.66	5.83	6.13
5 Switzerland	5 79	9 15	5.04	4 20	4 48	4.98	4 77	4.61	4 40	4.07
6 Netherlands	10 60	11 52	8.26	5.19	5.65	5.81	5 58	6.03	6 15	6.07
7 France	12 18	15 28	14 61	12.12	12.51	12.59	12.33	12.33	12.42	12 42
8 Italy	17 50	19.98	19.99	18.20	17 75	17.72	17.50	17.50	17 42	17.51
9 Belgium	14.06	15.28	14.10	11 05	10.04	9.73	9 08	9 25	9.25	9.44
10 Japan	11 45	7.58	6.84	6.34	6.26r	6.46	6.47	6.52	6.68	6.52

NOTE. Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills, and Japan, Gensaki rate

3.28 FOREIGN EXCHANGE RATES

Currency units per dollar

Country/currency	1980	1981	1982	1983 May	June	July	Aug.	Sept.	Oct
1 Argentina/peso	n a	n a	20985.00	71100.94	8.08	8.85	8 94	11.22	11 65
2 Australia/dollar[1]	114.00	114.95	101.65	87.85	87 72	87.54	87.93	88.77	91.37
3 Austria/schilling	12 945	15.948	17.060	17.368	17 974	18.208	18 799	18.754	18 305
4 Belgium/franc	29 237	37 194	45 780	49 239	50.928	51.862	53.609	53 841	53.034
5 Brazil/cruzeiro	n a	92 374	179 22	465.65	517.28	571 73	643.34	701 38	784.35
6 Canada/dollar	1.1693	1 1990	1.2344	1.2292	1.2323	1 2323	1.2338	1 2326	1.2320
7 Chile/peso	n.a.	n.a.	51.118	75.405	77.500	78.987	80.011	81.767	83.710
8 China, P.R./yuan	n a	1 7031	1.8978	1.9895	1 9949	1 9966	1.9843	1.9867	1.9664
9 Colombia/peso	n.a.	n.a.	64.071	76.153	77.380	78.997	80.707	82.494	84.196
10 Denmark/krone	5.6345	7.1350	8 3443	8 8003	9.1287	9.3142	9 6308	9.5926	9 4172
11 Finland/markka	3 7206	4.3128	4 8086	5 4361	5.5351	5.5863	5.7063	5 7057	5.6390
12 France/franc	4.2250	5 4396	6.5793	7 4163	7.6621	7 7878	8.0442	8.0598	7.9526
13 Germany/deutsche mark	1.8175	2.2631	2 428	2.4665	2.5490	2 5914	2 6736	2.6679	2.6032
14 Greece/drachma	n a.	n a	66.872	84.105	84.486	84.677	89 217	92.837	92.968
15 Hong Kong/dollar	n a	5 5678	6.0697	6.9667	7 2822	7.1678	7.4416	8.0079	8.0947
16 India/rupee	7 8866	8.6807	9.4846	9.9895	10.049	10.0875	10 187	10.200	10 229
17 Indonesia/rupiah	n.a	n.a	660.43	968 83	973.00	978.57	984 09	986.24	984 12
18 Ireland/pound[1]	205.77	161.32	142.05	128.11	123 81	121.87	117 99	117.41	119 15
19 Israel/shekel	n a	n.a	24.407	43.427	46 138	49.614	55.949	60.059	77.808
20 Italy/lira	856.20	1138.60	1354.00	1467 76	1510.98	1533 41	1589.74	1602.62	1582.81
21 Japan/yen	226.63	220 63	249.06	234.76	240.03	240.52	244.46	242.35	232.89
22 Malaysia/ringgit	2 1767	2 3048	2.3395	2.3009	2.3244	2.3319	2.3523	2.3506	2.3451
23 Mexico/peso	22.968	24.547	72.990	150.27	149.02	149.36	151.59	152.20	157.18
24 Netherlands/guilder	1.9875	2.4998	2.6719	2.7737	2.8557	2.8985	2.9912	2.9844	2.9206
25 New Zealand/dollar[1]	97.34	86.848	75.101	66.246	65.659	65.383	65.100	65.316	66.162
26 Norway/krone	4.9381	5.7430	6.4567	7.1154	7.2678	7.3280	7.4641	7.4271	7 3244
27 Peru/sol	n a	n a	694.59	1390.60	1514 46	1645.99	1853.18	1995.33	2074.82
28 Philippines/peso	n a	7.8113	8.5324	10.015	10 393	11 050	11.050	11 050	13.750
29 Portugal/escudo	50.082	61.739	80 101	99 521	107.39	119 03	123.03	124.41	124.41
30 Singapore/dollar	n a	2.1053	2.1406	2.0920	2 1198	2.1294	2.1416	2.1417	2 1350
31 South Africa/rand[1]	128.54	114 77	92.297	92.31	91.65	91.19	89.55	89.86	88.82
32 South Korea/won	n a	n.a.	731.93	767.96	775.82	779.88	787 19	790.83	791.37
33 Spain/peseta	71.758	92.396	110.09	137 76	143.29	147.973	151.302	152.022	151.30
34 Sri Lanka/rupee	16.167	18 967	20 756	22.970	23.050	24.082	24 257	24.397	24.410
35 Sweden/krona	4.2309	5.0659	6.2838	7 4978	7.6351	7.6936	7.8585	7.8773	7.7844
36 Switzerland/franc	1 6772	1 9674	2.0327	2.0572	2 1123	2 1184	2.1632	2 1623	2.1122
37 Taiwan/Dollar	n.a.	n.a.	n.a.	n a	n.a.	n.a	n.a.	n.a.	39.420
38 Thailand/baht	n a	21.731	23.014	22.988	22.990	22.990	22.990	22.990	22 990
39 United Kingdom/pound[1]	232.58	202 43	174 80	157.22	154.80	152.73	150.26	149.86	149.69
40 Venezuela/bolivar	n a	4.2781	4.2981	10 233	11.213	12.595	15 600	13.833	13 088
MEMO: United States/dollar[2]	87.39	102 94	116 57	122.05	125.16	126.62	129.77	129 74	127.50

1 Value in U S. cents.

2. Index of weighted-average exchange value of U S dollar against currencies of other G-10 countries plus Switzerland. March 1973 = 100. Weights are 1972–76 global trade of each of the 10 countries Series revised as of August 1978 For description and back data, see "Index of the Weighted-Average Exchange Value of the U.S. Dollar. Revision" on p. 700 of the August 1978 BULLETIN.

NOTE. Averages of certified noon buying rates in New York for cable tranfers

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected
e	Estimated
p	Preliminary
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
n.a.	Not available
n.e.c.	Not elsewhere classified
IPCs	Individuals, partnerships, and corporations
REITs	Real estate investment trusts
RPs	Repurchase agreements
SMSAs	Standard metropolitan statistical areas
. . . . .	Cell not applicable

General Information

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

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local governmei also includes municipalities, special districts, and other pol cal subdivisions.

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

STATISTICAL RELEASES

List Published Semiannually, with Latest Bulletin Reference

	Issue	*Page*
Anticipated schedule of release dates for periodic releases	June 1983	A76

SPECIAL TABLES

Published Irregularly, with Latest Bulletin Reference

Assets and liabilities of commercial banks, June 30, 1982	October 1982	A70
Assets and liabilities of commercial banks, September 30, 1982	January 1983	A70
Assets and liabilities of commercial banks, December 31, 1982	April 1983	A70
Assets and liabilities of commercial banks, March 31, 1983	August 1983	A70
Assets and liabilities of U.S. branches and agencies of foreign banks, June 30, 1982	October 1982	A76
Assets and liabilities of U.S. branches and agencies of foreign banks, September 30, 1982	January 1983	A76
Assets and liabilities of U.S. branches and agencies of foreign banks, December 31, 1982	April 1983	A76
Assets and liabilities of U.S. branches and agencies of foreign banks, March 31, 1983	August 1983	A76

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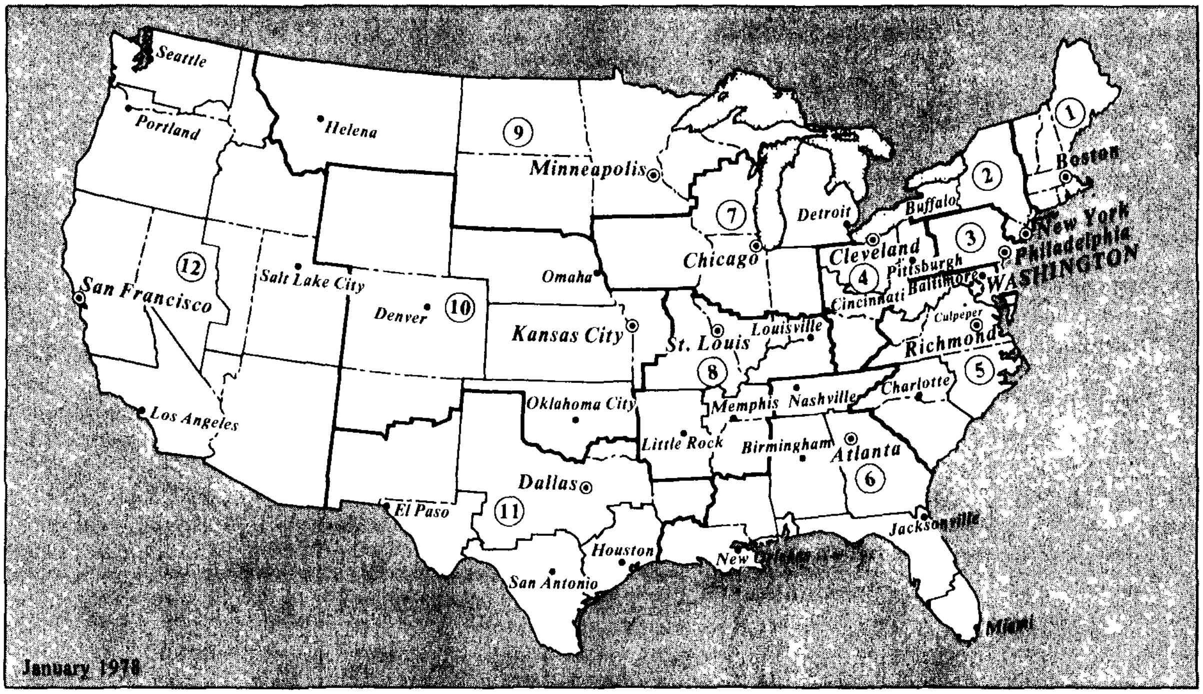

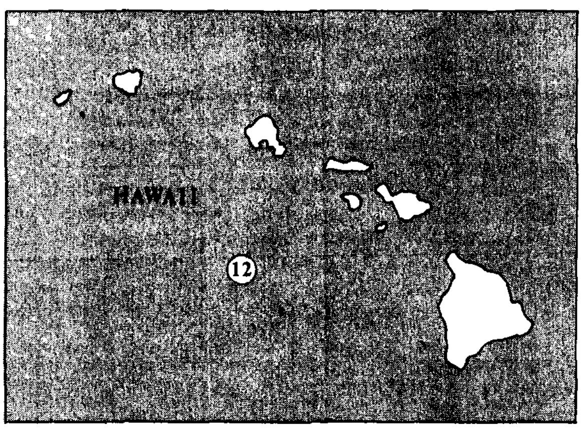

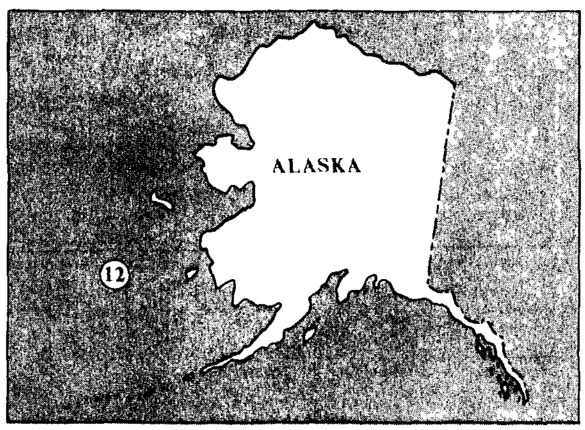

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