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The Economic Pause in Western Europe

ECONOMIC EXPANSION in Western Europe was halted from early 1966 to mid-1967. This pause, the longest since World War II, marked the first time since 1958 that the rise of industrial production in Europe had been interrupted for longer than a single quarter at a time.

A decline in investment spending in Germany was the most important cause of the leveling off of aggregate West European production. That decline followed a period in which rapid domestic price rises led the German monetary authorities to adopt increasingly restrictive policies. The weakening of investment in Germany not only caused a substantial decline in over-all economic activity there, but, because of that country's importance as an export market, was also a very potent force in damping activity in the other countries. In addition, in the other countries various independent influences were at work. In Britain, restrictive policies designed to stop inflation, increase productivity, and correct a serious imbalance in the external accounts depressed consumption and investment in the private sector. In France, economic activity was affected by a slowdown in consumer spending. In some other countries, the maintenance of strongly anti-inflationary monetary policies until late in 1966 reinforced the effects of events in their larger neighbors. Finally, a lessening of demand pressures in the United States after the third quarter of 1966 was another, although less important, factor.

The slackening of aggregate demand in Europe moderated or arrested the rise in prices, corrected some inefficiencies, and tended to improve labor force flexibility and efficiency after a long period

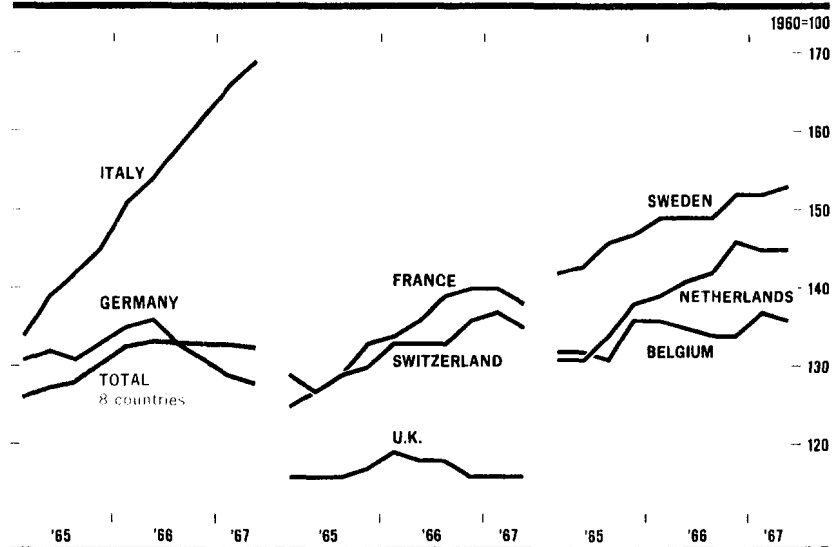
of excessively tight labor market conditions. But the rise of real incomes slowed or halted, and there was an upsurge of unemployment. Moreover, the check to expansion in Western Europe aggravated international payments imbalances, as a leveling off of West European imports affected the exports of other countries, including those of the United States. Within Europe, the weakening of demand on the Continent complicated Britain's task of restoring strength to the pound sterling, while Germany's declining imports gave rise to very large surpluses in the German balance of payments.

Recent evidence from Germany suggests that an upturn began during the past summer, and in Britain there are signs of renewed expansion. However, the absence of any expansion for more than a year meant that by mid-1967 West European production was well below its trend level; consequently, considerable time may elapse before output will have risen to levels consistent with optimum employment of labor and plant capacity and a better pattern of world payments.

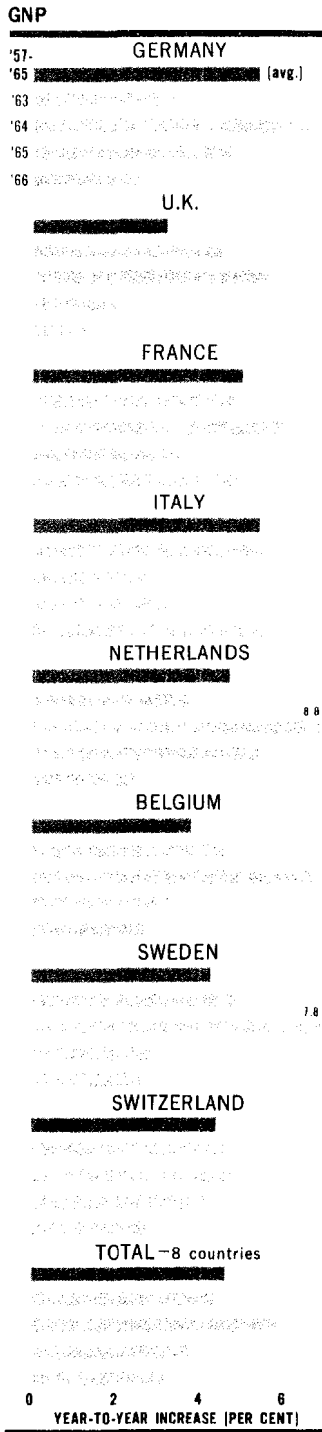
INDUSTRIAL PRODUCTION AND GNP

Western Europe experienced a rapid rise in industrial production not only in the early postwar years but also continuing into the mid-1960's. In the eight largest industrialized countries of Western Europe—ranked by size of industrial output: West Germany, the United Kingdom, France, Italy, Sweden, the Netherlands, Bel-

1 | INDUSTRIAL PRODUCTION of WESTERN EUROPE stops rising



Seasonally adjusted indexes of industrial production, excluding construction. Quarterly data from the Organization for Economic Cooperation and Development.



Based on constant prices. OECD data for 1957-65; national sources and BIS data for 1966.

gium, and Switzerland—combined production increased at an average rate of 5.6 per cent in the 9 years 1957-65, a period that includes the 1957-58 slowdown.

The rise in the industrial production of these eight countries slowed in the second quarter of 1966, when it increased only 0.5 per cent more. (See Chart 1.) Combined production remained virtually unchanged through the second quarter of 1967. In that quarter it was 0.5 per cent below a year earlier, but half of this drop reflected strikes in France in April and May. However, although production in Western Europe as a whole tended to be virtually unchanged in this 1966-mid-1967 period, there were important divergencies in the individual countries.

The setback to expansion was most severe in Germany, where industrial production in the second quarter of 1967 was 6 per cent less than a year earlier. Production in Germany leveled off during the second quarter of 1966, fell continuously from June 1966 until March of this year, and then was nearly level again through June. A more limited decrease occurred in Britain, where a decline in the latter half of 1966 was followed by stability in the first half of 1967. In France, the Netherlands, and Sweden, production tended to level off in the fourth quarter of 1966 and showed little change in 1967, whereas the underlying trend of output in Belgium remained stationary after early 1966.

Italy, in marked contrast with the rest of Western Europe, has been enjoying a vigorous expansion after recovering from its 1964 recession. The expansion in Italy made the difference between stability and decline in the combined industrial output of the eight major West European countries; combined production in the other seven during the second quarter of this year was 2 per cent below the level a year earlier.

The interruption in Western Europe's economic expansion is also reflected in the figures for gross national product, even though these are available only on an annual basis for most European countries. The combined GNP of the eight major industrial countries grew, in real terms, at an average annual rate of 4.6 per cent in the period 1957-65 (see accompanying chart). The increase from 1963 to 1964 was very rapid, and that in 1965 was nearer to the longer-term average. But in 1966 the rate of increase slumped to 3.2 per cent. The slowing was especially marked in Germany, where the rise last year was 2.6 per cent compared with 4.8 per cent in 1965 and 6.6 per cent in 1964. In Britain the expansion of real GNP had already been markedly

slowed in 1965, but the rate of increase fell further to only 1.4 per cent in 1966. France and Italy were the only countries where real GNP rose more in 1966 than in 1965.

The increase in Western Europe's real GNP for 1967 will probably be smaller than it was last year, given the fact that industrial production in the first 6 months of 1967 showed scarcely any increase from the corresponding period in 1966. For the eight countries, real GNP in 1967 may be only about 2 per cent higher than in 1966.

INVESTMENT DECLINES IN GERMANY

Changes in the level of economic activity in Germany have a particular relevance for the rest of Western Europe. The West European countries trade principally with each other, and in 1965 Germany alone took 26 per cent of the total exports of the other countries, a share twice that of Britain, France, or the Netherlands.

Before 1966, demand pressures were intense in Germany, as in most other European countries, and price increases had become much more rapid than in the earlier years of the post-1958 expansion. However, there were obstacles to the effective utilization of fiscal policy to syphon off excess purchasing power. In these circumstances, the German monetary authorities felt compelled to adopt an increasingly restrictive posture. Interest rates rose continuously from early 1964, and by 1966 had reached very high levels, as discussed in the BULLETIN for September 1966, pages 1281-99. Credit conditions in Germany tightened still further in the first half of 1966, and interest rates reached a peak in July.

German enterprises reduced their investment spending somewhat in the first half of 1966, when their outlays for inventory accumulation, plant, and equipment—excluding housing—fell 2 per cent below the year-earlier level valued at current prices. The decline gathered speed in the second half, when the year-to-year decrease was 10 per cent. Net additions to inventories in the first half of 1966 were about 50 per cent smaller than a year earlier, and in the second half gave way to liquidation. Plant and equipment expenditures were up 6.6 per cent in the first half but were down 3.5 per cent in the second. In addition, residential construction, which was up 10 per cent in the first half of 1966, dipped to a 3 per cent year-to-year rise in the second.

Tight conditions in German financial markets also affected investment by governments (principally State and local) in

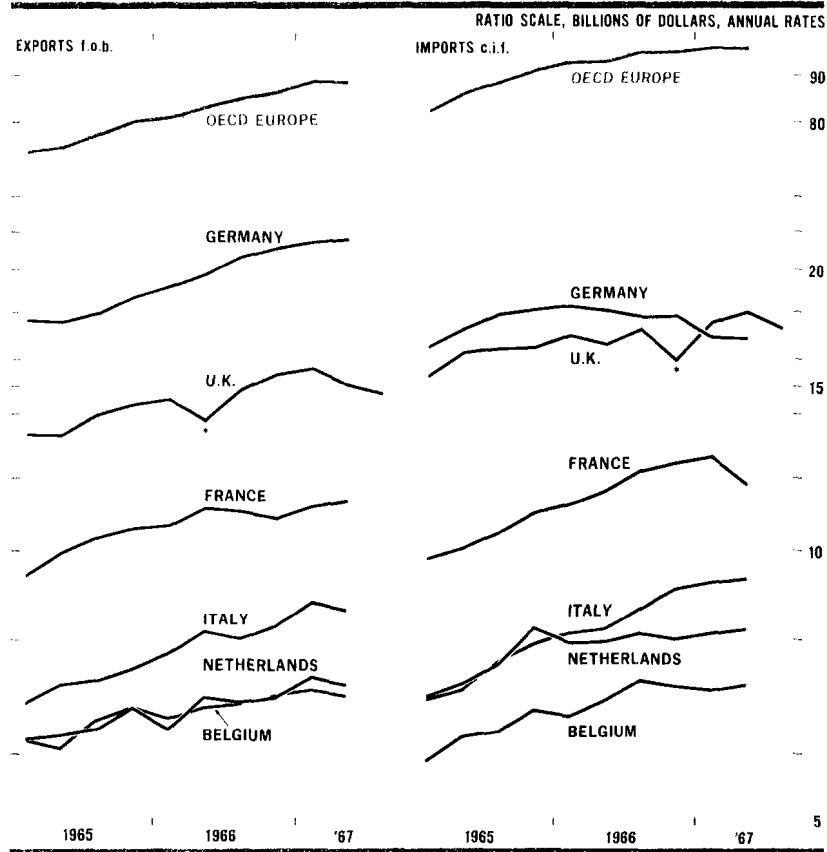
buildings, roads, and other facilities. To relieve some of the intense pressure on the German bond market, the various public authorities by mutual consent refrained from new public issues of bonds from May 1966 to the year-end. Investment outlays by all levels of government were 9 per cent larger in the first half of 1966 than a year earlier; the year-to-year gain in the second half was only 1 per cent.

Investment in Germany continued to fall in the first half of 1967, in which period investment spending of all kinds, including inventory changes and residential construction, is estimated to have been about 11 per cent less than in the first half of 1966. Monetary policy was greatly eased and interest rates declined sharply; however, private investment demand contracted under the influence of falling profits, adverse expectations, and the large margin of unutilized industrial capacity. Because of the fall in industrial production and the additions to capacity from earlier investment, industry's rate of capacity utilization in the first half of 1967 was 77 per cent compared with 88 per cent in the first quarter of 1966. Governmental investment also declined in the first half of 1967, because of budget difficulties of the State and local governments.

Spending by German consumers helped to sustain economic activity in the first half of this year. Such spending was an estimated 2.3 per cent higher at current prices than in the first half of 1966 despite little if any rise in consumers' incomes. Consumer spending, together with further year-to-year increases in exports and government consumption, is estimated to have maintained the GNP at current prices at the same level as in the first half of last year; but in real terms, GNP had a 2 per cent drop. Of great significance for Germany's trading partners, imports fell more than total domestic output—their year-to-year decrease in the first half amounted to 7 per cent in value, or \$1.2 billion at an annual rate. In addition, nearly 300,000 more foreign workers left Germany than came in during the 12 months through June 1967; thus payments from Germany to other countries were further reduced.

The German recession bottomed out in the spring of 1967, and movements of several basic indicators suggest that a recovery began around midyear. Seasonally adjusted industrial production in July and August averaged 2 per cent higher than in the second quarter, and seasonally adjusted unemployment held steady in July following a drop in June. A sharp rise in stock prices

2 | FOREIGN TRADE growth slows down



* indicates drop caused by dock strike for exports and by anticipation of removal of import surcharge for imports. Seasonally adjusted OECD quarterly data at annual rates.

after midyear reflected an improvement in public confidence—in part related to additional measures to promote recovery, notably the announcement in July of plans for additional public investment expenditures.

DEMAND RESTRAINT IN BRITAIN

From 1963 to the summer of 1966, the British economy experienced excess demand that engendered a domestic price inflation somewhat greater than in Germany and also threw the external accounts into deficit. Restrictive monetary actions in late 1964 and during 1965 improved the balance of payments but failed to swing it into surplus. The British labor market tightened still further in 1965, and wage increases continued to exceed productivity gains by a wide margin.

In early summer of 1966 the economic outlook in Britain was still inflationary even though increased taxes had been voted,

to take effect in September. Confidence pressures on the pound sterling led to a heavy outflow of funds from the United Kingdom in June and July 1966, to which the British Government responded by introducing a drastic program with top priority given to a strengthening of the nation's international position. A package of measures was announced in July that included additional tax increases, plans for restraint of public spending, a further tightening of credit, a sharp rise in interest rates, and direct controls on prices and incomes.

The economy reacted quickly to these measures. Seasonally adjusted consumer expenditures in real terms fell 2.5 per cent from the first half of 1966 to the second; purchases of durable goods, especially automobiles, were hit hardest because of the additional tightening of consumer credit regulations. Inventory accumulation declined and gave way to liquidation in the fourth quarter. Although total fixed investment was up 1 per cent in the second half, such outlays by the private sector alone were down 2.5 per cent. Industrial production declined from August through November and was 2.5 per cent less in the fourth quarter than in the second. Real GNP in the second half was nearly unchanged from the first and would have shown a decline if exports had not risen.

In the first quarter of 1967 purchases of automobiles recovered considerably, inventory accumulation resumed, and investment by the public sector continued to rise, but private fixed investment held at its depressed fourth-quarter 1966 level. Exports declined 4.4 per cent by June–July 1967 from December–January. They had risen during 1966 despite declining imports in Germany—but this year Britain felt the impact of declining import demands in France as well as Germany and the leveling off or decline of imports in most other European countries and in the United States and Canada. As a result of the divergent movements in various categories of demands, seasonally adjusted industrial production in the second quarter was only 1 per cent above its November 1966 level.

British monetary conditions in general were eased substantially in the first 5 months of 1967, and consumer credit regulations were relaxed somewhat this summer. It now appears that the year-to-year drop in expenditures by private companies on plant and equipment in the year 1967 will be less than the decline of 8 to 9 per cent at constant prices indicated by a British Board of Trade survey in May. According to provisional estimates, the seasonally

adjusted volume of fixed investment by manufacturing concerns fell slightly further in the second quarter but that by the distributive and service trades rose sharply, so that for the first half fixed investment by these sectors was equal to that of a year earlier.

Some recent firming of aggregate demand in the United Kingdom is suggested by several indicators. Industrial production rose in both June and July, seasonally adjusted bank loans increased from May through September, the volume of retail trade rose in both July and August, and unemployment showed almost no further increase in September.

CONSUMER CAUTION IN FRANCE

Industrial production in France leveled off around September of 1966, and then remained on a plateau through August of 1967 except in April and May when it was depressed by strikes.

Economic conditions in France during the first three quarters of 1966 were satisfactory from a number of standpoints: expansion had resumed in the spring of 1965—after a pause induced by the earlier anti-inflationary measures—and industrial production advanced at an annual rate of more than 7 per cent from the first quarter of 1965 through the third quarter of 1966. Because labor and plant capacity were ample to meet rising demands, expansion was achieved without any acceleration in the uptrends of wage rates or retail prices. Meanwhile, the earlier large surplus in France's balance of payments gave way to a small deficit in the second half of 1966.

The loss of momentum in economic activity in the autumn of 1966 seems to have had two main causes. First, French exports ceased to rise in the second quarter of 1966, as import demand began to weaken in Germany. The effect of this leveling-off in exports on over-all activity was scarcely perceptible at the time because private fixed investment was accelerating. But from the second quarter of 1966 to the corresponding quarter this year, exports rose only 3 per cent, a rise only a fraction of what has been customary for France and other Common Market countries over the past decade.

Second, and more important to the French slowdown, has been the cautious behavior of French consumers. It appears that in the closing months of 1966 French consumers stopped increasing their expenditures. According to the French National Institute of Statistics and Economic Studies, private consumption expenditures in real terms, seasonally adjusted, were no higher in the first half of 1967 than in the second half of last year, despite

continuing increases in consumers' real incomes. From the first quarter to the second this year there seems to have actually been a decline in expenditures, which surprisingly enough included purchases of foods. Uncertainty over employment opportunities probably helped to create a cautious attitude. Because of substantial increases in productivity, unemployment was rising in France in 1965 and 1966 even when industrial output was still expanding rapidly, and the unemployment rise accelerated this year.

The strength of demand in other sectors of the French economy has been uneven. During the early months of 1967, output of equipment continued to rise strongly as producers filled orders that had been placed before the end of 1966 in order to benefit from an investment credit for company income taxes. This year, outlays for plant and equipment may have been losing buoyancy, because of the expiration of the credit and because current opinion does not foresee an early or vigorous upturn in aggregate demand in France.

The behavior of French imports contributed significantly to the general European slowdown this year. Imports rose through September 1966, then leveled off, and dropped sharply after March 1967. In June and July, seasonally adjusted imports were down 7 per cent from the first quarter of 1967 and were only 1 per cent more than in the second quarter of 1966.

SLOWDOWNS IN SMALLER COUNTRIES

Production in the smaller industrial countries of Western Europe—of which the Netherlands, Belgium, Sweden, and Switzerland are economically the most important—generally continued to rise until late 1966, then tended to be stable in the first half of this year. These smaller economies are particularly affected by import demand elsewhere because of the relatively high percentage of their total output that is sold abroad. Exports of goods and services equal between 30 and 45 per cent of GNP in the Netherlands, Belgium, and Switzerland. The commodity exports of these three countries kept on rising through the end of last year but then fell off; in June–July 1967 their exports were down 4.6 per cent from their December–January peak. This decline reflected not only developments in the larger economies but also the fact that, in the smaller countries, as domestic demand slowed so did import demands and consequently exports to one another.

The slackening of exports was not the only factor tending to depress economic activity. In Belgium, private domestic demand has been sluggish since early 1965 while prices were being pushed

up by rising unit labor costs. Monetary policy there was shaped by concern over such price increases and a desire to keep interest rates from being too far out of line with those abroad. The Netherlands, Sweden, and Switzerland all experienced strong inflationary pressures from 1963 to late 1966 and much more rapid price increases than had been customary; in consequence, monetary policies became increasingly restrictive. In the Netherlands, private investment demand leveled off in the second half of 1966 and probably declined during 1967. Dutch consumers, too, became more cautious in their spending in 1966. In Sweden restrictive policies blunted the rise in investment in 1966; and there was a decline in the propensity to consume as well. This year consumer demand and industrial investment demand have both been sluggish. In Switzerland the slowing of total output in 1966 stemmed entirely from a smaller rise in exports, but investment declined in the early months of 1967.

CONTINUED EXPANSION IN ITALY

In Italy, where cyclical developments have been out of phase with those in the rest of Europe for some time, continuing expansion from early 1965 through mid-1967 was produced by rising exports, increasing public expenditures, and a recovery of private investment from the exceptionally severe decline in 1964 which brought on the general recession in Italy at that time. Spending for plant and equipment has probably accelerated in 1967; recent projections show a 15 per cent rise, in real terms, in such spending and in other nonresidential construction in the second half compared with the second half of 1966. On a year-over-year basis, real GNP rose 5.5 per cent in 1966, and an equally large increase is expected for 1967.

Italian exports rose rapidly throughout 1966. In the fourth quarter of last year, they were more than 11 per cent greater than a year earlier, compared to a rise of less than 8 per cent in the exports of Western Europe as a whole. During the first half of 1967, seasonally adjusted Italian exports tended to be level. However, a comparison of exports in the first half of 1967 with those of a year earlier shows a very large rise in sales to Eastern Europe and the less developed countries, as well as increases in Italy's shares in the imports of Western Europe and North America.

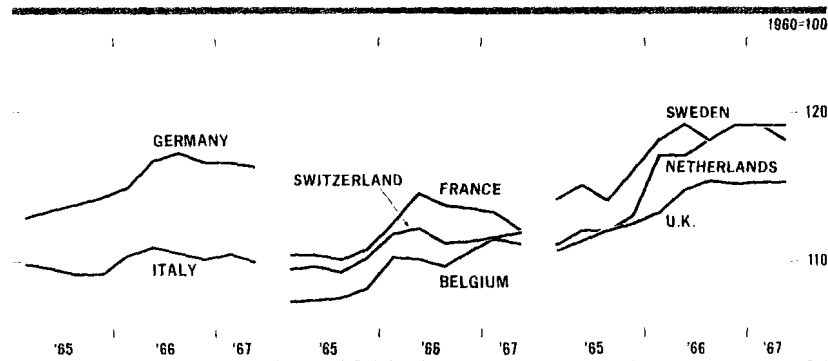
Italian imports, seasonally adjusted, rose 15 per cent from the first quarter of 1966 through the second quarter of 1967, and were an important factor in sustaining output and incomes elsewhere in

Western Europe. This rise compares with a 7.5 per cent decrease in German imports between the same two periods. German imports are about twice as large as Italy's, but because of the extent of the rise in Italy the increase in the dollar value was almost as large as the decrease in Germany.

**PRICE AND
EMPLOYMENT
EFFECTS**

Most prices in Western Europe reflected the general weakening of demand. In countries that had been experiencing strong upward price pressures—that is, all but France and Italy—increases in wholesale prices persisted through the second quarter of 1966 but then began to abate. In the second quarter of 1966, wholesale prices of manufactures exceeded year-earlier levels by the following percentages: 2.9 in Germany, 3.1 in Britain, 4.5 in the Netherlands, 2.5 in Belgium, and 3.5 in Sweden. In Switzerland the comparable rise in total wholesale prices was 2.4 per cent. During the succeeding 12 months, a very high degree of stability in these prices was achieved: in the second quarter of 1967, the year-to-year changes were all less than 1 per cent, about as many being downward as upward. In France the rather sharp rise in

3 | WHOLESALE PRICES of manufactures tend to level off



Wholesale price indexes for manufactures for most countries, but intermediate products for France and total wholesale prices for Switzerland. Indexes for Germany and Italy for investment goods only; those for the United Kingdom and France exclude foodstuffs. OECD quarterly data.

prices of intermediate goods until the spring of 1966—and the subsequent decline—were caused mostly by changes in world market conditions of a few raw materials rather than by any abrupt change in the general price situation in France. Continued rapid expansion did not upset the stability of wholesale prices in Italy.

Consumer prices have continued to rise everywhere in Europe, but the speed of the rise has slackened in most countries—markedly so in some cases. However, in France and Sweden the

rate of rise has not been reduced. Consumer prices in Italy accelerated toward the end of 1966 but slowed again after a few months.

Employment in manufacturing declined in most countries—except Italy—after the first or second quarter of 1966, while the labor force continued to rise. As a result, unemployment increased almost everywhere. It rose most severely in Germany, where it reached a seasonally adjusted peak of 610,000 in May 1967 compared to an average of 127,000 in the first quarter of 1966. But even in May, the unemployed in Germany were still less than 2.5 per cent of the labor force. In July the number was down to 594,000. Unemployment in Germany would have been higher had there not been a net outflow of 290,000 foreign workers in the 12 months ending June 1967. Unemployment was still rising this summer in France, and it rose in the United Kingdom until September.

TRADE RAMIFICATIONS

The Western European countries sell more than 60 per cent of their exports to each other, a degree of interdependence that helps explain any spread of demand weakness from one country to the rest. Merchandise trade among the 18 European members of the Organization for Economic Cooperation and Development (OECD), which last year equaled 10 per cent of their combined GNP, increased very rapidly prior to 1966 because of high rates of domestic growth, as well as large-scale tariff reductions on trade among Common Market countries and among the members of the European Free Trade Association. This trade expanded at an average annual rate of 11 per cent in the years 1957–65.

There was a striking slowdown in the growth of this trade after the first quarter of 1966: from that quarter through the second quarter of 1967, the rise on a seasonally adjusted basis was at a rate of only 4 per cent a year. Because the increase that did take place can be ascribed wholly or mostly to continuing tariff reductions on trade within the area, it was not a source of additional demand for Western Europe as a whole. At a seasonally adjusted annual rate, intra-West-European trade in the second quarter of 1967 was only \$2.8 billion more than in the first quarter of 1966, compared with the rise of \$6.7 billion that would have occurred if the rate of expansion had been the same as in 1959–65. The difference of \$3.9 billion equaled 0.8 per cent of Western Europe's aggregate GNP in 1965, and when the multiplier effects of this shortfall are taken into account the key role of international trade in the general European slowdown is very clear.

Germany accounted for the largest part of this shortfall in trade expansion. German imports from Western Europe in the second quarter of 1967 at a seasonally adjusted annual rate were \$1.1 billion less than in the first quarter of 1966. This decline is to be compared with the increase that would have occurred if economic expansion in Germany had continued. How great an increase cannot be known, but the average rate of increase in German imports from Western Europe in 1960–65 was 14 per cent a year, and such a rise would have equaled \$1.5 billion in the period being discussed. Increases in Italian and British imports combined more than equaled the decrease in Germany, but understandably were far from sufficient to keep intra-West-European trade expanding at its former rate.

The decline in U.S. imports between the autumn of 1966 and mid-1967 was another factor in the European slowdown—though small in its direct impact. Seasonally adjusted U.S. imports from Western Europe fell from an annual rate of \$7.8 billion in the third quarter of 1966 to \$7.4 billion in April–June 1967. Earlier, they had risen sharply, from \$6.9 billion in the first quarter of 1966.

The imports of Western Europe from the rest of the world held constant from the first quarter of 1966 through the second quarter of 1967, while exports rose in this interval. Western Europe had a trade deficit in the first quarter of 1966 of \$11.9 billion, at a seasonally adjusted annual rate with imports valued on a c.i.f. basis. But by the second quarter of this year the deficit was down to \$7.5 billion. The leveling off of Western Europe's imports from outside the area—compared with an average annual increase of 6 per cent in 1957–65—had consequences for the balance of payments of other countries. U.S. exports to Western Europe in the second quarter of 1967 were at a seasonally adjusted annual rate of \$10.1 billion, so that each 1 per cent rise in those exports would add directly about \$100 million to U.S. export earnings. Furthermore, U.S. exports to non-European countries would also be at higher levels currently had not economic activity outside Europe been affected by the European slowdown.

Although the trade balance of Western Europe as a whole shifted markedly, such was not the case in Britain where a substantial increase in exports relative to imports was the major objective of policy. Despite the decline in industrial production in the second half of 1966, seasonally adjusted British imports

were 2 per cent higher in the third quarter of 1967 than in the first quarter of 1966, partly because the import surcharge of 10 per cent was removed in November 1966; the surcharge dated from November 1964 and had been reduced from 15 to 10 per cent in April 1965. Meanwhile, because of their decline after the start of the year, British exports in the third quarter of 1967 showed only a 1.5 per cent rise from their level in the first quarter of 1966. But if import demand on the Continent had continued to rise at a normal rate, British exports would have been significantly larger. The slowdown on the Continent and the Middle East crisis in mid-1967, both unforeseen and outside the control of the British authorities, created economic conditions in 1966-67 that made it more difficult for the United Kingdom to achieve its objective of a marked improvement in its balance of payments.

The major development in external payments has been the emergence of a very large surplus in the German balance of payments because of declining imports and a strong export performance up to the start of 1967. Germany's over-all external surplus—as measured by changes in official and commercial bank net foreign assets—in the first half of 1967 was \$1.9 billion at an annual rate not seasonally adjusted. However, all of this amount and more too was used by the German commercial banks to increase their net assets abroad, so that official reserves net of official liabilities to foreigners actually declined \$115 million.

DECLINES IN INTEREST RATES

Monetary policy began to be relaxed in almost all Western European countries either in late 1966 or early this year, and interest rates declined in varying degrees from earlier peak levels. The general movement of short-term rates in 1967 was decidedly downward until May, but mixed thereafter. Long-term bond yields receded in many countries until spring, but in some cases have risen again.

Declines in interest rates from peak levels in 1966 were steepest in Germany, where the monetary authorities first allowed market forces to bring down some rates in late 1966 and then, after the start of 1967, acted vigorously to reduce interest rates and spur recovery. This year, the German Federal Bank has reduced the banks' reserve requirements on several occasions—the latest action taking effect September 1. For large banks the reductions exceeded 40 per cent on reserves against demand and time deposits and 30 per cent on reserves against savings deposits. The discount rate was reduced from 5 to 3 per cent in

four steps between January and May. Recently, for the first time, the German Federal Bank began to buy bonds for its own account.

Short-term rates in Germany remained high for seasonal reasons in the latter part of 1966 but declined sharply this year before leveling off in May. In September the rate on 90-day interbank loans averaged 3.45 per cent compared with 6.83 per cent in September 1966. The composite yield on 6 per cent public authority bonds declined from a peak of 8.6 per cent in the second week of July 1966 until May of this year, when it leveled off at about 6.7 per cent. But despite the decline of nearly 2 percentage points, German bond yields are still higher than they were prior to early 1965.

Moreover, the German bond market is still being sheltered by official action: while the complete ban on new issues of bonds by the public authorities has been lifted, access of these borrowers to the bond market is strictly regulated. German financial markets might have eased in 1967 more than they did if, as cited earlier, the German banks had not exported a very large volume of funds in response to higher short-term interest rates abroad. On the other hand, this outflow of short-term capital from Germany financed the German balance of payments surplus and thereby minimized the impact of the surplus on the reserves of other countries.

British interest rates began to retreat in the late summer of 1966 as the effects of the July measures became visible and began to restore confidence in sterling. After the year-end, with an active easing of U.S. monetary policy and German interest rates declining, Britain was able to participate in the widespread de-escalation of interest rates. In the first 5 months of 1967 the Bank of England reduced the discount rate in three steps by a total of 1½ percentage points to 5.5 per cent; this brought short-term market rates down by about that much. The U.K. Treasury bill yield was 5.33 per cent on September 30.

In the British bond market the yield on the British war loan—a representative no-maturity issue—dropped from a peak of 7.31 per cent at the beginning of September 1966 to 6.41 per cent in April, but then moved back up again to 6.94 per cent at the end of September this year. In April the clearing and Scottish banks were released from the 1965 regulation that had placed a ceiling on the volume of loans outstanding; however the banks were well below the ceilings because loans had contracted after the summer of 1966. The ceilings remained in force for other financial institu-

tions. In another area, consumer credit regulations in Britain were somewhat relaxed in June and August of this year.

Other countries that had employed monetary policy actively to combat inflation in 1963–66 took action to lower interest rates in 1967. Sweden and Belgium each reduced their central bank discount rates by 1 percentage point, and the Netherlands and Switzerland by half a percentage point. Declines in market rates from 1966 peaks have been greatest in Sweden and least in Belgium and the Netherlands, where bond yields in particular show little reduction. Yields in Switzerland changed little until July of this year, when short-term rates fell abruptly after the Middle East crisis had provoked a heavy flow of funds to Switzerland. But Swiss bond yields still have shown no tendency to fall. In Italy the policy of monetary ease begun in late 1964 has been continuous and has prevented all but a very small increase in interest rates in 1967.

The French authorities have made limited use of monetary policy this year to stimulate the economy. Long-term bond yields are not much below last year's advanced levels. Short-term rates have declined some since December 1966, but a greater relaxation seems to have been deterred by balance of payments considerations, although the balance of payments returned to surplus in the first half of 1967. Consumer credit regulations were eased in July.

FISCAL POLICIES

West European governments have been generally prepared to allow built-in fiscal stabilizers to soften the impact of the slowdown. The German authorities have also taken steps to provide a significant fiscal stimulus. However, in most countries, deliberate changes in taxes and expenditures on a cash basis in the first 6 months or more of 1967 were not strongly countercyclical.

In the spring of 1966, when inflation was still the paramount problem in the United Kingdom, a deflationary budget was prepared for the fiscal year beginning April 1, 1966. The main feature was the new Selective Employment Tax, designed both to raise revenue and to promote reallocation of labor along more productive lines. However, expenditures were increased substantially more than had been planned, and so the deflationary impact was mild; in addition, a shortfall of tax revenues below expectations cushioned the downturn in the economy. This year, in view of the still precarious state of the balance of payments, a cautious fiscal policy has been adopted. For the fiscal year begin-

ning April 1, 1967, the government has planned a deficit of \$2,640 million, up \$568 million from the previous year. The increase is small considering the expected shortfall of GNP and tax revenues from the full-employment level.

In Germany, the Federal Government became increasingly disposed in 1967 to taking fiscal measures to promote recovery. A special investment budget of \$625 million was adopted in April, and a second program of \$1,325 million—involving State and local outlays as well as Federal—was announced in July. Although these special budgets also raise some tax rates, the increases do not take effect until 1968. Thus, they provide some stimulus to the economy. In the regular Federal budget—that is, excluding both special investment budgets—the deficit is expected to rise from \$625 million in 1966 to \$1.75 billion in 1967. But this deficit would not have widened if the economy had expanded and tax revenues were at the full-employment level.

Orders from the first special investment budget are already providing a stimulus. However, it was not until October 1967 that most orders had been placed under the second investment budget, and housing orders under that budget are not scheduled to be fully placed until March 1968. Meanwhile, the regular budgets of the State and local governments, which account for 45 per cent of total government spending, seem likely to offset some of the fiscal stimulus provided by the investment budgets. Because of the adverse effect of the recession on State and local tax revenues, these governments have budgeted only a 1 per cent rise in their combined regular expenditures in 1967.

In France the budget deficit on a cash basis is expected to rise from \$400 million in 1966 to at least \$1.4 billion in 1967. Most of the anticipated increase appears to reflect a faster rise than was foreseen in social security payments, as well as measures adopted last summer to speed up government investment outlays and reduce certain tax revenues. However, on the basis of present plans the deficit seems likely to contract sharply in 1968—in large measure because of the prospective elimination of the deficit in the social security system and higher rates now being charged by nationalized utilities and transportation systems.

Staff Economic Studies

The research staffs of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects, and other staff members prepare papers related to such subjects. From time to time the results of studies that are of general interest to the economics profession and to others are summarized—or in some instances printed in full—in this section of the BULLETIN.

In all cases the analyses and conclusions

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

Single copies of the full text of each of the studies or papers that are summarized below are available in mimeographed form. The list of publications at the back of each Federal Reserve BULLETIN includes a separate section enumerating the studies for which copies are currently available in that form.

Study Summary

ECONOMIC TRENDS IN LATIN AMERICA IN THE 1960'S

Yves Maroni—Staff, Board of Governors

Prepared as a staff paper in April 1967; revised and updated in September 1967

The first half of the current decade was marked by substantial real growth in many parts of Latin America. But nearly two-thirds of the area's population lives in countries whose economies have grown slowly, if at all. Most of the countries growing at satisfactory rates maintained relative price stability, as did also a few countries experiencing slower expansion. However, inflation remains a serious problem in several of the most populous South American countries, and about two-thirds of the people in Latin America have been living with the problems engendered by rapid inflation.

On the whole, Latin America's export

prices improved over this period. In addition, changes in exchange rates in some important countries helped to stimulate exports and to limit increases in the demand for imports. As a result, the area's over-all merchandise trade surplus grew steadily. The percentage rise in the area's total exports was less than that of total world exports, mainly because Venezuela's exports, which accounted for 30 per cent of the total in 1961, declined slightly in the period under review. But 13 countries responsible for 41 per cent of the area's total exports in 1961 had increases in exports close to or in excess of the rise in the world total.

The area's combined trade deficit with the United States has remained virtually unchanged since 1961. But, in this period, the United States declined in importance as a market for Latin American exports, although not as a source of supply for the area's total imports.

In spite of the improvement in the area's trade performance, the over-all balance of payments position in the early 1960's remained heavily dependent on external financing. Gross disbursements under official loans and grants to Latin America from the United States and other member countries of the Organization for Economic Cooperation and Development and from international lending institutions ranged between \$1.2 billion and \$1.7 billion annually over

the last 6 years. In addition, there were significant flows of private funds, including substantial increases in borrowings from commercial banks in the United States. Three countries (Argentina, Brazil, and Chile) also benefitted from comprehensive debt refinancing operations during the period since 1961.

This financial assistance helped the area to cover its large debt amortization and its interest and dividend payments abroad. Several countries also faced private capital outflows induced mainly by fears of exchange depreciation or of political instability. Nevertheless, the area's gold and foreign exchange reserves at the end of 1966 were \$900 million greater than at the low point of 4 years earlier.

Staff Economic Study

COMMERCIAL BANKS AND THE SUPPLY OF MONEY: A MARKET-DETERMINED DEMAND DEPOSIT RATE

John H. Kareken—Consultant to the Federal Reserve Bank of Minneapolis and Professor of Economics at the University of Minnesota

As noted in the introduction to this section, the Federal Reserve BULLETIN from time to time publishes in full staff studies that are of general interest to economists and others.

As in all staff economic studies, the author

is responsible for the analyses and conclusions set forth and the views expressed are not necessarily those of the Board of Governors, the Federal Reserve Banks, or members of their staffs.

U.S. commercial banks have for a long time been prohibited by law from making explicit interest payments to demand creditors. They have never been prohibited, however, from making implicit payments; U.S. banking laws and administrative regulations have never ruled out a market-determined demand deposit rate. Possibly U.S. banks have all along been paying interest on their demand loans, if in unconventional ways; it could even be that the rate implicitly paid to owners of demand deposits has changed through time, much as other rates have. Whatever our casual impressions may be, we simply do not know. There is no basis in established fact for thinking it frivolous, even for someone preoccupied with the U.S. economy, to develop a financial sector model that determines an equilibrium demand deposit rate. Which is what is done in this paper.

NOTE.—The author would like to thank the Federal Reserve Bank of Minneapolis for its financial support of the research which is in part summarized in this paper and, at the same time, exempt it from any responsibility for the paper's content. He would also like to thank William Brainard of Yale University, Samuel B. Chase, Jr. of the University of Montana, Lyle Gramley of the Board of Governors of the Federal Reserve System, Leonid Hurwicz, Marcel Richter, and Neil Wallace of the University of Minnesota, and Thomas Supel of the Minneapolis Bank for their help. To Chase and Gramley, he owes a special debt; without their constant badgering, he would never have caught on to the "new view" in monetary economics, which provides the intellectual point of departure for this article.

In the first section the desired balance sheet of a profit-maximizing bank is derived. One of the components of this balance sheet is a desired stock of demand liabilities; as is shown there, this desired stock or scale of operations changes, not only when one or another of the bank's lending rates changes, but also when the demand deposit rate changes.¹

In the second section the model of the financial sector is specified. Among the equations of the model are the aggregate counterparts of the bank balance sheet equations of the first section.

How the equilibrium solution of the model of the second section is affected when the central bank alters its portfolio of securities is investigated in the third section. It is shown there that with a freely fluctuating demand deposit rate the equilibrium stock of demand deposits may increase or decrease when the stock or supply of bank reserves is, say, increased.

In the fourth section the equilibrium or unconstrained solution of the model of the second section is compared with the disequilibrium solution which results when a demand deposit rate ceiling is imposed.

¹ An explicitly paid demand deposit rate is introduced into the environment of the bank in section I. If this seems odd, it is just that introducing an implicitly paid rate would have complicated the exposition and to no good purpose.

The final section contains a critical appraisal of received money supply theory. It is suggested there that the individual bank of the Phillips-Rogers tradition in monetary economics has no desired stock of demand liabilities, and further that the money supply equations, so-called, of this tradition are not at all like the characteristic supply equation of classical price theory.² It is also suggested that proponents of the Phillips-Rogers tradition have all along been assuming an effective, government-imposed zero upper limit on the demand deposit rate, although without saying so and without empirical justification. As is pointed out, this could be why they have never bothered to derive proper money supply equations.

I. A DESIRED BALANCE SHEET³

In this section a number of simplifying assumptions are made. It is not argued that they are realistic, only convenient. More realistic assumptions could have been made (for example, about bank costs), but no good purpose would have been served.

It is assumed that the individual bank holds as assets only reserves and one-period loans and has demand liabilities but no net worth. Its balance sheet constraint is therefore

² The traditional literature includes the pioneering contributions of Phillips and Rogers [7, 8] and the ultimate elaboration of Brunner [2], as well as numerous textbook chapters in which the determination of the money supply is allegedly explained. This literature is to be contrasted with that of what Tobin [10, p. 410] has called the "new view" in monetary economics, which begins with the inspired contribution of Gurley and Shaw [6] and includes several other papers [1, 5, 9, 11]. The only author not avowedly a proponent of the new view who has been quite clear that a demand deposit rate ceiling, if effective, substitutes for the behavioral equation which gives the banking system's supply of demand liabilities or money, and who has explicitly introduced a rate ceiling seems to be de Leeuw [3].

³ For an exposition very similar to that in this discussion, see reference 11, chapter 8 (as revised, March 1964).

$$(1) R + L \equiv D$$

where R , L , and D are, respectively, the dollar totals of reserves, loans, and deposits. The constraint on its stock of reserves is

$$(2) R \geq kD \quad (0 < k < 1)$$

where k , the familiar legal reserve requirement, is given. The bank maximizes current-period profit, then, subject to the equality (1) and the inequality (2). This the bank does by choosing the appropriate stocks of assets and liabilities. It can be thought of, however, as first determining its optimum stocks of reserves and loans for any given stock of demand liabilities, and as thereafter determining its optimum stock of liabilities or scale of operations.

By assumption, some dollar return

$$(3) \rho_L \equiv (r_L - c_L)L$$

is earned by the bank on its current-period stock of loans; r_L , which it takes as given, is the rate of return on loans and c_L is the average cost of making a loan. For $c_L = aL$, where a is some positive technological constant,

$$(4) \rho_L = (r_L - aL)L$$

This is the equation of a family of loan-revenue curves. With every value of the loan rate there is associated a particular loan-revenue curve. The one associated with the rate r_L^0 is given in Figure 1; it is labeled ρ_L^0 , and shows that as the bank's stock of loans increases the revenue from loans first increases but at some point reaches a maximum and thereafter declines.

By assumption, the dollar return

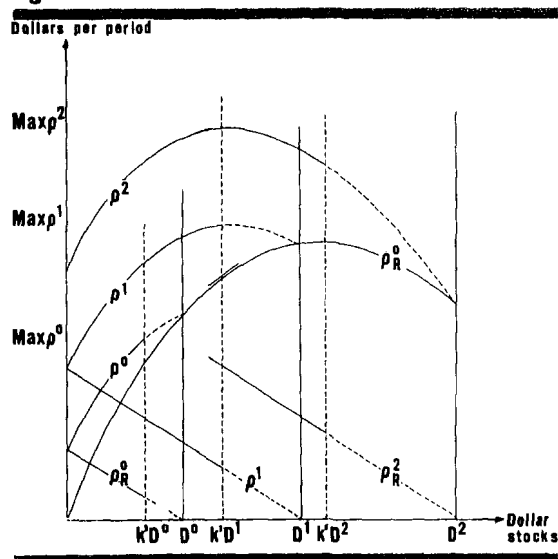
$$(5) \rho_R = r_R R$$

is earned by the bank on its current-period stock of reserves; r_R , which it also takes as given, is the rate of return on reserves. From equation 1, however,

$$(6) \rho_R = r_R (D - L)$$

This is the equation of a family of straight-line reserves-revenue curves. With every set of values of the rate of return on reserves and the stock of demand deposits there is associated a particular reserves-revenue curve, which shows how the revenue from reserves decreases as the stock of loans increases from zero to the assumed deposit stock. Three reserves-revenue curves are given in Figure 1. For the first, ρ_R^0 , the assumed deposit stock is D^0 . For the second, ρ_R^1 , the assumed stock is D^1 . And for the third, ρ_R^2 , the assumed stock is D^2 . For all, the assumed rate of return on reserves is r_R^0 .

Figure 1



Total revenue is by definition the sum of the revenue from loans and the revenue from reserves; that is, $\rho = \rho_L + \rho_R$ or

$$(7) \rho = r_L D + (r_L - r_R) L - aL^2$$

This is the equation of a family of total revenue curves, and with every set of values of

⁴ An assumption of Figure 1, it should be noted, is $r_L > r_R$.

the deposit stock and the rates of return on loans and reserves, there is associated a particular total revenue curve. In Figure 1 three total revenue curves are given. The first, ρ^0 , is that associated with the deposit stock D^0 and the rates r_L^0 and r_R^0 . It can be thought of as having been constructed by summing (vertically) the revenue from loans, as given by ρ_L^0 , and the revenue from reserves, as given by ρ_R^0 , at every stock of loans in the interval from zero to D^0 . It shows, of course, how total revenue from loans and reserves changes as the stock of loans increases from zero to D^0 , and more particularly that with the deposit stock D^0 and the rates r_L^0 and r_R^0 , the maximum total revenue, $\text{Max } \rho^0$, is obtained with the largest possible stock of loans, $L^0 = k' D^0 = (1 - k) D^0$, and the smallest possible stock of reserves, $R^0 = k D^0$.

Since the net rate of return on loans ($r_L - c_L$) decreases as the bank's loans increase, it is not invariably true, though, that the asset portfolio consisting of the largest possible stock of loans and the smallest possible stock of reserves yields the maximum total revenue. For deposit stocks greater than D^1 , the limiting portfolio is not the optimum portfolio. The total revenue curve ρ^1 of Figure 1 reaches a maximum at the stock of loans $L^1 = k' D^1$ —or, with D^1 given, at the largest possible stock of loans. But at L^1 total revenue is also an unconstrained maximum. Even without a reserves constraint, L^1 would be optimal. At this stock of loans, the slopes of the loan-revenue curve ρ_L^0 and the reserves-revenue curve ρ_R^1 differ only in sign, and the slope of the total revenue curve ρ^1 is therefore zero. And although there is for every stock of deposits a different reserves-revenue curve, the slopes of these curves, being equal to the rate of return on

⁵ As the stock of loans increases beyond L^0 , total revenue continues to increase; but going beyond L^0 violates the constraint on the bank's stock of reserves.

reserves, are the same. It follows that for any given deposit stock greater than D^1 , maximum total revenue is obtained with the stock of loans L^1 .

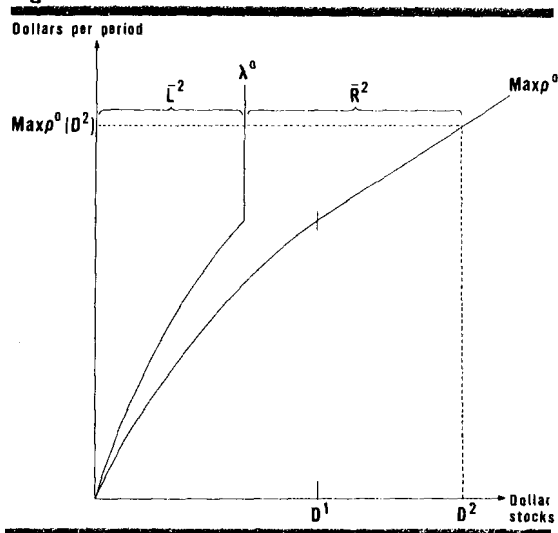
Given the rates of return on loans and reserves, there is then an optimum portfolio for every stock of demand liabilities, and some maximum total revenue as well. How maximum total revenue varies with the deposit stock is shown by the appropriate maximum revenue curve. For the rates r_L^0 and r_R^0 , the maximum revenue curve is $Max \rho^0$ of Figure 2. It shows that as the deposit stock increases from zero to D^1 , maximum total revenue increases but at an ever decreasing rate, and additionally that as the deposit stock increases beyond D^1 , total maximum revenue increases at a constant rate.⁶

The shape of the maximum revenue curve of Figure 2 is easily explained. As the stock of demand liabilities increases from zero to D^1 , successive increments are allocated in constant proportions between loans and reserves. But because the net rate of return on loans, that is $(r_L - c_L)$, decreases as the stock of loans increases, maximum total revenue increases at a decreasing rate. As the stock of demand deposits increases beyond D^1 , successive increments are allocated entirely

to reserves, for with a loan stock greater than $k'D^1$ the rate of reserves exceeds the net rate of return on loans. And because the rate of return on reserves does not depend on the bank's portfolio, total maximum revenue increases at a constant rate beyond D^1 .

There is another curve in Figure 2—namely, λ^0 , the optimum-loan curve associated with the maximum revenue curve $Max \rho^0$. It is used to determine the portfolio

Figure 2



of assets that yields the maximum total revenue obtainable from any given stock of deposits. Consider the stock D^2 . Maximum total revenue, as shown in Figure 2, is $Max \rho^0 (D^2)$. And the asset portfolio that yields this revenue? Along the horizontal line which intersects $Max \rho^0$ at D^2 , the distance from the y-axis to the λ^0 curve gives the revenue-maximizing stock of loans L^2 ; and the remaining distance, from the λ^0 curve to the $Max \rho^0$ curve, gives the revenue-maximizing stock of reserves, R^2 .

The profit-maximizing bank does not stop, though, once having determined its optimum portfolio of assets for any given stock of de-

⁶ The slope of the maximum revenue curve approaches r_R from above as the stock of deposits approaches its critical value, D^c , from below, for the equation of maximum revenue is

$$Max \rho = \begin{cases} r_R kD + [r_L - c_L] (k'D) & \text{for } D \leq D^c \\ r_R (D - k'D^c) + [r_L - c_L] (k'D^c) & \text{for } D \geq D^c \end{cases}$$

where

$$D^c = \frac{r_L - r_R}{2k' \left(\frac{c_L}{L} \right)}$$

For $r_R = r_R^0$ and $r_L = r_L^0$, $D^c = D^1$ (Figures 1 and 2).

posits. It goes on and determines its optimum stock of deposits, or optimum scale of operations.

Having demand deposits costs the individual bank something. By assumption, the total cost is

$$(8) \gamma = (r_d + c_d) D$$

where r_d , taken as given by the bank, is the rate paid demand creditors and c_d is the average cost of servicing deposits, accepting and recording in-payments, clearing checks, and so on.⁷ For $c_d = bD$, where b is another positive technological constant,

$$(9) \gamma = (r_d + bD) D$$

The total cost of deposits increases at an increasing rate. This is what the total cost curves of Figure 3, γ^0 and γ^1 , show.

For the demand deposit rate r_d^0 , the relevant cost curve in Figure 3 is γ^0 . Given this rate, the loan rate r_l^0 and the reserves rate r_r^0 , the profit-maximizing stock of demand liabilities is \hat{D}^0 . By construction, it is at \hat{D}^0 where marginal cost and marginal revenue

⁷ By the introduction of service costs, account is taken of the fact that demand deposits are used to make payments. If the aggregate quantity of demand deposit services is proportional to aggregate money income and if the quantity per dollar of deposits (s) is the same for all banks, then, for the i th bank,

$$S^i = \frac{m_i Y}{D} D^i = s D^i$$

where S^i is the i th bank's total of demand deposit services, D^i is its stock of demand deposits, Y is aggregate money income, and D is the aggregate of demand deposits. Minimizing the cost of deposit services, but subject to a production function constraint,

$$S^i = F^i(L^i, K^i)$$

yields

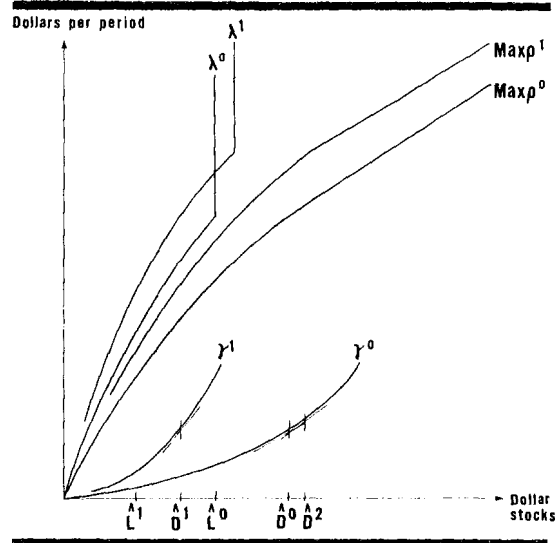
$$C^i = C^i(D^i; D, Y, w, q)$$

where C^i is the minimum total cost of providing deposit services for the i th bank and w and q are, respectively, the rates at which labor and capital are paid. The specific assumption used in the discussion is

$$c_d^i = \frac{C^i}{D^i} = b^i D^i = b^i(D, Y) D^i$$

(Factor rates, held constant throughout the analysis, are ignored.)

Figure 3



are the same. The maximizing stock of loans is \hat{L}^0 and the maximizing stock of reserves is $\hat{R}^0 (= \hat{D}^0 - \hat{L}^0)$.

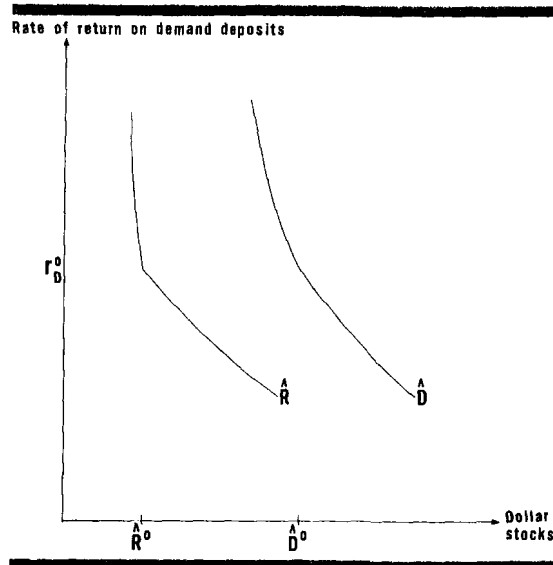
The desired or profit-maximizing balance sheet of the individual bank has then been determined, although only for one set of rates of return; and when a rate of return changes, the bank's desired balance sheet changes. Consider a *ceteris paribus* increase in the demand deposit rate, from r_d^0 to r_d^1 . For the higher deposit rate, γ^1 of Figure 3 is the relevant cost curve; so the desired or profit-maximizing stock of demand liabilities is \hat{D}^1 not \hat{D}^0 . The new desired stocks of loans and reserves are, respectively, \hat{L}^1 and $\hat{R}^1 (= \hat{D}^1 - \hat{L}^1)$.

As a general rule, the bank's desired balance sheet also changes when either the loan rate or the reserves rate changes. Suppose that initially the rates of return are r_l^0 , r_r^0 , and r_d^0 . The desired stock of demand deposits is therefore \hat{D}^0 (Figure 3). With a *ceteris paribus* increase in the loan rate, from r_l^0 to r_l^1 , the maximum revenue and optimum-loan curves shift. For r_l^1 , the relevant maximum revenue curve is $\text{Max } \rho^1$ and the rele-

vant optimum-loan curve is λ^1 . The desired stock of deposits is then \hat{D}^2 . Also, with the higher loan rate, the desired stocks of loans and reserves are not what they were.

More could be done with the diagrammatic apparatus developed here. But perhaps enough has already been done to make clear that the profit-maximizing bank has a desired balance sheet—and, more particularly, a desired stock of demand liabilities—which in the main changes when rates of return change. How the individual bank's desired balance sheet might vary with the demand deposit rate is shown in Figure 4. Of special interest is the curve labeled \hat{D} ,

Figure 4



which shows how the bank's desired stock of demand liabilities varies with the deposit rate. It is the bank's demand deposit (money) supply curve and, as such, the curve for which there is no analogue in traditional models of bank behavior.

II. A SIMPLIFIED FINANCIAL SECTOR

After what has already been said, it would seem reasonable to suppose that

$$(10) \hat{R} = R(r_L, r_R, r_D)$$

$$(11) \hat{L} = L(r_L, r_R, r_D)$$

$$(12) \hat{D} = D(r_L, r_R, r_D)$$

where now \hat{R} , \hat{L} , and \hat{D} are, respectively, the entire banking system's desired stocks of reserves, loans, and demand liabilities.⁸ Together, equations 10, 11, and 12 determine the desired balance sheet of banks as a group. Of special interest is equation 12, which gives the banking system's desired stock of demand deposits or, alternatively, its desired supply of money. Having been derived in the time-honored way of classical price theory, it is a proper supply equation.

Determining short-run financial-sector equilibrium is the objective here; so the economy's stock of capital is ignored. The balance sheet constraint of the nonbank sector of the private economy is therefore

$$(13) \mathfrak{D} \equiv \mathfrak{L}$$

\mathfrak{D} is this sector's stock of demand deposits, and \mathfrak{L} is its net stock of indebtedness, or in other words its stock of indebtedness to private banks and the central bank. (There are no claims against the government; the central bank deals in private claims.) Since aggregate money income is taken as given, it is assumed that

$$(14) \hat{\mathfrak{D}} = \mathfrak{D}(r_L, r_D)$$

where $\hat{\mathfrak{D}}$ is the nonbank sector's desired stock of demand deposits.

⁸These equations are obtained in an essentially straightforward way, in the first instance by aggregating over the individual units of the banking system. Actually, what the analysis of section I suggests is that

$$\hat{R}^i = R^i(r_L, r_R, r_D, k, Y, D)$$

and so forth where, as before, Y is aggregate money income and D is the total of demand deposits. But after summing, $D (= \hat{D})$ can be eliminated as an independent variable, and k and Y are here regarded as constants.

For financial-sector equilibrium, there must be equality between the supplies of and demands for reserves, loans, and demand deposits. The equilibrium conditions are then

$$(15) R(r_L, r_D, r_R) = R$$

$$(16) L(r_L, r_D, r_R) = \mathcal{D}(r_L, r_D) - R$$

$$(17) D(r_L, r_D, r_R) = \mathcal{D}(r_L, r_D)$$

where R is the supply of bank reserves, fixed by the monetary authority. As indicated by equation 16, the stock of loans which in equilibrium the banking system must desire is $\mathcal{D}(r_L, r_D) - R$. By equation 13, the public's desired stock of demand deposits is also its desired net stock or supply of loans; but to get the stock available to the banking system, the stock desired by the monetary authority, which of necessity is equal to the supply of bank reserves, must be subtracted.

There being only two independent market-clearing equations, one rate of return must be regarded as exogenously determined. Since it seems the natural thing to do, it is assumed here that the monetary authority fixes not only the actual stock of bank reserves, but the rate of return on reserves as well. For $R = R^0$ and $r_R = r_R^0$ the equilibrium conditions are

$$(18) L(r_L, r_D, r_R^0) = \mathcal{D}(r_L, r_D) - R^0$$

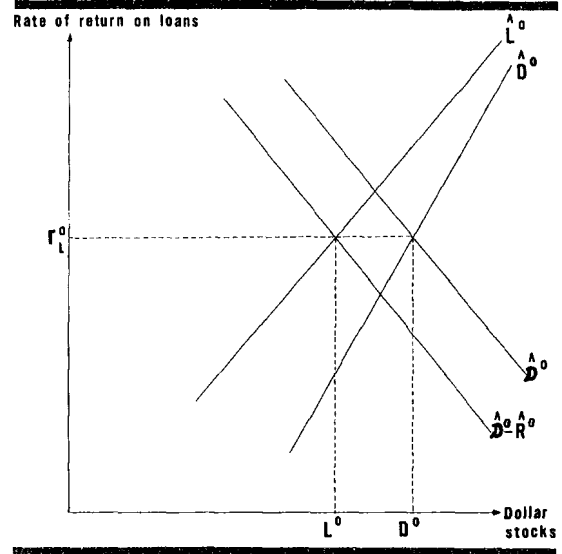
$$(19) D(r_L, r_D, r_R^0) = \mathcal{D}(r_L, r_D)$$

By the usual macroeconomic criteria, these two equations can be said to determine the equilibrium values of the rates of return on loans and deposits. More generally, the system of equations 16, 17, and either 12 or 13 can be used to obtain the equilibrium values of the rates of return on loans and deposits and the equilibrium value of the deposit stock as functions of two policy param-

eters, the supply of bank reserves, and the rate of return on reserves.

Financial sector equilibrium is illustrated in Figure 5. The curve \hat{D}^0 shows the banking system's desired stock or supply of de-

Figure 5



mand deposits for the given reserves and deposit rates r_R^0 and r_D^0 . The curve \hat{L}^0 shows its desired stock of loans, again for the rates r_R^0 and r_D^0 . The curve \hat{D}^0 shows the nonbank sector's desired stock of demand deposits and, also, its desired net indebtedness. The remaining curve, $\hat{D}^0 - R^0$, shows the supply of loan claims to the banking system. (R^0 is the official demand for the loan claims of the nonbank sector of the private economy.) At the loan rate r_L^0 , the stock of loans desired by the banking system and the cen-

⁰ The analysis of section I suggests that

$$D_1(r_L, r_D, r_R) > 0$$

where D_1 denotes the partial derivative of \hat{D} with respect to the first argument, that is, r_L . It also suggests that $L_1(r_L, r_D, r_R) > 0$. With the curves \hat{D}^0 and \hat{L}^0 as drawn in Figure 5, though, the assumption, admittedly strong, is that

$$D_1(r_L, r_D, r_R) - L_1(r_L, r_D, r_R) = R_1(r_L, r_D, r_R) < 0$$

tral bank together equals the nonbank sector's desired net indebtedness; and the banking system's desired stock of demand deposits equals the nonbank sector's. Then, too, the banking system's desired stock of reserves equals the actual stock or supply. The distance from the \hat{D}^0 curve to the curve labeled $\hat{D}^0 - R^0$ gives the actual stock of reserves; and the distance from the \hat{D}^0 curve to the \hat{L}^0 curve gives the banking system's desired stock of reserves.

For the stock of reserves R^0 and the rate of return on reserves r_R^0 , the equilibrium loan rate is therefore r_L^0 and the equilibrium deposit rate is r_D^0 . The equilibrium stock of loans is L^0 . The equilibrium stock of deposits is D^0 . In a world without currency, D^0 would be the equilibrium stock of money.

III. OPEN MARKET OPERATIONS

It has long been accepted that when the monetary authority makes, for instance, an open market purchase, thereby increasing the stock of bank reserves, the equilibrium rate of return on loans decreases, at least initially, and the equilibrium stock of money increases. Within the confines of traditional models, these are necessary results. In the language of diagrams, the money supply curve, so-called, shifts rightward when the supply of reserves is increased. But because the public's desired stock of money depends, with aggregate money income given, only on the loan rate, the money demand curve does not shift. And because the public's desired stock of money increases as the loan rate decreases, an increase in the stock of reserves cannot do other than decrease the equilibrium loan rate and increase the equilibrium stock of money.

Within the confines of the financial-sector model of section II, however, an increase in the stock of bank reserves does not in-

evitably produce an increase in the equilibrium stock of money. Stability does imply that the equilibrium loan and deposit rates decrease when the stock of reserves is increased and increase when the stock is decreased. But even if the financial sector is stable, the equilibrium stock of money will not necessarily increase when the stock of reserves is increased or decrease when it is decreased.¹⁰

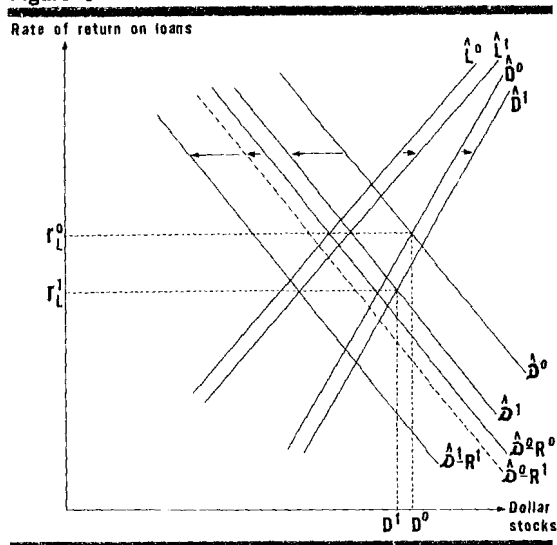
Resorting again to the language of diagrams, it is simply that the money demand curve shifts to the left when the supply of reserves is increased. This shift of the curve is not in itself enough to insure a decrease in the equilibrium stock of money, for the banking system's money supply curve shifts rightward. The shift of the money demand curve to the left is necessary, though, for the untraditional result.

To increase the stock of reserves, the monetary authority must initially create an excess demand for loan claims—or, equivalently, an excess supply of loanable funds. This is shown in Figure 6. With an increase in the stock of reserves, from R^0 to R^1 , the loan-claims supply curve shifts to the left. For the rates of return on reserves and deposits r_R^0 and r_D^0 and the stock of reserves R^0 , the relevant loan-claims supply curve is labeled $\hat{D}^0 - R^0$. But for these same rates of return and the stock of reserves R^1 , the relevant loan supply curve is labeled $\hat{D}^0 - R^1$.

Presumably, then, an increase in the stock of reserves implies a decrease in the loan rate, and a decrease in the deposit rate as well. As will be clear from Figure 6, the loan rate cannot decrease without excess demand developing in the market for deposits. Moreover, with a decrease in the deposit rate, the deposit demand curve shifts

¹⁰ Proofs of these propositions are given in the Appendix.

Figure 6



to the left, so the loan-claims curve shifts to the left again; and the deposit supply curve shifts to the right, as does the curve giving the banking system's desired stock of loans.¹¹ With a decrease in the deposit rate, therefore, excess demand develops in the market for loan claims.

Still, if the financial sector is stable, rates do not go ever lower. In Figure 6 the new equilibrium solution, that associated with the rate of return on reserves r_R^0 and the stock of reserves R^1 , is shown. The new equilibrium loan rate is r_L^1 and the new equilibrium deposit rate is r_D^1 . The new equilibrium stock of money is D^1 . The equilibrium stock of deposits has thus been shown as decreasing when the supply of reserves increases; it could have been shown, however, as increasing.

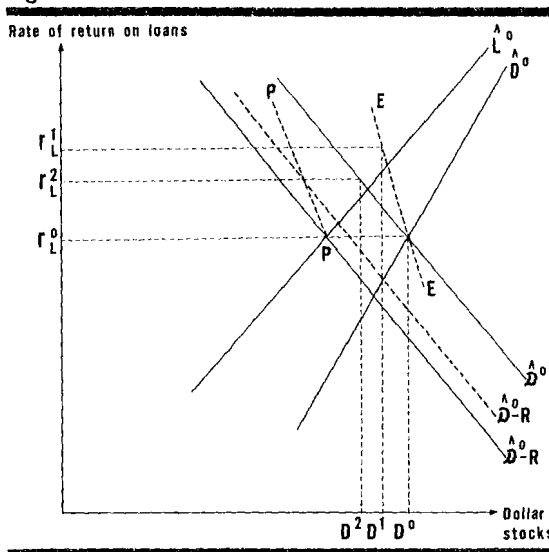
IV. A DEMAND DEPOSIT RATE CEILING

Just as an increase in the stock of bank reserves creates an initial excess demand for

¹¹The analysis of section I suggests that $D_2(r_L, r_D, r_R) < 0$ and the natural assumption is $D_1(r_L, r_D) > 0$.

loan claims, so a decrease creates an initial excess supply. With a decrease, the equilibrium loan and deposit rates increase. Depending on what values are assigned certain parameters, the equilibrium stock of money either increases or decreases. In Figure 7

Figure 7



it is shown as decreasing. The curve labeled *E* gives the path along which the equilibrium stock of money and the equilibrium loan rate change as the stock of reserves changes. For the stock of reserves R^0 , the equilibrium money stock is D^0 and the equilibrium loan rate is r_L^0 ; and for the stock R^1 , which is less than R^0 , the equilibrium values are D^1 and r_L^1 . Of course, as the equilibrium money stock and equilibrium loan rate change along the *E* curve, the equilibrium deposit rate changes too. With a decrease in the stock of reserves from R^0 to R^1 , the equilibrium deposit rate increases from r_D^0 to r_D^1 .

The change in financial-sector equilibrium just described is to be compared, though, with that which results when, with the demand deposit rate prevented from adjusting upward by a rate ceiling, the stock

of bank reserves is decreased from R^0 to R^1 . Suppose there is a restriction, $r_D \leq r_D^0$, on the deposit rate. To begin, the financial sector is in equilibrium. The deposit stock is D^0 , and the loan rate is r_L^0 . The deposit rate is r_D^0 , so whatever happens to the stock of reserves it cannot increase. Now, then, with a decrease in the stock of bank reserves from R^0 to R^1 , the loan-claims supply curve shifts to the right; for the new stock of reserves the relevant loan-claims supply curve in Figure 7 is that labeled $\hat{\mathcal{D}}^0 - R^1$. Again, there is an initial excess supply of loan claims created, and so the loan rate increases. But the deposit rate does not increase, although an excess supply of loan claims is created by the increase in the loan rate. Thus, with an effective rate ceiling, the deposit demand and deposit supply curves do not shift. As the loan rate increases, the stock of money decreases along the original deposit demand curve, $\hat{\mathcal{D}}^0$, not the curve labeled E .

But if the banking system is prevented by a deposit rate ceiling from going as much in debt to households and firms as it would like, its loan-claims demand curve, \hat{L}^0 , is of no relevance. With an effective rate ceiling, the banking system allocates a given stock of deposits between loans and reserves. In Figure 7 the curve labeled P gives this allocation. The horizontal distance from the y -axis to this curve gives the stock of loans which, under constraint, the banking system desires; and the remaining distance, from the P curve, that is, to the $\hat{\mathcal{D}}^0$ curve, gives what can only with qualification be called the banking system's desired stock of reserves.

The new (constrained) equilibrium loan rate is therefore r_L^2 , and the new (constrained) equilibrium stock of deposits is D^2 . At the loan rate r_L^2 , the stock of loan claims

which, under constraint, the banking system desires is equal to the stock made available; and the stock of reserves which, under constraint, it desires is equal to the actual stock.

The point would seem to be that the banking system, if bound by a rate ceiling, will desire a smaller stock of reserves than it otherwise would. In Figure 7 the distance at the loan rate r_L^1 from the curve labeled P to that labeled $\hat{\mathcal{D}}^0$, which gives the constrained desired stock of reserves, is less than the distance from the curve labeled $\hat{\mathcal{D}}^0 - R^1$ to that labeled $\hat{\mathcal{D}}^0$.¹² It is therefore inevitable, at least within the confines of the financial-sector model of section II, that the equilibrium loan rate increases less when there is an effective rate ceiling than when the deposit rate can adjust.¹³

¹² Recall that with no effective rate ceiling r_L^1 is the equilibrium loan rate. At this rate therefore the banking system must desire the stock of reserves supplied, which is given by the horizontal distance from the curve labeled $\mathcal{D}^0 - R^1$ to that labeled \mathcal{D}^0 . The banking system's desired stock of reserves can be written as $\hat{R} = \hat{R}_e + R_r = F(r_L, r_R, \hat{D}) + k\hat{D}$

where \hat{R}_e is the desired stock of excess reserves and R_r is the stock of required reserves. With the rate of return on reserves given (r_R), then,

$$\hat{R} = F[r_L, r_R^0, D(r_L, r_D, r_R^0)] + kD(r_L, r_D, r_R^0)$$

If there is an effective rate ceiling, however, the banking system's stock of deposits is given by the public's demand, so

$$\hat{R}_c = F[r_L, r_R^0, \mathcal{D}(r_L, r_D)] + k\mathcal{D}(r_L, r_D)$$

where \hat{R}_c is the stock of reserves which, under constraint, the banking system desires. But since

$$\mathcal{D}(r_L^1, r_D^0) < D(r_L^1, r_D^1, r_R^0)$$

it follows that

$$\hat{R}_c(r_L^1, r_D^0, r_R^0) < R(r_L^1, r_D^1, r_R^0)$$

if the desired stock of excess reserves increases as the stock of deposits increases. This is what the analysis of section I suggests and what has typically been assumed. (Very often the desired stock of reserves has been taken as homogeneous of degree one in the stock of deposits.)

¹³ In Figure 7 the equilibrium stock of money is shown as decreasing more when there is an effective rate ceiling than when the deposit rate can adjust. This would seem necessary, but I have not proved it is.

V. AN INSTANCE OF IMPLICIT THEORIZING?

It has long been the favored assumption of textbook authors that

$$(20) \hat{R} = kD$$

where, as in section I, \hat{R} is the bank's desired stock of reserves. In words, the bank never wants more reserves than are required. Evidently, though, this is the only bank behavioral assumption generally found in our money and banking textbooks. There is in addition to equation 20 another useful equation, the balance sheet equation 1. But two equations cannot determine three balance sheet stocks or—what comes to the same thing in the simplest of institutional settings—the desired balance sheet of the individual bank.

Nor does it help to assume, as some journal authors have,¹⁴ that the bank's desired stock of reserves is determined by the rate of return on loans as well as the legal reserve requirement and its stock of deposits, or more formally that, say,¹⁵

$$(21) \hat{R} = mD = m(r_L) D, (1 > m > k)$$

With this assumption, the lessons of modern theories of the demands for money and other financial assets are acknowledged. But the fact remains that equation 21 replaces equation 20.

With only two bank balance sheet equations, 1 and 20 or 1 and 21, one (desired) balance sheet stock must be determined exogenously, and traditionally the view has been of a bank which has a given stock of deposits. Descriptions of the deposit-multiplier process suggest as much. An individual bank, finding itself with, for example, too large a stock of reserves, increases its stock

of loans and thereby decreases its stock of reserves. In increasing its stock of loans, it hands deposits along to another bank, which in its turn makes the necessary asset adjustments and so keeps the deposit-multiplier process grinding on. This is an old story, and yet it makes quite unmistakable that, for the bank of the Phillips-Rogers tradition, the stock of deposits is given, and that, for the banking system of this tradition, there are only two balance sheet equations. For a simple enough world, traditionalists might write

$$(22) \hat{R} = R'(r_L, D)$$

$$(23) \hat{L} = D - R'(r_L, D) = L'(r_L, D)$$

(Again, \hat{R} and \hat{L} are reinterpreted, and now denote aggregate desired stocks.) Missing is a proper deposit or money supply equation, an equation having as its dependent variable an aggregate desired quantity.

With equations 22 and 23 as the banking system's asset demand equations, the money supply equation, so-called, of traditional monetary economics would be

$$(24) D = D'(r_L, R)$$

This equation is obtained, as are all money supply equations of the Phillips-Rogers tradition, by assuming that desired and actual stocks of reserves are equal in equilibrium, and then, after some substituting, solving for D . The dependent variable of equation 24, and of all other traditional money supply equations, is therefore the stock of deposits that makes the banking system satisfied with its actual holdings of reserves and loans; it is not in the classical sense of the phrase a desired supply quantity.

It may be judged to matter not at all that the banking system of traditional monetary economics has no desired stock or supply of demand liabilities. What has long passed for

¹⁴ See reference 2, pp. 80–81, and reference 4, pp. 142–45.

¹⁵ And \hat{R} should decline in strictly monotonic fashion as r_L increases.

financial-sector equilibrium can be determined. Among the behavioral equations of any traditional model there is one which gives the public's desired stock of demand deposits. Here the appropriately simple equation would be ¹⁶

$$(25) \hat{\mathcal{D}} = \mathcal{D}'(r_L)$$

By the usual macroeconomic criteria, equations 24 and 25 are sufficient to determine what have long passed for the equilibrium values of the loan rate and the stock of deposits.

Any model which does not determine a ruling demand deposit rate cannot, however, be regarded as entirely satisfactory. The rate banks pay demand creditors, be it zero or positive, is something to be explained. But then it is inconceivable that proponents of the Phillips-Rogers tradition have been unaware of their obligation. Undoubtedly they have all along been assuming, if without saying so, that there is a restriction, $r_D \leq 0$, on the demand deposit rate. There is

¹⁶Again aggregate money income is taken as given.

precious little mention of a demand deposit rate in the traditional literature. Still, a rate that is always zero could very easily go unmentioned.

Why proponents of traditional money supply theory have never bothered to derive proper money supply equations is thus apparent. Appending the restriction $r_D \leq 0$, to the model of section II, one turns it into the model of this section. The equation $r_D = 0$ is substituted for the banking system's deposit supply equation. And deriving an equation which in the end is not going to be used would seem pointless.

It remains true, though, that explicit assumptions are better than implicit assumptions. And it is still for econometricians to decide whether a restriction on the demand deposit rate should be introduced, even explicitly. Until they have decided, we should perhaps not ignore the possibility of a market-determined demand deposit rate when appraising the effects, and particularly the longer-run effects, of what the monetary authority does.

APPENDIX

When the monetary authority changes its portfolio of nonbank-sector loans, there follow changes in the equilibrium rates of return on loans and deposits and the equilibrium stock of deposits. But if the financial sector is stable, not all kinds of changes are possible. As is shown here, equilibrium interest rates must increase when the stock of reserves is decreased, and decrease when this stock is increased. As is also shown here, however, the equilibrium stock of deposits does not necessarily decrease when the stock of reserves is decreased, or increase when the stock of reserves is increased.

Following custom, it is assumed that

$$(26) \dot{r}_L = K_L [\mathcal{D}(r_L, r_D) - L(r_L, r_D, r_R^0) - R]$$

$$(27) \dot{r}_D = K_D [D(r_L, r_D, r_R^0) - \mathcal{D}(r_L, r_D)]$$

where K_L and K_D , as speed-of-adjustment coefficients, are positive constants. For linear behavioral equations and unitary adjustment coefficients,

$$(28) \dot{r}_L = a_0 + a_1 r_L + a_2 r_D - b_0 - b_1 r_L - b_2 r_D - R$$

$$(29) \dot{r}_D = c_0 + c_1 r_L + c_2 r_D - a_0 - a_1 r_L - a_2 r_D$$

where the a_i , b_i , and c_i are behavioral constants.¹⁷

¹⁷The supply and demand equations of the text are not linear, so equations 28 and 29 should be regarded as linear approximations of, respectively, equations 26 and 27, with the a_i , b_i , and c_i ($i = 1, 2$) being first partial derivatives of, respectively, \mathcal{D} , L , and D [e.g., $a_1 \equiv \mathcal{D}_1(r_L, r_D)$]. The conclusions of this appendix should be regarded as being true only locally.

It is further assumed that

$$(30) a_1, b_2, c_2 < 0$$

and

$$(31) a_2, b_1, c_1 > 0$$

These inequalities are suggested by the analysis of section I of the text.

The equilibrium rate of return on loans is r_L^* and the equilibrium rate of return on deposits is r_D^* , so¹⁸

$$(32) r_L^* = \frac{(c_2 - a_2)}{A} R + \mathfrak{R}_1$$

$$(33) r_D^* = -\frac{(c_1 - a_1)}{A} R + \mathfrak{R}_2$$

where

$$A = \det \begin{bmatrix} (a_1 - b_1) & (a_2 - b_2) \\ (c_1 - a_1) & (c_2 - a_2) \end{bmatrix}$$

For stability of the system of equations 28 and 29, it is necessary and sufficient that

$$(34) A > 0$$

$$(35) (a_1 - b_1) + (c_2 - a_2) < 0$$

Thus, if inequalities 30 and 31 are satisfied, then stability implies

$$\frac{dr_L^*}{dR}, \frac{dr_D^*}{dR} < 0$$

with a change in the stock of bank reserves, there follow changes of opposite sign in the equilibrium rates of return on loans and deposits.

From equation 14 of the text, but in its linear version,

$$(36) D^* = a_0 + a_1 r_L^* + a_2 r_D^*$$

¹⁸ \mathfrak{R}_1 and \mathfrak{R}_2 (and \mathfrak{R}_3 below) denote rather complicated constant terms. Each is a function of, among other behavioral constants, a_0, b_0 and c_0 . One can presumably choose values of these particular constants so as to guarantee the nonnegativity of r_L^* and r_D^* (and D^* below).

D^* is the equilibrium stock of deposits. From equations 32 and 33,

$$(37) D^* = \frac{(a_1 c_2 - a_2 c_1)}{A} R + \mathfrak{R}_3$$

Now, if inequalities 30 and 31 are satisfied, along with the inequalities

$$(38) b_1 > c_1 \text{ and } b_2 > c_2 \left(|b_2| < |c_2| \right)$$

then $A > 0$. Also, if

$$(39) c_1 > \frac{a_1 c_2}{a_2} = \frac{|a_1| |c_2|}{a_2}$$

then

$$a_1 c_2 - a_2 c_1 < 0$$

Thus, if inequalities 30 and 31 are satisfied, along with the conditions

$$(40) a_2 = |a_1| \text{ and } b_1 > c_1 > |c_2| > |b_2|$$

then the financial sector is stable¹⁹ and $\frac{dD^*}{dR} < 0$.

And if inequalities 30 and 31 are satisfied, along with the conditions

$$(41) a_2 = |a_1| \text{ and } b_1 > |c_2| > |b_2| > c_1$$

then the financial sector is stable and $\frac{dD^*}{dR} > 0$.

By appropriate choice of behavioral coefficients, it is therefore possible to insure stability and have $\frac{dD^*}{dR}$ either positive or negative.

As has been indicated, the analysis of section I of the text suggests it is reasonable to assume that inequalities 30 and 31 are satisfied. A more penetrating microeconomic analysis might suggest otherwise; such an analysis might even suggest an ordering of behavioral coefficients which would make it unreasonable to assume that, say, the conditions 40 are satisfied.

¹⁹ Inequality equations 31 and 32 imply the second of the two stability conditions, that is,

$$(a_1 - b_1) + (c_2 - a_2) < 0$$

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Record of Policy Actions

of the Federal Open Market Committee

Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's Annual Report, are now being released approximately 90 days following the date of the meeting and are subsequently being published in the Federal Reserve BULLETIN.

The record for each meeting includes the votes on the policy decisions made at the meeting as well as a résumé of the basis for the decisions. The summary descriptions of economic and financial conditions are based on the information that was available to the Committee at the time of the meeting, rather than on data as they may have been revised since then.

Policy directives of the Federal Open Market Committee are issued to the Federal Reserve Bank of New York—the Bank selected by the Committee to execute transactions for the System Open Market Account.

Records of policy actions for the meetings held in 1967 through May 23 were published in the BULLETINS for July, pages 1115-51; August, pages 1326-32; and September, pages 1546-54. The record for the meeting held on June 20, 1967, follows:

MEETING HELD ON JUNE 20, 1967**Authority to effect transaction in System Account.**

Over-all economic activity was expanding at a modest pace, according to reports at this meeting, and prospects for growth later in the year had strengthened. Staff projections suggested that the current advance in real GNP, though moderate, would turn out to be higher than earlier estimates for the second quarter, and that the rate of growth would accelerate in the third quarter. The projections reflected an expectation that final sales would continue to expand rapidly in the second and third quarters, and that the effect on over-all activity of inventory adjustments—which had resulted in a slight decline in real GNP in the first quarter—would diminish progressively.

The rate of business inventory accumulation declined further in April to a low level. It appeared likely that there would be little, if any, net accumulation of inventories in the second quarter as a whole and that there would be a moderate amount of liquidation in the third quarter. Industrial production fell slightly further in May to a level about 2 per cent below the high of December 1966. Manufacturing employment declined again in May, but the reduction was less than in other recent months. The unemployment rate, at 3.8 per cent, was little changed from the April level.

Government spending remained an important source of economic stimulus, with Federal defense outlays continuing to exceed earlier estimates and State and local government expenditures rising steadily. The staff projections suggested, however, that the rate of growth in defense outlays would moderate in the second and third quarters, and that private sales would account for a larger proportion of growth in total final sales than they had in the first quarter.

Both consumer expenditures for goods and the volume of resi-

dential construction activity appeared to have gained some momentum recently. Retail sales were now reported to have increased in April, contrary to the earlier indication that they had not changed in that month, and the advance estimate for May showed a further rise. Housing starts increased substantially in May, and various factors—including the further rise in building permits issued and the substantial increases in mortgage commitments by major groups of lenders—pointed toward higher expenditures on new housing in the months ahead.

A Commerce-SEC survey of business plans, taken in late April and May, suggested that capital spending would rise moderately in the second half of the year. The survey implied a slightly smaller rise in business outlays on plant and equipment in 1967 as a whole than had the survey taken 3 months earlier—2.9 rather than 3.9 per cent. The downward adjustment, however, was attributable mainly to a larger decline in actual outlays in the first quarter than had been implied by the plans reported earlier; for the last three quarters of the year changes in planned outlays were similar to those that had been indicated in the preceding survey.

Average wholesale prices of industrial commodities remained stable in May. Nevertheless, the over-all wholesale price index rose as prices of farm products and foods increased sharply following 7 months of nearly continuous decline. In April the consumer price index increased somewhat more than it had on the average during the winter and early spring.

With respect to the U.S. balance of payments, the surplus on merchandise trade continued to increase in April and net repayments of borrowings abroad by U.S. banks, which had enlarged the deficit on the “official reserve transactions” basis in the first 4 months of the year, were small in May. However, the available data on changes in U.S. reserves and liabilities in recent months suggested that the underlying payments deficit remained large.

Abroad, bond yields had stabilized or risen recently in a num-

ber of industrial countries, interrupting the downward trend of interest rates that had been under way since late in 1966. Conditions in some foreign exchange markets had been unsettled as a result of the Middle-East hostilities in early June.

System open market operations since the preceding meeting of the Committee had been directed toward maintaining prevailing conditions in the money market. The System supplied reserves early in the interval and again near its close, partly through purchases of coupon-bearing Treasury securities. In the intervening period the System sold bills to offset part of the large volume of reserves supplied by declines in Treasury balances at Federal Reserve Banks. On June 15 the Treasury temporarily added to its balances by selling a special certificate of indebtedness in the amount of \$87 million to the Federal Reserve. The certificate was redeemed the following day.

Growth in nonborrowed reserves of member banks had moderated further in May, and total reserves had declined slightly. In June aggregate bank reserves were rising relatively slowly. In the 3 weeks through mid-June free reserves averaged about \$290 million, little changed from the average of \$270 million for all of May and somewhat above the April level (revised) of \$200 million. Member bank borrowings declined further to an average of about \$75 million in the latest 3 weeks, from \$95 million in May as a whole and \$150 million in April. The Federal funds rate remained close to 4 per cent and rates on bank loans to Government securities dealers were generally stable.

Interest rates on most types of market securities had risen on balance since the preceding meeting of the Committee, with yields on Treasury securities fluctuating widely. In short-term markets yields advanced on finance company paper, bankers' acceptances, Federal agency securities, and negotiable CD's. In late May and early June the market rate on 3-month Treasury bills extended its earlier persistent decline and on June 5 it reached a low for the year of 3.37 per cent. Subsequently the rate moved up and

was about 3.60 per cent on the day before this meeting. Yields on intermediate- and long-term Treasury bonds, which had risen to 1967 highs around mid-May, receded late in that month but then advanced sharply in the first half of June to levels above the May peaks. Corporate bond yields had drifted up further after stabilizing for a time in early June.

The recent increases in short-term interest rates appeared to have been related in part to pressures associated with the mid-June tax and dividend dates. Conditions in financial markets generally, however, were influenced by the continuing heavy volume of flotations of corporate and municipal securities, and by prospects for a very large volume of Federal debt financing in the second half of the year. Public offerings of new corporate bonds in June appeared likely to be about one-fourth larger than the previous monthly record set in March, and an unusually large volume of offerings was already scheduled for the third quarter. It appeared that the Treasury would need to raise a substantial amount of new cash later in the year, although the magnitude of the Federal deficit in the second half of 1967 would depend in large part on the course of defense spending and on the size and effective date of any increase in income taxes, all of which were uncertain at this time. The Treasury was expected to undertake a short-term cash financing in July, but the size, terms, and date of the offering had not been determined as of the date of this meeting.

In May contract interest rates on conventional mortgages on new homes advanced slightly following six consecutive months of decline, and secondary-market yields on Federally underwritten home mortgages rose fairly sharply. Inflows of funds to depositary-type institutions remained large, but the share of these funds used to expand mortgage holdings continued low. Thrift institutions reportedly were still rebuilding liquidity primarily because of a relative scarcity of mortgages available for immediate acquisition.

At commercial banks business loans outstanding declined in May, but holdings of Treasury and municipal securities increased markedly. With offering rates on negotiable CD's rising, large city banks recovered much of the CD run-off they had experienced in April. Inflows of other time and savings deposits continued large at banks generally, and total time and savings deposits expanded almost as rapidly from April to May as they had earlier in the year. Private demand deposits and the money supply, which had declined from March to April, rose substantially in May. As a result of sharp declines in Government deposits at banks, however, daily-average member bank deposits—the bank credit proxy—increased at an annual rate of only 2 per cent.

In general, the deposit trends of May—rapid increases in time and savings and private demand deposits and sharp declines in Government deposits—appeared to be persisting in June. On balance, however, the bank credit proxy was expected to increase from May to June at an annual rate in the 7 to 8 per cent range. This was faster than from April to May, but considerably slower than in the first 3 months of the year. The probable growth rate of member bank deposits from June to July depended in large measure on the size and timing of the expected Treasury financing. On the assumption that the Treasury would sell, primarily to the banking system, about \$4 billion of new securities shortly after mid-July, the bank credit proxy was projected to rise at an annual rate in the 10 to 12 per cent range if money market conditions were unchanged. Continued rapid growth was projected in private demand deposits, as were some slackening in inflows of time and savings deposits and little change in Government deposits.

The Committee decided that it would be appropriate at this time to maintain about the same conditions in the money market as had prevailed since the preceding meeting, partly because of the expected Treasury financing. Various other reasons were ad-

vanced by individual members against seeking firmer money market conditions at present. Among these were the current pressures in capital markets, the prospect—which some members thought had been enhanced recently—that action to raise Federal income taxes might be taken soon, and the absence to date of firm evidence that the widely expected upsurge in economic activity had already begun.

While none of the members advocated seeking easier money market conditions, a number expressed concern about the continued uptrend in long-term interest rates, particularly in light of the risk that higher rates might slow the recovery in the housing industry and in the economy generally. Partly for this reason, the Committee agreed that purchases of coupon issues should continue to be utilized in meeting a portion of the needs for reserves that were expected to develop in coming weeks, although some reservations were again expressed concerning the possible adverse effects in the longer run of such purchases on the functioning of the market for coupon issues. Some members favored purchases of coupon issues on other grounds. These included considerations relating to the balance of payments, currently limited market supplies of Treasury bills, and the composition of the System's portfolio of Government securities.

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

The economic and financial developments reviewed at this meeting suggest that economic activity is rising modestly, and that prospects for economic expansion later in the year have strengthened. Output is still being retarded by adjustments of excessive inventories, but growth in final demands continues strong, reflecting substantial further increases in Government expenditures and also some strengthening of consumer buying. Prices of farm products have turned up recently, but average prices of industrial commodities have remained stable. The pace of bank credit expansion has increased in recent weeks, but is still well below the rapid rate of earlier in the year. Most long-term interest rates have tended to rise further under the influence of heavy securities market financing,

and most short-term yields have also increased. The balance of payments deficit has remained substantial despite some improvement in the foreign trade surplus. In this situation, it is the Federal Open Market Committee's policy to foster money and credit conditions, including bank credit growth, conducive to renewed economic expansion, while recognizing the need for progress toward reasonable equilibrium in the country's balance of payments.

To implement this policy, while taking account of expected Treasury financing activity, the timing and quantity of which are still uncertain, System open market operations until the next meeting of the Committee shall be conducted with a view to maintaining about the same conditions in the money market as have prevailed since the preceding meeting of the Committee, while continuing to utilize operations in coupon issues in supplying part of reserve needs.

Votes for this action: Messrs. Martin, Hayes, Brimmer, Maisel, Mitchell, Robertson, Scanlon, Sherrill, Swan, Wayne, and Patterson. Votes against this action: None.

Law Department

Administrative interpretations, new regulations, and similar material

INTEREST ON DEPOSITS; RESERVES OF MEMBER BANKS; OPEN MARKET OPERATIONS

An Act of Congress approved September 21, 1967 (Public Law 90-87) extended for one year the authority contained in the Act of September 21, 1966, published in the 1966 Federal Reserve BULLETIN at page 1451, to provide more flexibility in regulating the maximum rates of interest or dividends payable by banks and certain other financial institutions on deposits or share accounts, to fix higher reserve requirements on time deposits of member banks, and to permit open market operations by Federal Reserve Banks in direct obligations of, or those fully guaranteed by, any agency of the United States. The Act reads as follows:

AN ACT

To extend for one year the authority for more flexible regulation of maximum rates of interest or dividends, higher reserve requirements, and open market operations in agency issues.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That section 7 of the Act of September 21, 1966 (80 Stat. 823), is hereby amended by striking "one-year" and inserting in lieu thereof "two-year".

ORDER UNDER BANK MERGER ACT

The following Order and Statements were issued by the Board of Governors approving an application for the consolidation of banks:

THE DETROIT BANK AND TRUST COMPANY, DETROIT, MICHIGAN

In the matter of the application of The Detroit Bank and Trust Company for approval of consolidation with Commercial State Bank of Roseville

ORDER APPROVING CONSOLIDATION OF BANKS

There has come before the Board of Governors, pursuant to the Bank Merger Act (12 U.S.C. 1828(c)), an application by the Detroit Bank and Trust Company, Detroit, Michigan, a State member bank of the Federal Reserve System, for the Board's prior approval of the consolidation of

that bank and Commercial State Bank of Roseville, Roseville, Michigan, under the charter and title of The Detroit Bank and Trust Company. As an incident to the consolidation, the three offices of Commercial State Bank of Roseville would become branches of the resulting bank. Notice of the proposed consolidation, in form approved by the Board, has been published pursuant to said Act.

Upon consideration of all relevant material in the light of the factors set forth in said Act, including reports furnished by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Attorney General on the competitive factors involved in the proposed merger,

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that said consolidation shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order.

Dated at Washington, D. C., this 28th day of September, 1967.

By order of the Board of Governors.

Voting for this action: Chairman Martin, and Governors Mitchell, Daane, and Sherrill. Voting against this action: Governors Robertson, Maisel, and Brimmer.

(Signed) MERRITT SHERMAN,
Secretary.

[SEAL]

STATEMENT

The Detroit Bank and Trust Company, Detroit, Michigan ("Detroit Bank"), with total deposits of about \$1.5 billion, has applied, pursuant to the Bank Merger Act (12 U.S.C. 1828(c)), for the Board's prior approval of the consolidation of that bank with Commercial State Bank of Roseville, Roseville, Michigan ("Roseville Bank"), which has total deposits of about \$26 million.¹ The banks would consolidate under the charter and name of Detroit Bank, which is a member of the Federal

¹ Figures are as of December 31, 1966.

Reserve System. As an incident to the consolidation, the three offices of Roseville Bank would become branches of Detroit Bank, increasing the number of its offices to 76.

Competition. The head office of Detroit Bank is in downtown Detroit and the bank operates 72 branches in the metropolitan area within a radius of 25 miles. The Detroit Metropolitan Area, which has a population in excess of 4 million, consists of Macomb, Oakland, and Wayne Counties. Roseville Bank operates its main office and two branches in Roseville, an incorporated town in Macomb County situated about three miles from the northeastern boundary of Detroit. Roseville has a population of about 60,000 and is principally a residential community.

Detroit Bank, with about 17.8 per cent of the deposits, is the second largest of the 30 commercial banks operating offices in the portion of the Detroit Metropolitan Area which it serves. The largest and third largest banks hold, respectively, about 34 per cent and 17.7 per cent of the commercial bank deposits in the area served by Detroit Bank. Roseville Bank, with about three-tenths of one per cent of such deposits, ranks twentieth. However, the relevant local market for assessing the effects of the proposed transaction on competition consists of the Roseville area only.

Roseville Bank operates the only commercial banking offices in Roseville. The nearest offices of Detroit Bank to the offices of Roseville Bank are its Gratiot-Eastwood and Eight Mile-Dresden branches, both about four and one-half miles southwestwardly from Roseville Bank's main office, and its Garfield-Metropolitan Parkway branch, about three miles northwest of the Macomb Mall office of Roseville Bank. In each instance there are offices of other banks in the intervening area. Overall, there are 40 offices of 11 banks situated within a five-mile radius of the three offices of Roseville Bank. Roseville Bank draws the preponderance of its business from within this area and holds about 5 per cent of area deposits; the three branches of Detroit Bank hold about 8 per cent of such deposits.

The three offices of Detroit Bank situated within five miles of Roseville Bank's offices obtain less than 3 per cent of their deposits and less than 2 per cent of their deposit accounts from the Roseville area. Detroit Bank derives a sizable aggregate dollar amount of commercial loans, consumer

loans, and real estate mortgage loans from the Roseville area. For the most part, however, this loan business is either beyond the capabilities of Roseville Bank or of a type for which the bank puts forth little or no competitive effort.

Competition between Roseville Bank and Detroit Bank, or any other bank, is limited by State law which precludes entry into Roseville by other banks through the establishment of *de novo* branches. A new bank could be established in Roseville, however, and it does not appear that the replacement of Roseville Bank by offices of Detroit Bank would be an effective deterrent to the formation of such a bank. New banks have been established, and are being operated successfully, in various parts of the Detroit Metropolitan Area in competition with branches of the large Detroit banks.

In these circumstances, little significance attaches to the assertion of applicant that it does not compete in a meaningful way in Roseville because of its correspondent relationship with Roseville Bank.

The effect of the consolidation on competition would not be significantly adverse.

Financial and managerial resources and prospects. The banking factors with respect to Detroit Bank are satisfactory, as they would be with respect to the resulting bank.

Roseville Bank was established in 1951; the bank's net income in 1966 reached an all time high, but its earnings were still somewhat below the average for other banks similarly situated. The capital of Roseville Bank needs to be strengthened and the bank lacks management depth. In addition, there is serious disharmony among the directors of Roseville Bank. These considerations raise doubts about the future of the bank as an effective competitive force.

While it can be contended that there may be other feasible alternatives to this proposal, none can be realistically presented and documented in the framework within which this merger application is being considered. Proposals must be considered in seriatim and only as those first presented are rejected. In the judgement of the Board the anticompetitive effects of the particular proposal are not sufficient to warrant rejection and thereby require the negotiation of a second alternative. Meanwhile the weakening in the capacity to serve the community arising from the lack of managerial depth and disharmony among the directors should be remedied.

The consolidation would immediately and conclusively resolve the managerial and related problems of Roseville Bank.

Convenience and needs of the community. The effect of the consolidation on banking convenience and needs would be limited to the Roseville area.

Roseville Bank has not been aggressive in offering banking services. Although the bank enjoys exclusive branching privileges in Roseville, it operates only one banking office per 20,000 residents. This factor is mitigated to some extent by the banking offices located on the periphery of the community. However, the replacement of Roseville Bank by offices of Detroit Bank would result in the addition of a more convenient alternative source of full-scale banking services for Roseville.

Summary and conclusion. In the judgement of the Board, the proposed consolidation would resolve the managerial and related problems of Roseville Bank and benefit the banking convenience and needs of the Roseville community, without resulting in any significantly adverse consequences for banking competition.

Accordingly, the Board concludes that the application should be approved.

DISSENTING STATEMENT OF
GOVERNORS ROBERTSON, MAISEL, AND BRIMMER

By approving the application in this case, the majority gives its sanction to the replacement of the \$26 million Roseville Bank with offices of the \$1.5 billion Detroit Bank, the second largest bank in the Detroit Metropolitan Area. In our judgment, the consequences of the transaction for banking competition will be significantly adverse, without offsetting benefits under the banking factors or the convenience and needs factor.

Competition. The Roseville Bank has an economical important locational advantage by virtue of Michigan's branch banking laws, which prohibit the establishment of new branches in Roseville except by Roseville Bank. While several banking offices are located within the periphery of Roseville Bank's service area, including three offices of Detroit Bank, no other bank is located in Roseville. Roseville Bank's very rapid growth—it is the second fastest growing bank in the Roseville area—and its high rate of return in recent years are indicative of the locational advantage it enjoys. This advantage is also reflected, no doubt, in the very high premium that will be paid for the stock of Roseville Bank.

The probable effect of the consolidation will be to make entry into Roseville by new charter more difficult, since a new bank would have to compete against the vastly larger Detroit Bank. Further, since Michigan law will permit Detroit Bank to branch in Roseville only until a new bank is formed, there will be an incentive for Detroit Bank to preempt favorable banking locations by rapidly establishing new branches, thus making it even more difficult for a new bank to enter.

The service area of Roseville Bank lies wholly within the service area of Detroit Bank. The consolidation will eliminate existing competition and foreclose the development of further competition between the two banks in the course of eliminating Roseville Bank as a viable banking alternative.

Detroit Bank contends that it does not compete in a meaningful way in Roseville because of its correspondent-bank relationship with Roseville Bank. If it is true that Detroit Bank does not compete with correspondents, then the effect of the consolidation on competition will be even more severe since Detroit Bank maintains correspondent relationships with three banks operating in the periphery of Roseville Bank's service area.

Concentration. The transaction will increase the concentration of banking resources and enhance the already dominant position of the large Detroit banks. The three largest banks—including Detroit Bank, in the area including and surrounding per cent of the commercial bank deposits, and operate over 50 per cent of the commercial banking offices, in the portion of the Detroit Metropolitan Area served by Detroit Bank; the six largest banks hold about 88 per cent of the commercial bank deposits, and operate about 77 per cent of the commercial banking offices, in this area. This heavy concentration will certainly not be diminished by authorizing these large banks to expand by consolidation into positions that are extremely favorable and, under the banking laws of Michigan, virtually amount to area monopolies. On the contrary, acquisitions by these large banks in nearby communities where they cannot branch *de novo* enables them to enlarge the geographical sphere of their dominance.

Following the acquisition of Roseville Bank by Detroit Bank, in the area including and surrounding Roseville, the three largest banks will increase their share of this market by over 10 per cent, and they will hold nearly 50 per cent of the commercial bank deposits, and operate about 44 per cent

of the commercial banking offices; the six largest banks in Detroit will hold over 70 per cent of the commercial bank deposits, and operate nearly 63 per cent of the commercial banking offices, in this area.

Financial and managerial resources and prospects. The serious disharmony alleged to exist among the directors of Roseville Bank is not apparent from the bank's performance. It is the second fastest growing bank in the Roseville area. In the five-year period ended December 31, 1966, the deposits of Roseville Bank increased by about 140 per cent and its loans increased by about 220 per cent. In 1966, Roseville Bank's earnings were the highest in its history; the bank's average net income for the past three years compares favorably with the average for banks of comparable size.

Largely because of the rapid growth of Roseville Bank, its capital needs to be strengthened. The bank has made no effort, and has no immediate plans, to augment its capital, however. Roseville Bank assertedly lacks management depth, but it is acknowledged that no attempt has been made to recruit additional managerial talent.

The problems of Roseville Bank cannot be fairly characterized as serious, but the directors concluded that some disposition of the bank is desirable and that consolidation with Detroit Bank would best serve the interests of the stockholders. Under the criteria of the Bank Merger Act, however, the public interest transcends the interests of stockholders; further, the Act was not designed to permit an anticompetitive bank amalgamation to serve as a convenient way out for directors who have difficulty working together. And the record, in our judgement, simply does not support the conclusion that Roseville Bank has significant problems for which there is no feasible solution except consolidation with Detroit Bank. Assuming that Roseville Bank had significant problems which could not be resolved under the existing ownership and directorate, the fact remains that any Michigan bank with its head office within 25 miles of Roseville Bank is eligible under State law to consolidate with Roseville Bank. Several of these alternatives would be significantly less anticompetitive than the consolidation of Roseville Bank with Detroit Bank; in addition, there is no reason to conclude that the stock of Roseville Bank would not be an attractive investment for individuals or groups.

Convenience and needs of the community. The available evidence indicates that the banking needs of the Roseville area are being met satisfactorily and without undue inconvenience. There are 40 offices of 11 banks, including three offices of Detroit Bank, situated within a five-mile radius of the three offices of Roseville Bank. Twenty-four of these 40 offices are operated by the six largest banks in Detroit, which hold total deposits in excess of \$7 billion and offer a full range of banking services. Further, subsequent to the filing of the application for its consolidation with Detroit Bank, Roseville Bank withdrew a pending request for permission to establish an additional branch in Roseville.

The consolidation will, of course, eliminate Roseville Bank as an alternative source of banking services for the Roseville area; and because of the resources of Detroit Bank, the transaction will tend to impede the addition of an alternative source of banking services through the formation of a new bank in Roseville.

Summary and conclusion. In our judgment, the consolidation of Roseville Bank and Detroit Bank will have a significantly adverse effect on competition, and the consequences of the transaction for the banking convenience and needs of the Roseville community will be adverse, as well. Further, from our reading of the record, there is no basis for concluding that Roseville Bank has significant problems for which there is no feasible solution except consolidation with Detroit Bank.

There can be no doubt that the Bank Merger Act became law as a result of the concern of Congress—in the face of a marked trend toward increased concentration in banking resources—for the future of our banking structure. Increases in the size of the largest banks and reductions in the number of banks, as well as the loss of competition between amalgamated banks, were major points emphasized in pointing up the need for the legislation. See, e.g., *S. Rep. No. 196*, 86th Cong., 1st Sess. 8 (1959); *H.R. Rep. No. 1416*, 86th Cong., 2d Sess. 3-5 (1960). Indeed, Detroit is listed in the legislative history among the principal financial centers having the highest concentration of banking resources. *S. Rep. No. 196*, *op. cit.*, p. 27. Clearly, the Board should not sanction a diminution in the number of banking alternatives in the Detroit area, particularly through acquisitions by the already dominant banks, in the absence of

strong offsetting benefits under the banking factors or the convenience and needs factor.*

We would deny the application.

**ORDER UNDER SECTION 3 OF BANK
HOLDING COMPANY ACT**

The Board of Governors issued the following Order and Statement approving an application by a bank holding company for acquisition of voting shares of a bank:

**VIRGINIA COMMONWEALTH
BANKSHARES, INC., RICHMOND,
VIRGINIA**

In the matter of the application of Virginia Commonwealth Bankshares, Inc., Richmond, Virginia, for approval of acquisition of more than 50 per cent of the voting shares of American National Bank, Fredericksburg, Virginia.

**ORDER APPROVING APPLICATION UNDER
BANK HOLDING COMPANY ACT**

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.4(a)(3) of Federal Reserve Regulation Y (12 CFR 222.4(a)(3)), an application by Virginia Commonwealth Bankshares, Inc., Richmond, Virginia, for the Board's prior approval of the acquisition of more than 50 per cent of the voting shares of American National Bank, Fredericksburg, Virginia.

As required by section 3(b) of the Act, the Board notified the Comptroller of the Currency of the application and requested his views and recommendation. The Comptroller recommended approval.

Notice of receipt of the application was published in the Federal Register on May 12, 1967 (32 Federal Register 7189), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said

application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Richmond pursuant to delegated authority.

Dated at Washington, D. C., this 15th day of September, 1967.

By order of the Board of Governors.

Voting for this action: Chairman Martin and Governors Robertson, Mitchell, Daane, Brimmer, and Sherrill. Absent and not voting: Governor Maisel.

(Signed) MERRITT SHERMAN,
Secretary.

[SEAL]

STATEMENT

Virginia Commonwealth Bankshares, Inc., Richmond, Virginia ("Applicant"), a registered bank holding company, has applied to the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)), for prior approval of the acquisition of more than 50 per cent of the voting shares of American National Bank, Fredericksburg, Virginia ("Bank"). Applicant presently controls nine banks which operate 64 offices with total deposits of \$334 million.¹ Bank's two offices have \$3 million in total deposits.

Views and recommendation of supervisory authority. As required by section 3(b) of the Act, the Board notified the Comptroller of the Currency of receipt of the application and requested his views and recommendation thereon. The Comptroller recommended approval of the application.

Statutory considerations. Section 3(c) of the Act provides that the Board shall not approve an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve any other proposed acquisition the effect of which, in any section of the country, may be substantially

* The 1966 amendment to the Merger Act was designed to establish stricter standards for bank amalgamations than those of the 1960 law. See, e.g., *H.R. Rep. No. 1221*, 89th Cong., 2d Sess. 1 (1966); see also, *United States v. First City National Bank*, 386 U.S. 361 (1967).

¹ Banking data are as of December 31, 1966, unless otherwise noted, and reflect acquisitions and mergers approved by appropriate supervisory authorities to date.

to lessen competition, or tend to create a monopoly, or which in any other manner would be in restraint of trade unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served. In each case the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the community to be served.

Competitive effect of proposed transaction. There are nine banking organizations (including five bank holding companies) in Virginia which have deposits in excess of \$100 million. In the aggregate, these organizations account for about 62 per cent of the deposits and 51 per cent of the offices of all commercial banks in the State. Applicant's position as the fourth largest of these organizations and the second largest holding company would be unchanged following consummation of the proposed acquisition. Its share of total deposits and commercial banking offices, presently about 6.3 per cent and 7.5 per cent, would be increased by less than .1 per cent and .2 per cent, respectively.

Bank's primary service area,² which includes the City of Fredericksburg and portions of Caroline, King George, Spotsylvania, and Stafford Counties within a 10-17 mile radius, is located about midway between Richmond, Virginia, and Washington, D.C., near a major interstate highway connecting them. In addition to its main office in downtown Fredericksburg, it has a branch (which is designated as a teller facility) just outside of the city limits. The estimated population of Fredericksburg is 15,000 and that of Bank's primary service area about 33,000. Based on total deposits, Bank ranks fifth of six banks that have 13 offices located in or immediately near its primary service area.

Consummation of the proposed transaction would represent the initial entry of a bank holding company into the Fredericksburg area but would not alter the number of banking alternatives represented therein. As Bank controls only a small portion of the Fredericksburg area deposits (5.2

per cent as of June 30, 1966), the deposits controlled by Applicant upon approval would be but a small portion thereof; two institutions operating in the Fredericksburg area (Farmers & Merchants State Bank and the National Bank of Fredericksburg) would still have control of 75 per cent of total deposits.

Considering the probable effect of Applicant's acquisition of Bank on existing and potential competition, the Board concludes that considerations relating thereto do not preclude approval of the proposal. Applicant's subsidiaries have no offices located within Bank's primary service area, and none derives any substantial business from that area. Applicant's nearest subsidiary to Bank is The Bank of Prince William in northern Virginia, the closest office of which is about 25 miles north of Fredericksburg. The intervening area contains two offices of a major competitor of Bank, The Peoples Bank of Stafford, and a second bank, The First National Bank of Quantico. There is no overlap of the service areas of Bank and The Bank of Prince William, and the record establishes to the Board's satisfaction that no competition exists between them, nor is competition likely to develop in any significant volume in the future.

Applicant's subsidiary next closest to Bank is the Bank of Virginia, headquartered in Richmond, some 50 miles to the south of Fredericksburg. The largest bank in Applicant's system, Bank of Virginia, has made substantial loans to two individuals and their related businesses in Fredericksburg. While the aggregate of these loans represents only 1.5 per cent of Bank of Virginia's total loans, it exceeds Bank's entire loan portfolio. Applicant states, however, that Bank of Virginia was approached by these borrowers with the explanation that the service they needed was not available in Fredericksburg. Moreover, one of the foregoing loan relationships was established 12 years ago and the other just prior to the opening of Bank. No bank in Fredericksburg offers retail or floor plan financing to automobile dealers, and the lending limits of those banks are relatively small. By virtue of its size and because of its recognized experience in certain types of lending, Bank of Virginia is reasonably sought as a direct source of credit of a specialized nature, particularly because there are no banks in Fredericksburg handling certain sizes and types of loans without the assistance of a correspondent bank.

² The area from which Applicant estimates that Bank derives about 83 per cent of its total deposits of individuals, partnerships, and corporations.

Bank and Bank of Virginia do not compete to any significant degree for deposits originating in the Fredericksburg area. Bank of Virginia does not directly solicit, and derives but a nominal amount of deposits from the area. Prospects for future competition between the two banks are remote in view of Bank's small size, its limited experience, and the provision of State law that prevents Bank of Virginia from establishing new offices in the Fredericksburg area. Discussed later in another context is Applicant's proposal to make available, through Bank, Bank of Virginia's Charge-Plan, a bank credit card program presently offered to the Fredericksburg area by Bank of Virginia through Farmers & Merchants State Bank, Fredericksburg. In the Board's judgment, the volume of Bank of Virginia's credit card business derived in the Fredericksburg area does not constitute this aspect of its banking operations a significant competitive factor even though, should Bank remain independent, it might possibly offer, as an agent for some other large bank, an alternative credit card plan to the area. Nor, should this application be approved, does the Board view as a realistic possibility any significant elimination of competition between Bank and Farmers & Merchants Bank for other types of banking business merely because both banks would offer Bank of Virginia's credit card plan. A more likely result, it would appear, would be increased competition between the two Fredericksburg competitors for deposit and related business generated by credit card customer relationships.

With the exception of a newly chartered bank located 12 miles from Fredericksburg, Bank is the smallest institution operating in its service area. While Bank's principal competitors are much larger than it, Bank has been successful in attracting the deposit accounts of individuals and small business concerns, and has experienced good growth in its two and one-half years of operation. While there has been no evidence that Bank has been unable to compete with these institutions, the entry of Applicant into the Fredericksburg area, through acquisition of the smallest bank in the city, should serve to stimulate competition among and between the Fredericksburg banks and develop a more balanced situation with respect to distribution of deposits.

In summary, the Board concludes on the basis of the record presented that consummation of Applicant's proposal would not result in a mo-

nopoly nor be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in any relevant area of the State. The Board further concludes that Applicant's acquisition of Bank would not substantially lessen competition, tend to create a monopoly, or operate in restraint of trade in any relevant area.

Financial and managerial resources and future prospects. The financial history and condition of Applicant are satisfactory and its prospects are considered favorable. Deposits and loans of the subsidiary banks have experienced favorable growth and their earnings are good. Its lead bank has a comprehensive training program and has developed a source of managerial talent. The general quality of operation and the sound condition of the subsidiary banks reflect the satisfactory quality of their management and the effective administrative control exercised by the senior officials of Applicant.

Bank has experienced good growth during the short period of its existence. While its capital is strong and its general condition is reasonably satisfactory, analysis of Bank's total loan portfolio reflects the absence of, and need for, experienced management and supervision, provision for which will be made by Applicant. In this regard, Bank's prospects as a subsidiary of Applicant are considerably better than would be the case if Bank were to continue its present course of independent operation. Bank's president retired at the end of 1966 and has not yet been replaced. The remaining directors are business and professional men with no banking experience prior to joining Bank's board. Bank's vice president and cashier—its chief operating officer—is experienced and able. However, other than this officer, Bank has no experienced management. Affiliation with Applicant will provide Bank with access to experienced executive personnel with potential for advancement, and a readily available source of management trainees. In view of the above considerations, Bank's prospects are considered to be only fair at the present time. However, with strengthened management and the implementation of Applicant's programs, Bank's prospects for sound growth appear favorable, a consideration which lends weight toward approval of the application.

Convenience and needs of the community involved. Bank's service area is primarily industrial

in nature with several large manufacturing concerns in or near the City of Fredericksburg. Several United States Government military installations, a college of the University of Virginia, and the steady influx of a large number of tourists, attracted by the local historical shrines, contribute considerably to the local economy. It is reasonably foreseen that the aforementioned commercial activity will contribute substantially to the continued economic growth and expansion of the area.

With the exception of credit needs of a specialized nature that are not offered locally but are otherwise being provided, as described above, it appears that the Fredericksburg area banks are presently serving the needs and requirements of the area involved. However, as the economy continues to grow, the absence of a full range of locally available credit services will become more acute. Consummation of the proposal would make the resources, services, and expertise of Applicant's group, particularly the Bank of Virginia, more readily available to the Fredericksburg community. Applicant's ownership of Bank would afford Bank's customers experienced management and new credit services, including an alternative source for Bank of Virginia's credit card plan, which Applicant proposes to make available through Bank. As earlier mentioned, this credit card plan is presently available through Farmers & Merchants State Bank and would be offered through Bank under generally the same arrangements. Through access to this plan, Bank's customers will be afforded specified credit and loan privileges, the use of which is reasonably calculated to increase and facilitate commercial transactions. These considerations, and the anticipated improvements in both experience and depth of Bank's management, weigh in favor of approval of the application.

Summary and conclusion. On the basis of all the relevant facts contained in the record and in the light of the factors set forth in section 3(c) of the Act, it is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

COMMINGLED INVESTMENT ACCOUNT

On September 27, 1967, the United States District Court for the District of Columbia, sustained a suit brought by the Investment Company Institute, challenging the authority of the Com-

troller of the Currency to permit a national bank to establish a Commingled Investment Account. In its opinion, the Court differed with the views of the Board of Governors in its interpretation published in the 1965 BULLETIN at page 1410, in which it was concluded that interlocking personnel relationships between the bank and the Account were not prohibited by section 32 of the Banking Act of 1933. The opinion of the Court is as follows:

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA
No. 1083-66

INVESTMENT COMPANY INSTITUTE, ET AL.,
PLAINTIFFS,

vs.

WILLIAM B. CAMP, COMPTROLLER OF THE
CURRENCY, DEFENDANT

G. Duane Vieth, Esq., James F. Fitzpatrick, Esq., Charles R. Halpern, Esq., Arnold & Porter, Esqs., and Robert L. Augenblick, Esq., for plaintiffs.

Barefoot Sanders, Assistant Attorney General, Harland F. Leathers, Esq., Irwin Goldbloom, Esq., and Stephen M. Truitt, Esq., Department of Justice, David G. Bress, United States Attorney, and Joseph M. Hannon, Esq., Assistant United States Attorney, for defendant.

OPINION

This action is brought against the Comptroller of the Currency by the Investment Company Institute in its representative capacity of the open-end investment companies, investment advisers and principal underwriters which comprise its membership. The Investment Company Institute (hereinafter called the Institute) is an unincorporated association, having its principal place of business in the city, county and state of New York. The Institute is a national association, having as its members 177 open-end management investment companies and their 88 investment advisers and 78 principal underwriters. The open-end management investment companies which are members of the Institute have assets of \$36 billion, representing about 94 per cent of the assets of all such companies in the United States, and have approximately 3.5 million shareholders. The other plaintiffs in this action are several individual members of the Institute. They seek an injunction to restrain the Comptroller from authorizing national banks to collectively invest funds tendered to the bank as managing agent solely for investment purposes. They also pray for a declaratory judgment adjudicating the pertinent regulation promulgated by the Comptroller to be invalid.

The action is now before this court on cross motions for summary judgment, all of the parties agree-

ing that no factual issues exist and that the legal issues are ripe for disposition by summary proceedings.

It is first necessary to review and to delineate the factual background upon which the issues in this action arose and within which these motions are made. In September of 1962 the statutory authority to regulate the fiduciary activities of national banks was transferred from the Board of Governors of the Federal Reserve System to the Comptroller of the Currency. Pub. L. 87-722, 76 Stat. 668, 12 U.S.C. § 92 a. Pursuant to this authority, the Comptroller caused to be published in the Federal Register for February 5, 1963, a proposed revision of the fiduciary regulation, 12 C.F.R. § 9. In addition to the types of collective investment funds permitted under the prior regulation, this proposed revision provided that national banks were authorized to invest funds held in the capacity of managing agent in a collective investment account, 12 C.F.R. § 9.18(a)(3).¹ Moreover, the proposed revised regulation allowed the Comptroller to approve collective investment of such funds in manners other than those expressly provided by Regulation 9, 12 C.F.R. § 9.18(c)(5).²

The Comptroller invited national banks and other interested parties to submit comments pertaining to the proposed regulation. Plaintiff Institute, on behalf of its members, participated to the full degree permitted and submitted a statement in opposition to the proposed regulation. It premised its argument on the same basis that it is presenting before this court, namely, that the revised regulation would allegedly permit activity prohibited by 12 U.S.C. § 92(a), and certain provisions of the Glass-Steagall Act, as amended, 12 U.S.C., §§ 24, 78, 377 and 378. Notwithstanding this opposition the final regulation was adopted by the Comptroller on April 5, 1963, and revised by minor modifications on February 5, 1964, 12 C.F.R. § 9.18.

Pursuant to the regulation, on May 10, 1965, the Comptroller approved a plan submitted by First National City Bank of New York (hereinafter referred to as the Bank) for the establishment and operation of a collective investment fund, called the Commingled Investment Account, under Regulation 9, 12 C.F.R. § 9. The plan as outlined by the Bank differed from the specifically enumerated collective investment funds authorized by the Comptroller's revised Regulation, but the bank, pursuant to 12 C.F.R. § 9.18(c)(5) sought and obtained the Comptroller's written approval of the plan.

On April 20, 1966, the Bank registered its Commingled Investment Account with the Securities and Exchange Commission pursuant to the Investment Company Act of 1940, 15 U.S.C. § 80 as an open-end management investment company. On the same date, the Bank filed a registration statement with the

¹ (3) In a common trust fund, maintained by the bank exclusively for the collective investment and reinvestment of monies contributed thereto by the bank in its capacity as managing agent under a managing agency agreement expressly providing that such monies are received by the bank in trust.

² (5) In such other manner as shall be approved in writing by the Comptroller of the Currency.

Securities and Exchange Commission pursuant to the Securities Act of 1933, 15 U.S.C. § 77, for the purpose of registering the participating interests or units to be issued by its Commingled Investment Account. The registration statement concerning those participating interests or units became effective on June 14, 1966. From that date the Bank has offered and sold to the public participating interests or units issued by the Commingled Investment Account by means of the prospectus for the First National City's Commingled Investment Account.

Before proceeding to the merits of this controversy, it is best at this time to specifically describe the operation of a mutual fund and the operation of the Commingled Investment Account (hereinafter referred to as the Account) so that a better understanding of the problem can be achieved.

Generally, "mutual funds" are open-end management companies engaged in the business of continuously issuing and offering for sale redeemable securities which represent an undivided interest in the fund's assets. Most mutual funds are corporate in form and the securities issued by them usually consist of capital stock. However, there are a number of mutual funds in a variety of non-corporate forms and the securities issued by some of them are variously denominated as beneficial interests, participating agreements, and the like. The proceeds from the sale of the securities issued by a mutual fund are invested in a portfolio of securities of various kinds, in accordance with the stated investment policy of the particular fund. Some funds invest primarily in securities offering current income; others concentrate on long-term growth securities; still others specialize in particular industries or classes of securities; and many offer various combinations of objectives. The shareholder in a mutual fund is entitled at any time to redeem his interest, usually at net asset value, or in a few instances upon payment of a charge. To facilitate this redemption privilege as well as to establish a price at which new shares are being offered, the value of a share in a mutual fund is calculated regularly, typically twice daily, on the basis of the market value of the securities held by the fund. Because of the continuous process of redemption, the mutual fund would be restricted and contracted in size, unless it continuously issued and offered new securities for sale.

Except in unique circumstances, virtually no shares in mutual funds are traded from one investor to another, and there is no significant trading market for such shares. In almost all cases, shareholders in mutual funds desiring to obtain cash for their shares redeem them with the issuing company. The securities issued by most mutual funds are offered to the public at a price which includes a sales commission or sales load. There are some mutual funds whose shares are sold with no sales commission being charged. These latter funds are frequently called "no load" mutual funds. The activities of mutual funds are under the control of a board of directors or board of trustees. Directors or trustees are elected annually by the vote of a majority of the fund's outstanding voting securities.

Mutual funds usually contract an outside investment

adviser for investment advice and other management services, and with a principal underwriter for the distribution of the fund's shares, pursuant to the statutory pattern established by the Investment Company Act of 1940, 15 U.S.C. § 80a-15. The investment adviser of a mutual fund furnishes advice to the fund with respect to its investment portfolio and the securities it should buy, hold, and sell. In some cases the adviser is empowered to purchase and sell securities for the fund. Some investment advisers also furnish supervisory and administrative services to the mutual fund. The investment adviser receives compensation for its services, usually in the form of a fee based on the total value of the assets being managed.

The principal underwriter of a mutual fund is engaged in the business of selling and distributing the securities issued by the fund to the investing public through brokers or dealers, or directly through the underwriter's own salesmen, or both. The principal underwriter either purchases the securities issued by the fund for resale or acts as agent for the fund in distributing the securities. Except in the case of a no-load fund, the principal underwriter receives a fee for its services, usually in the form of a portion of the sales commission included in the selling price of the shares issued by the mutual fund.

Mutual funds are required to be registered with the Securities and Exchange Commission pursuant to the Investment Company Act of 1940. The activities of the mutual funds and their relationship with affiliated persons and others are all subject to regulation under the Act. The investment advisers and principal underwriters who are plaintiffs herein, perform their services for the mutual funds they serve pursuant to contracts, the terms, execution and continuation of which are subject to the provisions of Section 15 of the Investment Company Act of 1940, 15 U.S.C. § 80a-15. The securities issued by each of the mutual fund members of the Institute are registered with the Securities and Exchange Commission pursuant to the Securities Act of 1933, 15 U.S.C. § 77. All such securities are offered to the investing public by means of a prospectus which is initially filed with the Securities and Exchange Commission under the Securities Act of 1933 as part of the registration statement for the securities to which the prospectus relates.

As can be readily ascertained, the mutual fund community is composed of three principal members. First the body corporate of the fund itself whose membership is the general investing public. This relationship is analogous to the common productive corporate structure. However, the primary function of the investment corporation is to obtain the objectives which are outlined in their charter through the mutual investment of the funds contributed by the "shareholders". *Alfred Inv. Inst. v. S.E.C.*, 151 F.2d 254 (1st Cir. 1945) cert. denied 326 U.S. 795, 66 S.Ct. 486, 90 L.Ed. 483 (1945). The relationship between the shareholder and the body corporate is plainly one of contract. *Stevenot v. Norbert*, 210 F.2d 615 (9th Cir. 1954); see also *Schroeter v. Bartlett Syndicate Bldg. Corp.*, 8 Cal. 2d 12, 63 F.2d 824, 825, *Ellingwood v. Wolf's Head Refining Co.*, 38 A.2d 743, 27

D.Ch. 356 (1944), 154 A.L.R. 406, *Corporations*, 18 Am. Jur. 2d § 463 (1965).

The management function of the mutual fund lies with the board of directors. They have essentially the equivalent powers as any corporate board of directors. In the same manner they are also responsible to their shareholders as fiduciaries. *Pepper v. Litton*, 308 U.S. 295, 60 S.Ct. 238, 84 L.Ed. 281 (1939), *Brown v. Bullock*, 194 F.Supp. 207 (S.D.N.Y. 1961) affirmed 294 F.2d 415 (2nd. Cir. 1961).

The board of directors within its broad scope of authority has the power to enter into contracts with the other two members of the mutual fund community, that is the investment advisers and the underwriters. The functions performed by the latter two members of the mutual fund community is essential for the propagation of the investment or the mutual fund corporation. The interrelationship of these independent entities is one of contract which essentially determines the respective position occupied within the structure by each member. The independence of each member is governed by statute as is their interdependence; see the Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq.

The above few paragraphs outline the general operation of the mutual fund structure. A similar outline is now presented for the operation of the Account as created by the Bank and approved by the Comptroller pursuant to Regulation 9.

The Account as established by the Bank, operates as follows: the investor-customer tenders his funds, \$10,000 or more, to the Bank pursuant to a broad authorization making the Bank the customer's managing agent. There is thus created a principal-agent relationship between each individual investor-customer and the Bank. The authorization includes specific authority for the Bank to invest the customer's funds, together with the funds of other customers who have given the equivalent authorization, through the commingled Account. Funds in the commingled Account are invested in a pool of securities, principally common stocks and securities convertible into common stocks, offering the opportunity for long-term growth of capital and income. The Account is divided into "units of participation" of equal value in order to determine conveniently the proportionate interest of each participant. No certificates indicating the "units of participation" are issued by the Bank; however, the participant is informed by a non-negotiable document as to how many "units of participation" are contained in his account.

A participation is transferable only to another person who has validly appointed the Bank as managing agent, and, because of the underlying agency relationship, the interest of participant terminates upon his death or incompetency and his funds are withdrawn from the Account and held for his legal representatives. There is no sales charge imposed on amounts invested in the commingled Account nor is there any redemption charge incurred upon withdrawal from the Account. An investor-customer may terminate his participation in whole or in part on the basis of the net asset value of the units of participation being re-

deemed. The net asset value of each unit of participation is determined as of the close of business of each of a number of specified valuation dates by dividing the net asset value of the Account as of the close of business on the valuation date by the number of units of participation then outstanding.

The operation of the Account is supervised by a Committee of five persons, who act essentially as a board of directors of the Account. Initially the members were appointed by the Bank, but hereafter are to be elected annually by the participants. Each participant will be entitled to vote at the election of the Committee members and his vote will be weighted according to the number of "units of participation" in his account. At least 40% of the members of the Committee must at all times be persons not affiliated with the Bank, but the majority of the members may be, and are expected to be, officers in the Bank's Trust and Investment Division.

The Committee is authorized to enter into a management agreement with the Bank. The agreement and any amendments thereto must be approved by more than 50% of the participants at their annual meeting and the Comptroller's approval thereof must also be obtained.

In accordance with the management agreement, the Bank serves as investment adviser and custodian for the Account. The Bank, therefore, maintains a continuous investment program consistent with the commingled Account's stated investment policy; it will determine what securities are to be purchased and sold, and will execute all transactions. The management agreement provides that the Bank will furnish all administrative, custodial and clerical services required by the Account and will pay all the organization costs and expenses. Subsequent maintenance fees, the cost of independent professional services, such as legal, auditing and accounting services, and the cost of preparation and distribution of notices to participants and proxy statements are to be borne by the commingled Account. The Bank will, however, reimburse the Account for the compensation and expenses, if any, paid by the Account to the members of the Committee who are not affiliated with the Bank; the other members of the Committee will receive no separate compensation for their services to the Account. For these services the Bank receives a fee equal to $\frac{1}{8}$ th of 1 per cent of the average of the net asset value of the Account taken on each valuation date during each fiscal quarter, which is approximately $\frac{1}{2}$ of 1 per cent on an annual basis.

Essentially, the commingled management agency Account as delineated by the Bank's plan consists of two principal members, the first being the membership of the Account consisting of the investor-customer, and the second being the Bank which occupies a dual position, one as investment adviser to the Account and the other as general agent to the participants of the Account. The Bank can also be considered to occupy the position of underwriter for the units of participation which are issued to the investor-customer. The Committee of the Account occupies a position equivalent to that occupied by the board of directors of the mutual funds.

The Account has been approved by the Comptroller, even though it does not essentially comply with all provisions of Regulation 9 as promulgated by him. This action indicates that even though the Account as presently structured does not meet every minute detail of the Regulation, any future plans similar to the one established by the Bank will obtain his approval under 12 C.F.R. § 9.18(c)(5). Therefore, it is not necessary for this court to analyze the differences between the Account as established by the Bank and Regulation 9. For the disposition of the issues before this court, the Account will be treated as if it completely meets the substantive requirements of Regulation 9. 12 C.F.R. § 9.

Before the merits of the issues in this case can be reached, two preliminary procedural matters must be noted. The Comptroller interposes the objection that the plaintiffs lack standing to sue, and that there is no justiciable issue before this court.

These issues—standing and justiciability—are nominally termed procedural only to differentiate between the initial hurdles which a plaintiff must overcome in order to obtain a judicial determination of his action on the merits, and the actual adjudication of the case on its substantive issues. This characterization often borders on mere semantics, since in order to obtain the proper perspective and focus upon the essence of these issues, as here, the substantive law upon which the plaintiffs premise their action must also be taken into account.

Standing has been, and remains, one of the most enigmatic areas of the law. 3 Davis, *Administrative Law Treatise*, § 22.18, at 291-92, n. 3. The courts have not developed a single formula which can be applied to a set of facts to determine whether a plaintiff has or does not have standing. The ever changing concepts which have been used in this area of the law can be readily ascertained by the many cases which have been cited in the briefs of both parties upholding their contentions. Due to the pervasiveness of definition in this area, the court is left with no alternative but to examine the long list of cases which hold that a particular plaintiff had standing on one hand, and on the other the long list of cases where the plaintiff has been denied his day in court because of the lack of standing.

Standing has been generally expressed by an indication that the alleged aggrieved party has asserted a legal right which was his to assert, or has been injured, or has been threatened with injury. *Perkins v. Luken Steel Co.*, 310 U.S. 113 (1940), cf. *FCC v. Panders Bros. Radio Station*, 309 U.S. 470 (1940), *Pierce v. Society of Sisters*, 268 U.S. 510 (1925). But standing should not be confused with the doctrine of standing to sue which provides that in an action in a federal constitutional court, by a citizen against a government officer in his official capacity, there is no justiciable controversy unless the citizen shows that such conduct invaded or will invade a private substantive legally protected interest. *Associated Ind. v. Ickes*, 134 F. 2d 694 702 (2d Cir. 1943) vacated as moot, 320 U.S. 707 (1943), but see *Scott v. Macy*, 121 U.S. App. D.C. 205, 349 F. 2d 182 (D.C. Cir. 1965). The former standing is basically a means by

which courts can accept or refuse jurisdiction, and it generally alludes to the capacity of a party to obtain judicial review of an administrative action. See *U.S. v. Storer Broadcasting Co.*, 351 U.S. 192, 197 (1956) and Jaffe, *Primary Jurisdiction*, 77 Harv. L. Rev. 1037 (1964). The doctrine of standing to sue is generally directed towards the capacity of a plaintiff to present his case before a district court *ab initio*.

The question as to whether a plaintiff may obtain judicial relief in cases like this has been variously phrased, but the many appellations which have been devised do not detract from the underlying policy objective which permeates each of these cases. This policy is well enshrined in Article III, § 2 of the United States Constitution, that is, a "constitutional" federal court cannot be given power to sit in judgment and revise administrative action, since there is no justiciable controversy and the opinion thus issued would merely be advisory. See concurring opinion of Mr. Justice Frankfurter in *Anti-Fascist Committee v. McGrath*, 341 U.S. 123, 149, 150 (1951), *Muskrat v. U.S.*, 219 U.S. 346, (1911), *C&S Airlines v. Waterman Corp.*, 333 U.S. 103, 113 (1948), *United Public Workers v. Mitchell*, 330 U.S. 75, 89 (1947), *Associated Ind. v. Ickes*, *supra*.

Standing to challenge an administrative action can be premised on a statutory provision specifically appended to the statute under which the administrative action was promulgated or where the provision for review has been made generally applicable by the Administrative Procedure Act, 5 U.S.C. §§ 701-704 (recodified by Pub. Law 89-554, 80 Stat. 378). Since there is no specific provision for review of the Comptroller's regulation within the terms of the enabling statute, Title 12, Section 1 *et seq.*, the terms of the Administrative Procedure Act will apply. *Citizens Nat. Bank of Maplewood v. Saxon*, 249 F. Supp. 557 (D.C. Mo. 1965), affirmed 370 F. 2d 381 (8th Cir. 1966). See also *United Gas Pipe Line Co. v. F.P.C.*, 181 F. 2d 796 (D.C. Cir. 1950), *cert. denied* 340 U.S. 827 (1950).

The pertinent section of the Administrative Procedure Act specifically provides that:

"Any person suffering legal wrong because of agency action, or adversely affected or aggrieved by action within the meaning of a relevant statute, is entitled to judicial review thereof." 5 U.S.C. § 702.

Under this statutory provision a plaintiff must allege that he has suffered a legal wrong or that a legally protected right will be adversely affected or aggrieved by the agency's action in order to obtain standing before this court. The plaintiffs here are alleging that they are suffering a legal wrong by the allegedly illegal competition made possible by the Comptroller's regulation, thereby being adversely affected or aggrieved. The exact amount of damages which will be incurred by the plaintiffs is rather difficult to assess in precise figures, but the Comptroller has predicted that over the next five to ten years, commercial banks might capture as much as two billion dollars of mutual fund business.³ The defendant interposes that the

³ *Hearings on H.R. 8499, 9410 before the Commerce and Finance Subcommittee of the House*

competition, even if illegally promulgated, does not create any legal wrong for which the plaintiffs may complain.

In support of its contention that the plaintiffs are not suffering any legal wrong and thereby lack standing to challenge the Comptroller's regulation, the defendant relies on a series of cases which contain the general principle that mere competitive injury made possible by governmental action does not confer standing on the injured party to restrain governmental action. *Tennessee Power Co. v. TVA*, 306 U.S. 118, 137 (1938), *Alabama Power Co. v. Ickes*, 302 U.S. 464, 479 (1937), *Perkins v. Lukens Steel Co.*, 310 U.S. 113 (1940), *Texas State AFL-CIO v. Kennedy*, 330 F. 2d 217, 218 (D.C. Cir. 1964), *Benson v. Schofield*, 336 F. 2d 719 (D.C. Cir. 1965), *cert. denied* 352 U.S. 976, *Kansas City Power & Light Co. v. McKay*, 225 F. 2d 924 (D.C. Cir. 1955), *cert. denied* 350 U.S. 884, 76 S. Ct. 137, 100 L. Ed. 780 (1955). In these cases, the plaintiffs alleged that they were suffering economic loss from the government created competition, but it is significant to note that the competition created by government action in these cases was specifically authorized and sanctioned by Congress and was based upon specific statutory grounds.

Moreover, most of the cases cited by the defendant in support of his allegation that the plaintiffs lack standing have been assiduously distinguished by subsequent decisions of the Supreme Court, even though they have not been expressly overruled. In *Chicago v. Atchison, Topeka & Santa Fe Railway*, 357 U.S. 77 (1958), the Supreme Court gave explicit recognition to a competitor's standing to challenge illegal competition. That case involved two competitors, one of whom (Parmelee) had alleged that the other (Transfer) was operating illegally because it had not complied with certain licensing requirements imposed by the City of Chicago. Transfer argued that Parmelee had no standing to object to Transfer's allegedly illegal competition, but this argument was flatly rejected by the Court:

"It is enough, for purposes of standing, that we have an actual controversy before us in which Parmelee has a direct and substantial personal interest in the outcome. Undoubtedly it is adversely affected by Transfer's operation. Parmelee contends that this operation is prohibited by a valid city ordinance and asserts the right to be free from unlawful competition.

* * * * *

"[Transfer] argues that a party has no right to complain about unlawful competition, citing *Alabama Power Co. v. Ickes*, 302 U.S. 464 and *Tennessee Electric Power Co. v. TVA*, 306 U.S. 118. We do not regard either of these cases as controlling here. It seems to us that Transfer's argument confuses the merits of the controversy with the standing of Parmelee to litigate them. . . . Parmelee's standing could hardly de-

Committee on Interstate and Foreign Commerce, 88 Cong. 2d Sess. p. 26 (1964). See also Comment, *Of Banks and Mutual Funds: The Collective Investment Trust*, 20 Sw.L.J. 334 (1966).

pend on whether or not it is eventually held that Transfer can lawfully operate without a certificate of convenience and necessity." 357 U.S. 77, at 83-84.

With regard to some later cases holding that competitors had standing, see *American Trucking Ass'n. v. U.S.*, 364 U.S. 1 (1960), *National Motor Freight Ass'n. v. U.S.*, 371 U.S. 223, rehearing denied 372 U.S. 246 (1963), affirming 205 F.Supp. 592 (D.C.D.C. 1962) only on the merits but not as to the standing issued; *Philco Corp. v. FCC*, 257 F. 2d 656 (D.C. Cir. 1958), *cert. denied* 358 U.S. 946, 79 S.Ct. 350, 3 L.Ed2d 352 (1959), *Whitney National Bank v. Bank of New Orleans & Trust Co.*, 323 F. 2d 290 (D.C. Cir. 1963), *rev'd on other grounds*, 379 U.S. 411 (1965).

In two recent cases challenging the authority of the Comptroller to promulgate regulations under other sections of the banking statutes, the plaintiffs have been granted standing to challenge the regulations over the objections of the Comptroller. Since these cases are directly in point they will be discussed at length. In *Baker, Watts & Co. v. Saxon*, 261 F.Supp. 247 (D.C.D.C. 1966), a number of plaintiffs, engaged in underwriting and distributing revenue bonds, sought a declaratory judgment that the Comptroller's regulations authorizing commercial banks, for the first time, to enter the revenue bond business violated the Glass-Steagall Act. The Comptroller raised the standing defense, citing the identical cases as brought forth in his present argument. Judge Holtzoff summarily disposed of that contention by stating:

"The gravamen of the plaintiffs' claim for relief is that they are being subjected to competition by illegal activities of national banks. While no one may maintain a suit to restrain lawful competition merely because he is suffering an economic detriment, nevertheless, a person has a standing to complain against illegal competition, or specifically, against competition on the part of a person who lacks the legal right or power to pursue the competitive activities." 261 F. Supp. at 248.

Judge Holtzoff's opinion focuses not on the impairment of the plaintiffs' competitive position by the unlawfully created competition, but rather on the premise that but for the illegal competition condoned by the Comptroller's regulation, the plaintiffs would not have any economic detriment to base their complaint.

Likewise, in *Georgia Association of Independent Insurance Agents, Inc. v. Saxon*, 260 F.Supp. 802 (N.D. Geo. 1966), the district court denied a motion to dismiss for lack of standing. In that case the Comptroller had authorized, for the first time, national banks to sell insurance in towns with more than 5000 people, even though Section 92 of Title 12 of the United States Code permitted banks to act as insurance agents only in places with a population of 5000 or less. Plaintiffs were insurance agents and trade organizations representing insurance agents. Plaintiffs there alleged that the Comptroller was acting beyond his authority to issue the ruling which was in direct violation of 12 U.S.C. § 92 and that, as a result, national banks were able to illegally compete with the plaintiffs. The district court, in reaching its conclu-

sion, observed that:

"In *Tennessee Power Co.*, *supra*, and in *Alabama Power Co. v. Ickes*, 302 U.S. 464, 58 S.Ct. 300, 82 L.Ed. 374 (1937), the plaintiffs alleged that they were suffering economic loss from the government created competition. In both cases the Supreme Court held that such economic loss alone did not confer standing on the aspiring plaintiffs. It is important to note that such competition was authorized by Congress and was based upon statutory grounds.

"In the instant case, the competition complained of is not explicitly authorized by statute, but rather is impliedly prohibited by the congressional grant of power. . . ." 260 F. Supp. at 803.

The district judge, in denying the Comptroller's motion to dismiss, further stated:

"The Court is of the opinion that the defendant's attack on the plaintiff's standing is without merit. Title 12, U.S.C.A. § 92 has the effect of protecting insurance agents from certain competition. Surely, the plaintiffs have the right to their day in court to show that the protection afforded them by 12 U.S.C.A. § 92 has been violated." 260 F. Supp. at 804.

Subsequent to its finding of standing, the District Court ruled on the merits of the issues and granted the declaratory judgment and injunction which was sought by the plaintiffs. 268 F. Supp. 236 (N.D. Geo. 1967).

Defendant places great reliance in his brief on the recent case of *Pennsylvania Railroad Co. v. Dillon*, 335 F. 2d 292 (D.C. Cir. 1964), *cert. denied sub nom*, *American Hawaiian Steamship Co. v. Dillon*, 379 U.S. 945 (1964).

In that case plaintiffs alleged not only that defendant Dillon had exceeded his statutory authority but also that the competitive activity which had been allowed was in and of itself illegal. The competing carriers challenged the authority of the Secretary of the Treasury to enroll certain vessels in the coastwise trade, allegedly in violation of the Merchant Marine Act of 1920, as amended, 46 U.S.C. § 883. That section prohibited the enrollment and documentation of vessels "jumboized" by the installation of foreign-made mid-bodies. The Court of Appeals for the District of Columbia Circuit found that the carriers lacked standing even though they alleged the competition was illegal and in violation of the specific provision of the statute. The Court pointed out the dichotomy of Section 10(a) of the A.P.A., namely the "legal wrong" aspect and the "adversely affected or aggrieved" aspect, as it related to the issue of standing and it concluded that:

"Under either leg of Section 10(a), therefore, since appellants only complain of government enhanced competition, they must demonstrate 'statutory aid to standing'." 335 F. 2d a 295.

After analyzing the enabling statute the Court concluded that "Congress did not intend to insulate coastwise carriers from other domestic competition or to give them any legally protected right to be free from such competition." 335 F. 2d at 295.

A close analysis of the holding in the *Pennsylvania Railroad*, *supra*, case does not require a determination

of the standing issue adverse to the plaintiffs. In that case the Court of Appeals found that the underlying purpose of the statute under which the regulation was promulgated was to stimulate and encourage resort to domestic shipyards and thus to ensure them sufficient business so that their facilities would be adequate at times of national emergencies, 335 F. 2d 292, at 295. The statutes, under which the regulation in issue was promulgated, were enacted to establish a clear Congressional policy which sought to separate national commercial banking from the securities business.⁴ The primary intent of Congress was to segregate these functions and to allow separate entities to engage in these business areas. This clarity of purpose is garnered not only from the Congressional hearings reports of the Glass-Steagall Act, but also from the exactitude with which Congress has delineated the area of common interest in this financial structure.⁵ This strong general policy against the invasion of either field of endeavor by either entity is sufficient to postulate an interest upon which standing to challenge the regulation may be premised, cf. *American Trucking Ass'n. v. U.S.* 364 U.S. 1 (1960).

Therefore, by implication, the plaintiffs here have a right to complain of the competition which is being condoned under the Regulation. This competition is illegal in the sense that Congress has indicated its policy of separating the two financial institutions and this Regulation allows in an indirect manner a joinder of these interests. The plaintiffs were the recipients by implication of Congressional protection.

Even if this invasion would not in fact cause a palpable injury⁶ to be inflicted upon the plaintiffs which could be termed to be a legal wrong under the first leg of Section 10(a) of the A.P.A., now 5 U.S.C. § 702, the plaintiffs could have standing to represent the public interest as held in *Sanders Bros. Radio Station v. F.C.C.*, 309 U.S. 470 (1940), *Scripps-Howard Radio, Inc. v. F.P.C.*, 316 U.S. 4 (1942), and *F.C.C. v. N.B.C. (K.O.A.)*, 319 U.S. 239, 63 S.Ct. 1035, 87 L.Ed. 1374 (1943). See the application of this doctrine by Judge Frank in *Associated Industries v. Ickes*, 134 F. 2d 694 (2nd Cir. 1943), vacated as moot 320 U.S. 707 (1943).

The practical effect of the doctrine advanced by those series of cases grants standing to challenge the legality of administrative action to one who is in fact adversely affected by administrative action. Standing in those instances is predicated upon the theory that the plaintiffs do not represent their own private prop-

erty interests but rather the interests of the public. In the instant situation the plaintiffs could be classified as private "Attorneys General" based on the premise that the public policy dictated by Congress in the Glass-Steagall Act is not being adhered to by the agency charged with its enforcement. See *Philco Corp. v. FCC*, 103 U.S. App. D.C. 278, 257 F. 2d 656 (1958), cert. denied 358 U.S. 946, 76 S.Ct. 350, 3 L.Ed. 352 (1959), where the competitive interest of a manufacturer and not a broadcaster was held sufficient to satisfy the "person aggrieved" provision of the Federal Communications Act. See also Jaffe, *Standing to Secure Judicial Review: Public Actions and Private Actions*, 74 Harv. L.Rev. 1265 (1961), 75 Harv. L.Rev. 255 (1961), and Davis, 3 Administrative Law Treatise §§ 22.04, 22.05, 22.11 (1958), (Supp. 1965).

Finally, a denial of standing, as urged by the defendant, would leave the plaintiffs and all others similarly situated without a right to seek redress against capricious, arbitrary and unwarranted Regulations issued by the Comptroller, however flagrant and contrary to the intent of Congress. This court, therefore, holds that the plaintiffs have standing to challenge the Comptroller's Regulation 9.

The Comptroller also asserts that there is no justiciable issue or controversy present in this case. This assertion is bifurcated on two grounds. The first is apparently premised upon the theory that the Comptroller's regulation permitting national commercial banks to establish the commingled Account does not regulate nor does it impose any obligation or duty upon the plaintiffs. The standards of justiciability are not limited to those situations in which the plaintiffs are directly regulated by the defendant government official. Indeed, in none of the branch bank cases in which the plaintiff was a state bank did the challenged regulations impose a duty upon or regulate the plaintiffs in any manner, e.g. *First Hardin National Bank v. Fort Knox National Bank*, 361 F. 2d 276 (6th Cir. 1966), *First National Bank of Smithfield v. Saxon*, 352 F. 2d 267 (4th Cir. 1965), *Union Savings Bank of Patchogue v. Saxon*, 118 U.S. App. D.C. 296, 335 F. 2d 718 (D.C. Cir. 1964), *Whitney National Bank v. Bank of New Orleans & Trust Co.*, 323 F. 2d 290 (D.C. Cir. 1963), rev'd on other grounds 379 U.S. 411 (1965), *Commercial Security Bank v. Saxon*, 236 F. Supp. 457 (D.C. Cir. 1964), affirmed 343 F. 2d 758 (D.C. Cir. 1965). However, the justiciability assertion made by the Comptroller in each of these cases was decided adversely to the Comptroller.

The district court in *Baker, Watts & Co. v. Saxon*, supra, summarily rejected the Comptroller's contention, stating that:

" . . . a justiciable controversy obviously exists justifying the court in entertaining an action for a declaratory judgment. The plaintiffs claim that the defendant is authorizing national banks to conduct certain activities in violation of the law and that these activities transgress the powers of the banks and that they are injurious to the plaintiffs." 261 F. Supp. at 249.

The second ground for the lack of justiciability is premised on the theory that only the Comptroller can

⁴ *Hearings Pursuant to S. Res. 71 Before a Subcommittee of the Senate Committee on Banking and Currency*, 71st Cong. 3rd Sess. (1931).

S. Rep. No. 77, 73d Cong. 1st Sess. (1933).

H.R. Rep. No. 742, 74th Cong. 1st Sess. (1935).

See also 75 Cong. Rec. 9909 (1932) (remarks of Senator Bulkley).

⁶ Note specifically amendments made to Section 24, par. Seventh of Title 12.

⁷ *Bantam Book v. Sullivan*, 372 U.S. 58, 83 S.Ct. 631, 9 L.Ed. 2d 584 (1963)—see also the discussion of the "Adversely Affected in Fact" doctrine promulgated by Prof. Davis, 3 Davis, *Administrative Law Treatise* § 22.02 (1965 Supp.)

challenge the acts of a national commercial bank when it acts in excess of its powers. However, the primary thrust of the plaintiffs' allegation is directed not at the national bank which is acting under authority granted by the Comptroller, but rather at the scope of the authority under which the Comptroller promulgated the regulation in issue. The district court in *Georgia Association of Independent Insurance Agents, Inc. v. Saxon, supra*, simultaneous with its denial of the motion to dismiss for lack of standing, rejected the Comptroller's assertions on the issue of justiciability. It unequivocally stated that:

"The defendant further contends that . . . the Comptroller is sole enforcer of the National Banking Act. This contention is impliedly repudiated by the repeated decisions that banks have standing to challenge an allegedly illegal order . . . and was explicitly repudiated in an opinion by the Firth Circuit Court of Appeals which stated: "The fact that the Comptroller is charged under 12 U.S.C. § 93 with the duty of enforcing the National Banking Act certainly does not have the effect of prohibiting actions to enforce the law by any other party who might have a legitimate interest. *Jackson v. First National Bank of Valdosta*, 349 F. 2d 71 (1965) at p. 75." 260 F. Supp. at 804.

A recent Supreme Court decision inferentially rejects the Comptroller's arguments on the lack of justiciability, *Abbott Laboratories v. Gardner*, 387 U.S. 136 (1967). The Supreme Court reversed and remanded to the Court of Appeals for the Third Circuit so that the Court of Appeals could consider the issues on the merits. The Court of Appeals had reversed the district court's decision without reaching the merits of the case, 352 F. 2d 286 (3rd Cir. 1965). The district court had found that "a justiciable controversy arises where a plaintiff is confronted with substantial present or imminent harm . . . the very presence of a threat of harm makes the regulations ready for review." 288 F. Supp. 855, 861 (D.C. Del. 1964). The Court of Appeals reversed on the basis that no "actual case or controversy" existed as required for justiciability under the Declaratory Judgment Act. However, the Supreme Court decreed that "the impact of the regulations upon the plaintiff is sufficiently direct and immediate so as to render the issue appropriate for judicial review at this stage." 387 U.S. at 152.

Having found that the plaintiffs have standing to seek redress and that they have presented a justiciable issue, we are now ready to seek a resolution of the subject matter involved in this litigation.

The principal issue involved in this controversy is whether or not the Comptroller has the statutory authority to empower national commercial banks to create, organize and manage the commingled Account. The gist of the activity of managing the Account consists of the purchase and sale of equity securities, nominally for long-term growth of capital and income, for the participating members. National banks have only such powers as are expressly given by federal statute or by necessary implication therefrom, 12 U.S.C. § 24, *Houston v. Drake*, 97 F. 2d 863 (9th Cir. 1938), *Baltimore & O. R. Co., et al.*,

v. Smith, 56 F. 2d 799 (3rd Cir. 1932), and in some trust activities they may be authorized to act by the Comptroller in any capacity in which competing state banks are permitted to act. 12 U.S.C. 92a(a). See *First National Bank in St. Louis v. Missouri*, 263 U.S. 640 (1923), and *Mercantile National Bank v. Langdeau*, 371 U.S. 55 (1962), *City of Yonkers v. Downey*, 309 U.S. 590 (1940), 60 S.Ct. 796, 84 L.Ed. 964, rehearing denied 60 S.Ct. 1071, 310 U.S. 656, 84 L.Ed. 1420, and *Condon v. Downey*, 310 U.S. 656, 60 S.Ct. 1071, 84 L.Ed. 1420, *U.S. v. Palmer*, 28 F. Supp. 1936 (D.C.N.Y. 1939).

Authority to oversee trust activities of national banks which was vested in the Federal Reserve Board of Governors, 12 U.S.C. § 248(k) was repealed in 1962 when authority to regulate the fiduciary activities of national banks was transferred to the Comptroller. 12 U.S.C. § 92a, 76 Stat. 668, Pub. L. 87-722. Upon transfer of this authority the Comptroller issued Regulation 9 pursuant to which the First National City Bank established the commingled Account. In order to determine the validity of Regulation 9, it will be necessary to investigate each section of the relevant statutes and also to determine the intent of Congress when it enacted the relevant statutes. In order to complete the determination of the issues involved, it will also be necessary to determine whether or not the relevant state statute, here the N.Y. Banking Law Section 100, allows local state banks to act in a similar fashion as is presently being allowed by Regulation 9.

This Regulation authorizes national banks to commingle managing agent accounts, allowing, therefore, the bank to purchase equity securities for the Account in general and not for any specific participating member. The essence of this activity is the purchase and sale of securities deriving thereby a benefit for the participating members, and fulfilling the stated purpose of the Account.

The first statutory provision which is encountered along the logical progression to our conclusion is 12 U.S.C. § 92a which delineates the trust powers which the Comptroller is authorized to grant to the national banks. Section 82a(a) provides:

"The Comptroller of the Currency shall be authorized and empowered to grant by special permit to national banks applying therefor, when not in contravention of State or local law, the right to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located."

and under 12 U.S.C. § 92a(j) the Comptroller:⁷

". . . is authorized and empowered to promulgate

⁷ Section 11(k) of the Federal Reserve Act, as amended, 12 U.S.S. § 248(k) (repealed), empowered, in identical terms the Federal Reserve Board to issue regulations.

such regulations as he may deem necessary to enforce compliance with the provisions of this section and the proper exercise of the powers granted therein." 76 Stat. 668, Pub. L. 87-722 § 1.

Pursuant to this statutory authority the Comptroller can empower national banks the right to act in a fiduciary capacity and to issue regulations controlling this activity. From the statutory language it can be concluded that the Comptroller can grant trust powers to the national banks; but the real crux of this issue is whether or not the commingled Account can be considered a fiduciary activity as provided by the statute.

The Comptroller contends that there can be no doubt that the Bank's relationship to the participants in the commingled Account is a fiduciary relationship; however, this general statement, upon close analysis, is untenable. The principal-agent relationship arises from a contractual agreement between the parties. The nature of this relationship gives rise to certain duties which are implied by the law, namely, a fiduciary duty and a duty of loyalty. The trustee and the agent have an equivalent duty of loyalty. The fiduciary duty of the agent is similar to but not the equivalent of the fiduciary duty of a trustee.

The many differences as to the characteristics of a principal-agent relationship and a trustee relationship are notable especially as they relate to the issue in this case. Consent of both principal and agent is a necessary requirement for the creation of the relation whereas the beneficiary of a trust need not consent. An agent is subject to the control of his principal, but a trustee is not subject to the control of the beneficiary. An agent can bind his principal by contract or otherwise, but a trustee has no such power with regard to his beneficiary. The agency relationship is terminable by the direction of the principal or by his death without any express provision to that effect, but this is untrue with respect to a trust unless the instrument so provides. See *Restatement (Second) of Agency*, Section 13, comment *a*, Section 14B, comments *e* to *h*, and Section 425, comment *a*. Note also Bogert, *Trusts and Trustees*, § 15 (2d. ed. 1965) p. 70 and *Restatement of Trusts*, 2d § 8, comment *i*.

The Bank and the individual participant of the Account enter into an agency relationship prior to or simultaneous with the participant's engagement with the Account. The Bank's role in this relationship is one of managing agent, nor as trustee for the participant. A leading authority on the law of trusts has stated:

"The duties and powers in the institution [e.g. a bank] as agent are determined by the terms of the contract made with the customer; the duties and powers of the institution as trustee depend not only upon the terms of the trust but also upon the principles and rules of the common law and of statutes which are applicable to the trust relation. The liabilities of the institution as agent depend upon whether it has failed to use due care in the performance of the duties which it undertakes; its liabilities as a trustee depend upon whether it has committed a breach of trust. Ordinarily the responsibilities of the institution are more ex-

tensive where it acts as trustee than where it acts as agent, and it may incur no liabilities as agent for conduct which would render it liable if it were trustee." 1 Scott on Trusts, Section 8.1 Bank as Trustee or Agent (2d. ed. 1956).

The courts, as well as the recognized authorities in trust law, have distinguished sharply between the responsibilities of a true trustee and those of a managing agent, even where the latter is granted complete discretion in acting for his principal. It is, of course, established that the managing agent occupies a position of confidence, in which he must act with reasonable care and is held to a standard of conduct higher than that which prevails in the ordinary course of business in the marketplace. But the courts have stated plainly that this is not the high standard of care and strict accounting imposed upon a trustee, *Stephens v. Detroit Trust Co.*, 284 Mich. 149, 278 N.W. 799 (1933), *Anderson v. Abbott*, 61 F. Supp. 888 (W. D. Ky. 1945), *O'Connor v. Burns, Potter & Co.*, 151 Neb. 9, 36 N.W. 2d 507 (1949). In both the *Stephens* and *O'Connor* cases the principal brought suit for accounting against the defendant managing agent on the basis that they had breached the high duty of care imposed upon a trustee. The decisive factor in both cases was that the relationship which existed between the parties had been freely chosen and established and, having entered into an agency contract, the investor could not assert that the relationship was in fact a trust.⁸

Contrary to the contentions made by the Comptroller, the managing agent relationship is not a true fiduciary relationship as it has been defined by the courts and by the recognized authorities in this field. Therefore, it is concluded that the managing agency relationship does not fall within the traditional fiduciary powers as delineated in 12 U.S.C. § 92a(a).

Section 12 U.S.C. 92a(a), however, permits a national bank to act "in any other fiduciary capacity in which state banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the state in which the national bank is located." This saving provision allows national banks to offer the equivalent fiduciary services to their customers that a local state bank might offer.

The Comptroller has authorized the First National City Bank, located in New York state, to establish a commingled Account pursuant to Regulation 9, and under the competitive provision of 12 U.S.C. § 92a(a) the authorization granted to First National City Bank may be legally valid, if the banking laws of New York state allow competing institutions to establish a commingled Account.

The general powers of state banks in New York state are contained in McKinney's Consl. L. N. Y. Banking Law § 96 amended, L. 1966, c. 324. These general powers have been supplemented by specific statutory provisions which grant state banks the power

⁸ But see, Saxon and Miller, *Common Trust Funds*, 53 Geo. L. J. 994, 1015, and Main, *Common Trust Funds*, 83 Banking L.J. 565.

to act in a fiduciary capacity, N. Y. Banking Law §§ 100, 100-a, 100-b, 100-c, as amended. Each of these statutory provisions delineate the authorization of state banks with a definite degree of specificity, and none of the sections noted above allow a commingling of managing agency accounts. The only section which could even be deemed to inferentially grant this authority is Section 100-c, which relates to the power of banks to commingle funds held in a fiduciary capacity, specifically requiring that common trust funds be limited to moneys received and held "as executor, administrator, guardian, personal or testamentary trustee, donee of a power during minority to manage property vested in an infant or committee. . . ."

A search of the New York state case law has failed to reveal any relevant judicial interpretation of this statutory section. However, it has been held that state banks are prohibited to exercise any power which was not expressly granted, *O'Connor v. Bankers Trust Co.*, 159 Misc. 920, 289 NYS 252 (Sup. Ct. 1936) affirmed 278 NY 649, 16 NE 2d 302; see also *Nassau Bank v. Jones*, 95 115, 47 Am. Rep. 14, (Ct. of App. 1884). These decisions indicate that New York state courts follow the federal rule, applicable to national banks, as expressed in *Calif. Bank v. Kennedy*, 167 U.S. 362, 17 S.Ct. 831, 42 L.Ed. 198 (1897), that the exercise of power not expressly granted to a national bank is prohibited. This restrictive interpretation of the powers granted under Section 100-c is further substantiated by noting that when the New York legislature has wanted to broaden the categories of accounts held and administered by banks which could be invested in a common trust fund, it has amended Section 100-c to do so.⁹

It is the conclusion of this court that the commingling of managing agency accounts is not authorized either under the federal statutes or the New York banking laws.

Even if the managing agency accounts could be considered bona fide fiduciary activities, and, therefore, authorized by the present statutes, the commingling of these accounts would still be illegal under the provisions of the Glass-Steagall Act. In order to arrive at this determination it is necessary to make an exact characterization of the Account which was established.

As noted in the early section of this decision, a mutual fund continuously issues its own securities as does the commingled Account. A mutual fund invests the proceeds from the sale of its securities in a diver-

sified investment portfolio, in the same manner as the commingled Account. The mutual fund shares obtains for the investor an undivided interest in the fund's portfolio, as does a unit of participation in the commingled Account. Within certain limitations, a participating member of the Account can redeem his units of participation in a similar manner as the holder of mutual fund shares. A majority of the participating members elect the members of the Committee, who oversee the affairs of the Account in much the same manner as mutual fund stockholders elect their board of directors or trustees. The SEC has required the Account to register as an investment company under the Investment Company Act of 1940, 15 U.S.C. § 80. The SEC pursuant to its authority under 15 U.S.C. § 80, 3(c), has granted certain exemptions to the requirements of the Investment Company Act as it relates to board membership;¹⁰ nevertheless it has recognized the similarity between the Account and an investment company.¹¹ The Bank and the Committee have entered into a contractual agreement under which the Bank performs managing and advising functions for the Account. This contract is the equivalent of the contracts which are entered into by the mutual funds and their investment advisers. These contracts are subject to and must be submitted for review by the SEC under the provisions of the Investment Company Act. There are some differences between a mutual fund and a commingled Account,¹² but these are not substantially sufficient to create a legal differentiation between the two investment vehicles. The similarities between these related activities are a sufficient basis to draw an analogy from which an equivalency can be premised.

The Comptroller attempts to differentiate between the mutual fund investment vehicle and the commingled Account by attempting to establish a major difference between a mutual fund share and a unit of participation. This differentiation is premised on the basis that the unit of participation is not a security as such. This is mere tautology and a matter of semantics.

The United States Supreme Court has noted that for the purposes of the Securities Act of 1933 the test for a security is whether the scheme involves an investment of money in a common enterprise with profits to come solely from the efforts of others. *SEC v.*

⁹ For example, that section was amended to permit a state bank acting as the "donee of a power during minority to manage property vested in the infant" to place the property so managed in a common trust fund, L. 1958, c. 496 § 1; L. 1965, c. 824 § 5. Note also the specific accounting and notice provisions which are contained in Section 100-c, as strictly construed by the courts in *In re Lincoln Rochester Trust Co.*, 201 Misc. 1008, 111 NYS 2d 45 (1952). See also New York Banking Board Regulation, 3 N.Y.C.R.R. 11.91 which states that a common trust fund "may be operated only for true fiduciary purposes."

¹⁰ The exemptions which were granted are being challenged in the Court of Appeals for the District of Columbia Circuit, *National Association of Securities Dealers, Inc., v. Security Exchange Commission*, Appeal No. 20, 164.

¹¹ The similarity between mutual funds and the Account have been noted by many authorities in the financial community, see *Hearings on S. 2704 on Collective Investment Funds Before the Subcommittee on Financial Institutions of the Senate Committee on Banking and Currency*, 89th Cong., 2d Sess. (1966); *University of Pennsylvania Law School Conference on Mutual Funds*, 115 U.Pa.L.Rev. 699; and *Comment, Of Banks and Mutual Funds*, 20 Sw.L.J.

¹² See *Hearings on S. 2704 (1966) supra*, at p. 55 and 56.

Howey, Co., 328 U.S. 293, 301 (1946). See also *S.E.C. v. Variable Annuity Life Ins. Co.*, 359 U.S. 65 (1959) and *Prudential Insurance Co. of America v. S.E.C.*, 326 F. 2d 383 (3rd Cir. 1964), *cert. denied* 377 U.S. 953 (1964). Under this all encompassing definition, in its most comprehensive sense, whenever an investor relinquishes control over his funds and submits their control to another for the purpose and hopeful expectation of deriving profits therefrom he is in fact investing his funds in a security. The unit of participation in the commingled Account is in fact a security and has been so recognized by the SEC by its requirement that the Bank register the units of participation under the Securities Act of 1933.

The Comptroller argues, however, that the definition of "securities" for the purpose of the Securities Act of 1933 is not applicable to define "securities" as the term is used in the Glass-Steagall Act. He asserts that this definition as judicially and administratively derived has no relevance to the meaning of the various provisions of the national banking laws. He bases this assertion on the allegedly different purposes which the laws have, namely that the securities laws were enacted to protect the interests of investors while the banking laws were enacted to protect the country's credit and currency and the solvency of the national banks. This differentiation fails to focus upon the primary essence of the complete regulatory scheme which the Congress enacted to mitigate the problems that the country faced in the 1930s. Congress, after extensive investigation, realized that the financial community needed stabilization in order to overcome the debacle which arose in 1929 and to prevent any further recurrences. It would be inconsistent to conclude that Congress did not intend to obtain the equivalent meaning for the term "securities" as used in the Securities Act of 1933 when it used the term in the Glass-Steagall Act which was enacted by the same Congress.²³

By finding that the Account is an equivalent investment vehicle to a mutual fund and that the units of participation are in fact securities, it is, therefore, necessary to determine whether or not the Bank is barred from these activities by the provisions of the Glass-Steagall Act, Sections 16, 20, 21 and 32, codified in 12 U.S.C. §§ 24, 377, 378 and 78 respectively.

The first relevant section is 12 U.S.C. § 24 dealing with the explicit powers granted to the national banks by the Congress. For our analysis only paragraph Seventh is pertinent. It states:

"To exercise by its board of directors or duly au-

thorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining, issuing, and circulating notes according to the provisions of this chapter. The business of dealing in securities and stock by the association shall be limited to purchasing and selling such securities and stock without recourse, solely upon the order, and for the account of, customers, and in no case for its own account, and the association shall not underwrite any issue of securities of stock: *Provided*, That the association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe. . . ."

The power of national banks to deal in securities has had a motley history, both legislatively and judicially. In 1823 the Supreme Court held that a prohibition against a national bank's trading and dealing in stocks was nothing more than a prohibition against engaging in the ordinary business of buying and selling stocks for a profit and it did not include purchases resulting from ordinary banking transactions. *Fleckner v. Bank of the United States*, 8 Wheat. 351, 21 U.S. 351 (1823). In *First National Bank v. Nat. Exchange Bank*, 92 U.S. 122 (1875), the Supreme Court stated that "Dealing in stocks is not expressly prohibited; but such a prohibition is implied from the failure to grant the power." 92 U.S. at 128. The Court in the *First National Bank* case was interpreting, *Rev. Stat. § 5136, par. 7, 15; 15 Stat. 101 § 8*, the forerunner of 12 U.S.C. § 24, par. 7 which delineated the powers of the national banks.

The limitation on the national bank's power in security dealings was reiterated in subsequent decisions of the Supreme Court. *Concord First National v. Hawkins*, 174 U.S. 371 (1898), *California Bank v. Kennedy*, 167 U.S. 362 (1897), *McCormick v. Market National Bank*, 165 U.S. 538 (1896); see also *Birdsell Mfg. Co. v. Anderson*, 20 F. Supp. 571 (W.D. Ky 1937) affirmed 104 F. 2d 340 (6th Cir. 1939), and *Michelsen v. Penney*, 135 F. 2d 409, 424 (2nd Cir. 1943).

This implied limitation caused the national banks to establish security affiliates, organized under state law, to profit from underwriting and dealing in stocks and other securities. In 1927 Congress passed the McFadden Act which added to the list of banking powers in paragraph Seventh of Section 5136 of the Revised Statutes the following proviso:

"Provided, that the business of buying and selling investment securities shall hereafter be limited to buying and selling without recourse marketable obligations evidencing indebtedness of any person, co-partnership, association, or corporation, in the form of bonds, notes and/or debentures, commonly known as investment securities, under such further definition of the term 'investment securities' as may by regula-

²³ The Federal Reserve Board has repeatedly ruled that participation or shares in mutual funds are securities for purposes of the Glass-Steagall Act, and it has similarly characterized the units of participation in the bank sponsored commingled managing agency account, Federal Reserve Board Legal Memorandum, "Legal Considerations Under Section 32 of the Banking Act of 1933 in Connection With the Proposed Commingled Investment Account of First National City Bank of New York" (Dec. 15, 1965) reprinted in *Hearings on S. 2704* (1966) at 581-588.

tion be prescribed by the Comptroller of the Currency. . . . [Act of February 25, 1927 (McFadden Act), Section 2(b), 44 Stat. 1226]"

This proviso was intended to be a confirmation and a regulation of the investment security business which was being conducted by the banks through their security affiliates. *H.R. Rep. No. 83*, 69th Cong. 1st Sess. (1926). By the provisions of this Act, the national banks were authorized by statute to engage in the business of underwriting and dealing in investment securities.

The storms looming on the horizon were not within the contemplation of very many people in 1927. It was not until 1931 when the Congress, graced with hindsight, sought the primary causes of the debacle which enveloped the country and had its repercussions throughout the world. The Congressional inquiry generated various statutes in an attempt to avoid a repetition of the debacle which had transpired. Among these statutes were the Glass-Steagall Act and the Securities Act of 1933.

The Glass-Steagall Act in particular redefined the powers of the national banks and imposed severe limitations on their activity in the investment security business by amending 12 U.S.C. § 24, P. 7, and adding 12 U.S.C. §§ 78, 377 and 378 Section 24, paragraph Seventh, has been noted above. The other relevant sections are noted below. Section 32 of the Glass-Steagall Act, now 12 U.S.C. § 78, provides:

"No officer, director, or employee of any corporation or unincorporated association, no partner or employee of any partnership, and no individual, primarily engaged in the issue, flotation, underwriting, public sale, or distribution, at wholesale or retail, or through syndicate participation, of stocks, bonds, or other similar securities, shall serve the same time as an officer, director, or employee of any member bank except in limited classes of cases in which the Board of Governors of the Federal Reserve System may allow such service by general regulations when in the judgment of the said Board it would not unduly influence the investment policies of such member bank or the advice it gives its customers regarding investments."

Section 20 of the Glass-Steagall Act, now 12 U.S.C. § 377, provides:

"After one year from June 16, 1933, no member bank shall be affiliated in any manner described in subsection (b) of section 221a of this title with any corporation, association, business trust, or other similar organization engaged principally in the issue, flotation underwriting, public sale, or distribution at wholesale or retail or through syndicated participation of stocks, bonds, debentures, notes, or other securities; *Provided*, That nothing in this paragraph shall apply to any such organization which shall have been placed in formal liquidation and which shall transact no business except such as may be incidental to the liquidation of its affairs.

"For every violation of this section the member bank involved shall be subject to a penalty not exceeding \$1,000 per day for each day during which such violation continues. Such penalty may be assessed by the Board of Governors of the Federal

Reserve System, in its discretion, and, when so assessed, may be collected by the Federal reserve bank by suit or otherwise.

"If any such violation shall continue for six calendar months after the member bank shall have been warned by the Board of Governors of the Federal Reserve System to discontinue the same, (a) in the case of a national bank, all the rights, privileges, and franchises granted to it under the National Bank Act, may be forfeited in the manner prescribed in sections 141, 222-225, 281-283, 285, 286, 501a, and 502 of this title, or, (b) in the case of a State member bank, all of its rights and privileges of membership in the Federal Reserve System may be forfeited in the manner prescribed in sections 321-329 and 330-338 of this title."

Section 21 of the Glass-Steagall Act, now 12 U.S.C. § 378, provides:

"(a) After the expiration of one year after June 16, 1933, it shall be unlawful—

"(1) For any person, firm, corporation, association, business trust, or other similar organization, engaged in the business of issuing, underwriting, selling, or distributing, at wholesale or retail, or through syndicate participation, stocks, bonds, debentures, notes, or other securities, to engage at the same time to any extent whatever in the business of receiving deposits subject to check or to repayment upon presentation of a passbook, certificate of deposit, or other evidence of debt, or upon request of the depositor: *Provided*, That the provisions of this paragraph shall not prohibit national banks or State banks or trust companies (whether or not members of the Federal Reserve System) or other financial institutions or private bankers from dealing in, underwriting, purchasing, and selling investment securities to the extent permitted to national banking associations by the provisions of section 24 of this title: *Provided further*, That nothing in this paragraph shall be construed as affecting in any way such right as any bank, banking association, savings bank, trust company, or other banking institution, may otherwise possess to sell, without recourse or agreement to repurchase, obligations evidencing loans on real estate;

* * * * *

"(b) Whoever shall willfully violate any of the provisions of this section shall upon conviction be fined not more than \$5,000 or imprisoned not more than five years, or both, and any officer, director, employee, or agent of any person, firm, corporation, association, business trust, or other similar organization who knowingly participates in any such violation shall be punished by a like fine or imprisonment or both."

The obvious purpose of these legislative enactments was to divorce the banking business from the security investing business. Congress was so emphatic in promulgating this divorce, that it included a criminal provision to assure the efficacy and continuity of the separation; see 12 U.S.C. § 378(b), *supra*, and in some instances it imposed money penalties and forfeitures; see 12 U.S.C. § 377, *supra*. The many pages of legislative hearings reports which preceded the final enact-

ment of the Glass-Steagall Act contain and outline the potential dangers which the involvement of commercial banking in the investment security business created.

These potential dangers were noted by the Comptroller of the Currency in his report of 1920, excerpts of which were cited by the Subcommittee of the Senate conducting the investigation:

"Some 'securities companies' operating in close connection with, and often officered by the same men who manage the national banks with which they are allied, have become instruments of speculation and headquarters for promotions of all kinds of financial schemes. Many of the flotations promoted by the 'securities corporations' which are operated as adjuncts to national banks have proven disastrous to their subscribers, and have in some instances reflected seriously not only upon the credit and the standing of the 'securities companies' by which they are sponsored, but also in some cases have damaged the credit and reputation of national banks with which the 'securities companies' are allied.

"It has been established clearly by decisions of the United States Supreme Court that a national bank can not, except as authorized by the Federal reserve act, hold the stock of other national banks or the stock of other corporations; but these adjunct or auxiliary companies whose stockholders are identical with the stockholders of the national banks with which they are connected by various ties and devices frequently deal actively in stocks, and they also sometimes acquire the ownership or control of other banks, National and State, through their purchases.

"In times of rising prices and active speculation some of these auxiliary corporations have made large profits through their ventures and syndicate operations, but their losses in other periods have been heavy, and they have become an element of increasing peril to the banks with which they are associated. The business of legitimate banking is entirely separate and distinct from the kind of business conducted by many of the 'securities corporations', and it would be difficult, if not impossible, for the same set of officers to conduct safely, soundly, and successfully the conservative business of the national bank and at the same time direct and manage the speculative ventures and promotions of the ancillary institutions. These varying institutions demand a different kind of ability and experience on the part of those who manage them, and the two types of business when combined with one management are likely to be operated to the advantage of neither.

* * * * *

"These ancillary companies are being used with increasing frequency for promotion of speculation and for dealing in bonds and stocks, often those of new and unseasoned issues, and which are attended with improper hazard risk, and as a means of enabling banks to do, indirectly through their instrumentality, things which they can neither safely nor lawfully do directly." [See *Hearings Pursuant to S. Res. 71 Before a Subcommittee of the Senate Committee on Banking and Currency*, 71st Cong. 3d Sess. pp. 1067-1068 (1931)]

The Senate Subcommittee Report also outlined the organization and functions of the security affiliates. Among one of these functions was the operation of investment trusts which bought and sold securities purely for investment or speculative purposes, *Hearings*, S. Res. 71, p. 1057. These investment trusts were the equivalent of our present day investment companies.¹⁴

Another drawback which the Subcommittee Report recognized was that "in the case of a trust company or a bank with a trust department, the possession of a security affiliate may adversely affect the independence with which fiduciary activities are exercised." *Hearings*, S. Res. 71, p. 1064.

There can be little doubt as to what Congress intended to do by the enactment of the Glass-Steagall provisions outlined above. Section 16, 12 U.S.C. § 24, par. 7 prohibits national banks from not only underwriting securities directly but also limits the capacity of the national banks in the purchase and sale of securities. *Awotin v. Atlas Exchange Bank*, 295 U.S. 209 (1935); cf. *U.S. v. Philadelphia National Bank*, 374 U.S. 231, 329 (1963), *First Natl. Bank v. Missouri*, 263 U.S. 640 (1923), *Genessee Trustee Corp. v. Smith*, 102 F. 2d 125, 127 (6th Cir. 1939), *Guaranty Trust Co. v. U.S.*, 44 F. Supp. 417 (E.D. Wash. 1942), affirmed 139 F. 2d 69 (9th Cir. 1943), *U.S. v. Palmer*, 28 F. Supp. 936 (S.D.N.Y. 1939). Section 20, 12 U.S.C. § 377 effectively provides that national banks may not be affiliated with an entity which is engaged principally in the business of purchasing, selling, or underwriting securities. Section 21, 12 U.S.C. § 378 specifically provides that it is unlawful for any entity which is engaged in the business of purchasing, selling, or underwriting to also be engaged in the banking business. Section 32, 12 U.S.C. § 78 prohibits banks and investment organizations from having interlocking directorates, and common officials and employees. Through this legislative scheme Congress intended to separate these previously integrated activities, and it made its intent explicitly clear. *Merchants National Bank v. Commissioner of Internal Revenue*, 199 F. 2d 657 (5th Cir. 1952), *Commissioner of Internal Revenue v. Merchants Nat. Bldg. Co.*, 131 F. 2d 741 (5th Cir. 1942), cf. *Paramount Pictures v. Langer*, 23 F. Supp. 890, 902 (D. N.D. 1938), reversed as moot 306 U.S. 619 (1938), *Morgan Stanley Co. v. S.E.C.*, 126 F. 2d 325, 329 (2nd Cir. 1942).

The Supreme Court has stated with specific relation to Section 32, 12 U.S.C. § 78, that "It [Section 32] is a preventive or prophylactic measure. The fact that respondents have been scrupulous in their relationship to the bank is therefore immaterial," *Board of Governors v. Agnew*, 329 U.S. 441, 449 (1946), see also *U.S. v. Brown*, 381 U.S. 437, 454 (1965). This "prophylactic" aspect of Section 32 is also inherent in Sections 20 and 21. This is effective legisla-

¹⁴ *S.E.C. Report on the Public Policy Implications of Investment Company Growth*, H.R. Rep. No. 2337, 89th Cong. 2nd Sess. p. 33, Fn. 3 (1966).

tion against temptation, *National Maritime Union of America v. Herzog*, 78 F. Supp. 146, 171 (D.C.D.C. 1948) affirmed 334 U.S. 354 (1948), and it should not be derogated except by the Congress.

The Comptroller contends that the Account has been passed upon and approved by the Federal Reserve Board of Governors as far as its establishment would be contrary to the provisions of Section 32, 12 U.S.C. § 78.¹⁵ In order to support its conclusion the Board promulgated a "single entity" theory, that is, that the Bank and the Account would constitute a single entity for the purposes of Section 32, since the Account would be regarded as nothing more than an arm or department of the Bank. This proposition seems to be based more on nuances of language than on the factual ascertainment of the relationship of the Account with the Bank. The Account is to be governed by an independent board of directors, the Committee, with full policy making authority. The Committee is elected by a majority of the units of participation in the Account and is responsible only to the investor-participants in the Account and not to the Bank. The Bank serves as investment adviser to the Account and also provides administrative services. It performs these services pursuant to a contract which conforms to the requirements of Section 15 of the Investment Company Act, 15 U.S.C. § 80a-15. The contract is terminable at any time, by either party, with sixty days notice and may be continued only upon annual approval of the investor-participants or of a majority of the Committee, including a majority of the members of the Committee not affiliated with the Bank. The contract will also terminate automatically if assigned by the Bank. When all these factors are taken into consideration, it is obvious that the Bank is contractually affiliated with the Account and cannot, therefore, be considered a department of the bank.¹⁶ The prophylactic provisions of Section 32 prevents the Bank from being affiliated with the Account.

Furthermore, since it is the conclusion of this court that the Account is in fact an investment fund, the complementary provisions of Sections 20 and 21, 12 U.S.C. §§ 377 and 378, prohibit the Account from being affiliated with the Bank and the Bank from being affiliated with the Account.

The Comptroller further contends that the inherent

¹⁵ *Hearings*, S. 2704 (1966) p. 580-588, *supra*.

dangers with which the integration of these financial activities was previously fraught are not present in the instant relationship, since the Bank only receives a set fee for managing the Account and does not obtain any remuneration from issuing or underwriting the units of participation. This limitation in probable expected remuneration to the Bank may mitigate the possible aggressive use of the Account by the Bank, but this does not override the clear and unequivocal Congressional mandate that national banks be divorced from investment organizations.¹⁷

It is a legislative process which determines the newly evolving circumstances which require a change in the statutes. The courts can only enforce and interpret the legislative enactments. The statutes presently in force do not allow a national bank to establish, operate, or be affiliated with an investment fund.

In view of the statements and conclusions made above, this court holds that the provisions of Regulation 9 which allow commingling of managing agency accounts do not comply with the statutory provision of the Glass-Steagall Act and are, therefore, illegal. The promulgation of these specific provisions allowing a commingling of managing agency accounts is also beyond the power of the Comptroller under Section 92a(a) of Title 12, and it is ordered to be set aside.

The summary judgment motion of the defendant is denied and motion of plaintiffs is granted.

Counsel for plaintiffs will submit an Order in accordance with the foregoing.

JOSEPH C. MCGARRAGHY,
Judge.

SEPTEMBER 27, 1967.

¹⁶ Under the provisions of the Account, the participants or a majority of the independent members of the Committee could sever relations with the Bank by electing not to renew the contractual management agreement; practically this may never occur; however, it is possible under the present structure of the Account.

¹⁷ The possible conflicts of interests between the Account and other aspects of the banks activities are still present, notwithstanding the precautions which were taken by the Comptroller in delineating the powers of the Account. See *Banks and Mutual Funds*, Comment, 20 Sw.L.J. 334, 341, 342.

Announcements

STATE BANK STOCKS REGISTERED UNDER SECURITIES EXCHANGE ACT (as of September 15, 1967)

The following is a revised list of the 292 State-chartered banks that have registered securities pursuant to section 12(g) of the Securities Exchange Act of 1934 and are presently subject to the reporting requirements of the Act. Banks that are members of the Federal Reserve System and are therefore governed by Federal Reserve Regulation F ("Securities of Member State Banks") are designated "FRB." Nonmember insured banks, which are subject to Part 335 of the regulations of the Federal Deposit Insurance Corporation, are designated "FDIC." Banks for which an extension of time to file a registration statement, or temporary exemption from registration, has been granted are so identified. The names of banks that were formerly registered but are no longer required to file reports with either the Federal Reserve Board or the Federal Deposit Insurance Corporation (for example, merged into another bank, acquired by a holding company, or converted into a national bank) are not included.

The registration statements and reports (annual, quarterly, and current, as well as proxy statements and annual reports to shareholders) may be examined at the Federal Deposit Insurance Corporation Building, 550 17th Street, N.W., Washington, D.C., or at any Federal Reserve Bank (in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco). Stock ownership reports filed by officers, directors, and principal stockholders pursuant to section 16(a) of the Securities Exchange Act are available for inspection at the Federal Deposit Insurance Corporation Building. Copies of any of these documents will be furnished upon request and payment of the prescribed fees.

Alabama

Bessemer Bank and Trust Company
Bessemer (FDIC)
Central Bank and Trust Company
Birmingham (FDIC)

Commercial Guaranty Bank of Mobile
Mobile (FDIC)
Exchange Security Bank
Birmingham (FDIC)
Peoples Bank & Trust Co.
Montgomery (FRB)
Union Bank & Trust Company
Montgomery (FRB)

Arizona

Arizona Bank, The
Phoenix (FDIC)
Bank of Tucson
Tucson (FDIC)
Central Arizona Bank
Casa Grande (FDIC)
Guaranty Bank, The
Phoenix (FDIC)
Southern Arizona Bank & Trust Company
Tucson (FRB)

Arkansas

Worthern Bank & Trust Company
Little Rock (FRB)

California

Bank of Agriculture and Commerce
Brentwood (FDIC)
Bank of Finance
Los Angeles (FDIC)
Bank of Fremont
Fremont (FDIC)
Bank of Marin
San Rafael (FDIC)
Bank of Redding
Redding (FDIC)
Bank of Sacramento
Sacramento (FDIC)
Bank of Tokyo of California
San Francisco (FDIC)
Bank of Trade of San Francisco
San Francisco (FDIC)
Centinela Valley Bank
Inglewood (FDIC)
Century Bank
Los Angeles (FDIC)

California (Continued)

City Bank of San Diego
 Inglewood (FDIC)
 Community Bank of San Jose
 San Jose (FDIC)
 Continental Bank
 Beverly Hills (FDIC)
 County Bank of Santa Cruz
 Santa Cruz (FRB)
 Fidelity Bank
 Beverly Hills (FRB)
 First San Francisco Bank
 San Francisco (FDIC)
 Golden State Bank
 Bell Gardens (FDIC)
 Hibernia Bank, The
 San Francisco (FDIC)
 Imperial Bank
 Los Angeles (FDIC)
 Inland Bank
 Pomona—due October 28, 1967
 (FDIC)
 Manufacturers Bank
 Los Angeles (FDIC)
 Mid-State Bank
 Arroyo Grande (FDIC)
 Mother Lode Bank
 Placerville (FDIC)
 Santa Monica Bank
 Santa Monica (FDIC)
 Stanford Bank, The
 Palo Alto (FDIC)
 Sumitomo Bank of California, The
 San Francisco (FDIC)
 Union Bank
 Los Angeles (FRB)
 United California Bank
 Los Angeles (FRB)
 Wells Fargo Bank
 San Francisco (FRB)

Colorado

Central Bank and Trust Company, The
 Denver (FRB)

Connecticut

Charter Oak Bank and Trust Company, The
 Hartford (FDIC)
 City Trust Company
 Bridgeport (FRB)

Colonial Bank and Trust Company, The
 Waterbury (FRB)
 Connecticut Bank and Trust Company, The
 Hartford (FRB)
 Fairfield County Trust Company, The
 Stamford (FDIC)
 Merchants Bank and Trust Company, The
 Norwalk (FDIC)
 New Britain Bank and Trust Company
 New Britain (FDIC)
 Putnam Trust Company of Greenwich, The
 Greenwich (FDIC)
 Rocky Hill Bank and Trust Company, The
 Rocky Hill (FDIC)
 Simsbury Bank and Trust Company, The
 Simsbury (FDIC)
 Union and New Haven Trust Company, The
 New Haven (FRB)
 United Bank & Trust Company
 Hartford (FRB)

Delaware

Bank of Delaware
 Wilmington (FRB)
 Farmers Bank of the State of Delaware
 Dover (FDIC)
 Sussex Trust Company, The
 Laurel (FDIC)
 Wilmington Trust Company
 Wilmington (FRB)

Florida

Marine Bank and Trust Company
 Tampa (FRB)

Georgia

Trust Company of Georgia
 Atlanta (FRB)

Hawaii

American Security Bank
 Honolulu (FDIC)
 Bank of Hawaii
 Honolulu (FDIC)
 Central Pacific Bank
 Honolulu (FDIC)
 City Bank of Honolulu
 Honolulu (FDIC)
 Liberty Bank of Honolulu, The
 Honolulu (FDIC)

Illinois

Civic Center Bank and Trust Company
Chicago (FDIC)
Harris Trust and Savings Bank
Chicago (FRB)
Northern Trust Company, The
Chicago (FRB)
Sears Bank and Trust Company
Chicago (FRB)
United of America Bank
Chicago (FDIC)

Indiana

Citizens Bank of Michigan City, Indiana
Michigan City (FDIC)
Hoosier State Bank of Indiana
Hammond (FDIC)
Indiana Bank and Trust Company of Fort
Wayne
Fort Wayne (FDIC)
Irwin Union Bank and Trust Company
Columbus (FRB)
St. Joseph Valley Bank
Elkhart (FRB)

Iowa

Davenport Bank and Trust Company
Davenport (FRB)

Kentucky

Bank of Lexington, Inc.
Lexington (FDIC)
Citizens Fidelity Bank & Trust Company
Louisville (FRB)
Louisville Trust Company, The
Louisville (FRB)

Louisiana

American Bank and Trust Company
Baton Rouge (FDIC)
American Bank & Trust Company
Opelousas (FDIC)
Bank of Louisiana in New Orleans, The
New Orleans (FDIC)
Bank of New Orleans and Trust Company, The
New Orleans (FRB)
Bank of Terrebonne and Trust Company
Houma (FDIC)
Central Savings Bank and Trust Company
Monroe (FRB)
Citizens Bank & Trust Company
Thibodaux (FDIC)

International City Bank and Trust Company
New Orleans (FDIC)
Schwegmann Bank and Trust Company
Metairie (FDIC)

Maine

Casco Bank & Trust Company
Portland (FDIC)
Federal Trust Company
Waterville (FDIC)
Merrill Trust Company, The
Bangor (FRB)
Westbrook Trust Company
Westbrook (FDIC)

Maryland

Annapolis Banking and Trust Company, The
Annapolis—extension granted until October
1967 (FRB)
Carroll County Bank & Trust Company
Westminster (FDIC)
Citizens Bank of Maryland
Riverdale (FDIC)
Equitable Trust Company, The
Baltimore (FDIC)
Farmers & Merchants Bank of Hagerstown, Md.
Hagerstown (FDIC)
Liberty Trust Company of Maryland
Cumberland (FRB)
Montgomery Bank and Trust Company
Rockville (FDIC)
Suburban Trust Company
Hyattsville (FDIC)
Taneytown Bank & Trust Company
Taneytown—extension granted until October
15, 1967 (FDIC)
Union Trust Company of Maryland
Baltimore (FRB)
Waldorf Bank, The
Waldorf (FDIC)
Western Maryland Trust Company
Frederick (FDIC)

Massachusetts

Arlington Trust Company
Lawrence—extension granted until September
30, 1967 (FDIC)
City Bank and Trust Company
Boston (FDIC)
Dedham Trust Company
Dedham (FDIC)
First Bank and Trust Company of Haverhill
Haverhill (FDIC)

Massachusetts (Continued)

Framingham Trust Company
Framingham (FDIC)
Guaranty Bank & Trust Company
Worcester (FDIC)
Safe Deposit Bank and Trust Company
Springfield (FRB)
State Street Bank and Trust Company
Boston (FRB)
United States Trust Company
Boston (FRB)

Michigan

American Bank and Trust Company
Lansing (FRB)
Ann Arbor Bank
Ann Arbor (FRB)
Bank of the Commonwealth
Detroit (FRB)
Bank of Dearborn
Dearborn (FRB)
Citizens Commercial & Savings Bank
Flint (FRB)
Detroit Bank and Trust Company, The
Detroit (FRB)
Genesee Merchants Bank & Trust
Company
Flint (FRB)
Old Kent Bank and Trust Company
Grand Rapids (FRB)
Pontiac State Bank
Pontiac (FDIC)
Security Bank and Trust Company
Lincoln Park (FRB)
Warren Bank
Warren (FRB)

Mississippi

Bank of Mississippi, The
Tupelo (FDIC)
Grenada Bank
Grenada (FDIC)
Peoples Bank
Starkville (FDIC)

Missouri

Manchester Bank of St. Louis
St. Louis (FRB)

Manufacturers Bank and Trust Company
of St. Louis
St. Louis (FRB)
Mound City Trust Company
St. Louis (FDIC)
Southwest Bank of St. Louis
St. Louis (FRB)
Tower Grove Bank and Trust Company
St. Louis (FRB)

Nebraska

Lincoln Bank South
Lincoln (FDIC)

Nevada

Bank of Las Vegas
Las Vegas (FRB)

New Jersey

Bank of Commerce
Newark (FRB)
Bank of Passaic and Clifton
Clifton (FRB)
Broadway Bank & Trust Company
Paterson (FRB)
Burlington County Trust Company
Moorestown (FDIC)
Camden Trust Company
Camden (FRB)
Central Jersey Bank and Trust Company, The
Freehold (FDIC)
Clark State Bank and Trust Company
Clark (FRB)
Commercial Trust Company of New Jersey
Jersey City (FRB)
Community Bank of Linden
Linden (FDIC)
County Trust Company
Tenafly (FRB)
Edison Bank, The
Edison (FDIC)
Ewing Bank and Trust Company, The
Trenton (FRB)
Fidelity Union Trust Company
Newark (FRB)
First Bank of Colonia
Colonia (FRB)
First State Bank of Union, The
Union (FDIC)
Franklin State Bank
Somerset (FDIC)

New Jersey (Continued)

Guarantee Bank and Trust Company
Atlantic City (FDIC)
Hudson Trust Company
Union City (FDIC)
Middlesex County Bank
North Brunswick (FDIC)
Mid State Bank and Trust Company
East Brunswick (FDIC)
New Brunswick Trust Company
New Brunswick (FDIC)
New Jersey Bank and Trust Company
Clifton (FRB)
Pascack Valley Bank and Trust Company
Hillsdale (FDIC)
Peoples Trust Company of Bergen County
Hackensack (FRB)
Pineland State Bank
Brick Town (FDIC)
Princeton Bank and Trust Company
Princeton (FRB)
State Bank of Rahway
Rahway (FDIC)
Summit and Elizabeth Trust Company, The
Summit (FRB)
Trust Company of New Jersey, The
Jersey City (FRB)
Union County Trust Company
Elizabeth (FRB)

New York

Bank of Babylon
Babylon (FDIC)
Bank of Buffalo
Buffalo (FDIC)
Bank of Commerce
New York (FDIC)
Bank of Jamestown
Jamestown (FRB)
Bank of New York, The
New York (FRB)
Central State Bank
New York (FDIC)
Central Trust Company Rochester, N.Y.
Rochester (FRB)
Chemical Bank New York Trust Company
New York (FRB)
Chemung Canal Trust Company
Elmira (FRB)
Citizens Central Bank, The
Arcade (FRB)

Community Bank, The
Lynbrook, L.I. (FDIC)
County Trust Company, The
White Plains (FRB)
Fidelity Bank of Colonie
Latham (FDIC)
First Trust Company of Allegany County, The
Wellsville (FDIC)
First Trust and Deposit Company
Syracuse (FRB)
Hempstead Bank
Hempstead (FRB)
Kings County Lafayette Trust Company
Brooklyn (FDIC)
Long Island Trust Company
Garden City (FRB)
Manufacturers Hanover Trust Company
New York (FRB)
Manufacturers and Traders Trust Company
Buffalo (FRB)
Merchants Bank of New York, The
New York (FRB)
Morgan Guaranty Trust Company of
New York
New York (FRB)
North Fork Bank and Trust Company, The
Mattituck (FRB)
Schenectady Trust Company, The
Schenectady (FRB)
State Bank of Albany
Albany (FRB)
State Bank of Long Island
North New Hyde Park (FDIC)
Tompkins County Trust Company
Ithaca (FRB)
Trade Bank and Trust Company
New York (FRB)
United States Trust Company of New York
New York (FRB)

North Carolina

Branch Banking & Trust Company
Wilson (FDIC)
Central Carolina Bank & Trust Company
Durham (FDIC)
First-Citizens Bank & Trust Company
Smithfield (FDIC)
Northwestern Bank, The
North Wilkesboro (FDIC)
Peoples Bank & Trust Company
Rocky Mount (FDIC)

North Carolina (Continued)

Security Bank and Trust Company
Salisbury (FDIC)
Union Trust Company of Shelby
Shelby (FDIC)
Waccamaw Bank & Trust Company
Whiteville (FDIC)
Wachovia Bank and Trust Company
Winston-Salem (FRB)

Ohio

Bank of Wood County Company, The
Bowling Green (FRB)
Barberton State Bank, The
Barberton (FDIC)
Central Trust Company, The
Cincinnati (FRB)
Chardon Savings Bank Company, The
Chardon (FRB)
City Bank, The
Kent (FDIC)
Cleveland Trust Company, The
Cleveland (FRB)
Dollar Savings and Trust Company, The
Youngstown (FRB)
Farmers Savings and Trust Company, The
Mansfield (FRB)
Fifth Third Union Trust Company, The
Cincinnati (FRB)
Harter Bank & Trust Company, The
Canton (FRB)
Lorain County Savings and Trust Company, The
Elyria (FRB)
Ohio Citizens Trust Company, The
Toledo (FRB)
Richland Trust Company, The
Mansfield (FRB)
Sylvania Savings Bank Company, The
Sylvania (FRB)
Toledo Trust Company, The
Toledo (FRB)
Union Commerce Bank, The
Cleveland (FRB)
Union Savings & Trust Co., The
Warren (FRB)

Pennsylvania

American Bank and Trust Co. of Pa.
Reading (FDIC)
Bank of Hanover and Trust Company
Hanover (FDIC)

Beaver Trust Company
Beaver (FRB)
Brookline Savings & Trust Company
Pittsburgh (FDIC)
Bryn Mawr Trust Company, The
Bryn Mawr (FDIC)
Bucks County Bank and Trust Company
Perkasie (FDIC)
Commercial Bank & Trust Company
Pittsburgh (FDIC)
Community Bank and Trust Company
Paoli (FRB)
Continental Bank and Trust Company
Norristown (FDIC)
Dauphin Deposit Trust Company
Harrisburg (FDIC)
Economy Bank of Ambridge
Ambridge (FRB)
Farmers and Merchants Trust Company of
Chambersburg
Chambersburg (FDIC)
Fidelity Bank, The
Philadelphia (FRB)
Fidelity Deposit & Discount Bank, The
Dunmore (FDIC)
First Pennsylvania Banking and Trust Com-
pany, The
Philadelphia (FRB)
First Seneca Bank and Trust Company
Oil City (FDIC)
Frankford Trust Company
Philadelphia (FDIC)
Girard Trust Bank
Philadelphia (FRB)
Industrial Valley Bank and Trust Company
Jenkintown (Philadelphia) (FDIC)
Johnstown Bank and Trust Company
Johnstown (FDIC)
Keystone Bank
Lower Burrell (FDIC)
Lincoln Bank and Trust Company
Jefferson Borough (FDIC)
Mid-State Bank and Trust Company
Altoona (FDIC)
Monroe Security Bank & Trust Company
Stroudsburg (FDIC)
Northern Central Bank and Trust Company
Williamsport (FRB)
Northwest Pennsylvania Bank & Trust Co.
Oil City (FDIC)

Pennsylvania (Continued)

Pennsylvania Bank and Trust Company, The
Titusville (FDIC)
Peoples Bank of Glen Rock
Glen Rock—exemption granted until
April 1968 (FRB)
Peoples Safe Deposit Bank, St. Clair
St. Clair (FDIC)
Peoples Trust City Bank
Reading (FDIC)
Peoples Union Bank and Trust Company
McKeesport (FRB)
Reading Trust Company
Reading (FDIC)
St. Clair Deposit Bank of Pittsburgh
Pittsburgh (FRB)
Security-Peoples Trust Company
Erie (FRB)
South Side Bank & Trust Company
Scranton (FDIC)
Susquehanna Valley Bank and Trust Company
Sunbury (FDIC)
Union Bank and Trust Company of
Eastern Pennsylvania
Bethlehem (FDIC)
Union Bank & Trust Co., Erie
Erie (FDIC)
Valley Trust Company of Palmyra, Pa., The
Palmyra (FDIC)
York Bank and Trust Company, The
York (FDIC)

Puerto Rico

Banco Credito y Ahorro Ponceno
Ponce (FDIC)
Banco de Ponce
Ponce (FDIC)
Banco Popular de Puerto Rico
Hato Rey (FDIC)

Rhode Island

Plantations Bank of Rhode Island
Providence (FDIC)
Rhode Island Hospital Trust Company
Providence (FRB)

South Carolina

Bank of Orangeburg
Orangeburg (FDIC)
Carolina Bank & Trust Company of Charleston,
The
Charleston (FDIC)

Southern Bank and Trust Company
Greenville (FDIC)
Spartanburg Bank and Trust Company
Spartanburg (FDIC)
State Bank & Trust Company
Columbia (Greenwood) (FDIC)

Tennessee

Capital City Bank
Nashville (FDIC)
Commerce Union Bank
Nashville (FRB)
Volunteer-State Bank
Knoxville (FDIC)

Texas

Bank of Services & Trusts
Dallas (FDIC)
Downtown Bank
Houston (FDIC)
First Pasadena State Bank
Pasadena (FDIC)
Preston State Bank
Dallas (FDIC)
Texas Bank and Trust Company of Dallas
Dallas (FRB)

Utah

Valley Bank and Trust Company
Salt Lake City (FDIC)

Vermont

Chittenden Trust Company
Burlington (FDIC)
Citizens Savings Bank and Trust Company
St. Johnsbury (FDIC)
Montpelier Savings Bank and Trust Company
Montpelier (FDIC)
Vermont Bank and Trust Company, The
Brattleboro (FDIC)

Virginia

Citizens Bank and Trust Company of
Charlottesville
Charlottesville (FDIC)
Farmers and Merchants Bank of Timberville,
Inc.
Timberville (FDIC)
Mountain Trust Bank
Roanoke (FRB)
Southern Bank and Trust Company
Richmond (FRB)

Washington

American Commercial Bank
Spokane (FDIC)

North West Bank
Seattle (FDIC)

Seattle Trust & Savings Bank
Seattle (FRB)

West Virginia

Wheeling Dollar Savings & Trust Company
Wheeling (FRB)

Wisconsin

Bank of Madison
Madison (FDIC)

Citizens Bank of Sheboygan
Sheboygan (FRB)

DEATH ON BOARD'S STAFF

Charles A. Yager, a member of the staff of the Board of Governors since 1952, died on September 20, 1967. Mr. Yager had recently returned to the Board from Paris, France. On loan to the Organi-

zation for Economic Cooperation and Development, he had served as the Director of Statistics and National Accounts since February 1964. At the time of his death, Mr. Yager was an Associate Adviser in the Division of International Finance.

National Summary of Business Conditions

Released for publication October 16

Industrial production and factory employment declined in September partly as a result of work stoppages. The value of retail sales rose slightly further and prices of industrial products generally showed advances. Bank credit, time deposits, and the money supply showed less increase than earlier in the quarter. Yields on public and corporate securities generally rose further by mid-October.

INDUSTRIAL PRODUCTION

The index of industrial production was 156.3 per cent of the 1957-59 average in September, influenced by the direct and indirect effects of work stoppages in the auto, copper, and steel transportation industries. The September total was 1.5 points below the downward revised August rate of output. Output of ordnance and other defense equipment continued to expand in September. Appliances and TV set production showed little further change following a sharp recovery earlier from work stoppages and inventory liquidation.

Auto assemblies, which reached a seasonally adjusted annual rate of 8.4 million units in August, were curtailed to 6.8 million units in September. Reflecting partly the lowered rate of capacity

utilization, output of industrial equipment has fallen off somewhat further since June and total business equipment has shown little change.

Output of steel and some other industrial materials was reduced in September by work stoppages. As a result of the improved Mid-East supply, the curtailment of domestic crude oil output continued in the first week of October.

EMPLOYMENT

Employment in nonfarm establishments declined by 115,000 in September as work stoppages contributed to a net reduction in manufacturing employment of 180,000. This decline was only partially offset in the total by a net rise of 65,000 in nonmanufacturing activities. The average factory workweek continued to change little but was about 2 per cent shorter than a year earlier. Employment gains continued in private service industries and were resumed in retail trade, but strikes of teachers in some cities temporarily reduced local government employment. The unemployment rate rose to 4.1 per cent from 3.8 per cent in August, reflecting a sharp rise in the number of women entering the labor force.

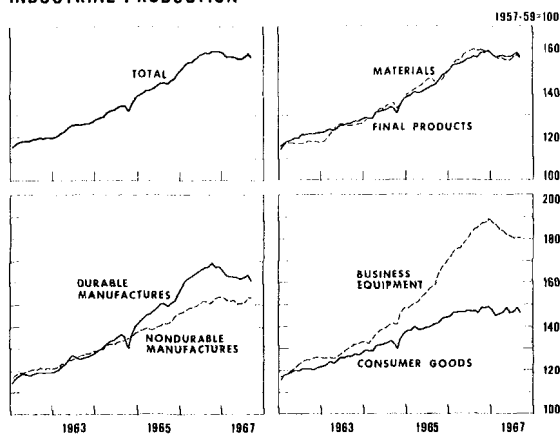
DISTRIBUTION

The value of retail sales edged up further in September and remained 4 per cent above a year earlier, according to advance Census estimates. The September increase reflected mainly a 2 per cent rise in sales at durable goods stores as a result partly of the earlier introduction of new model autos and at higher prices. The level of retail sales at nondurable goods stores was about unchanged.

COMMODITY PRICES

There were widespread increases in prices of intermediate products and various consumer items including new autos and appliances in September and in early October. Prices of speculative commodities meanwhile generally continued to change little, and lumber and plywood reversed part of their earlier run-up as supplies improved. Prices

INDUSTRIAL PRODUCTION



F.R. indexes, seasonally adjusted. Latest figures shown are for September.

of farm products declined somewhat further reflecting mainly decreases in feed grains and hogs.

BANK CREDIT, DEPOSITS, AND RESERVES

Commercial bank credit expanded \$2.2 billion in September—much less rapidly than over the preceding two months but close to the strong average rate of the first half year. In contrast to the large security acquisitions in July and August, banks reduced slightly their holdings of Treasury issues in September and added only modestly to portfolios of other securities. Total loans rose \$2 billion over the month—only slightly below the average July-August increase—with business loan growth continuing modest for the second consecutive month.

The money supply showed little further rise in September, resulting in a third-quarter annual rate of increase of 7.0 per cent, about the same as that over the first half of the year. Time and savings deposits rose \$1.7 billion, about one-third less than the unusually large increase in August. U.S. Government deposits continued to rise on balance.

Total and required reserves increased somewhat

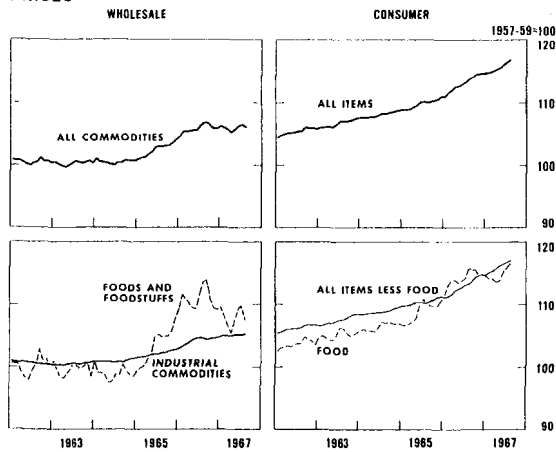
further. Net free reserves dropped slightly to an average of about \$250 million over the four statement weeks ending September 27, as a small decline in excess reserves exceeded that in borrowings.

SECURITY MARKETS

Over the past month yields have risen in all maturity areas of the U.S. Government securities market. At mid-October, yields were about 4.60 per cent on 3-month Treasury bills, 5.50 per cent on some intermediate-term issues, and 5.25 per cent on long-term bonds. Recent issues of short- and intermediate-term Federal Agency obligations have been marketed at yields ranging from 5.50 per cent to 5.88 per cent.

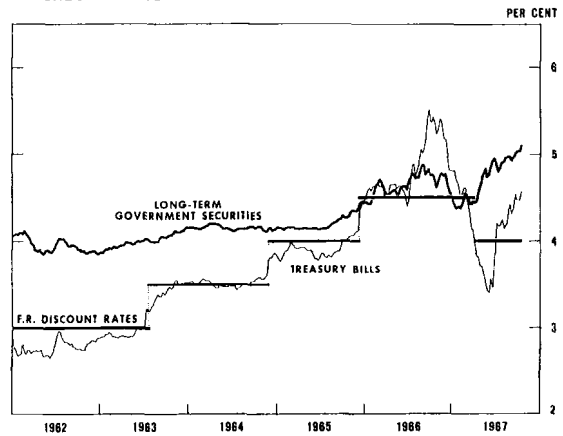
Yields on corporate and municipal bonds have advanced fairly steadily since mid-September; new issue yields have advanced especially sharply, and are currently at levels clearly above those reached last year. In heavy trading volume, common stock prices also moved up to all-time highs near the end of September, but since then have fluctuated within a narrow range.

PRICES



Bureau of Labor Statistics indexes. Latest figures shown are for August.

INTEREST RATES



Discount rate, range or level for all F.R. Banks. Weekly average market yields for U.S. Govt. bonds maturing in 10 years or more and for 90-day Treasury bills. Latest figures shown, week ending Oct. 13.

Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

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

GENERAL INFORMATION

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

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

“U.S. Govt. securities” may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. “State and local gov’t.” also includes municipalities, special districts, and other political subdivisions.

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

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

LIST OF TABLES PUBLISHED QUARTERLY, SEMIANNUALLY, OR ANNUALLY, WITH LATEST BULLETIN REFERENCE

<i>Quarterly</i>	<i>Issue</i>	<i>Page</i>	<i>Annually—Continued</i>	<i>Issue</i>	<i>Page</i>
Flow of funds	Sept. 1967	1814-23	Banking and monetary statistics, 1966	Mar. 1967 July 1967	456-70 1236-39
<i>Semiannually</i>			Banks and branches, number of, by class and State	Apr. 1967	658-59
Banking offices: Analysis of changes in number of	Aug. 1967	1438	Flow of funds (assets and liabilities)	Oct. 1966	1536-46
On, and not on, Federal Reserve Par List, number of	Aug. 1967	1439	Income and expenses: Federal Reserve Banks	Feb. 1967	308-09
<i>Annually</i>			Member banks: Calendar year	May 1967	862-70
Bank holding companies: List of, Dec. 31, 1966	June 1967	1042	Operating ratios	Apr. 1967	660-62
Banking offices and deposits of group banks, Dec. 31, 1966	Aug. 1967	1440	Insured commercial banks	Sept. 1967	1646
			Stock exchange firms, detailed debit and credit balances	Sept. 1967	1647

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United States

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The data for F.R. Banks and member banks and for consumer credit are derived from regular reports made to the Board; production indexes are compiled by the Board on the basis of data collected by other agencies; and flow of funds figures are compiled on the basis of materials from a combination of sources, including the Board. Figures for gold stock, currency, Fed-

eral finance, and Federal credit agencies are obtained from Treasury statements. The remaining data are obtained largely from other sources. For many of the banking and monetary series back data and descriptive text are available in *Banking and Monetary Statistics* and its *Supplements* (see list of publications at end of the BULLETIN).

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

(In millions of dollars)

Period or date	Factors supplying reserve funds										Factors absorbing reserve funds									
	F.R. Bank credit outstanding										Deposits, other than member bank reserves, with F.R. Banks							Member bank reserves		
	U.S. Govt. securities ¹			Dis-counts and ad-vances	Float ²	To-tal ³	Gold stock	Treas-ury cur-rency out-standing	Cur-rency in cir-culation	Treas-ury cash hold-ings	with F.R. Banks			Other F.R. ac-counts	Member bank reserves		Total			
	Total	Bought out-right	Repur-chase agree-ments								Treas-ury	For-ign	Other ²		With F.R. Banks	Cur-rency and coin ⁴				
Averages of daily figures																				
1929—June	179	179		978	61	1,317	4,024	2,018	4,400	210	30	30	376	2,314		2,314				
1933—June	1,933	1,933		250	12	2,208	4,030	2,295	5,455	272	81	164	350	2,211		2,211				
1939—Dec.	2,510	2,510		8	83	2,612	17,518	2,956	7,609	2,402	616	739	248	11,473		11,473				
1941—Dec.	2,219	2,219		5	170	2,404	22,759	3,239	10,985	2,189	592	1,531	292	12,812		12,812				
1945—Dec.	23,708	23,708		381	652	24,744	20,047	4,322	28,452	2,269	625	1,247	493	16,027		16,027				
1950—Dec.	20,345	20,336	9	142	1,117	21,606	22,879	4,629	27,806	1,290	615	920	353	17,391		17,391				
1956—Dec.	24,765	24,498	267	706	1,633	27,156	21,942	5,064	31,775	772	463	372	247	998	19,535	19,535				
1957—Dec.	23,982	23,615	367	716	1,443	26,186	22,769	5,144	31,932	768	385	345	186	1,063	19,420	19,420				
1958—Dec.	26,312	26,216	96	564	1,496	28,412	20,563	5,230	32,371	691	470	262	337	1,174	18,899	18,899				
1959—Dec.	27,036	26,993	43	911	1,426	29,435	19,482	5,311	32,775	396	524	361	348	1,195	18,628	304 18,932				
1960—Dec.	27,248	27,170	78	94	1,665	29,060	17,954	5,396	33,019	408	522	250	495	1,029	16,688	2,595 19,283				
1961—Dec.	29,098	29,061	37	152	1,921	31,217	16,920	5,587	33,954	422	514	229	244	1,112	17,259	2,859 20,118				
1962—Dec.	30,546	30,474	72	305	2,298	33,218	15,978	5,561	35,281	398	587	222	290	1,048	16,932	3,108 20,040				
1963—Dec.	33,729	33,626	103	360	2,434	36,610	15,562	5,583	37,603	389	879	160	206	1,215	17,303	3,443 20,746				
1964—Dec.	37,126	36,895	231	266	2,423	39,873	15,388	5,401	39,698	595	944	181	186	1,093	17,964	3,645 21,609				
1965—Dec.	40,885	40,772	113	490	2,349	43,853	13,799	5,565	42,206	808	683	154	231	389	18,747	3,972 22,719				
1966—Sept.	42,735	42,725	10	774	2,074	45,631	13,258	6,072	42,991	1,078	869	131	407	217	19,268	3,972 23,240				
Oct.	42,837	42,817	20	749	1,949	45,604	13,257	6,138	43,122	1,121	758	145	439	5	19,409	3,924 23,333				
Nov.	43,347	43,165	182	626	2,029	46,087	13,251	6,214	43,748	1,173	682	152	429	143	19,225	4,026 23,251				
Dec.	43,760	43,274	486	570	2,383	46,864	13,158	6,284	44,579	1,191	291	164	429	83	19,568	4,262 23,830				
1967—Jan.	44,066	43,847	219	389	2,215	46,802	13,158	6,350	43,957	1,225	566	153	442	203	19,765	4,305 24,070				
Feb.	44,215	43,915	300	362	1,875	46,587	13,144	6,409	43,525	1,252	609	136	448	496	19,675	4,034 23,709				
Mar.	44,620	44,351	269	200	1,606	46,524	13,108	6,473	43,673	1,297	505	136	443	647	19,404	4,001 23,405				
Apr.	45,082	44,942	140	155	1,540	46,902	13,108	6,530	43,812	1,356	860	125	463	559	19,365	3,997 23,362				
May	45,699	45,481	218	126	1,374	47,323	13,108	6,576	44,083	1,392	990	137	450	692	19,263	4,021 23,284				
June	45,844	45,801	43	147	1,459	47,547	13,108	6,602	44,567	1,385	715	128	464	609	19,388	4,130 23,518				
July	46,807	46,784	23	91	1,584	48,590	13,109	6,615	44,997	1,480	1,123	128	482	373	19,730	4,177 23,907				
Aug.	46,612	46,558	54	89	1,423	48,210	13,053	6,665	45,011	1,488	1,036	128	453	212	19,600	4,191 23,791				
Sept.	46,398	46,377	21	90	1,571	48,147	13,007	6,739	45,188	1,494	566	127	472	65	19,980	4,224 24,204				
Week ending—																				
1966																				
Sept. 7	42,977	42,977		751	1,754	45,531	13,258	6,050	42,982	1,063	988	127	410	286	18,981	3,688 22,669				
14	42,936	42,895	41	893	1,914	45,791	13,258	6,069	43,228	1,071	835	125	409	234	19,218	4,013 23,231				
21	42,525	42,525		782	2,485	45,841	13,257	6,074	43,000	1,084	622	128	403	168	19,767	3,984 23,751				
28	42,493	42,493		662	2,197	45,399	13,257	6,086	42,804	1,092	1,032	138	401	218	19,056	4,077 23,133				
Oct. 5	42,999	42,989	10	843	1,825	45,722	13,258	6,106	42,878	1,091	693	146	442	88	19,748	3,866 23,614				
12	42,969	42,969		947	1,880	45,891	13,258	6,121	43,228	1,099	680	157	445	92	19,570	3,788 23,358				
19	42,521	42,521		805	2,155	45,532	13,256	6,145	43,267	1,120	706	148	439	-56	19,309	4,009 23,318				
26	42,794	42,715	79	533	2,043	45,440	13,256	6,154	43,088	1,138	924	127	432	-45	19,187	4,080 23,267				
Nov. 2	43,019	42,958	61	610	1,770	45,472	13,257	6,167	43,089	1,154	805	156	435	-33	19,290	4,090 23,380				
9	43,474	43,281	193	661	1,890	46,100	13,258	6,185	43,406	1,163	740	162	435	17	19,620	3,735 23,355				
16	43,415	43,265	150	726	1,951	46,165	13,259	6,212	43,765	1,168	714	130	452	59	19,347	4,007 23,354				
23	42,977	42,959	18	455	2,450	45,967	13,257	6,230	43,876	1,180	707	148	409	258	18,875	4,048 22,923				
30	43,527	43,171	356	650	1,902	46,191	13,230	6,241	44,106	1,184	556	162	417	279	18,958	4,268 23,226				
Dec. 7	43,792	43,312	480	462	2,014	46,399	13,158	6,252	44,210	1,188	452	162	415	255	19,126	4,062 23,188				
14	43,597	43,264	333	668	2,032	46,407	13,158	6,283	44,603	1,199	127	181	412	63	19,262	4,256 23,518				
21	43,492	43,126	366	485	2,671	46,808	13,158	6,291	44,675	1,188	203	155	416	32	19,588	4,304 23,892				
28	43,947	43,263	684	559	2,777	47,468	13,159	6,297	44,773	1,191	352	154	425	52	19,977	4,188 24,165				
1967																				
Jan. 4	44,230	43,697	533	566	2,493	47,491	13,159	6,311	44,670	1,194	375	167	529	-92	20,116	4,546 24,662				
11	44,553	44,000	553	586	2,217	47,563	13,159	6,344	44,445	1,214	510	143	435	150	20,168	4,331 24,499				
18	43,937	43,797	140	218	2,111	46,384	13,158	6,348	44,004	1,221	565	149	445	209	19,298	4,363 23,661				
25	43,940	43,906	34	538	2,026	46,581	13,158	6,360	43,567	1,234	699	174	410	307	19,709	4,280 23,989				
Feb. 1	43,698	43,698		176	2,267	46,216	13,159	6,375	43,343	1,242	598	138	431	344	19,654	4,255 23,909				
8	44,133	43,928	205	354	2,017	46,630	13,159	6,392	43,405	1,252	448	145	482	393	20,056	3,793 23,849				
15	44,244	43,987	257	456	1,920	46,747	13,159	6,402	43,614	1,260	704	141	436	423	19,729	3,997 23,726				
22	44,337	43,844	493	477	1,855	46,811	13,144	6,420	43,568	1,252	686	128	434	588	19,720	4,093 23,813				

For notes see opposite page.

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

(In millions of dollars)

Period or date	Factors supplying reserve funds								Factors absorbing reserve funds								
	F.R. Bank credit outstanding					Gold stock	Treasury currency outstanding	Currency in circulation	Treasury cash holdings	Deposits, other than member bank reserves, with F.R. Banks			Other F.R. accounts	Member bank reserves			
	Total	Bought out-right	Repurchase agreements ¹	Discounts and advances	Float ²					Total ³	Treasury	Foreign		Other ²	With F.R. Banks	Currency and coin ⁴	Total
Averages of daily figures																	
Week ending—																	
1967																	
Mar. 1	44,187	43,942	245	167	1,676	46,183	13,108	6,433	43,540	1,253	579	127	444	615	19,166	4,257	23,423
8	44,550	44,276	274	202	1,553	46,451	13,109	6,447	43,571	1,271	451	132	435	720	19,427	3,760	23,187
15	44,563	44,192	371	173	1,465	46,271	13,107	6,463	43,753	1,283	244	135	454	674	19,296	3,986	23,282
22	44,717	44,378	339	302	1,858	46,947	13,108	6,483	43,718	1,304	592	137	436	604	19,747	3,945	23,692
29	44,659	44,529	130	138	1,577	46,480	13,108	6,496	43,674	1,324	656	137	447	598	19,247	4,082	23,329
Apr. 5	45,012	44,759	253	193	1,361	46,677	13,108	6,503	43,680	1,328	658	130	454	648	19,390	3,999	23,389
12	45,013	44,840	173	165	1,463	46,763	13,108	6,517	43,914	1,340	612	135	465	634	19,289	3,873	23,162
19	44,929	44,888	41	199	1,791	47,024	13,109	6,529	43,894	1,360	795	120	465	506	19,520	4,060	23,580
26	45,142	45,098	44	123	1,493	46,888	13,108	6,553	43,754	1,382	1,087	119	469	511	19,227	4,158	23,385
May 3	45,597	45,295	302	159	1,441	47,369	13,109	6,566	43,799	1,383	1,201	127	461	503	19,570	4,053	23,623
10	45,929	45,469	460	88	1,384	47,567	13,109	6,567	44,015	1,396	1,050	143	463	539	19,636	3,776	23,413
17	45,543	45,243	300	148	1,512	47,326	13,108	6,579	44,136	1,404	952	121	455	606	19,341	4,045	23,386
24	45,530	45,530	.....	75	1,532	47,241	13,109	6,568	44,073	1,391	1,068	121	442	841	18,982	4,099	23,081
31	45,726	45,657	69	127	1,150	47,081	13,109	6,592	44,198	1,378	872	158	439	854	18,883	4,176	23,059
June 7	45,955	45,869	86	102	1,321	47,478	13,109	6,590	44,438	1,380	734	131	459	835	19,200	3,976	23,176
14	45,596	45,596	.....	68	1,380	47,118	13,108	6,598	44,600	1,380	471	131	450	609	19,183	4,030	23,213
21	45,654	45,587	67	116	1,708	47,552	13,108	6,608	44,598	1,393	520	121	450	525	19,661	4,106	23,767
28	45,940	45,924	16	165	1,408	47,642	13,108	6,610	44,574	1,378	968	126	490	530	19,293	4,254	23,547
July 5	46,809	46,755	54	366	1,231	48,543	13,110	6,614	44,856	1,464	1,088	148	508	360	19,841	4,043	23,884
12	47,158	47,101	57	74	1,704	49,097	13,110	6,610	45,256	1,479	1,073	134	484	470	19,921	4,145	24,066
19	46,471	46,471	.....	53	1,847	48,455	13,109	6,603	45,085	1,477	1,021	128	484	380	19,592	4,297	23,889
26	46,715	46,715	.....	54	1,632	48,479	13,109	6,616	44,864	1,485	1,188	116	468	368	19,716	4,305	24,021
Aug. 2	46,833	46,833	.....	119	1,439	48,470	13,094	6,632	44,849	1,473	1,390	115	464	250	19,655	4,319	23,974
9	46,931	46,804	127	91	1,385	48,536	13,057	6,642	44,985	1,480	920	128	457	226	20,038	3,922	23,960
16	46,716	46,604	112	129	1,367	48,292	13,057	6,656	45,135	1,486	1,007	126	471	198	19,583	4,180	23,763
23	46,504	46,504	.....	47	1,614	48,238	13,058	6,674	45,020	1,497	1,021	133	442	257	19,602	4,171	23,773
30	46,249	46,249	.....	46	1,290	47,651	13,044	6,693	44,918	1,495	1,076	121	443	183	19,151	4,324	23,475
Sept. 6	46,693	46,600	93	79	1,410	48,247	13,008	6,714	45,131	1,495	697	133	471	110	19,932	3,993	23,925
13	46,207	46,207	.....	70	1,544	47,880	13,007	6,726	45,398	1,483	202	126	491	103	19,810	4,229	24,039
20	46,055	46,055	.....	106	1,754	47,971	13,007	6,739	45,223	1,487	362	126	473	24	20,021	4,286	24,307
27	46,452	46,452	.....	74	1,530	48,193	13,006	6,759	45,044	1,502	927	129	454	37	19,865	4,345	24,210
End of month																	
1967																	
July	46,804	46,804	.....	41	677	47,600	13,108	6,633	44,866	1,449	1,340	117	476	214	18,877	3,990	22,867
Aug.	46,555	46,555	.....	36	1,707	48,363	13,008	6,698	45,071	1,476	1,051	144	449	88	19,789	4,812	24,601
Sept.	46,916	46,916	.....	74	1,714	48,860	13,006	6,769	45,023	1,502	778	117	491	38	20,686	4,933	24,619
Wednesday																	
1967																	
Aug. 2	46,804	46,804	.....	512	1,359	48,756	13,059	6,634	44,943	1,485	1,323	127	475	219	19,877	4,518	24,395
9	46,804	46,804	.....	261	1,225	48,420	13,059	6,642	45,164	1,495	917	116	467	221	19,741	4,376	24,117
16	46,604	46,604	.....	255	1,502	48,438	13,059	6,658	45,162	1,507	971	128	465	234	19,689	4,551	24,240
23	46,504	46,504	.....	47	1,320	47,942	13,059	6,683	45,026	1,492	1,136	133	437	221	19,239	4,634	23,873
30	46,169	46,169	.....	60	1,212	47,506	13,009	6,704	45,054	1,508	1,328	116	452	108	18,653	4,817	23,470
Sept. 6	47,061	46,607	454	139	1,568	48,830	13,009	6,717	45,412	1,496	111	164	457	133	20,783	4,241	25,024
13	45,885	45,885	.....	38	1,522	47,503	13,009	6,730	45,441	1,485	276	124	493	11	19,412	4,796	24,208
20	46,055	46,055	.....	320	1,617	48,046	13,009	6,739	45,191	1,498	713	125	459	26	19,781	4,712	24,493
27	46,702	46,702	.....	171	1,328	48,361	13,009	6,760	45,109	1,523	711	159	450	47	20,132	4,822	24,954

¹ U.S. Govt. securities include Federal agency obligations.
² Beginning with 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p 164.
³ Includes industrial loans and acceptances, when held (industrial loan program discontinued Aug. 21, 1959). For holdings of acceptances

on Wed and end-of-month dates, see subsequent tables on F.R. Banks. See also note 2.
⁴ Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning with Jan. 1963, figures are estimated except for weekly averages.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Reserve city banks									
	Reserves			Borrowings at F.R. Banks	Free re-serves	New York City					City of Chicago				
	Total held	Re-quired	Excess			Reserves			Borrowings at F.R. Banks	Free re-serves	Reserves			Borrowings at F.R. Banks	Free re-serves
				Total held	Re-quired	Excess	Total held	Re-quired			Excess				
1929—June	2,314	2,275	42	974	-932	762	755	7	174	-167	161	161	1	63	-62
1933—June	12,160	1,797	363	184	179	861	792	69	.....	69	211	133	78	.....	78
1939—Dec.	11,473	6,462	5,011	3	5,008	5,623	3,012	2,611	.....	2,611	1,141	601	540	.....	540
1941—Dec.	12,812	9,422	3,390	5	3,385	5,142	4,153	989	.....	989	1,143	848	295	.....	295
1945—Dec.	16,027	14,536	1,491	334	1,157	4,118	4,070	48	192	-144	939	924	14	.....	14
1947—Dec.	17,261	16,275	986	224	762	4,404	4,299	105	38	67	1,024	1,011	13	.....	7
1950—Dec.	17,391	16,364	1,027	142	885	4,742	4,616	125	58	67	1,199	1,191	8	.....	3
1956—Dec.	19,535	18,883	652	688	-36	4,448	4,392	57	147	-91	1,149	1,138	12	97	-86
1957—Dec.	19,420	18,843	577	710	-133	4,336	4,303	34	139	-105	1,136	1,127	8	85	-77
1958—Dec.	18,899	18,383	516	557	-41	4,033	4,010	23	102	-81	1,077	1,070	7	39	-31
1959—Dec.	18,932	18,450	482	906	-424	3,920	3,930	-10	99	-109	1,038	1,038	.....	104	-104
1960—Dec.	19,283	18,527	756	87	669	3,687	3,658	29	19	10	958	953	4	8	-4
1961—Dec.	20,118	19,550	568	149	419	3,834	3,826	7	57	-50	987	987	.....	22	-22
1962—Dec.	20,040	19,468	572	304	268	3,863	3,817	46	108	-62	1,042	1,035	7	18	-11
1963—Dec.	20,746	20,210	536	327	209	3,951	3,895	56	37	19	1,056	1,051	5	26	-21
1964—Dec.	21,609	21,198	411	243	168	4,083	4,062	21	35	-14	1,083	1,086	-3	28	-31
1965—Dec.	22,719	22,267	452	454	-2	4,301	4,260	41	111	-70	1,143	1,128	15	23	-8
1966—Sept.	23,240	22,842	398	766	-368	4,454	4,424	30	123	-93	1,122	1,117	5	69	-64
Oct.	23,333	23,031	302	733	-431	4,438	4,435	3	127	-124	1,112	1,109	3	98	-95
Nov.	23,251	22,862	389	611	-222	4,339	4,299	40	111	-71	1,079	1,077	2	26	-24
Dec.	23,830	23,438	392	557	-165	4,583	4,556	27	122	-95	1,119	1,115	4	54	-50
1967—Jan.	24,075	23,702	373	389	-16	4,594	4,571	23	69	-46	1,164	1,136	28	151	-123
Feb.	23,709	23,351	358	362	-4	4,557	4,511	46	113	-67	1,099	1,117	-18	46	-64
Mar.	23,405	22,970	435	199	236	4,612	4,608	4	72	-68	1,133	1,122	11	26	-15
Apr.	23,362	23,053	309	134	175	4,644	4,613	31	41	-10	1,131	1,140	-9	11	-20
May	23,284	22,914	370	101	269	4,614	4,583	31	19	12	1,133	1,127	6	5	-1
June	23,518	23,098	420	123	297	4,701	4,664	37	30	7	1,150	1,138	12	15	-3
July	23,907	23,548	359	87	272	4,787	4,749	38	18	20	1,152	1,162	-10	5	-15
Aug.	^p 23,785	^p 23,406	^p 379	89	^p 290	^p 4,633	^p 4,619	^p 14	8	^p 6	^p 1,153	^p 1,148	^p 5	1	^p 4
Sept.	^p 24,204	^p 23,839	^p 365	90	^p 275	^p 4,797	^p 4,747	^p 50	11	^p 39	^p 1,172	^p 1,169	^p 3	.....	^p 3
Week ending—															
1966—Sept. 7	22,669	22,332	337	749	-412	4,249	4,237	12	21	-9	1,098	1,101	-3	61	-64
14	22,231	22,727	504	888	-384	4,438	4,349	89	110	-21	1,119	1,103	16	135	-119
21	23,751	23,159	592	771	-179	4,528	4,528	.....	159	-159	1,141	1,141	.....	46	-46
28	23,133	23,066	67	650	-583	4,578	4,539	39	161	-122	1,124	1,123	1	48	-47
1967—Feb. 1	23,909	23,569	340	176	164	4,654	4,592	62	3	59	1,205	1,159	46	94	-48
8	23,849	23,560	289	353	-64	4,591	4,579	12	65	-53	1,141	1,144	-3	60	-63
15	23,726	23,308	418	456	-38	4,503	4,469	34	154	-120	1,105	1,096	9	113	-104
22	23,813	23,230	583	477	106	4,501	4,470	31	228	-197	1,105	1,105	.....	6	-6
Mar. 1	23,423	23,264	159	167	-8	4,559	4,518	41	4	37	1,120	1,111	9	4	5
8	23,187	22,828	359	202	157	4,499	4,512	-13	13	-26	1,092	1,085	7	8	-1
15	23,282	22,910	372	173	199	4,531	4,500	31	64	-33	1,088	1,084	4	8	-4
22	23,692	23,125	567	302	265	4,789	4,753	36	197	-161	1,164	1,166	-2	7	-9
29	23,329	22,944	385	135	250	4,705	4,649	56	.....	56	1,160	1,152	8	92	-84
Apr. 5	23,389	22,942	447	180	267	4,646	4,628	18	97	-79	1,138	1,145	-7	.....	-7
12	23,162	22,936	226	145	81	4,521	4,515	6	49	-43	1,137	1,127	10	27	-17
19	23,580	23,102	478	178	300	4,586	4,584	2	64	-62	1,129	1,134	-5	.....	-5
26	23,385	23,139	246	98	148	4,693	4,666	27	.....	27	1,133	1,133	.....	18	-18
May 3	23,623	23,218	405	134	271	4,788	4,759	29	39	-10	1,171	1,172	-1	21	-22
10	23,413	23,084	329	63	266	4,684	4,620	64	21	43	1,153	1,147	6	.....	6
17	23,386	22,982	404	123	281	4,585	4,575	10	36	-26	1,123	1,127	-4	.....	-4
24	23,081	22,754	327	50	277	4,555	4,531	24	.....	24	1,108	1,094	14	.....	14
31	23,059	22,678	381	102	279	4,551	4,511	40	.....	40	1,126	1,122	4	.....	4
June 7	23,176	22,845	331	77	254	4,592	4,563	29	7	22	1,139	1,134	5	.....	5
14	23,213	22,858	355	43	312	4,565	4,551	14	.....	14	1,103	1,101	2	.....	2
21	23,767	23,506	261	91	170	4,874	4,865	9	27	-18	1,157	1,159	-2	9	-11
28	23,547	23,116	431	141	290	4,677	4,663	14	.....	14	1,156	1,150	6	2	4
July 5	23,884	23,422	462	353	109	4,921	4,801	120	173	-53	1,191	1,185	6	77	-71
12	24,066	23,423	643	69	574	4,780	4,719	61	.....	61	1,148	1,143	5	.....	5
19	23,889	23,653	236	51	185	4,773	4,742	31	.....	31	1,141	1,138	3	.....	3
26	24,021	23,589	432	54	378	4,735	4,727	8	.....	8	1,179	1,170	9	.....	9
Aug. 2	23,974	23,679	295	116	179	4,800	4,778	22	28	-6	1,189	1,183	6	2	4
9	23,960	23,589	371	91	280	4,699	4,684	15	1	14	1,177	1,173	4	.....	4
16	23,763	23,381	382	129	253	4,593	4,578	15	6	9	1,135	1,134	1	3	-2
23	23,773	23,300	473	47	426	4,590	4,577	13	.....	13	1,150	1,140	10	.....	10
30	23,475	23,215	260	46	214	4,588	4,565	23	.....	23	1,130	1,129	1	.....	1
Sept. 6	23,925	23,593	332	79	253	4,701	4,671	30	21	9	1,172	1,161	11	.....	11
13	24,039	23,653	386	70	316	4,664	4,630	34	.....	34	1,147	1,132	15	.....	15
20	^p 24,307	^p 23,893	^p 414	106	^p 308	^p 4,782	^p 4,756	^p 25	21	^p 4	^p 1,171	^p 1,171	^p -1	.....	^p -1
27	^p 24,210	^p 24,005	^p 205	74	^p 131	^p 4,858	^p 4,839	^p 18	.....	^p 18	^p 1,202	^p 1,194	^p 8	.....	^p 8

For notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS—Continued

(In millions of dollars)

Period	Other reserve city banks					Country banks				
	Reserves			Borrowings at F.R. Banks	Free reserves	Reserves			Borrowings at F.R. Banks	Free reserves
	Total held	Required	Excess			Total held	Required	Excess		
1929—June	761	749	12	409	-397	632	610	22	327	-305
1933—June	648	528	120	58	62	441	344	96	126	-30
1939—Dec.	3,140	1,953	1,188	.....	1,188	1,568	897	671	3	668
1941—Dec.	4,317	3,014	1,303	1	1,302	2,210	1,406	804	4	800
1945—Dec.	6,394	5,976	418	96	322	4,576	3,566	1,011	46	965
1947—Dec.	6,861	6,589	271	123	148	4,972	4,375	597	57	540
1950—Dec.	6,689	6,458	232	50	182	4,761	4,099	663	29	634
1956—Dec.	8,078	7,983	96	300	-203	5,859	5,371	488	144	344
1957—Dec.	8,042	7,956	86	314	-228	5,906	5,457	449	172	277
1958—Dec.	7,940	7,883	57	254	-198	5,849	5,419	430	162	268
1959—Dec.	7,954	7,912	41	490	-449	6,020	5,569	450	213	237
1960—Dec.	7,950	7,851	100	20	80	6,689	6,066	623	40	583
1961—Dec.	8,367	8,308	59	39	20	6,931	6,429	502	31	471
1962—Dec.	8,178	8,100	78	130	-52	6,956	6,515	442	48	394
1963—Dec.	8,393	8,325	68	190	-122	7,347	6,939	408	74	334
1964—Dec.	8,735	8,713	22	125	-103	7,707	7,337	370	55	315
1965—Dec.	9,056	8,989	67	228	-161	8,219	7,889	330	92	238
1966—Sept.	9,269	9,198	71	288	-217	8,395	8,103	292	286	6
Oct.	9,344	9,311	33	279	-246	8,439	8,176	263	229	34
Nov.	9,306	9,258	48	293	-245	8,528	8,229	299	181	118
Dec.	9,509	9,449	61	220	-159	8,619	8,318	301	161	140
1967—Jan.	9,584	9,567	17	97	-80	8,732	8,428	305	72	233
Feb.	9,439	9,408	31	115	-84	8,614	8,315	299	88	211
Mar.	9,366	9,300	66	53	13	8,294	7,940	354	48	306
Apr.	9,397	9,382	15	53	-38	8,189	7,918	271	29	242
May	9,319	9,282	37	46	-9	8,219	7,922	297	31	266
June	9,381	9,314	67	34	33	8,285	7,983	302	44	258
July	9,564	9,542	22	10	12	8,403	8,095	308	54	254
Aug.	9,555	9,509	46	32	14	8,444	8,131	314	48	266
Sept.	9,650	9,622	28	32	-4	8,586	8,302	284	47	237
Week ending—										
1966—Sept. 7	9,054	9,004	50	334	-284	8,268	7,990	278	333	-55
14	9,299	9,200	99	342	-243	8,375	8,076	299	301	-2
21	9,325	9,289	36	293	-257	8,757	8,201	556	273	283
28	9,293	9,268	25	196	-171	8,137	8,136	1	245	-244
1967—Feb. 1	9,525	9,482	43	9	34	8,526	8,336	190	70	120
8	9,511	9,477	34	170	-136	8,606	8,360	246	58	188
15	9,448	9,393	55	59	-4	8,671	8,350	321	130	191
22	9,435	9,374	61	167	-106	8,771	8,281	490	76	414
Mar. 1	9,351	9,364	-13	70	-83	8,392	8,271	121	89	32
8	9,278	9,237	41	117	-76	8,318	7,994	324	64	260
15	9,315	9,277	38	40	-2	8,347	8,049	298	61	237
22	9,401	9,354	47	64	-17	8,338	7,852	486	34	452
29	9,386	9,305	81	4	77	8,079	7,838	241	39	202
Apr. 5	9,352	9,335	17	54	-37	8,253	7,834	419	29	390
12	9,415	9,374	41	43	-2	8,088	7,920	168	26	142
19	9,448	9,410	38	79	-41	8,417	7,974	443	35	408
26	9,437	9,398	39	50	-11	8,121	7,942	179	30	149
May 3	9,395	9,385	10	47	-37	8,270	7,902	368	27	341
10	9,414	9,349	65	13	52	8,162	7,968	194	29	165
17	9,344	9,319	25	57	-32	8,334	7,961	373	30	343
24	9,272	9,220	52	23	29	8,145	7,909	236	27	209
31	9,236	9,189	47	66	-19	8,146	7,856	290	36	254
June 7	9,274	9,232	42	19	23	8,171	7,916	255	51	204
14	9,260	9,227	33	8	25	8,285	7,979	306	35	271
21	9,456	9,437	19	35	-16	8,281	8,044	237	20	217
28	9,363	9,331	32	75	-43	8,352	7,973	379	64	315
July 5	9,537	9,456	81	28	53	8,235	7,980	255	75	180
12	9,506	9,460	46	11	35	8,632	8,100	532	58	474
19	9,674	9,607	67	2	65	8,302	8,165	137	49	88
26	9,608	9,582	26	11	15	8,499	8,110	389	43	346
Aug. 2	9,626	9,598	28	36	-8	8,360	8,120	240	50	190
9	9,623	9,579	44	52	-9	8,461	8,152	309	37	272
16	9,559	9,506	53	53	.....	8,476	8,163	313	67	246
23	9,492	9,467	25	3	22	8,540	8,117	423	44	379
30	9,482	9,444	38	.....	38	8,275	8,077	198	46	152
Sept. 6	9,608	9,570	38	17	21	8,443	8,191	252	41	211
13	9,592	9,560	32	19	13	8,636	8,331	305	51	254
20	9,625	9,616	9	50	p-41	8,730	8,350	p380	35	p345
27	9,667	9,661	p5	22	p-17	8,483	8,311	p171	52	p119

¹ This total excludes, and that in the preceding table includes, \$51 million in balances of unlicensed banks.

NOTE.—Averages of daily figures. Monthly data are averages of daily figures within the calendar month; they are not averages of the 4 or 5 weeks ending on Wed. that fall within the month. Beginning with Jan. 1964, reserves are estimated except for weekly averages.

Total reserves held: Based on figures at close of business through Nov. 1959; thereafter on closing figures for balances with F.R. Banks and opening figures for allowable cash; see also note 3 to preceding table.

Required reserves: Based on deposits as of opening of business each day. Borrowings at F.R. Banks: Based on closing figures.

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars unless otherwise noted)

Reporting banks and week ending—	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess reserves ¹	Less—		Net—		Gross transactions		Total 2-way transactions ²	Net transactions		Loans to dealers ³	Borrowings from dealers ⁴	Net loans
		Borrowings at F.R. Banks	Net inter-bank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Purchases	Sales		Purchases of net buying banks	Sales of net selling banks			
<i>Total—46 banks</i>													
1967—Aug. 2.....	38	54	1,206	-1,222	11.3	3,099	1,894	1,448	1,652	446	1,589	90	1,499
9.....	40	17	1,525	-1,503	14.1	3,122	1,597	1,367	1,755	230	1,817	100	1,717
16.....	40	18	1,343	-1,322	12.6	3,099	1,756	1,489	1,610	267	1,659	145	1,514
23.....	38	.....	802	-763	7.3	2,818	2,017	1,431	1,387	586	1,631	143	1,488
30.....	34	.....	355	-321	3.1	2,658	2,304	1,583	1,075	720	1,541	127	1,414
Sept. 6.....	58	34	699	-675	6.3	2,946	2,247	1,393	1,553	854	1,770	131	1,640
13.....	43	7	1,784	-1,747	16.5	3,574	1,790	1,423	2,151	367	2,032	70	1,962
20.....	25	56	1,767	-1,798	16.7	3,596	1,829	1,445	2,151	384	1,964	51	1,913
27.....	3	13	1,090	-1,100	10.1	3,265	2,176	1,609	1,656	567	1,638	61	1,578
<i>8 in New York City</i>													
1967—Aug. 2.....	19	26	392	-399	9.1	1,255	862	708	546	154	1,052	90	963
9.....	12	.....	486	-474	11.1	1,186	700	615	571	85	1,129	82	1,048
16.....	10	6	508	-505	12.1	1,198	690	608	590	82	1,023	80	943
23.....	14	.....	169	-155	3.7	1,120	951	640	480	311	1,006	78	928
30.....	26	.....	-19	46	1.1	991	1,011	662	329	349	968	62	907
Sept. 6.....	23	21	282	-280	6.6	1,144	862	545	600	318	1,146	77	1,069
13.....	16	.....	876	-860	20.3	1,360	485	422	938	63	1,234	66	1,168
20.....	18	21	671	-674	15.5	1,355	684	602	753	82	1,071	51	1,020
27.....	13	.....	70	-58	1.3	1,009	938	676	333	263	837	61	776
<i>38 outside New York City</i>													
1967—Aug. 2.....	18	28	813	-823	12.8	1,845	1,032	739	1,105	292	537	.....	537
9.....	28	17	1,038	-1,029	16.1	1,936	898	752	1,184	145	688	19	669
16.....	30	13	835	-818	13.0	1,901	1,066	881	1,020	185	636	65	571
23.....	24	.....	633	-609	9.6	1,698	1,065	791	907	274	625	65	560
30.....	8	.....	374	-367	5.8	1,667	1,293	921	745	371	572	65	507
Sept. 6.....	35	12	417	-395	6.2	1,802	1,385	848	953	536	625	54	571
13.....	27	7	908	-888	14.0	2,214	1,306	1,001	1,213	304	797	4	794
20.....	7	35	1,095	-1,123	17.5	2,241	1,146	843	1,398	302	893	.....	893
27.....	-9	13	1,019	-1,042	16.1	2,257	1,237	933	1,323	304	802	.....	802
<i>5 in City of Chicago</i>													
1967—Aug. 2.....	3	2	90	-89	8.4	499	409	257	242	152	38	.....	38
9.....	3	.....	84	-81	7.7	421	336	250	171	87	28	.....	28
16.....	1	3	-41	39	3.8	374	415	333	41	82	25	.....	25
23.....	5	.....	-149	154	15.2	297	446	279	18	166	47	.....	47
30.....	.....	.....	-241	241	24.0	311	552	307	4	245	26	.....	26
Sept. 6.....	9	.....	-279	289	27.9	287	567	284	3	282	30	.....	30
13.....	8	.....	-228	235	23.4	396	624	396	.....	228	31	.....	31
20.....	-3	.....	-195	193	18.4	350	545	339	10	205	75	.....	75
27.....	2	.....	-224	226	21.2	324	548	324	.....	224	36	.....	36
<i>33 others</i>													
1967—Aug. 2.....	15	26	723	-734	13.6	1,346	622	482	864	140	499	.....	499
9.....	25	17	954	-948	17.7	1,516	561	503	1,013	58	660	19	641
16.....	30	10	876	-857	16.2	1,526	651	548	979	103	611	65	546
23.....	19	.....	781	-763	14.4	1,401	620	512	889	108	578	65	513
30.....	8	.....	615	-608	11.5	1,356	741	615	741	126	546	65	481
Sept. 6.....	26	12	696	-683	12.7	1,514	818	564	950	254	594	54	541
13.....	20	7	1,136	-1,123	21.1	1,818	682	605	1,213	77	766	4	762
20.....	10	35	1,291	-1,316	24.6	1,892	601	504	1,388	97	818	.....	818
27.....	-12	13	1,243	-1,268	23.4	1,932	689	609	1,323	80	765	.....	765

¹ Based upon reserve balances, including all adjustments applicable to the reporting period. Carryover reserve deficiencies, if any, are deducted.

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

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

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

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

FEDERAL RESERVE BANK DISCOUNT RATES

(Per cent per annum)

Federal Reserve Bank	Discounts for and advances to member banks						Advances to all others under last par. Sec. 13 ³		
	Advances and discounts under Secs. 13 and 13a ¹			Advances under Sec. 10(b) ²			Rate on Sept. 30	Effective date	Previous rate
	Rate on Sept. 30	Effective date	Previous rate	Rate on Sept. 30	Effective date	Previous rate			
Boston	4	Apr. 7, 1967	4½	4½	Apr. 7, 1967	5	5	Apr. 7, 1967	5½
New York	4	Apr. 7, 1967	4½	4½	Apr. 7, 1967	5	5½	Dec. 6, 1965	5
Philadelphia	4	Apr. 7, 1967	4½	4½	Apr. 7, 1967	5	5	Apr. 7, 1967	5½
Cleveland	4	Apr. 7, 1967	4½	4½	Apr. 7, 1967	5	5½	Apr. 7, 1967	6
Richmond	4	Apr. 7, 1967	4½	4½	Apr. 7, 1967	5	5	Apr. 7, 1967	5½
Atlanta	4	Apr. 10, 1967	4½	4½	Apr. 10, 1967	5	6	Apr. 10, 1967	6½
Chicago	4	Apr. 7, 1967	4½	4½	Apr. 7, 1967	5	5	Apr. 7, 1967	5½
St. Louis	4	Apr. 14, 1967	4½	4½	Apr. 14, 1967	5	5	Apr. 14, 1967	5½
Minneapolis	4	Apr. 7, 1967	4½	4½	Apr. 7, 1967	5	5	Apr. 7, 1967	5½
Kansas City	4	Apr. 7, 1967	4½	4½	Apr. 7, 1967	5	5	Apr. 7, 1967	5½
Dallas	4	Apr. 7, 1967	4½	4½	Apr. 7, 1967	5	5	Apr. 7, 1967	5½
San Francisco	4	Apr. 7, 1967	4½	4½	Apr. 7, 1967	5	5	Apr. 7, 1967	5½

¹ Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations. Rates shown also apply to advances secured by obligations of Federal intermediate credit banks maturing within 6 months. Maximum maturity: 90 days except that discounts of certain bankers' acceptances and of agricultural paper may have maturities not over 6 months and 9 months, respectively, and advances secured by FICB obligations are limited to 15 days.

² Advances secured to the satisfaction of the F.R. Bank. Maximum maturity: 4 months.

³ Advances to individuals, partnerships, or corporations other than member banks secured by U.S. Govt. direct obligations. Maximum maturity: 90 days.

FEDERAL RESERVE BANK DISCOUNT RATES

(Per cent per annum)

Effective date	Range (or level) all F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level) all F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level) all F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1941	1 -1½	1	1955			1959		
Apr. 11, 1942	1	1	Apr. 14	1½-1¾	1½	Mar. 6	2½-3	3
Oct. 15, 1942	½-1	1	Apr. 15	1½-1¾	1¾	Apr. 16	3	3
Oct. 30, 1942	½	½	May 2	1¾	1¾	May 29	3 -3½	3½
Apr. 25, 1946	½-1	1	Aug. 4	1¾-2¼	1¾	June 12	3½	3½
May 10, 1946	1	1	Aug. 5	1¾-2¼	2	Sept. 11	3½-4	4
Jan. 12, 1948	1 -1¼	1¼	Sept. 12	2 -2¼	2	Sept. 18	4	4
Jan. 19, 1948	1¼	1¼	Sept. 9	2 -2¼	2¼			
Aug. 13, 1948	1¼-1½	1½	Nov. 13	2¼	2¼	1960		
Aug. 23, 1948	1½	1½	Nov. 18	2¼-2½	2½	June 3	3½-4	4
Aug. 21, 1950	1½-1¾	1¾	Nov. 23	2½	2½	June 10	3½-4	3½
Aug. 25, 1950	1¾	1¾	Apr. 13, 1956	2½-3	2¾	June 14	3½-4	3½
Jan. 16, 1953	1¾-2	2	Apr. 20	2¾-3	2¾	Aug. 12	3 -3½	3
Jan. 23, 1953	2	2	Aug. 24	2¾-3	3	Sept. 9	3	3
Feb. 5, 1954	1¾-2	1¾	Aug. 31	3	3	July 17, 1963	3 -3½	3½
Apr. 14, 1954	1½-1¾	1¾	Aug. 9, 1957	3 -3½	3	July 26	3½	3½
Apr. 16, 1954	1½-1¾	1½	Nov. 23	3½	3½			
May 21, 1954	1½	1½	Dec. 2	3 -3½	3	1964		
			Jan. 22, 1958	3	3	Nov. 24	3½-4	4
			Jan. 24	2¾-3	3	Nov. 30	4	4
			Mar. 7	2¾-3	2¾	1965		
			Mar. 13	2¼-2¾	2¼	Dec. 6	4 -4½	4½
			Apr. 21	2¼	2¼	Dec. 13	4½	4½
			Apr. 18	1¾-2¼	1¾	1967		
			May 9	1¾	1¾	Apr. 7	4 -4½	4
			Aug. 15	1¾-2	1¾	Apr. 14	4	4
			Sept. 12	1¾-2	2	In effect Sept. 30	4	4
			Oct. 23	2	2			
			Oct. 24	2 -2½	2			
			Nov. 7	2½	2½			

† Preferential rate of one-half of 1 per cent for advances secured by U.S. Govt. obligations maturing in 1 year or less. The rate of 1 per cent was continued for discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations with maturities beyond 1 year.

against U.S. Govt. obligations was the same as its discount rate except in the following periods (rates in percentages): 1955—May 4-6, 1.65; Aug. 4, 1.85; Sept. 1-2, 2.10; Sept. 8, 2.15; Nov. 10, 2.375; 1956—Aug. 24-29, 2.75; 1957—Aug. 22, 3.50; 1960—Oct. 31-Nov. 17, Dec. 28-29, 2.75; 1961—Jan. 9, Feb. 6-7, 2.75; Apr. 3-4, 2.50; June 29, 2.75; July 20, 31, Aug. 1-3, 2.50; Sept. 28-29, 2.75; Oct. 5, 2.50; Oct. 23, Nov. 3, 2.75; 1962—Mar. 20-21, 2.75; 1964—Dec. 10, 3.85; Dec. 15, 17, 22, 24, 28, 30, 31, 3.875; 1965—Jan. 4-8, 3.875.

NOTE.—Discount rates under Secs. 13 and 13a (as described in table above). For data before 1942, see *Banking and Monetary Statistics*, 1943, pp. 439-42.
The rate charged by the F.R. Bank of N.Y. on repurchase contracts

RESERVE REQUIREMENTS OF MEMBER BANKS

(Per cent of deposits)

Requirements through July 13, 1966					Requirements beginning July 14, 1966					
Effective date ¹	Net demand deposits ²			Time deposits (all classes of banks)	Effective date ¹	Net demand deposits ²		Time deposits ⁴ (all classes of banks)		
	Central reserve city banks ³	Reserve city banks	Country banks			Reserve city banks	Country banks	Savings deposits	Other time deposits	
								Up to \$5 million	In excess of \$5 million	
In effect Dec. 31, 1949.....	22	18	12	5	1966—July 14, 21.....	5 16½	5 12	5 4	5 4	5
1951—Jan. 11, 16.....	23	19	13	6	Sept. 8, 15.....					6
Jan. 25, Feb. 1.....	24	20	14							
1953—July 9, 1.....	22	19	13		1967—Mar. 2.....			3½	3½	
1954—June 24, 16.....	21			5	Mar. 16.....			3	3	
July 29, Aug. 1.....	20	18	12		In effect Sept. 30, 1967....	16½	12	3	3	6
1958—Feb. 27, Mar 1.....	19½	17½	11½							
Mar. 20, Apr. 1.....	19	17	11		Present legal requirement:					
Apr. 17.....	18½				Minimum.....	10	7	3	3	3
Apr. 24.....	18	16½			Maximum.....	22	14	10	10	10
1960—Sept. 1.....	17½									
Nov. 24.....	16½		12							
Dec. 1.....	(3)									
1962—July 28.....	(3)									
Oct. 25, Nov. 1.....				4						

¹ When two dates are shown, the first applies to the change at central reserve or reserve city banks and the second to the change at country banks. For changes prior to 1950 see Board's Annual Reports.

² Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

³ Authority of the Board of Governors to classify or reclassify cities as central reserve cities was terminated effective July 28, 1962.

⁴ Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits.

⁵ See preceding columns for earliest effective date of this rate.

NOTE.—All required reserves were held on deposit with F.R. Banks June 21, 1917, until Dec. 1959. From Dec. 1959 to Nov. 1960, member banks were allowed to count part of their currency and coin as reserves; effective Nov. 24, 1960, they were allowed to count all as reserves. For further details, see Board's Annual Reports.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Type and maturity of deposit	Rates Nov. 1, 1933—July 19, 1966								Rates beginning July 20, 1966		
	Effective date								Type of deposit	Effective date	
	Nov. 1, 1933	Feb. 1, 1935	Jan. 1, 1936	Jan. 1, 1957	Jan. 1, 1962	July 17, 1963	Nov. 24, 1964	Dec. 6, 1965		July 20, 1966	Sept. 26, 1966
Savings deposits:									Savings deposits.....	4	4
12 months or more.....	3	2½	2½	3	4	4	4	4	Other time deposits: ¹		
Less than 12 months....	3	2½	2½	3	3½	3½	4	4	Multiple-maturity:		
Other time deposits: ¹									90 days or more.....	5	5
12 months or more.....	3	2½	2½	3	4	4	4½	5½	Less than 90 days.....	4	4
6 months to 12 months....	3	2½	2½	3	3½	4	4½	5½	(30-89 days)		
90 days to 6 months.....	3	2½	2	2½	2½	4	4½	5½	Single-maturity:		
Less than 90 days.....	3	2½	1	1	1	1	4	5½	\$100,000 or more.....	5½	5½
(30-89 days)									Less than \$100,000....	5½	5

¹ For exceptions with respect to foreign time deposits, see Oct. 1962 BULLETIN, p. 1279 and Aug. 1965 BULLETIN, p. 1084. For rates for postal savings deposits, see Board's Annual Reports.

NOTE.—Maximum rates that may be paid by member banks as established by the Board of Governors under provisions of Regulation Q.

Under this regulation the rate payable by a member bank may not in any event exceed the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Effective Feb. 1, 1936, maximum rates that may be paid by insured nonmember commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

MARGIN REQUIREMENTS

(Per cent of market value)

Regulation	Effective date							
	Jan. 4, 1955	Apr. 23, 1955	Jan. 16, 1958	Aug. 5, 1958	Oct. 16, 1958	July 28, 1960	July 10, 1962	Nov. 6, 1963
Regulation T:								
For extensions of credit by brokers and dealers on listed securities.....	60	70	50	70	90	70	50	70
For short sales.....	60	70	50	70	90	70	50	70
Regulation U:								
For loans by banks on stocks.....	60	70	50	70	90	70	50	70

NOTE.—Regulations T and U, prescribed in accordance with Securities Exchange Act of 1934 limit the amount of credit that may be extended on a security by prescribing a maximum loan value, which is a specified per-

centage of its market value at the time of extension; margin requirements are the difference between the market value (100 per cent) and the maximum loan value.

DEPOSITS, CASH, AND RESERVES OF MEMBER BANKS

(In millions of dollars)

Item	All member banks	Reserve city banks			Country banks	Item	All member banks	Reserve city banks			Country banks
		New York City	City of Chicago	Other				New York City	City of Chicago	Other	
Four weeks ending July 19, 1967					Four weeks ending Aug. 16, 1967						
Gross demand—Total.....	152,230	31,414	6,953	55,606	58,258	Gross demand—Total.....	150,697	30,436	6,865	55,228	58,168
Interbank.....	17,143	5,757	1,297	7,939	2,150	Interbank.....	16,510	5,444	1,275	7,700	2,092
U.S. Govt.....	4,695	1,051	271	1,960	1,415	U.S. Govt.....	4,733	995	251	1,974	1,514
Other.....	130,393	24,606	5,385	45,708	54,694	Other.....	129,454	23,997	5,340	45,556	54,562
Net demand ¹	119,404	22,438	5,381	42,855	48,730	Net demand ¹	119,779	21,924	5,384	43,324	49,148
Time.....	142,305	19,936	5,729	54,260	62,381	Time.....	144,387	20,702	5,899	54,732	63,055
Demand balances due from dom. banks.....	8,471	281	238	2,056	5,897	Demand balances due from dom. banks.....	8,166	262	244	1,965	5,697
Currency and coin.....	4,185	337	89	1,284	2,477	Currency and coin.....	4,181	338	82	1,280	2,482
Balances with F.R. Banks.....	19,662	4,451	1,071	8,237	5,904	Balances with F.R. Banks.....	19,749	4,369	1,088	8,325	5,968
Total reserves held.....	23,847	4,788	1,160	9,521	8,381	Total reserves held.....	23,930	4,707	1,170	9,605	8,450
Required.....	23,404	4,732	1,155	9,464	8,055	Required.....	23,561	4,692	1,165	9,569	8,137
Excess.....	443	56	5	57	326	Excess.....	369	15	5	36	313

¹ Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

NOTE.—Averages of daily figures. Balances with F.R. Banks are as of close of business; all other items (excluding total reserves held and excess reserves) are as of opening of business.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Month	Outright transactions in U.S. Govt. securities by maturity											
	Total			Treasury bills			Others within 1 year			1-5 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts
1966—Aug.....	1,602	1,273	98	1,602	1,273	98	.....	.....	84	.....	.....	76
Sept.....	1,976	1,419	170	1,976	1,419	170	.....	.....	.....	.....	.....	.....
Oct.....	1,281	893	320	1,281	893	320	.....	.....	.....	.....	.....	.....
Nov.....	860	223	323	860	223	323	.....	.....	6,456	.....	.....	-6,253
Dec.....	771	.....	405	736	.....	405	15	.....	.....	12	.....	.....
1967—Jan.....	904	656	439	904	656	439	.....	.....	.....	.....	.....	.....
Feb.....	812	.....	305	812	.....	305	.....	.....	-2,457	.....	.....	2,595
Mar.....	1,496	.....	704	1,395	.....	704	.....	.....	80	.....	.....	.....
Apr.....	975	206	415	859	206	415	10	.....	50	.....	.....	.....
May.....	1,146	107	412	936	107	412	.....	.....	-2,879	107	.....	2,879
June.....	1,681	567	223	1,332	567	223	17	.....	185	.....	.....	55
July.....	1,221	956	94	1,221	956	94	.....	.....	.....	.....	.....	.....
Aug.....	591	440	400	591	440	400	.....	.....	-1,225	.....	.....	1,338

Month	Outright transactions in U.S. Govt. securities—Continued						Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations (net repurchase agreements)	Bankers' acceptances		Net change ¹
	5-10 years			Over 10 years			Gross purchases	Gross sales			Out-right, net	Under repurchase agreements, net	
	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts							
1966—Aug....	.....	.....	-160	.....	.....	.....	364	457	138	.....	-3	.....	135
Sept.....	.....	.....	.....	.....	.....	.....	97	97	388	.....	-1	.....	387
Oct.....	.....	.....	.....	.....	.....	.....	275	275	69	.....	4	.....	94
Nov.....	.....	.....	-203	.....	.....	.....	1,775	1,153	937	.....	3	56	996
Dec.....	3	.....	.....	5	.....	.....	3,751	3,746	370	34	15	47	466
1967—Jan.....	.....	.....	.....	.....	.....	.....	1,693	2,320	-818	-34	4	-124	-972
Feb.....	.....	.....	-138	.....	.....	.....	3,253	3,253	507	.....	3	37	546
Mar.....	14	.....	.....	8	.....	.....	3,399	3,253	938	.....	-7	4	948
Apr.....	32	.....	.....	25	.....	.....	1,727	1,529	552	-3	-1	57	606
May.....	62	.....	.....	42	.....	.....	1,438	1,459	606	-10	2	-98	499
June.....	109	.....	-55	39	.....	.....	753	992	652	1	21	45	719
July.....	.....	.....	.....	.....	.....	.....	286	370	87	-1	-13	-45	28
Aug.....	.....	.....	-113	.....	.....	.....	450	450	-249	.....	-14	.....	-263

¹ Net change in U.S. Govt. securities, Federal agency obligations, and bankers' acceptances.

NOTE.—Sales, redemptions, and negative figures reduce System holdings; all other figures increase such holdings.

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1967					1967		1966
	Sept. 27	Sept. 20	Sept. 13	Sept. 6	Aug. 30	Sept.	Aug.	Sept.
Assets								
Gold certificate account	10,643	10,643	10,644	10,658	10,653	10,653	10,653	10,960
Redemption fund for F.R. notes	1,860	1,861	1,865	1,855	1,846	1,857	1,846	1,819
Total gold certificate reserves	12,503	12,504	12,509	12,513	12,499	12,510	12,499	12,779
Cash	353	354	344	336	335	357	333	324
Discounts and advances:								
Member bank borrowings	171	320	38	139	60	74	36	758
Other								15
Acceptances:								
Bought outright	54	54	58	62	65	52	65	47
Held under repurchase agreements	106					104		
Federal agency obligations—Held under repurchase agreements				29				
U.S. Govt. securities:								
Bought outright:								
Bills	13,947	13,375	13,205	13,927	13,541	14,097	13,927	11,090
Certificates—Special								4,366
Other								21,013
Notes	26,160	26,125	26,125	26,125	26,090	26,198	26,090	21,013
Bonds	6,595	6,555	6,555	6,555	6,538	6,621	6,538	6,438
Total bought outright	46,702	46,055	45,885	46,607	46,169	46,916	46,555	42,907
Held under repurchase agreements				425				
Total U.S. Govt. securities	46,702	46,055	45,885	47,032	46,169	46,916	46,555	42,907
Total loans and securities	47,033	46,429	45,981	47,262	46,294	47,146	46,656	43,727
Cash items in process of collection	7,168	8,438	7,894	6,593	6,569	6,758	6,475	6,325
Bank premises	110	109	109	110	110	111	110	104
Other assets:								
Denominated in foreign currencies	775	774	775	818	816	788	866	742
IMF gold deposited ¹	233	233	233	233	233	233	233	211
All other	412	385	364	339	301	424	304	391
Total assets	68,587	69,226	68,209	68,204	67,157	68,327	67,476	64,603
Liabilities								
F.R. notes	39,718	39,800	40,040	40,031	39,683	39,617	39,674	37,618
Deposits:								
Member bank reserves	20,132	19,781	19,412	20,783	18,653	20,686	19,789	19,538
U.S. Treasurer—General account	711	713	276	111	1,328	778	1,051	760
Foreign	159	125	124	164	116	117	144	159
Other:								
IMF gold deposit ¹	233	233	233	233	233	233	233	211
All other	217	226	260	224	219	258	216	219
Total deposits	21,452	21,078	20,305	21,515	20,549	22,072	21,433	20,887
Deferred availability cash items	5,840	6,821	6,372	5,025	5,357	5,044	4,768	4,577
Other liabilities	261	247	251	267	239	261	267	246
Total liabilities	67,271	67,946	66,968	66,838	65,828	66,994	66,142	63,328
Capital accounts								
Capital paid in	589	587	588	588	588	589	588	565
Surplus	570	570	570	570	570	570	570	551
Other capital accounts	157	123	83	208	171	174	176	159
Total liabilities and capital accounts	68,587	69,226	68,209	68,204	67,157	68,327	67,476	64,603
Contingent liability on acceptances purchased for foreign correspondents	214	220	229	243	253	205	252	243
U.S. Govt. securities held in custody for foreign account	7,570	7,552	7,403	7,527	7,427	7,558	7,535	7,092

Federal Reserve Notes—Federal Reserve Agents' Accounts

F.R. notes outstanding (issued to Bank)	42,394	42,442	42,498	42,299	42,215	42,374	42,189	41,449
Collateral held against notes outstanding:								
Gold certificate account	6,727	6,727	6,727	6,730	6,730	6,727	6,730	6,547
Eligible paper								87
U.S. Govt. securities	37,081	37,081	37,021	36,671	36,671	37,081	36,671	36,411
Total collateral	43,808	43,808	43,748	43,401	43,401	43,808	43,401	43,045

¹ See note 1(b) to table at bottom of p. 1828.

STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK ON SEPTEMBER 30, 1967

(In millions of dollars)

Item	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Assets													
Gold certificate account.....	10,653	728	2,384	574	859	970	609	1,921	393	179	401	355	1,280
Redemption fund for F.R. notes.....	1,857	105	456	96	148	156	103	331	66	32	73	66	225
Total gold certificate reserves.....	12,510	833	2,840	670	1,007	1,126	712	2,252	459	211	474	421	1,505
F.R. notes of other Banks.....	796	91	215	52	53	52	81	50	32	24	33	26	87
Other cash.....	357	18	39	9	49	21	44	64	33	5	17	16	42
Discounts and advances:													
Secured by U.S. Govt. securities.....	74	2	23	1		*	4	16	12	1	10	5	
Other.....													
Acceptances:													
Bought outright.....	52		52										
Held under repurchase agreements.....	104		104										
Federal agency obligations—Held under repurchase agreements.....													
U.S. Govt. securities:													
Bought outright.....	46,916	2,325	12,273	2,371	3,582	3,348	2,535	7,512	1,671	965	1,825	1,986	6,523
Held under repurchase agreements.....													
Total loans and securities.....	47,146	2,327	12,452	2,372	3,582	3,348	2,539	7,528	1,683	966	1,835	1,991	6,523
Cash items in process of collection.....	8,828	504	1,603	483	622	731	833	1,542	426	274	567	488	755
Bank premises.....	111	3	10	2	5	7	20	19	9	3	15	9	9
Other assets:													
Denominated in foreign currencies.....	788	38	1207	41	71	41	49	114	27	19	34	45	102
IMF gold deposited ²	233		233										
All other.....	424	21	112	21	32	30	22	66	16	8	19	19	58
Total assets.....	71,193	3,835	17,711	3,650	5,421	5,356	4,300	11,635	2,685	1,510	2,994	3,015	9,081
Liabilities													
F.R. notes.....	40,413	2,391	9,409	2,300	3,246	3,707	2,265	7,188	1,486	694	1,527	1,343	4,857
Deposits:													
Member bank reserves.....	20,686	835	6,103	822	1,449	909	1,167	2,889	748	514	879	1,135	3,236
U.S. Treasurer—General account.....	778	33	72	57	66	51	44	142	60	49	79	39	86
Foreign.....	117	6	28	6	11	6	8	17	4	3	5	7	16
Other:													
IMF gold deposit ²	233		233										
All other.....	258	*	169	2	1	11	1	2	1	*	2	2	67
Total deposits.....	22,072	874	6,605	887	1,527	977	1,220	3,050	813	566	965	1,183	3,405
Deferred availability cash items.....	7,114	493	1,279	381	512	581	719	1,158	332	214	433	403	609
Other liabilities and accrued dividends.....	261	13	71	12	19	18	14	41	9	5	11	12	36
Total liabilities.....	69,860	3,771	17,364	3,580	5,304	5,283	4,218	11,437	2,640	1,479	2,936	2,941	8,907
Capital accounts													
Capital paid in.....	589	28	153	31	53	31	37	86	20	14	26	34	76
Surplus.....	570	27	148	30	51	30	35	83	20	14	25	33	74
Other capital accounts.....	174	9	46	9	13	12	10	29	5	3	7	7	24
Total liabilities and capital accounts.....	71,193	3,835	17,711	3,650	5,421	5,356	4,300	11,635	2,685	1,510	2,994	3,015	9,081
Ratio of gold certificate reserves to F.R. note liability (per cent):													
Sept. 30, 1967.....	31.0	34.8	30.2	29.1	31.0	30.4	31.4	31.3	30.9	30.4	31.0	31.3	31.0
Aug. 31, 1967.....	31.0	30.7	32.3	30.0	30.1	31.4	32.1	26.8	33.7	32.2	32.6	30.5	33.4
Sept. 30, 1966.....	33.1	32.9	30.9	32.3	31.9	34.6	34.9	33.3	29.7	31.5	36.3	44.1	33.5
Contingent liability on acceptances purchased for foreign correspondents.....	205	10	447	11	19	11	13	31	8	5	10	12	28

Federal Reserve Notes—Federal Reserve Agents' Accounts

F.R. notes outstanding (issued to Bank).....	42,374	2,504	9,912	2,364	3,473	3,844	2,371	7,438	1,578	726	1,597	1,444	5,123
Collateral held against notes outstanding:													
Gold certificate account.....	6,727	450	1,000	503	600	740	450	1,400	317	127	225	180	735
Eligible paper.....													
U.S. Govt. securities.....	37,081	2,096	9,000	2,000	3,000	3,160	2,050	6,450	1,370	625	1,400	1,330	4,600
Total collateral.....	43,808	2,546	10,000	2,503	3,600	3,900	2,500	7,850	1,687	752	1,625	1,510	5,335

¹ After deducting \$581 million participations of other F. R. Banks.² See note 2 to table at bottom of page 1654.³ After deducting \$89 million participations of other F. R. Banks.⁴ After deducting \$158 million participations of other F. R. Banks.

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

(In millions of dollars)

Item	Wednesday					End of month		
	1967					1967		1966
	Sept. 27	Sept. 20	Sept. 13	Sept. 6	Aug. 30	Sept. 30	Aug. 31	Sept. 30
Discounts and advances—Total	171	320	38	139	60	74	36	773
Within 15 days ¹	168	318	36	137	57	71	33	723
16 days to 90 days	3	2	2	2	3	3	3	50
91 days to 1 year								
Acceptances—Total	160	54	58	62	65	156	65	47
Within 15 days ¹	117	12	17	20	21	115	21	6
16 days to 90 days	43	42	41	42	44	41	44	41
91 days to 1 year								
U.S. Government securities—Total	46,702	46,055	45,885	47,061	46,169	46,916	46,555	42,907
Within 15 days ¹	1,505	2,019	1,494	2,049	1,665	964	1,001	572
16 days to 90 days	13,733	12,885	13,188	13,559	13,176	13,962	13,313	6,499
91 days to 1 year	15,195	14,938	14,990	15,240	15,167	15,662	16,080	20,548
Over 1 year to 5 years	14,865	14,827	14,783	14,783	14,745	14,910	14,745	13,699
Over 5 years to 10 years	873	866	910	910	900	883	900	1,192
Over 10 years	531	520	520	520	516	535	516	397

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

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Belgian francs	Canadian dollars	French francs	German marks	Italian lire	Japanese yen	Netherlands guilders	Swiss francs
1966—Oct.	783	622	54	20	1	76	6	1	*	3
Nov.	709	570	54	2	1	76	1	1	*	3
Dec.	875	594	55	2	1	216	3	1	*	3
1967—Jan.	397	319	55	2	1	15	1	1	*	3
Feb.	293	228	55	3	1	1	1	1	*	3
Mar.	160	96	55	3	1	1	1	1	*	3
Apr.	184	121	55	3	1	1	1	1	*	2
May	149	115	25	3	1	1	1	1	*	2
June	578	399	29	3	1	144	1	1	*	2

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts ¹ (in billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others ²				N.Y.	6 others ²		
1966—Aug.	6,092.4	2,597.0	1,357.1	3,495.4	2,138.3	54.0	111.9	51.5	39.0	33.9
Sept.	6,105.2	2,559.1	1,387.2	3,546.1	2,158.9	54.2	111.4	52.1	39.4	34.3
Oct.	6,065.4	2,551.8	1,364.9	3,513.6	2,148.7	54.0	111.2	52.2	39.6	34.3
Nov.	6,078.5	2,566.6	1,373.8	3,511.9	2,138.1	54.6	111.3	52.5	39.6	33.9
Dec.	6,406.5	2,844.6	1,405.1	3,561.9	2,156.8	56.9	121.8	53.2	40.0	34.2
1967—Jan.	6,409.1	2,847.3	1,362.2	3,561.8	2,199.6	57.2	124.7	50.9	39.4	34.8
Feb.	6,294.9	2,724.7	1,389.5	3,570.2	2,180.7	55.6	119.4	52.6	39.4	34.2
Mar.	6,315.9	2,756.6	1,386.8	3,559.3	2,172.5	54.8	117.2	51.2	39.1	33.9
Apr.	6,553.5	2,864.0	1,451.4	3,689.5	2,238.1	57.7	123.0	54.2	40.8	35.1
May	6,348.2	2,734.5	1,409.2	3,613.7	2,204.5	54.8	115.2	52.0	39.2	33.9
June	6,637.2	2,904.1	1,476.4	3,733.1	2,256.7	56.5	120.0	53.4	40.1	34.4
July	6,688.7	2,857.1	1,560.5	3,831.6	2,271.1	56.8	119.8	55.5	40.7	34.5
Aug.	7,067.8	3,185.7	1,575.0	3,882.1	2,307.1	59.0	128.5	56.6	41.1	34.6
Sept.	6,799.4	2,952.4	1,513.6	3,847.0	2,333.4	57.4	120.6	55.4	40.8	35.1

¹ Excludes interbank and U.S. Govt. demand deposit accounts.

² Boston, Philadelphia, Chicago, Detroit, San Francisco—Oakland, and Los Angeles—Long Beach.

NOTE.—Total SMSA's includes some cities and counties not designated as SMSA's.

For a description of series, see Mar. 1965 BULLETIN, p. 390.

All data shown here are revised. For description of revision, see Mar. 1967 BULLETIN, p. 389.

DENOMINATIONS IN CIRCULATION

(In millions of dollars)

End of period	Total in circulation ¹	Coin and small denomination currency							Large denomination currency						
		Total	Coin	\$1 ²	\$2	\$5	\$10	\$20	Total	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000
1939.....	7,598	5,553	590	559	36	1,019	1,772	1,576	2,048	460	919	191	425	20	32
1941.....	11,160	8,120	751	695	44	1,355	2,731	2,545	3,044	724	1,433	261	556	24	46
1945.....	28,515	20,683	1,274	1,039	73	2,313	6,782	9,201	7,834	2,327	4,220	454	801	7	24
1947.....	28,868	20,020	1,404	1,048	65	2,110	6,275	9,119	8,850	2,548	5,070	428	782	5	17
1950.....	27,741	19,305	1,554	1,113	64	2,049	5,998	8,529	8,438	2,422	5,043	368	588	4	12
1955.....	31,158	22,021	1,927	1,312	75	2,151	6,617	9,940	9,136	2,736	5,641	307	438	3	12
1958.....	32,193	22,856	2,182	1,494	83	2,186	6,624	10,288	9,337	2,792	5,886	275	373	3	9
1959.....	32,591	23,264	2,304	1,511	85	2,216	6,672	10,476	9,326	2,803	5,913	261	341	3	5
1960.....	32,869	23,521	2,427	1,533	88	2,246	6,691	10,536	9,348	2,815	5,954	249	316	3	10
1961.....	33,918	24,388	2,582	1,588	92	2,313	6,878	10,935	9,531	2,869	6,106	242	300	3	10
1962.....	35,338	25,356	2,782	1,636	97	2,375	7,071	11,395	9,983	2,990	6,448	240	293	3	10
1963.....	37,692	26,807	3,030	1,722	103	2,469	7,373	12,109	10,885	3,221	7,110	249	298	3	4
1964.....	39,619	28,100	3,405	1,806	111	2,517	7,543	12,717	11,519	3,381	7,590	248	293	2	4
1965.....	42,056	29,842	4,027	1,908	127	2,618	7,794	13,369	12,214	3,540	8,135	245	288	3	4
1966—Aug.....	42,910	30,455	4,317	1,885	138	2,561	7,780	13,774	12,456	3,568	8,358	240	283	3	4
Sept.....	42,802	30,318	4,342	1,899	138	2,551	7,730	13,659	12,483	3,562	8,392	239	283	3	4
Oct.....	43,113	30,556	4,380	1,926	137	2,583	7,785	13,745	12,556	3,572	8,455	239	283	3	4
Nov.....	44,245	31,499	4,447	1,996	137	2,684	8,076	14,159	12,747	3,632	8,583	240	285	3	4
Dec.....	44,663	31,695	4,480	2,051	137	2,756	8,070	14,201	12,969	3,700	8,735	241	286	3	4
1967—Jan.....	43,363	30,522	4,461	1,939	137	2,599	7,730	13,667	12,831	3,629	8,673	239	283	3	4
Feb.....	43,585	30,758	4,481	1,933	137	2,612	7,840	13,755	12,827	3,622	8,677	239	282	3	4
Mar.....	43,583	30,753	4,518	1,939	137	2,599	7,801	13,759	12,831	3,621	8,683	239	281	3	4
Apr.....	43,730	30,887	4,551	1,948	137	2,607	7,817	13,827	12,844	3,625	8,692	238	282	3	4
May.....	44,443	31,509	4,600	1,984	137	2,671	7,979	14,138	12,935	3,660	8,743	238	282	6	6
June.....	44,712	31,684	4,641	1,879	137	2,635	8,035	14,357	13,029	3,699	8,805	238	280	3	4
July.....	44,866	31,774	4,674	1,873	137	2,625	7,989	14,476	13,094	3,724	8,844	238	281	3	4
Aug.....	45,071	31,884	4,720	1,878	136	2,628	8,001	14,521	13,186	3,749	8,911	238	281	3	4

¹ Outside Treasury and F.R. Banks. Before 1955 details are slightly overstated because they include small amounts of paper currency held by the Treasury and the F.R. Banks for which a denominational breakdown is not available.

² Paper currency only; \$1 silver coins reported under coin.

NOTE.—Condensed from Statement of United States Currency and Coin, issued by the Treasury.

KINDS OUTSTANDING AND IN CIRCULATION

(In millions of dollars)

Kind of currency	Total outstanding Aug. 31, 1967	Held in the Treasury			Held by F.R. Banks and Agents	Currency in circulation ¹		
		As security against gold and silver certificates	Treasury cash	For F.R. Banks and Agents		1967		1966
						Aug. 31	July 31	Aug. 31
Gold.....	13,008	(12,499)	2509					
Gold certificates.....	(12,499)			12,498				
Federal Reserve notes.....	42,188		100		2,515	39,573	39,410	37,630
Treasury currency—Total.....	6,698	(390)	867		332	5,498	5,457	5,280
Standard silver dollars.....	485	3				482	482	482
Silver bullion.....	519	387	132					
Silver certificates.....	(390)		1		2	386	392	569
Fractional coin.....	5,285		721		325	4,239	4,192	3,835
United States notes.....	323		12		5	305	304	303
In process of retirement ⁴	87					87	87	90
Total—Aug. 31, 1967.....	561,895	(12,889)	1,476	12,498	2,849	45,071		
July 31, 1967.....	561,832	(13,000)	1,449	12,603	2,914		44,866	
Aug. 31 1966.....	560,805	(13,375)	1,037	12,787	4,072			42,910

¹ Outside Treasury and F.R. Banks. Includes any paper currency held outside the United States and currency and coin held by banks. Estimated totals for Wed. dates shown in table on p. 1755.

² Includes \$156 million reserve against United States notes and \$233 million gold deposited by and held for the International Monetary Fund.

³ Consists of credits payable in gold certificates: (1) the Gold Certificate Fund—Board of Governors, FRS; and (2) the Redemption Fund for F.R. notes.

⁴ Redeemable from the general fund of the Treasury.

⁵ Does not include all items shown, as some items represent the security for other items, gold certificates are secured by gold, and silver certificates by standard silver dollars and monetized silver bullion. Duplications are shown in parentheses.

NOTE.—Prepared from Statement of United States Currency and Coin and other data furnished by the Treasury. For explanation of currency reserves and security features, see the Circulation Statement or the Aug. 1961 BULLETIN, p. 936.

MONEY SUPPLY AND RELATED DATA
(In billions of dollars)

Period	Seasonally adjusted				Not seasonally adjusted				
	Money supply			Time deposits adjusted ¹	Money supply			Time deposits adjusted ¹	U.S. Govt. demand deposits ¹
	Total	Currency component	Demand deposit component		Total	Currency component	Demand deposit component		
1964—Dec.....	159.3	34.2	125.1	126.6	164.0	35.0	129.1	125.2	5.5
1965—Dec.....	166.8	36.3	130.5	146.9	172.0	37.1	134.9	145.2	4.6
1966—Sept.....	170.5	37.9	132.6	157.4	169.7	37.9	131.8	157.4	4.3
Oct.....	170.1	38.0	132.1	157.6	170.5	38.1	132.4	157.1	4.8
Nov.....	170.1	38.1	132.0	157.4	171.5	38.5	133.0	156.1	3.7
Dec.....	170.4	38.3	132.1	158.6	175.8	39.1	136.7	156.9	3.4
1967—Jan.....	170.3	38.5	131.8	160.8	175.3	38.5	136.8	160.7	4.1
Feb.....	171.5	38.7	132.8	163.5	170.6	38.3	132.3	164.0	5.0
Mar.....	173.1	38.9	134.2	166.1	171.9	38.5	133.4	166.7	4.9
Apr.....	172.7	39.1	133.6	168.1	173.6	38.7	134.9	168.8	4.8
May.....	174.5	39.2	135.3	170.0	171.1	38.9	132.2	170.8	6.5
June.....	176.2	39.3	136.8	172.4	174.3	39.3	135.1	173.0	3.9
July.....	177.9	39.5	138.4	174.6	175.9	39.6	136.2	175.1	5.6
Aug.....	179.1	39.6	139.6	177.2	175.8	39.6	136.2	177.7	4.3
Sept. ^p	179.3	39.8	139.5	178.9	178.4	39.8	138.6	178.9	5.0
Week ending—									
1967—Aug. 9.....	178.8	39.6	139.3	176.6	176.2	39.9	136.3	177.1	5.5
16.....	179.2	39.6	139.7	177.1	176.6	39.8	136.8	177.6	3.8
23.....	179.1	39.6	139.5	177.4	174.6	39.7	135.0	177.9	4.4
30.....	179.1	39.6	139.5	178.1	175.3	39.4	135.9	178.4	3.2
Sept. 6.....	179.7	39.7	139.9	178.4	177.4	40.0	137.4	178.8	4.2
13.....	180.0	39.8	140.2	178.6	179.0	40.0	139.1	179.0	3.3
20 ^p	177.9	39.7	138.1	178.9	179.4	39.8	139.7	178.5	4.6
27 ^p	179.4	39.7	139.7	179.1	177.4	39.5	137.9	178.9	6.9

¹ At all commercial banks.

NOTE.—Revised data. For description of revision of series and for back data beginning Jan. 1959, see Aug. 1967 BULLETIN, pp. 1303–1316; for monthly data 1947–58, see June 1964 BULLETIN, pp. 679–89.

Averages of daily figures. Money supply consists of (1) demand deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Govt., less cash items in process of collection

and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of all commercial banks. Time deposits adjusted are time deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Govt. Effective June 9, 1966, balances accumulated for payment of personal loans were reclassified for reserve purposes and are excluded from time deposits reported by member banks.

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

Period	Seasonally adjusted							Not seasonally adjusted						
	Member bank reserves ¹			Deposits subject to reserve requirements ²				Member bank reserves ¹			Deposits subject to reserve requirements ²			
	Total	Non-borrowed	Required	Total	Time and savings	Private demand	U.S. Govt. demand	Total	Non-borrowed	Required	Total	Time and savings	Private demand	U.S. Govt. demand
1964—Dec.....	21.10	20.84	20.80	216.7	104.2	107.4	5.1	21.64	21.40	21.23	219.1	103.0	111.3	4.8
1965—Dec.....	22.19	21.72	21.86	236.4	121.2	111.0	4.2	22.76	22.31	22.32	239.0	119.8	115.2	4.0
1966—Sept.....	22.62	21.83	22.22	245.5	129.2	112.4	3.9	22.53	21.77	22.13	244.6	129.0	111.8	3.8
Oct.....	22.49	21.71	22.17	244.6	129.0	111.6	4.0	22.49	21.76	22.19	244.6	128.4	112.0	4.3
Nov.....	22.43	21.86	22.11	244.0	128.4	111.6	4.0	22.43	21.82	22.04	243.0	127.3	112.5	3.2
Dec.....	22.42	21.85	22.14	244.4	129.4	111.7	3.2	23.00	22.44	22.61	247.1	127.9	116.1	3.0
1967—Jan.....	22.77	22.33	22.41	247.7	131.4	111.4	4.9	23.23	22.84	22.86	250.9	131.1	116.1	3.7
Feb.....	22.99	22.65	22.63	251.0	133.6	112.4	5.0	22.85	22.49	22.50	250.2	134.0	111.8	4.5
Mar.....	23.41	23.21	22.92	254.0	135.6	113.6	4.8	23.17	22.97	22.74	253.2	136.3	112.6	4.3
Apr.....	23.46	23.30	23.08	256.0	137.2	113.1	5.8	23.36	23.23	23.05	256.3	137.9	114.2	4.3
May.....	23.45	23.39	23.05	257.2	138.6	114.5	4.1	23.28	23.18	22.91	256.5	139.4	111.2	5.8
June.....	23.61	23.49	23.14	259.2	140.8	116.1	2.2	23.52	23.40	23.10	258.9	141.3	114.2	3.4
July.....	23.84	23.80	23.45	262.4	142.5	116.8	3.2	23.91	23.82	23.55	263.2	143.1	115.1	5.1
Aug.....	24.10	24.09	23.76	266.1	144.8	117.6	3.7	23.79	23.70	23.40	263.7	145.2	114.8	3.7
Sept. ^p	24.30	24.19	23.94	268.4	146.3	117.6	4.5	24.20	24.11	23.84	267.3	146.0	116.9	4.4

¹ Averages of daily figures. Back data on member bank reserves adjusted to eliminate effects of changes in reserve requirement percentages. Series reflect percentage reserve requirements made effective Mar. 16, 1967.

² Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection

and demand balances due from domestic commercial banks. Effective June 9, 1966, balances accumulated for repayment of personal loans were eliminated from time deposits for reserve purposes.

NOTE.—Back data for the period 1947 to date may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D. C. 20551.

CONSOLIDATED CONDITION STATEMENT

(In millions of dollars)

Date	Assets									Total assets, net— Total liabilities and capital, net	Liabilities and capital		
	Gold	Treasury currency outstanding	Bank credit								Other securities ²	Total deposits and currency	Capital and misc. accounts, net
			Total	Loans, net ^{1, 2}	U.S. Government securities								
					Total	Coml. and savings banks	Federal Reserve Banks	Other					
1947—Dec. 31.....	22,754	4,562	160,832	43,023	107,086	81,199	22,559	3,328	10,723	188,148	175,348	12,800	
1950—Dec. 30.....	22,706	4,636	171,667	60,366	96,560	72,894	20,778	2,888	14,741	199,008	184,384	14,624	
1963—Dec. 20.....	15,582	5,586	333,203	189,433	103,273	69,068	33,552	653	40,497	354,371	323,251	31,118	
1965—Dec. 31.....	13,733	5,575	399,779	242,706	106,716	65,016	40,768	932	50,357	419,087	383,727	35,359	
1966—Sept. 28.....	13,300	6,100	410,700	254,000	102,000	58,700	42,000	1,300	54,700	430,000	387,800	42,200	
Oct. 26.....	13,300	6,200	410,500	253,500	102,500	58,500	42,800	1,200	54,500	429,900	388,300	41,600	
Nov. 30.....	13,200	6,200	412,400	254,200	104,500	59,300	43,900	1,300	53,700	431,800	389,200	42,600	
Dec. 31.....	13,159	6,317	422,676	261,459	106,472	60,916	44,316	1,240	54,745	442,152	400,999	41,150	
1967—Jan. 25.....	13,200	6,400	418,800	257,000	106,100	60,700	44,200	1,200	55,700	438,300	396,900	41,400	
Feb. 22.....	13,100	6,400	420,700	256,300	107,300	61,300	44,700	1,400	57,200	440,300	396,900	43,400	
Mar. 29.....	13,100	6,500	426,100	259,700	107,700	62,500	44,500	700	58,700	445,700	403,500	42,200	
Apr. 26.....	13,100	6,600	430,400	261,800	107,600	60,600	45,400	1,500	61,000	450,100	406,800	43,300	
May 31.....	13,100	6,600	432,500	262,600	107,800	60,300	46,100	1,400	62,100	452,200	408,100	44,100	
June 28 ^p	13,100	6,600	436,100	266,300	106,200	58,600	46,200	1,400	63,600	455,900	412,200	43,700	
July 26 ^p	13,100	6,600	442,400	267,700	110,000	61,600	46,900	1,500	64,800	462,100	418,000	44,100	
Aug. 30 ^{rp}	13,000	6,700	445,400	267,900	111,400	63,600	46,200	1,600	66,100	465,100	418,800	46,300	
Sept. 27 ^p	13,000	6,800	450,900	271,400	112,700	64,500	46,700	1,500	66,800	470,700	424,400	46,300	

DETAILS OF DEPOSITS AND CURRENCY

Date	Money supply						Related deposits (not seasonally adjusted)							
	Seasonally adjusted ³			Not seasonally adjusted			Time				Foreign, net ⁶	U.S. Government		
	Total	Currency outside banks	Demand deposits adjusted ⁴	Total	Currency outside banks	Demand deposits adjusted ⁴	Total	Commercial banks ¹	Mutual savings banks ⁵	Postal Savings System		Treasury cash holdings	At coml. and savings banks	At F.R. Banks
1947—Dec. 31....	110,500	26,100	84,400	113,597	26,476	87,121	56,411	35,249	17,746	3,416	1,682	1,336	1,452	870
1950—Dec. 30....	114,600	24,600	90,000	117,670	25,398	92,272	59,246	36,314	20,009	2,923	2,518	1,293	2,989	668
1963—Dec. 20....	153,100	31,700	121,400	158,104	33,468	124,636	155,713	110,794	44,467	452	1,206	392	6,986	850
1965—Dec. 31....	167,100	35,400	131,700	175,314	36,999	138,315	199,427	146,433	52,686	309	1,780	760	5,778	668
1966—Sept. 28....	167,200	36,700	130,500	166,100	36,800	129,300	211,300	156,900	54,200	200	1,800	1,100	6,200	1,300
Oct. 26.....	168,000	37,200	130,800	168,700	37,100	131,600	210,900	156,300	54,400	200	1,800	1,200	4,900	800
Nov. 30.....	169,200	37,300	131,900	171,500	38,000	133,500	210,300	155,800	54,500	100	1,800	1,200	4,000	300
Dec. 31.....	170,400	37,600	132,800	178,304	39,003	139,301	213,961	158,568	55,271	122	1,904	1,176	5,238	416
1967—Jan. 25....	168,800	37,900	130,900	171,000	37,400	133,600	217,500	161,800	55,600	100	1,800	1,200	4,900	400
Feb. 22.....	167,700	38,300	129,400	166,800	37,800	129,000	220,200	164,200	55,900	100	1,800	1,200	6,400	400
Mar. 29.....	172,200	38,000	134,200	169,700	37,600	132,100	224,300	167,500	56,700	100	1,800	1,300	5,800	700
Apr. 26.....	170,400	38,000	132,400	170,500	37,700	132,800	225,600	168,600	56,900	100	1,800	1,400	6,700	800
May 31.....	173,100	38,600	134,500	171,000	38,500	132,500	228,900	171,500	57,300	100	1,900	1,400	4,400	600
June 28 ^p	174,300	38,500	135,800	172,000	38,500	133,500	231,100	173,100	58,000	100	1,800	1,400	4,700	1,200
July 26 ^p	173,700	38,500	135,200	173,500	38,600	134,900	233,600	175,300	58,300	100	1,800	1,500	6,100	1,300
Aug. 30 ^{rp}	175,400	38,500	136,900	173,800	38,700	135,100	236,400	177,800	58,600	100	1,900	1,500	3,900	1,300
Sept. 27 ^p	176,900	38,600	138,300	175,800	38,700	137,100	237,200	178,200	59,000	100	1,900	1,500	7,200	700

¹ Beginning with data for June 30, 1966, about \$1.1 billion in "Deposits accumulated for payment of personal loans" were excluded from "Time deposits" and deducted from "Loans" at all commercial banks. These changes resulted from a change in Federal Reserve regulations. These hypothecated deposits are shown in a table on p. 1771.

² See note 2 at bottom of p. 1771.

³ Series begin in 1946; data are available only last Wed. of month.

⁴ Other than interbank and U.S. Govt., less cash items in process of collection.

⁵ Includes relatively small amounts of demand deposits. Beginning with June 1961, also includes certain accounts previously classified as other lia-

bilities.

⁶ Reclassification of deposits of foreign central banks in May 1961 reduced this item by \$1,900 million (\$1,500 million to time deposits and \$400 million to demand deposits).

NOTE.—For back figures and descriptions of the consolidated condition statement and the seasonally adjusted series on currency outside banks and demand deposits adjusted, see "Banks and the Monetary System," Section I of *Supplement to Banking and Monetary Statistics, 1962*, and BULLETINS for Jan. 1948 and Feb. 1960. Except on call dates, figures are partly estimated and are rounded to the nearest \$100 million.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Class of bank and date	Loans and investments					Total assets—Total liabilities and capital accounts ⁴	Deposits						Borrowings	Total capital accounts	Number of banks	
	Total	Loans ^{1,2}	Securities		Cash assets ³		Total ³	Interbank ³		Other		Time ^{1,5}				Borrowings
			U.S. Govt.	Other ²				Demand	Time	Demand						
										U.S. Govt.	Other					
All banks:																
1941—Dec. 31	61,126	26,615	25,511	8,999	27,344	90,908	81,816	10,982	44,355	26,479	23	8,414	14,826			
1945—Dec. 31	140,227	30,361	101,288	8,577	35,415	177,332	165,612	14,065	105,935	45,613	227	10,542	14,553			
1947—Dec. 31 ⁶	134,924	43,002	81,199	10,723	38,388	175,091	161,865	12,793	134,924	53,105	66	11,948	14,714			
1965—Dec. 31	362,320	246,946	65,016	50,357	61,916	435,483	385,196	18,426	1,009	1,346	94,381	53,105	4,564	34,935		
1966—Sept. 28	373,370	260,000	58,690	54,680	56,110	441,490	383,210	16,310	1,060	6,000	148,490	211,350	7,050	36,330		
Oct. 26	372,800	259,780	58,520	54,500	57,780	442,350	384,250	16,020	1,010	4,720	151,560	210,940	6,970	36,420		
Nov. 30	374,510	261,520	59,250	53,740	61,700	448,240	387,980	17,110	900	3,810	155,680	210,480	7,950	36,770		
Dec. 31	381,684	266,022	60,916	54,745	70,085	464,376	407,637	19,770	968	4,999	167,821	214,078	4,929	36,926		
1967—Jan. 25	379,860	263,530	60,680	55,650	59,570	451,390	392,970	16,050	1,110	4,680	153,470	217,660	7,010	36,910		
Feb. 22	380,920	262,430	61,300	57,190	61,260	454,340	394,860	16,640	1,180	6,200	150,490	220,350	6,740	37,140		
Mar. 29	387,050	265,860	62,470	58,720	58,500	457,800	399,140	16,350	1,350	5,520	151,510	224,410	6,270	37,380		
Apr. 26	389,440	267,820	60,630	60,990	61,670	463,590	404,530	16,560	1,350	6,440	154,430	225,750	6,640	37,440		
May 31	391,630	269,230	60,310	62,090	65,060	469,530	409,520	17,520	1,370	4,160	157,450	229,020	7,080	37,800		
June 28 ^p	396,110	273,940	58,620	63,550	62,140	471,170	409,820	16,710	1,450	4,450	155,890	231,320	7,860	37,810		
July 26 ^p	400,730	274,360	61,620	64,750	63,450	477,030	416,200	17,000	1,500	5,870	158,010	233,820	6,910	37,700		
Aug. 30 ^p	404,020	274,300	63,630	66,090	60,120	476,950	415,040	16,730	1,570	3,600	156,440	236,700	6,520	38,260		
Sept. 27 ^p	408,920	277,580	64,530	66,810	62,720	484,580	422,630	17,020	1,550	6,970	159,620	237,470	6,470	38,090		
Commercial banks:																
1941—Dec. 31	50,746	21,714	21,808	7,225	26,551	79,104	71,283	10,982	44,349	15,952	23	7,173	14,278			
1945—Dec. 31	124,019	26,083	90,606	7,331	34,806	160,312	150,227	14,065	105,921	30,241	219	8,950	14,011			
1947—Dec. 31 ⁶	116,284	38,057	69,221	9,006	37,502	155,377	144,103	12,792	1,343	94,367	35,360	65	10,550			
1965—Dec. 31	306,060	201,658	59,547	44,855	60,899	377,264	332,436	18,426	1,008	5,525	160,780	146,697	4,472	30,272		
1966—Sept. 28	314,920	212,500	53,610	48,810	55,260	381,160	328,940	16,310	1,060	6,000	148,440	157,130	7,050	31,510		
Oct. 26	314,220	211,980	53,590	48,650	56,980	381,940	329,800	16,020	1,010	4,720	151,510	156,540	6,970	31,630		
Nov. 30	315,770	213,460	54,390	47,920	60,890	387,650	333,460	17,110	900	3,810	155,630	156,010	7,950	31,930		
Dec. 31	322,661	217,726	56,163	48,772	69,119	403,368	352,287	19,770	967	4,992	167,751	158,806	4,859	32,050		
1967—Jan. 25	320,320	214,970	56,000	49,350	58,600	389,820	337,320	16,050	1,110	4,680	153,410	162,070	7,010	32,050		
Feb. 22	320,890	213,600	56,600	50,690	60,220	392,220	338,870	16,640	1,180	6,200	150,430	164,420	6,740	32,240		
Mar. 29	326,570	216,750	57,830	51,990	57,360	395,100	342,400	16,350	1,350	5,520	151,450	167,730	6,270	32,470		
Apr. 26	328,610	218,510	56,150	53,950	60,600	400,610	347,590	16,560	1,350	6,440	154,370	168,870	6,640	32,580		
May 31	330,150	219,480	55,880	54,790	63,960	405,880	352,140	17,520	1,370	4,160	157,380	171,710	7,080	32,880		
June 28 ^p	334,190	223,940	54,280	55,970	61,010	407,020	351,790	16,710	1,450	4,450	155,820	173,360	7,860	32,880		
July 26 ^p	338,290	224,210	57,220	56,860	62,370	412,390	357,830	17,000	1,500	5,870	157,940	175,520	6,910	32,960		
Aug. 30 ^p	340,970	223,770	59,260	57,940	59,090	411,750	356,340	16,730	1,570	3,600	156,370	178,070	6,520	33,290		
Sept. 27 ^p	345,520	226,850	60,210	58,460	61,690	419,030	363,580	17,020	1,550	6,970	159,550	178,490	6,470	33,120		
Member banks:																
1941—Dec. 31	43,521	18,021	19,539	5,961	23,123	68,121	61,717	10,385	140	1,709	37,136	12,347	4	5,886		
1945—Dec. 31	107,183	22,775	78,338	6,070	29,845	138,304	129,670	13,576	64	22,179	69,640	24,210	208	7,589		
1947—Dec. 31	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50	1,176	80,609	28,340	54	8,464		
1965—Dec. 31	251,577	169,800	44,992	36,785	52,814	313,384	275,517	17,454	840	4,890	132,131	120,202	4,234	24,926		
1966—Sept. 28	257,809	178,421	39,807	39,581	48,663	316,011	271,229	15,225	890	5,448	121,728	127,938	6,684	25,843		
Oct. 26	256,797	177,818	39,652	39,327	50,210	316,324	271,653	15,120	843	4,309	124,263	127,118	6,571	25,942		
Nov. 30	258,041	179,106	40,355	38,580	53,564	321,185	274,676	16,188	730	3,448	127,577	126,553	7,459	26,189		
Dec. 31	263,687	182,802	41,924	38,960	60,738	334,559	291,063	18,788	794	4,432	138,218	128,831	4,618	26,278		
1967—Jan. 25	261,583	180,244	41,773	39,566	51,387	322,412	277,460	15,228	937	4,161	125,481	131,653	6,638	26,285		
Feb. 22	262,135	178,958	42,404	40,773	52,973	324,753	279,014	15,828	1,006	5,506	123,124	133,550	6,426	26,453		
Mar. 29	267,086	181,604	43,545	41,937	50,276	327,040	281,903	15,547	1,172	4,857	124,096	136,231	6,044	26,639		
Apr. 26	268,466	182,821	42,001	43,644	53,487	331,864	286,486	15,742	1,172	5,899	126,642	137,931	6,400	26,749		
May 31	269,654	183,480	41,900	44,274	56,487	336,422	290,441	16,716	1,194	3,629	129,570	139,332	6,765	27,009		
June 28	273,151	187,426	40,460	45,265	53,674	337,151	289,858	15,909	1,276	3,930	128,046	140,697	7,442	26,999		
July 26	276,381	187,536	42,957	45,888	55,166	341,784	294,976	16,187	1,326	5,286	129,674	142,503	6,625	27,061		
Aug. 30	278,259	187,130	44,416	46,713	52,060	340,576	293,115	15,891	1,393	3,128	128,086	144,617	6,209	27,318		
Sept. 27 ^p	281,993	189,870	45,003	47,120	54,477	346,853	299,334	16,162	1,377	6,318	130,683	144,794	6,141	27,233		
Mutual savings banks:																
1941—Dec. 31	10,379	4,901	3,704	1,774	793	11,804	10,533	.....	6	10,527	.....	1,241	548	
1945—Dec. 31	16,208	4,279	10,682	1,246	609	17,020	15,385	.....	14	15,371	7	1,592	542		
1947—Dec. 31 ⁶	18,641	4,944	11,978	1,718	886	19,714	17,763	.....	1	17,745	.....	1,889	533	
1965—Dec. 31	56,260	45,288	5,470	5,501	1,017	58,219	52,760	.....	8	67	52,686	92	4,663		
1966—Sept. 28	58,450	47,500	5,080	5,870	850	60,330	54,270	.....	.....	50	54,220	.....	4,820	
Oct. 26	58,580	47,800	4,930	5,850	800	60,410	54,450	.....	.....	50	54,400	.....	4,790	
Nov. 30	58,740	48,060	4,860	5,820	810	60,590	54,520	.....	.....	50	54,470	.....	4,840	
Dec. 31	59,023	48,296	4,753	5,973	966	61,008	55,350	.....	1	7	55,271	69	4,871		
1967—Jan. 25	59,540	48,560	4,680	6,300	970	61,570	55,650	.....	.....	60	55,590	.....	4,860	
Feb. 22	60,030	48,830	4,700	6,500	1,040	62,120	55,990	.....	.....	60	55,930	.....	4,900	
Mar. 29	60,480	49,110	4,640	6,730	1,140	62,700	56,740	.....	.....	60	56,680	.....	4,910	
Apr. 26	60,830	49,310	4,480	7,040	1,070	62,980	56,940	.....	.....	60	56,880	.....	4,860	
May 31	61,480	49,750	4,430	7,300	1,100	63,650	57,380	.....	.....	70	57,310	.....	4,920	
June 28	61,920	50,000	4,340	7,580	1,130	64,150										

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

(Amounts in millions of dollars)

Table with columns for Class of bank and date, Loans and investments (Total, Loans, Securities, Cash assets), Deposits (Interbank, Demand, Time), Total assets-liabilities and capital accounts, Borrowings, Total capital accounts, and Number of banks. Rows are categorized by Reserve city member banks (New York City, City of Chicago, Other reserve city), and Country member banks.

For notes see p. 1771.

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

(Amounts in millions of dollars)

Class of bank and call date	Loans and investments				Cash assets ³	Total assets—Total liabilities and capital accounts ²	Deposits						Borrowings	Total capital accounts	Number of banks
	Total	Loans ^{1,2}	Securities				Total ³	Interbank ³		Other					
			U.S. Govt.	Other ²				Demand	Time	Demand		Time ^{1,5}			
										U.S. Govt.	Other				
Insured commercial:															
1941—Dec. 31..	49,290	21,259	21,046	6,984	25,788	76,820	69,411	10,654	1,762	41,298	15,699	10	6,844	13,426	
1945—Dec. 31..	121,809	25,765	88,912	7,131	34,292	157,544	147,775	13,883	23,740	80,276	29,876	215	8,671	13,297	
1947—Dec. 31..	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	1,325	92,975	34,882	61	9,734	13,398	
1964—Dec. 31..	275,053	174,234	62,499	38,320	59,911	343,876	305,113	17,664	733	6,487	154,043	2,580	27,377	13,486	
1965—Dec. 31..	303,593	200,109	59,120	44,364	60,327	374,051	330,323	18,149	923	5,508	159,659	4,325	29,827	13,540	
1966—June 30..	312,982	211,588	53,111	48,282	59,489	383,445	337,146	16,761	1,021	10,972	152,839	4,126	30,873	13,552	
1966—Dec. 31..	321,473	217,379	55,788	48,307	68,515	401,449	351,438	19,497	881	4,975	166,689	4,717	31,609	13,533	
National member:															
1941—Dec. 31..	27,571	11,725	12,039	3,806	14,977	43,433	39,458	6,786	1,088	23,262	8,322	4	3,640	5,117	
1945—Dec. 31..	69,312	13,925	51,250	4,137	20,114	90,220	84,939	9,229	14,013	45,473	16,224	78	4,644	5,017	
1947—Dec. 31..	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	795	53,341	19,278	45	5,409	5,005	
1964—Dec. 31..	151,406	96,688	33,405	21,312	34,064	190,289	169,615	10,521	211	3,604	84,534	1,109	15,048	4,773	
1965—Dec. 31..	176,605	118,537	32,347	25,720	36,880	219,744	193,860	12,064	458	3,284	92,533	2,627	17,434	4,815	
1966—Dec. 31..	187,251	129,182	30,355	27,713	41,690	235,996	206,456	12,588	437	3,035	96,755	3,120	18,459	4,799	
1967—June 30..	195,338	132,725	29,544	33,069	39,462	242,033	211,098	11,330	746	3,202	93,064	3,419	19,097	4,780	
State member:															
1941—Dec. 31..	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739	621	13,874	4,025	1	2,246	1,502	
1945—Dec. 31..	37,871	8,850	27,089	1,933	9,731	48,084	44,730	4,411	8,166	24,168	7,986	130	2,945	1,867	
1947—Dec. 31..	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	381	27,068	9,062	9	3,055	1,918	
1964—Dec. 31..	77,091	51,002	15,312	10,777	18,673	98,852	86,108	6,486	453	2,234	44,005	1,372	7,853	1,452	
1965—Dec. 31..	74,972	51,262	12,645	11,065	15,934	93,640	81,657	5,390	382	1,606	39,598	1,607	7,492	1,406	
1966—Dec. 31..	77,377	54,560	11,569	11,247	19,049	99,504	85,547	6,200	357	1,397	41,464	1,498	7,819	1,351	
1967—June 30..	78,907	55,069	11,091	12,746	17,931	100,232	86,431	5,837	567	1,379	39,483	1,501	8,140	1,328	
Insured nonmember commercial:															
1941—Dec. 31..	5,776	3,241	1,509	1,025	2,668	8,708	7,702	129	53	4,162	3,360	6	959	6,810	
1945—Dec. 31..	14,639	2,992	10,584	1,063	4,448	19,256	18,119	244	1,560	10,635	5,680	7	1,083	6,416	
1947—Dec. 31..	16,444	4,958	10,039	1,448	4,083	20,691	19,340	262	149	12,366	6,558	7	1,271	6,478	
1964—Dec. 31..	46,567	26,544	13,790	6,233	7,174	54,747	49,389	658	70	649	25,504	99	4,488	7,262	
1965—Dec. 31..	52,028	30,310	14,137	7,581	7,513	60,679	54,806	695	83	618	27,528	91	4,912	7,320	
1966—June 30..	54,355	32,461	13,178	8,716	6,636	62,237	55,937	93	93	26,267	27,987	141	5,207	7,359	
1966—Dec. 31..	56,857	33,636	13,873	9,349	7,777	65,921	59,434	709	87	543	28,471	99	5,342	7,384	
Noninsured nonmember commercial:															
1941—Dec. 31..	1,457	455	761	241	763	2,283	1,872	329	1,291	253	13	329	852		
1945—Dec. 31..	2,211	318	1,693	200	514	2,768	2,452	181	1,905	365	4	279	714		
1947—Dec. 31..	2,009	474	1,280	255	576	2,643	2,251	177	185	478	4	325	783		
1964—Dec. 31..	2,312	1,355	483	474	578	3,033	2,057	273	86	23	1,141	99	406	274	
1965—Dec. 31..	2,455	1,549	418	489	572	3,200	2,113	277	85	17	1,121	147	434	263	
1966—June 30..	2,395	1,542	383	470	523	3,086	2,009	273	77	26	1,007	227	425	249	
1966—Dec. 31..	2,400	1,570	367	463	604	3,171	2,073	274	86	17	1,062	142	434	233	
Nonmember commercial:															
1941—Dec. 31..	7,233	3,696	2,270	1,266	3,431	10,992	9,573	457	5,504	3,613	18	1,288	7,662		
1945—Dec. 31..	16,849	3,310	12,277	1,262	4,962	22,024	20,571	425	14,101	6,045	11	1,362	7,130		
1947—Dec. 31..	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	167	13,758	7,036	12	1,596	7,261	
1964—Dec. 31..	48,879	27,899	14,273	6,707	7,752	57,780	51,447	931	156	672	26,645	198	4,894	7,536	
1965—Dec. 31..	54,483	31,858	14,555	8,070	8,085	63,879	56,919	972	168	635	28,649	238	5,345	7,583	
1966—June 30..	56,750	34,003	13,561	9,186	7,160	65,323	57,946	870	171	1,019	27,274	367	5,632	7,608	
1966—Dec. 31..	59,257	35,206	14,239	9,812	8,381	69,092	61,506	983	173	560	29,532	241	5,776	7,617	
Insured mutual savings:															
1941—Dec. 31..	1,693	642	629	421	151	1,958	1,789	.....	.....	1,789	.....	.....	164	52
1945—Dec. 31..	10,846	3,081	7,160	606	429	11,424	10,363	.....	.....	12	10,351	.....	1,034	192
1947—Dec. 31..	12,683	3,560	8,165	958	675	13,499	12,207	.....	.....	1	12,192	.....	1,252	194
1964—Dec. 31..	45,358	36,233	4,110	5,015	893	47,044	42,751	2	7	326	42,416	20	3,731	327
1965—Dec. 31..	48,735	39,964	3,760	5,010	904	50,500	45,887	1	7	359	45,520	91	3,957	329
1966—June 30..	49,679	41,102	3,432	5,145	854	51,450	46,681	1	6	416	46,257	92	4,045	330
1966—Dec. 31..	51,267	42,591	3,324	5,352	847	53,047	48,254	1	6	381	47,865	69	4,140	330
Noninsured mutual savings:															
1941—Dec. 31..	8,687	4,259	3,075	1,353	642	9,846	8,744	.....	.....	6	8,738	.....	1,077	496
1945—Dec. 31..	5,361	1,198	3,522	641	180	5,596	5,022	.....	.....	2	5,020	.....	558	350
1947—Dec. 31..	5,957	1,384	3,813	760	211	6,215	5,556	.....	.....	1	5,553	.....	637	339
1964—Dec. 31..	7,005	4,852	1,678	475	111	7,195	6,387	6	6,381	670	178
1965—Dec. 31..	7,526	5,325	1,710	491	113	7,720	6,874	8	6,865	706	177
1966—June 30..	7,768	5,525	1,690	552	111	7,964	7,046	1	28	7,017	716	175
1966—Dec. 31..	7,756	5,705	1,429	621	119	7,961	7,096	19	7,076	732	174

For notes see opposite page.

LOANS AND INVESTMENTS AT COMMERCIAL BANKS

(In billions of dollars)

Period	Seasonally adjusted				Not seasonally adjusted			
	Total ^{1, 2}	Loans ^{1, 2}	Securities		Total ^{1, 2}	Loans ^{1, 2}	Securities	
			U.S. Govt.	Other ²			U.S. Govt.	Other ²
1958—Dec. 31.....	181.2	95.6	65.1	20.5	184.4	97.5	66.4	20.6
1959—Dec. 31.....	185.9	107.5	57.9	20.5	189.5	110.0	58.9	20.5
1960—Dec. 31.....	194.5	113.8	59.8	20.8	198.5	116.7	61.0	20.9
1961—Dec. 30.....	209.6	120.5	65.2	23.9	214.4	123.9	66.6	23.9
1962—Dec. 31.....	227.9	134.1	64.5	29.2	233.6	137.9	66.4	29.3
1963—Dec. 31.....	246.2	149.7	61.5	35.0	252.4	153.9	63.4	35.1
1964—Dec. 31.....	267.2	167.7	60.7	38.7	273.9	172.1	63.0	38.8
1965—Dec. 31.....	294.4	192.4	57.3	44.8	301.8	197.4	59.5	44.9
1966—Sept. 28.....	309.4	206.2	54.9	48.3	308.8	206.4	53.6	48.8
Oct. 26.....	308.9	207.2	53.4	48.4	308.0	205.8	53.6	48.7
Nov. 30.....	309.3	207.5	53.4	48.4	309.0	206.7	54.4	47.9
Dec. 31.....	310.2	207.8	53.7	48.7	317.9	213.0	56.2	48.8
1967—Jan. 25.....	314.4	210.4	54.2	49.9	313.8	208.5	56.0	49.4
Feb. 22.....	318.0	211.0	55.9	51.1	314.5	207.2	56.6	50.7
Mar. 29.....	321.4	211.3	57.8	52.3	320.1	210.3	57.8	52.0
Apr. 26.....	323.0	213.3	56.1	53.6	322.3	212.2	56.2	54.0
May 31 ^P	324.3	213.1	56.2	55.1	323.4	212.7	55.9	54.8
June 30 ^P	324.9	213.2	55.9	55.8	328.8	217.9	54.8	56.1
July 26 ^P	333.2	217.6	58.8	56.7	331.5	217.4	57.2	56.9
Aug. 30 ^P	337.1	217.7	61.9	57.5	334.1	216.9	59.3	57.9
Sept. 27 ^P	339.3	219.7	61.7	57.9	338.6	220.0	60.2	58.5

¹ Adjusted to exclude interbank loans.² Beginning June 9, 1966, about \$1.1 billion of balances accumulated for payment of personal loans were deducted as a result of a change in Federal Reserve regulations.

Beginning June 30, 1966, CCC certificates of interest and Export-Import Bank portfolio fund participation certificates totaling an estimated \$1 billion are included in "Other securities" rather than "Other loans."

³ June 30, 1967, estimated.

NOTE.—Data are for last Wed. of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

The data in this table are revised. For a description of the revision and for back data beginning with January 1959, see the Sept. 1967 BULLETIN, pp. 1511-17; for data for 1948-58 see the Aug. 1966 BULLETIN, pp. 952-55. For a description of the semiannually adjusted series, see the July 1962 BULLETIN, pp. 797-802.

DEPOSITS ACCUMULATED AT COMMERCIAL BANKS FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	June 30,	Dec. 31,	Class of bank	June 30,	Dec. 31,
	1966	1966		1966	1966
All commercial.....	1,150	1,223	All member (cont.)—		
Insured.....	1,150	1,223	Other reserve city.....	338	370
National member.....	678	729	Country.....	532	571
State member.....	193	212	All nonmember.....	280	283
All member.....	870	941	Insured.....	279	282
New York City.....			Noninsured.....	1	
City of Chicago.....					

NOTE.—These hypothecated deposits are excluded from "Time deposits" and "Loans" at all commercial banks beginning with June 30, 1966, as follows: in the tables on pp. 1597-99; in the table at the top of this page; and in the tables on pp. 1604-07 (consumer instalment loans). These changes resulted from a change in the Federal Reserve regulations. See June 1966 BULLETIN, p. 808.)

These deposits have not been deducted from "Loans" and "Time deposits" in the table on p. 1600, or from "Loans" and "Time deposits, [PC]" in the tables on pp. 1602-03.

Details may not add to totals because of rounding; also, mutual savings banks held \$166,000 of these deposits on June 30, 1966, and \$268,000 on Dec. 31, 1966.

Notes to tables on pp. 1768-1770.

¹ See table "Deposits Accumulated at Commercial Banks for Payment of Personal Loans" and its notes above.² Beginning June 30, 1966, loans to farmers directly guaranteed by CCC were reclassified as securities, and Export-Import Bank portfolio fund participations were reclassified from loans to securities. This reduced "Total loans" and increased "Other securities" by about \$1 billion. "Total loans" include Federal funds sold, figures for which are shown separately for commercial banks on the following two pages.³ Reciprocal balances excluded beginning with 1942.⁴ Includes other assets and liabilities not shown separately.⁵ Figures for mutual savings banks include relatively small amounts of demand deposits. Beginning with June 1961, also includes certain accounts previously classified as other liabilities.⁶ Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.⁷ Regarding reclassification of New York City and Chicago as reserve cities, see Aug. 1962 BULLETIN, p. 993. For various changes between reserve city and country status in 1960-63, see note 6, p. 587, May 1964 BULLETIN.⁸ Beginning with May 18, 1964, one New York City country bank with loans and investments of \$1,034 million and total deposits of \$982 million was reclassified as a reserve city bank. Beginning with May 13, 1965, Toledo, Ohio, reserve city banks with total loans and investments of \$530 million and total deposits of \$576 million were reclassified as country banks.

NOTE.—Data are for all commercial and mutual savings banks in the United States (including Alaska and Hawaii, beginning with 1959). For definition of "commercial banks" as used in this table, and for other banks that are included under member banks, see NOTE, p. 643, May 1964 BULLETIN.

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

Data for national banks for Dec. 31, 1964, have been adjusted to make them comparable with State bank data.

Figures are partly estimated except on call dates.

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

RESERVES AND LIABILITIES BY CLASS OF BANK

(In millions of dollars)

Class of bank and call date	Re-reserves with F.R. Banks	Currency and coin	Balances with domestic banks ⁶	Demand deposits adjusted ⁷	Demand deposits					Time deposits				Borrowings	Capital accounts		
					Interbank		U.S. Govt.	State and local govt.	Certified and officers' checks, etc.	IPC	Interbank	U.S. Govt. and Postal Savings	State and local govt.			IPC ²	
					Domestic ⁶	Foreign ⁸											
Total:³																	
1947—Dec. 31	17,796	2,216	10,216	87,123	11,362	1,430	1,343	6,799	2,581	84,987	240	111	866	34,383	65	10,059	
1964—Dec. 31	17,581	4,532	15,111	134,671	16,369	1,569	6,510	13,519	5,970	135,694	819	272	9,812	116,635	2,679	27,795	
1965—Dec. 31	17,992	4,851	15,300	140,936	16,794	1,632	5,525	14,244	5,978	140,558	1,008	263	12,186	134,247	4,472	30,272	
1966—June 30	18,094	5,234	13,548	133,535	15,488	1,546	10,998	14,931	6,692	132,222	1,098	231	12,634	143,315	4,353	31,309	
1966—Dec. 31	19,069	5,426	15,870	142,104	17,867	1,904	4,992	15,047	7,051	145,653	967	238	13,462	146,329	4,859	32,054	
All insured:																	
1941—Dec. 31	12,396	1,358	8,570	37,845	9,823	673	1,762	3,677	1,077	36,544	158	59	492	15,146	10	6,844	
1945—Dec. 31	15,810	1,829	11,075	74,722	12,566	1,248	23,740	5,098	2,585	72,593	70	103	496	29,277	215	8,671	
1947—Dec. 31	17,796	2,145	9,736	85,751	11,236	1,379	1,325	6,692	2,559	83,723	54	111	826	33,946	61	9,734	
1964—Dec. 31	17,581	4,515	14,613	133,336	16,210	1,454	6,487	13,423	5,856	134,764	733	272	9,766	116,147	2,580	27,377	
1965—Dec. 31	17,992	4,833	14,801	139,601	16,620	1,529	5,508	14,152	5,913	139,594	923	263	12,135	133,686	4,325	29,827	
1966—June 30	18,094	5,219	13,093	132,311	15,304	1,457	10,972	14,827	6,603	131,409	1,021	231	12,584	142,738	4,126	30,873	
1966—Dec. 31	19,069	5,426	15,348	140,835	17,713	1,784	4,975	14,951	6,956	144,782	881	238	13,414	145,744	4,717	31,609	
Member, total:																	
1941—Dec. 31	12,396	1,087	6,246	33,754	9,714	671	1,709	3,066	1,009	33,061	140	50	418	11,878	4	5,886	
1945—Dec. 31	15,811	1,438	7,117	64,184	12,333	1,243	22,179	4,240	2,450	62,950	64	99	399	23,712	208	7,589	
1947—Dec. 31	17,797	1,672	6,270	73,528	10,978	1,375	1,176	5,504	2,401	72,704	50	105	693	27,542	54	8,464	
1964—Dec. 31	17,581	3,490	9,057	108,324	15,604	1,403	5,838	10,293	5,368	112,878	664	239	8,012	95,425	2,481	22,901	
1965—Dec. 31	17,992	3,757	8,957	112,569	15,977	1,477	4,890	10,840	5,386	115,905	840	236	10,041	109,925	4,234	24,926	
1966—June 30	18,094	4,044	8,148	106,472	14,752	1,412	9,979	11,445	6,095	109,032	928	204	10,334	117,028	3,985	25,678	
1966—Dec. 31	19,069	4,249	9,400	112,920	17,051	1,736	4,432	11,406	6,396	120,417	794	213	10,983	118,576	4,618	26,278	
New York City:																	
1941—Dec. 31	5,105	93	141	10,761	3,595	607	866	319	450	11,282	6	.....	29	778	.....	1,648
1945—Dec. 31	4,015	111	78	15,065	3,535	1,105	6,940	237	1,338	15,712	17	10	20	1,206	195	2,120	
1947—Dec. 31	4,639	151	70	16,653	3,236	1,217	267	290	1,105	17,646	12	12	14	1,418	30	2,259	
1964—Dec. 31	3,730	278	180	17,729	4,112	976	1,486	441	2,940	20,515	436	74	677	13,534	1,224	4,471	
1965—Dec. 31	3,788	310	122	18,190	4,191	1,034	1,271	620	2,937	20,708	522	84	807	17,097	1,987	5,114	
1966—June 30	3,356	313	235	16,556	4,877	992	2,279	815	3,713	19,491	606	65	841	18,118	1,293	5,179	
1966—Dec. 31	4,062	326	201	18,013	5,105	1,265	1,016	608	3,814	22,113	467	83	918	16,447	1,874	5,298	
City of Chicago:																	
1941—Dec. 31	1,021	43	298	2,215	1,027	8	127	233	34	2,152	.....	.....	.....	476	.....	288
1945—Dec. 31	942	36	200	3,153	1,292	20	1,552	237	66	3,160	.....	.....	.....	719	.....	377
1947—Dec. 31	1,070	30	175	3,737	1,196	21	72	285	63	3,853	.....	.....	2	902	.....	426
1964—Dec. 31	1,006	55	150	4,294	1,389	59	396	312	122	4,929	22	5	213	4,361	204	1,056	
1965—Dec. 31	1,042	73	151	4,571	1,377	59	345	328	126	5,202	39	4	210	4,785	355	1,132	
1966—June 30	939	77	235	4,251	1,171	59	680	336	131	4,781	43	2	329	4,852	521	1,152	
1966—Dec. 31	815	92	136	4,502	1,362	71	310	286	146	5,575	25	1	356	4,541	484	1,199	
Other reserve city:																	
1941—Dec. 31	4,060	425	2,590	11,117	4,302	54	491	1,144	286	11,127	104	20	243	4,542	.....	1,967
1945—Dec. 31	6,326	494	2,174	22,372	6,307	110	8,221	1,763	611	22,281	30	38	160	9,563	2	2,566	
1947—Dec. 31	7,095	562	2,125	25,714	5,497	131	405	2,282	705	26,003	22	45	332	11,045	1	2,844	
1964—Dec. 31	7,680	1,065	2,433	37,047	7,962	326	2,195	3,508	1,238	42,137	134	77	3,840	35,728	841	8,488	
1965—Dec. 31	7,700	1,139	2,341	37,703	8,091	330	1,773	3,532	1,180	42,380	206	71	4,960	40,510	1,548	9,007	
1966—June 30	8,102	1,238	2,196	35,856	6,843	310	3,968	3,513	1,168	39,838	215	64	5,093	43,313	1,756	9,297	
1966—Dec. 31	8,353	1,326	2,517	37,572	8,249	343	1,633	3,708	1,274	44,022	233	57	5,450	44,204	1,952	9,472	
Country:																	
1941—Dec. 31	2,210	526	3,216	9,661	790	2	225	1,370	239	8,500	30	31	146	6,082	4	1,982	
1945—Dec. 31	4,527	796	4,665	23,595	1,199	8	5,465	2,004	435	21,797	17	52	219	12,224	11	2,525	
1947—Dec. 31	4,993	929	3,900	27,424	1,049	7	432	2,647	528	25,203	17	45	337	14,177	23	2,934	
1964—Dec. 31	5,165	2,092	6,295	49,253	2,141	41	1,760	6,031	1,068	45,298	71	83	3,282	41,803	213	8,886	
1965—Dec. 31	5,463	2,235	6,344	52,104	2,317	54	1,501	6,360	1,143	47,615	74	77	4,064	47,534	343	9,673	
1966—June 30	5,697	2,415	5,481	49,810	1,860	52	3,052	6,781	1,082	44,922	64	74	4,071	50,745	416	10,050	
1966—Dec. 31	5,839	2,506	6,545	52,832	2,335	57	1,474	6,805	1,161	48,706	69	71	4,260	53,384	308	10,309	
Nonmember:³																	
1947—Dec. 31	.....	544	3,947	13,595	385	55	167	1,295	180	12,284	190	6	172	6,858	12	1,596
1964—Dec. 31	.....	1,042	6,054	26,348	765	166	672	3,227	602	22,816	156	33	1,800	21,210	198	4,894
1965—Dec. 31	.....	1,093	6,343	28,367	817	155	635	3,404	592	24,653	168	27	2,145	24,322	238	5,345
1966—June 30	.....	1,190	5,400	27,063	736	134	1,019	3,486	598	23,190	171	27	2,300	26,286	367	5,632
1966—Dec. 31	.....	1,201	6,471	29,184	815	167	560	3,641	655	25,237	173	26	2,479	27,753	241	5,776

⁶ Beginning with 1942, excludes reciprocal bank balances.

⁷ Through 1960 demand deposits other than interbank and U.S. Govt., less cash items in process of collection; beginning with 1961, demand deposits other than domestic commercial interbank and U.S. Govt., less cash items in process of collection.

⁸ For reclassification of certain deposits in 1961, see note 6, p. 589, May 1964 BULLETIN.

NOTE.—Data are for all commercial banks in the United States. (For definition of "commercial banks" as used in this table and for other banks

that are included under member banks, see NOTE, p. 589, May 1964 BULLETIN.) These figures exclude data for banks in U.S. possessions except for member banks. Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.

Data for national banks for Dec. 31, 1964, have been adjusted to make them comparable with State bank data.

For other notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and investments ¹	Loans ¹ net of valuation reserves	Loans ²											Valuation reserves			
			Commercial and industrial	Agricultural	For purchasing or carrying securities				To financial institutions				Real estate		Consumer installment	Foreign govts.	All other
					To brokers and dealers		To others		Banks		Nonbank						
					U.S. Govt. securities	Other securities	U.S. Govt. securities	Other securities	Foreign	Domestic commercial	Pers. and sales finan. cos., etc.	Other					
Large banks—Total																	
1966																	
Sept. 7	184,654	134,279	58,338	1,804	749	3,073	112	2,187	1,508	3,031	5,940	4,691	27,221	16,183	1,148	11,069	2,775
14	185,050	134,581	58,674	1,793	663	3,155	108	2,176	1,488	3,003	5,933	4,724	27,301	16,192	1,152	10,992	2,773
21	185,785	135,461	59,436	1,794	797	3,123	106	2,168	1,495	2,594	6,407	4,689	27,335	16,156	1,148	10,982	2,769
28	185,867	135,148	59,440	1,789	536	3,014	106	2,170	1,510	2,946	6,131	4,694	27,403	16,159	1,132	10,888	2,770
1967																	
Aug. 2	198,896	140,628	63,445	1,910	1,351	3,833	75	2,196	1,328	3,358	5,576	4,331	27,797	16,091	1,135	11,170	2,968
9	197,140	139,448	62,894	1,906	1,243	3,823	72	2,213	1,315	3,083	5,312	4,357	27,854	16,080	1,115	11,105	2,964
16	197,800	140,020	63,056	1,900	1,228	3,588	72	2,232	1,309	3,576	5,354	4,328	27,979	16,079	1,091	11,192	2,964
23	196,894	139,074	62,554	1,905	1,031	3,490	75	2,253	1,323	3,540	5,154	4,311	28,042	16,108	1,125	11,126	2,963
30	198,441	139,120	62,189	1,899	1,389	3,296	77	2,262	1,332	3,632	5,111	4,384	28,094	16,153	1,129	11,128	2,955
Sept. 6	198,839	139,352	62,238	1,907	1,057	3,533	77	2,271	1,330	3,557	5,323	4,393	28,107	16,136	1,138	11,243	2,958
13	199,083	139,370	62,285	1,898	1,296	3,542	73	2,281	1,326	3,242	5,265	4,421	28,202	16,125	1,138	11,235	2,959
20	201,313	141,396	63,149	1,893	1,422	3,719	77	2,308	1,336	3,471	5,529	4,566	28,286	16,137	1,133	11,330	2,960
27	201,365	141,648	63,372	1,888	1,279	3,535	96	2,337	1,342	3,639	5,614	4,571	28,337	16,159	1,126	11,312	2,959
New York City																	
1966																	
Sept. 7	43,269	33,443	19,297	13	415	1,742	33	628	842	1,024	1,875	1,183	3,216	1,282	756	1,910	773
14	43,429	33,446	19,468	13	364	1,809	32	623	834	861	1,873	1,179	3,243	1,281	762	1,877	773
21	43,863	33,982	19,896	13	409	1,784	29	622	839	780	2,041	1,193	3,248	1,278	756	1,865	771
28	43,878	33,808	19,938	13	234	1,709	29	620	844	1,060	1,788	1,187	3,269	1,274	753	1,861	771
1967																	
Aug. 2	46,070	35,369	21,492	11	626	2,361	13	632	672	908	1,610	1,018	2,997	1,240	725	1,902	838
9	45,087	34,610	21,125	11	619	2,380	12	643	677	693	1,499	1,016	3,001	1,228	724	1,820	838
16	45,317	34,769	21,272	11	654	2,229	12	639	651	766	1,546	1,007	3,026	1,232	728	1,834	838
23	45,332	34,769	21,057	10	467	2,115	13	651	674	1,337	1,449	1,012	3,020	1,232	762	1,807	837
30	45,797	34,655	20,877	10	801	1,944	12	650	680	1,203	1,441	1,027	3,024	1,237	770	1,809	830
Sept. 6	45,740	34,426	20,919	10	493	2,151	12	652	678	883	1,562	1,029	3,014	1,232	773	1,852	834
13	45,410	34,029	20,850	11	502	2,128	12	654	671	708	1,465	1,026	3,018	1,233	761	1,824	834
20	46,615	34,915	21,140	11	518	2,288	12	679	666	780	1,657	1,100	3,033	1,237	759	1,869	834
27	46,658	35,227	21,255	12	420	2,079	12	695	656	1,151	1,716	1,115	3,031	1,237	758	1,924	834
Outside New York City																	
1966																	
Sept. 7	141,385	100,836	39,041	1,791	334	1,331	79	1,559	666	2,007	4,065	3,508	24,005	14,901	392	9,159	2,002
14	141,621	101,135	39,206	1,780	299	1,346	76	1,553	654	2,142	4,060	3,545	24,058	14,911	390	9,115	2,000
21	141,922	101,479	39,540	1,781	388	1,339	77	1,546	656	1,814	4,366	3,496	24,087	14,878	392	9,117	1,998
28	141,989	101,340	39,502	1,776	302	1,305	77	1,550	666	1,886	4,343	3,507	24,134	14,885	379	9,027	1,999
1967																	
Aug. 2	152,826	105,259	41,953	1,899	725	1,472	62	1,564	656	2,450	3,966	3,313	24,800	14,851	410	9,268	2,130
9	152,053	104,838	41,769	1,895	624	1,443	60	1,590	658	2,390	3,813	3,341	24,853	14,852	391	9,285	2,126
16	152,483	105,251	41,784	1,889	574	1,359	60	1,593	658	2,810	3,808	3,321	24,953	14,847	363	9,358	2,126
23	151,562	104,305	41,497	1,895	564	1,375	62	1,602	649	2,203	3,705	3,299	25,022	14,876	363	9,319	2,126
30	152,644	104,465	41,312	1,889	588	1,352	65	1,612	652	2,429	3,670	3,357	25,070	14,916	359	9,319	2,125
Sept. 6	153,099	104,926	41,319	1,897	564	1,382	65	1,619	652	2,674	3,761	3,364	25,093	14,904	365	9,391	2,124
13	153,673	105,341	41,435	1,887	794	1,414	61	1,627	655	2,534	3,800	3,395	25,184	14,892	377	9,411	2,125
20	154,698	106,481	42,009	1,882	904	1,431	65	1,629	670	2,691	3,872	3,466	25,253	14,900	374	9,461	2,126
27	154,707	106,421	42,117	1,876	859	1,456	84	1,642	686	2,488	3,898	3,456	25,306	14,922	368	9,388	2,125

For other notes see p. 1777.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Total	Investments										Cash assets						All other assets	Wednesday
	U.S. Government securities					Other securities					Total	Cash items in process of collection	Balances with—		Currency and coin	Reserves with F.R. Banks		
	Bills	Certi-ficates	Notes and bonds maturing—			Obligations of States and political subdiv.		Other bonds, corp. stocks and securities		Domestic banks			For-ign banks					
			With-in 1 yr.	1 to 5 yrs.	After 5 yrs.	Tax war-rants ³	All other	Certif. of partici-pation ⁴	Other securities									
22,802	2,876	739	3,166	9,446	6,575	3,019	21,236	1,116	2,202	39,211	18,757	3,946	204	2,442	13,862	7,780	Large banks— Total 1966	
22,893	3,064	744	3,110	9,439	6,536	3,030	21,179	1,100	2,267	42,069	20,801	4,426	204	2,615	14,023	7,722		
22,716	2,885	733	3,129	9,413	6,556	2,955	21,266	1,104	2,283	39,755	18,593	4,105	200	2,569	14,288	7,571	21	
23,180	3,359	740	3,176	9,308	6,597	2,999	21,198	1,108	2,234	37,808	17,437	3,748	191	2,630	13,802	7,787	28	
26,004	4,738	225	2,810	12,750	5,481	3,663	24,485	1,261	2,855	43,544	21,208	4,215	209	2,585	15,327	8,651	1967	
25,458	4,243	220	2,766	12,772	5,457	3,734	24,428	1,247	2,825	41,866	19,900	3,927	216	2,591	15,232	8,603		
25,628	4,197	12	3,275	13,007	5,137	3,792	24,318	1,257	2,785	43,199	21,125	4,098	219	2,624	15,133	8,476	16	
25,581	4,174	6	3,434	12,860	5,107	3,826	24,378	1,281	2,754	40,934	19,485	3,726	220	2,698	14,805	8,522	23	
26,903	4,624	5	3,524	13,639	5,111	4,069	24,264	1,308	2,777	40,605	19,400	3,837	239	2,786	14,343	8,582	30	
26,822	4,676	5	3,534	13,475	5,132	4,272	24,379	1,285	2,729	45,490	22,385	4,229	200	2,565	16,111	8,717	1967	
27,138	5,039	5	3,531	13,422	5,141	4,223	24,422	1,252	2,678	44,242	22,124	4,141	203	2,809	14,965	8,631		
27,423	5,278	.....	3,531	13,811	4,803	4,304	24,285	1,260	2,645	44,112	21,713	4,168	227	2,722	15,282	8,504	20
27,043	5,065	.....	3,541	13,706	4,731	4,387	24,341	1,277	2,669	42,860	20,449	3,842	241	2,807	15,521	8,695	27
4,163	1,078	226	467	1,079	1,313	825	4,043	282	513	11,010	6,570	173	91	323	3,853	2,929	New York City 1966	
4,301	1,224	239	465	1,054	1,319	827	4,002	283	570	11,709	6,942	223	85	314	4,145	2,857		
4,202	1,129	231	456	1,041	1,345	819	4,001	279	580	10,905	6,553	238	76	320	3,718	2,743	21	
4,399	1,322	234	491	950	1,402	838	3,991	280	562	10,896	6,355	214	73	325	3,929	2,866	28	
4,943	1,277	101	526	1,954	1,085	777	4,305	74	602	12,619	7,781	247	83	331	4,177	3,153	1967	
4,823	1,143	101	500	1,984	1,095	780	4,212	72	590	12,677	7,958	271	99	338	4,011	3,175		
4,758	1,093	.....	842	1,892	931	925	4,206	70	589	12,539	7,475	262	109	323	4,370	3,130	16
4,750	1,104	.....	846	1,872	928	936	4,232	71	574	12,276	7,752	213	105	333	3,873	3,214	23
5,223	1,373	.....	860	2,066	924	1,107	4,164	71	577	12,608	7,964	206	117	343	3,978	3,129	30
5,198	1,414	.....	887	1,984	913	1,269	4,208	69	570	13,381	8,424	183	81	349	4,344	3,166	1967
5,289	1,552	.....	904	1,920	913	1,295	4,153	65	579	12,596	7,756	248	93	350	4,149	3,168	
5,500	1,697	.....	886	2,030	887	1,422	4,144	64	570	12,494	7,668	279	106	342	4,099	3,127	20
5,163	1,488	.....	877	1,912	886	1,494	4,116	61	597	12,875	7,863	287	112	348	4,265	3,211	27
18,639	1,798	513	2,699	8,367	5,262	2,194	17,193	834	1,689	28,201	12,187	3,773	113	2,119	10,009	4,851	Outside New York City 1966	
18,592	1,840	505	2,645	8,385	5,217	2,203	17,177	817	1,697	30,360	13,859	4,203	119	2,301	9,878	4,865		
18,514	1,756	502	2,673	8,372	5,211	2,136	17,265	825	1,703	28,850	12,040	3,867	124	2,249	10,570	4,828	21	
18,781	2,037	506	2,685	8,358	5,195	2,161	17,207	828	1,672	26,912	11,082	3,534	118	2,305	9,873	4,921	28	
21,061	3,461	124	2,284	10,796	4,396	2,886	20,180	1,187	2,253	30,925	13,427	3,968	126	2,254	11,150	5,498	1967	
20,635	3,100	119	2,266	10,788	4,362	2,954	20,216	1,175	2,235	29,189	11,942	3,656	117	2,253	11,221	5,428		
20,870	3,104	12	2,433	11,115	4,206	2,867	20,112	1,187	2,196	30,660	13,650	3,836	110	2,301	10,763	5,346	16	
20,831	3,070	6	2,588	10,988	4,179	2,890	20,146	1,210	2,180	28,658	11,733	3,513	115	2,365	10,932	5,308	23	
21,680	3,251	5	2,664	11,573	4,187	2,962	20,100	1,237	2,200	27,997	11,436	3,631	122	2,443	10,365	5,453	30	
21,624	3,262	5	2,647	11,491	4,219	3,003	20,171	1,216	2,159	32,109	13,961	4,046	119	2,216	11,767	5,551	1967	
21,849	3,487	5	2,627	11,502	4,228	2,928	20,269	1,187	2,099	31,646	14,368	3,893	110	2,459	10,816	5,463		
21,923	3,581	.....	2,645	11,781	3,916	2,882	20,141	1,196	2,075	31,618	14,045	3,889	121	2,380	11,183	5,377	20
21,880	3,577	.....	2,664	11,794	3,845	2,893	20,225	1,216	2,072	29,985	12,586	3,555	129	2,459	11,256	5,484	27

For other notes see p. 1777.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Total unad-justed	Deposits													
		Demand							Time						
		Total ⁵	IPC	States and political sub-divisions	U.S. Govt.	Do-mestic com-mercial banks	Foreign		Total ⁷	IPC		States and political sub-divisions	Do-mestic inter-bank	Foreign	
							Govt., etc. ⁶	Com-mercial banks		Sav-ings	Other			Govt., etc.	Com-mercial banks
<i>Large banks—Total</i>															
<i>1966</i>															
Sept. 7	195,616	104,390	76,465	5,472	2,220	13,248	636	1,443	91,226	47,310	30,839	7,911	659	4,099	244
14	198,705	107,670	81,070	5,228	1,378	13,401	591	1,424	91,035	47,256	30,605	8,007	660	4,109	230
21	197,091	106,496	78,072	5,234	3,851	12,624	586	1,507	90,595	47,269	30,396	7,857	636	4,037	230
28	195,374	104,851	76,248	5,706	4,515	11,710	725	1,421	90,523	47,351	30,327	7,790	633	4,028	220
<i>1967</i>															
Aug. 2	213,190	112,459	81,030	6,089	3,458	13,445	663	1,581	100,731	47,836	36,604	9,718	1,094	5,062	217
9	209,538	108,457	78,410	5,565	2,789	13,170	642	1,556	101,081	47,899	36,871	9,751	1,099	5,042	225
16	210,884	109,725	81,127	5,351	2,134	13,603	635	1,542	101,159	47,908	36,945	9,738	1,105	5,032	235
23	208,195	106,679	78,502	5,102	2,479	12,794	607	1,511	101,516	47,931	37,247	9,743	1,112	5,033	254
30	209,513	107,686	79,157	5,503	2,322	12,643	616	1,510	101,827	47,957	37,449	9,841	1,099	5,024	262
Sept. 6	214,607	112,759	81,557	5,533	2,415	14,468	637	1,503	101,848	48,002	37,439	9,813	1,099	5,032	269
13	213,320	111,521	83,826	5,110	1,035	13,812	617	1,554	101,799	48,027	37,406	9,761	1,090	5,052	268
20	215,331	113,917	82,569	5,171	5,061	13,430	667	1,556	101,414	48,109	37,087	9,611	1,056	5,090	270
27	214,702	113,043	81,444	5,665	5,353	12,846	675	1,505	101,659	48,349	37,174	9,542	1,057	5,080	265
<i>New York City</i>															
<i>1966</i>															
Sept. 7	44,453	26,372	17,651	240	475	3,442	493	1,009	18,081	4,672	9,031	841	406	2,913	140
14	45,236	27,323	19,017	301	197	3,636	460	998	17,913	4,660	8,867	846	401	2,931	127
21	45,292	27,579	18,115	306	1,165	3,556	461	1,070	17,713	4,658	8,840	744	393	2,871	127
28	45,187	27,576	17,881	396	1,503	3,301	590	997	17,611	4,666	8,776	713	393	2,864	117
<i>1967</i>															
Aug. 2	48,928	29,835	19,239	357	909	3,811	530	1,089	19,093	4,723	9,001	972	726	3,464	126
9	47,786	28,607	18,179	306	598	3,718	496	1,068	19,179	4,724	9,071	1,003	728	3,447	136
16	47,370	28,307	18,814	340	449	3,898	501	1,055	19,063	4,725	8,950	1,040	726	3,413	139
23	47,405	28,282	18,328	301	501	3,848	473	1,024	19,123	4,725	9,035	1,018	731	3,396	146
30	47,999	28,826	18,684	366	566	3,707	487	1,036	19,173	4,722	9,062	1,063	716	3,390	151
Sept. 6	48,906	29,880	18,873	320	579	4,082	495	1,031	19,026	4,720	8,930	1,053	711	3,386	156
13	47,593	28,692	19,337	401	95	3,834	475	1,064	18,901	4,720	8,804	1,056	706	3,390	153
20	48,882	30,150	19,271	387	1,711	3,776	528	1,062	18,732	4,724	8,696	996	673	3,418	153
27	49,339	30,597	19,421	443	1,668	3,881	538	1,018	18,742	4,742	8,741	956	669	3,414	147
<i>Outside New York City</i>															
<i>1966</i>															
Sept. 7	151,163	78,018	58,814	5,232	1,745	9,806	143	434	73,145	42,638	21,808	7,070	253	1,186	104
14	153,469	80,347	62,053	4,927	1,181	9,765	131	426	73,122	42,596	21,738	7,161	259	1,178	103
21	151,799	78,917	59,957	4,928	2,686	9,068	125	437	72,882	42,611	21,556	7,113	243	1,166	103
28	150,187	77,275	58,367	5,310	3,012	8,409	135	424	72,912	42,685	21,551	7,077	240	1,164	103
<i>1967</i>															
Aug. 2	164,262	82,624	61,791	5,732	2,549	9,634	133	492	81,638	43,113	27,603	8,746	368	1,598	91
9	161,752	79,850	60,231	5,259	2,191	9,452	146	488	81,902	43,175	27,800	8,748	371	1,595	89
16	163,514	81,418	62,313	5,011	1,685	9,705	134	487	82,096	43,183	27,995	8,698	379	1,619	96
23	160,790	78,397	60,174	4,801	1,978	8,946	134	487	82,393	43,206	28,212	8,725	381	1,637	108
30	161,514	78,860	60,473	5,137	1,756	8,936	129	474	82,654	43,235	28,387	8,778	383	1,634	111
Sept. 6	165,701	82,879	62,684	5,213	1,836	10,386	142	472	82,822	43,282	28,509	8,760	388	1,646	113
13	165,727	82,829	64,489	4,709	940	9,978	142	490	82,898	43,307	28,602	8,705	384	1,662	115
20	166,449	83,767	63,298	4,784	3,350	9,654	139	494	82,682	43,385	28,391	8,615	383	1,672	117
27	165,363	82,446	62,023	5,222	3,685	8,965	137	487	82,917	43,607	28,433	8,586	388	1,666	118

For other notes see p. 1777.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Borrowings		Other liabilities	Capital accounts	Total assets— Total liabilities and capital accounts	Memoranda						Wednesday
From F.R. Banks	From others				Total loans (net), adjusted ⁸	Total loans (net), adjusted, and investments ⁸	Demand deposits adjusted ⁹	Large certificates of deposit ¹⁰			
								Total issued	Issued to IPC's	Issued to others	
<i>Large banks—Total</i>											
1966											
525	6,083	10,415	19,006	231,645	131,248	181,623	70,165	18,023	12,635	5,388	.....Sept. 7
123	6,247	10,803	18,963	234,841	131,578	182,047	72,090	17,718	12,283	5,435	.....14
769	5,511	10,787	18,953	233,111	132,867	183,191	71,428	17,226	11,982	5,244	.....21
833	5,471	10,803	18,981	231,462	132,202	182,921	71,189	17,005	11,809	5,196	.....28
1967											
475	6,216	11,190	20,020	251,091	137,270	195,538	74,348	20,118	12,821	7,297	.....Aug. 2
214	6,199	11,617	20,041	247,609	136,365	194,057	72,598	20,314	12,949	7,365	.....9
214	6,396	11,989	19,992	249,475	136,444	194,224	72,863	20,328	12,918	7,410	.....16
20	6,026	12,123	19,986	246,350	135,534	193,354	71,921	20,570	13,132	7,438	.....23
14	5,994	12,094	20,013	247,628	135,488	194,809	73,321	20,742	13,247	7,495	.....30
115	6,184	12,052	20,088	253,046	135,795	195,282	73,491	20,610	13,125	7,485	.....Sept. 6
15	6,402	12,137	20,082	251,956	136,121	195,841	74,551	20,437	12,938	7,499	.....13
294	6,054	12,199	20,051	253,929	137,926	197,842	73,713	19,899	12,563	7,336	.....20
117	5,790	12,239	20,072	252,920	138,009	197,726	74,395	19,897	12,557	7,340	.....27
<i>New York City</i>											
1966											
48	2,367	5,228	5,112	57,208	32,419	42,245	15,885	6,972	5,014	1,958	.....Sept. 7
8	2,330	5,314	5,107	57,995	32,585	42,568	16,548	6,755	4,826	1,929	.....14
98	1,927	5,094	5,100	57,511	33,202	43,083	16,305	6,643	4,821	1,822	.....21
329	1,738	5,289	5,097	57,640	32,748	42,818	16,417	6,549	4,743	1,806	.....28
1967											
182	1,862	5,391	5,479	61,842	34,461	45,162	17,334	7,269	4,742	2,527	.....Aug. 2
16	1,888	5,764	5,485	60,939	33,917	44,394	16,333	7,355	4,796	2,559	.....9
40	2,173	5,927	5,476	60,986	34,003	44,551	16,485	7,246	4,682	2,564	.....16
.....	1,736	6,211	5,470	60,822	33,432	43,995	16,181	7,334	4,755	2,579	.....23
.....	1,944	6,129	5,462	61,534	33,452	44,594	16,589	7,339	4,767	2,572	.....30
.....	1,854	6,044	5,483	62,287	33,543	44,857	16,795	7,195	4,634	2,561	.....Sept. 6
.....	2,019	6,079	5,483	61,174	33,321	44,702	17,007	7,058	4,473	2,585	.....13
.....	1,750	6,127	5,477	62,236	34,135	45,835	16,995	6,865	4,376	2,489	.....20
.....	1,532	6,398	5,475	62,744	34,076	45,507	17,185	6,864	4,368	2,496	.....27
<i>Outside New York City</i>											
1966											
477	3,716	5,187	13,894	174,437	98,829	139,378	54,280	11,051	7,621	3,430	.....Sept. 7
115	3,917	5,489	13,856	176,846	98,993	139,479	55,542	10,963	7,457	3,506	.....14
671	3,584	5,693	13,853	175,600	99,665	140,108	55,123	10,583	7,161	3,422	.....21
504	3,733	5,514	13,884	173,822	99,454	140,103	54,772	10,456	7,066	3,390	.....28
1967											
293	4,354	5,799	14,541	189,249	102,809	150,376	57,014	12,849	8,079	4,770	.....Aug. 2
198	4,311	5,853	14,556	186,670	102,448	149,663	56,265	12,959	8,153	4,806	.....9
174	4,223	6,062	14,516	188,489	102,441	149,673	56,378	13,082	8,236	4,846	.....16
20	4,290	5,912	14,516	185,528	102,102	149,359	55,740	13,236	8,377	4,859	.....23
14	4,050	5,965	14,551	186,094	102,036	150,215	56,732	13,403	8,480	4,923	.....30
115	4,330	6,008	14,605	190,759	102,252	150,425	56,696	13,415	8,491	4,924	.....Sept. 6
15	4,383	6,058	14,599	190,782	102,807	151,139	57,544	13,379	8,465	4,914	.....13
294	4,304	6,072	14,574	191,693	103,790	152,007	56,718	13,034	8,187	4,847	.....20
117	4,258	5,841	14,597	190,176	103,933	152,219	57,210	13,033	8,189	4,844	.....27

¹ After deduction of valuation reserves. ² Individual items shown gross. ³ Includes short-term notes and bills (less than 1 year to maturity) issued by States and political subdivisions. ⁴ Federal agencies only. ⁵ Includes certified and officers' checks, not shown separately. ⁶ Deposits of foreign governments and official institutions, central banks, and international institutions. ⁷ Includes U.S. Government and postal savings not shown separately. ⁸ Exclusive of loans to domestic commercial banks. ⁹ All demand deposits except U.S. Government and domestic commercial banks, less cash items in process of collection.

¹⁰ Certificates of deposit issued in denominations of \$100,000 or more. NOTE.—Beginning June 29, 1966, coverage of series was changed from Weekly Reporting Member Banks to Weekly Reporting Large Commercial Banks (earlier figures for 1966 are comparable with the new series.) Also beginning June 29, 1966, detailed breakdown is shown of "All other loans," of "Other securities," and of ownership of time certificates of deposit in denominations of \$100,000 or more. For description of revisions, see Aug. 1966 BULLETIN, pp. 1137-40.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—									
	1967					1967			1967			1967	1966		
	Sept. 27	Sept. 20	Sept. 13	Sept. 6	Aug. 30	Sept.	Aug.	July	III	II	I	1st half	2nd half		
Durable goods manufacturing:															
Primary metals.....	1,191	1,188	1,224	1,214	1,123	68	-41	75	102	153	100	253	-135		
Machinery.....	4,540	4,558	4,484	4,525	4,542	-2	-306	-72	-380	285	602	887	580		
Transportation equipment.....	1,925	1,938	1,867	1,906	1,890	35	-42	-16	-23	-273	226	-47	474		
Other fabricated metal products.....	1,801	1,798	1,794	1,763	1,772	29	-103	-102	-176	266	143	409	-27		
Other durable goods.....	2,148	2,142	2,114	2,103	2,096	52	7	-49	10	118	57	175	84		
Nondurable goods manufacturing:															
Food, liquor, and tobacco.....	2,171	2,187	2,067	2,132	2,095	76	-28	-20	28	-105	-472	-577	575		
Textiles, apparel, and leather.....	2,134	2,145	2,192	2,181	2,172	-38	13	.....	-25	86	211	297	-274	
Petroleum refining.....	1,460	1,443	1,396	1,373	1,378	82	-281	.....	-207	180	61	241	-254	
Chemicals and rubber.....	2,312	2,289	2,264	2,258	2,254	58	-73	-97	-112	1	308	309	133		
Other nondurable goods.....	1,763	1,757	1,719	1,716	1,707	56	39	35	130	108	53	161	64		
Mining, including crude petroleum and natural gas.....	3,800	3,808	3,749	3,721	3,735	65	-225	-60	-220	1	194	195	182		
Trade: Commodity dealers.....	1,104	1,085	1,086	1,083	1,081	23	75	80	178	-334	-145	-479	334		
Other wholesale.....	2,897	2,888	2,867	2,855	2,883	14	-76	-2	-64	51	17	68	102		
Retail.....	3,539	3,457	3,280	3,348	3,320	219	-126	-74	19	157	-184	-27	-47		
Transportation, communication, and other public utilities.....	4,074	4,039	3,983	3,950	3,959	115	-39	19	95	185	88	273	921		
Transportation.....	990	996	1,001	1,005	999	-9	-8	12	-5	157	66	223	n.a.		
Communication.....	2,306	2,252	2,146	2,169	2,169	137	-103	114	148	212	-321	-109	n.a.		
Other public utilities.....	2,573	2,583	2,596	2,562	2,569	4	-52	7	-41	117	-107	10	-173		
Construction.....	4,701	4,723	4,718	4,702	4,702	-1	-33	-40	-74	89	-142	-53	n.a.		
Services.....	6,435	6,412	6,364	6,326	6,366	69	-105	144	108	273	285	558	-53		
All other domestic loans.....	902	852	815	811	825	77	69	107	253	-122	236	114	64		
Bankers' acceptances.....	2,754	2,745	2,741	2,757	2,751	3	8	-109	-98	-113	93	-20	n.a.		
Foreign commercial and industrial loans.....	57,520	57,285	56,467	56,460	56,388	1,132	-1,430	-56	-354	1,492	1,369	2,861	2,550		
Total classified loans.....	63,372	63,149	62,285	62,238	62,189	1,200	-1,519	-76	-395	1,822	1,215	3,037	4,671		
Total commercial and industrial loans.....															

¹ Beginning with data for Dec. 28, 1966, this series was revised in format and coverage as described on p. 209 of the Feb. 1967 BULLETIN. Data for earlier dates are not strictly comparable.

NOTE.—About 161 weekly reporting banks are included in this series; these banks classify, by industry, commercial and industrial loans amounting to about 90 per cent of such loans held by all weekly reporting banks and about 70 per cent of those held by all commercial banks.

BANK RATES ON SHORT-TERM BUSINESS LOANS

Interest rate (per cent per annum)	Size of loan (in thousands of dollars)											
	All sizes		1-9		10-99		100-499		500-999		1,000 and over	
	Aug. 1967	May 1967	Aug. 1967	May 1967	Aug. 1967	May 1967	Aug. 1967	May 1967	Aug. 1967	May 1967	Aug. 1967	May 1967
	Percentage distribution of dollar amount											
Less than 5.50.....	1.5	2.1	1.0	0.7	0.7	0.6	1.2	1.0	2.7	2.8	1.6	2.7
5.50.....	33.0	32.1	1.3	1.4	4.8	4.6	17.0	16.6	26.6	27.9	51.7	46.5
5.51-5.75.....	19.4	21.4	3.0	1.9	6.3	5.9	19.2	19.6	28.6	29.3	20.7	24.1
5.76-6.00.....	15.4	14.0	14.9	14.5	19.1	19.0	17.7	19.0	16.3	13.7	13.0	10.7
6.01-6.49.....	10.9	11.2	25.7	25.9	24.1	24.0	15.7	15.4	9.2	10.5	4.9	6.4
6.50.....	5.7	5.5	10.2	10.2	10.6	10.5	7.8	6.9	6.5	4.4	3.0	3.9
6.51-6.99.....	4.9	4.8	13.9	14.0	12.1	11.8	6.5	6.7	4.2	3.4	2.1	2.5
7.00.....	3.3	3.8	10.6	10.6	7.9	8.8	6.0	6.2	2.3	3.1	0.8	1.6
Over 7.00.....	5.8	5.4	19.5	20.8	14.5	14.8	8.9	8.5	3.6	4.9	2.2	1.7
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total loans:												
Dollars (millions).....	3,880.7	4,441.0	61.6	63.6	491.6	500.8	923.2	991.8	566.6	576.6	1,837.7	2,308.1
Number (thousands).....	38.9	40.3	16.1	16.8	16.3	16.4	4.8	5.2	.9	1.0	.8	1.0
Center	Weighted average rates (per cent per annum)											
35 centers.....	5.94	5.95	6.58	6.61	6.46	6.48	6.16	6.16	5.88	5.88	5.72	5.73
New York City.....	5.67	5.67	6.33	6.41	6.25	6.28	5.88	5.88	5.69	5.66	5.58	5.59
7 Other Northeast.....	6.30	6.32	6.61	6.61	6.70	6.70	6.42	6.48	6.08	6.10	5.99	6.00
8 North Central.....	5.92	5.91	6.65	6.64	6.41	6.44	6.15	6.13	5.89	5.89	5.76	5.75
7 Southeast.....	5.93	5.94	6.37	6.44	6.18	6.22	5.97	5.95	5.78	5.71	5.67	5.74
8 Southwest.....	6.01	6.04	6.54	6.63	6.32	6.37	6.10	6.12	5.95	5.97	5.78	5.81
4 West Coast.....	6.05	6.08	7.12	7.14	6.84	6.86	6.38	6.32	5.95	6.03	5.72	5.78

NOTE.—Beginning Feb. 1967 the Quarterly Survey of Interest Rates on Business Loans was revised. For description of revised series see pp. 721-27 of the May BULLETIN.
Bank prime rate was 5 per cent during the period Jan. 1, 1960-Aug. 22, 1960. Changes thereafter to new levels (in per cent) occurred on the following dates:

1960—Aug. 23 4½
1965—Dec. 6 5
1966—Mar. 10 5½
June 29 5¾
Aug. 16 6
1967—Jan. 26-27 5½-5¾
Mar. 27 5½

MONEY MARKET RATES

(Per cent per annum)

Period	Prime coml. paper, 4- to 6-months ¹	Finance co. paper placed directly, 3- to 6-months ²	Prime bankers' acceptances, 90 days ¹	Federal funds rate ³	U.S. Government securities (taxable) ⁴						3- to 5-year issues ⁷
					3-month bills ⁵		6-month bills ⁵		9- to 12-month issues		
					Rate on new issue	Market yield	Rate on new issue	Market yield	Bills (market yield) ⁵	Other ⁶	
1964.....	3.97	3.83	3.77	3.50	3.549	3.54	3.686	3.68	3.74	3.76	4.06
1965.....	4.38	4.27	4.22	4.07	3.954	3.95	4.055	4.05	4.06	4.09	4.22
1966.....	5.55	5.42	5.36	5.11	4.881	4.85	5.082	5.06	5.07	5.17	5.16
1966—Sept.....	5.89	5.67	5.75	5.40	5.356	5.36	5.798	5.79	5.80	5.80	5.62
Oct.....	6.00	5.82	5.72	5.53	5.387	5.33	5.652	5.61	5.52	5.57	5.38
Nov.....	6.00	5.88	5.67	5.77	5.344	5.31	5.604	5.54	5.49	5.45	5.43
Dec.....	6.00	5.88	5.60	5.40	5.007	4.96	5.108	4.98	5.00	5.10	5.07
1967—Jan.....	5.73	5.50	5.23	4.94	4.759	4.72	4.787	4.74	4.61	4.71	4.71
Feb.....	5.38	5.19	4.88	5.00	4.554	4.56	4.565	4.59	4.57	4.64	4.73
Mar.....	5.24	5.01	4.68	4.53	4.288	4.26	4.243	4.22	4.18	4.35	4.52
Apr.....	4.83	4.57	4.29	4.05	3.852	3.84	3.894	3.90	3.90	4.03	4.46
May.....	4.67	4.41	4.27	3.94	3.640	3.60	3.808	3.80	3.88	4.09	4.68
June.....	4.65	4.40	4.40	3.98	3.480	3.53	3.816	3.88	4.16	4.40	4.96
July.....	4.92	4.70	4.58	3.79	4.308	4.20	4.798	4.72	4.90	4.98	5.17
Aug.....	5.00	4.75	4.77	3.89	4.275	4.26	4.821	4.82	5.04	5.10	5.28
Sept.....	5.00	4.77	4.76	4.00	4.451	4.42	4.964	4.96	5.10	5.21	5.40
Week ending—											
1967—Sept. 2.....	5.00	4.75	4.75	3.59	4.490	4.41	4.995	4.86	5.05	5.14	5.33
9.....	5.00	4.75	4.66	4.02	4.324	4.31	4.765	4.82	5.05	5.13	5.32
16.....	5.00	4.75	4.68	3.98	4.360	4.37	4.951	4.93	5.06	5.16	5.39
23.....	5.00	4.75	4.80	4.00	4.490	4.54	4.998	5.04	5.15	5.27	5.44
30.....	5.00	4.83	4.88	4.00	4.629	4.47	5.143	5.05	5.14	5.30	5.45

¹ Averages of daily offering rates of dealers.
² Averages of daily rates, published by finance companies, for varying maturities in the 90-179 day range.
³ Seven-day average for week ending Wednesday.
⁴ Except for new bill issues, yields are averages computed from daily closing bid prices.
⁵ Bills quoted on bank discount rate basis.
⁶ Certificates and selected note and bond issues.
⁷ Selected note and bond issues.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds				Corporate bonds					Stocks			
	United States (long-term)	State and local			Total ¹	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total ¹	Aaa	Baa		Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
1964.....	4.15	3.28	3.09	3.54	4.57	4.40	4.83	4.52	4.67	4.53	4.32	3.01	5.54
1965.....	4.21	3.34	3.16	3.57	4.64	4.49	4.87	4.61	4.72	4.60	4.33	3.00	5.87
1966.....	4.66	3.90	3.67	4.21	5.34	5.13	5.67	5.30	5.37	5.36	4.97	3.40	6.72
1966—Sept.....	4.79	4.18	3.93	4.48	5.71	5.49	6.09	5.71	5.65	5.78	5.23	3.75	7.18
Oct.....	4.70	4.09	3.82	4.42	5.67	5.41	6.10	5.63	5.67	5.72	5.28	3.76	.....
Nov.....	4.74	4.01	3.78	4.33	5.65	5.35	6.13	5.59	5.72	5.64	5.21	3.66	.....
Dec.....	4.65	4.01	3.79	4.29	5.69	5.39	6.18	5.63	5.78	5.65	5.24	3.59	6.78
1967—Jan.....	4.40	3.74	3.50	4.04	5.50	5.20	5.97	5.45	5.63	5.42	5.07	3.51	.....
Feb.....	4.47	3.62	3.38	3.90	5.35	5.03	5.82	5.33	5.48	5.25	4.98	3.36	.....
Mar.....	4.45	3.63	3.48	3.86	5.43	5.13	5.85	5.39	5.51	5.37	5.04	3.29	5.60
Apr.....	4.51	3.67	3.50	3.90	5.42	5.11	5.83	5.37	5.51	5.37	5.03	3.24	.....
May.....	4.76	3.94	3.71	4.23	5.56	5.24	5.96	5.46	5.62	5.59	5.17	3.19	.....
June.....	4.86	4.02	3.80	4.31	5.75	5.44	6.15	5.64	5.80	5.80	5.30	3.19	5.85
July.....	4.86	4.11	3.86	4.43	5.86	5.58	6.26	5.79	5.88	5.91	5.34	3.15	.....
Aug.....	4.95	4.07	3.78	4.37	5.91	5.62	6.33	5.84	5.94	5.96	5.35	3.11	.....
Sept.....	4.99	4.14	3.81	4.39	6.00	5.65	6.40	5.93	6.03	6.02	5.41	3.07	.....
Week ending—													
1967—Sept. 2.....	4.96	4.10	3.80	4.39	5.96	5.68	6.35	5.87	6.02	6.00	5.37	3.16	.....
9.....	4.93	4.10	3.80	4.39	5.98	5.66	6.38	5.89	6.02	6.03	5.38	3.11	.....
16.....	4.96	4.10	3.80	4.39	5.99	5.65	6.41	5.94	6.00	6.03	5.40	3.06	.....
23.....	5.01	4.16	3.82	4.51	5.99	5.64	6.38	5.95	6.03	6.01	5.43	3.06	.....
30.....	5.04	4.21	3.83	4.61	6.01	5.66	6.41	5.96	6.07	6.02	5.43	3.03	.....
Number of issues.....	10-11	20	5	5	120	30	30	40	40	40	14	500	500

¹ Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat.

Note.—Annual yields are averages of monthly or quarterly data. Monthly and weekly yields are computed as follows: U.S. Govt. bonds: Averages of daily figures for bonds maturing or callable in 10 years or more. State and local gov. bonds: General obligations only, based on

Thurs. figures. Corporate bonds: Averages of daily figures. Both of these series are from Moody's Investors Service series.

Stocks: Standard and Poor's Corporate series. Dividend/price ratios are based on Wed. figures; earnings/price ratios are as of end of period. Preferred stock ratio is based on 8 median yields for a sample of non-callable issues—12 industrial and 2 public utility; common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

MORTGAGES: NEW AND EXISTING HOMES

(Per cent)

Period	Yield on FHA-insured	Contract interest rate on conventional first mortgages			
		FHA series		FHLBB series	
		New	Existing	New	Existing
1961.....	5.69	5.97	6.04	.....	.....
1962.....	5.60	5.93	5.99	.....	.....
1963.....	5.46	5.81	5.87	5.84	5.98
1964.....	5.45	5.80	5.85	5.78	5.92
1965.....	5.47	5.83	5.89	5.76	5.89
1966.....	6.38	6.40	6.47	6.11	6.24
1966—Aug.....	6.58	6.55	6.65	6.28	6.37
Sept.....	6.63	6.65	6.70	6.30	6.45
Oct.....	6.70	6.70	6.75	6.39	6.50
Nov.....	6.81	6.70	6.75	6.45	6.54
Dec.....	6.77	6.65	6.70	6.49	6.55
1967—Jan.....	6.62	6.60	6.65	6.47	6.54
Feb.....	6.46	6.50	6.55	6.44	6.50
Mar.....	6.35	6.45	6.50	6.41	6.44
Apr.....	6.29	6.40	6.45	6.37	6.36
May.....	6.44	6.45	6.50	6.28	6.31
June.....	6.51	6.50	6.50	6.29	6.30
July.....	6.53	6.50	6.55	6.34	6.33
Aug.....	6.60	6.55	6.60	6.34	6.37
Sept.....	6.63	6.55	6.60	.....	.....

1 New FHLBB series.

NOTE.—Annual data are averages of monthly figures. The FHA data are based on opinion reports submitted by field offices on prevailing conditions in their localities as of the first of the succeeding month. The yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayments and an assumed prepayment at the end of 15 years. Gaps in the data are due to periods of adjustment to changes in maximum permissible contract interest rates. The FHA series on average interest rates on conventional first mortgages are unweighted and are rounded to the nearest 5 basis points. For FHLBB series, see footnote to table on Conventional First Mortgages, p. 1797.

SECURITY PRICES

Period	Bond prices (per \$100 bond)			Common stock prices (1941-43=10)				Volume of trading (thous. shares)
	U.S. Govt. (long-term)	State and local	Corporate AAA	Total	Industrial	Railroad	Public utility	
1964.....	84.46	111.5	95.1	81.37	86.19	45.46	69.91	4,888
1965.....	83.76	110.6	93.9	88.17	93.48	46.78	76.08	6,174
1966.....	78.63	102.6	86.1	85.26	91.09	46.34	68.21	7,538
1966—Sept...	77.15	98.5	82.6	77.81	83.11	40.31	63.11	5,722
Oct.....	78.07	100.5	83.5	77.13	82.01	39.44	65.41	6,971
Nov.....	77.68	101.0	83.5	80.99	86.10	41.57	68.82	7,297
Dec.....	78.73	102.4	83.0	81.33	86.50	41.44	68.86	7,883
1967—Jan...	81.54	105.0	85.9	84.45	89.88	44.48	70.63	9,885
Feb...	80.73	106.4	86.4	87.36	93.35	46.13	70.45	9,788
Mar...	80.96	103.8	85.6	89.42	95.86	46.78	70.03	10,217
Apr...	80.24	104.9	85.4	90.96	97.54	45.80	71.70	9,389
May...	77.48	101.1	83.4	92.59	99.59	47.00	70.70	9,933
June...	76.37	100.2	81.7	91.43	98.61	48.19	67.39	9,666
July...	76.39	99.3	81.1	93.01	100.38	49.91	67.77	10,834
Aug...	75.38	99.6	80.3	94.49	102.11	50.43	68.03	9,037
Sept...	75.04	98.0	80.0	95.81	103.89	49.27	67.45	10,251
Week ending—								
1967								
Sept. 2.....	75.27	98.6	79.5	93.18	100.64	49.88	67.40	7,228
9.....	75.66	98.6	80.0	94.32	101.95	50.19	67.75	9,019
16.....	75.30	98.4	80.1	95.60	103.53	49.39	67.79	10,803
23.....	74.80	97.8	80.0	96.52	104.71	49.13	67.39	11,323
30.....	74.46	97.1	79.8	96.98	105.31	48.37	66.88	10,172

NOTE.—Annual data are averages of monthly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: U.S. Govt. bonds, derived from average market yields in table at bottom of preceding page on basis of an assumed 3 per cent, 20-year bond. Municipal and corporate bonds, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. Common stocks, Standard and Poor's index. Volume of trading, average daily trading in stocks on the N.Y. Stock Exchange for a 5½-hour trading day.

STOCK MARKET CREDIT

(In millions of dollars)

Month	Customer credit					Broker and dealer credit					Customers' net free credit balances
	Total securities other than U.S. Govt.	Net debit balances with N.Y. Stock Exchange firms secured by—		Bank loans to others than brokers and dealers for purchasing or carrying—		Money borrowed on—					
		U.S. Govt. securities	Other securities	U.S. Govt. securities	Other securities	U.S. Govt. securities	Other securities				
							Total	Customer collateral	Other collateral		
1964—Dec.....	7,053	21	5,079	72	1,974	222	3,910	3,393	517	1,169	
1965—Dec.....	7,705	22	5,521	101	2,184	130	3,576	2,889	687	1,666	
1966—Aug.....	7,811	35	5,609	115	2,202	109	3,676	3,082	594	1,595	
Sept.....	7,525	45	5,355	106	2,170	103	3,434	2,859	575	1,528	
Oct.....	7,302	47	5,169	95	2,133	198	3,151	2,627	524	1,520	
Nov.....	7,352	57	5,217	93	2,135	97	3,166	2,597	569	1,532	
Dec.....	7,443	58	5,329	76	2,114	240	3,472	2,673	799	1,637	
1967—Jan.....	7,345	84	5,290	70	2,055	267	2,920	2,291	629	1,914	
Feb.....	7,415	95	5,349	75	2,066	n.a.	n.a.	n.a.	n.a.	1,936	
Mar.....	7,808	86	5,718	68	2,090	n.a.	n.a.	n.a.	n.a.	2,135	
Apr.....	7,969	77	5,819	68	2,150	n.a.	n.a.	n.a.	n.a.	2,078	
May.....	8,085	40	5,926	68	2,159	n.a.	n.a.	n.a.	n.a.	2,220	
June.....	8,333	29	6,166	70	2,167	n.a.	n.a.	n.a.	n.a.	2,231	
July.....	8,800	33	6,602	76	2,197	n.a.	n.a.	n.a.	n.a.	2,341	
Aug.....	8,898	35	6,642	77	2,256	n.a.	n.a.	n.a.	n.a.	2,281	

NOTE.—Data in first 3 cols. and last col. are for end of month; in other cols. for last Wed.

Net debit balances and broker and dealer credit: Ledger balances of member firms of N.Y. Stock Exchange carrying margin accounts, as reported to the Exchange. Customers' debit and free credit balances exclude balances maintained with reporting firm by other member firms of national securities exchanges and balances of reporting firm and of general

partners of reporting firm. Balances are net for each customer—i.e., all accounts of one customer are consolidated. Money borrowed includes borrowings from banks and from other lenders except member firms of national securities exchanges.

Bank loans to others than brokers and dealers: Figures are for large commercial banks reporting weekly.

COMMERCIAL AND FINANCE COMPANY PAPER AND BANKERS' ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial and finance company paper			Dollar acceptances											
	Total	Placed through dealers ¹	Placed directly ²	Total	Held by—						Based on—				
					Accepting banks			F.R. Banks		Others	Imports into United States	Exports from United States	Dollar exchange	Goods stored in or shipped between points in—	
					Total	Own bills	Bills bought	Own acct.	Foreign corr.					United States	Foreign countries
1960.....	4,497	1,358	3,139	2,027	662	490	173	74	230	1,060	403	669	122	308	524
1961.....	4,686	1,711	2,975	2,683	1,272	896	376	51	126	1,234	485	969	117	293	819
1962.....	6,000	2,088	3,912	2,650	1,153	865	288	110	86	1,301	541	778	186	171	974
1963.....	6,747	1,928	4,819	2,890	1,291	1,031	260	162	92	1,345	567	908	56	41	1,317
1964.....	8,361	2,223	6,138	3,385	1,671	1,301	370	94	122	1,498	667	999	111	43	1,565
1965.....	9,058	1,903	7,155	3,392	1,223	1,094	129	187	144	1,837	792	974	27	35	1,564
1966—Aug.....	12,835	2,653	10,182	3,387	909	824	84	48	272	2,158	946	781	64	54	1,541
Sept.....	11,778	2,773	9,005	3,370	935	846	89	47	243	2,145	957	760	62	60	1,531
Oct.....	13,045	2,977	10,068	3,359	961	861	100	72	230	2,096	982	756	75	57	1,489
Nov.....	14,169	3,153	11,016	3,457	1,056	895	161	131	203	2,067	995	781	85	69	1,527
Dec.....	13,279	3,089	10,190	3,603	1,198	983	215	193	191	2,022	997	829	103	80	1,595
1967—Jan.....	14,718	3,449	11,269	3,601	1,359	1,028	331	73	173	1,996	936	829	78	90	1,668
Feb.....	15,199	3,781	11,418	3,575	1,266	1,004	262	113	201	1,995	918	851	65	82	1,659
Mar.....	16,034	4,360	11,674	3,704	1,366	1,077	290	110	232	1,996	962	921	60	71	1,691
Apr.....	16,249	4,356	11,893	3,830	1,356	1,128	229	166	272	2,035	971	971	55	59	1,773
May.....	17,067	4,713	12,354	3,964	1,339	1,147	192	70	348	2,207	949	998	38	46	1,933
June.....	16,150	4,934	11,216	4,131	1,361	1,191	170	136	379	2,254	1,001	1,007	45	39	2,038
July.....	17,044	4,976	12,068	4,116	1,549	1,252	297	136	379	2,052	974	1,040	65	41	1,996
Aug.....	16,816	4,979	11,837	4,103	1,584	1,195	389	78	324	2,118	1,020	989	70	75	1,949

¹ As reported by dealers; includes finance company paper as well as other commercial paper sold in the open market.

² As reported by finance companies that place their paper directly with investors.

MUTUAL SAVINGS BANKS

(Amounts in millions of dollars)

End of period	Loans		Securities			Cash	Other assets	Total assets— Total liabilities and general reserve accts.	Deposits ²	Other liabilities	General reserve ac- counts	Mortgage loan commitments ³	
	Mort- gage	Other	U.S. Govt.	State and local govt.	Corpo- rate and other ¹							Number	Amount
1945.....	4,202	62	10,650	1,257	606	185	16,962	15,332	48	1,582	.....	.....
1960.....	26,702	416	6,243	672	5,076	874	589	40,571	36,343	678	3,550	58,350	1,200
1961.....	28,902	475	6,160	667	5,040	937	640	42,829	38,277	781	3,771	61,855	1,654
1962.....	32,056	602	6,107	527	5,177	956	695	46,121	41,336	828	3,957	114,985	2,548
1963.....	36,007	607	5,863	440	5,074	912	799	49,702	44,606	943	4,153	104,326	2,549
1964.....	40,328	739	5,791	391	5,099	1,004	886	54,238	48,849	989	4,400	135,992	2,820
1965.....	44,433	862	5,485	320	5,170	1,017	944	58,232	52,443	1,124	4,665	120,476	2,697
1966—Aug.....	46,232	1,095	5,063	276	5,659	825	1,007	60,156	53,689	1,641	4,827	101,682	2,274
Sept.....	46,450	1,052	5,078	270	5,603	850	1,031	60,334	54,073	1,438	4,823	99,377	2,191
Oct.....	46,736	1,023	4,913	260	5,588	833	1,037	60,390	54,178	1,400	4,812	97,283	2,151
Nov.....	46,953	1,131	4,848	254	5,644	799	1,029	60,658	54,326	1,463	4,869	91,634	2,072
Dec.....	47,193	1,078	4,764	251	5,719	953	1,024	60,982	55,006	1,114	4,863	88,808	2,010
1967—Jan.....	47,484	1,076	4,679	247	6,053	969	1,062	61,570	55,456	1,259	4,855	88,479	2,013
Feb.....	47,692	1,137	4,700	249	6,251	1,041	1,051	62,122	55,788	1,428	4,906	90,223	2,055
Mar.....	47,973	1,136	4,645	246	6,480	1,140	1,081	62,701	56,538	1,249	4,914	91,125	2,172
Apr.....	48,236	1,075	4,481	243	6,803	1,069	1,076	62,982	56,739	1,381	4,863	88,295	2,242
May.....	48,493	1,261	4,433	235	7,062	1,095	1,074	63,654	57,185	1,546	4,923	92,754	2,495
June.....	48,771	1,226	4,336	249	7,313	1,140	1,108	64,143	57,836	1,379	4,929	95,187	2,657
July.....	49,010	1,144	4,396	246	7,642	1,084	1,116	64,639	58,169	1,563	4,908	91,559	2,647
Aug.....	49,322	1,210	4,367	242	7,910	1,034	1,117	65,201	58,499	1,732	4,969	n.a.	2,592

¹ Also includes securities of foreign governments and international organizations and non-guaranteed issues of U.S. Govt. agencies.

² See note 4, p. 1767.

³ Commitments outstanding of banks in N.Y. State as reported to the Savings Bank Assn. of the State of N.Y.

NOTE.—National Assn. of Mutual Savings Banks data; figures are estimates for all savings banks in the United States and differ somewhat from those shown elsewhere in the BULLETIN; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies. Loans are shown net of valuation reserves.

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mortgages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign ¹	Total	Bonds	Stocks				
Statement value:												
1941.....	32,731	9,478	6,796	1,995	687	10,174	9,573	601	6,442	1,878	2,919	1,840
1945.....	44,797	22,545	20,583	722	1,240	11,059	10,060	999	6,636	857	1,962	1,738
1960.....	119,576	11,679	6,427	3,588	1,664	51,857	46,876	4,981	41,771	3,765	5,231	5,273
1961.....	126,816	11,896	6,134	3,888	1,874	55,294	49,036	6,258	44,203	4,007	5,733	5,683
1962.....	133,291	12,448	6,170	4,026	2,232	57,576	51,274	6,302	46,902	4,107	6,234	6,024
1963.....	141,121	12,438	5,813	3,852	2,773	60,780	53,645	7,135	50,544	4,319	6,655	6,385
1964.....	149,470	12,322	5,594	3,774	2,954	63,579	55,641	7,938	55,152	4,528	7,140	6,749
1965.....	158,884	11,679	5,119	3,530	3,030	67,599	58,473	9,126	60,013	4,681	7,678	7,234
Book value:												
1964—Dec.....	149,470	12,343	5,594	3,785	2,964	62,112	55,735	6,377	55,197	4,534	7,141	8,143
1965—Dec.....	158,884	11,703	5,119	3,546	3,038	65,801	58,532	7,269	60,057	4,686	7,679	8,958
1966—July.....	163,371	10,972	4,805	3,232	2,935	68,010	60,595	7,415	62,921	4,781	8,276	8,411
Aug.....	163,937	10,950	4,840	3,214	2,896	68,057	60,698	7,359	63,336	4,791	8,449	8,354
Sept.....	164,491	10,883	4,807	3,188	2,888	68,024	60,738	7,286	63,683	4,816	8,673	8,412
Oct.....	165,434	10,862	4,829	3,146	2,887	68,167	60,832	7,335	64,007	4,837	8,866	8,695
Nov.....	166,225	10,838	4,850	3,111	2,877	68,388	61,031	7,357	64,353	4,842	9,004	8,800
Dec.....	166,942	10,848	4,862	3,119	2,867	68,362	60,927	7,435	64,803	4,878	9,136	8,915
1967—Jan.....	168,210	10,850	4,847	3,122	2,881	68,994	61,490	7,504	65,193	4,885	9,250	9,038
Feb.....	168,933	10,793	4,821	3,081	2,891	69,373	61,795	7,578	65,503	4,890	9,341	9,033
Mar.....	169,865	10,738	4,789	3,053	2,896	69,878	62,071	7,807	65,798	4,925	9,444	9,082
Apr.....	170,570	10,622	4,700	3,026	2,896	70,271	62,360	7,911	66,024	4,940	9,537	9,176
May.....	171,238	10,655	4,746	3,015	2,894	70,610	62,607	8,003	66,253	4,952	9,615	9,153
June.....	171,881	10,487	4,620	2,994	2,873	71,108	62,990	8,118	66,414	4,987	9,695	9,190
July.....	173,129	10,516	4,605	3,001	2,910	72,194	63,856	8,338	66,324	5,026	9,735	9,334

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

NOTE.—Institute of Life Insurance data; figures are estimates for all life insurance companies in the United States.

Year-end figures: Annual statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Month-end figures: Book value of ledger assets. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included in total, in "other assets."

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets ² — Total liabilities	Liabilities					Mortgage loan commitments ⁴
	Mortgages	U.S. Govt. securities	Cash	Other ¹		Savings capital	Reserves and undivided profits	Borrowed money ³	Loans in process	Other	
1941.....	4,578	107	344	775	6,049	4,682	475	256	636	.....	.....
1945.....	5,376	2,420	450	356	8,747	7,365	644	336	402	.....	.....
1960.....	60,070	4,595	2,680	4,131	71,476	62,142	4,983	2,197	1,186	968	1,359
1961.....	68,834	5,211	3,315	4,775	82,135	70,885	5,708	2,856	1,550	1,136	1,908
1962.....	78,770	5,563	3,926	5,346	93,605	80,236	6,520	3,629	1,999	1,221	2,230
1963.....	90,944	6,445	3,979	6,191	107,559	91,308	7,209	5,015	2,528	1,499	2,614
1964.....	101,333	6,966	4,015	7,041	119,355	101,887	7,899	5,601	2,239	1,729	2,590
1965.....	110,306	7,414	3,900	7,960	129,580	110,385	8,704	6,444	2,198	1,849	2,751
1966—Aug.....	114,002	7,361	2,717	8,487	132,567	111,089	9,899	7,752	1,826	2,901	2,082
Sept.....	114,107	7,482	2,631	8,648	132,768	111,720	9,008	7,701	1,656	2,683	1,869
Oct.....	114,102	7,634	2,682	8,608	133,026	111,664	9,015	7,753	1,509	3,085	1,718
Nov.....	114,081	7,935	2,856	8,843	133,715	112,278	9,009	7,570	1,364	3,494	1,626
Dec.....	114,192	7,772	3,361	8,672	133,997	114,010	9,256	7,464	1,272	1,995	1,512
1967—Jan.....	114,229	7,883	3,170	8,442	133,724	114,194	9,084	6,708	1,189	2,549	1,661
Feb.....	114,395	8,079	3,364	8,554	134,392	114,957	9,073	6,107	1,217	3,038	1,925
Mar.....	114,797	8,058	3,544	8,754	135,153	116,414	9,064	5,441	1,365	2,869	2,269
Apr.....	115,233	7,950	3,638	8,936	135,757	116,911	9,062	5,027	1,503	3,254	2,699
May.....	115,909	8,072	3,859	9,376	137,216	118,041	9,055	4,630	1,710	3,780	3,081
June.....	116,944	7,987	3,997	9,232	138,160	119,976	9,268	4,559	1,918	2,439	3,250
July.....	117,676	8,378	3,412	9,169	138,635	120,031	9,270	4,456	2,019	2,859	3,420
Aug.....	118,659	8,768	3,149	9,252	139,828	120,677	9,269	4,391	2,131	3,360	3,428

¹ Includes other loans, stock in the Federal home loan banks, other investments, real estate owned and sold on contract, and office buildings and fixtures.

² Before 1958, mortgages are net of mortgage-pledged shares. Asset items will not add to total assets, which include gross mortgages with no deductions for mortgage-pledged shares. Beginning with Jan. 1958, no deduction is made for mortgage-pledged shares. These have declined consistently in recent years from a total of \$42 million at the end of 1957.

³ Consists of advances from FHLB and other borrowing.

⁴ Commitments data comparable with those shown for mutual savings banks (on preceding page) would include loans in process.

NOTE.—Federal Savings and Loan Insurance Corp. data; figures are estimates for all savings and loan assns. in the United States. Data beginning with 1954 are based on monthly reports of insured assns. and annual reports of noninsured assns. Data before 1954 are based entirely on annual reports. Data for current and preceding year are preliminary even when revised.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks						Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Assets			Liabilities and capital			Mortgage loans (A)	Debentures and notes (L)	Loans to cooperatives (A)	Debentures (L)	Loans and discounts (A)	Debentures (L)	Mortgage loans (A)	Bonds (L)
	Advances to members	Investments	Cash and deposits	Bonds and notes	Member deposits	Capital stock								
1958.....	1,298	999	75	714	819	769	1,323	1,100	510	252	1,157	1,116	2,089	1,743
1959.....	2,134	1,093	103	1,774	589	866	1,967	1,640	622	364	1,391	1,356	2,360	1,986
1960.....	1,981	1,233	90	1,266	938	989	2,788	2,523	649	407	1,501	1,454	2,564	2,210
1961.....	2,662	1,153	159	1,571	1,180	1,107	2,770	2,453	697	435	1,650	1,585	2,828	2,431
1962.....	3,479	1,531	173	2,707	1,214	1,126	2,752	2,422	735	505	1,840	1,727	3,052	2,628
1963.....	4,784	1,906	159	4,363	1,151	1,171	2,000	1,788	840	589	2,099	1,952	3,310	2,834
1964.....	5,325	1,523	141	4,369	1,199	1,227	1,940	1,601	958	686	2,247	2,112	3,718	3,169
1965.....	5,997	1,640	129	5,221	1,045	1,277	2,456	1,884	1,055	797	2,516	2,335	4,281	3,710
1966—Aug...	7,226	1,623	76	6,615	711	1,355	3,891	3,414	1,190	882	3,139	2,990	4,853	4,212
Sept...	7,175	1,832	86	6,765	734	1,360	3,965	3,178	1,199	882	3,077	2,991	4,900	4,295
Oct...	7,249	1,982	100	6,959	769	1,365	4,051	3,125	1,219	957	3,008	2,909	4,926	4,295
Nov...	7,084	2,210	87	6,859	865	1,369	4,160	3,152	1,276	1,067	2,901	2,814	4,938	4,295
Dec...	6,935	2,523	113	6,859	1,037	1,369	4,266	3,800	1,290	1,074	2,924	2,786	4,958	4,385
1967—Jan...	6,340	3,101	92	6,802	1,089	1,377	4,369	3,878	1,323	1,076	2,976	2,779	4,986	4,385
Feb...	5,800	3,305	92	6,285	1,241	1,384	4,431	3,984	1,342	1,113	3,056	2,850	5,035	4,450
Mar...	5,175	3,564	95	5,709	1,490	1,387	4,459	4,010	1,363	1,113	3,168	2,944	5,111	4,450
Apr...	4,782	3,451	77	5,066	1,648	1,388	4,459	4,006	1,337	1,114	3,301	3,086	5,175	4,450
May...	4,421	4,004	93	5,050	1,831	1,392	4,455	3,938	1,316	1,101	3,423	3,186	5,248	4,611
June...	4,302	3,738	95	4,577	1,927	1,392	4,450	4,078	1,296	1,042	3,545	3,297	5,303	4,611
July...	4,221	3,420	81	4,585	1,522	1,392	4,507	3,469	1,335	1,072	3,639	3,419	5,358	4,644
Aug...	4,153	3,160	73	4,395	1,344	1,392	3,137	4,049	1,368	785	3,696	3,465	5,404	4,787

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among the omitted balance sheet items are capital accounts of all agencies, except for stock of home loan banks. Bonds, debentures and notes are valued at par. They include only publicly offered securities (excluding, for the home loan banks,

bonds held within the FHLB System), and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table below. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

OUTSTANDING ISSUES OF FEDERALLY SPONSORED AGENCIES, AUGUST 31, 1967

Agency, issue, and coupon rate	Amount (millions of dollars)	Agency, issue, and coupon rate	Amount (millions of dollars)	Agency, issue, and coupon rate	Amount (millions of dollars)
Federal home loan banks		Federal National Mortgage Association—Cont.		Federal land banks—Cont.	
Bonds:		Debentures:		Bonds:	
Sept. 15, 1967.....4½	185	June 12, 1973.....4½	146	Oct. 23, 1967.....4½	174
Sept. 27, 1967.....6¼	650	Feb. 10, 1977.....4½	198	Oct. 23, 1967.....5¾	150
Oct. 26, 1967.....6	700			Dec. 20, 1967.....5¾	329
Nov. 27, 1967.....6	500			Jan. 22, 1968.....5½	161
Jan. 25, 1968.....5¾	250			Mar. 20, 1968.....4¼	111
Feb. 26, 1968.....5.35	535			May 20, 1968.....5¼	242
Mar. 1, 1968.....4¾	250	Banks for cooperatives		June 20, 1968.....4	186
Mar. 25, 1968.....5.35	400	Debentures:		Aug. 20, 1968.....4¼	160
Apr. 25, 1968.....5¾	625	Oct. 2, 1967.....4.50	7250	Oct. 21, 1968.....5.50	407
Mar. 25, 1969.....5¾	300	Nov. 1, 1967.....4.30	258	Jan. 20, 1969.....4¾	341
		Dec. 4, 1967.....4.30	276	Mar. 20, 1969.....4¾	100
				Apr. 21, 1969.....5.60	250
Federal National Mortgage Association—Secondary market operations		Federal intermediate credit banks		July 15, 1969.....4¼	130
Discount notes.....	912	Debentures:		July 15, 1969.....4¾	60
Debentures:		Sept. 5, 1967.....6.05	329	Oct. 20, 1969.....4¼	209
Oct. 11, 1967.....4½	150	Oct. 2, 1967.....5.60	377	Feb. 20, 1970.....5½	82
Mar. 11, 1968.....3¾	87	Nov. 1, 1967.....5.15	476	Apr. 1, 1970.....3½	83
June 14, 1968.....4¾	400	Dec. 4, 1967.....5½	404	July 20, 1970.....5½	85
Sept. 10, 1968.....5¾	350	Jan. 2, 1968.....4.45	413	May 1, 1971.....3½	60
Apr. 10, 1969.....4½	88	Feb. 1, 1968.....4.40	397	Sept. 15, 1972.....3¾	109
May 12, 1969.....4¾	300	Mar. 4, 1968.....4.50	375	Feb. 20, 1973-78.....4½	148
July 10, 1969.....5½	250	Apr. 1, 1968.....4.85	347	Feb. 20, 1974.....4½	155
Dec. 12, 1969.....6	550	May 1, 1968.....5¼	345	Apr. 21, 1975.....4¾	200
Apr. 10, 1970.....4¾	142			Feb. 24, 1976.....5	123
Sept. 10, 1970.....4¾	119	Federal land banks		July 20, 1976.....5½	150
Aug. 10, 1971.....4½	64	Bonds:		Apr. 20, 1978.....5½	150
Sept. 10, 1971.....4½	96	Bonds:		Jan. 22, 1979.....5	285
Feb. 10, 1972.....5½	98	Feb. 15, 1967-72.....4½	72	Tennessee Valley Authority	
June 12, 1972.....4¾	100	Oct. 1, 1967-70.....4½	75	Short-term notes.....	200
				Bonds:	
				Nov. 15, 1985.....4.40	50
				July 1, 1986.....4¾	50
				Feb. 1, 1987.....4½	45
				May 15, 1992.....5.70	70

NOTE.—These securities are not guaranteed by the U.S. Govt.; see also note to table above.

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period	Cash receipts from the public														
	Total	Income taxes			Excise taxes			Social ins. taxes			Estate and gift	Cus-toms	Int. and repayments	Re-funds	Other
		Individual		Corpo-rate	Total	Liquor and to-bacco	High-way	Total	FICA and R.R.	Un-empl.					
		With-held	Other												
Fiscal year—1964...	115,530	39,259	15,331	24,301	13,950	5,630	3,646	21,936	17,405	4,037	2,416	1,284	1,702	7,148	2,499
1965...	119,699	36,840	16,820	26,131	14,793	5,921	3,782	22,138	17,833	3,817	2,746	1,478	2,097	6,030	2,686
1966...	134,480	42,811	18,486	30,814	13,398	5,888	4,037	25,527	21,243	3,773	3,094	1,811	2,303	7,256	3,472
1967 ^p ...	153,533	50,477	18,848	34,915	14,130	n.a.	4,652	32,854	28,695	3,656	3,001	1,972	2,721	9,581	4,196
Half year:															
1965—July-Dec...	55,024	19,964	3,806	10,892	7,046	3,063	2,068	9,601	7,743	1,607	1,274	898	1,296	1,062	1,309
1966—Jan.-June...	79,456	22,847	14,680	19,942	6,352	2,825	1,969	15,926	13,500	2,166	1,820	913	1,007	6,194	2,163
July-Dec...	65,681	24,641	3,983	12,045	6,762	3,105	2,313	13,789	11,969	1,569	1,258	1,017	1,493	1,142	1,835
1967—Jan.-June ^p ...	87,852	25,836	14,865	22,870	7,368	n.a.	2,339	19,065	16,726	2,087	1,743	955	1,228	8,439	2,361
Month:															
1966—Aug...	11,764	5,095	173	606	1,249	539	530	3,999	3,185	770	224	179	174	198	263
Sept...	14,748	3,792	2,608	4,547	1,156	550	354	1,894	1,806	46	214	170	191	158	334
Oct...	7,523	3,434	277	797	1,065	564	341	1,385	1,248	93	206	170	197	212	204
Nov...	10,698	5,155	148	580	1,212	600	375	2,839	2,329	469	196	179	216	185	358
Dec...	12,845	3,791	427	4,636	1,110	492	356	1,761	1,673	52	204	161	536	168	387
1967—Jan...	11,251	3,674	3,075	823	1,147	496	340	1,808	1,615	146	269	160	219	115	191
Feb...	12,308	5,268	944	635	1,075	433	367	4,164	3,301	820	224	134	187	550	227
Mar...	14,490	4,157	859	6,728	1,539	448	603	2,473	2,366	61	270	170	178	2,204	320
Apr...	17,070	3,591	6,216	4,295	1,023	476	326	3,340	3,168	138	352	150	227	2,322	198
May...	11,295	4,987	701	1,065	1,274	591	355	4,587	3,669	874	445	166	207	2,392	255
June ^p ...	21,438	4,160	3,070	9,324	1,309	n.a.	348	2,697	2,610	49	182	176	211	847	1,156
July...	8,938	3,843	264	946	1,241	n.a.	369	2,129	1,977	104	207	160	197	261	212
Aug...	11,766	5,164	211	642	1,125	n.a.	463	3,981	3,319	620	308	178	189	257	225

Period	Cash payments to the public												
	Total	National defense	Intl. affairs	Space research	Agriculture	Natural resources	Commerce and transp.	Housing and comm. devel.	Health, labor, & welfare	Education	Vet-erans	Inter-est	Gen-eral govt.
Fiscal year—1964...	120,332	54,514	3,837	4,171	5,416	2,774	6,545	1,674	27,191	1,299	6,107	8,011	2,221
1965...	122,395	50,790	4,794	5,093	5,142	2,921	7,421	908	28,191	1,497	6,080	8,605	2,341
1966...	137,817	58,464	4,463	5,933	4,114	3,229	6,784	3,425	33,249	2,780	5,556	9,215	2,404
1967 ^p ...	155,296	71,726	4,454	5,426	4,203	3,528	7,197	-1,804	38,997	3,291	7,012	10,373	2,643
Half year:													
1965—July-Dec...	67,035	27,085	2,226	2,838	3,313	1,764	3,955	1,157	16,374	706	2,590	4,367	1,259
1966—Jan.-June...	70,781	31,377	2,235	3,094	803	1,464	2,829	2,271	16,873	2,072	2,968	4,856	1,146
July-Dec...	80,086	33,850	2,457	2,855	3,630	2,002	4,372	1,801	18,192	1,755	3,475	4,627	1,386
1967—Jan.-June ^p ...	75,210	37,879	1,997	2,570	568	1,525	2,825	-3,603	20,809	1,534	3,541	5,744	1,262
Month:													
1966—Aug...	15,206	5,675	438	441	1,380	401	797	33	2,923	359	496	1,435	230
Sept...	13,150	6,035	375	483	909	329	807	218	3,047	368	593	368	243
Oct...	12,604	5,532	637	493	583	323	763	362	3,043	281	600	373	207
Nov...	13,654	5,557	529	458	137	325	690	-15	3,151	213	617	1,506	265
Dec...	12,545	6,092	175	486	33	310	673	-33	3,175	264	664	598	210
1967—Jan...	11,641	6,198	535	464	40	236	460	-895	3,398	87	548	415	200
Feb...	11,852	5,806	-56	390	253	266	515	-635	3,433	302	645	1,571	175
Mar...	13,167	7,025	389	468	159	251	562	-677	3,648	338	706	653	216
Apr...	11,189	6,388	370	380	-191	224	336	-667	3,406	14	531	650	199
May...	14,445	6,293	335	441	499	283	560	-534	3,522	496	614	1,752	239
June ^p ...	12,916	6,169	423	427	-192	265	392	-195	3,402	297	497	703	233
July...	14,538	6,440	468	351	648	349	716	524	3,731	229	585	222	270
Aug...	16,325	6,864	374	410	945	387	862	326	3,583	328	592	1,516	198

Item	1965		1966				1967		1965		1966				1967	
	III	IV	I	II	III	IV	I	II ^p	III	IV	I	II	III	IV	I	II ^p
	Seasonally adjusted								Not seasonally adjusted							
Cash budget:																
Receipts	30.6	30.7	33.7	39.6	36.3	36.8	38.8	41.4	29.2	25.8	33.3	46.2	34.6	31.1	38.0	49.8
Payments	32.1	33.1	36.9	36.0	40.0	37.8	39.1	38.3	33.1	34.0	34.6	36.2	41.3	38.8	36.7	38.6
Net	-1.5	-2.4	-3.2	3.7	-3.7	-1.0	-.3	3.1	-3.9	-8.1	-1.3	10.0	-6.7	-7.7	1.4	11.3

For notes see opposite page.

TOTAL DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross debt ¹	Total gross direct debt ²	Public issues ³									Special issues ⁶
			Total	Marketable					Con-vertible bonds	Nonmarketable		
				Total	Bills	Certificates	Notes	Bonds ⁴		Total ⁵	Savings bonds & notes	
1941—Dec.	64.3	57.9	50.5	41.6	2.0	.....	6.0	33.6	.....	8.9	6.1	7.0
1945—Dec.	278.7	278.1	255.7	198.8	17.0	38.2	23.0	120.6	.....	56.9	48.2	20.0
1947—Dec.	257.0	256.9	225.3	165.8	15.1	21.2	11.4	118.0	.....	59.5	52.1	29.0
1959—Dec.	290.9	290.8	244.2	188.3	39.6	19.7	44.2	84.8	7.1	48.9	48.2	43.5
1960—Dec.	290.4	290.2	242.5	189.0	39.4	18.4	51.3	79.8	5.7	47.8	47.2	44.3
1961—Dec.	296.5	296.2	249.2	196.0	43.4	5.5	71.5	75.5	4.6	48.6	47.5	43.5
1962—Dec.	304.0	303.5	255.8	203.0	48.3	22.7	53.7	78.4	4.0	48.8	47.5	43.4
1963—Dec.	310.1	309.3	261.6	207.6	51.5	10.9	58.7	86.4	3.2	50.7	48.8	43.7
1964—Dec.	318.7	317.9	267.5	212.5	56.5	.....	59.0	97.0	3.0	52.0	49.7	46.1
1965—Dec.	321.4	320.9	270.3	214.6	60.2	.....	50.2	104.2	2.8	52.9	50.3	46.3
1966—Sept.	325.3	324.7	266.9	211.8	58.3	7.0	45.9	100.5	2.7	52.5	50.6	53.1
Oct.	327.4	326.9	270.4	215.3	62.3	7.0	45.6	100.5	2.7	52.4	50.7	51.9
Nov.	329.9	329.4	272.3	217.2	63.9	5.9	48.3	99.2	2.7	52.4	50.8	52.6
Dec.	329.8	329.3	273.0	218.0	64.7	5.9	48.3	99.2	2.7	52.3	50.8	52.0
1967—Jan.	329.4	328.9	273.7	218.8	65.5	5.9	48.3	99.1	2.7	52.2	50.8	51.3
Feb.	330.1	329.6	274.2	219.2	65.9	5.9	48.4	99.1	2.6	52.3	50.9	51.5
Mar.	331.5	330.9	274.9	219.9	66.6	5.9	48.4	99.0	2.6	52.4	51.0	52.1
Apr.	328.3	327.8	272.2	217.1	64.1	5.9	48.1	99.0	2.6	52.5	51.1	51.6
May.	331.4	330.9	271.8	216.7	64.1	5.6	49.1	97.9	2.6	52.6	51.1	55.2
June.	326.7	326.2	266.1	210.7	58.5	5.6	49.1	97.4	2.6	52.9	51.2	56.2
July.	331.2	330.6	270.9	215.0	62.8	5.6	49.1	97.4	2.6	53.4	51.3	56.2
Aug.	336.4	335.9	274.1	218.3	63.3	.....	57.5	97.4	2.6	53.3	51.4	58.3
Sept.	336.4	335.9	274.7	218.6	63.7	.....	57.6	97.3	2.6	53.5	51.4	57.7

¹ Includes non-interest-bearing debt (of which \$262 million on Sept. 30 1967, was not subject to statutory debt limitation) and guaranteed securities not shown separately. ² Excludes guaranteed securities.

³ Includes amounts held by U.S. Govt. agencies and trust funds, which totaled \$18,912 million on Aug. 31, 1967.

⁴ Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

⁵ Includes (not shown separately): depository bonds, retirement plan

bonds, foreign currency series, foreign series, and Rural Electrification Administration bonds; before 1954, armed forces leave bonds; before 1956, tax and savings notes; and before Oct. 1965, Series A investment bonds.

⁶ Held only by U.S. Govt. agencies and trust funds.

NOTE.—Based on Daily Statement of U.S. Treasury.

OWNERSHIP OF DIRECT AND FULLY GUARANTEED SECURITIES

(Par value in billions of dollars)

End of period	Total gross debt	Held by—		Held by the public									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Com-mercial banks	Mutual savings banks	Insur-ance companies	Other corpo-rations	State and local govts.	Individuals		Foreign and inter-national ¹	Other misc. investors ²
										Savings bonds	Other securities		
1941—Dec.	64.3	9.5	2.3	52.5	21.4	3.7	8.2	4.0	.7	5.4	8.2	.4	.5
1945—Dec.	278.7	27.0	24.3	227.4	90.8	10.7	24.0	22.2	6.5	42.9	21.2	2.4	6.6
1947—Dec.	257.0	34.4	22.6	200.1	68.7	12.0	23.9	14.1	7.3	46.2	19.4	2.7	5.7
1959—Dec.	290.9	53.7	26.6	210.6	60.3	6.9	12.5	21.4	18.0	45.9	23.5	12.0	10.1
1960—Dec.	290.4	55.1	27.4	207.9	62.1	6.3	11.9	18.7	18.7	45.6	20.5	13.0	11.2
1961—Dec.	296.5	54.5	28.9	213.1	67.2	6.1	11.4	18.5	19.0	46.4	19.5	13.4	11.6
1962—Dec.	304.0	55.6	30.8	217.6	67.2	6.1	11.5	18.6	20.1	46.9	19.2	15.3	12.7
1963—Dec.	310.1	58.0	33.6	218.5	64.3	5.8	11.3	18.7	21.1	48.1	20.1	15.9	13.3
1964—Dec.	318.7	60.6	37.0	221.1	64.0	5.7	11.1	17.9	21.2	48.9	21.1	16.7	14.5
1965—Dec.	321.4	61.9	40.8	218.7	60.8	5.4	10.4	15.5	22.9	49.6	22.7	16.7	14.7
1966—Aug.	324.9	69.3	42.5	213.1	55.0	5.0	9.7	14.3	24.4	49.9	24.7	15.4	14.6
Sept.	325.3	69.2	42.9	213.2	54.8	5.0	9.7	13.5	24.2	49.9	25.8	15.2	15.0
Oct.	327.4	68.0	43.0	216.4	55.3	4.8	9.6	14.9	24.2	49.9	26.2	15.2	16.1
Nov.	329.9	68.9	43.9	217.1	55.5	4.8	9.7	16.0	24.1	50.1	25.9	15.4	15.7
Dec.	329.8	68.8	44.3	216.7	57.5	4.7	9.6	14.7	23.8	50.2	25.4	14.5	16.4
1967—Jan.	329.4	68.2	43.5	217.7	57.6	4.5	9.5	14.9	23.4	50.1	25.8	14.0	17.7
Feb.	330.1	69.6	44.0	216.6	57.2	4.6	9.3	15.0	23.7	50.3	25.3	14.1	17.1
Mar.	331.5	70.7	44.9	215.9	57.8	4.5	9.2	14.1	23.5	50.4	25.5	14.5	16.5
Apr.	328.3	70.4	45.5	212.5	56.9	4.3	9.0	12.9	23.5	50.5	24.4	15.0	16.0
May.	331.4	74.6	46.1	210.8	56.1	4.3	9.0	13.4	23.1	50.5	23.8	15.0	15.6
June.	326.7	75.8	46.7	204.2	55.1	4.2	8.7	11.3	22.3	50.6	22.8	14.7	14.6
July.	331.2	75.5	46.8	208.9	57.9	4.2	8.7	12.1	22.0	50.7	22.9	14.4	16.0
Aug.	336.4	77.2	46.6	212.6	59.8	4.2	8.7	12.8	22.5	50.8	23.2	14.3	16.3

¹ Includes investments of foreign balances and international accounts in the United States.

² Includes savings and loan assns., dealers and brokers, nonprofit institutions, and corporate pension funds.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value in millions of dollars)

Type of holder and date	Total	Within 1 year			1-5 years	5-10 years	10-20 years	Over 20 years
		Total	Bills	Other				
All holders:								
1964—Dec. 31	212,454	88,451	56,476	31,974	64,007	36,421	6,108	17,467
1965—Dec. 31	214,604	93,396	60,177	33,219	60,602	35,013	8,445	17,148
1966—Dec. 31	218,025	105,218	64,684	40,534	59,446	28,005	8,433	16,923
1967—July 31	214,968	93,957	62,844	31,113	71,433	24,376	8,423	16,780
Aug. 31	218,258	95,040	63,344	31,696	76,244	21,793	8,422	16,758
U.S. Govt. agencies and trust funds:								
1964—Dec. 31	12,146	1,731	1,308	424	2,422	3,147	1,563	3,282
1965—Dec. 31	13,406	1,356	968	388	3,161	3,350	2,073	3,466
1966—Dec. 31	14,591	2,786	1,573	1,213	3,721	2,512	2,093	3,479
1967—July 31	17,066	4,274	3,397	877	4,637	2,529	2,114	3,512
Aug. 31	16,735	4,021	2,892	1,129	4,960	2,127	2,114	3,512
Federal Reserve Banks:								
1964—Dec. 31	37,044	21,388	6,487	14,901	13,564	1,797	58	237
1965—Dec. 31	40,768	24,842	9,346	15,496	14,092	1,449	147	238
1966—Dec. 31	44,282	35,360	12,296	23,064	7,502	1,007	153	260
1967—July 31	46,804	31,868	14,176	17,692	13,407	1,014	174	342
Aug. 31	46,555	30,394	13,927	16,465	14,745	900	174	342
Held by public:								
1964—Dec. 31	163,264	65,331	48,682	16,650	48,021	31,477	4,487	13,948
1965—Dec. 31	160,430	67,198	49,863	17,335	43,349	30,214	6,225	13,444
1966—Dec. 31	159,152	67,072	50,815	16,257	48,224	24,485	6,187	13,184
1967—July 31	151,098	57,815	45,271	12,544	53,389	20,833	6,135	12,926
Aug. 31	154,968	60,625	46,525	14,102	56,539	18,766	6,134	12,904
Commercial banks:								
1964—Dec. 31	53,752	18,509	10,969	7,540	23,507	11,049	187	501
1965—Dec. 31	50,325	18,003	10,156	7,847	19,676	11,640	334	671
1966—Dec. 31	47,182	15,838	8,771	7,067	21,112	9,343	435	454
1967—July 31	47,890	13,601	8,298	5,303	24,910	8,427	448	505
Aug. 31	49,441	14,906	8,442	6,464	26,013	7,561	448	515
Mutual savings banks:								
1964—Dec. 31	5,434	608	344	263	1,536	1,765	260	1,266
1965—Dec. 31	5,241	768	445	323	1,386	1,602	335	1,151
1966—Dec. 31	4,532	645	399	246	1,482	1,139	276	990
1967—July 31	4,106	524	312	212	1,530	841	280	932
Aug. 31	4,101	543	318	225	1,628	746	278	905
Insurance companies:								
1964—Dec. 31	9,160	1,002	480	522	2,045	2,406	818	2,890
1965—Dec. 31	8,824	993	548	445	1,938	2,094	1,096	2,703
1966—Dec. 31	8,158	847	508	339	1,978	1,581	1,074	2,678
1967—July 31	7,352	417	206	211	1,966	1,288	1,080	2,602
Aug. 31	7,403	536	264	272	2,001	1,186	1,109	2,572
Nonfinancial corporations:								
1964—Dec. 31	9,136	6,748	5,043	1,705	2,001	272	3	112
1965—Dec. 31	8,014	5,911	4,657	1,254	1,755	225	35	89
1966—Dec. 31	6,323	4,729	3,396	1,333	1,339	200	6	49
1967—July 31	4,385	3,076	2,475	601	1,117	142	6	45
Aug. 31	4,702	3,486	2,778	708	1,037	134	3	42
Savings and loan associations:								
1964—Dec. 31	3,418	490	343	148	1,055	1,297	129	447
1965—Dec. 31	3,644	597	394	203	948	1,374	252	473
1966—Dec. 31	3,883	782	583	199	1,251	1,104	271	475
1967—July 31	4,150	870	613	257	1,553	981	270	476
Aug. 31	4,320	942	625	317	1,771	860	269	476
State and local governments:								
1964—Dec. 31	15,022	4,863	3,961	902	2,014	2,010	1,454	4,680
1965—Dec. 31	15,707	5,571	4,573	998	1,862	1,894	1,985	4,395
1966—Dec. 31	15,384	5,545	4,512	1,033	2,165	1,499	1,910	4,265
1967—July 31	14,596	5,416	4,479	937	2,280	1,210	1,686	4,005
Aug. 31	14,884	5,839	4,890	949	2,269	1,115	1,660	4,000
All others:								
1964—Dec. 31	67,341	33,111	27,542	5,570	15,863	12,678	1,637	4,052
1965—Dec. 31	68,675	35,356	29,089	6,267	15,784	11,386	2,187	3,962
1966—Dec. 31	73,690	38,685	32,646	6,039	18,896	9,619	2,215	4,275
1967—July 31	68,619	33,911	28,888	5,023	20,033	7,944	2,365	4,361
Aug. 31	70,117	34,373	29,208	5,167	21,821	7,164	2,367	4,394

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks but for other groups are based on Treasury Survey data. Of total marketable issues held by groups, the proportion held on latest date by those reporting in the Survey and the number of owners surveyed were: (1)

about 90 per cent by the 5,882 commercial banks, 501 mutual savings banks, and 763 insurance companies combined; (2) about 50 per cent by the 469 nonfinancial corporations and 488 savings and loan assns.; and (3) about 70 per cent by 506 State and local govts.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

DEALER TRANSACTIONS
(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt. agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1-5 years	5-10 years	Over 10 years	Dealers and brokers		Commercial banks	All other	
					U.S. Govt. securities	Other				
1966—Aug.....	1,786	1,497	189	62	38	573	78	721	413	175
Sept.....	2,004	1,682	198	82	43	741	101	730	431	170
Oct.....	2,329	2,019	192	82	35	782	93	915	538	180
Nov.....	2,339	1,864	334	118	24	849	94	896	501	204
Dec.....	2,712	2,059	427	160	66	1,114	121	978	500	232
1967—Jan.....	2,266	1,827	288	102	49	912	110	791	453	281
Feb.....	2,186	1,744	331	79	32	774	90	826	496	217
Mar.....	2,434	2,012	296	87	39	1,057	140	794	443	222
Apr.....	2,111	1,738	262	82	28	813	76	746	475	222
May.....	2,075	1,636	332	77	30	784	63	720	507	188
June.....	1,802	1,502	226	52	23	659	56	621	466	199
July.....	2,084	1,857	161	45	21	740	58	741	544	219
Aug.....	1,884	1,578	243	33	30	662	60	662	500	159
Week ending—										
1967—Aug. 2.....	2,257	1,933	258	40	25	822	59	865	511	157
9.....	1,970	1,604	287	48	32	774	84	663	449	122
16.....	1,857	1,591	204	38	24	632	44	682	499	253
23.....	1,518	1,257	193	24	44	568	43	471	436	160
30.....	1,944	1,670	242	28	20	642	65	692	545	115
Sept. 6.....	2,035	1,778	204	28	26	639	60	872	465	151
13.....	1,811	1,580	170	34	27	612	42	656	501	188
20.....	1,718	1,538	135	26	20	673	56	582	407	166
27.....	1,922	1,697	174	22	29	727	48	686	453	246

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of N.Y. They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities

under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity				U.S. Govt. agency securities
	All maturities	Within 1 year	1-5 years	Over 5 years	
1966—Aug.....	2,188	2,001	181	6	208
Sept.....	2,229	2,043	108	78	269
Oct.....	2,500	2,224	109	166	353
Nov.....	3,756	2,925	639	193	429
Dec.....	4,158	3,447	530	181	502
1967—Jan.....	4,861	4,138	431	292	560
Feb.....	4,442	3,527	681	235	467
Mar.....	4,084	3,362	475	248	415
Apr.....	3,902	3,296	382	223	450
May.....	3,375	2,503	744	129	371
June.....	2,869	2,389	406	74	314
July.....	2,239	2,115	106	18	239
Aug.....	2,903	2,564	312	26	265
Week ending—					
1967—July 5..	1,406	1,234	152	20	257
12..	2,073	1,950	122	1	163
16..	2,429	2,303	105	22	240
23..	2,314	2,193	98	23	295
Aug. 2..	2,932	2,718	172	43	265
9..	3,122	2,598	467	57	244
16..	2,775	2,469	281	25	247
23..	2,413	2,278	132	3	299
30..	3,175	2,811	353	11	275

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.

Average of daily figures based on number of trading days in the period.

DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks		Corporations ¹	All other
		New York City	Elsewhere		
1966—Aug.....	2,229	394	430	925	480
Sept.....	2,410	725	615	731	340
Oct.....	2,346	508	580	823	435
Nov.....	3,575	605	687	1,614	668
Dec.....	4,233	999	893	1,412	929
1967—Jan.....	4,925	1,565	1,678	983	700
Feb.....	4,530	1,391	1,331	1,069	740
Mar.....	4,298	1,289	1,461	825	723
Apr.....	4,162	1,093	1,576	829	664
May.....	3,612	935	1,156	764	757
June.....	3,262	1,121	984	665	492
July.....	2,146	649	622	598	276
Aug.....	2,716	835	734	868	280
Week ending—					
July 5..	1,703	388	463	520	332
12..	1,664	350	486	525	303
19..	2,513	812	806	583	312
26..	2,350	812	613	684	240
Aug. 2..	2,610	906	793	708	203
9..	2,737	777	779	798	384
16..	2,764	883	621	908	352
23..	2,637	766	711	956	204
30..	2,625	812	747	851	215

¹ All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the opposite table on this page.

U.S. GOVERNMENT MARKETABLE AND CONVERTIBLE, SEPTEMBER 30, 1967

(In millions of dollars)

Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount
Treasury bills		Treasury bills—Cont.		Treasury notes—Cont.		Treasury bonds—Cont.	
Sept. 30, 1967.....	1,400	Mar. 22, 1968*.....	2,003	May 15, 1971.....5¼	4,265	Aug. 15, 1971.....4	2,806
Oct. 5, 1967.....	2,302	Mar. 28, 1968.....	1,000	Oct. 1, 1971.....1½	2,72	Nov. 15, 1971.....3¾	2,760
Oct. 13, 1967.....	2,401	Mar. 31, 1968.....	1,400	Feb. 15, 1971.....5¾	2,508	Feb. 15, 1972.....4	2,343
Oct. 19, 1967.....	2,402	Apr. 22, 1968*.....	2,001	Nov. 15, 1971.....5¾	1,734	Aug. 15, 1972.....4	2,578
Oct. 26, 1967.....	2,401	Apr. 30, 1968.....	1,402	Feb. 15, 1972.....4¾	2,006	Aug. 15, 1973.....4	3,894
Oct. 31, 1967.....	1,406	May 31, 1968.....	1,401	Apr. 1, 1972.....1½	28	Nov. 15, 1973.....4½	4,354
Nov. 2, 1967.....	2,405	June 30, 1968.....	1,001	May 15, 1972.....4¾	5,310	Feb. 15, 1974.....4½	3,130
Nov. 9, 1967.....	2,400	July 31, 1968.....	1,001			May 15, 1974.....4¾	3,590
Nov. 16, 1967.....	2,400	Aug. 31, 1968.....	1,000			Nov. 15, 1974.....3¾	2,242
Nov. 24, 1967.....	2,402			Treasury bonds			
Nov. 30, 1967.....	3,802			Dec. 15, 1963-68...2½	1,789	May 25, 1975-85...4¼	1,217
Dec. 7, 1967.....	2,401			Dec. 15, 1964-69...2½	2,544	June 15, 1978-83...3¼	1,572
Dec. 14, 1967.....	2,401			Dec. 15, 1964-69...2½	2,491	Feb. 15, 1980.....4	2,603
Dec. 21, 1967.....	2,400			Mar. 15, 1965-70...2½	2,287	Nov. 15, 1980.....3½	1,909
Dec. 28, 1967.....	2,402			Mar. 15, 1966-71...2½	1,226	May 15, 1985.....3¼	1,120
Dec. 31, 1967.....	1,401			June 15, 1967-72...2½	1,258	Aug. 15, 1987-92...4¼	3,817
Jan. 4, 1968.....	1,000			Sept. 15, 1967-72...2½	1,952	Feb. 15, 1988-93...4	2,49
Jan. 11, 1968.....	1,000			Nov. 15, 1967.....3¾	6,251	May 15, 1989-94...4½	1,559
Jan. 18, 1968.....	1,001			Dec. 15, 1967-72...2½	2,631	Feb. 15, 1990.....3½	4,888
Jan. 25, 1968.....	1,000			May 15, 1968.....3¾	2,460	Feb. 15, 1995.....3	1,847
Jan. 31, 1968.....	1,401			Aug. 15, 1968.....3¾	3,747	Nov. 15, 1998.....3½	4,375
Feb. 1, 1968.....	1,000			Nov. 15, 1968.....3¾	1,591		
Feb. 8, 1968.....	1,000			Feb. 15, 1969.....4	3,728	Convertible bonds	
Feb. 15, 1968.....	1,001			Oct. 1, 1969.....4	2,018	Investment Series B	
Feb. 23, 1968.....	1,001			Feb. 15, 1970.....4	4,381	Apr. 1, 1975-80...2¾	
Feb. 29, 1968.....	2,402			Aug. 15, 1970.....4	4,129		
Mar. 7, 1968.....	1,001						

NOTE.—Direct public issues only. Based on Daily Statement of U.S. Treasury. * Tax anticipation series.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)								Total amount delivered ³	Issues for new capital						
	Total	Type of issue				Type of issuer				Total	Use of proceeds					
		General obligations	Revenue	PHA ¹	U.S. Govt. loans	State	Special district and stat. auth.	Other ²			Education	Roads and bridges	Utilities ⁴	Housing ⁵	Veterans' aid	Other purposes
1960.....	7,292	4,771	2,095	302	125	1,110	1,984	4,198	7,102	7,247	2,405	1,007	1,316	426	201	1,891
1961.....	8,566	5,724	2,407	315	120	1,928	2,165	4,473	8,301	8,463	2,821	1,167	1,700	385	478	1,913
1962.....	8,845	5,582	2,681	437	145	1,419	2,600	4,825	8,732	8,568	2,963	1,114	1,668	521	125	2,177
1963.....	10,538	5,855	4,180	254	249	1,620	3,636	5,281	10,496	9,151	3,029	812	2,344	598	.....	2,369
1964.....	10,847	6,417	3,585	637	208	1,628	3,812	5,407	10,069	10,201	3,392	688	2,437	727	120	2,838
1965.....	11,329	7,177	3,517	464	170	2,401	3,784	5,144	11,538	10,471	3,619	900	1,965	626	50	3,311
1966.....	11,395	6,804	3,955	325	312	2,590	4,110	4,695	n.a.	11,294	3,738	1,476	1,880	533	.....	3,667
1966—June....	1,143	587	395	110	51	275	428	440	n.a.	1,141	506	118	200	110	.....	207
July.....	702	406	276	.....	20	174	246	282	n.a.	701	226	142	73	8	.....	252
Aug.....	775	453	287	.....	35	134	275	366	n.a.	773	279	32	103	6	.....	353
Sept.....	1,032	441	453	120	18	79	572	381	n.a.	1,020	218	220	222	124	.....	236
Oct.....	759	539	178	.....	34	216	256	287	n.a.	755	306	12	99	9	.....	328
Nov.....	976	598	364	.....	12	231	334	410	n.a.	969	381	108	226	40	.....	213
Dec.....	940	397	533	.....	11	100	568	272	n.a.	940	297	280	87	131	.....	164
1967—Jan.....	1,472	943	503	.....	27	397	331	744	n.a.	1,467	408	219	163	1	.....	676
Feb.....	1,229	932	286	.....	10	257	307	665	n.a.	1,195	467	133	116	*	.....	478
Mar.....	1,454	841	459	117	37	231	548	675	n.a.	1,438	427	123	339	126	.....	422
Apr.....	1,129	849	254	.....	27	180	246	702	n.a.	1,110	458	59	213	10	.....	369
May.....	1,235	755	452	.....	28	313	296	624	n.a.	1,210	482	115	100	11	.....	500
June.....	1,443	820	479	117	27	137	661	645	n.a.	1,443	570	131	210	148	.....	383

¹ Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Public Housing Administration to make annual contributions to the local authority.

² Municipalities, counties, townships, school districts.

³ Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

⁴ Water, sewer, and other utilities.

⁵ Includes urban redevelopment loans.

Note.—The figures in the first column differ from those shown on the following page, which are based on Bond Buyer data. The principal difference is in the treatment of U.S. Govt. loans.

Investment Bankers Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues ¹										Proposed use of net proceeds, all corporate issues ⁶					
	Total	Noncorporate				Corporate					Total	New capital			Retirement of securities	
		U.S. Govt. ²	U.S. Govt. agency ³	U.S. State and local ⁴	Other ⁵	Total	Bonds			Stock		Total	New money ⁷	Other purposes		
							Total	Publicly offered	Privately placed	Preferred						Common
1959.....	31,074	12,322	707	7,681	616	9,748	7,190	3,557	3,632	531	2,027	9,527	9,392	8,578	814	135
1960.....	27,541	7,906	1,672	7,230	579	10,154	8,081	4,806	3,275	409	1,664	9,924	9,653	8,758	895	271
1961.....	35,527	12,253	1,448	8,360	303	13,165	9,420	4,700	4,720	450	3,294	12,885	12,017	10,715	1,302	868
1962.....	29,956	8,390	1,188	8,558	915	10,705	8,969	4,440	4,529	422	1,314	10,501	9,747	8,240	1,507	754
1963.....	35,199	10,827	1,168	10,107	887	12,211	10,856	4,713	6,143	343	1,011	12,049	10,523	8,898	1,625	1,526
1964.....	37,122	10,656	1,205	10,544	760	13,957	10,865	3,623	7,243	412	2,679	13,792	13,038	11,233	1,805	754
1965.....	40,108	9,348	2,731	11,148	889	15,992	13,720	5,570	8,150	725	1,547	15,801	14,805	13,063	1,741	996
1966.....	45,015	8,231	6,806	11,089	815	18,074	15,561	8,018	7,542	574	1,939	17,841	17,601	15,806	1,795	241
1966—July.....	3,407	411	1,084	678	149	1,085	975	440	535	70	40	1,071	1,039	932	106	32
Aug.....	3,676	387	799	764	14	1,712	1,575	1,140	435	67	70	1,688	1,670	1,617	53	18
Sept.....	3,249	402	400	992	55	1,400	1,333	676	657	6	61	1,384	1,382	1,114	268	2
Oct.....	2,518	408	450	736	32	892	733	499	256	31	106	876	829	783	46	46
Nov.....	6,686	3,738	800	950	83	1,115	1,004	569	435	50	61	1,098	1,086	1,033	52	12
Dec.....	3,277	373	239	923	81	1,661	1,535	980	555	20	106	1,643	1,635	1,363	273	8
1967—Jan.....	5,091	494	1,251	1,450	211	1,684	1,593	745	848	51	40	1,669	1,648	1,522	125	21
Feb.....	7,523	4,154	783	1,159	10	1,418	1,262	900	362	17	139	1,400	1,399	1,375	24	1
Mar.....	5,253	459	750	1,437	245	2,362	2,219	1,618	601	24	119	2,334	2,317	2,178	139	17
Apr.....	4,229	393	650	1,129	41	2,015	1,768	1,368	410	144	94	1,964	1,973	1,891	82	12
May.....	4,002	438	810	1,209	26	1,518	1,361	965	396	47	111	1,478	1,474	1,418	56	19
June.....	5,373	410	650	1,461	179	2,674	2,343	1,684	659	17	313	2,631	2,611	2,363	248	20
July.....	4,377	415	407	925	32	2,598	2,384	1,888	496	85	130	2,554	2,466	2,214	251	89

Period	Proposed uses of net proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	New capital ⁸	Retirement of securities	New capital ⁸	Retirement of securities	New capital ⁸	Retirement of securities	New capital ⁸	Retirement of securities	New capital ⁸	Retirement of securities	New capital ⁸	Retirement of securities
1959.....	1,941	70	812	28	942	15	3,189	15	707	*	1,801	6
1960.....	1,997	79	794	30	672	39	2,754	51	1,036	1	2,401	71
1961.....	3,691	287	1,109	36	651	35	2,883	106	1,435	382	2,248	22
1962.....	2,958	228	803	32	543	16	2,341	444	1,276	11	1,825	23
1963.....	3,272	199	756	53	861	87	1,939	703	733	359	2,962	125
1964.....	2,772	243	1,024	82	941	32	2,445	280	2,133	36	3,723	80
1965.....	5,015	338	1,302	79	967	36	2,546	357	847	92	4,128	93
1966.....	6,855	125	1,356	44	1,939	9	3,570	46	1,978	4	1,902	14
1966—July.....	397	2	98	*	72	.....	263	22	52	.....	156	9
Aug.....	518	15	167	2	243	.....	313	1	318	.....	112	.....
Sept.....	643	*	91	.....	63	.....	81	.....	198	.....	307	.....
Oct.....	331	46	38	*	39	.....	254	.....	97	.....	71	.....
Nov.....	228	2	58	.....	204	.....	320	10	168	.....	107	.....
Dec.....	673	4	93	.....	266	.....	409	.....	152	.....	42	.....
1967—Jan.....	624	20	103	.....	144	.....	220	.....	293	*	264	1
Feb.....	563	*	72	*	140	.....	274	.....	105	.....	244	*
Mar.....	1,254	16	112	.....	214	.....	503	.....	145	.....	89	2
Apr.....	1,128	7	102	4	100	.....	394	1	107	.....	141	.....
May.....	588	1	94	*	199	.....	403	17	91	.....	100	*
June.....	1,298	16	218	3	128	.....	471	.....	350	.....	146	.....
July.....	934	22	270	23	372	.....	446	24	40	.....	404	.....

¹ Gross proceeds are derived by multiplying principal amounts or number of units by offering price.
² Includes guaranteed issues.
³ Issues not guaranteed.
⁴ See NOTE to table at bottom of opposite page.
⁵ Foreign governments, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

⁶ Estimated gross proceeds less cost of flotation.
⁷ For plant and equipment and working capital.
⁸ All issues other than those for retirement of securities.

NOTE.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers											
	All securities			Bonds and notes			Common and preferred stocks					
	New issues	Retire-ments	Net change	New issues	Retire-ments	Net change	New issues		Retirements		Net change	
							Invest. cos. ¹	Other	Invest. cos. ¹	Other	Invest. cos. ¹	Other
1962.....	14,308	6,457	7,852	8,613	3,749	4,864	3,440	2,255	1,140	1,567	2,300	688
1963.....	15,641	8,711	6,930	10,556	4,979	5,577	3,138	1,948	1,536	2,197	1,602	-249
1964.....	18,826	8,290	10,536	10,715	4,077	6,637	4,363	3,748	1,895	2,317	2,468	1,431
1965.....	21,535	10,025	11,511	12,747	4,649	8,098	5,583	3,205	2,134	3,242	3,450	-37
1966.....	26,327	9,567	16,761	15,629	4,542	11,088	6,529	4,169	2,025	3,000	4,504	1,169
1966—II.....	7,517	2,233	5,286	3,993	1,153	2,841	1,518	2,006	548	532	970	1,475
III.....	5,534	1,756	3,777	3,732	943	2,789	1,271	531	490	323	781	207
IV.....	5,615	2,535	3,080	3,336	1,111	2,225	1,657	622	431	993	1,226	-371
1967—I.....	7,252	2,344	4,908	4,274	1,202	3,522	1,742	786	592	550	1,150	235
II.....	7,394	2,599	4,795	4,978	1,318	3,660	1,375	1,041	701	581	674	461

Period	Type of issuer											
	Manu-facturing		Commercial and other ²		Transpor-tation ³		Public utility		Communi-cation		Real estate and financial ⁴	
	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks
1962.....	1,355	-242	294	-201	-85	-25	1,295	479	1,172	357	833	2,619
1963.....	1,804	-664	339	-352	316	-19	876	245	438	447	1,806	1,696
1964.....	1,303	-516	507	-483	317	-30	1,408	476	458	1,699	2,644	2,753
1965.....	2,606	-570	614	-70	185	-1	1,342	96	644	518	2,707	3,440
1966.....	4,324	32	616	-598	956	718	2,659	533	1,668	575	864	4,414
1966—II.....	950	657	232	-72	166	648	679	119	549	157	264	937
III.....	1,198	58	143	-22	218	16	469	112	405	103	356	721
IV.....	736	-140	72	-553	224	26	755	136	465	147	-26	1,133
1967—I.....	1,489	52	130	-6	372	19	642	90	511	97	379	1,251
II.....	1,858	107	178	52	198	47	1,089	117	320	158	41	655

¹ Open-end and closed-end companies.
² Extractive and commercial and misc. companies.
³ Railroad and other transportation companies.
⁴ Includes investment companies.

exclude foreign and include offerings of open-end investment cos., sales of securities held by affiliated cos. or RFC, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements include the same types of issues, and also securities retired with internal funds or with proceeds of issues for that purpose shown on opposite page.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on opposite page, new issues

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other		Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other
1955.....	1,207	443	765	7,838	438	7,400	1966—Aug...	357	187	170	32,553	2,657	29,896
1956.....	1,347	433	914	9,046	492	8,554	Sept...	327	145	182	32,223	3,036	29,187
1957.....	1,391	406	984	8,714	523	8,191	Oct...	329	133	196	33,483	3,244	30,239
1958.....	1,620	511	1,109	13,242	634	12,608	Nov...	295	143	152	34,497	3,206	31,291
							Dec...	300	151	149	34,829	2,971	31,858
1959.....	2,280	786	1,494	15,818	860	14,958	1967—Jan....	391	183	209	37,230	2,869	34,361
1960.....	2,097	842	1,255	17,026	973	16,053	Feb...	298	179	120	38,034	2,866	35,168
1961.....	2,951	1,160	1,791	22,789	980	21,809	Mar...	389	226	163	39,443	2,682	36,761
1962.....	2,699	1,123	1,576	21,271	1,315	19,956	Apr...	358	214	144	41,191	2,666	38,525
1963.....	2,460	1,504	952	25,214	1,341	23,873	May...	357	258	99	39,847	2,608	37,239
1964.....	3,404	1,875	1,528	29,116	1,329	27,787	June...	375	225	150	40,795	2,503	38,292
1965.....	4,359	1,962	2,395	35,220	1,803	33,417	July...	425	222	203	43,064	2,515	40,549
1966.....	4,671	2,005	2,665	34,829	2,971	31,858	Aug...	347	249	98	42,663	2,370	40,293

¹ Includes contractual and regular single purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.
² Market value at end of period less current liabilities.

³ Cash and deposits, receivables, all US Govt. securities, and other short-term debt securities less current liabilities.

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

SALES, PROFITS, AND DIVIDENDS OF LARGE CORPORATIONS

(In millions of dollars)

Industry	1962	1963	1964	1965	1966	1965		1966				1967			
						III	IV	I	II	III	IV	I	II		
Manufacturing															
Total (177 corps.):															
Sales.....	136,545	147,380	158,253	177,237	196,488	42,060	46,601	47,778	49,909	46,225	52,576	48,646	51,386		
Profits before taxes.....	15,330	17,337	18,734	22,046	23,420	4,717	5,787	6,020	6,460	4,881	6,059	5,153	5,574		
Profits after taxes.....	8,215	9,138	10,462	12,461	13,244	2,729	3,270	3,353	3,643	2,845	3,403	2,918	3,172		
Dividends.....	5,048	5,444	5,933	6,527	7,205	1,430	2,062	1,570	1,754	1,916	1,965	1,670	1,655		
Nondurable goods industries (78 corps.):¹															
Sales.....	52,245	55,372	59,770	64,897	73,850	16,408	16,697	17,804	18,555	18,320	19,171	18,804	19,578		
Profits before taxes.....	5,896	6,333	6,881	7,846	9,107	2,010	2,017	2,204	2,444	2,305	2,158	2,153	2,250		
Profits after taxes.....	3,403	3,646	4,121	4,786	5,419	1,219	1,251	1,305	1,427	1,389	1,298	1,319	1,343		
Dividends.....	2,150	2,265	2,408	2,527	2,729	613	707	651	682	673	723	720	704		
Durable goods industries (99 corps.):²															
Sales.....	84,300	92,008	98,482	112,341	122,638	25,652	29,904	29,974	31,354	27,905	33,405	29,842	31,808		
Profits before taxes.....	9,434	11,004	11,853	14,200	14,313	2,707	3,770	3,815	4,020	2,577	3,901	3,000	3,324		
Profits after taxes.....	4,812	5,492	6,341	7,675	7,824	1,511	2,019	2,047	2,216	1,456	2,105	1,599	1,829		
Dividends.....	2,898	3,179	3,525	4,000	4,476	817	1,356	919	1,072	1,243	1,242	950	951		
Selected industries:															
Foods and kindred products (25 corps.):															
Sales.....	13,457	14,301	15,284	16,427	19,284	4,252	4,217	4,678	4,732	4,782	5,092	5,024	5,103		
Profits before taxes.....	1,460	1,546	1,579	1,710	1,912	453	439	439	488	504	481	447	482		
Profits after taxes.....	698	747	802	896	1,006	235	237	230	257	262	257	236	253		
Dividends.....	425	448	481	509	564	126	133	137	142	139	146	148	144		
Chemical and allied products (20 corps.):															
Sales.....	13,759	14,623	16,469	18,158	19,998	4,657	4,656	4,885	5,216	4,824	5,063	4,998	5,163		
Profits before taxes.....	2,162	2,286	2,597	2,891	3,073	737	707	760	874	789	650	694	700		
Profits after taxes.....	1,126	1,182	1,400	1,630	1,737	411	409	428	480	443	386	396	404		
Dividends.....	868	904	924	926	948	215	285	221	224	234	269	238	235		
Petroleum refining (16 corps.):															
Sales.....	15,106	16,043	16,589	17,828	20,844	4,381	4,504	4,945	5,114	5,298	5,487	5,390	5,808		
Profits before taxes.....	1,319	1,487	1,560	1,962	2,619	497	522	656	668	631	664	684	741		
Profits after taxes.....	1,099	1,204	1,309	1,541	1,846	395	400	457	467	479	443	505	504		
Dividends.....	566	608	672	737	817	183	196	200	204	204	209	232	227		
Primary metals and products (34 corps.):															
Sales.....	21,260	22,116	24,195	26,548	28,572	6,657	6,167	6,567	7,457	7,309	7,239	6,801	7,040		
Profits before taxes.....	1,838	2,178	2,556	2,931	3,277	690	623	682	928	857	810	693	669		
Profits after taxes.....	1,013	1,183	1,475	1,689	1,903	397	373	402	537	490	474	395	411		
Dividends.....	820	734	763	818	924	202	221	216	218	230	260	222	227		
Machinery (24 corps.):															
Sales.....	19,057	21,144	22,558	25,364	30,141	6,291	6,785	6,985	6,889	7,538	8,729	7,704	7,597		
Profits before taxes.....	1,924	2,394	2,704	3,107	3,613	772	788	894	915	851	953	868	774		
Profits after taxes.....	966	1,177	1,372	1,626	1,880	408	410	456	480	444	500	421	399		
Dividends.....	531	577	673	774	912	188	207	217	225	226	244	232	227		
Automobiles and equipment (14 corps.):															
Sales.....	29,156	32,927	35,338	42,712	43,641	8,294	12,033	11,718	11,728	8,046	12,149	10,413	11,875		
Profits before taxes.....	4,337	5,004	4,989	6,253	5,273	752	1,797	1,779	1,615	313	1,566	1,050	1,436		
Profits after taxes.....	2,143	2,387	2,626	3,294	2,866	428	923	934	893	224	815	583	782		
Dividends.....	1,151	1,447	1,629	1,890	1,775	307	759	360	503	361	551	363	365		
Public utility															
Railroad:															
Operating revenue.....	9,440	9,560	9,778	10,208	10,654	2,575	2,668	2,518	2,728	2,690	2,718	2,536	2,628		
Profits before taxes.....	729	816	829	980	1,088	248	328	213	327	280	268	145	n.a.		
Profits after taxes.....	572	651	694	816	902	206	276	172	259	227	244	121	n.a.		
Dividends.....	367	383	438	468	496	81	161	113	109	113	161	124	n.a.		
Electric power:															
Operating revenue.....	13,489	14,294	15,156	15,816	16,908	3,878	3,997	4,401	4,026	4,236	4,246	4,697	4,280		
Profits before taxes.....	3,583	3,735	3,926	4,213	4,395	1,050	1,000	1,215	987	1,153	1,041	1,279	1,026		
Profits after taxes.....	2,062	2,187	2,375	2,586	2,764	630	637	758	632	702	673	799	666		
Dividends.....	1,462	1,567	1,682	1,838	1,932	357	577	473	486	475	505	518	510		
Telephone:															
Operating revenue.....	9,196	9,796	10,550	11,320	12,420	2,854	2,944	2,992	3,091	3,135	3,202	3,229	3,312		
Profits before taxes.....	2,639	2,815	3,069	3,185	3,537	830	806	851	907	911	868	869	923		
Profits after taxes.....	1,327	1,417	1,590	1,718	1,903	447	432	460	488	487	468	472	497		
Dividends.....	935	988	1,065	1,153	1,248	294	296	302	309	317	320	334	337		

¹ Includes 17 corporations in groups not shown separately.² Includes 27 corporations in groups not shown separately.NOTE.—*Manufacturing corporations:* Data are obtained primarily from published reports of companies.*Railroads:* Interstate Commerce Commission data for Class I line-haul railroads.*Electric power:* Federal Power Commission data for Class A and B electric utilities, except that quarterly figures on operating revenue and profits before taxes are partly estimated by the Federal Reserve to include affiliated nonelectric operations.*Telephone:* Data obtained from Federal Communications Commission on revenues and profits for telephone operations of the Bell System Consolidated (including the 20 operating subsidiaries and the Long Lines and General Depts. of American Telephone and Telegraph Co.), and for 2 affiliated telephone companies. Dividends are for the 20 operating subsidiaries and the 2 affiliates.*All series:* Profits before taxes are income after all charges and before Federal income taxes and dividends.

Back data available from the Division of Research and Statistics.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹
1959.....	52.1	23.7	28.5	12.6	15.9	23.5	1965—II.... III.... IV....	75.6	30.9	44.6	19.4	25.2	36.0
1960.....	49.7	23.0	26.7	13.4	13.2	24.9		75.8	31.1	44.8	20.2	24.6	36.9
								80.8	33.1	47.7	20.9	26.8	37.8
1961.....	50.3	23.1	27.2	13.8	13.5	26.2	1966—I.... II.... III.... IV....	83.7	34.5	49.2	21.4	27.8	38.3
1962.....	55.4	24.2	31.2	15.2	16.0	30.1		83.6	34.5	49.2	21.6	27.6	38.7
1963.....	59.4	26.3	33.1	16.5	16.6	31.8		84.0	34.6	49.4	21.6	27.8	39.2
1964.....	66.8	28.3	38.4	17.8	20.6	33.9		83.9	34.6	49.3	21.2	28.2	39.8
1965.....	76.6	31.4	45.2	19.8	25.4	36.5	1967—I.... II....	79.0	32.5	46.5	22.2	24.2	40.3
1966.....	83.8	34.5	49.3	21.5	27.8	39.0		78.9	32.5	46.5	23.1	23.4	40.9

¹ Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets						Current liabilities					
		Total	Cash	U. S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U. S. Govt. ¹	Other				U. S. Govt. ¹	Other		
1961.....	148.8	304.6	40.7	19.2	3.4	133.3	95.2	12.9	155.8	1.8	110.0	14.2	29.8
1962.....	155.6	326.5	43.7	19.6	3.7	144.2	100.7	14.7	170.9	2.0	119.1	15.2	34.5
1963.....	163.5	351.7	46.5	20.2	3.6	156.8	107.0	17.8	188.2	2.5	130.4	16.5	38.7
1964.....	172.3	372.6	47.1	18.8	3.4	170.6	114.0	18.8	200.3	2.7	139.6	17.2	40.7
1965.....	183.4	407.9	49.2	16.7	3.9	189.6	126.3	22.1	224.5	3.1	157.6	19.2	45.0
1966—I.....	186.0	413.7	46.9	16.9	3.9	192.5	130.2	23.4	227.7	3.8	157.5	19.1	47.3
II.....	190.4	423.6	47.7	15.3	4.0	198.4	134.4	23.7	233.1	3.9	163.4	16.7	49.1
III.....	191.5	431.4	46.9	14.6	4.2	202.8	139.4	23.5	239.9	4.4	167.1	17.9	50.4
IV.....	192.7	441.6	49.3	15.5	4.5	204.4	144.5	23.3	248.9	4.9	173.4	19.1	51.6
1967—I.....	195.2	442.4	46.5	14.4	4.4	204.4	148.2	24.5	247.2	5.4	170.8	18.6	52.4
II.....	196.4	443.3	47.0	11.5	4.6	206.7	149.4	24.1	246.9	5.9	174.3	12.6	54.0

¹ Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

NOTE.—Securities and Exchange Commission estimates; excludes banks, savings and loan assns., insurance companies, and investment companies.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation		Public utilities	Communications	Other ¹	Total (S.A. annual rate)
		Durable	Non-durable		Railroad	Other				
1959.....	32.54	5.77	6.29	.99	.92	2.02	5.67	2.67	8.21	.....
1960.....	35.68	7.18	7.30	.99	1.03	1.94	5.68	3.13	8.44	.....
1961.....	34.37	6.27	7.40	.98	.67	1.85	5.52	3.22	8.46	.....
1962.....	37.31	7.03	7.65	1.08	.85	2.07	5.48	3.63	9.52	.....
1963.....	39.22	7.85	7.84	1.04	1.10	1.92	5.65	3.79	10.03	.....
1964.....	44.90	9.43	9.16	1.19	1.41	2.38	6.22	4.30	10.83	.....
1965.....	51.96	11.40	11.05	1.30	1.73	2.81	6.94	4.94	11.79	.....
1966.....	60.63	13.99	13.00	1.47	1.98	3.44	8.41	5.62	12.74	.....
1967 ²	62.03	14.10	13.21	1.48	1.57	3.92	9.41	18.34	.....	.....
1965—II.....	12.81	2.76	2.70	.33	.44	.77	1.71	1.24	2.85	50.35
III.....	13.41	2.91	2.82	.32	.44	.72	1.88	1.22	3.10	52.75
IV.....	14.95	3.48	3.24	.35	.46	.73	2.04	1.41	3.25	55.35
1966—I.....	12.77	2.87	2.74	.33	.40	.75	1.60	1.26	2.83	58.00
II.....	15.29	3.51	3.27	.40	.55	1.00	2.09	1.42	3.06	60.10
III.....	15.57	3.54	3.30	.37	.48	.82	2.36	1.36	3.33	61.25
IV.....	17.00	4.07	3.68	.38	.55	.86	2.36	1.58	3.52	62.80
1967—I.....	13.59	3.08	3.02	.32	.41	.70	1.84	1.35	2.87	61.65
II.....	15.61	3.46	3.34	.34	.41	1.12	2.46	1.49	2.99	61.50
III ²	15.77	3.44	3.28	.39	.37	1.05	2.61	4.63	.....	62.50
IV ²	17.06	4.12	3.57	.42	.37	1.06	2.51	5.01	.....	62.65

¹ Includes trade, service, finance, and construction.
² Anticipated by business.

NOTE.—Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business, excluding agriculture.

MORTGAGE DEBT OUTSTANDING

(In billions of dollars)

End of period	All properties				Farm			Nontfarm								
	All holders	Financial institutions ¹	Other holders ²		All holders	Financial institutions ¹	Other holders ³	1- to 4-family houses ⁴			Multifamily and commercial properties ⁵			Mortgage type ⁶		
			U.S. agencies	Individuals and others				Total	Finan. institutions ¹	Other holders	Total	Finan. institutions ¹	Other holders	FHA-VA-underwritten	Conventional	
1941.....	37.6	20.7	4.7	12.2	6.4	1.5	4.9	31.2	18.4	11.2	7.2	12.9	8.1	4.8	3.0	28.2
1945.....	35.5	21.0	2.4	12.1	4.8	1.3	3.4	30.8	18.6	12.2	6.4	12.2	7.4	4.7	4.3	26.5
1961.....	226.3	172.6	11.8	41.9	13.9	5.0	8.9	212.4	153.1	128.2	24.9	59.3	39.4	19.9	65.5	146.9
1962.....	248.6	192.5	12.2	44.0	15.2	5.5	9.7	233.4	166.5	140.4	26.0	66.9	46.6	20.4	69.4	164.1
1963.....	274.3	217.1	11.2	45.9	16.8	6.2	10.7	257.4	182.2	156.0	26.2	75.3	54.9	20.3	73.4	184.0
1964.....	300.1	241.0	11.4	47.7	18.9	7.0	11.9	281.2	197.6	170.4	27.2	83.6	63.7	19.9	77.2	204.0
1965.....	326.2	264.5	12.4	49.3	21.2	7.8	13.4	305.0	213.7	185.1	28.6	91.3	71.6	19.7	81.2	223.8
1966 ^p	347.1	280.6	15.8	50.7	23.3	8.4	14.9	323.8	225.1	193.7	31.4	98.7	78.4	20.3	84.0	239.8
1965—I.....	305.3	245.8	11.6	47.9	19.5	7.2	12.3	285.8	200.7	173.3	27.4	85.1	65.3	19.8	77.9	207.9
II.....	312.5	252.2	11.7	48.6	20.2	7.4	12.8	292.3	205.1	177.4	27.7	87.2	67.4	19.8	78.7	213.6
III.....	319.4	258.6	11.9	49.0	20.7	7.6	13.1	298.7	209.6	181.5	28.0	89.2	69.4	19.7	80.0	218.7
IV.....	326.2	264.5	12.4	49.3	21.2	7.8	13.4	305.0	213.7	185.1	28.6	91.3	71.6	19.7	81.2	223.8
1966—I ^p	331.9	269.3	13.5	49.1	21.8	8.0	13.7	310.1	216.9	187.9	29.0	93.2	73.3	19.9	82.1	228.0
II ^p	338.4	274.4	14.4	49.7	22.5	8.2	14.2	316.0	220.7	190.9	29.8	95.3	75.2	20.1	82.6	233.4
III ^p	343.2	277.9	15.2	50.2	23.0	8.4	14.6	320.3	223.1	192.5	30.6	97.1	77.0	20.2	83.4	236.9
IV ^p	347.1	280.6	15.8	50.7	23.3	8.4	14.9	323.8	225.1	193.7	31.4	98.7	78.4	20.3	84.0	239.8
1967—I ^p	350.6	283.1	16.4	51.1	23.7	8.5	15.2	326.9	227.0	195.1	31.9	99.9	79.5	20.4	84.4	242.5
II ^p	356.3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

¹ Commercial banks (including nondeposit trust companies but not trust depts.), mutual savings banks, life insurance companies, and savings and loan assns.

² U.S. agencies are FNMA, FHA, VA, PHA, Farmers Home Admin., and Federal land banks, and in earlier years, RFC, HOLC, and FFMC. Other U.S. agencies (amounts small or current separate data not readily available) included with "individuals and others."

³ Derived figures; includes debt held by Federal land banks and farm debt held by Farmers Home Admin.

⁴ For multifamily and total residential properties, see second following page.

⁵ Derived figures; includes small amounts of farm loans held by savings and loan assns.

⁶ Data by type of mortgage on nonfarm 1- to 4-family properties alone are shown on second page following.

NOTE.—Based on data from Federal Deposit Insurance Corp., Federal Home Loan Bank Board, Institute of Life Insurance, Depts. of Agriculture and Commerce, Federal National Mortgage Assn., Federal Housing Admin., Public Housing Admin., Veterans Admin., and Comptroller of the Currency.

Data shown have been adjusted to allow for recent revisions by Dept. of Commerce of end-of-year figures on multifamily and commercial properties back to 1962.

Figures for first 3 quarters of each year are F.R. estimates.

MORTGAGE LOANS HELD BY BANKS

(In millions of dollars)

End of period	Commercial bank holdings ¹						Mutual savings bank holdings ²							
	Total	Residential			Other non-farm	Farm	Total	Total	Residential			Other non-farm	Farm	
		Total	FHA-insured	VA-guaranteed					Conventional	Total	FHA-insured			VA-guaranteed	Conventional
1941.....	4,906	3,292	.....	.....	1,048	566	4,812	3,884	.....	.....	.....	900	28	
1945.....	4,772	3,395	.....	.....	856	521	4,208	3,387	.....	.....	.....	797	24	
1961.....	30,442	21,225	5,975	2,627	12,623	7,470	1,747	29,145	26,341	8,045	9,267	9,029	2,753	51
1962.....	34,476	23,482	6,520	2,654	14,308	8,972	2,022	32,320	29,181	9,238	9,787	10,156	3,088	51
1963.....	39,414	26,476	7,105	2,862	16,509	10,611	2,327	36,224	32,718	10,684	10,490	11,544	3,454	52
1964.....	43,976	28,933	7,315	2,742	18,876	12,405	2,638	40,556	36,487	12,287	11,121	13,079	4,016	53
1965.....	49,675	32,387	7,702	2,688	21,997	14,377	2,911	44,617	40,096	13,791	11,408	14,897	4,469	52
1966 ^p	54,380	34,876	7,544	2,599	24,733	16,366	3,138	47,337	42,242	14,500	11,471	16,272	5,041	53
1965—I.....	44,799	29,388	7,329	2,722	19,337	12,723	2,688	41,521	37,357	12,664	11,228	13,465	4,112	52
II.....	46,548	30,383	7,469	2,712	20,202	13,371	2,794	42,467	38,214	13,036	11,322	13,856	4,202	51
III.....	48,353	31,574	7,641	2,700	21,233	13,926	2,853	43,539	39,153	13,412	11,368	14,373	4,334	52
IV.....	49,675	32,387	7,702	2,688	21,997	14,377	2,911	44,617	40,096	13,791	11,408	14,897	4,469	52
1966—I ^p	50,650	32,822	7,717	2,659	22,446	14,840	2,988	45,370	40,700	13,956	11,408	15,336	4,617	53
II ^p	52,306	33,800	7,769	2,654	23,377	15,478	3,028	45,883	41,083	14,047	11,346	15,690	4,747	53
III ^p	53,606	34,469	7,687	2,620	24,162	16,028	3,109	46,622	41,673	14,274	11,413	15,986	4,896	53
IV ^p	54,380	34,876	7,544	2,599	24,733	16,366	3,138	47,337	42,242	14,500	11,471	16,272	5,041	53
1967—I ^p	54,531	.....	.....	.....	.....	.....	.....	48,112	.....	.....	.....	.....	.....	.....
II ^p	55,780	.....	.....	.....	.....	.....	.....	48,897	.....	.....	.....	.....	.....	.....

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

² Data for 1941 and 1945, except for totals, are special F.R. estimates.

NOTE.—Second and fourth quarters, Federal Deposit Insurance Corporation series for all commercial and mutual savings banks in the United

States and possessions. First and third quarters, estimates based on FDIC data for insured banks for 1962 and part of 1963 and on special F.R. interpolations thereafter. For earlier years, the basis for first- and third-quarter estimates included F.R. commercial bank call data and data from the National Assn. of Mutual Savings Banks.

MORTGAGE ACTIVITY OF LIFE INSURANCE COMPANIES

(In millions of dollars)

Period	Loans acquired					Loans outstanding (end of period)						
	Total	Nonfarm			Farm ¹	Total	Nonfarm			Farm		
		Total	FHA-insured	VA-guaranteed			Other ¹	Total	FHA-insured		VA-guaranteed	Other
1945.....	976					6,637	5,860	1,394		4,466	766	
1961.....	6,785	6,233	1,388	220	4,625	552	44,203	41,033	9,665	6,553	24,815	3,170
1962.....	7,478	6,859	1,355	469	5,035	619	46,902	43,502	10,176	6,395	26,931	3,400
1963.....	9,172	8,306	1,598	678	6,030	866	50,544	46,752	10,756	6,401	29,595	3,792
1964.....	10,433	9,386	1,812	674	6,900	1,047	55,152	50,848	11,484	6,403	32,961	4,304
1965.....	11,137	9,988	1,738	553	7,697	1,149	60,013	55,190	12,068	6,286	36,836	4,823
1966 ^p	10,202	9,210	1,311	458	7,441	992	64,609	59,369	12,351	6,201	40,817	5,240
1966—July ^r	844	789	92	31	666	55	62,921	57,729	12,318	6,217	39,194	5,192
Aug.....	791	746	94	38	614	45	63,336	58,128	12,340	6,201	39,587	5,208
Sept.....	781	735	83	35	617	46	63,683	58,457	12,344	6,191	39,922	5,226
Oct.....	718	675	86	41	548	43	64,007	58,775	12,362	6,190	40,223	5,232
Nov.....	708	673	89	41	543	35	64,353	59,118	12,393	6,195	40,530	5,235
Dec.....	947	888	82	47	759	59	64,803	59,563	12,411	6,209	40,943	5,240
1967—Jan.....	766	699	89	47	563	67	65,193	59,965	12,441	6,222	41,302	5,228
Feb.....	684	617	75	32	510	67	65,503	60,259	12,459	6,211	41,589	5,244
Mar.....	721	632	80	44	508	89	65,798	60,525	12,468	6,217	41,840	5,273
Apr.....	603	536	50	25	461	67	66,024	60,721	12,449	6,202	42,070	5,303
May.....	641	582	57	31	494	59	66,253	60,924	12,434	6,183	42,307	5,329
June.....	643	569	60	31	478	74	66,414	61,038	12,397	6,163	42,478	5,376
July.....	563	506	36	27	443	57	66,324	60,920	12,311	6,161	42,448	5,404

¹ Certain mortgage loans secured by land on which oil drilling or extracting operations in process were classified with farm through June 1959 and with "other" nonfarm thereafter. These loans totaled \$38 million on July 31, 1959.

monthly figures may not add to annual totals and for loans outstanding, the end-of-Dec. figures may differ from end-of-year figures, because (1) monthly figures represent book value of ledger assets whereas year-end figures represent annual statement asset values, and (2) data for year-end adjustments are more complete.

NOTE.—Institute of Life Insurance data. For loans acquired, the

MORTGAGE ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

Period	Loans made			Loans outstanding (end of period)			
	Total ¹	New home construction	Home purchase	Total ²	FHA-insured	VA-guaranteed	Conventional
1945.....	1,913	181	1,358	5,376			
1961.....	17,364	5,081	7,207	68,834	4,167	7,152	57,515
1962.....	20,754	5,979	8,524	78,770	4,476	7,010	67,284
1963.....	24,735	7,039	9,920	90,944	4,696	6,960	79,288
1964.....	24,505	6,515	10,397	101,333	4,894	6,683	89,756
1965.....	23,847	5,922	10,697	110,306	5,145	6,398	98,763
1966.....	16,729	3,604	7,748	114,192	5,270	6,157	102,765
1966—Aug.....	1,314	272	722	114,002	5,248	6,244	102,510
Sept.....	1,119	241	572	114,107	5,257	6,210	102,640
Oct.....	947	208	473	114,102	5,255	6,190	102,657
Nov.....	866	184	423	114,081	5,261	6,174	102,646
Dec.....	936	189	423	114,192	5,270	6,157	102,765
1967—Jan.....	788	165	365	114,229	5,277	6,144	102,808
Feb.....	950	205	420	114,395	5,278	6,141	102,976
Mar.....	1,347	306	571	114,797	5,296	6,143	103,358
Apr.....	1,339	312	586	115,233	5,321	6,141	103,771
May.....	1,738	400	779	115,909	5,365	6,127	104,417
June.....	2,162	435	1,046	116,944	5,384	6,169	105,391
July.....	1,860	382	951	117,676	5,437	6,187	106,052
Aug. ^p	2,210	425	1,188	118,659	5,508	6,225	106,926

¹ Includes loans for repairs, additions and alterations, refinancing, etc., not shown separately.

² Beginning with 1958, includes shares pledged against mortgage loans; beginning with 1966, includes real estate sold on contract not acquired by foreclosures; and beginning with 1967, includes real estate sold on contract acquired by foreclosure.

NOTE.—Federal Home Loan Bank Board data.

FEDERAL HOME LOAN BANKS

(In millions of dollars)

Period	Advances	Repayments	Advances outstanding (end of period)			Members' deposits
			Total	Short-term ¹	Long-term ²	
1945.....	278	213	195	176	19	46
1961.....	2,882	2,220	2,662	1,447	1,216	1,180
1962.....	4,111	3,294	3,479	2,005	1,474	1,213
1963.....	5,601	4,296	4,784	2,863	1,921	1,151
1964.....	5,565	5,025	5,325	2,846	2,479	1,199
1965.....	5,007	4,335	5,997	3,074	2,923	1,043
1966.....	3,804	2,866	6,935	5,006	1,929	1,036
1966—Aug.....	146	262	7,226	4,625	2,601	698
Sept.....	99	150	7,175	4,627	2,548	727
Oct.....	300	226	7,249	4,939	2,310	767
Nov.....	104	269	7,084	4,993	2,091	863
Dec.....	68	217	6,935	5,006	1,929	1,036
1967—Jan.....	224	818	6,340	4,814	1,526	1,088
Feb.....	49	589	5,800	4,730	1,070	1,240
Mar.....	30	655	5,175	4,262	913	1,490
Apr.....	59	452	4,782	3,976	806	1,648
May.....	59	420	4,421	3,776	644	1,831
June.....	89	208	4,302	3,696	606	1,925
July.....	193	274	4,221	3,680	541	1,521
Aug.....	134	202	4,153	3,659	494	1,343

¹ Secured or unsecured loans maturing in 1 year or less.

² Secured loans, amortized quarterly, having maturities of more than 1 year but not more than 10 years.

NOTE.—Federal Home Loan Bank Board data.

GOVERNMENT-UNDERWRITTEN RESIDENTIAL LOANS MADE

(In millions of dollars)

Period	FHA-insured					VA-guaranteed		
	Total	Mortgages		Projects ¹	Property improvements ²	Total ³	Mortgages	
		New homes	Ex-existing homes				New homes	Ex-existing homes
1945.....	665	257	217	20	171	192		
1961.....	6,546	1,783	2,982	926	855	1,829	1,170	656
1962.....	7,184	1,849	3,421	1,079	834	2,652	1,357	1,292
1963.....	7,216	1,664	3,905	843	804	3,045	1,272	1,770
1964.....	8,130	1,608	4,965	895	663	2,846	1,023	1,821
1965.....	8,689	1,705	5,760	591	634	2,652	876	1,774
1966.....	7,320	1,729	4,366	583	641	2,600	980	1,618
1966—Aug.....	622	159	387	18	57	287	96	191
Sept.....	610	149	367	27	66	257	96	161
Oct.....	508	140	275	38	54	271	110	160
Nov.....	446	130	238	26	51	247	110	137
Dec.....	409	113	214	35	46	226	104	121
1967—Jan.....	449	116	263	26	44	214	100	113
Feb.....	364	91	210	32	31	169	77	91
Mar.....	490	96	292	55	47	195	83	112
Apr.....	440	89	270	41	40	184	70	114
May.....	508	87	320	44	58	231	76	154
June.....	626	105	403	57	61	266	81	185
July.....	595	103	399	36	58	296	82	214
Aug.....	762	129	525	45	62	340	97	243

¹ Monthly figures do not reflect mortgage amendments included in annual totals.

² Not ordinarily secured by mortgages.

³ Includes a small amount of alteration and repair loans, not shown separately; only such loans in amounts of more than \$1,000 need be secured.

NOTE.—Federal Housing Admin. and Veterans Admin. data. FHA-insured loans represent gross amount of insurance written; VA-guaranteed loans, gross amounts of loans closed. Figures do not take into account principal repayments on previously insured or guaranteed loans. For VA-guaranteed loans, amounts by type are derived from data on number and average amount of loans closed.

MORTGAGE DEBT OUTSTANDING ON NONFARM 1- to 4-FAMILY PROPERTIES

(In billions of dollars)

End of period	Total	Government-underwritten			Conventional
		Total	FHA-insured	VA-guaranteed ¹	
1945.....	18.6	4.3	4.1	.2	14.3
1961.....	153.1	59.1	29.5	29.6	93.9
1962.....	166.5	62.2	32.3	29.9	104.3
1963.....	182.2	65.9	35.0	30.9	116.3
1964.....	197.6	69.2	38.3	30.9	128.3
1965.....	213.7	73.1	42.0	31.1	140.6
1966 ^p	225.1	76.0	44.8	31.2	149.1
1964—I.....	185.4	66.6	35.7	31.0	118.8
II.....	189.8	67.3	36.3	30.9	122.5
III.....	193.9	68.4	37.4	31.1	125.4
IV.....	197.6	69.2	38.3	30.9	128.3
1965—I.....	200.7	70.1	39.0	31.1	130.6
II.....	205.1	70.7	39.7	31.0	134.4
III.....	209.6	72.0	40.9	31.1	137.5
IV.....	213.7	73.1	42.0	31.1	140.6
1966—I ^p	216.9	74.1	43.0	31.1	142.8
II ^p	220.7	74.6	43.7	30.9	146.1
III ^p	223.1	75.4	44.4	31.0	147.7
IV ^p	225.1	76.0	44.8	31.2	149.1
1967—I ^p	227.0	76.4	45.2	31.2	150.6

¹ Includes outstanding amount of VA vendee accounts held by private investors under repurchase agreement.

NOTE.—For total debt outstanding, figures are FHLBB and F.R. estimates. For conventional, figures are derived.

Based on data from Federal Home Loan Bank Board, Federal Housing Admin., and Veterans Admin.

FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY

(In millions of dollars)

End of period	Mortgage holdings			Mortgage transactions (during period)		Commitments undischursed
	Total	FHA-insured	VA-guaranteed	Purchases	Sales	
1962.....	5,923	3,571	2,353	740	498	355
1963.....	4,650	3,017	1,634	290	1,114	191
1964.....	4,412	2,996	1,416	424	251	313
1965.....	4,731	3,404	1,327	913	200	793
1966.....	7,063	5,407	1,656	2,701		705
1966—Aug.....	6,464	4,916	1,548	180		512
Sept.....	6,592	5,028	1,564	159		532
Oct.....	6,731	5,146	1,585	168		576
Nov.....	6,891	5,272	1,619	188		617
Dec.....	7,063	5,407	1,656	202		705
1967—Jan.....	7,216	5,522	1,694	181		695
Feb.....	7,331	5,615	1,716	144		641
Mar.....	7,415	5,692	1,723	119		706
Apr.....	7,461	5,740	1,721	78		744
May.....	7,484	5,767	1,717	65	1	835
June.....	7,524	5,811	1,713	88	6	1,104
July.....	7,624	5,890	1,734	136	1	1,333
Aug.....	7,872	6,076	1,796	291	1	1,447

NOTE.—Federal National Mortgage Assn. data, including mortgages subject to participation pool of Government Mortgage Liquidation Trust, but excluding conventional mortgage loans acquired by FNMA from the RFC Mortgage Co., the Defense Homes Corp., the Public Housing Admin., and Community Facilities Admin.

MORTGAGE DEBT OUTSTANDING ON RESIDENTIAL PROPERTIES

(In billions of dollars)

End of period	All residential			Multifamily ¹		
	Total	Financial institutions	Other holders	Total	Financial institutions	Other holders
1941.....	24.2	14.9	9.4	5.8	3.6	2.2
1945.....	24.3	15.7	8.6	5.7	3.5	2.2
1961.....	176.0	143.0	33.0	23.0	14.8	8.2
1962.....	192.5	157.9	34.6	25.8	17.5	8.3
1963.....	211.2	176.7	34.5	29.0	20.7	8.3
1964.....	230.8	195.2	35.6	33.2	24.8	8.4
1965.....	250.7	213.7	37.0	37.0	28.5	8.5
1966 ^p	264.4	224.3	40.1	39.3	30.6	8.7
1965—I.....	234.8	199.0	35.8	34.1	25.7	8.4
II.....	240.1	204.0	36.1	35.0	26.6	8.4
III.....	245.5	209.1	36.4	36.0	27.6	8.4
IV.....	250.7	213.7	37.0	37.0	28.5	8.5
1966—I ^p	254.7	217.1	37.6	37.8	29.2	8.6
II ^p	259.0	220.6	38.5	38.4	29.7	8.7
III ^p	262.0	222.7	39.3	38.9	30.2	8.7
IV ^p	264.4	224.3	40.1	39.3	30.6	8.7
1967—I ^p	266.8	226.1	40.7	39.8	31.0	8.8
II ^p	271.1					

¹ Structures of 5 or more units. For 1- to 4-family mortgage debt see second preceding page.

NOTE.—Based on data from same source as for "Mortgage Debt Outstanding" table (second preceding page).

TERMS ON CONVENTIONAL FIRST MORTGAGES

Period	New homes						Existing homes					
	Contract rate (per cent)	Fees & charges (per cent) ¹	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	Contract rate (per cent)	Fees & charges (per cent) ¹	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)
1963.....	5.84	.64	24.0	73.3	22.5	16.3	5.98	.60	19.2	70.8	17.8	12.6
1964.....	5.78	.57	24.8	74.1	23.7	17.3	5.92	.55	20.0	71.3	18.9	13.4
1965.....	5.76	.54	24.8	74.1	24.7	18.1	5.89	.50	20.4	72.0	19.7	14.1
1966.....	6.11	.69	24.4	72.8	26.4	19.0	6.24	.59	20.0	65.1	20.4	14.4
1966—Aug.....	6.28	.93	23.6	73.4	25.3	18.6	6.37	.70	20.8	71.6	21.0	15.0
Sept.....	6.30	.94	23.4	71.8	25.4	18.2	6.45	.76	20.2	71.0	20.3	14.4
Oct.....	6.39	1.06	23.3	71.8	25.8	18.5	6.50	.78	19.8	70.3	20.4	14.3
Nov.....	6.45	1.08	22.9	71.8	25.0	18.0	6.54	.82	20.1	70.3	20.5	14.4
Dec.....	6.49	1.25	23.3	72.4	25.5	18.5	6.55	.81	20.2	70.9	20.8	14.7
1967—Jan.....	6.47	1.16	23.8	73.3	26.3	19.3	6.54	.78	20.6	71.4	21.2	15.2
Feb.....	6.44	1.06	23.6	73.8	24.8	18.3	6.50	.75	20.3	71.6	21.3	15.3
Mar.....	6.41	1.05	23.6	74.1	25.6	19.0	6.44	.77	21.0	71.8	21.4	15.4
Apr.....	6.37	.99	23.6	73.3	25.8	18.9	6.36	.72	20.8	72.0	21.6	15.6
May.....	6.28	.96	24.2	74.8	26.2	19.6	6.31	.68	21.1	72.3	22.3	16.1
June.....	6.29	.93	24.0	73.6	26.3	19.4	6.30	.67	21.4	72.2	23.0	16.6
July.....	6.34	.89	24.2	74.4	27.0	20.1	6.33	.70	21.3	72.7	22.5	16.4
Aug. ^p	6.34	.82	23.9	74.3	27.2	20.2	6.37	.71	21.5	73.2	22.6	16.5

¹ Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, which provide added income to the lender and are paid by the borrower. They exclude any closing costs related solely to transfer of property ownership.

NOTE.—Compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are weighted averages based on probability sample survey of characteristics of mortgages

originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes. Data exclude loans for refinancing, reconditioning, or modernization; construction loans to home-builders; and permanent loans that are coupled with construction loans to owner-builders. Series beginning July 1966, not strictly comparable with earlier data. See also the table on Mortgages; New and Existing Homes, p. 1780.

DELINQUENCY RATES ON HOME MORTGAGES

(Per 100 mortgages held or serviced)

End of period	Loans not in foreclosure but delinquent for—				Loans in foreclosure
	Total	30 days	60 days	90 days or more	
1961.....	3.10	2.27	.50	.33	.29
1962.....	3.04	2.26	.50	.29	.30
1963.....	3.30	2.32	.60	.38	.34
1964.....	3.21	2.35	.55	.31	.38
1965.....	3.29	2.40	.55	.34	.40
1966.....	3.40	2.54	.54	.32	.36
1965—I.....	2.94	2.06	.54	.34	.37
II.....	3.00	2.18	.52	.30	.38
III.....	3.20	2.30	.56	.34	.38
IV.....	3.29	2.40	.55	.34	.40
1966—I.....	3.02	2.13	.55	.34	.38
II.....	2.95	2.16	.49	.30	.38
III.....	3.09	2.25	.52	.32	.36
IV.....	3.40	2.54	.54	.32	.36
1967—I.....	3.04	2.17	.56	.31	.38
II.....	2.85	2.14	.45	.26	.34

NOTE.—Mortgage Bankers Association of America data from reports on 1- to 4-family FHA-insured, VA-guaranteed, and conventional mortgages held by more than 400 respondents, including mortgage bankers (chiefly), commercial banks, savings banks, and savings and loan associations.

NONFARM MORTGAGE FORECLOSURES

Period	Number (thousands)	Rate (per cent of mortgaged structures)
1961.....	73.1	.37
1962.....	86.4	.42
1963.....	98.2	.45
1964.....	108.6	.48
1965.....	116.7	.49
1966.....	117.5	.48
1965—I.....	27.9	.48
II.....	30.1	.52
III.....	29.1	.50
IV.....	29.6	.50
1966—I.....	28.8	.48
II.....	30.8	.51
III.....	29.3	.48
IV.....	28.6	.46
1967—I.....	29.5	.48
II.....	29.7	.48

NOTE.—Federal Home Loan Bank Board estimates of number of nonfarm mortgaged structures at end of period and of nonfarm properties acquired during period through foreclosure proceedings (excluding voluntary deeds in lieu of foreclosure and defaults on real estate contracts). Data exclude Alaska and Hawaii.

TOTAL CREDIT
(In millions of dollars)

End of period	Total	Instalment					Noninstalment			
		Total	Auto-mobile paper	Other consumer goods paper	Repair and modernization loans ¹	Personal loans	Total	Single-payment loans	Charge accounts	Service credit
1939.....	7,222	4,503	1,497	1,620	298	1,088	2,719	787	1,414	518
1941.....	9,172	6,085	2,458	1,929	376	1,322	3,087	845	1,645	597
1945.....	5,665	2,462	455	816	182	1,009	3,203	746	1,612	845
1960.....	56,028	42,832	17,688	11,525	3,139	10,480	13,196	4,507	5,329	3,360
1961.....	57,678	43,527	17,223	11,857	3,191	11,256	14,151	5,136	5,324	3,691
1962.....	63,164	48,034	19,540	12,605	3,246	12,643	15,130	5,456	5,684	3,990
1963.....	70,461	54,158	22,433	13,856	3,405	14,464	16,303	6,117	5,871	4,315
1964.....	78,442	60,548	25,195	15,593	3,532	16,228	17,894	6,954	6,300	4,640
1965.....	87,884	68,565	28,843	17,693	3,675	18,354	19,319	7,682	6,746	4,891
1966.....	94,786	74,656	30,961	19,834	3,751	20,110	20,130	7,844	7,144	5,142
1966—Aug.....	91,483	72,640	30,918	18,390	3,755	19,577	18,843	7,849	5,973	5,021
Sept.....	91,639	72,829	30,793	18,564	3,771	19,701	18,810	7,814	5,993	5,003
Oct.....	91,899	73,073	30,852	18,714	3,770	19,737	18,826	7,768	6,107	4,951
Nov.....	92,498	73,491	30,937	18,945	3,772	19,837	19,007	7,807	6,199	5,001
Dec.....	94,786	74,656	30,961	19,834	3,751	20,110	20,130	7,844	7,144	5,142
1967—Jan.....	93,479	74,015	30,689	19,649	3,703	19,974	19,464	7,779	6,472	5,213
Feb.....	92,517	73,598	30,530	19,426	3,666	19,976	18,919	7,754	5,824	5,341
Mar.....	92,519	73,591	30,527	19,369	3,648	20,047	18,928	7,769	5,809	5,350
Apr.....	93,089	73,840	30,635	19,376	3,636	20,193	19,249	7,890	5,923	5,436
May.....	93,917	74,290	30,852	19,442	3,670	20,326	19,627	8,017	6,231	5,379
June.....	94,813	75,051	31,208	19,580	3,696	20,567	19,762	8,077	6,334	5,351
July.....	95,115	75,348	31,364	19,607	3,711	20,666	19,767	8,100	6,346	5,321
Aug.....	95,684	75,889	31,455	19,755	3,743	20,936	19,795	8,136	6,368	5,291

¹ Holdings of financial institutions; holdings of retail outlets are included in "other consumer goods paper."

NOTE.—Consumer credit estimates cover loans to individuals for house-

hold, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and May 1966 BULLETIN.

INSTALMENT CREDIT
(In millions of dollars)

End of period	Total	Financial institutions						Retail outlets					
		Total	Com-mercial banks	Sales finance cos.	Credit unions	Con-sumer finance ¹	Other ¹	Total	Depart-ment stores ²	Furni-ture stores	Appli-ance stores	Auto-mobile dealers ³	Other
1939.....	4,503	3,065	1,079	1,197	132	.....	657	1,438	354	439	183	123	339
1941.....	6,085	4,480	1,726	1,797	198	.....	759	1,605	320	496	206	188	395
1945.....	2,462	1,776	745	300	102	.....	629	686	131	240	17	28	270
1960.....	42,832	37,218	16,672	11,472	3,923	3,670	1,481	5,615	2,414	1,107	333	359	1,402
1961.....	43,527	37,935	17,008	11,273	4,330	3,799	1,525	5,595	2,421	1,058	293	342	1,481
1962.....	48,034	41,782	19,005	12,194	4,902	4,131	1,550	6,252	3,013	1,073	294	345	1,527
1963.....	54,158	47,405	22,023	13,523	5,622	4,590	1,647	6,753	3,427	1,086	287	328	1,625
1964.....	60,548	53,141	25,094	14,762	6,458	5,078	1,749	7,407	3,922	1,152	286	370	1,677
1965.....	68,565	60,273	29,173	16,138	7,512	5,606	1,844	8,292	4,488	1,235	302	447	1,820
1966.....	74,656	65,565	32,155	16,936	8,549	6,014	1,911	9,091	n.a.	n.a.	n.a.	490	n.a.
1966—Aug.....	72,640	64,454	31,737	16,732	8,238	5,846	1,901	8,186	n.a.	n.a.	n.a.	489	n.a.
Sept.....	72,829	64,613	31,778	16,759	8,324	5,858	1,894	8,216	n.a.	n.a.	n.a.	487	n.a.
Oct.....	73,073	64,792	31,878	16,771	8,391	5,863	1,889	8,281	n.a.	n.a.	n.a.	489	n.a.
Nov.....	73,491	65,046	31,978	16,790	8,480	5,881	1,917	8,445	n.a.	n.a.	n.a.	490	n.a.
Dec.....	74,656	65,565	32,155	16,936	8,549	6,014	1,911	9,091	n.a.	n.a.	n.a.	490	n.a.
1967—Jan.....	74,015	65,162	32,033	16,814	8,443	5,969	1,903	8,853	n.a.	n.a.	n.a.	488	n.a.
Feb.....	73,598	64,966	31,967	16,696	8,429	5,965	1,909	8,632	n.a.	n.a.	n.a.	485	n.a.
Mar.....	73,591	65,006	32,068	16,593	8,485	5,951	1,909	8,585	n.a.	n.a.	n.a.	486	n.a.
Apr.....	73,840	65,298	32,299	16,590	8,561	5,951	1,897	8,542	n.a.	n.a.	n.a.	490	n.a.
May.....	74,290	65,733	32,560	16,615	8,665	5,947	1,946	8,557	n.a.	n.a.	n.a.	494	n.a.
June.....	75,051	66,452	32,966	16,721	8,826	5,995	1,944	8,599	n.a.	n.a.	n.a.	502	n.a.
July.....	75,348	66,781	33,235	16,747	8,864	6,009	1,926	8,567	n.a.	n.a.	n.a.	506	n.a.
Aug.....	75,889	67,273	33,536	16,755	8,991	6,036	1,955	8,616	n.a.	n.a.	n.a.	508	n.a.

¹ Consumer finance companies included with "other" financial institutions until 1950.

² Includes mail-order houses.

³ Automobile paper only; other instalment credit held by automobile dealers is included with "other" retail outlets. See also NOTE to table above.

INSTALMENT CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total	Automobile paper		Other consumer goods paper	Repair and modernization loans	Personal loans
		Purchased	Direct			
1939	1,079	237	178	166	135	363
1941	1,726	447	338	309	161	471
1945	745	66	143	114	110	312
1960	16,672	5,316	2,820	2,759	2,200	3,577
1961	17,008	5,391	2,860	2,761	2,198	3,798
1962	19,005	6,184	3,451	2,824	2,261	4,285
1963	22,023	7,381	4,102	3,213	2,377	4,950
1964	25,094	8,691	4,734	3,670	2,457	5,542
1965	29,173	10,310	5,721	4,266	2,543	6,333
1966	32,155	11,370	6,165	5,101	2,567	6,952
1966—Aug.	31,737	11,339	6,172	4,795	2,580	6,851
Sept.	31,778	11,313	6,113	4,864	2,593	6,895
Oct.	31,878	11,353	6,132	4,910	2,593	6,890
Nov.	31,978	11,378	6,157	4,967	2,583	6,893
Dec.	32,155	11,370	6,165	5,101	2,567	6,952
1967—Jan.	32,033	11,267	6,148	5,176	2,532	6,910
Feb.	31,967	11,214	6,121	5,218	2,502	6,912
Mar.	32,068	11,234	6,153	5,242	2,486	6,953
Apr.	32,299	11,256	6,217	5,292	2,478	7,056
May	32,560	11,313	6,307	5,342	2,489	7,109
June	32,966	11,414	6,402	5,431	2,505	7,214
July	33,235	11,489	6,451	5,500	2,519	7,276
Aug.	33,536	11,538	6,494	5,556	2,536	7,412

See NOTE to first table on previous page.

INSTALMENT CREDIT HELD BY SALES FINANCE COMPANIES

(In millions of dollars)

End of period	Total	Auto-mob-ile paper	Other con-sumer goods paper	Repair and modern-ization loans	Per-sonal loans
1941	1,797	1,363	167	201	66
1945	300	164	24	58	54
1960	11,472	7,528	2,739	139	1,066
1961	11,273	6,811	3,100	161	1,201
1962	12,194	7,449	3,123	170	1,452
1963	13,523	8,228	3,383	158	1,754
1964	14,762	8,701	3,889	142	2,030
1965	16,138	9,241	4,429	123	2,345
1966	16,936	9,391	4,829	110	2,606
1966—Aug.	16,732	9,498	4,632	112	2,490
Sept.	16,759	9,427	4,693	112	2,527
Oct.	16,771	9,398	4,726	112	2,535
Nov.	16,790	9,395	4,736	110	2,549
Dec.	16,936	9,391	4,829	110	2,606
1967—Jan.	16,814	9,285	4,817	109	2,603
Feb.	16,696	9,215	4,773	107	2,601
Mar.	16,593	9,139	4,744	105	2,605
Apr.	16,590	9,128	4,749	104	2,609
May	16,615	9,150	4,751	105	2,609
June	16,721	9,238	4,761	106	2,616
July	16,747	9,252	4,752	108	2,635
Aug.	16,755	9,200	4,781	107	2,667

See NOTE to first table on previous page.

INSTALMENT CREDIT HELD BY OTHER FINANCIAL INSTITUTIONS

(In millions of dollars)

End of period	Total	Auto-mob-ile paper	Other con-sumer goods paper	Repair and modern-ization loans	Per-sonal loans
1941	957	122	36	14	785
1945	731	54	20	14	643
1960	9,074	1,665	771	800	5,837
1961	9,654	1,819	743	832	6,257
1962	10,583	2,111	751	815	6,906
1963	11,859	2,394	835	870	7,760
1964	13,285	2,699	997	933	8,656
1965	14,962	3,124	1,153	1,009	9,676
1966	16,474	3,545	1,303	1,074	10,552
1966—Aug.	15,985	3,420	1,266	1,063	10,236
Sept.	16,076	3,453	1,278	1,066	10,279
Oct.	16,143	3,480	1,286	1,065	10,312
Nov.	16,278	3,517	1,287	1,079	10,395
Dec.	16,474	3,545	1,303	1,074	10,552
1967—Jan.	16,315	3,501	1,291	1,062	10,461
Feb.	16,303	3,495	1,288	1,057	10,463
Mar.	16,345	3,515	1,284	1,057	10,489
Apr.	16,409	3,544	1,283	1,054	10,528
May	16,558	3,588	1,286	1,076	10,608
June	16,765	3,652	1,291	1,085	10,737
July	16,799	3,666	1,294	1,084	10,755
Aug.	16,982	3,715	1,310	1,100	10,857

NOTE.—Institutions represented are consumer finance companies, credit unions, industrial loan companies, mutual savings banks, savings and loan assns., and other lending institutions holding consumer instalment loans.

See also NOTE to first table on previous page.

NONINSTALMENT CREDIT

(In millions of dollars)

End of period	Total	Single-payment loans		Charge accounts			Service credit
		Com-mer-cial banks	Other finan-cial institutions	De-part-ment stores ¹	Other retail outlets	Credit cards ²	
1939	2,719	625	162	236	1,178	.....	518
1941	3,087	693	152	275	1,370	.....	597
1945	3,203	674	72	290	1,322	.....	845
1960	13,196	3,884	623	941	3,952	436	3,360
1961	14,151	4,413	723	948	3,907	469	3,691
1962	15,130	4,690	766	927	4,252	505	3,990
1963	16,303	5,205	912	895	4,456	520	4,315
1964	17,894	5,950	1,004	909	4,756	635	4,640
1965	19,319	6,587	1,095	968	5,055	723	4,891
1966	20,130	6,714	1,130	n.a.	n.a.	874	5,142
1966—Aug.	18,843	6,718	1,131	n.a.	n.a.	916	5,021
Sept.	18,810	6,692	1,122	n.a.	n.a.	932	5,003
Oct.	18,826	6,656	1,112	n.a.	n.a.	898	4,951
Nov.	19,007	6,678	1,129	n.a.	n.a.	878	5,001
Dec.	20,130	6,714	1,130	n.a.	n.a.	874	5,142
1967—Jan.	19,464	6,659	1,120	n.a.	n.a.	908	5,213
Feb.	18,919	6,634	1,120	n.a.	n.a.	895	5,341
Mar.	18,928	6,647	1,122	n.a.	n.a.	898	5,350
Apr.	19,249	6,758	1,132	n.a.	n.a.	922	5,436
May	19,627	6,848	1,169	n.a.	n.a.	939	5,379
June	19,762	6,902	1,175	n.a.	n.a.	965	5,351
July	19,767	6,927	1,173	n.a.	n.a.	1,024	5,321
Aug.	19,795	6,950	1,186	n.a.	n.a.	1,057	5,291

¹ Includes mail-order houses.

² Service station and miscellaneous credit-card accounts and home-heating-oil accounts.

See also NOTE to first table on previous page.

INSTALMENT CREDIT EXTENDED AND REPAYED, BY TYPE OF CREDIT

(In millions of dollars)

Period	Total		Automobile paper		Other consumer goods paper		Repair and modernization loans		Personal loans	
	S.A.1	N.S.A.	S.A.1	N.S.A.	S.A.1	N.S.A.	S.A.1	N.S.A.	S.A.1	N.S.A.
Extensions										
1960.....		49,560		17,654		14,470		2,213		15,223
1961.....		48,396		16,007		14,578		2,068		15,744
1962.....		55,126		19,796		15,685		2,051		17,594
1963.....		61,295		22,292		17,102		2,198		19,703
1964.....		67,505		24,435		19,473		2,204		21,393
1965.....		75,508		27,914		21,454		2,238		23,902
1966.....		78,896		28,491		23,502		2,136		24,767
1966—Aug.....	6,689	7,025	2,431	2,543	1,995	2,023	187	225	2,076	2,234
Sept.....	6,578	6,189	2,387	2,070	1,958	1,935	175	187	2,058	1,997
Oct.....	6,522	6,403	2,378	2,369	1,941	1,949	166	171	2,037	1,914
Nov.....	6,657	6,611	2,461	2,346	1,947	2,044	166	168	2,083	2,053
Dec.....	6,433	7,442	2,297	2,178	1,928	2,720	159	140	2,049	2,404
1967—Jan.....	6,501	5,674	2,240	1,923	2,031	1,808	157	120	2,073	1,823
Feb.....	6,497	5,488	2,177	1,916	2,099	1,655	169	126	2,052	1,791
Mar.....	6,510	6,641	2,199	2,350	2,049	1,985	169	159	2,093	2,147
Apr.....	6,606	6,495	2,217	2,294	2,095	1,927	170	163	2,124	2,111
May.....	6,554	7,062	2,238	2,559	2,032	2,074	180	219	2,104	2,210
June.....	6,823	7,458	2,338	2,678	2,081	2,155	190	215	2,214	2,410
July.....	6,776	6,859	2,266	2,396	2,147	2,071	175	191	2,188	2,201
Aug.....	6,929	7,223	2,285	2,392	2,212	2,229	175	210	2,257	2,392
Repayments										
1960.....		45,972		16,384		13,574		1,883		14,130
1961.....		47,700		16,472		14,246		2,015		16,206
1962.....		50,620		17,478		14,939		1,996		16,206
1963.....		55,171		19,400		15,850		2,038		17,883
1964.....		61,121		21,676		17,737		2,078		19,630
1965.....		67,495		24,267		19,355		2,096		21,777
1966.....		72,805		26,373		21,361		2,060		23,011
1966—Aug.....	6,087	6,247	2,223	2,305	1,792	1,798	172	181	1,900	1,963
Sept.....	6,103	6,000	2,213	2,195	1,784	1,761	168	171	1,938	1,873
Oct.....	6,142	6,159	2,244	2,310	1,820	1,799	169	172	1,909	1,878
Nov.....	6,213	6,193	2,255	2,261	1,836	1,813	169	166	1,953	1,953
Dec.....	6,112	6,277	2,225	2,154	1,796	1,831	161	161	1,930	2,131
1967—Jan.....	6,221	6,315	2,202	2,195	1,882	1,993	167	168	1,970	1,959
Feb.....	6,281	5,905	2,217	2,075	1,915	1,878	163	163	1,973	1,789
Mar.....	6,246	6,648	2,193	2,353	1,899	2,042	170	177	1,984	2,076
Apr.....	6,393	6,246	2,235	2,186	1,968	1,920	179	175	2,011	1,965
May.....	6,361	6,612	2,219	2,342	1,948	2,008	178	185	2,016	2,077
June.....	6,531	6,697	2,281	2,322	1,995	2,017	184	189	2,071	2,169
July.....	6,551	6,562	2,228	2,240	2,074	2,044	175	176	2,074	2,102
Aug.....	6,585	6,682	2,240	2,301	2,079	2,081	171	178	2,095	2,122
Net change in credit outstanding ²										
1960.....		3,588		1,270		896		330		1,093
1961.....		696		-465		332		53		777
1962.....		4,506		2,318		746		55		1,388
1963.....		6,124		2,892		1,252		160		1,820
1964.....		6,384		2,759		1,736		126		1,763
1965.....		8,013		3,647		2,099		142		2,125
1966.....		6,091		2,118		2,141		76		1,756
1966—Aug.....	602	778	208	238	203	225	15	44	176	271
Sept.....	475	189	174	-125	174	174	7	16	120	124
Oct.....	380	244	134	59	121	150	-3	-1	128	36
Nov.....	444	418	206	85	111	231	-3	2	130	100
Dec.....	321	1,165	72	24	132	889	-2	-21	119	273
1967—Jan.....	280	-641	38	-272	149	-185	-10	-48	103	-136
Feb.....	216	-417	-40	-159	184	-223	-7	-37	79	2
Mar.....	264	-7	6	-3	150	-57	-1	-18	109	71
Apr.....	213	249	-18	108	127	7	-9	-12	113	146
May.....	193	450	19	217	84	66	2	34	88	133
June.....	292	761	57	356	86	138	6	26	143	241
July.....	225	297	38	156	73	27	*	15	114	99
Aug.....	344	541	45	91	133	148	4	32	162	270

¹ Includes adjustments for differences in trading days.² Net changes in credit outstanding are equal to extensions less repayments.

NOTE.—Estimates are based on accounting records and often include financing charges. Renewals and refinancing of loans, purchases and

sales of instalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding.

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of Supplement to Banking and Monetary Statistics, 1965, and May 1966 BULLETIN.

INSTALMENT CREDIT EXTENDED AND REPAYED, BY HOLDER

(In millions of dollars)

Period	Total		Commercial banks		Sales finance companies		Other financial institutions		Retail outlets	
	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.
Extensions										
1960.....	49,560	.....	.....	18,269	.....	11,456	.....	12,073	.....	7,762
1961.....	48,396	.....	.....	17,711	.....	10,667	.....	12,282	.....	7,736
1962.....	55,126	.....	.....	20,474	.....	11,999	.....	13,525	.....	9,128
1963.....	61,295	.....	.....	23,344	.....	12,664	.....	14,894	.....	10,393
1964.....	67,505	.....	.....	25,950	.....	14,020	.....	16,251	.....	11,284
1965.....	75,508	.....	.....	29,738	.....	15,075	.....	18,120	.....	12,575
1966.....	78,896	.....	.....	31,114	.....	14,951	.....	18,986	.....	13,845
1966—Aug.....	6,689	7,025	2,683	2,819	1,260	1,336	1,589	1,713	1,157	1,157
Sept.....	6,578	6,189	2,634	2,422	1,242	1,162	1,587	1,517	1,115	1,088
Oct.....	6,522	6,403	2,583	2,520	1,226	1,235	1,582	1,505	1,131	1,143
Nov.....	6,657	6,611	2,666	2,495	1,256	1,241	1,613	1,631	1,122	1,244
Dec.....	6,433	7,442	2,553	2,523	1,241	1,374	1,570	1,822	1,069	1,723
1967—Jan.....	6,501	5,674	2,588	2,348	1,190	1,033	1,563	1,333	1,160	960
Feb.....	6,497	5,488	2,537	2,231	1,215	1,032	1,577	1,349	1,168	876
Mar.....	6,510	6,641	2,558	2,662	1,199	1,229	1,598	1,649	1,155	1,101
Apr.....	6,606	6,495	2,631	2,688	1,212	1,168	1,589	1,559	1,174	1,080
May.....	6,554	7,062	2,577	2,891	1,193	1,278	1,614	1,728	1,170	1,165
June.....	6,823	7,458	2,698	3,004	1,235	1,367	1,697	1,875	1,193	1,212
July.....	6,776	6,859	2,738	2,857	1,200	1,223	1,601	1,627	1,237	1,152
Aug.....	6,929	7,223	2,796	2,945	1,203	1,260	1,677	1,775	1,253	1,243
Repayments										
1960.....	45,972	.....	.....	16,832	.....	10,442	.....	11,022	.....	7,676
1961.....	47,700	.....	.....	18,294	.....	10,943	.....	11,715	.....	6,749
1962.....	50,620	.....	.....	18,468	.....	11,434	.....	12,593	.....	8,125
1963.....	55,171	.....	.....	20,326	.....	12,211	.....	13,618	.....	9,016
1964.....	61,121	.....	.....	22,971	.....	13,161	.....	14,825	.....	10,164
1965.....	67,495	.....	.....	25,663	.....	13,699	.....	16,443	.....	11,690
1966.....	72,805	.....	.....	28,132	.....	14,153	.....	17,474	.....	13,046
1966—Aug.....	6,087	6,247	2,362	2,480	1,179	1,189	1,458	1,490	1,088	1,088
Sept.....	6,103	6,000	2,396	2,381	1,156	1,135	1,481	1,426	1,070	1,058
Oct.....	6,142	6,159	2,400	2,420	1,193	1,223	1,472	1,438	1,077	1,078
Nov.....	6,213	6,193	2,415	2,395	1,258	1,222	1,480	1,496	1,060	1,080
Dec.....	6,112	6,277	2,418	2,346	1,198	1,228	1,467	1,626	1,029	1,077
1967—Jan.....	6,221	6,315	2,435	2,470	1,190	1,155	1,500	1,492	1,096	1,198
Feb.....	6,281	5,905	2,446	2,297	1,188	1,150	1,510	1,361	1,137	1,097
Mar.....	6,246	6,648	2,412	2,561	1,187	1,332	1,540	1,607	1,107	1,148
Apr.....	6,393	6,246	2,516	2,457	1,192	1,171	1,536	1,495	1,149	1,123
May.....	6,361	6,612	2,483	2,630	1,193	1,253	1,540	1,579	1,145	1,150
June.....	6,531	6,697	2,548	2,598	1,234	1,261	1,585	1,668	1,164	1,170
July.....	6,551	6,562	2,562	2,588	1,215	1,197	1,564	1,593	1,210	1,184
Aug.....	6,585	6,682	2,566	2,644	1,255	1,252	1,578	1,592	1,186	1,194
Net change in credit outstanding ²										
1960.....	3,588	.....	.....	1,446	.....	1,152	.....	1,051	.....	-61
1961.....	696	.....	.....	335	.....	-199	.....	578	.....	-20
1962.....	4,506	.....	.....	1,997	.....	921	.....	932	.....	656
1963.....	6,124	.....	.....	3,018	.....	1,329	.....	1,276	.....	501
1964.....	6,384	.....	.....	3,065	.....	1,239	.....	1,426	.....	654
1965.....	8,013	.....	.....	4,075	.....	1,376	.....	1,677	.....	885
1966.....	6,091	.....	.....	2,982	.....	798	.....	1,512	.....	799
1966—Aug.....	602	778	321	339	81	147	131	223	69	69
Sept.....	475	189	238	41	86	27	106	91	45	30
Oct.....	380	244	183	100	33	12	110	67	54	65
Nov.....	444	418	251	100	-2	19	133	135	62	164
Dec.....	321	1,165	135	177	43	146	103	196	40	646
1967—Jan.....	280	-641	153	-122	*	-122	63	-159	64	-238
Feb.....	216	-417	91	-66	27	-118	67	-12	31	-221
Mar.....	264	-7	146	101	12	-103	58	42	48	-47
Apr.....	213	249	115	231	20	-3	53	64	25	-43
May.....	193	450	94	261	*	25	74	149	25	15
June.....	292	761	150	406	1	106	112	207	29	42
July.....	225	297	176	269	-15	26	37	34	27	-32
Aug.....	344	541	230	301	-52	8	99	183	67	49

¹ Includes adjustments for differences in trading days.

² Net changes in credit outstanding are equal to extensions less repayments, except in certain months when data for extensions and repayments have been adjusted to eliminate duplication resulting from large transfers of paper. In those months the differences between extensions and re-

payments for some particular holders do not equal the changes in their outstanding credit. Such transfers do not affect total instalment credit extended, repaid, or outstanding.

See also NOTE to previous table.

MARKET GROUPINGS

(1957-59 = 100)

Grouping	1957-59 pro- por- tion	1966 aver- age ^p	1966					1967							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Total index.....	100.00	156.3	158.0	157.7	158.9	158.6	159.0	158.1	156.4	156.3	155.6	155.5	156.5	157.8	
<i>Final products, total.....</i>	<i>47.35</i>	<i>155.4</i>	<i>156.4</i>	<i>156.3</i>	<i>158.3</i>	<i>158.5</i>	<i>159.2</i>	<i>158.1</i>	<i>156.4</i>	<i>156.7</i>	<i>157.1</i>	<i>156.2</i>	<i>156.6</i>	<i>157.0</i>	<i>158.1</i>
Consumer goods.....	32.31	147.4	147.1	146.5	148.8	148.8	149.1	147.8	145.2	146.0	146.7	145.8	146.6	147.0	148.2
Equipment, including defense.....	15.04	172.6	176.4	177.4	178.8	179.6	181.0	180.2	180.3	179.6	179.4	178.5	178.1	178.4	179.1
Materials.....	52.65	157.1	159.6	159.2	159.9	159.1	158.9	158.0	156.2	155.8	155.8	155.0	155.0	156.1	157.1
Consumer goods															
<i>Automotive products.....</i>	<i>3.21</i>	<i>163.0</i>	<i>146.4</i>	<i>150.7</i>	<i>168.5</i>	<i>162.8</i>	<i>162.6</i>	<i>147.0</i>	<i>135.7</i>	<i>144.6</i>	<i>151.5</i>	<i>145.8</i>	<i>151.4</i>	<i>155.2</i>	<i>161.3</i>
Autos.....	1.82	169.5	141.7	148.6	177.8	166.7	167.3	141.3	120.5	136.5	149.6	149.9	156.0	160.7	163.7
Auto parts and allied products.....	1.39	154.4	152.7	153.5	156.2	157.8	156.4	154.4	155.7	155.3	154.1	140.5	145.3	148.0	158.2
<i>Home goods and apparel.....</i>	<i>10.00</i>	<i>153.0</i>	<i>152.8</i>	<i>151.3</i>	<i>153.2</i>	<i>153.2</i>	<i>151.7</i>	<i>151.5</i>	<i>148.2</i>	<i>146.8</i>	<i>145.5</i>	<i>144.1</i>	<i>143.2</i>	<i>143.9</i>	<i>146.3</i>
Home goods.....	4.59	168.9	168.9	166.0	170.0	169.1	166.5	165.2	162.9	160.4	157.9	158.5	156.6	157.2	163.2
Appliances, TV, and radios.....	1.81	166.6	165.0	159.3	170.2	165.3	158.4	154.0	153.7	147.1	141.7	143.8	138.6	143.3	155.1
Appliances.....	1.33	166.7	166.7	160.1	171.7	162.4	151.9	150.2	150.4	143.6	146.0	147.0	149.7	152.2	154.0
TV and home radios.....	.47	166.3	160.2	157.1	166.0	173.7	176.7	164.8	162.9	157.2	129.6	135.0	107.3	118.0	158.3
Furniture and rugs.....	1.26	165.7	168.0	165.9	164.4	164.7	163.5	163.4	158.5	157.4	157.9	157.2	157.3	156.3	156.9
Miscellaneous home goods.....	1.52	174.2	174.2	173.9	174.5	177.1	178.7	179.8	177.3	178.6	177.1	177.1	177.4	174.5	178.1
Apparel, knit goods, and shoes.....	5.41	139.6	139.1	138.8	139.0	139.8	139.1	139.9	135.8	135.4	135.0	131.9	131.9	132.6	.....
<i>Consumer staples.....</i>	<i>19.10</i>	<i>141.8</i>	<i>144.2</i>	<i>143.3</i>	<i>143.2</i>	<i>144.2</i>	<i>145.0</i>	<i>145.4</i>	<i>145.2</i>	<i>145.6</i>	<i>146.5</i>	<i>146.8</i>	<i>147.6</i>	<i>147.1</i>	<i>147.0</i>
Processed foods.....	8.43	126.4	127.9	127.9	126.0	127.3	130.1	130.4	129.9	129.6	129.6	130.3	130.2	129.1	129.5
Beverages and tobacco.....	2.43	131.7	134.0	131.0	133.1	133.0	133.7	132.9	134.1	133.5	140.4	133.2	136.5	136.3	.....
Drugs, soap, and toiletries.....	2.97	174.4	175.4	176.1	178.7	181.3	178.5	179.0	180.3	181.0	181.4	181.4	182.1	184.0	181.0
Newspapers, magazines, and books.....	1.47	136.6	138.2	136.7	137.9	138.8	139.1	141.5	142.3	142.3	143.6	142.5	141.4	142.1	141.8
Consumer fuel and lighting.....	3.67	159.4	165.0	162.5	161.9	162.4	162.0	161.8	160.4	162.7	161.4	166.4	168.9	167.0	.....
Fuel oil and gasoline.....	1.20	128.6	129.1	131.8	134.0	129.8	129.2	125.5	125.7	128.0	131.9	130.5	134.8	131.6	130.9
Residential utilities.....	2.46	174.4	182.5	177.4	175.5	178.2	178.0	179.5	176.9	179.6	175.8	184.0	185.6	184.3	.....
Electricity.....	1.72	186.8	197.9	191.2	188.3	192.2	189.2	191.0	186.9	190.3	186.3	197.6	199.5	197.4	.....
Gas.....	.74	145.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Equipment															
<i>Business equipment.....</i>	<i>11.63</i>	<i>181.2</i>	<i>184.4</i>	<i>185.7</i>	<i>187.2</i>	<i>187.5</i>	<i>189.3</i>	<i>187.4</i>	<i>186.6</i>	<i>184.4</i>	<i>183.8</i>	<i>182.1</i>	<i>181.2</i>	<i>180.8</i>	<i>180.7</i>
Industrial equipment.....	6.85	172.2	176.3	177.0	178.4	178.1	179.1	177.7	176.8	174.1	173.0	169.1	169.0	169.0	167.7
Commercial equipment.....	2.42	190.0	194.1	194.8	195.5	196.9	196.0	196.7	199.8	199.1	200.7	200.8	200.5	201.1	202.6
Freight and passenger equipment.....	1.76	208.5	208.1	209.2	212.7	216.9	220.3	214.5	215.0	211.7	210.4	211.7	208.9	210.2	211.0
Farm equipment.....	.61	167.0	169.1	178.9	180.3	170.7	179.5	176.1	162.6	162.8	160.4	167.6	162.5	148.6	.....
<i>Defense equipment.....</i>	<i>3.41</i>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Materials															
<i>Durable goods materials.....</i>	<i>26.73</i>	<i>157.4</i>	<i>160.1</i>	<i>159.8</i>	<i>159.8</i>	<i>158.5</i>	<i>156.4</i>	<i>153.9</i>	<i>151.9</i>	<i>152.2</i>	<i>151.3</i>	<i>150.5</i>	<i>149.3</i>	<i>149.6</i>	<i>150.7</i>
Consumer durable.....	3.43	170.3	173.6	174.0	176.2	173.8	165.4	154.6	148.4	145.1	143.0	149.7	151.0	141.8	142.6
Equipment.....	7.84	180.7	187.9	189.1	189.7	191.0	190.3	190.6	186.5	185.6	183.2	180.9	179.6	181.2	184.0
Construction.....	9.17	141.6	140.2	139.8	138.5	138.5	138.2	138.9	139.2	140.4	139.2	137.1	136.5	138.0	138.0
Metal materials n.e.c.....	6.29	144.4	145.3	142.7	145.2	139.6	139.5	139.6	140.3	135.6	133.9	130.0	129.6	132.2	129.5
<i>Nondurable materials.....</i>	<i>25.92</i>	<i>156.9</i>	<i>159.1</i>	<i>158.6</i>	<i>159.9</i>	<i>159.9</i>	<i>161.4</i>	<i>161.7</i>	<i>160.5</i>	<i>159.4</i>	<i>160.4</i>	<i>159.7</i>	<i>160.9</i>	<i>162.4</i>	<i>163.8</i>
Business supplies.....	9.11	148.9	150.1	150.7	151.6	150.9	153.0	153.4	152.1	151.1	152.6	150.1	151.9	151.0	151.7
Containers.....	3.03	145.4	143.4	147.4	145.3	147.2	151.1	146.5	147.1	144.6	148.5	146.2	145.2	141.6	142.1
General business supplies.....	6.07	150.7	153.4	152.4	154.8	152.8	154.0	156.8	154.6	154.4	154.6	152.0	155.3	155.7	156.5
Nondurable materials n.e.c.....	7.40	192.8	195.6	193.8	197.1	198.7	198.1	199.3	197.8	194.6	194.2	196.0	194.9	196.5	198.5
<i>Business fuel and power.....</i>	<i>9.41</i>	<i>136.3</i>	<i>138.9</i>	<i>138.6</i>	<i>138.7</i>	<i>138.0</i>	<i>139.7</i>	<i>140.1</i>	<i>139.3</i>	<i>139.7</i>	<i>141.4</i>	<i>140.4</i>	<i>143.0</i>	<i>146.7</i>	<i>148.2</i>
Mineral fuels.....	6.07	122.2	124.9	123.7	124.9	123.1	125.1	124.7	123.5	123.3	125.5	124.3	127.8	134.6	136.9
Nonresidential utilities.....	2.86	173.5	175.9	176.7	174.8	175.7	177.5	179.7	179.3	181.5	182.1	181.3	181.9	179.8	.....
Electricity.....	2.32	174.5	178.2	179.1	176.7	177.8	179.0	181.8	181.3	184.0	184.4	183.6	184.4	181.8	.....
General industrial.....	1.03	171.6	176.3	177.0	177.6	176.7	177.1	178.8	177.4	178.9	179.0	181.4	180.6	182.9	.....
Commercial and other.....	1.21	184.3	187.5	188.5	183.6	186.4	188.4	192.4	192.8	196.6	197.3	193.7	196.0	189.0	.....
Gas.....	.54	164.4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Supplementary groups of consumer goods															
Automotive and home goods.....	7.80	166.5	159.6	159.7	169.4	166.5	164.9	157.7	153.5	153.9	155.3	153.3	154.5	156.4	162.4
Apparel and staples.....	24.51	141.4	143.0	142.3	142.2	143.3	143.7	144.2	143.1	143.3	143.9	143.5	144.1	143.9	.....

For a short article discussing new benchmark production measures for 1958 and 1963, see pp. 954-57 of June 1967 BULLETIN.

MARKET GROUPINGS

(1957-59 = 100)

Grouping	1957-59 pro- por- tion	1966 aver- age ^p	1966					1967							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Total index	100.00	156.3	156.8	161.3	163.8	160.2	157.1	156.6	156.8	157.1	158.0	156.2	159.0	150.5	157.7
<i>Final products, total</i>	47.35	155.4	154.7	161.2	164.7	160.0	157.2	156.8	156.7	157.2	157.6	155.3	159.8	151.1	157.0
Consumer goods	32.31	147.4	146.0	153.6	157.8	151.3	145.5	145.7	145.6	146.2	147.0	144.3	150.4	139.9	147.8
Equipment, including defense	15.04	172.6	173.5	177.8	179.4	178.7	182.4	180.6	180.4	180.8	180.3	179.0	180.0	175.3	176.7
Materials	52.65	157.1	158.7	161.3	163.1	160.4	157.0	156.4	157.0	157.0	158.4	157.0	158.4	150.0	158.4
Consumer goods															
<i>Automotive products</i>	3.21	163.0	86.2	153.6	185.4	177.4	165.5	154.6	142.2	151.8	161.9	155.1	162.5	114.2	106.3
Autos	1.82	169.5	32.6	150.1	202.7	193.4	175.7	155.4	132.6	151.5	167.6	166.4	177.1	94.8	62.2
Auto parts and allied products	1.39	154.4	156.9	158.3	162.5	156.3	152.1	153.7	154.8	152.3	154.2	140.3	143.2	139.8	164.4
<i>Home goods and apparel</i>	10.00	153.0	152.8	156.2	165.2	156.6	146.5	146.8	153.6	151.0	148.8	144.0	147.9	132.6	147.2
Home goods	4.59	168.9	164.1	174.4	184.6	176.5	170.9	162.3	166.5	165.3	159.6	159.8	161.7	145.9	160.5
Appliances, TV, and radios	1.81	166.6	149.3	170.9	191.6	173.1	163.1	153.1	167.9	162.6	151.3	152.0	152.8	128.0	144.1
Appliances	1.33	166.7	145.8	168.1	190.1	163.0	155.2	153.4	166.7	165.1	162.1	159.7	169.9	141.8	139.4
TV and home radios .....	.47	166.3	159.1	178.9	195.9	201.5	185.5	152.3	171.4	153.5	120.7	130.5	104.6	89.3	157.2
Furniture and rugs	1.26	165.7	171.0	170.5	173.0	170.8	169.6	159.8	156.6	155.5	153.5	151.2	155.4	148.8	160.5
Miscellaneous home goods	1.52	174.2	175.9	181.7	186.0	185.2	181.4	175.3	172.9	176.6	174.4	176.0	177.4	164.6	179.9
Apparel, knit goods, and shoes	5.41	139.6	143.3	140.9	148.7	139.8	125.9	133.6	142.6	138.8	139.7	130.6	136.3	121.3	.....
<i>Consumer staples</i>	19.10	141.8	152.4	152.1	149.3	144.2	141.6	143.7	142.1	142.7	143.5	142.7	149.6	148.1	155.0
Processed foods	8.43	126.4	138.2	144.5	139.9	132.8	126.6	123.9	121.5	120.9	121.3	122.5	128.9	128.5	138.8
Beverages and tobacco	2.43	131.7	145.0	134.4	137.1	126.3	115.4	117.0	122.7	130.6	141.8	143.0	156.2	142.8	.....
Drugs, soap, and toiletries	2.97	174.4	181.2	179.6	185.0	183.1	177.6	180.8	180.3	181.0	186.8	182.3	190.7	179.4	185.2
Newspapers, magazines, and books	1.47	136.6	139.9	137.9	137.8	137.0	138.8	140.2	141.7	144.4	144.2	142.1	140.8	140.7	143.5
Consumer fuel and lighting	3.67	159.4	171.8	164.8	154.1	153.0	165.5	177.2	170.4	168.5	159.0	156.2	162.8	173.8	.....
Fuel oil and gasoline	1.20	128.6	132.9	131.9	130.6	129.0	132.2	130.8	128.8	126.7	125.0	126.2	133.3	133.9	134.7
Residential utilities	2.46	174.4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Electricity	1.72	186.8	209.8	196.2	174.0	172.8	194.5	220.2	206.7	203.6	186.1	178.8	187.5	210.4	.....
Gas .....	.74	145.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Equipment															
<i>Business equipment</i>	11.63	181.2	181.2	186.1	187.5	185.3	189.8	187.3	186.7	186.2	185.4	183.2	184.2	177.4	178.2
Industrial equipment	6.85	172.2	175.8	178.6	177.3	175.6	180.2	177.7	175.9	174.3	172.1	169.3	170.7	167.3	167.2
Commercial equipment	2.42	190.0	194.1	197.7	198.8	200.8	200.3	196.9	198.4	197.3	197.9	198.4	201.1	198.3	202.6
Freight and passenger equipment	1.76	208.5	199.8	206.1	218.0	212.6	218.1	214.5	215.0	218.0	222.0	218.1	217.3	202.8	205.6
Farm equipment .....	.61	167.0	136.4	167.3	169.1	154.3	174.9	179.3	180.6	183.8	180.1	178.0	173.0	134.9	.....
<i>Defense equipment</i>	3.41	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Materials															
<i>Durable goods materials</i>	26.73	157.4	158.4	162.7	163.5	159.6	155.4	153.0	152.3	152.7	153.3	153.3	154.7	144.9	152.1
Consumer durable	3.43	170.3	158.0	174.0	178.8	179.0	173.7	160.0	150.6	149.5	147.3	154.2	152.5	123.4	146.9
Equipment	7.84	180.7	182.3	187.2	189.1	191.2	193.2	192.3	188.2	187.6	185.2	182.2	181.4	175.6	180.6
Construction	9.17	141.6	150.0	148.2	146.1	138.2	131.3	128.5	129.5	133.4	137.8	139.2	146.2	143.5	147.7
Metal materials n.e.c.	6.29	144.4	141.1	147.0	148.7	140.7	133.4	136.0	141.6	138.9	139.3	137.2	135.0	120.3	125.7
<i>Nondurable materials</i>	25.92	156.9	159.0	159.9	162.6	161.2	158.6	159.8	161.8	161.5	163.7	160.9	162.2	155.2	165.0
Business supplies	9.11	148.9	149.8	153.9	157.7	153.1	147.9	148.0	151.5	153.4	157.7	152.6	154.6	141.5	152.3
Containers	3.03	145.4	152.0	152.4	152.7	143.1	134.0	139.2	145.3	145.3	153.8	147.7	153.2	138.1	152.1
General business supplies	6.07	150.7	148.8	154.7	160.2	158.1	154.8	152.4	154.6	157.5	159.7	155.0	155.3	143.2	152.4
Nondurable materials n.e.c.	7.40	192.8	192.7	192.8	198.1	200.7	195.1	198.3	201.8	198.5	201.0	198.9	197.8	185.3	198.5
<i>Business fuel and power</i>	9.41	136.3	141.4	139.9	139.5	137.9	140.1	141.0	140.3	140.2	140.2	139.0	141.6	144.9	150.8
Mineral fuels	6.07	122.2	123.4	122.3	125.7	124.6	126.9	126.9	127.3	126.1	126.9	124.3	124.8	127.7	135.2
Nonresidential utilities	2.86	173.5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Electricity	2.32	174.5	191.9	188.3	177.8	173.5	175.2	178.9	174.3	178.0	175.7	178.2	187.5	193.9	.....
General industrial	1.03	171.6	179.8	179.7	178.0	176.7	175.3	177.9	172.8	178.0	176.7	181.4	184.2	182.0	.....
Commercial and other	1.21	184.3	210.9	204.0	185.4	178.2	182.7	187.6	183.2	186.0	182.5	183.4	198.9	213.0	.....
Gas .....	.54	164.4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Supplementary groups of consumer goods															
Automotive and home goods	7.80	166.5	132.0	165.8	184.9	176.9	168.7	159.1	156.5	159.8	160.5	157.8	162.0	132.8	138.2
Apparel and staples	24.51	141.4	150.4	149.6	149.2	143.2	138.1	141.5	142.2	141.8	142.7	140.0	146.7	142.2	.....

For notes see opposite page.

SELECTED BUSINESS INDEXES

(1957-59=100)

Period	Industrial production										Construction contracts	Nonagricultural employment—Total 1	Manufacturing 2		Freight carloadings	Total retail sales ³	Prices 4	
	Total	Major market groupings				Major industry groupings			Employment	Payrolls			Consumer	Wholesale commodity				
		Final products			Materials	Mfg.	Mining	Utilities										
		Total	Consumer goods	Equipment														
1951.....	81.3	78.6	77.8	78.4	83.8	81.9	91.3	56.4	63	91.1	106.1	80.2	121.5	76	90.5	96.7		
1952.....	84.3	84.3	79.5	94.1	84.3	85.2	90.5	61.2	67	93.0	106.1	84.5	115.0	79	92.5	94.0		
1953.....	91.3	89.9	85.0	100.5	92.6	92.7	92.9	66.8	70	95.6	111.6	93.6	116.6	83	93.2	92.7		
1954.....	85.8	85.7	84.3	88.9	85.9	86.3	90.2	71.8	76	93.3	101.8	85.4	104.6	82	93.6	92.9		
1955.....	96.6	93.9	93.3	95.0	99.0	97.3	99.2	80.2	91	96.5	105.5	94.8	115.3	89	93.3	93.2		
1956.....	99.9	98.1	95.5	103.7	101.6	100.2	104.8	87.9	92	99.8	106.7	100.2	115.9	92	94.7	96.2		
1957.....	100.7	99.4	97.0	104.6	101.9	100.8	104.6	93.9	93	100.7	104.7	101.4	108.2	97	98.0	99.0		
1958.....	93.7	94.8	96.4	91.3	92.7	93.2	95.6	98.1	102	97.8	95.2	93.5	93.8	98	100.7	100.4		
1959.....	105.6	105.7	106.6	104.1	105.4	106.0	99.7	108.0	105	101.5	100.1	105.1	97.9	105	101.5	100.6		
1960.....	108.7	109.9	111.0	107.6	107.6	108.9	101.6	115.6	105	103.3	99.9	106.7	95.3	106	103.1	100.7		
1961.....	109.7	111.2	112.6	108.3	108.4	109.6	102.6	122.3	108	102.9	95.9	105.4	91.2	107	104.2	100.3		
1962.....	118.3	119.7	119.7	119.6	117.0	118.7	105.0	131.4	120	105.9	99.1	113.8	92.4	115	105.4	100.6		
1963.....	124.3	124.9	125.2	124.2	123.7	124.9	107.9	140.0	132	108.0	99.7	117.9	93.3	120	106.7	100.3		
1964.....	132.3	131.8	131.7	132.0	132.8	133.1	111.5	151.3	137	111.1	101.5	124.3	95.5	127	108.1	100.5		
1965.....	143.4	142.5	140.3	147.0	144.2	145.0	114.8	160.9	143	115.7	106.5	136.3	96.6	138	109.9	102.5		
1966 ^p	156.3	155.4	147.4	172.6	157.1	158.7	120.3	173.4	145	121.6	112.7	150.4	96.5	148	113.1	105.9		
1966—Aug.....	158.0	156.4	147.1	176.4	159.6	160.1	122.1	179.0	139	122.2	113.8	151.4	94.0	150	113.8	106.8		
Sept.....	157.7	156.3	146.5	177.4	159.2	160.0	121.0	177.0	146	122.2	113.3	152.7	95.0	150	114.1	106.8		
Oct.....	158.9	158.3	148.8	178.8	159.9	161.5	121.6	175.2	139	122.7	113.9	153.8	93.9	149	114.5	106.2		
Nov.....	158.6	158.5	148.8	179.6	159.1	161.0	121.0	176.9	130	123.4	114.6	154.5	97.1	150	114.6	105.9		
Dec.....	159.0	159.2	149.1	181.0	158.9	161.3	123.0	177.7	133	123.9	114.7	154.4	99.0	148	114.7	105.9		
1967—Jan.....	158.1	158.1	147.8	180.2	158.0	160.1	123.0	179.6	126	124.5	114.7	156.2	97.4	150	114.7	106.2		
Feb.....	156.4	156.4	145.2	180.3	156.2	158.5	122.4	178.2	143	124.7	114.1	153.2	95.6	149	114.8	106.0		
Mar.....	156.4	156.7	146.0	179.6	155.8	158.1	121.6	180.6	149	124.9	113.5	152.9	95.9	151	115.0	105.7		
Apr.....	156.3	157.1	146.7	179.4	155.8	158.2	122.1	179.2	138	124.7	112.4	151.0	95.9	152	115.3	105.3		
May.....	155.6	156.2	145.8	178.5	155.0	157.2	120.2	182.5	154	124.6	111.7	150.1	93.1	151	115.6	105.8		
June.....	155.5	156.6	146.6	178.1	155.0	156.9	123.5	183.6	164	125.5	112.5	151.7	89.3	155	116.0	106.3		
July.....	156.5	157.0	147.0	178.4	156.1	157.6	127.6	181.9	149	125.5	111.6	151.4	85.2	155	116.5	106.5		
Aug.....	157.8	158.1	148.2	179.1	157.1	159.1	127.5	181.5	165	126.1	112.9	155.5	89.7	155	116.9	106.1		
Sept. ^p	156.3	156.6	146.2	179.4	155.7	157.5	125.4	183.0	.....	125.8	111.4	154.0	90.2	156	.....	106.2

1 Employees only; excludes personnel in the armed forces.

2 Production workers only.

3 F.R. index based on Census Bureau figures.

4 Prices are not seasonally adjusted.

NOTE.—Data are seasonally adjusted unless otherwise noted.
Construction contracts: F. W. Dodge Co. monthly index of dollar

value of total construction contracts, including residential, nonresidential, and heavy engineering; does not include data for Alaska and Hawaii.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

Freight carloadings: Based on data from Association of American Railroads.

CONSTRUCTION CONTRACTS

(In millions of dollars)

Type of ownership and type of construction	1965	1966	1966					1967							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Total construction.....	49,272	50,150	4,323	4,083	4,106	3,461	3,189	2,838	3,300	4,424	4,389	5,095	5,414	4,879	5,104
By type of ownership:															
Public.....	16,302	18,152	1,568	1,379	1,607	1,357	1,287	1,113	1,188	1,509	1,498	1,820	2,169	1,989	1,824
Private.....	32,970	31,998	2,754	2,704	2,499	2,104	1,902	1,725	2,112	2,916	2,891	3,275	3,245	2,890	3,280
By type of construction:															
Residential building.....	21,247	17,827	1,515	1,261	1,225	1,076	903	937	1,056	1,584	1,627	2,002	2,000	1,829	.....
Nonresidential building.....	17,219	19,393	1,729	1,676	1,796	1,424	1,358	1,175	1,430	1,714	1,830	1,808	2,070	1,749	.....
Nonbuilding.....	10,805	12,930	1,079	1,146	1,086	961	928	726	814	1,127	931	1,285	1,344	1,302	.....

NOTE.—Dollar value of total contracts as reported by the F. W. Dodge Co. does not include data for Alaska or Hawaii. Totals of monthly

data exceed annual totals because adjustments—negative—are made to accumulated monthly data after original figures have been published.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				
		Total	Non-farm residential	Nonresidential				Total	Military	Highway	Conservation & development	Other 2	
				Total	Buildings								Other
					Indus-trial	Com-mercial	Other build-ings 1						
1956	47,601	34,869	20,178	14,691	3,084	3,631	2,103	5,873	12,732	1,360	4,415	826	6,131
1957	49,139	35,080	19,006	16,074	3,557	3,564	2,435	6,518	14,059	1,287	4,934	971	6,867
1958	50,153	34,696	19,789	14,907	2,382	3,589	2,704	6,232	15,457	1,402	5,545	1,019	7,491
1959 ³	55,305	39,235	24,251	14,984	2,106	3,930	2,823	6,125	16,070	1,465	5,761	1,121	7,723
1960	53,941	38,078	21,706	16,372	2,851	4,180	3,118	6,223	15,863	1,366	5,437	1,175	7,885
1961	55,447	38,299	21,680	16,619	2,780	4,674	3,280	5,885	17,148	1,371	5,854	1,384	8,539
1962 ⁴	59,667	41,798	24,292	17,506	2,842	5,144	3,631	5,889	17,869	1,266	6,365	1,524	8,714
1963 ⁵	63,423	44,057	26,187	17,870	2,906	4,995	3,745	6,224	19,366	1,189	7,084	1,690	9,403
1964	66,200	45,810	26,258	19,552	3,565	5,396	3,994	6,597	20,390	938	7,133	1,729	10,590
1965	71,912	49,840	26,266	23,574	5,128	6,745	4,711	6,990	22,072	852	7,554	2,017	11,649
1966	74,371	50,446	23,815	26,631	6,703	6,890	5,014	8,024	23,925	713	8,359	2,173	12,680
1966—Aug.	73,369	50,456	23,356	27,100	7,154	6,916	4,944	8,086	22,913	671	8,163	2,190	11,889
Sept.	73,981	50,107	22,678	27,429	6,895	7,078	5,317	8,139	23,874	690	8,089	2,148	12,947
Oct.	72,255	47,883	21,587	26,296	6,673	6,685	4,911	8,027	24,372	643	8,017	2,203	13,509
Nov.	71,987	47,096	20,324	26,772	6,876	6,689	5,098	8,109	24,891	612	8,245	2,341	13,693
Dec.	72,169	46,410	19,844	26,566	6,469	7,027	5,011	8,059	25,759	755	9,058	2,309	13,637
1967—Jan.	74,836	48,334	19,928	28,406	7,130	7,925	5,426	7,925	26,502	716	9,489	2,302	13,995
Feb.	74,996	47,960	20,278	27,682	7,054	7,697	5,093	7,838	27,036	763	10,189	2,173	13,911
Mar.	73,084	46,906	20,829	26,077	6,097	7,194	4,883	7,903	26,178				
Apr.	71,961	46,042	21,130	24,912	5,579	6,926	4,749	7,658	25,919				
May	73,904	47,813	22,107	25,706	6,006	7,093	4,744	7,863	26,091				
June	74,197	48,052	22,885	25,167	5,886	6,683	4,716	7,882	26,145				
July	75,906	49,151	23,652	25,499	6,154	6,739	4,748	7,858	26,755				
Aug. [#]	76,655	49,780	24,508	25,272	5,977	6,080	5,301	7,914	26,875				

¹ Includes religious, educational, hospital, institutional, and other build-ings.

² Sewer and water, formerly shown separately, now included in "Other."

³ Beginning with 1959, includes data for Alaska and Hawaii.

⁴ Beginning July 1962, reflects inclusion of new series affecting most private nonresidential groups.

⁵ Beginning 1963, reflects inclusion of new series under "Public" (for State and local govt. activity only).

NOTE.—Monthly data are at seasonally adjusted annual rates. Beginning with 1959, figures are Census Bureau estimates. Data before 1959 are joint estimates of the Depts. of Commerce and Labor.

NEW HOUSING STARTS

(In thousands of units)

Period	Annual rate, S.A. (private only)		Total	By area		By type of ownership				Government-underwritten			
	Total	Non-farm		Metro-politan	Non-metro-politan	Private			Public	Total	FHA	VA	
						Total	1-family	2-family					Multi-family
1956			1,349			1,325				24	465	195	271
1957			1,224			1,175				49	322	193	128
1958			1,382			1,314				68	439	337	102
1959			1,554	1,077	477	1,517	1,234	56	227	37	458	349	109
1960			1,296	889	407	1,252	995	44	213	44	336	261	75
1961			1,365	948	417	1,313	974	44	295	52	328	244	83
1962			1,492	1,054	439	1,463	991	49	422	30	339	261	78
1963			1,642	1,152	490	1,610	1,021	53	536	32	292	221	71
1964			1,563	1,093	470	1,529	972	54	505	32	264	205	59
1965			1,510	1,035	475	1,473	964	51	458	37	246	197	49
1966			1,196	808	388	1,165	779	35	351	31	195	158	37
1966—Aug.	1,108	1,088	104	69	35	102	69	3	30	2	18	14	3
Sept.	1,048	1,020	92	61	31	89	59	2	27	3	13	10	3
Oct.	845	824	79	51	28	77	54	4	20	3	12	9	3
Nov.	957	956	75	48	27	73	50	3	20	2	13	10	3
Dec.	931	910	62	44	19	60	38	2	20	2	12	10	3
1967—Jan.	1,111	1,079	62	43	19	59	40	2	17	3	13	10	3
Feb.	1,149	1,132	63	44	19	61	40	2	19	2	12	9	3
Mar.	1,094	1,067	93	63	30	92	67	2	23	1	18	14	4
Apr.	1,116	1,099	116	77	38	114	80	4	30	2	16	12	4
May	1,274	1,224	134	92	42	132	87	5	40	2	23	18	5
June	1,233	1,214	132	88	44	125	88	3	35	6	24	19	5
July	^p 1,362	^p 1,349	^p 125	87	38	^p 125	82	4	38	^p 1	20	15	5
Aug.	^p 1,381	^p 1,355	^p 128	87	41	^p 125	83	4	38	^p 3	23	17	6

NOTE.—Beginning with 1959, Census Bureau series includes both farm and nonfarm series developed initially by the Bureau of Labor Statistics. Series before 1959 reflect Census Bureau revisions that are not available

by area or type of structure. Data from Federal Housing Admin. and Veterans Admin. represent units started, based on field office reports of first compliance inspections.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons unless otherwise indicated)

Period	Total non-institutional population N.S.A.	Not in the labor force N.S.A.	Total labor force S.A.	Civilian labor force, S.A.				Unemployment rate ² (per cent) S.A.	
				Total	Employed ¹		Unemployed		
					Total	In non-agricultural industries			In agriculture
1961.....	121,343	48,312	73,031	70,459	65,746	60,546	5,200	4,714	6.7
1962.....	122,981	49,539	73,442	70,614	66,702	61,759	4,944	3,911	5.5
1963.....	125,154	50,583	74,571	71,833	67,762	63,076	4,687	4,070	5.7
1964.....	127,224	51,394	75,830	73,091	69,305	64,782	4,523	3,786	5.2
1965.....	129,236	52,058	77,178	74,455	71,088	66,726	4,361	3,366	4.5
1966.....	131,180	52,288	78,893	75,770	72,895	68,915	3,979	2,875	3.8
1966—Sept.....	131,590	52,609	79,268	76,039	73,195	69,309	3,886	2,844	3.7
Oct.....	131,772	52,285	79,360	76,081	73,199	69,420	3,779	2,882	3.8
Nov.....	131,949	52,054	79,934	76,612	73,897	70,005	3,892	2,715	3.5
Dec.....	132,121	52,479	80,154	76,764	73,893	69,882	4,011	2,871	3.7
1967 ³ —Jan.....	132,295	53,589	80,473	77,087	74,255	70,240	4,015	2,832	3.7
Feb.....	132,448	53,341	80,443	77,025	74,137	70,247	3,890	2,888	3.7
Mar.....	132,627	53,678	79,959	76,523	73,747	69,892	3,855	2,776	3.6
Apr.....	132,795	53,234	80,189	76,740	73,910	70,020	3,890	2,830	3.7
May.....	132,969	53,419	79,645	76,189	73,289	69,637	3,652	2,900	3.8
June.....	133,168	50,704	80,681	77,237	74,147	70,420	3,727	3,090	4.0
July.....	133,366	50,446	80,954	77,505	74,489	70,633	3,856	3,016	3.9
Aug.....	133,645	51,074	81,160	77,701	74,718	70,726	3,992	2,983	3.8
Sept.....	113,847	52,865	81,259	77,803	74,625	70,949	3,676	3,178	4.1

¹ Includes self-employed, unpaid family, and domestic service workers.² Per cent of civilian labor force.³ Beginning January 1967 data not strictly comparable with previous data. Description of changes available from Bureau of Labor Statistics.

NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation & public utilities	Trade	Finance	Service	Government
1961.....	54,042	16,326	672	2,816	3,903	11,337	2,731	7,664	8,594
1962.....	55,596	16,853	650	2,902	3,906	11,566	2,800	8,028	8,890
1963.....	56,702	16,995	635	2,963	3,903	11,778	2,877	8,325	9,225
1964.....	58,332	17,274	634	3,050	3,951	12,160	2,957	8,709	9,596
1965.....	60,832	18,062	632	3,186	4,036	12,716	3,023	9,087	10,091
1966.....	63,982	19,186	625	3,292	4,151	13,211	3,102	9,545	10,871
SEASONALLY ADJUSTED									
1966—Sept.....	64,394	19,337	625	3,260	4,184	13,279	3,118	9,619	10,972
Oct.....	64,694	19,422	623	3,239	4,190	13,354	3,120	9,675	11,071
Nov.....	65,014	19,498	621	3,241	4,212	13,406	3,132	9,744	11,160
Dec.....	65,251	19,526	623	3,291	4,218	13,416	3,144	9,781	11,252
1967—Jan.....	65,564	19,558	625	3,311	4,242	13,515	3,152	9,840	11,321
Feb.....	65,692	19,507	624	3,352	4,247	13,541	3,165	9,883	11,373
Mar.....	65,749	19,445	624	3,313	4,246	13,557	3,179	9,946	11,439
Apr.....	65,653	19,331	620	3,276	4,212	13,572	3,194	9,973	11,475
May.....	65,639	19,238	617	3,192	4,267	13,609	3,205	9,987	11,524
June.....	65,903	19,285	619	3,187	4,266	13,648	3,227	10,035	11,636
July.....	65,939	19,169	623	3,231	4,292	13,647	3,234	10,074	11,669
Aug. ^p	66,216	19,355	605	3,223	4,285	13,656	3,256	10,130	11,706
Sept. ^p	66,100	19,174	598	3,228	4,271	13,686	3,265	10,176	11,702
NOT SEASONALLY ADJUSTED									
1966—Sept.....	65,017	19,638	634	3,540	4,238	13,251	3,127	9,667	10,922
Oct.....	65,351	19,640	627	3,466	4,219	13,385	3,117	9,704	11,193
Nov.....	65,559	19,625	624	3,328	4,229	13,603	3,116	9,695	11,339
Dec.....	66,087	19,534	622	3,146	4,222	14,248	3,125	9,693	11,497
1967—Jan.....	64,531	19,333	611	2,947	4,183	13,334	3,114	9,643	11,366
Feb.....	64,491	19,297	606	2,863	4,175	13,218	3,133	9,725	11,474
Mar.....	64,843	19,263	607	2,922	4,191	13,332	3,157	9,817	11,554
Apr.....	65,215	19,181	614	3,106	4,174	13,412	3,181	9,963	11,584
May.....	65,594	19,133	618	3,227	4,250	13,503	3,202	10,057	11,604
June.....	66,514	19,382	633	3,407	4,304	13,675	3,253	10,196	11,664
July.....	66,129	19,156	636	3,548	4,335	13,629	3,289	10,265	11,271
Aug. ^p	66,438	19,476	619	3,594	4,332	13,614	3,308	10,262	11,233
Sept. ^p	66,714	19,472	606	3,502	4,327	13,656	3,275	10,227	11,649

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons,

domestic servants, unpaid family workers, and members of the armed forces are excluded.

PRODUCTION WORKER EMPLOYMENT IN MANUFACTURING INDUSTRIES

(In thousands of persons)

Industry group	Seasonally adjusted				Not seasonally adjusted			
	1966		1967		1966		1967	
	Sept.	July	Aug. ^a	Sept. ^a	Sept.	July	Aug. ^a	Sept. ^a
Total	14,363	14,056	14,225	14,034	14,657	13,996	14,298	14,318
Durable goods	8,448	8,170	8,308	8,148	8,545	8,141	8,205	8,240
Ordnance and accessories.....	128	151	155	153	128	149	153	154
Lumber and wood products.....	524	508	507	506	542	531	532	523
Furniture and fixtures.....	385	366	368	370	391	362	374	376
Stone, clay, and glass products.....	511	498	495	491	529	514	515	507
Primary metal industries.....	1,108	1,023	1,034	1,029	1,111	1,036	1,038	1,032
Fabricated metal products.....	1,057	1,041	1,048	1,031	1,069	1,030	1,046	1,042
Machinery.....	1,372	1,368	1,375	1,373	1,365	1,365	1,364	1,366
Electrical equipment and supplies.....	1,349	1,265	1,298	1,272	1,363	1,247	1,292	1,285
Transportation equipment.....	1,390	1,326	1,408	1,311	1,398	1,294	1,257	1,319
Instruments and related products.....	279	285	284	281	282	283	285	284
Miscellaneous manufacturing industries.....	345	339	336	331	367	330	349	352
Nondurable goods	5,915	5,886	5,917	5,886	6,112	5,885	6,093	6,078
Food and kindred products.....	1,166	1,185	1,163	1,155	1,301	1,217	1,283	1,289
Tobacco manufactures.....	68	76	72	67	83	65	78	81
Textile-mill products.....	858	834	838	840	865	827	846	846
Apparel and related products.....	1,240	1,220	1,227	1,219	1,260	1,183	1,248	1,238
Paper and allied products.....	516	536	536	535	523	534	542	542
Printing, publishing, and allied industries.....	655	674	675	668	659	671	674	671
Chemicals and allied products.....	578	585	585	584	579	587	590	586
Petroleum refining and related industries.....	116	119	119	120	119	122	123	123
Rubber and misc. plastic products.....	402	362	402	398	405	354	402	400
Leather and leather products.....	316	295	300	300	318	295	307	302

NOTE.—Bureau of Labor Statistics; data cover production and related workers only (full- and part-time) who worked during, or received pay for, the pay period that includes the 12th of the month.

HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING INDUSTRIES

Industry group	Average hours worked (per week; S.A.)				Average weekly earnings (dollars per week; N.S.A.)				Average hourly earnings (dollars per hour; N.S.A.)			
	1966		1967		1966		1967		1966		1967	
	Sept.	July	Aug. ^a	Sept. ^a	Sept.	July	Aug. ^a	Sept. ^a	Sept.	July	Aug. ^a	Sept. ^a
Total	41.4	40.4	40.7	40.7	114.13	113.65	114.77	116.28	2.75	2.82	2.82	2.85
Durable goods	42.3	41.0	41.4	41.4	123.94	122.40	123.60	125.03	2.93	3.00	3.00	3.02
Ordnance and accessories.....	42.3	41.8	42.4	43.0	135.78	134.05	136.31	140.61	3.21	3.23	3.23	3.27
Lumber and wood products.....	40.5	39.9	40.0	40.2	94.02	96.64	97.20	97.77	2.31	2.41	2.40	2.42
Furniture and fixtures.....	41.3	40.2	40.3	40.4	93.63	92.40	94.89	95.88	2.24	2.31	2.32	2.35
Stone, clay, and glass products.....	42.0	41.3	41.5	41.9	116.05	118.01	119.28	119.99	2.75	2.83	2.84	2.85
Primary metal industries.....	42.5	40.9	41.1	40.9	141.10	136.27	137.83	138.65	3.32	3.34	3.37	3.39
Fabricated metal products.....	42.7	41.3	41.4	41.7	125.27	121.66	123.26	125.28	2.92	2.96	2.97	2.99
Machinery.....	44.2	42.1	42.3	42.4	136.53	133.24	133.56	134.72	3.11	3.18	3.18	3.20
Electrical equipment and supplies.....	41.2	40.3	40.4	40.3	110.54	111.32	111.35	112.59	2.67	2.79	2.77	2.78
Transportation equipment.....	42.8	41.4	42.8	42.6	144.41	140.29	143.72	146.28	3.39	3.43	3.43	3.45
Instruments and related products.....	42.1	41.0	41.2	41.2	116.05	116.28	117.14	118.12	2.75	2.85	2.85	2.86
Miscellaneous manufacturing industries.....	39.9	39.2	39.4	39.5	89.20	90.79	92.43	93.06	2.23	2.34	2.34	2.35
Nondurable goods	40.1	39.6	39.7	39.8	99.54	102.03	102.80	104.40	2.47	2.57	2.57	2.61
Food and kindred products.....	41.1	40.6	40.8	40.6	104.92	108.62	107.53	108.36	2.51	2.63	2.61	2.63
Tobacco manufactures.....	38.6	38.4	39.1	37.6	83.62	91.44	88.20	87.02	2.08	2.40	2.25	2.22
Textile-mill products.....	42.0	40.6	41.1	41.5	83.38	81.41	84.05	87.35	1.99	2.02	2.04	2.11
Apparel and related products.....	35.9	35.9	35.8	36.0	67.83	72.16	74.42	74.11	1.90	2.01	2.05	2.07
Paper and allied products.....	43.4	42.7	42.6	42.8	121.92	123.69	123.98	125.42	2.79	2.89	2.89	2.91
Printing, publishing, and allied industries.....	38.9	38.3	38.3	38.5	125.51	124.91	125.90	128.48	3.21	3.27	3.27	3.32
Chemicals and allied products.....	42.4	41.5	41.4	41.6	127.14	129.48	128.86	130.62	3.02	3.12	3.12	3.14
Petroleum refining and related industries.....	42.0	42.8	42.7	42.2	146.80	156.67	152.37	154.80	3.43	3.61	3.56	3.60
Rubber and misc. plastic products.....	41.9	40.6	41.8	41.7	114.21	105.73	116.34	117.46	2.70	2.63	2.77	2.79
Leather and leather products.....	38.3	38.4	38.3	38.5	74.09	79.75	80.11	79.42	1.96	2.05	2.07	2.09

NOTE.—Bureau of Labor Statistics; data are for production and related workers only.

CONSUMER PRICES

(1957-59=100)

Period	All items	Food	Housing						Apparel and upkeep	Transportation	Health and recreation					
			Total	Rent	Home-ownership	Fuel oil and coal	Gas and electricity	Furnishings and operation			Total	Medical care	Personal care	Reading and recreation	Other goods and services	
1929.....	59.7	55.6	.....	85.4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1933.....	45.1	35.3	.....	60.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1941.....	51.3	44.2	61.4	64.3	.....	.....	45.2	88.3	.....	51.2	.....	50.6	47.6	57.3	58.2	.....
1945.....	62.7	58.4	67.5	66.1	.....	.....	53.6	86.4	.....	55.4	.....	57.5	63.6	75.0	67.3	.....
1958.....	100.7	101.9	100.2	100.1	100.4	100.4	99.0	100.3	99.9	99.7	100.3	100.1	100.4	100.8	99.8	.....
1959.....	101.5	100.3	101.3	101.6	101.4	101.4	100.2	102.8	100.7	100.6	103.8	102.8	104.4	102.4	101.8	.....
1960.....	103.1	101.4	103.1	103.1	103.7	103.7	99.5	107.0	101.5	102.2	103.8	105.4	108.1	104.1	104.9	103.8
1961.....	104.2	102.6	103.9	104.4	104.4	104.4	101.6	107.9	101.4	103.0	105.0	107.3	111.3	104.6	107.2	104.6
1962.....	105.4	103.6	104.8	105.7	105.6	105.6	102.1	107.9	101.5	103.6	107.2	109.4	114.2	106.5	109.6	105.3
1963.....	106.7	105.1	106.0	106.8	107.0	107.0	104.0	107.8	102.4	104.8	107.8	111.4	117.0	107.9	111.5	107.1
1964.....	108.1	106.4	107.2	107.8	109.1	109.1	103.5	107.9	102.8	105.7	109.3	113.6	119.4	109.2	114.1	108.8
1965.....	109.9	108.8	108.5	108.9	111.4	111.4	105.6	107.8	103.1	106.8	111.1	115.6	122.3	109.9	115.2	111.4
1966.....	113.1	114.2	111.1	110.4	115.7	115.7	108.3	108.1	105.0	109.6	112.7	119.0	127.7	112.2	117.1	114.9
1966—Aug.....	113.8	115.8	111.5	110.6	116.4	116.4	107.0	108.1	105.2	109.2	113.5	119.5	128.4	112.7	117.4	115.5
Sept.....	114.1	115.6	111.8	110.7	116.8	116.8	107.4	108.1	105.7	110.7	113.3	119.9	129.4	113.0	117.5	115.7
Oct.....	114.5	115.6	112.2	111.0	117.4	117.4	108.3	108.0	106.1	111.5	114.3	120.4	130.4	113.3	118.0	115.9
Nov.....	114.6	114.8	112.6	111.2	117.8	117.8	108.9	108.1	106.5	112.0	114.5	120.8	131.3	113.4	118.3	116.0
Dec.....	114.7	114.8	113.0	111.3	118.6	118.6	110.2	107.9	106.7	112.3	113.8	121.0	131.9	113.7	118.4	115.9
1967—Jan.....	114.7	114.7	113.1	111.4	118.7	118.7	110.5	108.3	106.7	111.3	113.4	121.4	132.9	113.8	118.5	116.2
Feb.....	114.8	114.2	113.3	111.7	118.9	118.9	111.1	108.3	107.0	111.9	113.8	121.8	133.6	114.1	118.6	116.3
Mar.....	115.0	114.2	113.3	111.8	118.6	118.6	111.1	108.3	107.3	112.6	114.2	122.2	134.6	114.4	118.9	116.4
Apr.....	115.3	113.7	113.6	111.9	119.0	119.0	111.0	108.4	107.7	113.0	115.1	122.6	135.1	114.9	119.4	116.6
May.....	115.6	113.9	113.9	112.1	119.7	119.7	110.8	108.3	107.9	113.8	115.5	122.8	135.7	115.0	119.6	116.7
June.....	116.0	115.1	114.1	112.2	119.9	119.9	110.5	108.2	108.1	113.9	115.7	123.2	136.3	115.3	119.7	116.9
July.....	116.5	116.0	114.3	112.4	120.2	120.2	111.4	108.3	108.2	113.7	116.2	123.6	136.9	115.5	119.8	117.8
Aug.....	116.9	116.6	114.7	112.6	120.8	120.8	111.7	108.5	108.3	113.8	116.4	124.2	137.5	116.1	120.0	118.8

NOTE.—Bureau of Labor Statistics index for city wage-earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1957-59=100)

Period	All commodities	Farm products	Processed foods and feeds	Industrial commodities													
				Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Non-metallic minerals	Transportation equipment	Miscellaneous
1958.....	100.4	103.6	102.5	99.5	98.9	96.0	98.7	100.4	100.1	97.4	100.1	99.1	100.0	100.2	99.9	n.a.	100.6
1959.....	100.6	97.2	99.9	101.3	100.4	109.1	98.7	100.0	99.7	104.1	101.0	101.2	102.1	100.4	101.2	n.a.	100.8
1960.....	100.7	96.9	100.0	101.3	101.5	105.2	99.6	100.2	99.9	100.4	101.8	101.3	102.9	100.1	101.4	n.a.	101.7
1961.....	100.3	96.0	101.6	100.8	99.7	106.2	100.7	99.1	96.1	95.9	98.8	100.7	102.9	99.5	101.8	n.a.	102.0
1962.....	100.6	97.7	102.7	100.8	100.6	107.4	100.2	97.5	93.3	96.5	100.0	100.0	102.9	98.8	101.8	n.a.	102.4
1963.....	100.3	95.7	103.3	100.7	100.5	104.2	99.8	96.3	93.8	98.6	99.2	100.1	103.1	98.1	101.3	n.a.	103.3
1964.....	100.5	94.3	103.1	101.2	101.2	104.6	97.1	96.7	92.5	100.6	99.0	102.8	103.8	98.5	101.5	n.a.	104.1
1965.....	102.5	98.4	106.7	102.5	101.8	109.2	98.9	97.4	92.9	101.1	99.9	105.7	105.0	98.0	101.7	n.a.	104.8
1966.....	105.9	105.6	113.0	104.7	102.1	119.7	101.3	97.8	94.8	105.6	102.6	108.3	108.2	99.1	102.6	n.a.	106.8
1966—Aug.....	106.8	108.1	115.7	105.2	102.4	121.2	102.0	97.9	95.1	106.2	103.2	108.5	108.5	99.1	102.7	n.a.	107.1
Sept.....	106.8	108.7	115.5	105.2	102.2	119.9	102.2	98.0	94.7	105.9	103.1	108.4	108.9	99.2	103.0	n.a.	107.1
Oct.....	106.2	104.4	113.9	105.3	102.2	118.7	102.6	97.9	94.6	104.8	103.1	108.6	109.4	99.7	103.2	n.a.	107.2
Nov.....	105.9	102.5	112.6	105.5	102.1	117.5	102.7	98.0	95.0	103.0	103.0	109.0	110.2	100.3	103.3	n.a.	107.4
Dec.....	105.9	101.8	112.8	105.5	101.8	117.3	102.0	98.2	95.0	102.5	103.0	109.0	110.7	100.4	103.3	n.a.	107.5
1967—Jan.....	106.2	102.6	112.8	105.8	102.0	117.9	102.6	98.4	95.6	102.6	103.1	109.4	111.1	100.4	103.6	n.a.	107.9
Feb.....	106.0	101.0	111.7	106.0	102.0	118.0	103.4	98.5	95.8	103.6	103.3	109.6	111.2	100.4	103.7	n.a.	108.0
Mar.....	105.7	99.6	110.6	106.0	101.8	117.0	103.7	98.5	95.9	103.6	103.6	109.4	111.5	100.6	103.8	n.a.	107.7
Apr.....	105.3	97.6	110.0	106.0	101.8	115.7	103.3	98.8	95.9	104.1	103.9	109.1	111.6	100.6	103.9	n.a.	108.0
May.....	105.8	100.7	110.7	106.0	101.6	115.2	104.4	98.8	95.8	104.2	103.9	108.9	111.6	100.8	103.8	n.a.	108.0
June.....	106.3	102.4	112.6	106.0	101.6	115.6	104.0	98.5	95.8	104.7	103.9	108.9	111.6	100.8	103.9	n.a.	109.6
July.....	106.5	102.8	113.1	106.0	101.5	115.2	103.9	98.3	95.8	105.3	104.1	109.0	111.6	100.9	104.2	n.a.	109.7
Aug.....	106.1	99.2	112.1	106.3	101.7	114.4	104.7	98.0	97.8	106.1	104.0	109.2	111.8	101.0	104.5	n.a.	110.0

WHOLESALE PRICES: DETAIL

(1957-59=100)

Group	1966	1967			Group	1966	1967		
	Aug.	June	July	Aug.		Aug.	June	July	Aug.
<i>Farm products:</i>					<i>Pulp, paper, and allied products:</i>				
Fresh and dried produce.....	97.7	114.3	107.9	96.6	Pulp, paper, and products, excluding building paper and board.....	103.6	104.3	104.6	104.5
Grains.....	105.6	96.1	92.6	86.1	Woodpulp.....	98.0	98.0	98.0	98.0
Livestock.....	112.0	104.9	107.4	106.3	Wastepaper.....	106.7	76.7	76.2	74.6
Live poultry.....	89.8	85.7	91.9	77.3	Paper.....	108.4	109.6	110.9	110.9
Plant and animal fibers.....	72.3	70.9	70.9	71.4	Paperboard.....	97.2	97.3	97.3	97.3
Fluid milk.....	124.1	121.3	121.3	120.9	Converted paper and paperboard.....	102.8	104.9	104.7	104.6
Eggs.....	108.6	76.0	86.0	82.1	Building paper and board.....	92.8	91.5	91.5	91.3
Hay and seeds.....	139.2	116.6	117.1	111.6					
Other farm products.....	102.5	100.2	99.7	99.3					
<i>Processed foods and feeds:</i>					<i>Metals and metal products:</i>				
Cereal and bakery products.....	118.9	117.2	116.9	116.8	Iron and steel.....	102.7	103.3	103.4	103.5
Meat, poultry and fish.....	111.1	108.3	109.9	107.4	Steelmill products.....	105.0	105.7	105.7	105.7
Dairy products.....	124.0	122.2	122.0	122.1	Nonferrous metals.....	120.4	118.7	118.6	118.9
Processed fruits and vegetables.....	102.3	106.5	107.0	107.1	Metal containers.....	110.1	111.7	111.7	111.7
Sugar and confectionery.....	110.9	112.7	113.7	113.8	Hardware.....	110.1	113.0	113.8	115.2
Beverages and beverage materials.....	106.4	106.3	106.4	106.6	Plumbing equipment.....	110.0	110.8	110.0	110.1
Animal fats and oils.....	120.9	82.4	77.4	83.0	Heating equipment.....	92.5	92.5	92.6	92.5
Crude vegetable oils.....	127.5	91.7	86.8	89.8	Fabricated structural metal products.....	104.2	104.9	105.1	105.5
Refined vegetable oils.....	118.4	93.5	88.3	91.9	Miscellaneous metal products.....	112.3	113.7	113.8	114.2
Vegetable oil end products.....	108.7	101.6	101.3	101.0					
Miscellaneous processed foods.....	114.1	112.6	113.1	112.1	<i>Machinery and equipment:</i>				
Manufactured animal feeds.....	133.6	122.4	123.2	119.6	Agricultural machinery and equip.....	118.3	121.8	121.9	122.0
<i>Textile products and apparel:</i>					Construction machinery and equip.....	118.9	121.9	122.1	122.4
Cotton products.....	103.3	99.7	98.9	98.8	Metalworking machinery and equip.....	119.5	123.6	123.9	124.4
Wool products.....	106.6	103.2	103.3	102.9	General purpose machinery and equipment.....	110.6	113.1	113.2	113.6
Man-made fiber textile products.....	89.6	85.8	85.5	85.9	Special industry machinery and equipment (Jan. 1961=100).....	112.9	116.1	116.3	116.7
Silk yarns.....	156.7	167.0	168.4	172.6	Electrical machinery and equip.....	99.1	101.8	101.7	101.6
Apparel.....	105.2	106.7	107.1	107.3	Miscellaneous machinery.....	106.6	109.1	109.1	109.4
Textile housefurnishings.....	104.3	105.3	105.3	105.3	<i>Furniture and household durables:</i>				
Miscellaneous textile products.....	121.2	118.0	117.1	116.0	Household furniture.....	109.4	112.4	112.6	112.8
<i>Hides, skins, leather, and products:</i>					Commercial furniture.....	105.8	111.9	111.9	111.9
Hides and skins.....	141.2	95.8	93.4	86.8	Floor coverings.....	96.6	93.1	92.9	92.6
Leather.....	124.9	110.2	109.5	109.2	Household appliances.....	88.8	90.0	90.1	90.1
Footwear.....	119.1	121.5	121.4	121.2	Home electronic equipment.....	83.1	82.0	81.8	81.8
Other leather products.....	116.0	113.3	112.9	112.5	Other household durable goods.....	112.1	115.9	116.6	117.9
<i>Fuels and related products, and power:</i>					<i>Nonmetallic mineral products:</i>				
Coal.....	98.5	102.4	103.0	130.0	Flat glass.....	99.7	103.3	104.5	106.9
Coke.....	112.0	112.0	112.0	112.0	Concrete ingredients.....	103.8	105.9	106.0	106.0
Gas fuels (Jan. 1958=100).....	128.9	134.3	131.8	132.0	Concrete products.....	103.3	105.7	105.8	105.8
Electric power (Jan. 1958=100).....	100.3	100.5	100.6	100.5	Structural clay products excluding refractories.....	108.7	109.7	109.9	110.4
Crude petroleum.....	97.7	98.3	98.4	99.0	Refractories.....	103.9	104.9	104.9	104.9
Petroleum products, refined.....	100.7	103.1	103.3	104.6	Asphalt roofing.....	97.6	88.3	91.6	91.8
<i>Chemicals and allied products:</i>					Gypsum products.....	102.7	100.9	100.7	100.7
Industrial chemicals.....	95.8	97.2	97.2	97.1	Glass containers.....	99.2	101.0	101.1	101.1
Prepared paint.....	106.8	108.8	108.8	108.8	Other nonmetallic minerals.....	101.8	102.2	102.2	101.8
Paint materials.....	90.5	91.0	90.9	90.7	<i>Transportation equipment:</i>				
Drugs and pharmaceuticals.....	94.7	94.1	94.1	93.6	Motor vehicles and equipment.....	100.5	101.4	101.3	101.3
Fats and oils, inedible.....	105.5	79.5	77.1	77.2	Railroad equipment (Jan. 1961=100).....	101.0	102.9	102.9	102.9
Agricultural chemicals and products.....	101.9	105.1	103.5	101.8	<i>Miscellaneous products:</i>				
Plastic resins and materials.....	89.1	90.3	90.0	89.5	Toys, sporting goods, small arms, ammunition.....	104.9	105.3	105.6	105.8
Other chemicals and products.....	106.8	108.5	108.7	108.7	Tobacco products.....	110.3	114.8	114.8	114.8
<i>Rubber and products:</i>					Notions.....	100.8	100.8	100.8	100.8
Crude rubber.....	88.8	86.2	85.7	84.8	Photographic equipment and supplies.....	108.6	110.1	110.1	111.3
Tires and tubes.....	93.9	84.0	94.0	98.7	Other miscellaneous products.....	105.5	108.0	108.3	108.5
Miscellaneous rubber products.....	99.0	101.5	101.6	102.3					
<i>Lumber and wood products:</i>									
Lumber.....	110.2	108.0	108.3	109.0					
Millwork.....	110.9	111.7	112.1	112.6					
Plywood.....	90.0	87.6	89.4	90.9					
Other wood products (Dec. 1966=100).....	102.0	102.0	102.0	101.6					

Note.—Bureau of Labor Statistics indexes as revised in Mar. 1967 to incorporate (1) new weights beginning with Jan. 1967 data and (2) various

classification changes. Back data not yet available for some new classifications.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1962	1963	1964	1965	1966	1966			1967	
										II	III	IV	I	II
Gross national product.....	103.1	55.6	124.5	284.8	560.3	590.5	632.4	683.9	743.3	736.7	748.8	762.1	766.3	775.1
Final purchases.....	101.4	57.2	120.1	278.0	554.3	584.6	626.6	674.5	729.9	722.6	737.4	743.6	759.2	774.6
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	355.1	375.0	401.2	433.1	465.9	461.6	470.1	473.8	480.2	489.7
Durable goods.....	9.2	3.5	9.6	30.5	49.5	53.9	59.2	66.0	70.3	68.2	70.9	70.6	69.4	72.5
Nondurable goods.....	37.7	22.3	42.9	98.1	162.6	168.6	178.7	191.2	207.5	207.1	209.5	210.3	214.2	217.2
Services.....	30.3	20.1	28.1	62.4	143.0	152.4	163.3	175.9	188.1	186.3	189.8	192.9	196.6	200.0
Gross private domestic investment.....	16.2	1.4	17.9	54.1	83.0	87.1	94.0	107.4	118.0	118.5	116.4	122.2	110.4	105.1
Fixed investment.....	14.5	3.0	13.4	47.3	77.0	81.3	88.2	98.0	104.6	104.5	104.9	103.7	103.3	104.6
Nonresidential.....	10.6	2.4	9.5	27.9	51.7	54.3	61.1	71.1	80.2	78.7	81.2	82.8	81.9	81.5
Structures.....	5.0	.9	2.9	9.2	19.2	19.5	21.2	25.1	27.9	27.5	28.2	27.7	27.7	26.3
Producers' durable equipment.....	5.6	1.5	6.6	18.7	32.5	34.8	39.9	46.0	52.3	51.2	53.1	55.1	54.2	55.2
Residential structures.....	4.0	.6	3.9	19.4	25.3	27.0	27.1	27.0	24.4	25.8	23.7	20.9	21.4	23.1
Nonfarm.....	3.8	.5	3.7	18.6	24.8	26.4	26.6	26.4	23.8	25.3	23.2	20.4	20.9	22.5
Change in business inventories.....	1.7	-1.6	4.5	6.8	6.0	5.9	5.8	9.4	13.4	14.0	11.4	18.5	7.1	0.5
Nonfarm.....	1.8	-1.4	4.0	6.0	5.3	5.1	6.4	8.4	13.7	14.4	12.0	19.0	7.3	0.6
Net exports of goods and services.....	1.1	.4	1.3	1.8	5.1	5.9	8.5	6.9	5.1	5.4	4.6	4.3	5.3	5.3
Exports.....	7.0	2.4	5.9	13.8	30.3	32.3	37.1	39.1	43.0	42.5	43.7	44.0	45.3	45.1
Imports.....	5.9	2.0	4.6	12.0	25.1	26.4	28.6	32.2	37.9	37.1	39.0	39.7	39.9	39.8
Government purchases of goods and services.....	8.5	8.0	24.8	37.9	117.1	122.5	128.7	136.4	154.3	151.2	157.7	161.7	170.4	175.0
Federal.....	1.3	2.0	16.9	18.4	63.4	64.2	65.2	66.8	77.0	74.9	79.5	81.5	87.1	89.5
National defense.....			13.8	14.1	51.6	50.8	50.0	50.1	60.5	58.4	63.0	65.6	70.2	72.5
Other.....			3.1	4.3	11.8	13.5	15.2	16.7	16.5	16.6	16.6	15.9	16.8	17.0
State and local.....	7.2	6.0	7.9	19.5	53.7	58.2	63.5	69.6	77.2	76.2	78.1	80.2	83.3	85.4
Gross national product in constant (1958) dollars.....	203.6	141.5	263.7	355.3	529.8	551.0	581.1	616.7	652.6	649.3	654.8	661.1	660.7	664.7

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business*, July 1967, and Supplement, Aug. 1966.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1962	1963	1964	1965	1966	1966			1967	
										II	III	IV	I	II
National income.....	86.8	40.3	104.2	241.1	457.7	481.9	518.1	562.4	616.7	610.4	622.1	634.1	636.4	641.6
Compensation of employees.....	51.1	29.5	64.8	154.6	323.6	341.0	365.7	393.9	435.7	430.7	441.2	450.2	459.1	463.4
Wages and salaries.....	50.4	29.0	62.1	146.8	296.1	311.1	333.7	359.1	394.6	390.2	399.6	407.4	414.7	418.3
Private.....	45.5	23.9	51.9	124.4	240.1	251.6	269.4	289.8	316.7	313.8	320.1	326.1	331.4	333.2
Military.....	.3	.3	1.9	5.0	10.8	10.8	11.7	12.1	14.7	14.2	15.1	15.8	16.1	16.2
Government civilian.....	4.6	4.9	8.3	17.4	45.2	48.6	52.6	57.1	63.2	62.2	64.3	65.6	67.3	68.9
Supplements to wages and salaries.....	.7	.5	2.7	7.8	27.5	29.9	32.0	34.9	41.1	40.5	41.6	42.7	44.4	45.2
Employer contributions for social insurance.....	.1	.1	2.0	4.0	13.7	15.0	15.4	16.2	20.3	20.0	20.6	21.1	22.2	22.3
Other labor income.....	.6	.4	.7	3.8	13.9	14.9	16.6	18.6	20.8	20.5	21.1	21.7	22.2	22.9
Proprietors' income.....	15.1	5.9	17.5	37.5	50.1	51.0	52.3	56.7	59.3	59.3	59.2	58.6	57.8	57.8
Business and professional.....	9.0	3.3	11.1	24.0	37.1	37.9	40.2	41.9	43.2	43.3	43.3	43.4	43.2	43.4
Farm.....	6.2	2.6	6.4	13.5	13.0	13.1	12.1	14.8	16.1	16.0	15.9	15.1	14.6	14.3
Rental income of persons.....	5.4	2.0	3.5	9.4	16.7	17.1	18.0	19.0	19.4	19.3	19.4	19.6	19.8	20.0
Corporate profits and inventory valuation adjustment.....	10.5	-1.2	15.2	37.7	55.7	58.9	66.3	74.9	82.2	81.3	81.9	84.6	78.1	78.3
Profits before tax.....	10.0	1.0	17.7	42.6	55.4	59.4	66.8	76.6	83.8	83.6	84.0	83.9	79.0	78.9
Profits tax liability.....	1.4	.5	7.6	17.8	24.2	26.3	28.3	31.4	34.5	34.5	34.6	34.6	32.5	32.5
Profits after tax.....	8.6	.4	10.1	24.9	31.2	33.1	38.4	45.2	49.3	49.2	49.4	49.3	46.5	46.5
Dividends.....	5.8	2.0	4.4	8.8	15.2	16.5	17.8	19.8	21.5	21.6	21.6	21.2	22.2	23.1
Undistributed profits.....	2.8	-1.6	5.7	16.0	16.0	16.6	20.6	25.4	27.8	27.6	27.8	28.2	24.2	23.4
Inventory valuation adjustment.....	.5	-2.1	-2.5	-5.0	.3	-.5	-.5	-1.7	-1.6	-2.3	-2.2	.7	-.8	-.7
Net interest.....	4.7	4.1	3.2	2.0	11.6	13.8	15.8	17.9	20.2	19.8	20.4	21.1	21.6	22.1

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1929	1933	1941	1950	1962	1963	1964	1965	1966	1966			1967	
										II	III	IV	I	II
Gross national product	103.1	55.6	124.5	284.8	560.3	590.5	632.4	683.9	743.3	736.7	748.8	762.1	766.3	775.1
Less: Capital consumption allowances	7.9	7.0	8.2	18.3	50.0	52.6	56.1	59.9	63.5	63.1	63.9	64.7	65.5	66.4
Indirect business tax and nontax liability	7.0	7.1	11.3	23.3	51.5	54.7	58.4	62.2	65.1	64.7	65.9	67.0	67.9	69.1
Business transfer payments	.6	.7	.5	.8	2.1	2.3	2.5	2.6	2.7	2.7	2.7	2.8	2.8	2.8
Statistical discrepancy	.7	.6	.4	1.5	.5	-.3	-1.3	-2.0	-2.6	-2.2	-3.2	-3.8	-4.0	-2.8
Plus: Subsidies less current surplus of government enterprises	-.1		.1	.2	1.4	.8	1.3	1.2	2.2	2.0	2.7	2.6	2.3	2.0
Equals: National income	86.8	40.3	104.2	241.1	457.7	481.9	518.1	562.4	616.7	610.4	622.1	634.1	636.4	641.6
Less: Corporate profits and inventory valuation adjustment	10.5	-1.2	15.2	37.7	55.7	58.9	66.3	74.9	82.2	81.3	81.9	84.6	78.1	78.3
Contributions for social insurance	.2	.3	2.8	6.9	24.0	26.9	27.9	29.7	38.2	37.4	38.9	39.8	42.2	42.5
Excess of wage accruals over disbursements														
Plus: Government transfer payments	.9	1.5	2.6	14.3	31.2	33.0	34.2	37.2	41.2	39.2	41.3	44.7	48.1	48.6
Net interest paid by government and consumer	2.5	1.6	2.2	7.2	16.1	17.6	19.1	20.4	22.3	22.0	22.4	23.2	23.7	23.9
Dividends	5.8	2.0	4.4	8.8	15.2	16.5	17.8	19.8	21.5	21.6	21.6	21.2	22.2	23.1
Business transfer payments	.6	.7	.5	.8	2.1	2.3	2.5	2.6	2.7	2.7	2.7	2.8	2.8	2.8
Equals: Personal income	85.9	47.0	96.0	227.6	442.6	465.5	497.5	537.8	584.0	577.3	589.3	601.6	612.9	619.1
Less: Personal tax and nontax payments	2.6	1.5	3.3	20.7	57.4	60.9	59.4	65.6	75.2	74.1	76.9	79.6	80.2	79.1
Equals: Disposable personal income	83.3	45.5	92.7	206.9	385.3	404.6	438.1	472.2	508.8	503.3	512.4	522.0	532.7	540.0
Less: Personal outlays	79.1	46.5	81.7	193.9	363.7	384.7	411.9	445.0	479.0	474.6	483.2	487.4	493.9	504.0
Personal consumption expenditures	77.2	45.8	80.6	191.0	355.1	375.0	401.2	433.1	465.9	461.6	470.1	473.8	480.2	489.7
Consumer interest payments	1.5	.5	.9	2.4	8.1	9.1	10.1	11.3	12.4	12.3	12.5	12.9	13.1	13.3
Personal transfer payments to foreigners	.3	.2	.2	.5	.5	.6	.6	.7	.6	.7	.6	.6	.7	1.0
Equals: Personal saving	4.2	-.9	11.0	13.1	21.6	19.9	26.2	27.2	29.8	28.7	29.2	34.6	38.8	36.0
Disposable personal income in constant (1958) dollars	150.6	112.2	190.3	249.6	367.3	381.3	407.9	434.4	456.3	452.6	458.4	463.2	470.6	474.9

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted quarterly totals at annual rates. See also NOTE to table opposite.

PERSONAL INCOME

(In billions of dollars)

Item	1965	1966	1966					1967							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. ^a
Total personal income	537.8	584.0	589.1	594.1	597.5	602.1	605.0	610.4	612.6	615.6	616.5	618.2	622.6	626.7	631.2
Wage and salary disbursements	359.1	394.6	399.8	401.9	404.8	407.6	410.0	413.8	414.2	416.2	416.7	417.2	420.9	423.1	426.6
Commodity-producing industries	144.5	159.3	161.2	162.2	163.2	164.1	164.9	166.2	165.2	165.6	165.0	164.3	165.2	165.8	167.5
Manufacturing only	115.6	128.1	130.0	130.8	132.1	132.8	132.8	133.7	132.7	132.9	132.5	132.2	133.0	132.9	134.9
Distributive industries	86.9	93.9	94.8	95.0	95.9	96.5	97.2	98.4	98.6	99.1	99.1	99.3	100.4	101.3	101.9
Service industries	58.3	63.5	64.3	64.7	64.9	65.6	65.9	66.4	66.9	67.6	68.2	68.6	69.5	69.6	70.1
Government	69.3	77.9	79.4	80.1	80.8	81.4	82.0	82.7	83.4	84.0	84.5	85.0	85.7	86.4	87.0
Other labor income	18.6	20.8	21.1	21.3	21.4	21.7	21.9	22.1	22.2	22.4	22.6	22.8	23.1	23.3	23.6
Proprietors' income	56.7	59.3	59.2	59.2	58.3	58.6	58.8	58.3	57.8	57.4	57.7	57.8	57.9	58.4	58.9
Business and professional	41.9	43.2	43.3	43.4	43.3	43.5	43.5	43.3	43.2	43.1	43.3	43.4	43.6	43.7	43.8
Farm	14.8	16.1	15.9	15.8	15.0	15.1	15.3	15.0	14.6	14.3	14.4	14.4	14.3	14.7	15.1
Rental income	19.0	19.4	19.4	19.4	19.5	19.6	19.7	19.7	19.8	19.9	20.0	20.0	20.1	20.2	20.2
Dividends	19.8	21.5	21.5	21.7	21.6	21.6	20.2	21.8	22.3	22.6	22.8	23.1	23.3	23.5	23.6
Personal interest income	38.4	42.4	42.8	43.3	43.8	44.3	44.8	45.0	45.2	45.5	45.8	46.0	46.1	46.4	46.7
Transfer payments	39.7	43.9	43.8	45.8	46.6	47.4	48.5	49.7	51.1	51.7	51.0	51.5	51.6	52.1	52.1
Less: Personal contributions for social insurance	13.4	17.9	18.4	18.4	18.6	18.7	18.8	20.0	20.0	20.1	20.1	20.1	20.3	20.4	20.5
Nonagricultural income	518.4	563.1	568.3	573.4	577.5	581.9	584.8	590.2	593.0	596.2	596.9	598.8	603.2	606.9	610.8
Agriculture income	19.3	20.9	20.8	20.7	19.9	20.2	20.3	20.2	19.6	19.5	19.5	19.5	19.4	19.8	20.3

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table opposite.

1. SUMMARY OF FLOW OF FUNDS ACCOUNTS FOR SECOND QUARTER, 1967—SEASONALLY ADJUSTED ANNUAL RATES

(In billions of dollars)

Transaction category	Sector	Private domestic nonfinancial sectors				U.S. Govt.		Financial sectors				Rest of the world		All sectors		Discrepancy	Nat. saving and investment																	
		Households		Business		State and local govts.		Total		U.S. Govt.		Total		Monetary auth.				Coml. banks		Nonbank finance														
		U	S	U	S	U	S	U	S	U	S	U	S	U	S			U	S	U	S													
1	Gross saving	123.6		75.9		-4.3		195.1		-16.3		4.0	*		2.0		2.0		-2.1		180.7		3.6		182.8		1							
2	Capital consumption	68.1		56.2				124.4				1.1			.5		.6				125.5				125.5		2							
3	Net saving (1-2)	55.4		19.7		-4.3		70.8		-16.3		2.8	*		1.4		1.4		-2.1		55.3				57.3		3							
4	Gross investment (5+10)	122.2		74.2		-11.9		184.6		-15.7		2.6	*		1.8		.7		.1		171.5			5.7		177.1		4						
5	Private cap. expend., net	91.1		85.3				176.4				.8			.2		.6				177.2					177.2		5						
6	Consumer durables	72.1						72.1													72.1					72.1		6						
7	Residential constr.	14.7		8.4				23.1													23.1					23.1		7						
8	Plant and equipment	4.3		76.4				80.7				.8			.2		.6				81.5					81.5		8						
9	Inventory change			.5				.5													.5					.5		9						
10	Net financial invest. (11-12)	31.1		-11.0		-11.9		8.2		-15.7		1.8	*		1.6		.2		.1		-5.7			5.7		-1		10						
11	Financial uses, net	52.5		6.8		4.7		64.0		-35.2		54.0		2.7		20.6		30.6		8.6		91.3				8.5		11						
12	Financial sources		21.4		17.8		16.6		53.8		-19.5		52.2		2.7		19.0		30.4		8.5		97.0				8.6		12					
13	Gold & off. U.S. fgn. exch.									*		1.7		1.7					.1	1.7		1.7	1.7					13						
14	Treasury currency									.9		.5		.5							.5	.9		.4				14						
15	Dem. dep. and currency											.3		5.1		-4.8					1.9	.3						15						
16	Private domestic	7.5		.6		2.1		10.2				1.7	10.5		2.0		8.6		1.7		11.8	10.5		-1.3				16						
17	U.S. Govt.									-12.4			-12.7		3.0		-15.8					-12.4	-12.7						17					
18	Foreign											2.4		.1		2.4				2.4		2.4							18					
19	Time and svgs. accounts	40.1						42.6				1.3	46.3					1.3				46.3							19					
20	At coml. banks	19.8						22.3		*			24.7					24.7		2.4		24.7							20					
21	At svgs. instit.	20.3						20.3				1.3	21.6					1.3	21.6			21.6							21					
22	Life insur. reserves	5.1						5.1					5.0					5.0				5.1							22					
23	Pension fund reserves	14.0					4.1	14.0	4.1		1.7		8.2					8.2				14.0							23					
24	Consol. bank items ¹											-5.2	-5.2		-2.4	-2.8		-2.8	-2.4			-5.2	-5.2						24					
25	Credit mkt. instr.	-11.3	18.1		-6.0	32.7		-1.0	12.4		-18.2	63.2		-8	-24.0		56.3	-1.5	3.0		28.9	.1	24.5	-1.6	5.2	4.7	42.5	42.4		25				
26	U.S. Govt. securities	-3.9			-7.6			-9.2			-20.7					-5.5		2.9		-1.3		-7.0		2.1			-24.0			26				
27	State and local oblig.	-1.0			.7			-2	12.1		-5	12.1				12.5				12.1		.4				12.1				27				
28	Corp. and foreign bonds	1.1			13.5		8.0		9.1	13.5		4.3	-4						.1		4.3	-5	.6	1.0		14.0				28				
29	Corp. stocks	-6.4			1.9			-6.4	1.9			9.1	1.5								9.1	1.5	.5	*		3.3				29				
30	1- to 4-family mortgages	-1.1	10.9			.8	.4		-7	11.7	1.1		12.5	1.3			2.6			10.0	1.3				13.0					30				
31	Other mortgages		1.3			5.4			6.7	.8			6.0				1.1			4.9					6.7					31				
32	Consumer credit		4.2		.9				.9	4.2			3.3				2.0			1.3					4.2					32				
33	Bank loans n.e.c.		.6			7.9			8.5			10.8	2.3	*			10.8			2.3			*		10.8					33				
34	Other loans		1.2		*	3.2			4		*	4.7	-2.7		3.3	-6.1		.1		1.7		1.5	-6.1	2.0	3.8	2.5	2.4		-1		34			
35	Open market paper				*	3.2			3.2			3.2	.3				3.2		.1		1.7		1.4	.3	2.0	1.6		5.1			35			
36	Federal loans		.1			.9			.4			1.4	-2.8				-6.4							2.2		-2.8					36			
37	Security credit	3.0	2.9					3.0	2.9			-5.5	-5.4							-7.2		1.7	-5.4	*	*		-2.5				37			
38	To brkrs. and dealers	3.0						3.0				-8.4	-5.4							-8.4		*	-5.4	*	*		-5.4				38			
39	To others		2.9						2.9			2.9								1.2		1.7		*	*		2.9				39			
40	Taxes payable					-24.5			2			-24.5	-24.9													-24.7	-25.9		-1.1			40		
41	Trade credit				8.3	8.2			.1	8.3	8.3		2.3	.9		.3					.3				10.8	9.2		-1.6			41			
42	Equity in noncorp. business	-7.5				-7.5			-7.5			-7.5	-7.5																			42		
43	Misc. financial trans.	1.5	.4		4.8	9.0					6.3	9.4		.6	1.0		3.0	5.7		.4		1.7	1.7		1.2	3.6		-1.5	2.0	8.4	18.1	9.7		43
44	Sector discrepancies (1-4)	1.3			1.7			7.6			10.6			-6			1.4		*		.1		1.2		-2.2		9.2		9.2		5.7		44	

¹ Claims between commercial banks and monetary authorities: member bank reserves, vault cash, F.R. loans to banks, F.R. float, and stock at F.R. Banks.

3. PRINCIPAL FINANCIAL TRANSACTIONS

(In billions of dollars)

Table with 15 columns: Transaction category, or sector; 1962; 1963; 1964; 1965; 1966; 1965 (II, III, IV); 1966 (I, II, III, IV); 1967 (I, II). Rows include I. Demand deposits and currency, II. Time and savings accounts, III. U.S. Govt. securities, IV. Other securities, V. Mortgages, VI. Bank loans n.e.c.

NOTE.—Quarterly data are seasonally adjusted totals at annual rates. These tables reflect revisions in income and product accounts for 1964-67 published in the July Survey of Current Business but are unrevised before

1967 relative to the Aug. BULLETIN tables in financial data. Financial revisions will appear with publication of the third-quarter data. For other notes see p. 1817.

Notes to Table 2

I. *Saving and investment.* Derived statistically from Commerce Dept. income and product accounts. Tables showing the relation to those accounts are in Nov. 1965 BULLETIN. Gross national saving (line 1) is the sum for domestic sectors of gross-saving entries in Table 4. It is before deduction of capital consumption allowances. Govt. saving is net of public outlays for capital goods as well as current operations. Gross national investment (line 8) is gross private domestic investment in income-and-product accounts plus consumer durables plus net foreign investment. Net foreign investment differs from corresponding income-and-product series by amount of errors and omissions in balance of payments statement.

Relation of saving-investment discrepancy to flow of funds matrix is described on p. 1536 of Nov. 1965 BULLETIN.

II. *Financial flows-Summary.* This table is described in Nov. 1962 BULLETIN, p. 1405. Total net funds raised (line 17) is borrowing through credit markets (line 25 of Table 1) by households, nonfinancial business, govts., and foreigners. Credit market funds raised by all sectors consists of line 17 plus financial-sector borrowing (Table 4(H), line 32, and Table 4(I), line 22).

U.S. Govt. short-term securities are direct marketable issues due in less than 1 year plus part of those due in less than 2 years. For further detail see Table 4(E), lines 26-30.

Demand deposits on lines 37 and 45 are on bank-record basis rather than holder records shown in Table 4. Line 37 includes time deposits. Difference is described in Aug. 1959 BULLETIN, p. 852 ff. Foreign funds consist of lines 9-12 of Table 4(J). Sources n.e.c. (line 41) is mainly financial institution net sources of funds other than deposits, insurance and pension reserves, security credit, and credit mkt. funds.

Private domestic nonfinancial sectors (line 42) consists of acquisition

of deposits and credit market instruments by households, nonfinancial business, and State and local govts. Line 49 includes household savings bonds as well as marketable issues; see Table 3, line 39. Line 51 includes consumer credit and open market paper in addition to private securities and mortgages. Line 52 is net of free credit balances at brokers.

III. *Direct lending in credit markets.* Federal Reserve total is Table 4(G), lines 5 less 14. Commercial-bank total, line 61, is Table 4(H), line 5; includes security credit. Nonbank finance totals include security credit both in lending and funds raised and exclude investment company shares on both sides; line 65 is lines 7 and 16 of Table 4(I), less line 5 of 4(I.8), and line 66 is line 22 of Table 4(I) plus line 5 of 4(I.7) less line 5 of 4(I.8). Line 69 is the net sum of lines 49-52 in Table 2-II.

Notes to Table 3

I. *Demand deposits and currency.* Lines 5-8 are holder record; line 9 is difference between holder and bank record.

III. *U.S. Govt. securities.* All holdings stated in par values; excludes special issues to International Monetary Fund and includes nonguaranteed issues of Govt. agencies and loan participation certificates. See note 7 to Table 4(E) below. Short-term category consists of direct marketable issues due in less than 1 year plus part of those due in less than 2 years.

IV. *Other securities.* Total excludes open-end investment co. shares; these are shown as a deduction on line 56, offsetting net purchases of such shares included in the other lines (mainly households) under "net purchases." Net purchases includes small amounts for mutual savings banks not shown separately.

V. *Mortgages.* Loans in process at savings and loan associations are included in totals outstanding and treated as savings and loan liability. Line 63 includes holdings by State and local govts. not shown separately.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS

(In billions of dollars)

Category	1965					1966				1967					
	1962	1963	1964	1965	1966	II	III	IV	I	II	III	IV	I	II	
(A) Households ¹															
1 Personal income.....	442.6	465.5	497.5	537.8	584.0	530.1	544.6	556.1	567.8	577.3	589.3	601.5	612.9	619.1	1
2 Less: Personal taxes & nontaxes..	57.4	60.9	59.4	65.6	75.2	66.1	65.2	66.7	70.4	74.0	76.9	79.6	80.2	79.2	2
3 Personal outlays.....	363.7	384.6	411.9	445.0	479.0	439.9	448.5	460.1	470.9	474.6	483.2	487.4	493.9	504.0	3
4 Equals: Personal saving.....	21.6	19.9	26.2	27.2	29.8	24.0	30.9	29.3	26.6	28.7	29.2	34.6	38.8	35.9	4
5 Plus: Credits from Govt. insur. ²	3.5	4.0	4.4	4.1	4.0	4.4	4.1	3.6	3.8	4.5	3.9	3.9	4.8	5.9	5
6 Other adjustments ³.....	.5	.5	.6	.9	1.3	.6	.7	1.8	1.8	.6	.8	2.1	1.4	.6	6
7 Net purch. in consumpt.....	6.7	8.9	11.2	14.5	14.9	13.1	14.2	15.8	17.7	13.3	15.0	13.6	11.4	13.0	7
8 Purchases.....	49.5	53.9	59.2	66.0	70.3	64.2	66.1	68.6	71.6	68.2	70.9	70.6	69.4	72.1	8
9 Less: Cap. consumpt.....	42.9	45.0	48.0	51.4	55.4	51.0	51.9	52.8	53.8	54.9	55.9	57.0	58.0	59.1	9
10 Equals: Net saving.....	32.3	33.3	42.4	46.7	50.0	42.2	49.9	50.5	49.8	47.1	48.9	54.3	56.4	55.4	10
11 Plus: Capital consumpt. ⁴	49.8	52.4	55.9	59.9	64.1	59.4	60.3	61.3	62.5	63.6	64.7	65.8	67.0	68.1	11
12 Equals: Gross saving.....	82.0	85.8	98.3	106.6	114.2	101.5	110.2	111.8	112.3	110.7	113.6	120.1	123.4	123.6	12
13 Gross investment (14+18).....	83.5	87.2	98.8	107.1	112.4	105.7	111.1	112.0	111.1	108.9	110.6	118.7	121.7	122.2	13
14 Capital expend. (net of sales)....	71.5	76.3	82.1	89.2	93.1	87.2	89.3	92.1	95.4	91.7	93.7	91.3	88.1	91.1	14
15 Residential construction.....	18.7	19.0	19.2	19.1	18.4	18.9	19.1	19.2	19.4	19.2	18.5	16.2	14.3	14.7	15
16 Consumer durable goods.....	49.5	53.9	59.2	66.0	70.3	64.2	66.1	68.6	71.6	68.2	70.9	70.6	69.4	72.1	16
17 Plant and equip. (nonprofit)....	3.2	3.4	3.7	4.1	4.4	4.1	4.1	4.3	4.5	4.4	4.3	4.5	4.4	4.3	17
18 Net finan. investment (19-37)....	12.1	10.9	16.7	18.0	19.3	18.6	21.8	19.9	15.7	17.2	16.9	27.5	33.6	31.1	18
19 Net acqu. of finan. assets ⁵	32.6	37.2	43.9	47.7	42.7	47.8	51.0	52.1	41.7	43.8	39.6	45.9	52.0	52.5	19
20 Demand dep. and currency.....	2.7	4.3	6.7	7.2	2.1	.9	6.1	15.4	-3.4	2.6	.5	8.9	12.3	7.5	20
21 Savings accounts.....	23.4	23.0	23.9	26.4	18.9	22.1	29.1	27.6	21.0	19.8	17.9	16.7	34.4	40.1	21
22 At commercial banks.....	10.3	7.9	8.2	13.3	11.6	9.8	15.8	13.9	11.3	15.0	12.6	7.4	18.0	19.8	22
23 At savings institutions.....	13.0	15.1	15.8	13.1	7.3	12.3	13.2	13.6	9.7	4.8	5.3	9.4	16.4	20.3	23
24 Life insurance reserves.....	3.7	4.2	4.3	4.8	4.7	4.8	4.9	4.8	4.7	4.7	4.8	4.7	5.2	5.1	24
25 Pension fund reserves.....	8.8	9.9	11.2	10.9	12.1	11.6	11.2	10.6	11.9	11.0	12.6	12.7	11.6	14.0	25
26 Cr. market instr.	-1.7	.4	3.4	2.5	10.8	11.6	3.7	-2.1	11.9	10.3	15.0	6.1	-9.1	-11.3	26
27 U.S. Govt. securities.....	*	3.5	1.7	2.6	7.8	9.9	1.3	-1.3	9.8	9.9	5.3	6.3	-5.0	-3.9	27
28 Savings bonds.....	.4	1.2	.9	.6	.6	.4	.5	.8	.3	.7	.3	.9	.8	.9	28
29 Short-term mkt. ....	.4	2.8	-1.8	3.0	2.1	5.2	2.0	-.4	.4	6.4	-6.2	7.7	-2.5	-1.4	29
30 Other direct.....	-1.1	-9	1.7	-1.2	1.1	1.0	-1.3	-.7	6.7	-7.3	6.8	-1.9	-1.6	-6.4	30
31 Nonguaranteed.....	.3	.4	.9	.1	4.1	3.4	.1	-1.0	2.4	10.1	4.3	-.5	-1.7	3.0	31
32 State and local oblig. ....	.8	.7	2.5	2.2	3.5	1.5	2.4	4.4	1.9	.7	4.0	7.3	-2.5	-1.0	32
33 Corporate and fgn. bonds.....	-.7	-1.0	-.8	-.1	-.2	2.7	1.6	-2.2	1.8	-3.6	4.0	-3.2	2.1	1.1	33
34 Corporate stock.....	-1.8	-2.5	.1	-1.6	-.2	-1.8	-.5	-3.1	.9	2.9	.8	-5.3	-3.5	-6.4	34
35 Mortgages.....	*	-.3	-.1	-.6	*	-.6	-1.1	.1	-2.5	.3	1.0	1.1	-.2	-1.1	35
36 Net invest. in noncorp. bus....	-4.9	-5.3	-6.6	-5.8	-7.1	-6.0	-5.7	-5.4	-7.4	-7.4	-7.1	-6.4	-6.8	-7.5	36
37 Net increase in liabilities.....	20.5	26.3	27.2	29.7	23.4	29.2	29.2	32.2	26.0	26.6	22.7	18.5	18.4	21.4	37
38 Credit mkt. instruments.....	20.4	24.1	27.2	28.5	23.3	28.3	28.7	29.1	25.0	25.1	24.4	18.6	16.6	18.1	38
39 1- to 4-family mtgs.....	12.9	14.8	16.0	15.9	13.5	15.3	16.2	16.5	15.1	14.5	13.5	11.1	8.3	10.9	39
40 Other mortgages.....	.9	.9	.9	1.1	1.2	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	40
41 Consumer credit.....	5.5	7.3	8.0	9.4	6.9	9.6	9.3	8.9	9.2	7.0	6.9	4.6	4.3	4.2	41
42 Bank loans n.e.c.....	.5	.4	1.4	1.3	-.2	1.4	1.3	1.9	-1.4	.8	.3	-.4	1.4	.6	42
43 Other loans ⁶.....	.7	.6	.8	.8	1.8	.9	.9	.7	1.0	1.6	2.5	2.0	1.3	1.2	43
44 Security credit.....	-.1	2.0	-.2	.8	-.1	.7	.1	2.8	.6	1.2	-2.0	-.3	1.4	2.9	44
45 Discrepancy (12-13).....	-1.5	-1.5	-.4	-.6	1.8	-4.2	-.9	-.2	1.3	1.8	3.0	1.4	1.7	1.3	45

For notes see p. 1823.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS—Continued

(In billions of dollars)

Category	1962	1963	1964	1965	1966	1965			1966				1967		
						II	III	IV	I	II	III	IV	I	II	
(B) Nonfinancial business—Total ¹															
1 Income before taxes ²	102.4	106.9	115.3	128.2	137.2	126.5	128.8	133.2	137.3	136.5	136.7	138.5	131.6	132.1	1
2 Gross saving.....	55.0	57.3	65.0	70.5	75.8	69.2	70.9	72.8	73.6	74.9	75.7	79.3	75.2	75.9	2
3 Gross investment.....	53.3	57.2	61.9	70.0	73.0	66.6	70.5	71.0	70.0	71.9	75.1	75.6	73.9	74.2	3
4 Capital expenditures.....	60.4	63.8	70.3	83.5	94.5	81.2	84.1	88.3	90.4	94.0	93.1	101.1	90.9	85.3	4
5 Fixed investment.....	54.4	57.9	64.5	74.1	81.1	72.4	74.7	78.4	80.5	80.0	81.7	82.6	83.7	84.8	5
6 Business plant & equipment.....	47.8	49.9	56.5	66.1	75.1	64.3	66.9	70.9	72.9	73.4	76.5	77.9	76.6	76.4	6
7 1-4 family residential const. ³.....	.7	1.0	.2	.7	.8	.6	.8	.5	.5	-.1	-1.5	-1.7	1.0	2.5	7
8 Other residential.....	5.9	7.0	7.8	7.2	6.8	7.5	7.1	7.0	7.1	6.8	6.8	6.4	6.1	5.9	8
9 Change in inventories ⁴	6.0	5.9	5.9	9.4	13.4	8.8	9.4	9.9	9.9	14.0	11.4	18.5	7.1	.5	9
10 Net financial investment.....	-7.1	-6.5	-8.5	-13.4	-21.5	-14.6	-13.6	-17.3	-20.4	-22.1	-18.0	-25.5	-17.0	-11.0	10
11 Net acqis. of finan. assets.....	17.5	19.8	14.2	25.3	20.4	20.6	21.8	27.0	25.9	29.0	15.2	11.6	11.8	6.8	11
12 Net increase in liabilities ⁵	24.6	26.4	22.7	38.7	41.9	35.2	35.5	44.3	46.3	51.7	33.3	37.1	28.7	17.8	12
13 Credit mkt. instruments.....	18.2	19.1	22.2	29.6	33.0	31.7	28.8	30.3	36.2	44.9	25.6	25.3	31.1	32.7	13
14 Securities.....	5.1	3.6	5.4	5.4	11.4	7.0	7.4	2.9	11.9	15.2	11.7	6.9	14.0	15.3	14
15 1-4 family mortgages.....	.4	-.3	.2	-.1	-.0	.2	.2	.*	.2	-.5	-2.2	-1.6	1.5	.8	15
16 Other mortgages.....	7.0	8.4	9.0	8.4	7.3	8.7	8.7	8.4	8.8	8.4	7.2	4.7	5.2	5.4	16
17 Bank loans n.e.c.....	4.3	5.0	5.1	12.3	11.0	11.0	9.9	14.8	10.5	16.5	7.6	9.2	6.5	7.9	17
18 Other loans ⁵	1.7	1.8	3.0	3.4	4.4	4.9	2.8	4.2	4.9	5.3	1.3	6.1	3.9	3.2	18
19 Trade debt.....	5.5	7.0	4.3	8.6	9.6	6.6	7.7	10.2	9.2	13.9	6.7	8.5	.5	8.2	19
20 Other liabilities.....	.9	.2	-3.9	.5	-.6	-3.2	-1.0	3.8	1.0	-7.7	1.0	3.2	-2.8	-23.0	20
21 Discrepancy.....	1.6	.1	3.1	.5	2.8	2.6	.4	1.8	3.6	3.0	.5	3.7	1.3	1.7	21
(C) Farm and noncorporate nonfinancial business ⁶															
1 Net income ²	57.5	58.4	60.1	65.0	67.7	65.1	65.6	66.3	68.4	67.8	67.7	67.1	66.5	66.6	1
2 Gross saving ⁷	13.1	13.5	14.5	14.8	15.5	14.7	14.9	15.0	14.8	15.7	15.8	15.8	16.6	17.2	2
3 Gross investment.....	13.1	13.5	14.5	14.8	15.5	14.7	14.9	15.0	14.8	15.7	15.8	15.8	16.6	17.2	3
4 Capital expenditures.....	15.7	17.1	16.6	19.9	19.1	19.4	19.3	21.2	19.8	19.7	16.8	20.1	16.2	18.0	4
5 Fixed investment.....	14.4	15.6	16.7	18.2	18.0	17.9	18.3	18.8	18.5	17.8	17.5	18.0	18.4	19.3	5
6 Change in inventories ⁴	1.3	1.5	.*	1.7	1.1	1.6	1.0	2.4	1.3	1.9	-.7	2.1	-2.2	-1.3	6
7 Net financial investment.....	-2.6	-3.6	-2.2	-5.1	-3.6	-4.8	-4.5	-6.2	-5.0	-4.0	-.9	-4.3	.4	-.8	7
8 Net acqis. of finan. assets.....	.5	.7	.8	.9	1.0	.8	.7	1.1	1.0	.8	.8	1.4	1.3	.5	8
9 Net increase in liabilities ⁵	3.1	4.3	3.0	6.0	4.5	5.5	5.2	7.3	5.9	4.8	1.7	5.7	.9	1.3	9
10 Credit mkt. instruments.....	7.0	8.6	8.6	10.4	9.8	10.6	9.6	11.0	12.4	9.8	7.6	9.4	5.0	7.4	10
11 Mortgages.....	4.2	5.2	5.4	5.4	4.2	5.5	5.5	5.4	5.7	5.0	3.6	2.5	4.0	3.7	11
12 Bank loans n.e.c.....	1.8	2.1	1.5	3.0	3.3	2.2	2.4	3.5	4.2	2.0	2.9	4.1	.9	3.1	12
13 Other loans ^{5,8}	1.0	1.3	1.7	2.1	2.3	2.9	1.7	2.1	2.6	2.8	1.1	2.7	.1	.6	13
14 Trade debt.....	1.0	1.1	1.0	1.3	1.8	.9	1.3	1.6	.9	2.4	1.3	2.8	2.7	1.4	14
15 Proprietors' net investment ⁹	-4.9	-5.3	-6.6	-5.8	-7.1	-6.0	-5.7	-5.4	-7.4	-7.4	-7.1	-6.4	-6.8	-7.5	15
(D) Corporate nonfinancial business ¹⁰															
1 Profits+IVA.....	44.9	48.6	55.2	63.1	69.5	61.5	63.2	66.9	68.9	68.8	69.0	71.3	65.1	65.4	1
2 Profits tax accruals.....	20.8	22.8	24.2	27.6	30.2	27.2	27.3	29.2	30.3	30.2	30.2	30.1	28.0	28.1	2
3 Net dividend payments ¹¹	11.4	12.7	13.2	15.1	16.7	14.5	15.6	16.5	16.8	16.8	16.8	16.2	17.4	18.3	3
4 Net savings+IVA (1-2-3).....	12.6	13.1	17.8	20.5	22.6	19.8	20.4	21.2	21.8	21.8	21.9	25.1	19.7	19.1	4
5 Capital consumption.....	29.2	30.8	32.8	35.3	37.7	34.8	35.7	36.6	37.0	37.5	37.9	38.4	38.9	39.6	5
6 Current surp.= gross saving (4+5).....	41.8	43.9	50.5	55.7	60.3	54.6	56.1	57.8	58.8	59.2	59.8	63.5	58.6	58.7	6
7 Gross investment.....	40.2	43.8	47.4	55.3	57.5	52.0	55.6	56.0	55.2	56.2	59.3	59.8	57.3	57.0	7
8 Capital expenditures.....	44.7	46.7	53.7	63.6	75.5	61.8	64.8	67.1	70.6	74.3	76.4	81.0	74.7	67.3	8
9 Fixed investment.....	40.0	42.3	47.8	55.9	63.2	54.5	56.4	59.6	62.0	62.1	64.3	64.6	65.3	65.5	9
10 Plant and equipment.....	37.0	38.6	44.1	52.2	60.4	50.7	52.7	56.1	58.4	59.1	61.9	62.5	62.1	61.6	10
11 Residential construction.....	3.0	3.7	3.7	3.7	2.7	3.8	3.7	3.5	3.6	3.1	2.3	2.1	3.3	3.9	11
12 Change in inventories ⁴	4.7	4.3	5.9	7.7	12.3	7.3	8.4	7.5	8.6	12.2	12.1	16.4	9.3	1.8	12
13 Net financial investment.....	-4.5	-2.9	-6.3	-8.3	-17.9	-9.8	-9.1	-11.1	-15.4	-18.1	-17.1	-21.2	-17.3	-10.3	13
14 Net acqis. of finan. assets.....	16.9	19.1	13.4	24.4	19.5	19.8	21.1	25.9	25.0	28.2	14.4	10.2	10.5	6.3	14
15 Liquid assets.....	4.1	4.3	.6	.7	1.1	-1.7	.3	-.6	10.5	2.2	-2.6	-5.5	3.4	-8.0	15
16 Demand dep. and curr.....	-.9	-.8	-2.5	-1.9	-.7	-3.1	-4.5	-.6	4.0	1.6	-.7	-2.0	-4.3	.5	16
17 Time deposits.....	3.7	3.9	3.2	3.9	-.7	5.7	2.5	.9	4.1	1.7	-3.9	-4.6	10.0	-.9	17
18 U.S. Govt. securities.....	.5	.5	-1.4	-2.1	-1.2	-5.0	.1	-1.3	-.2	-2.1	-1.0	-1.3	-5.3	-7.6	18
19 Open-market paper.....	.9	.7	1.4	.8	2.3	.8	2.3	.3	2.7	1.0	3.0	2.4	3.0	.7	19
20 State and local oblig.....	-.4	-.9	.2	.7	.8	.7	.8	.8	.8	.8	.7	.8	.7	.7	20
21 Consumer credit.....	.9	.7	1.0	1.2	1.1	.6	1.0	1.3	2.5	1.0	.8	-.1	1.4	1.1	21
22 Trade credit.....	8.2	8.5	9.1	13.7	10.9	11.3	10.3	16.8	10.7	16.8	9.0	7.0	3.3	8.3	22
23 Other financial assets ¹²	4.1	4.8	2.5	8.2	5.6	8.8	8.6	7.6	.4	7.4	6.5	8.0	1.6	4.2	23
24 Net increase in liabilities.....	21.5	22.0	19.7	32.7	37.4	29.6	30.3	37.0	40.4	46.2	31.4	31.4	27.8	16.6	24
25 Credit mkt. instruments.....	11.2	10.5	13.6	19.2	23.2	21.1	19.2	19.3	23.8	35.1	18.1	16.0	26.1	25.3	25
26 Corporate bonds.....	4.6	3.9	4.0	5.4	10.2	5.3	7.9	3.9	12.4	9.3	10.8	8.4	13.1	13.5	26
27 Corporate stock.....	.6	-.3	1.4	.*	1.2	1.6	-.5	-1.0	-.5	5.9	.9	-.1	.9	1.9	27
28 Mortgages.....	2.9	3.5	3.3	3.2	2.1	3.4	3.2	3.0	3.3	2.9	1.4	.6	2.7	2.6	28
29 Bank loans n.e.c.....	2.5	2.9	3.6	9.3	7.7	8.8	7.4	11.3	6.3	14.5	4.8	5.1	5.7	4.8	29
30 Other loans ¹³.....	.7	.5	1.3	1.3	2.1	2.0	1.2	2.1	2.3	2.5	.2	3.4	3.8	2.6	30
31 Profits tax liability ¹⁴	1.1	1.5	.9	2.0	-.4	-1.9	1.9	4.7	2.6	-7.5	2.8	.7	3.2	-24.5	31
32 Trade debt.....	4.4	6.0	3.4	7.3	7.7	5.7	6.4	8.5	8.2	11.5	5.4	5.8	-2.3	6.8	32
33 Other liabilities.....	4.7	4.0	1.8	4.2	6.8	4.7	2.8	4.5	5.8	7.2	5.3	9.0	.8	9.0	33
34 Discrepancy.....	1.6	.1	3.1	.5	2.8	2.6	.4	1.8	3.6	3.0	.5	3.7	1.3	1.7	34
35 Memo: Net trade credit.....	3.7	2.5	5.7	6.4	3.2	5.6	4.0	8.3	2.5	5.3	3.7	1.3	5.6	1.4	35
36 Profits tax payments ¹⁴	20.0	20.8	23.5	25.8	30.8	28.1	25.9	25.5	26.9	40.2	28.4	27.7	25.6	51.4	36

For notes see p. 1823.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS—Continued

(In billions of dollars)

Category	1962	1963	1964	1965	1966	1965			1966				1967		
						II	III	IV	I	II	III	IV	I	II	
(E) U.S. Government ¹															
1 Tax receipts (net of refunds).....	85.9	91.4	91.2	99.6	109.9	99.9	98.1	101.8	105.1	109.0	111.6	113.9	112.0	111.0	1
2 Individual income.....	48.6	51.5	48.6	53.8	61.7	54.5	53.3	54.6	57.7	60.9	63.1	65.2	65.5	64.1	2
3 Corp. profits tax accruals.....	22.7	24.6	26.4	29.3	32.3	28.9	29.0	30.9	32.2	32.2	32.4	32.3	30.3	30.3	3
4 Other.....	14.6	15.3	16.1	16.5	15.9	16.5	15.7	16.3	15.2	15.9	16.1	16.3	16.2	16.5	4
5 Social insurance programs ²															
5 Premiums received.....	18.5	21.0	21.6	22.8	30.8	22.6	22.9	23.4	29.4	30.0	31.4	32.2	34.4	34.6	5
6 Benefits paid.....	17.4	18.2	18.7	20.3	22.5	20.0	20.5	21.1	21.7	22.4	22.8	23.1	23.4	23.7	6
7 Life insur. & retirement programs ³															
7 Premiums received.....	2.1	2.1	2.2	2.3	2.5	2.3	2.4	2.4	2.5	2.5	2.5	2.6	2.6	2.6	7
8 Benefits paid.....	2.9	3.2	3.2	3.3	3.9	3.2	3.3	3.5	3.7	3.9	4.0	4.0	4.1	4.1	8
9 Net grants and donations paid ⁴	19.4	20.5	22.8	24.2	29.8	22.7	26.5	24.7	28.1	27.7	30.3	33.3	36.1	35.1	9
10 Net interest paid.....	7.2	7.7	8.3	8.7	9.5	8.6	8.7	8.9	9.1	9.4	9.6	10.0	10.4	10.4	10
11 Net purchases of goods & services.....	63.4	64.2	65.2	66.8	77.0	65.4	67.6	69.8	72.1	74.9	79.5	81.5	87.1	89.5	11
12 Net surplus.....	-3.8	.7	-3.0	1.4	.3	-5.0	-3.3	-.3	2.2	3.2	-.7	-3.3	-11.8	-14.6	12
13 Insurance and retirement credits ⁵	1.1	1.3	1.4	1.4	1.4	1.8	1.6	1.0	1.1	1.8	1.2	1.3	.9	1.8	13
14 Gross saving.....	-4.8	-.6	-4.3	.1	-.9	3.2	-4.8	-1.2	1.2	1.5	-1.9	-4.5	-12.6	-16.3	14
15 Net finan. investment (16-23).....	-4.7	-1.3	-2.9	-1.1	-.6	.9	-6.2	-.8	-1.9	4.6	-3.6	-1.5	-10.5	-15.7	15
16 Net acquis. of finan. assets.....	4.7	4.7	5.2	4.5	8.3	4.8	-7.9	9.6	13.2	10.5	5.7	3.9	3.6	-35.2	16
17 Demand deposits & currency.....	1.0	-.4	.6	-1.4	-.1	-.5	-11.4	2.3	-3.5	10.7	-4.2	-3.4	-1.7	-12.4	17
18 Credit market instruments.....	3.3	2.7	3.8	4.7	7.5	6.4	3.1	3.9	11.3	10.0	6.6	1.9	4.3	-.8	18
19 Mortgages.....	.3	-1.0	.3	1.0	3.4	1.0	.7	1.5	4.6	4.1	3.0	1.9	2.5	1.9	19
20 Other loans.....	3.0	3.7	3.5	3.7	4.0	5.4	2.4	2.4	6.8	5.9	3.5	*	1.8	-2.7	20
21 Excess of tax accruals over receipts.....	.8	1.8	1.1	1.2	-.5	-1.4	1.2	3.5	3.0	-10.3	1.9	3.3	1.9	-24.9	21
22 Other financial assets ⁶	-.5	.6	-.3	*	1.5	2.3	-.7	-.2	2.3	.2	1.4	2.1	-.9	2.9	22
23 Net increase in liabilities.....	9.3	6.0	8.1	5.6	8.9	3.9	-1.6	10.3	15.0	5.9	9.3	5.4	14.0	-19.5	23
24 Life insurance and retirement reserves.....	1.1	1.3	1.4	1.4	1.4	1.8	1.6	1.0	1.1	1.8	1.2	1.3	.9	1.8	24
25 U.S. Govt. securities ⁷	7.9	5.0	7.1	3.5	6.7	1.4	-4.5	8.2	14.9	2.8	7.0	2.2	10.1	-24.0	25
26 Svgs. bonds ⁸.....	.4	1.2	.9	.6	.6	.4	.5	.8	.3	.7	.3	.9	.8	.9	26
27 Short-term marketable ⁹.....	.7	1.4	4.0	3.5	2.2	3.6	-3.5	8.3	1.3	-12.7	6.3	14.1	12.7	-41.0	27
28 Other direct.....	4.8	1.1	.9	-2.9	-1.4	-7.2	-5.3	-1.4	7.9	-2.4	1.4	-12.6	-4.9	11.1	28
29 Nonguaranteed agency issues.....	1.6	1.5	.4	1.9	3.9	4.8	1.9	.5	3.8	10.3	1.2	.2	-4.2	-2.2	29
30 Loan participations.....	.5	-.2	.8	.4	1.5	-.3	1.9	*	1.6	6.9	-2.2	-.2	5.8	7.1	30
31 Other liabilities.....	.3	-.3	-.4	.6	.8	.7	1.3	1.1	-1.0	1.3	1.1	1.9	3.1	2.8	31
32 Discrepancy (14-15).....	-.2	.7	-1.4	1.2	-.3	2.3	1.4	-.5	3.0	-3.2	1.8	-3.0	-2.1	-.6	32
33 Memo: Corp. tax receipts, net.....	21.9	22.8	25.3	28.1	32.8	30.3	27.9	27.4	29.2	42.5	30.4	29.0	28.5	55.3	33
(F) State and local governments ¹⁰															
1 Tax receipts.....	47.1	50.5	54.9	59.5	64.9	58.9	60.3	61.0	62.6	64.1	65.8	67.3	68.5	69.9	1
2 Social ins. and grants rec.....	11.5	12.9	14.5	15.6	19.7	15.2	15.9	16.8	18.5	19.4	20.2	20.7	20.8	20.5	2
3 Purch. of goods and services.....	53.7	58.2	63.5	69.6	77.2	68.6	70.4	72.5	74.3	76.2	78.1	80.2	83.3	85.4	3
4 Net interest & transfers paid ¹¹	3.9	4.0	4.3	4.3	4.5	4.3	4.3	4.4	4.4	4.6	4.7	4.9	5.2	4	
5 Net surplus.....	.9	1.2	1.7	1.2	2.9	1.2	1.5	1.1	2.4	2.9	3.3	3.0	1.0	-.2	5
6 Less retirement credit to households.....	2.4	2.7	3.1	2.6	2.7	2.6	2.5	2.6	2.6	2.6	2.7	2.7	4.0	4.1	6
7 Equals: Gross saving.....	-1.4	-1.5	-1.4	-1.4	.3	-1.3	-1.0	-1.5	-.2	.3	.6	.3	-3.0	-4.3	7
8 Net financial investment (9-17).....	-2.5	-2.1	-2.5	-1.5	.7	-1.6	-1.4	-1.7	1.0	.5	.3	.9	-3.1	-11.9	8
9 Net acquis. of finan. assets.....	5.6	7.7	6.9	9.0	10.0	10.3	8.3	9.4	9.4	11.1	9.4	10.3	10.8	4.7	9
10 Liquid assets.....	2.5	4.1	2.6	4.5	3.3	6.7	4.7	3.8	4.4	2.8	3.8	2.1	9.1	-1.9	10
11 Demand deposits and cur.....	.9	2.4	1.4	1.0	1.5	4.6	3.2	.7	1.4	3.1	.6	.9	1.8	2.1	11
12 Time deposits.....	1.0	1.6	1.7	2.4	1.4	1.1	3.1	3.3	-.3	2.3	1.9	1.9	5.7	3.4	12
13 Short-term U.S. Govt. sec.....	.6	.1	-.5	1.1	.3	.9	-1.6	-.2	3.3	-2.5	1.3	-.6	1.5	-7.3	13
14 Other U.S. Govt. securities.....	.6	.6	1.0	1.3	1.1	1.4	*	2.2	.1	.9	*	3.2	-4.7	-1.9	14
15 State and local obligations.....	-.7	-.7	-.6	-.6	-.4	-.8	-.6	-.5	-.4	-.4	-.4	-.4	-.5	-.2	15
16 Other ¹²	3.1	3.5	3.7	3.7	6.0	2.7	4.3	4.2	5.0	7.4	6.1	5.6	6.8	8.4	16
17 Net increase in liabilities.....	8.1	9.8	9.4	10.5	9.4	11.9	9.8	11.1	8.5	10.5	9.1	9.4	13.9	16.6	17
18 Credit market borrowing.....	5.6	7.0	6.2	7.8	6.6	9.2	7.2	8.4	5.8	7.8	6.3	6.6	9.8	12.4	18
19 State and local obligations.....	5.0	6.7	5.9	7.4	5.9	8.6	6.8	8.1	5.4	7.2	4.8	6.2	9.5	12.1	19
20 Short-term.....	.4	.5	.7	1.3	.4	1.4	2.4	1.0	.6	1.1	-.3	.3	1.3	2.4	20
21 Other.....	4.6	6.2	5.1	6.1	5.5	7.2	4.4	7.1	4.8	6.1	5.0	5.9	8.3	9.6	21
22 U.S. Govt. loans.....	.6	.3	.4	.4	.7	.6	.4	.3	.4	.6	1.6	.4	.2	.4	22
23 Employee retirement reserves.....	2.4	2.7	3.1	2.6	2.7	2.6	2.5	2.6	2.6	2.6	2.7	2.7	4.0	4.1	23
24 Trade debt.....	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	24
25 Discrepancy.....	1.0	.6	1.1	.2	-.4	.2	.4	.2	-1.2	-.2	.3	-.6	-.1	7.6	25
26 Memo: Total U.S. Govt. sec.....	1.2	.7	.5	2.5	1.4	2.3	-1.6	2.0	3.4	-1.6	1.3	2.5	-3.2	-9.2	26

For notes see p. 1823.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS—Continued

(in billions of dollars)

Category	1962	1963	1964	1965	1966	1965			1966				1967		
						II	III	IV	I	II	III	IV	I	II	
(G) Monetary authorities ¹															
1 Current surplus	.1	.1	-.5	*	*	*	*	.1	*	*	*	*	*	*	1
2 Net acquis. of financial assets	1.7	2.2	3.4	2.3	4.2	2.5	4.4	-.6	5.1	2.5	6.8	2.6	3.7	2.7	2
3 Gold and foreign exchange ²	-.8	-.4	*	-1.3	-.3	-2.2	1.3	-1.4	-2.1	.2	.4	.1	-3.1	1.7	3
4 Treasury currency	*	*	-.2	.2	.7	.1	.3	.4	.7	1.0	.5	.8	.7	.5	4
5 Credit mkt. instruments	2.0	2.9	3.4	3.8	3.5	3.8	4.3	1.2	2.1	2.1	6.0	3.7	4.5	3.0	5
6 U.S. Govt. securities	1.9	2.8	3.5	3.7	3.5	4.2	4.3	.5	2.4	1.8	6.8	3.1	4.8	2.9	6
7 Short-term marketable	2.0	4.9	2.1	3.7	5.4	6.2	-.3	-3.6	5.2	-3.5	6.9	13.0	2.5	-7.9	7
8 Other	-.1	-2.2	1.3	.1	-1.9	-2.0	4.6	4.1	-2.8	5.3	-.1	-9.9	2.3	10.8	8
9 F.R. float	-.6	-.3	*	-.4	.3	-.2	1.0	-1.5	3.6	-.5	-1.7	-.4	1.9	-2.2	9
10 F.R. loans to domestic banks	-.1	*	.1	-.1	.1	1.0	-2.5	.8	.8	-.3	1.5	-1.7	-.4	-.3	10
11 Net increase in liabilities	1.6	2.1	3.8	2.2	4.2	2.5	4.4	-.6	5.1	2.5	6.8	2.5	3.7	2.7	11
12 Member bank reserves	.1	-.4	1.0	.4	1.3	.9	*	.5	-.1	-.5	5.7	-.3	-.9	-1.5	12
13 Vault cash of coml. banks ³	.7	.6	-.4	.3	.5	.5	-.6	-.8	-.9	-.3	.2	1.5	-.4	-1.2	13
14 Demand deposits and currency	.1	.3	.2	*	.2	-.3	1.2	-1.2	-.4	2.0	-.3	-.7	1.8	3.0	14
15 Due to U.S. Govt.	*	-.1	.1	-.1	.2	.1	.1	-.2	1.3	*	-.5	*	-.1	1.5	15
16 Due to rest of the world ⁴	.8	1.7	2.4	2.1	2.0	1.8	4.0	2.0	3.5	1.3	1.9	1.4	3.3	2.0	16
17 Other	*	*	.6	-.5	-.1	-.4	-.3	-1.0	-.2	.1	-.2	-.1	.1	.4	17
(H) Commercial banks ⁵															
1 Current surplus	1.5	1.7	1.9	2.0	2.3	2.0	1.9	2.0	2.2	2.2	2.4	2.3	2.2	2.0	1
2 Net acquisition of financial assets	20.7	20.0	23.5	30.2	20.9	24.3	16.7	45.2	20.1	38.1	14.4	11.0	37.2	20.6	2
3 Member bank reserves ⁶	.1	-.4	1.0	.4	1.3	.9	*	.5	-.1	-.5	5.7	.3	-.9	-1.5	2
4 Vault cash	.7	.6	-.4	.3	.5	.5	-.6	-.8	.9	-.3	.2	1.5	-.4	-1.2	4
5 Total loans and investments	19.5	19.4	22.3	29.0	18.3	22.7	18.4	43.9	18.3	37.1	8.4	9.5	39.5	21.7	5
6 Credit market instruments	18.4	18.8	21.8	28.9	18.4	21.5	27.1	38.4	19.9	35.7	7.4	10.8	37.4	28.9	6
7 U.S. Govt. securities ⁷	1.4	-2.6	.4	-2.3	-2.8	-10.2	-1.7	5.3	-1.9	-.5	-5.7	-4.2	18.0	-1.3	7
8 Short-term marketable	-5.2	-3.5	3.9	-1.7	-4.6	-5.7	2.4	7.2	-10.7	-4.9	.1	-2.9	9.4	-11.3	8
9 Other direct	5.2	.5	-4.1	-1.4	1.0	-5.3	-6.1	-2.3	8.3	-.9	-2.0	-1.6	6.0	5.1	9
10 Agency issues	.9	.5	*	1.2	.1	1.1	1.9	1.7	-1.0	2.8	-1.7	.3	-.6	1.0	10
11 Loan participations	.5	-.2	.6	-.4	.7	-.3	.1	-1.3	1.5	3.5	-2.1	*	3.1	3.9	11
12 Other securities & mortgages	8.3	10.1	8.1	10.5	6.8	12.1	10.5	9.9	8.7	10.3	6.2	1.9	11.5	15.7	12
13 State and local oblig.	4.4	5.2	3.5	5.0	1.8	6.4	4.2	4.5	3.4	5.0	1.2	-2.5	9.5	12.1	13
14 Corporate bonds	*	*	.1	-.1	*	.1	-.2	-.4	*	*	*	*	*	*	14
15 1- to 4-family mortgages	2.0	2.7	2.3	3.1	2.6	2.8	3.7	3.4	2.6	2.9	2.7	2.3	1.0	2.6	15
16 Other mortgages	1.9	2.2	2.2	2.5	2.4	2.8	2.7	2.4	2.8	2.4	2.3	2.2	1.0	1.1	16
17 Other credit exc. security	8.7	11.3	13.4	20.7	14.5	19.6	18.2	23.1	13.2	24.9	6.9	13.0	7.9	14.5	17
18 Consumer credit	2.3	3.5	3.8	4.7	3.1	4.9	5.1	4.6	3.5	3.1	3.4	2.4	1.4	2.0	18
19 Bank loans n.e.c.	6.2	7.6	8.7	16.4	9.4	13.9	12.9	19.4	8.0	21.3	2.4	6.1	1.3	10.8	19
20 Other loans ⁸	.2	.2	.8	-.5	1.9	.7	.2	-.9	1.6	.5	1.1	4.5	5.2	1.7	20
21 Security credit	1.1	.6	.5	.1	-.1	1.2	-8.7	5.5	-1.6	1.3	1.1	-1.2	2.1	-7.2	21
22 Misc. assets	.5	.4	.6	.5	.6	.2	-1.1	1.5	.9	1.8	.1	-.3	-.9	1.7	22
23 Net increase in liabilities	19.8	19.3	22.0	28.8	19.5	22.5	15.8	43.2	19.2	36.8	12.6	9.3	35.8	19.0	23
24 Demand deposits, net	3.7	3.8	4.8	5.6	.1	.1	-5.4	20.5	-8.0	10.8	-6.5	4.1	1.3	-4.8	24
25 U.S. Govt. ⁹	1.2	-.6	*	-1.0	-.6	-.6	-11.6	3.3	-4.7	6.9	-1.5	-3.3	-4.2	-15.8	25
26 Foreign ¹⁰	.1	.1	.4	.1	-.4	-.6	.6	1.0	-1.3	1.2	-1.4	-.3	-1.9	2.4	26
27 Other, net ¹¹	2.3	4.3	4.4	6.4	1.2	1.3	5.6	16.3	-2.1	2.7	-3.6	7.7	7.4	8.6	27
28 Time deposits	15.6	14.3	14.5	20.0	13.2	17.6	21.4	18.4	14.9	20.9	11.2	5.8	35.1	24.7	28
29 F.R. float	.6	-.3	*	-.4	.3	-.2	1.0	-1.5	3.6	-.5	-1.7	-.4	1.9	-2.2	29
30 Borrowing at F.R. Banks	-.1	*	.1	-.1	.1	1.0	-2.5	.8	.8	-.3	1.5	-1.7	-.4	-.3	30
31 Other liabilities	*	1.4	2.5	3.6	5.8	4.1	1.3	4.9	7.8	5.9	8.1	1.5	-2.1	1.6	31
32 Security issues	.1	.3	.6	.8	.1	2.0	.1	.4	.1	.3	*	*	.8	.1	32
33 Discrepancy	.4	.5	*	.3	.6	-.2	.6	.1	.7	.4	.6	.6	.5	.1	33
34 Memo: Total loans exc. mortgages	9.8	11.9	13.9	20.8	14.4	20.8	9.5	28.6	11.6	26.2	8.0	11.8	10.0	7.3	34

For notes see p. 1823.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS—Continued

(In billions of dollars)

Category	1962	1963	1964	1965	1966	1965			1966				1967		
						II	III	IV	I	II	III	IV	I	II	
(I) Nonbank financial institutions ¹															
1 Current surplus.....	2.2	1.7	1.2	1.3	1.0	1.6	1.6	.5	.4	1.6	1.5	.3	1.1	2.0	1
2 Physical investment (Life ins.).....	.3	.5	.5	.5	.4	.5	.5	.5	.4	.4	.4	.4	.6	.6	2
3 Net acquis. of financial assets.....	32.6	37.0	37.0	37.7	30.2	41.4	29.9	41.3	39.0	28.2	22.4	31.1	36.4	30.6	3
4 Demand deposits and currency.....	1.1	.2	.3	.7	.3	.5	.9	1.5	-1.4	.5	.7	1.6	.9	1.7	4
5 Time deposits (Mut. svgs. bks.).....	*	*	.1	*	*	*	.2	-.2	*	*	*	*	*	*	5
6 Svgs. and loan shares (Cr. unions).....	.1	*	.1	-.2	-.2	-.4	-.2	-.2	-.3	-.4	-.3	.1	.3	1.3	6
7 Cr. mkt. instr.....	30.7	33.7	35.8	35.7	28.9	39.6	27.9	37.1	38.9	26.6	22.3	27.9	29.2	24.5	7
8 U.S. Govt. securities.....	1.6	-.5	2.0	-.8	.6	-.8	-5.9	1.5	4.0	-4.3	4.4	-1.9	-1.4	-7.0	8
9 State and local obligations.....	.9	.6	.2	*	.3	.7	*	-1.1	-.3	1.1	-.8	1.1	2.2	.4	9
10 Corporate bonds.....	3.8	4.4	4.4	5.5	5.2	5.3	5.1	5.6	8.3	4.6	2.9	5.0	7.2	4.3	10
11 Corporate stock.....	4.2	3.4	3.7	5.4	5.3	6.0	4.3	7.0	3.8	6.3	3.5	7.5	7.9	9.1	11
12 1- to 4-family mortgages.....	11.0	14.1	13.0	12.7	6.1	12.8	12.8	11.5	11.8	6.5	3.3	2.9	7.6	10.0	12
13 Other mortgages.....	5.7	6.9	7.3	6.4	5.1	6.3	6.5	6.6	6.1	5.9	5.2	3.5	4.7	4.9	13
14 Consumer credit.....	1.9	2.8	2.8	3.1	2.3	3.7	2.9	2.5	2.7	2.6	2.5	1.6	.9	1.3	14
15 Other loans.....	1.6	2.1	2.4	3.4	4.0	5.5	2.3	3.6	2.7	3.9	1.3	8.2	.2	1.5	15
16 Security credit.....	-.3	1.9	-.5	.2	-.1	.4	-.3	1.6	.5	.4	-2.0	.7	1.5	1.7	16
17 Trade credit.....	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2	.3	.3	17
18 Miscellaneous assets.....	.9	1.1	1.2	1.2	1.1	1.0	1.7	.9	1.1	1.1	1.4	.7	4.2	1.2	18
19 Net increase in liabilities.....	30.5	35.5	36.3	36.2	29.9	39.6	29.0	40.5	38.3	29.4	19.2	32.6	37.6	30.4	19
20 Time and savings acct.....	13.1	15.2	15.9	12.9	7.1	11.9	13.0	13.8	9.4	4.4	5.0	9.4	16.7	21.6	20
21 Ins. and pension reserves.....	9.0	10.1	11.1	11.6	12.8	12.0	12.0	11.7	12.9	11.2	13.5	13.4	11.9	13.3	21
22 Cr. mkt. instr. ²	5.7	7.1	6.2	8.9	6.8	10.5	9.3	8.0	12.3	9.2	1.6	4.0	-.2	-1.6	22
23 Finance company bonds.....	.3	1.4	2.1	1.9	.8	1.8	1.5	2.7	1.6	.3	1.9	-.8	1.5	-.5	23
24 Investment company shares.....	1.9	1.2	1.9	3.0	3.8	2.2	3.5	4.0	5.1	3.2	3.7	3.4	3.2	1.5	24
25 Mtg. loans in process.....	.4	.5	-.3	-.1	-.9	-.2	-.2	-.2	.4	-1.1	-1.8	-1.2	.6	1.3	25
26 Bank loans n.e.c.....	1.0	1.7	.5	2.4	-1.2	2.6	1.3	3.3	-.4	3.4	-5.6	-2.3	-5.6	2.3	26
27 Other loans.....	2.0	2.3	2.0	1.7	4.3	3.7	3.3	-1.9	5.6	3.4	3.3	4.9	.1	-6.1	27
28 Finance co. paper.....	1.2	1.0	1.5	1.0	3.4	2.2	2.8	-1.1	2.8	1.6	2.2	6.9	2.9	.3	28
29 FHLB loans.....	.8	1.3	.5	.7	.9	1.5	.5	-.8	2.8	1.8	1.1	-2.0	-2.8	-6.4	29
30 Security credit.....	.9	.5	.1	-.2	.1	2.3	-.7	4.2	.3	2.2	-3.9	1.8	5.2	-5.4	30
31 Taxes payable.....	.1	.1	*	*	.1	.1	.3	.1	-.3	-.1	.2	.8	-.5	-1.1	31
32 Miscellaneous liabilities.....	1.7	2.5	3.1	3.0	3.0	2.8	3.2	2.7	3.7	2.6	2.8	3.1	4.5	3.6	32
33 Discrepancy.....	-.2	-.3	.1	-.7	.3	-.6	.3	-.7	-.7	2.4	-2.1	1.4	1.7	1.2	33
(I.1) Savings and loan associations															
1 Net acquis. of financial assets.....	11.5	14.0	11.8	10.1	4.4	10.6	10.2	9.3	9.3	4.6	1.4	2.4	7.4	10.1	1
2 Demand deposits and currency.....	.6	.1	*	*	-.5	.1	.5	-.1	-.6	-.4	-1.0	-.1	.1	.1	2
3 Cr. mkt. instr. ⁴	10.3	13.3	11.1	9.4	4.3	9.9	8.7	9.2	9.5	4.4	1.4	1.9	4.2	9.6	3
4 U.S. Govt. securities.....	.4	1.0	.6	.5	.5	.5	-.2	.6	1.2	-.8	.7	1.0	.6	2.3	4
5 1- to 4-family mortgages.....	7.4	9.3	8.0	7.6	3.3	7.6	7.4	7.3	7.5	4.3	.5	1.0	3.5	5.9	5
6 Other mortgages.....	2.6	2.9	2.4	1.3	.4	1.6	1.4	1.1	.9	.8	.1	*	.2	1.1	6
7 Misc. financial transactions.....	.6	.5	.7	.6	.6	.6	1.1	.3	.4	.6	1.0	.6	3.2	.5	7
8 Net increase in liabilities.....	10.7	13.3	11.1	9.3	3.9	9.7	9.5	8.5	8.7	3.9	.8	2.1	7.6	9.7	8
9 Savings shares.....	9.4	11.1	10.6	8.4	3.6	7.6	8.7	9.1	5.8	2.5	1.4	4.7	10.2	13.9	9
10 Mtg. loans in process.....	.4	.5	-.3	-.1	-.9	-.2	-.2	-.2	.4	-1.1	-1.8	-1.2	.6	1.3	10
11 Borrowing from FHLB.....	.8	1.3	.5	.7	.9	1.5	.5	-.8	2.8	1.8	1.1	-2.0	-2.8	-6.4	11
12 Memo: FHLB loans less deposits.....	.8	1.4	.5	.8	.9	1.7	.4	-.5	3.1	1.8	1.4	-2.5	-5.2	-7.2	12
(I.2) Mutual savings banks															
1 Net acquis. of financial assets ⁵	3.3	3.6	4.5	4.0	2.8	4.0	4.3	3.6	2.9	1.4	3.7	3.0	5.7	6.6	1
2 U.S. Govt. securities.....	*	-.2	*	-.3	-.5	.1	.....	-.6	-.7	-.9	-.1	-.4	-1.6	-.3	2
3 Corporate bonds.....	-.1	-.3	-.2	-.1	.2	-.1	-.1	-.3	.2	-.1	.3	.5	2.2	2.8	3
4 1- to 4-family mortgages.....	2.1	2.6	2.7	2.7	1.7	2.5	2.8	2.8	1.8	1.1	1.9	1.9	2.0	2.0	4
5 Other mortgages.....	1.0	1.3	1.7	1.4	1.1	1.3	1.5	1.5	1.2	.9	1.1	1.1	1.1	1.1	5
6 Savings deposits.....	3.1	3.3	4.2	3.6	2.6	3.4	3.5	3.6	2.7	1.0	3.0	3.5	5.5	6.1	6
(I.3) Life insurance companies															
1 Current surplus.....	1.1	1.1	1.1	1.1	1.3	1.1	1.1	1.2	1.2	1.3	1.4	1.5	1.5	1.5	1
2 Net acquis. of financial assets ⁵	6.8	7.0	7.8	8.6	8.4	8.4	8.3	8.9	9.4	7.7	9.1	7.6	11.2	8.5	2
3 Cr. mkt. instr.....	6.5	6.7	7.4	8.1	8.0	8.0	8.0	8.1	9.8	7.4	8.5	6.5	10.6	7.9	3
4 U.S. Govt. securities.....	.1	-.4	-.3	-.4	-.3	-.7	-.9	-.4	-.1	-.6	-.7	*	-.1	-.4	4
5 State and local obligations.....	.1	-.2	-.1	-.3	-.4	-.2	-.4	-.3	-.5	-.6	-.2	-.2	-.2	-.1	5
6 Corporate bonds.....	2.5	2.8	2.3	2.7	2.3	2.1	3.2	3.2	4.8	1.7	2.6	.3	4.0	2.0	6
7 Corporate stock.....	.4	.2	.5	.8	.2	.6	.8	1.2	.1	.1	.2	.3	.7	.9	7
8 1- to 4-family mortgages.....	.6	.9	1.4	1.2	1.1	1.0	1.0	1.0	1.5	1.3	1.1	.5	1.2	.6	8
9 Other mortgages.....	2.1	2.7	3.2	3.7	3.6	3.5	3.6	3.9	3.9	4.1	3.9	2.4	3.4	2.6	9
10 Other loans.....	.7	.5	.4	.5	1.5	1.7	.7	-.6	.1	1.3	1.6	3.1	1.5	2.4	10
11 Net increase in liabilities.....	6.0	6.4	7.1	7.9	8.0	7.9	8.0	7.9	7.9	7.9	8.2	8.1	9.6	6.4	11
12 Life insurance reserves.....	3.6	4.0	4.2	4.7	4.6	4.7	4.7	4.6	4.6	4.5	4.7	4.6	5.1	5.0	12
13 Pension fund reserves.....	1.4	1.7	2.0	2.1	2.3	2.1	2.1	2.1	2.2	2.2	2.4	2.4	2.2	2.2	13
14 Other.....	1.0	.7	.8	1.2	1.1	1.1	1.0	1.1	1.3	1.2	.9	.7	2.4	-.1	14

For notes see p. 1823.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS—Continued

(In billions of dollars)

Category	1962	1963	1964	1965	1966	1965			1966				1967		
						II	III	IV	I	II	III	IV	I	II	
(I.4) Noninsured pension plans															
1 Net acquis. of financial assets ⁵	4.0	4.4	4.9	4.9	5.9	5.2	5.1	5.0	6.1	4.5	6.4	6.4	4.7	6.1	1
2 Credit mkt. instr. ⁶	4.0	4.3	4.8	4.9	5.9	5.3	5.0	4.2	6.1	5.2	6.7	5.7	4.6	5.8	2
3 U.S. Govt. securities.....	.2	.4	.4	-.3	-.3	-.3	-.5	-.4	-.4	-.4	.9	-1.0	-1.9	*	3
4 Corporate bonds.....	1.2	1.5	1.6	1.5	1.8	1.7	1.7	.7	2.5	1.3	1.6	1.9	1.7	4	4
5 Corporate stock.....	2.2	2.2	2.2	3.1	3.7	3.0	3.3	3.2	2.8	4.0	3.8	4.1	4.6	5.4	5
(I.5) Other insurance companies															
1 Net acquis. of financial assets ⁵	1.4	1.4	1.0	2.0	1.6	2.4	2.4	1.5	1.1	1.9	1.6	2.0	.8	1.5	1
2 Demand deposits and currency.....	*	*	*	-.1	*	-.1	-.1	*	*	*	*	.1	*	*	2
3 Credit mkt. instr. ⁶	1.2	1.3	.8	1.9	1.4	2.3	2.3	1.3	1.0	1.7	1.3	1.7	.5	1.2	3
4 U.S. Govt. securities.....	.1	.2	.1	*	-.4	-.2	.1	-.1	-.4	-.2	-.4	-.7	-1.3	-.6	4
5 State and local obligations.....	.7	.8	.2	.6	.7	.7	.7	.5	.7	.7	.7	.8	1.2	1.1	5
6 Corporate bonds.....	.1	.1	.4	1.1	.6	1.2	1.2	1.0	.8	.6	.4	.6	.2	.3	6
7 Corporate stock.....	.2	.2	.2	.2	.5	.5	.2	-.1	-.1	.5	.6	1.0	.4	.5	7
(I.6) Finance companies															
1 Net acquis. of financial assets ⁵	2.7	4.0	4.0	5.4	3.2	6.5	4.5	5.6	4.6	3.4	.2	4.4	-.5	.9	1
2 1- to 4-family mortgages.....	.5	.8	.4	.5	-.6	.5	1.0	-.1	.4	-.6	-.7	-1.3	.5	1.2	2
3 Consumer credit.....	1.3	1.8	1.8	1.9	1.2	2.2	1.8	1.5	1.6	1.3	1.5	.6	.3	.7	3
4 Other loans.....	.8	1.6	1.8	2.7	2.3	3.7	1.5	4.0	2.4	2.6	-.8	4.9	-1.6	-1.2	4
5 Net increase in liabilities.....	2.6	4.0	4.0	5.1	2.9	6.2	5.4	4.6	4.3	4.6	-1.3	3.8	-.2	2.1	5
6 Corporate bonds.....	.3	1.4	2.1	1.9	.8	1.8	1.5	2.7	1.6	.3	1.9	-.8	1.5	-.5	6
7 Bank loans n.e.c.....	1.0	1.6	.4	2.2	-1.3	2.1	1.1	3.0	-.1	2.7	-5.5	-2.3	-4.5	2.3	7
8 Open mkt. paper.....	1.2	1.0	1.5	1.0	3.4	2.2	2.8	-1.1	2.8	1.6	2.2	6.9	2.9	.3	8
(I.7) Security brokers and dealers															
1 Net acquis. of financial assets.....	.9	.6	.2	-.1	.3	2.4	-8.6	4.3	.4	2.3	-3.7	2.1	5.3	-5.4	1
2 U.S. Govt. securities.....	.7	-1.3	.7	-.3	.7	1.4	-5.3	1.8	1.8	-1.0	2.1	-.3	4.2	-6.4	2
3 Other securities.....	.4	.2	*	-.4	-.4	.6	-2.8	.1	-2.1	2.6	-4.2	2.3	-.8	-.8	3
4 Security credit.....	-.2	1.5	-.5	.5	-.2	.2	-.5	2.3	.6	-.6	-1.8	-.1	1.8	1.7	4
5 Net incr. in liab.—Security credit.....	.9	.5	.1	-.2	.1	2.3	-8.7	4.2	.3	2.2	-3.9	1.8	5.2	-5.4	5
6 From banks.....	1.1	.2	.2	-.3	-.1	.8	-9.3	5.0	-1.6	.7	1.3	-1.0	2.6	-8.4	6
7 From agencies of fgn. banks.....	-.2	.4	*	-.3	.1	.1	.2	-.7	-.1	-.2	.3	.8	-.3	*	7
8 Customer credit balances.....	*	*	*	.3	.2	1.4	.4	-.2	2.0	1.7	-4.9	2.0	2.9	3.1	8
(I.8) Open-end investment companies															
1 Net financial investment.....	-.4	-.4	-.8	-1.0	-1.3	-.6	-.8	-1.8	-1.8	-.6	-.8	-2.1	-1.4	-.6	1
2 Net acquis. of financial assets ⁵	1.5	.8	1.1	2.0	2.5	1.6	2.7	2.2	3.3	2.6	2.9	1.3	1.7	.8	2
3 Credit mkt. instr. ⁶	1.2	.8	1.1	1.6	2.0	1.1	2.4	1.9	3.5	1.5	1.2	1.6	2.1	.....	3
4 Corporate stock.....	1.1	.6	.7	1.2	1.0	1.6	1.1	1.9	1.7	.8	.3	1.1	3.0	2.2	4
5 Net stock issues ⁷	1.9	1.2	1.9	3.0	3.8	2.2	3.5	4.0	5.1	3.2	3.7	3.4	3.2	1.5	5
(J) Rest of the world															
1 Net purch. of goods and serv (2-3).....	5.1	5.9	8.5	6.9	5.1	8.2	7.4	6.1	6.1	5.4	4.6	4.3	5.4	5.2	1
2 Purch. of goods and services ¹	30.3	32.3	37.1	39.1	43.0	40.7	40.3	40.5	42.0	42.5	43.7	44.0	45.5	45.4	2
3 Sales of goods and services ¹	25.1	26.4	28.6	32.2	37.9	32.6	32.9	34.4	36.0	37.1	39.0	39.7	40.1	40.2	3
4 Net unilateral receipts from Govt. ¹	2.7	2.8	2.8	2.8	2.9	3.1	2.9	2.6	3.4	2.9	2.8	2.5	2.9	3.1	4
5 Current surplus (4-1) ²	-2.5	-3.1	-5.7	-4.1	-2.2	-5.1	-4.5	-3.4	-2.7	-2.5	-1.8	-1.8	-2.5	-2.1	5
6 Net financial investment (7-14).....	-1.3	-2.8	-4.7	-3.7	-1.8	-4.6	-3.5	-3.2	-1.6	-1.8	-3.0	-.8	-1.1	.1	6
7 Net acquis. of finan. assets.....	2.6	3.4	3.4	2.0	3.6	1.8	1.2	1.2	1.4	6.2	2.4	4.5	2.0	8.6	7
8 Gold.....	.9	.5	.1	1.7	.6	2.4	.5	.5	.3	.8	.7	.5	.2	.1	8
9 U.S. dem. dep. and currency.....	.1	.1	.5	.1	-.2	-.5	.7	.8	.1	1.2	-1.9	-.3	-2.0	2.4	9
10 Time deposits.....	.6	1.0	1.4	.6	.9	.8	.2	.5	-.2	2.0	.6	1.2	1.2	2.4	10
11 U.S. Govt. securities.....	1.3	.6	.5	-.2	-2.6	-.9	-1.0	1.5	-2.6	-1.5	-4.0	-2.3	2.1	2.1	11
12 Other credit market instr.....	.2	.3	.1	-.1	1.1	-.7	-.8	-.1	.9	2.9	1.2	-.4	.7	3.1	12
13 Misc. financial assets.....	-.4	1.1	.8	-.1	3.8	-1.1	1.6	-2.0	2.8	.7	5.7	5.8	-.3	-1.5	13
14 Net increase in liabilities.....	3.9	6.2	8.2	5.7	5.4	6.4	4.7	4.4	2.9	8.0	5.4	5.3	3.1	8.5	14
15 Official U.S. foreign exchange ³	-.6	.1	*	.4	*	2.1	.3	-.6	-1.4	.6	.4	.5	-3.9	1.7	15
16 Securities.....	1.0	1.1	.7	.8	.4	.6	.8	.8	1.3	.3	*	.1	1.0	1.0	16
17 Loans ⁴	1.1	2.2	3.7	1.9	1.0	1.1	.2	1.9	1.0	2.0	.2	.8	3.5	3.8	17
18 Miscellaneous ⁵	2.5	2.8	3.9	2.6	4.0	2.7	3.3	2.3	2.1	5.0	4.9	3.8	2.4	2.0	18
19 Discrepancy (5-6) ⁶	-1.2	-.4	-1.0	-.4	-.4	-.4	-1.0	-.2	-1.1	-.7	1.3	-1.0	-1.3	-2.2	19
20 U.S. gold and fgn. exch. held by: Monetary auth.....	-.8	-.4	*	-1.3	-.3	-2.2	1.3	-1.4	-2.1	-.2	.4	.1	-3.1	1.7	20
21 U.S. Treasury.....	-.7	*	-.2	.1	-.2	1.9	-1.5	.4	.4	-.5	-.7	-.1	-1.0	*	21

For notes see following page.

Notes to Table 4

(A) Households

¹ Includes nonprofit organizations serving individuals.
² Imputed saving associated with growth of government life insurance and retirement reserves. From Tables 4(E), line 13, and 4(F), line 6.
³ Capital-gains dividends from open-end investments cos.

⁴ Line 9 plus capital consumption on owner-occupied houses and nonprofit plant and equipment.
⁵ Includes net free balances with security brokers and miscellaneous assets not shown separately.
⁶ Policy loans, hypothecated deposits, and U.S. Govt. loans to nonprofit organizations.

(B, C, D) Business

¹ Sum of Tables 4(C) and 4(D); for detail see below.
² Profits and noncorporate income as defined in national income. Excludes imputed rental income of owner-occupied houses, included in Table 4(A).
³ Change in work in process.
⁴ After inventory valuation adjustment.
⁵ Excludes C.C.C.-guaranteed loans, treated as Govt. borrowing and included in Table 4(E), line 30.
⁶ Includes corporate farms.
⁷ Noncorporate net income is treated as payment in full to proprietors in the household sector. Gross saving consists of capital consumption allowances plus corporate farm retained profits.

⁸ Loans from U.S. Govt. and commercial loans from finance cos.
⁹ Includes earnings retained in business; see note 7 above.
¹⁰ Excludes corporations in Tables 4(C), (G), (H), and (I).
¹¹ Includes branch profits paid to foreign parents less branch profits received from abroad.
¹² Direct investments abroad, foreign currency holdings, and unallocated current assets.
¹³ Mainly commercial paper and commercial loans from finance companies.
¹⁴ Includes State and local profit taxes.

(E, F) Govts.

¹ Lines 1 through 12 are derived from national-income data, while lines 15 through 31 are based on data behind Treasury cash budget. Line 21 is a link between the two accounting systems on treatment of corporate taxes, and the discrepancy (line 32) represents differences on other matters.
 Net cash borrowing in Treasury cash budget corresponds closely to line 25 less accrual of interest on savings bonds and Treasury bills. Cash surplus is closely indicated by line 17 less net cash borrowing. Lines 18, 22, 30, and 31 are in cash outgo in cash budget except for small amounts in receipts. Lines 13 and 24 are imputations reflected in neither national income nor cash budget.
² OASI, disability insurance, and unemployment programs. Line 5 includes U.S. Govt. employment taxes; line 6, U.S. Govt. benefit payments to households.
³ Veterans' life insurance and Govt. employee and R.R. retirement funds. Line 7 excludes Govt. contributions to these funds.
⁴ Transfers other than lines 6 and 8, grants-in-aid to State and local govts., subsidies less current surplus of Govt. enterprises.

⁵ Govt. life insurance, employee retirement, and R.R. retirement programs. Excludes social security, which is treated as nonfinancial operation. See Table 4(A), line 5.
⁶ Mainly nonconvertible foreign currencies and official foreign exchange position of Treasury.
⁷ Public debt held by public and Federal Reserve, plus non-guaranteed issues of Govt. agencies. Includes interest accruals on savings bonds and Treasury bills; excludes special notes to IMF. Loan participations consist of holdings by the domestic public of C.C.C., FNMA, Export-Import Bank, and all other certificates. In Table 3 they are grouped with nonguaranteed issues. Net movements in inventory under C.C.C. guarantee are included in line 11. Loans and mortgages securing other loan participations are included in U.S. Govt. financial assets.
⁸ E and H bonds held by households.
⁹ Marketable issues due in less than 1 year plus part of those due in less than 2 years.
¹⁰ Includes employee retirement funds.
¹¹ Net of current surplus of gov't. enterprises.
¹² Corporate bonds, mortgages, and tax receivables.

(G, H) Banking

¹ Federal Reserve System plus those Treasury accounts included in "Member Bank Reserves, Federal Reserve Bank Credit, and Related Items." Excludes Exchange Stabilization Fund, which is in U.S. Govt. accounts.
² Includes F.R. holdings of foreign currencies, which are net in other F.R. accounts in table mentioned in note 1.
³ Includes vault cash of nonmember banks.
⁴ Includes deposits of international organizations other than IMF; IMF deposits are net in line 3.
⁵ Based on balance sheet estimates for last day of quarter.

Reported bank data, as on page 1768, are frequently for last Wednesday of month or other reporting date. Excludes banks in U.S. possessions.
⁶ Deposits with F.R. Banks; vault cash in reserves is in line 4.
⁷ Net change in par value of holdings.
⁸ Includes consumer loans secured by hypothecated deposits not shown separately.
⁹ Includes deposits held outside Treasury.
¹⁰ Bank and nonbank.
¹¹ Net of F.R. float, shown separately in line 29.

(I) Nonbank finance

¹ In addition to types shown, includes credit unions, agencies of foreign banks, and banks in possessions.
² Lines 10, 11 of I.1; lines 6, 7, and 8 of I.6; and line 5 of I.8.
³ Excludes deposits at FHLB, which are included in Miscellaneous, line 7.

⁴ Includes consumer credit, not shown separately.
⁵ Includes cash and other assets, not shown separately.
⁶ Includes mortgages, not shown separately.
⁷ Includes retained capital-gains dividends.

(J) Rest of the world

¹ Lines 2, 3, and 4 are exports, imports, and transfers to foreigners in income and product accounts.
² Net foreign investment in national income accounts with opposite sign.
³ Official foreign currency holdings and net IMF position of U.S. IMF position consists of U.S. capital subscription less IMF holdings of special U.S. Govt. notes, deposits with Federal Reserve, and letters of credit.

⁴ Bank loans, acceptances, loans from U.S. Govt., and security credit.
⁵ Direct investment abroad, foreign currencies held by other than in line 15, subscriptions to international organizations except IMF, and unidentified liabilities.
⁶ Errors and omissions in U.S. balance of payments statement.

NOTE.—Quarterly data are seasonally adjusted totals at annual rates. These tables reflect revisions in income and product accounts for 1964-67 published in the July *Survey of Current*

Business but are unrevised before 1967 relative to the Aug. BULLETIN tables in financial data. Financial revisions will appear with publication of the third-quarter data.

Financial Statistics

International

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Foreign trade	1827
U.S. gold transactions and reserve assets	1828
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The tables on international capital transactions are based on Treasury Department data and on data reported to that Department by banks and brokers in the United States. Other data are obtained from the Treasury Department, Department of Commerce, Federal Reserve Bank

of New York, and International Monetary Fund and from foreign central bank statements and official statistical bulletins. For some of the series, back data are available in *Banking and Monetary Statistics* and its *Supplements* (see list of publications at the end of the BULLETIN).

I. U.S. BALANCE OF PAYMENTS

(In millions of dollars)

Item	1964	1965	1966 ^r	1966				1967	
				I	II	III	IV ^r	I	II ^p
Transactions other than changes in foreign liquid assets in U.S. and in U.S. monetary reserve assets—Seasonally adjusted									
Exports of goods and services—Total¹	37,099	39,147	43,039	10,511	10,618	10,913	10,997	11,383	11,338
Merchandise	25,297	26,244	29,168	7,203	7,181	7,382	7,402	7,691	7,723
Military sales	747	844	847	209	222	206	210	339	334
Transportation	2,324	2,390	2,589	636	642	661	650	669	658
Travel	1,207	1,380	1,573	374	383	408	408	422	390
Investment income receipts, private	4,929	5,376	5,650	1,316	1,382	1,444	1,508	1,423	1,386
Investment income receipts, Govt.	460	512	595	153	153	143	146	162	164
Other services	2,135	2,401	2,617	620	655	669	673	677	683
Imports of goods and services—Total	-28,637	-32,203	-37,937	-8,997	-9,265	-9,762	-9,913	-10,034	-10,038
Merchandise	-18,621	-21,472	-25,510	-6,025	-6,225	-6,580	-6,680	-6,692	-6,587
Military expenditures	-2,861	-2,921	-3,694	-861	-911	-953	-969	-1,045	-1,052
Transportation	-2,462	-2,674	-2,914	-722	-709	-727	-756	-759	-718
Travel	-2,211	-2,438	-2,657	-637	-674	-672	-674	-685	-847
Investment income payments	-1,455	-1,729	-2,074	-475	-471	-565	-563	-557	-545
Other services	-1,027	-969	-1,088	-277	-275	-265	-271	-296	-289
Balance on goods and services¹	8,462	6,944	5,102	1,514	1,353	1,151	1,084	1,349	1,300
Remittances and pensions	-896	-1,024	-1,010	-241	-245	-278	-246	-264	-390
1. Balance on goods, services, remittances and pensions	7,566	5,920	4,092	1,273	1,108	873	838	1,085	910
2. U.S. Govt. grants and capital flow, net	-3,560	-3,375	-3,446	-975	-988	-759	-724	-1,205	-931
Grants, loans, and net change in foreign currency holdings, and short-term claims	-4,263	-4,277	-4,680	-1,185	-1,194	-1,177	-1,124	-1,419	-1,237
Scheduled repayments on U.S. Govt. loans	580	681	806	207	199	192	208	214	306
Nonscheduled repayments and selloffs	123	221	428	3	7	226	192	*	*
3. U.S. private capital flow, net	-6,542	-3,743	-4,213	-981	-1,135	-932	-1,165	-958	-1,130
Direct investments	-2,435	-3,418	-3,543	-634	-1,006	-900	-1,003	-622	-684
Foreign securities	-677	-758	-482	-358	9	-50	-83	-263	-171
Other long-term claims:									
Reported by banks	-941	-232	337	123	-27	73	168	150	153
Reported by others	-343	-88	-112	-17	-51	-28	-16	-67	-143
Short-term claims:									
Reported by banks	-1,523	325	-84	85	-61	16	-124	-88	-329
Reported by others	-623	428	-329	-180	1	-43	-107	-68	44
4. Foreign capital flow, net, excluding change in liquid assets in U.S.	685	278	2,512	265	1,091	376	780	824	1,215
Long-term investments	109	-68	2,176	309	1,014	180	673	679	934
Short-term claims	113	149	269	39	63	112	55	57	127
Nonliquid claims on U.S. Govt. associated with—									
Military contracts	228	314	341	44	45	106	146	103	168
U.S. Govt. grants and capital	50	-85	-213	-64	-1	-12	-136	-36	-14
Other specific transactions	208	-25	-12	-10	-4	13	-11	21	*
Other nonconvertible, nonmarketable, medium-term U.S. Govt. securities ³	-23	-7	-49	-53	-26	-23	53	*	*
5. Errors and unrecorded transactions	-949	-415	-302	-233	-198	277	-148	-284	-576
Balances									
A. Balance on liquidity basis									
Seasonally adjusted (= 1+2+3+4+5)	-2,800	-1,335	-1,357	-651	-122	-165	-419	-538	-512
Less: Net seasonal adjustments				-604	27	530	47	-303	-319
Before seasonal adjustment	-2,800	-1,335	-1,357	-47	-149	-695	-466	-235	-193
B. Balance on basis of official reserve transactions									
Balance A, seasonally adjusted	-2,800	-1,335	-1,357	-651	-122	-165	-419	-538	-512
Plus: Seasonally adjusted change in liquid assets in the U.S. of:									
Commercial banks abroad	1,454	116	2,697	154	492	1,062	989	-1,003	341
Other private residents of foreign countries	343	306	212	109	66	91	-54	80	13
International and regional organizations other than IMF	-243	-291	-525	-38	-355	-24	-108	-36	-80
Less: Change in certain nonliquid liabilities to foreign central banks and govts.	303	100	802	17	256	103	426	330	576
Balance B, seasonally adjusted	-1,549	-1,304	225	-443	-175	861	-18	-1,827	-814
Less: Net seasonal adjustments				-846	210	456	180	-545	-132
Before seasonal adjustment	-1,549	-1,304	225	403	-385	405	-198	-1,282	-682

1. U.S. BALANCE OF PAYMENTS—Continued

(In millions of dollars)

Item	1964	1965	1966 ^r	1966				1967	
				I	II	III	IV ^r	I	II ^p
Transactions by which balances were settled—Not seasonally adjusted									
A. To settle balance on liquidity basis.....	2,800	1,335	1,357	47	149	695	466	235	193
Change in U.S. official reserve assets (increase, -).....	171	1,222	568	424	68	82	-6	1,027	-419
Gold.....	125	41,665	571	68	209	173	121	51	15
Convertible currencies.....	-220	-349	-540	222	-163	-426	-173	1,007	-424
IMF gold tranche position.....	266	4-94	537	134	22	335	46	-31	-10
Change in liquid liabilities to all foreign accounts	2,629	113	789	-377	81	613	472	-792	612
Foreign central banks and govts.:									
Convertible nonmarketable U.S. Govt. securities ⁵	376	122	-945	-367	-176	-226	-176	72	46
Marketable U.S. Govt. bonds and notes ⁵	-58	-20	-245	-5	6	-254	8	5	52
Deposits, short-term U.S. Govt. securities, etc.....	757	-154	-582	-611	206	-146	-31	-177	415
IMF (gold deposits).....	177	34	177	131	18	28	.....	17	5
Commercial banks abroad.....	1,454	116	2,697	404	316	1,144	833	-753	161
Other private residents of foreign countries, International and regional organizations other than IMF.....	343	306	212	109	66	91	-54	80	13
B. Official reserve transactions.....	1,549	1,304	-225	-403	385	-405	198	1,282	682
Change in U.S. official reserve assets (increase, -).....	171	1,222	568	424	68	82	-6	1,027	-419
Change in liquid liabilities to foreign central banks and govts. and IMF (see detail above under A.).....	1,075	-18	-1,595	-852	54	-598	-199	-83	518
Change in certain nonliquid liabilities to foreign central banks and govts.:									
Of U.S. private organizations.....	149	-38	788	43	284	88	373	309	605
Of U.S. Govt.....	154	138	14	-18	-21	23	30	29	-22

¹ Excludes transfers under military grants.⁵ With original maturities over 1 year.² Excludes military grants.³ Includes certificates sold abroad by Export-Import Bank.

NOTE.—Dept. of Commerce data. Minus sign indicates net payments (debits); absence of sign indicates net receipts (credits).

⁴ Reflects \$259 million payment of gold portion of increased U.S. subscription to IMF.

2. MERCHANDISE EXPORTS AND IMPORTS

(In millions of dollars, seasonally adjusted)

Period	Exports ¹				Imports ²				Export surplus			
	1964	1965	1966	1967	1964	1965	1966	1967	1964	1965	1966	1967
Month:												
Jan.....	2,040	31,228	2,274	2,620	1,418	31,199	1,948	2,296	622	328	327	325
Feb.....	2,058	31,623	2,374	2,601	1,459	31,606	2,005	2,204	599	317	369	397
Mar.....	2,075	32,739	2,569	2,569	1,518	31,861	2,068	2,185	557	3878	501	384
Apr.....	2,061	32,406	2,359	2,659	1,537	31,811	2,109	2,211	524	3595	250	435
May.....	2,047	32,299	2,411	2,545	1,530	31,797	2,063	2,119	517	3503	348	426
June.....	2,077	32,235	2,490	2,584	1,514	31,848	2,135	2,228	563	3386	354	355
July.....	2,119	2,300	2,456	2,591	1,573	41,742	2,205	2,235	546	4558	251	356
Aug.....	2,100	2,329	2,455	2,561	1,608	1,825	2,113	2,115	492	504	342	446
Sept.....	2,261	2,291	2,542	.....	1,563	1,858	2,301	.....	698	433	240	.....
Oct.....	2,156	2,349	2,583	.....	1,551	1,885	2,262	.....	605	464	320	.....
Nov.....	2,206	2,378	2,486	.....	1,698	1,941	2,192	.....	3508	438	295	.....
Dec.....	2,426	2,362	2,415	.....	1,642	1,911	2,231	.....	3784	451	184	.....
Quarter:												
I.....	6,173	35,589	7,216	7,791	4,395	34,666	6,020	6,684	1,778	3923	1,196	1,106
II.....	6,185	36,940	7,259	7,788	4,581	35,456	6,306	6,571	1,604	31,484	953	1,217
III.....	6,480	6,920	7,453	.....	4,744	45,425	6,618	.....	1,736	41,495	834	.....
IV.....	36,788	7,090	7,484	.....	34,891	5,736	6,685	.....	31,897	1,353	799	.....
Year⁵.....	25,671	26,700	29,395	.....	18,684	21,366	25,550	.....	6,987	5,334	3,845	.....

¹ Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.² General imports including imports for immediate consumption plus entries into bonded warehouses.³ Significantly affected by strikes.⁴ Significantly affected by strikes and by change in statistical procedures.⁵ Sum of unadjusted figures.

NOTE.—Bureau of the Census data.

3. U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales (-) or net acquisitions; in millions of dollars at \$35 per fine troy ounce)

Area and country	1958	1959	1960	1961	1962	1963	1964	1965	1966	1966			1967		
										II	III	IV	I	II	
Western Europe:															
Austria.....	-84	-83	-1		-143	-82	-53	-100	-25						
Belgium.....	-329	-39	-141	-144	-63		-40	-83							
France.....		-266	-173		-456	-518	-405	-884	-601	-221	-277				
Germany, Fed. Rep. of.....			-34	-23			-225								
Italy.....	-349	-30	-249	100			200	-80	-60			-60			
Netherlands.....	-261		-25				-60	-35							
Spain.....	32		-114	-156	-146	-130	-32	-180							
Switzerland.....	-215	20	-324	-125	102		-81	-50	-2	11	-20			-30	
United Kingdom.....	-900	-350	-550	-306	-387	329	618	150	80	-7	126	-20	3	-34	
Bank for Intl. Settlements.....	-178	-32	36	-23											
Other.....	-41	-48	-96	-53	-12	1	-7	-37	-50	-4	-1	-12	-18	20	
Total.....	-2,326	-827	-1,718	-754	-1,105	-399	-88	-1,299	-659	-221	-172	-92	-15	-44	
Canada.....					190				200	50	50			50	
Latin American republics:															
Argentina.....	67		-50	-90	85	-30			-39		-28	-11	*	*	
Brazil.....		-11	-2	-2	57	72	54	25	-3	-1	-1	*	*	*	
Colombia.....			-6		38		10	29	7			*			
Venezuela.....		65						-25							
Other.....	2	-35	-42	-17	-5	-11	-9	-13	-6	-3	-5	8	-2	13	
Total.....	69	19	-100	-109	175	32	56	17	-41	-4	-34	-3	-3	12	
Asia:															
Japan.....	-30	-157	-15						-56						
Other.....	-4	-28	-97	1-101	2-93	12	3	-24	-30	-2	-12	10	-20	-1	
Total.....	-34	-186	-113	-101	-93	12	3	-24	-86	-2	-12	10	-20	-1	
All other.....	-3	-5	-38	-6	-1	-36	-7	-16	-22	-8	-4	*	2	-6	
Total foreign countries.....	-2,294	-998	-1,969	-970	-833	-392	-36	-1,322	-608	-185	-172	-86	-36	12	
Intl. Monetary Fund.....		3-44	4 300	150				5-225	6 177	6 18	6 29		6 16	6 5	
Grand total.....	-2,294	-1,041	-1,669	-820	-833	-392	-36	-1,547	-431	-167	-143	-86	-20	17	

¹ Includes sales of \$21 million to Lebanon and \$48 million to Saudi Arabia.

² Includes sales of \$21 million to Burma, \$32 million to Lebanon, and \$13 million to Saudi Arabia.

³ Payment to the IMF of \$344 million increase in U.S. gold subscription, less sale by the IMF of \$300 million (see note 4).

⁴ IMF sold to the United States a total of \$800 million of gold (\$200

million in 1956, and \$300 million in 1959 and in 1960) with the right of repurchase; proceeds from these sales invested by IMF in U.S. Govt. securities.

⁵ Payment to the IMF of \$259 million increase in U.S. gold subscription, less gold deposits by the IMF.

⁶ Represents gold deposit by the IMF; see note 1(b) to table below.

4. U.S. GOLD STOCK, HOLDINGS OF CONVERTIBLE FOREIGN CURRENCIES, AND RESERVE POSITION IN IMF

(In millions of dollars)

End of year	Total reserve assets	Gold stock ¹		Con-vertible foreign currencies	Reserve position in IMF ³	End of month	Total reserve assets	Gold stock ¹		Con-vertible foreign currencies ⁵	Reserve position in IMF ³
		Total ²	Treasury					Total ²	Treasury		
1957.....	24,832	22,857	22,771		1,975	1966—Sept.....	14,876	13,356	13,258	1,148	372
1958.....	22,540	20,582	20,582		1,958	Oct.....	14,880	13,311	13,257	1,213	356
1959.....	21,504	19,507	19,456		1,997	Nov.....	14,715	13,262	13,159	1,108	345
1960.....	19,359	17,804	17,767		1,555	Dec.....	14,882	13,235	13,159	1,321	326
1961.....	18,753	16,947	16,989	116	1,690	1967—Jan.....	14,196	13,202	13,157	645	349
1962.....	17,220	16,057	16,078	99	1,064	Feb.....	13,998	13,161	13,107	480	357
1963.....	16,843	15,596	15,513	212	1,035	Mar.....	13,855	13,184	13,107	314	357
1964.....	16,672	15,471	15,388	432	769	Apr.....	13,906	13,234	13,109	315	357
1965.....	15,450	13,806	13,733	781	4 863	May.....	13,943	13,214	13,109	363	366
1966.....	14,882	13,235	13,159	1,321	326	June.....	14,274	13,169	13,110	738	367
						July.....	14,224	13,136	13,108	719	369
						Aug.....	14,605	13,075	13,008	1,162	368
						Sept.....	14,649	13,077	13,006	1,200	372

¹ Includes (a) gold sold to the United States by the International Monetary Fund with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 6.

² Includes gold in Exchange Stabilization Fund.

³ In accordance with IMF policies the United States has the right to draw foreign currencies equivalent to its reserve position in the IMF virtually automatically if needed. Under appropriate conditions the United States could draw additional amounts equal to the U.S. quota. See Table 5.

⁴ Reserve position includes, and gold stock excludes, \$259 million gold subscription to the IMF in June 1965 for a U.S. quota increase which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

⁵ For holdings of F.R. Banks only, see pp. 1762 and 1764.

NOTE.—See Table 18 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

5. U.S. POSITION IN THE INTERNATIONAL MONETARY FUND

(In millions of dollars)

Period	Transactions affecting IMF holdings of dollars (during period)						IMF holdings of dollars (end of period)		U.S. reserve position in IMF (end of period) ³	
	U.S. transactions with IMF				Transactions by other countries with IMF		Total change	Amount		Per cent of U.S. quota
	Payments of subscriptions in dollars	Net gold sales by IMF ¹	Drawings of foreign curren- cies ²	IMF net income in dollars	Drawings of dollars	Repay- ments in dollars				
1946—1957.....	2,063	4,594		-45	-2,664	827	775	775	28	1,975
1958.....				-2	-252	271	17	792	29	1,958
1959.....	1,031			2	-139	442	1,336	2,128	52	1,997
1960.....				11	-149	580	442	2,570	62	1,555
1961.....		150		16	-822	521	-135	2,435	59	1,690
1962.....				17	-110	719	626	3,061	74	1,064
1963.....				16	-194	207	29	3,090	75	1,035
1964.....			525	18	-282	5	266	3,356	81	769
1965.....			435	12	-282		165	3,521	85	5863
1966.....	776		680	15	-159	1	1,313	4,834	94	326
1966—Sept.....			35	1	-12	1	25	4,788	93	372
Oct.....			31	1	-16		16	4,804	93	356
Nov.....			12	2	-3		11	4,815	93	345
Dec.....			30		-11		19	4,834	94	326
1967—Jan.....				3	-26		-23	4,811	93	349
Feb.....				3	-10		-7	4,804	93	357
Mar.....				1	-2		-1	4,803	93	357
Apr.....								4,803	93	357
May.....				4	-13		-9	4,794	93	366
June.....				2	-3		-1	4,793	93	367
July.....				1	-3		-2	4,791	93	369
Aug.....				2	-1		1	4,792	93	368
Sept.....				-1	-3		-4	4,788	93	372

¹ Represents net IMF sales of gold to acquire U.S. dollars for use in IMF operations. Does not include transactions in gold relating to gold deposit or gold investment (see Table 6).

² Represents purchases from the IMF of currencies of other members for equivalent amounts of dollars. The United States has a commitment to repay drawings within 3 to 5 years, but only to the extent that the holdings of dollars of the IMF exceed 75 per cent of the U.S. quota. Drawings of dollars by other countries reduce the U.S. commitment to repay by an equivalent amount.

³ Represents the U.S. gold tranche position in the IMF (the U.S. quota minus the holdings of dollars of the IMF), which is the amount that the United States could draw in foreign currencies virtually automatically if needed. Under appropriate conditions, the United States could draw additional amounts equal to its quota.

⁴ Represents a \$600 million IMF gold sale to United States (1957), less \$6 million gold purchase by IMF from another member with U.S. dollars (1948).

⁵ Includes \$259 million gold subscription to the IMF in June 1965 for a U.S. quota increase, which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

NOTE.—The initial U.S. quota in the IMF was \$2,750 million. The U.S. quota was increased to \$4,125 million in 1959 and to \$5,160 million in Feb. 1966. Under the Articles of Agreement, subscription payments equal to the quota have been made 25 per cent in gold and 75 per cent in dollars.

6. U. S. LIQUID LIABILITIES TO FOREIGNERS

(In millions of dollars)

End of period	Liabilities to Intl. Monetary Fund arising from gold transactions			Liabilities to foreign countries						Liabilities to non-monetary intl. and regional organizations ⁵				
	Total	Gold deposit ¹	Gold investment ²	Official institutions ³			Banks and other foreigners			Total	Short-term liabilities reported by banks in U.S. ⁶	Marketable U.S. Govt. bonds and notes ⁴		
				Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Govt. bonds and notes ⁴	Non-marketable convertible U.S. Treasury bonds and notes	Total	Short-term liabilities reported by banks in U.S.				Marketable U.S. Govt. bonds and notes ⁴	
1957.....	715,825	200	200	n.a.	7,917	n.a.	n.a.	n.a.	5,724	n.a.	n.a.	542	n.a.	
1958.....	716,845	200	200	n.a.	8,665	n.a.	n.a.	n.a.	5,950	n.a.	n.a.	552	n.a.	
1959.....	19,428	500	500	10,120	9,154	966	7,618	7,077	541	1,190	530	660	660	
1960 ⁸	20,994	800	800	11,078	10,212	866	7,591	7,048	543	1,525	750	775	775	
	21,027	800	800	11,088	10,212	876	7,598	7,048	550	1,541	750	791	791	
1961 ⁸	22,853	800	800	11,830	10,940	890	8,275	7,759	516	1,948	703	1,245	1,245	
	22,936	800	800	11,830	10,940	890	8,357	7,841	516	1,949	704	1,245	1,245	
1962 ⁸	24,068	800	800	12,748	11,997	751	8,359	7,911	448	2,161	1,250	911	911	
	24,068	800	800	12,714	11,963	751	8,359	7,911	448	2,195	1,284	911	911	
1963 ⁸	26,361	800	800	14,387	12,467	1,217	703	9,214	8,863	351	1,960	808	1,152	
	26,322	800	800	14,353	12,467	1,183	703	9,204	8,863	341	1,965	808	1,157	
1964 ⁸	28,951	800	800	15,428	13,224	1,125	1,079	11,001	10,625	376	1,722	818	904	
	29,002	800	800	15,424	13,220	1,125	1,079	11,056	10,680	376	1,722	818	904	
1965.....	29,115	834	34	800	15,372	13,066	1,105	1,201	11,478	11,006	472	1,431	679	752
1966—July..	29,511	984	184	800	14,469	13,033	853	583	12,978	12,481	497	1,080	647	433
Aug..	29,697	1,003	203	800	14,264	12,905	852	507	13,391	12,870	521	1,039	650	389
Sept..	29,432	1,011	211	800	13,799	12,515	852	432	13,608	13,121	487	1,014	625	389
Oct..	30,212	1,011	211	800	13,966	12,909	852	205	14,245	13,739	506	990	600	390
Nov..	30,548	1,011	211	800	14,018	12,953	860	205	14,546	14,027	519	973	612	361
Dec. 8.	29,904	1,011	211	800	13,600	12,484	860	256	14,387	13,859	528	906	581	325
	29,776	1,011	211	800	13,656	12,540	860	256	14,204	13,676	528	905	580	325
1967—Jan..	28,956	1,012	212	800	13,332	12,144	860	328	13,657	13,129	528	955	651	304
Feb..	28,910	1,013	213	800	13,349	12,156	865	328	13,693	13,163	530	855	608	247
Mar..	28,984	1,028	228	800	13,556	12,363	865	328	13,531	13,001	530	869	637	232
Apr..	29,373	1,030	230	800	14,100	12,871	901	328	13,381	12,852	529	862	629	233
May..	29,582	1,030	230	800	14,355	13,090	917	348	13,356	12,827	529	841	607	234
June..	29,605	1,033	233	800	14,075	12,784	917	374	13,705	13,167	538	792	562	230
July ⁷ ..	30,029	1,033	233	800	14,112	12,821	917	374	14,048	13,507	541	836	609	227

¹ Represents liability on gold deposited by the International Monetary Fund to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases.

² U.S. Govt. obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold can be reacquired by the IMF.

³ Includes Bank for International Settlements and European Fund.

⁴ Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1960-63. Includes securities issued by corporations and other agencies of the U.S. Govt. that are guaranteed by the United States.

⁵ Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.

⁶ Includes difference between cost value and face value of securities in IMF gold investment account. Liabilities data reported to the Treasury include the face value of these securities, but in this table the cost value of the securities is included under "Gold investment." The difference, which amounted to \$32 million at the end of 1966, is included in this column.

⁷ Includes total foreign holdings of U.S. Govt. bonds and notes, for which breakdown by type of holder is not available.

⁸ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond to statistics following in this section, except for minor rounding differences. Table excludes IMF "holdings of dollars," and holdings of U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

The liabilities figures are used by the Dept. of Commerce in the statistics measuring the U.S. balance of international payments on the liquidity basis; however, the balance of payments statistics include certain adjustments to Treasury data prior to 1963 and some rounding differences, and they may differ because revisions of Treasury data have been incorporated at varying times. The table does not include certain nonliquid liabilities to foreign official institutions that enter into the calculation of the official reserve transactions balance by the Dept. of Commerce.

7. U.S. LIQUID LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe ¹	Canada	Latin American republics	Asia	Africa	Other countries ²
1963.....	14,353	8,445	1,789	1,058	2,731	154	176
1964.....	15,424	9,220	1,608	1,238	3,020	160	178
1965.....	15,372	8,608	1,528	1,497	3,300	194	245
1966—July.....	14,469	8,184	1,288	1,159	3,380	234	224
Aug.....	14,264	8,008	1,221	1,153	3,411	252	219
Sept.....	13,799	7,585	1,215	1,049	3,459	266	225
Oct.....	13,966	7,687	1,196	1,110	3,464	282	227
Nov.....	14,018	7,758	1,212	1,101	3,430	293	224
Dec. ³	13,600	7,488	1,189	1,134	3,284	277	228
	13,656	7,488	1,189	1,134	3,340	277	228
1967—Jan.....	13,332	7,236	1,186	1,139	3,255	276	240
Feb.....	13,349	7,285	1,134	1,167	3,266	255	242
Mar.....	13,556	7,493	1,127	1,246	3,204	259	229
Apr.....	14,100	7,832	1,156	1,455	3,144	284	229
May.....	14,355	8,017	1,154	1,508	3,155	284	237
June.....	14,075	8,216	909	1,290	3,130	270	260
July ^p	14,112	8,299	909	1,305	3,122	246	231

¹ Includes Bank for International Settlements and European Fund.² Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.³ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent short-term liabilities to the official institutions of foreign countries, as reported by banks in the United States, and foreign official holdings of marketable and convertible nonmarketable U.S. Govt. securities with an original maturity of more than 1 year.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(Amounts outstanding; in millions of dollars)

End of period	Grand total ¹	International and regional			Foreign			Europe	Canada	Latin America	Asia	Africa	Other countries
		Total ¹	Intl. ¹	Re-regional ²	Total	Official ³	Other						
1963.....	22,877	1,547	1,411	136	21,330	12,467	8,863	10,770	2,988	3,137	4,001	241	194
1964 ⁴	25,518	1,618	1,447	171	23,900	13,220	10,680	12,236	2,984	3,563	4,687	238	192
1965.....	25,551	1,479	1,361	118	24,072	13,066	11,006	11,627	2,574	4,027	5,286	280	278
1966—Aug.....	27,225	1,450	1,344	106	25,775	12,905	12,870	13,785	2,164	3,817	5,405	339	264
Sept.....	27,061	1,425	1,298	127	25,636	12,515	13,121	13,534	2,191	3,800	5,481	363	267
Oct.....	28,048	1,400	1,274	126	26,648	12,909	13,739	14,178	2,400	3,910	5,517	376	268
Nov.....	28,392	1,412	1,294	118	26,980	12,953	14,027	14,574	2,456	3,861	5,425	398	266
Dec. ⁵	27,724	1,381	1,270	111	26,343	12,484	13,859	14,000	2,509	3,883	5,299	387	266
	27,596	1,380	1,270	110	26,216	12,540	13,676	13,933	2,502	3,883	5,247	385	266
1967—Jan.....	26,724	1,451	1,298	153	25,273	12,144	13,129	13,204	2,358	3,918	5,118	390	285
Feb.....	26,727	1,408	1,277	131	25,319	12,156	13,163	13,321	2,227	3,971	5,137	379	284
Mar.....	26,801	1,437	1,315	122	25,364	12,363	13,001	13,311	2,265	4,063	5,089	357	278
Apr.....	27,152	1,429	1,311	118	25,723	12,871	12,852	13,406	2,298	4,273	5,082	389	275
May.....	27,324	1,407	1,287	120	25,917	13,090	12,827	13,424	2,329	4,366	5,129	392	277
June.....	27,313	1,362	1,252	110	25,951	12,784	13,167	13,899	2,083	4,148	5,142	376	303
July ^p	27,737	1,409	1,296	113	26,328	12,821	13,507	14,141	2,274	4,131	5,161	339	283
Aug. ^p	28,450	1,378	1,249	129	27,072	12,680	14,392	14,935	2,266	4,019	5,209	366	277

8a. Europe

End of period	Total	Austria	Belgium	Denmark	Finland	France	Germany, Fed. Rep. of	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden
1963.....	10,770	365	420	161	99	1,478	3,041	188	803	360	133	191	205	409
1964.....	12,236	323	436	336	127	1,663	2,010	171	1,622	367	184	257	394	644
1965.....	11,627	250	398	305	108	997	1,429	151	1,620	339	323	322	183	647
1966—Aug.....	13,785	180	389	271	66	1,137	2,086	129	1,667	331	299	322	174	673
Sept.....	13,534	233	378	287	61	1,075	2,220	135	1,525	325	284	320	181	693
Oct.....	14,178	208	418	285	57	1,096	2,423	141	1,447	335	265	320	155	674
Nov.....	14,574	183	462	272	53	1,124	2,571	145	1,367	364	283	343	160	655
Dec. ⁵	14,000	196	420	305	58	1,071	2,583	129	1,410	364	283	358	162	656
	13,933	196	420	305	58	1,070	2,538	129	1,410	364	283	358	162	656
1967—Jan.....	13,204	190	426	315	69	992	2,162	138	1,255	294	246	363	191	609
Feb.....	13,321	182	421	307	69	966	2,375	127	1,208	320	258	373	147	628
Mar.....	13,311	181	410	305	65	948	2,412	110	1,232	332	274	350	142	615
Apr.....	13,406	150	426	297	94	929	2,392	117	1,319	328	287	353	121	623
May.....	13,424	159	480	274	89	958	2,376	108	1,410	402	301	345	117	651
June.....	13,899	173	557	276	96	948	2,342	103	1,422	396	348	352	122	659
July ^p	14,141	197	545	262	91	1,021	2,297	106	1,573	405	379	357	181	660
Aug. ^p	14,935	181	563	235	91	1,064	2,278	122	1,773	367	396	370	191	674

For notes see following two pages.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(Amounts outstanding; in millions of dollars)

End of period	8a. Europe—Continued								8b. Latin America					
	Switzerland	Turkey	United Kingdom	Yugoslavia	Other Western Europe ⁶	U.S.S.R.	Other Eastern Europe	Total	Argentina	Brazil	Chile	Colombia	Cuba	Mexico
1963.....	906	21	1,483	16	465	2	24	3,137	375	179	143	169	11	669
1964.....	1,370	36	1,884	32	358	3	19	3,563	291	258	176	209	12	735
1965.....	1,369	34	2,714	36	369	4	30	4,027	432	383	219	214	10	703
1966—Aug.....	1,692	26	3,901	27	380	6	29	3,817	489	327	201	182	9	554
Sept.....	1,757	24	3,609	32	358	6	32	3,800	474	345	238	186	10	523
Oct.....	1,747	31	4,165	40	333	6	33	3,910	438	365	238	183	10	555
Nov.....	1,764	30	4,414	33	314	5	33	3,861	417	362	226	176	9	606
Dec. 5.....	1,805	43	3,839	37	235	8	40	3,883	418	299	261	178	8	632
	1,805	43	3,817	37	234	8	40	3,883	418	299	261	178	8	632
1967—Jan.....	1,699	38	3,754	35	386	6	36	3,918	414	297	242	170	8	636
Feb.....	1,723	29	3,794	37	312	6	37	3,971	412	308	247	162	9	695
Mar.....	1,686	30	3,833	36	320	3	27	4,063	459	319	248	174	9	699
Apr.....	1,700	31	3,814	34	355	4	34	4,273	524	339	258	195	9	704
May.....	1,735	25	3,531	41	386	4	30	4,366	645	331	252	158	9	762
June.....	1,783	26	3,667	33	557	5	34	4,148	578	249	249	169	8	717
July ^p	1,714	23	3,641	27	630	4	30	4,131	603	219	233	153	8	748
Aug. ^p	1,648	23	4,315	25	581	4	35	4,019	609	196	229	135	9	704

End of period	8b. Latin America—Continued								8c. Asia					
	Panama	Peru	Uruguay	Venezuela	Other L.A. rep.	Bahamas & Bermuda	Neth. Antilles & Surinam	Other Latin America	Total	China Mainland	Hong Kong	India	Indonesia	Israel
1963.....	129	158	113	591	355	136	93	15	4,001	35	66	51	48	112
1964.....	99	206	111	734	416	189	114	14	4,687	35	95	59	38	133
1965.....	120	257	137	738	519	165	113	17	5,286	35	113	84	31	127
1966—Aug.....	145	227	166	698	537	158	117	20	5,405	36	128	134	49	106
Sept.....	149	216	156	679	510	179	115	21	5,481	36	135	151	53	115
Oct.....	148	237	156	738	521	178	121	23	5,517	36	142	151	62	108
Nov.....	152	236	161	694	517	174	108	24	5,425	36	135	167	60	102
Dec. 5.....	150	249	161	707	522	177	104	17	5,299	36	142	180	54	117
	150	249	161	707	522	177	104	17	5,247	36	142	179	54	117
1967—Jan.....	147	239	164	750	533	192	108	19	5,118	36	147	198	62	109
Feb.....	147	234	167	718	550	198	107	18	5,137	36	140	206	51	113
Mar.....	152	257	168	704	563	184	107	19	5,089	36	142	205	46	100
Apr.....	160	245	156	776	578	204	107	18	5,082	36	150	217	51	104
May.....	145	257	155	732	576	218	107	20	5,129	36	167	223	49	107
June.....	145	265	133	691	567	236	121	19	5,142	36	158	216	47	166
July ^p	155	250	136	764	543	192	110	17	5,161	36	165	220	58	167
Aug. ^p	157	257	128	725	520	209	116	24	5,209	36	181	242	50	154

End of period	8c. Asia—Continued						8d. Africa						8e. Other countries		
	Japan	Korea	Philippines	Taiwan	Thailand	Other Asia	Total	Congo (Kinshasa)	Morocco	South Africa	U.A.R. (Egypt)	Other Africa	Total	Australia	All other
1963.....	2,484	113	209	149	382	353	241	26	49	41	14	112	194	180	13
1964.....	2,767	104	233	221	458	543	238	26	7	47	24	135	192	176	15
1965.....	3,014	108	304	211	542	718	280	12	17	51	30	170	278	254	24
1966—Aug.....	2,760	129	316	242	603	902	339	12	35	56	22	215	264	236	28
Sept.....	2,739	134	317	244	612	945	363	13	40	64	15	231	267	240	27
Oct.....	2,680	138	315	246	612	1,028	376	12	41	64	26	232	268	243	25
Nov.....	2,624	158	288	238	611	1,007	398	14	38	73	45	229	266	242	24
Dec. 5.....	2,691	172	286	232	598	791	387	15	32	71	39	230	266	243	22
	2,667	162	285	228	598	779	385	15	31	71	39	229	266	243	22
1967—Jan.....	2,560	171	282	235	610	708	390	13	33	61	33	250	285	262	23
Feb.....	2,506	181	271	232	635	766	379	13	31	62	22	251	284	258	26
Mar.....	2,493	178	255	229	658	748	357	13	32	58	34	220	278	252	26
Apr.....	2,448	175	267	227	655	753	389	11	30	56	26	266	275	249	25
May.....	2,449	168	268	225	663	773	392	11	32	58	18	273	277	253	24
June.....	2,488	171	260	227	617	755	376	10	31	67	18	250	303	276	27
July ^p	2,409	190	276	227	663	749	339	13	35	63	15	214	283	254	28
Aug. ^p	2,401	167	271	230	685	791	366	17	33	73	21	223	277	252	25

¹ Data exclude the "holdings of dollars" of the International Monetary Fund.

² Latin American, Asian, African, and European regional organizations, except Bank for International Settlements and European Fund which are included in "Europe."

³ Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.

⁴ Includes revisions arising from changes in reporting coverage as follows (in millions of dollars): Total +50; Foreign other +50; Europe -17; Canada +1; Latin America +26; Asia +49; Africa -9.

⁵ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

⁶ Includes Bank for International Settlements and European Fund.

For NOTE see end of Table 8.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(Amounts outstanding; in millions of dollars)

8f. Supplementary data ⁷ (end of period)

Area or country	1965		1966		Area or country	1965		1966		1967
	Dec.	Apr.	Dec.	Apr.		Dec.	Apr.	Dec.	Apr.	
Other Western Europe:					Other Asia—Cont.:					
Iceland.....	5.8	4.0	6.6	5.7	Iraq.....	12.0	27.1	17.6	n.a.	
Ireland, Rep. of.....	6.2	6.6	8.9	7.4	Jordan.....	16.0	16.0	39.7	45.2	
Luxembourg.....	21.1	28.2	25.3	21.7	Kuwait.....	35.5	24.6	49.2	28.6	
Other Latin American republics:					Laos.....	3.2	5.7	4.6	6.5	
Bolivia.....	67.4	64.4	66.9	57.9	Lebanon.....	99.7	92.0	100.1	112.2	
Costa Rica.....	34.2	32.9	34.6	41.9	Malaysia.....	25.9	31.2	38.3	34.9	
Dominican Republic.....	72.3	54.3	53.2	53.9	Pakistan.....	19.4	21.0	49.2	45.3	
Ecuador.....	69.6	62.3	86.3	92.4	Ryukyu Islands (incl. Okinawa).....	24.0	39.5	815.9	31.2	
El Salvador.....	67.0	78.3	68.9	96.4	Saudi Arabia.....	283.6	291.0	176.1	96.4	
Guatemala.....	68.1	86.9	64.2	83.9	Singapore.....	8.9	4.9	34.6	n.a.	
Haiti.....	16.3	16.7	16.3	16.8	Syria.....	4.0	4.8	3.4	4.7	
Honduras.....	31.4	43.2	26.8	28.6	Vietnam.....	39.0	123.8	132.0	146.3	
Jamaica.....	8.6	11.5	11.7	19.3	Other Africa:					
Nicaragua.....	67.0	75.0	72.8	62.7	Algeria.....	7.6	13.6	11.3	n.a.	
Paraguay.....	13.8	15.0	14.9	16.6	Ethiopia, (incl. Eritrea).....	44.1	58.9	53.5	40.2	
Trinidad & Tobago.....	3.6	6.3	4.7	5.4	Ghana.....	2.6	2.9	6.9	5.3	
Other Latin America:					Liberia.....	17.9	19.7	21.2	21.6	
British West Indies.....	11.5	8.9	14.6	14.2	Libya.....	34.8	26.7	37.1	76.0	
French West Indies & French Guiana.....	2.2	1.5	1.3	1.7	Mozambique.....	1.6	1.7	5.0	n.a.	
Other Asia:					Nigeria.....	21.7	20.3	25.7	n.a.	
Afghanistan.....	5.6	8.0	9.5	7.8	Somali Republic.....	.8	.9	.8	.8	
Burma.....	49.1	34.6	34.4	n.a.	Southern Rhodesia.....	3.3	3.5	2.7	3.3	
Cambodia.....	2.7	3.1	1.1	1.3	Sudan.....	3.7	3.3	3.4	6.7	
Ceylon.....	2.4	3.3	3.2	2.7	Tunisia.....	1.8	1.0	1.1	1.0	
Iran.....	66.9	79.2	36.6	44.0	Zambia.....	7.2	16.1	34.7	n.a.	
					All other:					
					New Zealand.....	18.7	27.1	13.6	16.7	

⁷ Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe") in Tables 8a-8e.

⁸ Data exclude \$12 million resulting from changes in reporting coverage and classification.

NOTE.—Short-term liabilities are principally deposits (demand and time) and U.S. Govt. securities maturing in not more than 1 year from

their date of issue. Data exclude the "holdings of dollars" of the International Monetary Fund; for explanation see note following Tables 17 and 18. Data exclude also U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

For data on long-term liabilities, see Table 14.

9. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars									Payable in foreign currencies	
		To banks, official and international institutions ¹					To all other foreigners					
		Total	Deposits		U.S. Treasury bills and certificates	Other ³	Total	Deposits		U.S. Treasury bills and certificates		Other ³
			Demand	Time ²				Demand	Time ²			
1963.....	22,877	19,696	5,575	3,673	8,571	1,878	3,047	1,493	966	119	469	134
1964 ⁴	25,518	22,051	6,684	3,990	8,727	2,650	3,377	1,531	1,271	72	503	90
1965.....	25,551	21,905	6,518	3,963	8,269	3,155	3,587	1,574	1,594	87	332	59
1966—Aug.....	27,225	23,016	8,147	3,701	7,529	3,638	3,653	1,413	1,765	81	394	556
Sept.....	27,061	22,615	7,840	3,846	7,363	3,566	3,839	1,531	1,803	108	397	608
Oct.....	28,048	23,526	8,381	3,998	7,671	3,476	3,820	1,479	1,816	98	427	702
Nov.....	28,392	23,896	8,542	4,065	7,896	3,393	3,790	1,492	1,809	89	400	705
Dec.....	27,724	23,371	8,531	4,000	7,464	3,376	3,744	1,513	1,819	83	329	609
	27,596	23,264	8,371	4,050	7,464	3,379	3,744	1,513	1,819	83	329	588
1967—Jan.....	26,724	22,499	7,663	3,965	7,386	3,485	3,712	1,460	1,825	80	347	514
Feb.....	26,727	22,445	7,573	3,860	7,559	3,453	3,776	1,512	1,845	89	330	506
Mar.....	26,801	22,477	7,463	3,663	7,910	3,441	3,822	1,556	1,853	79	334	504
Apr.....	27,152	22,824	7,469	3,584	8,277	3,494	3,783	1,535	1,845	73	330	545
May.....	27,324	22,980	7,656	3,450	8,253	3,621	3,824	1,577	1,855	86	305	521
June.....	27,313	22,992	7,874	3,589	7,866	3,663	3,825	1,615	1,844	68	297	496
July ^p	27,737	23,422	8,199	3,705	7,891	3,627	3,812	1,580	1,871	68	294	502
Aug. ^q	28,450	24,193	8,958	3,665	7,899	3,672	3,828	1,515	1,916	69	328	429

¹ Data exclude "holdings of dollars" of the International Monetary Fund.

² Excludes negotiable time certificates of deposit, which are included in "Other."

³ Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

⁴ Includes revisions arising from changes in reporting coverage as

follows (in millions of dollars): Total +50; foreign banks, etc. +55; other foreigners +23; payable in foreign currencies —28.

⁵ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. GOVERNMENT BONDS AND NOTES

(End of period; in millions of dollars)

Area and country	1965	1966					1967							
		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^p	Aug. ^p
Europe:														
Austria.....	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Denmark.....	14	13	13	13	13	13	13	13	12	12	12	12	12	12
France.....	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Germany.....	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Italy.....	1	1	2	2	2	2	2	2	2	2	2	2	2	2
Netherlands.....	6	5	5	5	5	5	5	5	5	5	5	5	5	5
Norway.....	49	51	51	51	51	51	51	51	51	51	51	51	51	51
Spain.....	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Sweden.....	24	24	24	24	24	24	24	24	24	24	24	24	24	24
Switzerland.....	89	94	93	93	93	93	92	93	93	92	91	90	88	87
United Kingdom.....	553	330	298	321	333	348	350	353	355	359	364	368	375	375
Other Western Europe.....	51	50	50	50	50	49	49	49	50	50	50	50	50	51
Eastern Europe.....	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Total.....	807	588	556	579	591	605	606	610	609	611	613	624	626	633
Canada.....	676	695	693	690	698	692	692	695	695	722	719	716	717	717
Latin America:														
Latin American republics.....	6	7	7	7	7	8	8	8	8	7	7	6	6	6
Other Latin America.....	21	18	18	18	18	19	18	18	18	18	18	18	18	18
Total.....	27	23	23	24	24	25	24	24	24	24	24	24	24	24
Asia:														
Japan.....	9	9	9	9	9	9	9	9	9	9	9	9	9	9
Other Asia.....	42	42	42	42	42	42	42	42	42	42	53	53	54	54
Total.....	51	51	51	51	51	50	50	51	50	50	62	62	63	63
Africa.....	16	15	15	15	15	15	15	15	23	28	28	28	28	22
Other countries.....	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Total foreign countries.....	1,577	1,373	1,339	1,358	1,379	1,388	1,388	1,395	1,395	1,430	1,446	1,455	1,458	1,459
International and regional:														
International.....	679	314	314	314	286	250	228	187	172	172	172	172	169	169
Latin American regional.....	74	74	75	75	75	75	76	60	60	60	61	57	58	38
Other regional.....											1	1	1	1
Total.....	752	389	389	390	361	325	304	247	232	233	234	230	227	207
Grand total.....	2,329	1,762	1,728	1,748	1,740	1,713	1,692	1,642	1,627	1,663	1,680	1,685	1,685	1,666

NOTE.—Data represent estimated official and private holdings of marketable U.S. Govt. securities with an original maturity of more than 1 year, and are based on a July 31, 1963 survey of holdings and regular monthly reports of securities transactions (see Table 15 for total transactions).

11. NONMARKETABLE U.S. TREASURY BONDS AND NOTES ISSUED TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES

(In millions of dollars or dollar equivalent)

End of period	Total	Payable in dollars				Payable in foreign currencies						
		Total	Canada ¹	Italy ²	Sweden	Total	Austria	Belgium	Germany	Italy	Switzerland	B.I.S.
1962.....	251					251				200	51	
1963.....	893	163	125	13	25	730	50	30	275	200	175	
1964.....	1,440	354	329		25	1,086	50	30	679		257	70
1965.....	1,692	484	299	160	25	1,208	101	30	602	125	257	93
1966—Sept.....	852	512	299	188	25	340	25	30	50	125	110	
Oct.....	623	385	174	186	25	238	25	30		125	58	
Nov.....	593	355	144	186	25	238	25	30		125	58	
Dec.....	695	353	144	184	25	342	25	30	50	125	111	
1967—Jan.....	767	353	144	184	25	414	25	30	101	125	133	
Feb.....	767	353	144	184	25	414	25	30	101	125	133	
Mar.....	766	352	144	183	25	414	25	30	101	125	133	
Apr.....	766	352	144	183	25	414	25	30	101	125	133	
May.....	784	349	144	180	25	434	25		151	125	133	
June.....	809	349	144	180	25	460	25		151	125	159	
July.....	934	349	144	180	25	585	25		276	125	159	
Aug.....	1,007	347	144	178	25	660	50		326	125	159	
Sept.....	1,257	546	344	178	25	710	50		376	125	159	

¹ Includes bonds issued to the Government of Canada in connection with transactions under the Columbia River treaty. Amounts outstanding were \$204 million, Sept. 1964 through Oct. 1965; \$174 million, Nov. 1965

through Oct. 1966; and \$144 million, Nov. 1966 through latest date.
² Bonds issued to the Government of Italy in connection with military purchases in the United States.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(Amounts outstanding; in millions of dollars)

End of period	Grand total	Intl. and regional	Europe	Canada	Latin America	Asia	Africa	Other countries
1963.....	5,975	1	939	638	1,742	2,493	104	58
1964.....	7,469	*	1,217	725	2,212	3,137	120	58
1964 ¹	7,957	*	1,230	1,004	2,235	3,294	131	64
1965 ²	7,632	*	1,201	593	2,288	3,343	139	67
	7,734	*	1,208	669	2,293	3,358	139	67
1966—Aug.....	7,411	1	1,304	563	2,268	3,086	128	61
Sept.....	7,420	1	1,315	556	2,303	3,063	124	59
Oct.....	7,445	1	1,319	610	2,335	2,989	129	61
Nov.....	7,547	1	1,417	598	2,354	2,984	134	60
Dec. 2.....	7,819	1	1,366	620	2,489	3,135	147	62
	7,840	1	1,365	608	2,452	3,206	147	62
1967—Jan.....	7,680	*	1,281	597	2,448	3,166	128	60
Feb.....	7,674	*	1,236	626	2,465	3,152	132	62
Mar.....	7,860	*	1,251	614	2,508	3,278	148	62
Apr.....	7,947	*	1,266	625	2,468	3,387	139	62
May.....	8,101	1	1,297	594	2,516	3,497	133	63
June.....	8,252	1	1,277	592	2,545	3,640	127	71
July ³	8,233	*	1,252	602	2,575	3,612	117	74
Aug. ³	8,285	1	1,337	609	2,589	3,560	119	71

12a. Europe

End of period	Total	Austria	Belgium	Denmark	Finland	France	Germany, Fed. Rep. of	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden
1963.....	939	8	26	13	52	70	121	9	97	33	40	14	26	30
1964.....	1,217	10	42	28	85	79	159	9	109	39	43	19	40	47
1964 ¹	1,230	11	48	26	84	81	152	10	114	36	43	23	40	49
1965 ²	1,201	8	52	37	87	72	190	13	110	38	51	26	50	52
	1,208	8	52	37	87	72	190	13	110	38	51	26	50	52
1966—Aug.....	1,304	10	58	53	90	71	217	15	106	42	49	38	62	65
Sept.....	1,315	13	60	60	92	72	225	17	105	40	51	42	56	68
Oct.....	1,319	13	70	61	95	64	217	16	105	43	53	40	60	83
Nov.....	1,417	19	73	63	95	81	237	16	110	44	62	36	72	74
Dec. 2.....	1,366	16	67	62	91	73	215	16	108	40	76	41	67	74
	1,365	16	67	62	91	73	227	16	108	40	76	41	67	74
1967—Jan.....	1,281	19	69	42	90	60	191	15	84	36	64	41	75	68
Feb.....	1,236	20	76	42	91	64	164	15	78	45	60	38	71	77
Mar.....	1,231	19	73	44	92	66	170	14	70	44	62	37	69	78
Apr.....	1,266	17	73	35	97	72	193	15	64	35	60	36	68	77
May.....	1,297	17	67	34	100	65	192	17	73	34	60	34	71	72
June.....	1,277	13	65	40	101	69	188	14	68	29	44	28	72	74
July ³	1,252	13	61	37	97	73	198	15	68	31	50	27	68	61
Aug. ³	1,337	16	65	37	93	71	184	15	61	30	51	26	61	67

12a. Europe—Continued

End of period	12a. Europe—Continued							12b. Latin America						
	Switzerland	Turkey	United Kingdom	Yugoslavia	Other Western Europe	U.S.S.R.	Other Eastern Europe	Total	Argentina	Brazil	Chile	Colombia	Cuba	Mexico
1963.....	70	48	237	7	23	*	16	1,742	188	163	187	208	18	465
1964.....	97	36	319	15	20	*	20	2,212	210	145	188	319	17	630
1964 ¹	111	37	310	16	20	*	20	2,235	203	126	176	338	17	644
1965 ²	73	42	210	28	28	6	27	2,288	232	94	174	270	16	669
	73	42	216	28	28	6	27	2,293	232	94	174	270	16	674
1966—Aug.....	92	42	214	17	37	2	25	2,268	182	110	158	279	16	743
Sept.....	78	47	216	18	34	2	17	2,303	182	112	150	287	16	736
Oct.....	76	48	200	20	36	1	18	2,335	181	106	150	288	16	724
Nov.....	94	45	221	19	37	2	17	2,354	177	109	141	294	16	724
Dec. 2.....	83	52	210	19	37	2	16	2,489	193	114	159	308	16	767
	88	52	191	19	37	2	16	2,452	187	112	158	305	16	757
1967—Jan.....	80	50	217	23	39	2	17	2,448	179	117	151	293	16	785
Feb.....	82	27	206	22	39	2	17	2,465	169	120	149	285	16	817
Mar.....	81	37	213	22	39	1	20	2,508	180	125	146	274	16	853
Apr.....	81	47	210	23	42	1	20	2,468	181	121	150	249	16	837
May.....	84	37	263	24	32	*	21	2,516	175	123	153	232	16	877
June.....	86	38	268	24	31	1	22	2,545	185	116	155	223	16	861
July ³	102	39	232	25	33	*	22	2,575	186	115	161	239	16	913
Aug. ³	118	47	320	22	29	*	24	2,589	185	117	160	243	16	943

For notes see the following page.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(Amounts outstanding; in millions of dollars)

End of period	12b. Latin America—Continued								12c. Asia					
	Panama	Peru	Uruguay	Venezuela	Other L.A. republics	Bahamas & Bermuda	Neth. Antilles & Surinam	Other Latin America	Total	China Mainland	Hong Kong	India	Indonesia	Israel
1963.....	35	99	65	114	135	42	9	16	2,493	2	11	17	*	22
1964.....	41	102	76	165	222	58	18	20	3,137	2	26	22	7	44
1964 ¹	49	108	78	168	224	65	18	21	3,294	2	28	21	7	47
1965 ²	{ 59	{ 170	{ 45	{ 220	{ 250	{ 53	{ 14	{ 23	{ 3,343	{ 1	{ 29	{ 17	{ 2	{ 86
	{ 86	{ 170	{ 45	{ 220	{ 250	{ 53	{ 14	{ 23	{ 3,358		{ 29	{ 17	{ 2	{ 86
1966—Aug.....	67	177	39	184	224	56	17	16	3,086	1	30	27	6	90
Sept.....	65	175	39	212	234	57	20	17	3,063	1	28	28	6	88
Oct.....	71	204	37	224	246	55	17	16	2,989	1	30	19	5	96
Nov.....	76	197	43	222	263	56	17	18	2,984	1	31	13	5	98
Dec. 2.....	{ 84	{ 211	{ 45	{ 226	{ 272	{ 61	{ 18	{ 17	{ 3,135	{ 1	{ 31	{ 16	{ 6	{ 98
	{ 86	{ 212	{ 45	{ 220	{ 261	{ 61	{ 18	{ 16	{ 3,206		{ 31	{ 16	{ 6	{ 98
1967—Jan.....	*78	*213	44	*219	*259	63	17	*15	*3,166	1	31	12	6	102
Feb.....	*77	*225	39	*213	*262	62	17	*16	*3,152	1	31	12	6	106
Mar.....	*79	*232	56	*212	*247	56	17	*15	*3,278	1	33	13	5	96
Apr.....	75	238	59	*200	*248	61	17	*16	*3,387	1	31	14	5	89
May.....	75	262	60	*217	*241	51	18	16	*3,497	1	35	14	5	94
June.....	69	285	64	210	248	78	17	18	3,640	1	36	17	5	88
July ^p	64	255	63	212	247	65	17	20	3,612	1	37	13	5	78
Aug. ^p	62	244	60	214	249	59	18	19	3,560	1	34	11	5	72

End of period	12c. Asia—Continued						12d. Africa						12e. Other countries		
	Japan	Korea	Philippines	Taiwan	Thailand	Other Asia	Total	Congo (Kinshasa)	Morocco	South Africa	U.A.R. (Egypt)	Other Africa	Total	Australia	All other
1963.....	2,171	25	113	8	52	71	104	1	1	15	28	59	58	48	9
1964.....	2,653	21	202	9	64	88	120	1	2	19	42	56	58	48	10
1964 ¹	2,810	21	203	9	65	82	131	1	2	20	42	67	64	48	16
1965 ²	{ 2,751	{ 22	{ 231	{ 15	{ 82	{ 108	{ 139	{ 1	{ 2	{ 34	{ 43	{ 60	{ 67	{ 52	{ 15
	{ 2,768	{ 22	{ 230	{ 15	{ 82	{ 107	{ 139			{ 34	{ 43	{ 60	{ 67	{ 52	{ 15
1966—Aug.....	2,536	20	183	17	64	112	128	*	2	37	44	44	61	52	9
Sept.....	2,487	27	195	15	65	122	124	1	2	34	38	49	59	50	9
Oct.....	2,400	24	208	16	67	123	129	1	3	37	37	51	61	51	11
Nov.....	2,389	26	211	15	72	122	134	*	2	45	30	57	60	50	10
Dec. 2.....	{ 2,502	{ 31	{ 220	{ 14	{ 81	{ 134	{ 147	{ 1	{ 2	{ 50	{ 25	{ 69	{ 62	{ 52	{ 10
	{ 2,572	{ 31	{ 220	{ 15	{ 81	{ 135	{ 147	{ 1	{ 2	{ 50	{ 25	{ 69	{ 62	{ 52	{ 10
1967—Jan.....	*2,491	33	233	23	83	151	128	*	3	38	18	68	60	51	9
Feb.....	*2,486	34	228	26	86	137	132	*	4	43	15	71	62	53	8
Mar.....	*2,611	38	232	30	89	131	148	1	2	42	30	73	62	53	9
Apr.....	*2,716	52	245	33	84	116	139	*	2	37	26	74	62	53	9
May.....	*2,828	44	*250	30	83	114	*133	*	5	34	31	*63	*63	52	*11
June.....	2,939	49	270	27	87	122	127	1	2	30	27	66	71	60	12
July ^p	2,909	55	289	29	81	116	117	1	2	31	26	58	74	62	12
Aug. ^p	2,861	48	297	23	88	119	119	*	2	33	25	59	71	59	13

¹ Differs from data in line above because of the exclusion as of Dec. 31, 1964, of \$58 million of short-term U.S. Govt. claims previously included; and because of the addition of \$546 million of short-term claims arising from the inclusion of claims previously held but first reported as of Dec. 31, 1964; and because of revision of preliminary data.

² Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

13. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars							Payable in foreign currencies				
		Total	Loans to—			Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign gov. securities, coml. and finance paper	Other	
			Total	Official institutions ¹	Banks								Others
1963.....	5,975	5,344	1,915	186	955	774	832	2,214	384	631	432	157	42
1964.....	7,469	6,810	2,652	223	1,374	1,055	1,007	2,600	552	659	400	182	77
1964 ²	7,957	7,333	2,773	221	1,403	1,150	1,135	2,621	803	624	336	187	102
1965 ³	7,632	7,158	2,967	271	1,566	1,130	1,268	2,501	422	474	325	54	95
	7,734	7,243	2,970	271	1,567	1,132	1,272	2,508	492	492	329	68	96
1966—Aug.....	7,411	6,971	2,820	216	1,548	1,056	1,374	2,324	453	440	260	57	123
Sept.....	7,420	6,992	2,943	256	1,619	1,068	1,374	2,267	409	427	241	61	125
Oct.....	7,445	7,011	2,970	274	1,607	1,089	1,354	2,251	436	434	253	73	108
Nov.....	7,547	7,095	3,015	273	1,619	1,123	1,363	2,276	441	452	269	77	106
Dec. 3.....	7,819	7,399	3,138	256	1,739	1,143	1,367	2,450	443	420	240	70	110
	7,840	7,420	3,138	256	1,739	1,143	1,288	2,540	452	420	241	70	110
1967—Jan.....	7,680	7,311	2,995	258	1,592	1,145	1,288	2,575	453	369	213	73	83
Feb.....	7,674	7,264	2,968	239	1,579	1,150	1,292	2,566	440	410	248	70	92
Mar.....	7,860	7,438	3,022	252	1,611	1,158	1,356	2,628	432	423	275	50	97
Apr.....	7,947	7,526	2,968	271	1,536	1,161	1,352	2,739	467	421	256	77	88
May.....	8,101	7,687	2,927	246	1,557	1,124	1,385	2,914	462	413	263	62	89
June.....	8,252	7,852	2,917	253	1,553	1,111	1,430	3,028	478	400	262	54	83
July ³	8,233	7,818	2,876	260	1,484	1,133	1,430	3,039	473	415	281	57	78
Aug. ³	8,285	7,775	2,925	286	1,498	1,142	1,441	2,944	465	509	368	69	73

¹ Includes central banks.

² Differs from data in line above because of the exclusion, as of Dec. 31, 1964, of \$58 million of short-term U.S. Govt. claims previously included; because of the addition of \$546 million of short-term claims arising from the inclusion of claims previously held, but first reported as

of Dec. 31, 1964; and because of revision of preliminary data.

³ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

14. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Liabilities			Claims										
	Total	Foreign countries	International and regional	Total	Type			Country or area						
					Payable in dollars		Payable in foreign currencies	United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	Other countries ¹
					Loans	All other								
1963.....	69	28	42	3,030	2,811	217	2	38	1,063	290	1,015	249	194	181
1964 ²	306	200	106	3,971	3,777	195	*	77	1,611	273	1,162	385	238	227
	310	204	106	4,285	3,995	288	1	87	1,632	327	1,275	430	255	278
1965.....	513	203	311	4,517	4,211	297	9	86	1,518	346	1,296	445	391	436
1966—Aug.....	1,096	599	497	4,368	4,095	265	8	78	1,328	322	1,296	393	428	523
Sept.....	1,112	616	496	4,287	4,004	266	16	75	1,270	320	1,306	374	430	510
Oct.....	1,173	671	502	4,247	3,969	262	16	76	1,225	321	1,295	355	432	543
Nov.....	1,191	681	510	4,296	4,026	254	17	72	1,222	314	1,373	339	421	555
Dec.....	1,492	986	506	4,180	3,915	247	18	70	1,155	314	1,346	326	408	562
1967—Jan.....	1,561	1,053	508	4,073	3,817	240	16	72	1,129	287	1,318	312	391	565
Feb.....	1,661	1,117	545	4,026	3,783	227	16	72	1,105	265	1,314	304	391	575
Mar.....	1,868	1,293	576	4,027	3,779	232	16	68	1,079	310	1,312	287	377	593
Apr.....	1,991	1,415	576	4,020	3,771	233	16	69	1,063	319	1,309	278	380	602
May.....	2,043	1,451	592	3,995	3,746	232	17	65	1,036	317	1,309	263	384	621
June.....	2,496	1,896	600	3,836	3,582	237	17	40	943	321	1,347	195	379	610
July ³	2,462	1,857	604	3,827	3,578	232	17	48	967	343	1,393	185	390	500
Aug. ³	2,522	1,883	639	3,890	3,631	242	17	51	956	340	1,450	176	394	522

¹ Includes Africa.

² Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage

with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

15. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Govt. bonds and notes ¹					U.S. corporate securities ²			Foreign bonds			Foreign stocks		
	Net purchases or sales					Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales
	Total	Intl. and regional	Foreign											
			Total	Official	Other									
1963.....	671	302	369	.....	.....	2,980	2,773	207	991	2,086	-1,095	696	644	51
1964.....	-338	-315	-23	-59	36	3,537	3,710	-173	915	1,843	-928	748	548	200
1965.....	-76	-151	75	-20	95	4,395	4,770	-375	1,198	2,440	-1,242	906	617	290
1966.....	-616	-427	-189	-245	56	6,318	5,616	703	1,778	2,692	-914	960	731	229
1966—Aug.....	-21	-44	23	-1	24	379	381	-2	90	69	21	76	65	11
Sept.....	-34	*	-35	.....	-35	502	378	124	99	194	-95	86	42	44
Oct.....	20	*	20	*	20	383	347	36	293	351	-59	69	37	32
Nov.....	-7	-28	1	7	13	433	400	33	116	187	-71	58	41	17
Dec.....	-27	-36	9	.....	9	563	542	21	152	151	1	85	53	31
1967—Jan.....	-21	-21	*	.....	*	571	527	44	112	265	-153	71	63	8
Feb.....	-50	-57	7	.....	2	579	557	23	98	168	-70	66	55	11
Mar.....	-15	-14	*	.....	1	775	718	57	215	265	-51	75	65	11
Apr.....	35	*	35	35	*	700	563	137	154	259	-105	67	63	15
May.....	17	1	16	16	*	902	757	145	127	167	-39	68	65	3
June.....	5	-3	9	-3	12	926	821	105	248	309	-61	71	95	-24
July ^p	*	-3	3	.....	3	929	709	220	145	282	-137	58	65	-7
Aug. ^p	-19	-20	1	-6	7	900	820	80	145	226	-81	67	107	-40

¹ Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries; see Table 11.

² Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States.

NOTE.—Statistics include transactions of international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE SECURITIES, BY TYPE OF SECURITY AND BY COUNTRY

(In millions of dollars)

Period	Total	Type of security		Country or area										
		Stocks	Bonds	France	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. and regional
1963.....	207	198	9	-8	-14	206	16	199	-47	14	17	(1)	21	22
1964.....	-173	-349	176	-37	-200	-4	14	-228	3	25	10	*	-1	18
1965.....	-375	-413	38	14	14	-522	47	-446	42	-13	24	-4	2	21
1966.....	703	-333	1,036	37	65	-80	116	140	224	65	18	1	4	251
1966—Aug.....	-2	-16	14	2	-3	-24	-5	-29	18	1	8	*	*	*
Sept.....	124	-3	127	-2	*	96	2	97	19	8	-2	*	*	2
Oct.....	36	7	29	-4	23	-10	12	22	13	6	-7	1	*	1
Nov.....	33	-68	100	-5	-33	29	26	17	12	*	1	*	*	2
Dec.....	21	-115	136	1	-32	6	*	-24	33	6	2	*	*	4
1967—Jan.....	44	-6	50	1	19	-19	-4	-2	33	3	9	-1	*	2
Feb.....	23	-28	50	7	4	-16	16	11	4	4	1	*	*	3
Mar.....	57	-8	65	10	5	12	18	45	*	9	8	*	*	-5
Apr.....	137	66	71	9	34	-3	13	51	8	5	*	*	1	72
May.....	145	5	141	9	20	67	29	126	10	-4	3	10	-1	*
June.....	105	64	41	6	21	8	3	37	63	5	-2	10	*	1
July ^p	220	87	133	59	61	9	27	157	28	3	6	24	1	2
Aug. ^p	80	67	13	11	24	6	-4	37	26	*	9	*	1	8

¹ Not reported separately until May 1963.

² Includes Africa.

NOTE.—Statistics include State and local govt. securities and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States.

17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	By Area						Other countries
				Europe	Canada	Latin America	Asia	Africa		
1963.....	-1,044	-96	-949	-49	-614	-26	-252	(1)	2-8	
1964.....	-728	-140	-588	163	-670	-36	-77	7	25	
1965.....	-953	-164	-788	108	-659	-55	-131	3	-54	
1966.....	-685	-171	-514	214	-726	-9	-7	16	-2	
1966—Aug....	32	7	25	4	34	-4	-9	*	*	
Sept....	-50	6	-56	19	-74	3	4	*	-9	
Oct....	-27	-20	-7	-6	-36	17	10	8	1	
Nov....	-54	6	-60	*	-50	-4	-8	*	2	
Dec....	32	2	30	20	17	-12	-10	*	15	
1967—Jan....	-145	-52	-93	13	-80	2	-8	1	-21	
Feb....	-59	6	-66	-8	-62	6	-3	*	1	
Mar....	-40	-87	47	25	-50	29	27	6	11	
Apr....	-90	-94	4	5	1	13	-5	-12	1	
May....	-37	-1	-36	11	-21	-23	-6	1	2	
June....	-85	-9	-76	22	-45	5	-48	*	-10	
July ²	-144	-14	-130	27	-84	3	-59	1	-18	
Aug. ²	-121	-43	-78	-23	-23	1	-34	-1	2	

¹ Not reported separately until May 1963.² Includes Africa.

18. DEPOSITS, U.S. GOVT. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGNERS

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Govt. securities ¹	Earmarked gold
1963.....	171	8,675	12,954
1964.....	229	8,389	12,698
1965.....	150	8,272	12,896
1966—Sept...	159	7,092	12,904
Oct....	194	7,336	12,876
Nov....	196	7,450	12,912
Dec....	174	7,036	12,946
1967—Jan....	148	7,141	12,961
Feb....	145	7,334	12,984
Mar....	131	7,547	12,972
Apr....	123	7,912	12,975
May....	193	7,799	12,972
June....	147	7,667	12,977
July....	117	7,665	12,976
Aug....	144	7,535	12,993
Sept....	117	7,558	12,992

¹ U.S. Treasury bills, certificates of indebtedness, notes, and bonds; includes securities payable in foreign currencies.

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

Notes to Tables 3-21

NOTE.—The tables in this section (Nos. 3-21) provide data on U.S. reserve assets and liabilities and other statistics related to the U.S. balance of payments; see Table 1. A number of changes were introduced in the May 1967 issue of the BULLETIN to increase the usefulness of this section.

At that time the table showing the U.S. gold stock and holdings of convertible foreign currencies (now Table 4) was revised to include in the reserve assets of the United States its reserve position in the International Monetary Fund. In accordance with IMF policies, the United States has the right to draw foreign currencies equivalent to this amount virtually automatically if needed. (Under appropriate conditions the United States could draw additional amounts equal to the U.S. quota of \$5,160 million.) This presentation corresponds to the treatment of U.S. monetary reserves in the U.S. balance of payments.

Table 5 shows the factors that affect the U.S. position in the IMF.

Table 6 brings together the various statistical components of the liabilities that enter into the U.S. balance of payments calculated on the liquidity basis. The inclusion of the U.S. reserve position in the IMF in Table 4 requires that the "holdings of dollars" of the IMF be excluded from the data on liabilities to foreigners, in order to avoid double counting. For further explanation of this change in the liabilities statistics, see next to last paragraph.

Table 7 (formerly Table 1), presenting an area breakdown of U.S. liquid liabilities to official institutions of foreign countries, was revised to include holdings of convertible nonmarketable U.S. Govt. securities with an original maturity of more than 1 year.

Data on short-term liabilities to foreigners shown in Tables 8 and 9 (formerly Tables 1 and 2) were revised to exclude the holdings of dollars by the IMF derived from payments of the U.S. subscription and from the exchange transactions and other operations of the IMF. (Liabilities representing the "gold investment" of the IMF continue to be included.) This change in the treatment of the "holdings of dollars" of the IMF is related to the revision of the table on U.S. monetary reserve assets (Table 4) to include the U.S. reserve position in the IMF. The "holdings of dollars" of the IMF do not represent liabilities to foreigners in the same sense as do other reported liabilities to foreigners. They are more accurately viewed as contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Changes in these holdings (arising from U.S. drawings and repayments of foreign currencies, from drawings and repayments of dollars by other countries, and from other dollar operations of the IMF) give rise to equal and opposite changes in the U.S. gold tranche position in the IMF. In the absence of U.S. lending to the IMF, the gold tranche position is equal to the U.S. reserve position in the IMF. Since the reserve position is included in U.S. reserve assets, it is necessary, in order to avoid double-counting, to exclude the "holdings of dollars" of the IMF from U.S. liabilities to foreigners. The revised presentation conforms to the treatment of these items in the U.S. balance of payments and the international investment position of the United States.

Table 10 shows estimated foreign holdings of marketable U.S. Govt. bonds and notes.

19. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1966				1967	1966				1967
	Mar.	June	Sept.	Dec.	Mar.	Mar.	June	Sept.	Dec.	Mar.
Europe:										
Austria.....	2	3	3	2	2	8	7	7	8	8
Belgium.....	30	32	30	32	34	46	45	42	53	63
Denmark.....	1	2	2	3	5	8	8	10	14	11
Finland.....	1	1	1	1	1	6	6	4	4	4
France.....	45	48	57	62	61	97	94	102	110	122
Germany, Fed. Rep. of.....	60	70	81	78	81	118	98	120	127	122
Greece.....	3	3	2	2	2	11	18	15	15	17
Italy.....	23	27	52	54	62	118	111	107	101	98
Netherlands.....	54	65	67	68	80	48	42	42	48	45
Norway.....	2	2	2	2	2	8	7	9	8	7
Portugal.....	7	6	6	9	7	9	8	6	7	6
Spain.....	21	23	25	27	30	56	63	51	61	76
Sweden.....	12	12	14	17	19	28	30	27	36	18
Switzerland.....	45	61	58	58	47	20	20	22	18	26
Turkey.....	4	4	4	2	2	10	6	6	5	7
United Kingdom.....	139	141	201	208	236	440	492	599	579	646
Yugoslavia.....	1	1	2	1	1	2	2	4	4	4
Other Western Europe.....	4	2	3	4	5	9	9	9	11	12
Eastern Europe.....	1	1	1	1	1	3	6	3	2	3
Total.....	454	502	611	631	678	1,047	1,070	1,185	1,212	1,296
Canada.....	120	117	138	146	173	566	550	509	489	482
Latin America:										
Argentina.....	6	5	6	6	3	34	35	37	39	39
Brazil.....	11	11	9	10	11	80	78	73	65	61
Chile.....	5	4	3	4	5	31	31	31	32	30
Colombia.....	8	7	5	7	5	21	22	21	25	24
Cuba.....	*	*	*	*	*	3	3	3	3	2
Mexico.....	9	10	10	11	16	74	79	78	95	96
Panama.....	9	4	9	10	4	11	13	12	12	11
Peru.....	7	5	6	7	6	30	28	28	31	31
Uruguay.....	2	1	1	1	1	7	5	6	7	7
Venezuela.....	27	26	25	36	38	52	49	49	62	56
Other L.A. republics.....	11	12	18	20	15	56	55	59	60	62
Bahamas and Bermuda.....	2	1	2	3	7	12	8	11	18	12
Neth. Antilles & Surinam.....	7	9	7	7	6	4	3	4	4	5
Other Latin America.....	1	2	2	1	1	9	9	11	10	9
Total.....	105	98	104	124	118	424	418	422	463	445
Asia:										
Hong Kong.....	2	2	2	3	4	5	7	6	7	7
India.....	25	20	17	17	13	35	29	32	34	33
Indonesia.....	10	10	2	2	2	3	3	3	7	5
Israel.....	1	2	2	2	*	5	4	5	5	5
Japan.....	27	27	23	27	30	172	155	146	164	163
Korea.....	1	2	4	3	2	6	4	5	5	7
Philippines.....	7	7	7	7	6	16	18	17	17	17
Taiwan.....	5	6	7	4	5	6	4	5	7	12
Thailand.....	1	1	1	4	4	8	9	11	11	10
Other Asia.....	34	38	35	31	41	76	76	69	75	88
Total.....	112	116	101	100	107	331	309	299	331	346
Africa:										
Congo (Kinshasa).....	1	*	1	1	1	2	1	2	2	2
South Africa.....	11	11	10	17	5	18	18	17	24	16
U.A.R. (Egypt).....	1	2	2	1	2	11	17	11	11	9
Other Africa.....	9	9	7	6	7	27	30	30	32	35
Total.....	22	22	19	24	15	58	66	59	69	62
Other countries:										
Australia.....	31	35	51	58	52	40	45	57	58	54
All other.....	4	5	4	6	6	7	10	7	8	8
Total.....	35	40	55	64	58	47	55	63	66	61
International and regional.....	*	*	*	*	*	*	1	1	*	*
Grand total.....	849	894	1,028	1,089	1,148	2,473	2,469	2,539	2,631	2,692

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States.

Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

20. SHORT TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(In millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies	
						Deposits with banks abroad in reporter's name	Other
1963—Mar.....	614	470	144	2,113	1,712	201	200
Mar. ¹	616	472	144	2,162	1,758	204	200
June.....	674	529	146	2,282	1,877	222	183
Sept.....	691	552	139	2,257	1,830	225	202
Dec.....	626	478	148	2,131	1,739	201	191
Dec. ²	626	479	148	2,188	1,778	199	211
1964—Mar.....	631	475	156	2,407	1,887	239	282
June.....	622	471	151	2,482	2,000	220	262
June ³	585	441	144	2,430	1,952	219	260
Sept.....	650	498	152	2,719	2,168	249	302
Dec.....	695	553	141	2,776	2,306	189	281
Dec. ⁴	700	556	144	2,853	2,338	205	310
1965—Mar.....	695	531	165	2,612	2,147	189	277
June.....	740	568	172	2,411	1,966	198	248
Sept.....	779	585	195	2,406	1,949	190	267
Dec.....	807	600	207	2,397	2,000	167	229
Dec. ⁴	810	600	210	2,299	1,911	166	222
1966—Mar.....	849	614	235	2,473	2,033	211	229
June.....	894	657	237	2,469	2,063	191	215
Sept.....	1,028	785	243	2,539	2,146	166	227
Dec.....	1,089	827	262	2,631	2,228	167	236
1967—Mar.....	1,148	864	285	2,692	2,249	192	252

¹ Includes data from firms reporting for the first time.² Includes data from firms reporting for the first time and claims previously held but not reported.³ Includes reports from firms having \$500,000 or more of liabilities or

of claims; for previous series the exemption level was \$100,000.

⁴ Data differ from that shown for Dec. in line above because of changes in reporting coverage.

21. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(In millions of dollars)

End of period	Total liabilities	Claims										
		Total	Country or area									
			United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1964—Mar.....	143	761	30	85	58	64	74	158	89	94	96	13
June.....	140	815	68	92	64	67	78	145	94	99	94	14
Sept.....	112	832	64	102	90	68	74	142	90	96	93	13
Dec.....	107	962	51	109	95	215	72	135	89	95	88	14
Dec. ²	107	1,081	56	116	190	215	73	137	89	98	91	15
1965—Mar.....	115	1,075	35	121	203	220	74	137	81	96	91	18
June.....	110	1,081	31	118	208	221	70	144	85	96	91	17
Sept.....	120	1,101	31	116	230	217	74	138	89	96	91	18
Dec.....	136	1,169	31	112	233	209	69	196	98	114	89	17
Dec. ²	147	1,139	31	112	236	209	65	198	98	87	85	18
1966—Mar.....	176	1,156	27	124	239	208	61	206	98	87	87	19
June.....	188	1,207	27	167	251	205	61	217	90	90	86	14
Sept.....	249	1,235	23	174	267	202	64	207	102	91	90	14
Dec.....	329	1,256	27	198	272	203	56	212	95	93	87	13
1967—Mar.....	454	1,324	31	232	283	203	58	210	108	98	84	17

¹ As a result of an increase in the exemption level from \$100,000 to \$500,000, data exclude \$3 million of liabilities and \$3 million of claims held by firms previously reporting but now exempt.² Data differ from that shown for Dec. in line above because of changes in reporting coverage.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars)

End of period	Estimated total world ¹	Intl. Monetary Fund	United States	Estimated rest of world	Afghanistan	Argentina	Australia	Austria	Belgium	Brazil	Burma	Canada	Chile
1960	40,540	2,439	17,804	20,295	n.a.	104	147	293	1,170	287	.....	885	45
1961	41,120	2,077	16,947	22,095	36	190	162	303	1,248	285	.....	946	48
1962	41,475	2,194	16,057	23,225	36	61	190	454	1,365	225	42	708	43
1963	42,305	2,312	15,596	24,395	36	78	208	536	1,371	150	42	817	43
1964	43,015	2,179	15,471	25,365	36	71	226	600	1,451	92	84	1,026	43
1965	43,225	2,186	13,806	27,280	35	66	223	700	1,558	63	84	1,151	44
1966—Aug.	.....	2,645	13,319	.....	35	70	226	700	1,529	45	84	997	45
Sept.	43,230	2,645	13,356	27,230	35	74	225	701	1,527	45	84	1,009	45
Oct.	.....	2,645	13,311	.....	35	77	226	701	1,524	45	84	1,021	45
Nov.	.....	2,648	13,262	.....	35	80	225	701	1,524	45	84	1,034	44
Dec.	43,180	2,652	13,235	27,295	35	84	224	701	1,525	45	84	1,046	45
1967—Jan.	.....	2,659	13,202	.....	35	84	227	701	1,524	45	84	1,056	45
Feb.	.....	2,661	13,161	.....	35	84	227	701	1,523	45	84	1,070	45
Mar.	43,115	2,652	13,184	27,280	35	84	228	701	1,524	45	84	1,084	46
Apr.	.....	2,657	13,234	.....	35	84	228	701	1,525	45	84	1,042	46
May	.....	2,658	13,214	.....	35	84	228	701	1,524	45	84	1,053	47
June	42,975	2,669	13,169	27,135	35	84	229	701	1,522	45	84	1,066	47
July	.....	2,674	13,136	.....	35	84	229	701	1,520	.....	84	1,074	47
Aug.	.....	2,678	13,075	.....	35	.....	229	701	1,516	.....	84	1,086	46

End of period	Co-lombia	Denmark	Finland	France	Germany, Fed. Rep of	Greece	India	Indonesia	Iran	Iraq	Israel	Italy	Japan
1960	78	107	41	1,641	2,971	76	247	58	130	98	*	2,203	247
1961	88	107	47	2,121	3,664	87	247	43	130	84	10	2,225	287
1962	57	92	61	2,587	3,679	77	247	44	129	98	41	2,243	289
1963	62	92	61	3,175	3,843	77	247	35	142	98	60	2,343	289
1964	58	92	85	3,729	4,248	77	247	.....	141	112	56	2,107	304
1965	35	97	84	4,706	4,410	78	281	.....	146	110	56	2,404	328
1966—Aug.	25	108	55	5,209	4,297	112	243	.....	131	106	46	2,358	.....
Sept.	25	108	55	5,241	4,295	116	243	.....	131	106	46	2,356	329
Oct.	25	108	54	5,236	4,289	116	243	.....	131	106	46	2,351	.....
Nov.	26	108	51	5,237	4,290	119	243	.....	131	106	46	2,382	.....
Dec.	26	108	45	5,238	4,292	120	243	.....	130	106	46	2,414	329
1967—Jan.	27	108	45	5,236	4,290	120	243	.....	130	106	46	2,412	.....
Feb.	28	108	45	5,235	4,289	120	243	.....	130	106	46	2,411	.....
Mar.	28	108	48	5,240	4,294	123	243	.....	145	106	46	2,416	330
Apr.	28	108	48	5,241	4,296	127	243	.....	145	106	46	2,417	.....
May	29	108	48	5,241	4,294	132	243	.....	145	106	.....	2,416	.....
June	29	108	47	5,235	4,292	149	243	.....	145	94	.....	2,412	330
July	29	108	47	5,233	4,285	150	243	.....	145	94	.....	2,406	.....
Aug.	.....	108	47	5,234	4,283	149	243	.....	145	94	46	2,400	.....

End of period	Kuwait	Lebanon	Libya	Mexico	Morocco	Netherlands	Nigeria	Norway	Pakistan	Peru	Philippines	Portugal	Saudi Arabia
1960	n.a.	119	.....	137	29	1,451	.....	30	52	42	15	552	18
1961	43	140	.....	112	29	1,581	.....	30	53	47	27	443	65
1962	49	172	3	95	29	1,581	.....	30	53	47	41	471	78
1963	48	172	7	139	29	1,601	.....	31	53	57	28	497	78
1964	48	183	17	169	34	1,688	.....	31	53	67	23	523	78
1965	52	182	68	158	21	1,756	.....	31	53	67	38	576	73
1966—Aug.	62	193	68	138	21	1,730	.....	18	53	65	48	626	69
Sept.	62	193	68	136	21	1,730	.....	18	53	65	49	627	69
Oct.	63	193	68	117	21	1,730	.....	18	53	65	51	633	69
Nov.	64	193	68	111	21	1,730	.....	18	53	65	52	641	69
Dec.	67	193	68	109	21	1,730	.....	18	53	65	44	643	69
1967—Jan.	71	193	68	116	21	1,730	.....	18	53	65	45	646	69
Feb.	71	193	68	114	21	1,731	.....	18	53	65	47	647	69
Mar.	73	193	68	112	21	1,731	.....	18	53	55	47	650	69
Apr.	73	193	68	120	21	1,731	.....	18	53	55	49	651	69
May	73	.....	68	149	21	1,731	.....	18	53	45	51	654	69
June	89	.....	68	160	21	1,731	.....	18	53	30	53	661	69
July	89	.....	68	159	21	1,731	.....	18	53	25	54	668	69
Aug.	89	.....	68	.....	21	1,731	.....	18	53	.....	56	.....	69

For notes see end of table.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS—Continued

(In millions of dollars)

End of period	South Africa	Spain	Sweden	Switzerland	Taiwan	Thailand	Turkey	U.A.R. (Egypt)	United Kingdom	Uruguay	Venezuela	Yugoslavia	Bank for Intl. Settlements ⁴
1960	178	178	170	2,185	41	104	134	174	2,800	180	401	4	-19
1961	298	316	180	2,560	43	104	139	174	2,268	180	401	6	115
1962	499	446	181	2,667	43	104	140	174	2,582	180	401	4	-50
1963	630	573	182	2,820	50	104	115	174	2,484	171	401	14	-279
1964	574	616	189	2,725	55	104	104	139	2,136	171	401	17	-50
1965	425	810	202	3,042	55	96	116	139	2,265	155	401	19	-558
1966—Aug.	672	785	203	2,681	59	92	105	139	.....	155	401	20	-388
Sept.	664	785	203	2,681	59	92	100	139	1,940	155	401	20	-299
Oct.	655	785	203	2,680	62	92	100	121	.....	155	401	21	-277
Nov.	637	785	203	2,679	62	92	100	93	.....	155	401	21	-275
Dec.	637	785	203	2,842	62	92	102	93	1,940	146	401	21	-424
1967—Jan.	611	784	203	2,679	66	92	102	93	.....	146	401	21	-274
Feb.	581	784	203	2,678	66	92	97	93	.....	146	401	21	-289
Mar.	540	784	203	2,679	74	92	97	93	1,677	146	401	21	-15
Apr.	519	784	203	2,643	74	92	97	93	.....	146	401	22	37
May	482	784	203	2,619	74	92	97	93	.....	146	401	22	-87
June	468	784	203	2,831	81	92	96	93	1,708	146	401	22	-266
July	493	784	203	2,844	.....	92	96	93	.....	146	401	21	-271
Aug.	487	.....	203	2,843	.....	92	96	93	.....	146	401	.....	-375

¹ Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and China Mainland.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

² Adjusted to include gold subscription payments to the IMF, except

those matched by gold mitigation deposits with the United States and United Kingdom; adjustment is \$270 million.

³ Excludes gold subscription payments made by some member countries in anticipation of increase in Fund quotas; for most of these countries the increased quotas became effective in Feb. 1966.

⁴ Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

NOTE.—For back figures and description of the data in this and the following tables on gold (except production), see "Gold," Section 14 of *Supplement to Banking and Monetary Statistics*, 1962.

GOLD PRODUCTION

(In millions of dollars at \$35 per fine troy ounce)

Period	World production ¹	Africa				North and South America					Asia		Other	
		South Africa	Rhodesia	Ghana	Congo (Kinshasa)	United States	Canada	Mexico	Nicaragua	Colombia	India	Philippines	Australia	All other
1960	1,175.0	748.4	19.6	30.8	11.1	58.8	162.0	10.5	7.0	15.2	5.6	14.4	38.0	53.6
1961	1,215.0	803.0	20.1	29.2	8.1	54.8	156.6	9.4	7.9	14.0	5.5	14.8	37.7	53.9
1962	1,295.0	892.2	19.4	31.1	7.1	54.5	146.2	8.3	7.8	13.9	5.7	14.8	37.4	56.6
1963	1,355.0	960.1	19.8	32.2	7.5	51.4	139.0	8.3	7.2	11.4	4.8	13.2	35.8	64.3
1964	1,405.0	1,018.9	20.1	30.3	6.6	51.4	133.0	7.4	7.9	12.8	5.2	14.9	33.7	62.8
1965	1,440.0	1,069.4	19.0	26.4	3.2	58.6	125.6	7.6	6.9	11.2	4.6	15.3	30.7	61.5
1966	1,445.0	1,080.8	19.3	24.0	5.6	63.1	114.6	7.5	7.0	9.8	4.2	15.6	32.0	61.5
1966—July	.....	89.4	.....	2.1	.....	.....	9.3	.5	.....	.8	.4	.....	2.6	.....
Aug.	.....	90.1	.....	2.0	.....	.....	9.2	.8	.....	.8	.4	.....	2.9	.....
Sept.	.....	91.7	.....	.....	.....	.....	9.2	.6	.....	.8	.3	24.0	2.4	.....
Oct.	.....	89.7	.....	.....	.....	.....	9.1	.5	.....	.9	.4	.....	2.5	.....
Nov.	.....	90.8	.....	.....	.....	.....	8.7	.6	.....	.8	.3	.....	2.4	.....
Dec.	.....	87.7	.....	.....	.....	.....	9.6	.4	.....	.7	.3	24.0	2.7	.....
1967—Jan.	.....	89.5	.....	.....	.....	.....	8.7	.6	.....	.9	.....	.....	.....	.....
Feb.	.....	87.8	.....	.....	.....	.....	8.9	.6	.....	.8	.....	.....	.....	.....
Mar.	.....	89.5	.....	.....	.....	.....	9.1	.6	.....	.5	.....	.....	.....	.....
Apr.	.....	89.1	.....	.....	.....	.....	8.9	.....	.....	.8	.....	.....	.....	.....
May	.....	91.2	.....	.....	.....	.....	8.9	.....	.....	.....	.....	.....	.....	.....
June	.....	89.1	.....	.....	.....	.....	9.1	.....	.....	.....	.....	.....	.....	.....
July	.....	88.9	.....	.....	.....	.....	8.4	.....	.....	.....	.....	.....	.....	.....

¹ Estimated; excludes U.S.S.R., other Eastern European countries, China Mainland, and North Korea.

² Quarterly data.

NOTE.—Estimated world production based on report of the U.S. Bureau of Mines. Country data based on reports from individual countries and Bureau of Mines. Data for the United States are from the Bureau of the Mint.

CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of Sept. 30, 1966		Changes during the last 12 months											Rate as of Sept. 30, 1967			
	Per cent	Month effective	1966			1967											
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.		Sept.		
Argentina	6.0	Dec. 1957															6.0
Austria	4.5	June 1963															4.25
Belgium	5.25	June 1966															4.25
Brazil	12.0	Jan. 1965															12.0
Burma	4.0	Feb. 1962															4.0
Canada ¹	5.25	Mar. 1966				5.0											5.0
Ceylon	5.0	May 1965															5.0
Chile ²	15.84	July 1966															15.84
Colombia	8.0	May 1963															8.0
Costa Rica	3.0	Apr. 1939															3.0
Denmark	6.5	June 1964															6.5
Ecuador	5.0	Nov. 1956															5.0
El Salvador	4.0	Aug. 1964															4.0
Finland	7.0	Apr. 1962															7.0
France	3.5	Apr. 1965															3.5
Germany, Fed. Rep. of	5.0	May 1966				4.5	4.0			3.5	3.0						3.0
Ghana	7.0	Jan. 1966									6.0						6.0
Greece	5.5	Jan. 1963											4.5				4.5
Honduras ³	3.0	Jan. 1962															3.0
Iceland	9.0	Jan. 1966															9.0
India	6.0	Feb. 1965															6.0
Indonesia	9.0	Aug. 1963															9.0
Iran	5.0	Aug. 1966															5.0
Ireland	7.00	Sept. 1966	6.81	6.87		6.50	6.25	5.88	5.56	5.44	5.50	5.56	5.50				5.50
Israel	6.0	Feb. 1955															6.0
Italy	3.5	June 1958															3.5
Jamaica	5.5	July 1966									5.0						5.0
Japan	5.48	June 1965														5.84	5.84
Korea	28.0	Dec. 1965															28.0
Mexico	4.5	June 1942															4.5
Netherlands	5.0	May 1966						4.5									4.5
New Zealand	7.0	Mar. 1961															7.0
Nicaragua	6.0	Apr. 1954															6.0
Norway	3.5	Feb. 1955															3.5
Pakistan	5.0	June 1965															5.0
Peru	9.5	Nov. 1959															9.5
Philippine Republic	4.75	Jan. 1966									6.0						6.0
Portugal	2.5	Sept. 1965															2.5
South Africa	6.0	July 1966															6.0
Spain	4.0	June 1961															4.0
Sweden	6.0	June 1966															5.0
Switzerland	3.5	July 1966						5.5	5.0								3.0
Taiwan ⁴	14.04	July 1963									13.3			3.0			13.3
Thailand	5.0	Oct. 1959															5.0
Tunisia	5.0	Sept. 1966															5.0
Turkey	7.5	May 1961															7.5
United Arab Rep. (Egypt)	5.0	May 1962															5.0
United Kingdom	7.0	July 1966				6.5			6.0								5.5
Venezuela	4.5	Dec. 1960															4.5

¹ On June 24, 1962, the bank rate on advances to chartered banks was fixed at 6 per cent. Rates on loans to money market dealers will continue to be .25 of 1 per cent above latest weekly Treasury bill tender average rate, but will not be more than the bank rate.

² Beginning with Apr. 1, 1959, new rediscounts have been granted at the average rate charged by banks in the previous half year. Old rediscounts remain subject to old rates provided their amount is reduced by one-eighth each month beginning with May 1, 1959, but the rates are raised by 1.5 per cent for each month in which the reduction does not occur.

³ Rate shown is for advances only.

⁴ Rate shown is for call loans.

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or govt. securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations. Other rates for some of these countries follow:

Argentina—3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil—8 per cent for secured paper and 4 per cent for certain agricultural paper;

Colombia—5 per cent for warehouse receipts covering approved lists of products, 6 and 7 per cent for agricultural bonds, and 12 and 18 per cent for rediscounts in excess of an individual bank's quota;

Costa Rica—5 per cent for paper related to commercial transactions (rate shown is for agricultural and industrial paper);

Ecuador—6 per cent for bank acceptances for commercial purposes;

Indonesia—various rates depending on type of paper, collateral, commodity involved, etc.;

Japan—penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

Peru—8 per cent for agricultural, industrial, and mining paper;

Philippines—3 per cent for financing the production, importation, and distribution of rice and corn and 4.75 per cent for credits to enterprises engaged in export activities. Preferential rates are also granted on credits to rural banks;

Spain—4.6 per cent for financial paper rediscounted for banks (rate shown is for commercial bills); and

Venezuela—4 per cent for rediscounts of certain agricultural paper and for advances against govt. bonds or gold and 5 per cent on advances against securities of Venezuelan companies.

OPEN MARKET RATES

(Per cent per annum)

Month	Canada		United Kingdom				France	Germany, Fed. Rep. of		Netherlands		Switzerland
	Treasury bills, 3 months ¹	Day-to-day money ²	Bankers' acceptances, 3 months	Treasury bills, 3 months	Day-to-day money	Bankers' allowance on deposits	Day-to-day money ³	Treasury bills, 60-90 days ⁴	Day-to-day money ⁵	Treasury bills, 3 months	Day-to-day money	Private discount rate
1964—Dec.....	3.85	3.84	6.84	6.62	5.87	5.00	4.16	2.63	2.88	3.68	2.09	2.68
1965—Dec.....	4.45	4.03	5.91	5.48	4.79	4.00	4.48	3.88	4.00	4.29	3.47	3.00
1966—Aug.....	5.07	4.75	6.97	6.70	5.98	5.00	4.78	5.00	5.44	4.90	4.65	4.00
Sept.....	5.03	4.82	7.01	6.75	6.05	5.00	4.85	5.00	5.50	4.73	3.89	4.00
Oct.....	5.13	4.89	6.97	6.61	6.03	5.00	5.26	5.00	5.81	4.96	4.70	4.00
Nov.....	5.18	4.94	6.93	6.62	6.02	5.00	5.41	5.00	5.25	5.00	5.22	4.00
Dec.....	5.05	4.71	6.94	6.64	6.00	5.00	5.68	4.75	5.81	4.90	3.68	4.00
1967—Jan.....	4.83	4.78	6.77	6.29	5.93	4.90	5.57	4.13	5.13	4.87	4.31	4.25
Feb.....	4.62	4.43	6.40	5.99	5.50	4.50	5.06	3.75	5.00	4.78	5.04	4.25
Mar.....	4.26	4.24	6.18	5.72	5.30	4.26	5.02	3.75	4.00	4.64	4.57	4.25
Apr.....	4.00	3.90	5.69	5.39	4.98	4.00	5.03	3.75	4.19	4.47	4.25	4.25
May.....	4.14	4.12	5.47	5.23	4.55	3.56	4.79	3.00	3.00	4.56	4.36	4.25
June.....	4.34	4.27	5.44	5.27	4.54	3.50	4.29	2.75	3.63	4.56	4.38	4.25
July.....	4.27	3.68	5.47	5.34	4.51	3.50	4.76	2.75	2.38	4.54	4.38	4.13
Aug.....	4.33	4.16	5.53	5.32	4.56	3.50	.....	2.75	2.56	4.49	3.83	4.00

¹ Based on average yield of weekly tenders during month.

² Based on weekly averages of daily closing rates.

³ Rate shown is on private securities.

⁴ Rate in effect at end of month.

⁵ Based on average of lowest and highest quotation during month

NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

ARBITRAGE ON TREASURY BILLS

(Per cent per annum)

Date	United States and United Kingdom					United States and Canada					
	Treasury bill rates			Premium (+) or discount (-) on forward pound	Net incentive (favor of London)	Treasury bill rates			Premium (+) or discount (-) on forward Canadian dollars	Net incentive (favor of Canada)	
	United Kingdom (adj. to U.S. quotation basis)	United States	Spread (favor of London)			Canada		United States			Spread (favor of Canada)
					As quoted in Canada	Adj. to U.S. quotation basis					
1967											
May 5.....	5.12	3.65	1.47	-.81	+.66	4.02	3.93	3.65	+.28	-.17	+.11
12.....	5.09	3.63	1.46	-.78	+.68	4.10	4.02	3.63	+.39	-.17	+.22
19.....	5.09	3.52	1.57	-.70	+.87	4.16	4.06	3.52	+.54	-.09	+.45
26.....	5.13	3.45	1.68	-.69	+.99	4.21	4.11	3.45	+.66	-.15	+.51
June 2.....	5.12	3.37	1.75	-.70	+1.05	4.24	4.14	3.37	+.77	-.28	+.49
9.....	5.12	3.40	1.72	-.45	+1.27	4.33	4.23	3.40	+.83	-.22	+.61
16.....	5.12	3.56	1.56	-.48	+1.08	4.42	4.32	3.56	+.76	-.30	+.46
23.....	5.12	3.35	1.77	-.39	+1.38	4.35	4.24	3.35	+.89	-.22	+.67
30.....	5.12	3.82	1.30	-.43	+.87	4.28	4.18	3.82	+.36	-.22	+.14
July 7.....	5.18	4.19	.99	-.29	+.70	4.27	4.17	4.19	-.02	-.21	-.23
14.....	5.21	4.10	1.11	-.43	+.68	4.20	4.13	4.10	+.03	-.37	-.34
21.....	5.21	4.20	1.01	-.67	+.34	4.30	4.20	4.20	.00	-.58	-.58
28.....	5.21	4.10	1.11	-.62	+.49	4.34	4.23	4.10	+.13	-.71	-.58
Aug. 4.....	5.21	4.13	1.08	-.57	+.51	4.32	4.22	4.13	+.09	-.65	-.56
11.....	5.21	4.13	1.08	-.65	+.43	4.33	4.23	4.13	+.10	-.75	-.65
18.....	5.16	4.17	.99	-.69	+.30	4.33	4.23	4.17	+.06	-.97	-.91
25.....	5.16	4.34	.82	-.75	+.07	4.32	4.22	4.34	-.12	-.97	-1.09
Sept. 1.....	5.14	4.33	.81	-.80	+.01	4.33	4.22	4.33	-.11	-.97	-1.08
8.....	5.14	4.27	.87	-.81	+.06	4.37	4.26	4.27	-.01	-1.03	-1.04
15.....	5.14	4.36	.78	-.80	+.02	4.47	4.36	4.36	.00	-1.14	-1.14
22.....	5.24	4.55	.69	-.69	.00	4.51	4.39	4.55	-.16	-1.18	-1.34
29.....	5.33	4.37	.96	-.68	+.28	4.78	4.67	4.37	+.30	-1.22	-.92
Oct. 6.....	5.33	4.50	.83	-.69	+.14	4.76	4.65	4.47	+.18	-.90	-.72

NOTE.—Treasury bills: All rates are on the latest issue of 91-day bills. U.S. and Canadian rates are market offer rates 11 a.m. Friday; U.K. rates are Friday opening market offer rates in London.

Premium or discount on forward pound and on forward Canadian dollar: Rates per annum computed on basis of midpoint quotations (between bid and offer) at 11 a.m. Friday in New York for both spot and forward pound sterling and for both spot and forward Canadian dollars.

All series: Based on quotations reported to F.R. Bank of New York by market sources.

For description of series and for back figures, see Oct. 1964 BULLETIN, pp. 1241-60. For description of adjustments to U.K. and Canadian Treasury bill rates, see notes to Table 1, p. 1257, and to Table 2, p. 1460, Oct. 1964 BULLETIN.

FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Argentina (peso)	Australia		Austria (schilling)	Belgium (franc)	Canada (dollar)	Ceylon (rupee)	Denmark (krone)	Finland (markka)
		(pound)	(dollar)						
1961.....	1,2076	223.28	.....	3,8481	2,0052	98.760	21.023	14.481	3110
1962.....	9080	223.73	.....	3,8685	2,0093	93.561	21.034	14.490	3107
1963.....	7245	223.10	.....	3,8690	2,0052	92.699	21.015	14.484	131,057
1964.....	7179	222.48	.....	3,8698	2,0099	92.689	20.988	14.460	31,067
1965.....	5952	222.78	.....	3,8704	2,0144	92.743	20.959	14.460	31,070
1966.....	4869	2223.41	3111.22	3,8686	2,0067	92.811	20.946	14.475	31,061
1966—Sept.....	4594	.....	111.13	3,8720	2,0035	92.904	20.928	14.471	31,063
Oct.....	4590	.....	111.22	3,8700	2,0001	92.631	20.929	14.488	31,062
Nov.....	4,4106	.....	111.20	3,8668	2,0012	92.398	20.927	14.474	31,062
Dec.....	4039	.....	111.16	3,8651	1,9987	92.319	20.926	14.484	31,062
1967—Jan.....	4035	.....	111.20	3,8648	2,0005	92.623	20.927	14.468	31,062
Feb.....	3993	.....	111.32	3,8653	2,0100	92.529	20.932	14.444	31,062
Mar.....	5,3103	.....	111.41	3,8679	2,0116	92.415	20.938	14.467	31,062
Apr.....	2850	.....	111.52	3,8679	2,0121	92.378	20.954	14.472	31,063
May.....	2851	.....	111.43	3,8686	2,0145	92.400	20.946	14.453	31,062
June.....	2851	.....	111.20	3,8698	2,0143	92.544	20.917	14.439	31,062
July.....	2850	.....	111.05	3,8714	2,0147	92.766	20.903	14.413	31,062
Aug.....	2850	.....	110.97	3,8728	2,0148	92.937	20.900	14.403	31,062
Sept.....	2851	.....	110.90	3,8720	2,0146	92.989	20.894	14.417	31,062

Period	France (franc)	Germany (deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)
1962.....	20.405	25.013	21.026	280.78	.16107	.27712	32.757	8.0056	27.755
1963.....	20.404	25.084	20.966	280.00	.16087	.27663	32.664	8.0056	27.770
1964.....	20.404	25.157	20.923	279.21	.16014	.27625	32.566	8.0056	27.724
1965.....	20.401	25.036	20.938	279.59	.16004	.27662	32.609	8.0056	27.774
1966.....	20.352	25.007	20.938	279.30	.16014	.27598	32.538	8.0056	27.630
1966—Sept.....	20.314	25.069	13.252	278.93	.16029	.27574	32.458	8.0056	27.627
Oct.....	20.247	25.109	13.260	279.16	.16003	.27573	32.473	8.0056	27.625
Nov.....	20.231	25.150	13.258	279.11	.16003	.27578	32.453	8.0056	27.641
Dec.....	20.199	25.169	13.256	279.01	.16011	.27577	32.442	8.0056	27.642
1967—Jan.....	20.199	25.140	13.257	279.10	.15996	.27577	32.473	8.0056	27.679
Feb.....	20.217	25.168	13.272	279.41	.15993	.27576	32.535	8.0056	27.694
Mar.....	20.203	25.165	13.280	279.63	.16006	.27607	32.556	8.0056	27.682
Apr.....	20.227	25.167	13.294	279.92	.16009	.27625	32.589	8.0056	27.683
May.....	20.319	25.147	13.267	279.69	.16008	.27628	32.572	8.0056	27.739
June.....	20.375	25.122	13.242	279.12	.16007	.27627	32.519	8.0056	27.756
July.....	20.395	24.996	13.224	278.73	.16020	.27620	32.478	8.0056	27.866
Aug.....	20.386	24.985	13.220	278.53	.16041	.27599	32.467	8.0056	27.797
Sept.....	20.382	24.988	13.217	278.37	.16049	.27618	32.441	8.0056	27.799

Period	New Zealand		Norway (krone)	Portugal (escudo)	South Africa		Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
	(pound)	(dollar)			(pound)	(rand)				
1961.....	277.45	.....	14,000	3,4909	279.48	139.57	1,6643	19.353	23.151	280.22
1962.....	278.00	.....	14,010	3,4986	.....	139.87	1,6654	19.397	23.124	280.78
1963.....	277.22	.....	13,987	3,4891	.....	139.48	1,6664	19.272	23.139	280.00
1964.....	276.45	.....	13,972	3,4800	.....	139.09	1,6663	19.414	23.152	279.21
1965.....	276.82	.....	13,985	3,4829	.....	139.27	1,6662	19.386	23.106	279.59
1966.....	276.54	.....	13,984	3,4825	.....	139.13	1,6651	19.358	23.114	279.30
1966—Sept.....	276.17	.....	13,989	3,4773	.....	138.95	1,6639	19.345	23.102	278.93
Oct.....	276.40	.....	13,993	3,4807	.....	139.06	1,6641	19.330	23.064	279.16
Nov.....	276.35	.....	13,995	3,4794	.....	139.03	1,6638	18.336	23.141	279.11
Dec.....	276.25	.....	13,989	3,4783	.....	138.99	1,6638	19.327	23.129	279.01
1967—Jan.....	276.34	.....	13,978	3,4786	.....	139.03	1,6636	19.337	23.089	279.10
Feb.....	276.65	.....	13,980	3,4783	.....	139.18	1,6634	19.353	23.061	279.41
Mar.....	276.86	.....	13,984	3,4811	.....	139.29	1,6633	19.367	23.079	279.63
Apr.....	277.15	.....	13,993	3,4858	.....	139.44	1,6631	19.397	23.126	279.92
May.....	276.92	.....	13,990	3,4830	.....	139.32	1,6631	19.399	23.169	279.69
June.....	276.35	.....	13,992	3,4810	.....	139.04	1,6632	19.415	23.166	279.12
July.....	276.12	137.97	13,986	3,4788	.....	138.85	1,6634	19.412	23.128	278.73
Aug.....	.....	137.89	13,981	3,4766	.....	138.75	1,6637	19.394	23.061	278.53
Sept.....	.....	137.81	13,978	3,4755	.....	138.66	1,6640	19.381	23.027	278.37

¹ A new markka, equal to 100 old markkaa, was introduced on Jan. 1, 1963.

² Based on quotations through Feb. 11, 1966.

³ Effective Feb. 14, 1966, Australia adopted the decimal currency system. The new unit, the dollar, replaces the pound and consists of 100 cents, equivalent to 10 shillings or one-half the former pound.

⁴ Quotations not available Nov. 4 and 7.

⁵ Quotations not available Mar. 7-14.

⁶ Effective Jan. 1, 1963, the franc again became the French monetary unit. It replaces, at a 1 to 1 ratio, the new franc introduced Jan. 1, 1960.

⁸ Based on quotations through July 7, 1967.

⁹ Effective July 10, 1967, New Zealand adopted the decimal currency system. The new unit, the dollar, replaces the pound and consists of 100 cents, equivalent to 10 shillings or one-half the former pound.

NOTE.—Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

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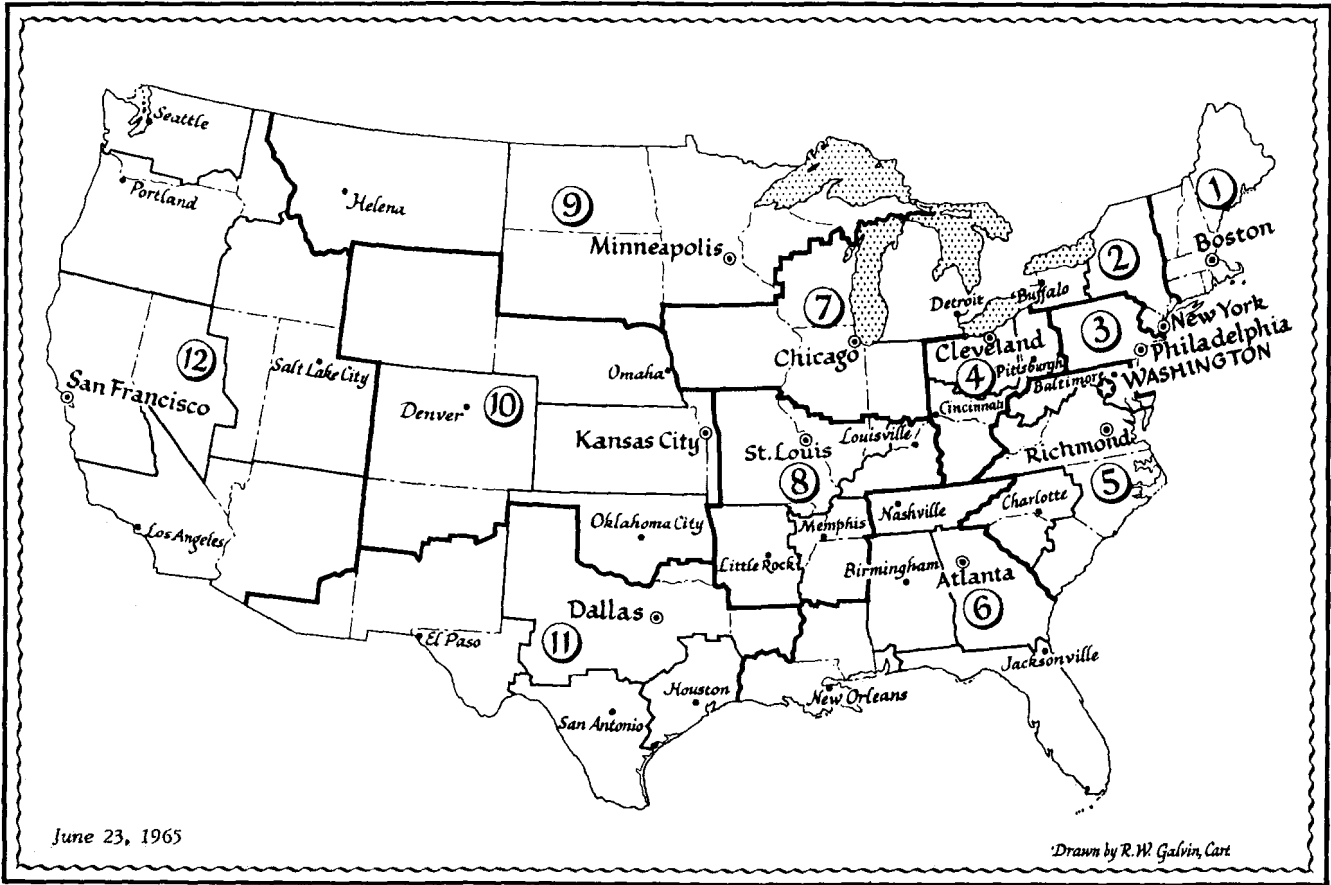
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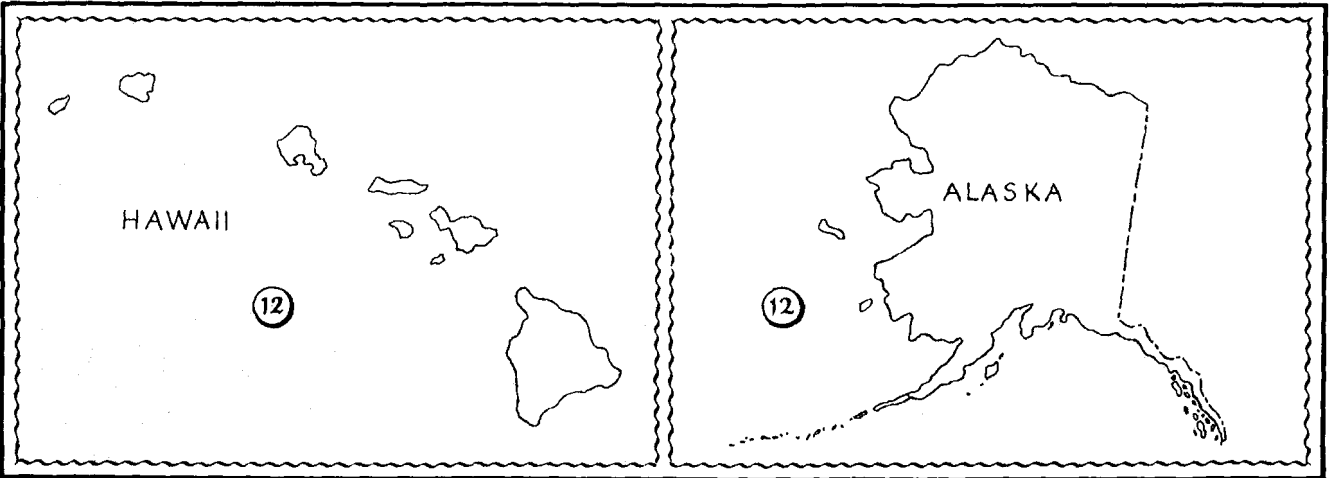
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BOUNDARIES OF FEDERAL RESERVE DISTRICTS AND THEIR BRANCH TERRITORIES



★ **THE FEDERAL RESERVE SYSTEM** ★



Legend

- Boundaries of Federal Reserve Districts — Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities • Federal Reserve Branch Cities