

# FEDERAL RESERVE BULLETIN



OCTOBER 1971

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Map of Federal Reserve System on Inside Back Cover

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# Credit Supply in the First Half of 1971

**NET FLOWS OF CREDIT** to nonfinancial borrowers during the first half of this year were at much the highest rate for any 6-month period covered by the available record, which begins in 1952. Both in dollar terms and relative to GNP, the total flow was larger than in any single quarter in the 1952–70 period and was well above the 1960–70 average. Equity issues by corporations were also very large and on a net basis above any previous half-year from 1952.

Net borrowings in credit markets in the first half of 1971 were at a seasonally adjusted annual rate of \$131 billion, and with another \$13 billion of net new equity funds for corporations the net total of funds raised was at a \$144 billion rate. This record volume of flows in credit and equity markets arose from an unusual combination of heavy Federal borrowing, credit demands by State and local governments that exceeded the current requirements of these units, and a volume of private borrowing that was high relative to capital outlays and saving, although not in relation to GNP. As Table 1 indicates, only for State and local governments was credit market financing above earlier highs, relative to GNP, for a 6-month period. This component of the credit flow appears to have been about \$8 billion, at annual rates, above the amounts indicated by historical relationships to operating needs and was a major source of the large size of the first-half total. Nevertheless, the volume of private borrowing, together with the Federal need for funds, would have kept the total above earlier peaks even if borrowing by State and local governments had been at a lower rate.



International capital flows have been an influence in raising credit demands in U.S. markets this year, with much of the effect in borrowing by domestic sectors rather than in direct lending to foreigners. A large part of the heavy net outflow of private capital this year was from domestic nonbank sectors and included reductions of foreign liabilities as well as increases in asset holdings abroad. These nonbank outflows were probably financed in part by borrowing in the domestic market that is included mainly in the business total in Table 1.

**TABLE 1**
**NET FUNDS RAISED BY NONFINANCIAL SECTORS  
IN CREDIT AND EQUITY MARKETS**

Item	H1/71 (billions of dollars) <sup>1</sup>	Per cent of GNP	
		H1/71	Preceding high (half-year)
<b>Total.....</b>	144.1	13.93	12.10 (H2/67)
Corporate equities.....	13.1	1.26	.80 (H2/69)
Credit market instruments..	131.0	12.67	11.65 (H2/68)
U.S. Govt.....	23.1	2.21	2.90 (H2/53)
State and local govts...	21.2	2.03	1.59 (H2/54)
Households....	31.4	3.03	5.18 (H1/55)
Business.....	49.7	4.82	5.26 (H1/69)
Foreign.....	5.7	.55	.80 (H1/64)

<sup>1</sup> Seasonally adjusted annual rate.

The supply of funds to credit markets to meet these large demands was not only large but unusual in its structure. Perhaps the central feature of financial developments in the first half of the year was the almost 20 per cent annual rate of growth in time and savings accounts at banks and savings institutions. The total flow into such accounts was at a \$90 billion annual rate, or 70 per cent of the rate of total borrowing. This was far above the 50 per cent relationship in the 1961-65 period, when these deposits were growing at 12 per cent per year, and twice the ratio for 1966-70. The first-half inflow was a continuation of a shift of funds into institutions by private nonfinancial investors that had begun in mid-1970 after interest rate ceilings had been lifted on large negotiable certificates of deposit of shorter maturities at banks. Growth in the first half of this year was at a more rapid rate than in the second half of 1970, however, and was

relatively more in passbook deposits and at savings institutions and less in large CD's.

A sizable part of the second-half 1970 deposit flow had been a conversion of money market funds from bank-related commercial paper into CD's issued by the same group of institutions and did not increase the flow of bank-related credit. During the first half of this year such conversions were no longer important, and with the accelerated flow into smaller deposits, the relation to bank credit flows was part of a broader set of adjustments of both assets and liabilities of banks.

Another striking feature of credit supply in the first half of this year—to some extent related to the deposit flows—was the heavy volume of U.S. Government securities purchased by foreign central banks. This foreign official supply was a reflection of the large private capital outflows from the United States. In the first half of the year—even before external flows reached their peak in the August crisis—net private capital outflows together with net U.S. Government lending to foreign borrowers were at an annual rate of over \$20 billion. Much of the private outflow was repayment of foreign liabilities, by both banks and nonbanks, rather than lending to foreigners. Bank repayments of foreign debt were one of the offsets during the first half of the year to the large deposit inflows and can be viewed as financed by the deposit flows. Nonbank outflows were financed in a variety of forms, including to some extent, credit market borrowings in Table 1. The \$20 billion estimate of capital outflows includes a major part of the extraordinarily large unidentified transactions in the balance of payments statement for the first half of the year. These unidentified outflows may also be partly reflected in domestic borrowing in the domestic market.

While financial flows were both large and in unusual forms during the first half of the year, their net effect for the domestic economy was to restore some normal patterns in asset holdings after departures from earlier trends during the credit tightness of 1969–70. By the end of 1969 liquid asset holdings of private nonfinancial sectors in the U.S. had become somewhat low in total and heavily invested in direct market instruments. The volume of deposit flows into banks and savings institutions after mid-1970 has been roughly sufficient to restore earlier trends in deposit holdings, to bring total liquid asset holdings to earlier levels relative to GNP, and to keep pace with growth in GNP.

## SUMMARY OF CREDIT SUPPLY

This article reviews for the first half of 1971 the roles of deposit flows to institutions, debt and asset management by intermediaries, and balance of payments developments in generating the record flow of credit to borrowers and the asset position of private investors. Because the first half of the year represented to a large extent a period of readjustment by both borrowers and lenders away from extreme financial positions that had been reached during the credit tightness of 1969, comparisons in the following discussion are primarily with 1969, in order to indicate the extent of change in position. The year 1970 was in many ways transitional between 1969 and 1971, with interest rates stable at very high levels in the first half and falling in the second. The readjustment process became more extensive early this year and presents a broader contrast with 1969 conditions.

Table 2 gives a stratified picture of the connections between total funds raised by nonfinancial borrowers, on the one hand, and the combination of transactions by foreign, financial, and private nonfinancial investors that supplied that credit. The body of the table refers to debt instruments, fixed-value deposits and currency, and nondeposit sources of intermediary credit. Purchases of corporate equities are shown separately at the bottom of the table. Equity markets affect credit demand and supply, particularly when new offerings are as large as they have been this year, but they are shown in the table as external to flows of borrowed funds.

## FOREIGN SUPPLY OF FUNDS

Foreign direct lending in U.S. credit markets—net purchases of Government securities and private credit market instruments—was large enough in the first half of this year to produce a marked contrast between total funds raised (line 7 of Table 2) and private domestic lending in markets (line 11). With total credit flows at a rate \$45 billion higher than in 1969, the rate of private

### NOTES TO TABLE 2

n.a. Not applicable, or not available.

\* Less than \$50 million.

<sup>1</sup> Seasonally adjusted annual rate.

<sup>2</sup> Households, nonfinancial business, State and local governments, nonprofit organizations, and personal trust funds. Excludes State and local government employee retirement funds, which are in lines 12 and 20.

<sup>3</sup> U.S. Govt., sponsored credit agencies, and Federal Reserve System. Federal Reserve component consists of U.S. Govt. securities and bankers' acceptances. See Table 5.

<sup>4</sup> Net security issues by federally sponsored credit agencies plus net issues of GNMA-guaranteed mortgage-backed securities.

<sup>5</sup> Commercial banks, savings institutions, insurance and pension funds, finance companies, investment companies, security brokers and dealers, and agencies of foreign banks. Types of credit supplied are shown in Table 7.

<sup>6</sup> Bond issues, commercial paper, bank loans, and home loan bank credit. Some of this credit is supplied by other intermediaries and is included on line 12.

<sup>7</sup> Demand and time deposits, amounts owed to foreign branches, and balances at U.S. agencies of foreign banks.

<sup>8</sup> Mainly insurance and pension reserves. Includes internal funds of intermediaries, Treasury cash balances, member bank borrowing, and miscellaneous liabilities, net of uses of funds other than credit instruments.

<sup>9</sup> From last quarter of preceding period to last quarter of this period, at annual rates. In fifth column, amount in GNP, seasonally adjusted annual rate, for 1970 Q4.

<sup>10</sup> Amounts outstanding are market values of holdings for week of Dec. 31. Includes small amounts for financial institutions but excludes investment company shares.

<sup>11</sup> Based in New York Stock Exchange index, which rose 9.4 per cent during the first half.

<sup>12</sup> Negative in line 20. Net of equity issues by open-end investment companies.

SOURCE.—Page A72 ff. of this BULLETIN and June 1971 BULLETIN, p. A71.2.

TABLE 2

## STRUCTURE OF CREDIT SUPPLY, 1969—1st HALF, 1971

In billions of dollars unless otherwise noted

Line	Item	Net flow of funds				Amounts out-standing, Dec. 31, 1970	Annual rate of growth, H1/71 (per cent)
		1969	1970	<sup>1</sup> H1/71	H1/71 less 1969		
1.	Total funds raised by nonfinancial sectors . . . . .	90.4	97.5	144.1	53.7	n.a.	n.a.
2.	Corporate equity issues, net . . . . .	4.8	6.8	13.1	8.3	n.a.	n.a.
3.	Credit instruments, by issuing sector:						
	Total . . . . .	85.7	90.7	131.0	45.3	1,449.9	9.0
4.	U.S. Government . . . . .	-3.6	12.8	23.1	26.7	301.4	7.7
5.	Foreign . . . . .	3.7	2.6	5.7	2.0	50.8	11.2
6.	Private domestic sectors <sup>2</sup> . . . . .	85.6	75.3	102.2	16.6	1,097.7	9.3
7.	<b>Total funds advanced in credit markets (line 3) . . . . .</b>	<b>85.7</b>	<b>90.7</b>	<b>131.0</b>	<b>45.3</b>	<b>1,449.9</b>	<b>9.0</b>
8.	Less: Foreign net purchases of U.S. credit instruments . . . . .	- .3	10.3	28.7	29.0	25.0	114.8
9.	Credit from public agencies (Table 5) <sup>3</sup> . . . . .	15.8	18.3	10.6	-5.2	164.0	6.5
10.	Plus: Agency borrowing not in line 1 <sup>4</sup> . . . . .	8.8	8.7	- .6	-9.4	38.9	-1.5
11.	<b>Equals: Private domestic supply in credit markets</b> Also (lines 12-18+21). Also (sum of lines 19 through 23) (Table 6) . . . . .	<b>79.0</b>	<b>71.1</b>	<b>91.1</b>	<b>12.1</b>	<b>1,299.7</b>	<b>7.0</b>
	<b>Intermediation:</b>						
12.	Funds supplied directly by private domestic financial institutions in credit markets <sup>5</sup> . . . . .	53.7	64.7	103.2	49.5	1,048.6	9.8
13.	Commercial banks . . . . .	17.7	28.1	50.5	32.8	435.2	11.6
14.	Savings institutions . . . . .	14.3	16.3	44.5	30.2	251.2	17.7
15.	Insurance and pension funds . . . . .	12.0	15.2	12.4	.4	287.8	4.3
16.	Other finance . . . . .	9.7	5.1	-4.2	-13.9	74.4	-5.6
	Sources of funds supplied . . . . .	53.7	64.7	103.2	49.5	1,048.6	9.8
17.	Private domestic deposits (18+19) . . . . .	1.8	57.6	104.5	102.7	609.8	17.1
18.	Credit market borrowing (Table 7) <sup>6</sup> . . . . .	16.7	2.0	*	-16.7	74.8	.1
19.	Foreign funds at banks <sup>7</sup> . . . . .	9.4	-7.9	-10.2	-19.6	23.9	-42.7
20.	Other, net <sup>8</sup> . . . . .	25.8	13.0	8.9	-16.9	340.1	2.6
	<b>Private domestic nonfinancial sectors: <sup>2</sup></b>						
21.	Direct purchases of credit market instruments (lines 11-12+18) (Table 7) . . . . .	42.0	8.3	-12.1	-54.1	325.9	-3.7
22.	Time and savings accounts . . . . .	-2.4	54.9	90.2	92.6	454.3	19.8
23.	Demand deposits . . . . .	4.3	2.6	14.3	10.0	155.5	9.2
24.	Currency . . . . .	2.8	3.5	4.7	1.9	50.1	9.4
25.	<b>Total of market instruments, deposits, and currency (lines 21+22+23+24, or 11-19-20+24)</b>	<b>46.7</b>	<b>69.4</b>	<b>97.2</b>	<b>50.5</b>	<b>985.8</b>	<b>9.9</b>
	<b>Memorandum items:</b>						
26.	Change in GNP <sup>9</sup> . . . . .	57.8	40.4	109.2	51.4	988.4	11.0
27.	Total foreign funds (8+19) . . . . .	9.1	2.4	18.5	9.4	48.9	37.8
	Corporate equities market						
28.	Net new issues <sup>10</sup> . . . . .	4.7	6.8	12.9	8.2	364.0	<sup>11</sup> 18.8
	Net purchases by—						
29.	Financial institutions <sup>12</sup> . . . . .	7.0	8.8	20.7	13.7	98.9	n.a.
30.	Foreign . . . . .	1.6	.7	.2	-1.4	18.1	n.a.
31.	Private domestic nonfinancial . . . . .	-3.8	-2.6	-8.0	-4.2	747.0	n.a.
32.	Private domestic direct purchases as per cent of total credit advanced (lines 11/7) . . . . .	92.1	78.4	60.5	.....	89.6	.....
33.	Private intermediation as per cent of private domestic credit supply (lines 12/11) . . . . .	68.0	91.0	113.3	.....	80.7	.....

domestic lending was only \$12 billion above 1969. Most of the \$33 billion difference was in the sharp increase in foreign net purchases of U.S. Government securities, included in line 8. These flows were slightly negative in 1969 and rose to a \$27 billion annual rate in the first half of 1971. The increase from 1969 was larger than the \$27 billion rise in rate of total Federal borrowing and left domestic investors with a larger net rate of liquidation than in 1969 (Table 3).

**TABLE 3****U.S. GOVERNMENT SECURITIES**

In billions of dollars

Item	1960-68 average	1969	1970	<sup>1</sup> H1/71
Total net issues <sup>2</sup> . . .	6.0	-3.6	12.8	<sup>3</sup> 23.1
Foreign purchases <sup>4</sup> . . .	.3	-1.8	9.1	27.4
Domestic purchases	5.7	-1.8	3.7	-4.3

<sup>1</sup> Seasonally adjusted annual rate.<sup>2</sup> Line 4 of Table 2.<sup>3</sup> Includes Euro-dollar borrowing by U.S. Treasury and Export-Import Bank.<sup>4</sup> Private and official. For details, see Table 4.

The foreign purchases of Government securities were mainly by central banks and other official reserve holders that were acquiring dollar balances as a result of private capital flows out of the United States. About one-fifth of the purchases were Euro-dollar securities issued by the Treasury and the Export-Import Bank during the half-year to foreign branches of U.S. banks, however. These Euro-dollar issues, as a private foreign source of credit to the Government, served to reduce somewhat the net total of private capital outflows and thus to restrain the growth of foreign official dollar holdings. Apart from the Euro-dollar issues, there was little direct flow into U.S. credit instruments from private foreign sources.

As Table 4 shows, the combination of private net outflows, U.S. Government lending abroad, and unrecorded transactions was at a \$22 billion annual rate during the first half of the year—or at a \$28 billion rate apart from the Government's Euro-dollar borrowing from U.S. bank branches abroad. These amounts were nearly equal, respectively, to foreign official buying of Treasury securities and to the total foreign flow into Government issues that is in Table 3. About \$13 billion of the private outflow was repayment by U.S. banks of their private foreign liabilities, in contrast to an \$8 billion inflow from such sources in 1969. Most

of the flow in both periods was in borrowings from overseas branches, but the amounts also include net changes in foreign deposits directly at U.S. banks. Thus from 1969 to the first half of 1971 this \$21 billion reversal in bank flows was a large part of the total change in capital flows and unrecorded transactions on line B of Table 4. Private nonbank outflows were also large,

**TABLE 4**  
U.S. BALANCE OF PAYMENTS

In billions of dollars

Item	1969	1970	<sup>1</sup> H1/71	Change: 1969 to H1/71
A. Balance on current account <sup>2</sup> . . . . .	.9	.4	-1.0	-.1
B. Private capital flows, U.S. Govt. net lending, and errors and omissions <sup>3</sup> . . . . .	3.6	-11.1	-22.2	-25.8
U.S. Govt. net lending <sup>4</sup> . . . . .	-1.9	-2.0	-2.6	-0.7
Long-term private capital flows . . . . .	.1	-1.5	-5.3	-5.2
Nonliquid short-term private capital flows . . . . .	-.6	-.5	-1.7	-1.1
Errors and omissions . . . . .	-2.6	-1.1	-6.7	-4.1
Foreign funds at U.S. commercial banks <sup>5</sup> . . . . .	7.6	-6.2	-12.8	-20.2
Foreign private purchases of U.S. Govt. securities <sup>6</sup> . . . . .	.1	-.2	6.0	+5.9
Other liquid private capital, net . . . . .	1.1	.5	.9	-.4
C. Over-all balance <sup>7</sup> (official reserve- transactions basis) = A + B . . . . .	2.7	-10.7	-23.2	-25.9
Financed by -				
Foreign official purchases of U.S. Govt. securities . . . . .	-1.9	9.3	21.4	+23.3
Decrease in U.S. official reserve assets <sup>7</sup> . . . . .	-1.2	3.3	3.4	+4.6
Other official reserve transactions . . . . .	.4	-1.9	-1.6	-2.0

<sup>1</sup> Seasonally adjusted annual rate.

<sup>2</sup> Balance on goods and services, remittances and pensions, and U.S. Government grants (excluding military).

<sup>3</sup> Minus signs indicate outflows.

<sup>4</sup> Includes capital subscriptions; net of increase in Govt. *nonliquid* liabilities to others than foreign official reserve holders.

<sup>5</sup> Bank liabilities to foreign official reserve holders are included in the last line of the table.

<sup>6</sup> Includes in 1971 Euro-dollar issues by U.S. Treasury and Export-Import Bank.

<sup>7</sup> Before counting allocation of Special Drawing Rights.

however. On the basis of recorded transactions and before deducting the Government's Euro-dollar borrowing, they were at a \$6 billion annual rate, compared with \$0.4 billion in 1969, and included increases in U.S. direct investment flows, a shift in short-term liabilities abroad from borrowing in both 1969 and 1970 to debt repayment this year, and a shift from reducing foreign liquid claims to building them up. If a large part of the errors and omissions item is assumed to be unrecorded U.S. capital outflows, the total nonbank private flow this year may have been as much as a \$15 billion rate.

Bank repayments of foreign borrowings were occasioned

mainly by the immense deposit inflows from domestic sources that began in the third quarter of 1970. These domestic deposits came to banks at interest costs well below the Euro-dollar rates prevailing during the period and made foreign borrowing a costly source of funds. Nonbank capital outflows also reflected rate spreads between U.S. and European markets, as well as the exchange rate uncertainties this year. The dollar balances transferred to foreign monetary authorities in settlement of these capital flows were invested largely in Treasury securities to produce the large direct flow to Government financing from foreign sources. To the extent that domestic nonbank outflows—either lending or reduction of liabilities abroad—were financed by domestic borrowing in U.S. credit markets, they contributed to the high rate of domestic private borrowing this year. The extent of such borrowing cannot be measured, but by increasing the amount of foreign direct buying of U.S. Government securities, it had the effect of substituting private credit demand in the U.S. market for Government borrowing from domestic sources.

## PUBLIC AGENCY LENDING

Government-related financial intermediation has become a major aspect of credit supply in recent years through the lending activities of federally sponsored credit agencies such as the Federal National Mortgage Association, the Federal home loan banks, and the Federal intermediate credit banks. During 1969 and 1970 agency holdings of housing mortgages and loans to savings and loan associations increased by \$16 billion, almost doubling their 1968 year-end holdings of \$18 billion. These lending activities and the farm credit programs, included in line 9 of Table 2, were financed by a \$17 billion growth in agency securities outstanding. What the volume and form of credit flows would

**TABLE 5**  
PUBLIC AGENCY CREDIT FLOWS, BY FORM OF CREDIT EXTENDED

In billions of dollars

Item	1969	1970	<sup>1</sup> H1/71	H1/71 less 1969
U.S. Govt. securities.....	2.7	6.6	6.7	4.0
Residential mortgages.....	4.6	5.7	3.9	-.7
Federal home loan bank advances....	4.0	1.3	-6.0	-10.0
Other.....	4.5	4.3	6.0	1.5
Total (line 9 of Table 2).....	15.8	18.3	10.6	-5.2

<sup>1</sup> Seasonally adjusted annual rate.

have been without the growth in agency lending cannot be guessed, but the figures for private lending in 1969 and 1970 in Table 2 include sizable purchases of agency securities, from line 10, in place of mortgages and other credit forms that are in the totals of funds raised in line 3 of the table. In the first half of this year, residential mortgage lending through these agencies was somewhat reduced, and there were sharp repayments of borrowings from home loan banks. Funds supplied by the Federal Reserve, also in line 9, were mainly through net purchases of U.S. Government securities—\$4 billion in 1969 and \$5 billion in 1970—as an asset base for growth in member bank reserves and currency in circulation.

With absorption and conversion of credit flows by foreign and public sectors, direct supply of credit by private domestic lenders (line 11) was not only lower than total borrowing in the periods shown but also sharply changed in structure. Thus, in 1969, in the presence of large credit programs of Federal agencies and the security issues to finance those programs, private lenders—intermediaries and nonfinancial sectors together—were net buyers of U.S. Government and agency securities at a time when the Government was retiring debt, and private flows into loans and mortgages were well below total borrowing in those forms (Table 6). In the first half of 1971, when foreign buying of Government securities was large, there was an opposite relationship, and private domestic sources put funds into loans and

**TABLE 6**  
TOTAL BORROWING AND PRIVATE DOMESTIC CREDIT SUPPLY

In billions of dollars

Column.....	1	2	3	4	5	6
Item	1969			<sup>3</sup> H1/71		
	Total borrowing <sup>1</sup>	Private domestic credit supply <sup>2</sup>	(2) less (1)	Total borrowing <sup>1</sup>	Private domestic credit supply <sup>2</sup>	(5) less (4)
Total net flow.....	85.7	79.0	-6.7	131.0	91.1	-39.9
U.S. Govt. securities	-3.6	<sup>4</sup> 4.6	8.2	23.1	<sup>4</sup> -11.6	-34.7
Other securities.....	21.2	20.7	-.5	45.0	44.8	-.2
Loans and mortgages.....	68.1	53.7	-14.4	62.9	57.9	-5.0

<sup>1</sup> Line 7 of Table 2.

<sup>2</sup> Direct lending in markets by intermediaries and nonfinancial investors (line 11 of Table 2).

<sup>3</sup> Seasonally adjusted annual rate.

<sup>4</sup> Includes issues of Federal agencies.



private securities while liquidating Government securities on a net basis.

The 1969 shift in form of credit in private markets stemmed from public policy aims of supporting housing mortgages. Agency securities from the housing program absorbed a sizable share of the funds that were drawn out of deposits and into market instruments for the higher returns available in the market. The reverse shift this year, toward an increased loan component in private supply, was consistent with credit conditions that included a large volume of deposit inflows to institutions specializing in loan and mortgage credit rather than purchases of securities in the open market.

#### **PRIVATE DOMESTIC INTERMEDIARIES**

Over the last 15 years private financial institutions have been the direct source of about 85 per cent of private credit supply, which they financed through domestic and foreign deposit flows, security issues, money market borrowing, and growth in insurance and pension reserves. By half-years the proportion has ranged from a high of 124 per cent of the total in the second half of 1960 to a low of 61 per cent in the second half of 1969, the only half-year in the period in which net inflows of deposits were negative. From 1969 to the first half of 1971, with the surge of domestic deposit growth, institutional supply of credit almost doubled as a rate of flow, rising from \$54 billion, net, in 1969 to more than a \$100 billion rate this year (line 12 of Table 2)—\$12 billion larger than total private domestic supply (line 11).

Large as it was, the \$50 billion increase from 1969 in institutional credit flow was only half of the increase in domestic deposit inflows to institutions, which grew from almost zero for 1969 as a whole to a \$104 billion rate in the first half of this year. Net domestic flows into deposits were in themselves 15 per cent larger than total private credit supply, an unprecedented relationship for any 6-month period in the available record, which begins in 1952. Almost half of the increase in deposit flow from 1969 was offset, however, by major reductions in other sources of intermediary funds: a drop in market borrowing by intermediaries from a \$17 billion rate in 1969 to almost zero (line 18), the run-off of foreign liabilities discussed earlier (line 19), and a sharp reduction in other sources of funds (line 20).

While substituting deposit funds for other liabilities this year, the institutions also put a relatively large part of their credit flows into marketable securities rather than loans (Table 7), indicating

**TABLE 7**  
**DISTRIBUTION OF DIRECT PRIVATE CREDIT SUPPLY**

In billions of dollars

Type of credit Sector	U.S. Govt. secu- rities	Mu- nici- pal secu- rities	Cor- porate bonds	Resi- den- tial mort- gages	Open market paper	Other	Total
1969							
Total private domestic supply.....	4.6	8.1	12.6	15.8	3.3	34.6	79.0
Nonfinancial sectors.....	15.0	6.8	7.7	.2	8.6	3.7	42.0
Financial institutions.....	-10.4	1.3	6.6	15.6	3.5	37.0	53.7
Less: Funds raised by finance.....			(1.7)		(8.8)	(6.1)	(16.7)
1971: First half <sup>2</sup>							
Total private domestic supply.....	-11.6	20.9	23.9	24.7	-.4	33.6	191.1
Nonfinancial sectors.....	-24.1	4.3	11.2	-.9	-6.4	3.8	-12.1
Financial institutions.....	12.5	16.6	16.7	28.3	1.3	27.8	103.2
Less: Funds raised by finance.....			(4.0)	(2.7)	(-4.7)	(-2.0)	

<sup>1</sup> Line 11 of Table 2.

<sup>2</sup> Seasonally adjusted annual rates.

that the upsurge of deposits was substantially larger than could be absorbed by loan demand. Banks and savings institutions bought large amounts of Government securities, while private nonfinancial sectors liquidated holdings at a net rate of \$24 billion; banks supplied most of the large net flow in the municipal securities market; and mutual savings banks bought more than a quarter of the net issues of corporate bonds. Although flows into residential mortgages were up considerably from 1969 the rise was offset by a roughly equal drop in other loan flows from intermediaries.

Insurance companies and pension funds, while not deposit institutions, have also had sharp increases since 1969 in their net inflows of funds. Very little of the increment has gone into credit market lending, however. In the first half of this year corporate equities absorbed over 60 per cent of the total net flow from insurance and pension funds, compared with 45 per cent in 1969. Equity purchases by institutions this year were at a net rate that was \$14 billion higher than in 1969 (line 29 of Table 2), a rise that was almost double the \$8 billion increase in net new issues (line 28). Thus in spite of the major shift by corporations toward equity issues in external financing in the first half of the year,

individuals were still net sellers of corporate shares in large amounts, as they had been throughout the 1960's.

**PRIVATE DOMESTIC  
NONFINANCIAL SECTORS**

Credit market claims and deposit holdings of households, business, and State and local governments (line 25 of Table 2) have represented, directly or indirectly, about 70 per cent of the credit supplied to the nonfinancial economy over the last 15 years. The larger part of these holdings have been in the form of deposit claims on financial institutions and were the principal basis for institutional credit supply. Direct holdings of market instruments consist of U.S. Treasury, agency, and municipal securities, corporate bonds, commercial paper, consumer credit, and a small amount of mortgages. Net purchases of these direct market investments (line 21 of Table 2) since the mid-1950's have averaged 17 per cent of total credit supply (line 7). In 1969 the proportion was very much larger than this (49 per cent), but by the first half of 1971 it had shifted radically, with liquidation of direct holdings offsetting flows by these sectors into deposits at institutions.

The combination of negative direct flows and large positive deposit flows by this group had also occurred in earlier relaxations of tight credit conditions in 1954, 1958, 1960-61, and 1967. The pattern reflects mainly a shift of liquidity holdings out of open market instruments, where rates had been more attractive than on deposits during the tight period but then fell below deposit rates as conditions eased. The liquidations this year were mainly in Government securities and open market paper (Table 7), markets in which there had been large purchases in 1969. Net buying of municipal and corporate bonds together were fairly steady over 1969, 1970, and the first half of this year at annual rates between \$12 billion and \$15 billion.

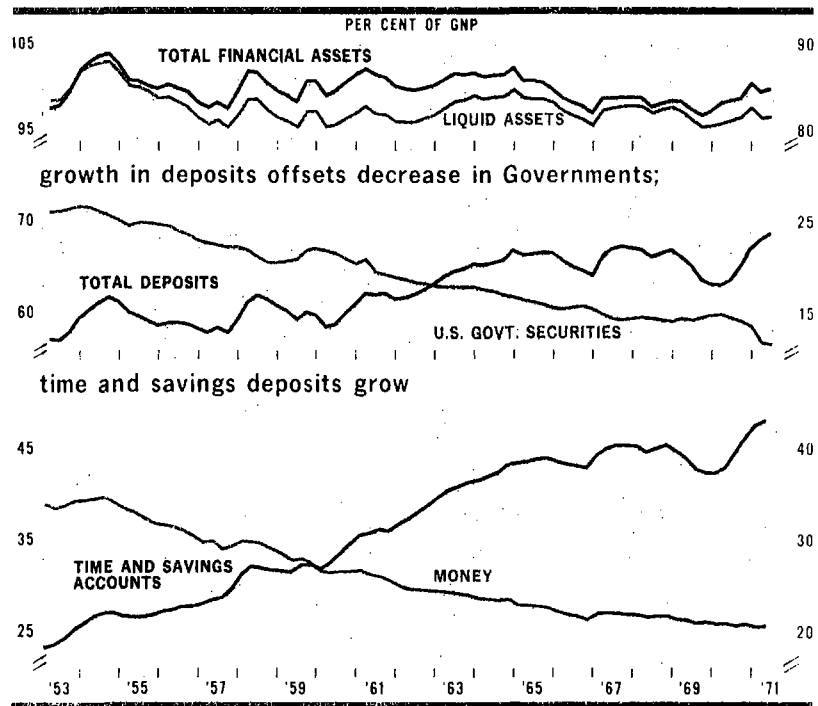
The \$100 billion rate of flow into private deposits was, as mentioned in the introduction to this article, a central feature of credit supply during the half-year. The growth was in all forms of deposits but was highest in savings institution accounts and in time deposits at banks. The size of the flow was reflected in earlier discussion of credit supply from foreign sources, public agencies, and private intermediaries. The flow was larger as a rate of deposit growth and as a per cent of GNP than in any of the earlier liquidity shifts, but it followed an equally unprecedented shift of deposit funds into the open market in 1969 (Chart 3). As in earlier rebounds, the inflow brought holdings of

deposits to levels in June 1971 that were higher, in relation to both total private assets and GNP, than before the withdrawals began (Chart 1).

The size of the swing in 1969–71 out of and then into deposits and the new high levels of deposit holdings have not significantly changed or weakened the stable relation that has existed for many years between total liquid assets of private nonfinancial investors and total GNP. A simple measure of holdings of liquid assets—currency, deposits, U.S. Government and agency securities, and commercial paper—has stayed within 81 and 83 per cent of GNP for most of the last 15 years. The ratio has tended to dip toward 80 per cent at the more acute phases of tight credit episodes—such as in 1966 and the end of 1969—but for June 1971 the ratio had recovered to 81.4 per cent.

Within this stability in total liquid asset holdings, there have been longer-run shifts among deposits, Government securities, and commercial paper as well as short-run fluctuations. The new high level for deposit holdings in June (Chart 1) is part of a strong upward trend in time and savings accounts that has offset most of a long downward trend in Government security

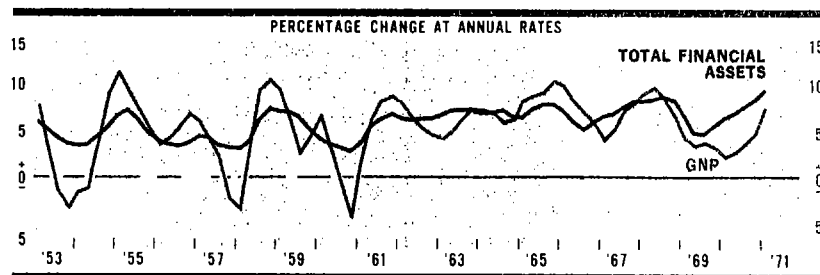
Private Domestic Nonfinancial Sectors:  
**1 FINANCIAL ASSET HOLDINGS**  
 Total and liquid assets are stable relative to GNP;



holdings as liquidity instruments for these sectors. From the end of 1956 to the end of 1970 total holdings of Government securities by the private domestic nonfinancial group fell from 23 per cent of GNP to 13.5 per cent, paralleling a decrease in total Government debt outstanding relative to GNP. At the same time deposits increased from 58 to 67 per cent. Commercial paper holdings have risen sharply in recent years and for 1969 and 1970 they contribute a significant element to the stability mentioned for the later 1960's.

This stability in liquid assets is carried over to the larger total of deposits and all security holdings (Chart 1), which includes corporate and municipal bonds, mortgages, and consumer credit paper in addition to the liquid asset holdings. This total has been roughly equal to GNP in dollar amount since 1955, ranging from 101 per cent at high points to a low of 96 per cent in the third quarter of 1969. Following the easing of credit conditions in 1970 this total recovered to 99 per cent in June 1971. The total has a more stable growth rate than GNP (Chart 2), but movements in the two growth rates have been closely coincident. The relation is reflected in Table 2, where net flows into private deposits and securities (line 25) are of roughly the same amounts as dollar changes in GNP over the periods shown (line 26). Annual growth rates from the fourth quarter of 1970 to the second quarter of 1971 were 10 and 11 per cent, respectively, with some distortion in the figures because of the automobile strike in the fourth quarter of 1970.

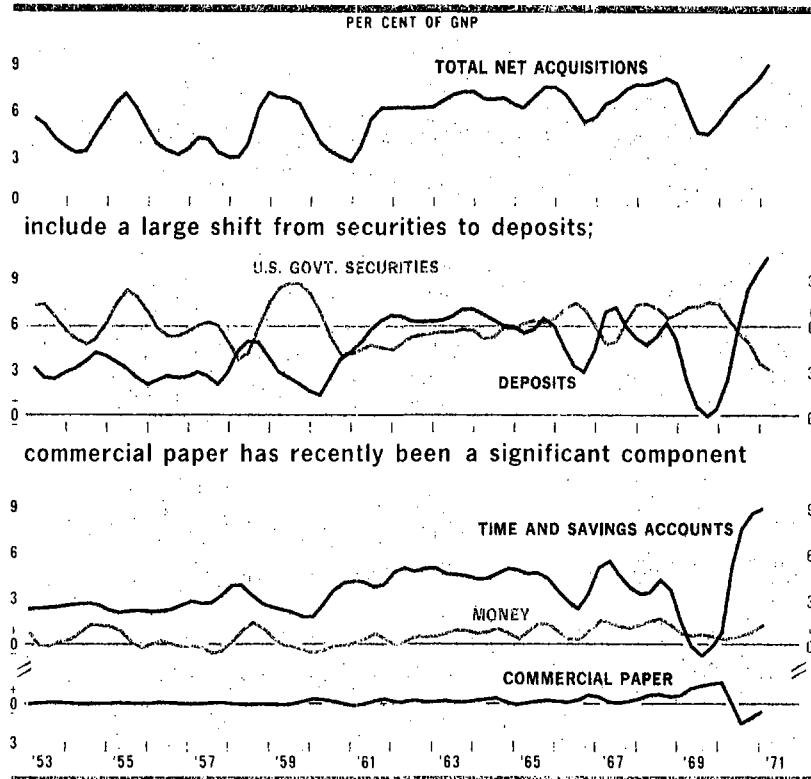
## 2 Private Domestic Nonfinancial Sectors: GROWTH RATES of GNP and ASSETS



In the larger context of long-term trends in private financial investment, there is thus evidence that the massive flow of deposits to institutions since June 1970 was mainly a readjustment of balance sheet structure to a normal pattern. The \$100 billion rate of growth this year in private deposits and securities (line 25 of Table 2) was large in dollars and as a percentage of GNP, but it was moderate in relation to the change in GNP and gives no

evidence that investors have moved to extreme positions on the other side of historical patterns. Like changes in GNP the flow has been a leading series relative to GNP itself, and during rapid increases in GNP such as in the first half of 1971, it has tended to be a large percentage of GNP.

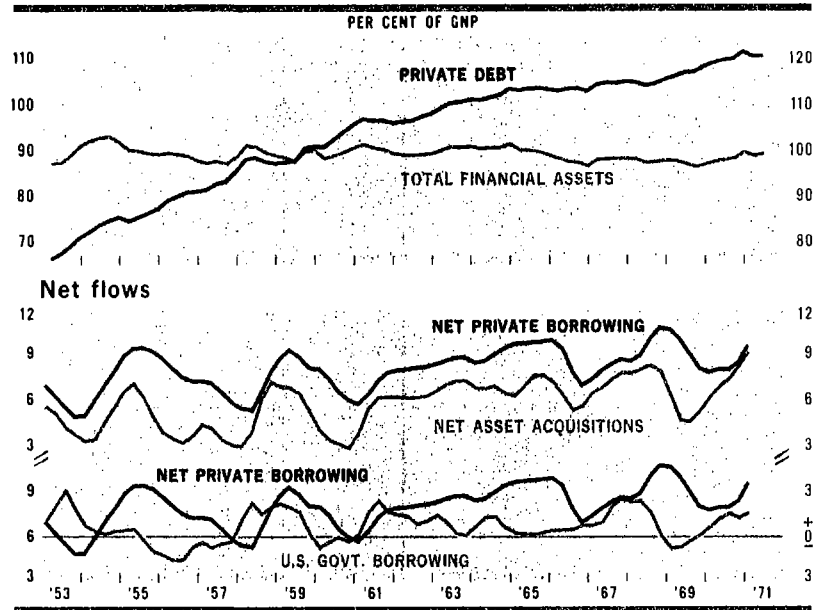
**3 Private Domestic Nonfinancial Sectors:  
NET ACQUISITIONS of FINANCIAL ASSETS**  
Total flows are high this year and



A comparison of the financial assets of private nonfinancial sectors with their borrowings in credit markets supports the picture of normal relationships (Chart 4). Private borrowing has been larger than private flows into deposits and securities since the early 1950's by about 3 per cent of GNP, with the extra credit coming mainly from insurance and pension reserves and retained earnings of financial institutions and flowing into capital expenditures and foreign investment. With its larger flow, private debt has risen from a level of 81 per cent of GNP at the end of 1956 to a level of 111 per cent at the end of 1970. Both the size and the timing of changes in the rate of borrowing have been about the same as those in financial asset flows, however.

A slight but distinct lag nevertheless appears in the borrowing series in Chart 4, and private borrowing rates tend to coincide in

4 Private Domestic Nonfinancial Sectors:  
**FINANCIAL ASSETS and DEBTS**  
 Totals outstanding



movement more with the level of GNP as against the asset flow correspondence with change in GNP. That pattern is as evident for 1969–71 as for early movements. The difference in timing reflects the timing of Federal Government borrowing, which has tended to be highest in the strong phases of GNP upswings. High rates of Government borrowing reflect the troughs of Government deficit positions on a cash basis, and these deficits—excess cash outflow in current account—are for the private economy net surplus positions—excess cash inflow—that in the first instance are invested directly or indirectly in public securities.

The principal difference between this year and earlier cyclical upswings in this respect has been that the direct buying of Government securities has had a large foreign component, whereas in earlier similar periods the buying was mainly by the banking system. Much of that foreign demand, as mentioned earlier, reflected U.S. bank repayments of foreign borrowings out of the heavy deposit inflows to banks. Insofar as the deposit flows were a return by domestic investors to a more normal liquidity structure following the 1969 distortions, the foreign official demand for Government securities was in this upswing a substitute for bank and other domestic financing of the Federal deficit in earlier cycles. □

## NOTES

## CHARTS

Amounts outstanding are year-end levels incremented within years by seasonally adjusted flows. Flows are shown on the charts as ratios of centered 2-quarter moving averages; last period plotted is Q1/71. Asset flows are from p. A-73.1 of this BULLETIN, bottom section, lines 2-12, excluding corporate

equities and security credit. Private borrowing is from p. A-73.1, top section, lines 23, 24, 25 less equity issues (p. A-73.4, top, line 13). U.S. Government borrowing is on p. A-73.1, line 2. Assets and debts outstanding are from March 1971 BULLETIN, pp. A-71.12ff and June 1971 BULLETIN, p. A-71.2.

TABLES: References are to statistical section of this BULLETIN.

Table	Line	Source	Table	Line	Source
1		p. A-73.1, top, lines 1, 2, 6, 22-25, with corporate equities shown separately.	4	Foreign private funds at banks	Table 2, line 19 less official deposits at U.S. commercial banks, bank call report basis. Includes unknown amount of long-term certificates of deposit.
2	1-6	<i>Ibid.</i>		Foreign private purchases of U.S. Govt. securities	pp. A-78-80. For nonmonetary organizations, foreign banks, and other foreigners, marketable U.S. Govt. bonds and notes plus U.S. Treasury bills and certificates. For 1971 includes Export-Import Bank short-term notes not shown separately.
	8	p. A-73.9, lines 12 + 13 or p. A-73.1, middle, line 14 excl. equities.		Other liquid private capital, net	p. A-74, line 34 less 2 preceding lines in this table.
	9	p. A-73.1, middle, lines 2 + 4 + 6.		C. Foreign official purchases of U.S. Govt. securities	p. A-74, line 42 less line 31. p. A-78, official institutions, marketable U.S. Govt. bonds and notes plus p. A-80, official institutions, U.S. Treasury bills and certificates plus p. A-83, Table 12, total, plus other claims not shown separately.
	10	p. A-73.1, middle, line 5.		U.S. official reserve assets	p. A-74, line 46 plus line 31.
	12	p. A-73.6, lower, line 4 + p. A-73.7, top, line 8.		Other official	Line C above less 2 items below C. Includes claims on U.S. banks.
	13	p. A-73.6, lower, line 4.	5	U.S. Govt securities	p. A-73.2, U.S. Govt. securities, lines 8 -- 9 + 12.
	14	p. A-73.1, middle, line 11 before deducting A-73.7, middle, line 11.		Residential mortgages	p. A-73.5, middle, part of line 19 plus bottom, line 5.
	15	p. A-73.1, middle, line 12 before excluding equities, which are shown separately on pp. A-73.7-8 for insurance and pension fund sectors		FHLB advances	p. A-73.5, bottom, line 10.
	16	p. A-73.8, finance companies, lines 3-5 plus open-end investment companies, line 5 plus amounts not shown separately for agencies of foreign banks, security brokers and dealers, and banks in U.S. possessions.		Other	p. A-73.5, middle, line 20 plus bottom, lines 6 -- 8 + 9, plus p. A-73.6, top, line 7 less line 8.
	17	p. A-73.1, bottom, line 3 less currency (line 24 of Table 2).	6	Total borrowing and types	p. A-73.1, top, lines 1-20 less line 6.
	18	p. A-73.6, lower, lines 29 + 30 except equities -- p. A-73.7, top, line 22.		Private domestic credit supply:	
	19	p. A-73.6, lower, line 35 + p. A-73.9, lines 9 + 10 + deposits at U.S. agencies of foreign banks not shown separately less p. A-73.6, top, line 13.		Total	Table 2, line 11.
	20	p. A-73.1, bottom, lines 16 -- 18 + 19, less p. A-73.6, top, lines 12 + 15, plus p. A-73.7, top, line 29 less line 7.		U.S. Govt. securities	p. A-73.2, U.S. Govt. securities, lines 14 + 17 -- 20.
	21	p. A-73.1, bottom, lines 9 + 10.		Other securities	p. A-73.1, top, lines 9 + 10 less p. A-73.2, Private securities, line 19 plus p. A-73.9, line 11.
	22	p. A-73.1, bottom, line 5.		Loans and mortgages	p. A-73.1, top, lines 10 + 16 less Table 5, all excl. U.S. Govt. securities, plus p. A-73.5, line 14.
	23 & 24	p. A-73.1, bottom, line 4.	7	Nonfinancial sectors	Sums from pp. A-73.3-A-73.5, top. Total residential mortgages not shown separately.
	25	p. A-73.1, bottom, line 2 less line 11 -- line 12.		Financial institutions	Sums from pp. A-73.6 bottom and A-73.7 top. Residential mortgages and open market paper not shown separately.
	28	p. A-73.1, top, line 6 + commercial bank net issues not shown separately.			
	29	p. A-73.7, top, line 7 less line 29.			
	30	p. A-73.9, line 11.			
	31	p. A-73.1, bottom, line 11 or p. A-73.3, lines 30 + 31.			
3	Total	p. A-73.1, top, line 2.			
	Foreign	p. A-44, bottom, Foreign and international, less IMF notes (p. A-42, special notes) plus Export-Import Bank short-term notes not shown separately.			
	Domestic	All except foreign.			
4	A.	p. A-74, line 15.			
	B. U.S. Govt. Long-term private	p. A-74, lines 16, 17, 18.			
	Nonliquid short-term private	p. A-74, line 19.			
	Errors & omissions	p. A-74, line 27.			
		p. A-74, line 32.			



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# Revised Measures of Manufacturing Capacity Utilization

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The Federal Reserve series for manufacturing capacity and capacity utilization have been revised to be on a comparable basis with the new index of industrial production published in the July 1971 BULLETIN. The shift in the comparison base of the production index from the 1957-59 average to 1967 resulted in a corresponding change in the levels of the capacity index and left the over-all level of the capacity utilization index unchanged. The revised capacity series appear in the accompanying tables.

The quarterly movements of the capacity utilization figures have been revised slightly back to the beginning of 1954 because of revisions in the monthly fluctuations of the manufacturing production indexes. The levels of capacity utilization have been raised since 1966, with the largest increases of around three percentage points occurring in the period from the second quarter of 1967 to the first quarter of 1969. The increases have been smaller since the first quarter of 1969, and the difference in level between the new and old series was 1.9 percentage points in the second quarter of 1971. These revisions in levels reflect also a recalculation of the long-run relationships among certain of the input series, affecting both the post-1966 period and the pre-1954 period. In the post-1966 period, upward revisions were dominated by the more rapid growth in the new production indexes.

The methods used in calculating the re-

vised capacity utilization series are the same as those described in the November 1966 BULLETIN. The principal data used to compile the series are capacity and capacity utilization rates reported by companies in the year-end McGraw-Hill reports, "Business Plans for New Plants and Equipment," manufacturing capital stock from Bureau of Census *Annual Survey of Manufactures* and *Census of Manufactures*, and the manufacturing component of the Federal Reserve industrial production index.

The capacity series for total manufacturing has continued to be compiled and published for two special industry groupings that are not shown separately in either the old or the new industrial production index: primary processing industries and advanced processing industries. The higher utilization rate for total manufacturing in recent years has been due primarily to the upward revision in the new production series for the advanced processing industries. In addition, an upward shift in the relative importance of the advanced processing group augmented the effect of higher utilization rates for that group on total manufacturing utilization rates.

The revision left utilization rates for the primary processing group essentially unchanged except for the 1948-51 period. The utilization rates for advanced products and total manufacturing remained largely unchanged from 1954 to 1964.

Quarterly estimates of the capacity and capacity utilization series are available

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NOTE.—This article was prepared by Nathan Edmonson of the Board's Division of Research and Statistics.

around the 25th of the month following each quarter. Requests for these estimates should be addressed to Publications Services, Divi-

sion of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. □

### TOTAL MANUFACTURING: OUTPUT AND CAPACITY

1967 output= 100

Year	Output					Capacity				
	QI	QII	QIII	QIV	Annual average	QI	QII	QIII	QIV	Annual average
1948.....	41.3	41.5	41.9	41.5	41.5	43.7	44.5	45.2	45.9	44.8
1949.....	40.2	38.7	39.1	38.4	39.1	46.6	47.0	47.5	48.0	47.3
1950.....	40.6	44.2	48.0	48.8	45.4	48.6	49.1	49.6	50.1	49.4
1951.....	49.8	49.9	48.7	48.8	49.3	50.7	51.5	52.2	52.9	51.8
1952.....	49.9	49.1	50.2	54.5	50.9	53.7	54.4	55.3	56.1	54.9
1953.....	55.8	56.6	56.3	53.1	55.4	56.9	57.7	58.5	59.3	58.1
1954.....	51.2	50.9	51.1	52.6	51.4	60.1	60.8	61.6	62.3	61.2
1955.....	55.5	58.0	58.7	60.1	58.1	63.1	64.0	64.9	65.7	64.4
1956.....	60.1	60.2	59.2	61.5	60.3	66.7	67.8	68.8	69.8	68.3
1957.....	62.4	61.5	61.6	58.9	61.1	70.9	71.8	72.8	73.8	74.8
1958.....	55.5	54.6	57.3	60.0	56.9	74.7	75.4	76.0	76.7	75.7
1959.....	63.0	66.1	63.4	63.6	64.0	77.5	78.2	79.0	79.7	78.6
1960.....	67.7	66.0	64.7	62.9	65.3	80.4	81.2	81.9	82.7	81.6
1961.....	61.9	64.5	66.8	69.1	65.6	83.4	84.1	84.8	85.5	84.5
1962.....	70.2	71.0	71.7	72.4	71.3	86.3	87.2	88.1	89.0	87.7
1963.....	73.6	75.6	76.1	77.5	75.7	89.8	90.7	91.6	92.4	91.2
1964.....	78.6	80.6	82.0	83.2	81.1	93.3	94.3	95.3	96.3	94.8
1965.....	86.2	87.8	90.0	91.9	89.0	97.6	99.2	100.8	102.4	100.0
1966.....	95.1	97.7	99.3	100.2	98.1	104.1	105.9	107.6	109.4	106.7
1967.....	98.8	98.9	99.9	101.9	99.9	111.2	112.8	114.5	116.2	113.7
1968.....	103.5	105.3	106.3	107.3	105.6	117.9	119.6	121.3	123.0	120.5
1969.....	109.5	110.4	111.8	110.1	110.4	124.9	126.8	128.7	130.6	127.7
1970.....	106.7	106.7	105.8	101.5	105.2	132.3	134.0	135.6	137.2	134.8
1971 <sup>p</sup> .....	103.5	105.5	103.8	.....	.....	138.8	140.3	141.8	.....	.....

<sup>1</sup> When manufacturing output as shown here is divided by the capacity index shown here, the result may differ very slightly from the estimated utilization rate for total manufacturing as shown in the following table. The differences are due in part to rounding and in part to the fact that the utilization rate for manufacturing has been calculated as a weighted average of utilization for primary-processing industries and utilization for advanced-processing industries, rather than as

the ratio of total manufacturing output to total manufacturing capacity. Output is seasonally adjusted.

<sup>p</sup> Preliminary.

Note.—Estimates based on data from Federal Reserve, Department of Commerce, and McGraw-Hill Economics Department.

## UTILIZATION OF CAPACITY

In per cent

Year	Total manufacturing					Advanced products					Primary products				
	QI	QII	QIII	QIV	Annual average	QI	QII	QIII	QIV	Annual average	QI	QII	QIII	QIV	Annual average
1948.....	94.4	93.3	92.7	90.4	92.7	91.7	90.3	89.5	87.8	89.8	99.5	98.9	98.6	95.2	98.1
1949.....	86.4	82.3	82.1	79.9	82.7	84.4	82.1	81.8	80.0	82.1	90.0	82.8	82.8	79.7	83.8
1950.....	83.6	90.1	96.7	97.4	91.9	81.1	86.8	93.4	94.0	88.8	88.2	96.3	102.9	103.9	97.8
1951.....	98.1	96.9	93.3	92.3	95.1	95.1	93.3	90.5	91.1	92.5	103.8	103.5	98.5	94.4	100.1
1952.....	93.0	90.2	90.8	97.2	92.8	92.5	92.9	92.0	97.2	93.7	93.8	85.3	88.5	97.2	91.2
1953.....	98.0	98.0	96.2	89.6	95.5	98.4	98.2	96.6	91.0	96.1	97.2	97.6	95.5	87.1	94.3
1954.....	85.4	83.7	83.0	84.4	84.1	87.0	84.5	83.6	83.9	84.7	82.3	82.2	81.9	85.2	82.9
1955.....	87.8	90.5	90.4	91.3	90.0	86.4	88.4	88.0	89.1	87.7	90.3	94.3	95.0	95.3	93.7
1956.....	90.0	88.8	86.1	88.1	88.2	87.8	87.1	86.0	86.8	86.9	94.2	92.0	86.1	90.4	90.7
1957.....	88.0	85.6	84.6	79.8	84.5	87.3	85.4	84.1	79.7	84.1	89.2	86.1	85.6	80.0	85.2
1958.....	74.3	72.5	75.3	78.1	75.1	75.3	73.4	74.5	76.9	75.0	72.5	70.9	76.9	80.5	75.2
1959.....	81.2	84.4	80.3	79.8	81.4	79.4	81.8	81.8	79.9	80.7	84.6	89.3	77.6	79.6	82.7
1960.....	84.1	81.2	79.0	76.2	80.1	82.9	81.4	79.5	77.3	80.3	86.5	81.0	78.1	74.1	79.4
1961.....	74.2	76.7	78.7	80.8	77.6	75.3	76.6	77.5	79.7	77.3	72.3	76.8	81.0	82.8	78.2
1962.....	81.3	81.4	81.4	81.4	81.4	80.3	81.4	81.6	81.2	81.1	83.1	81.4	81.1	81.6	81.8
1963.....	81.9	83.3	83.1	83.8	83.0	81.8	82.2	82.8	83.3	82.5	82.1	85.2	83.8	84.8	84.0
1964.....	84.2	85.4	86.0	86.3	85.5	83.4	84.5	84.4	84.4	84.2	85.7	87.1	89.0	90.1	88.0
1965.....	88.3	88.5	89.3	89.7	89.0	86.7	87.1	87.9	89.3	87.8	91.2	91.1	91.8	90.5	91.1
1966.....	91.4	92.3	92.3	91.6	91.9	91.0	91.9	92.0	92.2	91.8	92.2	92.9	92.8	90.6	92.1
1967.....	88.9	87.7	87.3	87.7	87.9	89.9	89.5	88.6	88.4	89.1	87.1	84.4	84.9	86.5	85.7
1968.....	87.9	88.1	87.6	87.2	87.7	88.8	88.3	88.2	87.3	88.1	86.1	87.6	86.6	87.0	86.8
1969.....	87.7	87.1	86.9	84.3	86.5	87.1	86.1	85.8	82.5	85.4	88.7	88.8	89.0	87.6	88.5
1970.....	80.6	79.6	78.0	74.0	78.1	79.2	78.2	76.1	71.7	76.3	83.4	82.3	81.5	78.3	81.4
1971 <sup>u</sup> .....	74.5	75.1	73.2	.....	.....	72.2	72.2	71.6	.....	.....	79.0	80.7	76.1	.....	.....

<sup>u</sup> Preliminary.

NOTE.—Seasonally adjusted estimates based on data from Federal Reserve, Dept. of Commerce, and McGraw-Hill Economics Dept.

# Treasury and Federal Reserve Foreign Exchange Operations

*This 19th joint interim report reflects the Treasury–Federal Reserve policy of making available additional information on foreign exchange operations from time to time. The Federal Reserve Bank of New York acts as agent for both the Treasury and the Federal Open Market Committee of the Federal Reserve System in the conduct of foreign exchange operations.*

*This report was prepared by Charles A. Coombs, Senior Vice President in charge of the Foreign Department of the Federal Reserve Bank of New York, and Special Manager, System Open Market Account. It covers the period March through September 1971. Previous reports have been published in the March and September BULLETINS of each year beginning with September 1962.*

In 1970, the official settlements balance of the United States swung into a deficit of \$10.7 billion from a surplus of \$2.7 billion in 1969. This deterioration was attributable primarily to short-term capital outflows in response to interest rate differentials. As U.S. money rates and credit conditions eased progressively in 1970, European rates lagged well behind, and short-term money flowed in heavy volume from the United States to the Euro-dollar market and on from there to the national money markets and central bank reserves of Europe.

These outflows of dollars were naturally attracted to the highest foreign bidders. Through most of the period, German short-term rates exerted the strongest pull, with the result that German banks and industrial firms—in seeking an escape from stringent credit conditions in Germany—borrowed well over \$6 billion abroad in 1970, thereby more than accounting for the \$6.3 billion reserve gain of the German Federal Bank. Other major recipients of the overflow from the Euro-dollar market were the United Kingdom, France, Italy, Belgium, the Netherlands, and Switzerland.

Financing by the United States of the unusually high official settlements deficit in

1970 was facilitated by the fact that a substantial part of dollar reserve gains abroad favored those countries that were in the process of rebuilding depleted dollar reserves or were content to accumulate dollars in anticipation of scheduled debt repayments to U.S. agencies or to the International Monetary Fund (IMF). As of the end of 1970, Federal Reserve swap debt amounted to no more than \$810 million. Market confidence in the dollar was surprisingly well sustained.

Early in 1971, however, the international financial markets began to sense an impending crisis of the dollar. As interest rate differentials between the United States and Europe widened out still further, outflows of short-term funds to the European markets accelerated and forced most European currencies hard against their ceilings. Despite Federal Reserve and Treasury efforts to slow down or offset the repayment of U.S. bank debt to the Euro-dollar market, \$3.3 billion more of such debt was repaid during the first quarter of 1971. Even more ominous, the severe slump of the U.S. trade surplus during late 1970 persisted into early 1971 and aroused increasing apprehension of a loss of U.S. competitive strength in world markets.

As the weekly figures of dollar reserve gains abroad confirmed the generalized weakness of the dollar and the prospect that the U.S. deficit was rising well above the abnormally high level of 1970, overt speculation began to appear in the exchange markets in March, further swelling the torrent of dollars flowing to foreign markets.

Although the developing weakness of the dollar was generalized across the European currency exchanges, the German mark was particularly exposed to speculative buying pressure in view of the continuing strength of Germany's trade surplus, a severely restrictive credit policy that kept German interest rates well above international levels, and the lack of restraints on German industrial borrowing abroad. During the period February–April 1971, German corporate borrowing abroad amounted to roughly \$2.5 billion, nearly equivalent to total business lending by the entire German banking system over the same period. In February, the German Federal Bank tried to squeeze out the interest-arbitrage incentive to short-term capital inflows by driving the forward mark to a sizable discount through forward sales conducted through the agency of the Federal Reserve Bank of New York. This experiment proved excessively costly and was quickly abandoned.

With speculation beginning to appear in late March and early April, the German Federal Bank initiated a new program of forward mark sales in Frankfurt, with the objective of reassuring the market on the stability of the mark parity. This operation succeeded in temporarily restoring a fragile measure of confidence, but the German Government remained confronted with the dilemma of how to make its restrictive credit policy effective while simultaneously allowing its business corporations unfettered access to the Euro-dollar market.

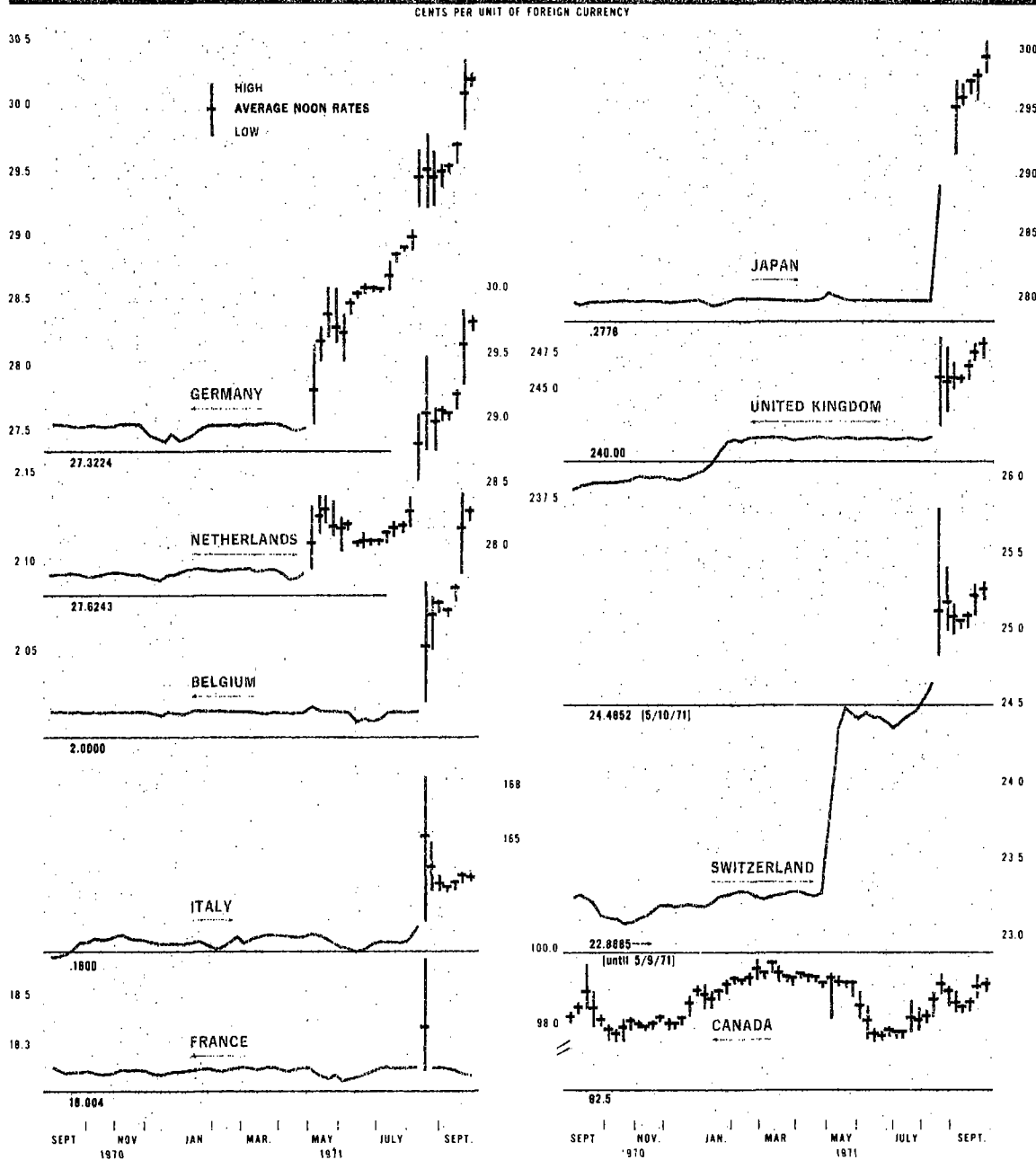
Early in May, a report by the main

German economic research institutes, recommending either a floating of the mark rate or revaluation as the best solution to this and other policy dilemmas, was greeted sympathetically by certain high-ranking German officials. The market seized on this apparent shift of policy, and speculative funds flooded into Germany. The German central bank was forced to buy dollars in mounting volume: more than \$1 billion on May 3 and 4 and a further \$1 billion in the first 40 minutes of trading on May 5, at which point it withdrew from the market.

To protect themselves against the backwash of the German move, the central banks of the Netherlands, Switzerland, Belgium, and Austria similarly terminated official support of the dollar that same morning. Over the weekend, the Swiss franc and the Austrian schilling were revalued by 7.07 per cent and 5.05 per cent, respectively, while the German mark and Dutch guilder were allowed to float. The Belgian market was reopened on the basis of the previous intervention limits, but with a further separation between the official and financial franc markets. The revaluations of the Swiss franc and Austrian schilling did little, however, to bring about a spontaneous return flow of speculative funds as the foreign exchange markets remained highly nervous. In particular, the flotation of the mark and guilder aroused widespread fears in the market that other countries might take similar action. Furthermore, as the mark and guilder floated upward, they tended to become barometers of weakening confidence in the dollar.

Meanwhile, current statistics on the performance of the U.S. economy failed to measure up to earlier hopes, and the foreign trade balance slipped into a deepening deficit in April and subsequent months. According to Department of Commerce figures, the trade deficit for the second quarter was \$1.0 billion, while the over-all U.S. payments

1 | EXCHANGE RATES: Sept. 1970 to Sept. 1971



Black rule indicates par value of currency. Weekly averages of daily N.Y. noon offered rates except when currency was allowed to float, or was effectively floating.

deficit for the first half of the year soared to \$11.6 billion on an official settlement basis. In July and early August events moved inexorably toward their climax as speculative anticipations reached throughout the full

range of trade and investment decisions in the market.

On Friday, August 6, a congressional subcommittee report asserted that the dollar had become overvalued and called for cor-

rective action through a general realignment of exchange rates. That same day the U.S. Treasury reported a loss of gold and other reserve assets totaling more than \$1 billion, mainly as a consequence of British and French repayment of debt to the IMF. Over the following week, the flight from the dollar accelerated sharply as \$3.7 billion moved across the exchanges and into central bank hands. On Sunday, August 15, President Nixon announced a major new program of domestic and international economic measures. Using powers available under the Economic Stabilization Act of 1970, the President ordered a 90-day freeze on wages and prices and, in order to stimulate a more rapid expansion of production and employment, recommended new tax measures. With respect to international payments, the President introduced a 10 per cent temporary surcharge on dutiable imports into the United States and announced a temporary suspension of convertibility of the dollar into gold and other reserve assets.

The major European governments kept their exchange markets closed all of the following week, as they sought to develop some joint policy response to the U.S. measures. These negotiating efforts failed, and on Monday, August 23, European governments reopened their exchange markets on an uncoordinated basis. While each government continued to adhere to its pre-August 15 parity, all but the French Government suspended their commitments to defend the previous upper limits of their exchange rates. Such continuing intervention by the Bank of France was confined, however, to a segregated market for commercial transactions, while all other transactions were diverted to a "financial franc" market that was allowed to find its own level. The Japanese Government initially sought to maintain the rate for the yen by continuing to intervene at the ceiling, but it was swamped by an inflow of dol-

lars, which by the month-end had swollen official reserves by \$4.4 billion. On August 28, official intervention at the ceiling for the yen was suspended, and the yen immediately rose 4.7 per cent; in subsequent weeks the yen moved gradually higher. By October 8, the rates of the major trading currencies of the world had moved to the following percentage premiums over their former official ceilings:<sup>1</sup>

Currency	Premium over ceiling
German mark	9.5
Japanese yen	7.6
Dutch guilder	7.0
Canadian dollar	6.4
Belgian franc:	
Commercial	6.4
Financial	6.3
Sterling	2.9
Italian lira	1.4
Swiss franc	1.1
French franc:	
Commercial	-0.3
Financial	1.7

The exchange rate structure thus emerging after August 15 was, in most instances, the product of controlled rather than free floating. Many central banks continued to intervene on an *ad hoc* basis, while the market was further strongly influenced by a wide variety of new exchange controls, the U.S. import surcharge, and sharply conflicting official appraisals of an appropriate realignment of parities.

During the period under review, the Federal Reserve made frequent and sizable drawings on several of the swap lines in order to absorb temporarily foreign official

<sup>1</sup>The appreciation of floating currencies is measured throughout this report as the percentage premium of the midpoint between bid and offered rates over the former official ceiling, all in cents per unit of foreign currency. Since the currencies concerned had been at, or close to, the official upper intervention limits for some time before being allowed to float, this is the most meaningful measure of the actual appreciation of the rates. Many reports covering the recent period have used the percentage premium over parity as the common point, and a reasonable approximation of that value can be calculated by adding 0.75 percentage point to the premiums quoted in this report. In the case of the Swiss franc, however, 1.8 percentage points should be added.

**TABLE 1**  
FEDERAL RESERVE RECIPROCAL CURRENCY  
ARRANGEMENTS

In millions of dollars

Institution	Amount of facility, Oct. 14, 1971
Austrian National Bank.....	200
National Bank of Belgium.....	600
Bank of Canada.....	1,000
National Bank of Denmark.....	200
Bank of England.....	2,000
Bank of France.....	1,000
German Federal Bank.....	1,000
Bank of Italy.....	1,250
Bank of Japan.....	1,000
Bank of Mexico.....	130
Netherlands Bank.....	300
Bank of Norway.....	200
Bank of Sweden.....	250
Swiss National Bank.....	1,000
Bank for International Settlements:	
Swiss francs/dollars.....	600
Other authorized European currencies/dollars.....	1,000
<b>Total.....</b>	<b>11,730</b>

dollar gains that might otherwise have been converted into gold or other reserve assets. (See Table 1 for the listing of the swap arrangements and Table 2 for the swap operations described in this report.) As of the beginning of 1971, Federal Reserve debt under the swap lines amounted to \$810 million. Through August 13, new drawings amounted to \$3,565 million, while repayments of \$1,330 million were effected

through Treasury sales of gold and Special Drawing Rights (SDR's), U.S. borrowings from the IMF, Treasury issuance of foreign currency securities, and use of foreign currency balances. The residual swap debt commitments outstanding as of August 13 thus amounted to \$3,045 million.

No further drawings on the swap lines by either the Federal Reserve or foreign central banks have been made since August 13. As individual swap drawings have matured they have been rolled over, except for a \$35 million Belgian franc drawing that was repaid in early October with francs purchased in the market. Thus, as of October 14, \$3,010 million of swap debt remained outstanding. Most of this debt was incurred to offset speculative flows of funds that in due course will presumably reverse themselves and so permit repayment of the swap debt outstanding.

Of the Federal Reserve's total swap commitments, \$1.6 billion is outstanding under the Swiss franc swap lines with the Swiss National Bank and the Bank for International Settlements (BIS). As of the beginning of 1971, Federal Reserve swap debt to the Swiss National Bank amounted to \$300 million and rose further to \$450 million on

**TABLE 2**  
FEDERAL RESERVE SYSTEM SWAP ACTIVITY UNDER ITS RECIPROCAL SWAP LINES

In millions of dollars equivalent

Transactions with...	System swap drawings, Jan. 1, 1971	Drawings, or repayments (-)				System swap drawings, Oct. 14, 1971
		1971				
		I	II	III	Oct. 1-14	
National Bank of Belgium.....	210.0	{ 335.0	{ 125.0	{ 260.0	{ -35.0	} 565.0
Bank of England.....		{ -125.0	{ -205.0	{ 750.0		
German Federal Bank.....			{ 60.0			60.0
Netherlands Bank.....	300.0	{ 130.0	{ 120.0			} 1,000.0
Swiss National Bank.....	300.0	{ -300.0	{ -250.0	{ 750.0		
Bank for International Settlements (Swiss francs).....		{ 150.0	{ 250.0			600.0
Bank for International Settlements (Belgian francs).....		{ -450.0		{ 35.0		35.0
<b>Total.....</b>	<b>810.0</b>	{ <b>615.0</b>	{ <b>555.0</b>	{ <b>2,395.0</b>	{ <b>-35.0</b>	<b>3,010.0</b>
		{ <b>-875.0</b>	{ <b>-455.0</b>			



March 1. This debt was fully liquidated in early March through a Treasury sale of gold and Swiss franc securities to the Swiss National Bank, together with an outright purchase of Swiss francs by the Federal Reserve from the Swiss National Bank.

No further drawings on the Swiss National Bank were made until May 17, when the Federal Reserve made a \$250 million equivalent drawing in order to assist return flows to the New York market of speculative funds that had moved into Switzerland in anticipation of the revaluation of the Swiss franc on May 9. During the first half of August, the Swiss National Bank was forced to absorb a massive inflow of dollars. In response to a Swiss request, the Federal Reserve drew the remaining \$350 million equivalent available under the \$600 million swap line with the National Bank, and after that facility had been enlarged to \$1 billion on August 12, drew in full the additional \$400 million of Swiss francs thus provided. Furthermore, the System drew the entire \$600 million equivalent available under the Swiss franc/dollar swap lines with the BIS, thereby increasing System commitments in Swiss francs to a total of \$1.6 billion.

As of October 14, \$600 million of Federal Reserve drawings in Belgian francs remained outstanding on the swap lines with the National Bank of Belgium and with the BIS. Such swap debt stood at \$355 million on January 27 but was reduced to \$230 million on January 29 by a U.S. Treasury drawing of \$125 million of Belgian francs from the IMF. As Euro-dollar rates fell sharply during the first quarter of 1971, an influx of short-term funds into Belgium necessitated new Federal Reserve drawings, which rose to a total of \$450 million equivalent by early April. The speculative crisis culminating in the floating of the mark in early May forced the Federal Reserve to draw an additional \$95 million on the Belgian franc swap line,

which was offset to the extent of \$55 million by repayments financed by U.S. Treasury sales of SDR's to the National Bank. On June 21, the Belgian franc swap debt of the Federal Reserve was reduced from \$490 million to \$340 million through a U.S. Treasury drawing of \$150 million of Belgian francs from the IMF.

Again in late July and August, however, heavy speculative flows of funds into Belgium necessitated \$160 million of new drawings by the Federal Reserve, thereby exhausting the \$500 million line with the National Bank. On August 12, the facility was enlarged to \$600 million and the additional \$100 million of Belgian francs thus made available was fully drawn. Finally, on August 13, the Federal Reserve drew \$35 million of Belgian francs from the BIS under the \$1 billion reciprocal line that provides for swaps of dollars against certain European currencies other than Swiss francs. This drawing brought the Federal Reserve swap commitments in Belgian francs to \$635 million equivalent. Then in October the Federal Reserve liquidated a maturing swap drawing of \$35 million by purchasing the necessary francs in the exchange market, thereby reducing the debt outstanding to \$600 million.

As previously noted, the German Federal Bank initiated in early April 1971 a series of forward mark operations in an effort to strengthen market confidence in the mark parity. The Federal Reserve Bank of New York, dealing for the System account, participated in these forward mark sales to the extent of \$75.7 million. Cover for these Federal Reserve commitments to the market was provided in part by balances on hand and in part by swap drawings totaling \$60 million equivalent on the German central bank. These drawings remained outstanding as of October 14.

The remaining \$750 million of Federal

Reserve swap debt is accounted for by a drawing in this amount on the swap line with the Bank of England, executed on August 13. Here again, this swap debt remained outstanding as of October 14.

Finally, the Federal Reserve was indebted as of the beginning of 1971 to the full extent of the \$300 million available under the swap line with the Netherlands Bank. During the first quarter of 1971 this \$300 million of Federal Reserve debt, plus another \$25 million of surplus dollars on the books of the Netherlands Bank, was fully liquidated in a series of special transactions involving (1) a Federal Reserve sale of \$75 million equivalent of German mark balances to the Netherlands Bank, (2) a U.S. Treasury sale of \$25 million of gold and \$100 million of SDR's to the Dutch authorities, and (3) a U.S. drawing of \$125 million equivalent of guilders from the IMF.

Again in the late spring, however, the speculative crisis leading up to the floating of the mark as well as other factors necessitated new Federal Reserve drawings on the Netherlands Bank in the amount of \$250 million equivalent. When the Dutch Government allowed the guilder to float on May 10, the Netherlands Bank, in accordance with

prior understandings governing the swap arrangement with the Federal Reserve, immediately sold sufficient guilders to the System to enable it to liquidate the \$250 million equivalent swap commitment. This repayment procedure naturally added to the uncovered dollars on the books of the Netherlands Bank, and the U.S. Treasury subsequently absorbed an equivalent amount of such dollars through a \$150 million sale of SDR's on May 21 and a drawing of \$100 million equivalent of guilders from the IMF on June 21.

Despite such heavy swap drawings by the Federal Reserve during the period under review, the U.S. stocks of gold and other reserve assets were severely eroded by the flow of dollars into foreign central banks. From January 1 through mid-August a total of \$3.1 billion in such assets was paid out, including \$864 million of gold, \$394 million of foreign exchange, \$480 million of SDR's, and \$1,362 million taken down against the U.S. IMF position.

This substantial use of reserve assets was supplemented by new issues of U.S. Treasury foreign - currency - denominated securities (Table 3). In March the Treasury issued \$249.7 million Swiss-franc-denominated

**TABLE 3**  
U.S. TREASURY SECURITIES, FOREIGN CURRENCY SERIES

In millions of dollars equivalent

Issued to —	Out- standing, Jan. 1, 1971	Issues, or redemptions (..)			Out- standing, Oct. 14, 1971
		1971			
		I	II	III	
German Federal Bank .....	539.6				539.6
German banks .....	135.5				135.5
Swiss National Bank .....	540.6	{ 249.7	{ 831.7	{ 333.0	} 1,173.2
		{ .....	{ 790.5	{ .....	
Bank for International Settlements <sup>2</sup> .....	150.0	{ .....	{ 157.5	{ .....	} 158.1
		{ .....	{ -150.0	{ .....	
<b>Total</b> .....	1,365.7	{ 249.7	{ 989.3	{ 333.0	} 2,006.4
		{ .....	{ -940.5	{ .....	

<sup>1</sup> Transactions related to activation by the Swiss National Bank of the revaluation clause covering all outstanding Swiss-franc-denominated securities of the U.S. Treasury at the time of the Swiss franc's revaluation in May.

<sup>2</sup> Denominated in Swiss francs.

NOTE.—There were no issues or redemptions during the period October 1-14. Discrepancies in totals result from minor valuation adjustments and from rounding.

TABLE 4

## DRAWINGS AND REPAYMENTS ON FEDERAL RESERVE SYSTEM BY ITS SWAP PARTNERS

In millions of dollars

Banks drawing on System	Drawings on System, Jan. 1, 1971	Drawings, or repayments (-)			Drawings on System, Sept. 30, 1971
		1971			
		I	II	III	
Bank for International Settlements (against German marks)	.....	{ 21.0 -21.0	{ 6.0 -6.0	.....	.....
Total	.....	{ 21.0 -21.0	{ 6.0 -6.0	.....	.....

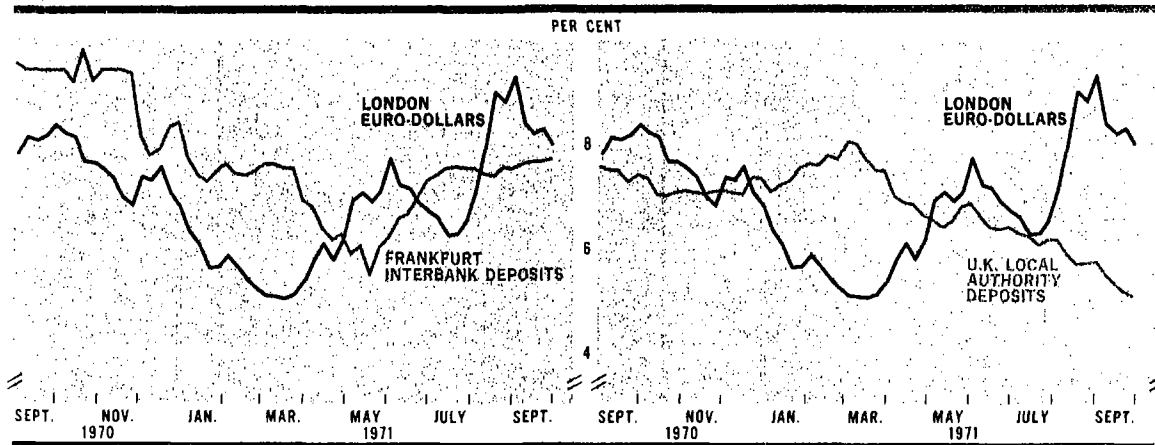
certificates of indebtedness to the Swiss National Bank in order to help repay System swap commitments of \$450 million, and in August it issued a \$333 million equivalent note to that bank to cover the Swiss National Bank's dollar purchases of August 13. As of October 14, the total of such securities outstanding amounted to \$2,006 million. The Treasury's only swap operation during the period was under a special \$100 million facility with the National Bank of Belgium, entered into and drawn upon in full in May and liquidated at maturity in early August.

As shown in Table 4, drawings on the Federal Reserve by its swap partners during the period were confined to purely routine use by the BIS of one of its lines in connection with overnight cash needs.

## GERMAN MARK

Inflationary trends in Germany, reflecting both demand and wage-push pressures, have been a major concern of the German Government since early 1970. Although some fiscal measures were introduced in the second half of 1970, the major burden of the anti-inflationary effort was assumed by the monetary authorities, who used both interest rates and reserve requirements to restrain monetary and credit expansion. With domestic credit demand pressing against the restricted supply of domestic funds, German banks began early in 1970 to repatriate foreign balances and to borrow additional funds from abroad to meet their customers' needs. Starting in the spring of 1970 the German Federal Bank had moved to curb such in-

## 2 | YIELD COMPARISONS: 3-MONTH MATURITIES EXCEPT WHERE NOTED



Weekly averages of daily rates.

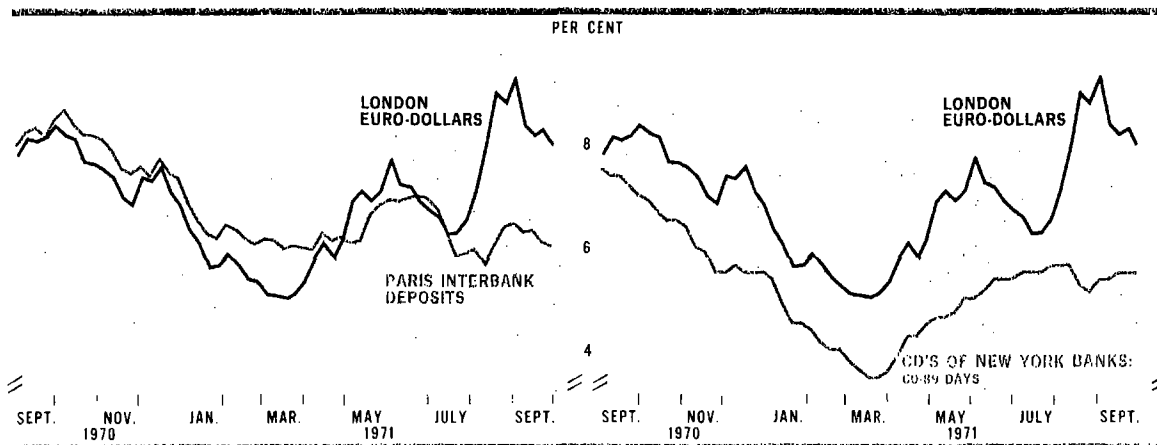
flows, largely through marginal reserve requirements on the growth of the banks' foreign liabilities, and these measures were strengthened over the course of the year. Full freedom remained available, however, for German business corporations to borrow directly abroad, particularly in the Euro-dollar market, to meet their credit needs. These inflows of short-term funds are estimated by the Federal Bank to have totaled some \$6.6 billion for the year, more than Germany's reserve gain of \$6.3 billion for that period.

In early 1971 the continuing decline in Euro-dollar rates opened wider arbitrage incentives in favor of the mark, and German corporations further increased their heavy recourse to foreign financing. By late January the German Federal Bank was again absorbing substantial amounts of dollars from the market. Toward the end of February, the uncovered arbitrage incentives in favor of Germany stood at around 2 percentage points on a 3-month comparison, while the discount on the forward mark was only about 1¼ per cent per annum. As an alternative to cutting domestic interest rates, but still seeking to close this differential, the Federal Bank in late February asked the Federal Reserve Bank of New York to offer 3-month forward marks in the New York

market, for the account of the German central bank.

This operation had the immediate effect of moving the spot mark rate away from its ceiling and halting the spot inflow into German reserves, and within a few days the forward mark discount widened to nearly 2 per cent. Meanwhile, however, the underlying interest differential had also widened to around 2½ per cent owing mainly to a further decline of Euro-dollar rates, and it soon became clear that massive sales by the German central bank would be required to maintain the forward mark at a sufficient discount. Accordingly, the operation was phased out by mid-March after \$537 million of forward mark sales. As the spot rate moved back to its ceiling, the German central bank was again forced to take in dollars.

On March 31 the German Federal Bank Council, in a long-awaited move, cut the central bank's discount and "Lombard" rates by 1 full percentage point to 5 per cent and 6½ per cent, respectively, effective April 1. At the same time, however, the Council reinforced credit restraint by reducing the banks' rediscount quotas by 10 per cent. With little easing of domestic liquidity conditions thus in prospect, bidding for marks surged with strong speculative overtones. Within 3 days, the Federal



Bank took in more than \$1.3 billion in holding the spot mark at the ceiling and swapped some \$600 million of this inflow out in the market for 3 months' delivery.

In this atmosphere of mounting apprehension, the German central bank sought to reassure the market by initiating on April 2 a new series of forward operations, offering 3-month marks at the spot ceiling rate. The Federal Reserve Bank of New York, dealing for System account, joined in the operation by offering forward marks at the same rate in New York after the Frankfurt market had closed. This concerted intervention had a calming effect on the market over the next few weeks, and the spot rate for the mark soon moved away from the ceiling as funds began to flow out of Germany on a covered basis. The earlier influx had helped to produce ample liquidity conditions in Germany, and with short-term money market rates declining there while Euro-dollar yields were now turning upward, near-term arbitrage incentives shifted in favor of Euro-dollar placements.

Underlying market nervousness surfaced from time to time during the month, however, and the Federal Bank and the Federal Reserve continued the operation through most of April—offering forward marks on the same basis and doing business nearly every day. By late April, these forward sales by the German central bank had reached \$1.5 billion equivalent, while those by the Federal Reserve amounted to \$75.7 million. Cover for these Federal Reserve commitments to the market was provided in part by balances on hand and in part by swap drawings totaling \$60 million equivalent on the German Federal Bank. On April 28, the German Federal Bank Council decided that the time had come to withdraw its offer of forward marks at a fixed rate and to let the forward rates reach their own level. The market, already beset by rumors of a devel-

oping rift among European Economic Community (EEC) nations following a meeting of the Finance Ministers a few days earlier, reacted sharply, and both spot and forward marks were heavily bid.

On April 30, German reserves stood at \$16.7 billion, representing a gain of nearly \$3.0 billion for the first 4 months of 1971, while the forward dollar contracts of the German Federal Bank had risen to \$2.7 billion. Over the same period, German corporations had raised close to \$4 billion abroad, representing roughly half of their total credit needs.

On Monday, May 3, the main German economic research institutes issued a report calling for a prompt floating or revaluation of the mark. Sympathetic reactions to this report by high-ranking German officials persuaded the market that some such move would soon be forthcoming. In holding the spot rate at the ceiling, the German Federal Bank was accordingly flooded with offers of dollars against marks. Over the 2 days May 3 and 4, the bank had to absorb more than \$1 billion, and on the morning of Wednesday, May 5, a further \$1 billion was taken in within the first 40 minutes of trading. At that point the German Federal Bank suspended its market operations. Although German banks were legally free to continue to deal if they wished, there was no official fixing, and trading virtually ceased in the Frankfurt market for the rest of the week. The mark was still traded elsewhere during the 3 days, however, and in New York the rate rose to around \$0.2800, or some 1.6 per cent above the previous ceiling.

On Sunday, May 9, after an inconclusive meeting of the EEC Finance Ministers, the German authorities announced that, as an anti-inflationary measure, the trading limits for the mark would be suspended temporarily—effectively allowing the mark rate to float—although the official parity was to

remain unchanged. It was also announced that other measures to fight inflation were being prepared; these included the reimposition of a ban on interest payments on large deposits held by nonresidents, the barring of foreigners from buying German money market paper, and the freezing of some Federal and state government spending. The Frankfurt market reopened on May 10, and the mark traded well above its former ceiling—fluctuating sharply in response to both facts and rumors. Traders generally doubted that the rate would return to within its old limits, and the possibility was widely discussed that the German authorities would begin to sell dollars in the market at rates well above the former official ceiling.

By May 24 the spot mark had risen to a premium of 3.7 per cent above the previous ceiling but then it began to settle back, as rising Euro-dollar rates increased the cost of holding speculative mark positions. On June 1 the spot rate dropped sharply, but when the mark weakened further on the morning of June 2 in Frankfurt, the German central bank offered to sell dollars in small amounts at the equivalent of about \$0.2803. This led to an abrupt reversal in the market, but the German central bank nevertheless began to sell dollars the next morning. These sales were not at fixed levels but on the basis of the most acceptable rates to the Federal Bank at any given point in time. The operation was pursued over the following weeks, resulting in a progressive ratcheting upward of the mark rate. By mid-June the authorities had sold \$1.7 billion, considerably more than they had taken in under maturing forward contracts from the operations in February and March, and the spot mark had advanced to a 3.6 per cent premium over the former ceiling.

The heavy outflow of funds from Germany helped to tighten domestic money market conditions considerably, and this

tightening was supported by other actions, including a substantial increase in the banks' minimum reserve requirements. On June 2, requirements against domestic liabilities were raised across-the-board by 15 per cent, while the requirements against foreign liabilities were lifted to twice the level of the new domestic rates. With large tax payments reducing domestic liquidity further, German interest rates advanced sharply, and by late June, when the stringency had become acute, they moved above Euro-dollar rates for comparable maturities, maintaining a substantial edge through July.

These arbitrage considerations, along with the continuing view in the market that the prospects were still strong for an even further rise in the mark rate, kept the rate buoyant, and it sometimes moved above levels at which the German Federal Bank was then willing to sell dollars. Beginning in mid-July, however, the Federal Bank progressively lowered its selling rate for dollars and the mark rate spiraled upward. Over all, from June 3 through the end of July, the Federal Bank sold \$4.8 billion in the spot market while it took in a total of \$2.7 billion through maturing forward contracts. Thus, on balance, its reserves fell by some \$2 billion to \$17.0 billion at the end of July.

By late July the spot mark had leveled off again, to around \$0.2890, a 4.9 per cent premium. But a new upsurge in the rate developed in early August, when generalized speculation against the dollar developed in full force. As the mark rose, the German Federal Bank stopped offering dollars. On August 12, with the market beset by rumors of a new parity being set at even a higher level, the rate jumped to a premium of 7.6 per cent, and the Federal Bank stepped in on the other side of the market and purchased a modest amount of dollars.

After President Nixon's address on August 15, formal exchange dealings were sus-

ended in Germany through the full week of August 16–20. During the week, consultations proceeded within the EEC countries as to the basis under which the markets would be reopened. With no agreement reached among the EEC members on a common exchange policy, the German Government reopened the market on August 23 with the mark rate floating as before. With trading volume continuing at generally reduced levels, the mark rate fluctuated closely around a premium of 7 per cent until mid-September, after which it rose sharply to as high as a 10 per cent premium prior to the IMF meeting. The German Federal Bank then began to intervene in both spot and forward markets to moderate the rise in the rate. By early October the mark rate had backed off somewhat to a premium of around 9.5 per cent.

Sterling showed increasing strength as 1971 began, with the spot rate moving in January from below parity to near its \$2.42 upper limit. Britain's current-account balance of payments was still in surplus, and seasonal factors are favorable early in the year. The dominant source of demand for sterling, however, was a growing inflow of interest-sensitive funds, coupled with the pressures arising from heavy tax payments against the background of a severe credit squeeze and reduced corporate liquidity. Domestically, economic activity had turned sluggish, but at the same time the U.K. authorities were faced with sharply rising wages and prices. To counter the inflationary pressures, the authorities had been maintaining a firm grip on domestic monetary conditions, and British interest rates moved up in early 1971. At the same time, interest rates elsewhere were declining, particularly in the United States and in the Euro-dollar market.

By late 1970 Euro-dollar rates already

had moved below rates on comparable sterling instruments, and the further decline in early 1971 widened the gap even more. In January, the British authorities moved to reduce the resulting inflows of funds by modifying the exchange control regulations so as to restrain new foreign currency borrowings by British corporations for domestic use. Throughout the first quarter, with persistent rumors that the Bank of England's discount rate would be cut (it had been held at 7 per cent since April 1970), heavy demand developed for British Government securities, while seasonal tax payments further absorbed liquidity. The inflows from abroad continued and, with sterling holding near its upper limit, the Bank of England took in a large volume of dollars through February and March.

From the reserve gains in the first quarter, the U.K. authorities were able to repay more than \$1.6 billion of international credits, thereby fully liquidating their indebtedness to all monetary institutions other than the IMF. Among the repayments made during the quarter were the remaining \$226 million of credits under the 1966 Basle arrangement (of this, \$76 million was shared equally by the U.S. Treasury and the Federal Reserve) and \$99 million to the same U.S. agencies representing the last portion of sterling which had been held on a covered or guaranteed basis. In addition, on March 31 the United Kingdom liquidated prior to maturity \$685 million of its obligations to the IMF. Even after these very large repayments, British official reserves rose during the first quarter by \$190 million, excluding the \$299 million allocation of SDR's and \$500 million that was transferred into later months through special arrangements.

On March 30, the British Government presented to Parliament a moderately expansionary budget, which was generally well received in the market. The fiscal measures

were to be accompanied by a small relaxation of the ceilings on bank credit expansion. Subsequently, on April 1, the Bank of England cut its discount rate from 7 per cent to 6 per cent. The Bank noted that the move was intended to bring British domestic yields into closer harmony with rates abroad (which had fallen substantially since the beginning of the year). British interest rates immediately came down and, with Euro-dollar rates simultaneously firming, the gap between domestic and international rates was sharply reduced. The subsequent easing in the spot sterling rate was only short-lived, however, as demand arising from oil royalty and tax payments soon pushed the rate to the ceiling again.

Meanwhile, the U.K. current-account position was improving strongly, from the strike-reduced \$82 million surplus of the first quarter to a record of \$792 million for the second quarter. Although this swing reflected in part a distortion of the trade figures as a result of strikes, such deferred commercial demand for pounds kept sterling buoyant at a time when it usually begins to ease with the passing of favorable seasonal factors. Fluctuations in the sterling rate during that period mainly reflected the changing relationship between domestic interest rates and rates in the Euro-dollar market. With interest rates holding fairly steady in London, the tightening of the Euro-dollar market late in May exerted some downward pressure on the pound, but when Euro-dollar rates moved lower in June sterling came into demand again.

During the second quarter, British reserves posted a further gain of \$303 million, while \$1.2 billion was shifted into later months again through special arrangements. These gains, and the continued strength of sterling, enabled the United Kingdom to make a further paydown on its IMF obligations. On July 19, Chancellor Barber an-

nounced that the United Kingdom would repay the remaining \$614 million owed to the IMF under the June 1968 drawing. The repayment was carried out on August 9, concurrently with a large French repayment to the Fund. This left outstanding only the \$1 billion drawn by the United Kingdom under the 1969 standby arrangement with the IMF.

Trading in sterling remained orderly in July, but in the first days of August the pound was caught up in the general wave of speculative demand that hit all major foreign currencies. With the sterling rate pressed against its upper limit, the Bank of England had to absorb large amounts of dollars from the market. To provide cover for this inflow, on August 13 the Federal Reserve activated the swap line with the Bank of England, drawing \$750 million equivalent of sterling.

On the Monday following President Nixon's statement of August 15, the British authorities closed their market by prohibiting their banks from dealing in foreign exchange, and the prohibition was extended each day of that week. As an interim measure, however, the Bank of England allowed banks to lend foreign currencies to residents for payment to nonresidents. During that week trading in sterling was very thin in New York and on the Continent, with wide swings in quotations. On Monday, August 23, the London market was reopened on the basis of the \$2.42 upper limit being suspended temporarily, while the parity of the pound and the lower limit remained unchanged. On subsequent days, with trading gradually recovering, the sterling rate moved to as high as \$2.4830 on August 26, a premium of 2.5 per cent over the ceiling, before backing off.

Following the floating of the Japanese yen, the British authorities feared a renewed speculative influx into sterling. Conse-



quently, the Bank of England announced on August 27 new measures to deter hot money inflows. These included a prohibition of interest payments by banks in the United Kingdom on increases in sterling balances held by non-sterling-area depositors, and a complete ban on additional nonresident deposits with other financial institutions and local authorities. Nonresidents were also prohibited from purchasing additional sterling certificates of deposit as well as Government, Government-guaranteed, and local authority securities maturing before October 1, 1976. Finally, permission for the banks to swap foreign currency deposits into sterling for lending to residents was withdrawn. The sterling rate fell sharply after that to around \$2.45½, about 1.5 per cent above the previous ceiling. On the following Thursday, September 2, the Bank of England reduced its discount rate from 6 per cent to 5 per cent. (On the same day, the reserve figures for the end of August were released, indicating a gain of \$937 million after the \$614 million repayment to the IMF.)

The bank rate cut was followed by a drop in domestic interest rates, but Euro-dollar rates fell even more rapidly. This may have contributed to keeping sterling firm, the spot rate fluctuating around \$2.46 until mid-September. By that time the volume of current commercial business had recovered, but transactions related to capital movements, in contrast, had practically dried up. With the approach of the IMF meetings, however, the sterling rate strengthened and in September, British official reserves rose by \$206 million. Also during September the British Treasury announced the renewal for 2 years of the \$2 billion second sterling-balances arrangement of 1968 with the BIS, under which the Bank of England can obtain credits to offset reductions in the sterling balances—both official and private—of sterling-area countries.

The upswing in the sterling rate continued into early October, when in active trading, the spot rate rose above \$2.49, to a 3 per cent premium over the previous ceiling. On October 6, the British authorities announced a further tightening of the exchange controls introduced at the end of August. The earlier ban on additions to the holdings by non-sterling-area residents of specified securities was extended to all such securities, irrespective of maturity, as well as to sterling acceptances, commercial bills, and promissory notes. After a brief dip in response to these steps, sterling moved back close to the \$2.49 level.

### SWISS FRANC

The Swiss franc rate rose steadily in early 1971, as strong domestic credit demand absorbed bank liquidity while a continuing decline in Euro-dollar rates reduced the incentive to place funds abroad. By late February the franc rate reached the ceiling and the Swiss National Bank had to absorb \$150 million. To provide cover for this intake, on March 1 the Federal Reserve drew an equivalent amount of francs under the swap arrangement with the Swiss National Bank; since \$300 million drawn under the swap line in October 1970 was still outstanding, this brought the System's commitments in Swiss francs to \$450 million. This debt was liquidated in early March through a combination of a U.S. Treasury sale of \$75 million of gold and \$250 million of Swiss-franc-denominated securities to the National Bank, which also agreed to sell outright \$200 million equivalent of Swiss francs to the Federal Reserve. The System was thereby able to pay off the entire \$450 million equivalent of swap drawings outstanding.

Even after the injection of liquidity resulting from the National Bank's purchase of dollars in late February, the Swiss franc

rate remained strong throughout March. Late in the month, the National Bank helped the Swiss banks meet their quarter-end needs by entering into a total of \$470 million of swaps and also rediscounting domestic paper for them. Despite this assistance, however, the spot rate moved to the National Bank's intervention point by the end of the month.

When the German mark became subject to speculative pressure in the first days of April, speculative demand developed for the Swiss franc as well. On April 1 the Swiss Parliament transferred to the Government the authority to change the franc's parity, and there were rumors that the Government would immediately avail itself of this new power by revaluing the franc. As a result, the National Bank had to purchase \$390 million, net, in the first half of the month, before tensions moderated somewhat. The easing was short-lived, however, as the exchange market atmosphere deteriorated sharply late in April when the Swiss franc was caught up in the wave of speculation centered on the mark.

Since a large share of Swiss trade is with Germany, the prospect of a further possible revaluation of the mark, or of a rising floating rate, led many traders to expect that the Swiss Government, already struggling with inflation, would follow a German move. With the spot franc driven to the ceiling in early May, the National Bank's dollar purchases mounted rapidly. On the morning of May 5 the National Bank took in \$600 million and, when the German Federal Bank suspended its operations, the Swiss authorities immediately did the same. Later that day, in New York, the spot franc rose in heavy trading to around \$0.2400 and fluctuated widely over the following 2 days, as the market awaited the decisions that might emerge over the weekend.

On Sunday, May 9, the Swiss authorities announced a 7.07 per cent revaluation of the

franc, to a new par value of \$0.2448½, the first change of the franc's external value in 35 years. The new intervention limits were formally set at \$0.2403⅞ and \$0.2493¼, or at 1.8 per cent on either side of the new par. The change in the Swiss franc's parity activated the revaluation clauses on all Swiss franc-denominated U.S. Treasury securities issued to the Swiss National Bank—either in its own name or that of the Swiss Confederation—and to the BIS. Consequently, the National Bank sold to the U.S. Treasury 4,110 million Swiss francs at the franc's old ceiling (\$0.2328¼) for \$956.9 million. The Treasury, in turn, redeemed all its Swiss-franc-denominated securities, and replaced them simultaneously with new securities for the same Swiss franc amounts, selling the franc proceeds to absorb \$989.3 million from the National Bank.

When the market reopened on May 10, the spot franc traded just below the new parity, but there was no reversal of the earlier large inflows. The exchange markets remained very uneasy and, despite extremely liquid monetary conditions in Switzerland, Swiss banks were reluctant to shift funds into the Euro-dollar market. In view of the potentially wide swings of the spot rate, uncovered placements were risky, while forward cover was not available in large amounts at attractive rates. Under these conditions, the National Bank sought means of exerting a calming influence on the market and of absorbing excess Swiss franc liquidity.

As a first step, an arrangement was worked out between the National Bank and the Federal Reserve, using the BIS as intermediary. On May 17, the National Bank sold \$250 million to its commercial banks on a 3-month swap basis, on the understanding that the banks would deposit these funds with the BIS which, in turn, would invest them in certificates of deposit (CD's) of

U.S. banks, thereby avoiding an increase in the supply of Euro-dollars. Cover for this operation was provided by means of a Federal Reserve swap drawing of \$250 million equivalent on the line with the Swiss National Bank. (The National Bank was not authorized at that time to undertake forward market operations on its own account; a bill authorizing it to do so had been proposed to Parliament and was subsequently passed in late June.)

Late in May, the National Bank gave assurance to the banks that it would maintain an effective ceiling for the Swiss franc of \$0.2463 and a floor of \$0.2433 (0.6 per cent above and below par, respectively). With their potential spot exchange risks thus reduced, the banks began to purchase substantial amounts of dollars from the central bank. Moreover, with Euro-dollar yields rising sharply toward the month-end, additional funds flowed out of Switzerland, and the franc rate dropped sharply until it almost reached the informal lower intervention level on June 1.

On June 2, however, after the German Federal Bank offered to sell dollars at a rate well above the previous mark ceiling, the Swiss franc rebounded along with other European currencies and held close to par until mid-June. Then, as some covering of short dollar positions developed, an easier tone set in and the spot rate declined markedly. (Following its normal practice, the National Bank provided swaps to assist the banks over the midyear statement period, the total in June reaching \$607 million.) Nevertheless, the rate did not reach the point at which the National Bank had indicated it would sell dollars. During that month, and again in July, in two transactions of \$50 million each the U.S. Treasury sold gold to the National Bank to absorb some of the dollars the Bank had purchased in May.

There was little change in the market at-

mosphere in July. Over-all, in the 2 months that followed its revaluation, the Swiss franc had been little affected by the various speculative forays in other exchange markets, but this relative quiet was broken in early August. With other major continental currencies partly insulated by either exchange controls or floating rates, the Swiss franc began to bear the brunt of the speculative attack against the dollar. On August 4, after the French authorities moved to halt inflows to their country, demand for Swiss francs surged and the rate moved quickly from par to the level at which the Swiss National Bank was prepared to buy dollars. Demand swelled further on the following day, and the National Bank took in a total of more than \$400 million. Meanwhile, however, the National Bank had negotiated an agreement with the Swiss banks under which, in the event of massive speculative inflows, it could prohibit the payment of interest on additional short-term deposits in francs by non-residents and require the banks to hold up to 100 per cent reserves against such funds; this arrangement was to go into effect on August 20.

On Monday, August 9, the National Bank announced that the franc proceeds of any further dollar sales to it would be placed in blocked accounts for 10 days—that is, until the agreement with the banks to sterilize inflows would be implemented—but the Swiss authorities were faced with further massive offers of dollars on every day that week, during which they absorbed a further \$1.7 billion. In response to the National Bank's request to cover these inflows, the Federal Reserve drew the remaining \$350 million equivalent available under the \$600 million swap line with the National Bank and, after that facility had been enlarged to \$1 billion on August 12, drew in full the additional \$400 million of Swiss francs thus provided. Furthermore, the System drew the

entire \$600 million equivalent available under the Swiss franc/dollar swap line with the BIS. These drawings raised System commitments in Swiss francs to a total of \$1.6 billion. Finally, to absorb the National Bank's intake of August 13, the Treasury issued to it a \$333 million Swiss-franc-denominated note.

After the U.S. measures of August 15, the Swiss National Bank suspended its exchange operations during the week of August 16–20, although commercial banks carried on limited dealings among themselves for immediate needs. When the other European markets were opened on August 23, the Swiss National Bank kept its market officially closed; this left the Swiss franc effectively floating, since the commercial banks remained free to trade in foreign currencies. In the general uncertainty and nervousness that prevailed in the markets, the franc rate rose sharply to 3 per cent over the previous informal ceiling by August 26. That day the National Bank announced it had reached an agreement with the three large Swiss banks to discourage speculative inflows. Under the terms of this agreement, the banks would buy a daily maximum of \$2 million from any one customer when the spot rate was between  $\$0.2525\frac{1}{4}$  and  $\$0.2531\frac{5}{8}$  and \$1 million at rates of  $\$0.2531\frac{5}{8}$  or higher. The franc proceeds of any sale in excess of these amounts would be blocked in non-interest-bearing accounts for 3 months.

The following day the National Bank reached an agreement with the Swiss Bankers' Association to extend the interest payment ban on foreign funds that had flowed into Switzerland since July 31 to all franc placements; originally, the ban had applied only to funds with a maturity of less than 6 months. These and earlier restrictions on dealing in francs, along with the uncertainties generated by an effectively floating rate, kept both the size and the number of trans-

actions far below normal. Speculative flows especially were sharply curtailed by the National Bank's regulations. In addition, with the rise in Euro-dollar rates and the downward drift of the German mark, the spot franc backed away sharply, reaching by September 1 the \$0.2500 level. On September 8 the Swiss Government asked Parliament for emergency authority to take various additional measures to defend the franc if this should again become necessary, including the power to impose negative interest rates on hot money inflows and to declare the present voluntary agreement with the large banks to be legally binding on all Swiss banks. The franc rate firmed in mid-September, but trading remained generally quiet through early October.

#### DUTCH GUILDER

In 1970 the Dutch economy continued to suffer from inflationary wage and price trends, leading to a deterioration in the current account of the balance of payments. As in other European countries, the Dutch authorities had relied heavily on monetary policy to curb excess domestic demand. While credit conditions were thus kept tight in the Netherlands, interest rates in the Euro-dollar market were declining. On several occasions during the autumn and winter months, the short-term uncovered interest-arbitrage comparison shifted in favor of guilder placements. Moreover, in the second half of 1970, heavy foreign demand had developed for guilder-denominated bond issues being floated in the Dutch and international capital markets. Therefore, even though the Dutch current account was moving into deeper deficit, a massive inflow of both short- and long-term capital held the spot guilder rate at or near its ceiling through most of the second half of 1970, and Dutch official reserves grew by \$551 million in that period.

As was related in the preceding report, the Federal Reserve provided cover for the central bank's dollar intake by drawing, during the second half of 1970, the full \$300 million equivalent available under the swap facility with the Netherlands Bank. In view of the sustained strength of the guilder during the course of the first quarter of 1971, this \$300 million of Federal Reserve debt—plus another \$25 million of surplus dollars on the books of the Netherlands Bank—was fully liquidated in a series of special transactions involving (1) a Federal Reserve sale of \$75 million equivalent of German mark balances to the Netherlands Bank, (2) a U.S. Treasury sale of \$25 million of gold and \$100 million of SDR's to the Dutch authorities, and (3) a U.S. drawing of \$125 million equivalent of guilders from the IMF.

Early in 1971, liquidity in the Dutch market remained tight, contrary to the usual seasonal easing, and the spot guilder rate held close to the ceiling. Under these circumstances the Netherlands Bank initiated a new series of swaps with Dutch commercial banks, offering to buy dollars spot against sale for delivery in 3 months' time at rates favorable to the banks. These market swap transactions were continued into early March and amounted to some \$380 million. At that point the Amsterdam money market turned more liquid and, with Dutch interest rates falling sharply in mid-March while Euro-dollar rates stabilized, the uncovered arbitrage incentives shifted substantially against guilder placements, leading to a softening of the spot rate.

Even though the Netherlands Bank was thus able to avoid intervening in the spot market for a considerable period of time, it acquired a substantial amount of dollars on March 31 when, in connection with the United Kingdom's repayment to the IMF, the Bank of England purchased \$110 million of guilders from the Dutch authorities. At that time, the Federal Reserve reactivated

its swap line with the Netherlands Bank, drawing \$130 million of guilders to provide cover both for the dollars bought from the Bank of England and for \$20 million of balances that were in excess of the Netherlands Bank's usual level of uncovered holdings.

In early April, when bidding for German marks surged, with strong speculative overtones, the guilder also came into demand. The spot guilder returned to the ceiling, and the Netherlands Bank was obliged to intervene. The Federal Reserve covered the intake through an additional swap drawing of \$40 million equivalent. In order to reduce the incentive for further inflows, effective April 5 the Netherlands Bank lowered its discount rate from 6 per cent to 5½ per cent. With the Amsterdam money market highly liquid following the earlier influx, the spot guilder moved away from its \$0.2783½ ceiling and traded at lower levels for a few weeks. This liquidity began to be reabsorbed, however, when Dutch banks had to pay guilders over to the central bank at the maturity of the swaps entered into early in the year; although the guilder exchange rate firmed as a result, the central bank did not have to purchase dollars outright.

In the last days of April, however, the guilder was caught up in the spreading speculative demand for European currencies. The spot guilder rose to the ceiling, and on May 3 and 4 the Netherlands Bank absorbed dollars on a rapidly rising scale. These were covered by a Federal Reserve drawing of \$80 million, which brought System swap commitments to the Netherlands Bank up to \$250 million. In the heavy trading of the morning of May 5, the Netherlands Bank purchased \$240 million before halting market intervention. Formal trading remained suspended in the Netherlands for the remainder of the week, while in New York the guilder floated to a slight premium over its ceiling.

On Sunday, May 9, the Dutch Govern-

ment, following a similar move by Germany, announced that the Netherlands Bank was temporarily withdrawing its buying and selling rates for the dollar, effectively allowing the guilder to float. Simultaneously with the Dutch Government's decision to float the guilder, the Netherlands Bank, in accordance with understandings governing the swap arrangement with the Federal Reserve, sold sufficient guilders to the System to enable it to liquidate the \$250 million equivalent of swap commitments. This repayment procedure added to the uncovered dollars on the books of the Netherlands Bank, and the U.S. Treasury subsequently absorbed the dollars through a \$150 million sale of SDR's on May 21 and a drawing of \$100 million equivalent of guilders from the IMF on June 21.

When the Dutch exchange market reopened on May 10, the guilder began trading at a premium of 1.8 per cent over the previous ceiling but, even though the Amsterdam money market was extremely liquid, virtually no unwinding of speculative positions took place. In the next few weeks the guilder moved in sympathy with the German mark, although at much smaller premiums, fluctuating in the New York market between 1.0 per cent and 2.0 per cent over its previous ceiling. Late in May, with the Dutch money market remaining easy and Euro-dollar rates rising sharply, the guilder rate eased back toward its previous ceiling. At that time the major Dutch banks agreed to cease paying interest on nonresident demand deposits, and on June 1 the Dutch authorities moved further to discourage inflows of foreign short-term funds by barring non-residents from purchasing Dutch Treasury paper and guilder-denominated bankers' acceptances.

When the German Federal Bank entered its market as a seller of dollars early in June, the guilder strengthened in sympathy with the sharp upward reaction of the mark rate. The Netherlands Bank remained out

of the exchange market, however, and the guilder rate thereafter fell back even though the mark moved progressively higher. After further fluctuations, the guilder rate settled at around 0.7 per cent above the former ceiling from mid-June through early July.

By that time the Netherlands Bank still held nearly \$250 million of surplus dollars, most of which had been purchased on May 5. In order to absorb part of these dollars, the U.S. Treasury sold to the Dutch authorities \$100 million of SDR's on July 16, and it absorbed a further \$150 million in connection with a larger drawing of guilders from the Fund on August 9. On that day, the British and French repayments to the IMF included a large allotment of Dutch guilders, amounting to \$297 million equivalent, which would be purchased from the Netherlands Bank and would result in a further increase in the bank's dollar reserves. Consequently, the Treasury agreed to draw a total of \$447 million equivalent of guilders from the Fund.

In July and early August, with the general deepening of uncertainties in the exchanges, the guilder rate began to rise again, reaching 4.3 per cent over the previous ceiling on August 13. In the week of August 16–20, the Dutch exchange market was closed, and Dutch and foreign banks dealt guilders only in limited amounts to meet customers' immediate needs. In New York, the rate touched \$0.2950, 5.3 per cent over the ceiling at one point. The Dutch authorities continued to permit the guilder rate to float when the Amsterdam market reopened on August 23, but, under an agreement between the Netherlands and Belgium, the central banks of the two countries stood ready to intervene in order to maintain the cross rates between their currencies within the limits of 1.5 per cent on either side of the official parities. By early September, the guilder rate was holding at just over \$0.2900—some 4.2 per cent above the former ceiling—while, operating under the new agree-

ment providing for the linking of the Benelux currencies, the Netherlands Bank supported the cross rate by buying Belgian francs.

In September the Dutch authorities took additional steps to discourage capital inflows. Effective September 6, a so-called "closed circuit for bonds" was introduced whereby purchases by nonresidents of guilder-denominated bonds can be effected from residents only with guilders obtained through the sale of such bonds by nonresidents to residents. Effective September 15, the Netherlands Bank lowered its discount rate by  $\frac{1}{2}$  percentage point, to 5 per cent, explaining that the reduction had been made in support of the measures directed at countering foreign capital inflows. The spot guilder rate nevertheless rose strongly in the second half of September, moving up along with most other European currencies, and it held around \$0.2975, almost 7 per cent over the former ceiling, through early October.

### BELGIAN FRANC

Through most of 1970, the Belgian franc had been bolstered by a growing payments surplus on current account and by an influx of short-term funds. The Belgian authorities, struggling to contain inflation, kept interest rates firm in the face of declining rates abroad. Late in the year, however, the National Bank cut its discount rate twice, but in early 1971 the renewed decline of Euro-dollar rates again opened wide interest differentials in favor of Belgium. The Belgian authorities then moved to absorb, mainly through domestic borrowings by the Belgian Treasury, some of the domestic liquidity that was being created by the capital inflows, and took the opportunity to further reduce Belgium's official borrowings in foreign currencies. The National Bank's dollar reserve gains continued, however, and

the Federal Reserve covered these gains by drawings on the swap arrangement. As noted in previous reports, the System had initiated drawings on the Belgian franc line in June 1970, and at the year-end such drawings stood at \$210 million. After rising to \$355 million by January 27, the System's swap debt was reduced to \$230 million on January 29, through use of \$125 million equivalent of Belgian francs drawn by the U.S. Treasury from the IMF. By early March, however, the System's swap commitments had risen to \$420 million equivalent.

By that time, however, the value-added tax, introduced in Belgium at the beginning of the year, started to have its expected effects on Belgian trade. Prior to the tax, importers had run down their inventories and now they were rebuilding them, with the result that the trade account had swung into deficit in February. Moreover, the large injections of liquidity resulting from capital inflows had eased domestic money market conditions and, with Euro-dollar rates bottoming out in mid-March, demand for Belgian francs eased somewhat. On March 24, the National Bank of Belgium moved to limit future inflows of funds—and their effects on domestic credit expansion—by reducing its discount rate  $\frac{1}{2}$  percentage point to 6 per cent, by asking the banks to exercise restraint in enlarging their net external liability positions, and by extending through September its quantitative restrictions on the expansion of short-term bank credit.

Late in March, however, the Belgian franc was caught up in the general speculation in European currencies, and the National Bank again began to absorb dollars from the market. On April 7 the Federal Reserve drew an additional \$30 million equivalent on its swap line with the National Bank to cover part of the inflow, thereby

increasing total drawings to \$450 million. In addition, the National Bank acquired \$50 million through a sale of Belgian francs to the Bank of England, which needed the francs in connection with a debt repayment to the IMF on March 31. The U.S. Treasury absorbed these dollars by selling \$25 million of SDR's and \$25 million of gold to the National Bank.

Exchange market uncertainties led to new inflows in the latter part of April and in early May. The underlying situation had not changed—Belgian trade was still in deficit on a customs basis—but leads and lags built up in favor of the franc, holding the official rate at the National Bank's intervention point and adding to official reserve gains. The pressures came to a head on Wednesday, May 5, when the National Bank took in \$100 million before joining several other continental European central banks in suspending trading. The Brussels market remained closed until the following Tuesday when the Belgian authorities announced modifications in the two-market exchange system for the franc, resulting in a complete separation of commercial and financial transactions. The National Bank would maintain the existing official intervention levels for commercial transactions, but all capital flows, whether inward or outward, as well as private transfers and tourist transactions were to pass through the financial franc market, which would not be supported. (Previously, capital imports could be converted through either the official or the financial franc markets, although capital exports by residents were permitted to move only through the latter.)

Meanwhile, there was the question of dealing with the reserve gains of the National Bank in late April and early May, which amounted to more than \$250 million. This was accomplished through a series of transactions between May 10 and May 24:

(1) the U.S. Treasury sold \$55 million of SDR's and \$85 million of gold to the National Bank of Belgium; (2) the Treasury established and drew in full a special \$100 million swap facility with the National Bank; (3) the Federal Reserve made two swap repayments and one new drawing which resulted in a \$10 million net increase in drawings outstanding. Then at the end of the month, when there was a further inflow of funds to Belgium, the System made an additional drawing of \$30 million, bringing total swap commitments outstanding under the Federal Reserve line to \$490 million equivalent.

Market expectations of a revaluation of the Belgian franc were on the wane at the end of May. Moreover, ample liquidity conditions in Brussels began to exert a drag on the franc rate and, as Euro-dollar rates rose, very large uncovered differentials opened up over Belgian money market rates. Then, on June 3 the National Bank requested that any increase in the Belgian commercial banks' net external liability positions above the levels prevailing at the end of May be matched by non-interest-bearing Belgian franc deposits with it. The Belgian banks accordingly began to shift funds abroad as offsets to their liabilities. In the official market the spot franc rate dropped to par by June 17, at which point the National Bank intervened in the market with a small sale of dollars to halt the decline. The financial franc, which had commanded a premium of roughly 1 per cent over the official franc ceiling in mid-May, fell even further until it was trading at par with, and at times below, the official franc rate.

The Belgian franc rate stayed below the ceiling through early July. Trading was very thin, however, and did not provide an opportunity for a reduction in the Federal Reserve's swap drawings. In order to enable the Federal Reserve to liquidate some of its



commitments, the U.S. Treasury acquired on June 21, in a multicurrency drawing from the IMF, \$150 million of Belgian francs; these francs were used to reduce System swap drawings on the National Bank to \$340 million equivalent.

The wave of speculation that hit the exchanges later in July and continued into the first half of August spilled over into the Belgian franc market and, with the franc rate pushed back to the ceiling, the National Bank of Belgium was obliged to absorb nearly \$350 million. Moreover, on August 9, the British and French repayments to the IMF included a large allotment of Belgian francs, amounting to \$315 million equivalent. Since the francs would be purchased from the National Bank, thereby increasing the bank's dollar reserves, the Treasury agreed to absorb the dollars by a simultaneous drawing on the Fund. The Treasury also agreed to repay at the same time the \$100 million equivalent drawn in May under its special swap line with the National Bank, using additional francs drawn from the IMF, so that the total Fund drawing amounted to \$415 million. To cover the National Bank's large dollar intake from the market, the System drew \$65 million on the swap line in late July and a total of \$95 million in early August, thereby exhausting the \$500 million line with the National Bank. On August 12 the facility was enlarged to \$600 million, and the additional \$100 million of Belgian francs that thus became available was drawn in full. Finally to cover the dollar gains of the National Bank on August 13, the Treasury sold \$50 million of SDR's and the Federal Reserve drew \$35 million of Belgian francs from the BIS, under the \$1 billion reciprocal line which provides for swaps against certain European currencies other than Swiss francs. This drawing brought the Federal Reserve's swap commitments in Belgian francs to \$635 million equivalent.

Following President Nixon's speech on August 15 the Belgian authorities closed their exchange market, and it remained closed for the following week. After the EEC decision to open markets again on August 23, the Belgian Government decided to allow the official franc as well as the financial franc to float. Once the market opened, the rates in the two tiers tended to come together for an effective appreciation above the former official ceiling of a little more than 2.5 per cent. In addition, Belgium entered into an agreement with the Netherlands to limit the variation in the cross rate between the Belgian franc and the guilder to 1.5 per cent on either side of their official parities.

Trading in the Belgian franc turned quieter during the remainder of August and through mid-September. In view of the changed conditions since the floating of the Belgian franc, the National Bank suspended on September 15 its request of last June that any increase in the Belgian commercial banks' net external liability positions be matched by non-interest-bearing Belgian franc deposits with it, and the funds that had been blocked under that measure were returned to the banks. Similarly, the earlier request, made in March, that the banks exercise restraint in their foreign borrowing was also suspended. A few days later, the National Bank announced that the quantitative restrictions on the expansion of short-term bank credit, which in March had been extended through the end of September, would be allowed to expire at that time since the risk of inflationary excess demand for goods and services had been sharply reduced. Finally, the National Bank lowered its discount rate from 6 per cent to 5½ per cent, effective September 23.

In the latter part of September the franc rate advanced to a premium of around 6 per cent over the former ceiling, largely in response to the general bidding-up of Euro-

pean currency rates as a hedge against a possible realignment of currency values during the IMF annual meeting, and remained firm in early October. On October 12, the Federal Reserve reduced its swap indebtedness to the National Bank by \$35 million, to \$565 million equivalent, using francs purchased in the market.

### FRENCH FRANC

The French balance of payments on a cash basis had been in sizable surplus in 1970, on both current and capital accounts, and continued strong as 1971 began. Although the repatriation of French funds from abroad had tapered off over the course of last year, additional inflows had developed in response to favorable interest-arbitrage incentives. The French authorities had moved cautiously to ease monetary policy, but with Euro-dollar rates falling sharply, wide differentials opened on several occasions in favor of franc placements over Euro-dollars. In late 1970 and early 1971 the Bank of France repeatedly reduced its domestic intervention rates to narrow the interest-arbitrage spreads. Even so, the combination of the strong underlying payments position and the continuing inflows led to fairly persistent demand for French francs in the exchanges in the early months of 1971. The franc rate fluctuated in a narrow range near its upper limit throughout the first quarter, during which French reserves rose by \$369 million, excluding the allocation of SDR's.

An easier tone developed for the franc in early April, as the French authorities allowed the rise in Euro-dollar rates to reduce the arbitrage incentives in favor of franc placements. Toward the end of April, however, the usual month-end demand for francs was augmented by hot money inflows, reflecting mounting tensions in the exchange markets. The spot franc rate was pushed to the ceiling and the central bank had to

absorb dollars in mounting volume. Nevertheless, the rush into francs was not overwhelming, mainly reflecting leads and lags, and the Bank of France did not withdraw from the exchange market on May 5 when several other continental European central banks suspended intervention in their markets.

On subsequent days the flows halted and, as Euro-dollar rates rose sharply, some reflux of funds developed. With francs now offered on the market, the spot franc dropped away from the ceiling. On May 10, on the basis of the large reserve gains since the preceding fall, France made a further repayment to the IMF against earlier drawings. The repayment amounted to \$375 million (with a substantial portion, \$282 million, required in gold which was purchased from the U.S. Treasury), and France's indebtedness to the Fund was thereby reduced to a little over \$600 million.

During May, the French authorities took a series of steps to ward off renewed speculation in the franc and to absorb excess domestic liquidity created by earlier inflows. On two occasions, the Bank of France raised its reserve requirements for French banks. Moreover, the National Credit Council authorized the Bank of France to raise reserve requirements on nonresidents' deposits to 100 per cent, if this became necessary, and warned that it had the power to prohibit or limit the payment of interest on such deposits. These moves, along with the clearly stated intention of the French authorities not to revalue the franc or allow it to float, prevented speculative pressures from developing at that time. Consequently, with arbitrage incentives still well in favor of Euro-dollars, the Bank of France raised its own rates on discounts and secured advances by  $\frac{1}{4}$  percentage point to  $6\frac{3}{4}$  per cent and  $8\frac{1}{4}$  per cent per annum, respectively. The French franc nevertheless had a softer tone through the rest of May and into

June. For the second quarter as a whole, French reserves rose by a further \$165 million.

In the last days of June and in early July, there was a dramatic shift in the market atmosphere and the franc came into heavy demand. At first the pressure reflected the movement of funds in response to yet another reversal of interest differentials in favor of France and to the usual bunching of export proceeds around the month-end. Then, after an inconclusive meeting of the EEC's Finance Ministers on July 1 and 2, rumors began to circulate in the market that the French Government might agree to a widening of the trading margins of all EEC currencies against the dollar. For the first time during the prolonged period of unsettlement, the speculative focus now shifted to the French franc and, as the spot rate was driven to the ceiling, the Bank of France had to absorb dollars from the market on a large scale.

To deal with these flows, the Bank of France lowered its domestic intervention rates considerably—thereby pushing French money market yields well below similar Euro-dollar quotations—and raised its minimum reserve requirements further. Nevertheless, the strong demand continued through July, and the Bank of France recorded a reserve gain of \$498 million for the month. On August 9 France prepaid in full its remaining indebtedness to the IMF, totaling \$609 million. In discharging this obligation, the Bank of France purchased \$191 million of gold from the United States.

In early August the French authorities took further steps to counteract the domestic effects of the latest inflows and to ward off further flows. Reserve requirements were again raised, and there was some relaxation of existing exchange controls. In addition, on August 4 the banks were instructed not

to increase their net external indebtedness or decrease their net claims *vis-à-vis* non-residents from the levels prevailing on August 3. In this connection, the banks were expected to refrain from selling francs to nonresidents whose motivation for buying francs appeared to be speculative. With the franc already in strong demand, this measure was immediately seized upon by the market as evidence of the French authorities' unwillingness to accumulate additional dollars, and, in the confusion, quotations for francs in markets outside France moved above the official ceiling.

On August 5, the Bank of France quickly moved to clarify the instructions and the market quieted somewhat. At that time the banks agreed to stop paying interest on non-resident deposits of less than 91 days, and this ban was later made mandatory by the authorities. Nevertheless, in the general run on the dollar taking place at the time, the demand for francs was unrelenting, and the Bank of France continued to take in dollars on a daily basis through Friday, August 13.

Following President Nixon's speech, the French exchange market was closed for the week of August 16–20. The French Government reopened the market on Monday, August 23, on the basis of a two-tier exchange system. The Bank of France would defend the franc at the prescribed intervention points only in the official market, through which trade and trade-related service transactions would be effected. All capital transfers, as well as tourist and most other nongovernmental service transactions, would henceforth be strictly segregated in a financial market where the franc rate would be allowed to find its own level. At the same time, measures were taken to prevent leads and lags from developing in the future, including a requirement that imports (other than equipment goods) be paid for within 3 months from their entry into

France, and importers were given 1 month to comply with this new rule.

Given the complexity of these exchange regulations, trading in the official franc market was very limited at first, with wide spreads in quotations, but commercial business picked up fairly rapidly. Trading was slower to develop in the financial franc market, where the rate moved to a 2.5 per cent premium over that of the official franc. In the wake of the floating of the yen on August 27, renewed demand developed for the official franc—the only major currency still kept within its prescribed limits—and the Bank of France again had to absorb dollars. French official reserves rose by \$1,087 million in August.

In September, there was some reversal of the previous flows into francs, as the French exchange regulations, which were further elaborated, began to bite. In particular, French exporters and importers had to unwind some of the leads and lags built up prior to mid-August. With the official franc rate dropping below the ceiling, the Bank of France sold substantial amounts of dollars over the course of the month, and reserves declined by \$333 million for September as a whole. The financial franc rate, which had reached a premium of 4.0 per cent over the official rate, gradually eased off to a premium of 2.1 per cent in early October.

### ITALIAN LIRA

The lira continued its recovery through the first months of 1971, drawing its strength from large capital inflows, including sizable Euro-dollar borrowings by Italian corporations and official entities. Labor unrest remained a major concern in Italy, however, and with export production still sluggish the current account showed little underlying improvement. The Bank of Italy, which had

already moved toward a somewhat easier monetary policy in the fall of 1970, took advantage of the sustained capital inflow to encourage business activity by reducing its rate on secured advances in January and its discount rate in early April, both from 5½ per cent to 5 per cent. Demand for the lire remained strong in April, however, and for the first 4 months of the year as a whole official reserves rose by \$794 million, excluding the new allocation of SDR's.

While the lira was also affected by the growing speculation in European currencies leading up to the crisis of early May, Italy's continuing domestic difficulties served to dampen the demand for lire, and the pressures consequently were not as great as in other major currencies. Thus, when several continental European central banks suspended operations on May 5 and some governments subsequently floated or revalued their currencies, the Italian authorities kept the lira market open and rode through the storm. Later in May the Italian lira rate began to ease, as Euro-dollar rates rose relative to domestic interest rates. With labor unrest mounting anew and provincial elections adding new uncertainties, the lira fell to around par in early June. The lira developed a better tone toward the end of June, however, and held above par through July. Nevertheless, even though the current-account trend in the balance of payments was improving, Italian reserves declined on balance by \$103 million in the May–July period.

Early in August, the lira was caught up in the mounting speculation against the dollar; the spot rate rose to the ceiling on August 9, and the Italian authorities had to intervene on a number of days during that week. After President Nixon's speech on August 15, the Italian authorities also kept their exchange market closed during the week of August 16–20, while intensive consultations

took place within the EEC. The lira rate moved up substantially in New York, but trading was extremely thin and the range between bid and offered rates was very wide. When Italy reopened its exchange market on August 23, the authorities announced that they would no longer intervene at the official limits, although they might enter the market at other rates if this seemed advisable. Demand for lire was quite strong at first as the tourist season was in full swing, receipts had been backed up during the week of August 16-20, and leads and lags had shifted in Italy's favor. The lira rate held at a premium of roughly 1.5 percentage points over the official ceiling, before settling back somewhat. For the month as a whole, Italian reserves rose by \$424 million.

In mid-September, in view of the high rates prevailing in the Euro-dollar market at that time, the Italian Electricity Authority (ENEL) decided to prepay in November the \$300 million Euro-dollar loan it had contracted in May 1970. Additional Euro-dollar loans of minor amounts were also beginning to be repaid by Italian entities, which had been very heavy borrowers during the preceding year and a half. This imparted a somewhat softer tone to the lira market, and the rate remained fairly steady even though other European currencies rose strongly against the dollar later in September.

### JAPANESE YEN

For several years leading up to 1971, Japan had experienced balance of payments surpluses on the order of \$1 billion to \$2 billion, based largely on a growing trade surplus. Japanese exports had proved to be increasingly competitive in world markets, with particular success in the United States (exports to this country rose by 20 per cent in 1970 alone) but also with significant

inroads into European markets as well. Japan's over-all balance of payments surplus amounted to \$1.4 billion in 1970 and would have been even larger except for efforts by the Japanese authorities to trim the total. In 1970, along with some easing of trade restrictions and capital controls, the authorities had encouraged Japanese banks and trading companies to shift away from dollar financing to yen financing of imports. One technique employed by the authorities was to make special credit facilities available to Japanese banks under terms which enabled the banks to offer yen financing at preferential rates. Moreover, the Japanese Government made some \$200 million of additional funds available to the World Bank and other international lending agencies for development aid. Even with these efforts, however, there was a growing belief in the markets that the yen was fundamentally undervalued.

A slowdown in the rate of growth of the Japanese economy, which began in mid-1970 and became more pronounced in early 1971, came at a time when other industrial countries were struggling with inflationary pressures and served to aggravate the international imbalance in the early months of this year. Import growth slowed but exports expanded even more rapidly than before. On the domestic front the Japanese authorities turned to more stimulative policies, and the Bank of Japan made a further cut in its lending rates in January. Even so, the decline in Japanese interest rates did not match that in the United States and in the Euro-dollar market. Consequently, there was a risk that the earlier yen shift might be reversed and the Japanese authorities took further measures to preclude this, including a doubling of the availabilities to the Japanese banks to cover 30 per cent of their import credits. The authorities also eased some of the controls on outflows of funds

and constructed additional barriers against inflows. Demand for yen remained strong, however, and Japanese reserves rose by \$931 million in the first quarter, not counting the allocation of SDR's.

With market expectations of a possible yen revaluation already strong, the Japanese currency was also caught up in the wave of speculation that hit the European markets in late April and early May. Leads and lags resulted in a large influx of funds to Japan; in particular, there were sizable yen prepayments for ships under construction in Japanese yards. The Japanese authorities kept the market open, however, and moved to deal with the problem by tightening their exchange regulations and reducing domestic interest rates further. (Effective May 8, the Bank of Japan lowered its rates on discounts and secured advances by  $\frac{1}{4}$  percentage point to  $5\frac{1}{2}$  per cent and  $5\frac{3}{4}$  per cent, respectively.) With demand for yen continuing strong in both the spot and forward markets, amounts actually transacted were constrained by Japan's exchange control mechanism. Under the circumstances, it became difficult for Japanese exporters, whose receipts were almost entirely denominated in dollars, to obtain forward cover. In June, the authorities moved to alleviate this shortage of cover, again through the technique of placing dollars at the disposal of the foreign exchange banks, in two allotments totaling \$500 million. Despite the efforts of the Japanese authorities to curb the demand for yen, official reserves rose by \$1,902 million in the second quarter. As in the year before, the Japanese Government made additional funds available to the World Bank, amounting to \$200 million in the first half of 1971.

The demand pressure for yen continued unrelenting in July, and on July 22 the Ministry of Finance made a further deposit of some \$300 million with the Japanese banks. Moreover, effective July 28, the

Bank of Japan cut its discount rate by a further  $\frac{1}{4}$  percentage point to  $5\frac{1}{4}$  per cent. Japanese official reserves nevertheless rose by another \$328 million in July.

The worldwide speculation against the dollar building up in late July and early August led to even greater demand pressures on the yen than before. Even though the Bank of Japan was holding the yen rate at its upper limit by absorbing dollars daily, the exchange control apparatus left much of the demand for yen unsatisfied, and the apparatus itself was subjected to great strain. Because of the time difference, when President Nixon announced the U.S. measures on Sunday night, August 15, it was already Monday morning in Tokyo and the market was open for trading. The Japanese authorities nevertheless kept the market open the remainder of that day and through the rest of the week as well.

With dealers all around the world now convinced more than ever that a revaluation of the yen was imminent, the Bank of Japan had to absorb dollars on a massive scale over the following days, despite reinforcement of exchange control policies. Japanese banks, in particular, liquidated their long positions in dollars by converting into yen the dollars they were borrowing from every possible source in the United States as well as from the Euro-dollar market. Finally, after further very large exchange gains on August 26 and 27, the Japanese authorities decided to "suspend temporarily the existing fluctuation margin for buying and selling quotations of foreign exchange, while maintaining the present parity of the yen." The vast inflow during August was reflected in a \$4.4 billion gain in official reserves for the month as a whole.

In Tokyo on August 28 the spot yen immediately rose to a premium of 4.7 per cent over the ceiling. The rate pushed gradually higher through September, despite substan-

tial further purchases of dollars by the Japanese authorities and some additional tightening of exchange control measures. With the tightening of the controls, Japanese banks found themselves unable to accept yen payments into the so-called free-yen accounts of foreign banks on their books and, in some cases, reportedly felt it necessary to convert balances in such accounts into dollars. This meant that the foreign banks in many cases were involuntarily short of yen and were unable to meet their commitments to customers on maturing forward contracts or to guarantee delivery on new spot transactions. With this failure in the payments mechanism, trading in Japanese yen dropped to nominal levels in New York, and in early September the yen was suspended from official trading in Frankfurt, Germany. The Japanese authorities subsequently eased their restrictions slightly, but some payments problems persisted through September. By early October, the yen rate had risen to a premium of almost 8 per cent over the previous ceiling.

### CANADIAN DOLLAR

The Canadian dollar continued strong early in 1971, largely on the basis of a still buoyant trade surplus and substantial long-term capital inflows. Furthermore, with the fall of interest rates in the United States, uncovered arbitrage incentives opened in favor of Canada, while the decline in Euro-dollar rates may have led to some repatriation of previous outflows to that market from Canada. The spot rate—floating since June 1970—moved above \$0.99 in late January, and there were widespread expectations in the market that it might rise above parity with the U.S. dollar. Meanwhile, the Canadian authorities were in the process of stimulating the domestic economy and were reluctant to see the Canadian dollar rate

advance much higher. Among other measures, the Bank of Canada cut its discount rate in February, and by mid-March Canadian interest rates had moved below corresponding rates in the United States, which were beginning to turn around. At the same time Euro-dollar rates also leveled off and, although the Canadian dollar continued to fluctuate above \$0.99, the market seemed to move into better balance.

The Canadian dollar was little affected by the turmoil in the continental exchanges in late April and early May. The market was active, but no cumulative rise in the Canadian dollar rate developed. Instead, the subsequent rise in Euro-dollar and U.S. interest rates in May further widened the arbitrage incentives against placements in Canadian instruments, and the Canadian dollar rate drifted downward. Moreover, continued large wage settlements in Canada had already raised fears of a revival of inflationary pressures, and there were market rumors that an expansionary budget would be presented in mid-June. Indeed, when the rate dropped below the \$0.99 level at the end of May, commercial firms and banks began to reduce their long Canadian dollar positions, or even in some cases to go short, and these sales of Canadian dollars added to the downward momentum of the rate.

By June 10 the spot rate had fallen below \$0.98 in heavy trading and, less than a week later, it reached \$0.9755, the lowest point in 8 months. On June 18, Finance Minister Benson presented a moderately expansionary budget, which was well received in the market. Subsequently, the Canadian dollar held fairly steady through the end of June and into July.

In the latter part of July, with the onset of the period of seasonal strength for Canada's balance of payments, the spot rate began to firm, moving again above \$0.98. Early in August the Canadian dollar began

to respond to the general turmoil in the exchange markets and, with heavy advance covering by Canadian exporters, the spot rate moved close to \$0.99 by August 13. On August 16, following announcement of President Nixon's new economic program, the rate rose further, with trading active in New York as well as in the Canadian exchanges, which stayed open. After surging to \$0.9943 on the morning of August 17, the rate eased sharply, falling to \$0.9850 one week later as the market became increasingly concerned over the possibility that the 10 per cent import surcharge imposed by the U.S. Government might cut deeply into Canada's exports. In a move aimed at softening the blow of the U.S. import surcharge on domestic business activity and employment, the Canadian Government announced on September 7 the establishment of a \$80 million (Canadian) fund from which payments of up to two-thirds of the surcharge would be made to individual companies meeting certain conditions. During September and early October the rate held mainly in a range of \$0.98½ to \$0.99¼.

#### EURO-DOLLAR

With only brief interruptions, Euro-dollar rates declined fairly steadily throughout the second half of 1970 and in early 1971. Although many factors contributed to this slide, it reflected mainly the marked easing of liquidity conditions and domestic credit demand in the United States. With short-term interest rates falling sharply here, U.S. banks rapidly repaid Euro-dollar borrowings that they had built up through their branches during the previous period of monetary stringency in this country. Outstanding liabilities of U.S. banks to their foreign branches, which had reached a peak of \$15 billion in October 1969, were reduced to

less than \$8 billion at the close of 1970 and continued to fall in early 1971.

Meanwhile, most European countries were still pursuing policies of monetary restraint and were reluctant to allow domestic rates to decline, or at least to fall as swiftly as rates in the United States or in the Euro-dollar market. Consequently, wide interest-arbitrage incentives opened in favor of domestic European markets over both the U.S. money market and the Euro-dollar market, and large amounts of dollars were taken up by European borrowers—banks and nonbanks—for conversion into local currencies. German business firms in particular were heavy borrowers, but there were sizable flows to other countries as well. With many currencies at or near their upper intervention points, European central banks were obliged to absorb the dollars offered on the exchanges, which added to their international reserves while simultaneously expanding domestic liquidity and thereby tending to negate their policies of restraint. As described above, several central banks reduced their discount and lending rates and tried other techniques either to prevent the inflows by regulation or to absorb the domestic liquidity generated by the inflows.

For their part, the U.S. authorities attempted to moderate the pace of repayment by U.S. banks and to prevent these repayments from adding further to the reserve gains of foreign central banks. At the end of November 1970, the Federal Reserve raised its marginal reserve requirements against such borrowings in excess of reserve-free base levels, thereby inducing the banks to take a second look at the possible cost of borrowing should they need to have recourse to the Euro-dollar market in the future. The banks' repayments resumed after the year-end, however, and in January and February the Export-Import Bank offered to the foreign branches of U.S. banks \$1.5 billion of



special 3-month securities that the banks could count toward maintenance of their reserve-free Euro-dollar bases. Thus, while U.S. banks continued to cut back their recourse to Euro-dollar financing—banks' liabilities to their own foreign branches fell by almost \$5 billion in the first quarter to just under \$3 billion—the securities issued reduced the amount of funds actually repaid to the market by about \$1.5 billion.

Euro-dollar rates bottomed out in March. During that month, U.S. short-term interest rates leveled off and then began to rise once again. At the same time the considerably higher yields available in the British and German money markets continued to exert upward pressure on Euro-dollar rates. Consequently, Euro-dollar quotations, which for 3-month deposits reached as low as 5 per cent per annum in early March, began to turn upward. Rates tended to rise further on quarter-end demand, and this strength was maintained into early April as the pace of repayment by U.S. banks began to slow. In addition, the U.S. Treasury followed up the Export-Import Bank's earlier borrowings by itself issuing \$1.5 billion of 3-month certificates of indebtedness to the foreign branches of U.S. banks.

By this time, however, the growing uncertainties in the exchanges began to be reflected in the Euro-dollar market. In normal times, the Euro-dollar market serves as an international intermediary both for depositors seeking higher rates of return on their money and for borrowers seeking lower cost credit than they can obtain at home; such flows, which depend on the expectation of orderly international financial relations, had been the dominating factor through 1970 and early 1971. At other times, the Euro-dollar market has served as a staging area for international currency speculation—with funds pouring in from currencies that are expected to fall in value or moving out to currencies that are expected to appreciate.

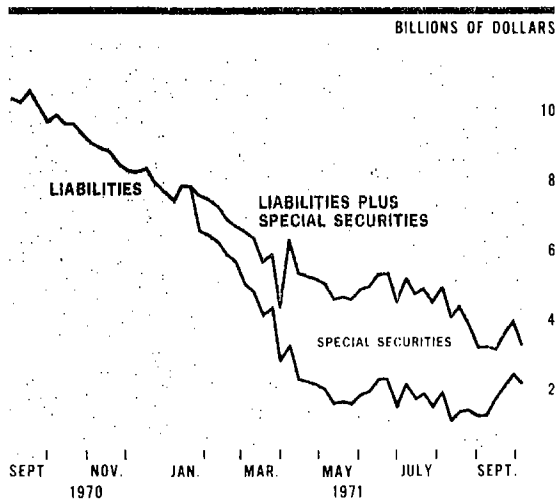
In late March and early April the flows out of the Euro-dollar market began increasingly to assume a speculative character. At that point several foreign central banks cut their discount rates and, with Euro-dollar rates on the rise, interest-arbitrage spreads in favor of domestic European markets were narrowed or even reversed. Even so, the increasing expectation of drastic changes in currency relationships led to snowballing purchases of most European currencies. Much of this flow reflected leads and lags or consisted of direct transfers of funds, particularly out of the United States. But some of these flows were financed by borrowing Euro-dollars at short term, with the dollars sold against other currencies and the Euro-dollar borrowings subsequently rolled over as long as the short positions were maintained.

At the same time, there was a great deal of discussion of the possibility that individual governments would place controls on their own banks' operations in the market. Rumors also developed that central banks, which were reviewing the role of their own placements in the Euro-dollar market, would come to an agreement which would have the effect of pushing up Euro-dollar rates. Consequently, as currency speculation swelled in April and early May, Euro-dollar rates moved up sharply, with wide day-to-day fluctuations reflecting the volatile moods in the exchanges; the 3-month rate climbed to around 7½ per cent and overnight rates at times to 45 per cent or more. Euro-dollar yields receded a bit through mid-May after the speculative onslaught abated but, in the absence of any significant reversal of speculative positions, the rates remained at levels well above those prevailing before the run-up.

By late May, however, there were growing expectations that the Euro-dollar market would tighten further. In part this was based on continuing rumors of coordinated central

bank efforts to raise Euro-dollar rates. At the same time, U.S. money market rates were rising, and U.S. banks' liabilities to their foreign branches had leveled off at between \$1½ billion and \$2 billion. (With the U.S. Treasury beginning to take over maturing Export-Import Bank notes, and later renewing its own obligations as well, the full \$3 billion of official U.S. borrowings in the Euro-dollar market was still outstanding.) The tightening of the Euro-dollar market pushed the 3-month rate briefly to as high as 8 per cent by June 1. On June 2, however, the German Federal Bank began

### 3 LIABILITIES OF U.S. BANKS TO FOREIGN BRANCHES



Data as of Wednesday of each week. "Special securities" are branch holdings of special Treasury and Export-Import Bank securities.

offering to sell dollars in the exchange market. This move provoked a sharp reaction in the Euro-dollar market, and rates immediately broke downward. Subsequent spot sales by the Federal Bank soon exceeded the amounts being taken in by the German authorities under maturing forward contracts, thus augmenting the supply of Euro-dollars. By mid-June, the 3-month rate had fallen back to just over 7 per cent per annum.

From their discussions, the central banks

reached a common view of some of the features of the Euro-dollar market, including the role of official placements. On June 14, Dr. Jelle Zijlstra, President of the Netherlands Bank, addressing the annual general meeting of the BIS in his capacity as President of that institution, said:

It is becoming increasingly clear that the Euro-currency market needs guidance and supervision. The group of Governors meeting regularly in Basle decided to set up a study group under my chairmanship to analyze the problem and to work out terms of reference for a standing group which might suggest policies to be adopted by the Governors. I am confident that the Governors will be able to bring the Euro-currency market into better harmony with the proper functioning of the international monetary system. I may say, in fact, that we have already decided for the time being not to place additional official funds in the market and even to withdraw funds when such action is prudent in the light of market conditions.

The gradual falling back of Euro-dollar rates was halted briefly in the last days of June, when the usual midyear squeeze developed. The decline nevertheless resumed through the first half of July, with the 3-month rate dropping below 6½ per cent. Meanwhile, the Federal Bank had been selling substantial amounts of dollars virtually daily, often in amounts larger than were being taken in under maturing forward contracts.

Late in July and into early August, the Euro-dollar market was again caught in the backwash of currency speculation as there was substantial use of the Euro-dollar market to finance conversions into European currencies or Japanese yen. With little money coming into the Euro-dollar market, rates were bid up strongly and, on August 17 (the settlement date for currencies purchased on Friday, August 13), 3-month deposits were at 10 per cent per annum, 7-day funds at 20 per cent, and overnight funds reached above 40 per cent at one point. After these heavy commitments were met, Euro-dollar rates receded somewhat.

Nevertheless, with the widespread uncertainties over the ultimate outcome of the negotiations to resolve the many issues raised by the U.S. measures of August 15, investors were unwilling to make new placements in Euro-dollars, and the rates remained several percentage points above those on comparable investments in major financial centers. An acute squeeze developed at the month-end, with quotations on overnight Euro-dollars driven briefly as high as 200 per cent.

With Euro-dollar rates at relatively high levels, there was evidence of further liquidation of borrowings in the Euro-dollar market. In August the U.S. Treasury began to repay the \$3 billion of special certificates it had placed with the foreign branches of

U.S. banks. By mid-October only some \$550 million of the Treasury's certificates remained outstanding. Not all of this was returned to the Euro-dollar market, however, since U.S. banks reabsorbed some of the funds by increasing their own liabilities to branches from about \$1.5 billion in early August to around \$2.5 billion by the end of September. Among European borrowers, the Italian Electricity Authority announced in September it would repay \$300 million of its earlier longer-term borrowings in the Euro-dollar market. Toward the end of September, however, the various quarter-end pressures subjected the market to a further squeeze before rates eased early in October, when the 3-month rate dipped to around 7 per cent. □

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# Statements to Congress

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*Statement of George W. Mitchell, Member, Board of Governors of the Federal Reserve System, to the Subcommittee on Rural Development of the Senate Committee on Agriculture and Forestry, September 24, 1971.*

I am pleased to appear today in response to your request that a representative of the Federal Reserve Board discuss the relationships between general monetary policy and expansion of Federally sponsored credit programs in rural areas, such as that proposed in S. 2223.

At the outset, I would like to note that the Federal Reserve recognizes a need to accelerate the pace of rural development. It is well known that average personal income of rural residents continues significantly below that of urban dwellers, and that educational, medical, and social service facilities are more limited in rural communities. Growth in rural job opportunities has for many years fallen far short of providing employment to all the young adults raised in rural areas, and consequently we have been experiencing both massive migration to cities and underemployment of those who chose to remain in the country. The inability of rural communities to provide more of the jobs and the amenities of modern life desired by their young people continues to aggravate the problems being experienced by our larger cities. Thus, we are all well advised to devote some of our energies to improvement of the pace and quality of rural development.

Acceleration of economic development in rural areas encounters problems other than those of adequate and reasonably

priced credit—problems such as lack of nonfarm resources and distance from consumer markets. Case studies of rural communities have concluded that local initiative and leadership plays a vital role in successful development in the face of these inherent disadvantages. This element should be recognized in the design of credit programs intended to foster rural development. The credit program can be a catalyst that spurs local action.

One role of a credit program can be to help equalize the access of various economic sectors or areas to the Nation's flow of capital funds. A portion of our national savings, in the form of retained earnings of farm, industrial, and commercial enterprises, is directly employed by the saver. Another portion is moved from savers to investment uses in the same community by local banks and other depository institutions. But a substantial portion is gathered by large insurance companies, pension funds, large banks, and like institutions, and is made available in national capital and money markets. In these markets, these funds are used to purchase credit instruments offered in sizable blocks by well-known firms and public and private institutions. Smaller users of credit, and those not known nationally, thus are not ordinarily able to compete directly for these funds. They may, however, obtain indirect access either through private arrangements with larger institutions, or through a Federal credit program. A prominent example of the latter route is the Federally sponsored cooperative Farm Credit System, which lends to farmers those funds that it raises through sale of credit instruments in the

national capital markets. The bill you are considering would provide similar Federally sponsored indirect access to capital markets to other rural residents, firms, and governments, probably thereby improving upon such indirect access as these groups may already have achieved through existing private or public arrangements.

The addition of another economic sector—in this case, rural nonfarm business and governments—to those for whom Federal credit programs have already been provided would not, in my opinion, significantly handicap the capability of the Federal Reserve to administer monetary policy. It would, however, affect the distribution of the impact of restrictive policy among sectors, and would tend to increase the cost of funds raised through all Federal credit programs. The significance of these effects would be directly related to the size of the added program.

Distribution of the impact of restrictive monetary policy would be affected because Federally sponsored programs have demonstrated their ability to raise substantial amounts of funds even during periods of tight money. But with restrictive policy holding down the over-all volume of funds available, the funds raised by an additional Federal program, beyond those that the sector served would have otherwise obtained, must necessarily be balanced by a reduction in funds raised by other sectors. Among the sectors that appear especially vulnerable to this effect are those that do not have access to capital markets.

Although, as just noted, the ability to raise a substantial volume of funds is achieved by access to the market in periods of monetary restraint, the cost of these funds is likely to be rapidly and significantly affected both by policy actions and by economic developments in general. Rural borrowers from Federally sponsored agencies

are thus likely to encounter more rapid and sizable variations in interest cost than other rural borrowers who are obtaining their loans from typical rural banks. Because rural banks obtain most of their loanable funds through local deposits rather than in money markets, the rates of interest they charge their borrowers have not generally responded rapidly to changes in rates in national markets. The rural borrowers given market access through a credit program are likely to find funds available during periods of restraint, but probably at a relatively high price. Some may postpone their projects until interest rates fall. In other words, if rural development is stimulated by improving rural access to national capital markets, the degree of stimulus would be related to the prevailing degree of monetary ease or restraint and its effect on interest rate levels.

The impact of likely fluctuations in interest rates may be reduced or eliminated for some borrowers by providing a subsidy such as that proposed in S. 2223. More generally, subsidies may be provided in a Federal credit program as a further stimulus to the activity being promoted. In this event, it is desirable that the element of subsidy be provided in a form that is readily evident and quantifiable, as is done in S. 2223, and that the continued need for and amount of such subsidy be subject to periodic congressional review. On this topic, as well as on the design of Federal credit programs in general, the recommendations made in 1963 by the Committee on Federal Credit Programs (Dillon, Bell, Heller, and Martin) continue to provide sound guidance.

I have mentioned the Federal Reserve interest in rural development. Our studies of regional and agricultural lending indicate that for many years after World War II most rural banks had funds in excess of

local loan demands. Some years ago, however, this situation began to change. Banks in many rural areas, such as areas in which the livestock industry has been rapidly expanding, have exhausted accumulations of liquidity and still continue to face loan demands that are increasing faster than their local deposits. To participate better in meeting the credit demands of their communities, rural banks in this position need improved access to nonlocal sources of funds, through development of markets for their assets and liabilities, through banking structure change that would bring the services of larger banks to rural areas, or through improved credit services via correspondent banking, the Federal intermediate credit banks, or the Federal Reserve discount mechanism. Federal Reserve staff work undertaken in the course of our reappraisal of the discount mechanism, and since published, noted in detail and at length the disadvantages faced by small rural banks in attempting to develop nonlocal sources of funds. Consequently, the Board has under consideration a proposal that would expand and routinize the availability of funds at our discount window for the seasonal needs faced by these banks.

As a further outgrowth of that work, a System committee is conducting a program of research into the possibilities afforded by the other sources of nonlocal funds that I have mentioned. Our principal focus in this work is on mechanisms through which rural banks could raise funds in financial markets. These markets presently do not accommodate the small sizes and amounts of securities that each rural bank has to offer. Therefore we are examining ways in which such instruments could be pooled into larger lots, or endorsed by larger banks, or in other ways be made more attractive to investors in central markets. Other phases of the research program are examining (1) how

well correspondent banking relationships are currently functioning in terms of supplying funds to rural banks, (2) the effect that bank branching and holding company activity has had on farm lending by banks in several States where the law has recently permitted such structure changes, and (3) the reasons why the mechanism which permits commercial banks to discount farm loans at Federal intermediate credit banks has not been used to a significant extent. We hope that our studies and findings will be helpful in efforts to maintain the role of rural banks as a credit source for agricultural and other rural development.

*Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic Finance of the Committee on Banking and Currency, House of Representatives, September 27, 1971.*

Mr. Chairman, I am here in response to your invitation to discuss Federal Reserve transactions in obligations issued by Federal agencies, and particularly the decision—announced September 16 by the Federal Open Market Committee—to broaden such transactions to include outright purchases and sales as well as repurchase agreements.

This committee will recall that the System's authority to purchase agency issues was broadened in 1966. Up to that time we were authorized to purchase obligations "which are direct obligations of the United States or which are fully guaranteed by the United States." This authority covered some, but not all, agency issues. The principal issues in terms of aggregate size and market activity were ineligible for purchase by the System. These ineligible issues included Federal intermediate credit bank debentures, Federal home loan bank notes

and bonds, Federal land bank bonds, bank for cooperatives debentures, and Federal National Mortgage Association debentures and certificates of participation.

In 1966, the Board recommended that the authority for System transactions in agency issues be amended to make all issues eligible. In support of this recommendation, Vice Chairman Robertson testified that it "would increase the potential flexibility of open market transactions and could also serve to make these securities somewhat more attractive to investors." He also pointed out that "it might prove desirable to conduct such operations in the form of repurchase agreements" in order "to reduce the risk of undesired System market dominance associated with sizable outright transactions by the System."

Accordingly, the Congress added to Section 14(b) of the Federal Reserve Act authority for the System "to buy and sell in the open market, under the direction and regulations of the Federal Open Market Committee, any obligation which is a direct obligation of, or fully guaranteed as to principal and interest by, any agency of the United States."

In commenting on this amendment, the Senate Banking and Currency Committee report included the following statement, reflecting similar comments in Vice Chairman Robertson's testimony:

"By authorizing System transactions in agency issues, the bill would place them on the same footing as direct obligations of the U.S. Government so far as System open market operations are concerned. As with direct Treasury debt, System decisions as to whether, when, and how much to buy or sell of agency issues would have to be made with a view to the need for supplying or absorbing reserves as indicated by the stance of monetary policy and in light of developments in the markets, including the need to cope with disorderly market conditions, should they emerge. In any event, it would be important, as at present, to avoid any semblance of 'rigging' the markets or

'pegging' the interest rates for any particular issues, for such actions would give rise to official dominance of the markets that would run counter to many of the broader objectives of Federal financial policies and might in fact harm rather than aid the propitious functioning of the market for such securities."

As you know, System open market operations are conducted to carry out the objectives of monetary policy by affecting the volume of bank reserves, money, bank credit, and conditions in credit markets. In December 1966 the System started transactions in agency issues with a view to fitting such transactions into its open market operations. In line with the Board's testimony on the 1966 amendment, it was then decided to confine these new transactions to repurchase agreements. From time to time, however, the Federal Open Market Committee has considered broadening operations in agency issues to include outright purchases and sales as well as repurchase agreements. After due deliberation, the Committee has now decided to take this step, as the announcement of September 16 indicates, in order to widen the base of System open market operations and at the same time to add breadth to the market for agency securities.

The recent decision to begin outright transactions reflects the fact that the market in agency issues, while less broad than that in Treasury issues, has grown substantially in recent years. The amount of Federal agency issues outstanding in the hands of private investors has risen from about \$8 billion at the end of 1960 to \$14.1 billion at the close of 1965 and to nearly \$45 billion in early August of this year. The \$45 billion of agency issues amounted to 28 per cent of the amount of Treasury issues outstanding at the time; at the end of 1960 the comparable figure was 5½ per cent. Thus there is less risk that System purchases or sales could dominate the market.

Since the hope is that System operations

will help to improve the market for these issues, we must be careful to avoid driving away other investors, as might happen if the System acquired a disproportionately large share of an issue and depressed its yield relative to other investment alternatives. To protect against this risk, the initial guidelines for System purchases include a provision limiting our holdings of any issue to 10 per cent of the amount outstanding.

We expect our portfolio of agency issues to grow modestly in the coming months, taking into account the amount of growth in bank reserves that is appropriate for monetary policy, the size of the market in agency issues, and the necessity of continuing operations in Treasury obligations as well. Transactions will be made in the market, at prices set by the market. We will seek quotations from dealers and buy or sell at the most favorable prices quoted. We will not buy any new issue until at least 2 weeks after it is issued, so as to provide an opportunity for establishing a fair price in the market for the issue without interference by the Federal Reserve.

You will notice that the initial guidelines at the end of my statement provide that our holdings of agency issues will be allowed to run off at maturity. This reflects a technical problem, in that the procedures by which agency issues are now marketed do not provide for exchange of maturing issues on the basis that the System now exchanges its holdings of maturing Treasury issues for new issues. Presumably such arrangements could be worked out for agency issues. This illustrates a point made in the announcement of September 16—that the initial guidelines will be subject to review and revision as operating experience is gained.

We plan to buy only taxable securities for which there is an active secondary market. The requirement of an active secondary market will help to insure that the System's portfolio remains liquid; it will also encourage issuing agencies and underwriters to develop secondary markets in their securities.

Under the initial guidelines, an issue will be eligible for purchase if at least \$300 million is outstanding; for longer-term issues (over 5 years) the cutoff will be \$200 million. In early August, when there were about \$45 billion of agency issues outstanding, about \$32 billion of these met the size test. A breakdown of these eligible issues is shown in the following table:

**ISSUES ELIGIBLE FOR SYSTEM TRANSACTIONS UNDER INITIAL GUIDELINES<sup>1</sup>**

Maturity <sup>1</sup>	Amounts in billions	Number of issues
0-5 years .....	\$25.3	61
Over 5 years .....	6.8	21
Total .....	32.2	82
Agency		
Farm credit agencies .....	\$10.8	25
FHLB .....	5.6	15
FNMA .....	10.1	28
GNMA .....	4.3	10
Export-Import Bank .....	1.5	4

<sup>1</sup> Minimum issue size is \$300 million for issues maturing in 5 years or less and \$200 million for issues maturing in more than 5 years.

One cannot say with certainty what the results of our experimental transactions in agency issues will be. We hope they will be beneficial in terms of greater flexibility for System open market operations, broader markets for agency securities, and a narrower spread between such securities and Treasury obligations. If the borrowing costs of Federal agencies are reduced, however modestly, that result will be most welcome to the Federal Reserve as well as the issuing agencies and the public they serve. □



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# Record of Policy Actions

## of the Federal Open Market Committee

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Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's Annual Report, are released approximately 90 days following the date of the meeting and are subsequently 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 have been published regularly in the BULLETIN beginning with the July 1967 issue, and such records have continued to be published in the Board's Annual Reports.

The records for the meetings held in 1971 through June 8 were published in the BULLETINS for April, pages 320–27; May, pages 391–98; June, pages 503–11; July, pages 599–606; August, pages 663–71; and September, pages 715–22. The record for the meeting held on June 29, 1971, follows:

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## MEETING HELD ON JUNE 29, 1971

### 1. Authority to effect transactions in System Account.

Information reviewed at this meeting suggested that real output of goods and services was expanding moderately in the second quarter, after having risen sharply earlier in the year under the stimulus of the post-strike recovery in the automobile industry. Continued moderate gains in activity appeared to be in prospect for the rest of 1971.

Retail sales had declined in May, but according to weekly data they turned up in the first half of June. It appeared likely that the volume of retail sales in the second quarter as a whole would be appreciably above that of the first quarter. According to tentative estimates, industrial production was rising in June at a slower rate than in May. Conditions in labor markets remained slack; both the number of persons receiving unemployment insurance benefits and the number making initial claims for such benefits had increased further in recent weeks. In May private housing starts remained close to the advanced level that had been reached in the two preceding months.

Both consumer prices of goods and services and wholesale prices of industrial commodities increased sharply in May—the latter for the second successive month—after having risen at moderate rates earlier in the year. Wage rates continued to advance rapidly in most sectors of the economy.

The expectation that over-all economic activity would continue a gradual expansion in the second half of 1971 was based in part on the assumption that there would not be a strike in the steel industry when wage contracts expired at the end of July—or that if there were a strike, it would not be of long duration. The latest staff projections, like those of 3 weeks earlier, suggested that the rise in residential construction outlays would slow as the year progressed but would remain sizable, and that expenditures by State and local governments would continue to expand at a substantial rate. As before, it appeared that business fixed investment outlays would increase relatively little in the second half. And it was still anticipated that growth of consumer spending would be sustained in part by the recent increase in social security benefits, including retroactive payments made in late

June; by a possible military pay raise; and by some decline in the personal saving rate.

The U.S. merchandise trade balance, which had shifted from a small surplus in the first quarter to a large deficit in April, remained in substantial deficit in May as a rise in exports was matched by a roughly equal rise in imports. The over-all balance of payments on the official settlements basis had been in surplus in recent weeks, in part because of some reversal of earlier speculative outflows of short-term capital from the United States. Funds moved out of Germany as the German Federal Bank bought a large amount of marks (sold dollars) at rising exchange rates for the mark; the rate currently was about 4.7 per cent above its par value, compared with 3.8 per cent in early June. The outflow from Germany depressed very short-term interest rates in the Euro-dollar market, and this decline in Euro-dollar rates apparently had been a factor contributing to the upturn in recent weeks in the liabilities of U.S. banks to their foreign branches. The exchange rate for the Dutch guilder had increased sharply when the German Federal Bank began to sell dollars, but later it declined to 1.6 per cent above par.

In connection with its sales of dollars in foreign exchange markets, the German Federal Bank not only sold U.S. Treasury bills but also redeemed a substantial volume of special nonmarketable U.S. Treasury securities it had acquired earlier. In part for this reason, the Treasury's cash balance was drawn down to a very low level prior to the mid-June tax date, and in the period June 8-16 the Treasury financed part of its cash needs temporarily through the sale of special certificates of indebtedness to the Federal Reserve Banks.<sup>1</sup>

To replenish its cash balance, on June 22 the Treasury auctioned \$2¼ billion of 16-month notes for payment on the day of this meeting, and on June 30 it was scheduled to auction for payment on July 6 \$1¾ billion of tax-anticipation bills due in September. Also, on the day before this meeting the Treasury announced that the German Federal Bank would acquire up to \$5 billion of special medium-term U.S. Treasury securities in an operation to be completed within the next few weeks, and that the Federal Bank had already acquired \$3 billion of the contemplated total. This acquisition was financed

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<sup>1</sup>The maximum volume of such certificates outstanding in the June 8-16 period was \$610 million, on June 10.

in part by the sale of \$1 billion of Treasury bills in the market, thus adding a like amount to the Treasury balance, and in part by the redemption of about \$2 billion of short-term special Treasury securities the Federal Bank had acquired earlier in the year.

Interest rates on most types of long- and short-term market securities had increased on balance since the June 8 meeting of the Committee. Contributing to the upward rate pressures were investor concern about the size of the Treasury's potential needs for cash and indications that the Federal Reserve was fostering firmer money market conditions in an effort to moderate the growth of the monetary aggregates. The market for State and local government bonds remained under pressure throughout the period, but conditions in the market for new corporate bonds—and to a lesser extent in that for long-term Treasury securities—improved somewhat after midmonth, mainly as a result of some indicated reduction in the forthcoming volume of new corporate issues.

In short-term markets, rates on Treasury bills were subject to additional pressures arising out of actual and anticipated sales of bills by foreign official accounts. The market rate on 3-month bills, at about 4.95 per cent on the day before this meeting, was roughly 50 basis points above its level of 3 weeks earlier. During June banks raised further their offering rates on large-denomination CD's, and early in the month several medium-sized banks increased their prime lending rate from 5¾ to 6 per cent. However, at the time of this meeting most banks were maintaining a 5¾ per cent prime rate.

Contract interest rates on conventional new-home mortgages edged up during May after trending down for nearly a year. In the more sensitive secondary market for federally insured mortgages, yields had turned up in late April and had reached a new high for 1971 in early June. Secondary-market yields later stabilized, apparently in part as a result of a special FNMA auction of purchase commitments on June 9, which was aimed at reducing inventories of mortgage companies and other institutions that originated loans for resale. Inflows of savings funds to nonbank thrift institutions remained large during the first half of June.

Tentative estimates for June suggested that consumer-type time and savings deposits at commercial banks were continuing to expand at the relatively rapid rate of the two preceding months and that the

volume of large-denomination CD's outstanding was rising somewhat from its average level in May. It appeared from data for weekly reporting banks that the sharp increase in business loans recorded in May was not continuing in June. Total bank credit, as measured by the adjusted proxy series—daily-average member bank deposits, adjusted to include funds from nondeposit sources—was tentatively estimated to have risen at an annual rate of about 7.5 per cent from May to June and about 7 per cent over the second quarter as a whole.<sup>2</sup> Over the first quarter, the adjusted bank credit proxy had increased at a rate of approximately 11 per cent.

Both the narrow and the broader measures of the money stock— $M_1$  (private demand deposits plus currency in circulation) and  $M_2$  ( $M_1$  plus commercial bank time deposits other than large-denomination CD's)—appeared to be growing rapidly on the average in June, although not so rapidly as in May. For the second quarter as a whole,  $M_1$  was currently estimated to have expanded at a rate of about 11.5 per cent, and  $M_2$  at a 13 per cent rate.

System open market operations in the period since the June 8 meeting of the Committee had been directed at attaining somewhat firmer conditions in the money market in light of the continued rapid growth of the monetary aggregates. The Federal funds rate, which had been fluctuating around  $4\frac{3}{4}$  per cent shortly before the preceding meeting, rose gradually over the period to the neighborhood of  $5\frac{1}{8}$  per cent. In the 3 weeks ending June 23 member bank borrowings averaged about \$390 million, compared with about \$330 million in the preceding 4 weeks.

Staff analysis suggested that, if conditions in the money market were similar to those that had prevailed on the average during the period since the previous meeting,  $M_1$  would grow slightly less in the third quarter than it had in the second, and growth in  $M_2$  also would slow somewhat. In contrast, the adjusted bank credit proxy was expected to expand more rapidly in the third quarter than it had in the second. According to the analysis, if money market conditions were somewhat firmer, it was likely that both  $M_1$  and  $M_2$  would expand at annual rates in the neighborhood of 9 per cent over the third quarter,

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<sup>2</sup> Calculated on the basis of the daily-average level in the last month of the quarter relative to that in the last month of the preceding quarter.

but that growth in these aggregates would recede to quite modest proportions by the final quarter of the year.

In the Committee's discussion considerable concern was expressed about the rapid growth in the monetary aggregates, particularly in light of the persistence of inflationary pressures and expectations. At the same time, concern was expressed about the recent upward pressures on interest rates, in view of the dependence of the current economic recovery on continued expansion in such interest-sensitive sectors of the economy as residential construction.

While the members agreed that an unduly sharp firming of money market conditions should be avoided because of the risk of undesired repercussions on market interest rates, the Committee decided that open market operations in the coming period should be directed at achieving more moderate growth in monetary aggregates over the months ahead. As at the preceding meeting, it was agreed that account should be taken of developments in capital markets in the conduct of operations.

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

The information reviewed at this meeting suggests that real output of goods and services is expanding moderately in the current quarter and that the unemployment rate has remained high. Wage rates in most sectors are continuing to rise at a rapid pace. The rate of advance in both consumer prices and wholesale prices of industrial commodities has stepped up again recently after moderating earlier in the year. In June, according to tentative estimates, the money stock both narrowly and broadly defined is still growing rapidly on average, although less than in May; growth in the bank credit proxy remains below the first-quarter rate. Interest rates on most types of market securities have increased on balance in recent weeks. The market exchange rate for the German mark has advanced, and a substantial flow of funds from Germany to other markets has occurred in recent weeks. In consequence of a partial reversal of the earlier speculative outflows of short-term capital from the United States and of an increase in Euro-dollar borrowings of U.S. banks, there has been a surplus in the U.S. payments balance on the official settlements basis in this period. The U.S. merchandise trade balance, which had been in small surplus in the first

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quarter, was in deficit in April and May. In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to the resumption of sustainable economic growth, while encouraging an orderly reduction in the rate of inflation, moderation of short-term capital outflows, and attainment of reasonable equilibrium in the country's balance of payments.

To implement this policy, the Committee seeks to achieve more moderate growth in monetary aggregates over the months ahead, taking account of developments in capital markets. System open market operations until the next meeting of the Committee shall be conducted with a view to achieving bank reserve and money market conditions consistent with those objectives.

Votes for this action: Messrs. Burns, Hayes, Brimmer, Clay, Daane, Maisel, Mayo, Mitchell, Morris, Robertson, Sherrill, and Coldwell. Votes against this action: None.

Absent and not voting: Mr. Kimbrel. (Mr. Coldwell voted as his alternate.)

## **2. Amendment to continuing authority directive.**

The Committee amended paragraph 2 of its continuing authority directive to the Federal Reserve Bank of New York with respect to domestic open market operations, to reduce the dollar limit on Federal Reserve Bank holdings of short-term certificates of indebtedness purchased directly from the Treasury from \$2 billion to \$1 billion.

Votes for this action: Messrs. Burns, Hayes, Brimmer, Clay, Daane, Maisel, Mayo, Mitchell, Morris, Robertson, Sherrill, and Coldwell. Votes against this action: None.

Absent and not voting: Mr. Kimbrel. (Mr. Coldwell voted as his alternate.)

The dollar limit in question had been increased to \$2 billion at the preceding meeting of the Committee, after the System Account

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Manager advised that an expected sharp decline in the Treasury's cash balance in the period before the mid-June tax payment date might necessitate temporary borrowing by the Treasury from the System in an amount exceeding the then-existing \$1 billion limit. It had been anticipated at the time of that action that the \$1 billion limit would be restored at today's meeting.

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# Law Department

Statutes, regulations, interpretations, and decisions

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## **SECURITIES CREDIT TRANSACTIONS: RULES GOVERNING BORROWERS**

Pursuant to section 7(f) of the Securities Exchange Act of 1934 (15 U.S.C. 78g), as amended by an Act of October 26, 1970 (84 Stat. 1114), the Board of Governors has adopted, effective November 1, 1971, a regulation governing borrowers who obtain securities credit.

The new regulation—designated Regulation X—will require persons borrowing in the United States to comply with the margin regulations applicable to the lender extending him credit on securities. If a U.S. person borrows abroad, he

must, with certain exceptions, comply with the provisions of the margin regulation that would apply if the credit were obtained in the United States.

The Board's regulations regarding lenders are Regulation G, "Securities Credit by Persons Other than Banks, Brokers, or Dealers", Regulation T, "Credit by Brokers and Dealers", and Regulation U, "Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks". The text of Regulation X reads as set forth below. (The Statutory Appendix, which is not printed herein, referred to in the Regulation comprises parts of 15 U.S.C. 78.)

## **REGULATION X**

(12 CFR 224)

Effective November 1, 1971

### **RULES GOVERNING BORROWERS WHO OBTAIN SECURITIES CREDIT \***

#### **SECTION 224.1—SCOPE OF PART**

This Part 224 (Regulation X) contains Rules and Regulations promulgated by the Board of Governors of the Federal Reserve System ("the Board") under the Securities Exchange Act of 1934 as amended ("the Act") and applies to all persons described below who obtain, receive, or enjoy the beneficial use of credit for the purpose of purchasing or carrying securities.<sup>1</sup> For definitions of technical terms see section 224.5, Parts 207, 220, and 221 (Margin Regulations G, T, and U) and the Statutory Appendix. The purpose of this part (Regulation X) is to prevent the infusion of unregulated credit obtained both outside and within the United States into United States securities markets in circumvention of the provisions of the Board's margin regulations or by borrowers falsely certifying the purpose of a loan or other-

wise wilfully and intentionally evading the provisions of those regulations. When the term "obtain credit" is used in this part (Regulation X) it means "obtain, receive, or enjoy the beneficial use of credit" and when the term "purpose credit" is used, it means "credit for the purpose of purchasing or carrying securities." When the term "borrower" is used, it means a person who obtains credit. This part (Regulation X) implements section 7(f) of the Act, and generally applies to borrowers who are:

(a) Persons who obtain credit from within the United States, or

(b) Those persons who obtain credit from outside the United States who are:

(1) United States persons,<sup>2</sup>

(2) Foreign persons who are controlled by United States persons,<sup>3</sup> or

<sup>2</sup> For definition of the term "United States person," see Statutory Appendix, section 7(f)(2)(A).

<sup>3</sup> For definition of the term "foreign person controlled by a United States person," see Statutory Appendix, section 7(f)(2)(C).

\* This text corresponds to the Code of Federal Regulations, Title 12, Chapter II, Part 224, cited as 12 CFR 224. The words "this part," as used herein, mean Regulation X.

<sup>1</sup> 15 U.S.C. 78g.

(3) Foreign persons acting on behalf of or in conjunction with<sup>4</sup> United States persons.

#### SECTION 224.2--GENERAL RULE

(a) **Credit obtained from within the United States.** A borrower shall not obtain any purpose credit from within the United States unless he does so in compliance with the following conditions:

(1) Credit obtained from a G-lender shall conform to the provisions of Part 207 (Regulation G), which is hereby incorporated in this part (Regulation X). When the term "G-lender" is used in this part (Regulation X), it means a person who is not a broker/dealer or bank, who in the ordinary course of his business extends, maintains, or arranges credit that is secured, directly or indirectly, in whole or in part, by collateral that includes any margin securities, and who is subject to the registration requirement of section 207.1(a) of Part 207 (Regulation G).

(2) Credit obtained from a broker/dealer shall conform to the provisions of Part 220 (Regulation T), which is hereby incorporated in this part (Regulation X). When the term "broker/dealer" is used in this part (Regulation X), it means a person who is a broker or dealer, including every member of a national securities exchange, and includes a foreign branch or subsidiary of a broker/dealer.

(3) Credit obtained from a bank shall conform to the provisions of Part 221 (Regulation U), except for section 221.2(i). Except for such section, Part 221 (Regulation U) is hereby incorporated in this part (Regulation X). When the term "bank" is used in this part (Regulation X), it means a bank that is subject to Part 221 (Regulation U).<sup>5</sup>

(b) **Credit obtained from outside the United States.** (1) A United States person or foreign person controlled by a United States person or acting on behalf of or in conjunction with such a person shall not obtain any purpose credit<sup>6</sup> from outside the United States except in compliance with the following conditions:

(i) Credit obtained from a foreign branch of a

G-lender shall conform to the provisions of Part 207 (Regulation G), except that the requirement of section 207.1(e) as to obtaining a statement of the purpose of the credit shall not apply.

(ii) Credit obtained from a foreign branch or subsidiary of a broker/dealer shall conform to the provisions of Part 220 (Regulation T).

(iii) Credit obtained from a foreign branch of a bank shall conform to the provisions of Part 221 (Regulation U) which would apply if the credit were obtained from the head office of the bank in the United States, except that the requirement of section 221.3(a) of Part 221 (Regulation U) as to obtaining a statement of the purpose of the credit shall not apply.

(iv) Credit obtained from a foreign lender shall conform to the provisions of Part 207 (Regulation G) which would apply if the person extending, arranging, or maintaining the credit were a G-lender, except that the requirement of section 207.1(e) of Part 207 (Regulation G) as to obtaining a statement of the purpose of the credit shall not apply. When the term "foreign lender" is used in this part (Regulation X) it means any person, other than a United States person, who in the ordinary course of his business extends, maintains, or arranges purpose credit outside the United States and who is not a foreign branch or subsidiary of a broker/dealer, a foreign branch of a bank, or a foreign branch of a G-lender.

(2) The provisions of subparagraph (1) of this paragraph 224.2(b) shall not apply to credit extended before November 1, 1971, except that as to credit extended after October 26, 1970, the requirements as to withdrawals and substitutions of collateral shall apply after May 1, 1972, as follows: the requirements in paragraph 207.1(j) of Part 207 (Regulation G) shall apply to credit obtained from a foreign branch of a G-lender or from a foreign lender; the requirements in paragraph 220.3(b) of Part 220 (Regulation T) shall apply to credit obtained from a foreign branch or subsidiary of a broker/dealer; and the requirements in paragraph 221.1(b) of Part 221 (Regulation U) shall apply to credit obtained from a foreign branch of a bank.

(3) **Record of credit.** Every borrower subject to this Part 224 (Regulation X) who obtains any credit from a lender described in subdivisions (i), (iii), or (iv) of paragraph 224.2(b)(1), if such credit is secured directly or indirectly, in whole or in part, by collateral that includes any security, shall prepare and retain in his records, for at least 6 years after such credit is extinguished, a record

<sup>4</sup> For definition of the term "acting on behalf of or in conjunction with," see section 224.5(a) of this part (Regulation X).

<sup>5</sup> For definition of the term "bank" meaning "bank that is subject to Regulation U," see section 224.5(b) of this part (Regulation X) and Statutory Appendix, section 3(a)(6).

<sup>6</sup> For definition of the term "purpose credit," see section 224.5(j) of this part (Regulation X).

substantially in conformity with the requirements of Federal Reserve Form X-1.

#### SECTION 224.3—EXEMPTIONS

The following classes of persons shall be exempted from the provisions of section 7(f) of the Act and this part (Regulation X) to the extent described below:

(a) A United States person whose permanent residence is outside the United States, and who does not during any calendar year obtain a total of more than \$5,000 or have outstanding at any time during any calendar year a total of more than \$5,000 in credit obtained outside the United States to purchase or carry margin securities.

(b) A borrower who is not a United States person, but is controlled by or acting on behalf of or in conjunction with such person, who obtains credit for the purpose of *bona fide* clearing, market making, or arbitrage transactions in off-shore debt securities that are convertible into margin securities, except that any credit outstanding against collateral consisting of such securities shall be brought into conformity with the other provisions of this part (Regulation X)<sup>7</sup> upon the conversion of such securities into margin securities.

(c) A borrower who is not a United States person, but is controlled by or acting on behalf of or in conjunction with such person, who obtains credit from outside the United States, which borrower has been exempted by the Board of Governors of the Federal Reserve System, by Order, from the requirements of this part (Regulation X), either unconditionally or upon specified terms and conditions or for stated periods, upon a finding that exceptional circumstances warrant the granting of such an exemption, and that the exemption is consonant with the purposes of section 7(f) of the Act and the provisions of this part (Regulation X).

#### SECTION 224.4—REPORTS AND RECORDS

Every borrower described in section 224.1 who obtains any credit that is secured directly or indirectly, in whole or in part, by collateral that includes any securities, shall maintain such records and file such reports as may be prescribed by the Board of Governors of the Federal Reserve System to enable it to perform the functions conferred upon it by the Act.

<sup>7</sup> Including Parts 207, 220, or 221 (Regulations G, T, and U) where applicable.

#### SECTION 224.5—DEFINITIONS

Unless the context otherwise requires, or it is otherwise specified herein, the terms used in and for the purposes of this part (Regulation X) have the meanings given them in this section 224.5, in sections 3(a) or 7(f) of the Act, or in Parts 207, 220, or 221 (Regulations G, T, or U). The relevant portions of sections 3(a) and 7(f) of the Act are set forth in the Statutory Appendix. In the case of inconsistency between definitions appearing in this section 224.5 and those appearing in Parts 207, 220, or 221 (Regulations G, T, or U), the definition appearing in the regulation that applies to the particular credit involved, whether Parts 207, 220, or 221 (Regulations G, T, or U), shall prevail.

(a) The term “**acting on behalf of or in conjunction with**” in reference to a foreign person means obtaining credit for the purpose of purchasing or carrying a security in which, or in the income or gains or losses from which, a United States person or a foreign person controlled by a United States person has a substantial direct or indirect beneficial interest. Absent these factors the term does not include an interest derived solely from the ownership of less than 50 per cent of the outstanding capital stock issued by such foreign person who is obtaining such credit.

(b) The term “**bank**” means a bank as defined in section 3(a)(6) of the Act, including a foreign branch of a bank, except that such term does not include a bank which is a member of a national securities exchange, a foreign affiliate of a bank, or a foreign bank.

(c) The term “**broker/dealer**” means any broker or dealer including every member of a national securities exchange, and includes a foreign branch or subsidiary of a broker/dealer.

(d) The term “**foreign lender**” means a person, other than a United States person, who in the ordinary course of his business extends, maintains, or arranges purpose credit outside the United States and who is not a foreign branch or subsidiary of a broker/dealer, a foreign branch of a bank, or a foreign branch of a G-lender.

(e) The term “**G-lender**” means a person who is not a broker/dealer or bank, who in the ordinary course of his business extends, maintains, or arranges credit that is secured, directly or indirectly, in whole or in part, by collateral that includes any margin securities, and who is subject to the registration requirement of section 207.1(a) of Part 207 (Regulation G).

(f) The term “**indirectly secured**” includes any arrangement with the lender under which the right or ability to sell, pledge, or otherwise dispose of securities owned by the borrower (or by any other person who has made the use of such securities available to the borrower) is in any way restricted as long as the credit remains outstanding, or under which the exercise of such right, whether by written agreement or otherwise, is or may be cause for acceleration of maturity of the credit. The foregoing shall not apply, however—

(1) if such restriction arises solely by virtue of an arrangement with the lender which pertains generally to the borrower’s assets unless a substantial part of such assets consists of margin securities, or

(2) if the lender in good faith has not relied upon such securities as collateral in the extension or maintenance of the particular credit, or

(3) to securities held by the lender only in the capacity of custodian, depository, or trustee, or under similar circumstances, if the lender in good faith has not relied upon such securities as collateral in the extension or maintenance of the particular credit.

(g) The term “**lender**” means a person who in the ordinary course of his business extends, maintains, or arranges for credit, including a G-lender, a broker/dealer, a bank, and a foreign lender.

(h) The term “**margin security**” shall have the meaning of “margin security” as defined in section 207.2(d) of Part 207 (Regulation G) if the borrower is obtaining credit from a G-lender or a foreign lender, the meaning of “margin security” as defined in section 220.2(f) of Part 220 (Regulation T) if the borrower is obtaining credit from a broker/dealer, and the meaning of “margin stock” as defined in section 221.3(v) of Part 221 (Regulation U) if the borrower is obtaining credit from a bank.

(i) The term “**offshore debt security**” as to this part (Regulation X) means a debt security offered only outside the United States, the purchase of which by a United States person would give rise to a liability under the Interest Equalization Tax (26 U.S.C. 4911 *et seq.*).

(j) The term “**purpose credit**” means credit for the purpose of purchasing or carrying securities. The purpose of a credit is determined by substance rather than form. The following are some examples of purpose credit:

(1) Credit which is for the purpose, whether immediate, incidental, or ultimate, of purchasing or carrying a security is “purpose credit,” despite any temporary application of the funds otherwise.

(2) Credit to enable the borrower to reduce or retire indebtedness which was originally incurred to purchase a security is for the purpose of “carrying” such a security.

(3) Credit that is secured directly or indirectly, in whole or in part, by collateral that includes any securities, is presumed to be for the purpose of purchasing or carrying securities, unless the borrower has complied with the requirements of Part 207 (Regulation G), Part 220 (Regulation T), or Part 221 (Regulation U) as to the statement of the purpose of a credit, if such requirements are applicable, or in the case of credit obtained from a foreign lender, can furnish satisfactory evidence of the use of the credit for a purpose other than purchasing or carrying securities.

(4) An extension of credit provided for in a plan, program, or investment contract offered or sold or otherwise initiated after August 31, 1969, which provides for the acquisition both of any securities and of goods, services, property interests, or investments.

(k) The term “**obtain credit**” means to obtain, receive, or enjoy the beneficial use of credit.

(l) The term “**United States**” includes any State of the United States, the District of Columbia, Puerto Rico, the Canal Zone, the Virgin Islands, or any other possession of the United States.

#### SECTION 224.6—MISCELLANEOUS PROVISIONS

(a) **Innocent mistake.** An innocent mistake made in good faith by a borrower in connection with the obtaining of a credit shall not be deemed to be a violation of this part (Regulation X) if promptly after discovery of the mistake the borrower takes whatever action is practicable to remedy the non-compliance.

(b) **Aiding or abetting.** Any person who wilfully aids or abets the violation by any other person of any provision of this part (Regulation X) shall be deemed to be in violation of this part (Regulation X). For the purpose of this paragraph, the term “aids or abets” shall include, but not be limited to, counsels, commands, induces, or procures.

**BANK HOLDING COMPANIES: PRESUMPTIONS REGARDING CONTROL; FOREIGN BUSINESS ACTIVITIES OF DOMESTIC COMPANIES**

The Board of Governors has amended its Regulation Y, "Bank Holding Companies", with respect to (1) presumptions regarding control of a bank or other company (section 222.2) and (2) the types of foreign business activities in which domestic bank holding companies may engage. In addition, to avoid unnecessary repetition of statutory provisions in its regulation, sections 222.3(c) and (d) are deleted.

The text of the amendments, effective September 21, 1971, reads as follows:

**AMENDMENTS TO REGULATION Y**

Section 222.2 is amended, sections 222.3(c) and (d) are deleted, and section 222.4 is amended by adding paragraph (f) as set forth below:

**SECTION 222.2—DETERMINATIONS REGARDING CONTROL**

(a) **Conclusive presumptions of control.** Conclusive presumptions that a company controls a bank or other company are established by section 2(a)(2)(A) and (B) and by section 2(g)(1) and (2) of the Act. In addition, the Board has determined that, whenever the transferability of 25 per cent or more of any class of voting securities of a company is conditioned in any manner, whether pursuant to an agreement, by-law, article of incorporation, or otherwise, upon the transfer of 25 per cent or more of any class of voting securities of another company, the holders of the securities affected by the condition (that is, those who hold both the securities whose transferability is so conditioned and the securities whose transfer can be required to satisfy the condition) constitute, in their capacity as such, a "company" for the purposes of the Act unless one of the issuers of such securities is a subsidiary of the other and is so identified in an order of the Board or in a registration statement or report accepted by the Board under the Act.

(b) **Rebuttable presumptions of control.** A rebuttable presumption that a company controls a bank or other company is established by section 2(g)(3) of the Act. In addition, the Board has established, for use in proceedings instituted in accordance with the procedures of paragraph (c) below, the following rebuttable presumptions:

(1) A company that owns, controls, or has power to vote more than 5 per cent of any class

of voting securities of a bank or other company (except where such securities are held in a fiduciary capacity and the company does not have sole discretionary authority to exercise the voting rights) presumably controls that bank or other company if (i) one or more of the company's directors, trustees, or partners, or officers or employees with policymaking functions serves in any of these capacities with the bank or other company, and (ii) no other person owns, controls, or has power to vote as much as 5 per cent of any class of voting securities of that bank or other company.

(2) A company that owns, controls, or has power to vote more than 5 per cent of any class of voting securities of a bank or other company (except where such securities are held in a fiduciary capacity and the company does not have sole discretionary authority to exercise the voting rights) presumably controls that bank or other company if additional voting securities are owned, controlled, or held with power to vote by individuals (or members of their immediate families as defined in § 206.2(k) of this chapter (Regulation F)) who are directors, officers, trustees, or partners of the company (or own, directly or indirectly, 25 per cent or more of any class of voting securities of the company) and, together with the company's securities, aggregate 25 per cent or more of any class of voting securities of that bank or other company.

(3) A company that enters into any agreement or understanding with a bank or other company (other than an investment advisory agreement), such as a management contract, pursuant to which the company or any of its subsidiaries exercises significant influence with respect to the general management or overall operations of the bank or other company presumably controls such bank or other company.

(4) A company that enters into any agreement or understanding under which the rights of a holder of voting securities of a bank or other company are restricted in any manner presumably controls the shares involved, unless the agreement or understanding (i) is a mutual agreement among shareholders granting to each other a right of first refusal with respect to their shares, or (ii) is incident to a *bona fide* loan transaction, or (iii) relates to restrictions on transferability and continues only for such time as may reasonably be necessary to obtain approval from a Federal bank supervisory authority with respect to acquisition by the company of such securities.

(5) A company that owns directly or indirectly securities that are immediately convertible at the option of the holder or owner thereof into voting securities presumably owns or controls the voting securities.

(c) **Procedures for determining control.** (1) In any case in which a presumption established by paragraph (b) of this section applies, or in any other case where it appears to the Board that a company exercises a controlling influence over the management or policies of a bank or other company, and the company has not complied with the provisions of the Act, the Board may inform the company that a preliminary determination of control has been made on the basis of the facts summarized in the communication. Such company shall within 30 days (or such longer period of time as may be permitted by the Board) (i) indicate to the Board its willingness to terminate the control relationship and to furnish promptly its specific plan to do so; or (ii) state that it will promptly seek Board approval to retain the control relationship, or, if the control relationship has existed continuously since prior to December 31, 1970 (in a manner not covered by section 2(a)(2)(A) or (B)), that it will register as a bank holding company or, if already a holding company, report the bank or other company as a subsidiary, or otherwise comply with the applicable provisions of the Act; or (iii) set forth such facts and circumstances as may support its contention that there is not a control relationship.

(2) A company may request a hearing to contest the Board's preliminary determination of control. In the event a hearing is held, any applicable presumptions established by paragraph (b) of this section shall be considered in the usual manner in accordance with the rules of evidence, and the Board will by order, on the basis of the record of the hearing, decide the issues involved and direct such action as may be necessary or appropriate in the circumstances. In the event no hearing is held, but the preliminary determination of control is contested, the Board will decide the matter on the basis of the evidence available to it, relying on the presumptions established in paragraph (b) of this section, and will by order direct such action as may be necessary or appropriate in the circumstances.

#### SECTION 222.4—NONBANKING ACTIVITIES

\* \* \* \* \*

(f) **Foreign activities of domestic holding com-**

**panies.** (1) Any bank holding company may, with the consent of the Board, own or control voting shares of any company in which a company organized under section 25(a) of the Federal Reserve Act (12 U.S.C. 611-631) may invest other than a company that accepts deposits or similar credit balances in the United States.

(2) The procedures governing the Board's consent shall be the same as those set forth in § 211.8 of this chapter (Regulation K). In addition, the Board grants its general consent for any bank holding company to acquire from any of its subsidiaries any shares the subsidiary holds with the consent of the Board pursuant to Parts 211 or 213 of this chapter (Regulations K and M). The Board may at any time, upon notice, suspend the general consent procedures with respect to any bank holding company or with respect to the acquisition of shares of companies engaged in particular kinds of activities.

(3) It shall be a condition to the Board's specific consent to the continued holding of voting shares of any subsidiary of a bank holding company which are acquired or held on the basis of an exemption under section 4(c)(13) of the Act that the subsidiary may take the following actions only with prior Board approval: (a) establish branch offices or agencies in the United States or to engage in receiving deposits in any foreign country (other than a foreign country in which it already has such an activity with the Board's approval) or (b) issue in the United States any debentures, bonds, promissory notes, or similar obligations, other than instruments or obligations due within one year.

(4) A bank holding company shall inform the Board, through its Federal Reserve Bank within 30 days after the close of each semiannual period, of all shares acquired or disposed of during that period that are or were held under the authority of this paragraph. With respect to any acquisition, such information shall (unless previously furnished) include brief descriptions of the business of the companies whose shares were acquired.

#### TRUTH IN LENDING

The Board of Governors has amended Regulation Z, "Truth in Lending", in order to add Columbus Day as a holiday for purposes of calculating the time in which certain credit transactions may be rescinded. This is reflected in an amendment to footnote 14 in section 226.9, effective October 1, 1971, as set forth below:

## AMENDMENT TO REGULATION Z

Footnote 14 in section 226.9 is amended to read as follows:

### SECTION 226.9—RIGHT TO RESCIND CERTAIN TRANSACTIONS

\* \* \* \* \*

<sup>14</sup> For the purpose of this section, a business day is any calendar day except Sunday and those legal public holidays specified in Section 6103(a) of Title 5 of the United States Code (New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day).

### DELEGATION OF AUTHORITY

The Board of Governors has amended its Rules Regarding Delegation of Authority effective September 2, 1971, pursuant to the provisions of section 11(k) of the Federal Reserve Act (12 U.S.C. 248(k)) to delegate to the Director of its Division of Supervision and Regulation authority to approve, upon application, a repayment schedule with respect to the deficiency on stock option loans as defined in § 207.4(a)(2)(ii) of Regulation G in lesser amounts and over longer periods of time than those prescribed therein. The text of the amendment reads as follows:

### AMENDMENT TO RULES REGARDING DELEGATION OF AUTHORITY

Section 265.2(c) is amended by adding subparagraph (18) as set forth below:

### SECTION 265.2(c)—SPECIFIC FUNCTIONS DELEGATED TO BOARD EMPLOYEES AND FEDERAL RESERVE BANKS

\* \* \* \* \*

(c) **The Director of the Division of Supervision and Regulation** (or, in his absence, the Acting Director) is authorized:

\* \* \* \* \*

(18) Under the provisions of § 207.4(a)(2)(ii) of this chapter (Regulation G) to approve repayments of the "deficiency" on stock option loans in lower amounts and over longer periods of time than those specified in the regulation.

## ORDERS UNDER BANK MERGER ACT

### THE WESTERN GREENBRIER BANK, RAINELLE, WEST VIRGINIA

*In the matter of the application of The Western Greenbrier Bank, Rainelle, West Virginia, for approval of acquisition of assets and assumption of liabilities of The Bank of Rainelle, Rainelle, West Virginia.*

### ORDER APPROVING APPLICATION FOR ACQUISITION OF ASSETS AND ASSUMPTION OF LIABILITIES UNDER BANK MERGER ACT

There has come before the Board of Governors, pursuant to the Bank Merger Act (12 U.S.C. 1828(c)), an application by The Western Greenbrier Bank, Rainelle, West Virginia ("Greenbrier Bank"), a member State bank of the Federal Reserve System, for the Board's prior approval of the merger of that bank with The Bank of Rainelle, Rainelle, West Virginia ("Rainelle Bank"), by means of the purchase of assets and assumption of liabilities of the Rainelle Bank. Upon consummation of the transaction the present office of the Rainelle Bank will be closed. Notice of the proposed action, in form approved by the Board, has been published as required by said Act.

In accordance with the Act, the Board requested reports on competitive factors involved from the Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The Board has considered all relevant material contained in the record in the light of the factors set forth in the Act, including the effect of the proposal on competition, the financial and managerial resources and prospects of the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Rainelle Bank (\$3.9 million deposits), the smallest of six banks in Greenbrier County holding 9 per cent of county deposits, is the smaller of two banks located in Rainelle. It was established in 1911 as a subsidiary of a local lumber company and throughout its existence has served primarily as a depository for the benefit of that company and its employees. In December 1970, Georgia Pacific Corporation and its subsidiary, Georgia Pacific Timber Corporation, acquired the assets of the lumber company and, as an incident to that acquisition, the Rainelle Bank. Shortly thereafter, upon passage of the Bank Holding Company Act Amendments of 1970 on December 31, 1970, the Georgia Pacific corporations became holding com-

panies subject to the provisions of the Act. Pursuant to section 4(c)(12) of the Act, the Georgia Pacific corporations have filed with the Board of Governors irrevocable declarations of intent to divest themselves of their interest in Rainelle Bank.

The present proposal comes as a result of Georgia Pacific's efforts to dispose of its interest in Rainelle Bank pursuant to the aforesaid declaration. Numerous individuals and banking organizations were contacted by Georgia Pacific for the purpose of finding a prospective purchaser of Rainelle Bank. All efforts to sell the stock of Rainelle Bank including such efforts to sell the Bank to residents of the Rainelle area or another bank outside of Rainelle were unsuccessful. Georgia Pacific is thus presented with the alternative of liquidating Rainelle Bank or disposing of it by merger with Greenbrier Bank. If this application is denied, Georgia Pacific intends to liquidate Rainelle Bank.

A principal reason given for Georgia Pacific's failure to interest any prospective purchaser other than Greenbrier Bank is that West Virginia laws prohibit branching and the formation of bank holding companies in the State. Any existing bank acquiring Rainelle Bank, therefore, would have to cease operating at any other location to be able to continue the activities of Rainelle Bank in Rainelle. Rainelle Bank has operated in rent-free quarters owned by the lumber company. These facilities are inadequate and it will be necessary for any purchaser to construct new banking quarters. Georgia Pacific has said it would not improve Bank's facilities because of its intent to cease the Bank's operations pursuant to its irrevocable declaration filed with the Board. The necessity for the construction of new quarters coupled with the economy of the Rainelle area, discussed below, have been further factors influencing negatively the decision of prospective purchasers.

Rainelle (population 1,800) is an economically stagnant and geographically remote community situated in a mountainous area in the southeastern section of the State of West Virginia. Population of the Rainelle area decreased significantly in the last 10 years, in part as a result of local coal mining facilities becoming highly mechanized and the location of the community. Future prospects for economic growth are very uncertain and the operation of the lumber mill, formerly Rainelle's largest employer, as a consequence of its acquisi-

tion by Georgia Pacific, is to become highly automated, resulting in further unemployment in the area.

Rainelle Bank has never functioned aggressively as a commercial bank, either by way of competing for deposits in Rainelle or Greenbrier County or adequately serving the credit needs of its community. Its depository character, extremely small loan to deposit ratio, and failure to improve its inadequate banking facilities support this conclusion. (Approximately 45 per cent of its demand deposits derive from 14 accounts; Rainelle Bank's total loans represent only about 14 per cent of total deposits.)

Applicant, Greenbrier Bank (\$6.2 million deposits), located one mile west of Rainelle Bank is the only potential purchaser that has expressed any interest in acquiring Rainelle Bank. It is the fifth largest of six banks in Greenbrier County with 12 per cent of commercial bank deposits. Upon consummation of the proposed merger, Greenbrier Bank will rank second in Greenbrier County, with approximately 21 per cent of the commercial bank deposits in the county. Consummation of the proposed transaction will have no significantly adverse effect upon competition in Greenbrier County.

Rainelle is located near the boundary of Fayette County which contains offices of eight banks. Banks located in Alderson, Ronceverte and White Sulphur Springs advertise in the Rainelle newspaper and presently do provide financial services to some residents of the Rainelle area. Completion of a new interstate highway leading to these surrounding communities will increase the ability of Rainelle area residents to utilize these existing banking alternatives. While approval of the instant proposal may appear to have the effect of eliminating some existing competition in the town of Rainelle, the same elimination of such competition will occur if this proposal is denied and Rainelle Bank liquidated.

Terms of the proposed transaction do not appear to involve the payment of any premium by the Greenbrier Bank to Georgia Pacific reflecting the acquisition of a going concern or indicating an intent on that Bank's part to acquire a monopoly position in Rainelle. The virtual certainty that Rainelle Bank will be liquidated leads to the conclusion that any diminution or deterioration in competition in Rainelle will arise independently of the proposed merger. Since there is no other known prospective purchaser for Rainelle Bank, the Board concludes that the purpose of the pro-



posed merger is not one of lessening competition, but of mitigating possible undesirable consequences to the community of Rainelle and should not be viewed as the acquisition of a monopoly by Applicant of Rainelle.

While the financial condition of Rainelle Bank is satisfactory, it faces serious management succession problems since its chief operating officer is in poor health and has stated his intention to retire and there is no successor available from the bank's present staff. The financial condition of Greenbrier Bank is satisfactory although it also has a relatively low loan volume. Its management and banking quarters appear adequate and consummation of the present proposal should enable it to better serve the financial needs of Rainelle. It, therefore, appears that the financial needs of the Rainelle community will be more adequately served by the strengthened Greenbrier Bank.

Avoidance of public inconvenience and confusion brought about by the liquidation of the Rainelle Bank and the infusion of additional resources into the Greenbrier Bank, with the resulting enlarged lending capability, clearly constitute significant public interest benefits to the convenience and needs of the Rainelle community which in our opinion outweigh any anticompetitive consequences which will result by virtue of the approval of this proposal.

The Board has considered all relevant material contained in the record, in light of the factors set forth in the Bank Merger Act, and it is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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.

By order of the Board of Governors, October 5, 1971.

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

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL]

THE CITIZENS CENTRAL BANK  
ARCADE, NEW YORK

*In the matter of the application of The Citizens Central Bank, Arcade, New York, for approval of merger with Bank of Elba, Elba, New York.*

ORDER APPROVING MERGER 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 Citizens Central Bank, Arcade, New York ("Citizens Bank"), a member State bank of the Federal Reserve System, for the Board's prior approval of the merger of that bank and Bank of Elba, Elba, New York ("Elba Bank"), under the charter and name of Citizens Bank.

As an incident to the merger, the sole office of Elba Bank would become a branch of the resulting bank. Notice of the proposed merger, in form approved by the Board, has been published pursuant to said Act.

In accordance with the Act, the Board requested reports on the competitive factors involved from the Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The Board has considered all relevant material contained in the record in the light of the factors set forth in the Act, including the effect of the proposal on competition, the financial and managerial resources and prospects of the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Citizens Bank, a subsidiary of Charter New York Corporation, New York, with deposits of \$35 million, is the eleventh largest of 32 banks headquartered in New York's Ninth Banking District wherein it operates five banking offices in three of the District's eight counties (all banking data are as of December 31, 1970). Elba Bank, with deposits of \$2 million, operates its sole office in Elba and is the only bank serving the town. It is the smallest of three banks domiciled in Genesee County wherein it holds 11 per cent of total county deposits. The nearest offices of Citizens Bank to Elba Bank are its main office in Arcade and its branch in Silver Springs, located 46 and 41 miles, respectively, from Elba. In the intervening area there are eight banking offices, which include branches of the three largest Buffalo-based banks.

The relevant market within which the competitive effects of the proposed merger are to be

assessed is the Batavia Banking Market, which encompasses an area approximately half the distance between Rochester and Buffalo, consisting of Genesee County and the towns of Bennington, Attica, Middleburg, and Covington in Wyoming County. Elba Bank is the seventh smallest of eight banks represented in the market. The proposed merger is Applicant's first entry into this market and would result in its control of only 1.9 per cent of the market's total deposits.

The merging banks do not compete with one another in the relevant market, and there is no significant competition between other subsidiary banks of Charter New York Corporation and Elba Bank. Further, no substantial potential competition would be foreclosed by consummation of the proposed merger considering Elba Bank's size, the economy of the area, and the restrictions placed on branching into Elba by New York State banking laws. Consummation of the proposed transaction would not result in a substantial increase in concentration levels on a local or State-wide basis. Based upon all the facts revealed in the record, the Board concludes that the merger would not have an adverse effect on competition in any relevant area.

The financial and managerial resources and prospects of the merging banks and the resulting bank are satisfactory and consistent with approval

of the application. Considerations under the convenience and needs aspects of the proposal lend some support in favor of approval since consummation of the merger would provide customers of Elba Bank with a more varied range of banking services than is presently offered them. Based upon the foregoing, it is the Board's judgment that consummation of the proposal would be in the public interest and that the application should be approved.

IT IS HEREBY ORDERED, On the basis of the findings summarized above, that said application be and hereby is approved, provided that the action 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 New York pursuant to delegated authority.

By order of the Board of Governors, October 5, 1971.

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

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL]

**ORDERS UNDER SECTION 3 OF BANK HOLDING  
COMPANY ACT****BOATMEN'S BANCSHARES, INC.,  
ST. LOUIS, MISSOURI**

*In the matter of the application of Boatmen's Bancshares, Inc., St. Louis, Missouri, for approval of acquisition of 80 per cent or more of the voting shares of Bank of O'Fallon, O'Fallon, Missouri.*

**ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY**

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Boatmen's Bancshares, Inc. ("Applicant"), St. Louis, Missouri, a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of Bank of O'Fallon ("Bank"), O'Fallon, Missouri.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Commissioner of Finance for the State of Missouri, and requested his views and recommendation. The Commissioner responded that his office had no objection to approval of the application.

Notice of receipt of the application was published in the Federal Register on June 26, 1971 (36 Federal Register 12192), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant has three subsidiary banks with aggregate deposits of \$328.8 million, representing 2.9 per cent of the total commercial bank deposits in the State and, on the basis of deposits, is the sixth largest banking organization and sixth largest bank holding company in Missouri. (All banking data are as of December 31, 1970, adjusted to

reflect holding company acquisitions and formations approved by the Board through July 31, 1971.)

Bank (\$8.7 million of deposits), the only bank in O'Fallon, is located 35 miles northwest of St. Louis, and ranks sixth among the eight banks in St. Charles County and second among the five banks competing in its primary service area, which is approximated by the City of O'Fallon and environs. Bank holds 31.7 per cent of the commercial bank deposits in its primary service area. Each of Applicant's present subsidiary banks is located more than 23 miles from Bank, and none of them appears to compete with Bank to any significant extent. It appears, therefore, that consummation of the proposed acquisition would not eliminate any meaningful competition. Moreover, in light of the facts of record, including the distances separating Applicant's present subsidiaries from Bank, Missouri's restrictive branching law, and the availability of numerous banking alternatives, it does not appear that any significant potential competition would be foreclosed by the consummation of Applicant's proposal.

On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not adversely affect competition in any relevant area nor have undue adverse effects on other banks in the area involved and, in fact, may enhance competition in the service area by enabling Bank to become a more effective competitor. The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are generally considered satisfactory and consistent with approval of the application. Considerations relating to the convenience and needs of the communities to be served lend some weight in support of approval of the application. Applicant proposes to expand many of Bank's existing services and to assist Bank in establishing several new services, including data processing and trust services. The residents of Bank's service area should benefit from the added convenience resulting from the broader range of services offered by Bank.

In considering this application the Board noted that the Applicant's tender offer to stockholders of Bank is in an amount greater than twice the per share book value. The premium is equal to 13 per cent of deposits, and is greater than premiums ordinarily offered in cases that have been considered by the Board. As a matter of policy in its administration of the Holding Company Act, the Board is concerned with excessive premiums. Such

premiums raise the question whether holding companies are making sound business judgments; they also tend to weaken the earning power of holding companies. An even more serious question is whether a bank is being acquired because of a dominant market position that will be exploited further by affiliation with a strong holding company. If so, the public interest would ordinarily require a holding company to enter the market *de novo*. In the present case, however, in view of the size of the community and the bank involved and the Board's evaluation of other relevant circumstances in the record, including the fact that another holding company has applied for a new charter in O'Fallon, the Board has concluded that the premium involved, although a matter of concern, is not such as to require denial of the application.

It is the Board's judgment that consummation of the proposed acquisition would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, 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 St. Louis pursuant to delegated authority.

By order of the Board of Governors, September 10, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL.]

MIDWEST BANCORPORATION (OF OHIO).  
INC., WILMINGTON, DELAWARE

*In the matter of the application of Midwest Bancorporation (of Ohio), Inc., Wilmington, Delaware, for approval of action to become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of (1) the successor by merger to The Midwest Bank & Trust Company, Cleveland, Ohio, and (2) the successor by merger to The Firelands Community Bank, Huron, Ohio.*

ORDER APPROVING ACTION TO BECOME  
A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Midwest Bancorporation (of Ohio), Inc., Wilmington, Delaware, for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of (1) the successor by merger to The Midwest Bank & Trust Company, Cleveland, Ohio ("Midwest Bank"), and (2) the successor by merger to The Firelands Community Bank, Huron, Ohio ("Firelands Bank").

The banks into which Midwest Bank and Firelands Bank are to be merged have no significance except as a means of acquiring the voting shares of the banks involved. Accordingly, the proposed acquisition of the shares of the successor organizations are treated herein as the proposed acquisitions of the shares of Midwest Bank and Firelands Bank.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Ohio Superintendent of Banks, and requested his views and recommendation. The Superintendent of Banks offered no objection to approval of the application.

Notice of receipt of the application was published in the Federal Register on July 29, 1971 (36 Federal Register 14080), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant is a newly-organized corporation. Upon consummation of the proposal herein, Applicant would control \$41 million in deposits, representing .19 per cent of total commercial bank deposits in the State, and would become the eighth

largest of the nine multi-bank holding companies operating in Ohio. (All banking data are as of December 31, 1970, adjusted to reflect holding company formations and acquisitions approved by the Board through August 31, 1971.)

Midwest Bank (\$25.7 million deposits), the only office of which is located in downtown Cleveland, operates in the Cleveland banking market, which is approximated by Cuyahoga, Geauga, Lake, and Lorain Counties, and controls .4 per cent of the commercial bank deposits in that market. On the basis of deposits, Midwest Bank is the sixteenth largest of the twenty-seven banks in the market.

Firelands Bank (\$15.3 million deposits), headquartered in Huron with one branch office in Berlin, Ohio, primarily serves the Erie County area. On the basis of deposits, Firelands Bank is the fifth largest of the six banks located in Erie County, with approximately 9 per cent of the commercial bank deposits in that area.

Midwest Bank and Firelands Bank do not compete with each other to any meaningful extent, and the development of such competition in the foreseeable future appears unlikely. The nearest offices of the two banks are separated by a distance of more than 50 miles, with numerous banks intervening, and Ohio law prevents either bank from branching into the county in which the other is located. On the basis of the record before it, the Board concludes that consummation of the proposal would have no adverse effect on competition in any relevant area.

The financial condition of each proposed subsidiary bank appears satisfactory; both are regarded as having competent managements and favorable prospects. It appears that Applicant would begin operations in satisfactory condition and with competent management; Applicant's prospects, which are largely dependent upon those of its two proposed subsidiaries, also appear favorable. There is no evidence that the existing banking needs of the communities involved are not being met. Affiliation of the two banks, however, would increase the lending capabilities of each bank by means of participation arrangements, and would enable the Firelands Bank to offer trust services. These considerations relative to the convenience and needs of the communities to be served lend some weight toward approval. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the

record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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 Cleveland pursuant to delegated authority.

By order of the Board of Governors, September 16, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

PEOPLES MID-ILLINOIS CORPORATION,  
BLOOMINGTON, ILLINOIS

*In the matter of the application of Peoples Mid-Illinois Corporation, Bloomington, Illinois, for approval of action to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of Peoples Bank of Bloomington, Bloomington, Illinois.*

ORDER APPROVING ACTION TO BECOME  
A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Peoples Mid-Illinois Corporation, Bloomington, Illinois, for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 80 per cent or more of the voting shares of Peoples Bank of Bloomington, Bloomington, Illinois ("Peoples Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Commissioner of Banks and Trust Companies of the State of Illinois, and requested his views and recommendation. The Commissioner recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on July 30, 1971 (36 Federal Register 14152), providing an opportunity for interested persons to submit com-

ments 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant is a nonoperating corporation formed for the purpose of acquiring Bank as a subsidiary. Upon consummation of the proposal, Applicant will control .1 per cent of the total commercial bank deposits in the State.

Peoples Bank (\$40.5 million in deposits), located in Bloomington approximately 130 miles southwest of Chicago, is the largest of 20 banks in the Bloomington area, and controls 19.5 per cent of deposits in that area. (Banking data are as of December 31, 1970; and reflect holding company formations and acquisitions approved through August 31, 1971.) As Applicant has no present operations or subsidiaries, consummation of this proposal would eliminate neither existing nor potential competition nor does it appear that there would be any adverse effects on any bank in the market.

Applicant was recently organized for the purpose of consummating the present proposal and has not engaged in any business activities. Applicant's management has been drawn from directors and officers of Bank. Applicant's financial condition and future prospects are dependent on those of Bank. The financial and managerial resources and future prospects of Bank are satisfactory and consistent with approval of this application. Although consummation of the proposal would not have any immediate effects on the convenience and needs of the community, considerations related to these factors are consistent with approval. It is the Board's judgment that consummation of the proposal would be in the public interest and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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 Chicago pursuant to delegated authority.

By order of the Board of Governors, September 16, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

SOUTHEAST BANKING CORPORATION,  
MIAMI, FLORIDA

*In the matter of the application of Southeast Banking Corporation, Miami, Florida, for approval of the acquisition of 80 per cent or more of the voting shares of First National Beach Bank, Jacksonville Beach, Jacksonville Beach, Florida.*

ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Southeast Banking Corporation ("Applicant"), Miami, Florida, a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of First National Beach Bank, Jacksonville Beach ("Bank"), Jacksonville Beach, Florida.

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

Notice of receipt of the application was published in the Federal Register on July 10, 1971 (36 Federal Register 13004), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. The time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of Applicant and the banks concerned, and the convenience and needs of the communities to be served and finds that:

Applicant presently controls 13 banks with aggregate deposits of \$1,050 million, representing 7.5 per cent of total commercial bank deposits held by Florida's banks, and is the State's second largest banking organization. (All banking data are as of December 31, 1970, and reflect holding company formations and acquisitions approved by the Board through July 31, 1971.) Applicant's acquisition of Bank, with deposits of approximately \$22 million, would not represent a significant increase in Applicant's share of total deposits in the State.

Bank is located at Jacksonville Beach, a coastal community in Duval County, approximately 20 miles east of Jacksonville. On the basis of deposits, Bank is the seventh largest of 16 banking organizations in the Jacksonville banking market, which is approximated by Duval County, and holds 1.7 per cent of the commercial bank deposits in this market. Acquisition of Bank by Applicant would result in Applicant's control of 3.2 per cent of the Jacksonville market as the sixth largest banking organization operating therein. No significant competition appears to exist between any of Applicant's subsidiary banks and Bank. The closest of Applicant's subsidiaries to Bank is located in downtown Jacksonville, approximately 17 miles west of Bank; and, on the basis of the facts of record, notably, Florida's restrictive branching laws and the fact that the 17-mile intervening area contains a number of banks, an intra-coastal waterway and a 10-mile undeveloped area, it appears that meaningful future competition between Applicant's subsidiaries and Bank is not likely to develop.

Based upon the record, the Board concludes that consummation of the proposed acquisition would have no significant adverse effect on competition in any relevant area. The financial conditions and managerial resources of Applicant and its subsidiary banks are regarded as generally satisfactory, and the prospects for each appear favorable. Bank's financial condition appears generally satisfactory; and Applicant has stated that it will provide capital and personnel to Bank as needed. The major banking needs of the Jackson-

ville Beach community apparently are being served adequately by the existing banking institutions. However, there appears to be a growing need for trust services in the immediate area Bank serves, which are not conveniently available to the Jacksonville Beach community. Applicant proposes to assist Bank in establishing a trust department. Considerations under the convenience and needs aspects of this proposal are consistent with approval of the application. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the Board's findings and reasons summarized above, 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 time be extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, September 16, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL.]

MIDLAND INVESTMENT CORPORATION,  
CASPER, WYOMING

*In the matter of the application of Midland Investment Corporation, Casper, Wyoming, for approval of action to become a bank holding company through the acquisition of at least 80 per cent of the voting shares of Hilltop National Bank, Casper, Wyoming.*

ORDER APPROVING ACTION TO BECOME  
A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Midland Investment Corporation, Casper, Wyoming, for the Board's prior approval of action whereby Applicant would become a bank holding

company through the acquisition of at least 80 per cent of the voting shares of Hilltop National Bank ("Bank"), Casper, Wyoming.

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

Notice of receipt of the application was published in the Federal Register on July 17, 1971 (36 Federal Register 13300), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant is a nonoperating corporation formed for the purpose of acquiring Bank (deposits of \$7.2 million) as a subsidiary. Bank is the fourth largest of six banks in the Casper banking market and holds 4.3 per cent of area deposits. (All banking data are as of December 31, 1970, and reflect holding company formations and acquisitions approved through July 31, 1971.)

Since Applicant has no present operations or subsidiaries and since the proposed acquisition involves only a corporate reorganization in the nature of a transfer of ownership of Bank from individuals to a holding company, consummation of the proposal would eliminate neither existing nor potential competition and would not appear to have any adverse effects on any other banks in the area involved. Thus, factors related to competition are consistent with approval.

Applicant has no immediate plans to make any new services available, but has stated that it will augment the capital structure of Bank, which would enable Bank more adequately to serve its customers. Applicant has arranged to borrow \$300,000 from an unaffiliated bank which Applicant proposes to use to strengthen Bank's financial condition. Although, as a result of this loan, Applicant's debt to equity ratio is higher

than normally preferred, Applicant's plan for servicing its debt appears to be reasonable and no impairment of Bank's financial condition seems likely. Applicant's proposal to strengthen the capital structure of Bank lends weight in favor of approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest and the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, 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 Kansas City pursuant to delegated authority.

By order of the Board of Governors, September 16, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

T G BANCSHARES CO.,  
ST. LOUIS, MISSOURI

*In the matter of the application of T G Bancshares Co., St. Louis, Missouri, for approval of acquisition of 99.8 per cent or more of the voting shares of Continental Bank & Trust Company, Richmond Heights, Missouri.*

ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by T G Bancshares Co., St. Louis, Missouri, a bank holding company, for the Board's prior approval of the acquisition of 99.8 per cent or more of the voting shares of Continental Bank & Trust Company, Richmond Heights, Missouri ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Commissioner of Finance for the



State of Missouri, and requested his views and recommendation. The Commissioner responded that his office had no objection to approval of the application.

Notice of receipt of the application was published in the Federal Register on July 24, 1971 (36 Federal Register 13820), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant, the eighth largest bank holding company and the ninth largest banking organization in Missouri, has two subsidiary banks with \$130.4 million in deposits, representing approximately 1.1 per cent of the total commercial bank deposits in the State. (All banking data are as of December 31, 1970, adjusted to reflect holding company formations and acquisitions approved by the Board through August 31, 1971.) Consummation of the proposal herein would increase Applicant's share of deposits only slightly, and its ranking among the State's other banking organizations would remain the same.

Bank (\$13.7 million deposits), with 2 per cent of the area's deposits, ranks fourteenth of the eighteen banks located in its primary service area, which is approximated by the east central portion of St. Louis County and a small segment of the City of St. Louis. Applicant's two subsidiary banks are located approximately seven and twenty-nine miles from Bank, and neither competes with Bank to any significant extent. Moreover, in light of geographical barriers, Missouri's restrictive branching law, and the presence of numerous alternative banking facilities, it appears unlikely that consummation of the proposal herein would foreclose any significant potential competition. As a result of its affiliation with Applicant, Bank should be able to compete more effectively with the larger banks in its service area.

Based upon the foregoing, the Board concludes that consummation of the proposal would not

have an adverse effect on competition in any relevant area. Considerations relating to the financial and managerial resources and prospects are regarded as consistent with approval as they relate to Applicant and its subsidiaries, and lend strong weight in support of approval as they relate to Bank, since Applicant would provide Bank with additional qualified management personnel and strengthen Bank's capital structure. Considerations relating to the convenience and needs of the communities to be served lend some additional weight in support of approval; Applicant proposes to expand Bank's trust operations and to increase its lending capabilities through participations with Applicant's lead bank in St. Louis. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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 St. Louis pursuant to delegated authority.

By order of the Board of Governors, September 16, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

FIDELITY AMERICAN BANKSHARES, INC.,  
LYNCHBURG, VIRGINIA

*In the matter of the application of Fidelity American Bankshares, Inc., Lynchburg, Virginia, for approval of acquisition of 80 per cent or more of the voting shares of Metompink Bank and Trust Company, Parksley, Virginia.*

ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY

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 222.3(a) of Federal Reserve Regula-

tion Y (12 CFR 222.3(a)), an application by Fidelity American Bankshares, Inc., Lynchburg, Virginia, a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of Metompkin Bank and Trust Company, Parksley, Virginia ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Virginia Commissioner of Banking, and requested his views and recommendation. The Commissioner recommended approval.

Notice of receipt of the application was published in the Federal Register on July 20, 1971 (36 Federal Register 13350), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant, the eighth largest banking organization in Virginia, controls five banks which hold combined deposits of approximately \$310.7 million, representing 3.9 per cent of the total commercial bank deposits held by Virginia banks. (All banking data are as of December 31, 1970, adjusted to reflect holding company formations and acquisitions through July 31, 1971.) Upon acquisition of Metompkin Bank and Trust Company (\$6.2 million deposits), Applicant would increase its share of deposits in the State by only 0.1 percentage point, representing no significant increase in Applicant's control of deposits in the State, or change in its present ranking. In a separate application filed concurrently with the instant matter, Applicant proposes to acquire 80 per cent or more of the voting shares of The Culpeper National Bank, Culpeper, Virginia. Affiliation of both banks would increase Applicant's share of the total Virginia commercial bank deposits to 4.3 per cent and would not, therefore, have any significant effect on the concentration of banking resources in Virginia or on Applicant's State-wide competitive position.

Bank operates its main office in Parksley, one branch in Bloxom four miles north of the main office, and a second branch in Oak Hall 14 miles northeast of Parksley. All offices are located in Accomack County, on Virginia's eastern shore between the Chesapeake Bay and the Atlantic Ocean. Bank is one of six banking institutions in Accomack County (Bank's relevant market), where it ranks fifth in size with 11.7 per cent of area deposits. Applicant's subsidiary office closest to Bank is located 85 miles away via two bridge-tunnel toll facilities, and apparently no significant present competition exists between Bank and this office, or any of Applicant's other offices. It also appears unlikely that consummation of this proposal would foreclose potential competition because of Virginia's restrictive branching laws, the wide separation between Applicant's offices and Bank, and the presence of many other banking offices in the intervening area. Based on the foregoing, and the record before it, the Board concludes that consummation of the proposed acquisition would not have an adverse effect on competition in any relevant market.

The financial condition and management of Applicant and its subsidiaries are satisfactory and the prospects of each are favorable. On the contrary, however, the financial condition of Bank is unsatisfactory and the capital base of the institution can provide only a limited margin of protection for the safety of depositors' funds. Applicant has made a commitment to supply adequate capital if this proposal is authorized. Thus, considerations relating to the banking factors weigh strongly in favor of approval of the application.

Although there is no indication that present banking needs of the area are not being adequately served at the present time, it is apparent that consummation of the proposal would not only strengthen the Bank but provide the managerial skill to offer a wide range of banking services that would serve to benefit the public. Considering the possible loss of a banking institution in the area, the convenience and needs of the community weigh heavily in favor of approval of the application. It is the Board's judgment that consummation of the proposed transaction would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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.

By order of the Board of Governors, September 16, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

*In the matter of the application of Fidelity American Bankshares, Inc., Lynchburg, Virginia, for approval of acquisition of 80 per cent or more of the voting shares of The Culpeper National Bank, Culpeper, Virginia.*

ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Fidelity American Bankshares, Inc., Lynchburg, Virginia, a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of The Culpeper National Bank, Culpeper, Virginia ("Bank").

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

Notice of receipt of the application was published in the Federal Register on July 20, 1971 (36 Federal Register 13350), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant, the eighth largest banking organization in Virginia, controls five banks which hold combined deposits of approximately \$310.7 million, representing 3.9 per cent of the total commercial bank deposits held by Virginia banks. (All banking data are as of December 31, 1970, adjusted to reflect holding company formations and acquisitions through July 31, 1971.) Upon acquisition of The Culpeper National Bank (\$22.1 million deposits), Applicant would increase its share of deposits in the State by only 0.3 percentage points, representing no significant increase in Applicant's control of deposits in the State, or change in its present ranking. In a separate application filed concurrently with the instant matter, Applicant proposes to acquire 80 per cent or more of the voting shares of Metompinkin Bank and Trust Company, Parksley, Virginia. Affiliation of both banks would increase Applicant's share of the total Virginia commercial bank deposits to 4.3 per cent and would not, therefore, have any significant effect on the concentration of banking resources in Virginia or on Applicant's State-wide competitive position.

Bank operates its main office, together with two branches, in the town of Culpeper. Bank's service area includes all of Culpeper County and fringe areas of the bordering counties of Rappahannock, Madison, Fauquier and Orange. Six banking organizations compete within this service area, the largest of which controls 25.9 per cent of the service area deposits. Bank ranks second in size, with 24.5 per cent of such deposits, although another Culpeper bank is of comparable size, holding 24.4 per cent. A branch of the second largest banking organization in Virginia ranks fourth in area deposits with 15.2 per cent, while the two remaining institutions are rural banks located 12 and 15 miles from Culpeper. Because of the number of banking alternatives available over a relatively widespread and essentially rural area, it does not appear that consummation of Applicant's proposed acquisition would have any detrimental effect on other competing banks.

Applicant's subsidiary office closest to Bank is located 90 miles southwest of Culpeper. There is

no meaningful existing competition between Bank and this office, or any of Applicant's other offices. It also appears unlikely that consummation of this proposal would preclude potential competition in the light of the facts of record, notably, the distances involved and the unlikelihood that Applicant would enter Bank's market *de novo*. Based on the foregoing, and the record before it, the Board concludes that consummation of the proposed acquisition would not have an adverse effect on competition in any relevant market.

The banking factors, as they relate to Applicant, its subsidiaries, and Bank are satisfactory and consistent with approval of the application. Considerations relating to the convenience and needs of the area lend some weight toward approval. Although the more important banking needs of the area are being served at the present time, affiliation of Bank with Applicant will increase Bank's loan limits, enable Bank to meet the need for mortgages, provide a broader range of loans, and achieve internal operating economies which could ultimately benefit its customers. It is the Board's judgment that consummation of the proposed transaction would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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.

By order of the Board of Governors, September 16, 1971.

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

(Signed) TYNAN SMITH,  
*Secretary.*

[SEAL]

AMERICAN BANCORPORATION, INC.,  
KANSAS CITY, MISSOURI

*In the matter of the application of American Bancorporation, Inc., Kansas City, Missouri, for approval of action to become a bank holding company through the acquisition of 90 per cent*

*or more of the voting shares of Linwood State Bank, Kansas City, Missouri.*

ORDER APPROVING ACTION TO BECOME  
A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by American Bancorporation, Inc., Kansas City, Missouri, for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 90 per cent or more of the voting shares of Linwood State Bank, Kansas City, Missouri ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Missouri Commissioner of Finance, and requested his views and recommendation. The Commissioner responded that his office had no objection to approval of the application.

Notice of receipt of the application was published in the Federal Register on July 24, 1971 (36 Federal Register 13820), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the bank concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant, a nonoperating corporation, was formed for the express purpose of acquiring Bank (\$18.9 million deposits). (All banking data are as of December 31, 1970.) Members of the Price family directly or indirectly own approximately 95 per cent of the voting shares of Bank. The proposed transaction is essentially a corporate reorganization in which the ownership of Bank will be realigned among its major stockholders. Inasmuch as Applicant has no present operations or subsidiaries, consummation of the proposal would not alter existing banking competition nor sig-

nificantly affect potential competition. Nor does it appear that there would be any adverse effects on any bank in the area.

The financial and managerial resources and future prospects of Bank are satisfactory and consistent with approval of the application. In acquiring Bank, Applicant will incur a substantial debt in relation to its net worth, which will require an extended repayment period. Although long term acquisition debt is a matter of concern to the Board, the particular facts of this case do not indicate the financial stability of the holding company or the bank will be weakened as a result thereof. Bank is well capitalized and its past earnings indicate that Applicant will be able to readily service the debt from future earnings without adversely affecting the condition of Bank. Furthermore, Applicant indicates that it will not pay any dividends as long as the debt is outstanding and that the dividends of Bank will be limited to the amount necessary to service the debt. In light of these considerations, the Board does not consider the acquisition debt in this case to be such as to require denial of the application.

Consummation of the proposal would have no immediate effect on the convenience and needs of the community involved, but improved services may be provided in the future because of the more flexible corporate structure of the holding company. It is the Board's judgment that the transaction would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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 Kansas City pursuant to delegated authority.

By order of the Board of Governors, September 21, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

GALBANK, INC., AND  
UNITED STATES BANCSHARES, INC.,  
GALVESTON, TEXAS

*In the matter of the applications of Galbank, Inc., and its wholly-owned subsidiary, United States National Bancshares, Inc., both of Galveston, Texas, for approval of acquisition of 61.15 per cent or more of the voting shares of Sugar Land State Bank, Sugar Land, Texas.*

ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANIES

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), applications by Galbank, Inc. ("Galbank"), and its wholly-owned subsidiary, United States National Bancshares, Inc. ("National"), for the Board's prior approval of the acquisition of 61.15 per cent or more of the voting shares of Sugar Land State Bank, Sugar Land, Texas ("Bank"). The acquisition will be made by National and as a result Galbank will indirectly acquire voting shares of the Bank.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the applications to the Texas Commissioner of Banking and requested his views and recommendation. The Commissioner recommended approval of the proposal.

Notice of receipt of the applications was published in the Federal Register on August 3, 1971 (36 Federal Register 14284 and 14286), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of each 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.

The Board has considered the applications in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Galbank, through National, controls one bank with deposits of \$44.8 million representing ap-

proximately .2 per cent of commercial bank deposits in Texas. (All banking data are as of December 31, 1970, adjusted to reflect holding company formations and acquisitions approved by the Board through August 31, 1971.) Acquisition of Bank (deposits of \$10.0 million) would not materially affect Applicants' share of deposits in the State.

Bank is the second largest of eight banks serving the eastern portion of Fort Bend County and the southwestern edge of Houston, with control of approximately 18 per cent of the area deposits. Applicants' bank is located 50 miles southeast of Bank in Galveston and there is little existing competition between the two. Due to the distances involved, the presence of intervening banks, and the Texas prohibition against branching, there is also little probability of future competition developing between the subsidiary and Bank. Considering these factors and others of record, the Board concludes that consummation of the proposed acquisition would not adversely affect competition in any relevant area. In fact, acquisition of Bank by Applicants may serve to enhance competition since it would result in the first ownership of a Houston area bank by a holding company located outside of Houston.

On the record before the Board, considerations relating to the financial condition, management and prospects of Applicants, their subsidiaries, and Bank are consistent with approval of the applications. Convenience and needs of banking customers in the area will be advanced through consummation of the proposed acquisition since Applicants will be able to provide more extensive services such as increased commercial loan capabilities, interim construction financing, and greater consumer credit and trust services. It is the Board's judgment that the proposed transaction would be in the public interest and that the applications should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said applications be and hereby are approved for the reasons summarized above, provided that the action 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 Dallas pursuant to delegated authority.

By order of the Board of Governors, September 21, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

**BANKS OF IOWA, INC.,  
CEDAR RAPIDS, IOWA**

*In the matter of the application of Banks of Iowa, Inc., Cedar Rapids, Iowa, for approval of acquisition of 80 per cent or more of the voting shares of Union Bank and Trust Company, Ottumwa, Iowa.*

**ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY**

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Banks of Iowa, Inc., Cedar Rapids, Iowa, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of Union Bank and Trust Company, Ottumwa, Iowa ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Department of Banking of the State of Iowa and requested its views and recommendation. The Superintendent of Banking of the State of Iowa recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on June 15, 1971 (36 Federal Register 11538), 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.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons set forth in the Board's Statement of this date, provided that the action 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 Chicago pursuant to delegated authority.

By order of the Board of Governors, September 21, 1971.

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

(Signed) TYNAN SMITH,  
*Secretary.*

[SEAL]

#### STATEMENT

Banks of Iowa, Inc., Cedar Rapids, Iowa ("Applicant"), a 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 80 per cent or more of the voting shares of Union Bank and Trust Company, Ottumwa, Iowa ("Bank").

*Views and recommendation of supervisory authority.* As required by section 3(b) of the Act, the Board notified the Department of Banking of the State of Iowa of receipt of the application and requested its views and recommendation thereon. The Superintendent of Banking of the State of Iowa recommended approval of the proposed acquisition.

*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 a proposed acquisition the effect of which, in any section of the country, may be substantially to lessen competition, or to 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 communities 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 communities to be served.

*Competitive effect of proposed transaction.* Applicant, the fifth largest banking organization and fourth largest bank holding company in Iowa,

controls one bank, The Merchants National Bank of Cedar Rapids ("Merchants"), with deposits of approximately \$161 million, representing 2.4 per cent of the total commercial bank deposits in the State. (All banking data are as of December 31, 1970, and reflect holding company formations and acquisitions approved through August 31, 1971.) Applicant's acquisition of Union Bank (about \$44 million in deposits) would increase Applicant's share of deposits in Iowa by .7 percentage points and result in Applicant's becoming the fourth largest banking organization and bank holding company in Iowa.

Union Bank is the largest of four banks located in Wapello County, the relevant market area, with 54.4 per cent of deposits in the market. The closest office of Merchants to Union Bank is approximately 63 miles away and neither bank obtains a significant amount of deposits or loans from the other's market. On the facts of record, notably, the distance involved, the large number of banks in the intervening area, and the State's restrictive branching law, there appears to be little likelihood that significant competition between the two banks would develop in the future.

The Board has considered a report of the Department of Justice which concluded that "The overall effect of this transaction on competition would, therefore, be adverse." The Department advised that no effect on existing competition between Merchants and Union Bank could be anticipated from consummation of the proposal herein but that potential competition between Applicant and Bank would be eliminated because Applicant could enter the Ottumwa area market *de novo* or by acquiring a smaller bank, or Union Bank could organize a bank holding company and enter the Cedar Rapids market to become a competitor of Applicant's.

Entry into the Wapello County market on a *de novo* basis does not appear to be attractive. The evidence shows that the population of Wapello County declined by 8.6 per cent over the past decade, and it is expected that the county will not experience more than moderate economic growth in the near future. Additionally, the present population per banking office, and the ratio of deposits to banking offices, in the market area are not attractive for new entry.

There appears to be little likelihood of Applicant's acquiring a smaller bank in the Wapello market than Union Bank. Applicant has stated that, of the three banks in Ottumwa, the second largest bank (26.8 per cent of market deposits)

in the market area is not available because of that bank's long-existing ties with a large Des Moines bank, and the apparent disinterest of the controlling shareholders to affiliate with Applicant; and that the third largest bank (15.9 per cent of market deposits) which is family-owned and controlled appears to have no interest in selling to or in joining with Applicant or any other bank holding company.

Consummation of the proposal would eliminate Bank as a potential lead bank in a regional bank holding company; however, Union Bank's top management is near retirement age and the bank at present does not appear to have the management depth to become the lead bank of a holding company.

Although Union Bank is the largest in the relevant market area, its rate of growth during the last five years has been considerably less than that of any of the other banks in Wapello County, and Bank's share of the market has declined from 60 to 54 per cent. Thus, the other banks in the area have been successful in competing with Bank, and it is believed that consummation of the proposal would not have any significant adverse effect on any of the competing banks.

On the basis of the record before it, the Board concludes that consummation of the proposal would not result in a monopoly, nor be in furtherance of any combination, conspiracy or attempt to monopolize the business of banking in any part of the United States and would not restrain trade, substantially lessen competition, or tend to create a monopoly in any section of the country.

*Financial and managerial resources and future prospects.* The financial and managerial resources and future prospects of Applicant, its subsidiary bank and Bank are satisfactory. However, Bank's top management is near retirement age and management depth is lacking. It will be necessary for Bank to have an available source of qualified management personnel if it is to continue to assist in the development of the Ottumwa area. Applicant's ability to provide for management as required lends weight in favor of approval.

*Convenience and needs of the communities involved.* As stated above, Wapello County's economy has experienced difficulties in recent years and prospects for the near future are uncertain. However, efforts are being made to revitalize the area's lagging economy through an extensive urban renewal program approved for Ottumwa and to be implemented during the next several

years. Affiliation with Applicant would expand Bank's effective lending limit which should assist the community in acquiring and servicing new industrial and commercial enterprises. Applicant proposes to ensure capable management and to make available to Bank the investment knowledge of Applicant's present subsidiary bank. Considerations related to the convenience and needs of the communities lend weight for approval of the application.

*Summary and conclusion.* On the basis of all the relevant facts contained in the record, and in 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.

FIDELITY AMERICAN BANKSHARES, INC.,  
LYNCHBURG, VIRGINIA

*In the matter of the application of Fidelity American Bankshares, Inc., Lynchburg, Virginia, for approval of acquisition of 80 per cent or more of the voting shares of Peoples Bank of Gretna, Gretna, Virginia.*

ORDER DENYING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Fidelity American Bankshares, Inc., Lynchburg, Virginia, a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of Peoples Bank of Gretna, Gretna, Virginia ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Virginia Commissioner of Banking, and requested his views and recommendation. The Commissioner recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on July 20, 1971 (36 Federal Register 13350), 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.



IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is denied.

By order of the Board of Governors, September 21, 1971.

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

(Signed) TYNAN SMITH,  
*Secretary.*

[SEAL.]

#### STATEMENT

Fidelity American Bankshares, Inc., Lynchburg, Virginia, 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 80 per cent or more of the voting shares of Peoples Bank of Gretna, Gretna, Virginia ("Bank").

*Views and recommendation of supervisory authority.* As required by section 3(b) of the Act, the Board notified the Virginia Commissioner of Banking of receipt of the application and requested his views and recommendation thereon. The Commissioner 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 a proposed acquisition the effect of which, in any section of the country, may be substantially to lessen competition, or to 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 communities 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 communities to be served.

*Competitive effect of proposed transaction.* Applicant controls five banks with aggregate deposits

approximating \$310.7 million and is the eighth largest banking organization in Virginia. The acquisition of Bank (deposits of \$10.5 million) would increase Applicant's share of commercial bank deposits in the State from 3.9 per cent to 4.0 per cent and would not change its present ranking.<sup>1</sup> (All banking data are as of December 31, 1970, and reflect holding company formations and acquisitions approved by the Board through August 15, 1971.)

Bank operates but one office, located in Gretna, Virginia, a town with an approximate population of 950 and situated in the north-central part of Pittsylvania County. Its principal competitors<sup>2</sup> are two banking organizations located 13 miles to the north in Altavista, a town on the southern edge of Campbell County. One of the Altavista banks is a branch office of Applicant's lead bank.

The primary service area of Bank includes the town of Gretna and that portion of Pittsylvania County within an approximate radius of 10 miles. However, considering the importance of Altavista as a trade and employment center for an area that includes Gretna, and the fact that Bank is situated on the same arterial highway as the Altavista office of The Fidelity National Bank, Applicant's lead bank, with no intervening banks between the two, there would appear to be a definite overlap between the service area of Bank and that of Applicant's Altavista branch. This is confirmed by the extent of loan and deposit business which each derives from the service area of the other.

Almost 14 per cent of the total deposits and 10 per cent of the loans of the Altavista branch of Fidelity National originate in the service area of Bank. A further indication of Fidelity National's entrenchment in Bank's service area is observed from the fact that almost 14 per cent of its installment loans and over 12 per cent of its time loans originate in the Gretna area. Thus, within the Altavista-Gretna market, there is a substantial

<sup>1</sup>In separate Orders dated September 16, 1971, the Board has approved concurrent applications filed by Applicant to acquire 80 per cent or more of the voting shares of The Culpeper National Bank, Culpeper, Virginia, and Metompkin Bank and Trust Company, Parksley, Virginia. Affiliation of both banks will increase Applicant's share of the total Virginia deposits to 4.3 per cent, while its State-wide competitive position will remain unaltered.

<sup>2</sup>Two Chatham banks, located approximately 10 miles south of Gretna, are excluded from our analysis, since they are much less competitive in the Altavista-Gretna market than mere proximity would indicate. This is primarily due to the fact that the town of Chatham is more oriented to the city of Danville (population 46,400) in terms of both employment and trade.

amount of present competition between Fidelity National and Bank. Both banks actively compete for this banking business, among other ways, through their advertisements in the Altavista Journal, the area's only newspaper.

Of the three banks located in the Altavista-Gretna banking market, The First National Bank of Altavista holds the largest, or 43.9 per cent, of area deposits. Bank ranks second, with 30.7 per cent of market deposits, while the branch office of The Fidelity National Bank, Applicant's lead bank, ranks third in size with 25.4 per cent. Affiliation of Bank with Applicant would thus increase Applicant's share of market deposits to 56.1 per cent, and enable it to control the dominant share in this market. Banking customers within the Altavista-Gretna market are, for the most part, almost wholly dependent upon the three present banking institutions for the price and quality of their banking needs. Should the number of banking alternatives in the market be reduced from three to two, the vigor of competition is likely to diminish. These alternatives bring substantial weight against approval of the present proposal.

There are apparently several banking organizations in Virginia who are desirous of entering the Altavista-Gretna market through acquisition of Bank. One such potential entrant made a firm offer of affiliation with Bank, while negotiations with another were terminated when Bank made a decision to seek affiliation with the Applicant. Neither of these alternative proposals would have the anticompetitive consequences as are to be found in the present application.

Based on the foregoing, the Board concludes that consummation of Applicant's proposal would not result in a monopoly or be in furtherance of any combination, conspiracy, or attempt to monopolize the business of banking in any area. However, the anticompetitive effects of the proposal are sufficiently serious as to provide significant weight against approval of the application.

*Financial and managerial resources and future prospects.* The financial condition of Applicant and its subsidiary banks is satisfactory, their management is capable, and prospects of the group are favorable.

The financial condition and management of Bank are generally satisfactory, and its prospects, whether operating independently or as a subsidiary of Applicant, are favorable.

These considerations, while consistent with

approval of the application, provide no significant weight in support of such action.

*Convenience and needs of the communities involved.* As Applicant concedes, Bank's loan limit of \$90,000 has thus far not proved detrimental to its customers. Affiliation with Applicant would not provide any additional services not presently available in the area through the Altavista branch of Applicant's lead bank. Considerations relating to the convenience and needs of the communities involved are little more than consistent with approval.

*Summary and conclusion.* On the basis of all 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 not be in the public interest, and the application should be denied.

#### PLAZA BANCSHARES, INC., KANSAS CITY, MISSOURI

*In the matter of the application of Plaza Bancshares, Inc., Kansas City, Missouri, for approval of action to become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to the Plaza Bank of Commerce, Kansas City, Missouri.*

#### ORDER APPROVING ACTION TO BECOME A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Plaza Bancshares, Inc., Kansas City, Missouri, for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to the Plaza Bank of Commerce, Kansas City, Missouri ("Bank"). (Bank is to be merged into a nonoperating bank that has significance only as a vehicle to accomplish the acquisition of all the shares of Bank; accordingly, acquisition of the shares of the successor bank is treated as an acquisition of the shares of Bank.)

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Commissioner of Finance of the State

of Missouri, and requested his views and recommendation. The Commissioner did not object to approval of the application.

Notice of receipt of the application was published in the Federal Register on July 28, 1971 (36 Federal Register 13951), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant is a recently organized corporation, formed for the purpose of becoming a bank holding company. Bank (deposits of \$46.4 million) is the eighth largest of 40 banks in the Kansas City area and the eleventh largest of 125 banks in the Kansas City SMSA, controlling 1.4 per cent of the deposits in that SMSA and only .4 per cent of the total commercial bank deposits in Missouri. (Banking data are as of December 31, 1970.)

The proposal constitutes a corporate reorganization and reflects no expansion of the corporate interests or significant change in the character of banking facilities involved; consummation of the proposal would not alter existing banking competition nor significantly affect potential competition. The financial and managerial resources and future prospects of Applicant and Bank are satisfactory and consistent with approval of the application. Consummation of the proposal would not have any immediate effects on the convenience and needs of the community, but improved services may be provided in the future under the more flexible corporate structure of the holding company system. It is the Board's judgment that consummation of the proposal would be in the public interest and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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 Kansas City pursuant to delegated authority.

By order of the Board of Governors, September 21, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

#### EMPIRE SHARES CORPORATION, NEW YORK, NEW YORK

*In the matter of the application of Empire Shares Corporation, New York, New York, for approval of acquisition of 39.9627 per cent of the voting shares of Community State Bank, Albany, New York.*

#### ORDER APPROVING ACQUISITION OF BANK STOCK BY BANK HOLDING COMPANY

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Empire Shares Corporation, New York, New York, a registered bank holding company, which presently owns 42.7 per cent of the voting shares of Community State Bank ("Bank"), Albany, New York, for the Board's prior approval of the acquisition of an additional 39.9627 per cent of the voting shares of Bank.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Superintendent of Banks of the State of New York, and requested his views and recommendation. The Superintendent has offered no objection to approval of the application.

Notice of receipt of the application was published in the Federal Register on August 19, 1971 (36 Federal Register 16144), 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.

The Board has considered the application in the

light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant is a wholly-owned subsidiary of The Morris Plan Corporation, New York, New York, a registered bank holding company that is a wholly-owned subsidiary of Financial General Bankshares, Inc., Washington, D. C., also a registered bank holding company. The shares of Bank which Applicant in this application proposes to acquire are presently owned in varying amounts by four other wholly-owned subsidiaries of The Morris Plan Corporation each of which is a registered bank holding company. Under Applicant's proposal, each of these four bank holding companies would issue its shares of Bank as a dividend to The Morris Plan Corporation which would then contribute said Bank shares to Applicant.

Applicant, presently the twelfth largest of fourteen existing or proposed multi-bank holding companies in the State of New York, has three subsidiary banks with \$314 million in aggregate deposits, representing 0.4 per cent of the total commercial bank deposits in the State. (All banking data, except where otherwise indicated, are as of December 31, 1970, and reflect bank holding company formations and acquisitions approved by the Board to August 31, 1971.) Bank, presently the ninth largest of fifteen banking organizations competing in the Albany banking market, which is approximated by Albany, Schenectady, and Rensselaer Counties, had \$34.2 million in deposits as of June 30, 1970, representing 1.6 per cent of total commercial bank deposits in the area and 0.04 per cent of total commercial bank deposits in the State.

Inasmuch as the proposal merely constitutes a strengthening of Applicant's already substantial control over Bank and projects no change in the character of the banking facilities involved, consummation of the proposal would neither increase the amount of deposits which Applicant controls, nor alter its present ranking. Similarly, consummation of the proposal would not alter existing banking competition nor foreclose potential competition, nor have any adverse effects on other banks in the Albany market. The financial and managerial resources and future prospects of Applicant and Bank are regarded as satisfactory and

consistent with approval of the application. It appears that the convenience and needs of the communities involved will not be affected by consummation of this proposal. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, 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 New York pursuant to delegated authority.

By order of the Board of Governors, September 21, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

UNITED CAROLINA BANCSHARES  
CORPORATION,  
WHITEVILLE, NORTH CAROLINA

*In the matter of the application of United Carolina Bancshares Corporation, Whiteville, North Carolina, for approval of acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to Cape Fear Bank & Trust Company, Fayetteville, North Carolina.*

ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by United Carolina Bancshares Corporation, Whiteville, North Carolina, a registered bank holding company, for the Board's prior approval of the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to Cape Fear Bank & Trust Company, Fayetteville, North Carolina ("Bank"). The bank into which Bank is to be merged has no

significance except as a means of acquiring all of the shares of Bank. Accordingly, the proposed acquisition of the shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

As required by section 3(b) of the Act, the Board give written notice of receipt of the application to the Commissioner of Banks of the State of North Carolina and requested his views and recommendation. The Commissioner recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on August 3, 1971 (36 Federal Register 14285), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of Applicant and the banks concerned, and the convenience and needs of the communities to be served. Upon such consideration the Board finds that:

Applicant, the eighth largest banking organization in North Carolina, controls two banks with deposits of \$169.9 million, representing approximately 2.3 per cent of total commercial bank deposits in the State. (All banking data are as of December 31, 1970, adjusted to reflect holding company formations and acquisitions approved by the Board through August 31, 1971.) The acquisition of Bank (\$10.9 million deposits), would increase Applicant's control of deposits in the State only insignificantly, and its present ranking among banking organizations in the State would remain unchanged.

Bank, with three offices, is the smallest of six banks operating in the Fayetteville-Clinton market, which is approximated by Cumberland County and the northern two thirds of Sampson County, and holds 4.3 per cent of market deposits. The five competing banks in the market are branches of banking institutions which are larger than Applicant and rank among the State's seven largest banking organizations. One of Applicant's subsidiary banks has an office in Robeson County, 22 miles south of Bank's main office, and neither it nor Applicant's other subsidiary bank competes

with Bank to any significant extent. It further appears that the proposed acquisition would not foreclose significant potential competition; a large number of existing banking institutions in the area and a low population-to-bank ratio mitigate against Applicant's entry into the Fayetteville-Clinton market through the establishment of a new bank. It does not appear, therefore, that significant competition would be eliminated, nor significant potential competition foreclosed by consummation of Applicant's proposal, nor that there would be adverse effects on any other bank.

The financial and managerial resources and prospects of Applicant, its subsidiaries, and Bank are regarded as satisfactory and consistent with approval of the application. The major banking needs of the communities involved are presently being met by the existing institutions; however, as a result of its affiliation with Applicant, Bank would be able to offer expanded and improved services, including mortgage financing, auditing, business development, and trust and data processing services. These considerations relating to convenience and needs lend some weight in support of approval of the application. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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.

By order of the Board of Governors, September 28, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

SECURITY NEW YORK STATE  
CORPORATION,  
ROCHESTER, NEW YORK

*In the matter of the application of Security New York State Corporation, Rochester, New York, for approval of acquisition of 100 per cent*

*of the voting shares of First Bank and Trust Company of Corning, Corning, New York.*

ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Security New York State Corporation ("Applicant"), Rochester, New York, for the Board's prior approval of the acquisition of 100 per cent of the voting shares of First Bank and Trust Company of Corning ("First Corning"), Corning, New York.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the New York Superintendent of Banks and requested his views and recommendation. The New York State Banking Board approved an application involving the present proposal in accordance with the recommendation of the New York State Superintendent of Banks and advised the Board of its action.

Notice of receipt of the application was published in the Federal Register on June 24, 1971 (36 Federal Register 12057), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant, the nineteenth largest banking organization and sixth largest multi-bank holding company in New York State, has six subsidiary banks with aggregate deposits of approximately \$478 million, representing .5 per cent of total commercial bank deposits in the State. (All banking data are as of December 31, 1970, unless otherwise noted, and reflect all holding company formations and acquisitions approved by the Board through July 31, 1971.)

Applicant's principal subsidiary operates an extensive branch network throughout the State's Eighth Banking District and is the third largest of 31 banks located in that District, controlling 16.6 per cent of that area's deposits. Consummation of this proposal, involving acquisition of the seventh largest bank in the District, would increase Applicant's share of commercial bank deposits in that District to approximately 18 per cent.

First Corning (deposits of \$28.6 million, constituting 11 per cent of commercial bank deposits in the market) is the fourth largest of nine banks located in the Corning-Elmira area which approximates the relevant banking market.

Applicant's subsidiary located closest to First Corning is approximately 20 miles northwest of Corning in the Village of Bath and is considered to operate in an adjacent market. Although there does not appear to be a significant amount of existing competition between Applicant's Bath subsidiary and First Corning, some potential competition may be foreclosed by consummation of this proposal. It is likely that some increased competition between Applicant's Bath subsidiary and First Corning may develop in the future absent consummation of this proposal. In addition, the proposal would eliminate First Corning as a vehicle for entry by a new competitor not now represented in the Eighth Banking District. While Applicant could enter the Corning-Elmira market by establishing a *de novo* branch or by acquisition of a smaller bank, the present stagnant condition of the area's economy and the large number of banking offices already in the area makes these possibilities remote. Acquisition of First Corning by Applicant will result in the removal of home office protection in Corning and thereby liberalize the branching possibilities in that city.

Affiliation with Applicant will enable First Corning to compete more aggressively with the larger banks in the market and permit it to more adequately respond to the financial needs of the larger business firms in the area.

Although the members of the Board in varying degrees view the transaction as having an adverse effect on competition, there is unanimous agreement that the anticompetitive effects 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. Consideration of the financial and managerial resources and future prospects of Applicant and First Corning lends further weight to approval. Specifically, First Corning has experienced recent

financial and managerial difficulties, and Applicant proposes and appears able to undertake specific measures (including significant strengthening of First Corning's capital accounts) to improve First Corning's present financial condition and to continue to improve operating procedures. Applicant has been providing some managerial assistance to First Corning, and plans to continue to draw on its managerial resources to provide the additional assistance necessary to improve First Corning's present condition. Affiliation with Applicant appears to offer the additional prospect that expanded and improved banking services, such as a more varied loan policy, will be provided to customers and First Corning's operations will be strengthened by special services provided by Applicant.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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 the Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors, September 28, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

**MID AMERICAN BANCORPORATION, INC.,  
ST. PAUL, MINNESOTA**

*In the matter of the application of Mid America Bancorporation, Inc., St. Paul, Minnesota, for approval of acquisition of 90 per cent or more of the voting shares of Mid America State Bank of Mendota Heights, Mendota Heights, Minnesota, a proposed new bank.*

**ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY**

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application

by Mid America Bancorporation, Inc., St. Paul, Minnesota, a registered bank holding company, for the Board's prior approval of the acquisition of 90 per cent or more of the voting shares of Mid America State Bank of Mendota Heights, Mendota Heights, Minnesota ("Bank"), a proposed new bank.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Minnesota Commissioner of Banks and requested his views and recommendation. The Commissioner indicated that he would not object to this application.

Notice of receipt of the application was published in the Federal Register on August 3, 1971 (36 Federal Register 14284), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant controls four banks with aggregate deposits of approximately \$35 million, representing .4 per cent of the total commercial bank deposits in the State, and is the fifth largest bank holding company group in Minnesota. (All banking data are as of December 31, 1970, and reflect holding company formations and acquisitions approved through August 31, 1971.) Since Bank is a proposed new bank, no existing competition would be eliminated by consummation of the proposal herein, nor would concentration be increased in any relevant area.

Bank will be located in a growing residential area six miles south of St. Paul. Bank's proposed site is adjacent to the first shopping complex in the Mendota Heights area. Applicant's closest subsidiary to Bank is located 5.7 miles northwest of Bank but is separated from Bank by competing banks and the Mississippi River. Applicant's existing Egan Township subsidiary is 7.2 miles southwest of Bank, and derives less than 5 per cent of its business from the projected service area of Bank. The overlap apparently is due to the fact

that no banks are located in the projected service area of Bank and that the Egan Township subsidiary is the bank closest to the southern portion of said area.

Consummation of the proposal would not give Applicant a dominant position in the relevant market which is defined as the Minneapolis-St. Paul banking market. That market is one of the most concentrated in the country with 105 banks including six holding company groups which hold, in the aggregate, close to 74 per cent of deposits, with Applicant controlling the smallest percentage of deposits (.7 per cent). It appears that acquisition of Bank would enable Applicant to compete more effectively with the larger organizations in the relevant market.

On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not adversely affect competition in any relevant area. The financial condition, management, and prospects of Applicant and its subsidiary banks are regarded as generally satisfactory. Bank has no operating financial history. Its proposed capitalization is considered satisfactory, and Bank will be able to draw on Applicant for management. Bank will receive from Applicant technical and managerial resources, and aid in raising capital as needed. Bank's prospects appear favorable. The banking factors are consistent with approval. Bank's proposed location is in a service area where there are no banks and where residents and businesses generally do their banking by commuting out of the service area. The proposed bank would provide services more convenient to area customers, and should also stimulate business activity in the community. Considerations relating to the convenience and needs of the communities to be served lend some weight toward approval of the application. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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; and provided further that (c) Mid America State Bank of Mendota Heights, Mendota Heights, Minnesota, shall be opened for business not later than six months after the date of this Order. Each of the periods described in (b) and (c) may

be extended for good cause by the Board, or by the Federal Reserve Bank of Minneapolis pursuant to delegated authority.

By order of the Board of Governors, September 28, 1971.

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

(Signed) TYNAN SMITH,  
Secretary.

[SEAL]

NORTHERN VIRGINIA BANKSHARES  
INCORPORATED,  
BAILEY'S CROSSROADS, VIRGINIA

*In the matter of the application of Northern Virginia Bankshares Incorporated, Bailey's Crossroads, Virginia, for approval of acquisition of 41.96 per cent or more of the voting shares of The Bank of Arlington, Arlington, Virginia.*

ORDER APPROVING ACQUISITION OF BANK STOCK  
BY BANK HOLDING COMPANY

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 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Northern Virginia Bankshares Incorporated, Bailey's Crossroads, Virginia, for the Board's prior approval of the acquisition of 41.96 per cent or more of the voting shares of The Bank of Arlington, Arlington, Virginia ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Virginia Commissioner of Banking and requested his views and recommendation. The Commissioner recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on August 21, 1971 (36 Federal Register 16536), 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.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisi-



tion on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant, the smallest bank holding company in Virginia, controls two subsidiary banks with aggregate deposits of \$12.7 million, representing less than .2 per cent of the total commercial bank deposits in the State. (Unless otherwise indicated, all banking data are as of December 31, 1970, adjusted to reflect holding company acquisitions and formations approved by the Board through August 31, 1971.) Consummation of the proposal herein would increase Applicant's share of deposits in the State only slightly, and it would remain the State's smallest bank holding company.

Bank, which began operations on February 1, 1971, is located in suburban Washington, D.C., and is the smallest of the seven banking organizations operating in Arlington County, holding \$3.2 million in deposits as of June 30, 1971. Although the closest offices of Applicant's subsidiary banks and Bank are six miles apart, there are numerous offices of competing institutions in the intervening area, and Bank competes directly with several larger institutions, including Virginia's largest bank and affiliates of five holding companies, all significantly larger than Applicant. Furthermore, the principal organizers of Bank included persons who are closely associated with Applicant. In light of that relationship and other factors set forth above, consummation of the proposal herein would not eliminate substantial existing competition. Moreover, the development of any substantial future competition between Bank and either of Applicant's subsidiaries appears unlikely because of the size of Bank, the presence of a large number of competing institutions in the immediate area, and the Virginia law restricting *de novo* branching across county boundaries. Acquisition of Bank by Applicant should enhance Bank's ability to compete more effectively with the area's larger banking institutions. On the basis of the record before it, the Board concludes that consummation of the proposal would not adversely affect competition in any area.

Considerations relating to the financial condition, management, and prospects of Applicant, its present subsidiaries, and Bank are consistent with approval of the application. As a result of its affiliation with Applicant, Bank would be in a position to better serve the expanding needs of its community. Considerations relating to the con-

venience and needs factors, therefore, lend some weight in support of approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons summarized above, provided that the action 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.

By order of the Board of Governors, October 5, 1971.

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

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL]

CENTRAL AND STATE NATIONAL  
CORPORATION OF ALABAMA,  
BIRMINGHAM, ALABAMA

*In the matter of the application of Central and State National Corporation of Alabama, Birmingham, Alabama, for approval of action to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of Central Bank and Trust Company, Birmingham, Alabama, and State National Bank of Alabama, Decatur, Alabama.*

ORDER APPROVING ACTION TO BECOME  
A BANK HOLDING COMPANY

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3 (a)), an application by Central and State National Corporation of Alabama, Birmingham, Alabama, for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 80 per cent or more of the voting shares of Central Bank and Trust Company, Birm-

ingham, Alabama, and State National Bank of Alabama, Decatur, Alabama.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and to the Superintendent of Banks for the State of Alabama and requested their views and recommendations. The Comptroller recommended approval; the Superintendent replied that his department did not wish to express views or recommendations regarding the subject application, although it found no apparent violation of the banking laws of the State.

Notice of receipt of the application was published in the Federal Register on February 11, 1971 (36 Federal Register 2881), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. In response to several requests, the Board permitted an Oral Presentation Order to be published in the Federal Register on April 10, 1971 (36 Federal Register 6923). All persons desiring to give testimony, present evidence or otherwise participate in the presentation held in Birmingham, Alabama, on May 13, 1971, were permitted to do so. 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, the entire record of the presentation, including the transcript, exhibits, exceptions, rulings, all briefs and memoranda filed in connection with the oral presentation and this proposal have been considered by the Board.

IT IS HEREBY ORDERED, on the basis of the record, that said application be and hereby is approved for the reasons set forth in the Board's Statement of this date, provided that the action 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 Atlanta pursuant to delegated authority.

By order of the Board of Governors, October 7, 1971.

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

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL]

## STATEMENT

Central and State National Corporation, Birmingham, Alabama has applied to the Board pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 for prior approval of action to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of Central Bank and Trust Company ("Central"), Birmingham, Alabama and State National Bank of Alabama ("State National"), Decatur, Alabama.

*Views and recommendations of supervisory authorities.* As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and to the Superintendent of Banks for the State of Alabama and requested their views and recommendations. The Comptroller recommended approval; the Superintendent replied that, "this department does not wish to express views or recommendations regarding the Central and State National Corporation of Alabama, a proposed bank holding company, as provided in your letter of February 5, 1971, as there is no apparent violation of the banking laws of the State."

*Public Oral Presentation.* Notice of receipt of the application was published in the Federal Register on February 11, 1971 (36 Federal Register 2881), which provided an opportunity for interested persons to submit their comments and views with respect to the proposed transaction. Thereafter, in accordance with Section 3 of the Act and after receipt of a significant number of objections and requests for a public hearing concerning the proposed transaction, the Board acting at its discretion published in the Federal Register on April 10, 1971, its Order for Public Oral Presentation (36 Federal Register 6923). All persons desiring to appear at or otherwise participate in the Public Oral Presentation held in Birmingham, Alabama, May 13, 1971, were permitted to do so. Proponents and opponents of Applicant's proposal presented their views at the presentation held before the General Counsel of the Board of Governors. The entire record of the presentation including all materials submitted in connection with the presentation and this proposal have been considered by the Board.

*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 mo-

nopolize the business of banking in any part of the United States. Nor may the Board approve a proposed acquisition, the effect of which, in any section of the country may be substantially 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 communities 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 communities to be served.

*Competitive effects of proposed transaction.* The ten largest banking organizations in the State of Alabama control total deposits of \$2.41 billion, representing 48.0 per cent of the deposits held by all commercial banks in the State.<sup>1</sup>

Applicant proposes to acquire State National (\$232 million deposits) and Central (\$121 million deposits), the fourth and seventh largest banking organizations in Alabama. Upon consummation of its proposal, Applicant would control 7.0 per cent of commercial bank deposits in the State and become the State's second multi-bank holding company and its third largest banking organization. The recent formation of First Alabama Bancshares (1971 Federal Reserve BULLETIN 404) to become the State's first multi-bank holding company combined the fifth, sixth, and tenth largest banks in the State and created the State's second largest banking organization.

State National has its main office in Decatur, the county seat of Morgan County, Alabama. Under a "grandfather" provision of the Alabama banking law, it is the only bank in the State permitted to establish branches across county lines (it is permitted to branch into 14 counties). At the present time, it operates 29 offices in 12 counties located in northern Alabama. It is the largest bank operating in this 12 county region; in five counties it has less than 20 per cent of total deposits, and in four counties it has more than 40 per cent of total deposits. While each office has the capability of drawing on the resources of the bank for large loan demands, the record

establishes that each office operates with relative autonomy in so far as usual loans are concerned.

Central Bank is located in Birmingham, the county seat of Jefferson County and the financial and industrial center of the State. It is the fourth largest of 10 banking organizations in Birmingham and Jefferson County which approximates its relevant market and controls 9 per cent of county deposits. Although Central has experienced extraordinary growth since its formation in 1964, a significant proportion of its deposits reflect management's aggressive solicitation of correspondent accounts and large denomination certificates of deposit from banks outside of its retail banking market. At the present time, 23 per cent of Central's total deposits reflect correspondent bank accounts, placing Central second in total correspondent balances in the State.

In 1968, Central attempted to merge with State National. Although the proposal received agency approval, it was declared impermissible by the Alabama courts for reasons not germane to the present application. At the time of the proposed merger individuals associated with Central acquired approximately 26 per cent of the outstanding stock of State National. The two banks have maintained a cooperative relationship since 1968, with the president of Central serving as a special consultant and chairman of State National's executive committee. This application is the result of Central's continued efforts to formalize this relationship.

The closest banking offices of Central and State National are located 40 miles apart in separate markets, therefore, no meaningful competition exists between these banks which would be eliminated by the proposed affiliation. It is doubtful that these banks would compete in the future absent termination of their present management relationship and reduction of stock holdings in State National by interests associated with Central. In addition, State National has not been an active competitor in the correspondent field with only 1.0 per cent of its deposits in correspondent balances (after deducting the balance carried by Central Bank).

The Board has considered the effects on the banking structure of Alabama of its recent approval of the application of First Alabama Bancshares which was based upon the expectation that the formation "would enhance competition in several markets in Alabama." The Board concludes that consummation of Applicant's proposal will not lessen existing or foreclose significant po-

<sup>1</sup> All banking data are as of December 31, 1970, unless otherwise indicated and reflect holding company formations approved by the Board through September 30, 1971.

tential competition in any relevant market. Instead, consummation of the proposal will enable Central to compete more effectively with the larger banking organizations in Birmingham and will permit Applicant to become a meaningful competitor with other statewide bank holding companies emerging in Alabama.

The three largest banking organizations in Birmingham control approximately 84 per cent of commercial bank deposits in that market. Consummation of Applicant's proposal should establish an additional alternative for customers for larger or specialized banking services in Birmingham. The competitive effect on smaller, predominantly retail banks in Birmingham should not be significant in view of the existing size disparity between these banks and the larger banks in the market.

State National, although the largest bank in its 12 county area, operates primarily in small local markets and serves only one major metropolitan market in the State—Huntsville. In 5 of the 12 counties State National's share of county deposits is less than 20 per cent. In the First Alabama determination, the Board noted the "competitive capabilities" of State National as support for improving the competitive strength of First Alabama's proposed Huntsville subsidiary which is the largest bank in Madison County. Affiliation with Central will enable State National to maximize its resource strength and competitive capability in order to satisfy growing financial requirements and further stimulate economic development in the northern Alabama counties. The competitive position of smaller, primarily retail, banks in the State National's 12 county operating area should not be significantly changed by formalizing the affiliation of Central and State National in a holding company organization in view of the existing overall dominant character of State National in relation to these smaller banks.

In connection with the review of the proposal's effect on competition, the Board considered comments of the Department of Justice which concluded that consummation of Applicant's proposal will have an adverse effect on potential competition. The Department found that Applicant's proposal would reduce the possibility for eventual deconcentration in each market by removing both banks as potential entrants into the market of the other.

The Board recognizes that alternative methods of entry into the respective markets are available to Central and State National (and might be likely

if the present relationship between the banks were to terminate). However, any possible adverse effects on potential competition resulting from consummation of Applicant's proposal are, in the Board's view, not so significant as to outweigh the procompetitive result of reducing the existing competitive advantage and market domination of the State's largest banking organizations. The Board believes it to be in the economic interest of the State of Alabama to permit a combination of the resource potential of State National with the aggressive, innovative character of Central for the purpose of improving the competitive environment among the State's largest banking institutions. At the same time, the opportunity for moderate and smaller size banking institutions in the State to form regional affiliations which would encourage further deconcentration at other levels of commercial bank competition will be preserved.

On the basis of all relevant facts contained in the record, it is the Board's judgment that consummation of the proposed transaction would not result in a monopoly or be in furtherance of any combination, conspiracy or attempt to monopolize the business of banking in any part of the country.

*Financial and managerial resources and future prospects.* Applicant, a newly formed corporation, has no operating history. Since its assets, for the most part, will consist of its stock interest in Central and State National, and since Applicant's management will be drawn from both banks, the financial condition, management resources and prospects of Applicant are dependent in all respects on those of the banks.

The financial condition of both Central and State National are generally satisfactory. Prospects of both banks and therefore Applicant appear favorable. Management of both banks (which has been coordinated at the executive level since persons associated with Central acquired a 26 per cent interest in State National) and Applicant are considered capable and experienced and in all respects satisfactory. The prospect of increased cooperation should have a beneficial effect on the operations of both banks.

The Board concludes that considerations relating to banking factors, as they relate to Applicant, State National and Central, are consistent with approval.

*Convenience and needs of the communities involved.* Both Central and State National are full service banks and there is no evidence in the record to indicate that substantial banking needs are unserved. However, Applicant points to an

increased competitive environment in all fields of banking, including offering improved trust services at Central as benefits occurring as a result of consummation. In addition, Applicant proposes other broad initiatives as part of a ten point program to be undertaken or further developed.

Proponents appearing at the oral presentation discussed at least three of the components of Applicant's program in detail: establishment of a venture capital loan department to encourage new industrial development in the State of Alabama; creation of an agriculture and timber department; formation of a foreign department to serve those customers with international financial requirements. Although some of these services are presently provided by Central and State National individually or by other statewide competitors located in Birmingham, Huntsville, and Mobile, initiation or expansion of these services by Applicant would provide an additional alternative for existing services and a source for meeting increased demands for financial services brought about by economic development in the State.

Applicant has indicated that Central will discontinue its absorption of exchange charges on items drawn on non par banks within 90 days after approval of the subject proposal. The Board has on a number of occasions expressed its view that the practice of non par banking is contrary to the public interest. The beneficial consequence of discontinuation of this practice, however, will occur throughout the entire State as a result of a recently enacted amendment to the State's banking law which prohibits the practice of non par payment of checks as of July 1, 1972.

Factors relating to the convenience and needs of the communities concerned 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 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.

DISSENTING STATEMENT OF GOVERNORS  
ROBERTSON, MAISEL, AND BRIMMER

We dissent from the action taken by the majority in this case. In our opinion, consummation of the proposal will have adverse effects on potential competition in the State of Alabama which are not outweighed by considerations of the convenience and needs of any community in the State.

In the light of the effect of the recent formation of First Alabama Bancshares on the structure of banking in the State (which joined the fifth, sixth, and tenth largest banks in Alabama, 1971 Federal Reserve BULLETIN 404), the Board's action today authorizing the combination of the fourth and seventh largest banks in the State further concentrates the scarce financial resources of the State to an increasingly undesirable level. Approval of this proposal reduces the number of potential lead banks in the State with the probable result that most of Alabama's banking resources will eventually be controlled by as few as five or six banking organizations.

The Board has on previous occasions (e.g., 1968 Federal Reserve BULLETIN 925) recognized that the primary objective of Congress in establishing the competitive standard to be applied in administering the Act was to prevent the concentration of banking resources in the hands of a few large banking organizations and to protect and encourage a framework for a banking structure consisting of as many separate and competing banking organizations as can best serve the needs of the banking public. The Board's approval of this transaction, in our judgment, frustrates that objective.

As concerns State National, the resource strength of that bank and its exclusive branching privilege were recognized by the Board in the First Alabama determination. As a result of the majority's action in this case, the dominance of State National will be further entrenched by the addition of the fastest growing and most aggressive force in the Birmingham market. The attempted competitive equalization sought by the Board in its action in the First Alabama application is destroyed by the effects of the action here.

As concerns Central, the majority contends that the creation of a larger organization to be headquartered in Birmingham will have procompetitive effects throughout Jefferson County by reducing the size disparity among the larger banking organizations competing there. However, Central Bank has proven itself to be an aggressive, innovative and successful competitor in the State's most competitive banking area. It is doubtful that this action will significantly enhance Central's proven competitive abilities. Neither would the latter be diminished by a denial.

As concerns both banks, the Department of Justice has concluded that consummation of the proposal would eliminate potential competition by reducing the possibility that disaffiliation could

result in eventual deconcentration in each local market. We are in agreement with the Department's conclusion. The existing relationship was established in 1968 in furtherance of Central's unsuccessful attempt to merge with State National. This affiliation is neither strong nor irreversible and in no way minimizes the anticompetitive consequences resulting from this proposal. By foreclosing the possibility of future disaffiliation, moreover, the majority's action eliminates the more desirable alternative of each bank becoming the lead bank in competing statewide bank holding companies. Both State National and Central are among the few banks in the State of Alabama capable of supporting such organizations.

Additionally, although only a small amount of retail banking and correspondent competition presently exists between Central and State National, a significant amount of potential competition in the State's wholesale banking market will be foreclosed by approval of this application. Central has rapidly grown to its present position of second in the State in correspondent balance (\$30 million) through the aggressive solicitation of such accounts. State National has the capability (although not presently utilized) of becoming a strong competitor for correspondent balances. Ap-

proval of the First Alabama formation removed First National Bank of Huntsville and Exchange Security of Birmingham as competitors for correspondent balances in the northern Alabama area (for banks not wishing to have correspondent relations with a competitor); consummation of this proposal will further reduce the remaining correspondent alternatives for smaller nonaffiliated banks in northern Alabama.

In our view, Applicant points to no significant new service or other benefit to any area of the State that outweigh the adverse effects that this formation will have on competition. Additional programs to be instituted by Applicant are presently available either from each bank independently or from other banking organizations in the State. As the Board observed in its consideration of the Charter New York application (1968 Federal Reserve BULLETIN 925), "there is no evidence that such a broadened and improved service offering could not be accomplished by means less inimical to the preservation of future competition."

On all the facts of record, we conclude that the proposed formation will lessen potential competition without offsetting public benefit, and that the application should be denied.

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# Announcements

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## **CHANGES IN BOARD STAFF**

The Board of Governors of the Federal Reserve System has announced the following changes in its official staff:

David C. Melnicoff, First Vice President of the Federal Reserve Bank of Philadelphia, has been named Deputy Executive Director of the Board, effective October 12, 1971.

Edwin J. Johnson, Director of the Division of Personnel Administration, has been designated Assistant to the Board effective November 1, 1971.

Ronald G. Burke has been appointed Director of the Division of Personnel Administration to succeed Mr. Johnson, also effective on November 1, 1971.

Mr. Melnicoff, in addition to serving in various capacities in research and administration at the Reserve Bank of Philadelphia, has been associated with the Penn Fruit Company, the Pennsylvania Railroad, and Fels and Company. He holds B.A. and M.A. degrees from the University of Pennsylvania.

Mr. Burke has been with Computer Sciences Corporation, Falls Church, Virginia. Prior employment has included positions with Booz, Allen Applied Research Corporation and the System Development Corporation. He holds a B.S. degree from Ball State University and has done graduate study at American University and the University of Southern California.

## **ELECTION OF DIRECTOR**

C. Graham Berwind, Jr., was elected on October 7 as a director of the Federal Reserve Bank of Philadelphia to serve the remainder of a 3-year term expiring December 31, 1971, and for a new 3-year term beginning January 1, 1972. He is president of the Berwind Corporation in Philadelphia. He succeeds Henry A. Thouron, who resigned on February 4, 1971.

## **DEATH OF A DIRECTOR**

Ronald E. Reitmeier, who had served since January 1, 1969, as a Board-appointed director of the Louisville Branch of the Federal Reserve Bank of St. Louis, died on October 16. He was president of Catalysts and Chemicals Inc. in Louisville.

## **TRANSACTIONS IN FEDERAL AGENCY SECURITIES**

The Federal Open Market Committee of the Federal Reserve System announced on September 16, 1971, that it had authorized outright purchase and sale transactions in securities of Federal agencies. The System's open market operations have involved mainly transactions in U.S. Treasury issues. Transactions in Federal agency securities will be initiated in the near future.

The volume of securities issued by Federal agencies has been growing rapidly in recent years. These securities are marketed to raise funds for a variety of governmental lending activities in such fields as housing, agriculture, and export financing.

System open market operations are conducted to carry out the objectives of monetary policy by affecting the volume of bank reserves, money, bank credit, and conditions in credit markets. The purpose of the new authorization is to widen the base of System open market operations and at the same time to add breadth to the market for agency securities. Up to now, open market operations in Federal agency issues have been confined to repurchase agreements with securities dealers.

Purchases and sales of Federal agency issues will be conducted by the Federal Reserve Bank of New York for the System Open Market Account. Along with other System Account transactions, they will be reflected in the weekly condition statement of the Federal Reserve Banks, which is issued every Thursday.

The Committee has approved initial guidelines for operations in agency issues. They are designed to assure that such operations will be consistent with other open market operations, to minimize technical operating problems, and to avoid dominating the Federal agency market. The guidelines will be subject to review and revision as operating experience is gained. Because the outstanding volume of many agency issues is small relative to that of U.S. Treasury obligations, Federal Reserve operations in such issues will be on a limited scale. They will not be directed at supporting individual sectors of the agency market or at channeling funds into issues of particular agencies.

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

The following banks were admitted to membership in the Federal Reserve System during the period September 16, 1971, through October 15, 1971:

*Colorado*

Brighton.....Platte Valley Bank

*Ohio*

Cincinnati.....The Southern Bank

*Virginia*

Sterling.....Commonwealth Bank and  
Trust Company of Virginia



# National Summary of Business Conditions

Released for publication October 18

Industrial production and nonfarm employment increased in September following two months of decline. Retail sales continued at advanced levels and wholesale commodity prices were somewhat lower. Commercial bank credit continued to expand. The money stock decreased, while the expansion in time and savings deposits accelerated. Yields on long-term securities declined further.

## INDUSTRIAL PRODUCTION

Industrial production in September rose 0.5 per cent to an index of 105.3 (1967=100) from 104.8 reached in August (revised downward from last month's estimate of 105.1). The September total is still about 6 per cent below the 1969 high but 2 per cent above last November's auto strike low point.

The September increase in the total index largely reflected partial recovery of about one-fourth in iron and steel production from a downward revised level in August. In the early part of October raw steel output showed some decline.

Production of both consumer goods and business equipment increased somewhat in September, while defense output, which was revised upward in recent months, is estimated to have declined. Auto assemblies remained at an annual rate of 8½ million units in September and early October. Production of other automotive products

increased in September and nondurable consumer goods expanded further.

## EMPLOYMENT

Nonfarm payroll employment increased 300,000 in September. Manufacturing rose 130,000 after declining in the preceding 3 months, with the largest gains in durable goods. The average workweek of manufacturing workers declined again by 0.2 hour to 39.6 hours reflecting widespread reductions. The unemployment rate was little changed, 6.0 per cent compared with 6.1 per cent in August, as employment gains were largely offset by continued strong growth in the labor force.

## RETAIL SALES

The total value of retail sales continued at advanced levels in September and the early part of October, according to early reports. Unit sales of domestic autos were about 12 per cent above the July-August level and at an annual rate of around 9½ million units. Sales of imported autos were reduced from the record rate reached in August reflecting partly the effects of dock strikes in curtailing domestic dealers' stocks.

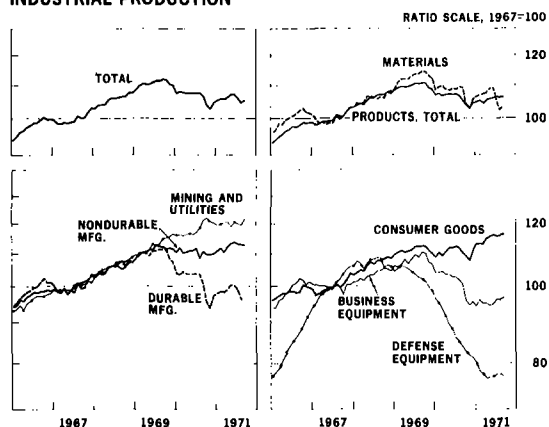
## AGRICULTURE

Crop prospects improved somewhat in September to a level 12 per cent above last year and 8 per cent above the previous 1969 record. Large feed and food grain harvests are in prospect and a heavy movement under Federal price support loans is anticipated. Output and marketings of livestock and products have continued to exceed the advanced levels of a year earlier.

## WHOLESALE AND CONSUMER PRICES

Wholesale prices, seasonally adjusted, declined 0.4 per cent from August to September owing mainly to a decrease in prices of farm and food products. Prices of industrial commodities were slightly lower reflecting reductions mainly for motor vehicles. Up to mid-October, average prices of

## INDUSTRIAL PRODUCTION



F.R. indexes, seasonally adjusted. Latest figures: September.

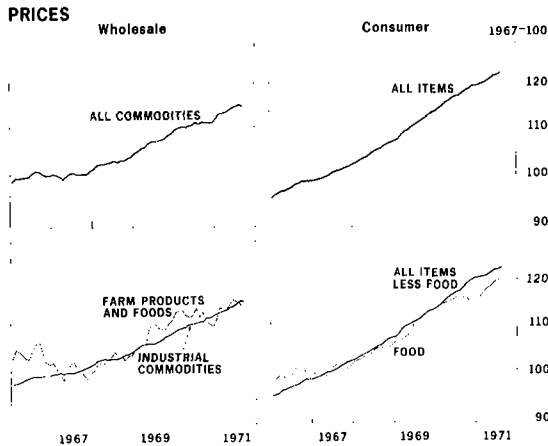
commodities traded in the organized markets not limited by Federal ceilings continued to ease off.

Consumer prices rose 0.4 per cent seasonally adjusted in August, reflecting in the main advances occurring before the mid-August Federal price and wage freeze. Prices of services continued upward and there was a sharp increase in gasoline prices.

### BANK CREDIT, DEPOSITS, AND RESERVES

Commercial bank credit (adjusted for transfers of loans between banks and their affiliates) increased at an annual rate of about 10 per cent in September, somewhat slower than in August but the same as for the entire third quarter. Growth in most major categories of loans accounted for a substantial part of the rise. In addition, a sizable volume of municipal and Federal agency securities was acquired following some reduction in such holdings during August. These acquisitions were offset in large part by a continued decline in holdings of U.S. Treasury securities.

The money stock declined at an annual rate of 3.7 per cent in September following a relatively small increase in August. This brought the rise for the third quarter to 3 per cent, considerably below the 11 per cent second quarter rate. Expansion in time and savings deposits increased in September to an annual rate of about 16 per cent.



Bureau of Labor Statistics. "Farm products and foods" is BLS "Farm products, and processed foods and feeds." Latest figures: Consumer, Aug.; Wholesale, Sept.

over twice as fast as in August. This rise was associated with a sharp increase in large negotiable CD's. Other time and savings deposits continued to expand at a moderate pace.

Net borrowed reserves of member banks averaged about \$325 million over the five weeks ending September 29 compared with \$635 million in August. Member bank borrowings at the Federal Reserve declined and excess reserves rose slightly.

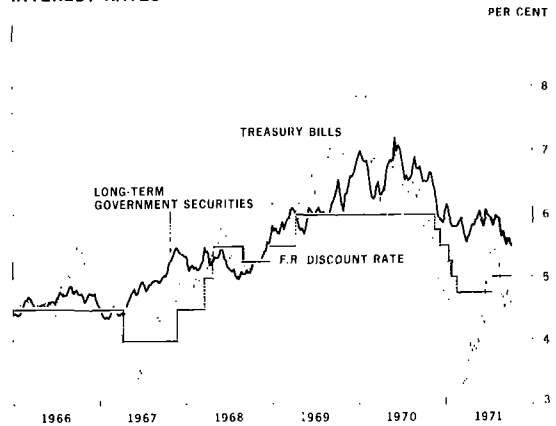
### SECURITY MARKETS

Treasury bill yields fell by about 35 to 55 basis points between mid-September and mid-October. The 3-month bill was bid at around 4.45 per cent in the middle of October, down from 4.85 per cent a month earlier. Over the same period, rates on U.S. Government notes and bonds declined by some 20 to 30 basis points.

Yields on new corporate securities were steady at a higher level through the first three weeks of the period but declined to about the level of early September by mid-October, while yields on seasoned security issues remained steady. Municipal security rates fell moderately on balance during the period.

Common stock prices fell moderately on average volume.

### 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: week ending Oct. 9.

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# Financial and Business Statistics

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## Guide to Tabular Presentation

### SYMBOLS AND ABBREVIATIONS

c	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.e.c.	Not elsewhere classified	U	Uses of funds
A.R.	Annual rate	*	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 in the following instances: (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.

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

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

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

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

### TABLES PUBLISHED QUARTERLY, SEMIANNUALLY, OR ANNUALLY, WITH LATEST BULLETIN REFERENCE

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A 4 BANK RESERVES AND RELATED ITEMS □ OCTOBER 1971

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

(In millions of dollars)

Period or date	Factors supplying reserve funds								Special Drawing Rights certificate account	Treasury currency outstanding
	Reserve Bank credit outstanding						Gold stock			
	U.S. Govt. securities <sup>1</sup>			Dis-counts and ad-vances	Float <sup>2</sup>	Other F.R. assets <sup>3</sup>		Total <sup>4</sup>		
Total	Bought out-right	Held under repur-chase agree-ment								
<b>Averages of daily figures</b>										
1939—Dec.	2,510	2,510		8	83		2,612	17,518		2,956
1941—Dec.	2,219	2,219		5	170		2,404	22,759		3,239
1945—Dec.	23,708	23,708		381	652		24,744	20,047		4,322
1950—Dec.	20,345	20,336	9	142	1,117		21,606	22,879		4,629
1960—Dec.	27,248	27,170	78	94	1,665		29,060	17,954		5,396
1965—Dec.	40,885	40,772	113	490	2,349		43,853	13,799		5,565
1966—Dec.	43,760	43,274	486	570	2,383		46,864	13,158		6,284
1967—Dec.	48,891	48,810	81	238	2,030		51,268	12,436		6,777
1968—Dec.	52,529	52,454	75	765	3,251		56,610	10,367		6,810
1969—Dec.	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367		6,841
1970—Sept.	59,903	59,625	278	607	2,832	1,216	64,619	11,300	400	7,049
Oct.	59,533	59,360	173	462	2,933	1,734	64,708	11,117	400	7,069
Nov.	60,393	60,004	389	425	2,933	1,314	65,132	11,117	400	7,100
Dec.	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Jan.	62,068	61,941	127	370	3,636	1,216	67,363	10,732	400	7,157
Feb.	62,350	62,051	299	328	2,974	1,065	66,797	10,732	400	7,188
Mar.	62,719	62,381	338	319	2,671	896	66,691	10,732	400	7,235
Apr.	63,371	63,153	218	148	3,047	1,103	67,747	10,732	400	7,291
May	64,714	64,368	346	330	2,704	1,076	68,926	10,448	400	7,357
June	64,642	64,574	68	453	2,690	979	68,834	10,332	400	7,419
July	66,001	65,652	349	820	3,001	1,150	71,052	10,332	400	7,437
Aug.	66,324	66,143	181	804	2,572	991	70,749	10,184	400	7,460
Sept.	67,106	66,794	312	501	2,956	900	71,550	10,132	400	7,523
<b>Week ending—</b>										
1971—July 7	65,772	65,461	311	661	2,965	1,092	70,586	10,332	400	7,431
14	65,826	65,669	157	991	3,179	1,145	71,216	10,332	400	7,430
21	66,435	65,694	741	1,121	3,189	1,156	71,982	10,332	400	7,440
28	66,055	65,721	334	545	2,734	1,187	70,600	10,332	400	7,443
Aug. 4	66,182	65,822	360	764	2,583	1,222	70,819	10,332	400	7,443
11	66,158	65,872	286	593	2,517	1,257	70,585	10,246	400	7,453
18	66,067	65,956	111	1,179	2,692	1,044	71,029	10,132	400	7,457
25	66,353	66,353		771	2,711	726	70,615	10,132	400	7,465
Sept. 1	66,779	66,635	144	706	2,433	776	70,766	10,132	400	7,475
8	67,156	66,726	430	765	2,594	817	71,439	10,132	400	7,494
15	67,082	66,596	486	457	2,920	894	71,455	10,132	400	7,522
22	66,687	66,687		328	3,615	923	71,603	10,132	400	7,532
29	67,393	67,071	322	426	2,884	963	71,753	10,132	400	7,542
<b>End of month</b>										
1971—July	65,841	65,841		778	2,618	1,209	70,501	10,332	400	7,445
Aug.	66,937	66,635	302	858	2,250	786	70,938	10,132	400	7,479
Sept.	67,627	67,627		198	3,137	1,001	72,014	10,132	400	7,547
<b>Wednesday</b>										
1971—July 7	65,118	65,118		469	2,959	1,123	69,730	10,332	400	7,430
14	65,636	65,636		1,840	3,314	1,157	72,004	10,332	400	7,431
21	66,680	65,704	976	1,563	2,802	1,201	72,328	10,332	400	7,441
28	65,762	65,762		782	2,553	1,205	70,356	10,332	400	7,449
Aug. 4	67,216	65,841	1,375	655	2,479	1,281	71,729	10,332	400	7,446
11	66,017	65,902	115	573	2,386	1,336	70,359	10,132	400	7,457
18	66,260	65,942	318	1,123	2,814	749	70,998	10,132	400	7,457
25	66,406	66,406		1,803	2,454	772	71,487	10,132	400	7,466
Sept. 1	67,337	66,635	702	989	2,259	828	71,551	10,132	400	7,490
8	67,483	66,741	742	338	2,568	857	71,381	10,132	400	7,512
15	65,726	65,726		349	3,165	948	70,238	10,132	400	7,528
22	66,587	66,587		941	3,085	961	71,622	10,132	400	7,539
29	67,661	67,386	275	382	2,506	995	71,635	10,132	400	7,547

For notes see opposite page.

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

(In millions of dollars)

Currency in circulation	Treasury cash holdings	Factors absorbing reserve funds						Member bank reserves	Total	Period or date	
		Deposits, other than member bank reserves, with F.R. Banks			Other F.R. accounts <sup>1</sup>	Other F.R. liabilities and capital <sup>3</sup>	With F.R. Banks				Currency and coin <sup>5</sup>
		Treasury	Foreign	Other <sup>2</sup>							
<b>Averages of daily figures</b>											
7,609	2,402	616	739		248		11,473		11,473	1939—Dec.	
10,985	2,189	592	1,531		292		12,812		12,812	1941—Dec.	
28,452	2,269	625	1,247		493		16,027		16,027	1945—Dec.	
27,806	1,290	615	920	353	739		17,391		17,391	1950—Dec.	
33,019	408	522	250	495	1,029		16,688	2,595	19,283	1960—Dec.	
42,206	808	683	154	231	389		18,747	3,972	22,719	1965—Dec.	
44,579	1,191	291	164	429	83		19,568	4,262	23,830	1966—Dec.	
47,000	1,428	902	150	451	-204		20,753	4,507	25,260	1967—Dec.	
50,609	756	360	225	458	-1,105		22,484	4,737	27,221	1968—Dec.	
53,591	656	1,194	146	458		2,192	23,071	4,960	28,031	1969—Dec.	
54,931	457	1,070	141	750		2,300	23,719	5,106	28,825	1970—Sept.	
55,063	459	1,042	142	747		2,249	23,593	5,108	28,701	Oct.	
55,864	453	890	149	721		2,256	23,416	5,142	28,558	Nov.	
57,013	427	849	145	735		2,265	23,925	5,340	29,265	Dec.	
56,192	445	1,028	155	786		2,109	24,938	5,550	30,488	1971—Jan.	
55,754	463	1,025	153	778		2,232	24,710	5,170	29,880	Feb.	
56,123	467	783	139	718		2,227	24,601	5,085	29,686	Mar.	
56,716	499	1,047	148	752		2,194	24,814	5,071	29,885	Apr.	
57,155	506	1,112	173	690		2,244	25,251	5,168	30,419	May	
57,969	491	652	155	698		2,227	24,793	5,230	30,023	June	
58,847	471	1,546	161	714		2,251	25,231	5,316	30,547	July	
58,906	477	1,121	181	712		2,298	25,098	5,357	30,455	Aug.	
59,012	466	1,621	151	712		2,296	25,347	5,493	30,840	Sept. <sup>a</sup>	
<b>Week ending—</b>											
58,671	460	1,535	170	707		2,307	24,898	5,415	30,313	1971—July 7	
58,182	460	1,778	162	721		2,264	24,811	5,443	30,254	14	
58,955	470	1,602	166	703		2,183	26,074	4,858	30,932	21	
58,683	488	1,383	137	708		2,236	25,142	5,481	30,623	28	
58,691	484	1,121	174	746		2,322	25,456	5,438	30,894	Aug. 4	
59,014	475	1,157	169	726		2,406	24,737	5,593	30,330	11	
59,112	473	1,038	176	730		2,190	25,298	5,307	30,605	18	
58,875	479	1,153	184	681		2,253	24,986	5,125	30,111	25	
58,711	473	1,213	194	691		2,324	25,167	5,352	30,519	Sept. 1	
59,063	464	1,318	165	711		2,402	25,341	5,514	30,855	8	
59,354	458	1,388	139	708		2,226	25,236	5,615	30,851	15	
58,992	470	1,760	150	704		2,234	25,357	5,279	30,636	22 <sup>b</sup>	
58,685	473	2,009	146	718		2,299	25,496	5,586	31,082	29 <sup>b</sup>	
<b>End of month</b>											
58,558	479	1,115	162	754		2,291	25,321	5,438	30,759	1971—July	
58,890	452	987	122	669		2,361	25,467	5,354	30,821	Aug.	
58,788	464	2,102	166	777		2,374	25,422	5,541	30,963	Sept. <sup>c</sup>	
<b>Wednesday</b>											
59,184	468	2,065	196	713		2,321	22,945	5,424	28,369	1971—July 7	
59,230	468	2,516	163	694		2,133	24,964	5,451	30,415	14	
58,916	492	1,110	115	698		2,211	26,960	4,858	31,818	21	
58,781	493	1,413	149	722		2,251	24,728	5,479	30,207	28	
58,930	481	733	178	724		2,393	26,469	5,438	31,907	Aug. 4	
59,253	476	1,292	163	740		2,422	24,002	5,591	29,593	11	
59,133	478	1,184	166	719		2,217	25,089	5,307	30,396	18	
58,854	488	1,375	135	689		2,275	25,669	5,125	30,794	25	
58,920	471	1,194	142	682		2,374	25,790	5,339	31,129	Sept. 1 <sup>d</sup>	
59,498	466	1,185	152	733		2,427	24,965	5,511	30,476	8 <sup>e</sup>	
59,332	465	1,386	139	767		2,210	23,999	5,610	29,609	15 <sup>f</sup>	
58,940	480	1,939	146	690		2,251	25,247	5,279	30,526	22 <sup>g</sup>	
58,832	475	2,021	166	712		2,317	25,191	5,586	30,777	29 <sup>h</sup>	

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

<sup>2</sup> Beginning with 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p. 164.

<sup>3</sup> Beginning Apr. 16, 1969, "Other F.R. assets" and "Other F.R. liabilities and capital" are shown separately; formerly, they were netted together and reported as "Other F.R. accounts."

<sup>4</sup> Includes industrial loans and acceptances, until Aug. 21, 1959, when industrial loan program was discontinued. For holdings of acceptances

on Wed. and end-of-month dates, see tables on F.R. Banks on following pages. See also note 2.

<sup>5</sup> Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning with Jan. 1963, figures are estimated except for weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

<sup>6</sup> Includes securities loaned—fully secured by U.S. Govt. securities pledged with F.R. Banks.

<sup>7</sup> Reflects securities sold, and scheduled to be bought back, under matched sale/purchase transactions.





RESERVES AND BORROWINGS OF MEMBER BANKS—Continued

(In millions of dollars)

Other reserve city banks					Country banks					Period
Reserves			Borrowings at F.R. Banks	Free reserves	Reserves			Borrowings at F.R. Banks	Free reserves	
Total held	Required <sup>1</sup>	Excess			Total held	Required <sup>1</sup>	Excess			
3,140	1,953	1,188		1,188	1,568	897	671	3	668	1939—Dec.
4,317	3,014	1,303		1,302	2,210	1,406	804	4	800	1941—Dec.
6,394	5,976	418	96	322	4,576	3,566	1,011	46	965	1945—Dec.
6,689	6,458	232	50	182	4,761	4,099	663	29	634	1950—Dec.
7,950	7,851	100	20	80	6,689	6,066	623	40	583	1960—Dec.
8,393	8,325	68	190	-122	7,347	6,939	408	74	334	1963—Dec.
8,735	8,713	22	125	-103	7,707	7,337	370	55	315	1964—Dec.
9,056	8,989	67	228	-161	8,219	7,889	330	92	238	1965—Dec.
10,081	10,031	50	105	-55	8,901	8,634	267	80	187	1967—Dec.
10,990	10,900	90	270	-180	9,875	9,625	250	180	70	1968—Dec.
10,970	10,964	6	479	-473	10,335	10,158	177	321	144	1969—Dec.
11,407	11,375	32	369	-337	10,605	10,432	173	107	66	1970—Sept.
11,319	11,270	49	338	289	10,492	10,326	166	101	65	Oct.
11,216	11,274	-58	301	359	10,619	10,437	182	53	129	Nov.
11,548	11,506	42	264	222	10,765	10,576	189	28	161	Dec.
11,974	11,962	12	294	-282	11,151	10,938	213	35	178	1971—Jan.
11,647	11,712	65	268	333	10,976	10,777	199	27	172	Feb.
11,732	11,651	81	236	-153	10,915	10,749	166	16	150	Mar.
11,754	11,789	-35	119	-154	11,049	11,075	174	10	164	Apr.
11,923	11,832	91	136	-45	11,223	11,063	160	68	92	May
11,743	11,735	8	181	-173	11,256	11,078	178	161	17	June
11,939	11,929	10	441	431	11,472	11,294	178	265	87	July
11,871	11,883	-12	425	437	11,474	11,324	150	208	58	Aug.
12,100	12,074	26	318	292	11,641	11,420	221	141	80	Sept.
Week ending—										
11,232	11,242	-10	402	-412	10,558	10,386	172	179	7	1970—Sept. 2
11,509	11,424	85	430	-345	10,572	10,349	223	117	106	9
11,445	11,376	69	317	-248	10,575	10,385	190	94	96	16
11,241	11,328	-87	320	-407	10,582	10,444	98	50	48	23
11,406	11,393	13	386	373	10,728	10,553	175	154	21	30
11,766	11,759	7	253	-246	11,087	10,875	212	30	182	1971—Feb. 3
11,728	11,702	26	229	-203	10,968	10,731	237	18	219	10
11,733	11,753	-20	380	400	10,984	10,721	263	46	217	17
11,744	11,673	71	228	-157	10,985	10,808	177	22	155	24
11,633	11,655	-22	242	-264	10,939	10,747	192	16	176	Mar. 3
11,537	11,572	-35	244	-279	10,917	10,726	191	13	178	10
11,774	11,724	50	231	-181	10,881	10,717	164	13	151	17
11,567	11,613	-46	245	-291	10,897	10,767	130	15	115	24
11,752	11,694	58	221	-163	10,951	10,777	174	22	152	31
11,758	11,634	124	184	-60	10,976	10,777	199	13	186	Apr. 7
11,622	11,702	-80	127	-207	10,909	10,696	213	6	207	14
11,807	11,826	-19	80	-99	11,022	10,863	159	4	155	21
11,910	11,955	-45	98	-143	11,192	11,054	138	14	124	28
12,044	11,939	105	101	4	11,389	11,210	179	27	152	May 5
11,826	11,752	74	42	32	11,177	10,993	184	18	166	12
11,805	11,871	-66	71	-137	11,145	10,967	178	51	127	19
11,820	11,780	40	93	-53	11,223	11,095	128	56	72	26
11,891	11,857	34	317	-283	11,305	11,100	205	158	47	June 2
11,693	11,753	-60	52	-112	11,131	10,967	164	55	109	9
11,812	11,749	63	113	-50	11,198	11,014	184	161	23	16
11,703	11,640	63	286	-223	11,230	11,111	119	153	-34	23
11,827	11,759	68	324	-256	11,384	11,208	176	308	-132	30
11,847	11,801	46	372	-326	11,389	11,198	191	255	-64	July 7
11,786	11,876	-90	498	-588	11,331	11,147	184	241	-57	14
12,089	12,028	61	607	-546	11,468	11,315	153	333	-180	21
11,946	11,993	-47	296	-343	11,623	11,461	162	212	-50	28
12,094	11,973	121	429	308	11,572	11,376	196	292	-96	Aug. 4
11,856	11,898	-42	375	-417	11,430	11,275	155	218	-63	11
11,883	11,901	-18	545	-563	11,490	11,320	170	261	-91	18
11,798	11,788	10	372	-362	11,470	11,327	143	132	11	25
11,935	11,896	39	404	-365	11,507	11,339	168	185	-17	Sept. 1
12,182	12,138	44	588	-544	11,526	11,330	196	173	23	8
12,140	12,098	42	324	-282	11,508	11,368	140	130	10	15
11,974	12,010	-36	146	-182	11,785	11,409	376	87	289	22 <sup>u</sup>
12,164	12,075	89	231	-142	11,692	11,553	139	159	-20	29 <sup>u</sup>

<sup>1</sup> Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

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.

A 8 MAJOR RESERVE CITY BANKS □ OCTOBER 1971

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending—	Basic reserve position				Interbank Federal funds transactions						Related transactions with U.S. Govt. securities dealers		
	Excess re-serves <sup>1</sup>	Less—		Net—		Gross transactions		Total two-way trans- actions <sup>2</sup>	Net transactions		Loans to dealers <sup>3</sup>	Bor- row- ings from dealers <sup>4</sup>	Net loans
		Bor- row- ings at F.R. Banks	Net inter- bank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Pur- chases	Sales		Pur- chases of net buying banks	Sales of net selling banks			
<i>Total—46 banks</i>													
1971—August 4	183	165	5,190	-5,172	39.7	9,613	4,423	3,681	5,932	742	1,201	396	805
11	27	47	6,302	-6,322	48.6	10,608	4,306	3,264	7,344	1,042	1,046	436	610
18	71	560	6,195	-6,684	51.3	10,790	4,595	3,780	7,010	816	1,305	447	858
25	-4	326	5,646	-5,975	47.1	10,347	4,701	3,718	6,629	983	1,677	388	1,289
Sept. 1	146	151	6,110	-6,114	47.8	10,329	4,219	3,584	6,745	635	1,593	355	1,238
8	74	286	7,711	-7,923	60.2	11,763	4,052	3,456	8,307	596	1,867	349	1,518
15	126	97	8,258	-8,230	62.9	12,323	4,065	3,666	8,657	398	2,174	339	1,835
22	-20	134	8,066	-8,220	63.8	12,397	4,331	4,003	8,394	328	1,876	292	1,587
29	135	37	6,113	-6,016	46.2	10,537	4,424	3,635	6,902	789	1,504	291	1,213
<i>8 in New York City</i>													
1971—August 4	83	43	2,002	-1,962	38.1	3,011	1,008	990	2,020	18	971	75	896
11	4		2,872	-2,868	55.3	3,537	665	665	2,872		846	123	723
18	61	338	2,879	-3,156	60.3	3,635	757	718	2,917	39	1,112	176	935
25	-1	229	2,198	-2,428	48.4	3,135	937	776	2,360	161	1,298	211	1,087
Sept. 1	107	99	2,529	-2,521	49.9	3,213	683	683	2,529		1,108	176	932
8	25		3,897	-3,871	74.0	4,415	518	518	3,897		1,198	194	1,004
15	78		3,768	-3,691	71.4	4,390	622	621	3,768		1,272	192	1,080
22	-26	86	3,436	-3,549	70.2	4,219	782	783	3,436		1,078	141	937
29	97		2,656	-2,559	49.5	3,312	657	657	2,656		961	94	867
<i>38 outside New York City</i>													
1971—August 4	100	122	3,188	-3,210	40.8	6,603	3,415	2,691	3,912	724	230	321	-91
11	23	47	3,430	-3,454	44.1	7,071	3,641	2,600	4,471	1,042	200	314	-114
18	10	222	3,316	-3,528	45.3	7,154	3,838	3,062	4,092	777	194	271	-77
25	-3	97	3,448	-3,548	46.2	7,212	3,764	2,942	4,270	822	379	177	203
Sept. 1	40	52	3,581	-3,593	46.4	7,116	3,536	2,900	4,216	635	485	179	306
8	49	286	3,815	-4,052	51.1	7,349	3,534	2,938	4,410	596	669	155	514
15	48	97	4,490	-4,540	57.3	7,933	3,443	3,045	4,889	398	901	147	755
22	7	49	4,629	-4,672	59.8	8,178	3,549	3,220	4,958	328	801	151	651
29	38	37	3,458	-3,457	44.0	7,225	3,768	2,979	4,247	789	542	197	346
<i>5 in City of Chicago</i>													
1971—August 4	-1		1,422	-1,423	108.9	1,968	545	514	1,453	31	87		87
11	-2		1,503	-1,505	115.3	1,972	469	462	1,510	7	43		43
18	2	31	1,449	-1,478	114.9	1,886	437	435	1,451	2	35		35
25	5		1,443	-1,438	114.1	2,007	564	549	1,457	15	95		95
Sept. 1	6		1,280	-1,274	99.9	1,861	581	559	1,302	22	93		93
8	9		1,291	-1,282	99.0	1,905	615	594	1,311	20	52		52
15	-2		1,343	-1,345	101.9	1,892	549	549	1,343		128		128
22	-7	9	1,206	-1,221	95.0	1,833	627	613	1,220	14	86		86
29	-4		806	-810	63.0	1,471	665	665	806		93		93
<i>33 others</i>													
1971—August 4	101	122	1,766	-1,787	27.2	4,635	2,869	2,176	2,459	693	144	321	-178
11	25	47	1,927	-1,949	29.9	5,099	3,173	2,138	2,962	1,035	157	314	-156
18	8	191	1,868	-2,050	31.5	5,269	3,401	2,627	2,642	775	159	271	-112
25	-8	97	2,005	-2,110	32.9	5,205	3,201	2,393	2,812	807	285	177	108
Sept. 1	34	52	2,301	-2,319	35.8	5,256	2,955	2,341	2,914	613	392	179	213
8	40	286	2,524	-2,770	41.7	5,493	2,919	2,344	3,100	576	617	155	462
15	50		3,147	-3,194	48.4	6,041	2,894	2,496	3,545	398	774	147	627
22	13	39	3,424	-3,450	52.8	6,345	2,922	2,608	3,738	314	715	151	565
29	42	37	2,651	-2,646	40.2	5,754	3,103	2,314	3,441	789	449	197	253

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

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

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

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

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

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

**CURRENT RATES**

(Per cent per annum)

Federal Reserve Bank	Advances to and discounts for member banks						Advances to all others under last par. Sec. 13 <sup>3</sup>		
	Advances and discounts under Secs. 13 and 13a <sup>1</sup>			Advances under Sec. 10(b) <sup>2</sup>			Rate on Sept. 30, 1971	Effective date	Previous rate
	Rate on Sept. 30, 1971	Effective date	Previous rate	Rate on Sept. 30, 1971	Effective date	Previous rate			
Boston.....	5	July 19, 1971	4¾	5½	July 19, 1971	5¼	7	July 19, 1971	6¾
New York.....	5	July 16, 1971	4¾	5½	July 16, 1971	5¼	7	July 16, 1971	6¾
Philadelphia.....	5	July 16, 1971	4¾	5½	July 16, 1971	5¼	7	July 16, 1971	6¾
Cleveland.....	5	July 23, 1971	4¾	5½	July 23, 1971	5¼	7	July 23, 1971	6¾
Richmond.....	5	July 23, 1971	4¾	5½	July 23, 1971	5¼	7	July 23, 1971	6¾
Atlanta.....	5	July 19, 1971	4¾	5½	July 19, 1971	5¼	7	July 19, 1971	6¾
Chicago.....	5	July 23, 1971	4¾	5½	July 23, 1971	5¼	7	July 23, 1971	6¾
St. Louis.....	5	July 16, 1971	4¾	5½	July 16, 1971	5¼	7	July 16, 1971	6¾
Minneapolis.....	5	July 19, 1971	4¾	5½	July 19, 1971	5¼	7	July 19, 1971	6¾
Kansas City.....	5	July 23, 1971	4¾	5½	July 23, 1971	5¼	7	July 23, 1971	6¾
Dallas.....	5	July 23, 1971	4¾	5½	July 23, 1971	5¼	7	July 23, 1971	6¾
San Francisco.....	5	July 16, 1971	4¾	5½	July 16, 1971	5¼	7	July 16, 1971	6¾

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

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

<sup>3</sup> Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency thereof. Maximum maturity: 90 days.

**SUMMARY OF EARLIER CHANGES**

(Per cent per annum)

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1945.....	† ½	½	1957—Aug. 9.....	3 -3½	3	1965—Dec. 6.....	4 -4½	4½
1946—Apr. 25.....	† ½-1	1	23.....	3½	3½	13.....	4½	4½
May 10.....	1	1	Nov. 15.....	3 -3½	3	1967—Apr. 7.....	4 -4½	4
1948—Jan. 12.....	1 -1¼	1¼	2.....	3	3	14.....	4	4
19.....	1¼	1¼	1958—Jan. 22.....	2¾-3	3	Nov. 20.....	4 -4½	4½
Aug. 13.....	1½-1½	1½	24.....	2¾-3	2¾	27.....	4½	4½
23.....	1½	1½	Mar. 7.....	2¼-3	2¼	1968—Mar. 15.....	4½-5	4½
1950—Aug. 21.....	1½-1¾	1¾	13.....	2¼-2¾	2¼	22.....	5	5
25.....	1¾	1¾	21.....	2¼	2¼	Apr. 19.....	5 -5½	5½
1953—Jan. 16.....	1¾-2	2	Apr. 18.....	1¾-2¼	1¾	26.....	5½	5½
23.....	2	2	May 9.....	1¾	1¾	Aug. 16.....	5½-5½	5½
1954—Feb. 5.....	1¾-2	1¾	Aug. 15.....	1¾-2	1¾	30.....	5½	5½
15.....	1¾	1¾	Sept. 12.....	1¾-2	2	Dec. 18.....	5½-5½	5½
Apr. 14.....	1½-1¾	1¾	23.....	2	2	20.....	5½	5½
16.....	1½-1¾	1½	Oct. 24.....	2 -2½	2	1969—Apr. 4.....	5½-6	6
May 21.....	1½	1½	Nov. 7.....	2½	2½	8.....	6	6
1955—Apr. 14.....	1½-1¾	1½	1959—Mar. 6.....	2½-3	3	1970—Nov. 11.....	5½-6	6
15.....	1½-1¾	1¾	16.....	3	3	13.....	5½-6	5¾
May 2.....	1¾	1¾	May 29.....	3 -3½	3½	16.....	5¾	5¾
Aug. 4.....	1¾-2¼	1¾	June 12.....	3½	3½	Dec. 1.....	5½-5¾	5¾
5.....	1¾-2¼	2	Sept. 11.....	3½-4	4	4.....	5½-5¾	5½
12.....	2 -2¼	2	18.....	4	4	11.....	5½	5½
Sept. 9.....	2 -2¼	2¼	1960—June 3.....	3½-4	4	1971—Jan. 8.....	5½-5½	5½
13.....	2¼	2¼	10.....	3½-4	3½	15.....	5½	5½
Nov. 18.....	2¼-2½	2½	14.....	3½	3½	19.....	5 -5½	5½
23.....	2½	2½	Aug. 12.....	3 -3½	3	22.....	5 -5½	5
1956—Apr. 13.....	2½-3	2¾	Sept. 9.....	3	3	29.....	5	5
20.....	2¾-3	2¾	1963—July 17.....	3 -3½	3½	Feb. 13.....	4¾-5	5
Aug. 24.....	2¾-3	3	26.....	3½	3½	19.....	4¾	4¾
31.....	3	3	1964—Nov. 2.....	3½-4	4	July 16.....	4¾-5	5
			30.....	4	4	23.....	5	5
						In effect Sept. 30, 1971.....	5	5

† Preferential rate of ½ 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.

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1946, see *Banking and Monetary Statistics*, 1943, pp. 439-42 and Supplement to Section 12, p. 31.

The rate charged by the F.R. Bank of N.Y. on repurchase contracts 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; 1968—Apr. 4, 5, 11, 15, 16, 5.125; Apr. 30, 5.75; May 1-3, 6, 9, 13-16, 5.75; June 7, 11-13, 19, 21, 24, 5.75; July 5, 16, 5.625; Aug. 16, 19, 5.25; 1971—Jan. 21, 27, 4.75; Feb. 1-2, 4.50; 4, 11, 4.25; 16-17, 4.00; 18-19, 3.75; Mar. 1-2, 10, 12, 15-18, 24, 29-31, 3.75; Apr. 1-2, 5-6, 3.75; 13, 15, 21, 28, 4.125; May 3-6, 17, 4.125, 18-20, 4.375, 26-27, 4.50; June 1, 4.50.

**RESERVE REQUIREMENTS OF MEMBER BANKS**

(Per cent of deposits)

Dec. 31, 1949, through July 13, 1966					Beginning July 14, 1966							
Effective date <sup>1</sup>	Net demand deposits <sup>2</sup>			Time deposits (all classes of banks)	Effective date <sup>1</sup>	Net demand deposits <sup>2,4</sup>				Time deposits <sup>4,5</sup> (all classes of banks)		
	Central reserve city banks	Re-reserve city banks	Country banks			Reserve city banks		Country banks		Savings deposits	Other time deposits	
						Under \$5 million	Over \$5 million	Under \$5 million	Over \$5 million		Under \$5 million	Over \$5 million
In effect Dec. 31, 1949.....	22	18	12	5	1966—July 14, 21, Sept. 8, 15.....	6 16½		6 12		6 4	6 4	5 6
1951—Jan. 11, 16.....	23	19	13	6	1967—Mar. 2, Mar. 16.....					3½ 3	3½ 3	
1953—Jan. 25, Feb. 1.....	24	20	14		1968—Jan. 11, 18.....	16½	17	12	12½			
1953—July 9, 1.....	22	19	13		1969—Apr. 17.....	17	17½	12½	13			
1954—June 24, 16.....	21			5	1970—Oct. 1.....							5
1958—Feb. 27, Mar. 1.....	19½	17½	11½		In effect Sept. 30, 1971..	17	17½	12½	13	3	3	5
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.....			12									
Dec. 1.....	16½											
1962—July 28.....	(3)											
Oct. 25, Nov. 1.....				4								

<sup>1</sup> 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.

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

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

<sup>4</sup> Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against balances above a specified base due from domestic offices to their foreign branches. Effective Jan. 7, 1971, the applicable reserve percentage was increased from the original 10 per cent to 20 per cent. Regulation D imposes a similar reserve requirement on bor-

rowings above a specified base from foreign banks by domestic offices of a member bank. For details concerning these requirements, see Regulations D and M and appropriate supplements and amendments thereto.

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

<sup>6</sup> 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.

**MARGIN REQUIREMENTS**

(Per cent of market value)

Period		For credit extended under Regulations T (brokers and dealers), U (banks), and G (others than brokers, dealers, or banks)						
Beginning date	Ending date	On margin stocks			On convertible bonds			On short sales (T)
		T	U	G	T	U	G	
1937—Nov. 1	1945—Feb. 4	40						50
1945—Feb. 5	July 4	50						50
1945—July 5	1946—Jan. 20	75						75
1946—Jan. 21	1947—Jan. 31	100						100
1947—Feb. 1	1949—Mar. 29	75						75
1949—Mar. 30	1951—Jan. 16	50						50
1951—Jan. 17	1953—Feb. 19	75						75
1953—Feb. 20	1955—Jan. 3	50						50
1955—Jan. 4	Apr. 22	60						60
Apr. 23	1958—Jan. 15	70						70
1958—Jan. 16	Aug. 4	50						50
Aug. 5	Oct. 15	70						70
Oct. 16	1960—July 27	90						90
1960—July 28	1962—July 9	70						70
1962—July 10	1963—Nov. 5	50						50
1963—Nov. 6	1968—Mar. 10	70						70
1968—Mar. 11	June 7	70			50			70
June 8	1970—May 5	80			60			80
Effective May 6, 1970.....		65			50			65

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

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

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates Jan. 1, 1962—July 19, 1966					Rates beginning July 20, 1966						
Type of deposit	Effective date				Type of deposit	Effective date					
	Jan. 1, 1962	July 17, 1963	Nov. 24, 1964	Dec. 6, 1965		July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970		
Savings deposits: 1					Savings deposits.....	4	4	4	4½		
12 months or more.....	4	4	4	4	Other time deposits: 2						
Less than 12 months.....	3½	3½				Multiple maturity: 3					
					30-89 days.....	4	4	4	4½		
					90 days-1 year.....	5	5	5	5		
					1 year to 2 years.....				5½	5½	5½
					2 years and over.....				5½	5½	5½
Other time deposits: 2					Single-maturity:						
12 months or more.....	4	4	4½	5½	Less than \$100,000:						
6 months to 12 months.....	3½						30 days to 1 year.....	5½	5	5	5
90 days to 6 months.....	2½						1 year to 2 years.....				5½
Less than 90 days.....	1	1	4		2 years and over.....				5½		
(30-89 days)					\$100,000 and over:						
					30-59 days.....	5½	5½	6½	(4)		
					60-89 days.....						(4)
					90-179 days.....						6¾
					180 days to 1 year.....						7
					1 year or more.....				7½		

1 Closing date for the Postal Savings System was Mar. 28, 1966. Maximum rates on postal savings accounts coincided with those on savings deposits.

2 For exceptions with respect to certain foreign time deposits, see BULLETINS for Oct. 1962, p. 1279; Aug. 1965, p. 1084; and Feb. 1968, p. 167.

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

4 The rates in effect beginning Jan. 21 through June 23, 1970, were 6¼ per cent on maturities of 30-59 days and 6½ per cent on maturities of

60-89 days. Effective June 24, 1970, maximum interest rates on these maturities were suspended until further notice.

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

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 14, 1971					
Gross demand—Total.....	194,073	44,399	8,080	68,063	73,532	Gross demand—Total.....	191,258	43,619	7,889	66,821	72,930
Interbank.....	26,953	12,960	1,459	9,539	2,995	Interbank.....	26,492	12,978	1,357	9,261	2,895
U.S. Govt.....	5,700	971	233	2,261	2,237	U.S. Govt.....	5,014	858	251	1,840	2,064
Other.....	161,420	30,468	6,389	56,264	68,300	Other.....	159,753	29,782	6,281	55,719	67,971
Net demand 1.....	144,723	26,537	6,199	51,042	60,944	Net demand 1.....	143,776	25,837	6,203	50,750	60,987
Time.....	198,028	24,439	7,152	71,797	94,641	Time.....	199,711	24,828	7,316	72,115	95,451
Demand balances due from dom. banks.....	11,211	1,165	212	2,734	7,100	Demand balances due from dom. banks.....	10,637	1,090	122	2,633	6,793
Currency and coin.....	5,308	433	124	1,662	3,089	Currency and coin.....	5,343	436	118	1,658	3,131
Balances with F.R.:						Balances with F.R.:					
Banks.....	24,887	5,257	1,256	10,129	8,245	Banks.....	25,352	5,311	1,310	10,338	8,393
Total reserves held.....	30,195	5,690	1,380	11,791	11,334	Total reserves held.....	30,695	5,747	1,428	11,996	11,524
Required.....	30,074	5,696	1,383	11,769	11,166	Required.....	30,492	5,738	1,425	11,973	11,357
Excess.....	181	-6	-3	22	168	Excess.....	203	9	3	23	167

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, close of business.

## CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1971					1971		1970
	Sept. 29	Sept. 22	Sept. 15	Sept. 8	Sept. 1	Sept. 30	Aug. 31	Sept. 30
<b>Assets</b>								
Gold certificate account.....	9,875	9,875	9,875	9,875	9,875	9,875	9,875	10,819
Special Drawing Rights certificate account.....	400	400	400	400	400	400	400	400
Cash.....	305	299	285	278	282	310	280	221
Discounts and advances:								
Member bank borrowings.....	382	941	349	338	989	198	858	852
Other.....								
Acceptances:								
Bought outright.....	50	48	50	52	52	51	52	36
Held under repurchase agreements.....	41			83	86		55	51
Federal agency obligations:								
Bought outright.....	61					61		
Held under repurchase agreements.....	38			188	117		69	80
U.S. Govt. securities:								
Bought outright:								
Bills.....	29,343	28,783	27,922	28,937	28,937	29,584	28,937	24,110
Certificates—Other.....								
Notes.....	34,719	34,583	34,583	34,583	34,513	34,719	34,513	32,758
Bonds.....	3,263	3,221	3,221	3,221	3,185	3,263	3,185	2,732
Total bought outright.....	<sup>1</sup> 67,325	<sup>1</sup> 66,587	<sup>1</sup> 65,726	<sup>1</sup> 66,741	<sup>1</sup> 66,635	<sup>1</sup> 67,566	66,635	<sup>1</sup> 59,600
Held under repurchase agreements.....	237			554	585		233	375
Total U.S. Govt. securities.....	67,562	66,587	65,726	67,295	67,220	67,566	66,868	59,975
Total loans and securities.....	68,134	67,576	66,125	67,956	68,464	67,876	67,902	60,994
Cash items in process of collection.....	10,420	11,543	12,389	10,023	10,157	9,875	9,232	9,233
Bank premises.....	148	148	148	147	145	148	142	122
Other assets:								
Denominated in foreign currencies.....	23	23	23	23	23	23	23	680
IMF gold deposited <sup>3</sup> .....	144	144	144	144	144	144	144	187
All other.....	680	646	633	543	516	686	477	689
Total assets.....	90,129	90,654	90,022	89,389	90,006	89,337	88,475	83,345
<b>Liabilities</b>								
F.R. notes.....	51,808	51,923	52,297	52,472	51,926	51,758	51,887	48,087
Deposits:								
Member bank reserves.....	25,191	25,247	23,999	24,965	25,790	25,422	25,467	23,938
U.S. Treasurer—General account.....	2,021	1,939	1,386	1,185	1,194	2,102	987	1,238
Foreign.....	166	146	139	152	142	166	122	136
Other:								
IMF gold deposit <sup>3</sup> .....	144	144	144	144	144	144	144	144
All other.....	568	546	623	589	538	633	525	581
Total deposits.....	28,090	28,022	26,291	27,035	27,808	28,467	27,245	26,037
Deferred availability cash items.....	7,914	8,458	9,224	7,455	7,898	6,738	6,982	6,920
Other liabilities and accrued dividends.....	582	580	605	607	619	627	617	626
Total liabilities.....	88,394	88,983	88,417	87,569	88,251	87,590	86,731	81,670
<b>Capital accounts</b>								
Capital paid in.....	734	734	734	734	733	734	731	691
Surplus.....	702	702	702	702	702	702	702	669
Other capital accounts.....	299	235	169	384	320	311	311	315
Total liabilities and capital accounts.....	90,129	90,654	90,022	89,389	90,006	89,337	88,475	83,345
Contingent liability on acceptances purchased for foreign correspondents.....	260	261	267	269	245	259	245	235
Marketable U.S. Govt. securities held in custody for foreign and international accounts.....	21,323	21,427	21,308	21,033	20,346	21,406	20,351	9,300
<b>Federal Reserve Notes—Federal Reserve Agents' Accounts</b>								
F.R. notes outstanding (issued to Bank).....	55,212	55,245	55,332	55,241	55,139	55,154	55,161	51,471
Collateral held against notes outstanding:								
Gold certificate account.....	3,145	3,145	3,145	3,145	3,190	3,145	3,190	3,300
U.S. Govt. securities.....	53,480	53,480	53,440	53,440	53,440	53,480	53,440	49,700
Total collateral.....	56,625	56,625	56,585	56,585	56,630	56,625	56,630	53,000

<sup>1</sup> See note 6 on p. A-5.<sup>2</sup> See note 7 on p. A-5.<sup>3</sup> See note 1 (b) at top of p. A-75.

STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK ON SEPTEMBER 30, 1971

(In millions of dollars)

Item	Total	Boston	New York	Phila- del- phia	Cleve- land	Rich- mond	Atlan- ta	Chi- cago	St. Louis	Minne- apolis	Kan- sas City	Dallas	San Fran- cisco
<b>Assets</b>													
Gold certificate account.....	9,875	493	2,906	409	818	852	414	1,215	366	137	423	229	1,613
Special Drawing Rights certif. acct.....	400	23	93	23	33	36	22	70	15	7	15	14	49
F.R. notes of other banks.....	1,072	143	208	67	69	83	187	48	24	40	36	33	134
Other cash.....	310	10	32	11	28	36	40	43	17	7	27	18	41
Discounts and advances:													
Secured by U.S. Govt. securities.....	196	9	49	43	2	3	4	83	*	f	2		
Other.....	2		1			1							
Acceptances:													
Bought outright.....	51		51										
Held under repurchase agreements.....													
Federal agency obligations:													
Bought outright.....	61	3	16	31	5	4	3	10	2	1	2	3	9
Held under repurchase agreements.....													
U.S. Govt. securities:													
Bought outright.....	167,566	3,149	17,232	3,578	5,204	4,922	3,401	11,070	2,467	1,279	2,704	3,139	9,421
Held under repurchase agreements.....													
Total loans and securities.....	67,876	3,161	17,349	3,624	5,211	4,930	3,408	11,163	2,469	1,281	2,708	3,142	9,430
Cash items in process of collection.....	13,221	742	2,060	654	950	996	1,314	2,314	695	562	854	864	1,216
Bank premises.....	148	2	8	3	21	13	16	17	14	19	18	9	8
Other assets:													
Denominated in foreign currencies.....	23	1	2	1	2	1	2	3	1	1	1	1	3
IMF gold deposited <sup>3</sup> .....	144		144										
All other.....	686	51	167	34	49	48	34	101	23	10	26	41	102
Total assets.....	93,755	4,626	22,973	4,826	7,181	6,995	5,437	14,974	3,624	2,064	4,108	4,351	12,596
<b>Liabilities</b>													
F.R. notes.....	52,830	2,856	12,903	3,033	4,309	4,641	2,564	9,232	2,004	892	1,968	2,072	6,356
Deposits:													
Member bank reserves.....	25,422	901	6,505	1,058	1,826	1,297	1,589	3,412	927	622	1,207	1,402	4,676
U.S. Treasurer—General account.....	2,102	109	751	93	73	117	103	149	79	79	130	110	309
Foreign.....	166	9	4	29	10	17	12	28	6	4	8	10	23
Other:													
IMF gold deposit <sup>3</sup> .....	144		144										
All other.....	633	3	574	2	1	17	4	3	1	2	2	3	21
Total deposits.....	28,467	1,022	8,003	1,163	1,917	1,441	1,708	3,592	1,013	707	1,347	1,525	5,029
Deferred availability cash items.....	10,084	638	1,451	507	750	771	1,020	1,783	525	414	697	631	897
Other liabilities and accrued dividends.....	627	30	160	33	49	46	31	102	23	13	23	29	88
Total liabilities.....	92,008	4,546	22,517	4,736	7,025	6,899	5,323	14,709	3,565	2,026	4,035	4,257	12,370
<b>Capital accounts</b>													
Capital paid in.....	734	34	191	38	67	38	50	109	25	17	31	41	93
Surplus.....	702	33	185	36	63	36	47	105	24	16	30	39	88
Other capital accounts.....	311	13	80	16	26	22	17	51	10	5	12	14	45
Total liabilities and capital accounts.....	93,755	4,626	22,973	4,826	7,181	6,995	5,437	14,974	3,624	2,064	4,108	4,351	12,596
Contingent liability on acceptances purchased for foreign correspond- ents.....	259	12	5	68	13	23	13	17	39	9	6	11	33

Federal Reserve Notes—Federal Reserve Agents' Accounts

F.R. notes outstanding (issued to Bank).....	55,154	3,024	13,311	3,108	4,486	4,797	2,747	9,522	2,105	929	2,062	2,230	6,833
Collateral held against notes out- standing:													
Gold certificate account.....	3,145	200	500	300	500	485		1,000	155			5	
U.S. Govt. securities.....	53,480	2,920	13,000	3,000	4,100	4,415	2,900	8,750	2,030	960	2,125	2,280	7,000
Total collateral.....	56,625	3,120	13,500	3,300	4,600	4,900	2,900	9,750	2,185	960	2,125	2,285	7,000

<sup>1</sup> See note 6 on p. A-5.

<sup>2</sup> After deducting \$17 million participations of other F.R. Banks.

<sup>3</sup> See note 1 (b) to table at top of p. A-75.

<sup>4</sup> After deducting \$137 million participations of other F.R. Banks.

<sup>5</sup> After deducting \$191 million participations of other F.R. Banks.

NOTE.—Some figures for cash items in process of collection and for member bank reserves are preliminary.

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
1970—Aug.	1,127	106	*	1,127	106	*			-21			-129
Sept.	2,657	2,367	308	2,474	2,367	308	17			90		
Oct.	245	183	134	245	183	134						
Nov.	2,871	1,391		2,715	1,391		37		6,362	80		-6,712
Dec.	3,414	2,280		2,883	2,280		5			365		
1971—Jan.	1,515	1,547	327	1,515	1,547	327						
Feb.	5,832	5,153		5,347	5,153				-3,732	174		4,092
Mar.	3,142	2,523	240	2,600	2,523	240				263		
Apr.	2,229	1,298	50	2,033	1,298	50			2	119		-2
May	1,291	248		1,163	248				464	46		-136
June	1,955	1,165	37	1,893	1,165	37			82	38		-82
July	2,067	1,617	127	2,067	1,617	127						
Aug.	1,818	1,024		1,709	1,024				991	84		-444

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 <sup>1</sup>
	5-10 years			Over 10 years			Gross purchases	Gross sales			Outright, net	Under repurchase agreements, net	
	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts							
1970—Aug.			150				3,181	2,852	1,351	31	-4	30	1,407
Sept.	61			16			3,906	3,861	28	50	3	21	101
Oct.							3,465	3,353	40	8	*	-14	34
Nov.	23		386	16		-36	3,863	4,125	1,218	-27	1	13	1,204
Dec.	113			48			5,109	5,334	908	-61	21	-50	819
1971—Jan.							2,298	2,298	-359		2		-357
Feb.	189		-360	121			4,183	4,183	679		-5		673
Mar.	205			74			6,561	5,242	1,698	186	*	85	1,968
Apr.	62			16			5,085	6,404	-439	-186	3	-85	-707
May	82		-327				4,076	4,076	1,043		8	48	1,099
June	11			14			1,165	1,165	754		-1	-48	705
July							3,044	3,044	323		7		316
Aug.	16		-547	8			2,184	1,951	1,027	69	-3	55	1,079

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

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

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Austrian schillings	Belgian francs	Canadian dollars	Danish kroner	French francs	German marks	Italian lire	Japanese yen	Netherlands guilders	Swiss francs
1968—Dec.	2,061	1,444		8	3		433	165	1		4	3
1969—Dec.	1,967	1,575		1	*		199	60	125	1	3	4
1970—June	690	180			*			94	400	1	*	15
July	290	180			*			95		1	*	14
Aug.	280	180			*			96		1	*	3
Sept.	680	580			*			96		1	*	3
Oct.	408	306			*			97		1	*	4
Nov.	265	161			*			98		1	*	4
Dec.	257	154			*			98		1	*	4
1971—Jan.	186	80		1	*			99		1		5
Feb.	107	*		1	*			100		1		5
Mar.	34	*		1	*			27		1		5
Apr.	34	*		1	*			27		1		5
May	94	*		1	*			87		1		5
June	96	*		2	*			87		1		6



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

(In millions of dollars)

Item	Wednesday					End of month		
	1971					1971		1970
	Sept. 29	Sept. 22	Sept. 15	Sept. 8	Sept. 1	Sept. 30	Aug. 31	Sept. 30
Discounts and advances—Total	382	941	349	338	989	198	858	853
Within 15 days <sup>1</sup>	380	939	348	337	988	196	857	851
16 days to 90 days	2	2	1	1	1	2	1	2
91 days to 1 year								
Acceptances—Total	91	48	50	135	138	51	107	87
Within 15 days <sup>1</sup>	53	14	14	99	97	11	67	65
16 days to 90 days	38	34	36	36	41	40	40	22
91 days to 1 year								
U.S. Government securities—Total	2 67,562	66,587	65,726	67,295	67,220	67,566	66,868	60,055
Within 15 days <sup>1</sup>	2 4,498	4,209	3,078	4,129	4,040	2,575	2,542	3,086
16 days to 90 days	17,516	17,511	17,650	18,202	18,294	17,517	18,904	11,569
91 days to 1 year	15,896	15,355	15,485	15,347	15,368	17,822	15,904	13,880
Over 1 year to 5 years	23,325	23,218	23,219	23,323	23,240	23,325	23,240	25,356
Over 5 years to 10 years	5,411	5,388	5,388	5,388	5,377	5,411	5,377	5,524
Over 10 years	916	906	906	906	901	916	901	640
Federal agency obligations—Total	99			188	117	61	69	
Within 15 days <sup>1</sup>	38			188	117		69	
16 days to 90 days								
91 days to 1 year	40					40		
Over 1 year to 5 years	21					21		
Over 5 years to 10 years								
Over 10 years								

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

<sup>2</sup> Excludes Federal agency obligations held under repurchase agreement. Total holdings of such obligations (outright and under repurchase agreement) are shown below.

**BANK DEBITS AND DEPOSIT TURNOVER**

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts <sup>1</sup> (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others <sup>2</sup>				N.Y.	6 others <sup>2</sup>		
1970—July	10,207.8	4,324.3	2,508.2	5,883.6	3,375.3	73.1	145.3	79.4	53.6	43.1
Aug.	10,550.5	4,770.6	2,478.8	5,779.9	3,301.1	75.7	162.8	77.9	52.5	42.2
Sept.	10,552.0	4,668.1	2,502.9	5,883.9	3,381.0	75.3	161.0	77.9	53.0	42.8
Oct.	10,780.2	4,899.8	2,497.4	5,880.5	3,383.0	78.1	175.9	78.4	53.4	43.2
Nov.	10,533.9	4,824.0	2,420.1	5,709.9	3,289.8	75.6	168.5	75.8	51.6	41.8
Dec.	10,896.5	5,016.1	2,480.1	5,880.3	3,400.2	77.0	170.6	76.7	52.4	42.6
1971—Jan.	10,688.4	4,825.9	2,453.5	5,862.5	3,408.9	76.3	168.3	76.8	52.6	42.9
Feb.	11,508.9	5,477.4	2,524.1	6,031.5	3,507.4	82.0	191.3	79.5	54.0	43.9
Mar.	11,425.9	5,309.7	2,505.3	6,116.2	3,610.9	79.5	183.5	76.5	53.3	44.1
Apr.	11,658.7	5,356.8	2,597.1	6,301.9	3,704.8	80.5	185.6	78.7	54.4	44.7
May	11,119.2	4,903.9	2,573.9	6,215.3	3,641.4	76.6	171.2	77.9	53.4	43.7
June	11,815.7	5,202.8	2,765.2	6,612.9	3,847.7	80.1	179.3	82.4	55.8	45.3
July	11,766.2	5,147.4	2,773.9	6,618.9	3,845.0	79.8	178.9	82.7	55.7	45.1
Aug.	12,366.4	5,704.7	2,795.7	6,661.5	3,865.8	83.7	198.7	83.4	56.0	45.2

<sup>1</sup> Excludes interbank and U.S. Govt. demand deposit accounts.

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

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

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

The data shown here differ from those shown in the Mar. 1965 BULLETIN because they have been revised, as described in the Mar. 1967 BULLETIN, p. 389.

**DENOMINATIONS IN CIRCULATION**

(In millions of dollars)

End of period	Total in circulation <sup>1</sup>	Coin and small denomination currency							Large denomination currency						
		Total	Coin	\$1 <sup>2</sup>	\$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	7	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	24	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	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	47,226	33,468	4,918	2,035	136	2,850	8,366	15,162	13,758	3,915	9,311	240	285	3	4
1968	50,961	36,163	5,691	2,049	136	2,993	8,786	16,508	14,798	4,186	10,068	244	292	3	4
1969	53,950	37,917	6,021	2,213	136	3,092	8,989	17,466	16,033	4,499	11,016	234	276	3	5
1970—Aug.	54,669	38,042	6,170	2,142	136	2,942	8,743	17,909	16,627	4,654	11,487	220	259	3	4
Sept.	54,795	38,082	6,193	2,168	136	2,964	8,747	17,875	16,712	4,668	11,562	219	257	3	4
Oct.	55,021	38,192	6,213	2,181	136	2,975	8,761	17,926	16,829	4,694	11,656	217	255	3	4
Nov.	56,381	39,284	6,251	2,242	136	3,068	9,090	18,497	17,097	4,781	11,839	216	254	3	4
Dec.	57,093	39,639	6,281	2,310	136	3,161	9,170	18,581	17,454	4,896	12,084	215	252	3	4
1971—Jan.	55,345	38,081	6,254	2,190	136	2,971	8,673	17,857	17,264	4,809	11,983	214	251	3	4
Feb.	55,611	38,298	6,266	2,178	136	2,972	8,753	17,994	17,313	4,822	12,022	213	249	3	4
Mar.	56,304	38,785	6,303	2,200	136	3,011	8,835	18,300	17,519	4,892	12,160	212	248	3	4
Apr.	56,592	38,917	6,360	2,206	136	3,001	8,826	18,388	17,675	4,917	12,294	210	246	3	4
May	57,403	39,509	6,410	2,245	136	3,048	8,960	18,711	17,894	4,994	12,438	210	245	3	4
June	58,393	40,263	6,472	2,277	136	3,099	9,137	19,144	18,130	5,075	12,596	209	243	3	4
July	58,558	40,238	6,493	2,260	136	3,068	9,031	19,251	18,321	5,129	12,735	208	242	3	4
Aug.	58,904	40,442	6,537	2,267	136	3,058	9,045	19,398	18,462	5,162	12,845	207	241	2	4

<sup>1</sup> 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.

<sup>2</sup> Paper currency only; \$1 silver coins reported under coin.

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

**KINDS OF UNITED STATES CURRENCY OUTSTANDING AND IN CIRCULATION**

(Condensed from Circulation Statement of United States Money, issued by Treasury Department. In millions of dollars)

Kind of currency	Total, outstanding, August 31, 1971	Held in the Treasury			Held by F.R. Banks and Agents	Currency in circulation <sup>1</sup>		
		As security against gold and silver certificates	Treasury cash	For F.R. Banks and Agents		1971		1970
						Aug. 31	July 31	Aug. 31
Gold	10,132	(9,875)	2 257					
Gold certificates	(9,875)			3 9,874				
Federal Reserve notes	55,162		138		3,274	51,750	51,448	47,900
Treasury currency—Total	7,508		72		281	7,154	7,111	6,769
Standard silver dollars	485		3			482	482	482
Nonsilver dollars	29		16		13			
Fractional coin	6,376		53		267	6,055	6,011	5,689
United States notes	323					322	322	299
In process of retirement <sup>4</sup>	296					295	296	299
Total—Aug. 31, 1971	5 72,802	(9,875)	468	9,874	3,556	58,904		
July 31, 1971	5 72,880	(10,075)	487	10,074	3,760		58,558	
Aug. 31, 1970	5 69,597	(11,045)	468	11,044	3,416			54,669

<sup>1</sup> 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. A-5.

<sup>2</sup> Includes \$144 million gold deposited by and held for the International Monetary Fund.

<sup>3</sup> Consists of credits payable in gold certificates, the Gold Certificate Fund—Board of Governors, FRs.

<sup>4</sup> Redeemable from the general fund of the Treasury.

<sup>5</sup> Does not include all items shown, as gold certificates are secured by gold. 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.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Month or week	Seasonally adjusted			Not seasonally adjusted		
	$M_1$ (Currency plus demand deposits)	$M_2$ ( $M_1$ plus time deposits at coml. banks other than large time CD's) <sup>1</sup>	$M_3$ ( $M_2$ plus deposits at nonbank thrift institutions) <sup>2</sup>	$M_1$ (Currency plus demand deposits)	$M_2$ ( $M_1$ plus time deposits at coml. banks other than large time CD's) <sup>1</sup>	$M_3$ ( $M_2$ plus deposits at nonbank thrift institutions) <sup>2</sup>
1967—Dec.....	183.1	345.6	528.5	188.6	350.1	533.3
1968—Dec.....	197.4	378.2	572.6	203.4	383.0	577.5
1969—Dec.....	203.6	387.1	588.4	209.8	392.0	593.5
1970—Sept.....	212.8	409.6	619.7	211.4	408.2	618.0
Oct.....	213.0	412.1	623.9	213.0	412.3	624.0
Nov.....	213.5	414.5	628.2	215.3	415.4	628.6
Dec.....	214.6	419.0	634.6	221.1	424.1	640.0
1971—Jan.....	214.8	423.0	642.1	221.3	428.9	648.4
Feb.....	217.3	430.8	654.0	215.5	428.4	651.3
Mar.....	219.4	437.6	664.8	217.4	436.3	663.8
Apr.....	221.1	442.0	673.7	222.2	444.3	676.1
May.....	223.9	447.3	682.4	219.7	444.3	679.1
June.....	225.6	451.4	689.4	223.6	449.6	688.0
July.....	227.5	454.1	695.2	225.8	452.6	694.0
Aug.....	228.0	455.9	699.4	224.7	452.5	695.5
Sept. <sup>a</sup> .....	227.3	456.5	702.1	225.7	454.9	700.3
Week ending—						
1971—Sept. 1.....	227.5	455.9	.....	224.2	452.6	.....
8.....	227.8	456.6	.....	225.9	454.7	.....
15.....	227.1	455.8	.....	227.9	457.1	.....
22.....	226.8	456.1	.....	225.3	454.3	.....
29 <sup>b</sup> .....	226.7	456.4	.....	223.4	453.2	.....

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Month or week	Seasonally adjusted						Not seasonally adjusted						U.S. Govt. deposits <sup>5</sup>
	Commercial banks			Non-bank thrift institutions <sup>4</sup>	Commercial banks			Non-bank thrift institutions <sup>4</sup>					
	Currency	Demand deposits	Time and savings deposits		Currency	Demand deposits	Time and savings deposits						
		CD's <sup>3</sup>	Other	Total		CD's <sup>3</sup>	Other	Total					
1967—Dec.....	40.4	142.7	21.0	162.5	183.5	183.0	41.2	147.4	20.6	161.5	182.1	183.1	5.0
1968—Dec.....	43.4	154.0	24.0	180.8	204.8	194.4	44.3	159.1	23.6	179.6	203.2	194.6	5.0
1969—Dec.....	46.0	157.7	11.2	183.4	194.6	201.3	46.9	162.9	11.1	182.1	193.2	201.5	5.6
1970—Sept.....	48.2	164.6	21.7	196.8	218.5	210.1	48.2	163.1	21.6	196.8	218.4	209.8	6.8
Oct.....	48.5	164.5	23.2	199.1	222.2	211.9	48.5	164.5	23.2	199.3	222.5	211.7	6.1
Nov.....	48.7	164.8	23.9	201.1	225.0	213.6	49.2	166.1	24.6	200.0	224.6	213.2	5.6
Dec.....	48.9	165.7	26.0	204.4	230.4	215.6	50.0	171.1	25.8	203.0	228.7	215.9	7.1
1971—Jan.....	49.2	165.5	27.1	208.2	235.3	219.2	49.1	172.1	27.0	207.6	234.5	219.6	6.6
Feb.....	49.6	167.7	27.4	213.5	240.9	223.2	49.2	166.3	27.4	212.9	240.3	223.0	8.3
Mar.....	50.0	169.4	27.8	218.3	246.1	227.2	49.5	167.8	28.0	218.9	246.9	227.5	5.4
Apr.....	50.5	170.5	27.3	221.0	248.3	231.6	50.1	172.1	27.1	222.1	249.2	231.9	5.5
May.....	50.9	173.0	27.9	223.4	251.4	235.1	50.5	169.2	27.6	224.5	252.1	234.8	7.8
June.....	51.2	174.4	28.6	225.8	254.4	238.0	51.1	172.5	28.4	226.1	254.4	238.4	5.4
July.....	51.7	175.8	30.1	226.6	256.8	241.1	51.9	173.8	29.5	226.9	256.4	241.4	6.8
Aug.....	51.8	176.2	30.3	227.8	258.2	243.5	51.9	172.7	31.2	227.8	259.1	243.0	6.8
Sept. <sup>a</sup> .....	52.0	175.3	32.4	229.2	261.6	245.6	52.0	173.8	32.1	229.2	261.4	245.3	7.4
Week ending—													
1971—Sept. 1.....	51.8	175.8	30.8	228.4	259.1	.....	51.4	172.8	31.6	228.4	260.0	.....	8.3
8.....	52.0	175.8	31.5	228.8	260.3	.....	52.6	173.3	31.9	228.8	260.7	.....	6.6
15.....	52.0	175.1	31.9	228.7	260.6	.....	52.1	175.8	31.4	229.2	260.6	.....	6.3
22.....	52.0	174.8	32.7	229.3	262.0	.....	51.9	173.4	32.1	229.1	261.2	.....	8.0
29 <sup>b</sup> .....	51.8	174.9	33.5	229.7	263.2	.....	51.4	172.1	33.0	229.7	262.8	.....	8.9

<sup>1</sup> Includes, in addition to currency and demand deposits, savings deposits, time deposits open account, and time certificates of deposits other than negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

<sup>2</sup> Includes  $M_2$ , plus the average of the beginning and end of month deposits of mutual savings banks and savings and loan shares.

<sup>3</sup> Negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

<sup>4</sup> Average of the beginning and end-of-month deposits of mutual savings banks and savings and loan shares.

<sup>5</sup> At all commercial banks.

NOTE.—For description of revised series and for back data, see Dec. 1970 BULLETIN, pp. 887-909.

Average of daily figures. Money stock 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.

## AGGREGATE RESERVES AND MEMBER BANK DEPOSITS

(In billions of dollars)

Period	Member bank reserves, S.A. <sup>1</sup>			Deposits subject to reserve requirements <sup>2</sup>								Total member bank deposits plus nondeposit items <sup>3</sup>	
	Total	Non-borrowed	Required	S.A.				N.S.A.				S.A.	N.S.A.
				Total	Time and savings	Demand		Total	Time and savings	Demand			
						Private	U.S. Govt.			Private	U.S. Govt.		
1967—Dec.....	25.94	25.68	25.60	273.5	149.9	118.9	4.6	276.2	148.1	123.6	4.5		
1968—Dec.....	27.96	27.22	27.61	298.2	165.8	128.2	4.2	301.2	163.8	133.3	4.1		
1969—Dec.....	27.93	26.81	27.71	285.8	151.5	129.4	4.9	288.6	149.7	134.4	4.6	305.7	308.6
1970—Sept.....	29.24	28.71	29.02	308.0	169.5	132.3	6.2	306.8	169.9	131.2	5.8	324.5	323.2
Oct.....	29.39	28.93	29.13	310.6	173.0	132.4	5.2	310.9	173.2	132.6	5.1	324.8	325.1
Nov.....	29.47	29.03	29.23	314.0	175.7	132.3	6.0	312.8	174.9	133.4	4.6	326.7	325.6
Dec.....	29.93	29.58	29.70	319.6	179.9	133.5	6.2	322.8	178.2	138.7	6.0	331.2	334.4
1971—Jan.....	30.23	29.80	30.03	323.9	183.2	134.1	6.7	328.2	182.8	139.7	5.6	334.1	338.3
Feb.....	30.52	30.18	30.26	329.1	187.5	135.4	6.2	328.4	187.1	134.3	7.0	337.7	337.0
Mar.....	30.75	30.40	30.53	333.2	191.7	136.7	4.8	332.2	192.3	135.4	4.5	340.2	339.2
Apr.....	30.82	30.64	30.61	336.6	193.3	137.9	5.4	337.3	193.6	139.0	4.7	341.7	342.4
May.....	31.25	30.96	31.00	339.7	195.5	140.0	4.2	338.4	195.8	135.9	6.7	343.8	342.5
June.....	31.26	30.80	31.05	341.2	197.5	139.9	3.9	340.2	197.6	138.2	4.4	345.7	344.7
July.....	31.27	30.47	31.09	343.7	199.2	140.8	3.7	344.1	198.9	139.4	5.7	348.0	348.4
Aug.....	31.65	30.87	31.47	347.1	199.9	141.1	6.1	344.6	200.8	138.1	5.8	351.0	348.6
Sept. <sup>2</sup> .....	32.07	31.64	31.91	349.5	202.9	140.3	6.3	348.1	202.7	139.2	6.2	353.5	352.1

<sup>1</sup> Averages of daily figures. Data reflect percentages of reserve requirements made effective Apr. 17, 1969. Required reserves are based on average deposits with a 2-week lag.

<sup>2</sup> Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks. Effective June 9, 1966, balances accumulated for repayment of personal loans were eliminated from time deposits for reserve purposes. Jan. 1969 data are not comparable with earlier data due to the withdrawal from the System on Jan. 2, 1969, of a large member bank.

<sup>3</sup> Total member bank deposits subject to reserve requirements, plus Euro-dollar borrowings, bank-related commercial paper, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE.—Due to changes in Regulations M and D, required reserves include increases of approximately \$400 million since Oct. 16, 1969. Back data may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## LOANS AND INVESTMENTS

(In billions of dollars)

Date	Seasonally adjusted				Not seasonally adjusted			
	Total <sup>1, 2</sup>	Loans <sup>1, 2</sup>	Securities		Total <sup>1, 2</sup>	Loans <sup>1, 2</sup>	Securities	
			U.S. Govt.	Other <sup>2</sup>			U.S. Govt.	Other <sup>2</sup>
1965—Dec. 31.....	294.4	192.6	57.1	44.8	301.8	197.4	59.5	44.9
1966—Dec. 31.....	310.5	208.2	53.6	48.7	317.9	213.0	56.2	48.8
1967—Dec. 30.....	346.5	225.4	59.7	61.4	354.5	230.5	62.5	61.5
1968—Dec. 31.....	384.6	251.6	61.5	71.5	393.4	257.4	64.5	71.5
1969—Dec. 31 <sup>3</sup> .....	401.3	278.1	51.9	71.3	410.5	284.5	54.7	71.3
1970—July 29.....	412.8	281.5	55.8	75.5	412.6	283.4	53.5	75.7
Aug. 26.....	418.3	284.1	57.5	76.7	415.4	283.2	55.1	77.1
Sept. 30.....	423.7	287.3	57.6	78.8	423.3	288.0	55.8	79.5
Oct. 28.....	424.4	287.3	56.3	80.8	424.0	285.9	57.2	81.0
Nov. 25.....	428.2	288.4	56.7	83.1	427.7	286.9	58.3	82.5
Dec. 31.....	435.1	290.5	58.5	86.0	445.1	297.2	61.7	86.1
1971—Jan. 27.....	438.9	292.0	58.7	88.2	438.0	289.3	61.5	87.1
Feb. 24.....	444.6	295.2	59.9	89.6	440.9	290.6	61.4	88.9
Mar. 31.....	448.6	295.2	61.4	92.0	446.4	293.3	61.6	91.5
Apr. 28.....	449.2	295.4	60.2	93.7	449.3	295.1	60.0	94.2
May 26.....	453.9	298.9	60.0	95.0	451.8	298.2	58.8	94.9
June 30.....	458.7	299.2	62.9	96.6	462.8	305.2	60.3	97.4
July 28.....	461.3	301.7	61.8	97.9	461.2	303.8	59.3	98.2
Aug. 25.....	466.5	307.4	61.6	97.6	463.2	306.5	58.7	98.1
Sept. 29 <sup>4</sup> .....	470.1	310.4	60.7	99.0	469.4	310.8	58.7	99.9

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

<sup>2</sup> 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 "Loans."

<sup>3</sup> Beginning June 30, 1969, data revised to include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries; earlier data include commercial banks only. Also, loans and investments are now reported gross, without valuation reserves deducted, rather than net of valuation reserves as was done previously. For a description of the

revision, see Aug. 1969 BULLETIN, pp. 642-46.

<sup>4</sup> Beginning June 30, 1971, Farmers Home Administration insured notes totaling approximately \$700 million are included in "Other securities" rather than in "Loans."

NOTE.—For monthly data 1948-68, see Aug. 1968 BULLETIN, pp. A-94--A-97. For a description of the seasonally adjusted series see the following BULLETINS: July 1962, pp. 797-802; July 1966, pp. 950-55; and Sept. 1967, pp. 1511-17.

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.

CONSOLIDATED CONDITION STATEMENT

(In millions of dollars)

Date	Assets										Liabilities and capital	
	Gold stock and SDR certificates <sup>1</sup>	Treasury currency outstanding	Bank credit							Total assets, net—Total liabilities and capital, net	Total deposits and currency	Capital and misc. accounts, net
			Total	Loans net <sup>2</sup>	U.S. Treasury securities				Other securities <sup>4</sup>			
					Total	Coml. and savings banks	Federal Reserve Banks	Other <sup>3</sup>				
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
1967—Dec. 30.....	11,982	6,784	468,943	282,040	117,064	66,752	49,112	1,200	69,839	487,709	444,043	43,670
1968—Dec. 31.....	10,367	6,795	514,427	311,334	121,273	68,285	52,937	51	81,820	531,589	484,212	47,379
1969—Dec. 31 <sup>5</sup> .....	10,367	6,849	532,663	335,127	115,129	57,952	57,154	23	82,407	549,879	485,545	64,337
1970—Sept. 30.....	11,500	7,100	554,800	343,800	119,000	59,000	60,000	.....	91,900	573,300	504,600	68,800
Oct. 28.....	11,500	7,100	554,500	341,400	119,700	60,400	59,300	.....	93,400	573,100	505,500	67,600
Nov. 25.....	11,500	7,100	559,300	341,600	122,600	61,500	61,100	.....	95,100	578,000	510,400	67,600
Dec. 31.....	11,132	7,149	580,899	354,447	127,207	64,814	62,142	251	99,245	599,180	535,157	64,020
1971—Jan. 27.....	11,100	7,200	574,100	346,300	127,000	64,700	62,000	300	100,800	592,400	527,200	65,200
Feb. 24.....	11,100	7,200	577,500	347,300	127,200	64,800	61,700	700	103,000	595,800	529,600	66,300
Mar. 31.....	11,100	7,300	586,700	350,100	129,900	65,000	64,200	800	106,600	605,100	539,100	66,000
Apr. 28.....	11,100	7,300	589,300	351,100	128,300	63,400	64,000	900	110,000	607,800	544,300	63,400
May 26.....	10,700	7,400	594,700	355,300	128,100	62,200	64,900	900	111,300	612,800	550,400	62,300
June 30.....	10,732	7,420	608,204	363,301	130,479	63,565	65,518	1,396	114,424	626,356	560,032	66,324
July 28.....	10,700	7,400	605,300	360,100	129,700	62,800	65,800	1,100	115,400	623,400	559,500	64,000
Aug. 25.....	10,500	7,500	611,300	365,700	130,000	62,200	66,400	1,400	115,600	629,300	563,500	65,800
Sept. 29 <sup>6</sup> .....	10,500	7,500	617,300	368,200	131,400	62,300	67,600	1,600	117,700	635,300	567,300	68,000

DETAILS OF DEPOSITS AND CURRENCY

Date	Money stock						Related deposits (not seasonally adjusted)							
	Seasonally adjusted <sup>6</sup>			Not seasonally adjusted			Time				Foreign, net <sup>10</sup>	U.S. Government		
	Total	Currency outside banks	Demand deposits adjusted <sup>7</sup>	Total	Currency outside banks	Demand deposits adjusted <sup>7</sup>	Total	Commercial banks <sup>8</sup>	Mutual savings banks <sup>9</sup>	Postal Savings System <sup>3</sup>		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
1967—Dec. 30....	181,500	39,600	141,900	191,232	41,071	150,161	242,657	182,243	60,414	.....	2,179	1,344	5,508	1,123
1968—Dec. 31....	199,600	42,600	157,000	207,347	43,527	163,820	267,627	202,786	64,841	.....	2,455	695	5,385	703
1969—Dec. 31 <sup>5</sup> ....	206,800	45,400	161,400	214,689	46,358	168,331	260,992	193,533	67,459	.....	2,683	596	5,273	1,312
1970—Sept. 30....	203,500	47,200	156,300	202,200	47,300	154,900	289,400	219,500	69,900	.....	2,400	400	8,800	1,200
Oct. 28.....	201,800	47,400	154,400	202,500	47,300	155,300	292,100	221,900	70,200	.....	2,600	500	6,600	1,300
Nov. 25.....	202,300	47,600	154,700	205,500	48,900	156,600	294,900	224,400	70,500	.....	2,500	500	6,200	800
Dec. 31.....	209,400	47,800	161,600	219,422	49,779	169,643	302,591	230,622	71,969	.....	3,148	431	8,409	1,156
1971—Jan. 27....	203,300	48,300	155,000	205,900	47,600	158,300	307,600	235,000	72,600	.....	2,500	500	9,500	1,200
Feb. 24.....	204,900	48,500	156,400	203,800	47,900	155,900	313,900	240,400	73,500	.....	2,500	500	7,500	1,400
Mar. 31.....	214,100	49,300	164,800	208,200	48,800	159,400	322,100	247,000	75,100	.....	2,500	500	5,000	900
Apr. 28.....	207,200	48,900	158,300	207,400	48,500	158,800	324,200	248,300	75,900	.....	2,300	500	8,600	1,400
May 26.....	212,400	49,500	162,900	209,900	49,400	160,500	328,400	251,700	76,800	.....	2,300	500	8,500	900
June 30.....	217,900	50,000	167,900	215,010	50,491	164,519	331,873	253,651	78,222	.....	2,482	454	8,939	1,274
July 28.....	213,900	50,400	163,500	213,700	50,500	163,200	334,000	255,800	78,200	.....	2,500	500	7,400	1,400
Aug. 25.....	214,700	50,300	164,400	213,000	50,600	162,300	336,300	257,700	78,600	.....	2,500	500	10,000	1,400
Sept. 29 <sup>6</sup> ....	213,800	50,400	163,400	212,400	50,500	161,900	340,600	261,400	79,200	.....	2,400	500	9,500	2,000

<sup>1</sup> Includes Special Drawing Rights certificates beginning January 1970.  
<sup>2</sup> 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. See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. A-32. See footnote 1 on p. A-23.  
<sup>3</sup> After June 30, 1967, Postal Savings System accounts were eliminated from this Statement.  
<sup>4</sup> See second paragraph of note 2.  
<sup>5</sup> Figures for this and later dates take into account the following changes (beginning June 30, 1969) for commercial banks: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves. See also note 1.  
<sup>6</sup> Series began in 1946; data are available only for last Wed. of month.  
<sup>7</sup> Other than interbank and U.S. Govt., less cash items in process of collection.

<sup>8</sup> See first paragraph of note 2.  
<sup>9</sup> Includes relatively small amounts of demand deposits. Beginning with June 1961, also includes certain accounts previously classified as other liabilities.  
<sup>10</sup> 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 1 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.  
 For description of substantive changes in official call reports of condition beginning June 1969, see BULLETIN for Aug. 1969, pp. 642-46.









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

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments					Total assets— Total liabilities and capital accounts <sup>4</sup>	Deposits					Bor- row- ings	Total capital ac- counts	Num- ber of banks	
	Total	Loans <sup>1</sup>	Securities		Cash assets <sup>3</sup>		Total <sup>3</sup>	Interbank <sup>3</sup>		Other					
			U.S. Treas- ury	Other <sup>2</sup>				De- mand	Time	Demand					Time <sup>5</sup>
										U.S. Govt.	Other				
<b>Noninsured nonmember:</b>															
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 <sup>6</sup> .....	2,009	474	1,280	255	576	2,643	2,251	177	185	181	1,392	478	4	325	783
1963—Dec. 20.....	1,571	745	463	362	374	2,029	1,463	190	83	177	832	341	93	389	285
1964—Dec. 31.....	2,312	1,355	483	474	578	3,033	2,057	273	86	23	1,141	534	99	406	274
1965—Dec. 31.....	2,455	1,549	418	489	572	3,200	2,113	277	85	17	1,121	612	147	434	263
1967—Dec. 30.....	2,638	1,735	370	533	579	3,404	2,172	285	58	15	1,081	733	246	457	211
1968—Dec. 31.....	2,901	1,875	429	597	691	3,789	2,519	319	56	10	1,366	767	224	464	197
1969—June 30 <sup>7</sup> .....	2,809	1,800	321	688	898	3,942	2,556	298	81	15	1,430	731	290	502	209
Dec. 31.....	2,982	2,041	310	632	895	4,198	2,570	316	41	16	1,559	638	336	528	197
1970—June 30.....	3,043	2,073	321	650	746	4,140	2,280	321	69	36	1,247	606	331	549	193
Dec. 31.....	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	184
1971—June 30.....	2,968	2,057	263	648	960	4,356	2,480	360	41	20	1,182	877	250	495	182
<b>Total nonmember:</b>															
1941—Dec. 31.....	7,233	3,696	2,270	1,266	3,431	10,922	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	190	167	13,758	7,036	12	1,596	7,261
1963—Dec. 20.....	44,035	24,295	13,854	5,885	6,316	51,304	45,743	749	144	743	23,972	20,134	165	4,623	7,458
1964—Dec. 31.....	48,879	27,899	14,273	6,707	7,752	57,780	51,447	931	156	672	26,645	23,043	198	4,894	7,536
1965—Dec. 31.....	54,483	31,858	14,555	8,070	8,085	63,879	56,919	168	168	635	28,649	26,495	238	5,345	7,583
1967—Dec. 30.....	67,087	39,409	15,516	12,162	8,983	77,732	69,279	1,071	147	603	32,085	35,372	408	6,286	7,651
1968—Dec. 31.....	76,454	45,253	16,585	14,617	9,997	88,394	78,887	1,227	150	701	35,981	40,827	441	6,945	7,701
1969—June 30 <sup>7</sup> .....	80,841	50,159	14,662	16,021	9,594	92,743	81,166	1,090	160	765	35,500	43,652	741	7,506	7,737
Dec. 31.....	85,115	53,683	14,875	16,556	10,950	98,651	85,949	1,333	126	940	39,120	44,430	965	7,931	7,792
1970—June 30.....	87,919	56,222	14,245	17,452	10,092	100,934	87,145	1,215	207	1,119	37,084	47,520	1,038	8,523	7,868
Dec. 31.....	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858	7,919
1971—June 30.....	102,500	63,566	16,216	22,718	11,398	117,414	102,254	1,348	227	1,429	41,091	58,160	847	9,489	7,993

<sup>1</sup> 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, and beginning with June 1967 securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc." on p. A-24.

Beginning June 30, 1971, Farmers Home Administration notes are classified as "Other securities" rather than "Loans." As a result of this change, approximately \$700 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

See also table (and notes) at the bottom of p. A-32.

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

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

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

<sup>5</sup> See last paragraph of note 1.

<sup>6</sup> Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

<sup>7</sup> Figure takes into account the following changes beginning June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves—rather than net as previously reported.

<sup>8</sup> Regarding reclassification as a reserve city, 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.

<sup>9</sup> Beginning Jan. 4, 1968, a country bank with deposits of \$321 million was reclassified as a reserve city bank. Beginning Feb. 29, 1968, a reserve city bank in Chicago with total deposits of \$190 million was reclassified as a country bank.

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

For the period June 1941-June 1962 member banks include mutual savings banks as follows: three before Jan. 1960; two through Dec. 1960, and one through June 1962. Those banks are not included in insured commercial banks.

Beginning June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business.

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, 1965, 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.





ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and investments	Loans													
		Federal funds sold, etc. <sup>1</sup>						Other							
		Total	To commercial banks	To brokers and dealers involving—		To others	Total	Commercial and industrial	Agricultural	For purchasing or carrying securities				To nonbank finan. institutions	
				U.S. Treasury securities	Other securities					U.S. Treasury secs.	Other secs.	U.S. Treasury secs.	Other secs.	Pers. and sales finan. cos., etc.	Other
<i>Large banks—Total</i>															
<i>1970</i>															
Sept. 2	243,357	7,644	6,266	1,036	227	115	172,264	79,504	2,028	746	3,086	103	2,299	7,148	5,889
9	243,880	7,622	6,175	1,106	175	166	172,695	79,716	2,026	927	2,756	105	2,309	7,193	5,851
16	247,051	8,192	6,089	1,777	207	119	174,203	80,822	2,013	835	3,061	105	2,322	7,280	5,855
23	243,899	6,322	5,300	662	239	121	173,426	80,794	2,026	721	2,833	102	2,316	6,897	5,894
30	245,838	6,546	4,937	1,160	255	194	174,441	81,154	2,010	554	3,104	104	2,329	7,272	5,957
<i>1971</i>															
Aug. 4	265,456	8,829	8,267	409	13	140	181,720	81,807	2,154	482	4,074	148	2,414	7,099	6,959
11	264,831	8,594	8,123	386	17	68	181,677	81,634	2,150	613	3,791	149	2,405	7,192	7,027
18	266,409	8,825	8,083	504	66	172	183,621	82,522	2,138	724	3,907	118	2,411	6,793	7,123
25	266,428	8,600	7,699	679	64	158	183,877	82,588	2,135	780	3,951	119	2,434	6,619	7,012
Sept. 1 <sup>a</sup>	268,905	9,419	8,435	708	120	156	185,236	82,951	2,130	665	4,493	136	2,421	6,845	7,121
8 <sup>a</sup>	268,925	9,664	8,629	861	38	136	184,761	82,925	2,111	661	4,207	124	2,414	6,592	7,094
15 <sup>a</sup>	274,553	11,585	9,542	1,798	64	181	187,156	83,854	2,115	1,096	4,567	174	2,428	6,824	7,215
22 <sup>a</sup>	270,699	9,461	8,225	1,036	63	137	186,049	83,874	2,107	822	4,296	144	2,429	6,279	7,195
29 <sup>a</sup>	271,389	9,952	8,962	800	61	129	186,246	83,741	2,106	709	4,472	129	2,434	6,305	7,243
<i>New York City</i>															
<i>1970</i>															
Sept. 2	55,554	1,427	1,358	25	10	34	42,101	25,712	14	504	2,017	14	680	2,209	1,503
9	55,296	928	864	24	.....	40	42,372	25,933	14	667	1,720	15	679	2,267	1,493
16	56,521	1,019	930	20	10	59	43,099	26,522	13	611	1,913	13	676	2,206	1,457
23	55,421	975	960	.....	.....	15	42,453	26,434	15	534	1,744	13	674	2,008	1,500
30	55,779	565	514	20	.....	31	43,131	26,715	14	454	1,993	14	669	2,243	1,532
<i>1971</i>															
Aug. 4	57,062	1,367	1,218	115	.....	34	43,300	25,608	15	380	2,841	21	579	2,238	1,590
11	56,624	1,162	1,128	31	.....	3	43,221	25,617	15	508	2,485	20	575	2,317	1,624
18	57,335	1,194	1,153	35	.....	6	44,050	25,965	17	581	2,526	20	578	2,113	1,646
25	57,203	884	853	12	.....	19	44,068	26,087	17	625	2,645	22	583	2,204	1,561
Sept. 1 <sup>a</sup>	58,317	1,217	1,208	4	.....	5	44,799	26,304	17	555	3,071	22	579	2,203	1,583
8 <sup>a</sup>	58,031	1,261	1,236	5	.....	20	44,551	26,335	19	558	2,856	22	581	2,015	1,607
15 <sup>a</sup>	59,908	1,297	1,252	26	.....	19	45,750	26,685	21	927	3,078	23	595	2,169	1,620
22 <sup>a</sup>	58,503	1,212	1,146	40	13	13	44,879	26,612	20	656	2,911	23	592	1,878	1,606
29 <sup>a</sup>	58,333	1,172	1,127	33	.....	12	44,855	26,433	14	560	3,037	26	594	1,924	1,643
<i>Outside New York City</i>															
<i>1970</i>															
Sept. 2	187,803	6,217	4,908	1,011	217	81	130,163	53,792	2,014	242	1,069	89	1,619	4,939	4,386
9	188,584	6,694	5,311	1,082	175	126	130,323	53,783	2,012	260	1,036	90	1,630	4,926	4,358
16	190,530	7,173	5,159	1,757	197	60	131,104	54,300	2,000	224	1,148	92	1,646	5,074	4,398
23	188,478	5,347	4,340	662	239	106	130,973	54,360	2,011	187	1,089	89	1,642	4,889	4,394
30	190,059	5,981	4,423	1,140	255	163	131,310	54,439	1,996	100	1,111	90	1,660	5,029	4,425
<i>1971</i>															
Aug. 4	208,394	7,462	7,049	294	13	106	138,420	56,199	2,139	102	1,233	127	1,835	4,861	5,369
11	208,207	7,432	6,995	355	17	65	138,456	56,017	2,134	105	1,306	129	1,830	4,875	5,403
18	209,074	7,631	6,930	469	66	166	139,571	56,557	2,121	143	1,381	98	1,833	4,680	5,477
25	209,225	7,716	6,846	667	64	139	139,809	56,501	2,118	155	1,306	97	1,851	4,589	5,451
Sept. 1 <sup>a</sup>	210,588	8,202	7,227	704	120	151	140,437	56,647	2,113	110	1,422	114	1,842	4,641	5,538
8 <sup>a</sup>	210,894	8,403	7,393	856	38	116	140,210	56,590	2,092	103	1,351	102	1,833	4,577	5,487
15 <sup>a</sup>	214,645	10,288	8,290	1,772	64	162	141,406	57,169	2,094	169	1,489	151	1,833	4,655	5,595
22 <sup>a</sup>	212,196	8,249	7,079	996	50	124	141,170	57,262	2,087	166	1,385	121	1,837	4,401	5,589
29 <sup>a</sup>	213,056	8,780	7,835	767	61	117	141,391	57,308	2,092	149	1,435	103	1,840	4,381	5,600

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Loans (cont.)							Investments					Wednesday
Other (cont.)							U.S. Treasury securities					
Real estate	To commercial banks		Consumer instalment	Foreign govts. <sup>2</sup>	All other	Total	Bills	Certificates	Notes and bonds maturing—			
	Domestic	Foreign							Within 1 yr.	1 to 5 yrs.	After 5 yrs.	
<i>Large banks Total</i>												
1970												
33,743	402	1,374	21,117	908	13,917	24,764	3,750	3,605	14,806	2,603	Sept. 2	
33,771	362	1,482	21,128	958	14,111	24,710	3,791	3,561	14,761	2,597	9	
33,876	417	1,415	21,130	966	14,106	24,625	3,844	3,545	14,726	2,510	16	
33,918	409	1,512	21,195	935	13,874	24,402	3,689	3,564	14,691	2,458	23	
33,939	424	1,428	21,250	926	13,990	24,793	4,195	3,570	14,648	2,380	30	
1971												
36,210	569	1,849	22,843	802	14,310	25,183	3,425	3,556	14,929	3,273	Aug. 4	
36,367	587	1,964	22,876	810	14,112	25,031	3,294	3,593	14,882	3,262	11	
36,512	792	2,664	22,925	821	14,171	25,007	2,896	3,350	15,835	2,926	18	
36,645	814	2,795	23,002	824	14,159	24,960	2,857	3,367	15,859	2,877	25	
36,727	877	2,508	23,095	812	14,455	24,934	2,812	3,387	16,014	2,721	Sept. 1 <sup>μ</sup>	
36,815	900	2,603	23,103	808	14,404	25,085	2,586	3,422	16,024	3,053	8 <sup>μ</sup>	
36,993	877	2,629	23,155	832	14,397	25,278	2,810	3,694	15,698	3,076	15 <sup>μ</sup>	
37,107	857	2,657	23,186	838	14,258	25,217	2,762	3,766	15,619	3,070	22 <sup>μ</sup>	
37,183	888	2,595	23,290	799	14,352	25,094	2,685	3,837	15,464	3,108	29 <sup>μ</sup>	
<i>New York City</i>												
1970												
3,475	188	754	1,849	551	2,631	5,138	1,173	512	2,981	472	Sept. 2	
3,511	150	830	1,842	597	2,654	5,153	1,211	519	2,961	462	9	
3,528	204	793	1,844	604	2,715	4,984	1,186	505	2,984	399	16	
3,521	186	861	1,846	571	2,546	4,858	1,135	489	2,835	399	23	
3,491	199	789	1,836	568	2,614	4,832	1,134	475	2,832	391	30	
1971												
3,813	195	911	1,874	554	2,681	4,378	741	522	2,774	341	Aug. 4	
3,824	211	977	1,877	558	2,612	4,310	663	502	2,800	345	11	
3,853	278	1,383	1,894	561	2,635	4,424	525	446	3,203	250	18	
3,857	303	1,328	1,891	558	2,561	4,597	645	404	3,294	254	25	
3,876	377	1,090	1,896	540	2,685	4,540	596	405	3,294	245	Sept. 1 <sup>μ</sup>	
3,878	390	1,149	1,899	534	2,708	4,555	517	440	3,263	335	8 <sup>μ</sup>	
3,910	390	1,184	1,910	537	2,701	4,694	650	483	3,217	344	15 <sup>μ</sup>	
3,929	380	1,206	1,909	534	2,623	4,538	559	473	3,162	344	22 <sup>μ</sup>	
3,950	412	1,167	1,906	534	2,655	4,486	547	500	3,094	345	29 <sup>μ</sup>	
<i>Outside New York City</i>												
1970												
30,268	214	620	19,268	357	11,286	19,626	2,577	3,093	11,825	2,131	Sept. 2	
30,260	212	652	19,286	361	11,457	19,557	2,580	3,042	11,800	2,135	9	
30,348	213	622	19,286	362	11,391	19,641	2,658	3,040	11,832	2,111	16	
30,397	223	651	19,349	364	11,328	19,544	2,554	3,075	11,856	2,059	23	
30,448	225	639	19,414	358	11,376	19,961	3,061	3,095	11,816	1,989	30	
1971												
32,397	374	938	20,969	248	11,629	20,805	2,684	3,034	12,155	2,932	Aug. 4	
32,543	376	987	20,999	252	11,500	20,721	2,631	3,091	12,082	2,917	11	
32,659	514	1,281	21,031	260	11,536	20,583	2,371	2,904	12,632	2,676	18	
32,788	511	1,467	21,111	266	11,598	20,363	2,212	2,963	12,565	2,623	25	
32,851	500	1,418	21,199	272	11,770	20,394	2,216	2,982	12,720	2,476	Sept. 1 <sup>μ</sup>	
32,937	510	1,454	21,204	274	11,696	20,530	2,069	2,982	12,761	2,718	8 <sup>μ</sup>	
33,083	487	1,445	21,245	295	11,696	20,584	2,160	3,211	12,481	2,732	15 <sup>μ</sup>	
33,178	477	1,451	21,277	304	11,635	20,679	2,203	3,293	12,457	2,726	22 <sup>μ</sup>	
33,233	476	1,428	21,384	265	11,697	20,608	2,138	3,337	12,370	2,763	29 <sup>μ</sup>	

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Investments (cont.)					Cash items in process of collection	Re-serves with F.R. Banks	Currency and coin	Balances with domestic banks	Investments in subsidiaries not consolidated	Other assets	Total assets/total liabilities
	Other securities											
	Total	Obligations of State and political subdivisions		Other bonds, corp. stock, and securities								
		Tax war-rants <sup>3</sup>	All other	Certif. of partici-pation <sup>4</sup>	All other <sup>5</sup>							
<i>Large banks—Total</i>												
1970												
Sept. 2	38,685	5,086	29,164	1,024	3,411	29,844	17,719	3,243	4,757	705	14,334	313,959
9	38,853	5,167	29,230	1,045	3,411	29,949	17,252	3,282	5,464	710	14,249	314,786
16	40,031	5,769	29,839	1,049	3,374	33,174	16,768	3,354	5,872	709	14,191	321,119
23	39,749	5,580	29,705	1,039	3,425	28,198	18,129	3,428	4,919	710	14,078	313,361
30	40,058	5,681	29,815	1,042	3,520	32,851	17,895	3,306	5,896	704	14,345	320,835
1971												
Aug. 4	49,724	7,801	34,976	1,375	5,572	31,875	20,057	3,220	6,160	786	15,667	343,221
11	49,529	7,675	35,098	1,353	5,403	31,516	17,972	3,486	5,562	784	15,666	339,817
18	48,956	7,466	34,860	1,292	5,338	30,303	18,588	3,494	5,813	786	15,427	340,820
25	48,991	7,424	34,964	1,271	5,332	29,811	19,311	3,615	5,808	786	15,635	341,394
Sept. 1 <sup>a</sup>	49,316	7,650	35,028	1,297	5,341	33,541	19,386	3,482	6,462	791	15,959	348,526
8 <sup>a</sup>	49,415	7,949	34,867	1,286	5,313	31,971	19,085	3,525	6,667	791	15,811	346,775
15 <sup>a</sup>	50,534	8,380	35,302	1,351	5,501	36,268	17,805	3,608	6,909	794	15,717	355,654
22 <sup>a</sup>	49,972	8,065	35,150	1,323	5,434	33,213	18,468	3,641	5,992	796	15,630	348,439
29 <sup>a</sup>	50,097	8,090	35,239	1,327	5,441	32,235	18,637	3,702	6,206	799	15,780	348,748
<i>New York City</i>												
1970												
Sept. 2	6,888	1,317	4,597	86	888	13,878	4,244	431	459	325	5,095	79,986
9	6,843	1,325	4,543	86	889	13,861	4,954	443	637	330	5,015	80,536
16	7,419	1,719	4,752	75	873	14,742	4,585	439	667	332	5,055	82,341
23	7,135	1,586	4,674	60	815	12,908	4,673	418	509	332	4,966	79,227
30	7,251	1,630	4,705	64	852	16,036	4,901	405	1,158	332	5,038	83,649
1971												
Aug. 4	8,017	1,433	5,217	226	1,141	14,018	5,534	431	886	348	5,419	83,698
11	7,931	1,373	5,284	211	1,063	14,937	4,506	436	839	349	5,479	85,170
18	7,667	1,346	5,122	217	982	12,981	4,458	430	1,060	349	5,434	82,047
25	7,654	1,351	5,115	207	981	14,135	5,241	426	969	349	5,478	83,801
Sept. 1 <sup>a</sup>	7,761	1,406	5,098	227	1,030	15,942	4,799	422	1,098	350	5,500	86,428
8 <sup>a</sup>	7,664	1,420	5,021	221	1,002	13,897	4,934	429	1,199	350	5,387	84,227
15 <sup>a</sup>	8,167	1,792	5,133	219	1,023	16,530	4,841	437	1,490	350	5,358	88,914
22 <sup>a</sup>	7,874	1,438	5,206	217	1,013	15,874	4,044	422	1,010	352	5,352	85,557
29 <sup>a</sup>	7,820	1,401	5,178	216	1,025	15,788	5,449	420	891	352	5,301	86,554
<i>Outside New York City</i>												
1970												
Sept. 2	31,797	3,769	24,567	938	2,523	15,966	13,475	2,812	4,298	380	9,239	233,973
9	32,010	3,842	24,687	959	2,522	16,088	12,298	2,839	4,827	380	9,234	234,250
16	32,612	4,050	25,087	974	2,501	18,432	12,183	2,915	5,205	377	9,136	238,778
23	32,614	3,994	25,031	979	2,610	15,290	13,456	3,010	4,410	378	9,112	234,134
30	32,807	4,051	25,110	978	2,668	16,815	12,994	2,901	4,738	372	9,307	237,186
1971												
Aug. 4	41,707	6,368	29,759	1,149	4,431	17,857	14,523	2,789	5,274	438	10,248	259,523
11	41,598	6,302	29,814	1,142	4,340	16,379	13,466	3,050	4,723	435	10,187	256,548
18	41,289	6,120	29,738	1,075	4,356	17,322	14,130	3,064	4,753	437	9,993	258,773
25	41,337	6,073	29,849	1,064	4,351	15,676	14,070	3,189	4,839	437	10,157	257,593
Sept. 1 <sup>a</sup>	41,555	6,244	29,930	1,070	4,311	17,599	14,587	3,060	5,364	441	10,459	262,098
8 <sup>a</sup>	41,751	6,529	29,846	1,065	4,311	18,074	14,151	3,096	5,468	441	10,424	262,548
15 <sup>a</sup>	42,367	6,588	30,169	1,132	4,478	19,738	12,964	3,171	5,419	444	10,529	266,740
22 <sup>a</sup>	42,098	6,627	29,944	1,106	4,421	17,339	14,424	3,219	4,982	444	10,278	262,882
29 <sup>a</sup>	42,277	6,689	30,061	1,111	4,416	16,447	13,188	3,262	5,315	447	10,479	262,194

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits														Wednesday	
Demand							Time and savings								
Total	IPC	States and political subdivisions	U.S. Govt.	Domestic interbank	Foreign	Certified and officers' checks	Total <sup>6</sup>	IPC	States and political subdivisions	Domestic interbank	Foreign govts. <sup>2</sup>	IPC	Other		
														<i>Large Banks—Total</i>	
														1970	
131,607	93,029	6,194	3,815	18,236	567	787	1,948	7,031	110,633	42,965	41,537	11,455	1,190	5,067	Sept. 2
131,505	93,492	5,758	2,931	18,739	621	745	2,347	6,872	111,158	43,081	42,031	11,453	1,239	5,022	9
138,347	97,217	6,357	4,690	19,493	553	823	2,205	7,009	111,671	42,985	42,442	11,542	1,265	4,881	16
130,726	91,797	6,056	5,916	17,411	504	770	2,173	6,099	112,870	43,193	43,607	11,660	1,342	4,791	23
140,021	94,521	7,682	5,798	20,961	657	851	2,191	7,360	113,635	43,650	44,378	11,612	1,269	4,678	30
														1971	
139,404	97,181	6,620	2,890	21,490	703	758	2,358	7,404	132,931	52,645	56,998	15,065	1,554	4,646	Aug. 4
138,109	96,110	6,611	2,333	21,128	617	1,281	2,298	7,731	133,179	52,877	57,486	15,110	1,525	4,970	11
139,164	96,208	6,212	6,001	20,168	620	946	2,461	6,548	133,494	52,749	57,771	15,060	1,586	4,845	18
139,672	95,690	6,062	6,272	20,565	608	800	2,416	7,259	133,827	52,657	57,863	15,256	1,680	4,858	25
145,012	99,579	6,601	4,838	21,937	604	831	2,543	8,079	134,070	52,693	58,154	15,282	1,710	4,892	Sept. 1 <sup>P</sup>
141,702	97,861	6,377	4,242	22,289	661	805	2,399	7,068	134,361	52,770	58,301	15,256	1,735	4,955	8 <sup>P</sup>
149,396	103,312	6,518	4,928	22,540	606	881	2,449	8,162	133,811	52,575	57,667	15,183	1,815	4,765	15 <sup>P</sup>
142,345	97,637	6,262	5,145	21,851	559	746	2,374	7,771	134,798	52,521	58,082	15,325	1,893	4,737	22 <sup>P</sup>
141,222	96,346	6,378	5,636	21,235	641	762	2,421	7,803	136,148	52,607	59,051	15,395	1,989	4,543	29 <sup>P</sup>
														<i>New York City</i>	
														1970	
38,569	22,827	611	710	7,478	302	647	1,333	4,661	16,657	1,842	4,503	784	638	1,267	Sept. 2
38,506	22,434	529	588	7,626	351	589	1,704	4,685	16,833	1,947	4,734	813	678	1,340	9
40,850	23,751	798	1,078	7,970	287	675	1,569	4,722	16,958	1,855	4,800	876	679	1,137	16
38,024	22,303	592	1,391	7,331	252	630	1,536	3,989	17,392	2,000	5,365	895	704	1,197	23
43,092	22,501	1,512	1,309	10,135	383	709	1,548	4,995	17,661	2,115	5,855	847	632	1,204	30
														1971	
39,282	21,711	509	545	9,610	378	586	1,648	4,295	23,013	4,831	12,080	1,515	751	2,569	Aug. 4
39,928	20,764	795	428	9,973	319	1,116	1,598	4,935	22,980	4,957	12,120	1,548	746	2,795	11
38,495	20,896	769	1,545	8,747	308	777	1,695	3,758	23,379	4,878	12,368	1,542	820	2,735	18
40,456	21,626	468	1,506	9,888	311	635	1,611	4,411	23,346	4,945	12,363	1,566	886	2,808	25
42,707	23,423	534	1,050	10,296	320	685	1,762	4,637	23,183	4,935	12,386	1,488	845	2,773	Sept. 1 <sup>P</sup>
39,728	21,418	840	805	10,125	353	637	1,603	3,947	23,091	4,885	12,253	1,456	822	2,758	8 <sup>P</sup>
44,072	23,735	907	1,127	10,611	301	731	1,634	5,026	22,584	4,737	11,583	1,487	850	2,591	15 <sup>P</sup>
41,577	21,877	590	1,156	10,681	288	597	1,608	4,780	22,941	4,725	11,770	1,516	899	2,636	22 <sup>P</sup>
41,429	21,549	730	1,243	10,385	353	637	1,629	4,903	23,613	4,598	12,285	1,538	958	2,459	29 <sup>P</sup>
														<i>Outside New York City</i>	
														1970	
93,038	70,202	5,583	3,105	10,758	265	140	615	2,370	93,976	41,123	37,034	10,671	552	3,800	Sept. 2
92,999	71,058	5,229	2,343	11,113	270	156	643	2,187	94,325	41,134	37,297	10,640	561	3,682	9
97,497	73,466	5,559	3,612	11,523	266	148	636	2,287	94,713	41,130	37,642	10,666	586	3,744	16
92,702	69,494	5,464	4,525	10,080	252	140	637	2,110	95,478	41,193	38,242	10,765	638	3,594	23
96,929	72,020	6,170	4,489	10,826	274	142	643	2,365	95,974	41,535	38,523	10,765	637	3,474	30
														1971	
100,122	75,470	6,111	2,345	11,880	325	172	710	3,109	109,918	47,814	44,918	13,550	803	2,077	Aug. 4
98,181	75,346	5,816	1,905	11,155	298	165	700	2,796	110,199	47,920	45,366	13,562	779	2,175	11
100,669	75,312	5,443	4,456	11,421	312	169	766	2,790	110,115	47,871	45,403	13,518	766	2,110	18
99,216	74,064	5,594	4,766	10,677	297	165	805	2,848	110,481	47,712	45,500	13,690	794	2,050	25
102,305	76,156	6,067	3,788	11,641	284	146	781	3,442	110,887	47,758	45,768	13,794	865	2,119	Sept. 1 <sup>P</sup>
101,974	76,443	5,537	3,437	12,164	308	168	796	3,121	111,270	47,885	46,048	13,800	913	2,197	8 <sup>P</sup>
105,324	79,577	5,611	3,801	11,929	305	150	815	3,136	111,227	47,838	46,084	13,696	965	2,174	15 <sup>P</sup>
100,768	75,760	5,672	3,989	11,170	271	149	766	2,991	111,857	47,796	46,312	13,809	994	2,101	22 <sup>P</sup>
99,793	74,797	5,648	4,393	10,850	288	125	792	2,900	112,535	48,009	46,766	13,857	1,031	2,084	29 <sup>P</sup>

For notes see p. A-30.

A 30 WEEKLY REPORTING BANKS □ OCTOBER 1971

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Borrowings from—			Reserves for—		Memoranda									
	Federal funds purchased, etc. <sup>7</sup>	F.R. Banks	Others	Other liabilities etc. <sup>8</sup>	Loans	Securities	Total capital accounts	Total loans (gross) adjusted <sup>9</sup>	Total loans and investments (gross) adjusted <sup>9</sup>	Demand deposits, adjusted <sup>10</sup>	Large negotiable time CD's included in time and savings deposits <sup>11</sup>			Gross liabilities of banks to their foreign branches	
											Total	Issued to IPC's	Issued to others		
<i>Large banks—</i>															
<i>Total</i>															
<i>1970</i>															
Sept. 2	17,071	767	1,767	23,822	4,021	74	24,197	173,240	236,689	79,712	20,723	11,814	8,909	10,332	
9	17,603	447	1,734	24,042	4,018	74	24,205	173,780	237,343	79,886	21,052	12,102	8,950	10,220	
16	17,013	180	1,623	24,098	4,029	75	24,083	175,889	240,545	80,990	21,106	12,232	8,874	10,525	
23	15,046	1,323	1,546	23,697	3,998	76	24,079	174,039	238,190	79,201	22,036	13,148	8,888	10,126	
30	13,903	785	1,435	22,714	4,007	77	24,258	175,626	240,477	80,411	22,227	13,622	8,605	9,787	
<i>1971</i>															
Aug. 4	23,195	552	1,134	15,755	4,012	80	26,158	181,713	256,620	83,149	30,501	18,623	11,878	1,912	
11	21,657	454	1,120	15,017	4,012	117	26,152	181,561	256,121	83,132	30,828	18,839	11,989	1,104	
18	20,827	1,017	1,038	15,063	4,011	81	26,125	183,571	257,534	82,692	31,376	19,291	12,085	1,374	
25	19,499	1,692	1,183	15,289	4,008	77	26,147	183,964	257,915	83,024	31,598	19,337	12,261	1,409	
Sept. 1 <sup>p</sup>	22,042	829	1,153	15,039	4,001	76	26,304	185,343	259,593	84,696	31,644	19,423	12,221	1,237	
8 <sup>p</sup>	23,520	273	1,084	15,488	4,003	77	26,267	184,896	259,396	83,200	31,903	19,695	12,208	1,243	
15 <sup>p</sup>	24,744	286	1,126	15,979	4,002	75	26,235	188,322	264,134	85,660	31,385	19,200	12,185	1,705	
22 <sup>p</sup>	22,774	820	1,093	16,355	3,990	89	26,175	186,428	261,617	82,136	32,149	19,707	12,442	2,144	
29 <sup>p</sup>	22,968	209	1,112	16,786	4,004	89	26,210	186,348	261,539	82,116	33,054	20,663	12,391	2,468	
<i>New York City</i>															
<i>1970</i>															
Sept. 2	4,377	235	244	12,530	1,206		6,168	41,982	54,008	16,503	5,326	2,942	2,384	7,545	
9	5,262	120	226	12,220	1,204		6,165	42,286	54,282	16,431	5,425	3,006	2,419	7,246	
16	4,525		225	12,471	1,208		6,104	42,984	55,387	17,060	5,451	3,036	2,415	7,533	
23	3,779	549	185	12,028	1,185		6,085	42,282	54,275	16,394	5,875	3,470	2,405	7,150	
30	3,364	259	187	11,754	1,191		6,141	42,983	55,066	15,612	5,938	3,665	2,273	6,921	
<i>1971</i>															
Aug. 4	6,532	20	202	6,684	1,191		6,774	43,254	55,649	15,109	10,873	7,185	3,688	1,209	
11	5,913		207	6,165	1,191		6,786	43,044	55,285	14,590	10,880	7,112	3,768	1,759	
18	5,520	100	209	6,373	1,193		6,778	43,813	55,904	15,222	11,437	7,562	3,875	977	
25	4,584	1,025	311	6,118	1,196		6,765	43,796	56,047	14,927	11,456	7,532	3,924	720	
Sept. 1 <sup>p</sup>	5,830	280	260	6,158	1,195		6,815	44,431	56,732	15,419	11,258	7,436	3,822	698	
8 <sup>p</sup>	6,872		209	6,335	1,196		6,815	44,186	56,405	14,901	11,238	7,435	3,803	859	
15 <sup>p</sup>	7,327	2	208	6,745	1,194		6,782	45,405	58,266	15,804	10,790	6,996	3,794	1,279	
22 <sup>p</sup>	5,698	400	257	6,729	1,196		6,759	44,565	56,977	13,866	11,078	7,188	3,890	1,339	
29 <sup>p</sup>	6,228		289	7,052	1,194		6,749	44,488	56,794	14,013	11,639	7,743	3,896	1,720	
<i>Outside New York City</i>															
<i>1970</i>															
Sept. 2	12,694	532	1,523	11,292	2,815	74	18,029	131,258	182,681	63,209	15,397	8,872	6,525	2,787	
9	12,341	327	1,508	11,822	2,814	74	18,040	131,494	183,061	63,455	15,627	9,096	6,531	2,974	
16	12,488	180	1,398	11,627	2,821	75	17,979	132,905	185,158	63,930	15,655	9,196	6,459	2,992	
23	11,267	774	1,361	11,669	2,813	76	17,994	131,757	183,915	62,807	16,161	9,678	6,483	2,976	
30	10,539	526	1,248	10,960	2,816	77	18,117	132,643	185,411	64,799	16,289	9,957	6,332	2,866	
<i>1971</i>															
Aug. 4	16,663	532	932	9,071	2,821	80	19,384	138,459	200,971	68,040	19,628	11,438	8,190	703	
11	15,744	454	913	8,852	2,821	117	19,366	138,517	200,836	68,542	19,948	11,727	8,221	345	
18	15,307	917	829	8,690	2,818	81	19,347	139,758	201,630	67,470	19,939	11,729	8,210	397	
25	14,915	667	872	9,171	2,812	77	19,382	140,168	201,868	68,097	20,142	11,805	8,337	689	
Sept. 1 <sup>p</sup>	16,212	549	893	8,881	2,806	76	19,489	140,912	202,861	69,277	20,386	11,987	8,399	539	
8 <sup>p</sup>	16,648	273	875	9,153	2,807	77	19,471	140,710	202,991	68,299	20,665	12,260	8,405	384	
15 <sup>p</sup>	17,417	284	918	9,234	2,808	75	19,453	142,917	205,868	69,856	20,595	12,204	8,391	426	
22 <sup>p</sup>	17,076	420	836	9,626	2,794	89	19,416	141,863	204,640	68,270	21,071	12,519	8,552	805	
29 <sup>p</sup>	16,740	209	823	9,734	2,810	89	19,461	141,860	204,745	68,103	21,415	12,920	8,495	748	

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

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

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

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

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

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

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

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

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

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

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



COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—								
	1971					1971			1971			1970	1971	
	Sept. 29	Sept. 22	Sept. 15	Sept. 8	Sept. 1	Sept.	Aug.	July	III	II	I	2nd half	1st half	
Durable goods manufacturing:														
Primary metals.....	2,172	2,209	2,213	2,149	2,157	40	-69	-94	-123	-120	169	-20	149	
Machinery.....	4,982	5,103	5,133	5,094	5,078	-124	-96	-18	-238	38	-247	-768	-209	
Transportation equipment.....	2,763	2,770	2,825	2,651	2,644	134	-14	-95	25	-99	-92	169	-191	
Other fabricated metal products.....	1,976	2,029	2,087	2,044	2,036	-80	-9	-43	-132	132	68	-344	200	
Other durable goods.....	2,824	2,840	2,867	2,834	2,812	9	-16	16	9	112	149	-198	261	
Nondurable goods manufacturing:														
Food, liquor, and tobacco.....	2,694	2,719	2,642	2,575	2,515	207	102	-19	290	-163	-537	350	-700	
Textiles, apparel, and leather.....	2,567	2,603	2,695	2,698	2,740	-144	65	47	-32	115	166	-395	281	
Petroleum refining.....	1,119	1,141	1,128	1,104	1,121	51	-61	10	-64	-64	-343	-113	-407	
Chemicals and rubber.....	2,693	2,686	2,717	2,668	2,699	-11	-70	-82	-163	44	32	63	76	
Other nondurable goods.....	1,920	1,928	1,917	1,861	1,860	55	14	-12	57	-30	-105	-113	-135	
Mining, including crude petroleum and natural gas.....	3,825	3,825	3,827	3,762	3,762	73	-19	43	208	-278	-108	-257	-386	
Trade: Commodity dealers.....	1,217	1,266	1,291	1,257	1,243	19	40	10	69	-174	-57	481	-231	
Other wholesale.....	4,304	4,267	4,228	4,204	4,222	205	125	57	387	206	10	78	216	
Retail.....	4,464	4,433	4,333	4,342	4,330	78	18	-24	72	185	162	-308	347	
Transportation.....	5,732	5,711	5,636	5,617	5,651	65	-202	111	-248	-306	286	366	-20	
Communication.....	1,564	1,585	1,539	1,536	1,559	32	-6	-3	23	184	49	19	233	
Other public utilities.....	2,553	2,490	2,432	2,407	2,409	225	-18	140	347	185	-327	-386	-142	
Construction.....	3,742	3,756	3,747	3,688	3,694	43	10	35	88	71	131	197	202	
Services.....	7,604	7,607	7,615	7,584	7,614	18	-6	7	19	387	200	525	187	
All other domestic loans.....	5,352	5,317	5,311	5,331	5,265	164	119	26	309	290	-180	96	110	
Bankers' acceptances.....	1,599	1,556	1,545	1,601	1,537	44	512	-98	458	-390	-164	1,186	-554	
Foreign commercial and industrial loans.....	2,975	2,965	3,059	3,015	3,038	-74	367	34	327	106	140	255	246	
Total classified loans.....	70,641	70,806	70,787	70,022	69,986	1,029	786	-63	1,752	531	-998	884	-467	
Total commercial and industrial loans.....	83,741	83,874	83,854	82,925	82,951	1,145	759	-692	1,212	1,320	-473	1,979	847	

See NOTE to table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding									Net change during—				
	1971									1971			1970	1971
	Sept. 29	Aug. 25*	July 28	June 30	May 26	Apr. 28	Mar. 31	Feb. 24	Jan. 27	III	II	I	IV	1st half
Durable goods manufacturing:														
Primary metals.....	1,525	1,482	1,535	1,587	1,667	1,622	1,630	1,564	1,544	-62	-43	103	-150	60
Machinery.....	2,481	2,507	2,514	2,539	2,594	2,735	2,591	2,634	2,666	-58	-52	-90	-243	-142
Transportation equipment.....	1,689	1,582	1,552	1,559	1,440	1,515	1,613	1,633	1,647	130	-54	-20	-22	-74
Other fabricated metal products.....	776	807	804	815	805	769	733	747	750	-39	82	-9	-65	73
Other durable goods.....	1,213	1,266	1,237	1,231	1,201	1,191	1,216	1,222	1,107	-18	15	127	-52	142
Nondurable goods manufacturing:														
Food, liquor, and tobacco.....	988	941	948	972	919	982	974	971	949	16	-2	-11	-23	-13
Textiles, apparel, and leather.....	607	610	598	597	609	592	617	659	674	10	-20	-40	-94	-60
Petroleum refining.....	857	841	902	892	920	932	915	1,142	1,191	-35	-23	-298	-35	-321
Chemicals and rubber.....	1,792	1,815	1,828	1,824	1,726	1,822	1,850	1,834	1,800	-32	-26	1	69	-25
Other nondurable goods.....	1,018	1,006	1,008	1,021	1,058	1,062	1,100	1,116	1,116	-3	-79	-71	-12	-150
Mining, including crude petroleum and natural gas.....	2,936	3,002	3,019	2,992	3,058	3,089	3,123	3,270	3,354	-56	-131	-203	-135	-334
Trade: Commodity dealers.....	109	117	101	97	88	81	80	79	79	12	17	1	-3	18
Other wholesale.....	852	839	850	842	809	813	782	754	783	10	60	26	59	86
Retail.....	1,477	1,456	1,423	1,421	1,423	1,404	1,417	1,459	1,450	56	4	18	39	22
Transportation.....	4,588	4,488	4,612	4,614	4,681	4,757	4,867	4,763	4,731	-26	-253	303	147	50
Communication.....	420	422	471	468	439	426	402	398	398	-48	66	-13	-33	53
Other public utilities.....	1,273	1,181	1,141	1,095	1,038	991	973	1,056	1,029	178	122	-45	-47	77
Construction.....	1,197	1,208	1,229	1,192	1,178	1,164	1,107	1,063	1,048	5	85	63	-87	148
Services.....	3,357	3,320	3,247	3,269	3,192	3,249	3,142	3,154	3,186	88	127	-67	77	60
All other domestic loans.....	1,388	1,360	1,309	1,247	1,259	1,223	1,268	1,319	1,346	141	-21	-17	60	-38
Foreign commercial and industrial loans.....	1,892	1,950	1,908	1,892	1,882	1,840	1,792	1,716	1,723	.....	100	76	112	176
Total loans.....	32,435	32,200	32,236	32,166	31,986	32,259	32,192	32,553	32,571	269	-26	-166	-264	-192

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

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

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

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

(In billions of dollars)

Class of bank and month	Type of holder					Total deposits, IPC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
<b>All commercial banks:</b>						
1970—June.....	16.6	85.8	49.9	1.4	9.6	163.4
Sept.....	17.0	88.0	51.4	1.4	10.0	167.9
Dec.....	17.3	92.7	53.6	1.3	10.3	175.1
1971—Mar.....	18.2	86.1	54.3	1.4	10.5	170.4
June.....	17.9	89.9	56.0	1.3	10.7	175.8
<b>Weekly reporting banks:</b>						
1970—Aug.....	12.7	52.8	20.6	1.2	4.9	92.2
Sept.....	13.4	53.8	21.2	1.3	5.5	95.1
Oct.....	13.2	53.7	20.9	1.2	5.8	94.8
Nov.....	13.6	53.9	21.1	1.2	5.4	95.2
Dec.....	13.5	56.1	23.3	1.2	5.6	99.7
1971—Feb.....	13.8	52.3	23.1	1.2	5.5	95.8
Mar.....	14.1	52.4	23.9	1.3	5.7	97.3
Apr.....	14.1	53.4	25.3	1.3	5.7	99.8
May.....	13.7	52.9	24.1	1.2	5.5	97.4
June.....	14.0	54.2	24.4	1.2	6.0	99.8
July.....	14.1	54.7	24.8	1.2	5.4	100.3
Aug.....	13.3	53.5	24.3	1.2	5.0	97.3

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

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

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

## DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1968	Dec. 31, 1969	Dec. 31, 1970	June 30, 1971	Class of bank	Dec. 31, 1968	Dec. 31, 1969	Dec. 31, 1970	June 30, 1971
Insured.....	1,216	1,129	803	745	Other reserve city.....	332	304	143	125
National member.....	730	688	433	407	Country.....	605	571	437	411
State member.....	207	188	147	129	All nonmember.....	278	255	224	210
All member.....	937	876	580	536	Insured.....	278	253	223	209
					Noninsured.....		2	1	1

NOTE.—These hypothecated deposits are excluded from Time deposits and Loans at all commercial banks beginning with June 30, 1966, as shown in the tables on pp. A-20, A-21, and A-26—A-30 (consumer installment loans), and in the table at the bottom of p. A-18. These changes

resulted from a change in Federal Reserve regulations. See June 1966 BULLETIN, p. 808.

These deposits have not been deducted from Time deposits and Loans for commercial banks as shown on pp. A-22 and A-23 and on pp. A-24 and A-25 (IPC only for time deposits).

**LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS**

(Amounts outstanding; in millions of dollars)

Date	To own subsidiaries, foreign branches, holding companies, and other affiliates			To all others except banks		
	Total	By type of loan		Total	By type of loan	
		Commercial and industrial	All other		Commercial and industrial	All other
1971—June 2	2,861	1,827	1,034	1,931	414	1,517
9	2,797	1,838	959	1,937	419	1,518
16	2,752	1,807	945	1,942	422	1,520
23	2,801	1,877	924	1,949	418	1,531
30	3,058	1,930	1,128	1,969	436	1,533
July 7	2,815	1,756	1,059	1,954	448	1,506
14	2,840	1,838	1,002	1,976	434	1,542
21	2,840	1,865	975	1,975	444	1,531
28	2,838	1,835	1,003	1,987	435	1,552
Aug. 4	2,803	1,878	925	2,037	470	1,567
11	2,884	1,964	920	2,030	450	1,580
18	2,655	1,772	883	2,045	468	1,577
25	2,764	1,829	935	2,033	460	1,573
Sept. 1	2,998	1,849	1,149	2,017	436	1,581
8	2,822	1,823	999	2,026	438	1,588
15	2,818	1,819	999	2,020	425	1,595
22	2,906	1,835	1,071	2,037	417	1,620
29	2,960	1,896	1,064	2,036	421	1,615

NOTE:—Amounts sold under repurchase agreement are excluded. Figures include small amounts sold by banks other than large weekly reporting banks.

**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		Placed directly		Total	Held by—					Based on—			
		Bank related	Other <sup>1</sup>	Bank related	Other <sup>2</sup>		Accepting banks			F.R. Banks		Others	Imports into United States	Exports from United States	All other
							Total	Own bills	Bills bought	Own acct.	Foreign corr.				
1964	8,361	2,223	6,138	3,385	1,671	1,301	370	94	122	1,498	667	999	1,719		
1965	9,058	1,903	7,155	3,392	1,223	1,094	129	187	144	1,837	792	974	1,626		
1966	13,279	3,089	10,190	3,603	1,198	983	215	193	191	2,022	997	829	1,778		
1967	16,535	4,901	11,634	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241		
1968	20,497	7,201	13,296	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053		
1969	31,709	1,216	10,601	3,078	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408		
1970—Aug.	36,570	802	11,242	6,501	1,805	1,541	370	63	253	3,752	2,354	1,294	2,331		
Sept.	33,958	505	12,013	4,115	1,732	1,557	395	87	235	3,574	2,396	1,285	2,167		
Oct.	34,401	520	12,564	3,179	1,813	1,737	6,167	2,125	1,737	388	73	2,553	1,323		
Nov.	33,966	526	12,775	2,600	1,865	1,875	493	87	243	3,569	2,490	1,388	2,390		
Dec.	31,765	409	12,262	1,940	1,754	1,960	705	57	250	4,057	2,601	1,561	2,895		
1971—Jan.	32,295	362	13,071	1,668	1,719	2,058	684	59	270	3,841	2,589	1,555	2,768		
Feb.	32,506	383	13,538	1,518	1,707	2,306	784	54	266	3,575	2,618	1,520	2,847		
Mar.	31,223	355	13,215	1,337	1,616	2,276	678	138	255	3,827	2,681	1,519	2,974		
Apr.	31,367	431	13,058	1,363	1,615	2,320	573	56	236	4,116	2,748	1,510	3,043		
May	31,115	392	12,608	1,356	1,675	2,382	545	112	253	4,203	2,889	1,479	3,126		
June	29,472	448	11,288	1,285	1,451	2,355	451	62	230	4,546	3,028	1,467	3,150		
July	29,746	469	11,001	1,339	1,637	2,168	426	55	228	4,577	3,118	1,388	2,948		
Aug.	30,057	454	11,494	1,338	1,671	2,131	481	107	245	5,413	3,405	1,505	3,467		

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

<sup>2</sup> As reported by finance companies that place their paper directly with investors.

**PRIME RATE CHARGED BY BANKS**

(Per cent per annum)

In effect during—	Rate	Effective date	Rate	Effective date	Rate	Effective date	Rate
1929.....	5½-6	1951—Jan. 8.....	2½	1959—May 18.....	4½	1969—Jan. 7.....	7
1930.....	3½-6	Oct. 17.....	2¾	Sept. 1.....	5	Mar. 17.....	7½
1931.....	2¾-5	Dec. 19.....	3	1960—Aug. 23.....	4½	June 9.....	8½
1932.....	3¼-4	1953—Apr. 27.....	3¼	1965—Dec. 6.....	5	1970—Mar. 25.....	8
1933.....	1½-4	1954—Mar. 17.....	3	1966—Mar. 10.....	5½	Sept. 21.....	7½
1934—		1955—Aug. 4.....	3¼	June 29.....	5¾	Nov. 12.....	7¼
1947 (Nov.).....	1½	Oct. 14.....	3½	Aug. 16.....	6	Nov. 23.....	7
		1956—Apr. 13.....	3¾	1967—Jan. 26-27...	5½-5¾	Dec. 22.....	6¾
Effective date		Aug. 21.....	4	Mar. 27.....	5½	1971—Jan. 6.....	6½
1947—Dec. 1.....	1¾	1957—Aug. 6.....	4½	Nov. 20.....	6	Jan. 15.....	6¼
1948—Aug. 1.....	2	1958—Jan. 22.....	4	1968—Apr. 19.....	6½	Jan. 18.....	6
1950—Sept. 22.....	2¼	Apr. 21.....	3½	Sept. 25.....	6-6¼	Feb. 16.....	5¾
		Sept. 11.....	4	Nov. 13.....	6¼	Mar. 11.....	5¼-5½
				Dec. 2.....	6½	Mar. 19.....	5¼
				Dec. 18.....	6¾	Apr. 23.....	5¼-5½
						May 11.....	5½
						July 6.....	5½-6
						July 7.....	6

1 Date of change not available.

**RATES ON BUSINESS LOANS OF BANKS**

Center	Size of loan (in thousands of dollars)											
	All sizes		1-9		10-99		100-499		500-999		1,000 and over	
	Aug. 1971	May 1971	Aug. 1971	May 1971	Aug. 1971	May 1971	Aug. 1971	May 1971	Aug. 1971	May 1971	Aug. 1971	May 1971
<b>Short-term</b>												
35 centers.....	6.50	6.00	7.70	7.47	7.28	6.94	6.88	6.37	6.57	6.04	6.27	5.76
New York City.....	6.25	5.66	7.49	6.85	7.01	6.66	6.64	6.13	6.37	5.82	6.17	5.56
7 other Northeast.....	6.75	6.25	7.88	7.69	7.52	7.18	7.07	6.58	6.81	6.22	6.42	5.88
8 North Central.....	6.45	5.95	7.37	7.08	7.17	6.69	6.83	6.25	6.45	5.97	6.27	5.78
7 Southeast.....	6.73	6.37	7.75	7.67	7.36	7.20	6.86	6.54	6.62	6.12	6.46	6.05
8 Southwest.....	6.60	6.17	7.62	7.35	7.06	6.76	6.79	6.33	6.74	6.19	6.31	5.87
4 West Coast.....	6.56	6.12	8.06	7.84	7.44	7.14	7.11	6.43	6.55	6.10	6.31	5.91
<b>Revolving credit</b>												
35 centers.....	6.31	5.74	7.28	6.62	7.03	6.53	6.50	5.90	6.40	5.83	6.28	5.71
New York City.....	6.31	5.74	6.74	6.33	6.73	6.77	6.33	5.83	6.28	5.66	6.30	5.73
7 other Northeast.....	6.64	5.86	8.02	7.62	7.66	6.54	6.65	5.84	6.86	5.74	6.58	5.87
8 North Central.....	6.37	5.82	7.57	6.65	7.13	6.30	6.46	5.73	6.61	5.79	6.30	5.82
7 Southeast.....	6.20	6.29	6.52	6.24	6.48	6.76	6.26	6.66	6.09	6.18	6.14	6.08
8 Southwest.....	6.91	6.05	7.76	6.81	6.86	6.89	7.25	6.46	6.71	6.61	6.86	5.69
4 West Coast.....	6.20	5.66	8.06	7.11	7.13	6.42	6.40	5.85	6.18	5.80	6.17	5.61
<b>Long-term</b>												
35 centers.....	6.75	6.38	7.59	7.63	7.46	7.25	7.05	6.91	7.03	6.22	6.60	6.24
New York City.....	6.35	6.35	6.18	5.65	6.80	6.35	6.60	6.53	6.65	6.53	6.26	6.29
7 other Northeast.....	6.87	6.64	8.37	8.11	7.47	7.44	7.30	7.38	6.67	6.19	6.59	6.27
8 North Central.....	6.99	6.49	7.03	7.44	7.73	7.06	6.84	6.88	6.82	6.34	7.00	6.41
7 Southeast.....	7.52	7.67	7.35	7.07	7.61	8.13	8.53	8.41	7.27	7.00	7.00	7.25
8 Southwest.....	7.33	6.29	7.48	8.02	7.48	6.95	7.46	6.69	8.02	6.18	6.68	6.19
4 West Coast.....	6.52	6.04	7.72	7.80	7.39	7.18	7.03	6.41	6.60	6.05	6.45	5.99

NOTE.—Beginning Feb. 1971 the Quarterly Survey of Interest Rates on Business Loans was revised. For description of revised series see pp. 468-77 of the June 1971 BULLETIN.

**MONEY MARKET RATES**

(Per cent per annum)

Period	Prime coml. paper 4- to 6-months <sup>1</sup>	Finance co. paper placed directly, 3- to 6-months <sup>2</sup>	Prime bankers' acceptances, 90 days <sup>1</sup>	Federal funds rate <sup>3</sup>	U.S. Government securities (taxable) <sup>4</sup>						
					3-month bills <sup>5</sup>		6-month bills <sup>5</sup>		9- to 12-month issues		3- to 5-year issues <sup>7</sup>
					Rate on new issue	Market yield	Rate on new issue	Market yield	Bills (market yield) <sup>5</sup>	Other <sup>6</sup>	
1963.....	3.55	3.40	3.36	3.18	3.157	3.16	3.253	3.25	3.30	3.28	3.72
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
1967.....	5.10	4.89	4.75	4.22	4.321	4.30	4.630	4.61	4.71	4.84	5.07
1968.....	5.90	5.69	5.75	5.66	5.339	5.33	5.470	5.48	5.45	5.62	5.59
1969.....	7.83	7.16	7.61	8.22	6.677	6.64	6.853	6.84	6.77	7.06	6.85
1970.....	7.72	7.23	7.31	7.17	6.458	6.42	6.562	6.55	6.53	6.90	7.37
1970—Sept.....	7.32	7.12	7.03	6.29	6.244	6.12	6.450	6.47	6.40	6.68	7.24
Oct.....	6.85	6.76	6.54	6.20	5.927	5.90	6.251	6.21	6.23	6.34	7.06
Nov.....	6.30	6.16	5.79	5.60	5.288	5.28	5.422	5.42	5.39	5.52	6.37
Dec.....	5.73	5.48	5.32	4.90	4.860	4.87	4.848	4.89	4.87	4.94	5.86
1971—Jan.....	5.11	5.07	4.77	4.14	4.494	4.44	4.510	4.47	4.39	4.29	5.72
Feb.....	4.47	4.37	4.09	3.72	3.773	3.69	3.806	3.78	3.84	3.80	5.31
Mar.....	4.19	4.05	3.80	3.71	3.323	3.38	3.431	3.50	3.61	3.66	4.74
Apr.....	4.57	4.27	4.36	4.15	3.780	3.85	3.927	4.03	4.09	4.21	5.42
May.....	5.10	4.69	4.91	4.63	4.139	4.13	4.367	4.34	4.64	4.93	6.02
June.....	5.45	5.24	5.33	4.91	4.699	4.74	4.890	4.95	5.32	5.57	6.36
July.....	5.75	5.54	5.60	5.31	5.405	5.39	5.586	5.62	5.73	5.89	6.77
Aug.....	5.73	5.57	5.57	5.57	5.078	4.93	5.363	5.22	5.52	5.67	6.39
Sept.....	5.75	5.44	5.49	5.55	4.668	4.69	4.934	4.97	5.20	5.31	5.96
Week ending—											
1971—June 5.....	5.38	5.13	5.00	4.82	4.344	4.28	4.508	4.52	4.78	4.99	5.92
12.....	5.38	5.13	5.18	4.77	4.510	4.58	4.720	4.79	5.13	5.37	6.22
19.....	5.48	5.19	5.43	4.89	4.989	4.94	5.200	5.16	5.43	5.76	6.54
26.....	5.50	5.39	5.50	4.96	4.953	4.86	5.133	5.06	5.56	5.74	6.46
July 3.....	5.65	5.45	5.60	5.07	5.080	5.17	5.277	5.37	5.77	6.06	6.70
10.....	5.75	5.48	5.63	5.18	5.467	5.40	5.614	5.53	5.65	5.96	6.70
17.....	5.75	5.56	5.50	5.13	5.376	5.38	5.483	5.52	5.61	5.70	6.64
24.....	5.75	5.56	5.63	5.46	5.546	5.45	5.724	5.73	5.77	5.85	6.82
31.....	5.75	5.58	5.63	5.38	5.554	5.39	5.833	5.77	5.87	6.00	6.92
Aug. 7.....	5.75	5.60	5.63	5.57	5.273	5.28	5.618	5.67	5.90	6.02	6.85
14.....	5.83	5.68	5.63	5.59	5.372	5.24	5.770	5.66	5.92	6.06	6.81
21.....	5.78	5.58	5.55	5.59	4.921	4.71	5.202	4.89	5.24	5.41	6.05
28.....	5.63	5.46	5.53	5.48	4.747	4.69	4.860	4.87	5.19	5.39	6.06
Sept. 4.....	5.70	5.44	5.50	5.59	4.549	4.47	4.771	4.79	5.13	5.20	5.89
11.....	5.75	5.44	5.50	5.73	4.538	4.62	4.846	4.92	5.17	5.23	5.94
18.....	5.75	5.44	5.50	5.59	4.834	4.79	5.085	5.02	5.22	5.35	6.00
25.....	5.75	5.45	5.50	5.46	4.743	4.74	4.993	5.04	5.26	5.41	6.01

<sup>1</sup> Averages of daily offering rates of dealers.  
<sup>2</sup> Averages of daily rates, published by finance companies, for varying maturities in the 90-179 day range.  
<sup>3</sup> Seven-day average for week ending Wednesday.

<sup>4</sup> Except for new bill issues, yields are averages computed from daily closing bid prices.  
<sup>5</sup> Bills quoted on bank discount rate basis.  
<sup>6</sup> Certificates and selected note and bond issues.  
<sup>7</sup> 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 <sup>1</sup>	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total <sup>1</sup>	Aaa	Baa		Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
1962.....	3.95	3.30	3.03	3.67	4.62	4.33	5.02	4.47	4.86	4.51	4.50	3.37	6.06
1963.....	4.00	3.28	3.06	3.58	4.50	4.26	4.86	4.42	4.65	4.41	4.30	3.17	5.68
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
1967.....	4.85	3.99	3.74	4.30	5.82	5.51	6.23	5.74	5.89	5.81	5.34	3.20	5.71
1968.....	5.25	4.48	4.20	4.88	6.51	6.18	6.94	6.41	6.77	6.49	5.78	3.07	5.84
1969.....	6.10	5.73	5.45	6.07	7.36	7.03	7.81	7.22	7.46	7.49	6.41	3.24	6.05
1970.....	6.59	6.42	6.12	6.75	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.28
1970—Sept.....	6.63	6.18	5.90	6.49	8.68	8.09	9.39	8.40	9.10	8.80	7.31	3.82	6.34
Oct.....	6.59	6.41	6.07	6.74	8.63	8.03	9.33	8.35	9.06	8.74	7.33	3.74	.....
Nov.....	6.24	6.04	5.79	6.33	8.65	8.05	9.38	8.37	9.06	8.77	7.30	3.72	.....
Dec.....	5.97	5.49	5.21	5.80	8.35	7.64	9.12	7.95	8.96	8.45	6.88	3.46	5.81
1971—Jan.....	5.91	5.34	5.08	5.65	8.04	7.36	8.74	8.57	8.70	8.17	6.53	3.32	.....
Feb.....	5.84	5.28	4.92	5.73	7.75	7.08	8.39	7.24	8.39	7.94	6.32	3.18	.....
Mar.....	5.71	5.26	5.00	5.56	7.84	7.21	8.46	7.36	8.39	8.08	6.48	3.10	5.52
Apr.....	5.75	5.49	5.22	5.85	7.86	7.25	8.45	7.43	8.37	8.05	6.59	2.99	.....
May.....	5.96	5.99	5.71	6.36	8.03	7.53	8.62	7.68	8.40	8.23	6.62	3.04	.....
June.....	5.94	5.98	5.65	6.36	8.14	7.64	8.75	7.80	8.43	8.39	6.89	3.10	5.78
July.....	5.91	6.12	5.75	6.58	8.14	7.64	8.76	7.85	8.46	8.34	7.03	3.13	.....
Aug.....	5.78	5.84	5.56	6.21	8.12	7.59	8.76	7.80	8.48	8.30	7.04	3.18	.....
Sept.....	5.56	5.45	5.09	5.86	7.97	7.44	8.59	7.64	8.39	8.12	6.90	3.09	.....
Week ending—													
1971—July 3.....	5.97	6.35	5.90	7.00	8.14	7.63	8.78	7.82	8.47	8.35	7.01	3.10	.....
10.....	5.92	6.09	5.70	6.60	8.14	7.65	8.75	7.83	8.43	8.35	7.06	3.09	.....
17.....	5.82	6.09	5.70	6.60	8.14	7.64	8.77	7.84	8.43	8.34	7.07	3.12	.....
24.....	5.91	5.98	5.65	6.30	8.14	7.63	8.75	7.85	8.47	8.32	6.96	3.12	.....
31.....	5.96	6.08	5.80	6.40	8.16	7.66	8.78	7.86	8.47	8.34	7.04	3.18	.....
Aug. 7.....	5.93	6.13	5.85	6.45	8.21	7.69	8.85	7.89	8.53	8.41	7.10	3.28	.....
14.....	5.90	6.09	5.80	6.45	8.22	7.71	8.88	7.89	8.55	8.44	7.06	3.25	.....
21.....	5.64	5.42	5.15	5.75	8.02	7.49	8.66	7.72	8.31	8.23	6.99	3.12	.....
28.....	5.70	5.71	5.45	6.20	8.07	7.50	8.69	7.76	8.48	8.19	7.02	3.06	.....
Sept. 4.....	5.58	5.59	5.30	6.10	8.03	7.45	8.65	7.67	8.54	8.15	6.94	3.10	.....
11.....	5.51	5.40	5.00	5.80	7.97	7.42	8.62	7.62	8.45	8.11	6.87	3.03	.....
18.....	5.59	5.50	5.10	5.90	7.97	7.44	8.63	7.64	8.39	8.13	6.87	3.07	.....
25.....	5.59	5.51	5.15	5.90	7.96	7.44	8.57	7.65	8.32	8.12	6.85	3.11	.....
Number of issues <sup>2</sup> .....	7	20	5	5	119	20	30	40	29	40	14	500	500

<sup>1</sup> Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, Aaa-rated railroad bonds are no longer a component of the railroad average or the Aaa composite series.

<sup>2</sup> Number of issues varies over time; figures shown reflect most recent count.

NOTE.—Annual yields are averages of monthly or quarterly data. Bonds: Monthly and weekly yields are computed as follows: (1) U.S.

Govt.: Averages of daily figures for bonds maturing or callable in 10 years or more. (2) State and local gov't.: General obligations only, based on Thurs. figures. (3) Corporate: Averages of daily figures. (2) and (3) 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 eight median yields for a sample of non-callable issues—12 industrial and two public utility; common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

Notes to tables on opposite page:

#### Security Prices:

<sup>1</sup> Begins June 30, 1965, at 10.90. On that day the average price of a share of stock listed on the American Stock Exchange was \$10.90.

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 on 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, derived from component common stock prices. Average daily volume of trading, normally conducted 5 days per week for 5½ hours per day, or 27½ hours per week. In recent years shorter days and/or weeks have cut total weekly trading to the following number of hours: 1967—Aug. 8–20, 20; 1968—Jan. 22–Mar. 1, 20; June 30–Dec. 31, 22; 1969—Jan. 3–July 3, 20; July 7–Dec. 31–22.5; 1970—Jan. 2–May 1, 25.

#### Terms on Mortgages:

<sup>1</sup> 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 homebuilders; and permanent loans that are coupled with construction loans to owner-builders. Series beginning 1965, not strictly comparable with earlier data. See also the table on Home-Mortgage Yields, p. A-55.

SECURITY PRICES

Period	Bond prices (per cent of par)			Common stock prices										Volume of trading in stocks (thousands of shares)			
				New York Stock Exchange													
	U.S. Govt. (long-term)	State and local	Corporate AAA	Standard and Poor's index (1941-43=10)				New York Stock Exchange index (Dec. 31, 1965=50)					American Stock Exchange total index <sup>1</sup>	NYSE	AMEX		
				Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility	Finance					
1962.....	86.94	112.0	96.2	62.38	65.54	30.56	59.16									3,820	1,225
1963.....	86.31	111.3	96.8	69.87	73.39	37.58	64.99								8.52	4,573	1,269
1964.....	84.46	111.5	95.1	81.37	86.19	45.46	69.91								9.81	4,888	1,570
1965.....	83.76	110.6	93.9	88.17	93.48	46.78	76.08								12.05	6,174	2,120
1966.....	78.63	102.6	86.1	85.26	91.09	46.34	68.21	44.16	43.79	48.23	44.77	44.43	14.67	7.538	2,752		
1967.....	76.55	100.5	81.8	91.93	99.18	46.72	68.10	50.77	51.97	53.51	45.43	49.82	19.67	10,143	4,508		
1968.....	72.33	93.5	76.4	98.70	107.49	48.84	66.42	55.37	58.00	50.58	44.19	65.85	27.72	12,971	6,353		
1969.....	64.49	79.0	68.5	97.84	107.13	45.95	62.64	54.67	57.45	46.96	42.80	70.49	28.73	11,403	5,001		
1970.....	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.03	32.14	37.24	54.64	22.59	10,532	3,376		
1970—Sept.....	60.10	72.3	60.8	82.58	90.66	29.14	54.44	45.10	47.43	30.43	36.74	60.13	21.72	14,423	4,438		
1970—Oct.....	60.44	71.9	61.3	84.37	92.85	31.73	53.37	46.06	48.87	32.38	36.01	59.04	22.39	11,887	3,135		
1970—Nov.....	63.27	75.1	61.9	84.28	92.58	30.80	54.86	45.84	48.54	31.23	36.71	57.40	21.73	11,519	2,677		
1970—Dec.....	65.63	79.8	64.7	90.05	98.72	32.95	59.96	49.00	51.68	33.70	39.93	61.95	22.19	15,241	4,330		
1971—Jan.....	66.10	79.9	66.5	93.49	102.22	36.64	63.43	51.29	53.72	37.76	42.52	66.41	23.56	17,429	4,493		
1971—Feb.....	66.78	81.5	66.8	97.11	106.62	38.78	62.49	53.42	56.45	40.37	42.30	68.19	25.02	19,540	6,054		
1971—Mar.....	67.94	82.8	65.8	99.60	109.59	39.70	62.42	54.89	58.43	41.71	41.60	70.66	25.88	16,955	5,570		
1971—Apr.....	67.57	80.4	65.1	103.04	113.68	42.29	62.06	56.81	60.65	45.35	41.73	73.91	26.43	19,126	5,685		
1971—May.....	65.72	75.6	63.7	101.64	112.41	42.05	59.20	56.00	60.21	45.48	39.70	70.89	26.03	15,157	4,157		
1971—June.....	65.84	74.8	63.5	99.72	110.26	42.12	57.90	55.06	59.25	44.90	38.71	70.01	25.61	13,802	3,488		
1971—July.....	66.16	74.0	63.2	99.00	109.09	42.05	60.08	54.83	58.70	44.02	39.72	70.42	25.46	12,634	3,080		
1971—Aug.....	67.33	77.5	63.4	97.24	107.26	43.55	57.51	53.73	57.62	44.83	38.17	69.41	24.84	14,574	3,473		
1971—Sept.....	69.35	81.7	64.2	99.40	109.85	47.18	56.48	54.95	59.13	48.09	37.53	72.14	25.47	12,038	3,259		
Week ending—																	
1971—Sept 4.....	69.13	81.7	63.6	99.52	109.96	47.09	56.78	55.01	59.15	48.26	37.77	72.24	25.27	11,413	3,124		
1971—Sept 11.....	69.78	82.5	64.4	100.93	111.51	48.22	57.46	55.83	60.03	49.30	38.14	73.66	25.66	14,622	4,146		
1971—Sept 18.....	69.07	81.2	64.5	99.76	110.22	47.51	56.84	55.16	59.35	48.30	37.70	72.36	25.55	10,814	3,172		
1971—Sept 25.....	69.07	80.4	64.1	98.80	109.21	47.08	55.95	54.60	58.81	47.62	37.17	71.32	25.41	12,235	2,775		

For notes see opposite page.

TERMS ON CONVENTIONAL FIRST MORTGAGES

Period	New homes						Existing homes					
	Contract rate (per cent)	Fees & charges (per cent) <sup>1</sup>	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) <sup>1</sup>	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)
1964.....	5.78	.57	24.8	74.1	23.7	17.3	5.92	.55	20.0	71.3	18.9	13.4
1965.....	5.74	.49	25.0	73.9	25.1	18.3	5.87	.55	21.8	72.7	21.6	15.6
1966.....	6.14	.71	24.7	73.0	26.6	19.2	6.30	.72	21.7	72.0	22.2	15.9
1967.....	6.33	.81	25.2	73.6	28.0	20.4	6.40	.76	22.5	72.7	24.1	17.4
1968.....	6.83	.89	25.5	73.9	30.7	22.4	6.90	.83	22.7	73.0	25.6	18.5
1969.....	7.66	.91	25.5	72.8	34.1	24.5	7.68	.88	22.7	71.5	28.3	19.9
1970.....	8.27	1.03	25.1	71.7	35.5	25.2	8.20	.92	22.8	71.1	30.0	21.0
1970—Aug.....	8.35	.98	24.8	71.6	35.7	25.5	8.25	.89	23.1	71.7	30.4	21.4
1970—Sept.....	8.31	1.03	25.2	72.7	35.3	25.3	8.27	.88	22.8	71.7	29.7	21.0
1970—Oct.....	8.33	1.05	25.1	72.4	34.6	24.8	8.20	.88	22.8	71.5	29.0	20.5
1970—Nov.....	8.26	.99	25.3	72.1	35.8	25.2	8.18	.85	22.8	71.5	29.9	21.1
1970—Dec.....	8.20	1.07	25.8	73.8	35.3	25.8	8.12	.85	23.3	71.9	30.7	21.7
1971—Jan.....	8.03	.92	25.8	73.3	36.2	26.4	7.94	.82	23.5	72.5	30.7	22.0
1971—Feb.....	7.74	1.00	26.2	73.9	37.0	26.2	7.67	.79	24.0	73.1	31.1	22.5
1971—Mar.....	7.52	.83	25.9	73.7	35.9	26.0	7.47	.77	24.1	73.5	31.7	23.0
1971—Apr.....	7.37	.73	26.3	73.6	36.0	26.2	7.34	.75	24.2	73.6	31.8	23.1
1971—May.....	7.36	.71	26.1	74.0	36.7	26.7	7.33	.71	24.0	73.2	32.3	23.3
1971—June.....	7.38	.74	26.3	73.7	37.5	27.3	7.38	.74	24.3	73.9	32.9	23.9
1971—July.....	7.51	.90	26.3	74.5	36.8	27.1	7.50	0.75	24.2	74.5	31.6	23.2
1971—Aug.....	7.60	.84	26.2	74.0	36.5	26.5	7.59	0.74	24.4	74.4	31.9	23.4

For notes see opposite page.

**STOCK MARKET CREDIT**

(In millions of dollars)

End of period	Credit extended to margin customers by—			Customers' net debit balances	Customers' net free credit balances	Net credit extended by brokers
	Brokers 1	Banks 2	Total			
1970—Aug.....	3,810	2,300	6,110	(3)	2,083	(3)
Sept.....	3,920	2,330	6,250	(3)	2,236	(3)
Oct.....	4,010	2,270	6,280	(3)	2,163	(3)
Nov.....	4,010	2,320	6,332	(3)	2,197	(3)
Dec.....	4,030	2,330	6,360	(3)	2,286	(3)
1971—Jan.....	4,000	2,300	6,300	(3)	2,452	(3)
Feb.....	4,090	2,330	6,420	(3)	2,743	(3)
Mar.....	4,300	2,360	6,660	(3)	2,798	(3)
Apr.....	4,530	2,340	6,870	(3)	2,660	(3)
May.....	4,620	2,340	6,960	(3)	2,550	(3)
June.....	4,720	2,390	7,110	(3)	2,440	(3)
July.....	4,790	2,420	7,210	(3)	2,210	(3)
Aug.....	4,850	2,430	7,280	(3)	2,200	(3)

<sup>1</sup> End-of-month data. Total amount of credit extended by member firms of the N.Y. Stock Exchange in margin accounts, excluding credit extended on convertible bonds and other debt instruments and in special subscription accounts.

<sup>2</sup> Figures are for last Wed. of month for large commercial banks reporting weekly and represent loans made to others than brokers or dealers for the purpose of purchasing or carrying securities. Excludes loans collateralized by obligations of the U.S. Govt.

<sup>3</sup> Series discontinued.

NOTE.—Customers' net debit and free credit balances are end-of-month ledger balances as reported to the New York Stock Exchange by all member firms that carry margin accounts. They exclude balances carried for other member firms of national securities exchanges as well as balances of the reporting firm and of its general partners. Net debit balances are total debt owed by those customers whose combined accounts net to a debit. Free credit balances are in accounts of customers with no unfulfilled commitments to the broker and are subject to withdrawal on demand. Net credit extended by brokers is the difference between customers' net debit and free credit balances since the latter are available for the brokers' use until withdrawn.

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

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars) <sup>1</sup>	Equity class (per cent)					
		80 or more	70-79	60-69	50-59	40-49	Under 40
1970—Aug.....	3,810	10.7	15.1	22.9	16.6	13.6	21.1
Sept.....	3,920	11.4	18.3	24.4	16.7	13.1	16.0
Oct.....	4,010	9.9	15.2	25.5	16.9	14.3	18.2
Nov.....	4,010	10.4	14.8	26.1	17.5	14.1	17.2
Dec.....	4,030	11.0	16.1	27.1	16.8	13.5	15.5
1971—Jan.....	4,000	12.1	19.6	28.3	17.1	10.0	12.8
Feb.....	4,090	11.4	19.5	31.1	16.3	9.3	12.3
Mar.....	4,300	11.8	20.0	33.0	16.2	7.2	11.8
Apr.....	4,530	11.8	20.3	35.0	15.0	6.2	11.7
May.....	4,620	10.6	15.7	36.7	18.0	7.4	11.6
June.....	4,720	9.6	14.4	34.9	20.1	8.6	12.2
July.....	4,790	8.3	12.2	29.1	25.2	11.0	14.1
Aug.....	4,850	9.3	14.4	35.4	19.6	8.9	12.6

<sup>1</sup> See note 1 to table above.

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

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

(Per cent of total adjusted debt, except as noted)

End of period	Adjusted debt/collateral value (per cent)						Total adjusted debt (millions of dollars)
	Under 20	20-29	30-39	40-49	50-59	60 or more	
	Unrestricted			Restricted <sup>1</sup>			
1970—Aug.....	.7	1.1	37.8	14.3	9.2	36.9	8,580
Sept.....	.6	1.1	45.5	12.0	8.9	31.9	8,900
Oct.....	.7	1.0	38.4	18.0	9.2	32.6	8,780
Nov.....	1.0	0.9	39.0	16.4	9.7	33.0	8,570
Dec.....	.0	.3	47.0	13.7	9.5	29.4	8,140
1971—Jan.....	.0	.4	55.1	12.5	8.4	23.6	8,180
Feb.....	.0	.4	56.2	13.2	7.7	22.5	8,410
Mar.....	.0	.5	58.4	12.7	6.7	21.6	8,820
Apr.....	.2	.4	60.6	12.1	6.0	20.7	9,200
May.....	.0	.3	54.0	17.9	6.8	20.9	8,990
June.....	.3	.2	47.4	23.1	7.6	21.3	9,030
July.....	.1	.2	33.5	33.3	10.1	22.8	8,960
Aug.....	.0	0.3	48.2	21.8	8.3	21.2	9,070

<sup>1</sup> Debt representing more than 30 per cent but less than 35 per cent of collateral value is unrestricted as of May 6, 1970, but is not separable from the remainder of this category.

NOTE.—Adjusted debt is computed in accordance with requirements set forth in Regulation T and often differs from the same customer's net debit balance mainly because of the inclusion of special miscellaneous accounts in adjusted debt. Collateral in the margin accounts covered by these data now consists exclusively of stocks listed on a national securities exchange. Unrestricted accounts are those in which adjusted debt does not exceed the loan value of collateral; accounts in all classes with higher ratios are restricted.

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

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status		Total balance (millions of dollars)
		60 per cent or more	Less than 60 per cent	
1970—Aug.....	46.7	42.6	10.7	4,430
Sept.....	46.6	44.5	9.0	4,480
Oct.....	46.2	43.9	9.9	4,430
Nov.....	45.5	43.9	10.6	4,240
Dec.....	48.2	42.3	9.4	4,030
1971—Jan.....	49.2	43.6	7.2	4,260
Feb.....	49.1	44.2	6.7	4,380
Mar.....	48.6	45.5	5.9	4,400
Apr.....	46.8	48.1	5.1	4,500
May.....	46.5	47.1	6.4	4,400
June.....	45.1	47.8	7.0	4,250
July.....	45.2	46.7	8.1	4,190
Aug.....	44.6	48.0	7.4	4,230

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



**MUTUAL SAVINGS BANKS**  
(In millions of dollars)

End of period	Loans		Securities				Cash	Other assets	Total assets— Total liabilities and general reserve accts.	Deposits <sup>2</sup>	Other liabilities	General reserve accounts	Mortgage loan commitments <sup>3</sup> classified by maturity (in months)					
	Mortgage	Other	U.S. Govt.	State and local govt.	Corporate and other <sup>1</sup>	3 or less							3-6	6-9	Over 9	Total		
1963.....	36,007	607	5,863	440	5,074	912	799	49,702	44,606	943	4,153							2,549
1964.....	40,328	739	5,791	391	5,099	1,004	886	54,238	48,849	989	4,400							2,820
1965.....	44,433	862	5,485	320	5,170	1,017	944	58,232	52,443	1,124	4,665							2,697
1966.....	47,193	1,078	4,764	251	5,719	953	1,024	60,982	55,006	1,114	4,863							2,010
1967.....	50,311	1,203	4,319	219	8,183	993	1,138	66,365	60,121	1,260	4,984	742		982		799		2,523
1968.....	53,286	1,407	3,834	194	10,180	996	1,256	71,152	64,507	1,372	5,273	811		1,034		1,166		3,011
1969.....	55,781	1,824	3,296	200	10,824	912	1,307	74,144	67,026	1,588	5,530	584		485		452		2,467
1970—Aug....	56,986	2,249	3,271	197	12,099	972	1,464	77,238	69,222	2,327	5,689	603		406		332		2,057
Sept....	57,202	2,240	3,281	197	12,222	1,001	1,459	77,602	69,817	2,087	5,698	635		334		266		1,926
Oct....	57,398	2,291	3,215	207	12,243	1,035	1,465	77,855	70,093	2,051	5,712	596		338		274		1,875
Nov....	57,473	2,332	3,219	205	12,378	1,112	1,483	78,202	70,361	2,111	5,730	564		315		311		1,852
Dec....	57,775	2,255	3,151	197	12,876	1,270	1,471	78,995	71,580	1,690	5,726	619		322		302		1,931
1971—Jan....	58,014	2,365	3,196	206	13,457	1,129	1,564	79,930	72,441	1,739	5,750	638		322		285		1,950
Feb....	58,194	2,592	3,328	222	13,919	1,270	1,575	81,100	73,366	1,926	5,809	723		352		283		1,948
Mar....	58,540	2,636	3,356	246	14,882	1,287	1,635	82,581	75,002	1,746	5,832	840		413		322		2,439
Apr....	58,796	2,727	3,340	278	15,519	1,254	1,656	83,570	75,824	1,882	5,863	993		445		369		2,804
May....	59,111	2,813	3,441	330	16,070	1,261	1,659	84,686	76,656	2,116	5,914	1,152		470		385		3,178
June....	59,546	2,696	3,409	319	16,649	1,281	1,665	85,565	77,683	1,956	5,926	1,118		517		343		3,222
July....	59,935	2,545	3,558	326	16,969	1,198	1,750	86,282	78,130	2,198	5,924	1,015		582		347		3,204
Aug....	60,350	2,685	3,517	338	17,159	1,151	1,692	86,892	78,437	2,423	6,031	978		557		374		3,155

<sup>1</sup> Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.  
<sup>2</sup> See note 8, p. A-19.  
<sup>3</sup> Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans beginning with Aug. 1967.

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 data 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 <sup>1</sup>	Total	Bonds					Stocks
<b>Statement value:</b>												
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
1966.....	167,022	10,837	4,823	3,114	2,900	69,816	61,061	8,755	64,609	4,883	9,117	7,760
1967.....	177,832	10,573	4,683	3,145	2,754	76,070	65,193	10,877	67,516	5,187	10,059	8,427
1968.....	188,636	10,509	4,456	3,194	2,859	82,127	68,897	13,230	69,973	5,571	11,306	9,150
<b>Book value:</b>												
1966.....	167,022	10,864	4,824	3,131	2,909	68,677	61,141	7,536	64,661	4,888	9,911	8,801
1967.....	177,361	10,530	4,587	2,993	2,950	73,997	65,015	8,982	67,575	5,188	10,060	11,011
1968.....	187,695	10,483	4,365	3,036	3,082	79,403	68,575	10,828	70,071	5,573	11,284	10,881
1969.....	197,208	10,914	4,514	3,221	3,179	84,566	70,859	13,707	72,027	5,912	13,825	9,964
1970—July....	201,487	11,148	4,707	3,258	3,183	85,664	72,433	13,231	73,388	6,159	15,375	9,753
Aug....	201,918	11,090	4,653	3,255	3,182	85,841	72,497	13,344	73,427	6,158	15,517	9,885
Sept....	203,148	11,004	4,561	3,265	3,178	86,675	72,915	13,760	73,540	6,202	15,674	10,053
Oct....	203,922	11,029	4,565	3,277	3,187	87,099	73,389	13,710	73,728	6,255	15,813	9,998
Nov....	205,064	11,049	4,588	3,281	3,180	87,755	73,644	14,111	73,848	6,311	15,918	10,183
Dec....	206,193	10,967	4,494	3,285	3,188	88,183	73,123	15,060	74,345	6,362	16,025	10,311
1971—Jan....	208,206	11,027	4,557	3,298	3,172	90,127	74,326	15,801	74,370	6,341	16,109	10,232
Feb....	209,885	11,126	4,632	3,319	3,175	91,038	74,696	16,342	74,437	6,453	16,220	10,611
Mar....	211,500	11,023	4,540	3,335	3,148	92,629	75,192	17,437	74,516	6,485	16,293	10,554
Apr....	212,698	10,946	4,454	3,375	3,117	93,756	75,604	18,152	74,536	6,535	16,370	10,555
May....	213,414	10,954	4,433	3,403	3,118	94,197	76,096	18,101	74,552	6,591	16,433	10,687
June....	214,279	10,786	4,242	3,412	3,132	95,031	76,644	18,387	74,535	6,644	16,516	10,767
July....	215,284	11,031	4,466	3,430	3,135	95,683	77,333	18,350	74,583	6,729	16,590	10,668

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

NOTE.—Institute of Life Insurance 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— Total liabilities	Liabilities					Mortgage loan commitments <sup>4</sup>	
	Mortgages	Investment securities <sup>1</sup>	Cash	Other <sup>2</sup>		Savings capital	Reserves and undivided profits	Borrowed money <sup>3</sup>	Loans in process	Other	Made during period	Outstanding at end of period
1961.....	68,834	5,211	3,315	4,775	82,135	70,885	5,708	2,856	1,550	1,136	.....	1,872
1962.....	78,770	5,563	3,926	5,346	93,605	80,236	6,520	3,629	1,999	1,221	.....	2,193
1963.....	90,944	6,445	3,979	6,191	107,559	91,308	7,209	5,015	2,528	1,499	.....	2,572
1964.....	101,333	6,966	4,015	7,041	119,355	101,887	7,899	5,601	2,239	1,729	.....	2,549
1965.....	110,306	7,414	3,900	7,960	129,580	110,385	8,704	6,444	2,198	1,849	.....	2,707
1966.....	114,427	7,762	3,366	8,378	133,933	113,969	9,096	7,462	1,270	2,136	.....	1,482
1967.....	121,805	9,180	3,442	9,107	143,534	124,531	9,546	4,738	2,257	2,462	.....	3,004
1968.....	130,802	11,116	2,962	9,571	152,890	131,618	10,315	5,705	2,449	2,803	.....	3,584
1969.....	140,347	10,893	2,439	8,620	162,299	135,670	11,239	9,728	2,455	3,207	807	2,812
1970—Aug.....	145,434	12,826	2,413	9,091	169,764	139,907	11,615	10,622	2,581	5,039	1,531	4,303
Sept.....	146,556	12,850	2,455	9,182	171,043	141,734	11,609	10,705	2,679	4,316	1,628	4,354
Oct.....	147,712	13,277	2,715	9,248	172,952	142,825	11,588	10,721	2,747	5,071	1,711	4,539
Nov.....	148,896	13,340	3,155	9,356	174,747	143,928	11,592	10,691	2,838	5,698	1,628	4,633
Dec.....	150,562	13,058	3,520	9,434	176,574	146,744	12,012	10,942	3,087	5,399	1,602	4,393
1971—Jan.....	151,503	15,506	2,930	9,386	179,325	149,298	12,056	10,494	3,055	4,422	1,665	4,565
Feb.....	152,665	16,805	3,249	9,524	182,243	151,742	12,062	10,097	3,161	5,181	2,069	5,225
Mar.....	154,430	18,335	3,376	9,668	185,809	155,845	12,044	9,838	3,500	4,577	3,130	6,445
Apr.....	156,574	18,302	3,146	9,831	187,853	158,061	12,031	8,631	3,877	5,253	3,370	7,359
May.....	158,747	18,650	3,000	10,087	190,484	160,221	12,035	7,774	4,336	6,118	3,505	8,300
June.....	161,440	18,609	2,783	10,110	192,942	163,313	12,357	7,903	4,734	4,635	3,537	8,545
July.....	163,951	19,319	2,153	10,192	195,615	164,864	12,358	8,039	4,953	5,401	3,144	8,555
Aug.....	166,323	19,027	2,087	10,430	197,867	165,970	12,352	8,226	5,024	6,295	2,853	8,295

<sup>1</sup> U.S. Govt. securities only through 1967. Beginning 1968 the total reflects liquid assets and other investment securities. Included are U.S. Govt. obligations, Federal agency securities, State and local govt. securities, time deposits at banks, and miscellaneous securities, except FHLBB stock. Compensating changes have been made in "Other assets."

<sup>2</sup> Includes other loans, stock in the Federal home loan banks, other investments, real estate owned and sold on contract, and office buildings and fixtures. See also note 1.

<sup>3</sup> Consists of advances from FHLBB and other borrowing.

<sup>4</sup> Insured savings and loan assns. only. Data on outstanding commitments are comparable with those shown for mutual savings banks (on preceding page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

<sup>5</sup> Balance sheet data for all operating savings and loan associations were revised by the Federal Home Loan Bank Board for 1969 and 1970.

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

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								
1967.....	4,386	2,598	127	4,060	1,432	1,395	5,348	4,919	1,506	1,253	3,411	3,214	5,609	4,904
1968.....	5,259	2,375	126	4,701	1,383	1,402	6,872	6,376	1,577	1,334	3,654	3,570	6,126	5,399
1969.....	9,289	1,862	124	8,422	1,041	1,478	10,541	10,511	1,732	1,473	4,275	4,116	6,714	5,949
1970.....	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1970—Aug.....	10,445	2,729	99	10,091	1,244	1,595	14,452	13,976	1,778	1,537	5,015	4,918	7,061	6,339
Sept.....	10,524	2,722	109	10,089	1,340	1,598	14,815	14,396	1,852	1,537	4,998	4,839	7,101	6,339
Oct.....	10,539	2,658	84	10,090	1,499	1,598	14,702	14,702	1,973	1,601	4,972	4,818	7,137	6,395
Nov.....	10,524	3,204	135	9,838	1,981	1,601	15,397	15,067	2,020	1,700	4,934	4,767	7,156	6,395
Dec.....	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971—Jan.....	10,326	4,101	112	9,836	2,751	1,599	15,619	15,311	2,119	1,786	5,055	4,845	7,210	6,395
Feb.....	9,926	4,187	105	9,182	3,094	1,619	15,552	15,111	2,164	1,819	5,177	4,959	7,258	6,645
Mar.....	9,689	4,322	116	8,756	3,425	1,628	15,420	15,122	2,153	1,819	5,380	5,077	7,347	6,645
Apr.....	8,269	4,235	192	7,876	2,828	1,627	15,308	15,477	2,113	1,900	5,568	5,336	7,426	6,700
May.....	7,268	4,400	96	7,419	2,379	1,620	15,242	15,142	2,056	1,830	5,729	5,468	7,502	6,640
June.....	7,241	3,718	132	7,329	2,112	1,602	15,363	14,795	2,041	1,770	5,909	5,639	7,579	6,640
July.....	7,338	3,211	85	7,297	1,699	1,600	15,674	15,638	1,997	1,726	5,905	5,712	7,650	6,884
Aug.....	7,513	2,744	86	7,218	1,532	1,603	16,204	15,260	1,942	1,791	5,866	5,742	7,709	6,884

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly

offered securities (excluding, for FHLB's bonds held within the 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, 1971

Agency, and date of issue and maturity	Coupon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Coupon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Coupon rate	Amount (millions of dollars)
<b>Federal home loan banks</b>			<b>Federal National Mortgage Association—Cont.</b>			<b>Federal intermediate credit banks</b>		
<b>Notes:</b>			<b>Debtentures—Cont:</b>			<b>Debtentures:</b>		
<b>Bonds:</b>			5/10/69 - 11/10/71	6.85	350	12/1/70 - 9/1/71	5.70	432
9/25/70 - 9/27/71	7.35	338	3/10/70 - 12/10/71	8.13	500	1/4/71 - 10/4/71	5.30	453
10/27/69 - 11/26/71	8.20	250	2/10/60 - 2/10/72	5½	98	2/1/71 - 11/1/71	4.55	696
11/25/69 - 2/25/72	8.20	200	3/10/69 - 3/10/72	6¼	250	3/1/71 - 12/1/71	4.00	623
6/26/70 - 2/25/72	8.20	300	10/14/69 - 3/10/72	6¾	200	4/1/71 - 1/3/72	3.85	691
5/25/70 - 5/25/72	8.15	200	12/11/61 - 6/12/72	4½	100	5/3/71 - 2/1/72	4.60	583
7/27/71 - 8/25/72	6¼	400	2/10/70 - 6/12/72	8.70	300	6/1/71 - 3/1/72	5.70	436
9/25/70 - 11/27/72	7¾	250	5/11/70 - 9/11/72	8.40	400	7/1/71 - 4/3/72	5.85	375
2/25/70 - 2/26/73	8.35	350	6/10/70 - 9/11/72	7.40	200	8/2/71 - 5/1/72	6¼	614
5/23/71 - 2/26/73	5.70	400	11/10/69 - 12/11/72	8.00	200	3/2/70 - 3/1/73	8.15	203
3/25/71 - 5/25/73	4.20	400	10/13/70 - 12/11/72	7.20	400	9/1/70 - 7/2/73	7.75	200
10/27/70 - 8/27/73	7.20	450	11/10/70 - 3/12/73	7.30	450	7/1/71 - 1/2/74	6.85	212
1/26/70 - 1/25/74	8.40	300	12/12/69 - 3/12/73	8.30	250	1/4/71 - 7/1/74	5.95	224
6/26/70 - 2/25/74	8.40	250	6/12/61 - 6/12/73	4¾	146			
6/25/71 - 5/25/74	6.35	300	7/10/70 - 6/12/73	8.35	350	<b>Federal land banks</b>		
8/25/69 - 8/25/74	7.65	184	7/12/71 - 6/12/73	6.75	550	<b>Bonds:</b>		
8/27/71 - 2/25/74	7.10	250	3/10/70 - 9/10/73	8.10	300	2/15/57 - 2/15/67-72	4½	72
11/25/69 - 11/25/74	8.05	232	6/10/71 - 9/10/73	6.13	350	10/20/68 - 10/20/71	6.00	447
1/26/71 - 2/25/75	6.10	250	12/10/70 - 12/10/73	5.75	500	8/20/68 - 2/15/72	5.70	230
8/25/70 - 5/26/75	8.00	265	4/10/70 - 3/11/74	7.75	350	2/23/71 - 4/20/72	4.45	300
7/27/70 - 8/25/75	7.95	300	8/5/70 - 6/10/74	7.90	400	4/20/71 - 4/20/72	4¼	437
12/18/70 - 11/25/75	6.50	350	9/10/69 - 9/10/74	7.85	250	6/22/70 - 7/20/72	8.20	442
8/27/71 - 2/25/76	7¾	250	2/10/71 - 9/10/74	5.65	300	9/14/56 - 9/15/72	3¾	109
6/25/71 - 5/25/77	6.95	200	5/10/71 - 12/10/74	6.10	250	9/22/69 - 9/15/72	8.35	337
3/25/70 - 2/25/80	7.75	350	11/10/70 - 3/10/75	7.55	300	10/23/72 - 10/23/72	5¾	200
10/15/70 - 10/15/80	7.80	200	4/12/71 - 6/10/75	5.25	500	7/20/71 - 10/23/72	6.50	446
			10/13/70 - 9/10/75	7.50	350	7/20/70 - 1/22/73	7.95	407
			3/11/71 - 3/10/76	5.65	500	2/20/63 - 2/20/73-78	4¼	148
<b>Federal National Mortgage Association—Secondary market operations</b>			6/10/71 - 6/10/76	6.70	250	1/20/70 - 7/20/73	8.45	198
<b>Discount notes</b>		1,872	7/12/71 - 12/10/76	7.45	300	8/20/73 - 7/20/73	7.95	350
<b>Capital debtentures:</b>			2/13/62 - 2/10/77	4½	198	4/20/70 - 10/22/73	7.80	300
9/30/68 - 10/1/73	6.00	250	12/10/70 - 6/10/77	6.38	250	2/20/72 - 2/20/74	4½	155
4/1/70 - 4/1/75	8.00	200	5/10/71 - 6/10/77	6.50	150	10/20/70 - 4/22/74	7.30	354
			1/21/71 - 6/10/81	7.25	250	4/20/71 - 10/21/74	5.30	300
<b>Mortgage-backed bonds:</b>			2/10/71 - 6/10/82	6.65	250	2/20/70 - 1/20/75	8¾	220
9/9/70 - 10/2/72	7.50	400	3/11/71 - 6/10/83	6.75	200	4/20/65 - 4/21/75	4¾	200
6/1/70 - 6/2/75	8.38	250	4/12/71 - 6/11/84	6.25	200	7/20/71 - 10/20/75	7.20	300
9/29/70 - 10/1/90	8.63	200				2/21/66 - 2/24/76	5.00	123
						7/20/66 - 7/20/76	5¾	150
						5/2/66 - 4/20/78	5¾	150
<b>Debtentures:</b>						2/20/67 - 1/22/79	5.00	285
9/11/61 - 9/10/71	4½	96				2/23/71 - 4/20/81	6.70	224
9/10/68 - 9/10/71	5¾	350						
6/10/70 - 10/21/71	8.45	500	<b>Banks for cooperatives</b>					
			<b>Debtentures:</b>					
			4/1/71 - 10/4/71	3.70	348			
			5/3/71 - 11/1/71	4.45	279			
			6/1/71 - 12/1/71	5¼	299			
			7/1/71 - 1/3/72	5.65	300			
			8/2/71 - 2/1/72	6¼	465			
			10/1/70 - 10/1/73	7.30	100			

NOTE.—These securities are not guaranteed by the U.S. Govt.; see also note to table at bottom of opposite page.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget					Means of financing								Other means of financing, net <sup>4</sup>
	Receipt-expenditure account		Net lending	Budget outlays <sup>1</sup>	Budget surplus or deficit (-)	Borrowings from the public <sup>2</sup>					Less: Cash and monetary assets			
	Budget receipts	Net expenditures				Public debt securities	Plus: Agency securities	Less: Investments by Govt. accounts		Less: Special notes <sup>3</sup>	Equals: Total borrowing	Treasury operating balance	Other	
			Special issues	Other										
<b>Fiscal year:</b>														
1968.....	153,671	172,802	6,030	178,833	-25,161	21,357	5,944	3,271	2,049	-1,119	23,100	-397	1,700	3,364
1969.....	187,784	183,072	1,476	184,548	3,236	6,142	633	7,364	2,089	-1,384	-1,295	596	1,616	269
1970.....	193,743	194,456	2,131	196,588	-2,845	17,198	-1,739	9,386	676	5,397	5,397	2,151	-581	-982
1971 <sup>5</sup> .....	188,332	210,653	922	211,574	-23,242	27,211	-347	6,616	800	.....	19,448	710	-979	3,526
<b>Half year:</b>														
1969—July—Dec.....	90,833	97,563	1,364	98,927	-8,093	14,505	-429	3,935	330	.....	9,811	-767	315	-2,170
1970—Jan.—June.....	102,910	96,893	767	97,661	5,248	2,693	1,310	5,451	346	.....	-4,415	2,918	-896	1,188
1971—Jan.—June <sup>5</sup> .....	87,562	104,084	99	104,183	-16,621	18,240	-19	1,807	157	.....	16,257	54	-952	-534
1971—Jan.—June <sup>5</sup> .....	100,770	106,569	824	107,392	-6,620	8,971	-328	4,810	642	.....	3,191	657	54	4,141
<b>Month:</b>														
1970—Aug.....	15,161	17,474	66	17,540	-2,380	4,333	-4	1,539	72	.....	2,718	-58	-379	-775
Sept.....	18,725	17,329	114	17,443	1,281	-2,223	12	-890	27	.....	-1,347	1,497	7	1,570
Oct.....	11,493	17,490	150	17,640	-6,147	1,522	-17	-1,178	122	.....	2,561	-2,383	-192	1,011
Nov.....	14,134	16,616	112	16,728	-2,594	3,440	-5	81	48	.....	3,306	-429	-71	-1,212
Dec.....	15,429	15,876	-326	15,550	-121	5,519	31	2,487	38	.....	3,024	2,185	-54	-772
1971—Jan.....	15,773	16,870	245	17,115	-1,341	-818	-1,013	-551	86	.....	660	1,518	654	2,854
Feb.....	15,130	16,717	-170	16,546	-1,417	2,324	-1,001	1,464	-382	.....	240	-1,718	-193	-734
Mar.....	13,205	18,328	318	18,646	-5,441	1,003	518	522	324	.....	675	-3,370	57	1,453
Apr.....	21,024	17,769	49	17,818	3,206	223	-345	221	-71	.....	-271	4,365	527	1,957
May.....	13,190	16,882	270	17,152	-3,961	4,954	40	2,095	702	.....	2,197	-1,973	-723	-931
June <sup>5</sup> .....	22,449	20,003	112	20,115	2,334	1,285	-553	1,059	-17	.....	-310	1,835	-268	-458
July.....	13,198	18,507	49	18,556	-5,358	7,169	-960	1,861	122	.....	4,226	-1,559	-690	-1,117
Aug.....	15,652	19,276	306	19,582	-3,930	9,293	20	2,309	150	.....	6,854	2,337	-819	-1,407
<b>Selected balances</b>														
End of period	Treasury operating balance				Federal securities						Memo: Debt of Govt.-sponsored corps.—Now private <sup>5</sup>			
	F.R. Banks	Tax and loan accounts	Gold balance	Total	Public debt securities	Agency securities	Less: Investments of Govt. accounts		Less: Special notes <sup>3</sup>	Equals: Total held by public				
							Special issues	Other						
<b>Fiscal year:</b>														
1968.....	1,074	4,113	111	5,298	347,578	24,399	59,374	19,766	2,209	290,629	10,041			
1969.....	1,258	4,525	112	5,894	353,720	14,249	66,738	20,923	825	279,483	24,991			
1970.....	1,005	6,929	111	8,045	370,919	12,510	76,124	21,599	825	284,880	35,789			
1971 <sup>5</sup> .....	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	N.A.			
<b>Calendar year:</b>														
1969.....	1,312	3,903	112	5,327	368,226	13,820	70,677	21,250	825	289,294	30,578			
1970.....	1,156	6,834	109	8,099	389,158	12,491	77,931	21,756	825	301,138	.....			
<b>Month:</b>														
1970—Aug.....	1,056	6,174	111	7,341	380,901	12,469	77,431	21,521	825	293,593	37,116			
Sept.....	1,238	7,489	111	8,839	378,678	12,481	76,541	21,548	825	292,246	37,404			
Oct.....	920	5,424	111	6,455	380,200	12,465	75,363	21,669	825	294,808	37,811			
Nov.....	587	5,217	110	5,914	383,640	12,460	75,444	21,717	825	298,113	38,252			
Dec.....	1,156	6,834	109	8,099	389,158	12,491	77,931	21,756	825	301,138	38,802			
1971—Jan.....	976	8,532	109	9,616	388,341	13,504	77,380	21,842	825	301,798	38,693			
Feb.....	1,064	6,725	109	7,898	390,664	12,503	78,843	21,461	825	302,038	38,183			
Mar.....	858	3,561	109	4,528	391,668	13,021	79,366	21,784	825	302,713	37,814			
Apr.....	1,322	7,462	109	8,893	391,891	12,676	79,586	21,714	825	302,442	38,694			
May.....	874	5,938	109	6,920	396,845	12,716	81,681	22,417	825	304,638	37,275			
June <sup>5</sup> .....	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	36,886			
July.....	1,274	7,372	113	8,755	405,299	11,203	84,601	22,522	825	308,554	37,985			
Aug.....	987	8,408	113	9,508	414,962	11,223	86,910	22,672	825	315,408	.....			

<sup>1</sup> Equals net expenditures plus net lending.

<sup>2</sup> The decrease in Federal securities resulting from conversion to private ownership of Govt.-sponsored corporations (totaling \$9,853 million) is not included here. In the bottom panel, however, these conversions decrease the outstanding amounts of Federal securities held by the public mainly by reductions in agency securities. The Federal National Mortgage Association (FNMA) was converted to private ownership in Sept. 1968 and the Federal Intermediate Credit Banks (FICB) and Banks for Cooperatives in Dec. 1968.

<sup>3</sup> Represents non-interest-bearing public debt securities issued to the

International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.

<sup>4</sup> Includes accrued interest payable on public debt securities, deposit funds, miscellaneous liability and asset accounts, and seigniorage.

<sup>5</sup> Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), FICB, and banks for cooperatives (beginning Dec. 1968).

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

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period	Budget receipts																
	Total	Individual income taxes				Corporation income taxes		Social insurance taxes and contributions						Excise taxes	Customs	Estate and gift	Misc. receipts <sup>3</sup>
		Withheld	Non-withheld	Re-funds	Net total	Gross receipts	Re-funds	Employment taxes and contributions <sup>1</sup>		Unempl. insur.	Other net receipts <sup>2</sup>	Net total					
								Pay-roll taxes	Self-empl.								
<b>Fiscal year:</b>																	
1968	153,671	57,301	20,951	9,527	68,726	29,897	1,232	27,680	1,544	3,346	2,052	34,622	14,079	2,038	3,051	2,491	
1969	187,784	70,182	27,258	10,191	87,249	38,338	1,660	32,521	1,715	3,328	2,353	39,918	15,222	2,319	3,491	2,908	
1970	193,743	77,416	26,236	13,240	90,412	35,037	2,208	37,190	1,942	3,465	2,700	45,298	15,705	2,430	3,644	3,424	
1971 <sup>a</sup>	188,332	76,422	24,265	14,523	86,164	30,341	3,535	39,751	1,948	3,686	3,202	48,587	16,629	2,590	3,709	3,847	
<b>Half year:</b>																	
1969—July—Dec.	90,833	38,797	5,771	481	44,087	15,179	982	17,057	131	1,270	1,282	19,740	8,241	1,263	1,496	1,809	
1970—Jan.—June	102,910	38,619	20,465	12,759	46,325	19,858	1,226	20,134	1,811	2,196	1,416	25,558	7,464	1,168	2,148	1,615	
1971—Jan.—June <sup>a</sup>	87,562	37,445	5,569	565	42,449	12,744	1,467	17,768	133	1,348	1,576	20,826	8,152	1,317	1,537	2,005	
100,770	38,977	18,696	13,958	43,715	17,597	2,069	21,983	1,815	2,338	1,625	27,761	8,478	1,273	2,172	1,842		
<b>Month:</b>																	
<b>1970—</b>																	
Aug.	15,160	6,969	333	100	7,202	666	182	4,494		587	251	15,331	1,309	223	224	1,885	
Sept.	18,725	5,907	3,623	81	9,449	4,543	265	2,521	123	47	270	2,962	1,272	218	234	313	
Oct.	11,493	5,667	497	55	6,110	1,089	420	2,311		106	280	2,697	1,237	231	262	288	
Nov.	14,134	7,007	216	42	7,181	711	187	3,474		374	259	4,107	1,549	207	239	327	
Dec.	15,429	5,838	422	50	6,209	4,664	179	2,222	9	50	265	2,545	1,346	220	285	339	
<b>1971—</b>																	
Jan.	15,773	6,339	4,280	40	10,579	1,085	558	2,178	113	165	264	2,720	1,195	199	269	286	
Feb.	15,130	7,246	654	1,407	6,493	310	610	4,835	141	721	248	5,944	1,505	175	280	361	
Mar.	13,205	6,605	1,392	4,631	3,366	3,887	363	3,472	152	77	288	3,990	1,443	226	329	328	
Apr.	21,024	5,939	7,951	4,261	9,630	4,360	345	3,294	1,085	301	290	4,970	1,351	221	589	248	
May	13,190	6,224	735	3,114	3,846	878	255	4,893	209	1,005	258	6,366	1,459	204	379	313	
June <sup>a</sup>	22,449	6,622	3,684	506	9,801	6,705	236	3,311	115	69	277	3,773	1,525	249	326	306	
July	13,198	6,221	490	191	6,519	1,163	284	2,987		205	272	3,464	1,532	227	319	258	
Aug.	15,652	6,706	306	91	6,920	688	236	5,049		660	287	5,996	1,482	244	311	245	
<b>Budget outlays<sup>4</sup></b>																	
Period	Total	National defense	Intl. affairs	Space research	Agriculture	Natural resources	Commerce and transp.	Commun. develop. and housing	Education and manpower	Health and welfare	Veterans	Interest	General govt.	Intra-govt. transactions <sup>5</sup>			
<b>Fiscal year:</b>																	
1968	178,833	80,517	4,619	4,721	5,943	1,655	8,094	4,076	6,739	43,780	6,882	13,744	2,561	-4,499			
1969	184,548	81,232	3,785	4,247	6,221	2,081	7,921	1,961	6,525	49,395	7,640	15,791	2,866	-5,117			
1970	196,588	80,295	3,570	3,749	6,201	2,480	9,310	2,965	7,289	56,785	8,677	18,312	3,336	-6,380			
1971 <sup>a</sup>	211,574	77,621	2,994	3,382	5,283	2,681	11,364	3,383	8,639	70,193	9,787	19,660	3,920	-7,375			
229,232	77,512	4,032	3,151	5,804	4,243	10,937	4,495	8,808	76,749	10,644	19,687	4,970	-7,771				
<b>Half year:</b>																	
1969—July—Dec.	98,927	40,616	1,941	1,839	5,476	1,515	4,611	1,820	3,120	26,063	4,148	8,623	1,520	-2,365			
1970—Jan.—June	97,661	39,683	1,627	1,910	711	1,017	4,651	1,291	4,314	30,432	4,537	9,687	1,817	-4,015			
104,183	38,485	1,409	1,720	4,633	1,575	5,794	1,677	3,744	32,710	4,625	9,594	1,823	-3,606				
107,392	39,138	1,584	1,662	648	1,119	5,554	1,707	4,891	37,486	5,163	10,063	2,141	-3,766				
<b>Month:</b>																	
<b>1970—</b>																	
Aug.	17,540	6,101	285	282	720	368	889	259	768	15,310	766	1,705	1,334	-347			
Sept.	17,443	6,374	221	282	44	337	1,231	268	631	5,434	722	1,731	396	-250			
Oct.	17,640	6,354	311	302	927	316	1,105	234	593	5,545	767	1,148	334	-296			
Nov.	16,728	5,965	234	266	422	283	898	132	534	5,488	829	1,738	264	-324			
Dec.	15,550	6,745	160	318	90	59	832	314	733	5,678	808	1,676	294	-1,157			
<b>1971—</b>																	
Jan.	17,115	6,153	184	262	632	-409	826	373	676	5,899	768	1,631	367	-247			
Feb.	16,546	5,851	236	295	-89	234	759	217	686	5,929	797	1,695	294	-357			
Mar.	18,646	6,674	392	333	-52	230	1,000	206	912	6,139	964	1,709	399	-260			
Apr.	17,818	6,337	328	252	-21	250	1,015	286	683	6,093	883	1,683	323	-294			
May	17,152	6,043	358	274	94	255	707	230	752	5,858	877	1,667	361	-325			
June <sup>a</sup>	20,115	8,080	86	246	84	559	1,247	395	1,182	7,568	874	1,678	397	-2,283			
July	18,556	5,187	340	377	1,784	293	572	545	684	6,191	798	1,651	380	-240			
Aug.	19,582	5,595	308	291	963	432	1,643	291	661	6,385	892	1,668	533	386			

<sup>1</sup> Old-age, disability, and hospital insurance, and Railroad Retirement accounts.

<sup>2</sup> Supplementary medical insurance premiums and Federal employee retirement contributions.

<sup>3</sup> Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

<sup>4</sup> Outlays by functional categories are published in the *Monthly Treasury Statement* (beginning April 1969). Monthly back data (beginning July 1968) are published in the *Treasury Bulletin* of June 1969.

<sup>5</sup> Consists of government contributions for employee retirement and interest received by trust funds.

<sup>6</sup> Estimates presented in the Jan. 1971 *Budget Document*. Breakdowns do not add to totals because special allowances for contingencies, Federal pay increase, and allowance for revenue sharing, totaling \$5,969 million for fiscal 1972, are not included.

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

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

(In billions of dollars)

End of period	Total gross public debt <sup>1</sup>	Public issues									Special issues <sup>4</sup>
		Total	Marketable					Con-vertible bonds	Nonmarketable		
			Total	Bills	Certifi-cates	Notes	Bonds <sup>2</sup>		Total <sup>3</sup>	Sav-ings bonds & notes	
1941—Dec.....	57.9	50.5	41.6	2.0	.....	6.0	33.6	.....	8.9	6.1	7.0
1946—Dec.....	259.1	233.1	176.6	17.0	30.0	10.1	119.5	.....	56.5	49.8	24.6
1965—Dec.....	320.9	270.3	214.6	60.2	.....	50.2	104.2	2.8	52.9	50.3	46.3
1966—Dec.....	329.3	273.0	218.0	64.7	5.9	48.3	99.2	2.7	52.3	50.8	52.0
1967—Dec.....	344.7	284.0	226.5	69.9	.....	61.4	95.2	2.6	54.9	51.7	57.2
1968—Dec.....	358.0	296.0	236.8	75.0	.....	76.5	85.3	2.5	56.7	52.3	59.1
1969—Dec.....	368.2	295.2	235.9	80.6	.....	85.4	69.9	2.4	56.9	52.2	71.0
1970—Sept.....	378.7	300.1	239.3	80.7	.....	99.9	58.7	2.4	58.4	52.1	76.7
Oct.....	380.2	302.9	242.2	83.7	.....	99.8	58.7	2.4	58.3	52.2	75.4
Nov.....	383.6	306.0	244.4	84.6	.....	101.2	58.6	2.4	59.2	52.4	75.6
Dec.....	389.2	309.1	247.7	87.9	.....	101.2	58.6	2.4	59.1	52.5	78.1
1971—Jan.....	388.3	308.8	247.7	87.9	.....	101.2	58.5	2.4	58.7	52.6	77.7
Feb.....	390.7	309.8	248.1	89.3	.....	104.3	54.5	2.4	59.3	52.8	78.9
Mar.....	391.7	309.7	247.5	89.0	.....	104.3	54.2	2.4	59.9	53.0	80.0
Apr.....	391.9	310.4	245.9	87.5	.....	104.3	54.1	2.4	62.1	53.2	79.7
May.....	396.8	313.2	245.6	89.1	.....	102.5	54.0	2.3	65.2	53.4	81.7
June.....	398.1	313.5	245.5	86.7	.....	104.8	54.0	2.3	65.7	53.6	82.8
July.....	405.3	318.9	247.6	88.9	.....	104.8	53.9	2.3	68.9	53.8	84.7
Aug.....	414.6	325.8	249.7	89.6	.....	108.2	51.9	2.3	73.8	54.0	87.0
Sept.....	412.3	324.5	249.9	88.6	.....	109.5	51.8	2.3	72.2	54.2	86.0

<sup>1</sup> Includes non-interest-bearing debt (of which \$626 million on Sept. 30, 1971, was not subject to statutory debt limitation).

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

<sup>3</sup> Includes (not shown separately): depository bonds, retirement plan bonds, 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.

<sup>4</sup> Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on Daily Statement of U.S. Treasury. See also second paragraph in NOTE to table below.

**OWNERSHIP OF PUBLIC DEBT**

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—									Held by private investors				Other misc. investors <sup>2</sup>
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Com-mercial banks	Mutual savings banks	Insur-ance companies	Other corporations	State and local govts.	Individuals		Foreign and international <sup>1</sup>			
										Savings bonds	Other securities				
1939—Dec.....	41.9	6.1	2.5	33.4	12.7	2.7	5.7	2.0	.4	1.9	7.5	.2	.3		
1946—Dec.....	259.1	27.4	23.4	208.3	74.5	11.8	24.9	15.3	6.3	44.2	20.0	2.1	9.3		
1965—Dec.....	320.9	59.7	40.8	220.5	60.7	5.3	10.3	15.8	22.9	49.7	22.4	16.7	16.7		
1966—Dec.....	329.3	65.9	44.3	219.2	57.4	4.6	9.5	14.9	24.3	50.3	24.3	14.5	19.4		
1967—Dec.....	344.7	73.1	49.1	222.4	63.8	4.1	8.6	12.2	24.1	51.2	22.8	15.8	19.9		
1968—Dec.....	358.0	76.6	52.9	228.5	66.0	3.6	8.0	14.2	24.4	51.9	23.9	14.3	22.4		
1969—Dec.....	368.2	89.0	57.2	222.0	56.8	2.9	7.1	13.3	25.4	51.8	29.1	11.4	24.1		
1970—Aug.....	380.9	96.4	59.9	224.6	57.3	2.9	7.2	12.0	24.2	51.7	30.6	16.5	21.9		
Sept.....	378.7	95.5	60.0	223.2	56.3	2.9	7.1	10.4	24.0	51.7	31.0	17.4	22.3		
Oct.....	380.2	94.4	60.0	225.8	58.4	2.8	7.0	11.2	24.2	51.9	30.5	18.2	21.7		
Nov.....	383.6	94.6	61.2	227.9	59.3	2.7	6.9	10.9	23.2	51.9	30.4	20.0	22.2		
Dec.....	389.2	97.1	62.1	229.9	62.7	2.8	7.0	10.5	22.9	52.1	29.8	20.6	21.4		
1971—Jan.....	388.3	96.7	61.8	229.9	61.7	2.7	7.3	11.1	23.2	52.1	29.1	20.9	21.6		
Feb.....	390.7	98.0	62.5	230.2	61.3	2.8	7.2	10.2	24.0	52.3	28.3	22.9	21.1		
Mar.....	391.7	98.8	64.2	228.7	61.8	2.8	6.8	10.7	22.8	52.5	26.9	25.4	18.9		
Apr.....	391.9	99.1	63.7	229.1	60.5	2.8	6.8	9.9	21.8	52.8	26.2	29.2	19.1		
May.....	396.8	101.8	64.8	230.2	59.4	2.9	6.8	9.6	21.8	53.0	25.0	33.8	18.1		
June.....	398.1	102.9	65.5	229.7	61.0	2.9	6.6	10.1	21.4	53.2	24.8	32.7	17.2		
July.....	405.3	104.9	65.8	234.6	60.5	2.9	6.7	11.6	21.9	53.4	24.8	*35.4	*17.3		
Aug.....	414.6	107.3	66.9	240.4	59.5	2.8	6.7	10.9	21.1	53.6	24.5	42.7	18.6		

<sup>1</sup> Consists of investments of foreign and international accounts in the United States.

<sup>2</sup> Consists of savings and loan assns., nonprofit institutions, corporate pension trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts.

## OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1-5 years	5-10 years	10-20 years	Over 20 years
		Total	Bills	Other				
<b>All holders:</b>								
1968—Dec. 31	236,812	108,611	75,012	33,599	68,260	35,130	8,396	16,415
1969—Dec. 31	235,863	118,124	80,571	37,553	73,301	20,026	8,358	16,054
1970—Dec. 31	247,713	123,423	87,923	35,500	82,318	22,554	8,556	10,863
1971—July 31	247,649	115,014	88,918	26,096	89,077	24,502	8,434	10,622
Aug. 31	249,654	116,664	89,601	27,063	92,866	21,115	8,420	10,590
<b>U.S. Govt. agencies and trust funds:</b>								
1968—Dec. 31	15,402	2,438	1,034	1,404	4,503	2,964	2,060	3,438
1969—Dec. 31	16,295	2,321	812	1,509	6,006	2,472	2,059	3,437
1970—Dec. 31	17,092	3,005	708	2,297	6,075	3,877	1,748	2,387
1971—July 31	18,220	2,902	925	1,977	6,954	4,134	1,775	2,456
Aug. 31	18,338	3,114	892	2,222	7,465	3,528	1,775	2,456
<b>Federal Reserve Banks:</b>								
1968—Dec. 31	52,937	28,503	18,756	9,747	12,880	10,943	203	408
1969—Dec. 31	57,154	36,023	22,265	13,758	12,810	7,642	224	453
1970—Dec. 31	62,142	36,338	25,965	10,373	19,089	6,046	229	440
1971—July 31	65,841	35,441	28,252	7,189	23,601	5,907	323	570
Aug. 31	66,868	37,314	29,131	8,183	23,257	5,395	325	576
<b>Held by private investors:</b>								
1968—Dec. 31	168,473	77,670	55,222	22,448	50,877	21,223	6,133	12,569
1969—Dec. 31	162,414	79,780	57,494	22,286	54,485	9,912	6,075	12,164
1970—Dec. 31	168,479	84,080	61,250	22,830	57,154	12,631	6,579	8,036
1971—July 31	163,588	76,671	59,741	16,930	58,522	14,461	6,336	7,596
Aug. 31	164,448	76,236	59,578	16,658	62,144	12,192	6,320	7,558
<b>Commercial banks:</b>								
1968—Dec. 31	53,174	18,894	9,040	9,854	23,157	10,035	611	477
1969—Dec. 31	45,173	15,104	6,727	8,377	24,692	4,399	564	414
1970—Dec. 31	50,917	19,208	10,314	8,894	26,609	4,474	367	260
1971—July 31	46,595	13,235	6,609	6,626	27,155	5,623	336	248
Aug. 31	45,835	11,923	5,469	6,454	28,860	4,460	343	249
<b>Mutual savings banks:</b>								
1968—Dec. 31	3,524	696	334	362	1,117	709	229	773
1969—Dec. 31	2,931	501	149	352	1,251	263	203	715
1970—Dec. 31	2,745	525	171	354	1,168	339	329	385
1971—July 31	2,918	474	242	232	1,240	514	326	364
Aug. 31	2,835	435	198	237	1,283	442	316	358
<b>Insurance companies:</b>								
1968—Dec. 31	6,857	903	498	405	1,892	721	1,120	2,221
1969—Dec. 31	6,152	868	419	449	1,808	253	1,197	2,028
1970—Dec. 31	6,066	893	456	437	1,723	849	1,369	1,231
1971—July 31	5,764	767	445	322	1,629	924	1,324	1,121
Aug. 31	5,773	727	458	269	1,665	898	1,379	1,105
<b>Nonfinancial corporations:</b>								
1968—Dec. 31	5,915	4,146	2,848	1,298	1,163	568	12	27
1969—Dec. 31	5,007	3,157	2,082	1,075	1,766	63	12	8
1970—Dec. 31	3,057	1,547	1,194	353	1,260	242	2	6
1971—July 31	4,769	3,440	2,591	849	1,211	109	2	7
Aug. 31	4,079	2,739	2,416	323	1,219	105	6	11
<b>Savings and loan associations:</b>								
1968—Dec. 31	4,724	1,184	680	504	1,675	1,069	346	450
1969—Dec. 31	3,851	808	269	539	1,916	357	329	441
1970—Dec. 31	3,263	583	220	363	1,899	281	243	258
1971—July 31	3,257	667	443	224	1,678	501	191	219
Aug. 31	3,189	694	399	295	1,620	483	179	212
<b>State and local governments:</b>								
1968—Dec. 31	13,426	5,323	4,231	1,092	2,347	805	1,404	3,546
1969—Dec. 31	13,909	6,416	5,200	1,216	2,853	524	1,225	2,893
1970—Dec. 31	11,204	5,184	3,803	1,381	2,458	774	1,191	1,598
1971—July 31	11,544	6,015	5,015	1,000	2,417	744	1,010	1,357
Aug. 31	10,609	5,362	4,280	1,082	2,306	694	962	1,285
<b>All others:</b>								
1968—Dec. 31	80,853	46,524	37,591	8,933	19,526	7,316	2,411	5,075
1969—Dec. 31	85,391	52,926	42,648	10,278	20,199	4,053	2,545	5,665
1970—Dec. 31	91,227	56,140	45,092	11,048	22,037	5,672	3,078	4,298
1971—July 31	88,741	52,073	44,396	7,677	23,192	6,046	3,147	4,280
Aug. 31	92,128	54,356	46,358	7,998	25,191	5,110	3,135	4,338

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Beginning with Dec. 1968, certain Govt.-sponsored but privately-owned agencies and certain Govt. deposit accounts have been removed from U.S. Govt. agencies and trust funds and added to "All others." Comparable data are not available for earlier periods.

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 mar-

ketable 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 5,675 commercial banks, 488 mutual savings banks, and 742 insurance companies combined; (2) about 50 per cent by the 467 nonfinancial corporations and 487 savings and loan assns.; and (3) about 70 per cent by 302 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			
1970—Aug.....	2,121	1,578	372	146	25	722	74	820	505	398
Sept.....	2,500	2,041	293	137	28	878	90	931	602	403
Oct.....	2,768	2,266	284	190	28	1,018	109	1,094	547	569
Nov.....	3,418	2,430	601	338	50	1,330	172	1,278	638	712
Dec.....	2,590	2,043	343	153	52	949	123	1,025	493	428
1971—Jan.....	3,482	2,629	564	248	40	1,346	130	1,364	642	671
Feb.....	3,316	2,291	579	397	49	1,178	145	1,232	760	679
Mar.....	3,072	2,122	506	388	57	1,036	143	1,204	688	567
Apr.....	2,458	1,881	328	216	33	828	116	878	636	516
May.....	2,322	1,695	406	192	29	837	100	742	643	480
June.....	2,195	1,802	273	92	28	737	110	687	672	418
July.....	2,484	2,103	280	74	28	814	131	837	702	471
Aug.....	2,482	1,848	512	97	25	859	129	855	640	462
Week ending—										
1971—Aug. 4.....	2,568	2,183	295	71	21	847	138	882	701	421
11.....	2,491	1,905	517	44	26	738	130	825	797	280
18.....	2,890	1,924	757	175	34	1,066	180	1,019	625	448
25.....	2,174	1,604	464	85	21	799	103	750	523	411
Sept. 1.....	2,387	1,828	396	137	26	897	103	786	601	697
8.....	2,132	1,479	314	302	37	712	99	758	563	445
15.....	1,791	1,261	286	218	27	605	141	635	410	342
22.....	2,022	1,662	199	144	17	789	72	675	487	557
29.....	2,215	1,777	244	170	23				106	498

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York. They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or

sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

**DEALER POSITIONS**

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1-5 years	5-10 years	Over 10 years	
1970—Aug.....	4,474	3,389	454	604	27	819
Sept.....	4,020	3,326	246	433	16	724
Oct.....	3,963	3,449	103	379	33	1,001
Nov.....	4,760	3,399	617	682	62	1,066
Dec.....	5,571	4,399	612	485	76	1,049
1971—Jan.....	5,634	4,626	525	403	80	966
Feb.....	4,655	3,320	569	691	75	946
Mar.....	4,421	3,511	437	404	70	981
Apr.....	4,870	4,019	415	416	20	1,118
May.....	2,646	2,115	189	331	11	818
June.....	2,735	2,477	116	130	12	776
July.....	3,011	3,018	-23	26	-11	771
Aug.....	2,897	2,473	344	70	11	698
Week ending—						
1971—July 7.....	3,086	3,033	9	58	-14	812
14.....	3,203	3,175	10	31	-14	826
21.....	3,185	3,189	15	-10	-9	783
28.....	2,774	2,906	-126	3	-10	717
Aug. 4.....	2,537	2,470	-20	89	-2	679
11.....	2,560	2,253	251	64	-7	587
18.....	2,652	2,204	372	59	17	610
25.....	3,152	2,536	513	75	28	715

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 <sup>1</sup>	All other
		New York City	Elsewhere		
1970—Aug.....	4,900	1,526	1,168	834	1,373
Sept.....	4,220	1,164	1,456	449	1,152
Oct.....	4,233	1,370	1,232	392	1,240
Nov.....	5,149	1,517	1,527	416	1,689
Dec.....	5,949	1,868	1,960	379	1,742
1971—Jan.....	6,198	1,888	1,695	527	2,088
Feb.....	5,684	1,673	1,318	369	2,324
Mar.....	4,543	1,356	926	399	1,862
Apr.....	5,700	1,759	1,415	724	1,802
May.....	3,389	1,095	475	517	1,301
June.....	3,163	1,061	523	435	1,145
July.....	3,516	1,151	391	721	1,254
Aug.....	3,071	894	390	821	967
Week ending—					
1971—July 7.....	3,443	1,299	470	450	1,224
14.....	3,691	1,294	442	620	1,336
21.....	3,704	1,080	384	840	1,401
28.....	3,349	907	306	897	1,239
Aug. 4.....	3,234	997	307	881	1,050
11.....	2,967	790	290	839	1,049
18.....	2,647	875	206	753	813
25.....	3,102	927	462	828	885

<sup>1</sup> All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the table on the left.



U.S. GOVERNMENT MARKETABLE AND CONVERTIBLE SECURITIES, SEPTEMBER 30, 1971

(In millions of dollars)

Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount
<b>Treasury bills</b>		<b>Treasury bills - Cont.</b>		<b>Treasury notes—Cont.</b>		<b>Treasury bonds—Cont.</b>	
Oct. 7, 1971.....	3,903	Mar. 9, 1972.....	1,602	May 15, 1973..... 7½	5,844	Sept. 15, 1967-72. 2½	1,951
Oct. 14, 1971.....	3,903	Mar. 16, 1972.....	1,601	Aug. 15, 1973..... 8½	1,839	Dec. 15, 1967-72. 2½	2,559
Oct. 21, 1971.....	3,703	Mar. 23, 1972.....	1,600	Oct. 1, 1973..... 1½	30	Nov. 15, 1971..... 3½	1,081
Oct. 28, 1971.....	3,714	Mar. 30, 1972.....	1,600	Feb. 15, 1974..... 7½	3,139	Feb. 15, 1972..... 4	980
Oct. 31, 1971.....	1,701	Mar. 31, 1972.....	1,701	Apr. 1, 1974..... 1½	34	Aug. 15, 1972..... 4	2,579
Nov. 4, 1971.....	3,701	Apr. 30, 1972.....	1,702	May 15, 1974..... 7½	4,505	Aug. 15, 1973..... 4	3,894
Nov. 11, 1971.....	3,700	May 31, 1972.....	1,701	Aug. 15, 1974..... 5½	10,284	Nov. 15, 1973..... 4½	4,343
Nov. 18, 1971.....	3,704	June 30, 1972.....	1,701	Oct. 1, 1974..... 1½	42	Feb. 15, 1974..... 4½	3,126
Nov. 26, 1971.....	3,700	July 31, 1972.....	1,202	Nov. 15, 1974..... 5½	7,212	May 15, 1974..... 4½	3,578
Nov. 30, 1971.....	1,702	Aug. 31, 1972.....	1,200	Feb. 15, 1975..... 5½	5,148	Nov. 15, 1974..... 3½	2,238
Dec. 2, 1971.....	3,695	Sept. 30, 1972.....	1,201	Apr. 1, 1975..... 1½	8	May 15, 1975-85. 4½	1,211
Dec. 9, 1971.....	3,704			May 15, 1975..... 6	6,760	June 15, 1978-83. 3½	1,531
Dec. 16, 1971.....	3,700			Aug. 15, 1975..... 5½	7,680	Feb. 15, 1980..... 4	2,590
Dec. 23, 1971.....	3,904	<b>Treasury notes</b>		Nov. 15, 1975..... 7	3,114	Nov. 15, 1980..... 3½	1,903
Dec. 30, 1971.....	3,902	Oct. 1, 1971..... 1½	72	Oct. 1, 1975..... 1½	30	Aug. 15, 1981..... 7	806
Dec. 31, 1971.....	1,702	Nov. 15, 1971..... 5½	967	Feb. 15, 1976..... 6½	3,739	May 15, 1985..... 3½	1,048
Jan. 6, 1972.....	1,592	Nov. 15, 1971..... 7½	5,863	Apr. 1, 1976..... 1½	13	Aug. 15, 1987-92. 4½	3,799
Jan. 13, 1972.....	601	Feb. 15, 1972..... 4¾	800	May 15, 1976..... 6½	2,697	Feb. 15, 1988-93. 4	246
Jan. 20, 1972.....	601	Feb. 15, 1972..... 7½	2,690	Aug. 15, 1976..... 7½	4,194	May 15, 1989-94. 4½	1,548
Jan. 27, 1972.....	601	Apr. 1, 1972..... 1½	34	Nov. 15, 1976..... 6½	1,283	Feb. 15, 1990..... 3½	4,614
Jan. 31, 1972.....	700	May 15, 1972..... 4¾	5,310	Feb. 15, 1977..... 8	5,163	Feb. 15, 1995..... 3	1,150
Feb. 3, 1972.....	601	May 15, 1972..... 6¾	2,037	Aug. 15, 1977..... 7½	2,264	Nov. 15, 1998..... 3½	3,811
Feb. 10, 1972.....	600	Aug. 15, 1972..... 5	3,452	Feb. 15, 1978..... 6¾	8,387		
Feb. 17, 1972.....	600	Oct. 1, 1972..... 1½	33			<b>Convertible bonds</b>	
Feb. 24, 1972.....	600	Nov. 15, 1972..... 6	2,285			<b>Investment Series B</b>	
Feb. 29, 1972.....	1,701	Feb. 15, 1973..... 6½	2,514			Apr. 1, 1975-80. 2¾	2,337
Mar. 2, 1972.....	1,600	Apr. 1, 1973..... 1½	34				
				<b>Treasury bonds</b>			
				June 15, 1967-72. 2½	1,231		

† Tax-anticipation series.

NOTE.—Direct public issues only. Based on Daily Statement of U.S. Treasury.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)								Issues for new capital							
	Total	Type of issue				Type of issuer			Total amount delivered <sup>3</sup>	Total	Use of proceeds					
		General obligations	Revenue	HAA <sup>1</sup>	U.S. Govt. loans	State	Special district and stat. auth.	Other <sup>2</sup>			Education	Roads and bridges	Utilities <sup>4</sup>	Housing <sup>5</sup>	Veterans' aid	Other purposes
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		2,396
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.....	11,405	6,804	3,955	325	312	2,590	4,110	4,695		11,303	3,738	1,476	1,880	533		3,667
1967.....	14,766	8,985	5,013	477	334	2,842	4,810	7,115		14,643	4,473	1,254	2,404	645		5,867
1968.....	16,596	9,269	6,517	528	282	2,774	5,946	7,884		16,489	4,820	1,526	2,833	787		6,523
1969.....	11,881	7,725	3,556	402	197	3,359	3,596	4,926		11,838	3,252	1,432	1,734	543		4,884
1970.....	18,164	11,850	6,082	131	103	4,174	5,595	8,399		18,110	5,062	1,532	3,525	466		7,526
1970—Aug.....	1,359	873	481		5	331	518	509		1,358	404	136	196	4		617
Sept.....	1,758	1,207	541		9	534	536	688		1,756	491	137	243	21		864
Oct.....	1,924	1,184	695	32	13	290	531	1,102		1,923	532	123	380	68		821
Nov.....	1,748	892	753	99	5	247	765	736		1,743	523	63	364	12		683
Dec.....	2,190	1,270	914		6	571	826	793		2,176	425	327	623	121		681
1971—Jan.....	2,705	1,613	969	121	2	577	1,136	991		2,694	509	390	428	373		735
Feb.....	1,839	1,225	607		7	585	616	638		1,823	518	133	315	123		693
Mar.....	2,144	1,311	831		1	417	648	1,078		2,130	565	183	627	28		728
Apr.....	1,907	1,349	553		5	440	501	968		1,864	506	66	469	19		804
May.....	2,135	1,091	837	197	10	486	1,074	585		2,127	610	447	429	214		424
June.....	2,008	1,309	691		8	778	364	866		2,001	403	393	680	14		511
July.....	1,928	1,307	445	171	5	471	565	895		1,881	290	120	219	214		1,037
Aug.....	1,871	1,127	737		8	459	721	688		1,862	346	158	370	159		831

<sup>1</sup> Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

<sup>2</sup> Municipalities, counties, townships, school districts.

<sup>3</sup> Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

<sup>4</sup> Water, sewer, and other utilities.

<sup>5</sup> Includes urban redevelopment loans.

NOTE.—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.

Components may not add to totals due to rounding.

**TOTAL NEW ISSUES**

(In millions of dollars)

Period	Gross proceeds, all issues <sup>1</sup>										
	Total	Noncorporate				Total	Corporate				
		U.S. Govt. <sup>2</sup>	U.S. Govt. agency <sup>3</sup>	State and local (U.S.) <sup>4</sup>	Other <sup>5</sup>		Bonds			Stock	
							Total	Publicly offered	Privately placed	Preferred	Common
1963.....	35,199	10,827	1,168	10,107	887	12,211	10,856	4,713	6,143	343	1,011
1964.....	37,122	10,656	1,205	10,544	760	13,957	10,865	3,623	7,243	412	2,679
1965.....	40,108	9,348	2,731	11,148	889	15,992	13,720	5,570	8,150	725	1,547
1966.....	45,015	8,231	6,806	11,089	815	18,074	15,561	8,018	7,542	574	1,939
1967.....	68,514	19,431	8,180	14,288	1,817	24,798	21,954	14,990	6,964	885	1,959
1968.....	65,562	18,025	7,666	16,374	1,531	21,966	17,383	10,732	6,651	637	3,946
1969.....	52,496	4,765	8,617	11,460	961	26,744	18,347	12,734	5,613	682	7,714
1970.....	88,664	14,831	16,180	17,762	949	38,944	30,264	25,384	4,880	1,388	7,292
1970—July.....	5,896	405	1,107	1,310	306	2,768	2,151	1,831	320	88	529
Aug.....	8,155	3,573	915	1,318	76	2,273	1,935	1,731	205	92	246
Sept.....	8,199	1,428	1,600	1,650	4	3,518	2,814	2,425	389	176	528
Oct.....	8,353	412	2,169	1,882	113	3,777	2,694	2,390	303	180	903
Nov.....	9,040	2,414	750	1,684	10	4,182	3,283	3,001	283	124	774
Dec.....	7,651	401	924	2,245	100	3,980	3,270	2,436	834	168	541
1971—Jan.....	7,438	436	1,050	2,614	223	3,115	2,627	2,033	594	76	413
Feb.....	6,522	431	1,224	1,823	44	3,000	2,476	2,201	275	100	424
Mar.....	11,069	517	1,300	2,104	1,073	6,075	4,782	4,135	647	311	982
Apr.....	7,244	467	1,859	2,114	177	4,042	2,623	2,116	507	537	882
May.....	6,969	466	1,000	2,114	118	3,271	2,638	2,148	491	54	579
June.....	10,994	2,779	1,812	1,988	40	4,375	3,042	2,283	760	104	1,228
July.....	9,230	1,153	2,046	1,951	17	4,064	1,868	1,331	537	1,527	669

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1963.....	3,202	313	676	150	948	9	2,259	418	953	152	2,818	313
1964.....	2,819	228	902	220	944	38	2,139	620	669	1,520	3,391	466
1965.....	4,712	704	1,153	251	953	60	2,332	604	808	139	3,762	514
1966.....	5,861	1,208	1,166	257	1,856	116	3,117	549	1,814	189	1,747	193
1967.....	9,894	1,164	1,950	117	1,859	466	4,217	718	1,786	193	2,247	186
1968.....	5,668	1,311	1,759	116	1,665	1,579	4,407	873	1,724	43	2,159	662
1969.....	4,448	1,904	1,888	3,022	1,899	247	5,409	1,326	1,963	225	2,739	1,671
1970.....	9,191	1,322	1,949	2,545	2,188	92	8,016	3,001	5,059	83	3,861	1,636
1970—July.....	602	36	232	162	215	8	624	219	143	.....	335	191
Aug.....	663	20	91	96	125	.....	531	99	278	1	248	122
Sept.....	937	56	118	228	145	.....	904	337	443	2	266	81
Oct.....	929	76	288	286	138	.....	653	448	338	34	348	238
Nov.....	927	180	147	129	170	7	845	505	693	.....	502	78
Dec.....	932	124	207	147	307	58	725	230	277	5	822	146
1971—Jan.....	647	69	259	239	167	.....	608	68	391	.....	555	112
Feb.....	644	17	72	112	89	1	752	317	672	11	248	66
Mar.....	2,123	294	289	186	160	1	895	557	481	52	834	204
Apr.....	819	316	198	243	268	67	607	660	247	26	484	107
May.....	631	158	143	131	250	89	447	141	403	2	763	113
June.....	1,031	175	497	290	182	115	616	439	204	14	513	300
July.....	329	200	144	188	137	62	509	212	232	1,390	517	143

<sup>1</sup> Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

<sup>2</sup> Includes guaranteed issues.

<sup>3</sup> Issues not guaranteed.

<sup>4</sup> See NOTE to table at bottom of preceding page.

<sup>5</sup> Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

NOTE.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

**NET CHANGE IN OUTSTANDING CORPORATE SECURITIES**

(In millions of dollars)

Period	Derivation of change, all issuers <sup>1</sup>								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1966.....	19,799	7,541	12,258	15,629	4,542	11,088	4,169	3,000	1,169
1967.....	25,964	7,735	18,229	21,299	5,340	15,960	4,664	2,397	2,267
1968.....	25,439	12,377	13,062	19,381	5,418	13,962	6,057	6,959	-900
1969.....	28,841	10,813	18,027	19,523	5,767	13,755	9,318	5,045	4,272
1970.....	38,707	9,079	29,628	29,495	6,667	22,825	9,213	2,411	6,801
1970—II.....	10,114	2,227	7,886	7,876	1,545	6,330	2,238	682	1,556
III.....	9,385	2,089	7,297	7,598	1,546	6,051	1,788	542	1,245
IV.....	11,936	2,577	9,359	9,034	2,069	6,964	2,902	508	2,394
1971—I.....	11,241	2,015	9,226	8,765	1,776	6,989	2,476	239	2,237
II.....	13,294	2,979	10,315	8,974	2,681	6,294	4,320	299	4,021

Period	Type of issuer											
	Manu- facturing		Commercial and other <sup>2</sup>		Transpor- tation <sup>3</sup>		Public utility		Communi- cation		Real estate and financial <sup>1</sup>	
	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks
1966.....	4,324	32	616	-598	956	718	2,659	533	1,668	575	864	-90
1967.....	7,237	832	1,104	282	1,158	165	3,444	652	1,716	467	1,302	-130
1968.....	4,418	-1,842	2,242	821	987	-149	3,669	892	1,579	120	1,069	-741
1969.....	3,747	69	1,075	1,558	946	186	4,464	1,353	1,834	241	1,687	866
1970.....	6,641	870	853	1,778	1,104	36	6,861	2,917	4,806	94	2,564	1,107
1970—II.....	1,334	-6	343	633	64	-24	1,953	583	2,134	10	504	361
III.....	2,169	39	263	326	21	-15	1,917	750	991	6	691	139
IV.....	2,054	374	407	404	428	58	1,777	1,189	1,135	51	1,165	318
1971—I.....	2,076	520	201	416	271	33	1,897	948	1,194	66	1,349	255
II.....	2,296	954	446	768	461	374	1,347	1,261	919	38	825	626

<sup>1</sup> Excludes investment companies.  
<sup>2</sup> Extractive and commercial and miscellaneous companies.  
<sup>3</sup> Railroad and other transportation companies.

exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements are defined in the same way and also include securities retired with internal funds or with proceeds of issues for that purpose.

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 <sup>1</sup>	Redemptions	Net sales	Total <sup>2</sup>	Cash position <sup>3</sup>	Other		Sales <sup>1</sup>	Redemptions	Net sales	Total <sup>2</sup>	Cash position <sup>3</sup>	Other
1958.....	1,620	511	1,109	13,242	634	12,608	1970—Aug...	311	167	144	42,452	4,794	37,658
1959.....	2,280	786	1,494	15,818	860	14,958	Sept...	357	218	139	44,353	4,593	39,760
1960.....	2,097	842	1,255	17,026	973	16,053	Oct...	420	243	177	43,567	4,377	39,190
							Nov...	343	215	128	45,223	4,126	41,097
1961.....	2,951	1,160	1,791	22,789	980	21,809	Dec...	467	307	160	47,618	3,649	43,969
1962.....	2,699	1,123	1,576	21,271	1,315	19,956	1971—Jan...	487	242	245	50,251	3,663	46,588
1963.....	2,460	1,504	952	25,214	1,341	23,873	Feb...	349	322	27	51,300	3,600	47,700
1964.....	3,404	1,875	1,528	29,116	1,329	27,787	Mar...	468	425	43	53,618	3,328	50,290
1965.....	4,359	1,962	2,395	35,220	1,803	33,417	Apr...	547	394	153	55,883	3,046	52,837
1966.....	4,671	2,005	2,665	34,829	2,971	31,858	May...	307	428	-121	53,610	2,607	51,003
							June...	434	467	33	53,560	2,830	50,730
1967.....	4,670	2,745	1,927	44,701	2,566	42,135	July...	371	444	-73	51,424	2,856	48,568
1968.....	6,820	3,841	2,979	52,677	3,187	49,490	Aug...	432	394	38	53,798	3,016	50,782
1969.....	6,717	3,661	3,056	48,291	3,846	44,445							

<sup>1</sup> Includes contractual and regular single purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.  
<sup>2</sup> Market value at end of period less current liabilities.

<sup>3</sup> Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

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

## SALES, PROFITS, AND DIVIDENDS OF LARGE CORPORATIONS

(In millions of dollars)

Industry	1965	1966	1967	1968	1969	1968				1969 <sup>1</sup>			
						I	II	III	IV	I	II	III	IV
<b>Manufacturing</b>													
Total (177 corps.):													
Sales.....	177,237	195,738	201,399	225,740	243,449	53,633	57,732	53,987	60,388	57,613	61,392	61,061	63,383
Profits before taxes.....	22,046	23,487	20,898	25,375	25,622	5,985	6,878	5,580	6,932	6,565	6,887	5,851	6,319
Profits after taxes.....	12,461	13,307	12,664	13,787	14,090	3,298	3,609	3,030	3,850	3,579	3,750	3,244	3,517
Dividends.....	6,527	6,920	6,989	7,271	7,757	1,716	1,731	1,746	2,078	1,838	1,916	1,885	2,118
Nondurable goods industries (78 corps.): <sup>2</sup>													
Sales.....	64,897	73,643	77,969	84,861	92,033	20,156	21,025	21,551	22,129	21,764	23,198	23,445	23,626
Profits before taxes.....	7,846	9,181	9,039	9,866	10,333	2,387	2,492	2,545	2,442	2,524	2,664	2,641	2,504
Profits after taxes.....	4,786	5,473	5,379	5,799	6,103	1,428	1,411	1,471	1,489	1,492	1,559	1,529	1,523
Dividends.....	2,527	2,729	3,027	3,082	3,289	743	751	763	825	812	808	820	849
Durable goods industries (99 corps.): <sup>3</sup>													
Sales.....	112,341	122,094	123,429	140,879	151,416	33,477	36,707	32,435	38,259	35,849	38,195	37,616	39,756
Profits before taxes.....	14,200	14,307	11,822	15,510	15,290	3,598	4,386	3,036	4,490	4,041	4,224	3,210	3,815
Profits after taxes.....	7,675	7,834	6,352	7,989	7,989	1,871	2,198	1,559	2,361	2,087	2,190	1,715	1,997
Dividends.....	4,000	4,191	3,964	4,189	4,469	972	981	983	1,253	1,026	1,108	1,065	1,270
Selected industries:													
Foods and kindred products (25 corps.):													
Sales.....	16,427	19,038	20,134	22,109	24,593	5,184	5,389	5,737	5,799	5,714	5,923	6,631	6,325
Profits before taxes.....	1,710	1,916	1,967	2,227	2,425	498	563	590	576	534	581	666	644
Profits after taxes.....	896	1,008	1,041	1,093	1,171	255	260	285	293	261	275	314	321
Dividends.....	509	564	583	616	661	150	155	155	156	162	165	164	170
Chemical and allied products (20 corps.):													
Sales.....	18,158	20,007	20,561	22,808	24,494	5,436	5,697	5,782	5,893	5,845	6,230	6,236	6,183
Profits before taxes.....	2,891	3,073	2,731	3,117	3,258	760	807	806	844	848	873	818	721
Profits after taxes.....	1,630	1,737	1,579	1,618	1,773	390	419	412	398	444	475	441	411
Dividends.....	926	948	960	1,002	1,031	236	236	243	287	252	251	254	274
Petroleum refining (16 corps.):													
Sales.....	17,828	20,887	23,258	24,218	25,586	5,890	6,013	6,100	6,214	6,107	6,610	6,264	6,605
Profits before taxes.....	1,962	2,681	3,004	2,866	2,941	767	692	740	667	726	728	750	737
Profits after taxes.....	1,541	1,898	2,038	2,206	2,224	592	520	561	534	562	558	554	550
Dividends.....	737	817	1,079	1,039	1,123	253	255	258	273	282	273	282	286
Primary metals and products (34 corps.):													
Sales.....	26,548	28,558	26,532	30,171	33,674	7,150	8,427	7,461	7,133	7,671	8,612	8,448	8,943
Profits before taxes.....	2,931	3,277	2,487	2,921	3,052	669	915	601	735	691	828	715	818
Profits after taxes.....	1,689	1,903	1,506	1,750	1,912	376	550	343	482	431	504	435	542
Dividends.....	818	924	892	952	987	224	230	233	264	242	245	247	253
Machinery (24 corps.):													
Sales.....	25,364	29,512	32,721	35,660	38,719	8,371	8,864	8,907	9,517	8,957	9,757	10,542	9,463
Profits before taxes.....	3,107	3,612	3,482	4,134	4,377	936	1,008	1,112	1,079	1,071	1,167	1,141	998
Profits after taxes.....	1,626	1,875	1,789	2,014	2,147	448	499	537	531	526	576	568	477
Dividends.....	774	912	921	992	1,128	247	248	248	249	270	271	293	294
Automobiles and equipment (14 corps.):													
Sales.....	42,712	43,641	42,306	50,526	52,290	12,343	13,545	9,872	14,767	13,328	13,638	11,300	14,024
Profits before taxes.....	6,253	5,274	3,906	5,916	5,268	1,507	1,851	640	1,918	1,663	1,542	652	1,411
Profits after taxes.....	3,294	2,877	1,999	2,903	2,604	783	847	330	943	806	750	342	706
Dividends.....	1,890	1,775	1,567	1,642	1,723	364	364	364	550	365	436	366	556
Public utility													
Railroad:													
Operating revenue.....	10,208	10,661	10,377	10,859	11,451	2,611	2,758	2,708	2,782	2,741	2,916	2,836	2,958
Profits before taxes.....	979	1,094	385	678	683	127	206	149	196	128	220	149	186
Profits after taxes.....	815	906	319	565	461	112	174	110	169	98	173	98	92
Dividends.....	468	502	538	515	488	117	132	100	166	116	136	100	136
Electric power:													
Operating revenue.....	15,816	16,959	17,954	19,421	21,075	5,106	4,553	4,869	4,892	5,480	4,913	5,370	5,312
Profits before taxes.....	4,213	4,414	4,547	4,789	4,938	1,351	1,040	1,271	1,125	1,384	1,065	1,366	1,123
Profits after taxes.....	2,586	2,749	2,908	3,002	3,186	863	641	764	733	873	707	827	779
Dividends.....	1,838	1,938	2,066	2,201	2,299	539	555	543	565	580	577	561	581
Telephone:													
Operating revenue.....	11,320	12,420	13,311	14,430	16,057	3,486	3,544	3,629	3,771	3,853	3,975	4,044	4,185
Profits before taxes.....	3,185	3,537	3,694	3,951	4,098	971	989	990	1,001	1,070	1,043	979	1,006
Profits after taxes.....	1,718	1,903	1,997	1,961	2,080	525	441	493	502	540	523	497	520
Dividends.....	1,153	1,248	1,363	1,428	1,493	351	318	396	363	368	371	373	381

<sup>1</sup>Manufacturing figures reflect changes by a number of companies in accounting methods and other reporting procedures.

<sup>2</sup>Includes 17 corporations in groups not shown separately.

<sup>3</sup>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 two affiliated telephone companies. Dividends are for the 20 operating subsidiaries and the two 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.

Series have been temporarily discontinued.

**CORPORATE PROFITS, TAXES, AND DIVIDENDS**

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances <sup>1</sup>	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances <sup>1</sup>
1963.....	59.4	26.3	33.1	16.5	16.6	31.8	1969--IV....	80.0	37.7	42.3	24.9	17.4	53.2
1964.....	66.8	28.3	38.4	17.8	20.6	33.9							
1965.....	77.8	31.3	46.5	19.8	26.7	36.4							
1966.....	84.2	34.3	49.9	20.8	29.1	39.5							
1967.....	79.8	33.2	46.6	21.4	25.3	43.0	1970--I.....	75.6	34.1	41.5	25.0	16.6	54.4
1968.....	87.6	39.9	47.8	23.6	24.2	46.8							
1969.....	84.2	39.7	44.5	24.4	20.0	51.3							
1970.....	75.4	34.1	41.2	25.0	16.2	56.2							
							1971--I....	79.1	36.2	42.9	25.6	17.3	62.6

<sup>1</sup> Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

**CURRENT ASSETS AND LIABILITIES OF 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. <sup>1</sup>	Other				U.S. Govt. <sup>1</sup>	Other		
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.....	170.0	372.2	47.3	18.6	3.4	169.9	113.5	19.6	202.2	2.7	140.3	17.0	42.2
1965.....	180.7	410.2	49.9	17.0	3.9	190.2	126.9	22.3	229.6	3.1	160.4	19.1	46.9
1966.....	188.2	442.6	49.3	15.4	4.5	205.2	143.1	25.1	254.4	4.4	179.0	18.3	52.8
1967.....	198.9	470.4	54.1	12.7	5.1	216.0	153.4	29.0	271.4	5.8	190.6	14.1	60.8
1968.....	212.0	513.8	58.0	14.2	5.1	237.1	165.8	33.6	301.8	6.4	209.8	16.4	69.1
1969.....	213.2	555.9	54.9	12.7	4.8	261.0	184.8	37.8	342.7	7.3	238.1	16.6	80.6
1970--I.....	213.3	561.0	52.9	12.5	4.7	264.5	188.0	38.5	347.7	7.2	238.4	18.0	84.2
II.....	213.6	566.3	52.5	10.7	4.4	268.7	190.2	39.9	352.7	7.0	244.1	14.6	87.1
III.....	214.0	567.6	53.7	9.3	4.2	270.0	191.8	38.5	353.6	6.8	243.0	15.4	88.3
IV.....	217.0	572.1	56.9	9.7	4.2	268.1	194.4	38.8	355.2	6.6	244.5	15.9	88.1
1971--I.....	220.4	576.9	55.8	10.1	4.2	269.8	196.8	40.1	356.5	6.1	240.3	18.6	91.4
II.....	226.3	582.6	58.6	10.3	3.9	273.2	197.4	39.3	356.3	5.3	241.2	16.8	93.0

<sup>1</sup> 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 <sup>1</sup>	Total (S.A. A.R.)
		Durable	Non-durable		Railroad	Air	Other	Electric	Gas and other			
1964.....	46.97	9.28	10.07	1.34	1.66	1.02	1.50	3.97	1.51	4.61	12.02	.....
1965.....	54.42	11.50	11.94	1.46	1.99	1.22	1.68	4.43	1.70	5.30	13.19	.....
1966.....	63.51	14.96	14.14	1.62	2.37	1.74	1.64	5.38	2.05	6.02	14.48	.....
1967.....	65.47	14.06	14.45	1.65	1.86	2.29	1.48	6.75	2.00	6.34	14.59	.....
1968.....	67.76	14.12	14.25	1.63	1.45	2.56	1.59	7.66	2.54	6.83	15.14	.....
1969.....	75.56	15.96	15.72	1.86	1.86	2.51	1.68	8.94	2.67	8.30	16.05	.....
1970.....	79.71	15.80	16.15	1.89	1.78	3.03	1.23	10.65	2.49	10.10	16.59	.....
1971 <sup>2</sup> .....	81.44	14.31	15.80	2.08	1.64	1.84	1.32	13.12	2.41	10.99	17.94	.....
1970--I.....	17.47	3.59	3.56	.45	.42	.73	.28	2.15	.39	2.14	3.76	78.22
II.....	20.33	4.08	4.07	.47	.47	.80	.31	2.59	.69	2.59	4.26	80.22
III.....	20.26	3.87	4.12	.46	.46	.74	.30	2.79	.78	2.56	4.16	81.88
IV.....	21.66	4.26	4.40	.50	.43	.76	.33	3.12	.63	2.81	4.42	78.63
1971--I.....	17.68	3.11	3.58	.49	.34	.34	.28	2.70	.41	2.50	3.94	79.32
II.....	20.60	3.52	4.03	.54	.47	.60	.36	3.20	.63	2.81	4.44	81.61
III <sup>2</sup> .....	20.55	3.60	3.86	.52	.43	.37	.34	3.38	.73	7.33	.....	82.38
IV <sup>2</sup> .....	22.61	4.08	4.34	.54	.40	.54	.34	3.83	.64	7.90	.....	82.42

<sup>1</sup> Includes trade, service, construction, finance, and insurance.  
<sup>2</sup> Anticipated by business.

NOTE.—Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

**MORTGAGE DEBT OUTSTANDING**

(In billions of dollars)

End of period	All properties				Farm			Nonfarm								
	All holders	Financial institutions <sup>1</sup>	Other holders <sup>2</sup>		All holders	Financial institutions <sup>1</sup>	Other holders <sup>3</sup>	All holders	1- to 4-family houses <sup>4</sup>			Multifamily and commercial properties <sup>5</sup>			Mortgage type <sup>6</sup>	
			U.S. agencies	Individuals and others					Total	Finan. institutions <sup>1</sup>	Other holders	Total	Finan. institutions <sup>1</sup>	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
1964.....	300.1	241.0	11.4	47.7	18.9	7.0	11.9	281.2	197.6	170.3	27.3	83.6	63.7	19.9	77.2	204.0
1965.....	325.8	264.6	12.4	48.7	21.2	7.8	13.4	304.6	212.9	184.3	28.7	91.6	72.5	19.1	81.2	223.4
1966.....	347.4	280.8	15.8	50.9	23.3	8.4	14.9	324.1	223.6	192.1	31.5	100.5	80.2	20.3	84.1	240.0
1967.....	370.2	298.8	18.4	53.0	25.5	9.1	16.3	344.8	236.1	201.8	34.2	108.7	87.9	20.9	88.2	256.6
1968.....	397.5	319.9	21.7	55.8	27.5	9.7	17.8	370.0	251.2	213.1	38.1	118.7	97.1	21.6	92.8	277.2
1969—I.....	403.7	324.7	22.6	56.4	28.1	9.8	18.3	375.7	254.8	216.0	38.8	120.9	98.9	21.9	94.5	281.2
II.....	411.7	331.0	23.4	57.1	28.8	10.1	18.7	382.9	259.5	219.9	39.5	123.4	101.0	22.4	96.6	286.3
III.....	418.7	335.7	24.9	58.1	29.2	10.1	19.1	389.5	263.4	222.5	40.9	126.0	103.1	22.9	98.5	291.0
IV.....	425.3	339.1	26.8	59.4	29.5	9.9	19.6	395.9	266.8	223.6	43.2	129.0	105.5	23.5	100.2	295.7
1970—I.....	429.4	340.8	28.6	60.0	29.8	9.8	20.0	399.6	268.5	223.8	44.7	131.0	107.1	23.9	101.9	297.9
II.....	435.6	344.6	30.0	61.0	30.3	9.8	20.5	405.2	271.7	225.7	46.0	133.5	109.1	24.5	103.2	302.3
III.....	443.4	349.9	31.7	61.7	30.8	10.0	20.8	412.5	276.0	228.5	47.5	136.5	111.4	25.1	106.8	305.4
IV.....	451.7	356.2	33.0	62.6	31.2	10.1	21.1	420.5	280.2	231.4	48.8	140.3	114.6	25.7	109.1	310.9
1971—I.....	458.9	362.1	33.6	63.3	31.8	10.1	21.7	427.2	283.6	234.5	49.4	143.6	117.5	26.1	.....	.....
II.....	471.2	372.3	35.2	63.7	31.9	9.7	22.2	439.3	290.8	240.7	49.5	148.5	121.9	26.6	.....	.....

<sup>1</sup> Commercial banks (including nondeposit trust companies but not trust depts.), mutual savings banks, life insurance companies, and savings and loan assns.

<sup>2</sup> U.S. agencies include former FNMA and, beginning fourth quarter 1968, new GNMA as well as FHA, VA, PHA, Farmers Home Admin., and in earlier years, RFC, HOLC, and FFMC. They also include U.S. sponsored agencies—new FNMA and Federal land banks. Other agencies (amounts small or current separate data not readily available) included with "individuals and others."

<sup>3</sup> Derived figures; includes debt held by Federal land banks and farm debt held by Farmers Home Admin.

<sup>4</sup> For multifamily and total residential properties, see p. A-54.

<sup>5</sup> Derived figures; includes small amounts of farm loans held by savings and loan assns.

<sup>6</sup> Data by type of mortgage on nonfarm 1- to 4-family properties alone are shown on p. A-54.

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.

Figures for first three quarters of each year are F.R. estimates.

**MORTGAGE LOANS HELD BY BANKS**

(In millions of dollars)

End of period	Commercial bank holdings <sup>1</sup>						Mutual savings bank holdings <sup>2</sup>							
	Total	Residential			Other non-farm	Farm	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		
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.....	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.....	59,019	37,642	7,709	2,696	27,237	17,931	3,446	50,490	44,641	15,074	11,795	17,772	5,732	117
1968.....	65,696	41,433	7,926	2,708	30,800	20,505	3,758	53,456	46,748	15,569	12,033	19,146	6,592	117
1968—III.....	63,779	40,251	7,768	2,657	29,826	19,771	3,757	52,496	46,051	15,367	11,945	18,739	6,329	116
IV.....	65,696	41,433	7,926	2,708	30,800	20,505	3,758	53,456	46,748	15,569	12,033	19,146	6,592	117
1969—I.....	67,146	42,302	7,953	2,711	31,638	20,950	3,894	54,178	47,305	15,678	12,097	19,530	6,756	117
II.....	69,079	43,532	8,060	2,743	32,729	21,459	4,088	54,844	47,818	15,769	12,151	19,898	6,908	117
III.....	70,336	44,331	8,065	2,793	33,470	22,924	4,081	55,359	48,189	15,813	12,169	20,207	7,053	117
IV.....	70,705	44,573	7,960	2,663	33,950	22,113	4,019	56,138	48,682	15,862	12,166	20,654	7,342	114
1970—I.....	70,854	44,568	7,888	2,496	34,184	22,248	4,038	56,394	48,874	15,865	12,105	20,904	7,413	107
II.....	71,291	44,845	7,800	2,575	34,469	22,392	4,054	56,880	49,260	15,931	12,092	21,237	7,519	101
III.....	72,393	45,318	7,885	2,583	34,850	22,825	4,250	57,402	49,628	16,017	12,127	21,654	7,671	103
IV.....	73,275	45,640	7,919	2,589	35,131	23,284	4,351	57,948	49,937	16,087	12,008	21,842	7,893	119
1971—I.....	74,424	46,343	.....	.....	.....	23,595	4,486	58,680	50,553	.....	.....	.....	8,014	113
II.....	76,639	44,454	.....	.....	.....	24,477	3,999	59,643	51,362	.....	.....	.....	8,174	107

<sup>1</sup> Includes loans held by nondeposit trust companies, but not bank trust depts.

<sup>2</sup> 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 special F.R. interpolations after 1963 or beginning 1964. For earlier years, the basis for first- and third-quarter estimates included F.R. commercial bank call report 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	Total	Nonfarm			Farm		
		Total	FHA-insured	VA-guaranteed			Other <sup>1</sup>	Total	FHA-insured		VA-guaranteed	Other
1945.....	976					6,637	5,860	1,394		4,466	766	
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.....	10,217	9,223	1,300	467	7,456	994	64,609	59,369	12,351	6,201	40,817	5,240
1967.....	8,470	7,633	757	444	6,432	837	67,516	61,947	12,161	6,122	43,664	5,569
1968.....	7,925	7,153	755	346	6,052	722	69,973	64,172	12,469	5,954	45,749	5,801
1969.....	7,531	6,943	663	220	6,108	537	72,027	66,254	12,271	5,701	48,282	5,773
1970—June.....	549	522	25	5	492	27	73,165	67,498	11,569	5,556	50,373	5,667
July.....	551	531	50	5	476	20	73,352	67,687	11,561	5,528	50,598	5,665
Aug.....	472	458	31	8	419	14	73,427	67,767	11,526	5,499	50,742	5,660
Sept.....	520	489	31	6	452	31	73,540	67,875	11,486	5,467	50,922	5,665
Oct.....	555	527	28	5	494	28	73,728	68,058	11,453	5,442	51,163	5,670
Nov.....	553	533	37	6	490	20	73,848	68,189	11,436	5,416	51,337	5,659
Dec.....	1,143	1,099	44	8	1,047	44	74,345	68,693	11,325	5,390	51,978	5,652
1971—Jan.....	448	423	17	7	399	25	74,370	68,779	11,383	5,368	52,028	5,591
Feb.....	449	425	17	5	407	24	74,437	68,871	11,338	5,346	52,187	5,566
Mar.....	623	579	33	5	541	44	74,516	68,973	11,302	5,316	52,355	5,543
Apr.....	578	533	18	8	507	45	74,536	68,993	11,237	5,284	52,472	5,543
May.....	491	442	24	8	410	49	74,552	68,425	11,186	5,254	51,985	5,554
June.....	537	494	29	9	456	42	74,535	68,973	11,123	5,219	52,631	5,562

<sup>1</sup> Includes mortgage loans secured by land on which oil drilling or extracting operations are in process.

NOTE.—Institute of Life Insurance data. For loans acquired, the 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. Beginning 1970 monthly and year-earlier data are on a statement balance basis.

**MORTGAGE ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS**

(In millions of dollars)

Period	Loans made			Loans outstanding (end of period)			
	Total <sup>1</sup>	New home construction	Home purchase	Total <sup>2</sup>	FHA-insured	VA-guaranteed	Conventional
1945.....	1,913	181	1,358	5,376			
1963.....	25,173	7,185	10,055	90,944	4,696	6,960	79,288
1964.....	24,913	6,638	10,538	101,333	4,894	6,683	89,756
1965.....	24,192	6,013	10,830	110,306	5,145	6,398	98,763
1966.....	16,924	3,653	7,828	114,427	5,269	6,157	103,001
1967.....	20,122	4,243	9,604	121,805	5,791	6,351	109,663
1968.....	21,983	4,916	11,215	130,802	6,658	7,012	117,132
1969.....	21,847	4,757	11,254	140,347	7,917	7,658	124,772
1970.....	21,387	4,150	10,239	150,562	10,195	8,507	131,860
1970—July.....	2,080	393	1,071	143,103	8,579	7,862	127,403
Aug.....	2,111	369	1,147	145,296	9,011	8,050	128,234
Sept.....	2,183	388	1,100	146,418	9,224	8,115	129,079
Oct.....	2,127	406	1,032	147,570	9,441	8,230	129,903
Nov.....	1,972	355	919	148,896	9,226	8,336	130,794
Dec.....	2,474	416	968	150,560	10,195	8,507	131,860
1971—Jan.....	1,667	307	752	151,503	10,473	8,673	132,357
Feb.....	1,887	346	818	152,665	10,810	8,766	133,089
Mar.....	2,795	521	1,143	154,430	12,123	8,922	134,320
Apr.....	3,168	597	1,306	156,574	11,560	9,128	135,886
May.....	3,438	620	1,451	158,747	11,885	9,299	137,563
June.....	4,301	718	2,109	161,440	12,273	9,580	139,587
July.....	4,023	649	2,039	163,951	12,592	9,784	141,575

<sup>1</sup> Includes loans for repairs, additions and alterations, refinancing, etc. not shown separately.

<sup>2</sup> Beginning with 1958, includes shares pledged against mortgage loans; beginning with 1966, includes junior liens and real estate sold on contract; and beginning with 1967, includes downward structural adjustment for change in universe.

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 <sup>1</sup>	Long-term <sup>2</sup>	
1945.....	278	213	195	176	19	46
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
1967.....	1,527	4,076	4,386	3,985	401	1,432
1968.....	2,734	1,861	5,259	4,867	392	1,382
1969.....	5,531	1,500	9,289	8,434	855	1,041
1970.....	3,256	1,929	10,615	3,081	7,534	2,331
1970—Aug.....	179	106	10,446	3,967	6,478	1,238
Sept.....	204	125	10,524	3,477	7,047	1,339
Oct.....	134	119	10,539	3,265	7,274	1,496
Nov.....	112	126	10,524	3,156	7,368	1,978
Dec.....	224	134	10,615	3,081	7,534	2,331
1971—Jan.....	43	331	10,326	2,924	7,403	2,750
Feb.....	27	428	9,926	2,697	7,230	3,093
Apr.....	71	1,492	8,269	2,226	6,043	2,828
May.....	151	1,151	7,267	2,322	4,945	2,376
June.....	238	264	7,241	2,397	4,844	2,111
July.....	309	213	7,338	2,544	4,794	1,696
Aug.....	358	183	7,514	2,812	4,702	1,528

<sup>1</sup> Secured or unsecured loans maturing in 1 year or less.  
<sup>2</sup> Secured loans, amortized quarterly, having maturities of more than 1 year but not more than 10 years.

NOTE.—Federal Home Loan Bank Board data.

**MORTGAGE DEBT OUTSTANDING ON RESIDENTIAL PROPERTIES**

(In billions of dollars)

End of period	All residential			Multifamily <sup>1</sup>		
	Total	Financial institutions	Other holders	Total	Financial institutions	Other holders
1941.....	24.2	14.9	9.4	5.9	3.6	2.2
1945.....	24.3	15.7	8.6	5.7	3.5	2.2
1963.....	211.2	176.7	34.5	29.0	20.7	8.3
1964.....	231.1	195.4	35.7	33.6	25.1	8.5
1965.....	250.1	213.2	36.9	37.2	29.0	8.2
1966.....	264.0	223.7	40.3	40.3	31.5	8.8
1967 <sup>a</sup> .....	280.0	236.6	43.4	43.9	34.7	9.2
1968 <sup>a</sup> .....	298.6	250.8	47.8	47.3	37.7	9.6
1969—III.....	314.1	262.7	51.4	50.6	40.2	10.4
IV.....	319.0	265.0	54.0	52.2	41.3	10.9
1970—I.....	321.7	265.9	55.8	53.2	42.9	10.3
II.....	326.3	268.9	57.4	54.5	43.2	11.3
III.....	332.2	272.8	59.4	56.1	44.3	11.8
IV.....	338.2	277.2	61.0	58.0	45.8	12.2
1971—I.....	343.3	281.6	61.7	59.7	47.2	12.5
II.....	353.1	290.1	63.0	62.3	49.4	12.9

<sup>1</sup> Structures of five or more units.

NOTE.—Based on data from same source as for "Mortgage Debt Outstanding" table (second preceding page).

**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 <sup>1</sup>	
1954.....	18.6	4.3	4.1	.2	14.3
1963.....	182.2	65.9	35.0	30.9	116.3
1964.....	197.6	69.2	38.3	30.9	128.3
1965.....	212.9	73.1	42.0	31.1	139.8
1966.....	223.6	76.1	44.8	31.3	147.6
1967 <sup>a</sup> .....	236.1	79.9	47.4	32.5	156.1
1968 <sup>a</sup> .....	251.2	83.8	50.6	33.2	167.4
1969—I.....	254.8	85.3	51.4	33.9	169.5
II.....	259.5	87.1	52.2	34.9	172.3
III.....	263.5	88.8	53.4	35.4	174.6
IV.....	266.8	90.1	54.5	35.6	176.9
1970—I.....	268.5	91.6	55.6	36.0	177.1
II.....	271.7	92.1	56.1	36.0	179.9
III.....	276.0	95.1	58.1	37.0	180.7
IV.....	280.2	97.2	59.9	37.3	182.5
1971—I.....	283.6	.....	.....	.....	.....
II.....	290.8	.....	.....	.....	.....

<sup>1</sup> 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 FHLBB, Federal Housing Admin., and Veterans Admin.

**GOVERNMENT-UNDERWRITTEN RESIDENTIAL LOANS MADE**

(In millions of dollars)

Period	FHA-insured				VA-guaranteed			
	Total	Mortgages		Projects <sup>1</sup>	Property improvements <sup>2</sup>	Total <sup>3</sup>	Mortgages	
		New homes	Existing homes				New homes	Existing homes
1945.....	665	257	217	20	171	192	.....	.....
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
1967.....	7,150	1,369	4,516	642	623	3,405	1,143	2,259
1968.....	8,275	1,572	4,924	1,123	656	3,774	1,430	2,343
1969.....	9,129	1,551	5,570	1,316	693	4,072	1,493	2,579
1970.....	11,981	2,667	5,447	3,250	617	3,442	1,311	2,131
1970—July..	1,087	230	475	319	62	298	109	189
Aug..	1,030	247	504	228	49	306	107	199
Sept..	1,099	268	521	247	63	326	110	216
Oct..	1,218	304	564	292	57	341	117	224
Nov..	1,063	273	497	248	45	318	106	212
Dec..	1,351	280	472	549	50	316	109	207
1971—Jan..	999	295	476	187	41	297	102	195
Feb..	951	284	450	185	32	256	90	166
Mar..	1,097	318	531	202	46	303	98	205
Apr..	1,136	293	467	330	46	350	98	252
May..	1,203	290	504	354	55	417	111	306
June..	1,372	322	629	399	21	.....	.....	.....
July..	1,340	338	646	304	53	.....	.....	.....

<sup>1</sup> Monthly figures do not reflect mortgage amendments included in annual totals.

<sup>2</sup> Not ordinarily secured by mortgages.

<sup>3</sup> 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.

**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	
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
1967.....	3.47	2.66	.54	.27	.32
1968.....	3.17	2.43	.51	.23	.26
1969.....	3.22	2.43	.52	.27	.27
1967—I.....	3.04	2.17	.56	.31	.38
II.....	2.85	2.14	.45	.26	.34
III.....	3.15	2.36	.52	.27	.31
IV.....	3.47	2.66	.54	.27	.32
1968—I.....	2.84	2.11	.49	.24	.32
II.....	2.89	2.23	.44	.22	.28
III.....	2.93	2.23	.48	.22	.26
IV.....	3.17	2.43	.51	.23	.26
1969—I.....	2.77	2.04	.49	.24	.26
II.....	2.68	2.06	.41	.21	.25
III.....	2.91	2.18	.47	.26	.25
IV.....	3.22	2.43	.52	.27	.27
1970—I.....	2.96	2.14	.52	.30	.31
II.....	2.83	2.10	.45	.28	.31
III.....	3.10	2.26	.53	.31	.25
IV.....	3.64	2.67	.61	.36	.33
1971—I.....	3.21	2.26	.56	.39	.40
II.....	3.27	2.36	.53	.38	.38

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.



**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION ACTIVITY**

(In millions of dollars)

End of period	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding
1967.....	3,348	2,756	592	860	.....	1,045	1,171
1968.....	4,220	3,569	651	1,089	1	867	1,266
1969.....	4,220	4,220	600	821	.....	615	1,130
1970.....	5,184	4,634	550	627	.....	897	738
1970-July...	5,070	4,499	571	55	.....	172	966
Aug....	5,102	4,535	567	54	.....	123	802
Sept....	5,109	4,546	563	27	.....	57	795
Oct....	5,132	4,573	559	46	.....	42	775
Nov....	5,141	4,587	554	35	.....	42	776
Dec....	5,184	4,634	550	70	.....	37	738
1971-Jan....	5,188	4,641	546	35	.....	27	705
Feb....	5,213	4,670	543	38	.....	21	682
Mar....	5,241	4,703	538	56	.....	100	707
Apr....	5,244	4,710	534	39	.....	120	786
May....	5,261	4,731	530	40	.....	171	906
June....	5,275	4,751	524	50	.....	.....	.....
July....	5,282	.....	.....	.....	.....	.....	.....

NOTE.—Government National Mortgage Assn. data. Data prior to Sept. 1968 relate to Special Assistance and Management and Liquidating portfolios of former FNMA and include mortgages subject to participating pool of Government Mortgage Liquidation Trust, but exclude conventional mortgage loans acquired by former FNMA from the RFC Mortgage Co., the Defense Homes Corp., the Public Housing Admin., and Community Facilities Admin.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY**

(In millions of dollars)

End of period	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding
1967.....	5,522	4,048	1,474	1,400	12	1,736	501
1968.....	7,167	5,121	2,046	1,944	.....	2,697	1,287
1969.....	10,950	7,680	3,270	4,121	.....	6,630	3,539
1970.....	15,502	11,071	4,431	5,078	.....	8,047	5,203
1970-Aug....	14,452	10,218	4,234	413	.....	718	4,834
Sept....	14,807	10,499	4,308	406	.....	650	4,849
Oct....	15,152	10,780	4,372	397	.....	535	4,805
Nov....	15,396	10,981	4,416	294	.....	541	4,930
Dec....	15,502	11,071	4,431	165	.....	600	5,203
1971-Jan....	15,520	11,092	4,428	75	4	139	5,092
Feb....	15,452	11,061	4,391	60	72	80	4,865
Mar....	15,420	11,012	4,408	76	46	312	4,318
Apr....	15,308	10,933	4,375	57	104	457	4,318
May....	15,242	10,893	4,349	89	91	888	4,866
June....	15,363	10,970	4,393	236	9	1,303	5,700
July....	15,674	11,184	4,490	407	.....	777	5,714
Aug....	16,304	11,662	4,642	659	.....	1,219	5,146

NOTE.—Federal National Mortgage Assn. data. Data prior to Sept. 1968 relate to secondary market portfolio of former FNMA. Mortgage commitments made during the period include some multifamily and non-profit hospital loan commitments in addition to 1- to 4- family loan commitments accepted in FNMA's free market auction system.

**HOME-MORTGAGE YIELDS**

(In per cent)

Period	Primary market (conventional loans)		FHA series	Secondary market
	FHLBB series (effective rate)			
	New homes	Existing homes	New homes	
1967.....	6.46	6.52	6.53	6.55
1968.....	6.97	7.03	7.12	7.21
1969.....	7.81	7.82	7.99	8.26
1970.....	8.44	8.35	8.52	9.05
1970-Aug....	8.52	8.41	8.60	9.07
Sept....	8.48	8.42	8.50	9.01
Oct....	8.51	8.35	8.50	8.97
Nov....	8.43	8.32	8.45	8.90
Dec....	8.38	8.26	8.30	8.40
1971-Jan....	8.18	8.08	7.95	.....
Feb....	7.91	7.80	7.75	.....
Mar....	7.66	7.60	7.60	7.32
Apr....	7.49	7.47	7.55	7.37
May....	7.47	7.45	7.65	7.75
June....	7.50	7.50	7.70	7.89
July....	7.66	7.63	7.80	7.97
Aug....	7.73	7.71	7.85	7.92

NOTE.—Annual data are averages of monthly figures. The FHA data are based on opinion reports submitted by field offices on prevailing local conditions as of the first of the succeeding month. Yields on FHA-insured mortgages are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates. The FHA series on average contract interest rates on conventional first mortgages in primary markets are unweighted and are rounded to the nearest 5 basis points. The FHLBB effective rate series reflects fees and charges as well as contract rates (as shown in the table on conventional first-mortgage terms, p. A-37) and an assumed prepayment at end of 10 years

**FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY UNDER FREE MARKET SYSTEM**

Date of auction	Mortgage amounts					Implicit yield, by commitment period (in months)		
	Offered	Accepted			3	6	12-18	
		Total	By commitment period (in months)					
		3	6	12-18				
		In millions of dollars			In per cent			
1970-Dec. 14..	165.1	124.7	42.1	72.1	10.5	8.51	8.43	8.47
1971-Jan. 25..	44.1	35.5	9.9	25.6	.....	7.82	7.96	8.40
Feb. 8..	23.4	23.3	10.6	12.7	.....	7.67	7.67	.....
Mar. 1..	185.6	51.8	15.2	29.3	7.3	7.43	7.43	7.56
15..	193.5	74.0	17.9	41.2	14.9	7.32	7.44	7.54
29..	122.5	67.0	36.7	26.3	3.9	7.32	7.45	7.55
Apr. 12..	126.9	54.6	39.8	9.4	5.4	7.32	7.45	7.53
26..	687.2	313.9	154.0	126.6	33.4	7.43	7.54	7.57
May 10..	1,168.0	236.8	145.7	71.3	19.7	7.57	7.68	7.74
24..	785.7	151.6	44.6	84.4	22.5	7.95	7.97	8.03
June 1..	322.4	146.6	77.1	57.8	11.6	8.05	8.18	8.16
14..	638.2	191.2	133.7	47.3	10.2	7.91	8.15	8.22
28..	539.0	262.6	191.8	60.3	10.4	7.92	8.22	8.28
July 12..	606	241.1	161.8	60.3	10.4	7.98	8.23	8.31
28..	686	183.4	183.3	58.2	21.1	8.07	.....	.....
Aug. 25..	635	153.5	.....	.....	.....	7.97	.....	.....
Sept. 8..	445	188.6	.....	.....	.....	7.88	.....	.....
20..	438	193.0	.....	.....	.....	7.86	.....	.....

NOTE.—Implicit secondary market yields are gross—before deduction of 38-basis-point fee paid for mortgage servicing. They reflect the average accepted bid yield for Govt.-underwritten mortgages after adjustment by Federal Reserve to allow for FNMA commitment fees and FNMA stock purchase and holding requirements, assuming a prepayment period of 15 years for 30-year loans. Commitments for 12-18 months are for new homes only.

## TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment					Noninstalment			
		Total	Auto-mobile paper	Other consumer goods paper	Repair and modernization loans <sup>1</sup>	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
1950.....	21,471	14,703	6,074	4,799	1,016	2,814	6,768	1,821	3,367	1,580
1955.....	38,830	28,906	13,460	7,641	1,693	6,112	9,924	3,002	4,795	2,127
1960.....	56,141	42,968	17,658	11,345	3,148	10,617	13,173	4,507	5,329	3,337
1965.....	90,314	71,324	28,619	18,565	3,728	20,412	18,990	7,671	6,430	4,889
1966.....	97,543	77,539	30,556	20,978	3,818	22,187	20,004	7,972	6,686	5,346
1967.....	102,132	80,926	30,724	22,395	3,789	24,018	21,206	8,428	6,968	5,810
1968.....	113,191	89,890	34,130	24,899	3,925	26,936	23,301	9,138	7,755	6,408
1969.....	122,469	98,169	36,602	27,609	4,040	29,918	24,300	9,096	8,234	6,970
1970.....	126,802	101,161	35,490	29,949	4,110	31,612	25,641	9,484	8,850	7,307
1970—Aug.....	123,655	99,860	36,908	27,801	4,104	31,047	23,795	9,294	7,508	6,993
Sept.....	123,907	100,142	36,738	28,055	4,123	31,226	23,765	9,316	7,489	6,960
Oct.....	123,866	99,959	36,518	28,152	4,126	31,163	23,907	9,313	7,656	6,938
Nov.....	123,915	99,790	36,011	28,378	4,133	31,268	24,125	9,345	7,757	7,023
Dec.....	126,802	101,161	35,490	29,949	4,110	31,612	25,641	9,484	8,850	7,307
1971—Jan.....	125,077	100,101	35,004	29,575	4,067	31,455	24,976	9,480	8,094	7,402
Feb.....	123,815	99,244	34,869	28,928	4,051	31,396	24,571	9,506	7,353	7,712
Mar.....	123,604	99,168	35,028	28,591	4,045	31,504	24,436	9,557	7,207	7,672
Apr.....	125,047	100,028	35,496	28,682	4,077	31,773	25,019	9,676	7,689	7,654
May.....	126,025	100,692	35,819	28,706	4,126	32,041	25,333	9,765	8,004	7,564
June.....	127,388	101,862	36,349	28,976	4,186	32,351	25,526	9,862	8,214	7,450
July.....	128,354	102,848	36,763	29,165	4,240	32,680	25,506	9,854	8,271	7,381
Aug.....	129,704	104,060	37,154	29,477	4,295	33,134	25,644	9,997	8,305	7,342

<sup>1</sup> Holdings of financial institutions; holdings of retail outlets are included in "other consumer goods paper."

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 pp. 983-1003 of the BULLETIN for Dec. 1968.

NOTE.—Consumer credit estimates cover loans to individuals for house-

## INSTALMENT CREDIT

(In millions of dollars)

End of period	Total	Financial institutions					Retail outlets		
		Total	Com-mercial banks	Finance cos. <sup>1</sup>	Credit unions	Mis-cellaneous lenders <sup>1</sup>	Total	Auto-mobile dealers <sup>2</sup>	Other retail outlets
1939.....	4,503	3,065	1,079	1,836	132	18	1,438	123	1,315
1941.....	6,085	4,480	1,726	2,541	198	15	1,605	188	1,417
1945.....	2,462	1,776	745	910	102	19	686	28	658
1950.....	14,703	11,805	5,798	5,315	590	102	2,898	287	2,611
1955.....	28,906	24,398	10,601	11,838	1,678	281	4,508	487	4,021
1960.....	42,968	36,673	16,672	15,435	3,923	643	6,295	359	5,936
1965.....	71,324	61,533	28,962	24,282	7,324	965	9,791	315	9,476
1966.....	77,539	66,724	31,319	26,091	8,255	1,059	10,815	277	10,538
1967.....	80,926	69,490	32,700	26,734	8,972	1,084	11,436	285	11,151
1968.....	89,890	77,457	36,952	29,098	10,178	1,229	12,433	320	12,113
1969.....	98,169	84,982	40,305	31,734	11,594	1,349	13,187	336	12,851
1970.....	101,161	87,064	41,895	31,123	12,500	1,546	14,097	327	13,770
1970—Aug.....	99,860	87,315	41,934	31,588	12,292	1,501	12,545	337	12,208
Sept.....	100,142	87,471	42,051	31,510	12,409	1,501	12,671	337	12,334
Oct.....	99,959	87,243	42,010	31,309	12,422	1,502	12,716	335	12,381
Nov.....	99,790	86,820	41,740	31,081	12,438	1,561	12,970	332	12,638
Dec.....	101,161	87,064	41,895	31,123	12,500	1,546	14,097	327	13,770
1971—Jan.....	100,101	86,308	41,611	30,791	12,353	1,553	13,793	324	13,469
Feb.....	99,244	85,910	41,446	30,511	12,351	1,602	13,334	323	13,011
Mar.....	99,168	86,015	41,563	30,326	12,509	1,617	13,153	325	12,828
Apr.....	100,028	86,805	42,094	30,369	12,686	1,656	13,223	330	12,893
May.....	100,692	87,491	42,482	30,441	12,874	1,694	13,201	334	12,867
June.....	101,862	88,544	43,011	30,609	13,206	1,718	13,318	339	12,979
July.....	102,848	89,458	43,509	30,906	13,296	1,747	13,390	344	13,046
Aug.....	104,060	90,536	44,112	31,098	13,570	1,756	13,524	347	13,177

<sup>1</sup> Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies. Miscellaneous lenders include savings and loan associations and mutual savings banks.

<sup>2</sup> 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
1950.....	5,798	1,177	1,294	1,456	834	1,037
1955.....	10,601	3,243	2,062	2,042	1,338	1,916
1960.....	16,672	5,316	2,820	2,759	2,200	3,577
1965.....	28,962	10,209	5,659	4,166	2,571	6,357
1966.....	31,319	11,024	5,956	4,681	2,647	7,011
1967.....	32,700	10,927	6,267	5,126	2,629	7,751
1968.....	36,952	12,213	7,105	6,060	2,719	8,855
1969.....	40,305	12,784	7,620	7,415	2,751	9,735
1970.....	41,895	12,433	7,587	8,633	2,760	10,482
1970—Aug....	41,934	12,981	7,748	8,183	2,770	10,252
Sept....	42,051	12,890	7,734	8,263	2,783	10,381
Oct....	42,010	12,824	7,730	8,286	2,785	10,385
Nov....	41,740	12,628	7,654	8,299	2,779	10,380
Dec....	41,895	12,433	7,587	8,633	2,760	10,482
1971—Jan....	41,611	12,253	7,530	8,613	2,727	10,488
Feb....	41,446	12,165	7,561	8,535	2,704	10,481
Mar....	41,563	12,147	7,667	8,499	2,692	10,558
Apr....	42,094	12,268	7,825	8,595	2,702	10,704
May....	42,482	12,361	7,942	8,676	2,729	10,774
June....	43,011	12,484	8,098	8,821	2,765	10,843
July....	43,509	12,614	8,220	8,931	2,803	10,941
Aug....	44,112	12,753	8,318	9,074	2,838	11,129

See NOTE to first table on preceding page.

**INSTALMENT CREDIT HELD BY FINANCE COMPANIES**

(In millions of dollars)

End of period	Total	Auto-mob-ile paper	Other con-sum-er goods paper	Repair and modern-ization loans	Per-sonal loans
1941.....	2,541	1,438	194	204	705
1945.....	910	202	40	62	606
1950.....	5,315	3,157	692	80	1,386
1955.....	11,838	7,108	1,448	42	3,240
1960.....	15,435	7,703	2,553	173	5,006
1965.....	24,282	9,400	4,425	224	10,233
1966.....	26,091	9,889	5,171	191	10,840
1967.....	26,734	9,538	5,479	154	11,563
1968.....	29,098	10,279	5,999	113	12,707
1969.....	31,734	11,053	6,514	106	14,061
1970.....	31,123	9,941	6,648	94	14,440
1970—Aug....	31,588	10,732	6,529	94	14,233
Sept....	31,510	10,619	6,568	94	14,229
Oct....	31,309	10,465	6,594	94	14,156
Nov....	31,081	10,226	6,548	94	14,213
Dec....	31,123	9,941	6,648	94	14,440
1971—Jan....	30,791	9,754	6,605	93	14,339
Feb....	30,511	9,672	6,493	93	14,253
Mar....	30,326	9,674	6,363	93	14,196
Apr....	30,369	9,781	6,280	98	14,210
May....	30,441	9,810	6,236	100	14,295
June....	30,609	9,918	6,224	101	14,366
July....	30,906	10,037	6,230	101	14,538
Aug....	31,098	10,077	6,249	103	14,669

NOTE.—Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies.

**INSTALMENT CREDIT HELD BY OTHER FINANCIAL LENDERS**

(In millions of dollars)

End of period	Total	Auto-mob-ile paper	Other con-sum-er goods paper	Repair and modern-ization loans	Per-sonal loans
1941.....	213	47	9	11	146
1945.....	121	16	4	10	91
1950.....	692	159	40	102	391
1955.....	1,959	560	130	313	956
1960.....	4,566	1,460	297	775	2,034
1965.....	8,289	3,036	498	933	3,822
1966.....	9,314	3,410	588	980	4,336
1967.....	10,056	3,707	639	1,006	4,704
1968.....	11,407	4,213	727	1,093	5,374
1969.....	12,943	4,809	829	1,183	6,122
1970.....	14,046	5,202	898	1,256	6,690
1970—Aug....	13,793	5,110	881	1,240	6,562
Sept....	13,910	5,158	890	1,246	6,616
Oct....	13,924	5,164	891	1,247	6,622
Nov....	13,999	5,171	893	1,260	6,675
Dec....	14,046	5,202	898	1,256	6,690
1971—Jan....	13,906	5,143	888	1,247	6,628
Feb....	13,953	5,148	889	1,254	6,662
Mar....	14,126	5,215	901	1,260	6,750
Apr....	14,342	5,292	914	1,277	6,859
May....	14,568	5,372	927	1,297	6,972
June....	14,924	5,510	952	1,320	7,142
July....	15,043	5,548	958	1,336	7,201
Aug....	15,326	5,659	977	1,354	7,336

NOTE.—Other financial lenders consist of credit unions and miscellaneous lenders.

**NONINSTALMENT CREDIT**

(In millions of dollars)

End of period	Total	Single-payment loans		Charge accounts		Service credit
		Com-mer-cial banks	Other financial institutions	Retail outlets	Credit cards <sup>1</sup>	
1941.....	3,087	693	152	1,645	597	
1945.....	3,203	674	72	1,612	845	
1950.....	6,768	1,576	245	3,291	76	1,580
1955.....	9,924	2,635	367	4,579	216	2,127
1960.....	13,173	3,884	623	4,893	436	3,337
1965.....	18,990	6,690	981	5,724	706	4,889
1966.....	20,004	6,946	1,026	5,812	874	5,346
1967.....	21,206	7,340	1,088	5,939	1,029	5,810
1968.....	23,301	7,975	1,163	6,450	1,305	6,408
1969.....	24,300	7,900	1,196	6,650	1,584	6,970
1970.....	25,641	8,205	1,279	6,932	1,918	7,307
1970—Aug....	23,795	8,041	1,253	5,664	1,844	6,993
Sept....	23,765	8,062	1,254	5,617	1,872	6,960
Oct....	23,907	8,059	1,254	5,797	1,859	6,938
Nov....	24,125	8,071	1,274	5,884	1,873	7,023
Dec....	25,641	8,205	1,279	6,932	1,918	7,307
1971—Jan....	24,976	8,196	1,284	6,144	1,950	7,402
Feb....	24,571	8,205	1,301	5,435	1,918	7,712
Mar....	24,436	8,249	1,308	5,316	1,891	7,672
Apr....	25,019	8,350	1,326	5,774	1,915	7,654
May....	25,333	8,425	1,340	6,046	1,958	7,564
June....	25,526	8,512	1,350	6,199	2,015	7,450
July....	25,506	8,498	1,356	6,173	2,098	7,381
Aug....	25,644	8,633	1,364	6,120	2,185	7,342

<sup>1</sup> Service station and miscellaneous credit-card accounts and home-heating-oil accounts. Bank credit card accounts outstanding are included in estimates of instalment credit outstanding.  
See also NOTE to first table on preceding page.

## INSTALMENT CREDIT EXTENDED AND REPAID, BY TYPE OF CREDIT

(In millions of dollars)

Period	Total		Automobile paper		Other consumer goods paper		Repair and modernization loans		Personal loans	
	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.
<b>Extensions</b>										
1965.....		78,586		27,227		22,750		2,266		26,343
1966.....		82,335		27,341		25,591		2,200		27,203
1967.....		84,693		26,667		26,952		2,113		28,961
1968.....		97,053		31,424		30,593		2,268		32,768
1969.....		102,888		32,354		33,079		2,278		35,177
1970.....		104,130		29,831		36,781		2,145		35,373
1970—Aug.....	8,809	8,915	2,537	2,540	3,168	3,152	173	197	2,931	3,026
Sept.....	8,849	8,580	2,621	2,402	3,071	3,097	186	194	2,971	2,887
Oct.....	8,580	8,670	2,349	2,463	3,113	3,200	182	184	2,936	2,823
Nov.....	8,414	8,271	2,127	2,006	3,113	3,147	180	176	2,994	2,942
Dec.....	8,536	10,194	2,170	2,045	3,281	4,562	177	149	2,908	3,438
1971—Jan.....	8,916	7,545	2,461	1,997	3,252	2,868	177	122	3,026	2,558
Feb.....	9,081	7,489	2,687	2,336	3,204	2,431	197	155	2,993	2,567
Mar.....	9,533	9,375	2,897	3,074	3,210	3,076	209	197	3,217	3,228
Apr.....	9,751	10,079	2,872	3,100	3,415	3,363	205	219	3,259	3,397
May.....	9,690	9,362	2,756	2,883	3,295	3,148	200	235	3,439	3,296
June.....	9,715	10,667	2,838	3,301	3,433	3,538	224	263	3,220	3,565
July.....	9,675	10,098	2,773	3,032	3,399	3,415	218	248	3,285	3,403
Aug.....	10,049	10,300	3,004	3,066	3,465	3,465	222	253	3,358	3,516
<b>Repayments</b>										
1965.....		69,957		23,543		20,518		2,116		23,780
1966.....		76,120		25,404		23,178		2,110		25,428
1967.....		81,306		26,499		25,535		2,142		27,130
1968.....		88,089		28,018		28,089		2,132		29,850
1969.....		94,609		29,882		30,369		2,163		32,195
1970.....		101,138		30,943		34,441		2,075		33,679
1970—Aug.....	8,577	8,357	2,632	2,550	2,967	2,889	175	174	2,803	2,744
Sept.....	8,490	8,298	2,599	2,572	2,913	2,843	174	175	2,804	2,708
Oct.....	8,662	8,853	2,550	2,683	3,036	3,103	179	181	2,897	2,886
Nov.....	8,716	8,440	2,577	2,513	3,082	2,921	176	169	2,881	2,837
Dec.....	8,515	8,823	2,618	2,566	2,945	2,991	175	172	2,777	3,094
1971—Jan.....	8,829	8,605	2,623	2,483	3,145	3,242	175	165	2,886	2,715
Feb.....	8,979	8,346	2,636	2,471	3,212	3,078	188	171	2,943	2,626
Mar.....	9,038	9,651	2,696	2,915	3,164	3,413	196	203	2,982	3,120
Apr.....	9,088	9,219	2,632	2,932	3,249	3,272	184	187	3,089	3,128
May.....	9,197	8,898	2,640	2,560	3,211	3,124	188	186	3,158	3,028
June.....	9,190	9,497	2,678	2,771	3,233	3,268	192	203	3,087	3,255
July.....	8,914	9,112	2,565	2,618	3,203	3,226	188	194	2,958	3,074
Aug.....	9,222	9,088	2,697	2,675	3,262	3,153	196	198	3,067	3,062
<b>Net change in credit outstanding <sup>2</sup></b>										
1965.....		8,629		3,684		2,232		150		2,563
1966.....		6,215		1,937		2,413		90		1,775
1967.....		3,387		1,168		1,417		-29		1,831
1968.....		8,964		3,406		2,504		136		2,918
1969.....		8,279		2,472		2,710		115		2,982
1970.....		2,992		-1,112		2,340		70		1,694
1970—Aug.....	232	558	-95	-10	201	263	-2	23	128	282
Sept.....	359	282	22	-170	158	254	12	19	167	179
Oct.....	-82	-183	-201	-220	77	97	3	3	39	-63
Nov.....	-302	-169	-450	-507	31	226	4	7	113	105
Dec.....	21	1,371	-448	-521	336	1,571	2	-23	131	344
1971—Jan.....	87	-1,060	-162	-486	107	-374	2	-43	140	-157
Feb.....	102	-857	51	-135	8	-647	9	-16	50	-59
Mar.....	495	-76	201	159	46	-337	13	-6	235	108
Apr.....	663	860	306	468	166	91	21	32	170	269
May.....	493	664	116	330	84	24	12	49	281	268
June.....	525	1,170	160	530	200	270	32	60	133	310
July.....	761	986	208	414	196	189	30	54	327	329
Aug.....	827	1,212	307	391	203	312	26	55	291	454

<sup>1</sup> Includes adjustments for differences in trading days.<sup>2</sup> 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 pp. 983-1003 of the *BULLETIN* for Dec. 1968.

INSTALMENT CREDIT EXTENDED AND REPAID, BY HOLDER

(In millions of dollars)

Period	Total		Commercial banks		Finance companies		Other financial lenders		Retail outlets	
	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.
Extensions										
1965		78,586		29,528		25,192		9,436		14,430
1966		82,335		30,073		25,406		10,362		16,494
1967		84,693		30,850		25,496		10,911		17,436
1968		97,053		36,332		28,836		12,850		19,035
1969		102,888		38,533		30,854		14,245		19,256
1970		104,130		39,136		29,662		14,619		20,713
1970—Aug.	8,809	8,915	3,308	3,385	2,427	2,416	1,235	1,318	1,839	1,796
Sept.	8,849	8,580	3,417	3,352	2,441	2,300	1,265	1,212	1,726	1,716
Oct.	8,580	8,670	3,276	3,301	2,371	2,387	1,221	1,187	1,712	1,795
Nov.	8,414	8,271	3,159	2,885	2,300	2,342	1,184	1,150	1,771	1,894
Dec.	8,536	10,194	3,326	3,390	2,240	2,795	1,187	1,206	1,783	2,803
1971—Jan.	8,916	7,545	3,338	2,885	2,411	1,961	1,288	1,055	1,879	1,644
Feb.	9,081	7,489	3,478	2,988	2,513	2,121	1,282	1,117	1,808	1,263
Mar.	9,533	9,575	3,646	3,783	2,681	2,686	1,394	1,418	1,812	1,688
Apr.	9,751	10,079	3,676	3,948	2,624	2,672	1,475	1,552	1,976	1,907
May	9,690	9,562	3,600	3,671	2,798	2,655	1,441	1,493	1,851	1,743
June	9,715	10,667	3,806	4,207	2,490	2,832	1,513	1,724	1,906	1,904
July	9,675	10,098	3,644	3,917	2,676	2,791	1,423	1,506	1,932	1,884
Aug.	10,049	10,300	3,919	4,062	2,699	2,729	1,452	1,582	1,979	1,927
Repayments										
1965		69,957		25,663		22,551		8,310		13,433
1966		76,120		27,716		23,597		9,337		15,470
1967		81,306		29,469		24,853		10,169		16,815
1968		88,089		32,080		26,472		11,499		18,038
1969		94,609		35,180		28,218		12,709		18,502
1970		101,138		37,961		29,858		13,516		19,803
1970—Aug.	8,577	8,357	3,185	3,154	2,507	2,389	1,158	1,137	1,727	1,677
Sept.	8,490	8,298	3,249	3,235	2,482	2,378	1,127	1,095	1,632	1,590
Oct.	8,662	8,853	3,258	3,342	2,551	2,588	1,165	1,173	1,688	1,750
Nov.	8,716	8,440	3,276	3,155	2,552	2,570	1,135	1,075	1,753	1,640
Dec.	8,515	8,823	3,262	3,235	2,465	2,753	1,113	1,159	1,675	1,676
1971—Jan.	8,829	8,605	3,385	3,169	2,486	2,293	1,199	1,195	1,759	1,948
Feb.	8,979	8,346	3,369	3,153	2,656	2,401	1,186	1,070	1,768	1,722
Mar.	9,038	9,651	3,387	3,666	2,674	2,871	1,207	1,245	1,770	1,869
Apr.	9,088	9,219	3,332	3,417	2,580	2,629	1,315	1,336	1,861	1,837
May	9,197	8,898	3,375	3,283	2,698	2,583	1,323	1,267	1,801	1,765
June	9,190	9,497	3,541	3,678	2,550	2,664	1,299	1,368	1,800	1,787
July	8,914	9,112	3,351	3,419	2,485	2,494	1,293	1,387	1,785	1,812
Aug.	9,222	9,088	3,456	3,459	2,590	2,537	1,288	1,299	1,888	1,793
Net change in credit outstanding <sup>2</sup>										
1965		8,629		3,865		2,641		1,126		997
1966		6,215		2,357		1,809		1,025		1,024
1967		3,387		1,381		643		742		621
1968		8,964		4,252		2,364		1,351		997
1969		8,279		3,353		2,636		1,536		754
1970		2,992		1,590		-611		1,103		910
1970—Aug.	232	558	123	231	-80	27	77	181	112	119
Sept.	359	282	168	117	-41	-78	138	117	94	126
Oct.	-82	-183	18	-41	-180	-78	56	14	24	45
Nov.	-302	-169	-117	-270	-252	-228	49	75	18	254
Dec.	21	1,371	64	155	-225	42	74	47	108	1,127
1971—Jan.	87	-1,060	-47	-284	-75	-332	89	-140	120	-304
Feb.	102	-857	109	-165	-143	-280	96	47	40	-459
Mar.	495	-76	259	117	7	-185	187	173	42	-181
Apr.	663	860	344	531	44	43	160	216	115	70
May	493	664	225	388	100	72	118	226	50	-22
June	525	1,170	265	529	-60	168	214	356	106	117
July	761	986	293	498	191	297	130	119	147	72
Aug.	827	1,212	463	603	109	192	164	283	91	134

<sup>1</sup> Includes adjustments for differences in trading days.

<sup>2</sup> 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 repayments 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.

NOTE.—“Other financial lenders” include credit unions and miscellaneous lenders. See also NOTE to preceding table and Note 1 at bottom of p. A-56.

## MARKET GROUPINGS

(1967 = 100)

Grouping	1967 pro- por- tion	1970 aver- age <sup>p</sup>	1970					1971							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>p</sup>
Total index.....	100.00	106.7	107.5	106.5	103.7	102.6	104.6	105.3	105.7	105.5	106.2	107.0	107.2	106.1	104.8
Products, total.....	62.21	106.0	106.5	105.2	103.6	102.6	104.2	104.6	105.0	104.5	105.5	105.9	106.1	106.5	106.2
Final products.....	48.95	104.4	104.9	103.5	101.4	100.2	102.2	102.9	103.0	102.5	103.6	103.9	104.5	104.7	104.8
Consumer goods.....	28.53	110.3	111.6	110.1	109.0	107.7	110.8	112.8	112.9	112.7	114.6	115.7	116.1	115.8	116.0
Equipment.....	20.42	96.2	95.5	94.2	90.8	89.8	90.3	88.9	89.3	88.4	88.1	87.8	88.2	89.3	89.2
Intermediate products.....	13.26	111.9	112.2	111.4	111.9	111.6	112.1	110.9	112.5	112.0	112.4	113.5	112.4	113.3	111.4
Materials.....	37.79	107.8	109.3	109.0	104.1	102.8	105.4	106.5	106.8	107.1	107.5	108.9	109.0	105.5	102.4
Consumer goods															
Durable consumer goods.....	7.86	104.8	110.3	102.2	97.1	95.5	102.9	108.1	110.6	111.6	112.2	117.2	116.1	115.5	114.9
Automotive products.....	2.84	99.9	111.2	91.1	77.6	76.0	100.0	110.9	117.8	117.8	113.7	123.1	121.2	120.1	120.5
Autos.....	1.87	86.6	103.9	70.4	51.1	51.8	88.6	104.1	112.8	112.2	103.2	108.3	107.9	107.9	108.5
Auto parts and allied goods.....	.97	125.6	125.4	130.9	128.7	122.3	122.2	124.1	127.4	128.6	133.9	151.4	146.8	143.6	143.2
Home goods.....	5.02	107.6	109.9	108.6	108.3	106.6	104.6	106.5	106.5	108.2	111.4	113.9	113.3	112.8	111.8
Appliances, TV, and radios.....	1.41	103.4	109.9	106.7	109.8	107.6	104.5	104.9	102.5	107.9	116.4	120.7	118.9	115.0	111.9
Appliances and A/C.....	.92	122.1	129.0	123.3	128.8	127.1	120.6	122.6	117.6	124.9	126.0	132.1	129.3	126.0	127.9
TV and home audio.....	.49	68.2	74.4	75.4	74.5	71.3	74.3	71.8	74.0	76.1	98.6	99.4	93.9	94.5	82.4
Carpeting and furniture.....	1.08	108.4	108.0	108.6	108.8	108.6	106.3	106.4	110.1	108.3	110.7	111.7	113.6	113.8	113.0
Misc. home goods.....	2.53	109.7	110.9	109.7	107.3	105.3	104.1	107.5	107.5	108.1	109.0	111.1	111.2	111.0	111.3
Nondurable consumer goods.....	20.67	112.5	112.1	113.0	113.5	112.3	113.8	114.6	113.8	113.1	115.5	115.1	116.1	115.9	116.4
Clothing.....	4.32	101.2	100.9	100.5	100.0	96.3	99.1	99.7	97.3	96.9	101.0	102.6	101.9	102.3	102.3
Consumer staples.....	16.34	115.4	115.2	116.4	117.2	116.6	117.7	118.5	118.1	117.4	119.4	118.5	119.9	119.5	120.6
Consumer foods and tobacco.....	8.37	110.6	109.9	110.6	111.9	112.5	112.8	114.0	112.6	111.8	112.7	113.2	113.5	112.0	113.6
Nonfood staples.....	7.98	120.4	120.7	122.6	122.9	120.9	122.9	123.2	123.9	123.2	126.4	124.2	126.5	127.4	127.8
Consumer chemical products.....	2.64	126.1	123.8	123.4	125.8	127.7	132.5	131.8	131.8	131.6	134.0	133.2	130.9	133.0	132.6
Consumer paper products.....	1.91	103.9	103.8	104.5	102.8	101.4	102.6	104.4	104.6	103.0	108.2	105.0	109.9	106.9	106.8
Consumer fuel and lighting.....	3.43	125.2	128.0	131.9	131.9	126.4	126.9	127.0	128.9	127.9	130.5	128.0	132.5	134.6	136.1
Residential utilities.....	2.25	131.3	135.9	140.7	141.2	132.2	131.9	132.0	135.2	133.2	136.4	135.1	140.6	143.0	145.4
Equipment															
Business equipment.....	12.74	101.1	101.7	100.5	95.9	94.6	95.6	94.2	96.0	95.0	95.1	94.4	95.0	96.4	96.2
Industrial equipment.....	6.77	98.8	97.6	98.0	94.6	93.9	94.0	91.5	93.4	92.4	92.4	90.9	90.9	91.9	91.1
Building and mining equip.....	1.45	95.9	92.9	91.5	91.7	93.3	93.6	90.6	94.3	92.4	91.2	91.5	88.8	88.9	90.0
Manufacturing equipment.....	3.85	91.9	90.0	91.8	86.7	84.6	84.2	82.9	82.2	81.3	82.1	79.5	80.1	81.2	79.8
Power equipment.....	1.47	119.9	122.6	120.7	118.2	118.7	119.8	115.0	121.7	121.5	120.5	120.2	121.3	122.7	121.6
Commercial, transit, farm eq*.....	5.97	103.7	106.5	103.4	97.1	95.6	97.9	97.2	99.0	98.0	98.2	98.4	99.6	101.5	101.9
Commercial equipment.....	3.30	110.6	111.9	110.0	108.2	106.0	105.3	105.5	107.0	106.6	107.1	107.6	107.6	109.8	110.2
Transit equipment.....	2.00	94.4	99.5	92.5	79.8	77.5	87.4	88.6	89.1	87.2	87.3	87.3	90.5	88.4	89.3
Farm equipment.....	.67	97.7	101.0	102.6	93.9	98.9	92.4	82.0	88.8	88.0	86.6	86.6	87.7	100.1	98.6
Defense and space equipment.....	7.68	87.9	85.1	83.9	82.6	81.7	81.2	80.0	78.1	77.5	76.5	76.9	77.1	77.7	77.7
Military products.....	5.15	89.7	87.0	85.8	84.5	83.7	82.9	82.6	80.4	79.8	79.1	79.5	80.5	81.5	82.1
Intermediate products															
Construction products.....	5.93	110.6	111.7	110.0	111.5	110.4	112.5	111.1	111.9	112.6	113.4	115.5	113.5	114.1	110.0
Misc. intermediate products.....	7.34	113.0	112.5	112.8	112.1	112.4	111.9	110.8	113.1	111.4	111.6	111.9	111.6	112.6	112.6
Materials															
Durable goods materials.....	20.91	103.4	106.4	105.1	96.2	93.6	99.4	101.5	101.6	101.9	102.2	104.8	103.0	98.9	93.7
Consumer durable parts.....	4.75	96.5	107.1	101.7	80.4	76.9	95.8	99.4	101.4	103.2	102.8	105.1	104.8	98.8	100.9
Equipment parts.....	5.41	95.1	94.7	93.7	88.0	86.6	86.6	88.4	87.6	86.4	86.0	88.9	87.1	87.0	81.0
Durable materials nec.....	10.75	110.5	111.9	112.4	107.6	104.5	107.5	109.0	108.8	109.2	110.2	112.8	110.2	105.0	96.8
Nondurable goods materials.....	13.99	112.5	111.6	112.9	113.4	113.3	112.1	111.7	112.1	112.0	112.7	112.8	115.5	112.5	113.0
Textile, paper, and chem. mat.....	8.58	113.0	112.1	113.2	112.6	112.6	111.8	111.2	111.7	111.9	113.2	113.7	117.5	113.4	114.9
Nondurable materials n.e.c.....	5.41	111.5	110.9	112.3	114.7	114.7	112.7	112.5	112.7	112.3	111.9	111.3	112.0	111.0	110.0
Fuel and power, industrial.....	2.89	117.0	118.6	119.7	118.2	117.8	117.6	117.8	118.6	121.1	121.0	119.7	121.1	119.7	115.9
Supplementary groups															
Home goods and clothing.....	9.34	104.7	105.7	104.8	104.5	101.8	102.0	103.4	102.3	102.9	106.6	108.7	108.0	107.8	106.6
Containers.....	1.82	119.5	119.9	116.8	119.1	120.6	117.4	119.2	119.6	108.1	113.5	117.8	115.5	120.8	117.2
Gross value of products in market structure (In billions of 1963 dollars)															
Products, total.....		386.8	391.8	382.7	375.1	372.5	380.9	386.2	388.6	385.9	390.2	391.6	392.6	396.1	393.3
Final products.....		298.0	302.6	294.0	286.4	284.1	292.1	297.7	298.5	297.4	300.4	301.3	303.2	305.8	305.1
Consumer goods.....		202.6	206.6	200.9	197.0	195.7	203.3	209.1	209.5	209.6	212.6	213.4	214.8	215.9	215.4
Equipment.....		95.5	96.1	93.2	89.5	88.3	88.7	88.7	89.2	87.9	87.9	87.6	88.5	89.9	89.9
Intermediate products.....		89.0	89.4	89.1	89.1	88.9	89.0	88.4	89.9	88.5	89.3	90.2	89.6	90.3	88.4

For NOTE see p. A-63.

\* Referred to as "nonindustrial equipment" in the article published in the July 1971 BULLETIN, pp. 551-76.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 proportion	1970 average <sup>a</sup>	1970					1971							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>b</sup>
<i>Manufacturing</i> .....	88.55	105.2	105.5	104.8	101.4	100.2	102.4	103.3	103.9	103.2	104.4	105.7	105.6	104.8	103.1
Durable.....	52.33	101.5	103.5	100.7	95.7	93.8	97.3	98.1	98.6	98.3	99.1	100.5	100.1	99.3	96.3
Nondurable.....	36.22	110.6	108.6	110.7	109.7	109.6	110.0	110.9	111.7	110.4	112.1	113.3	113.7	113.0	112.9
Mining and utilities.....	11.45	118.0	118.4	121.1	121.9	120.6	120.1	119.3	119.9	120.2	120.6	119.0	120.7	120.0	119.7
Mining.....	6.37	109.7	108.8	110.9	112.4	113.7	112.1	111.1	110.1	111.4	110.4	108.6	108.9	105.8	105.6
Utilities.....	5.08	128.5	130.5	133.9	134.0	129.6	130.2	129.6	132.2	131.5	133.2	132.1	135.6	137.8	137.4
<b>Durable manufactures</b>															
<i>Primary and fabricated metals</i> .....	12.55	108.1	111.8	108.9	104.2	101.2	105.1	106.8	106.0	105.8	108.6	111.5	108.3	104.5	92.3
Primary metals.....	6.61	106.9	111.9	108.8	102.5	98.4	104.3	108.1	105.5	106.6	108.7	114.3	108.1	98.9	78.0
Iron and steel, subtotal.....	4.23	105.3	111.8	108.2	102.4	95.6	101.4	106.9	104.8	105.2	109.1	112.9	105.3	99.8	63.3
Fabricated metal products.....	5.94	109.4	111.8	109.0	106.3	104.5	106.2	105.4	106.6	104.9	108.5	108.5	108.5	110.8	108.2
<i>Machinery and allied goods</i> .....	32.44	97.6	99.6	96.2	89.9	88.4	92.4	93.0	93.5	93.0	92.7	93.8	94.4	94.5	94.6
Machinery.....	17.39	100.5	101.5	100.4	96.5	94.9	94.8	93.4	94.2	94.0	94.2	95.3	95.2	97.4	95.8
Nonelectrical machinery.....	9.17	99.6	100.4	99.8	95.6	93.2	92.4	90.1	92.3	91.1	91.4	90.9	91.6	94.9	94.6
Electrical machinery.....	8.22	101.4	102.8	101.1	97.5	96.7	97.4	97.1	96.3	97.1	97.4	100.2	99.2	100.2	97.1
Transportation equipment.....	9.29	90.3	96.1	87.5	73.8	71.7	86.8	91.1	92.6	91.3	89.5	90.9	91.7	88.5	91.1
Motor vehicles and parts.....	4.56	96.9	111.3	94.6	68.6	65.4	98.5	107.7	113.0	112.2	108.4	110.2	111.7	106.7	112.9
Aerospace and misc. trans. eq.....	4.73	83.9	81.4	81.0	78.8	78.0	75.8	75.2	72.9	71.2	71.4	72.3	72.4	71.0	70.2
Instruments.....	2.07	110.8	110.5	108.9	107.3	106.5	104.9	106.5	105.3	105.5	106.7	108.0	108.5	108.7	109.2
Ordnance, private and Govt.....	3.69	95.3	93.0	91.9	90.4	89.3	88.5	87.9	85.5	85.7	85.2	86.0	88.8	89.0	90.2
<i>Lumber, clay, and glass</i> .....	4.44	106.3	106.6	105.6	105.3	105.0	107.5	106.9	109.8	110.8	113.0	112.3	111.0	112.2	111.7
Lumber and products.....	1.65	106.3	108.9	107.2	106.8	106.4	106.8	109.7	110.8	110.3	112.5	110.0	111.0	115.4	116.2
Clay, glass, and stone products.....	2.79	106.3	105.1	104.8	104.5	104.1	107.9	105.3	109.2	111.1	113.3	113.7	111.1	110.3	109.1
<i>Furniture and miscellaneous</i> .....	2.90	108.8	110.0	109.4	108.7	105.7	104.9	105.2	107.1	105.6	109.5	109.9	111.3	111.4	110.0
Furniture and fixtures.....	1.38	99.4	100.1	99.3	100.1	96.5	95.5	94.2	96.0	95.0	98.7	97.6	100.9	99.9	97.9
Miscellaneous manufactures.....	1.52	117.3	119.1	118.5	116.7	114.0	113.4	115.2	117.2	115.4	119.3	121.2	120.7	122.1	121.1
<b>Nondurable manufactures</b>															
<i>Textiles, apparel, and leather</i> .....	6.90	100.2	99.3	99.1	98.7	96.0	97.1	98.6	98.0	97.3	99.8	101.5	102.4	101.5	99.2
Textile mill products.....	2.69	106.3	105.6	105.2	104.1	102.8	103.3	103.1	105.4	105.3	106.3	107.5	113.2	108.5	107.4
Apparel products.....	3.33	97.8	97.0	96.8	96.9	93.4	94.9	97.4	94.5	94.0	97.3	99.7	97.1	99.7	.....
Leather and products.....	.88	90.8	89.5	90.2	89.6	85.0	86.7	89.5	89.0	85.4	89.9	89.8	89.3	86.7	84.1
<i>Paper and printing</i> .....	7.92	107.8	107.9	106.7	106.1	106.4	105.0	107.1	108.1	104.6	106.9	106.9	106.0	106.1	107.8
Paper and products.....	3.18	113.3	112.7	109.8	111.9	113.3	110.6	116.9	116.0	111.0	114.4	115.1	113.4	113.6	116.5
Printing and publishing.....	4.74	104.1	104.6	104.5	102.3	101.9	101.2	100.5	102.8	100.2	101.8	101.4	101.0	101.1	102.0
<i>Chemicals, petroleum, and rubber</i> .....	11.92	118.2	117.8	119.1	117.2	117.8	118.9	118.2	120.9	120.5	122.4	124.2	125.3	124.0	124.3
Chemicals and products.....	7.86	120.2	119.4	121.5	120.3	119.7	121.2	119.3	121.7	121.0	123.4	123.7	126.8	125.0	125.4
Petroleum products.....	1.80	112.6	112.1	112.9	113.2	116.9	118.1	117.2	117.1	116.3	115.8	112.7	115.0	114.8	115.0
Rubber and plastics products.....	2.26	115.7	117.5	115.9	110.0	111.4	111.8	115.5	120.6	122.7	124.5	135.4	129.1	128.0	127.9
<i>Foods and tobacco</i> .....	9.48	110.8	104.4	112.0	111.7	111.9	112.5	113.9	113.1	112.2	112.9	113.6	113.7	113.5	112.9
Foods.....	8.81	111.7	104.7	113.1	112.3	112.7	113.5	114.6	114.1	113.8	114.1	114.6	115.4	114.8	114.2
Tobacco products.....	.67	100.0	100.4	100.5	104.4	102.3	99.5	106.6	100.1	90.3	96.9	100.3	92.1	96.6	.....
<b>Mining</b>															
<i>Metal, stone, and earth minerals</i> .....	1.26	112.0	110.4	110.0	113.0	118.6	116.4	113.6	113.6	111.6	106.5	104.6	104.9	91.5	93.7
Metal mining.....	.51	131.3	129.1	130.5	134.3	148.5	144.7	140.1	139.0	135.1	124.7	122.6	117.3	93.3	100.7
Stone and earth minerals.....	.75	98.8	97.6	96.2	98.6	98.4	97.3	95.6	96.3	95.6	94.2	92.4	96.4	90.2	88.9
<i>Coal, oil, and gas</i> .....	5.11	109.2	108.6	111.3	112.3	112.6	111.0	110.6	109.3	111.4	111.4	109.6	109.9	109.3	108.6
Coal.....	.69	105.8	108.8	109.7	108.7	107.9	103.6	112.3	108.8	116.2	115.5	110.2	109.4	109.4	104.9
Oil and gas extraction.....	4.42	109.7	108.7	111.5	112.9	113.4	112.3	110.3	109.3	110.6	114.3	109.6	110.0	109.2	109.2
<b>Utilities</b>															
<i>Electric</i> .....	3.91	130.8	133.2	137.5	137.6	131.9	132.5	131.5	134.9	133.6	135.5	133.8	138.3	140.8	140.2
<i>Gas</i> .....	1.17	121.0	121.4	121.7	121.9	122.1	122.4	123.0	123.6	124.3	.....	.....	.....	.....	.....

For Note see p. A-63.

## MARKET GROUPINGS

(1967 = 100)

Grouping	1967 pro- por- tion	1970 aver- age <sup>p</sup>	1970						1971							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>r</sup>	
Total index.....	100.00	106.7	107.1	109.6	106.5	103.1	102.0	103.2	106.1	106.0	106.5	107.3	109.7	102.0	105.2	
<b>Products, total.....</b>	<b>62.21</b>	<b>106.0</b>	<b>107.0</b>	<b>109.8</b>	<b>107.0</b>	<b>102.7</b>	<b>100.7</b>	<b>101.8</b>	<b>104.7</b>	<b>104.5</b>	<b>105.0</b>	<b>105.1</b>	<b>109.0</b>	<b>103.5</b>	<b>107.8</b>	
<i>Final products.....</i>	<i>48.95</i>	<i>104.4</i>	<i>104.5</i>	<i>107.8</i>	<i>104.5</i>	<i>100.2</i>	<i>98.9</i>	<i>101.0</i>	<i>103.4</i>	<i>103.0</i>	<i>102.9</i>	<i>102.7</i>	<i>107.2</i>	<i>101.3</i>	<i>105.8</i>	
Consumer goods.....	28.53	110.3	112.4	116.9	113.6	107.2	105.4	110.3	113.2	112.9	113.6	113.5	119.3	111.3	118.6	
Equipment.....	20.42	96.2	93.5	95.0	91.9	90.4	89.8	88.1	89.6	89.1	88.0	87.6	90.4	87.2	87.8	
Intermediate products.....	13.26	111.9	116.1	117.0	116.0	111.8	107.3	104.7	109.5	110.2	112.6	113.8	115.5	111.7	115.4	
Materials.....	37.79	107.8	107.3	109.2	105.8	103.7	104.1	105.4	108.3	108.4	109.0	110.8	110.9	99.4	100.8	
<b>Consumer goods</b>																
Durable consumer goods.....	7.86	104.8	96.7	107.3	103.7	98.7	100.8	107.3	113.8	114.8	114.7	117.3	120.5	101.8	107.4	
Automotive products.....	2.84	99.9	75.2	94.7	83.7	80.1	100.0	115.6	125.1	125.3	121.9	127.2	130.5	94.9	101.3	
Autos.....	1.87	86.6	46.3	72.7	58.7	58.2	92.4	113.5	124.1	123.4	112.5	120.2	120.8	69.4	76.5	
Auto parts and allied goods.....	.97	125.6	130.4	136.9	131.7	122.1	114.6	119.6	127.0	128.9	139.9	140.8	149.0	144.0	148.9	
Home goods.....	5.02	107.6	108.9	114.5	115.0	109.2	101.3	102.6	107.4	108.8	110.7	111.7	114.9	105.7	110.9	
Appliances, TV, and radios.....	1.41	103.4	99.8	113.2	123.2	110.0	90.9	102.5	108.9	113.6	116.1	117.1	117.3	102.5	104.0	
Appliances and A/C.....	.92	122.1	112.1	127.7	138.3	122.3	100.3	120.1	124.7	133.6	133.1	132.2	136.1	122.3	114.3	
TV and home audio.....	.49	68.2	76.6	86.0	94.9	86.3	73.2	69.5	79.3	76.2	84.3	88.8	81.9	65.4	84.8	
Carpeting and furniture.....	1.08	108.4	108.2	111.8	110.0	111.5	108.6	108.0	114.7	111.4	111.1	108.6	112.6	97.9	111.2	
Misc. home goods.....	2.53	109.7	114.3	116.4	112.5	107.8	103.9	100.4	103.4	105.1	107.5	110.0	114.4	110.8	114.7	
Nondurable consumer goods.....	20.67	112.5	118.4	120.5	117.4	110.4	110.7	111.4	113.0	112.2	113.2	112.1	118.8	115.0	122.9	
Clothing.....	4.32	101.2	106.3	103.3	104.8	95.8	85.5	95.0	102.0	102.5	102.6	101.4	105.5	93.5	100.0	
Consumer staples.....	16.34	115.4	121.6	125.0	120.7	114.3	112.8	115.7	115.9	114.8	116.0	114.9	122.3	120.8	127.3	
Consumer foods and tobacco.....	8.37	110.6	115.5	120.5	118.4	111.3	106.6	108.1	108.5	108.7	110.0	110.8	116.6	112.6	119.6	
Nonfood staples.....	7.98	120.4	127.9	129.7	123.1	117.5	119.3	123.7	123.7	121.2	122.3	119.1	128.3	129.4	135.4	
Consumer chemical products.....	1.41	103.4	99.8	113.2	123.2	110.0	90.9	102.5	108.9	113.6	131.2	132.4	142.2	131.7	138.8	
Consumer paper products.....	1.91	103.9	111.4	111.0	106.2	100.7	97.4	99.6	101.8	100.1	107.1	102.0	110.2	109.6	114.6	
Consumer fuel and lighting.....	3.43	125.2	115.1	117.0	113.6	115.4	120.3	137.0	134.3	129.6	123.8	118.4	127.6	138.7	144.4	
Residential utilities.....	2.25	131.3	146.6	146.6	131.0	121.2	132.7	146.7	143.0	137.1	129.2	122.3	132.4	148.2	156.9	
<b>Equipment</b>																
Business equipment.....	12.74	101.1	99.1	101.6	97.5	95.3	94.3	92.7	96.6	96.0	95.3	94.2	98.0	93.4	94.5	
Industrial equipment.....	6.77	98.8	96.3	98.9	96.6	95.0	93.2	90.8	93.9	92.8	92.4	90.3	92.6	90.5	91.1	
Building and mining equip.....	1.45	95.9	87.2	93.1	93.2	97.0	95.3	89.8	93.3	90.3	91.7	90.9	91.6	87.0	90.5	
Manufacturing equipment.....	3.85	91.9	89.7	91.8	88.0	85.6	83.5	81.9	84.3	82.9	82.0	79.1	81.5	79.4	79.6	
Power equipment.....	1.47	119.9	122.7	123.2	122.5	117.4	116.3	115.1	119.6	120.9	120.3	119.2	122.6	122.7	121.7	
Commercial, transit, farm eq.*.....	5.97	103.7	102.3	104.6	98.4	95.6	95.6	94.8	99.7	99.7	98.5	98.6	104.2	96.6	98.3	
Commercial equipment.....	3.30	110.6	112.7	113.5	109.2	106.3	103.4	101.8	105.3	104.7	105.3	106.0	112.4	112.5	111.3	
Transit equipment.....	2.00	94.4	91.1	90.5	81.5	79.6	85.2	87.1	91.5	91.0	88.9	89.0	93.8	75.1	81.8	
Farm equipment.....	.67	97.7	84.6	102.4	95.5	90.1	88.0	83.4	96.7	100.9	93.7	90.9	94.3	81.9	82.6	
Defense and space equipment.....	7.68	87.9	84.2	84.0	82.7	82.4	82.3	80.5	78.1	77.7	76.0	76.7	77.8	76.8	76.9	
Military products.....	5.15	89.7	87.0	85.8	84.5	83.7	82.9	82.8	80.3	80.1	78.9	79.7	81.8	80.9	81.5	
<b>Intermediate products</b>																
Construction products.....	5.93	110.6	114.3	114.5	115.2	110.1	105.4	103.3	109.9	111.6	115.8	118.0	118.6	111.1	112.5	
Misc. intermediate products.....	7.34	113.0	117.5	119.0	116.6	113.1	108.8	105.8	109.1	109.1	110.0	110.4	113.0	112.3	117.7	
<b>Materials</b>																
Durable goods materials.....	20.91	103.4	103.0	105.3	97.2	94.0	98.0	99.8	103.2	104.2	104.1	107.2	106.3	92.3	90.7	
Consumer durable parts.....	4.75	96.5	98.1	101.1	82.3	80.3	100.4	102.9	104.6	104.5	102.0	106.4	104.5	88.3	92.4	
Equipment parts.....	5.41	95.1	92.4	94.6	87.7	85.8	86.7	87.8	88.9	89.0	87.0	89.4	89.4	81.7	79.1	
Durable materials n.e.c.....	10.75	110.5	110.4	112.5	108.6	104.2	102.7	104.4	109.8	111.8	113.7	116.6	115.6	99.5	95.8	
Nondurable goods materials.....	13.99	112.5	111.4	113.0	116.1	114.9	110.0	110.9	113.3	112.0	113.7	114.3	115.8	107.4	112.7	
Textile, paper, and chem. mat.....	8.58	113.0	111.2	113.1	115.0	113.8	108.3	110.4	114.3	112.8	115.6	116.0	118.0	106.5	114.0	
Nondurable materials n.e.c.....	5.41	111.5	111.6	112.7	117.8	116.6	112.7	111.6	111.6	110.8	110.8	111.6	112.4	108.7	110.7	
Fuel and power, industrial.....	2.89	117.0	119.0	118.7	118.6	119.0	119.5	119.9	120.5	121.9	121.4	119.5	120.4	111.4	116.2	
<b>Supplementary groups</b>																
Home goods and clothing.....	9.34	104.7	107.7	109.3	110.3	103.0	94.0	99.1	104.9	105.9	106.9	106.9	110.6	100.1	108.6	
Containers.....	1.82	119.5	124.0	121.9	125.9	119.5	108.6	112.6	119.2	108.1	113.8	119.6	119.1	115.5	121.2	

For NOTE see p. A-63.

\* Referred to as "Nonindustrial equipment" in the article published in the July 1971 BULLETIN, pp. 551-76.



## INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 pro- portion	1970 aver- age <sup>a</sup>	1970						1971						
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>b</sup>
<b>Manufacturing, total</b> .....	88.55	105.2	104.9	107.6	104.7	101.2	99.7	100.9	104.3	104.4	105.0	106.0	108.3	99.7	102.6
Durable.....	52.33	101.5	99.3	102.2	97.6	94.6	95.9	96.8	100.2	100.6	100.4	101.7	102.7	93.3	93.3
Nondurable.....	36.22	110.6	113.1	115.3	115.0	110.7	105.2	106.8	110.2	109.8	111.7	112.1	116.3	108.9	115.9
<b>Mining and utilities</b> .....	11.45	118.0	123.6	124.1	120.7	117.5	119.5	120.6	119.7	119.4	117.9	117.0	120.7	120.7	124.9
Mining.....	6.37	109.7	110.7	111.6	113.4	113.2	112.0	108.7	108.6	109.7	110.4	110.9	111.0	103.0	106.9
Utilities.....	5.08	128.5	139.9	139.8	129.8	123.0	128.9	135.6	133.7	131.5	127.3	124.6	132.8	143.0	147.5
<b>Durable manufactures</b>															
<b>Primary and fabricated metals</b> .....	12.55	108.1	107.1	108.1	104.4	101.3	102.2	105.7	110.0	111.0	112.0	114.6	111.1	96.2	88.7
Primary metals.....	6.61	106.9	105.4	105.4	100.7	97.1	99.0	106.6	111.6	115.2	115.8	119.8	112.6	88.5	73.5
Iron and steel, subtotal.....	4.23	105.3	105.4	103.1	98.7	94.2	96.4	105.2	110.7	114.3	117.1	119.1	109.0	91.1	59.7
Fabricated metal products.....	5.94	109.4	109.0	111.1	108.6	106.0	105.8	104.7	108.2	106.3	107.7	108.8	109.5	104.7	105.5
<b>Machinery and allied goods</b> .....	32.44	97.6	93.6	97.8	91.9	89.3	91.9	92.8	95.1	94.9	93.4	94.4	96.7	88.8	90.2
Machinery.....	17.39	100.5	98.4	102.7	98.8	95.4	92.6	92.4	96.0	95.8	94.9	94.8	97.0	92.2	92.8
Nonelectrical machinery.....	9.17	99.6	96.7	100.5	95.8	93.3	90.4	88.9	94.3	93.6	92.5	91.4	94.2	91.8	91.1
Electrical machinery.....	8.22	101.4	100.2	105.2	102.2	97.7	95.0	96.3	97.8	98.3	97.5	98.6	100.2	92.6	94.6
Transportation equipment.....	9.29	90.3	80.9	87.7	75.6	73.8	88.9	93.1	95.4	94.6	91.6	94.2	96.1	77.8	81.1
Motor vehicles and parts.....	4.56	96.9	81.6	94.2	71.8	69.5	102.0	112.9	118.9	117.7	112.0	116.9	120.5	86.1	93.6
Aerospace and misc. trans. eq.....	4.73	83.9	80.2	81.5	79.2	77.9	76.3	74.1	72.8	72.3	72.0	72.4	72.6	69.7	69.1
Instruments.....	2.07	110.8	112.8	113.3	110.4	107.0	104.8	103.4	102.2	103.7	103.4	106.9	110.8	110.7	111.5
Ordnance, private and Govt.....	3.69	95.3	91.9	91.5	89.8	89.4	88.9	88.4	86.3	86.2	85.2	86.2	89.2	88.3	89.1
<b>Lumber, clay, and glass</b> .....	4.44	106.3	112.0	110.8	110.5	105.0	100.9	97.7	104.5	108.7	113.2	114.5	116.6	111.4	117.4
Lumber and products.....	1.65	106.3	113.3	112.5	110.8	104.1	97.0	98.8	110.6	112.1	114.5	112.5	117.5	112.2	120.8
Clay, glass, and stone products.....	2.79	106.3	111.2	109.8	110.4	105.6	103.2	97.0	100.9	106.7	112.5	115.7	116.1	111.0	115.4
<b>Furniture and miscellaneous</b> .....	2.90	108.8	110.7	113.2	112.0	109.5	105.7	102.3	107.4	106.6	108.7	107.6	112.3	104.2	110.8
Furniture and fixtures.....	1.38	99.4	98.5	100.3	100.4	99.4	98.4	96.2	100.7	98.5	98.6	95.8	99.3	86.8	96.3
Miscellaneous manufactures.....	1.52	117.3	121.8	124.9	122.5	118.8	112.3	107.9	113.6	114.0	117.9	118.4	124.1	120.0	123.9
<b>Nondurable manufactures</b>															
<b>Textiles, apparel, and leather</b> .....	6.90	100.2	103.7	101.6	102.9	96.5	87.3	95.7	101.8	101.7	101.6	101.3	104.6	90.7	103.4
Textile mill products.....	2.69	106.3	109.5	107.6	107.6	103.5	93.5	102.0	107.6	108.2	108.5	110.4	114.0	96.9	111.3
Apparel products.....	3.33	97.8	101.5	99.6	101.5	93.7	83.5	92.3	99.4	99.4	99.3	97.4	100.8	89.7	88.7
Leather and products.....	.88	90.8	94.4	90.6	93.8	85.6	82.6	88.8	92.7	90.4	88.8	87.9	89.8	75.2	88.7
<b>Paper and printing</b> .....	7.92	107.8	111.4	111.8	111.8	108.0	99.5	101.3	105.4	103.2	107.4	106.8	108.5	103.6	111.2
Paper and products.....	3.18	113.3	112.5	109.5	117.7	114.2	102.3	115.5	118.9	113.6	117.8	116.2	116.6	105.7	116.3
Printing and publishing.....	4.74	104.1	110.6	113.3	107.8	103.8	97.6	91.7	96.4	96.2	100.4	100.5	103.1	102.2	107.8
<b>Chemicals, petroleum, and rubber</b> .....	11.92	118.2	118.4	122.4	120.4	118.7	117.1	114.7	119.4	119.7	122.2	123.2	128.6	120.4	124.8
Chemicals and products.....	7.86	120.2	120.4	124.7	122.7	120.2	118.7	115.1	118.9	119.5	124.3	125.3	131.1	122.4	126.4
Petroleum products.....	1.80	112.6	117.0	118.1	115.2	116.1	116.3	112.4	113.5	112.0	110.9	111.7	119.1	118.9	120.1
Rubber and plastics products.....	2.26	115.7	112.8	118.0	116.5	115.4	112.0	115.3	125.8	126.4	124.0	125.0	127.7	114.8	122.8
<b>Foods and tobacco</b> .....	9.48	110.8	114.7	119.3	119.7	113.1	107.9	109.5	108.8	108.8	109.6	110.5	115.9	111.8	117.8
Foods.....	8.81	111.7	115.2	120.3	120.3	113.9	109.8	109.7	109.2	110.2	110.9	111.4	117.2	113.8	118.8
Tobacco products.....	.67	100.0	108.0	106.7	112.4	103.1	83.5	106.4	103.0	90.5	92.7	99.3	98.5	86.2	.....
<b>Mining</b>															
<b>Metal, stone, and earth minerals</b> .....	1.26	112.0	118.9	117.0	117.2	111.0	105.5	97.7	98.7	101.0	107.2	116.9	118.3	97.2	100.7
Metal mining.....	.51	131.3	144.0	141.2	135.2	124.7	116.9	115.0	118.3	117.9	126.1	145.7	147.7	106.6	112.3
Stone and earth minerals.....	.75	98.8	101.9	100.5	104.9	101.7	97.7	86.0	85.3	89.5	94.4	97.4	98.3	90.9	92.8
<b>Coal, oil, and gas</b> .....	5.11	109.2	108.7	110.3	112.5	113.8	113.6	111.4	111.0	111.8	111.2	109.4	109.2	104.4	108.4
Coal.....	.69	105.8	115.9	112.6	116.2	110.3	103.0	111.1	109.1	114.7	117.6	112.4	111.6	82.7	111.7
Oil and gas extraction.....	4.42	109.7	107.6	109.9	111.9	114.4	115.2	111.4	111.3	111.3	114.1	108.9	108.8	107.8	107.9
<b>Utilities</b>															
Electric.....	3.91	130.8	145.5	145.2	132.2	123.2	130.8	139.3	136.7	133.6	128.0	124.2	134.6	147.7	153.4
Gas.....	1.17	121.0	121.4	121.7	121.9	122.1	122.4	123.0	123.6	124.3	.....	.....	.....	.....	.....

NOTE.—Published groupings include some series and subtotals not shown separately. A description and historical data will be available at

a later date. Figures for individual series and subtotals are published in the monthly Business Indexes release.

SELECTED BUSINESS INDEXES

(1967=100, except as noted)

Period	Industrial production										Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Non-agricultural employment—Total <sup>1</sup>	Manufacturing <sup>2</sup>		Total retail sales <sup>3</sup>	Prices <sup>4</sup>	
	Total	Market						In-dustry	Employment	Pay-rolls				Consumer	Wholesale commodity			
		Products				Materials	Manu-facturing											
		Total	Con-sumer goods	Equip-ment	Inter-mediate products													
1952										92.8		74.1	93.4	54.5	52	79.5	88.6	
1953										95.5		76.3	98.2	60.3	54	80.1	87.4	
1954	51.9	51.8	50.8	53.3	47.9	55.1	32.0	51.5		84.1		74.4	89.6	55.1	54	80.5	87.6	
1955	58.5	56.6	54.9	59.5	48.9	62.6	61.5	58.2		90.0		76.9	92.9	61.1	59	80.2	87.8	
1956	61.1	59.7	58.2	61.7	53.7	65.3	63.1	60.5		88.2		79.6	93.9	64.6	61	81.4	90.7	
1957	61.9	61.1	59.9	63.2	55.9	65.3	63.1	61.2		84.5		80.3	92.2	65.4	64	84.3	93.3	
1958	57.9	58.6	57.1	62.6	50.0	63.9	56.8	56.9		75.1		78.0	83.9	60.3	64	86.6	94.6	
1959	64.8	64.4	62.7	68.7	54.9	70.5	65.5	64.1		81.4		81.0	88.1	67.8	69	87.3	94.8	
1960	66.2	66.2	64.8	71.3	56.4	71.0	66.4	65.4		80.1		82.4	88.0	68.8	70	88.7	94.9	
1961	66.7	66.9	65.3	72.8	55.6	72.4	66.4	65.6		77.6		82.0	84.5	68.0	70	89.6	94.5	
1962	72.2	72.1	70.8	77.7	61.9	76.9	72.4	71.4		81.4		84.4	87.3	73.3	75	90.6	94.8	
1963	76.5	76.2	74.9	82.0	65.6	81.1	77.0	75.8		83.0	86.1	86.1	87.8	76.0	79	91.7	94.5	
1964	81.7	81.2	79.6	86.8	70.1	87.3	82.6	81.2		85.5	89.4	88.6	89.3	80.1	83	92.9	94.7	
1965	89.2	88.1	86.8	93.0	78.7	93.0	91.0	89.1		89.0	93.2	92.3	93.9	88.1	91	94.5	96.6	
1966	97.9	96.8	96.1	98.6	93.0	99.2	99.8	98.3		91.9	94.8	97.1	99.9	97.8	97	97.2	99.8	
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		87.9	100.0	100.0	100.0	100.0	100	100.0	100.0	
1968	105.7	105.8	105.8	106.6	104.7	105.7	105.7	105.7		87.7	113.2	103.1	101.4	108.3	108	104.2	102.5	
1969	110.7	109.7	109.0	111.1	106.1	112.0	112.4	110.5		86.5	123.7	106.7	103.2	116.6	108	109.8	106.5	
1970	106.7	106.0	104.4	110.3	96.1	111.9	107.8	105.2		78.1		107.3	98.1	114.2	116	116.3	110.4	
1970—Aug.	107.5	106.5	104.9	111.6	95.5	112.2	109.3	105.5			135.0	107.0	97.7	114.6	118	116.9	110.5	
Sept.	106.5	105.2	103.5	110.1	94.2	111.4	109.0	104.8			118.0	107.0	97.6	114.4	118	117.5	111.0	
Oct.	103.7	103.6	101.4	109.0	90.8	111.9	104.1	101.4			115.0	106.4	93.7	108.7	117	118.1	111.0	
Nov.	102.6	102.6	100.2	107.7	89.8	111.6	102.8	100.2	74.0		130.0	106.3	92.8	108.1	116	118.5	110.9	
Dec.	104.6	104.2	102.2	110.8	90.3	112.1	105.4	102.4			132.0	106.8	94.9	112.4	117	119.1	111.0	
1971—Jan.	105.3	104.6	102.9	112.8	88.9	110.9	106.5	103.3			117.0	107.0	94.7	114.9	119	119.2	111.8	
Feb.	105.7	105.0	103.0	112.9	89.3	112.5	106.8	103.9	74.5		126.0	106.9	94.4	115.0	121	119.4	112.8	
Mar.	105.5	104.5	102.5	112.7	88.4	112.0	107.1	103.2			141.0	107.0	94.0	114.7	123	119.8	113.0	
Apr.	106.2	105.5	103.6	114.6	88.1	112.4	107.5	104.4			161.0	107.2	94.4	115.4	126	120.2	113.3	
May	107.0	105.9	103.9	115.7	87.8	113.5	108.9	105.7	75.1		141.0	107.5	94.8	117.6	125	120.8	113.8	
June	107.2	106.1	104.5	116.1	88.2	112.4	109.0	105.6			147.0	107.3	94.3	117.7	127	121.5	114.3	
July	106.1	106.5	104.7	115.8	89.3	113.3	105.5	104.8			151.0	107.1	93.9	116.8	126	121.8	114.6	
Aug.	104.8	106.2	104.8	116.0	89.2	111.4	102.4	103.1	73.2		153.0	107.1	93.6	116.8	128	122.2	114.9	
Sept.	105.3	106.3	104.9	116.2	89.3	111.2	103.7	103.3				107.6	94.5	117.3	129			

<sup>1</sup> Employees only; excludes personnel in the Armed Forces.

<sup>2</sup> Production workers only.

<sup>3</sup> F.R. index based on Census Bureau figures.

<sup>4</sup> Prices are not seasonally adjusted.

NOTE.—All series: Data are seasonally adjusted unless otherwise noted.

Capacity utilization: Based on data from Federal Reserve, McGray-Hill Economics Department, and Department of Commerce.

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.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1968	1969	1970					1971							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Total construction <sup>1</sup>	61,732	67,425	6,229	5,398	5,453	5,144	4,974	4,383	4,993	6,386	7,743	7,555	8,077	7,670	7,712
By type of ownership:															
Public	19,597	22,656	2,078	1,869	2,023	1,937	1,688	1,464	1,578	1,722	2,074	2,065	2,795	2,683	
Private <sup>1</sup>	42,135	44,769	4,151	3,529	3,430	3,208	3,286	2,919	3,415	4,663	5,669	5,489	5,489	4,987	
By type of construction:															
Residential building <sup>1</sup>	24,838	25,219	2,349	2,176	2,301	1,947	2,045	1,631	1,819	2,729	3,168	3,310	3,485	3,357	3,255
Nonresidential building	22,512	25,667	2,331	1,943	1,862	1,701	1,693	1,711	1,654	2,199	2,080	2,264	2,800	2,621	2,120
Nonbuilding	14,382	16,539	1,549	1,278	1,289	1,497	1,235	1,041	1,520	1,458	2,495	1,981	1,792	1,691	2,337
Private housing units authorized... (In thousands, S.A., A.R.)	1,330	1,299	1,326	1,371	1,521	1,487	1,768	1,635	1,563	1,627	1,638	1,927	1,849	2,052	2,008

<sup>1</sup> Because of improved collection procedures, data for 1-family homes beginning Jan. 1968 are not strictly comparable with those for earlier periods. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE.—Dollar value of construction contracts as reported by the F. W. Dodge Co. does not include data for Alaska or Hawaii. Totals of monthly data exceed annual totals because adjustments—negative—are made into accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 13,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				Other <sup>2</sup>
		Total	Non-farm residential	Nonresidential				Total	Military	High-way	Conservation & development		
				Buildings			Other						
				Industrial	Commercial	Other buildings <sup>1</sup>							
1962 <sup>3</sup>	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 <sup>4</sup>	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	72,319	50,253	26,268	23,985	5,118	6,739	4,735	7,393	22,066	852	7,550	2,019	11,645
1966	75,120	51,120	23,971	27,149	6,679	6,879	5,037	8,554	24,000	769	8,355	2,195	12,681
1967	76,160	50,587	23,736	26,851	6,131	6,982	4,993	8,745	25,573	721	8,538	2,196	14,511
1968	84,692	56,996	28,823	28,173	5,594	8,333	4,873	9,373	27,696	824	9,295	2,046	15,531
1969	90,866	62,806	30,603	32,203	6,373	10,136	5,521	10,170	28,060	949	9,276	1,796	16,039
1970	91,266	63,079	29,275	33,806	5,930	10,521	5,841	11,459	28,297	782			
1970—Aug.	89,987	61,493	27,536	33,957	6,241	10,188	5,959	11,569	28,494	845			
Sept.	91,012	62,725	28,768	33,957	5,741	10,375	5,686	12,155	28,287	738			
Oct.	92,336	64,476	30,519	33,957	5,983	10,210	5,572	12,192	27,860	866			
Nov.	92,927	64,585	31,827	32,758	5,752	9,278	5,575	12,153	28,342	701			
Dec.	99,194	66,984	33,355	33,629	5,358	10,372	5,739	12,160	32,210	768			
1971—Jan.	99,749	69,651	34,170	35,481	5,904	11,558	6,083	11,936	30,098	1,016			
Feb.	102,024	70,311	35,114	35,197	5,596	11,846	5,740	12,015	31,713	924			
Mar.	102,159	72,116	36,842	35,274	5,244	12,169	5,637	12,224	30,043	882			
Apr.	105,014	75,378	39,219	36,154	5,472	12,214	6,098	12,370	29,641	844			
May	105,201	75,556	40,480	35,076	5,017	11,988	6,062	12,009	29,645	875			
June	105,476	76,181	40,378	35,803	4,547	12,790	6,513	11,953	29,253	822			
July	105,916	76,771	40,776	35,995	4,445	13,286	6,455	11,809	29,145	967			
Aug.	107,264	78,174	42,047	36,137	4,379	13,006	6,550	12,192	29,090	905			

<sup>1</sup> Includes religious, educational, hospital, institutional, and other buildings.

<sup>2</sup> Sewer and water, formerly shown separately, now included in "Other."

<sup>3</sup> Beginning July 1962, reflects inclusion of new series affecting most private nonresidential groups.

<sup>4</sup> Beginning 1963, reflects inclusion of new series under "Public" (for State and local govt. activity only).

NOTE.—Census Bureau data, monthly series at seasonally adjusted annual rates.

NEW HOUSING UNITS

(In thousands)

Period	Units started													Mobile home shipments (N.S.A.)	
	Total	Private (S.A., A.R.)				Private and public (N.S.A.)			Government underwritten (N.S.A.)						
		Region				Type of structure			Total	Private	Public	Total	FHA		VA
		North-east	North Central	South	West	1-family	2- to 4-family	5- or more-family							
1962	1,463	264	290	531	378	991	471	450	1,492	1,463	30	339	261	78	118
1963	1,610	261	328	591	431	1,021	589	450	1,642	1,610	32	292	221	71	151
1964	1,529	253	339	582	355	972	108	450	1,562	1,529	32	264	205	59	191
1965	1,473	270	362	575	266	964	87	422	1,510	1,473	37	246	197	49	216
1966	1,165	207	288	473	198	779	61	325	1,196	1,165	31	195	158	37	217
1967	1,292	215	337	520	220	844	72	376	1,322	1,292	30	232	180	53	240
1968	1,508	227	369	619	294	900	81	527	1,548	1,508	40	283	227	56	318
1969	1,467	206	349	588	323	810	87	571	1,500	1,467	33	288	237	51	413
1970	1,434	218	294	612	310	813	85	536	1,467	1,434	33	479	418	61	401
1970—Aug.	1,425	181	298	640	306	838	94	493	132	129	3	40	34	6	38
Sept.	1,509	198	262	673	376	881	122	506	133	131	2	40	34	6	41
Oct.	1,583	227	331	649	376	890	87	606	143	141	2	46	40	6	41
Nov.	1,693	262	355	737	339	934	111	648	128	127	1	39	34	5	30
Dec.	2,054	234	427	916	477	1,240	102	712	124	121	3	69	63	6	27
1971—Jan.	1,725	238	320	724	435	946	110	669	115	111	4	37	32	5	25
Feb.	1,754	238	292	745	479	985	110	659	105	102	3	32	27	5	28
Mar.	1,959	257	442	803	457	1,048	121	790	169	168	1	40	33	7	36
Apr.	1,912	233	457	814	408	1,098	109	705	204	201	3	53	45	8	43
May	1,975	271	362	855	487	1,124	111	740	204	199	5	49	41	8	41
June	2,000	231	393	868	508	1,177	120	703	197	194	3	55	46	9	47
July	2,215	301	455	876	583	1,178	136	901	196	193	3	52	43	9	45
Aug.	2,228	254	502	1,001	471	1,221	138	869	203	201	2	55	46	9	49

NOTE.—Starts are Census Bureau series (including farm starts) except for Govt.-underwritten, which are from Federal Housing Admin. and Veterans Admin. and represent units started, including rehabilitation

units under FHA, based on field office reports of first compliance inspections. Data may not add to totals because of rounding.

Mobile home shipments are as reported by Mobile Homes Manufacturers Assn.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total non-institutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate <sup>2</sup> (per cent; S.A.)
				Total	Employed <sup>1</sup>			Unemployed	
					Total	In nonagricultural industries	In agriculture		
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
1967 <sup>3</sup> .....	133,319	52,527	80,793	77,347	74,372	70,527	3,844	2,975	3.8
1968.....	135,562	53,291	82,272	78,737	75,920	72,103	3,817	2,817	3.6
1969.....	137,841	53,602	84,239	80,733	77,902	74,296	3,606	2,831	3.5
1970.....	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1970—Sept.....	140,675	55,019	86,084	82,975	78,479	75,043	3,433	4,496	5.4
Oct.....	140,886	54,631	86,379	83,300	78,691	75,398	3,293	4,609	5.5
Nov.....	141,091	54,705	86,512	83,473	78,550	75,197	3,353	4,923	5.9
Dec.....	141,301	55,137	86,622	83,609	78,463	75,055	3,408	5,146	6.2
1971—Jan.....	141,500	55,872	86,873	83,897	78,864	75,451	3,413	5,033	6.0
Feb.....	141,670	56,017	86,334	83,384	78,537	75,208	3,329	4,847	5.8
Mar.....	141,885	56,286	86,405	83,475	78,475	75,079	3,396	5,000	6.0
Apr.....	142,088	56,308	86,665	83,783	78,698	75,140	3,558	5,085	6.1
May.....	142,285	56,331	87,028	84,178	78,961	75,503	3,458	5,217	6.2
June.....	142,482	54,698	85,948	83,132	78,443	75,149	3,294	4,689	5.6
July.....	142,685	53,877	86,626	83,829	78,941	75,574	3,367	4,888	5.8
Aug. <sup>p</sup> .....	142,886	54,433	87,087	84,312	79,197	75,782	3,415	5,115	6.1
Sept.....	143,104	56,220	87,347	84,598	79,525	76,169	3,356	5,073	6.0

<sup>1</sup> Includes self-employed, unpaid family, and domestic service workers.  
<sup>2</sup> Per cent of civilian labor force.  
<sup>3</sup> Beginning 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
1965.....	60,815	18,062	632	3,186	4,036	12,716	3,023	9,087	10,074
1966.....	63,955	19,214	627	3,275	4,151	13,245	3,100	9,551	10,792
1967.....	65,857	19,447	613	3,208	4,261	13,606	3,225	10,099	11,398
1968.....	67,915	19,781	606	3,285	4,310	14,084	3,382	10,623	11,845
1969.....	70,284	20,167	619	3,435	4,429	14,639	3,564	11,229	12,202
1970.....	70,616	19,369	622	3,345	4,504	14,922	3,690	11,630	12,535
SEASONALLY ADJUSTED									
1970—Sept.....	70,480	19,235	620	3,274	4,518	14,931	3,698	11,666	12,538
Oct.....	70,082	18,669	621	3,284	4,517	14,946	3,706	11,722	12,617
Nov.....	69,985	18,517	624	3,294	4,506	14,902	3,721	11,750	12,671
Dec.....	70,313	18,796	623	3,302	4,450	14,952	3,731	11,776	12,683
1971—Jan.....	70,454	18,747	625	3,271	4,507	15,039	3,746	11,800	12,719
Feb.....	70,391	18,684	622	3,198	4,526	15,059	3,749	11,809	12,744
Mar.....	70,480	18,609	622	3,264	4,520	15,074	3,758	11,841	12,792
Apr.....	70,599	18,639	623	3,282	4,505	15,107	3,769	11,843	12,831
May.....	70,769	18,702	622	3,275	4,518	15,148	3,788	11,858	12,858
June.....	70,657	18,608	619	3,255	4,500	15,135	3,807	11,895	12,838
July.....	70,531	18,533	597	3,228	4,476	15,158	3,806	11,921	12,812
Aug. <sup>p</sup> .....	70,554	18,473	609	3,218	4,435	15,213	3,804	11,940	12,862
Sept. <sup>p</sup> .....	70,855	18,603	619	3,238	4,454	15,255	3,821	11,957	12,908
NOT SEASONALLY ADJUSTED									
1970—Sept.....	70,841	19,481	627	3,497	4,568	14,902	3,705	11,689	12,372
Oct.....	70,604	18,813	622	3,471	4,531	15,002	3,699	11,745	12,721
Nov.....	70,562	18,603	623	3,383	4,520	15,154	3,706	11,738	12,835
Dec.....	71,151	18,823	621	3,233	4,454	15,706	3,712	11,717	12,885
1971—Jan.....	69,527	18,579	611	2,921	4,435	14,862	3,709	11,611	12,799
Feb.....	69,450	18,532	606	2,846	4,454	14,721	3,715	11,667	12,909
Mar.....	69,782	18,488	608	2,967	4,466	14,789	3,735	11,758	12,971
Apr.....	70,309	18,482	617	3,164	4,469	14,974	3,758	11,867	12,978
May.....	70,738	18,554	622	3,265	4,500	15,071	3,780	11,953	12,993
June.....	71,355	18,746	634	3,414	4,549	15,192	3,837	12,050	12,933
July.....	70,452	18,448	613	3,480	4,534	15,132	3,867	12,040	12,338
Aug. <sup>p</sup> .....	70,571	18,672	625	3,508	4,493	15,141	3,865	11,988	12,279
Sept. <sup>p</sup> .....	71,200	18,843	626	3,458	4,503	15,224	3,829	11,981	12,736

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.  
 Beginning with 1969, series has been adjusted to Mar. 1970 benchmark.

**PRODUCTION WORKER EMPLOYMENT IN MANUFACTURING INDUSTRIES**

(In thousands of persons)

Industry group	Seasonally adjusted <sup>1</sup>				Not seasonally adjusted <sup>1</sup>			
	1970		1971		1970		1971	
	Sept.	July	Aug. <sup>2</sup>	Sept. <sup>2</sup>	Sept.	July	Aug. <sup>2</sup>	Sept. <sup>2</sup>
<b>Total</b> .....	<b>13,963</b>	<b>13,440</b>	<b>13,398</b>	<b>13,514</b>	<b>14,201</b>	<b>13,315</b>	<b>13,555</b>	<b>13,742</b>
<b>Durable goods</b> .....	<b>8,016</b>	<b>7,594</b>	<b>7,540</b>	<b>7,626</b>	<b>8,096</b>	<b>7,512</b>	<b>7,524</b>	<b>7,696</b>
Ordnance and accessories.....	124	93	94	93	125	92	93	93
Lumber and wood products.....	487	500	502	508	498	516	520	519
Furniture and fixtures.....	377	380	375	383	380	371	378	386
Stone, clay, and glass products.....	506	496	499	502	518	508	514	514
Primary metal industries.....	1,055	965	906	912	1,046	976	910	905
Fabricated metal products.....	1,061	1,016	1,016	1,028	1,069	999	1,013	1,036
Machinery.....	1,288	1,156	1,161	1,177	1,282	1,151	1,148	1,172
Electrical equipment and supplies.....	1,254	1,169	1,167	1,196	1,269	1,153	1,171	1,209
Transportation equipment.....	1,269	1,244	1,242	1,244	1,298	1,181	1,188	1,264
Instruments and related products.....	271	257	259	263	271	255	259	263
Miscellaneous manufacturing industries.....	324	318	319	320	340	310	330	335
<b>Nondurable goods</b> .....	<b>5,947</b>	<b>5,846</b>	<b>5,858</b>	<b>5,888</b>	<b>6,105</b>	<b>5,803</b>	<b>6,031</b>	<b>6,046</b>
Food and kindred products.....	1,186	1,188	1,193	1,191	1,306	1,213	1,318	1,313
Tobacco manufactures.....	66	56	56	61	29	49	64	73
Textile-mill products.....	850	841	841	843	855	831	846	847
Apparel and related products.....	1,196	1,179	1,185	1,192	1,209	1,134	1,199	1,205
Paper and allied products.....	540	515	520	526	543	516	526	529
Printing, publishing, and allied industries.....	680	661	659	659	680	658	658	659
Chemicals and allied products.....	602	582	577	579	600	584	582	578
Petroleum refining and related industries.....	114	115	116	116	116	120	120	118
Rubber and misc. plastic products.....	442	450	448	462	446	443	451	466
Leather and leather products.....	271	259	263	259	270	255	267	258

<sup>1</sup> Data adjusted to 1970 benchmark.

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 <sup>1</sup> (per week; S.A.)				Average weekly earnings <sup>1</sup> (dollars per week; N.S.A.)				Average hourly earnings <sup>1</sup> (dollars per hour; N.S.A.)			
	1970		1971		1970		1971		1970		1971	
	Sept.	July	Aug. <sup>2</sup>	Sept. <sup>2</sup>	Sept.	July	Aug. <sup>2</sup>	Sept. <sup>2</sup>	Sept.	July	Aug. <sup>2</sup>	Sept. <sup>2</sup>
<b>Total</b> .....	<b>39.3</b>	<b>40.0</b>	<b>39.8</b>	<b>39.6</b>	<b>135.43</b>	<b>142.09</b>	<b>141.69</b>	<b>143.64</b>	<b>3.42</b>	<b>3.57</b>	<b>3.56</b>	<b>3.60</b>
<b>Durable goods</b> .....	<b>39.8</b>	<b>40.4</b>	<b>40.1</b>	<b>39.9</b>	<b>145.16</b>	<b>151.98</b>	<b>151.98</b>	<b>153.97</b>	<b>3.62</b>	<b>3.79</b>	<b>3.79</b>	<b>3.83</b>
Ordnance and accessories.....	39.7	41.9	41.9	41.6	145.64	160.66	162.21	164.27	3.65	3.89	3.89	3.93
Lumber and wood products.....	39.5	40.5	40.5	40.3	120.99	128.88	130.56	131.54	3.04	3.19	3.20	3.24
Furniture and fixtures.....	38.3	40.1	40.0	39.4	108.92	115.53	118.67	117.60	2.80	2.91	2.93	2.94
Stone, clay, and glass products.....	40.9	41.8	41.8	41.5	142.83	155.40	157.78	157.50	3.45	3.70	3.73	3.75
Primary metal industries.....	41.0	40.6	39.2	39.5	166.87	170.53	167.78	171.04	4.07	4.19	4.28	4.33
Fabricated metal products.....	39.8	40.7	40.3	39.8	145.44	150.72	151.10	152.31	3.60	3.74	3.74	3.77
Machinery.....	40.1	40.7	40.7	40.3	152.76	161.20	161.60	163.62	3.80	4.00	4.02	4.05
Electrical equipment and supplies.....	39.0	40.1	40.0	39.8	131.20	139.00	140.40	141.91	3.33	3.51	3.51	3.53
Transportation equipment.....	39.8	39.5	40.0	39.1	167.26	172.97	172.18	175.08	4.14	4.39	4.37	4.41
Instruments and related products.....	39.4	39.8	39.6	39.9	135.38	140.23	140.26	144.32	3.41	3.55	3.56	3.59
Miscellaneous manufacturing industries.....	38.1	39.2	39.2	38.7	108.77	113.48	115.25	115.14	2.84	2.94	2.94	2.96
<b>Nondurable goods</b> .....	<b>38.6</b>	<b>39.3</b>	<b>39.3</b>	<b>39.1</b>	<b>122.15</b>	<b>129.63</b>	<b>129.17</b>	<b>130.35</b>	<b>3.14</b>	<b>3.29</b>	<b>3.27</b>	<b>3.30</b>
Food and kindred products.....	40.0	40.5	40.6	40.8	130.56	137.63	135.86	137.61	3.20	3.39	3.33	3.34
Tobacco manufactures.....	36.4	39.6	37.3	37.5	108.29	130.87	119.57	119.50	2.88	3.33	3.18	3.08
Textile-mill products.....	38.9	40.3	40.6	39.9	96.19	102.66	105.01	103.86	2.46	2.56	2.58	2.59
Apparel and related products.....	34.1	35.8	35.8	35.5	83.45	88.43	89.89	89.71	2.44	2.47	2.49	2.52
Paper and allied products.....	41.5	42.4	42.5	42.0	147.97	157.30	158.90	158.20	3.54	3.71	3.73	3.74
Printing, publishing, and allied industries.....	37.4	37.6	37.5	37.5	151.18	158.30	159.47	161.78	4.01	4.21	4.23	4.28
Chemicals and allied products.....	42.0	41.4	41.5	41.8	159.18	164.79	164.79	168.04	3.79	3.99	3.99	4.02
Petroleum refining and related industries.....	43.5	42.6	43.4	43.8	187.92	197.80	195.96	204.52	4.33	4.60	4.60	4.68
Rubber and misc. plastic products.....	40.0	40.3	40.2	40.1	132.03	137.94	139.38	141.69	3.26	3.44	3.45	3.49
Leather and leather products.....	36.6	37.7	37.5	37.5	90.50	98.56	97.13	96.83	2.50	2.58	2.59	2.61

<sup>1</sup> Data adjusted to 1970 benchmark.

NOTE.—Bureau of Labor Statistics; data are for production and related workers only.

CONSUMER PRICES

(1967 = 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	51.3	48.3		76.0					48.5								
1933	38.8	30.6		54.1					36.9								
1941	44.1	38.4	53.7	57.2			40.5	81.4	44.8	44.2		37.0	41.2	47.7	49.2		
1945	53.9	50.7	59.1	58.8			48.0	79.6	61.5	47.8		42.1	55.1	62.4	56.9		
1960	88.7	88.0	90.2	91.7	86.3	89.2	89.6	98.6	93.8	89.6	89.6	85.1	79.1	90.1	87.3	87.8	
1961	89.6	89.1	90.9	92.9	86.9	91.0	99.4	93.7	90.4	90.6	86.7	81.4	90.6	89.3	88.5		
1962	90.6	89.9	91.7	94.0	87.9	91.5	99.4	93.8	90.9	92.5	88.4	83.5	92.2	91.3	89.1		
1963	91.7	91.2	92.7	95.0	89.0	93.2	99.4	94.6	91.9	93.0	90.0	85.6	93.4	92.8	90.6		
1964	92.9	92.4	93.8	95.9	90.8	92.7	99.4	95.0	92.7	94.3	91.8	87.3	94.5	95.0	92.0		
1965	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	93.4	89.5	95.2	95.9	94.2		
1966	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	93.4	97.1	97.5	97.2		
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
1968	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	106.1	104.2	104.7	104.6		
1969	109.8	108.9	110.8	105.7	116.0	105.6	102.8	109.0	111.5	107.2	110.3	113.4	109.3	108.7	109.1		
1970	116.3	114.9	118.9	110.1	128.5	110.1	107.3	113.4	116.1	112.7	116.2	120.6	113.2	113.4	116.0		
1970—Aug.	116.9	115.9	119.9	110.5	130.0	110.1	107.3	113.9	115.4	112.7	117.2	122.0	113.7	114.2	116.8		
Sept.	117.5	115.7	120.6	110.9	131.3	111.4	107.6	114.2	117.2	113.0	117.7	122.6	114.0	114.7	117.4		
Oct.	118.1	115.5	121.2	111.4	131.9	112.5	108.9	114.5	118.2	115.2	118.2	122.8	114.4	115.2	118.0		
Nov.	118.5	114.9	121.9	111.8	132.5	113.9	109.9	115.1	119.0	116.0	118.7	123.4	114.5	116.0	118.3		
Dec.	119.1	115.3	122.6	112.6	133.4	114.9	110.7	115.3	119.2	116.9	119.1	124.2	115.0	116.2	118.5		
1971—Jan.	119.2	115.5	122.7	112.9	133.4	116.7	111.5	115.4	117.6	117.5	119.8	124.9	115.3	117.3	118.9		
Feb.	119.4	115.9	122.6	113.6	132.3	117.2	112.8	115.9	118.1	117.5	120.2	125.8	115.4	117.5	119.1		
Mar.	119.8	117.0	122.4	113.9	131.2	117.4	113.3	116.4	118.6	117.8	120.6	126.8	115.8	117.7	119.4		
Apr.	120.2	117.8	122.5	114.4	130.9	117.2	113.9	117.0	119.1	118.1	121.2	127.5	116.3	118.4	119.7		
May	120.8	118.2	123.2	114.7	131.6	117.2	114.4	118.1	120.2	118.8	121.6	128.1	116.8	119.3	120.3		
June	121.5	119.2	124.0	115.2	133.0	117.4	114.6	118.7	120.1	119.6	122.1	128.6	117.1	119.6	121.2		
July	121.8	119.8	124.5	115.4	133.5	117.5	114.7	118.9	119.3	119.5	122.6	129.3	117.1	119.6	121.2		
Aug.	122.2	120.0	125.1	115.8	134.4	117.8	115.7	119.1	119.0	120.1	123.1	130.0	117.5	119.7	121.8		

NOTE.—Bureau of Labor Statistics index for city wage-earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 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 <sup>1</sup>	Miscellaneous
1960	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8	103.1	95.3	98.1	92.4	92.0	99.0	97.2		93.0
1961	94.5	96.3	91.0	94.8	97.7	91.7	97.2	100.7	99.2	91.0	95.2	91.9	91.9	98.4	97.6		93.3
1962	94.8	98.0	91.9	94.8	98.6	92.7	96.7	99.1	96.3	91.6	96.3	91.2	92.0	97.7	97.6		93.7
1963	94.5	96.0	92.5	94.7	98.5	90.0	96.3	97.9	96.8	93.5	95.6	91.3	92.2	97.0	97.1		94.5
1964	94.7	94.6	92.3	95.2	99.2	90.3	93.7	98.3	95.5	95.4	95.4	93.8	92.8	97.4	97.3		95.2
1965	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5		95.9
1966	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4		97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0
1968	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7		102.2
1969	106.5	109.1	107.3	106.0	106.0	108.9	100.9	99.9	105.3	125.3	104.0	108.5	106.5	104.9	107.7	100.8	105.2
1970	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2	108.6	113.7	108.2	116.7	111.4	107.5	113.3	104.5	109.9
1970—Sept.	111.0	112.1	113.0	110.4	107.5	109.9	107.1	102.5	109.4	114.2	108.3	117.4	112.1	107.8	113.8	103.6	111.5
Oct.	111.0	107.8	111.8	111.3	107.3	110.4	108.7	103.0	109.5	113.1	108.9	117.7	112.7	108.0	114.2	108.2	111.6
Nov.	110.9	107.0	111.7	111.3	107.1	110.9	109.7	103.3	109.1	111.9	108.7	116.8	113.1	108.4	114.6	108.5	111.8
Dec.	111.0	107.1	110.7	111.7	106.7	110.4	112.8	103.3	109.4	111.1	108.5	116.2	113.8	108.7	115.1	108.9	111.9
1971—Jan.	111.8	108.9	111.8	112.2	106.9	111.7	113.5	103.8	108.4	112.2	109.0	116.5	114.2	109.3	118.8	109.5	112.3
Feb.	112.8	113.9	113.3	112.5	106.7	112.4	113.0	104.2	109.1	117.5	109.3	116.4	114.6	109.7	119.0	109.7	112.6
Mar.	113.0	113.0	113.7	112.8	106.9	112.5	112.8	104.5	109.1	123.4	109.3	116.5	114.9	109.6	120.9	109.5	112.8
Apr.	113.3	113.0	113.5	113.3	107.5	114.0	113.0	104.5	109.0	124.6	109.6	117.8	115.0	109.7	121.6	109.7	112.7
May	113.8	114.0	114.5	113.7	107.8	114.4	114.2	104.3	108.7	124.9	109.9	118.5	115.3	109.9	121.8	109.8	112.5
June	114.3	116.0	114.9	113.9	108.5	114.2	114.4	104.4	108.7	126.1	110.2	118.5	115.5	109.8	122.2	110.0	112.6
July	114.6	113.4	116.0	114.5	109.2	114.2	114.4	104.4	109.7	130.6	110.5	119.4	115.7	110.0	123.3	110.3	112.8
Aug.	114.9	113.2	115.4	115.1	109.7	114.4	114.8	104.3	109.8	134.6	110.6	121.1	116.1	110.2	124.2	110.5	113.0
Sept.	114.5	110.5	114.6	115.0	109.7	114.7	115.3	104.3	109.7	134.3	110.6	121.1	116.0	110.2	124.2	109.6	113.0

<sup>1</sup> For transportation equipment, Dec. 1968=100.

WHOLESALE PRICES: DETAIL

(1967=100)

Group	1970		1971		Group	1970		1971	
	Sept.	July	Aug.	Sept.		Sept.	July	Aug.	Sept.
<b>Farm products:</b>					<b>Pulp, paper, and allied products:</b>				
Fresh and dried produce.....	111.6	109.3	115.9	103.6	Pulp, paper and products, excluding building paper and board.....	108.6	110.8	110.8	110.8
Grains.....	109.0	102.5	92.8	89.0	Woodpulp.....	111.8	112.4	112.4	111.5
Livestock.....	113.6	121.3	121.3	119.1	Wastepaper.....	115.2	111.8	112.8	114.5
Live poultry.....	99.8	121.1	100.8	102.8	Paper.....	111.5	114.6	114.7	114.7
Plant and animal fibers.....	90.0	92.6	93.4	95.2	Paperboard.....	100.9	102.8	102.8	102.8
Fluid milk.....	115.1	119.5	119.3	119.2	Converted paper and paperboard.....	108.0	110.1	110.1	110.2
Eggs.....	139.5	89.4	110.1	107.8	Building paper and board.....	101.0	103.6	104.3	104.5
Hay and seeds.....	102.5	114.4	114.3	108.9					
Other farm products.....	119.2	113.3	113.9	115.6					
<b>Processed foods and feeds:</b>					<b>Metals and metal products:</b>				
Cereal and bakery products.....	109.2	111.5	111.4	111.3	Iron and steel.....	116.7	121.9	125.3	125.6
Meat, poultry, and fish.....	115.1	119.6	117.7	117.5	Steelmill products.....	116.0	123.4	128.1	128.2
Dairy products.....	111.4	116.2	115.4	115.4	Nonferrous metals.....	122.7	116.9	117.1	116.5
Processed fruits and vegetables.....	112.0	115.9	116.2	115.7	Metal containers.....	112.7	123.0	124.2	124.2
Sugar and confectionery.....	118.2	119.4	120.5	119.8	Hardware.....	112.5	116.7	117.7	117.7
Beverages and beverage materials.....	114.1	115.9	116.1	116.0	Plumbing equipment.....	114.9	117.9	118.3	118.3
Animal fats and oils.....	141.5	135.7	144.0	136.5	Heating equipment.....	112.0	115.9	116.8	116.7
Crude vegetable oils.....	116.2	136.7	147.5	135.6	Fabricated structural metal products.....	113.6	118.2	119.6	120.3
Refined vegetable oils.....	113.5	135.5	140.7	133.6	Miscellaneous metal products.....	116.9	119.3	119.8	119.9
Vegetable oil end products.....	112.3	122.8	124.6	123.3					
Miscellaneous processed foods.....	115.2	113.8	113.8	113.0					
Manufactured animal feeds.....	107.1	106.9	104.7	101.3					
<b>Textile products and apparel:</b>					<b>Machinery and equipment:</b>				
Cotton products.....	105.7	111.9	112.5	112.2	Agricultural machinery and equip.....	113.1	117.4	117.5	117.5
Wool products.....	98.7	92.6	92.7	92.5	Construction machinery and equip.....	115.4	121.6	121.9	121.8
Manmade fiber textile products.....	100.7	101.9	103.1	103.1	Metalworking machinery and equip.....	114.3	117.7	118.1	118.0
Apparel.....	112.0	113.3	113.6	113.8	General purpose machinery and equipment.....	115.0	119.8	120.3	120.2
Textile housefurnishings.....	105.0	104.8	104.8	104.1	Special industry machinery and equipment.....	116.4	121.6	121.6	121.7
Miscellaneous textile products.....	109.1	119.9	117.2	119.8	Electrical machinery and equip.....	107.5	109.5	109.9	109.7
					Miscellaneous machinery.....	113.4	117.3	118.0	117.8
<b>Hides, skins, leather, and products:</b>					<b>Furniture and household durables:</b>				
Hides and skins.....	99.6	114.0	114.6	117.7	Household furniture.....	112.0	115.3	115.5	115.6
Leather.....	105.9	114.4	114.4	113.4	Commercial furniture.....	115.6	118.1	118.2	118.2
Footwear.....	113.7	116.8	117.1	117.1	Floor coverings.....	99.1	98.2	97.6	97.6
Other leather products.....	106.8	108.2	108.2	109.0	Household appliances.....	105.3	107.0	107.4	107.6
					Home electronic equipment.....	93.5	93.9	94.0	93.8
					Other household durable goods.....	116.8	121.6	122.1	122.1
<b>Fuels and related products, and power:</b>					<b>Nonmetallic mineral products:</b>				
Coal.....	160.0	182.9	182.9	182.9	Flat glass.....	116.4	122.5	124.3	124.3
Coke.....	125.9	150.5	150.5	150.5	Concrete ingredients.....	115.8	123.3	124.0	124.1
Gas fuels.....	106.9	107.7	107.2	108.4	Concrete products.....	113.6	121.5	122.8	122.6
Electric power.....	105.4	113.5	115.3	116.4	Structural clay products excluding refractories.....	110.5	114.5	114.9	114.9
Crude petroleum.....	104.8	113.2	113.2	113.2	Refractories.....	119.7	126.9	126.9	126.9
Petroleum products, refined.....	101.6	107.2	107.3	107.3	Asphalt roofing.....	101.4	131.2	131.2	131.2
					Gypsum products.....	96.5	112.7	114.3	114.5
					Glass containers.....	119.6	131.5	131.5	131.5
					Other nonmetallic minerals.....	112.5	125.6	125.7	125.7
<b>Chemicals and allied products:</b>					<b>Transportation equipment:</b>				
Industrial chemicals.....	101.3	102.4	102.4	102.4	Motor vehicles and equipment.....	107.3	114.7	114.9	113.8
Prepared paint.....	112.4	115.9	115.9	115.9	Railroad equipment.....	115.3	121.5	122.5	122.5
Paint materials.....	100.2	99.8	99.8	99.7					
Drugs and pharmaceuticals.....	100.9	102.6	102.7	102.6					
Fats and oils, inedible.....	127.9	130.8	134.2	132.9					
Agricultural chemicals and products.....	89.0	93.4	91.0	91.0					
Plastic resins and materials.....	91.1	88.6	89.0	89.5					
Other chemicals and products.....	109.4	112.5	112.4	112.4					
<b>Rubber and plastic products:<sup>1</sup></b>					<b>Miscellaneous products:</b>				
Crude rubber.....	100.4	98.8	99.6	99.3	Toys, sporting goods, small arms, ammunition.....	110.0	112.6	112.6	112.6
Tires and tubes.....	112.0	111.2	111.4	110.8	Tobacco products.....	117.0	116.6	116.8	116.8
Miscellaneous rubber products.....	116.5	118.7	119.3	119.8	Notions.....	109.0	111.7	111.7	111.7
Plastic construction products (Dec. 1969=100).....	95.5	94.0	94.1	94.7	Photographic equipment and supplies.....	105.7	106.2	106.3	106.3
Unsupported plastic film and sheeting (Dec. 1970=100).....		100.6	100.1	100.0	Other miscellaneous products.....	109.9	112.4	112.9	112.9
Laminated sheets, high pressure (Dec. 1970=100).....		99.7	98.6	98.6					
<b>Lumber and wood products:</b>									
Lumber.....	114.5	142.5	146.7	146.8					
Millwork.....	115.6	122.8	123.8	123.7					
Plywood.....	110.9	111.7	120.5	119.1					
Other wood products.....	117.1	119.0	118.9	118.9					

<sup>1</sup> Retitled to include the direct pricing of plastic construction products; continuity of the group index is not affected.  
NOTE.—Bureau of Labor Statistics indexes.

A 70 NATIONAL PRODUCT AND INCOME □ OCTOBER 1971

**GROSS NATIONAL PRODUCT**

(In billions of dollars)

Item	1929	1933	1941	1950	1966	1967	1968	1969	1970	1970			1971	
										II	III	IV	I	II
Gross national product.....	103.1	55.6	124.5	284.8	749.9	793.9	864.2	929.1	974.1	968.5	983.5	988.4	1,020.8	1,043.1
Final purchases.....	101.4	57.2	120.1	278.0	735.1	785.7	857.1	921.7	971.3	966.5	978.4	984.7	1,017.6	1,037.4
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	466.3	492.1	536.2	579.6	615.8	613.8	620.9	624.7	644.6	660.9
Durable goods.....	9.2	3.5	9.6	30.5	70.8	73.1	84.0	89.9	88.6	90.7	90.4	84.9	97.6	100.8
Nondurable goods.....	37.7	22.3	42.9	98.1	206.9	215.0	230.8	247.6	264.7	262.9	265.5	270.9	272.0	279.8
Services.....	30.3	20.1	28.1	62.4	188.6	204.0	221.3	242.1	262.5	260.2	265.0	268.9	275.0	280.4
Gross private domestic investment.....	16.2	1.4	17.9	54.1	121.4	116.6	126.0	137.8	135.3	134.1	138.6	137.3	143.8	152.4
Fixed investment.....	14.5	3.0	13.4	47.3	106.6	108.4	118.9	130.4	132.5	132.1	133.5	133.6	140.6	146.7
Nonresidential.....	10.6	2.4	9.5	27.9	81.6	83.3	88.8	98.6	102.1	102.1	104.8	100.8	104.3	107.0
Structures.....	5.0	.9	2.9	9.2	28.5	28.0	30.3	34.5	36.8	36.6	37.3	37.1	37.9	38.2
Producers' durable equipment.....	5.6	1.5	6.6	18.7	53.1	55.3	58.5	64.1	65.4	65.6	67.5	63.7	66.3	68.8
Residential structures.....	4.0	.6	3.9	19.4	25.0	25.1	30.1	31.8	30.4	29.9	28.7	32.8	36.4	39.7
Nonfarm.....	3.8	.5	3.7	18.6	24.5	24.5	29.5	31.2	29.7	29.3	28.1	32.2	35.7	39.1
Change in business inventories.....	1.7	-1.6	4.5	6.8	14.8	8.2	7.1	7.4	2.8	2.1	5.1	3.7	3.2	5.7
Nonfarm.....	1.8	-1.4	4.0	6.0	15.0	7.5	6.9	7.3	2.5	1.8	4.7	3.3	3.0	5.2
Net exports of goods and services.....	1.1	.4	1.3	1.8	5.3	5.2	2.5	2.0	3.6	4.2	4.0	2.7	4.2	-.5
Exports.....	7.0	2.4	5.9	13.8	43.4	46.2	50.6	55.6	62.9	63.2	63.7	63.2	66.1	66.4
Imports.....	5.9	2.0	4.6	12.0	38.1	41.0	48.1	53.6	59.3	59.0	59.7	60.5	61.9	66.9
Government purchases of goods and services.....	8.5	8.0	24.8	37.9	156.8	180.1	199.6	209.7	219.4	216.5	220.1	223.7	228.2	230.2
Federal.....	1.3	2.0	16.9	18.4	77.8	90.7	98.8	99.2	97.2	96.8	96.1	95.9	96.7	95.7
National defense.....			13.8	14.1	60.7	72.4	78.3	78.4	75.4	75.1	74.2	73.2	73.0	71.8
Other.....			3.1	4.3	17.1	18.4	20.5	20.7	21.9	21.6	21.9	22.7	23.7	23.9
State and local.....	7.2	6.0	7.9	19.5	79.0	89.4	100.8	110.6	122.2	119.7	124.0	127.9	131.5	134.5
Gross national product in constant (1958) dollars.....	203.6	141.5	263.7	355.3	658.1	675.2	706.6	724.7	720.0	721.1	723.3	715.9	729.7	738.4

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 1968, July 1969, July 1970, July 1971, and Supplement, Aug. 1966.

**NATIONAL INCOME**

(In billions of dollars)

Item	1929	1933	1941	1950	1966	1967	1968	1969	1970	1970			1971	
										II	III	IV	I	II
National income.....	86.8	40.3	104.2	241.1	620.6	653.6	711.1	763.7	795.9	793.4	802.2	802.1	828.3	844.5
Compensation of employees.....	51.1	29.5	64.8	154.6	435.5	467.2	514.6	565.5	601.9	598.5	606.5	609.3	627.9	639.5
Wages and salaries.....	50.4	29.0	62.1	146.8	394.5	423.1	464.9	509.6	541.4	538.5	545.2	547.2	562.3	572.4
Private.....	45.5	23.9	51.9	124.4	316.8	337.3	369.2	405.5	426.6	424.4	429.4	429.9	441.2	449.8
Military.....	.3	.3	1.9	5.0	14.6	16.2	17.9	19.0	19.4	19.5	19.2	18.6	19.2	18.6
Government civilian.....	4.6	4.9	8.3	17.4	63.1	69.5	77.8	85.1	95.5	94.5	96.6	98.6	101.8	104.0
Supplements to wages and salaries.....	.7	.5	2.7	7.8	41.0	44.2	49.7	56.0	60.5	60.0	61.3	62.1	65.7	67.1
Employer contributions for social insurance.....	.1	.1	2.0	4.0	20.3	21.9	24.3	27.8	29.6	29.5	30.1	30.1	33.1	33.7
Other labor income.....	.6	.4	.7	3.8	20.7	22.3	25.4	28.2	30.8	30.4	31.2	32.0	32.6	33.4
Proprietors' income.....	15.1	5.9	17.5	37.5	61.3	62.1	64.2	67.0	66.9	67.6	66.0	65.9	66.0	66.7
Business and professional.....	9.0	3.3	11.1	24.0	45.2	47.3	49.5	50.3	51.0	51.0	51.4	51.5	51.2	51.5
Farm.....	6.2	2.6	6.4	13.5	16.1	14.8	14.7	16.8	15.8	16.6	14.5	14.4	14.8	15.2
Rental income of persons.....	5.4	2.0	3.5	9.4	20.0	21.1	21.2	22.6	23.3	23.2	23.4	23.7	23.8	24.2
Corporate profits and inventory valuation adjustment.....	10.5	-1.2	15.2	37.7	82.4	78.7	84.3	78.6	70.8	71.5	73.0	69.0	75.5	78.3
Profits before tax.....	10.0	1.0	17.7	42.6	84.2	79.8	87.6	84.2	75.4	75.8	78.5	71.6	79.1	83.3
Profits tax liability.....	1.4	.5	7.6	17.8	34.3	33.2	39.9	39.7	34.1	34.5	35.6	32.3	36.2	37.4
Profits after tax.....	8.6	.4	10.1	24.9	49.9	46.6	47.8	44.5	41.2	41.3	42.9	39.2	42.9	46.0
Dividends.....	5.8	2.0	4.4	8.8	20.8	21.4	23.6	24.4	25.0	24.9	25.2	25.0	25.6	25.4
Undistributed profits.....	2.8	-1.6	5.7	16.0	29.1	25.3	24.2	20.0	16.2	16.4	17.7	14.3	17.3	20.5
Inventory valuation adjustment.....	.5	-2.1	-2.5	-5.0	-1.8	-1.1	-3.3	-5.5	-4.5	-4.2	-5.5	-2.6	-3.5	-5.1
Net interest.....	4.7	4.1	3.2	2.0	21.4	24.4	26.9	29.9	33.0	32.6	33.4	34.2	35.0	35.8

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	1966	1967	1968	1969	1970	1970			1971	
										II	III	IV	I	II
Gross national product	103.1	55.6	124.5	284.8	749.9	793.9	864.2	929.1	974.1	968.5	983.5	988.4	1,020.8	1,043.1
Less: Capital consumption allowances	7.9	7.0	8.2	18.3	63.9	68.9	74.5	81.1	87.6	86.9	88.2	89.8	95.6	97.3
Indirect business tax and nontax liability	7.0	7.1	11.3	23.3	65.7	70.4	78.6	85.7	92.9	91.9	94.2	95.8	99.3	101.7
Business transfer payments	.6	.7	.5	.8	3.0	3.1	3.4	3.7	3.9	3.9	4.0	4.1	4.2	4.2
Statistical discrepancy	.7	.6	.4	1.5	1.0	.7	-2.7	-4.1	-4.5	-5.8	-3.2	-1.6	-4.9	-4.0
Plus: Subsidies less current surplus of government enterprises	-.1		.1	.2	2.3	1.4	.7	1.1	1.7	1.8	1.9	1.7	1.6	.7
Equals: National income	86.8	40.3	104.2	241.1	620.6	653.6	711.1	763.7	795.9	793.4	802.2	802.1	828.3	844.5
Less: Corporate profits and inventory valuation adjustment	10.5	-1.2	15.2	37.7	82.4	78.7	84.3	78.6	70.8	71.5	73.0	69.0	75.5	78.3
Contributions for social insurance	.2	.3	2.8	6.9	38.0	42.4	47.1	54.0	57.6	57.4	58.4	58.5	63.9	65.0
Excess of wage accruals over disbursements										-2.1	-.4			
Plus: Government transfer payments	.9	1.5	2.6	14.3	41.1	48.7	56.1	62.2	75.6	77.3	77.2	80.7	83.7	92.2
Net interest paid by government and consumers	2.5	1.6	2.2	7.2	22.2	23.6	26.1	29.0	31.7	31.1	32.2	32.4	32.0	31.7
Dividends	5.8	2.0	4.4	8.8	20.8	21.4	23.6	24.4	25.0	24.9	25.2	25.0	25.6	25.4
Business transfer payments	.6	.7	.5	.8	3.0	3.1	3.4	3.7	3.9	3.9	4.0	4.1	4.2	4.2
Equals: Personal income	85.9	47.0	96.0	227.6	587.2	629.3	688.9	750.3	803.6	803.8	809.8	816.7	834.3	854.8
Less: Personal tax and nontax payments	2.6	1.5	3.3	20.7	75.4	83.0	97.9	116.2	115.9	118.0	113.5	115.2	112.7	114.0
Equals: Disposable personal income	83.3	45.5	92.7	206.9	511.9	546.3	591.0	634.2	687.8	685.7	696.2	701.5	721.6	740.8
Less: Personal outlays	79.1	46.5	81.7	193.9	479.3	506.0	551.2	596.3	633.7	631.5	638.9	643.0	663.2	679.9
Personal consumption expenditures	77.2	45.8	80.6	191.0	466.3	492.1	536.2	579.6	615.8	613.8	620.9	624.7	644.6	660.9
Consumer interest payments	1.5	.5	.9	2.4	12.4	13.2	14.3	15.8	16.9	16.8	17.1	17.4	17.7	17.9
Personal transfer payments to foreigners	.3	.2	.2	.5	.6	.7	.8	.9	.9	1.0	.9	.9	.9	1.0
Equals: Personal saving	4.2	.9	11.0	13.1	32.5	40.4	39.8	37.9	54.1	54.2	57.4	58.5	58.4	60.9
Disposable personal income in constant (1958) dollars	150.6	112.2	190.3	249.6	458.9	477.5	499.0	513.5	531.5	533.0	536.0	532.5	542.7	551.8

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table opposite.

PERSONAL INCOME

(In billions of dollars)

Item	1969	1970	1970					1971							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>P</sup>
Total personal income	750.3	803.6	809.0	814.9	813.6	815.7	820.9	830.0	833.2	839.7	844.4	850.0	870.1	859.2	868.0
Wage and salary disbursements	509.6	541.4	545.1	548.7	544.2	545.9	551.5	559.2	561.5	566.1	569.0	573.3	574.8	574.7	581.3
Commodity-producing industries	197.4	200.7	201.6	201.3	196.6	196.6	202.1	202.8	202.5	204.3	205.4	207.1	207.5	206.2	207.1
Manufacturing only	157.6	158.3	158.9	159.0	153.8	153.2	158.4	159.4	159.2	160.2	160.6	162.0	162.4	161.4	162.0
Distributive industries	120.0	129.1	130.8	131.3	131.9	132.2	131.4	134.2	135.4	136.8	137.6	138.7	138.6	138.6	140.2
Service industries	88.1	96.7	97.2	97.8	98.8	99.8	100.4	101.9	102.4	103.3	103.9	105.0	105.7	106.3	107.3
Government	104.1	114.8	115.5	118.3	116.8	117.3	117.7	120.3	121.2	121.6	122.1	122.6	123.0	123.6	126.7
Other labor income	28.2	30.8	31.2	31.4	31.7	32.0	32.2	32.4	32.6	32.8	33.1	33.4	33.7	33.9	34.1
Proprietors' income	67.1	66.8	66.0	65.3	65.7	65.9	66.1	65.9	65.9	66.2	66.5	66.7	66.9	67.8	68.8
Business and professional	50.3	51.0	51.4	51.4	51.5	51.4	51.5	51.2	51.1	51.3	51.4	51.5	51.6	51.7	51.8
Farm	16.8	15.8	14.6	13.9	14.2	14.5	14.6	14.7	14.8	14.9	15.1	15.2	15.3	16.1	17.0
Rental income	22.6	23.3	23.4	23.5	23.5	23.7	23.8	23.9	23.5	24.0	24.1	24.2	24.3	24.4	24.5
Dividends	24.4	25.0	25.2	25.4	25.4	25.5	23.9	25.6	25.7	25.5	25.5	25.6	25.2	25.6	25.7
Personal interest income	58.8	64.7	65.6	66.3	66.5	66.7	66.8	66.9	67.0	67.0	67.3	67.5	67.5	68.1	68.6
Transfer payments	65.9	79.6	80.8	82.9	84.7	84.5	85.1	86.8	87.8	89.1	89.8	90.5	109.0	96.2	96.5
Less: Personal contributions for social insurance	26.3	28.0	28.3	28.5	28.2	28.3	28.6	30.7	30.8	31.1	31.1	31.3	31.4	31.5	31.6
Nonagricultural income	727.7	781.4	788.1	794.2	792.5	795.0	800.5	808.7	811.6	818.0	822.5	827.9	848.0	836.4	844.2
Agricultural income	22.6	22.2	20.9	20.7	21.1	20.7	20.4	21.3	21.5	21.7	21.9	22.1	22.1	22.9	23.7

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table opposite.

# 1. SUMMARY OF FLOW OF FUNDS ACCOUNTS FOR SECOND QUARTER 1971

(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	Natl. savings and investment										
		Households		Business		State and local govts.		Total			Total		Sponsored credit agencies		Monetary auth.						Coml. <sup>1</sup> banks		Pvt. nonbank finance							
		U	S	U	S	U	S	U	S		U	S	U	S	U	S					U	S	U	S	U					
1	Gross saving.....	187.3		94.0		-7.3		274.1		-26.7		6.1		.1		*		3.5		2.5		3.7		257.2		253.5		1		
2	Capital consumption.....	94.7		83.4				178.1				2.6						1.0		1.5				180.7		180.7		2		
3	Net saving (1-2).....	92.7		10.6		-7.3		96.0		-26.7		3.5		.1		*		2.4		1.0		3.7		76.5		72.9		3		
4	Gross investment (5+10).....	194.2		82.0		-13.6		262.6		-30.7		9.2		.1		*		4.4		4.6		12.3		253.3		240.9		4		
5	Private capital expenditures.....	131.4		120.0				251.4				1.8						.8		1.0				253.2		253.2		5		
6	Consumer durables.....	100.8						100.8																100.8		100.8		6		
7	Residential construction.....	24.9		14.8				39.7																39.7		39.7		7		
8	Plant and equipment.....	5.8		99.5				105.3				1.8						.8		1.0				107.0		107.0		8		
9	Inventory change.....			5.7				5.7															5.7		5.7		9			
10	Net financial investment (11-12).....	62.8		-38.1		-13.6		11.1		-30.7		7.4		.1		*		3.7		3.7		12.3		1		-1		-12.3		10
11	Financial uses.....	106.6		21.9		3.3		131.8		20.8		131.4		-5.6		.7		62.0		74.2		23.2		307.2		10.9		11		
12	Financial sources.....		43.8		59.9		17.0	120.7		51.5		123.9		-5.7		.7		58.4		70.5		10.9		307.1		307.1		12		
13	Gold, SDR's, and official fgn. exchange.....									-2.1		-1.3				-1.3						2.6		-7		-7		13		
14	Treasury currency and SDR ctf's.....									.6		.7				.7						.7		.6		-1		14		
15	Demand deposits and currency.....											38.0				5.5		32.4						33.7		38.0		15		
16	Private domestic.....	15.6		4.9		-2.3		18.2				-3		21.2		-1		6.2		15.1		-1		17.9		21.2		16		
17	U.S. Government.....								15.9					16.9				-5		17.4				15.9		16.9		17		
18	Foreign.....													-2				*						15.9		16.9		18		
19	Time and savings accounts.....	67.8						68.7				1.8		73.3						1.8				73.3		73.3		19		
20	At commercial banks.....	26.0		-1.5		2.4		26.9		.1		.3		30.0					30.0		3		2.6		30.0		20			
21	At savings institutions.....	41.8						41.8				1.5		43.3					1.5		43.3				43.3		21			
22	Life insurance reserves.....	4.9						4.9		.1				4.8						4.8				4.9		4.9		22		
23	Pension fund reserves.....	23.5						23.5		4.0				19.5						19.5				23.5		23.5		23		
24	Interbank items.....											-4.6		-4.6										-4.6		-4.6		24		
25	Corporate shares.....	-3.1			16.4			-3.1	16.4			19.5		-5						19.5		-2	*	.5		16.4		25		
26	Credit market instruments.....	1.8	39.0	6.5	49.7	3.0	16.5	11.2	105.2	4.4	47.7	112.0	-3	-5.7	.7	1.9		60.6	.2	55.1	-1.5	30.8	5.9	158.5	158.5	158.5		26		
27	U.S. Government securities.....	-4.5		6.0		.3		1.8		*	47.8	17.9	.7	-2.7	.7	2.2		15.6		2.8		28.8		48.5		48.5		27		
28	State and local obligations.....	-1.4		3.4		.2	16.3	2.3	16.3			14.0						13.4		.6				16.3		16.3		28		
29	Corporate and foreign bonds.....	7.8			22.1	2.5		10.3	22.1			16.0	2.9					1.5	.4	14.5	2.5	-2	1.1	26.0		26.0		29		
30	Home mortgages.....	-1.0	22.7		2.0	*		-1.0	24.7			29.4	3.8	5.4				7.0		17.0	3.8			28.4		28.4		30		
31	Other mortgages.....	.9	1.4		18.9			.9	20.4	.4		19.1		1.4				3.4		14.3				20.4		20.4		31		
32	Consumer credit.....		9.0	2.5				2.5	9.0					6.5				4.1		2.5				9.0		9.0		32		
33	Bank loans n.e.c.....		4.7		5.9				10.6			15.1	2.2					15.1		2.2				15.1		15.1		33		
34	Other loans.....		1.2	-5.5	.9		.2	-5.5	2.2	4.0		-6.0	-9.9	-9.8				.6	.2	3.5	-10.0	2.3	2.3	-5.2		-5.2		34		
35	Security credit.....	-1.2	3.8					-1.2	3.8			1.8	-3.5					.8		2.6	-3.5	-4	-1		.2		.2	35		
36	To brokers and dealers.....	-1.2						-1.2				2.0	-3.5					1.8		-2	-3.5	-4	-1		-3.5		-3.5	36		
37	To others.....		3.8						3.8			3.8						1.0		2.8			-1		3.8		3.8	37		
38	Taxes payable.....				5.8	.2		.2	5.8	5.8			-5											6.0	5.3		-7	38		
39	Trade credit.....		.6	*	-6.5		.5	*	-5.4	-3.3	-1.3	.4								.4				-6	.9	-3.5	-5.7	-2.3	39	
40	Equity in noncorporate business.....	-5.8			-5.8			-5.8	-5.8																-5.8		-5.8		40	
41	Miscellaneous claims.....	3.2	.3	12.0	.3			15.2	.6	-1	.5	1.3	-2.1	.3	-4									4.8	3.4		-1.4	41		
42	Sector discrepancies (1-4).....	-6.9		12.1		6.3		11.5		4.1		-3.1				*		-1.0		-2.1		-8.6		3.9		3.9		12.7	42	

<sup>1</sup> Commercial banks and unconsolidated affiliates.

2. SUMMARY OF FUNDS RAISED AND ADVANCED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1966	1967	1968	1969	1970	1969			1970			1971			
						II	III	IV	I	II	III	IV	I	II	
Funds raised, by type and sector															
1 Total funds raised by nonfinancial sectors	68.5	83.5	96.9	90.4	97.5	93.6	88.4	86.8	81.4	103.7	94.6	110.6	112.5	175.7	1
2 U.S. Government	3.5	13.0	13.4	-3.6	12.8	-9.5	-7	1.2	3.0	16.0	12.2	20.0	-1.6	47.7	2
3 Public debt securities	2.3	8.9	10.3	-1.3	12.9	-8.8	4.9	4.9	3.5	18.1	11.4	18.5	1.4	48.0	3
4 Budget agency issues	1.2	4.1	3.1	-2.4	-1	-7	-5.6	-3.7	-5.5	-	8	1.5	-2.9	2	4
5 All other nonfinancial sectors	64.9	70.5	83.5	94.1	84.7	103.0	89.1	85.7	78.3	87.7	82.4	90.6	114.0	128.0	5
6 Corporate equity shares	9	2.4	-7	4.8	6.8	3.6	6.0	9.2	5.9	6.0	5.4	9.9	9.2	16.9	6
7 Debt instruments	64.0	68.1	84.2	89.3	77.9	99.5	83.2	76.4	72.4	81.7	77.1	80.7	104.8	111.1	7
8 Debt capital instruments	39.0	46.6	50.9	49.1	58.8	51.5	45.2	42.5	45.6	54.6	60.0	74.7	82.4	84.5	8
9 State and local govt. secs.	5.7	8.7	9.6	8.1	11.8	9.4	5.6	4.7	8.9	10.2	8.9	19.3	25.6	16.3	9
10 Corporate and ign. bonds	11.0	15.9	14.0	13.1	21.1	13.3	12.1	11.1	15.0	22.4	22.2	24.8	25.0	23.2	10
11 Mortgages	22.3	22.0	27.3	27.9	25.8	28.8	27.5	26.7	21.7	22.0	28.9	30.7	31.8	45.0	11
12 Home mortgages	11.4	11.6	15.2	15.7	12.8	16.6	15.7	13.9	10.7	11.1	15.2	14.2	15.0	24.7	12
13 Other residential	3.1	3.6	3.5	4.8	5.9	4.7	4.8	5.4	4.8	5.4	6.5	6.9	7.3	10.2	13
14 Commercial	5.7	4.7	6.6	5.5	5.4	5.1	5.3	5.8	4.8	4.2	5.2	7.5	7.3	9.0	14
15 Farm	2.1	2.1	2.1	1.9	1.8	2.3	1.8	1.5	1.5	1.4	2.1	2.1	2.2	1.2	15
16 Other private credit	25.0	21.6	33.3	40.2	19.2	47.9	38.0	33.9	26.7	27.0	17.0	6.0	22.4	26.6	16
17 Bank loans n.e.c.	10.3	9.6	13.4	15.7	2.7	19.1	11.7	14.2	7.6	9.0	1.9	-7.6	4.5	12.9	17
18 Consumer credit	7.2	4.6	11.1	9.3	4.3	10.8	8.9	7.5	4.8	6.1	6.2	7.2	4.0	9.0	18
19 Open market paper	1.0	2.1	1.6	3.3	3.8	4.7	2.7	1.0	5.0	2.2	5	7.5	2.9	-3.8	19
20 Other	6.4	5.2	7.3	11.8	8.4	13.3	14.6	11.2	9.4	9.8	8.4	5.9	10.9	8.4	20
21 By borrowing sector	64.9	70.5	83.5	94.1	84.7	103.0	89.1	85.7	78.3	87.7	82.4	90.6	114.0	128.0	21
22 Foreign	1.5	4.1	3.0	3.7	2.6	6.0	2.3	2.4	2.6	1.7	2.2	4.0	5.0	6.4	22
23 State and local governments	6.4	8.8	9.9	8.5	12.6	9.7	5.8	5.1	9.4	10.4	9.7	19.3	26.0	16.5	23
24 Households	23.2	19.7	31.8	32.2	21.6	36.0	31.5	28.2	22.8	21.5	24.8	17.2	23.7	39.0	24
25 Nonfinancial business	33.8	37.9	38.8	49.7	48.3	51.3	49.4	49.9	43.4	54.2	45.7	50.0	59.4	66.1	25
26 Corporate	24.9	29.3	30.3	39.1	38.8	41.7	37.4	41.0	36.9	45.2	33.6	39.2	46.6	52.1	26
27 Nonfarm noncorporate	5.5	5.0	5.8	7.4	6.5	6.6	8.7	6.4	3.5	5.2	8.7	7.7	8.2	9.8	27
28 Farm	3.5	3.5	2.7	3.2	3.2	3.6	3.3	2.5	3.0	3.8	3.3	3.1	4.6	4.3	28
Funds advanced directly in credit markets															
1 Total funds raised	68.5	83.5	96.9	90.4	97.5	93.6	88.4	86.8	81.4	103.7	94.6	110.6	112.5	175.7	1
2 Advanced directly by--															
3 U.S. Government	4.9	4.6	4.9	2.5	3.2	1.7	3.7	2.3	3.9	3.6	3.5	1.8	4.3	4.4	2
4 U.S. Govt. credit agencies, net.	3	5	2	1.2	1.2	-1	1.5	-7	1.6	9	3.0	2.1	6.4	3	
5 Funds advanced	5.1	-1.1	3.2	9.0	9.9	7.6	10.5	14.1	13.7	7.1	8.7	10.1	.3	-5.7	4
6 Less funds raised in cr. mkt.	4.8	-6	3.5	8.8	8.7	8.4	10.6	12.5	14.4	5.5	7.8	7.0	-1.8	7	
7 Federal Reserve System	3.5	4.8	3.7	4.2	5.0	4.0	-5	9.3	1.2	5.5	7.7	5.5	16.1	1.9	6
8 Commercial banks, net.	16.7	36.6	39.5	12.2	31.3	29.3	9	12.1	1.0	23.3	63.6	37.3	39.3	59.6	7
9 Funds advanced	16.8	36.9	39.7	16.5	29.5	33.8	4.2	18.9	10.1	27.4	52.1	28.4	36.7	59.8	8
10 Less funds raised	.1	.2	.2	4.3	-1.8	4.5	5.0	6.8	9.1	4.1	-11.6	-8.9	-2.6	9	
11 Private nonbank finance	25.9	34.4	34.2	30.1	38.9	39.6	25.6	24.4	25.3	42.4	42.0	45.8	71.0	82.5	10
12 Savings institutions, net.	7.8	16.8	14.6	10.4	14.7	13.3	6.8	5.6	4.7	15.3	18.0	20.7	45.4	50.0	11
13 Insurance	19.3	18.7	22.0	21.8	24.9	27.5	20.6	19.5	23.2	27.1	24.1	25.3	29.5	34.5	12
14 Finance n.e.c., net.	-1.3	-1.1	-2.5	-2.1	-7	-1.2	-1.8	-7	-2.6	*	*	-3	-3.9	-1.9	13
15 Foreign	-1.8	2.8	2.5	1.3	10.9	1.0	5.1	-1.1	9.4	9.5	4.9	19.6	27.3	30.5	14
16 Private domestic nonfinancial	19.1	-2	12.3	39.8	7.1	18.9	55.5	38.4	41.2	17.9	-27.9	-2.5	-47.7	3.1	15
17 Business	3.6	-2	7.4	13.8	-1.0	14.1	18.1	7.0	15.1	12.3	-28.5	-2.9	1.2	6.5	16
18 State and local governments	3.4	2.1	4	6.1	-3.8	2.9	7.7	5.6	-2.5	-5.3	-7.8	4	1.8	3.0	17
19 Households	11.9	*	5.8	18.3	10.6	1.7	26.4	25.3	24.8	8.8	8.1	5	-51.1	-1.4	18
20 Less: Net security credit	-2	2.2	1.4	-1.6	-1.4	-2	-3.2	-4	-3.8	-2.1	-2	6	-5	5.0	19
Sources of funds supplied to credit markets															
1 Total borrowing by nonfinancial sectors	68.5	83.5	96.9	90.4	97.5	93.6	88.4	86.8	81.4	103.7	94.6	110.6	112.5	175.7	1
2 Supplied directly and indirectly by															
3 pvt. domestic nonfin. sectors:															
4 Total	42.8	51.3	60.8	44.5	68.2	27.0	47.6	44.3	55.1	72.0	69.2	76.6	80.6	93.3	2
5 Deposits	23.7	51.5	48.5	4.7	61.1	8.2	-7.9	5.9	13.9	54.1	97.1	79.2	128.2	90.2	3
6 Demand dep. and currency	4.0	12.4	14.8	7.1	6.1	6.6	7.6	8.2	2.0	7.0	7.3	8.3	16.5	21.5	4
7 Time and svgs. accounts	19.7	39.1	33.7	-2.4	54.9	1.6	-15.5	-2.3	11.9	47.1	89.9	70.8	111.7	68.7	5
8 At commercial banks	12.5	22.5	20.8	-10.5	38.4	-7.4	-21.3	-6.4	7.4	31.9	68.2	46.3	61.2	26.9	6
9 At savings instit.	7.2	16.6	12.9	8.1	16.5	9.0	5.8	4.2	4.4	15.2	21.7	24.5	50.5	41.8	7
10 Credit mkt. instr., net.	19.1	-2	12.3	39.8	7.1	18.9	55.5	38.4	41.2	17.9	-27.9	-2.5	-47.7	3.1	8
11 U.S. Govt. securities	8.5	-1.7	7.7	15.0	-6.9	9.9	23.2	14.1	6.5	-8.0	-6.8	-19.2	-30.1	1.8	9
12 Pvt. credit market instr.	11.4	7.8	13.4	27.0	15.2	23.6	29.6	27.5	37.6	23.9	-22.1	21.5	14.7	9.4	10
13 Corporate equities	-1.0	-4.1	-7.4	-3.8	-2.6	-5.9	-6	-3.7	-6.7	-1	7	-4.3	-12.8	-3.1	11
14 Less security debt	-2	2.2	1.4	-1.6	-1.4	-2	-3.2	-4	-3.8	-2.1	-2	6	-5	5.0	12
15 Other sources:															
16 Foreign funds	.7	4.6	4.3	9.6	2.4	14.8	10.4	-6	10.8	2.7	-4.5	7	9.7	27.6	13
17 At banks	2.5	1.7	1.8	8.3	-8.4	13.8	5.3	5	1.3	-6.8	-9.4	-18.9	-17.5	-3.0	14
18 Direct	-1.8	2.8	2.5	1.3	10.9	1.0	5.1	-1.1	9.4	9.5	4.9	19.6	27.3	30.5	15
19 Chg. in U.S. Govt. cash bal.	-4	1.2	-1.1	4	2.6	1.7	1.6	3.9	1.0	2.1	1.4	6.1	-18.7	17.0	16
20 U.S. Government loans	4.9	4.6	4.9	2.5	3.2	1.7	3.7	2.3	3.9	3.6	3.5	1.8	4.3	4.4	17
21 Pvt. insur. and pension res.	16.7	17.5	18.5	18.7	21.0	22.4	18.7	18.9	18.7	22.7	19.8	22.8	25.3	24.3	18
22 Sources n.e.c.	3.8	4.3	9.5	14.7	.1	26.0	6.4	18.1	-8.1	.7	5.3	2.5	11.2	9.1	19

NOTE.—For notes see p. A-73.3.

**3. PRINCIPAL FINANCIAL TRANSACTIONS**

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1966	1967	1968	1969	1970	1969			1970				1971		
						II	III	IV	I	II	III	IV	I	II	
<b>Demand deposits and currency</b>															
1 Net incr. in banking system liability	2.6	14.8	14.8	8.5	10.1	10.3	11.0	13.2	5.1	9.8	8.9	16.9	- .9	38.0	1
2 U.S. Government deposits	- .4	1.1	-1.2	.6	2.5	1.7	1.9	4.2	1.1	2.0	.7	6.0	-19.1	16.9	2
3 Money supply	3.0	13.7	16.0	7.9	7.7	8.6	9.1	9.0	4.0	7.8	8.2	10.8	18.2	21.1	3
4 Domestic sectors	3.9	13.4	15.7	7.6	7.4	8.0	8.5	9.0	2.6	8.2	8.6	10.3	18.4	21.2	4
5 Households	3.1	9.4	11.1	5.9	4.7	10.2	9.5	5.1	5.4	7.4	5.0	1.0	10.8	15.6	5
6 Nonfinancial business	.7	.8	1.8	-.8	-.9	-5.6	-4.3	3.0	-2.3	-2.7	.7	.9	.4	4.9	6
7 State and local governments	- .1	-1.0	.7	3.2	1.2	3.4	3.9	2.9	-.3	1.0	1.1	3.1	-.3	-2.3	7
8 Financial sectors	- .1	1.0	.9	5.5	1.3	1.4	.9	.8	.5	1.2	1.4	2.0	1.9	-.3	8
9 Mail float	.3	3.2	1.2	-1.2	1.1	-1.3	-1.5	-2.8	-.7	1.3	1.5	3.3	5.6	3.3	9
10 Rest of the world	-1.0	.3	.3	.3	.3	.6	.6	.*	1.4	-.4	-.5	.5	-.1	-.2	10
<b>Time and savings accounts</b>															
1 Net increase—Total	20.2	40.8	33.3	-1.6	53.9	- .2	-15.4	3.4	16.8	44.3	87.5	67.1	112.9	73.3	1
2 At commercial banks—Total	13.3	23.8	20.6	-9.7	36.7	-9.0	-21.2	-1.1	11.6	28.5	65.6	41.3	60.6	30.0	2
3 Corporate business	-.7	2.9	1.9	-9.8	12.8	-9.5	-11.0	-4.2	.5	6.1	32.3	12.2	3.0	-1.5	3
4 State and local governments	1.3	2.4	3.2	-5.9	9.9	-5.0	-10.3	-4.6	6.4	10.3	13.4	9.6	10.8	2.4	4
5 Foreign	.8	1.2	.3	1.0	-1.9	-1.4	.4	5.7	4.3	-3.5	-3.2	-5.1	-1.2	2.6	5
6 Households	11.9	17.1	15.7	5.2	15.8	7.1	.*	2.4	-.5	15.5	22.5	24.5	47.4	26.0	6
7 At savings institutions	7.0	17.0	12.8	8.1	17.2	8.8	5.7	4.5	5.2	15.8	21.9	25.8	52.3	43.3	7
8 Liabilities—															
9 Savings and loan assns.	3.6	10.6	7.5	4.1	11.1	4.8	2.9	.7	2.0	9.8	15.6	16.9	36.8	28.6	8
10 Mutual savings banks	2.6	5.1	4.2	2.6	4.4	2.7	1.5	2.2	1.6	4.4	4.7	7.0	12.4	11.6	9
11 Credit unions	.8	1.2	1.1	1.4	1.7	1.2	1.3	1.5	1.6	1.7	1.5	1.9	3.1	3.1	10
12 Assets—															
1 Households	7.2	16.6	12.9	8.1	16.5	9.0	5.8	4.2	4.4	15.2	21.7	24.5	50.5	41.8	11
12 Cr. union depts. at S & L's	-.2	.3	-.1	.*	.7	-.2	-.1	.3	.8	-.6	.2	1.3	1.8	1.5	12
<b>U.S. Government securities</b>															
1 Total net issues	8.7	12.5	16.7	5.5	21.6	-1.0	10.0	13.8	17.5	21.6	20.1	27.0	-3.3	48.5	1
2 Household savings bonds	.6	1.0	.4	-.4	.3	-.4	-.8	.1	-.9	-.2	.5	1.7	1.9	2.7	2
3 Direct excluding savings bonds	1.8	7.9	9.9	-9	12.6	-8.4	5.6	4.8	4.4	18.3	10.9	16.8	-.6	45.2	3
4 Budget agency issues	.*	.1	1.5	-.4	1.3	-1.3	-.8	-.2	2.1	.2	1.0	1.7	-.8	.4	4
5 Sponsored agency issues	5.1	-.6	3.2	9.1	8.7	8.4	10.6	12.5	14.4	5.5	7.8	7.0	-1.8	7.5	5
6 Loan participations	1.3	4.0	1.7	-1.9	-1.3	.7	-4.8	-3.3	-2.6	-2.2	-.1	-2	-3.6	-.5	6
7 Net acquisitions, by sector	8.7	12.5	16.7	5.5	21.6	-1.0	10.0	13.8	17.5	21.6	20.1	27.0	-3.3	48.5	7
8 U.S. Government (agency sec.)	1.3	-.1	-.1	-1.3	-.1	-2.2	-.8	-1.0	-.1	.1	-.1	-.6	.*	.*	8
9 Sponsored credit agencies	1.0	.*	.*	-.2	1.7	.3	-.5	1.2	2.0	-.5	1.0	4.4	-1.9	-2.7	9
10 Direct marketable	.3	.9	-.1	-.5	1.9	.3	-.8	.4	2.8	-.8	1.2	4.3	-3.9	-.2	10
11 FHLB special issue	.6	-.9	.*	.3	-.2	.*	.3	.8	-.8	.*	-.2	-.1	2.0	-2.6	11
12 Federal Reserve System	3.5	4.8	3.8	4.2	5.0	4.2	-.4	9.2	1.1	5.4	7.9	5.6	15.7	2.2	12
13 Foreign	-2.4	2.1	-.5	-1.8	9.1	-1.8	2.7	-3.7	8.0	8.2	4.7	15.5	26.1	28.8	13
14 Commercial banks	-3.6	9.3	3.4	-9.5	9.0	-7.2	-9.5	-5.2	5.5	6.8	11.0	17.6	2.8	15.6	14
15 Direct	-3.4	6.3	2.2	-9.3	5.8	-8.8	-7.6	-6.2	-.7	6.8	8.9	8.0	-.6	12.2	15
16 Agency issues	-.2	3.0	1.3	-.3	3.2	1.6	-1.9	1.0	1.3	.*	2.1	9.6	3.4	3.4	16
17 Nonbank finance	-.4	-1.9	2.2	-.8	3.7	4.8	-4.7	-.8	-.7	9.8	2.2	3.7	4.0	2.8	17
18 Direct	-.2	-2.2	4	-2.4	1.5	2.7	-7.3	-.6	-3.2	7.6	-.7	2.5	-7.4	2.5	18
19 Agency issues	.5	.3	1.8	1.6	2.2	2.0	2.6	-.2	2.6	2.2	2.9	1.2	11.4	2.2	19
20 Pvt. domestic nonfin.	8.5	-1.7	7.7	15.0	-6.9	.9	23.2	14.1	6.5	-8.0	-6.8	-19.2	-50.1	1.8	20
21 Savings bonds—Households	.6	1.0	4	-.4	.3	-.4	-.8	.1	-.9	-.2	.5	1.7	1.9	2.7	21
22 Direct excl. savings bonds	3.3	-3.0	4.1	8.7	-10.5	-5.1	18.8	5.0	-2.7	-9.2	-10.8	-19.2	-32.5	2.2	22
23 Agency issues	4.7	.4	3.2	6.7	3.4	6.4	5.2	9.1	10.1	1.4	3.5	-1.7	-19.5	-3.1	23
<b>Private securities</b>															
1 Total net issues, by sector	18.5	28.2	23.9	27.7	42.3	28.8	25.1	26.3	31.3	41.0	39.3	57.7	65.3	58.9	1
2 State and local governments	5.7	8.7	9.6	8.1	11.8	9.4	5.6	4.7	8.9	10.2	8.9	19.3	25.6	16.3	2
3 Nonfinancial corporations	11.4	17.0	12.1	16.4	27.0	14.9	16.1	19.8	20.2	28.9	25.7	33.4	32.8	38.5	3
4 Finance companies	.8	1.0	.8	1.6	2.5	2.2	1.4	1.3	1.3	2.3	2.8	3.8	5.5	2.5	4
5 Commercial banks	.1	.2	.2	.1	.1	.3	.*	-.1	.2	.*	.*	.*	.*	.*	5
6 Rest of the world	.5	1.3	1.3	1.5	.9	2.0	2.0	.5	.7	-.4	2.0	1.3	1.4	1.6	6
7 Net purchases	18.5	28.2	23.9	27.7	42.3	28.8	25.1	26.3	31.3	41.0	39.3	57.7	65.3	58.9	7
8 Households	3.2	-1.8	-1.2	3.0	8.1	-1.8	5.2	5.3	6.9	9.8	2.5	13.3	-3.3	3.3	8
9 Nonfinancial corporations	1.0	-.2	-1.1	5.1	1.4	3.1	5.5	5.0	6.9	6.0	2.0	1.6	1.2	6.1	9
10 State and local governments	1.1	1.9	-.4	2.6	2	3.0	.9	1.4	4	.7	-.8	-.6	2.8	2.7	10
11 Commercial banks	1.9	9.8	8.9	3	10.8	2.4	-1.1	-1.7	5.0	8.9	14.5	14.7	19.4	14.9	11
12 Mutual savings banks	.3	2.3	1.6	.6	1.7	1.0	.*	.2	1.2	2.0	1.2	2.5	8.3	6.7	12
13 Insurance and pension funds	12.9	16.6	17.6	16.8	18.7	20.5	15.0	15.4	17.0	20.6	13.9	23.2	26.7	34.0	13
14 Finance n.e.c.	-2.2	-.9	-3.6	-2.8	.1	-.2	-1.1	-2.2	-.3	-3.5	4.3	-.1	4.3	-.5	14
15 Security brokers and dealers	.1	.2	-.9	.2	.7	.9	2.3	-2.6	.*	.*	2	5.2	-2.7	2.4	15
16 Investment companies, net	-2.4	-1.1	-2.8	-3.0	-.6	-1.2	-3.4	-.3	-.3	-3.7	-1.0	2.5	1.9	-.6	16
17 Portfolio purchases	1.4	1.5	1.9	2.7	1.8	3.6	2.7	4.6	1.3	-1.0	2.4	4.5	2.1	-.4	17
18 Net issues of own shares	3.7	2.6	4.7	5.7	2.4	4.8	6.1	4.2	1.6	2.7	3.4	2.1	.2	-.2	18
19 Rest of the world	.3	.6	2.3	2.1	1.4	.9	.7	2.9	.6	.5	2.1	2.3	.9	-.2	19
<b>Bank loans n.e.c.</b>															
1 Total net borrowing	9.0	7.5	15.7	17.8	2.1	24.0	11.1	17.6	5.2	10.3	5.0	-11.8	10.2	15.1	1
2 Households	4	2.1	3.1	2.4	8	4.2	.9	1.5	2.3	-1.1	1.2	1.0	3.4	4.7	2
3 Nonfinancial business	10.1	7.7	10.6	13.5	2.3	14.4	12.3	12.8	4.6	10.4	.9	-6.7	.6	5.9	3
4 Rest of the world	-.2	-.2	-.3	-.2	-.4	-.6	-1.5	-.1	-.6	-.3	-.2	-1.9	-.5	2.3	4
5 Financial sectors	-1.3	-2.1	2.3	2.1	-.5	4.9	-.6	3.4	-2.3	1.2	3.0	-4.1	5.7	2.2	5

NOTE.—For notes see p. A-73.3.

Notes to Table 2

*Funds raised, by type and sector.* Credit flows included here are the amounts shown on lines 25-34 of Table 1 by households, business, governments, and foreigners. All funds raised by financial sectors are excluded. U.S. Govt. budget issues (line 4) are loan participation certificates issued by CCC, Export-Import Bank, FNMA, and GNMA, together with security issues by FIIA, Export-Import Bank, and TVA. Issues by federally sponsored credit agencies are excluded as borrowing by financial institutions. Such issues are in line 5 of the next section of the table and in U.S. Govt. securities in Table 3. Corporate share issues are net cash issues by nonfinancial and foreign corporations. Mortgages exclude loans in process. Open market paper is commercial paper issued by nonfinancial corporations plus bankers' acceptances.

*Funds advanced directly in credit markets.* Net purchases, by sector, of the credit instruments shown in the section above. Financial sectors' purchases are shown net of their own funds raised in credit-market forms—securities and loans on lines 25-34 of Table 1. Lines 3, 7, 10, 14, and 15 reflect such adjustments. In addition, security credit is included in funds advanced as an asset and deducted from funds advanced as a liability, netting to zero in the totals. Security credit assets are in lines 8, 13, and 14 and subtracted in line 19. Security credit liabilities are in line 19 and subtracted in lines 14 and 19.

Lines 3-5 cover federally sponsored agencies. Commercial banks include bank affiliates not consolidated in bank reports. Savings institutions are savings and loan assns., mutual savings banks, and credit unions. Insurance

consists of life companies, fire and casualty companies, private pension funds, and State and local govt. retirement funds. Finance n.e.c. is finance companies, open-end investment companies, security brokers and dealers, agencies of foreign banks, and banks in U.S. possessions.

*Sources of funds supplied to credit markets.* In this section lending by financial sectors is replaced by sources of funds to financial sectors. Foreign funds at banks are deposits and foreign branch claims on U.S. home offices. Sources n.e.c. consist mainly of retained income and miscellaneous liabilities of financial sectors less their miscellaneous assets.

Notes to Table 3

*Demand deposits and currency.* Lines 5-8 are holder record; line 9 is difference between holder and bank record.

*U.S. Government securities.* Includes issues by sponsored credit agencies not consolidated into the U.S. Govt. sector and not included in funds raised in Table 2. Sponsored agencies are listed in notes to Table 4, p. A-73.9. Loan participations include FNMA, GNMA, Export-Import Bank, and CCC certificates. Where not shown separately, loan participations are grouped with agency issues. All figures are changes in par values of holdings.

*Private securities.* Total excludes open-end investment company shares, which are deducted on line 18.

*Bank loans n.e.c.* Includes lending by bank affiliates.

4. SECTOR STATEMENTS OF SAVING AND INVESTMENT

(Seasonally adjusted annual rates; in billions of dollars)

Category	1966	1967	1968	1969	1970	1969			1970				1971		
						II	III	IV	I	II	III	IV	I	II	
Households, personal trusts, and nonprofit organizations															
1 Personal income	587.2	629.3	688.9	750.3	803.6	743.1	759.3	772.2	784.3	803.8	809.8	816.7	834.3	854.8	1
2 Less: Personal taxes & nontaxes	75.4	83.0	97.9	116.2	115.9	117.2	116.1	117.7	116.7	118.0	113.5	115.2	112.7	114.0	2
3 Personal outlays	479.3	506.0	551.2	596.3	633.7	592.4	600.9	611.4	621.4	631.5	638.9	643.0	663.2	679.9	3
4 Equals: Personal saving, NIA basis	32.5	40.4	39.8	37.9	54.1	33.4	42.3	43.1	46.2	54.2	57.4	58.5	58.4	60.9	4
5 Plus: Credits from Govt. insur. 1	5.3	5.3	5.9	6.2	9.0	8.4	7.2	3.7	6.6	13.1	7.5	8.9	9.0	13.0	5
6 Capital gains dividends <sup>2</sup>	1.3	1.7	2.5	2.5	.9	1.9	2.2	1.1	1.4	1.2	.8	2.2	.4	1.3	6
7 Net durables in consumpt.	15.2	12.4	16.7	15.5	8.4	16.8	14.1	13.6	10.4	10.7	9.2	3.1	15.1	17.5	7
8 Equals: Net saving	54.3	59.8	64.8	62.2	72.4	60.5	65.8	61.5	64.6	79.2	74.9	70.7	82.9	92.7	8
9 Plus: Capital consumption	64.3	69.9	77.2	84.8	91.2	84.1	85.8	87.3	89.0	90.8	92.1	92.8	93.8	94.7	9
10 On owner-occ. homes	7.4	7.8	8.3	8.8	9.2	8.7	8.9	9.0	9.1	9.2	9.3	9.4	9.6	9.7	10
11 On nonprofit pl. and eq.	1.3	1.4	1.5	1.6	1.7	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	11
12 On consumer durables	55.6	60.7	67.4	74.4	80.3	73.7	75.3	76.7	78.2	80.0	81.1	81.7	82.4	83.3	12
13 Equals: Gross savings	118.6	129.7	142.0	147.0	163.5	144.6	151.6	148.8	153.6	170.0	167.0	163.5	176.7	187.3	13
14 Gross investment	119.8	132.0	140.5	141.2	162.9	133.6	145.7	143.0	148.9	168.7	166.2	167.3	181.5	194.2	14
15 Capital expend. (net of sales)	94.2	94.6	109.7	116.7	112.9	119.3	116.5	114.9	113.8	115.5	112.8	109.2	124.5	131.4	15
16 Residential construction	18.9	17.0	21.1	21.6	18.9	23.8	21.7	19.3	19.7	19.4	17.3	19.2	21.6	24.9	16
17 Consumer durable goods	70.8	73.1	84.0	89.9	88.6	90.6	89.4	90.3	88.6	90.7	90.4	84.9	97.6	100.8	17
18 Plant and equip. (nonprofit)	4.5	4.5	4.5	5.1	5.3	5.0	5.3	5.4	5.5	5.4	5.2	5.1	5.3	5.8	18
19 Net finan. investment	25.6	37.3	30.8	24.5	50.0	14.3	29.2	28.1	35.2	53.2	53.4	58.1	57.0	62.8	19
20 Net acquis. of financial assets	49.3	61.1	65.6	55.2	70.6	50.1	56.6	58.0	53.8	71.7	80.0	76.8	82.8	106.6	20
21 Demand dep. and curr.	3.1	9.4	11.1	5.9	4.7	10.2	9.5	5.1	5.4	7.4	5.0	1.0	10.8	15.6	21
22 Savings accounts	19.1	33.7	28.6	13.3	32.2	16.1	5.8	6.6	5.0	30.7	44.2	49.1	97.9	67.8	22
23 At commercial banks	11.9	17.1	15.7	5.2	15.8	7.1	*	2.4	5.1	15.5	22.5	24.5	47.4	26.0	23
24 At savings institutions	7.2	16.6	12.9	8.1	16.5	9.0	5.8	4.2	4.4	15.2	21.7	24.5	50.5	41.8	24
25 Credit market instruments	12.9	4.2	13.2	22.2	13.1	7.7	27.0	29.0	31.5	8.9	7.4	4.8	-38.3	1.8	25
26 U.S. Govt. securities	7.3	.9	5.2	13.2	.3	2.2	18.6	17.9	14.8	-3.3	4.1	-14.5	49.8	-4.5	26
27 State and local oblig.	2.1	-1.3	.9	1.5	-1.5	2.7	-.8	-.2	1.2	-.4	-.9	5.2	*	1.4	27
28 Corporate and fgn. bonds	2.0	3.6	5.4	5.4	12.2	1.4	6.5	9.2	12.3	10.2	11.3	14.9	9.5	7.8	28
29 Mortgages	1.4	1.0	1.8	2.1	2.2	1.4	2.7	2.2	3.1	2.3	1.5	1.7	2.0	-.1	29
30 Investment co. shares	3.7	2.6	4.7	5.7	2.4	4.8	6.1	4.2	1.6	2.7	3.4	2.1	.2	-.2	30
31 Other corp. shares	-4.7	-6.7	-12.2	-9.5	-5.0	-10.7	-6.7	-7.9	-8.3	-2.8	-2.7	-6.4	-13.0	3.0	31
32 Life insurance reserves	4.6	4.8	4.5	4.9	4.9	4.9	5.0	4.9	4.9	4.9	4.9	4.8	4.9	4.9	32
33 Pension fund reserves	13.4	14.1	15.3	15.4	18.6	18.7	16.1	15.0	15.3	21.4	16.7	20.9	22.6	23.5	33
34 Net invest. in noncorp. bus.	-4.1	-3.6	-2.2	-3.9	-2.3	-4.2	-4.3	-2.7	-2.6	-2.1	-2.5	-2.0	-6.5	-5.8	34
35 Security credit	*	1.1	.7	-.8	-.5	-1.0	-1.8	1.1	-1.3	-1.8	1.2	*	1.6	-1.2	35
36 Miscellaneous	1.2	1.5	1.8	2.1	2.5	3.6	-.1	2.6	2.3	2.5	2.5	2.5	2.6	3.2	36
37 Net increase in liabilities	23.6	23.7	34.8	30.7	20.6	35.8	27.3	29.9	18.6	18.5	26.7	18.7	25.7	43.8	37
38 Credit mkt. instruments	23.2	19.7	31.8	32.2	21.6	36.0	31.5	28.2	22.8	21.5	24.8	17.2	23.7	39.0	38
39 Home mortgages	12.3	10.5	14.9	16.2	12.5	17.1	16.3	14.9	11.0	12.2	13.7	13.0	13.1	22.7	39
40 Other mortgages	1.3	1.2	1.1	1.3	1.4	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	40
41 Instalment cons. credit	6.2	3.4	9.0	8.3	3.0	9.9	8.0	7.1	4.1	4.8	4.4	-1.3	2.7	6.7	41
42 Other consumer credit	1.0	1.2	2.1	1.0	1.3	.9	1.0	.4	.6	1.3	1.9	1.6	1.3	2.3	42
43 Bank loans n.e.c.	4.0	2.1	3.1	2.4	.8	4.2	.9	1.5	2.3	-1.1	1.2	1.0	3.4	4.7	43
44 Other loans	2.0	1.3	1.7	3.0	2.6	2.7	4.1	3.0	3.4	3.0	2.3	1.6	1.7	1.2	44
45 Security credit	-.2	3.3	2.1	-2.5	-1.9	-1.2	-5.1	.7	-5.2	-3.9	.9	.6	1.1	3.8	45
46 Trade debt	.3	.4	.5	.5	.6	.5	.5	.5	.5	.5	.6	.6	.6	.6	46
47 Miscellaneous	.4	.3	.4	.4	.4	.4	.4	.5	.4	.4	.4	.4	.3	.3	47
48 Discrepancy (13-14)	-1.2	-2.2	1.5	5.8	.6	11.0	5.9	5.8	4.6	1.4	.8	-3.8	-4.8	-6.9	48

NOTE.—For notes see p. A-73.9.



4. SECTOR STATEMENTS OF SAVING AND INVESTMENT—Continued

(Seasonally adjusted annual rates; in billions of dollars)

Category	1966	1967	1968	1969	1970	1969			1970				1971		
						II	III	IV	I	II	III	IV	I	II	
State and local governments -- General funds <sup>1</sup>															
1 Net surplus, NIA basis.....	1.3	-1.6	.3	.1	.5	-1.0	.5	1.8	1.1	1.9	.2	-1.3	-4.	1.6	1
2 Less: Retirement cr. to households.....	4.0	3.9	4.6	4.6	6.6	7.1	4.8	2.8	5.2	9.5	5.7	5.9	6.8	8.9	2
3 Equals: Gross saving.....	-2.7	-5.5	-5.0	-4.5	-6.0	-8.1	-4.2	-1.0	-4.0	-7.6	-5.5	-7.1	-7.3	-7.3	3
4 Net financial investment.....	-2.1	-5.6	-5.5	-6.3	-6.3	-10.1	-5.6	-2.4	-7.2	-5.7	-4.4	-7.8	-13.9	-13.6	4
5 Net acq. of financial assets.....	4.8	3.8	5.0	2.7	6.5	.7	.7	3.2	2.7	5.1	5.8	12.2	12.5	3.3	5
6 Currency and demand deposits.....	-1.	-1.0	.7	3.2	1.2	3.4	3.9	2.9	-3.	1.0	1.1	3.1	-.3	-2.3	6
7 Time deposits.....	1.3	2.4	3.2	-5.9	9.9	-5.0	-10.3	-4.6	6.4	10.3	13.4	9.6	10.8	2.4	7
8 Credit market instruments.....	3.4	2.1	.4	6.1	-3.8	2.9	7.7	5.6	-2.5	-5.3	-7.8	.4	1.8	3.0	8
9 U.S. Government securities.....	2.4	.2	.8	3.5	-4.0	-2.	6.8	4.2	-2.9	-6.0	-7.0	-2.	-1.0	.9	9
10 Direct.....	2.2	-.4	-3.	1.8	-3.1	-1.0	3.4	2.8	-3.2	-3.5	-5.4	-2.	-.9	.5	10
11 U.S. Govt. agency sec.....	.1	.6	1.0	1.7	-.9	.9	3.4	1.4	.3	-2.5	-1.5	*.	-1.9	-.2	11
12 State and local securities.....	*.	*.	*.	.3	.4	.2	.2	.6	.2	.7	.3	.5	.1	.2	12
13 Corporate bonds.....	1.1	1.9	-.4	2.3	-.2	2.8	.8	.8	.2	*.	*.	-1.1	*.	2.7	13
14 Home mortgages.....	*.	*.	.1	*.	*.	*.	*.	*.	*.	*.	*.	*.	*.	*.	14
15 Tax receivables.....	.2	.3	.7	-.6	-.9	-1.1	-.7	-.7	-.9	-.9	-.9	-.9	-.9	.2	15
16 Net increase in liabilities.....	6.9	9.5	10.5	9.0	12.8	10.2	6.3	5.6	9.9	10.9	10.2	20.0	26.5	17.0	16
17 Credit mkt. borrowing.....	6.4	8.8	9.9	8.5	12.2	9.7	5.8	5.1	9.4	10.4	9.7	19.5	26.0	16.5	17
18 State and local obligations.....	5.7	8.7	9.6	8.1	11.8	9.4	5.6	4.7	8.9	10.2	8.9	19.3	25.6	16.3	18
19 Short-term.....	.7	1.8	.1	3.1	3.8	2.5	2.9	2.7	3.0	3.2	1.9	7.2	7.4	3.5	19
20 Other.....	5.1	6.8	9.4	5.0	8.0	7.0	2.7	2.0	5.9	7.0	7.0	12.0	18.2	12.8	20
21 U.S. Govt. loans.....	.6	.2	.3	.4	.4	.3	.3	.5	.5	.2	.8	.2	.4	.2	21
22 Trade debt.....	.5	.6	.6	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	22
23 Discrepancy (7-8).....	-.7	.1	.5	1.8	.2	2.0	1.4	1.5	3.2	-1.8	-1.1	.7	6.7	6.3	23
U.S. Government <sup>2</sup>															
1 Total receipts, NIA basis.....	142.5	151.2	175.0	196.9	191.5	199.3	195.8	196.8	191.6	193.8	191.3	189.3	195.6	198.3	1
2 Personal taxes.....	61.7	67.5	79.7	94.9	92.2	96.5	94.0	95.2	93.8	94.5	89.7	91.0	87.6	88.4	2
3 Corp. profits tax accruals.....	32.1	30.7	36.7	36.3	30.6	37.5	34.9	34.5	30.6	30.9	31.9	29.0	32.4	33.4	3
4 Indirect taxes.....	15.7	16.3	18.0	19.0	19.3	19.0	19.4	19.1	19.0	19.1	19.7	19.4	20.6	20.6	4
5 Insurance receipts.....	33.0	36.7	40.7	46.8	49.3	46.3	47.4	48.0	48.2	49.2	50.0	49.8	55.0	55.9	5
6 Total expenditures, NIA basis.....	142.8	163.6	181.5	189.5	205.1	187.6	190.7	193.4	196.1	207.9	206.7	209.8	213.2	220.9	6
7 Goods and services.....	77.8	90.7	98.8	99.2	97.2	97.7	100.3	99.5	100.2	96.8	96.1	95.9	96.7	95.7	7
8 Grants and donations.....	29.0	30.7	34.1	37.2	45.2	36.9	36.9	39.5	39.7	46.4	46.8	48.1	47.5	49.7	8
9 Net interest.....	9.5	10.2	11.7	13.1	14.6	12.8	13.3	14.0	14.3	14.3	15.0	14.8	14.0	13.4	9
10 Insurance benefits.....	26.4	32.0	36.9	40.0	48.1	40.2	40.2	41.9	50.5	48.9	51.0	55.0	62.0	62.0	10
11 Net surplus, NIA basis.....	-.2	-12.4	-6.5	7.3	-13.6	11.7	5.1	3.4	-4.5	-14.1	-15.5	-20.5	-17.5	-22.6	11
12 Less: Insur. credits to households <sup>3</sup> .....	1.4	1.4	1.3	1.6	2.5	1.2	2.4	.9	1.5	3.6	1.8	3.0	2.1	4.1	12
13 Equals: Gross saving.....	-1.6	-13.8	-7.8	5.7	-16.1	10.4	2.7	2.5	-6.0	-17.7	-17.3	-23.4	-19.6	-26.7	13
14 Net financial investment.....	-.1	-13.1	-8.4	5.4	-15.2	10.2	2.6	2.0	-4.8	-18.9	-14.0	-23.1	-19.8	-30.7	14
15 Net acq. of finan. assets.....	5.4	2.9	7.4	3.0	.6	.5	4.0	5.6	*.	-.6	.3	2.9	-18.3	20.8	15
16 Demand deposits & currency.....	-.1	1.0	-1.7	1.1	2.5	.9	2.6	4.0	.6	2.5	.7	6.4	-19.1	15.9	16
17 Credit market instruments.....	4.9	4.6	4.9	2.5	3.2	1.7	3.7	2.3	3.9	3.6	3.5	1.8	4.3	4.4	17
18 Agency securities <sup>4</sup> .....	1.3	-.1	.1	-1.3	-.1	-2.2	.8	-1.0	.1	*.	.1	-.6	.....	*.	18
19 Mortgages.....	.8	.9	1.1	.7	3.	.8	.7	.8	.3	.5	.3	.3	-.2	.4	19
20 Other loans.....	2.8	3.8	3.7	3.1	3.0	3.2	3.8	2.4	3.5	3.1	3.1	2.1	4.5	4.0	20
21 Excess of tax accruals over receipts.....	-.7	-4.4	1.7	-2.9	-2.8	-7.3	-4.3	-2.3	-1.1	-4.2	-1.7	-4.1	.5	5.8	21
22 Other financial assets <sup>5</sup> .....	1.3	1.8	2.5	2.2	-2.3	4.1	2.1	1.6	-3.3	-2.5	-2.1	-1.3	-4.0	-5.3	22
23 Net increase in liabilities.....	5.5	16.0	15.9	-2.5	15.9	-10.7	1.4	3.5	4.9	18.2	14.3	26.0	1.5	51.5	23
24 U.S. Government securities.....	3.5	13.0	13.4	-3.6	12.8	-9.5	-.7	1.2	3.0	16.0	12.2	20.0	-1.6	47.7	24
25 Savings bonds—households.....	.6	1.0	.4	-.4	.3	-.4	-.8	.1	-.9	-.2	.5	1.7	1.9	2.7	25
26 Direct excl. savings bonds.....	1.8	7.9	9.9	-.9	12.6	-8.4	5.6	4.8	4.4	18.3	10.9	16.8	-.6	45.2	26
27 Budget agency sec. <sup>6</sup> .....	1.2	4.1	3.1	-2.4	-.1	-1.7	-5.6	-3.7	-.5	-2.0	.8	1.5	-2.9	-.2	27
28 Life & retirement reserves.....	1.4	1.4	1.3	1.6	2.5	1.2	2.4	.9	1.5	3.6	1.8	3.0	2.1	4.1	28
29 Other liabilities <sup>7</sup> .....	.6	1.6	1.1	-.4	.6	-2.5	-.3	1.4	.4	-1.4	.3	3.1	.9	-.3	29
30 Discrepancy (13-14).....	-1.5	-.7	-.6	.3	-.9	.2	*.	.5	-1.2	1.2	-3.3	-.3	.1	4.1	30
31 Memo: Corp. tax receipts, net.....	32.8	35.1	35.0	39.2	33.4	44.7	39.3	36.8	31.7	35.1	33.6	33.1	31.9	27.7	31
Federally sponsored credit agencies <sup>8</sup>															
1 Current surplus.....	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	1
2 Net increase in assets.....	5.3	-.1	3.2	9.2	10.8	7.8	11.1	13.7	15.8	6.8	9.9	10.7	2.1	-5.6	2
3 Credit market instruments.....	5.1	-.1	3.2	9.0	9.9	7.6	10.5	14.1	13.7	7.1	8.7	10.1	.3	-5.7	3
4 U.S. Government securities.....	1.0	*.	-.1	2.0	1.7	.3	-.5	1.2	2.0	-.5	1.0	4.4	-1.9	-2.7	4
5 Residential mortgages.....	1.9	1.1	1.6	3.9	5.4	2.5	4.7	6.6	5.8	5.4	6.3	4.0	1.4	6.0	5
6 Farm mortgages.....	.7	.7	.5	.6	.5	.8	.6	.3	.3	.5	.5	.5	.5	.8	6
7 Other loans.....	1.6	-1.8	1.2	4.8	2.3	4.0	5.7	5.9	5.6	1.7	1.1	1.2	-.9	7	
8 To coops (FC).....	.2	-.2	.1	.2	.3	.2	-.1	.3	.3	.1	.4	.4	.3	.1	8
9 To farmers (FICB).....	.4	.5	.2	.6	.7	.7	.4	.8	1.0	.7	.2	.9	1.1	1.0	9
10 To S & L's (FHLB).....	.9	-2.5	.9	4.0	1.3	3.1	5.3	4.8	4.4	.8	.3	-.2	-1.2	-10.8	10
11 Net increase in liabilities.....	5.2	-.2	3.2	9.1	10.8	7.8	11.4	13.3	15.8	6.7	9.9	10.8	2.3	-5.7	11
12 Credit market instruments.....	4.8	-.6	3.5	8.8	8.7	8.4	10.6	12.5	14.4	5.5	7.8	7.0	-1.8	.7	12
13 Agency securities.....	5.1	-.6	3.2	9.1	8.7	8.4	10.6	12.5	14.4	5.5	7.8	7.0	-1.8	.7	13
14 U.S. Government loans.....	-.2	-.1	.2	-.3	-.3	-.3	-.3	-.3	-.3	-.3	-.3	-.3	-.3	-.3	14
15 Miscellaneous liabilities.....	.4	.5	-.3	.4	2.1	-.6	.8	.8	1.3	1.2	2.1	3.7	4.1	-6.4	15

NOTE.—For notes see p. A-73.9.

## 4. SECTOR STATEMENTS OF SAVING AND INVESTMENT—Continued

(Seasonally adjusted annual rates; in billions of dollars)

Category	1966	1967	1968	1969	1970	1969			1970				1971		
						II	III	IV	I	II	III	IV	I	II	
Monetary authorities <sup>1</sup>															
1 Current surplus.....	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2 Net acquisition of financial assets...	4.2	4.8	3.7	4.2	5.3	2.0	5.5	7.4	6.1	1.1	9.9	4.0	11.4	.7	2
3 Gold and foreign exchange <sup>2</sup> .....	-3	-5	-1.2	-1	-1.4	-9	2.0	-1.5	3	-2.0	-1.0	-3.3	-9	-1.3	3
4 Treas. currency and SDR ctf's.....	.7	.5	.2	.1	.7	.1	.2	.3	1.9	.3	1.4	.3	.5	.7	4
5 F.R. float.....	.1	*	.9	.1	.8	-1.9	3.4	1.4	2.4	-3.1	1.2	2.7	-2.1	-2.1	5
6 F.R. loans to domestic banks.....	.3	*	*	*	.2	.7	.4	-2.0	-2	.4	1.6	-1.2	-2.1	1.5	6
7 Credit mkt. instruments.....	3.5	4.8	3.7	4.2	5.0	4.0	-5	9.3	1.2	5.5	7.7	5.5	16.1	1.9	7
8 U.S. Govt. securities.....	3.5	4.8	3.8	4.2	5.0	4.2	-4	9.2	1.1	5.4	7.9	5.6	15.7	2.2	8
9 Net increase in liabilities.....	4.2	4.7	3.7	4.2	5.3	2.0	5.5	7.4	6.1	1.1	9.9	4.0	11.4	.7	9
10 Member bank reserves.....	1.3	1.3	.7	.3	2.1	-2.8	3.0	.3	4.3	-1.3	5.7	-5	9.7	-4.7	10
11 Vault cash of coml. banks <sup>3</sup> .....	.6	.5	1.3	.1	-3	.9	.1	-5	-1.5	-2	-4	1.0	.6	.8	11
12 Demand deposits and currency															
U.S. Government.....	.2	.9	-1.0	.5	.4	-1	.1	2.3	-1.2	-3.2	2.3	.6	-1.3	-.5	12
Foreign <sup>4</sup> .....	.2	*	*	1	1	*	*	-1	-1	-2	-2	-1	.2	-1	13
14 Currency outside banks.....	2.0	2.1	2.4	2.8	3.5	3.7	2.5	4.2	3.7	5.6	3.2	1.5	3.2	6.2	14
15 Other.....	-1	*	.2	.6	.4	.2	-2	1.2	.4	.5	-8	1.6	-1.1	-1.0	15
Commercial banks and affiliates <sup>5</sup>															
1 Current surplus.....	2.5	2.3	3.0	3.5	3.5	3.5	3.6	3.6	3.5	3.4	3.6	3.6	3.8	3.5	1
2 Net acquisition of financial assets...	20.1	39.9	44.0	19.7	38.0	35.5	14.9	9.3	31.9	30.5	55.2	34.3	57.8	62.0	2
3 Total loans and investments.....	16.8	36.9	39.7	16.5	29.5	33.8	4.2	18.9	10.1	27.4	52.1	28.4	36.7	59.8	3
4 Credit market instruments.....	16.2	35.4	38.4	17.7	28.1	29.5	7.3	18.5	10.8	33.5	43.0	25.4	40.3	60.6	4
5 U.S. Government securities <sup>6</sup> .....	-3.6	9.3	3.4	-9.5	9.0	-7.2	-9.5	-5.2	5	6.8	11.0	17.6	2.8	15.6	5
6 Direct.....	-3.4	6.3	2.2	-9.3	5.8	-8.8	-7.6	-6.2	-7	6.8	8.9	8.0	6	12.2	6
7 Agency issues.....	*	.3	1.1	1.1	4.1	1.1	1.2	4.1	2.9	1.4	2.3	9.7	4.2	3.6	7
8 Loan partic. certificates.....	-2	2.7	.2	-1.3	-9	1.5	-3.0	-3.1	-1.6	-1.5	-3	-1	-8	-2	8
9 Other securities and mtg. ....	6.6	14.3	15.5	5.5	13.2	8.4	3.0	1.5	7.4	9.5	17.7	18.0	26.1	25.3	9
10 State and local obligations.....	1.9	9.0	8.6	4	10.1	2.3	-9	-1.5	5.0	8.0	14.5	12.9	17.9	13.4	10
11 Corporate bonds.....	.1	.8	.3	-1	.7	1	-2	-2	.5	.9	1.1	1.8	1.5	1.5	11
12 Home mortgages.....	2.4	2.4	3.5	3.0	9	3.3	2.1	2.1	1.0	6	11	9	3.7	7.0	12
13 Other mortgages.....	2.3	2.2	3.2	2.3	1.4	2.7	2.0	1.1	1.4	.6	2.0	2.4	3.0	3.4	13
14 Other credit exc. security... ..	13.3	11.7	19.5	21.7	6.0	28.4	13.8	22.2	2.8	17.2	14.3	-10.2	11.4	19.7	14
15 Consumer credit.....	2.6	1.8	4.9	3.3	1.9	3.9	2.7	3.0	1.0	2.3	3.8	4	1.8	4.1	15
16 Bank loans n.e.c.....	9.1	7.5	15.7	17.8	2.1	24.0	11.1	17.6	5.1	10.1	5.3	-11.8	10.2	15.1	16
17 Open market paper.....	1.6	2.4	-1.1	.5	2.0	.5	*	1.6	-3.3	4.8	5.2	1.1	-.6	-.6	17
18 Security credit.....	1.5	1.5	1.3	-1.1	1.3	4.3	-3.1	-4	-7	-6.1	9.1	3.0	-3.6	-.8	18
19 Vault cash & mem. bk. reserves.....	1.9	1.8	2.0	.4	1.8	-1.9	3.1	-2	2.8	-1.5	5.4	.4	10.3	-3.8	19
20 Loans to affiliate banks.....				.6	.7	.4	.3	.5	-1	-3	.2	1.8	-.2	20	
21 Miscellaneous assets.....	1.4	1.2	2.3	2.2	6.6	3.0	7.3	-9.8	18.5	4.7	-2.0	5.2	9.1	6.2	21
22 Net increase in liabilities.....	18.9	38.1	42.2	18.0	35.9	32.9	13.3	7.7	30.2	28.1	53.0	32.5	55.3	58.4	22
23 Demand deposits, net.....	.3	11.9	13.3	5.2	7.1	6.7	8.4	6.8	2.3	7.7	3.5	14.9	-3.0	32.4	23
24 U.S. Government.....	-5	.2	-.2	2	2.8	1.8	1.8	1.9	2.3	5.2	-1.5	5.4	-17.8	17.4	24
25 Other <sup>7</sup> .....	.8	11.6	13.5	5.2	4.2	4.9	6.7	4.8	*	2.4	5.1	9.4	14.8	15.0	25
26 Time deposits.....	13.3	23.8	20.6	-9.7	36.7	-9.0	-21.2	-1.1	11.6	28.5	65.6	41.3	60.6	30.0	26
27 Large negotiable CD's.....	-.8	4.7	3.1	-12.6	15.2	-14.0	-14.2	-3.3	5.3	7.6	34.3	13.4	5.8	4.0	27
28 Other.....	14.0	19.1	17.4	2.9	21.6	5.0	-7.0	2.2	6.3	20.9	31.3	27.9	54.8	26.0	28
29 Commercial paper issues.....				4.2	-1.9	4.2	5.0	6.9	8.9	4.1	-11.5	-8.9	-2.6	.2	29
30 Bank security issues.....	.1	.2	.2	.1	.1	.3	*	-1	.2	*	*	*	*	*	30
31 F.R. float.....	.3	*	.9	.1	.8	-1.9	3.4	1.4	2.4	-3.1	1.2	2.7	-2.1	-2.1	31
32 Borrowing at F.R. Banks.....	.1	*	*	*	.2	.7	.4	-2.0	-2	.4	1.6	-1.2	-2.1	1.5	32
33 Loans from affiliates.....				.6	.1	.7	.4	.3	.5	-1	.3	.2	1.8	-.2	33
34 Profit tax liabilities.....	*	-.1	-.1	.1	.3	.6	*	.3	1.0	.2	.3	-.1	.5	*	34
35 Liabilities to fgn. branches.....	2.7	.2	1.8	7.0	-6.8	14.6	4.3	-5.3	-4.4	-2.9	-5.7	-14.3	-16.2	-5.4	35
36 Other misc. liabilities.....	2.3	2.2	5.5	10.4	-.6	16.0	12.5	1.2	7.9	-6.6	-1.7	-2.0	18.4	1.9	36
37 Discrepancy.....	.8	.2	.6	.7	.4	-.1	.9	1.0	.8	*	.3	.6	.1	-1.0	37
Memo: Amounts included above for unconsolidated bank affiliates:															
38 Net acquisition of financial assets.....				4.4	-1.0	7.7	6.6	.9	12.0	4.8	-11.8	-9.0	1.4	.6	38
39 Bank loans n.e.c.....				3.8	-1.1	7.0	6.2	.6	11.5	4.9	-11.5	-9.2	-.4	.8	39
40 Loans to affiliate banks.....				.6	.1	.7	.4	.3	.5	-.1	-.3	.2	1.8	-.2	40
41 Net increase in liabilities.....				4.4	-1.0	7.7	6.6	.9	12.0	4.8	-11.8	-9.0	1.4	.6	41
42 Commercial paper issues.....				4.2	-1.9	4.2	5.0	6.9	8.9	4.1	-11.5	-8.9	-2.6	.2	42
43 Miscellaneous liabilities.....				.2	.9	3.5	1.5	-5.9	3.1	.7	-.2	*	4.0	.5	43

NOTE.—For notes see p. A-73.9.



4. SECTOR STATEMENTS OF SAVING AND INVESTMENT—Continued

(Seasonally adjusted annual rates; in billions of dollars)

Category	1966	1967	1968	1969	1970	1969			1970				1971		
						II	III	IV	I	II	III	IV	I	II	
Private nonbank financial institutions—Total <sup>1</sup>															
1 Current surplus	1.6	1.3	.2	.2	1.5	.6	.1	.9	.1	.9	2.0	3.0	3.1	2.5	1
2 Physical investment (life insurance)	.5	.6	.7	.8	.9	.8	.8	.8	.9	.9	.9	.9	1.0	1.0	2
3 Net acquisition of financial assets	34.9	42.4	50.0	48.4	51.4	63.9	42.0	49.6	33.5	45.9	63.7	62.6	87.2	74.2	3
4 Demand deposits and currency	.1	1.0	.9	.5	1.3	1.4	.1	1.5	.7	1.2	1.3	2.0	1.7	-.1	4
5 Time deposits (MSB)	*	*	*	.1	*	-.2	*	-.2	*	-.2	*	-.2	-.2	.3	5
6 Svgs. and loan shares (Cr. union)	.2	.3	-.1	*	.7	-.2	.1	.3	.8	.6	.2	1.3	1.8	1.5	6
7 Corporate shares	5.9	8.3	9.4	12.7	11.2	13.7	12.0	15.1	14.7	9.2	6.4	14.3	21.9	19.5	7
8 Credit market instruments	27.3	27.1	36.2	36.0	36.6	49.9	34.0	26.9	19.8	36.9	51.8	37.7	50.4	55.1	8
9 U.S. Government securities	.4	1.9	2.2	-.8	3.7	4.8	4.7	.8	.7	9.8	2.2	3.7	4.0	2.8	9
10 State and local oblig.	.8	1.2	1.2	1.0	1.4	1.2	1.5	.7	1.9	-.2	2.0	1.9	1.3	.6	10
11 Corporate and foreign bonds	8.0	11.1	9.6	6.6	10.4	11.3	6.4	1.8	2.9	12.9	14.3	11.4	16.2	14.5	11
12 Home mortgages	5.1	8.0	8.6	8.6	7.0	11.2	7.1	5.5	1.6	4.5	10.2	11.7	12.7	17.0	12
13 Other mortgages	6.8	6.7	7.0	6.7	8.7	6.3	7.2	7.4	7.0	8.2	8.4	11.3	10.1	14.3	13
14 Consumer credit	2.9	1.4	3.8	4.2	.6	5.4	3.6	3.4	2.3	2.2	-.4	1.8	.8	2.5	14
15 Other loans	3.3	.6	3.8	9.7	4.8	9.8	12.9	8.9	4.8	.4	15.2	.3	5.3	3.5	15
16 Security credit	.1	2.8	2.0	2.6	1.4	-.6	5.2	1.8	4.6	-.4	.4	2.1	2.1	2.6	16
17 Trade credit	.2	.3	.3	.4	.4	.4	.4	.4	.4	.4	.4	.4	.4	.4	17
18 Miscellaneous assets	2.0	2.6	1.4	1.5	2.6	.5	.6	3.5	1.7	.9	3.3	4.7	8.7	5.1	18
19 Net increase in liabilities	34.7	43.3	49.7	50.5	51.6	64.3	44.9	50.9	33.2	46.2	64.2	63.0	83.2	70.5	19
20 Time and savings accounts	7.0	17.0	12.8	8.1	17.2	8.8	5.7	4.5	5.2	15.8	21.9	25.8	52.3	43.3	20
21 Insurance and pension reserves	16.7	17.5	18.5	18.7	21.0	22.4	18.7	18.9	18.7	22.7	19.8	22.8	25.3	24.3	21
22 Credit market instruments	2.9	-.8	6.7	12.4	3.8	14.7	14.2	12.6	4.5	5.0	3.8	1.9	3.7	-.5	22
23 Finance company bonds	.8	1.0	.8	1.6	2.5	2.2	1.4	1.3	1.3	2.3	2.8	3.8	5.5	2.5	23
24 Mtg. loans in process	.9	1.0	.2	.6	.3	-.3	-.6	-.2	1.2	.3	1.6	2.2	1.6	3.8	24
25 Bank loans n.e.c.	-.3	2.1	2.3	2.1	.5	4.9	.6	3.4	-.3	1.2	3.0	-.4	5.7	2.2	25
26 Other loans	4.3	.7	3.3	8.6	1.2	7.4	13.8	8.5	6.8	1.4	3.6	.1	-.9	10.0	26
27 Finance company paper	3.4	1.8	2.5	4.6	-.2	4.3	8.5	3.7	2.4	.6	-.3	-.9	-.3	7.8	27
28 FHLB loans	.9	2.5	.9	4.0	1.3	3.1	5.3	4.8	4.4	.8	.3	-.2	-.2	10.8	28
29 Investment company shares	3.7	2.6	4.7	5.7	2.4	4.8	6.1	4.2	1.6	2.7	3.4	2.1	2.2	-.2	29
30 Security credit	.6	2.1	2.0	2.0	1.2	3.8	5.1	2.6	1.5	7.4	9.4	4.5	-.5	3.5	30
31 Taxes payable	*	.1	.2	.1	2.2	-.1	.3	.1	*	.1	.4	.7	.1	-.5	31
32 Miscellaneous liabilities	3.8	5.0	4.8	7.5	5.8	9.9	4.9	8.0	4.7	7.4	5.6	5.3	2.0	8.7	32
33 Discrepancy	.8	1.5	-.9	1.1	.9	.3	2.2	1.4	1.0	.3	1.5	2.6	1.9	2.1	33
Savings and loan associations															
1 Net acquisition of financial assets	4.6	9.7	9.7	9.5	14.3	10.2	8.2	6.8	5.5	12.7	17.9	21.2	37.6	26.8	1
2 Demand deposits & currency	.5	.3	.4	.2	.1	-.5	-.2	*	.2	*	.1	.2	.4	.7	2
3 Credit market instruments	4.2	9.1	10.1	9.9	11.5	11.8	9.0	6.1	4.0	10.4	14.2	17.2	31.7	31.0	3
4 U.S. Govt. securities	.4	1.6	.7	.3	1.2	.5	.1	-.1	-.3	3.2	1.5	.2	14.4	5.1	4
5 Home mortgages	2.9	6.0	7.2	7.8	7.2	9.5	7.0	5.5	3.0	4.9	9.3	11.7	12.1	17.8	5
6 Other mortgages	.9	1.5	2.1	1.8	3.0	1.8	2.0	1.8	1.3	2.2	3.4	5.3	5.2	8.0	6
7 Consumer credit	*	*	.1	*	*	*	*	.1	.1	.1	.1	*	-.1	.1	7
8 Misc. financial trans.	.9	.9	*	.2	2.7	1.2	.9	.8	1.3	2.3	3.6	3.8	5.6	4.9	8
9 Net increase in liabilities	4.0	9.3	8.9	8.6	13.6	9.1	7.4	5.4	4.9	11.8	17.1	20.5	36.9	26.1	9
10 Savings shares	3.6	10.6	7.5	4.1	11.1	4.8	2.9	.7	2.0	9.8	15.6	16.9	36.8	28.6	10
11 Credit market instruments	.1	1.7	1.1	4.1	1.9	3.5	5.1	4.6	2.5	.8	1.7	2.4	-.3	5.4	11
12 Mtg. loans in process	-.9	1.0	.2	.6	.6	.3	.3	-.6	-.2	.1	1.6	2.2	1.6	3.8	12
13 Borrowing from FHLB	.9	2.5	.9	4.0	1.3	3.1	5.3	4.8	4.4	.8	.3	-.2	1.2	10.8	13
Mutual savings banks															
1 Net acquisition of financial assets <sup>3</sup>	2.8	5.4	4.6	3.1	4.7	3.5	1.8	2.1	2.6	5.2	5.0	6.0	13.4	12.5	1
2 Corporate shares	*	.2	.3	.2	.3	.2	.2	.2	.3	.3	.3	.3	.3	.3	2
3 Credit market instruments	2.6	5.0	4.1	2.9	3.9	3.3	1.2	2.6	2.0	4.5	3.9	5.1	11.9	11.7	3
4 U.S. Govt. securities	-.5	-.3	-.2	.5	.2	-.5	-.1	-.8	-.6	.6	.5	.3	-.5	1.1	4
5 State and local gov. securities	-.1	*	*	*	*	*	*	*	*	*	*	*	.2	.3	5
6 Corporate bonds	.3	2.1	1.3	.3	1.4	.8	-.3	-.1	.9	1.7	.9	2.2	7.8	6.2	6
7 Home mortgages	1.6	1.8	1.4	1.4	.9	1.5	1.1	1.4	.2	1.1	1.1	1.3	.9	1.0	7
8 Other mortgages	1.1	1.4	1.4	1.3	.9	1.2	1.0	1.7	.5	.8	1.0	1.3	2.1	2.8	8
9 Savings deposits	2.6	5.1	4.2	2.6	4.4	2.7	1.5	2.2	1.6	4.4	4.7	7.0	12.4	11.6	9
10 Miscellaneous liabilities	*	.1	.1	.2	.1	.5	*	.3	.1	.5	.1	-.4	-.1	.4	10
Life insurance companies															
1 Net acquisition of financial assets <sup>3</sup>	8.3	8.7	9.8	9.2	9.3	9.2	9.1	9.2	9.6	9.4	9.1	9.2	13.9	11.0	1
2 Corporate shares	.3	1.0	1.4	1.7	2.0	1.8	1.1	2.1	2.2	2.3	.5	2.9	4.5	3.4	2
3 Credit market instruments	7.8	7.4	7.7	6.6	6.8	8.7	7.5	4.6	6.2	7.2	8.6	5.3	7.8	8.1	3
4 U.S. Govt. securities	.3	-.3	-.1	-.4	*	.8	*	-.1	-.5	.5	.1	-.3	-.7	.4	4
5 State and local obligations	-.4	-.1	.2	*	.1	*	*	-.2	*	.1	.2	.1	.1	.3	5
6 Corporate bonds	2.4	3.8	3.9	1.5	1.5	2.7	1.5	-.6	.7	2.4	1.3	1.8	3.4	4.7	6
7 Home mortgages	.6	-.5	-.7	1.1	1.4	-.6	-.8	-.2	1.3	-.2	1.2	1.8	1.5	2.1	7
8 Other mortgages	4.0	3.4	3.2	3.1	3.7	2.9	3.2	3.8	4.0	3.7	3.3	3.9	2.4	2.5	8
9 Other loans	1.5	1.0	1.2	3.4	2.9	3.7	4.2	3.6	3.4	1.9	5.0	1.5	4.1	2.3	9
10 Net increase in liabilities	7.9	8.8	9.1	9.2	9.3	9.2	9.3	9.3	9.3	9.3	9.3	9.3	12.1	9.5	10
11 Life insurance reserves	4.5	4.7	4.6	4.8	4.8	4.9	4.9	4.8	4.8	4.8	4.8	4.8	4.8	4.8	11
12 Pension fund reserves	2.1	2.6	2.9	2.9	3.1	2.9	2.9	3.0	3.0	3.0	3.1	3.1	5.9	3.4	12
13 Other liabilities	1.2	1.6	1.5	1.4	1.4	1.5	1.3	1.5	1.4	1.6	1.3	1.2	1.3	1.6	13

NOTE.—For notes see p. A-73.9.

4. SECTOR STATEMENTS OF SAVING AND INVESTMENT—Continued

(Seasonally adjusted annual rates; in billions of dollars)

Category	1966	1967	1968	1969	1970	1969			1970				1971		
						II	III	IV	I	II	III	IV	I	II	
<b>Private pension funds</b>															
1 Net acquisition of financial assets...	6.1	6.3	6.4	6.3	6.6	7.5	6.1	8.3	5.7	5.3	6.2	9.0	7.8	7.2	1
2 Demand deposits and currency...	*	.4	.3	*	.2	1.6	-.3	.4	.3	-.3	.8	-.1	.7	-1.3	2
3 Corporate shares...	3.7	4.6	4.7	5.4	4.6	4.8	4.5	6.5	5.2	3.8	2.7	6.8	9.6	11.6	3
4 Credit market instruments...	1.9	.5	1.1	.9	2.0	.7	2.7	.7	.9	1.8	3.2	2.1	-3.3	-2.5	4
5 U.S. Govt. securities...	-.5	-.6	.4	.1	.4	*	.9	-.5	-.4	.6	2.1	-.6	-.1	-1.2	5
6 Corporate bonds...	1.9	.9	.7	.6	1.6	.7	1.6	.8	1.1	1.2	1.3	2.8	-2.6	-.5	6
7 Mortgages...	.5	.1	*	.1	*	*	.3	.3	.2	*	-.1	*	-.6	-.8	7
8 Miscellaneous...	.6	.8	.3	.1	-.2	.4	-.7	.8	-.7	*	-.4	.3	.8	-.6	8
<b>State and local govt. employee retirement funds</b>															
1 Net acquisition of financial assets...	4.0	3.9	4.6	4.6	6.6	7.1	4.8	2.8	5.2	9.5	5.7	5.9	6.8	8.9	1
2 Demand deposits and currency...	.1	.1	*	*	.2	*	*	*	-.4	.6	-.2	.7	...	.5	2
3 Corporate shares...	.5	.7	1.3	1.7	2.1	2.1	1.5	2.1	1.9	2.2	1.5	2.9	2.8	3.1	3
4 Credit market instruments...	3.4	2.8	3.2	2.9	4.1	5.1	3.2	.6	3.5	6.5	4.2	2.1	3.9	5.1	4
5 U.S. Govt. securities...	.2	-1.0	.4	-.2	-.3	-.3	*	-.8	-.1	-.4	*	-.8	-1.2	-1.0	5
6 Direct...	.1	-1.1	-.3	-.4	-.4	-.4	-.8	-.2	-.5	...	...	-.7	-.6	-.4	6
7 U.S. Govt. agency sec...	.1	.1	.6	.2	.1	.1	.4	.1	.1	*	*	*	-.6	-.7	7
8 State and local obligations...	-.1	-.1	*	-.2	-.3	-.1	*	-.5	-.1	-.6	-.2	-.5	-.1	-.2	8
9 Other cr. mkt. instruments...	3.8	4.5	4.2	5.1	6.9	7.6	4.7	3.9	5.6	9.8	6.0	6.2	7.9	9.4	9
10 Corporate bonds...	2.5	3.4	2.5	3.0	3.9	5.2	2.3	1.9	2.6	6.3	3.9	2.7	4.8	5.4	10
11 Mortgages...	.8	.5	.4	*	.9	.3	.9	-.1	1.1	1.3	.6	.6	.3	.9	11
12 Other...	.1	.4	.1	*	.2	-.1	*	.1	.2	.2	.2	.2	.1	.2	12
<b>Other insurance companies</b>															
1 Current surplus...	.5	.4	.1	*	.5	*	*	-.1	-.1	.2	.8	1.1	1.1	1.0	1
2 Net acquisition of financial assets...	2.1	2.0	3.1	3.0	3.7	4.6	.5	3.4	3.7	3.6	3.7	3.7	4.6	6.1	2
3 Demand deposits and currency...	*	*	.1	*	*	-.1	-.1	*	*	*	*	*	*	*	3
4 Corporate shares...	.4	.3	.8	1.0	1.0	1.2	.3	1.3	1.4	1.1	.1	1.3	1.5	2.7	4
5 Credit market instruments...	1.5	1.4	1.9	1.6	2.3	3.1	-.2	1.7	2.0	3.0	2.2	2.0	2.7	3.0	5
6 U.S. Government securities...	-.4	-.7	-.2	-.4	-.4	1.0	-.2	-.3	...	.1	.5	-.4	*	-.5	6
7 State and local oblig...	1.3	1.4	1.0	1.2	1.1	1.3	1.3	1.2	1.1	1.1	1.0	1.0	1.2	1.7	7
8 Corporate bonds...	.6	.7	1.2	.8	1.2	.8	.7	.8	.8	.8	1.6	1.4	1.5	1.7	8
9 Commercial mortgages...	*	*	*	*	*	*	*	*	*	*	*	*	*	*	9
10 Trade credit...	.2	.3	.3	.4	.4	.4	.4	.4	.4	.4	.4	.4	.4	.4	10
11 Net increase in liabilities...	1.8	2.1	2.4	3.4	3.7	4.9	1.4	3.9	3.6	3.6	3.8	3.9	3.8	4.3	11
12 Discrepancy...	.1	.5	-.5	.4	.6	.3	.9	.4	-.2	.2	.9	1.3	.3	.8	12
<b>Finance companies</b>															
1 Net acquisition of financial assets...	2.6	.9	5.5	8.0	1.9	11.4	8.7	7.5	2.1	4.0	2.0	-.6	4.1	4.2	1
2 Demand deposits and currency...	.2	.2	.2	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	2
3 Home mortgages...	-.6	.4	.6	.3	.1	.8	-.5	.2	-.7	-.4	1.2	.4	1.7	.9	3
4 Consumer credit...	1.8	.6	2.4	2.6	-.6	3.5	2.2	2.1	1.3	.9	-2.1	-2.6	-.8	.3	4
5 Other loans (to bus.)...	1.2	-.4	2.2	4.8	2.1	6.7	6.7	4.9	1.2	3.2	2.6	1.3	3.0	2.6	5
6 Net increase in liabilities...	2.8	.9	5.5	8.2	1.9	11.2	9.1	8.0	2.0	4.2	2.1	-.6	4.0	3.9	6
7 Corporate bonds...	.8	1.0	.8	1.6	2.5	2.2	1.4	1.3	1.3	2.3	2.8	3.8	5.5	2.5	7
8 Bank loans n.e.c...	-1.4	-2.0	2.3	2.1	-.5	4.7	-.7	2.9	-1.7	1.3	3.2	-4.7	6.4	.5	8
9 Open market paper...	3.4	1.8	2.5	4.6	-.2	4.3	8.5	3.7	2.4	.6	-3.9	.3	-7.8	.8	9
<b>Open-end investment companies</b>															
1 Current surplus...	-1.2	-1.5	-2.2	-2.4	-.8	-1.8	-2.1	-.8	-1.4	-1.1	-.7	-.1	-.3	-1.2	1
2 Net acquisition of financial assets...	2.5	1.1	2.5	3.3	1.6	3.0	4.1	3.4	.2	1.6	2.6	1.9	-.1	-1.4	2
3 Demand deposits and currency...	*	.2	.1	-.1	*	-.1	-.1	*	*	-.5	.3	.2	.4	*	3
4 Corporate shares...	1.0	1.5	1.5	2.5	1.1	3.1	3.3	4.3	4.2	-1.0	-.8	2.1	2.1	.9	4
5 Credit market instruments...	1.5	-.5	.9	.9	.5	*	.9	-.9	-3.9	3.2	3.1	-.4	-2.5	-2.3	5
6 U.S. Govt. securities...	.6	-.5	.2	-.5	.2	*	.2	-1.3	-.8	8.3	7.0	.1	.2	-1.0	6
7 Corporate bonds...	.4	*	.4	.2	.7	.5	-.6	.3	-.2	*	3.2	2.4	*	-.4	7
8 Open market paper...	.5	*	.3	1.2	-.4	-.4	1.3	.2	-.3	-5.2	6.9	-2.9	-2.7	-.8	8
9 Net stock issues <sup>4</sup> ...	3.7	2.6	4.7	5.7	2.4	4.8	6.1	4.2	1.6	2.7	3.4	2.1	.2	-.2	9

NOTE.—For notes see p. A-73.9.

4. SECTOR STATEMENTS OF SAVING AND INVESTMENT—Continued

(Seasonally adjusted annual rates; in billions of dollars)

Category	1966	1967	1968	1969	1970	1969			1970				1971		
						II	III	IV	I	II	III	IV	I	II	
Rest of the world															
1 Net U.S. exports	5.3	5.2	2.5	2.0	3.6	1.2	2.8	2.7	3.5	4.2	4.0	2.7	4.2	- .5	1
2 U.S. exports	43.4	46.2	50.6	55.6	62.9	56.9	58.3	59.2	61.5	63.2	63.7	63.2	66.1	66.4	2
3 U.S. imports	38.1	41.0	48.1	53.6	59.3	55.7	55.5	56.6	58.0	59.0	59.7	60.5	61.9	66.9	3
4 Transfer receipts from U.S.	2.8	3.0	2.9	2.9	3.1	3.4	2.8	3.0	3.0	3.0	3.2	3.3	3.1	3.2	4
5 Current account balance <sup>1</sup>	-2.4	-2.2	.4	.9	-.4	2.2	-.1	.3	-.5	-1.2	-.8	.7	-1.1	3.7	5
6 Net financial investment	-2.0	1.2	.9	3.7	.6	4.2	4.1	.4	.6	.3	1.5	.1	4.1	12.3	6
7 Net acqis. of financial assets	3.3	7.6	8.5	10.3	5.2	15.2	12.4	-.2	8.8	4.8	5.2	2.0	12.6	23.2	7
8 Gold and SDR's <sup>2</sup>	.6	1.2	1.2	-1.0	.8	-1.3	*	-2.8	-.4	-.1	1.4	2.2	.9	2.6	8
9 U.S. dem. dep. and currency	-1.0	.3	.3	.3	.3	.6	.6	*	1.4	-.4	-.5	-.5	-.1	-2	9
10 Time deposits	.8	1.2	-.3	1.0	1.9	-1.4	.4	5.7	4.3	-3.5	-3.2	-5.1	1.2	2.6	10
11 U.S. corporate shares	-.3	.7	2.0	1.6	.7	.6	.7	2.0	-.3	-.3	1.5	1.9	.3	*	11
12 U.S. Government securities	-2.4	2.1	-.5	-1.8	9.1	-1.8	2.7	-3.7	8.0	8.2	4.7	15.5	26.1	28.8	12
13 Other credit market instr. <sup>3</sup>	.9	.1	.8	1.5	1.1	2.1	1.7	.7	1.8	1.7	-1.1	2.3	.4	2.0	13
14 Other financial assets <sup>4</sup>	4.7	2.0	4.9	8.7	-5.0	16.4	6.3	-2.1	-6.0	-.7	2.3	-15.4	-13.7	-12.7	14
15 Net increase in liabilities	5.3	8.7	7.6	6.7	4.6	11.0	8.3	-.7	8.1	4.5	3.7	1.9	8.5	10.9	15
16 Official U.S. ign. exchange <sup>5</sup>	*	1.1	2.1	.3	-2.5	-.1	2.8	-1.9	-2.3	-4.2	-1.7	-1.9	-2.5	.7	16
17 Foreign corporate shares	-.3	.1	.2	.5	*	1.2	.4	.1	-.4	-.2	.4	.3	.3	.5	17
18 Corporate bonds	.7	1.2	1.1	1.0	.8	.8	1.7	.4	1.1	-.3	1.6	.9	1.2	1.1	18
19 Loans <sup>6</sup>	1.1	2.8	1.7	2.2	1.7	4.0	.3	1.9	1.9	2.1	.3	2.7	3.6	4.8	19
20 Other liabilities <sup>7</sup>	3.8	3.6	2.6	2.7	4.5	5.1	3.2	-1.1	7.9	7.0	3.2	-.2	6.0	5.3	20
21 Discrepancy <sup>8</sup>	-.4	1.1	-.5	-2.8	-1.1	-2.0	-4.1	-.1	-1.1	-1.5	-2.2	.5	5.2	8.6	21

Notes to Table 4

Households

<sup>1</sup> Imputed saving associated with growth of government life insurance and retirement reserves.

<sup>2</sup> From open-end investment companies.

<sup>3</sup> Policy loans, hypothecated deposits, and U.S. Govt. loans to nonprofit organizations.

Business

<sup>1</sup> Excludes imputed rental income from owner-occupied houses.

<sup>2</sup> Change in work in process.

<sup>3</sup> After inventory valuation adjustment.

<sup>4</sup> Excludes CCC-guaranteed loans, treated as U.S. Govt. purchases on NIA basis.

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

<sup>6</sup> 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.

<sup>7</sup> Loans from U.S. Govt. and commercial loans from finance companies.

<sup>8</sup> Includes earnings retained in business; see note 6 above.

<sup>9</sup> Direct investments abroad, foreign currency holdings, and unallocated current assets.

<sup>10</sup> Commercial paper, commercial loans from finance companies, and U.S. Govt. loans.

Governments

<sup>1</sup> Retirement funds are on p. A-73.8.

<sup>2</sup> Unified budget basis for all years. Excludes sponsored agencies shown below.

<sup>3</sup> Govt. life insurance, employee retirement, and R.R. retirement programs.

<sup>4</sup> Securities of sponsored credit agencies only.

<sup>5</sup> Mainly official foreign exchange and IMF position of Treasury. Includes net purchases of Special Drawing Rights, which are assets of the Exchange Stabilization Fund. Initial allocation of SDR's in January is excluded, however, from these tables on transactions.

<sup>6</sup> Loan participation certificates and securities issued by Export-Import Bank, GNMA, CCC, Federal Housing Administration, and TVA. Includes mortgage liabilities of Defense Dept. and Coast Guard and block sales of Farmers Home Administration insured notes.

<sup>7</sup> Includes net sales of SDR certificates to Federal Reserve System.

<sup>8</sup> Home loan banks, land banks, intermediate credit banks, banks for cooperatives, Federal National Mortgage Association (before 1969, secondary market operations only), and mortgage pools issuing GNMA-guaranteed securities.

Banking

<sup>1</sup> Federal Reserve System plus those Treasury accounts included in "Member Bank Reserves, Federal Bank Credit, and Related Items" (p. A-4). Excludes Exchange Stabilization Fund, which is in U.S. Govt. accounts.

<sup>2</sup> Includes F.R. holdings of foreign currencies. On Special Drawing Rights, see notes 5 and 7 to Governments table. SDR certificates as assets of the Federal Reserve are on line 4 of this table.

<sup>3</sup> Includes vault cash of nonmember banks.

<sup>4</sup> IMF deposits are net in line 3.

<sup>5</sup> This section represents a combined statement for commercial banks plus affiliates not consolidated in bank reports (see lines 38-43 below). Based on balance sheet estimates for last day of quarter. Reported bank data, as on p. A-19, are frequently for last Wednesday of month or other reporting date. Excludes banks in U.S. possessions.

<sup>6</sup> Net change in par value of holdings.

<sup>7</sup> Net of F.R. float, shown separately in line 31.

Nonbank finance

<sup>1</sup> In addition to types shown, includes credit unions, agencies of foreign banks, security brokers and dealers, and banks in possessions.

<sup>2</sup> Excludes deposits at FHLB, which are included in Miscellaneous, line 8.

<sup>3</sup> Includes cash and other assets, not shown separately.

<sup>4</sup> Includes retained capital gains dividends.

Rest of the world

<sup>1</sup> Line 4 minus line 1. The current balance is shown here from the viewpoint of the rest of the world and is thus opposite in sign from U.S. balance of payments statements and U.S. national income accounts.

<sup>2</sup> Net purchases of gold and Special Drawing Rights from the U.S. only. Excludes acquisitions of gold from outside the U.S. Also excludes January allocation of SDR's.

<sup>3</sup> Corporate bonds and acceptances.

<sup>4</sup> Trade credit, direct investment in the United States, bank liabilities to foreign branches, deposits at agencies of foreign banks, security credit, and unallocated assets.

<sup>5</sup> Includes net IMF position.

<sup>6</sup> Bank loans, acceptances, and loans from U.S. Govt.

<sup>7</sup> Trade debt, direct investment abroad, foreign currencies other than in line 15, subscriptions to international organizations except IMF, and unidentified liabilities.

<sup>8</sup> Errors and omissions in U.S. balance of payments statement.

A 74 U.S. BALANCE OF PAYMENTS □ OCTOBER 1971

1. U.S. BALANCE OF PAYMENTS

(In millions of dollars)

Line	Credits+; debits-	1969	1970 <sup>r</sup>	1970 <sup>r</sup>				1971	
				I	II	III	IV	I	II <sup>p</sup>
Summary—Seasonally adjusted									
1	Merchandise trade balance <sup>1</sup> .....	660	2,110	513	751	704	142	269	-1,040
2	Exports.....	36,490	41,980	10,241	10,582	10,696	10,461	11,030	10,716
3	Imports.....	-35,830	-39,870	-9,728	-9,831	-9,992	-10,319	-10,761	-11,756
4	Military transactions, net.....	-3,341	-3,371	-908	-808	-884	-770	-667	-677
5	Travel and transportation, net.....	-1,780	-1,979	-448	-500	-553	-478	427	-632
6	Investment income, net <sup>2</sup> .....	5,975	6,242	1,577	1,469	1,571	1,626	1,760	2,155
7	U.S. direct investments abroad.....	7,340	7,906	2,039	1,905	1,973	1,988	2,033	2,419
8	Other U.S. investments abroad.....	3,199	3,503	886	886	882	851	864	820
9	Foreign investments in the United States.....	-4,564	-5,167	-1,348	-1,322	-1,284	-1,213	-1,137	-1,084
10	Other services, net.....	497	588	147	133	157	150	212	172
11	Balance on goods and services <sup>3</sup> .....	2,011	3,592	881	1,045	995	670	1,147	22
12	Remittances, pensions and other transfers.....	-1,266	-1,410	-338	-362	-359	-351	-342	-357
13	Balance on goods, services and remittances.....	745	2,182	543	683	636	319	805	379
14	U.S. Government grants (excluding military).....	-1,644	-1,739	-418	-391	-444	-485	-428	-485
15	Balance on current account.....	-899	444	125	292	192	-166	377	864
16	U.S. Government capital flows excluding nonscheduled repayments, net <sup>4</sup> .....	-2,106	-1,837	-511	-480	-396	-450	-602	-711
17	Nonscheduled repayments of U.S. Government assets.....	-87	244	88	114	2	40	4	102
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	263	-436	-30	-224	82	-263	-82	-22
19	Long-term private capital flows, net.....	-50	-1,453	-969	-272	-220	7	-1,003	-1,646
20	U.S. direct investments abroad.....	-3,254	-4,445	-1,358	-1,257	-897	-934	-1,370	-1,315
21	Foreign direct investments in the United States.....	832	969	486	105	218	160	92	-24
22	Foreign securities.....	-1,494	-942	-210	93	-488	-337	-353	-396
23	U.S. securities other than Treasury issues.....	3,112	2,190	304	374	720	792	559	206
24	Other, reported by U.S. banks.....	477	199	31	68	44	56	121	213
25	Other, reported by U.S. nonbanking concerns.....	277	576	-222	345	183	270	190	96
26	Balance on current account and long-term capital <sup>4</sup> .....	-2,879	-3,038	-1,297	-570	-340	-832	-1,306	3,141
27	Nonliquid short-term private capital flows, net.....	-602	-545	-115	-140	-115	-175	-396	-454
28	Claims reported by U.S. banks.....	-658	-1,015	-162	-268	-189	-396	-85	-143
29	Claims reported by U.S. nonbanking concerns.....	-35	360	-116	23	-50	-171	-125	-66
30	Liabilities reported by U.S. nonbanking concerns.....	91	830	163	151	124	392	186	-245
31	Allocations of special drawing rights (SDR).....		867	217	217	217	216	180	179
32	Errors and omissions, net.....	2,603	-1,104	-59	-375	-437	-233	-1,026	-2,335
33	Net liquidity balance.....	-6,084	-3,821	-1,254	868	675	-1,024	-2,548	-5,751
34	Liquid private capital flows, net.....	8,786	-6,000	-1,610	-536	-1,400	-2,454	-2,990	45
35	Liquid claims.....	124	242	262	160	-17	157	-297	104
36	Reported by U.S. banks.....	-209	-119	140	127	-53	-79	-72	38
37	Reported by U.S. nonbanking concerns.....	333	361	122	-33	36	236	-225	66
38	Liquid liabilities.....	8,662	-6,242	-1,872	-376	-1,383	-2,611	-2,693	-59
39	To foreign commercial banks.....	9,166	-6,507	-1,863	-441	-1,315	-2,888	-3,042	-85
40	To international and regional organizations.....	-63	179	142	-124	82	79	271	174
41	To other foreigners.....	-441	86	-151	189	-150	198	78	-148
42	Official reserve transactions balance.....	2,702	-9,821	-2,864	-1,404	-2,075	-3,478	-5,538	-5,706
43	Financed by changes in: Nonliquid liabilities to foreign official reserve agencies reported by U.S. Government.....	-162	535	-266	735	12	77	-8	8
44	Nonliquid liabilities to foreign official agencies reported by U.S. banks.....	-836	-810	-154	-235	-233	-188	-203	-161
45	Liquid liabilities to foreign official agencies.....	-517	7,619	3,020	99	1,736	2,765	5,067	5,216
46	U.S. official reserve assets, net.....	-1,187	2,477	264	805	584	824	682	659
47	Gold.....	-967	787	-44	14	395	422	109	456
48	SDR.....	-851	-270	-254	-254	-251	-76	-55	17
49	Convertible currencies.....	814	2,152	831	818	34	469	373	-66
50	Gold tranche position in IMI.....	-1,034	389	-253	227	406	9	255	252
Memoranda:									
51	Transfers under military grant programs, (excluded from lines 2, 4, and 14).....	756	613	137	191	116	169	191	162
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20).....	2,532	(5)	(5)	(5)	(5)	(5)	(5)	(5)
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21).....	431	(5)	(5)	(5)	(5)	(5)	(5)	(5)

For notes see end of table.

**1. U.S. BALANCE OF PAYMENTS—Continued**

(In millions of dollars)

Credits +, debits -	1969	1970 <sup>r</sup>	1970 <sup>r</sup>				1971	
			I	II	III	IV	I	II <sup>p</sup>
<b>Balances excluding allocations of SDR's—Seasonally adjusted</b>								
Net liquidity balance.....	-6,084	-4,688	-1,471	-1,085	-892	-1,240	-2,728	-5,930
Official reserve transactions balance.....	2,702	-10,688	-3,081	-1,621	-2,292	-3,694	-5,718	-5,885
<b>Balances not seasonally adjusted</b>								
Balance on goods and services (line 11).....	2,011	3,592	1,234	1,300	-291	1,349	1,490	173
Balance on goods, services and remittances (line 13).....	745	2,182	913	925	-657	1,002	1,165	-197
Balance on current account (line 15).....	-899	444	465	487	-1,060	552	709	-729
Balance on current account and long-term capital <sup>4</sup> (line 26)...	-2,879	-3,038	-1,310	-899	-1,535	706	-1,280	-3,525
<b>Balances including allocations of SDR's:</b>								
Net liquidity (line 33).....	-6,084	-3,821	-510	-1,704	-1,454	-152	-1,887	-6,572
Official reserve transactions (line 42).....	2,702	-9,821	-1,965	-2,069	-2,612	-3,174	-4,723	-6,444
<b>Balances excluding allocations of SDR's:</b>								
Net liquidity.....	-6,084	-4,688	-1,377	-1,704	-1,454	-152	-2,604	-6,572
Official reserve transactions.....	2,702	-10,688	-2,832	-2,069	-2,612	-3,174	-5,440	-6,444

<sup>1</sup> Adjusted to balance of payments basis; excludes transfers under military grants, exports under U.S. military agency sales contracts and imports of U.S. military agencies.

<sup>2</sup> Includes fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States.

<sup>3</sup> Equal to net exports of goods and services in national income and product accounts of the United States.

<sup>4</sup> Includes some short-term U.S. Govt. assets.

<sup>5</sup> Not available.

NOTE.—Data are from U.S. Department of Commerce, Office of Business Economics. Details may not add to totals because of rounding.

**2. MERCHANDISE EXPORTS AND IMPORTS**

(Seasonally adjusted; in millions of dollars)

Period	Exports <sup>1</sup>				Imports <sup>2</sup>				Export surplus			
	1968	1969	1970	1971	1968	1969 <sup>r</sup>	1970	1971	1968	1969	1970	1971
<b>Month:</b>												
Jan.....	2,814	3,216	3,406	3,735	2,687	3,200	3,223	3,686	127	159	183	49
Feb.....	2,775	3,266	3,547	3,690	2,592	3,272	3,278	3,553	184	-406	269	136
Mar.....	3,243	3,188	3,376	3,815	3,258	3,298	3,218	3,569	-150	206	158	245
Apr.....	3,285	3,318	3,409	3,522	3,260	3,183	3,263	3,758	251	135	146	-236
May.....	2,740	3,268	3,661	3,783	2,755	3,257	3,338	3,988	-15	11	323	-205
June.....	2,870	3,179	3,730	3,661	2,792	3,152	3,266	4,023	78	27	465	-363
July.....	2,858	3,182	3,699	3,495	2,725	3,074	3,255	3,799	133	108	444	-304
Aug.....	3,295	3,366	3,592	3,678	2,872	3,163	3,346	3,937	78	203	246	-260
Sept.....	3,211	3,341	3,553	.....	2,951	3,078	3,428	.....	261	263	125	.....
Oct.....	3,263	3,342	3,689	.....	2,736	3,192	3,501	.....	-105	150	188	.....
Nov.....	2,972	3,398	3,499	.....	2,883	3,180	3,428	.....	89	218	71	.....
Dec.....	2,977	3,280	3,570	.....	2,908	3,078	3,404	.....	70	202	166	.....
<b>Quarter:</b>												
I.....	8,028	7,615	10,328	11,240	7,867	7,655	9,719	10,808	161	-40	609	432
II.....	8,465	9,765	10,800	10,966	8,151	9,591	9,867	11,769	314	174	933	-803
III.....	9,019	9,889	10,845	.....	8,548	9,315	10,029	.....	471	574	816	.....
IV.....	8,580	10,020	10,758	.....	8,527	9,450	10,333	.....	53	570	425	.....
<b>Year<sup>4</sup>.....</b>	<b>34,063</b>	<b>37,332</b>	<b>42,662</b>	<b>.....</b>	<b>33,226</b>	<b>36,043</b>	<b>39,963</b>	<b>.....</b>	<b>837</b>	<b>1,289</b>	<b>2,699</b>	<b>.....</b>

<sup>1</sup> Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.

<sup>2</sup> General imports including imports for immediate consumption plus entries into bonded warehouses.

<sup>3</sup> Significantly affected by strikes.

<sup>4</sup> Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

### 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	1962	1963	1964	1965	1966	1967	1968	1969	1970	1970			1971	
										II	III	IV	I	II
<b>Western Europe:</b>														
Austria	-143	-82	-55	-100	-25		-58	4						
Belgium	-63		-40	-83										-110
France	-456	-518	-405	-884	-601		600	325	-129			-129		-282
Germany, Fed. Rep. of			-225					500						
Ireland			-1	-2	-2	-2	-52	41	2					
Italy			200	-80	-60	-85	-209	-76						
Netherlands			-60	-35			-19		-50		-20	-30	-25	
Spain	-146	-130	-32	-180					51		51			
Switzerland	102		-81	-50	-2	-30	-50	-25	-50		-50		-75	-50
United Kingdom	-387	329	618	150	80	-879	-835							
Bank for Intl. Settlements								200						
Other	-12	1	-6	-35	-49	16	-47	11	-29	-1	-8	-21	15	-6
<b>Total</b>	<b>-1,105</b>	<b>-399</b>	<b>-88</b>	<b>-1,299</b>	<b>-659</b>	<b>-980</b>	<b>-669</b>	<b>969</b>	<b>-204</b>	<b>-1</b>	<b>-27</b>	<b>-180</b>	<b>-85</b>	<b>-448</b>
<b>Canada</b>	<b>190</b>				<b>200</b>	<b>150</b>	<b>50</b>							
<b>Latin American republics:</b>														
Argentina	85	-30				-39	-1	-25	-25	-28			-23	
Brazil	57	72	54	25	-3	-1	*						-23	
Colombia	38		10	29	7			*						
Venezuela				-25										
Other	-5	-11	-9	-13	-6	11	-40	-29	-80	-9	-4	-66	*	-4
<b>Total</b>	<b>175</b>	<b>32</b>	<b>56</b>	<b>17</b>	<b>-41</b>	<b>9</b>	<b>-65</b>	<b>-54</b>	<b>-131</b>	<b>-9</b>	<b>-4</b>	<b>-111</b>	<b>*</b>	<b>-4</b>
<b>Asia:</b>														
Iraq				-10	-4	-21	-42							
Japan					-56				-119			-119		
Lebanon	-32		-11		-11	-1	-95						-35	
Malaysia	-1						-34							-10
Philippines	*	25	20	*	-1		9	40	-4	*	3	-8	-1	-1
Saudi Arabia	-13						-50							
Singapore							-81	11						
Other	-47	-13	-6	-14	-14	-22	-75	-9	2-91	-1	-41	-71	21	21
<b>Total</b>	<b>-93</b>	<b>12</b>	<b>3</b>	<b>-24</b>	<b>-86</b>	<b>-44</b>	<b>-366</b>	<b>42</b>	<b>-213</b>	<b>-1</b>	<b>-39</b>	<b>-197</b>	<b>-15</b>	<b>10</b>
<b>All other</b>	<b>-1</b>	<b>-36</b>	<b>-7</b>	<b>-16</b>	<b>-22</b>	<b>3-166</b>	<b>3-68</b>	<b>-1</b>	<b>-81</b>	<b>-2</b>	<b>-4</b>	<b>-75</b>	<b>-1</b>	<b>-4</b>
<b>Total foreign countries</b>	<b>-833</b>	<b>-392</b>	<b>-36</b>	<b>-1,322</b>	<b>-608</b>	<b>-1,031</b>	<b>-1,118</b>	<b>957</b>	<b>4-631</b>	<b>-14</b>	<b>-73</b>	<b>4-563</b>	<b>-102</b>	<b>-445</b>
<b>Intl. Monetary Fund<sup>5</sup></b>				<b>6-225</b>	<b>177</b>	<b>22</b>	<b>-3</b>	<b>10</b>	<b>-156</b>		<b>-322</b>	<b>4142</b>	<b>-7</b>	<b>-11</b>
<b>Grand total</b>	<b>-833</b>	<b>-392</b>	<b>-36</b>	<b>-1,547</b>	<b>-431</b>	<b>-1,009</b>	<b>-1,121</b>	<b>967</b>	<b>-787</b>	<b>-14</b>	<b>-395</b>	<b>-422</b>	<b>-109</b>	<b>-457</b>

<sup>1</sup> Includes purchase from Denmark of \$25 million.<sup>2</sup> Includes purchase from Kuwait of \$25 million.<sup>3</sup> Includes sales to Algeria of \$150 million in 1967 and \$50 million in 1968.<sup>4</sup> Data for IMF include the U.S. payment of \$385 million increase in its gold subscription to the IMF and gold sold by the IMF to the United States in mitigation of U.S. sales to other countries making gold payments to the IMF. The country data include U.S. gold sales to various countries in connection with the IMF quota payments. Such U.S. sales to countries and resales to the United States by the IMF total \$548 million each.<sup>5</sup> Includes IMF gold sales to and purchases from the United States, U.S. payment of increases in its gold subscription to IMF, gold deposits by the IMF (see note 1 (b) to Table 4), and withdrawal of deposits. The first withdrawal, amounting to \$17 million, was made in June 1968.<sup>6</sup> 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. In Sept. 1970 IMF repurchased \$400 million.<sup>7</sup> Payment to the IMF of \$259 million increase in U.S. gold subscription less gold deposits by the IMF.

## Notes to Table 5 on opposite page:

<sup>1</sup> 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).<sup>2</sup> Positive figures represent purchases from the IMF of currencies of other members for equivalent amounts of dollars; negative figures represent repurchase of dollars, including dollars derived from charges on purchases and from other net dollar income of the IMF. The United States has a commitment to repurchase 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. Purchases of dollars by other countries reduce the U.S. commitment to repurchase by an equivalent amount.<sup>3</sup> Includes dollars obtained by countries other than the United States from sales of gold to the IMF.<sup>4</sup> 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 purchase in foreign currencies automatically if needed. Under appropriate conditions, the United States could purchase additional amounts equal to its quota.<sup>5</sup> 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.<sup>6</sup> Includes \$30 million of special drawing rights.

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, to \$5,160 million in Feb. 1966, and to \$6,700 million in Dec. 1970. 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.

## 4. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock <sup>1</sup>		Convertible foreign currencies	Reserve position in IMF <sup>3</sup>	SDR's <sup>4</sup>	End of month	Total	Gold stock <sup>1</sup>		Convertible foreign currencies <sup>2</sup>	Reserve position in IMF <sup>3</sup>	SDR's <sup>4</sup>
		Total <sup>2</sup>	Treasury						Total <sup>2</sup>	Treasury			
1958...	22,540	20,582	20,534	.....	1,958	.....	1970						
1959...	21,504	19,507	19,456	.....	1,997	.....	Sept....	15,527	11,494	11,117	1,098	1,944	991
1960...	19,359	17,804	17,767	.....	1,555	.....	Oct....	15,120	11,495	11,117	811	1,823	991
1961...	18,753	16,947	16,889	116	1,690	.....	Nov....	14,891	11,478	11,117	640	1,812	961
1962...	17,220	16,057	15,978	99	1,064	.....	Dec....	14,487	11,072	10,732	629	1,935	851
1963...	16,843	15,596	15,513	212	1,035	.....	1971						
1964...	16,672	15,471	15,388	432	769	.....	Jan....	14,699	11,040	10,732	491	1,700	1,468
1965...	15,450	613,806	613,733	781	6,863	.....	Feb....	14,534	11,039	10,732	327	1,700	1,468
1966...	14,882	13,235	13,159	1,321	326	.....	Mar....	14,342	10,963	10,732	256	1,680	1,443
1967...	14,830	12,065	11,982	2,345	420	.....	Apr....	14,307	10,925	10,732	257	1,682	1,443
1968...	15,710	10,892	10,367	3,528	1,290	.....	May....	13,811	10,568	10,332	318	1,678	1,247
1969...	16,964	11,859	10,367	72,781	2,324	.....	June....	13,504	10,507	10,332	322	1,428	1,247
1970...	14,487	11,072	10,732	629	1,935	851	July....	13,283	10,453	10,332	250	1,433	1,147
							Aug....	12,128	10,209	10,132	248	574	1,097
							Sept....	12,131	10,207	10,132	250	577	1,097

<sup>1</sup> 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.

<sup>2</sup> Includes gold in Exchange Stabilization Fund.

<sup>3</sup> The United States has the right to purchase foreign currencies equivalent to its reserve position in the IMF automatically if needed. Under appropriate conditions the United States could purchase additional amounts equal to the U.S. quota. See Table 5.

<sup>4</sup> Includes initial allocation by the IMF of \$867 million of Special Drawing Rights on Jan. 1, 1970, and second allocation of \$717 million of SDR's on Jan. 1, 1971, plus net transactions in SDR's.

<sup>5</sup> For holdings of F.R. Banks only, see pp. A-12 and A-13.

<sup>6</sup> 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.

<sup>7</sup> Includes gain of \$67 million resulting from revaluation of the German mark in Oct. 1969, of which \$13 million represents gain on mark holdings at time of revaluation.

NOTE.—See Table 23 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) <sup>4</sup>	
	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 <sup>1</sup>	Transactions in foreign currencies <sup>2</sup>	IMF net income in dollars	Purchases of dollars <sup>3</sup>	Re-purchases in dollars				
1946—1957.....	2,063	600	.....	-45	-2,670	827	775	775	28	1,975
1958—1963.....	1,031	150	.....	60	-1,666	2,740	2,315	3,090	75	1,035
1964—1966.....	776	.....	1,640	45	-723	6	1,744	4,834	94	5326
1967.....	.....	.....	.....	20	-114	.....	-94	4,740	92	420
1968.....	.....	.....	-84	20	-806	.....	-870	3,870	75	1,290
1969.....	.....	22	.....	19	1,343	268	-1,034	2,836	55	2,324
1970.....	1,155	6,712	150	25	-854	741	1,929	4,765	71	1,935
1970—Sept.....	.....	6,132	.....	10	-16	253	379	3,216	62	1,944
Oct.....	.....	129	.....	-3	-34	29	121	3,337	65	1,823
Nov.....	.....	104	.....	1	-95	1	11	3,348	65	1,812
Dec.....	1,155	315	.....	-1	-73	21	1,417	4,765	71	1,935
1971—Jan.....	.....	.....	250	-3	-23	11	235	5,000	75	1,700
Feb.....	.....	.....	.....	.....	.....	.....	.....	5,000	75	1,700
Mar.....	.....	.....	.....	.....	.....	20	20	5,020	75	1,680
Apr.....	.....	.....	.....	-3	.....	1	-2	5,018	75	1,682
May.....	.....	.....	.....	-2	-1	7	4	5,022	75	1,678
June.....	.....	.....	250	-1	.....	1	250	5,272	79	1,428
July.....	.....	.....	.....	-5	.....	.....	-5	5,267	79	1,433
Aug.....	.....	.....	862	-3	.....	.....	859	6,126	91	574
Sept.....	.....	.....	.....	-3	.....	.....	-3	6,123	91	577

For notes see opposite page.

## 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 <sup>5</sup>			
	Total	Gold deposit <sup>1</sup>	Gold investment <sup>2</sup>	Official institutions <sup>3</sup>			Banks and other foreigners			Total	Short-term liabilities reported by banks in U.S. <sup>6</sup>	Market-able U.S. Govt. bonds and notes <sup>4</sup>	
				Total	Short-term liabilities reported by banks in U.S.	Market-able U.S. Govt. bonds and notes <sup>4</sup>	Non-market-able convertible U.S. Treasury bonds and notes	Total	Short-term liabilities reported by banks in U.S.				Market-able U.S. Govt. bonds and notes <sup>4</sup>
1957.....	7 15,825	200	200	.....	7,917	.....	.....	.....	5,724	.....	.....	542	.....
1958.....	7 16,845	200	200	.....	8,665	.....	.....	.....	5,950	.....	.....	552	.....
1959.....	19,428	500	500	10,120	9,154	966	.....	7,618	7,077	541	1,190	530	660
1960 <sup>8</sup> .....	20,994	800	800	11,078	10,212	866	.....	7,591	7,048	543	1,525	750	775
	21,027	800	800	11,088	10,212	876	.....	7,598	7,048	550	1,541	750	791
1961 <sup>8</sup> .....	22,853	800	800	11,830	10,940	890	.....	8,275	7,759	516	1,948	703	1,245
	22,936	800	800	11,830	10,940	890	.....	8,357	7,841	516	1,949	704	1,245
1962 <sup>8</sup> .....	24,068	800	800	12,748	11,997	751	.....	8,359	7,911	448	2,161	1,250	911
	24,068	800	800	12,714	11,963	751	.....	8,359	7,911	448	2,195	1,284	911
1963 <sup>8</sup> .....	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 <sup>8</sup> .....	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	15,372	13,066	1,105	1,201	11,478	11,006	472	1,431	679	752
1966 <sup>8</sup> .....	29,904	1,011	211	13,600	12,484	860	256	14,387	13,859	528	906	581	325
	29,779	1,011	211	13,655	12,539	860	256	14,208	13,680	528	905	580	325
1967 <sup>8</sup> .....	33,271	1,033	233	15,653	14,034	908	711	15,894	15,336	558	691	487	204
	33,119	1,033	233	15,646	14,027	908	711	15,763	15,205	558	677	473	204
1968 <sup>8</sup> .....	33,828	1,030	230	12,548	11,318	529	701	19,525	18,916	609	725	683	42
	33,614	1,030	230	12,481	11,318	462	701	19,381	18,916	465	722	683	39
1969- Dec. <sup>8</sup>	41,735	1,019	219	11,955	11,054	346	9 555	28,102	27,577	525	659	609	50
	41,859	1,019	219	11,957	11,056	346	9 555	28,220	27,695	525	663	613	50
1970-July ..	43,471	1,010	210	16,565	15,756	380	429	25,138	24,597	541	758	705	53
Aug. ...	43,971	1,010	210	16,585	15,776	380	429	25,533	24,971	562	843	798	45
Sept. ...	44,178	587	187	17,741	16,932	380	429	25,088	24,521	567	762	717	45
Oct. ...	44,228	587	187	18,106	17,387	290	429	24,721	24,154	567	814	768	46
Nov. ...	44,467	579	179	19,941	19,223	289	429	23,160	22,570	590	787	741	46
Dec. r <sup>8</sup>	43,264	566	166	20,041	19,306	306	429	21,812	21,165	647	845	821	24
	43,258	566	166	20,057	19,333	295	429	21,788	21,223	565	847	821	26
1971-Jan. r.	43,672	559	159	20,490	19,774	287	429	21,562	20,950	612	1,061	1,036	25
Feb. r.	44,076	559	159	22,321	21,600	292	429	20,210	19,601	609	986	944	42
Mar. r.	45,491	559	159	24,840	24,119	292	429	18,973	18,375	598	1,119	978	141
Apr. r.	47,663	548	148	27,252	26,531	292	429	18,589	17,986	603	1,274	1,133	141
May r.	51,809	548	148	32,091	31,347	292	452	17,853	17,283	570	1,317	1,176	141
June ..	51,377	548	148	30,640	26,809	379	3,452	18,890	18,316	574	1,299	1,157	142
July r.	53,264	544	144	32,953	26,869	632	3,452	18,387	17,807	580	1,380	1,237	143

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Includes Bank for International Settlements and European Fund.

<sup>4</sup> 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.

<sup>5</sup> Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.

<sup>6</sup> 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 \$19 million at the end of 1970, is included in this column.

<sup>7</sup> Includes total foreign holdings of U.S. Govt. bonds and notes, for which breakdown by type of holder is not available.

<sup>8</sup> 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.

<sup>9</sup> Includes \$17 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

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 United States notes held by other international and regional organizations.



## 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 <sup>1</sup>	Canada	Latin American republics	Asia	Africa	Other countries <sup>2</sup>
1967.....	15,646	9,872	996	1,131	3,145	249	253
1968 <sup>3</sup> .....	12,548	7,009	533	1,354	3,168	259	225
.....	12,481	7,001	532	1,354	3,122	248	224
1969.....	11,957	5,823	495	1,681	3,190	546	222
1970—July.....	16,565	9,533	527	2,102	3,331	691	381
Aug.....	16,585	9,638	690	1,987	3,189	692	389
Sept.....	17,741	11,135	620	1,738	3,254	661	333
Oct.....	18,106	11,564	575	1,767	3,336	526	338
Nov.....	19,941	13,231	637	1,646	3,639	449	339
Dec.....	20,041	13,021	662	1,536	4,060	407	355
Dec. <sup>3</sup> .....	20,057	13,016	662	1,562	4,054	407	356
1971—Jan. r.....	20,490	13,680	678	1,388	4,040	381	323
Feb. r.....	22,321	15,374	727	1,388	4,163	325	344
Mar. r.....	24,840	17,151	801	1,236	4,998	242	412
Apr. r.....	27,252	19,119	818	1,244	5,285	257	529
May r.....	32,091	22,720	865	1,212	6,396	286	612
June.....	30,640	20,676	843	1,262	6,895	271	693
July <sup>4</sup> .....	32,953	22,447	921	1,286	7,253	285	761

<sup>1</sup> Includes Bank for International Settlements and European Fund.<sup>2</sup> Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.<sup>3</sup> See note 8 to Table 6.<sup>4</sup> Includes \$17 million increase in dollar value of foreign currency abilities resulting from revaluation of the German mark in Oct. 1969.

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 TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners								To nonmonetary international and regional organizations <sup>5</sup>				
	Total <sup>1</sup>	Payable in dollars						IMF gold investment <sup>4</sup>	Total	Deposits			Other short-term liab. <sup>3</sup>
		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. <sup>3</sup>	Payable in foreign currencies			Demand	Time <sup>2</sup>	U.S. Treasury bills and certificates	
			Demand	Time <sup>2</sup>									
1968.....	31,717	31,081	14,387	5,484	6,797	4,413	636	800	683	68	113	394	108
1969 <sup>6</sup> .....	40,040	39,611	20,430	6,834	5,015	7,332	429	800	609	57	83	244	224
.....	40,164	39,735	20,436	6,967	5,015	7,317	429	800	613	62	83	244	223
1970—Aug.....	42,345	42,008	17,432	7,249	9,845	7,482	337	800	798	66	137	252	343
Sept.....	42,570	42,213	17,234	7,248	10,856	6,875	357	400	717	73	135	179	330
Oct.....	42,709	42,359	17,041	7,082	11,665	6,571	350	400	768	68	144	188	368
Nov.....	42,934	42,591	15,833	6,725	13,662	6,371	343	400	741	68	140	148	385
Dec.....	41,692	41,324	15,745	5,944	14,123	5,512	368	400	821	69	159	211	381
Dec. <sup>6</sup> .....	41,777	41,409	15,785	5,989	14,123	5,512	368	400	821	69	159	211	381
1971—Jan. r.....	42,160	41,782	14,757	5,701	14,453	6,871	378	400	1,036	115	155	273	493
Feb. r.....	42,545	42,135	13,514	5,496	16,390	6,735	410	400	944	64	149	279	452
Mar. r.....	43,872	43,220	11,845	5,169	18,703	7,503	652	400	978	73	166	242	496
Apr. r.....	46,050	45,413	10,447	4,962	22,356	7,648	637	400	1,133	63	202	206	662
May r.....	50,206	49,587	9,990	4,908	26,961	7,728	619	400	1,176	51	220	209	696
June.....	46,682	46,022	10,854	4,958	22,763	7,447	660	400	1,157	60	221	164	712
July <sup>4</sup> .....	46,313	45,661	10,262	4,946	23,407	7,046	652	400	1,237	79	213	170	775
Aug. <sup>4</sup> .....	52,453	51,803	9,347	5,020	30,196	7,240	650	400	1,333	61	193	269	810

For notes see the following page.

**8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued**

(Amounts outstanding; in millions of dollars)

End of period	To residents of foreign countries						To official institutions <sup>7</sup>					
	Total	Payable in dollars				Payable in foreign currencies	Total	Payable in dollars				Payable in foreign currencies
		Deposits		U.S. Treasury bills and certificates	Other short-term liab. <sup>3</sup>			Deposits		U.S. Treasury bills and certificates	Other short-term liab. <sup>3</sup>	
		Demand	Time <sup>2</sup>					Demand	Time <sup>2</sup>			
1968.....	30,234	14,320	5,371	5,602	4,304	636	11,318	2,149	1,899	5,486	1,321	463
1969 <sup>6</sup> .....	38,631	20,372	6,751	3,971	7,109	429	11,054	1,918	2,951	3,844	2,139	202
1969 <sup>6</sup> .....	38,751	20,373	6,884	3,971	7,094	429	11,056	1,919	2,951	3,844	2,140	202
1970—Aug.....	40,747	17,366	7,112	8,793	7,138	337	15,776	1,249	3,612	8,653	2,114	148
Sept.....	41,453	17,161	7,113	10,277	6,545	357	16,932	1,369	3,440	10,141	1,834	148
Oct.....	41,541	16,972	6,938	11,077	6,204	350	17,387	1,444	3,178	10,930	1,687	148
Nov.....	41,793	15,764	6,585	13,114	5,986	343	19,223	1,367	2,851	12,980	1,877	148
Dec. <sup>6</sup> .....	40,471	15,676	5,785	13,511	5,131	368	19,306	1,629	2,568	13,367	1,594	148
1971—Jan. <sup>6</sup> .....	40,556	15,716	5,830	13,511	5,130	368	19,333	1,652	2,571	13,367	1,595	148
Jan. <sup>6</sup> .....	40,724	14,641	5,546	13,781	6,378	378	19,774	1,743	2,507	13,638	1,738	148
Feb. <sup>6</sup> .....	41,201	13,450	5,347	15,711	6,283	410	21,600	1,688	2,446	15,550	1,766	150
Mar. <sup>6</sup> .....	41,453	11,772	5,003	18,061	7,007	652	24,119	1,579	2,244	17,916	1,980	400
Apr. <sup>6</sup> .....	44,517	10,383	4,760	21,750	6,987	637	26,531	1,628	2,205	20,119	2,179	400
May <sup>6</sup> .....	48,630	9,939	4,688	26,352	7,032	619	31,347	1,643	2,205	24,702	2,377	420
June.....	45,125	10,794	4,737	22,199	6,735	660	26,809	1,462	2,252	20,097	2,577	420
July <sup>6</sup> .....	44,676	10,183	4,733	22,837	6,271	652	26,869	1,469	2,308	19,605	3,067	420
Aug. <sup>6</sup> .....	50,720	9,286	4,827	29,527	6,430	650	34,008	1,264	2,372	26,670	3,281	421

End of period	To banks <sup>9</sup>						To other foreigners						
	Total	Payable in dollars				Total	Payable in dollars				Total		
		Total	Deposits		U.S. Treasury bills and certificates		Other short-term liab. <sup>3</sup>	Total	Deposits			U.S. Treasury bills and certificates	Other short-term liab. <sup>3</sup>
			Demand	Time <sup>2</sup>					Demand	Time <sup>2</sup>			
1968.....	18,916	14,299	10,374	1,273	30	2,621	4,444	1,797	2,199	86	362	173	
1969 <sup>6</sup> .....	27,577	23,412	16,745	1,988	20	4,658	3,939	1,709	1,811	107	312	226	
1969 <sup>6</sup> .....	27,695	23,407	16,744	1,999	20	4,644	4,062	1,710	1,934	107	312	226	
1970—Aug.....	24,971	20,839	14,432	1,735	23	4,648	3,943	1,685	1,764	116	376	189	
Sept.....	24,521	20,400	14,139	1,903	23	4,335	3,913	1,653	1,770	114	376	208	
Oct.....	24,154	20,044	13,921	1,964	21	4,139	3,908	1,607	1,796	127	378	202	
Nov.....	22,570	18,428	12,747	1,917	19	3,744	3,947	1,651	1,817	115	364	195	
Dec. <sup>6</sup> .....	21,165	16,910	12,360	1,335	14	3,202	4,035	1,687	1,883	131	333	220	
1971—Jan. <sup>6</sup> .....	21,223	16,957	12,376	1,365	14	3,202	4,046	1,688	1,895	131	334	220	
Jan. <sup>6</sup> .....	20,950	16,673	11,210	1,196	13	4,255	4,047	1,689	1,843	130	385	230	
Feb. <sup>6</sup> .....	19,601	15,229	10,036	1,027	12	4,155	4,112	1,727	1,875	148	362	260	
Mar. <sup>6</sup> .....	18,375	14,036	8,467	889	10	4,670	4,086	1,726	1,870	135	356	253	
Apr. <sup>6</sup> .....	17,986	13,611	6,950	663	1,516	4,482	4,137	1,805	1,892	116	324	238	
May <sup>6</sup> .....	17,283	13,032	6,559	595	1,518	4,359	4,052	1,737	1,888	131	296	199	
June.....	18,316	14,110	7,571	649	2,016	3,874	3,966	1,760	1,835	86	285	240	
July <sup>6</sup> .....	17,807	13,681	7,018	600	3,136	2,927	3,894	1,696	1,825	96	277	232	
Aug. <sup>6</sup> .....	16,712	12,643	6,338	668	2,771	2,867	3,839	1,684	1,787	87	280	230	

<sup>1</sup> Data exclude "holdings of dollars" of the International Monetary Fund.  
<sup>2</sup> Excludes negotiable time certificates of deposit, which are included in "Other."  
<sup>3</sup> Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.  
<sup>4</sup> U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold can be re-acquired by the IMF.  
<sup>5</sup> Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.  
<sup>6</sup> Includes difference between cost value and face value of securities in IMF gold investment account.  
<sup>7</sup> Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage

with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.  
<sup>7</sup> Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.  
<sup>8</sup> Increase in valuation resulting from revaluation of Swiss franc.  
<sup>9</sup> Excludes central banks, which are included in "Official institutions."  
 NOTE.—"Short-term" refers to obligations payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 10. Data exclude the "holdings of dollars" of the International Monetary Fund; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

**9. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS  
IN THE UNITED STATES, BY COUNTRY**

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1969	1970		1971							
	Dec.	Dec. 1		Jan. r	Feb. r	Mar. r	Apr. r	May r	June	July p	Aug. p
<b>Europe:</b>											
Austria.....	314	185	185	204	198	194	191	185	203	274	244
Belgium-Luxembourg.....	530	596	597	761	767	770	780	903	761	781	914
Denmark.....	153	189	189	196	216	220	219	148	175	201	164
Finland.....	120	117	117	117	112	114	115	107	110	131	116
France.....	1,581	2,267	2,267	2,354	2,263	2,344	2,297	2,275	2,467	3,242	3,663
Germany.....	1,381	7,520	7,520	7,795	8,518	9,570	10,318	12,471	7,267	5,446	5,082
Greece.....	207	184	184	162	176	140	145	146	152	159	160
Italy.....	627	1,330	1,330	1,592	1,658	1,805	1,903	1,823	1,750	1,767	2,018
Netherlands.....	463	762	762	584	654	741	620	661	609	461	283
Norway.....	341	324	324	317	313	364	403	465	506	574	649
Portugal.....	309	274	274	299	307	319	298	280	270	271	295
Spain.....	202	198	198	205	203	184	201	232	200	208	204
Sweden.....	412	503	503	519	541	577	631	625	681	718	723
Switzerland.....	2,005	1,947	1,948	1,936	2,012	2,029	2,145	2,312	2,093	1,914	3,361
Turkey.....	28	46	46	53	51	32	25	43	21	27	26
United Kingdom.....	11,349	5,508	5,509	5,638	5,211	4,779	5,087	5,160	6,125	6,205	6,128
Yugoslavia.....	37	37	37	36	46	41	33	38	33	39	31
Other Western Europe <sup>2</sup> .....	1,553	594	594	460	377	368	339	807	1,012	1,427	1,516
U.S.S.R.....	11	15	15	11	9	12	22	9	6	10	10
Other Eastern Europe.....	50	54	54	63	56	53	45	50	66	61	45
<b>Total.....</b>	<b>21,674</b>	<b>22,650</b>	<b>22,653</b>	<b>23,300</b>	<b>23,689</b>	<b>24,656</b>	<b>25,817</b>	<b>28,741</b>	<b>24,511</b>	<b>23,917</b>	<b>25,633</b>
<b>Canada.....</b>	<b>4,012</b>	<b>4,018</b>	<b>4,056</b>	<b>3,647</b>	<b>3,626</b>	<b>3,402</b>	<b>3,256</b>	<b>3,136</b>	<b>3,292</b>	<b>3,250</b>	<b>3,379</b>
<b>Latin America:</b>											
Argentina.....	416	539	539	508	517	522	507	505	447	501	501
Brazil.....	425	305	346	372	392	330	334	334	360	428	418
Chile.....	400	265	266	256	253	258	260	256	257	235	252
Colombia.....	261	247	247	231	215	186	191	169	183	178	168
Cuba.....	7	7	7	7	8	8	7	7	6	7	7
Mexico.....	849	820	821	829	830	825	863	799	790	705	728
Panama.....	140	158	158	164	178	174	186	173	166	147	149
Peru.....	240	225	225	186	178	168	181	190	200	162	146
Uruguay.....	111	117	118	125	125	119	121	112	116	116	127
Venezuela.....	691	735	735	672	693	642	684	729	786	782	787
Other Latin American republics.....	576	620	620	617	614	609	601	582	582	624	623
Bahamas and Bermuda.....	1,405	745	745	779	666	622	980	940	960	1,069	887
Netherlands Antilles and Surinam.....	80	98	98	92	95	101	105	105	101	97	101
Other Latin America.....	34	39	39	37	38	49	48	56	46	46	50
<b>Total.....</b>	<b>5,636</b>	<b>4,918</b>	<b>4,963</b>	<b>4,875</b>	<b>4,801</b>	<b>4,613</b>	<b>5,068</b>	<b>4,959</b>	<b>5,001</b>	<b>5,095</b>	<b>4,944</b>
<b>Asia:</b>											
China Mainland.....	36	33	33	36	36	34	34	33	35	35	34
Hong Kong.....	213	258	258	305	322	298	281	313	306	301	322
India.....	260	302	302	236	229	188	211	245	255	221	184
Indonesia.....	86	73	73	60	65	52	73	60	71	68	59
Israel.....	146	135	135	121	128	122	155	125	132	129	115
Japan.....	3,809	5,150	5,150	5,169	5,452	6,325	6,815	8,192	8,670	8,691	13,130
Korea.....	236	199	199	193	178	191	184	193	204	187	185
Philippines.....	201	294	294	290	305	340	347	349	330	333	332
Taiwan.....	196	275	275	292	278	288	296	293	281	300	281
Thailand.....	628	508	508	489	469	443	381	306	281	237	178
Other.....	606	708	708	722	735	674	601	585	558	622	541
<b>Total.....</b>	<b>6,417</b>	<b>7,935</b>	<b>7,935</b>	<b>7,912</b>	<b>8,197</b>	<b>8,954</b>	<b>9,375</b>	<b>10,694</b>	<b>11,132</b>	<b>11,123</b>	<b>15,361</b>
<b>Africa:</b>											
Congo (Kinshasa).....	87	14	14	16	13	17	19	15	16	19	44
Morocco.....	21	11	11	7	7	8	9	9	9	7	10
South Africa.....	66	83	83	71	71	56	74	64	61	71	74
U.A.R. (Egypt).....	23	17	17	16	18	15	15	14	15	19	13
Other.....	505	395	395	469	334	278	268	291	285	299	303
<b>Total.....</b>	<b>701</b>	<b>521</b>	<b>521</b>	<b>580</b>	<b>443</b>	<b>373</b>	<b>384</b>	<b>392</b>	<b>385</b>	<b>415</b>	<b>444</b>
<b>Other countries:</b>											
Australia.....	282	389	389	376	398	455	576	668	757	830	914
All other.....	29	39	39	34	46	43	41	40	46	47	46
<b>Total.....</b>	<b>311</b>	<b>428</b>	<b>428</b>	<b>410</b>	<b>444</b>	<b>497</b>	<b>617</b>	<b>708</b>	<b>803</b>	<b>877</b>	<b>960</b>
<b>Total foreign countries.....</b>	<b>38,751</b>	<b>40,471</b>	<b>40,556</b>	<b>40,724</b>	<b>41,201</b>	<b>42,494</b>	<b>44,517</b>	<b>48,630</b>	<b>45,125</b>	<b>44,676</b>	<b>50,720</b>
<b>International and regional:</b>											
International <sup>3</sup> .....	1,261	975	975	1,175	1,086	1,100	1,219	1,250	1,214	1,231	1,333
Latin American regional.....	100	131	131	167	161	171	176	188	203	237	262
Other regional <sup>4</sup> .....	52	115	115	94	98	107	138	138	140	169	138
<b>Total.....</b>	<b>1,413</b>	<b>1,221</b>	<b>1,221</b>	<b>1,436</b>	<b>1,344</b>	<b>1,378</b>	<b>1,533</b>	<b>1,576</b>	<b>1,557</b>	<b>1,637</b>	<b>1,733</b>
<b>Grand total.....</b>	<b>40,164</b>	<b>41,692</b>	<b>41,777</b>	<b>42,160</b>	<b>42,545</b>	<b>43,872</b>	<b>46,050</b>	<b>50,206</b>	<b>46,682</b>	<b>46,313</b>	<b>52,453</b>

For notes see the following page.

9. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS  
IN THE UNITED STATES BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)

Supplementary data <sup>5</sup>

Area or country	1969		1970		1971	Area or country	1969		1970		1971
	Apr.	Dec.	Apr.	Dec.	Apr.		Apr.	Dec.	Apr.	Dec.	Apr.
Other Western Europe:						Other Asia—Cont.:					
Cyprus.....	2	11	15	10	7	Jordan.....	4	17	30	14	3
Iceland.....	4	9	10	10	10	Kuwait.....	40	46	66	54	36
Ireland, Rep. of.....	20	38	32	41	29	Laos.....	4	3	4	5	2
Other Latin American republics:						Lebanon.....	82	83	82	54	60
Bolivia.....	65	68	76	69	59	Malaysia.....	41	30	48	22	29
Costa Rica.....	61	52	43	41	43	Pakistan.....	24	35	34	38	27
Dominican Republic.....	59	78	96	99	90	Ryukyu Islands (incl. Okinawa).....	20	25	26	18	( <sup>6</sup> )
Ecuador.....	62	76	72	79	72	Saudi Arabia.....	48	106	166	106	41
El Salvador.....	89	69	79	75	80	Singapore.....	40	17	25	57	43
Guatemala.....	90	84	110	100	97	Syria.....	4	4	6	7	3
Haiti.....	18	17	19	16	19	Vietnam.....	40	94	91	179	161
Honduras.....	37	29	29	34	44	Other Africa:					
Jamaica.....	29	17	17	19	19	Algeria.....	6	14	13	17	13
Nicaragua.....	78	63	76	59	47	Ethiopia (incl. Eritrea).....	15	20	33	19	12
Paraguay.....	18	13	17	16	15	Ghana.....	8	10	7	8	6
Trinidad & Tobago.....	8	8	11	10	14	Kenya.....	34	43	47	38	13
Other Latin America:						Liberia.....	28	23	41	22	21
British West Indies.....	25	30	38	33	38	Libya.....	68	288	430	195	91
Other Asia:						Nigeria.....	10	11	11	17	( <sup>6</sup> )
Afghanistan.....	8	16	15	26	15	Southern Rhodesia.....	2	2	2	1	2
Burma.....	5	2	5	4	3	Sudan.....	3	3	1	1	1
Cambodia.....	2	1	1	2	2	Tanzania.....	23	10	18	9	10
Ceylon.....	5	3	4	4	4	Tunisia.....	2	6	7	7	6
Iran.....	44	35	41	32	50	Uganda.....	9	5	7	8	5
Iraq.....	77	26	6	11	( <sup>6</sup> )	Zambia.....	19	20	38	10	( <sup>6</sup> )
						All other:					
						New Zealand.....	20	16	18	25	22

<sup>1</sup> Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding date; figures in the second column are comparable with those shown for the following date.

<sup>2</sup> Includes Bank for International Settlements and European Fund.

<sup>3</sup> Data exclude "holdings of dollars" of the International Monetary Fund but include IMF gold investment.

<sup>4</sup> Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."

<sup>5</sup> Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe").

<sup>6</sup> Not available.

10. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED  
BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries				Country or area						
			Total	Official institutions	Banks <sup>1</sup>	Other foreigners	Argentina	Other Latin America	Israel	Japan	Thailand	Other Asia	All other countries
1967.....	2,560	698	1,863	1,807	15	40	251	234	126	443	218	502	89
1968.....	3,166	777	2,389	2,341	8	40	284	257	241	658	201	651	97
1969.....	2,490	889	1,601	1,505	55	41	64	175	41	655	70	472	124
1970—Aug.....	1,936	838	1,097	928	118	51	25	145	7	499	22	204	194
Sept.....	1,916	862	1,054	883	119	53	25	147	7	477	11	190	197
Oct.....	1,835	844	991	820	119	52	25	147	7	466	9	140	196
Nov.....	1,733	814	919	749	118	52	13	143	7	416	8	138	193
Dec.....	1,698	789	909	695	160	54	13	138	6	385	8	122	236
1971—Jan.....	1,566	714	852	635	157	60	13	144	6	340	8	108	233
Feb.....	1,463	688	775	571	154	51	13	109	6	316	1	100	230
Mar.....	1,344	631	713	492	161	60	13	91	6	261	1	95	246
Apr.....	1,190	586	605	406	142	57	13	92	7	186	1	81	220
May.....	1,149	562	587	391	139	57	13	94	8	182	1	81	208
June.....	1,144	580	564	332	184	49	13	87	8	129	1	79	247
July.....	1,024	516	507	273	184	51	13	88	8	83	1	80	234
Aug.....	897	488	409	171	185	53	13	66	8	12	1	91	218

<sup>1</sup> Excludes central banks, which are included with "Official institutions."

11. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. GOVERNMENT BONDS AND NOTES

(End of period; in millions of dollars)

	1969	1970					1971							
	Dec.	Sept.	Oct.	Nov.	Dec. <sup>1</sup>	Dec. <sup>2</sup>	Jan.	Feb.	Mar.	Apr.	May	June	July <sup>2</sup>	Aug. <sup>2</sup>
Europe:														
Belgium-Luxembourg.....	*	1	1	1	5	7	6	6	6	6	6	6	6	6
Norway.....	7	7	7	7	7	*	*	*	*	*	*	*	*	*
Switzerland.....	42	49	49	49	49	34	33	34	34	31	30	29	29	29
United Kingdom.....	407	427	428	451	503	472	520	518	510	519	485	490	496	460
Other Western Europe.....	37	34	33	33	30	27	20	24	25	25	25	25	25	25
Eastern Europe.....	7	7	7	6	6	6	6	6	6	6	6	6	6	6
Total.....	500	525	524	547	600	547	586	589	582	587	552	557	562	525
Canada.....	269	282	192	191	193	178	178	177	174	174	175	175	175	176
Latin America:														
Latin American republics..	2	2	2	2	2	2	2	2	1	1	1	1	1	1
Other Latin America.....	13	15	15	15	15	6	6	6	6	6	6	6	6	6
Total.....	15	17	18	18	18	8	8	8	7	7	7	7	7	7
Asia:														
India.....					20	20	20	20	20	20	20	20	20	20
Japan.....	61	61	61	61	61	56	56	55	55	55	55	142	395	633
Other Asia.....	18	19	19	18	18	10	10	10	10	10	10	10	10	10
Total.....	79	80	80	80	99	85	85	85	85	85	85	172	425	663
Africa.....	7	42	42	42	42	43	43	43	43	43	43	43	43	43
All other.....	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total foreign countries.....	871	947	857	879	953	860	899	901	890	895	862	953	1,212	1,413
International and regional:														
International.....	32	22	22	22	*	2		17	115	115	115	115	115	126
Latin American regional..	18	23	23	24	24	24	25	25	26	26	27	27	28	28
Total.....	50	45	46	46	24	26	25	42	141	141	142	142	143	154
Grand total.....	921	992	903	925	977	886	923	943	1,031	1,036	1,003	1,095	1,355	1,567

<sup>1</sup> Based on Nov. 30, 1968, benchmark survey.  
<sup>2</sup> Based on Jan. 31, 1971, benchmark survey.

Marketable U.S. Govt. securities with an original maturity of more than 1 year, and are based on benchmark surveys of holdings and regular monthly reports of securities transactions (see Table 16).

NOTE.—Data represent estimated official and private holdings of mar-

12. 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	Belgium	Canada <sup>1</sup>	Denmark	Germany	Italy <sup>2</sup>	Korea	Sweden	Taiwan	Thailand	Total	Austria	Germany <sup>3</sup>	Italy	Switzerland
1968.....	3,330	1,692	32	1,334	20	146	15	25	20	100	1,638	50	1,051	226	311	
1969.....	4,318	1,431	32	1,129		135	15		20	100	41,750		41,084	125	541	
1970—Sept.....	3,508	2,425	32	2,229		29	15		20	100	1,083		542		541	
Oct.....	3,567	2,484	32	2,289		28	15		20	100	1,083		542		541	
Nov.....	3,564	2,481	32	2,289		25	15		20	100	1,083		542		541	
Dec.....	3,563	2,480	32	2,289		25	15		20	100	1,083		542		541	
1971—Jan.....	3,563	2,480	32	2,289		25	15		20	100	1,083		542		541	
Feb.....	3,563	2,480	32	2,289		25	15		20	100	1,083		542		541	
Mar.....	3,563	2,480	32	2,289		25	15		20	100	1,083		542		541	
Apr.....	3,563	2,480	32	2,289		25	15		20	100	1,083		542		541	
May.....	3,592	2,480	32	2,289		25	15		20	100	1,111		542		569	
June.....	6,592	5,480	32	2,289	3,000	25	15		20	100	1,111		542		569	
July.....	8,592	7,480	32	2,289	5,000	25	15		20	100	1,111		542		569	
Aug.....	8,924	7,479	32	2,289	5,000	23	15		20	100	1,444		542		902	
Sept.....	9,193	7,479	32	2,289	5,000	23	15		20	100	1,714		542		1,172	

<sup>1</sup> Includes bonds issued in 1964 to the Government of Canada in connection with transactions under the Columbia River treaty. Amounts outstanding end of 1967 through Oct. 1968, \$114 million; Nov. 1968 through Sept. 1969, \$84 million; Oct. 1969 through Sept. 1970, \$54 million; and Oct. 1970 through latest date, \$24 million.  
<sup>2</sup> Bonds issued to the Government of Italy in connection with military purchases in the United States.  
<sup>3</sup> In addition, nonmarketable U.S. Treasury notes amounting to \$125 million equivalent were issued to a group of German commercial banks in

June 1968. The revaluation of the German mark in Oct. 1969 increased the dollar value of these notes by \$10 million.

<sup>4</sup> Includes an increase in dollar value of \$84 million resulting from revaluation of the German mark in Oct. 1969.

<sup>5</sup> Increase in valuation resulted from redemption of outstanding Swiss franc securities at old exchange rate and reissue of securities at new exchange rate with same maturity dates, at time of revaluation of Swiss franc. The new issues include some certificates of indebtedness issued to replace notes which were within a year of maturity.

### 13. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1969		1970			1971					
	Dec.	Nov.	Dec. <sup>r</sup>	Jan. <sup>r</sup>	Feb. <sup>r</sup>	Mar. <sup>r</sup>	Apr. <sup>r</sup>	May <sup>r</sup>	June	July <sup>p</sup>	Aug. <sup>p</sup>
<b>Europe:</b>											
Austria.....	7	8	6	4	4	5	17	6	5	5	8
Belgium-Luxembourg.....	56	71	50	69	68	68	57	73	58	48	95
Denmark.....	40	37	40	46	53	58	54	54	51	46	47
Finland.....	68	55	66	103	110	123	128	137	133	129	117
France.....	107	105	113	95	111	98	102	123	106	124	155
Germany.....	205	184	186	142	175	190	214	357	250	235	256
Greece.....	22	25	26	21	22	21	22	24	22	21	22
Italy.....	120	92	101	92	98	102	108	131	120	133	140
Netherlands.....	51	57	61	74	68	70	76	85	87	84	93
Norway.....	34	48	54	61	65	62	54	64	67	61	70
Portugal.....	8	13	11	12	14	15	15	20	18	13	11
Spain.....	70	54	52	49	56	59	65	70	61	64	66
Sweden.....	67	110	97	102	100	104	124	129	135	138	117
Switzerland.....	99	98	100	122	114	174	137	163	148	162	253
Turkey.....	19	4	9	3	4	5	8	30	14	11	26
United Kingdom.....	408	430	381	410	513	456	580	808	536	480	785
Yugoslavia.....	28	41	35	35	31	33	33	36	37	38	37
Other Western Europe.....	9	12	13	10	11	9	12	15	17	18	19
U.S.S.R.....	2	1	3	2	2	3	3	2	2	2	2
Other Eastern Europe.....	34	41	45	36	41	47	51	50	44	48	34
<b>Total.....</b>	<b>1,454</b>	<b>1,487</b>	<b>1,451</b>	<b>1,489</b>	<b>1,661</b>	<b>1,701</b>	<b>1,859</b>	<b>2,377</b>	<b>1,913</b>	<b>1,860</b>	<b>2,353</b>
<b>Canada.....</b>	<b>826</b>	<b>917</b>	<b>1,084</b>	<b>914</b>	<b>942</b>	<b>1,018</b>	<b>972</b>	<b>1,021</b>	<b>1,003</b>	<b>980</b>	<b>1,057</b>
<b>Latin America:</b>											
Argentina.....	309	306	326	331	341	349	321	322	316	334	329
Brazil.....	317	322	325	310	322	368	399	401	429	422	442
Chile.....	188	189	200	187	184	180	165	158	155	157	152
Colombia.....	225	272	284	288	296	300	303	294	299	315	335
Cuba.....	14	13	13	13	13	13	13	13	13	13	13
Mexico.....	803	934	909	917	955	912	898	886	879	943	977
Panama.....	68	84	95	82	105	100	105	104	109	99	113
Peru.....	161	141	147	143	135	131	150	153	156	173	169
Uruguay.....	48	55	63	56	51	49	53	52	43	44	41
Venezuela.....	240	284	281	276	275	243	242	230	228	237	249
Other Latin American republics.....	295	321	342	335	336	327	330	311	314	309	308
Bahamas and Bermuda.....	93	105	179	178	157	200	190	239	212	263	249
Netherlands Antilles and Surinam.....	14	14	19	19	14	15	21	20	19	18	15
Other Latin America.....	27	22	22	22	21	22	22	22	27	31	36
<b>Total.....</b>	<b>2,802</b>	<b>3,062</b>	<b>3,203</b>	<b>3,157</b>	<b>3,204</b>	<b>3,209</b>	<b>3,211</b>	<b>3,205</b>	<b>3,198</b>	<b>3,359</b>	<b>3,427</b>
<b>Asia:</b>											
China Mainland.....	1	1	2	1	1	2	1	1	1	1	1
Hong Kong.....	36	36	39	40	41	49	60	56	60	69	71
India.....	10	12	13	16	13	15	21	20	19	18	18
Indonesia.....	30	54	56	49	49	66	48	34	30	63	60
Israel.....	108	110	120	99	130	97	110	112	117	123	116
Japan.....	3,432	3,538	3,890	3,675	3,480	3,482	3,356	3,606	3,501	3,220	4,079
Korea.....	158	197	196	196	194	221	243	231	259	252	252
Philippines.....	215	129	137	135	137	124	128	115	125	126	119
Taiwan.....	49	82	95	101	113	119	117	127	130	127	123
Thailand.....	101	97	109	106	109	109	118	114	116	123	127
Other.....	212	164	157	167	182	183	187	211	200	203	239
<b>Total.....</b>	<b>4,352</b>	<b>4,420</b>	<b>4,815</b>	<b>4,585</b>	<b>4,448</b>	<b>4,466</b>	<b>4,389</b>	<b>4,627</b>	<b>4,557</b>	<b>4,325</b>	<b>5,205</b>
<b>Africa:</b>											
Congo (Kinshasa).....	6	5	4	7	4	6	5	6	6	18	8
Morocco.....	3	4	6	6	6	6	5	6	5	6	8
South Africa.....	55	76	77	83	84	86	93	103	97	128	132
U.A.R. (Egypt).....	11	10	13	16	14	14	17	16	14	12	11
Other.....	86	72	79	78	85	101	103	104	110	108	124
<b>Total.....</b>	<b>162</b>	<b>166</b>	<b>180</b>	<b>190</b>	<b>194</b>	<b>213</b>	<b>223</b>	<b>235</b>	<b>232</b>	<b>272</b>	<b>284</b>
<b>Other countries:</b>											
Australia.....	53	59	64	70	105	73	73	81	94	105	118
All other.....	16	16	16	17	19	18	18	17	20	21	22
<b>Total.....</b>	<b>69</b>	<b>75</b>	<b>80</b>	<b>87</b>	<b>124</b>	<b>91</b>	<b>91</b>	<b>98</b>	<b>114</b>	<b>126</b>	<b>140</b>
<b>Total foreign countries.....</b>	<b>9,664</b>	<b>10,127</b>	<b>10,812</b>	<b>10,422</b>	<b>10,573</b>	<b>10,697</b>	<b>10,745</b>	<b>11,564</b>	<b>11,017</b>	<b>10,922</b>	<b>12,465</b>
<b>International and regional.....</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>Grand total.....</b>	<b>9,667</b>	<b>10,129</b>	<b>10,815</b>	<b>10,424</b>	<b>10,575</b>	<b>10,699</b>	<b>10,747</b>	<b>11,565</b>	<b>11,020</b>	<b>10,924</b>	<b>12,467</b>

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.

**14. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS  
IN THE UNITED STATES, BY TYPE**

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars								Payable in foreign currencies			
		Total	Loans to—			Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other	
			Total	Official institutions	Banks <sup>1</sup>								Others
1968.....	8,711	8,261	3,165	247	1,697	1,221	1,733	2,854	509	450	336	40	73
1969 <sup>2</sup> .....	9,578 9,667	9,063 9,151	3,281 3,278	262 262	1,946 1,943	1,073 1,073	1,954 2,015	3,169 3,202	658 656	518 516	352 352	84 89	79 74
1970—Aug.....	9,521	9,058	2,975	178	1,711	1,087	2,354	3,171	557	463	354	50	59
Sept.....	9,741	9,261	3,231	186	1,936	1,109	2,381	3,056	593	479	366	40	74
Oct.....	9,873	9,358	3,129	109	1,897	1,123	2,438	3,158	634	515	366	67	83
Nov.....	10,129	9,574	3,132	95	1,894	1,143	2,429	3,330	683	555	354	112	89
Dec.....	10,815	10,165	3,049	119	1,720	1,210	2,414	3,968	733	651	393	92	166
1971—Jan.....	10,424	9,917	2,864	110	1,574	1,180	2,396	3,950	708	506	308	79	120
Feb.....	10,575	10,039	2,952	88	1,592	1,272	2,389	3,973	726	535	334	111	90
Mar.....	10,699	10,136	3,005	100	1,597	1,309	2,376	4,033	721	564	365	102	96
Apr.....	10,747	10,213	3,113	107	1,753	1,253	2,320	4,097	684	534	339	92	103
May.....	11,565	10,930	3,377	150	1,926	1,301	2,349	4,135	1,069	636	449	78	109
June.....	11,020	10,455	3,406	147	1,968	1,291	2,378	3,959	712	565	374	102	89
July.....	10,924	10,385	3,570	200	2,052	1,318	2,364	3,637	815	539	382	68	89
Aug.....	12,467	11,833	4,364	197	2,744	1,424	2,355	4,121	993	634	498	46	90

<sup>1</sup> Excludes central banks which are included with "Official institutions."  
<sup>2</sup> Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage

with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

**15. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS  
IN THE UNITED STATES**

(Amounts outstanding; in millions of dollars)

End of period	Total	Type					Country or area							
		Payable in dollars					Payable in foreign currencies	United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	All other countries
		Total	Official institutions	Banks <sup>1</sup>	Other foreigners	Other long-term claims								
1968.....	3,567	3,158	528	237	2,393	394	16	68	479	428	1,375	122	617	479
1969.....	3,250	2,806	502	209	2,096	426	18	67	411	408	1,329	88	568	378
1970—Aug.....	3,131	2,719	470	225	2,023	383	29	64	398	411	1,324	106	515	312
Sept.....	3,155	2,750	460	244	2,046	377	28	65	395	416	1,357	108	499	314
Oct.....	3,229	2,839	531	256	2,053	359	30	67	407	409	1,342	109	582	312
Nov.....	3,216	2,825	515	247	2,064	364	26	66	387	398	1,362	113	583	307
Dec.....	3,075	2,698	504	236	1,958	352	25	71	411	312	1,325	115	548	292
1971—Jan.....	2,962	2,610	485	213	1,913	327	24	70	412	278	1,281	117	523	280
Feb.....	2,957	2,643	484	213	1,946	289	26	77	420	266	1,257	121	521	295
Mar.....	3,045	2,738	501	226	2,012	277	30	111	424	268	1,271	125	548	298
Apr.....	3,084	2,779	504	227	2,048	271	33	117	439	275	1,273	120	554	305
May.....	3,248	2,936	523	251	2,163	279	32	107	498	277	1,264	208	548	345
June.....	3,219	2,916	475	242	2,199	277	26	112	519	266	1,229	225	514	355
July.....	3,279	2,986	489	253	2,244	273	20	118	530	266	1,248	219	515	371
Aug.....	3,380	3,085	507	265	2,313	267	28	119	548	259	1,323	221	539	370

<sup>1</sup> Excludes central banks, which are included with "Official institutions."

16. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Govt. bonds and notes <sup>1</sup>					U.S. corporate securities <sup>2</sup>			Foreign bonds			Foreign stocks		
	Net purchases or sales					Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales
	Total	Intl. and regional	Foreign											
			Total	Official	Other									
1969.....	-45	11	-56	-115	59	15,476	12,795	2,681	1,552	2,581	-1,029	1,519	2,037	-517
1970.....	56	-25	82	-41	123	11,426	9,844	1,582	1,490	2,441	-951	1,033	997	37
1971—Jan.—Aug. <sup>2</sup> .....	681	128	553	575	-22	9,887	9,316	571	1,051	1,850	-799	779	1,000	221
1970—Aug.....	13	-8	21	*	21	656	514	142	143	380	-237	60	45	15
Sept.....	5	*	5		5	1,034	703	331	110	93	17	76	90	-14
Oct.....	-89	*	-90	-91	-11	1,187	938	249	109	257	-148	71	120	-50
Nov.....	23	1	22	*	22	754	609	145	97	87	10	65	76	-11
Dec.....	52	-22	74	17	57	1,321	1,030	291	140	277	-137	83	87	-4
1971—Jan.....	37	-1	38	-8	46	1,242	1,022	220	116	419	-302	90	95	-5
Feb.....	20	17	3	5	-2	516	411	105	126	107	19	68	108	-41
Mar.....	88	99	-11		-11	1,411	1,314	97	176	190	-14	85	121	-36
Apr.....	5	*	5		4	1,383	1,408	-25	174	234	-60	117	179	-63
May.....	-33	1	-33		-33	1,163	1,126	-37	118	218	-100	94	120	-26
June.....	92	*	91	87	4	1,004	1,019	-15	121	239	-18	98	130	-32
July <sup>2</sup> .....	260	1	351	253	6	1,038	1,002	36	109	137	-28	102	144	-42
Aug. <sup>2</sup> .....	212	11	202	238	-36	1,130	1,013	117	110	306	-196	124	102	22

<sup>1</sup> Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries; see Table 12.  
<sup>2</sup> Includes State and local gov't. securities, and securities of U.S. Gov't. agencies and corporations that are not guaranteed by the United States.

Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.  
 NOTE.—Statistics include transactions of international and regional organizations.

17. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. & regional
1969.....	1,487	150	216	189	490	-245	295	1,094	125	136	90	7	-1	36
1970.....	626	58	195	128	110	-33	24	482	-9	47	85	-1	1	22
1971—Jan.—Aug. <sup>2</sup> .....	146	-20	61	111	23	-98	3	80	-70	40	55	*	-1	42
1970—Aug.....	104	7	18	16	40	20	11	113	-6	-9	4	*	*	2
Sept.....	225	-4	36	37	49	29	6	154	26	20	22	*	*	2
Oct.....	158	-3	23	13	-1	32	21	85	31	30	13	-1	*	-1
Nov.....	98	7	13	18	11	3	31	84	6	1	*	*	*	7
Dec.....	216	39	27	8	39	14	11	137	40	32	4	*	*	3
1971—Jan.....	130	-13	27	14	26	7	46	107	11	6	-3	*	-1	11
Feb.....	-32	-23	28	9	-6	-23	21	7	-34	-5	*	*	*	*
Mar.....	-26	-26	11	2	-27	-11	-8	-59	1	18	9	*	*	6
Apr.....	-1	8	-10	8	-4	-18	-8	-24	-7	14	11	*	-1	7
May.....	10	9	*	13	10	-6	-3	24	-17	-4	1	*	*	7
June.....	-11	3	3	12	9	-19	-24	-17	-11	-4	7	*	*	14
July <sup>2</sup> .....	-4	12	-6	15	-10	6	-13	4	-24	2	15	*	*	-2
Aug. <sup>2</sup> .....	79	10	7	38	24	-33	-7	38	11	13	16	1	*	*



18. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. and regional
1969.....	1,195	97	200	14	169	251	83	815	32	14	-11	-1	10	336
1970.....	956	35	48	37	134	118	91	464	128	25	28	1	-12	324
1971—Jan.—Aug. <sup>p</sup>	425	11	31	2	66	124	40	275	35	17	-5	*	-16	120
1970—Aug.....	38	-1	-3	*	-1	-1	1	-4	21	2	*	*	-2	21
Sept.....	106	1	25	*	3	-1	2	31	16	-6	1	*	*	64
Oct.....	91	-1	*	1	8	-8	43	43	14	1	6	*	-2	29
Nov.....	47	2	1	*	3	1	4	13	17	2	3	*	*	13
Dec.....	75	2	7	-3		28	18	61	1	1	3	*	1	8
1971—Jan.....	89	*	-6	*	15	2	*	12	28	-4	*	*	*	52
Feb.....	137	4	3	2	16	21	39	85	-4	1	1	*	-12	65
Mar.....	123	10	14	-1	32	32	5	92	11	6	3	*	*	11
Apr.....	-23	3	-3	*	7	7	5	19	-2	4	-6	*	*	-39
May.....	27	-1	27	*	-5	19	-6	33	*	3	-1	*	-2	-6
June.....	-4	-1	-1	*	-2	-4	*	-8	11	2	-3	*	-2	-3
July <sup>p</sup> .....	40	-2	-1	1	3	20	1	22	-10	3	*	*	*	24
Aug. <sup>p</sup> .....	37	-3	-1	-1	*	27	-3	19	*	1	1	*	*	17

NOTE.—Statistics include State and local gov. securities, and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

19. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1969.....	-1,547	66	-1,613	74	-1,128	-98	-474	-6	20
1970.....	-914	-254	-660	50	-584	-11	-129	-6	20
1971—Jan.—Aug. <sup>p</sup> ...	-1,020	-363	-657	-47	-268	*	-373	5	25
1970—Aug.....	-222	-158	-64	4	-127	56	2	*	1
Sept.....	3	16	-13	5	22	-30	-12	*	2
Oct.....	-198	-91	-107	-33	-51	3	-28	*	2
Nov.....	-1	3	-4	-10	15	-2	-9	-1	1
Dec.....	-141	4	-145	-22	-90	-5	-31	-1	4
1971—Jan.....	-307	-197	-111	2	-85	-1	-29	*	2
Feb.....	-21	-4	-17	-21	27	4	-29	*	1
Mar.....	-50	11	-61	6	-34	11	-44	-1	1
Apr.....	-122	-46	-77	-34	29	5	-79	*	1
May.....	-126	4	-130	-4	-62	-13	-52	*	2
June.....	-150	13	-163	-3	-111	5	-72	6	14
July <sup>p</sup> .....	-70	7	-76	-16	-8	-2	-53	*	2
Aug. <sup>p</sup> .....	-174	-152	-22	23	-23	-10	-14	1	1

20. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1967.....	311	298
1968.....	636	508
1969—Mar.....	553	393
June.....	566	397
Sept.....	467	297
Dec.....	434	278
1970—Mar.....	368	220
June.....	334	182
Sept.....	291	203
Dec.....	349	279
1971—Mar.....	511	314
June <sup>p</sup> .....	419	300

NOTE.—Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

**21. LIABILITIES OF U.S. BANKS TO THEIR FOREIGN BRANCHES AND FOREIGN BRANCH HOLDINGS OF SPECIAL U.S. GOVERNMENT SECURITIES**

(Amounts outstanding; in millions of dollars)

Wednesday	Liabilities <sup>1</sup>	Wednesday	Liabilities <sup>1</sup>	Liab. plus sec. <sup>2</sup>	Wednesday	Liabilities <sup>1</sup>	Liab. plus sec. <sup>2</sup>
1966		1970			1971—Cont.		
Mar. 30.....	1,879	Jan. 28....	13,605		Apr. 7....	3,259	4,759
June 29.....	1,951	Feb. 25....	13,086		14....	2,310	5,318
Sept. 28.....	3,472	Mar. 25....	11,885		21....	2,244	5,252
Dec. 28.....	4,036	Apr. 29....	11,944		28....	2,158	5,166
		May 27....	12,346		May 5....	2,004	5,012
		June 24....	12,172		12....	1,998	4,606
		July 29....	10,469		19....	1,628	4,636
		Aug. 26....	10,629		26....	1,579	4,587
		Sept. 30....	9,663		June 2....	1,877	4,885
Mar. 29.....	3,412	Oct. 28....	9,297		9....	1,938	4,946
June 28.....	3,166	Nov. 25....	8,435		16....	2,323	5,331
Sept. 27.....	4,059	Dec. 30....	7,676		23....	2,323	5,331
Dec. 27.....	4,241				30....	1,499	4,507
		1971			July 7....	2,183	5,191
		Jan. 6....	7,424		14....	1,729	4,776
		13....	7,863		21....	1,879	4,926
Mar. 27.....	4,920	20....	7,823		28....	1,505	4,655
June 26.....	6,202	27....	6,536	7,536	Aug. 4....	1,912	5,062
Sept. 25.....	7,104	Feb. 3....	6,432	7,432	11....	1,104	4,290
Dec. 31 (1/1/69)	6,039	10....	6,233	7,233	18....	1,382	4,568
		17....	5,872	6,872	25....	1,409	4,079
		24....	5,666	6,666	Sept. 1....	1,236	3,406
		Mar. 3....	5,016	6,516	8....	1,242	3,412
		10....	4,806	6,306	15....	1,704	3,358
		17....	4,180	5,680	22....	2,150	3,804
		24....	4,338	5,838	29....	2,468	3,571
		31....	2,858	4,358			

<sup>1</sup> Represents gross liabilities of reporting banks to their branches in foreign countries.

<sup>2</sup> Includes U.S. Treasury Certificates Eurodollar Series and special Export-Import Bank securities held by foreign branches. Beginning July 28, 1971, all of the securities held are U.S. Treasury Certificates Eurodollar Series.

**22. MATURITY OF EURO-DOLLAR DEPOSITS IN FOREIGN BRANCHES OF U.S. BANKS**

(End of month; in billions of dollars)

Maturity of liability	1971		
	May	June	July
Overnight.....	1.47	1.85	1.51
Call.....	1.88	1.67	1.60
Other liabilities, maturing in following calendar months after report date:			
1st.....	9.30	11.10	8.47
2nd.....	5.07	4.31	5.43
3rd.....	3.23	3.46	4.15
4th.....	1.67	1.78	2.10
5th.....	1.57	1.79	2.22
6th.....	1.67	1.92	1.89
7th.....	.43	.34	.27
8th.....	.30	.25	.31
9th.....	.24	.30	.40
10th.....	.29	.37	.28
11th.....	.37	.25	.23
12th.....	.24	.22	.37
Maturities of more than 1 year.....	.72	.70	.76
<b>Total.....</b>	<b>28.44</b>	<b>30.33</b>	<b>29.99</b>

NOTE.—Includes interest-bearing U.S. dollar deposits and direct borrowings of all branches in the Bahamas and of all other foreign branches for which such deposits and direct borrowings amount to \$50 million or more.  
Details may not add to totals due to rounding.

**23. DEPOSITS, U.S. GOVT. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT**

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Govt. securities <sup>1</sup>	Earmarked gold
1968.....	216	9,120	13,066
1969.....	134	7,030	12,311
1970—Sept....	136	13,983	12,611
Oct....	142	14,458	12,617
Nov....	136	16,196	12,644
Dec....	148	16,226	12,926
1971—Jan....	129	16,206	12,958
Feb....	147	18,033	12,981
Mar....	201	20,534	13,057
Apr....	162	22,879	13,095
May....	208	28,126	13,447
June....	199	26,544	13,509
July....	162	28,574	13,559
Aug....	122	35,914	13,821
Sept....	166	36,921	13,819

<sup>1</sup> Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

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

**24. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS**

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars		Payable in foreign currencies		United Kingdom	Canada
		Deposits	Short-term investments <sup>1</sup>	Deposits	Short-term investments <sup>1</sup>		
1969 <sup>2</sup> .....	{1,319 1,454	952	116	174	76	610	469
		1,025	161	183	86	663	519
1970—July....	1,481	1,067	181	159	74	809	309
Aug....	1,335	926	164	151	94	708	297
Sept....	1,434	948	183	177	126	713	382
Oct....	1,477	964	177	177	159	686	440
Nov....	1,485	973	171	175	166	664	472
Dec....	1,095	667	133	173	121	372	417
1971—Jan....	1,252	835	124	177	116	520	363
Feb....	1,312	827	152	190	144	548	401
Mar....	1,450	983	147	175	145	706	377
Apr....	1,468	967	163	200	138	687	390
May....	1,532	930	147	293	161	622	424
June....	1,462	931	170	240	122	634	367
July....	1,474	955	180	238	101	579	393

<sup>1</sup> Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

<sup>2</sup> Data on the two lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Tables 25 and 26.

25. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1970				1971	1970				1971
	Mar.	June	Sept.	Dec.	Mar.	Mar.	June	Sept.	Dec.	Mar.
<b>Europe:</b>										
Austria.....	3	4	6	8	11	7	8	9	10	10
Belgium-Luxembourg.....	75	74	66	46	47	60	58	54	47	49
Denmark.....	3	3	3	2	9	17	17	16	17	16
Finland.....	1	1	1	5	2	8	8	13	11	8
France.....	126	156	141	126	112	155	176	154	150	159
Germany, Fed. Rep. of.....	193	164	166	139	122	172	174	192	209	191
Greece.....	3	3	3	4	4	19	27	28	28	34
Italy.....	82	84	69	77	71	169	173	161	163	175
Netherlands.....	110	116	124	128	115	72	72	62	62	65
Norway.....	5	5	6	5	4	12	13	13	16	15
Portugal.....	5	5	10	13	14	14	18	14	15	13
Spain.....	55	47	48	24	27	78	72	73	81	93
Sweden.....	29	31	35	34	28	27	27	25	40	53
Switzerland.....	159	159	185	159	122	47	37	45	47	38
Turkey.....	2	2	3	4	3	12	11	13	8	17
United Kingdom.....	570	648	644	792	704	1,198	1,137	1,055	698	1,020
Yugoslavia.....	2	1	2	2	1	19	15	17	17	16
Other Western Europe.....	19	21	21	11	1	11	12	9	9	12
Eastern Europe.....	2	3	5	4	4	17	20	24	24	16
<b>Total.....</b>	<b>1,445</b>	<b>1,526</b>	<b>1,538</b>	<b>1,578</b>	<b>1,403</b>	<b>2,111</b>	<b>2,076</b>	<b>1,977</b>	<b>1,652</b>	<b>1,997</b>
<b>Canada.....</b>	<b>206</b>	<b>205</b>	<b>215</b>	<b>215</b>	<b>201</b>	<b>643</b>	<b>691</b>	<b>703</b>	<b>751</b>	<b>715</b>
<b>Latin America:</b>										
Argentina.....	10	15	10	11	14	55	62	61	61	65
Brazil.....	13	14	17	19	15	97	100	107	120	105
Chile.....	8	9	11	11	13	42	37	42	48	40
Colombia.....	6	5	6	6	6	36	37	37	37	36
Cuba.....	*	*	*	*	*	1	1	1	1	1
Mexico.....	24	21	28	22	20	148	140	149	156	143
Panama.....	8	5	5	5	6	19	19	18	18	21
Peru.....	10	6	6	4	4	34	37	29	36	35
Uruguay.....	5	5	5	4	4	8	6	5	6	7
Venezuela.....	13	19	14	18	17	68	63	70	68	70
Other L.A. republics.....	27	28	35	37	29	92	102	97	100	96
Bahamas and Bermuda.....	46	58	89	144	158	84	160	153	160	210
Neth. Antilles and Surinam.....	4	38	24	23	5	7	8	10	9	8
Other Latin America.....	5	6	5	6	5	25	19	23	29	21
<b>Total.....</b>	<b>179</b>	<b>229</b>	<b>255</b>	<b>310</b>	<b>296</b>	<b>717</b>	<b>790</b>	<b>801</b>	<b>848</b>	<b>858</b>
<b>Asia:</b>										
Hong Kong.....	7	7	8	9	8	14	17	19	17	19
India.....	27	37	41	38	25	36	41	42	34	39
Indonesia.....	5	7	7	9	5	11	17	14	21	20
Israel.....	15	17	21	24	28	34	23	21	23	24
Japan.....	132	113	135	144	165	297	311	314	323	348
Korea.....	1	2	1	1	11	27	50	29	42	48
Philippines.....	6	7	7	7	7	32	33	32	30	31
Taiwan.....	4	4	8	9	10	23	29	27	33	32
Thailand.....	3	3	4	4	4	15	15	13	11	12
Other Asia.....	26	28	47	50	59	113	125	145	145	155
<b>Total.....</b>	<b>227</b>	<b>227</b>	<b>281</b>	<b>296</b>	<b>322</b>	<b>602</b>	<b>662</b>	<b>657</b>	<b>678</b>	<b>728</b>
<b>Africa:</b>										
Congo (Kinshasa).....	3	14	15	2	2	4	5	4	3	5
South Africa.....	19	19	24	34	31	28	35	29	30	32
U.A.R. (Egypt).....	1	2	2	1	2	9	10	11	9	10
Other Africa.....	33	37	51	41	19	47	49	48	50	53
<b>Total.....</b>	<b>56</b>	<b>72</b>	<b>90</b>	<b>78</b>	<b>54</b>	<b>87</b>	<b>99</b>	<b>92</b>	<b>92</b>	<b>100</b>
<b>Other countries:</b>										
Australia.....	64	69	74	75	81	64	84	70	80	86
All other.....	6	6	5	7	8	13	14	15	15	13
<b>Total.....</b>	<b>70</b>	<b>74</b>	<b>79</b>	<b>82</b>	<b>89</b>	<b>77</b>	<b>98</b>	<b>84</b>	<b>94</b>	<b>99</b>
<b>International and regional.....</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>3</b>
<b>Grand total.....</b>	<b>2,184</b>	<b>2,334</b>	<b>2,459</b>	<b>2,560</b>	<b>2,365</b>	<b>4,238</b>	<b>4,417</b>	<b>4,316</b>	<b>4,117</b>	<b>4,499</b>

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.

**26. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE**

(Amounts outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies	
						Deposits with banks abroad in reporter's name	Other
1967—Mar.....	1,148	864	285	2,689	2,245	192	252
June.....	1,203	916	287	2,585	2,110	199	275
Sept.....	1,353	1,029	324	2,555	2,116	192	246
Dec.....	1,371	1,027	343	2,946	2,529	201	216
Dec. <sup>1</sup> .....	1,386	1,039	347	3,011	2,599	203	209
1968—Mar.....	1,358	991	367	3,369	2,936	211	222
June.....	1,473	1,056	417	3,855	3,415	210	229
Sept.....	1,678	1,271	407	3,907	3,292	422	193
Dec.....	1,608	1,225	382	3,783	3,173	368	241
1969—Mar.....	1,576	1,185	391	4,014	3,329	358	327
June.....	1,613	1,263	350	4,023	3,316	429	278
Sept.....	1,797	1,450	346	3,874	3,222	386	267
Dec.....	1,786	1,399	387	3,710	3,124	221	365
Dec. <sup>1</sup> .....	2,081	1,648	433	4,124	3,495	244	385
1970—Mar.....	2,184	1,707	478	4,238	3,699	219	320
June.....	2,334	1,821	513	4,417	3,825	234	358
Sept.....	2,459	1,933	526	4,316	3,710	301	306
Dec.....	2,560	2,127	432	4,117	3,534	234	349
1971—Mar.....	2,365	1,946	419	4,499	3,890	232	377

<sup>1</sup> Data differ from that shown for Dec. in line above because of changes in reporting coverage.

**27. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS**

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims										
		Total	Country or area									All other
			United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	
1967—Mar.....	454	1,324	31	232	283	203	58	210	108	98	84	17
June.....	430	1,488	27	257	303	214	88	290	110	98	85	15
Sept.....	411	1,452	40	212	309	212	84	283	109	103	87	13
Dec.....	414	1,537	43	257	311	212	85	278	128	117	89	16
Dec. <sup>1</sup> .....	428	1,570	43	263	322	212	91	274	128	132	89	16
1968—Mar.....	582	1,536	41	265	330	206	61	256	128	145	84	21
June.....	747	1,568	32	288	345	205	67	251	129	134	83	33
Sept.....	767	1,625	43	313	376	198	62	251	126	142	82	32
Dec.....	1,129	1,790	147	306	419	194	73	230	128	171	83	38
1969—Mar.....	1,285	1,872	175	342	432	194	75	222	126	191	72	43
June.....	1,325	1,952	168	368	447	195	76	216	142	229	72	40
Sept.....	1,418	1,965	167	369	465	179	70	213	143	246	71	42
Dec.....	1,725	2,215	152	433	496	172	73	388	141	249	69	42
Dec. <sup>1</sup> .....	2,246	2,330	152	442	537	174	77	415	142	269	75	46
1970—Mar.....	2,307	2,711	159	735	549	178	74	453	158	286	71	47
June.....	2,561	2,724	161	712	557	175	65	472	166	286	76	54
Sept.....	2,746	2,853	157	720	597	177	63	582	144	283	73	58
Dec.....	3,080	2,907	146	708	645	181	60	603	140	290	71	64
1971—Mar.....	3,154	2,945	154	687	652	179	63	600	161	299	78	72

<sup>1</sup> Data differ from that shown for Dec. in line above because of changes in reporting coverage.

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)						
1967.....	30545	111.25	3.8688	2.0125	92.689	20.501	14.325	129.553	
1968.....	28473	111.25	3.8675	2.0026	92.801	16.678	13.362	23.761	
1969.....	28492	111.10	3.8654	1.9942	92.855	16.741	13.299	23.774	
1970.....	26.589	111.36	3.8659	2.0139	95.802	16.774	13.334	23.742	
1970—Sept.....	24.888	110.87	3.8684	2.0145	98.422	16.770	13.331	23.748	
Oct.....	24.874	110.97	3.8698	2.0146	97.890	16.775	13.331	23.736	
Nov.....	24.864	111.11	3.8676	2.0147	98.014	16.792	13.336	23.722	
Dec.....	24.836	111.12	3.8681	2.0137	98.276	16.792	13.354	23.722	
1971—Jan.....	24.829	111.82	3.8665	2.0145	98.831	16.792	13.361	23.722	
Feb.....	24.831	112.38	3.8651	2.0148	99.261	16.792	13.359	23.722	
Mar.....	24.835	112.42	3.8670	2.0145	99.367	16.792	13.368	23.722	
Apr.....	24.673	112.38	3.8696	2.0144	99.237	16.792	13.353	23.727	
May.....	24.156	112.42	3.8676	2.0164	99.138	16.792	13.334	23.735	
June.....	23.602	112.43	4.0021	2.0109	97.913	16.792	13.342	23.735	
July.....	22.642	112.42	4.0040	2.0133	97.912	16.792	13.334	23.735	
Aug.....	20.757	113.17	4.0264	2.0351	98.670	16.792	13.435	23.735	
Sept.....	19.919	114.78	4.0844	2.0921	98.717	16.839	13.672	23.830	

Period	France (franc)	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)
1968.....	20.191	25.048	13.269	239.35	1.6042	2.7735	32.591	8.0056	27.626
1969.....	19.302	25.491	13.230	239.01	1.5940	2.7903	32.623	8.0056	27.592
1970.....	18.087	27.424	13.233	239.59	1.5945	2.7921	32.396	8.0056	27.651
1970—Sept.....	18.112	27.537	13.211	238.53	1.6005	2.7935	32.314	8.0056	27.785
Oct.....	18.104	27.531	13.217	238.74	1.6052	2.7948	32.395	8.0056	27.871
Nov.....	18.120	27.544	13.231	239.03	1.6064	2.7956	32.402	8.0056	27.793
Dec.....	18.107	27.437	13.229	239.06	1.6039	2.7959	32.382	8.0056	27.763
1971—Jan.....	18.119	27.496	13.269	240.58	1.6045	2.7932	32.515	8.0056	27.820
Feb.....	18.122	27.594	13.311	241.78	1.6036	2.7969	32.615	8.0056	27.814
Mar.....	18.129	27.538	13.304	241.87	1.6063	2.7971	32.616	8.0056	27.816
Apr.....	18.126	27.516	13.315	241.74	1.6070	2.7972	32.604	8.0056	27.776
May.....	18.094	28.144	13.330	241.87	1.6059	2.7979	32.642	8.0056	28.135
June.....	18.092	28.474	13.346	241.87	1.6009	2.7979	32.720	8.0056	28.065
July.....	18.136	28.728	13.347	241.85	1.6048	2.7980	32.733	8.0056	28.097
Aug.....	18.130	29.277	13.345	243.46	1.6157	2.8113	32.737	8.0056	28.693
Sept.....	18.112	29.794	13.401	246.94	1.6292	2.9583	33.354	8.0056	29.308

Period	New Zealand		Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
	(pound)	(dollar)							
1967.....	276.69	131.97	13.985	3.4784	139.09	1.6383	19.373	23.104	275.04
1968.....	111.37	111.37	14.000	3.4864	139.10	1.4272	19.349	23.169	239.35
1969.....	111.21	111.21	13.997	3.5013	138.90	1.4266	19.342	23.186	239.01
1970.....	111.48	111.48	13.992	3.4978	139.24	1.4280	19.282	23.199	239.59
1970—Sept.....	110.98	110.98	13.994	3.4886	138.62	1.4287	19.225	23.219	238.53
Oct.....	111.08	111.08	13.993	3.4893	138.74	1.4290	19.282	23.090	238.74
Nov.....	111.22	111.22	13.996	3.4924	138.91	1.4290	19.324	23.155	239.03
Dec.....	111.23	111.23	14.021	3.4919	138.93	1.4290	19.340	23.187	239.06
1971—Jan.....	111.94	111.94	14.003	3.5000	139.81	1.4290	19.365	23.227	240.58
Feb.....	112.50	112.50	14.001	3.5031	140.51	1.4290	19.332	23.266	241.78
Mar.....	112.54	112.54	14.010	3.5019	140.56	1.4290	19.369	23.254	241.87
Apr.....	112.50	112.50	14.028	3.5000	140.51	1.4291	19.368	23.263	241.79
May.....	112.54	112.54	13.556	3.5013	140.56	1.4291	19.357	24.253	241.87
June.....	112.55	112.55	14.062	3.5027	140.57	1.4290	19.370	24.409	241.87
July.....	112.53	112.53	14.073	3.5016	140.55	1.4292	19.371	24.423	241.85
Aug.....	113.28	113.28	14.244	3.5289	141.46	1.4335	19.502	24.813	243.46
Sept.....	114.95	114.95	14.494	3.5970	140.88	1.4415	19.732	25.118	246.94

<sup>1</sup> Effective Oct. 12, 1967, the Finnish markka was devalued from 3.2 to 4.2 markkaa per U.S. dollar.  
<sup>2</sup> A new Argentine peso, equal to 100 old pesos, was introduced on Jan. 1, 1970. In eight steps the peso was devalued to 6.35 per U.S. dollar effective Sept. 30, 1971.  
<sup>3</sup> On June 1, 1970, the Canadian Government announced that, for the time being, Canada will not maintain the exchange rate of the Canadian dollar within the margins required by IMF rules.  
<sup>4</sup> Effective May 9, 1971, the Austrian schilling was revalued to 24.75 per U.S. dollar.  
<sup>5</sup> Effective Aug. 10, 1969, the French franc was devalued from 4.94 to 5.55 francs per U.S. dollar.  
<sup>6</sup> Effective Oct. 26, 1969, the new par value of the German mark was set at 3.66 per U.S. dollar.  
<sup>7</sup> Effective May 10, 1971, the German mark and Netherlands guilder have been floated.

<sup>8</sup> 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.  
<sup>9</sup> Effective May 10, 1971, the Swiss franc was revalued to 4.08 per U.S. dollar.  
 NOTE.—After the devaluation of the pound sterling on Nov. 18, 1967, the following countries devalued their currency in relation to the U.S. dollar: Ceylon, Denmark, Ireland, New Zealand, and Spain.  
 Effective Aug. 16, 1971, the U.S. dollar convertibility to gold was suspended; as from that day foreign central banks did not have to support the dollar rate in order to keep it within IMF limits.  
 Averages of certified noon buying rates in New York for cable transfers. For description of rates and bank data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

## CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of Sept. 30, 1970		Changes during the last 12 months											Rate as of Sept. 30, 1971			
	Per cent	Month effective	1970			1971											
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.		Sept.		
Argentina.....	6.0	Dec. 1957															6.0
Austria.....	5.0	Jan. 1970															5.0
Belgium.....	7.5	Sept. 1969	7.0		6.5					6.0						5.5	5.5
Brazil.....	20.0	July 1969															20.0
Burma.....	4.0	Feb. 1962															4.0
Canada.....	6.5	Sept. 1970		6.0													5.25
Ceylon.....	5.5	May 1968					5.25										5.5
Chile.....	14.0	July 1969															14.0
Colombia.....	8.0	May 1963															8.0
Costa Rica.....	4.0	June 1966															4.0
Denmark.....	9.0	July 1970															7.5
Ecuador.....	8.0	Jan. 1970					8.0				7.5						8.0
El Salvador.....	4.0	Aug. 1964															4.0
Finland.....	7.0	Apr. 1962															8.50
France.....	7.5	Aug. 1970	7.0				6.5					6.75	8.50				6.75
Germany, Fed. Rep. of.....	7.0	July 1970									5.0						5.0
Ghana.....	5.5	Mar. 1968			6.5	6.0											5.5
Greece.....	6.0	July 1969															6.0
Honduras.....	3.0	Jan. 1962															3.0
Iceland.....	9.0	Jan. 1966															9.0
India.....	5.0	Mar. 1968					6.0										6.0
Indonesia.....	6.0	May 1969									6.0						6.0
Iran.....	8.0	Aug. 1969															8.0
Ireland.....	7.31	May 1970															7.31
Israel.....	6.0	Feb. 1955															6.0
Italy.....	5.5	Mar. 1970									5.0						5.0
Jamaica.....	6.0	May 1969									5.5						5.5
Japan.....	6.25	Sept. 1969	6.0				5.75					5.5		5.25			5.25
Korea.....	24.0	Apr. 1970			23.0								20.0				20.0
Mexico.....	4.5	June 1942															4.5
Netherlands.....	6.0	Aug. 1969									5.5						5.5
New Zealand.....	7.0	Mar. 1961															7.0
Nicaragua.....	6.0	Apr. 1954															6.0
Norway.....	4.5	Sept. 1969															4.5
Pakistan.....	5.0	June 1965															5.0
Peru.....	9.5	Nov. 1959															9.5
Philippine Republic.....	10.0	June 1969															10.0
Portugal.....	3.5	Apr. 1970															3.75
South Africa.....	5.5	Aug. 1968						3.75		6.5							6.5
Spain.....	6.5	Mar. 1970					6.25				6.0						6.0
Sweden.....	7.0	July 1969								6.5	6.0					5.5	5.5
Switzerland.....	3.75	Sept. 1969															3.75
Taiwan.....	10.8	May 1969				9.8						9.25					9.25
Thailand.....	5.0	Oct. 1959															5.0
Tunisia.....	5.0	Sept. 1966															5.0
Turkey.....	9.0	Sept. 1970															9.0
United Arab Rep. (Egypt).....	5.0	May 1962															5.0
United Kingdom.....	7.0	Apr. 1970									6.0					5.0	5.0
Venezuela.....	5.5	June 1969	5.0														5.0
Vietnam.....	18.0	Sept. 1970															18.0

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;

*Chile*—1 per cent for loans to consumer cooperatives and to handicraft and small- and medium-sized industries; 6 per cent for industrial transformation loans; 8 per cent for pre-shipment loans, agricultural paper and loans to firms following prescribed policies; 17 per cent for construction paper beyond a basic discount period, personal loans, special rediscounts, and cash position loans; and 18 per cent for selective rediscounts. A fluctuating rate applies to paper covering the acquisition of capital goods.

*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*—5 per cent for special advances and for bank acceptances for agricultural purposes, 7 per cent for bank acceptances for industrial purposes, and 10 per cent for advances to cover shortages in legal reserves;

*Honduras*—Rate shown is for advances only.

*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*—3.5, 5, and 7 per cent for small credits to agricultural or fish production, import substitution industries and manufacture of exports; 8 per cent for other agricultural, industrial and mining paper;

*Philippines*—6 per cent for financing the production, importation, and distribution of rice and corn and 7.75 per cent for credits to enterprises engaged in export activities. Preferential rates are also granted on credits to rural banks; and

*Venezuela*—2 per cent for rediscounts of certain agriculture paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

*Vietnam*—10 per cent for export paper; treasury bonds are rediscounted at a rate 4 percentage points above the rate carried by the bond; and there is a penalty rate of 24 per cent for banks whose loans exceed quantitative ceilings.

OPEN MARKET RATES

(Per cent per annum)

Month	Canada			United Kingdom			France	Germany, Fed. Rep. of		Netherlands		Switzerland
	Treasury bills, 3 months <sup>1</sup>	Day-to-day money <sup>2</sup>	Bankers' acceptances, 3 months	Treasury bills, 3 months	Day-to-day money	Bankers' allowance on deposits	Day-to-day money <sup>3</sup>	Treasury bills, 60-90 days <sup>4</sup>	Day-to-day money <sup>5</sup>	Treasury bills, 3 months	Day-to-day money	Private discount rate
1968.....	5.96	5.31	7.26	6.80	5.99	5.00	8.22	2.75	1.84	4.65	4.96	3.75
1969.....	7.15	6.95	8.49	7.64	6.75	5.84	8.97	4.42	4.81	5.55	5.98	4.21
1970—Sept.....	5.44	5.51	8.06	6.82	5.84	5.00	8.13	6.75	9.15	6.00	6.31	5.25
Oct.....	5.25	5.24	8.06	6.81	5.93	5.00	7.82	6.75	7.43	6.00	6.89	5.25
Nov.....	4.74	4.52	8.06	6.81	5.81	5.00	7.30	6.25	8.44	5.75	4.33	5.25
Dec.....	4.47	5.07	8.06	6.82	5.95	5.00	7.46	5.75	7.52	5.91	6.73	5.25
1971—Jan.....	4.59	5.25	8.06	6.79	5.84	5.00	6.46	5.75	7.61	5.60	4.46	5.25
Feb.....	4.51	4.90	8.06	6.75	6.08	5.00	6.00	5.75	7.32	5.05	5.41	5.25
Mar.....	3.30	3.48	8.06	6.66	6.12	5.00	5.77	5.75	7.36	4.49	3.27	5.25
Apr.....	3.04	2.65	7.06	5.75	5.15	4.00	5.53	4.75	4.23	3.59	1.13	5.25
May.....	3.06	2.76	7.06	5.65	5.36	4.00	5.84	4.75	2.31	3.88	1.84	5.25
June.....	3.15	3.01	6.74	5.60	4.71	4.00	6.45	4.25	6.95	4.39	2.91	5.25
July.....	3.58	3.64	6.42	5.57	5.00	4.00	5.62	4.25	6.33	2.69	4.03	5.25
Aug.....	3.88	3.94	5.99	5.75	5.05	4.00			6.18	4.24	5.53	5.25
Sept.....	3.93	4.16	5.42	4.83	4.39	3.00						

<sup>1</sup> Based on average yield of weekly tenders during month.

<sup>2</sup> Based on weekly averages of daily closing rates.

<sup>3</sup> Rate shown is on private securities.

<sup>4</sup> Rate in effect at end of month.

<sup>5</sup> Monthly averages based on daily quotations.

NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

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					
1971											
Apr. 2.....	5.64	3.58	2.06	-2.25	-.19	3.13	3.06	3.58	-.52	.32	-.20
9.....	5.67	3.78	1.89	-2.61	-.72	3.03	2.98	3.78	-.80	.40	-.40
16.....	5.70	3.82	1.88	-2.79	-.91	3.12	3.05	3.82	-.77	.52	-.25
23.....	5.58	3.70	1.88	-2.32	-.35	3.03	2.97	3.70	-.73	.93	.20
30.....	5.55	3.93	1.62	-2.13	-.51	3.01	2.95	3.93	-.98	.81	-.17
May 7.....	5.55	3.74	1.81	-1.14	.67	3.15	3.08	3.74	-.66	1.67	.61
14.....	5.52	3.98	1.54	-1.11	.43	3.05	2.99	3.98	-.99	1.31	.32
21.....	5.52	4.28	1.24	-1.17	.07	2.95	2.89	4.28	-1.39	1.21	-.18
28.....	5.66	4.26	1.40	-.91	.49	3.03	2.97	4.26	-1.29	1.17	-.12
June 4.....	5.52	4.18	1.34	-1.06	.28	3.05	2.99	4.18	-1.19	1.30	.11
11.....	5.53	4.56	.97	-1.16	-.19	3.06	3.00	4.56	-1.56	1.27	-.29
18.....	5.53	4.81	.72	-.92	-.20	3.09	3.02	4.81	-1.79	1.56	-.23
25.....	5.53	4.76	.77	-.87	-.10	3.19	3.12	4.76	-1.64	1.56	-.08
July 2.....	5.53	5.14	.39	-.80	-.41	3.40	3.33	5.14	-1.81	1.10	-.71
9.....	5.50	5.33	.17	-.58	-.41	3.55	3.47	5.33	-1.86	1.27	-.59
16.....	5.56	5.37	.19	-.37	-.18	3.56	3.48	5.37	-1.89	1.39	-.50
23.....	5.56	5.28	.28	-.96	-.68	3.53	3.45	5.28	-1.83	1.28	-.55
30.....	5.56	5.20	.36	-.63	-.27	3.70	3.62	5.20	-1.58	1.35	-.23
Aug. 6.....	5.53	5.23	.30	-.48	-.18	3.92	3.83	5.23	-1.40	1.22	-.18
13.....	5.63	5.10	.53	-.40	.93	4.88	3.92	5.10	-1.18	1.34	.16
20.....	5.73	4.49	1.24	-.24	1.00	3.84	3.75	4.49	-.74	1.13	.39
27.....	5.70	4.55	1.15	.91	2.06	3.79	3.70	4.55	-.85	1.13	.28
Sept. 3.....	4.89	4.42	.47	1.71	2.18	3.89	3.80	4.42	-.62	1.22	.60
10.....	4.72	4.59	.16	1.47	1.63	3.79	3.70	4.59	-.89	1.26	.37
17.....	4.72	4.68	.04	1.64	1.68	3.88	3.77	4.68	-.91	1.14	.23
24.....	4.77	4.67	.10	3.30	3.40	3.99	3.90	4.67	-.77	1.05	.28

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. 1260, Oct. 1964 BULLETIN.

## GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars)

End of period	Estimated total world <sup>1</sup>	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Brazil	Burma	Canada	Chile
1964	43,015	2,179	15,471	25,365	6	71	226	600	1,451	92	84	1,026	43
1965	243,230	31,869	13,806	27,285	6	66	223	700	1,558	63	84	1,151	44
1966	43,185	2,652	13,235	27,300	6	84	224	701	1,525	45	84	1,046	45
1967	41,600	2,682	12,065	26,855	155	84	231	701	1,480	45	84	1,015	45
1968	40,905	2,288	10,892	27,725	205	109	257	714	1,524	45	84	863	46
1969	41,015	2,310	11,859	26,845	205	135	263	715	1,520	45	84	872	47
1970—Aug.	2,652	11,817	205	140	269	714	1,518	45	63	880	47		
Sept.	41,180	2,825	11,494	26,860	205	140	282	714	1,530	45	63	880	47
Oct.	2,902	11,495	205	140	283	714	1,528	45	63	880	47		
Nov.	3,224	11,478	205	140	283	714	1,528	45	63	880	47		
Dec.	41,275	4,339	11,072	25,865	191	140	239	714	1,470	45	63	791	47
1971—Jan.	4,380	11,040	191	140	240	714	1,470	45	63	791	47		
Feb.	4,400	11,039	191	140	240	714	1,468	45	42	791	47		
Mar.	41,240	4,404	10,963	25,875	191	140	239	714	1,466	45	42	791	47
Apr.	4,338	10,925	191	140	253	728	1,502	46	42	791	47		
May	4,448	10,568	191	140	254	747	1,592	46	22	792	47		
June	4,523	10,507	191	140	254	747	1,584	46	22	792	47		
July	41,255	4,479	10,453	26,225	192	140	259	746	1,600	46	22	792	47
Aug. <sup>2</sup>	4,695	10,209	192	140	259	752	1,584	46	22	792	47		
End of period	Colombia	Denmark	Finland	France	Germany, Fed. Rep. of	Greece	India	Iran	Iraq	Ireland	Israel	Italy	Japan
1964	58	92	85	3,729	4,248	77	247	141	112	19	56	2,107	304
1965	35	97	84	4,706	4,410	78	281	146	110	21	56	2,404	328
1966	26	108	45	5,238	4,292	120	243	130	106	23	46	2,414	329
1967	31	107	45	5,234	4,228	130	243	144	115	25	46	2,400	338
1968	31	114	45	3,877	4,539	140	243	158	193	79	46	2,923	356
1969	26	89	45	3,547	4,079	130	243	158	193	39	46	2,956	413
1970—Aug.	26	89	45	3,537	4,080	120	243	158	151	26	45	2,983	474
Sept.	26	89	45	3,537	4,081	119	243	148	151	26	45	2,983	530
Oct.	26	64	45	3,537	4,081	119	243	148	151	26	45	2,983	530
Nov.	18	64	45	3,533	4,081	117	243	131	144	16	43	2,981	532
Dec.	17	64	29	3,532	3,980	117	243	131	144	16	43	2,887	532
1971—Jan.	17	64	29	3,532	3,979	114	243	131	144	16	43	2,886	532
Feb.	17	64	29	3,531	3,978	99	243	131	144	16	43	2,885	534
Mar.	16	64	29	3,527	3,977	99	243	131	144	16	43	2,884	539
Apr.	16	64	29	3,527	4,029	99	243	131	143	16	43	2,884	636
May	16	64	29	3,523	4,035	99	243	130	143	16	43	2,884	641
June	16	64	29	3,523	4,046	99	243	131	143	16	43	2,884	641
July	16	64	29	3,523	4,077	99	243	131	143	16	43	2,884	670
Aug. <sup>2</sup>	14	64	49	3,523	4,076	99	243	131	143	16	43	2,884	679
End of period	Kuwait	Lebanon	Libya	Malaysia	Mexico	Morocco	Netherlands	Norway	Pakistan	Peru	Philippines	Portugal	Saudi Arabia
1964	48	183	17	7	169	34	1,688	31	53	67	23	523	78
1965	52	182	68	2	158	21	1,756	31	53	67	38	576	73
1966	67	193	68	1	109	21	1,730	18	53	65	44	643	69
1967	136	193	68	31	166	21	1,711	18	53	20	60	699	69
1968	122	288	85	66	165	21	1,697	24	54	20	62	856	119
1969	86	288	85	63	169	21	1,720	25	54	25	45	876	119
1970—Aug.	86	288	85	63	171	21	1,751	27	54	40	54	901	119
Sept.	86	288	85	63	176	21	1,801	34	54	40	56	902	119
Oct.	86	288	85	63	176	21	1,801	33	54	40	59	902	119
Nov.	86	288	85	63	176	21	1,832	23	54	40	59	902	119
Dec.	86	288	85	48	176	21	1,787	23	54	40	56	902	119
1971—Jan.	86	288	85	48	176	21	1,812	23	54	40	58	902	119
Feb.	86	322	85	48	176	21	1,812	23	54	40	59	902	119
Mar.	86	322	85	48	176	21	1,812	23	54	40	60	902	119
Apr.	86	322	85	48	182	21	1,863	31	54	40	61	902	119
May	87	322	85	53	182	21	1,867	32	54	40	62	902	119
June	87	322	85	58	.....	21	1,867	32	55	40	63	902	119
July	87	322	85	58	.....	21	1,888	34	55	.....	64	895	119
Aug. <sup>2</sup>	87	322	85	58	.....	.....	1,889	34	55	.....	65	907	127

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 <sup>4</sup>
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.....	637	785	203	2,842	62	92	102	93	1,940	146	401	21	-424
1967.....	583	785	203	3,089	81	92	97	93	1,291	140	401	22	-624
1968.....	1,243	785	225	2,624	81	92	97	93	1,474	133	403	50	-349
1969.....	1,115	784	226	2,642	82	92	117	93	1,471	165	403	51	-480
1970—Aug.....	920	534	225	2,720	82	92	126	93	1,457	165	404	52	-311
Sept.....	921	534	225	2,720	82	92	126	93	1,454	165	404	52	-303
Oct.....	879	534	225	2,720	82	92	126	93	1,454	165	404	52	-308
Nov.....	788	534	225	2,720	82	92	126	93	1,354	161	384	52	-305
Dec.....	666	498	200	2,732	82	92	126	85	1,349	162	384	52	-282
1971—Jan.....	632	498	200	2,731	82	92	126	85	1,246	162	384	32	-173
Feb.....	632	498	200	2,731	82	82	126	85	1,224	162	384	32	-173
Mar.....	634	498	200	2,806	82	82	127	85	1,123	162	384	32	-73
Apr.....	630	498	200	2,806	84	81	127	85	1,022	152	389	52	13
May.....	630	498	200	2,807	82	81	127	85	905	152	389	52	118
June.....	551	498	200	2,857	82	81	127	85	804	151	389	52	213
July.....	481	.....	200	2,909	82	81	127	.....	.....	148	391	52	225
Aug. <sup>b</sup> .....	486	.....	200	2,909	81	81	127	.....	.....	.....	391	52	210

<sup>1</sup> Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and China Mainland.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

<sup>2</sup> Adjusted to include gold subscription payments to the IMF made by

some member countries in anticipation of increase in Fund quotas, except those matched by gold mitigation deposits with the United States and United Kingdom; adjustment is \$270 million.

<sup>3</sup> 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.

<sup>4</sup> 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 <sup>1</sup>	Africa			North and South America					Asia			Other	
		South Africa	Ghana	Congo (Kinshasa)	United States	Canada	Mexico	Nicaragua	Colombia	India	Japan	Philippines	Australia	All other
1965.....	1,440.0	1,069.4	26.4	2.3	58.6	125.6	7.6	5.4	11.2	4.6	18.1	15.3	30.7	64.8
1966.....	1,445.0	1,080.8	24.0	5.6	63.1	114.6	7.5	5.2	9.8	4.2	19.4	15.8	32.1	62.9
1967.....	1,410.0	1,068.7	26.7	5.4	53.4	103.7	5.8	5.2	9.0	3.4	23.7	17.2	28.4	59.4
1968.....	1,420.0	1,088.0	25.4	5.9	53.9	94.1	6.2	4.9	8.4	4.0	21.5	18.5	27.6	61.6
1969.....	1,420.0	1,090.7	24.8	6.0	60.1	89.1	6.3	3.7	7.7	3.4	23.7	20.0	24.5	60.0
1970 <sup>a</sup> .....	.....	1,128.0	24.8	6.2	.....	81.8	6.7	.....	7.1	3.7	24.8	21.1	23.0	.....
1970—July.....	.....	95.2	2.0	.....	.....	6.8	.....	.....	.....	.....	2.3	.....	1.6	.....
Aug.....	.....	96.3	2.2	.....	.....	6.3	.....	.....	.....	.....	1.9	.....	1.6	.....
Sept.....	.....	96.2	2.2	.....	.....	6.6	.....	.....	.....	.....	1.9	.....	1.6	.....
Oct.....	.....	96.6	.....	.....	.....	6.9	.....	.....	.....	.....	2.3	.....	1.7	.....
Nov.....	.....	94.4	.....	.....	.....	6.5	.....	.....	.....	.....	.....	.....	1.7	.....
Dec.....	.....	89.7	.....	.....	.....	6.8	.....	.....	.....	.....	.....	.....	2.0	.....
1971—Jan.....	.....	91.3	.....	.....	.....	7.0	.....	.....	.....	.....	.....	.....	1.7	.....
Feb.....	.....	89.6	.....	.....	.....	6.6	.....	.....	.....	.....	.....	.....	1.6	.....
Mar.....	.....	94.3	.....	.....	.....	6.7	.....	.....	.....	.....	.....	.....	2.3	.....
Apr.....	.....	91.9	.....	.....	.....	6.5	.....	.....	.....	.....	.....	.....	.....	.....
May.....	.....	91.5	.....	.....	.....	6.7	.....	.....	.....	.....	.....	.....	.....	.....
June.....	.....	91.3	.....	.....	.....	6.7	.....	.....	.....	.....	.....	.....	.....	.....
July.....	.....	.....	.....	.....	.....	5.8	.....	.....	.....	.....	.....	.....	.....	.....

<sup>1</sup> Estimated; excludes U.S.S.R., other Eastern European countries, China Mainland, and North Korea.

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# INDEX TO STATISTICAL TABLES

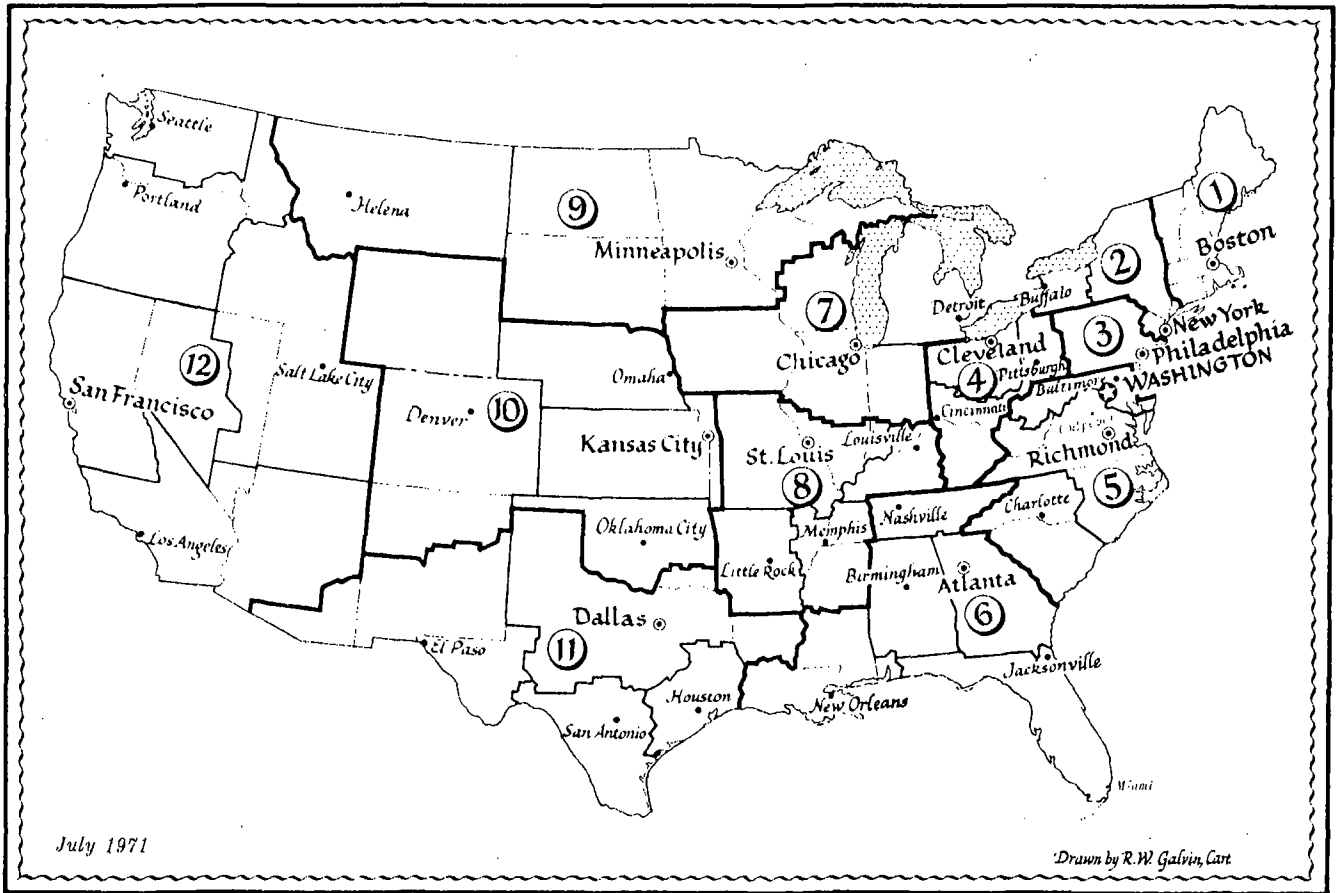
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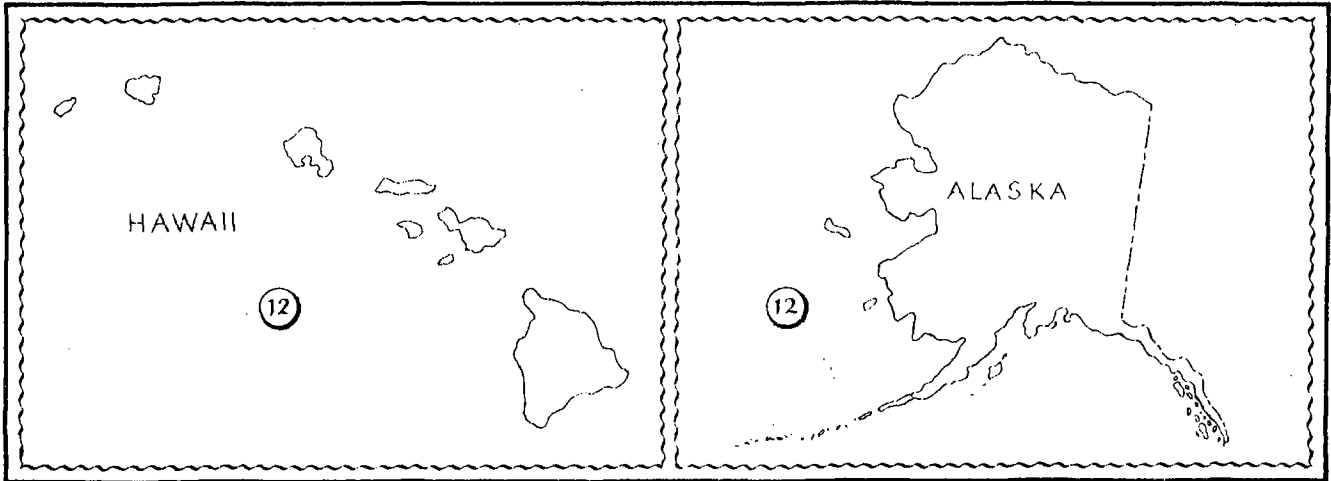
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BOUNDARIES OF FEDERAL RESERVE DISTRICTS AND THEIR BRANCH TERRITORIES



★ 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
- Federal Reserve Bank Facilities