

OCTOBER 1978

# FEDERAL RESERVE BULLETIN

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Summary Measures of the Dollar's Foreign Exchange Value

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The Bulletin may be obtained from the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and remittance should be made payable to the order of the Board of Governors of the Federal Reserve System in a form collectible at par in U.S. currency. (Stamps and coupons are not accepted.)

NUMBER 10 [ ] VOLUME 64 [ ] OCTOBER 1978

# FEDERAL RESERVE BULLETIN

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Board of Governors of the Federal Reserve System  
Washington, D.C.

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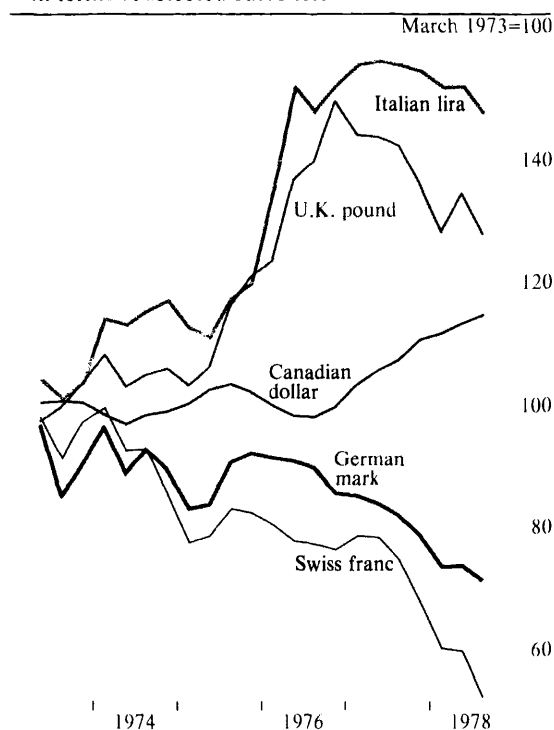
# Summary Measures of the Dollar's Foreign Exchange Value

*This article was prepared by Peter Hooper and John Morton of the Division of International Finance.*

The changing value of the dollar on foreign exchange markets has received considerable attention during the past 2 years. Most of this attention has focused on the sharp decline in the dollar's value against the Swiss franc, the Japanese yen, and the German mark. Relatively little attention has been paid to the fact that the dollar has declined by much less against the British pound and the Italian lira and has increased in value against the Canadian dollar (Chart 1). Assessing the dollar's value on foreign exchange markets by looking at only one or a few exchange rates can be misleading, just as it can be misleading to judge the over-all price level by looking at the prices of only one or a few commodities. In order to assess changes in the dollar's over-all international position it is helpful to consider a summary index of the dollar's average exchange value against a broad spectrum of foreign currencies, much as the consumer and wholesale price indexes are used to measure the average prices of a large number of goods.

This article describes in general terms the uses of average or "effective" exchange-rate indexes and the construction of such indexes for the dollar (including the index published in the FEDERAL RESERVE BULLETIN). The benefit of effective exchange-rate indexes has become especially evident since the emergence of a system of relatively flexible exchange rates and the substantial increase in the variability of individual exchange rates in recent years. Moreover, because increased exchange-rate variation often has been closely associated with increasing divergences in rates of inflation among countries, it is useful, when addressing a number of economic issues, to consider

1. Exchange rates of U.S. dollar in terms of selected currencies



Exchange rates in terms of units of foreign currency per U.S. dollar, quarterly averages of daily rates.

changes in effective exchange rates that have been adjusted for movements in relative prices. The latter part of this article describes such price-adjusted or "real" exchange-rate indexes.

## EFFECTIVE EXCHANGE-RATE INDEXES

As with any price index, individual foreign currency prices of the dollar can be combined in a number of ways to construct an effective exchange-rate index. The method employed to construct the index should be determined by the

use of the index. Before describing the methods of construction, therefore, it is desirable to consider several major uses for effective exchange-rate indexes.

#### USE OF EFFECTIVE EXCHANGE RATE INDEXES

First, effective exchange-rate indexes can be used to measure shifts in the over-all supply and demand for dollars on foreign exchange markets, complementing other summary measures of changes in over-all U.S. international transactions. The total supply of and demand for dollars on foreign exchange markets derive from U.S. demands for foreign goods and foreign-currency-denominated financial assets and foreign demands for U.S. goods and dollar-denominated financial assets. Shifts in these demands are measured in part by changes in the U.S. trade balance and in net capital flows. When such shifts are not balanced they result in excess demand for or supply of dollars at current exchange rates, and the market price of dollars must adjust. An excess supply of dollars resulting from a decline in demand for U.S. goods or dollar-denominated financial assets would tend to cause a decline in the foreign currency price of the dollar. An effective exchange-rate index is more useful than any individual (bilateral) exchange rate in summarizing these overall exchange market pressures, just as the total trade balance is more useful than the balance of U.S. trade with any single country in summarizing net U.S. international transactions in goods.

Second, effective exchange-rate indexes measure one of the important determinants of U.S. international transactions (imports, exports, and capital flows). For example, a decline in the average foreign-currency price of the dollar tends to improve U.S. price competitiveness by lowering the average price of U.S. goods relative to the average price of foreign goods. As a result, over time U.S. exports tend to increase and U.S. imports tend to decrease. Thus, movements in the dollar's effective exchange rate provide clues to future movements in the trade balance.

Third, changes in exchange rates have direct and indirect impacts on the level of domestic prices. After a depreciation of the dollar, the prices of imported goods, as well as the prices of domestically produced goods that compete with imports, tend to rise, and thereby put upward pressure on the U.S. price level. Moreover, increased demand for U.S. exports, stimulated by the decline in the foreign-currency prices of those exports, also contributes to an increase in domestic U.S. prices. The effective exchange-rate index provides a useful summary statistic to help in assessing the over-all effect on the domestic price level of diverse bilateral exchange-rate movements.

#### CONSTRUCTION OF EFFECTIVE EXCHANGE-RATE INDEXES

Indexes of the dollar's effective exchange value are constructed by averaging the dollar's bilateral exchange values in terms of a number of foreign currencies. The construction of such indexes may differ with regard to the selection of foreign currencies included and the choice of weights assigned to the individual foreign currencies. The following discussion describes the general aspects of the construction of exchange-rate indexes. Additional technical details were summarized in the August 1978 BULLETIN (page 700).

The index of the effective exchange rate of the dollar published in the BULLETIN is an average of the dollar's exchange rates against the currencies of 10 major foreign industrial countries (listed in Table 1). While no group of currencies can be ideal for all purposes, this particular group of foreign currencies was chosen for several reasons. Each of the 10 foreign countries has a well-developed foreign exchange market with rates determined primarily by private market transactions. As a group, these countries account for nearly two-thirds of total world trade and more than half of U.S. trade; their importance in international financial flows is even greater. Moreover, of the countries whose currencies are not included in the index, many either seek to link their currencies directly to one or more of the currencies included or

use these currencies for their international transactions.

Once the currencies to be included in the index have been selected, weights must be assigned to them prior to averaging. Ideally, the weights assigned to each foreign currency in an index should reflect the importance of that currency with respect to the particular economic problem being analyzed. The appropriate weight to be assigned to the German mark in an index used to measure the impact of changes in the dollar's foreign exchange value on the U.S. trade balance is one that would reflect the magnitude of total U.S. trade with Germany, the extent to which German and U.S. producers compete in third markets, and the price sensitivity of producers and consumers in all of these markets. The weight assigned to the mark in an index used to measure the impact of changes in exchange rates on the U.S. price level should reflect the magnitude of U.S. imports from Germany, the importance of alternative sources of supply, and the price sensitivity of U.S. import demand. Such an "ideal" procedure for constructing exchange-rate indexes requires a variety of complex weighting schemes and the construction of a different index for each problem being analyzed. This method reintroduces the complexity that was to have been eliminated through the use of a summary statistic.

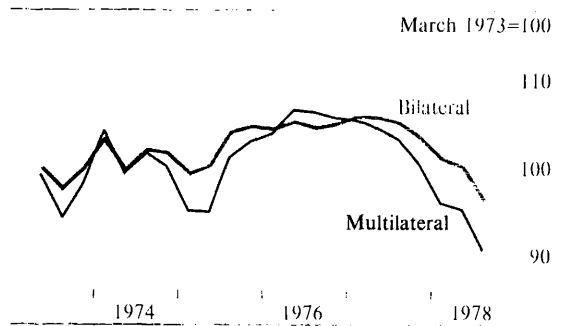
In order to simplify construction procedures,

1. Weights of foreign currencies in indexes of the dollar's effective exchange rate

Foreign currency	Multilateral weights	Bilateral weights
German mark .....	.208	.101
Japanese yen .....	.136	.207
French franc .....	.131	.047
United Kingdom pound .....	.119	.080
Canadian dollar .....	.091	.401
Italian lira .....	.090	.048
Netherlands guilder .....	.083	.046
Belgian franc .....	.064	.034
Swedish krona .....	.042	.016
Swiss franc .....	.036	.020
Sum .....	1.000	1.000

NOTE: Multilateral weights are each country's share of the total trade (measured by the sum of imports plus exports) of all 10 countries in the period 1972 through 1976; these are the weights used in the index published in the FEDERAL RESERVE BULLETIN. Bilateral weights are each country's share of total U.S. trade with these 10 countries in the same period.

2. Indexes of average exchange value of U.S. dollar, alternative weighting schemes



Geometric weighted averages against 10 foreign currencies, with weights described in Table 1.

most effective exchange-rate indexes employ broadly based weights such as a country's share in international trade. Trade shares are intuitively appealing in view of the importance of trade-related questions in the use of effective exchange-rate indexes.

Several types of trade weights can be used in constructing effective exchange-rate indexes. Two in particular have been widely employed: bilateral and multilateral (Chart 2). In an exchange-rate index for the dollar, bilateral weights are determined by each country's share of total U.S. exports plus imports. By contrast, multilateral weights are the shares of each country in the combined total trade of all the foreign countries whose currencies are included in the index.

Each weighting scheme has its conceptual advantages and disadvantages. Bilateral weights emphasize trade between two countries but do not capture the effects of trade competition in third markets. In an exchange-rate index for the dollar, for example, a bilateral weight on the German mark allows for a decline in U.S. demand for German cars following a depreciation of the dollar against the mark, but it does not allow for a shift in that demand toward Japanese cars. Multilateral trade weights allow for such third-market competition, but in some cases they may overstate its importance.

In calculating an effective exchange-rate index for the dollar, the most important practical difference between bilateral and multilateral weights concerns the weight given the Canadian

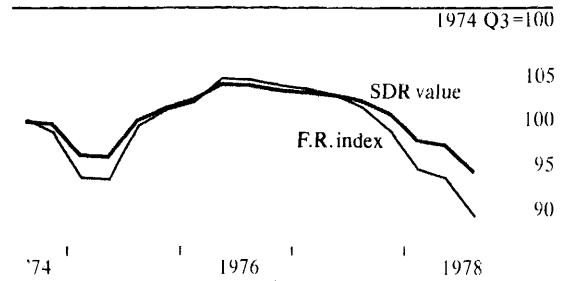
dollar. In a 10-currency index Canada's bilateral trade weight is four times as great as its multilateral trade weight, reflecting the close trading relations of Canada and the United States (Table 1). This difference in weights is reflected in the wide disparity between movements in the multilaterally and bilaterally weighted dollar indexes shown in Chart 2. Since 1976 the bilaterally weighted dollar index has declined by less than half as much as the multilaterally weighted index, largely because of the sharp rise in the U.S. dollar relative to the Canadian dollar during this period. Both indexes, however, have declined over the same period by much less than the individual values of the dollar in terms of the mark, the yen, or the Swiss franc.

Multilateral weights appear to be marginally preferable to bilateral weights in an exchange-rate index for the dollar for at least two reasons. First, Canada's weight in the bilaterally weighted index seems excessively large. Most of the trade between Canada and the United States consists of raw materials and intra-automotive industry transactions, and the prices of these goods may be little affected by changes in U.S.-Canadian exchange rates. Second, according to empirical tests by the Federal Reserve staff, the multilaterally weighted index does marginally better than the bilaterally weighted index in predicting changes in the volumes and prices of U.S. imports and exports.

#### ALTERNATIVE EFFECTIVE EXCHANGE-RATE INDEXES

A number of official and private institutions publish indexes of the effective exchange rate of the dollar. These indexes differ with respect to currency coverage and choice of weights but still show broadly similar patterns of fluctuations in the average foreign exchange value of the dollar. As an example, the index published in the *BULLETIN* (based on 10 currencies, with the multilateral trade weights listed in Table 1) is plotted in Chart 3, along with the value of the dollar in special drawing rights (SDR's), as calculated by the International Monetary Fund. Both indexes show the dollar declining in value to mid-1975, then rising from mid-1975 to

#### 3. Alternative measures of average value of U.S. dollar



F.R. index is multilaterally weighted average against 10 foreign currencies.

mid-1976, remaining relatively stable for a year, and then declining again from mid-1977 to mid-1978. Movements in the SDR index have been less pronounced (including a much smaller decline over the past year) largely because the SDR index is based on a basket of currencies that includes the dollar itself with a weight of one-third.

#### PRICE-ADJUSTED OR REAL EXCHANGE-RATE INDEXES

Because of the way in which changes in exchange rates affect the prices and volumes of trade flows, an effective exchange-rate index is often viewed as an indicator of movements in a country's price competitiveness in international markets. Changes in an index of nominal exchange rates, however, are only a partial indicator of changes in price competitiveness. Other variables, such as domestic production costs and output prices, also have important impacts.

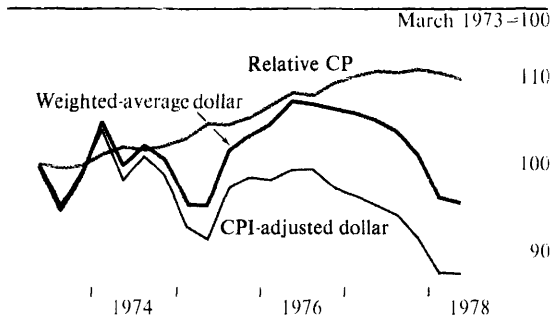
If a depreciation of the dollar, which would tend to reduce the foreign-currency price of U.S. goods, were accompanied by a proportional increase in U.S. domestic prices relative to domestic prices of foreign competitors, the international price competitiveness of the United States would show little net change. In fact, over extended periods of time, changes in many bilateral exchange rates have been associated with changes in relative domestic price levels. The sharp declines in the British pound and the

Italian lira against the U.S. dollar during 1975 and 1976 shown in Chart 1, for example, reflected the relatively high domestic inflation rates in those countries. These currencies have since stabilized against the dollar as inflation rates in Britain and Italy have converged toward the U.S. inflation rate. Because of this type of association between changes in domestic prices and changes in exchange rates, it is more appropriate to assess movements in international price competitiveness in terms of changes in effective exchange-rate indexes that have been adjusted for movements in relative prices.

**CALCULATION OF PRICE-ADJUSTED EXCHANGE-RATE INDEXES**

An index of the price-adjusted, or real, exchange value of the dollar is calculated by dividing the dollar's nominal effective exchange-rate index by an index of the ratio of average foreign prices to U.S. prices. This procedure is illustrated in Chart 4. The weights used in computing average foreign prices are the same as those used in constructing the effective exchange-rate index.

4. Construction of real exchange rate index using consumer prices



“Relative CP” is foreign divided by U.S. consumer prices.  
 “CPI-adjusted dollar” is “Weighted average dollar” divided by “Relative CP.”

**INTERPRETATION OF PRICE-ADJUSTED EXCHANGE-RATE INDEXES**

A decline in the price-adjusted exchange-rate index for the dollar can be interpreted as an improvement in U.S. international price com-

petitiveness. It is evident from Chart 4 that, on a consumer-price-adjusted basis, U.S. price competitiveness has improved substantially since early 1974, although it worsened from early 1975 to mid-1976. This long-run improvement reflects a combination of the net effective depreciation of the dollar during this period and the increase in the average of foreign prices relative to U.S. prices. Viewed somewhat differently, over the past 4 years the dollar has depreciated by a greater amount in real terms than it has in nominal terms because the average U.S. inflation rate over this period has been lower than the average inflation rate in the major foreign industrial countries.

The price-adjusted exchange-rate index is more comprehensive than the nominal exchange-rate index, but it is still only a partial and inexact measure of international competitiveness and should be interpreted with caution. Any such aggregate measure is subject to problems due to incorrect measurement of prices, incorrect weighting systems, and an inability to measure sectoral shifts in productivity. In addition, real exchange-rate indexes are rough measures of price competitiveness only and do not measure important nonprice factors such as quality, dependability, and servicing, which have an important influence on trade patterns but may change relatively slowly.

**ALTERNATIVE PRICE-ADJUSTED EXCHANGE-RATE INDEXES**

In view of the deficiencies of individual aggregate measures of international price competitiveness, more than one real exchange-rate index should be considered. This section lists several alternative price and cost indexes used in computing real exchange-rate indexes. Each has its advantages and disadvantages.

First, consumer price indexes, which cover a broad range of domestic finished goods and services, provide a good indication of over-all domestic inflation. Moreover, the statistical bases and coverage of these indexes are relatively consistent across countries. Consumer price indexes, however, are imperfect indicators of changes in the prices of tradable goods be-

cause they reflect changes in the prices of such nontraded items as housing and services.

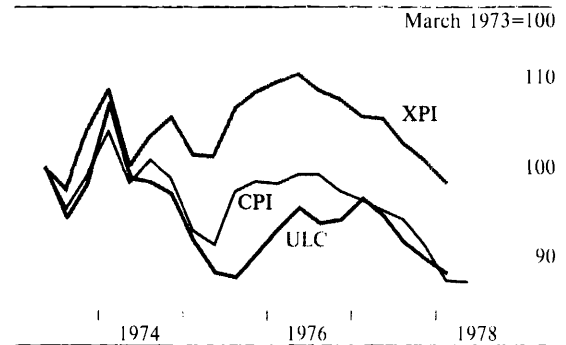
Wholesale price indexes focus more narrowly on the goods sector, but their coverage varies substantially across countries. In many countries these indexes assign heavy weights to basic commodities whose prices may not be closely linked to underlying domestic costs and manufacturing output prices.

Export price indexes provide the most direct measure of the relative prices of goods that are actually traded. This fact alone would suggest their use for trade-related questions. However, these indexes have the undesirable property of excluding prices of potentially tradable goods, such as domestic import substitutes, which do not appear in current exports. Moreover, to the extent that export prices are set in the short run to meet competition in foreign markets, measures of competitiveness based on them do not reflect the potential for adjustment over the longer term. Exporting firms can maintain their price competitiveness in the short run by fixing their foreign-market prices and absorbing exchange-rate changes in the form of changes in their domestic currency prices and profit margins. These domestic price and profit-margin changes, however, may not be sustainable in the longer run.

Finally, unit labor cost indexes provide a broad indication of a major component of underlying domestic costs of production and avoid the problem of short-run fluctuations in profit margins associated with changes in exchange rates. Moreover, they are available on a fairly consistent basis across countries. On the other hand, these indexes have several important drawbacks as measures of competitiveness. First, they do not measure costs due to capital or material inputs. Second, they ignore longer-run shifts in the relationship between costs and prices. Third, they do not reflect differences in labor costs between firms that produce exports and import substitutes and other sectors of the economy. Fourth, they are published less often and with a longer lag than most price indexes.

No one of these price or cost indexes appears to have a clear superiority as a basis for measuring the real exchange value of the dollar. Considered in combination, however, they can

5. Real U.S. dollar exchange-rate indexes, adjusted by selected measures



Price-adjusted indexes, constructed as in Chart 4, using export price indexes (XPI); consumer price indexes (CPI); wholesale price indexes (WPI); unit labor cost indexes (ULC).

provide a useful qualitative indication of shifts in U.S. price competitiveness. Indexes based on the four alternative price series discussed above have exhibited roughly similar patterns of change over the past 4 years. U.S. price competitiveness in general improved from early 1974 to early 1975, worsened from early 1975 to early 1976, and then improved substantially on all four bases (Chart 5). From mid-1976 through early 1978 the increase in U.S. price competitiveness improved between 8 and 12 per cent as measured by the decline in the dollar's real exchange rate when using these four indexes.

#### RELATIONSHIP BETWEEN REAL AND NOMINAL EXCHANGE-RATE INDEXES

In addition to serving as indicators of changes in price competitiveness, price-adjusted exchange-rate indexes are sometimes used to measure the over- or undervaluation of a currency and its expected future movements. This interpretation of real exchange rates is based on a "purchasing power parity" view of exchange-rate determination, which holds that exchange rates adjust over time exactly to offset movements in relative prices. One implication of this view is that if a currency's real effective exchange rate is below some base-period or trend level, the currency is undervalued and will appreciate. Judgments of this type should be made with great caution for several reasons.

First, whereas historical experience suggests

a tendency for exchange rates to move in a direction that offsets changes in relative prices over the long run, there is little evidence for such a tendency in the short run. If exchange-rate changes exactly offset price changes at each moment, price-adjusted exchange rates would be constant over time. In reality, the short-term variability of real exchange rates is nearly as great as that of nominal exchange rates. Second, secular trends in productivity and changes in the

quality of goods, among other factors, can cause shifts in the "equilibrium" level of real exchange rates over time. Such shifts greatly complicate interpretations of a deviation of real exchange rates from base-period levels as an over- or undervaluation. Finally, there are a number of alternative plausible measures of real exchange rates, and these different measures may, at times, lead to differing and even conflicting conclusions. [ ]



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# Record of Policy Actions of the Federal Open Market Committee

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MEETING HELD ON AUGUST 15, 1978

## Domestic Policy Directive

The information reviewed at this meeting suggested that real output of goods and services was growing moderately in the current quarter, although the rate of expansion appeared to be a little below the average pace in the first two quarters of the year. The rise in prices -- as measured by the fixed-weighted price index for gross domestic business product -- seemed to have slowed appreciably from the second-quarter rate but was still well above the rise in other recent quarters.

Staff projections for the year ending in the second quarter of 1979 were little changed from a month earlier. They continued to suggest that output would grow at a moderate pace, with the unemployment rate projected to decline slightly from its July level. The rate of inflation was expected to remain rapid but to moderate considerably from its pace in the second quarter of 1978.

In July the index of industrial production increased an estimated 0.5 per cent, equal to the gains now indicated for May and June but well below the rapid advances in March and April. Total nonfarm payroll employment rose in July at close to the May-June pace, after exceptional gains in March and April. In manufacturing, employment rose slightly in July while the average workweek was unchanged. The over-all unemployment rate jumped 0.5 of a percentage point, following a decline of 0.4 of a percentage point in June; the July level of 6.2 per cent was about the same as the average in the first 5 months of the year.

In June, private housing starts exceeded an annual rate of 2 million units for the fourth consecutive month. Starts averaged 2.1 million units in the second quarter, about the same as in the second half of 1977 and well above the rate for the first quarter of 1978.

Total retail sales changed little in July for the third consecutive

month following exceptional gains earlier in the year. Unit sales of new automobiles fell somewhat in July from the very rapid pace in the second quarter, while dollar sales of other durable goods rose considerably further.

The index of average hourly earnings for private nonfarm production workers increased at an annual rate of nearly 10 per cent in July; over the first 7 months of the year the index had risen at an annual rate of close to 9 per cent, considerably above its advance in 1977. The rise in average prices of producer goods moderated somewhat in July as prices of consumer goods declined after moving up rapidly in most earlier months of the year. In June the consumer price index for all urban consumers continued to rise at a rapid pace; over the first half of the year the index advanced at an annual rate of more than 10 per cent.

In foreign exchange markets the trade-weighted value of the dollar had declined nearly 6 per cent further since mid-July to a level about 10 per cent below the 1978 peak in May. The downward pressure on the dollar appeared to reflect widespread concern about the outlook for inflation in the United States and the persistence of large imbalances in the international payments positions of the United States and some of its major trading partners. The U.S. trade deficit, however, had declined in the second quarter from an extraordinarily high rate in the first quarter.

Following a substantial slowdown in June, the expansion in total credit at U.S. commercial banks accelerated in July to a pace close to the unusually rapid growth experienced in April and May. Expansion in bank loans was very strong in July and included growth in all major loan categories. Banks also made sizable additions to their holdings of U.S. Treasury and other securities. While growth in business loans was above the reduced pace in June, it remained well below the average rate in the first half of the year. Outstanding commercial paper of nonfinancial businesses continued to expand rapidly in July.

Growth of the narrowly defined money supply (*M-1*) remained moderate in July. Growth in *M-2* and *M-3* also continued moderate, as substantial inflows of funds into large-denomination time deposits at banks and into the new money market certificates at nonbank thrift institutions were partly offset by weakness in savings and small-denomination time deposits.

At its meeting on July 18 the Committee had decided that the ranges of tolerance for the annual rates of growth in *M-1* and *M-2* during the July-August period should be 4 to 8 per cent and 6 to 10 per cent, respectively. The Committee had agreed that during the coming inter-meeting period operations should be directed toward maintaining the weekly-average Federal funds rate within a range of  $7\frac{3}{4}$  to 8 per cent. It was also agreed that if, with approximately equal weight given to *M-1* and *M-2*, growth rates of the aggregates appeared to be close to or beyond the limits of the indicated ranges, the objective for the funds rate was to be raised or lowered in an orderly fashion within its specified range.

Following the July 18 meeting the Manager of the System Open Market Account sought bank reserve conditions consistent with a weekly-average Federal funds rate somewhat above  $7\frac{3}{4}$  per cent. Data that became available throughout the inter-meeting interval suggested that growth in the monetary aggregates over the July-August period would be well within the Committee's ranges and the Manager continued to seek conditions consistent with a Federal funds rate within a range of  $7\frac{3}{4}$  to 8 per cent. The average rate during the inter-meeting period was about  $7\frac{7}{8}$  per cent.

Market interest rates on most short- and long-term securities had declined 10 to 30 basis points since mid-July. The fall in rates apparently reflected a shift in expectations that was influenced by the recent pattern of moderate growth in the monetary aggregates, a smaller rise in the Federal funds rate than many had anticipated, and signs of some slowing in economic expansion. Declines in Treasury bill rates were also encouraged by sizable investments by foreign central banks of dollars obtained in currency support operations.

Conditions in mortgage markets, which had tightened significantly during the first half of the year, had stabilized in recent weeks. Interest rates on new commitments for conventional mortgage loans at savings and loan associations had changed little during the inter-meeting period, while yields in the secondary market for home mortgages had declined in line with reductions in most other market rates.

In the Committee's discussion of the economic situation, there was general agreement that the outlook for economic activity had changed little since the July meeting, and that in the year ending

with the second quarter of 1979 output of goods and services was most likely to grow at about the moderate pace projected by the staff. This judgment was qualified by the recognition that the weakness of the dollar in foreign exchange markets might have unfavorable repercussions on the domestic economy.

Committee members who differed with the staff economic projection all expected average growth to be a little less than the staff figure. A few members, while anticipating somewhat greater growth than the staff was projecting for the last half of 1978, continued to believe that growth in 1979 would slow more abruptly.

Several members noted that although economic growth had moderated recently, the pattern of expansion appeared to be well balanced. In their judgment none of the key economic sectors was exhibiting either serious sluggishness or unsustainably rapid growth; there was little evidence of developing capacity constraints and inventory surpluses were not a problem.

One negative element in this pattern, which seriously concerned all members of the Committee, was the unexpectedly high recent rate of inflation in prices and wages and the related possibility that an appreciable slowing of inflation would prove more difficult to achieve than previously had been anticipated. It was observed in this connection that the declining value of the dollar in foreign exchange markets was contributing significantly to inflation in the United States. Nearly all the Committee members expected price increases for the year ahead to be more rapid than the staff was projecting.

One member suggested that although the economy appeared to be fairly well balanced by the usual standards, there were potential problem areas: He identified the heavy reliance of consumers on credit to finance their spending; growing, if still limited, capacity constraints and materials shortages; and, of particular concern to him, the likely inflationary effects of impending wage settlements. Because of these generally strong inflationary pressures, he thought the risks of an early end to the expansion had become greater.

Other members of the Committee suggested that an important change in the outlook since the July meeting was an apparent stiffening in the resolve of labor leaders to hold out in forthcoming contract negotiations for sizable wage settlements. One member also cited apparent efforts by some businessmen to accelerate

increases in wages and prices because of their concern that controls might be imposed.

Committee members differed little in their estimates of the likely unemployment rate in the second quarter of 1979. Those estimates were all relatively close to the average rate thus far in 1978. It was suggested that productivity would show little increase over the projection period.

At its meeting in July the Committee had agreed that from the second quarter of 1978 to the second quarter of 1979 average rates of growth in the monetary aggregates within the following ranges appeared to be consistent with broad economic aims: *M-1*, 4 to 6½ per cent; *M-2*, 6½ to 9 per cent; and *M-3*, 7½ to 10 per cent. The associated range for the rate of growth in commercial bank credit was 8½ to 11½ per cent. It had also been agreed that the longer-run ranges, as well as the particular aggregates for which such ranges were specified, would be subject to review and modification at subsequent meetings.

In the discussion of policy for the period immediately ahead, most members expressed a preference for some slight firming of money market conditions. Several members emphasized the need to restrain the expansion of the monetary aggregates, especially in light of current and prospective inflationary pressures. It was suggested that an indication at this time of the System's continued determination to resist inflation would have a favorable impact on confidence, both in the domestic economy and in foreign exchange markets. With regard to the latter, the members were seriously concerned about the weakness of the dollar. They recognized that interrelated governmental actions would be needed to make progress in this area.

No sentiment was expressed at this meeting for an easing of money market conditions. On the other hand, it was suggested that a sharp move toward restraint under present circumstances might incur an undue risk of precipitating a recession. Two members preferred to retain current money market conditions for the time being.

There were only small differences among most Committee members in their preferences for operating specifications for the period immediately ahead. They were nearly unanimous in favoring a return to basing decisions for open market operations between

meetings primarily on the behavior of the monetary aggregates. In its previous directive the Committee had called for giving greater weight than usual to money market conditions.

For the annual rate of growth in *M-1* over the August–September period, most members favored ranges of 4 to 8 per cent or 5 to 9 per cent, but two members also found acceptable a range of 3 to 8 per cent and one preferred a lower range of 3 to 7 per cent. For *M-2* most members advocated ranges of 6 to 10 per cent or 6½ to 10½ per cent and one proposed a range of 6 to 11 per cent. One member preferred narrower ranges for both *M-1* and *M-2* that would be relatively close to the 12-month ranges adopted by the Committee: for *M-1* he suggested a range of 5½ to 7½ per cent and for *M-2* a range of 6½ to 8½ or 9 per cent. Other members, while preferring wider 2-month ranges, also felt that those ranges should more or less encompass the 12-month ranges in order to facilitate achievement of the Committee's objectives.

Most of the members favored directing open market operations toward a Federal funds rate of about 8 per cent shortly after today's meeting, but two members urged some delay in order to assess further information on the monetary aggregates and developments in foreign exchange markets. One member preferred to continue aiming initially for a Federal funds rate of around 7½ per cent in light of uncertainties about the economic outlook and the related performance of the monetary aggregates.

With respect to the inter-meeting range for the Federal funds rate, all but two members favored 7¾ to 8¼ per cent; one preferred 8 to 8¼ per cent and another 7¾ to 8½ per cent. The latter member felt that more leeway should be provided for raising the rate in the event that the monetary aggregates appeared to be growing rapidly in relation to the Committee's preferences for the August–September period. However, a majority of the members indicated that they did not want to see the Federal funds rate exceed 8¼ per cent without further assessment of new developments and the opportunity for consultation among the members.

At the conclusion of the discussion the Committee decided that ranges of tolerance for the annual rates of growth in *M-1* and *M-2* over the August–September period should be 4 to 8 per cent and 6 to 10 per cent, respectively. With regard to the Federal funds

rate, the Manager was instructed to seek a rate of around 8 per cent early in the period following today's meeting. Subsequently, if the 2-month growth rates of *M-1* and *M-2* appeared to be significantly above or below the midpoints of the indicated ranges, the objective for the funds rate was to be raised or lowered in an orderly fashion within a range of  $7\frac{1}{4}$  to  $8\frac{1}{4}$  per cent. It was also agreed that in assessing the behavior of the aggregates, the Manager should give approximately equal weight to the behavior of *M-1* and *M-2*.

The Committee decided to include in its directive a reference to developments in foreign exchange markets as well as the usual reference to conditions in domestic financial markets. The purpose of the added instruction was to provide the Manager with some flexibility to adjust the nature and timing of his operations in light of possible pressures on the dollar in foreign exchange markets.

As is customary, it was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives.

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

The information reviewed at this meeting suggests that real output of goods and services is growing moderately in the current quarter, although the pace is a little less than the average for the first two quarters of the year. In July retail sales remained at about the advanced level reached in April. Industrial production and nonfarm payroll employment continued to expand at lower rates than in the early spring months. The unemployment rate, which had dropped 0.4 of a percentage point in June, jumped 0.5 of a percentage point in July to 6.2 per cent, about the average rate in the first 5 months of the year. Average prices of goods and services have continued to rise rapidly, although producer prices of foods and foodstuffs declined in July. The advance in the index of average hourly earnings has been somewhat faster so far in 1978 than it had been on the average during 1977.

Since mid-July the trade-weighted value of the dollar against major foreign currencies has declined sharply further. The U.S. trade deficit was lower in the second quarter than the very high rate of the first quarter.

Growth in *M-1* remained moderate in July. Inflows of the interest-bearing deposits included in *M-2* and *M-3* picked up, owing to substantial flows into large-denomination time deposits at banks and into the new money market certificates at nonbank thrift institutions. Nevertheless, expansion in the broader aggregates also remained moderate in July. Most market interest rates have declined appreciably on balance in recent weeks.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster monetary and financial conditions that will resist inflationary pressures while encouraging continued moderate economic expansion and contributing to a sustainable pattern of international transactions. At its meeting on July 18, 1978, the Committee agreed that these objectives would be furthered by growth of *M-1*, *M-2*, and *M-3* from the second quarter of 1978 to the second quarter of 1979 at rates within ranges of 4 to 6½ per cent, 6½ to 9 per cent, and 7½ to 10 per cent, respectively. The associated range for bank credit is 8½ to 11½ per cent. These ranges are subject to reconsideration at any time as conditions warrant.

In the short run, the Committee seeks to achieve bank reserve and money market conditions that are broadly consistent with the longer-run ranges for monetary aggregates cited above, while giving due regard to developing conditions in domestic and international financial markets more generally. Early in the period until the next regular meeting, System open market operations shall be directed at attaining a weekly-average Federal funds rate slightly above the current level. Subsequently, operations shall be directed at maintaining the weekly-average Federal funds rate within the range of 7¼ to 8¼ per cent. In deciding on the specific objective for the Federal funds rate the Manager shall be guided mainly by the relationship between the latest estimates of annual rates of growth in the August-September period of *M-1* and *M-2* and the following ranges of tolerance: 4 to 8 per cent for *M-1* and 6 to 10 per cent for *M-2*. If, giving approximately equal weight to *M-1* and *M-2*, their rates of growth appear to be significantly above or below the midpoints of the indicated ranges, the objective for the funds rate shall be raised or lowered in an orderly fashion within its range.

If the rates of growth in the aggregates appear to be above the upper limit or below the lower limit of the indicated ranges at a time when the objective for the funds rate has already been moved to the corresponding limit of its range, the Manager is promptly to notify the Chairman who will then decide whether the situation calls for supplementary instructions from the Committee.



Votes for this action: Messrs. Miller, Volcker, Baughman, Coldwell, Eastburn, Gardner, Jackson, Wallich, and Winn. Votes against this action: Messrs. Partee and Willes.

Mr. Partee dissented from this action because he favored a 2-month range of tolerance for growth in *M-1* that was somewhat higher than the range advocated by the majority. He did not believe that a further move toward firmer money market conditions was warranted unless monetary expansion proved to be distinctly on the high side, especially in view of the marked slowing in real economic growth that now appeared to be in progress.

Mr. Willes dissented because he favored a more vigorous effort to curb the expansion of the monetary aggregates in light of current and expected inflationary pressures in the domestic economy and the weakness of the dollar in foreign exchange markets. He preferred to specify a 2-month range of tolerance for *M-1* below the range agreed upon by the majority.

Subsequent to the meeting, on September 8, the Committee held a telephone conference meeting pursuant to its decision on August 15 to consult further if the rates of growth in the monetary aggregates appeared to be above or below the limits of the Committee's ranges of tolerance for the August-September period and the Federal funds rate had already moved to the corresponding limit of its range. The latest staff projections suggested that *M-1* and *M-2* would grow at annual rates of 9.0 and 11.3 per cent, respectively, over the August-September period; the ranges of tolerance established at the August 15 meeting were 4 to 8 per cent for *M-1* and 6 to 10 per cent for *M-2*. The Manager had been aiming for a funds rate of about  $8\frac{1}{4}$  per cent, the top of the range that the Committee had specified at its August meeting, and the average rate in each of the two latest statement weeks was at about that level.

Against this background, the Committee decided to raise the upper limit of the range for the Federal funds rate to  $8\frac{1}{2}$  per cent and to instruct the Manager to aim promptly for a weekly-average Federal funds rate of about  $8\frac{3}{8}$  per cent. It was understood that the funds rate might be raised to the upper limit of the range if new data suggested that the aggregates were strengthening further,

or be reduced slightly if such data suggested significant weakening from current projections.

On September 8, 1978, the Committee modified the domestic policy directive adopted at its meeting of August 15, 1978, by increasing the upper limit of the 7¼ to 8¼ per cent range specified for the Federal funds rate to 8½ per cent and by calling for operations directed at raising the weekly-average Federal funds rate promptly to 8⅝ per cent.

Votes for this action: Messrs. Miller, Volcker, Coldwell, Eastburn, Gardner, Jackson, Partee, Willes, Winn, and Kimbrel. Votes against this action: None. Absent and not voting: Messrs. Baughman and Wallich. (Mr. Kimbrel voted as alternate for Mr. Baughman.)

\* \* \* \* \*

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

# Law Department

## Statutes, regulations, interpretations, and decisions

### CREDIT BY BROKERS AND DEALERS

The Board of Governors of the Federal Reserve System has amended its provision of Regulation T concerning credit by brokers and dealers on non-convertible debt securities to permit brokers and dealers, for the first time, to extend and maintain credit on non-convertible debt securities not listed on national securities exchanges which satisfy certain criteria as to size of issue, availability of information and status of payments for principal and interest.

Effective October 30, 1978, Sections 220.2, 220.4, and 220.8 are amended to read as follows:

#### SECTION 220.2—DEFINITIONS

\* \* \* \* \*

(f) The term **“margin security”** means any registered security, OTC margin stock or OTC margin bond.

\* \* \* \* \*

(i) The term **“OTC margin bond”** means a debt security not traded on a national securities exchange which meets all of the following requirements:

(1) At the time of the extension of credit, a principal amount of not less than \$25,000,000 of the issue is outstanding.

(2) The issue was registered under section 5 of the Securities Act of 1933 and the issuer either files periodic reports pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934 or

is an insurance company which meets all of the conditions specified in section 12 (g)(2)(G) of the Act.

(3) At the time of the extension of credit, the creditor has a reasonable basis for believing that the issuer is not in default on interest or principal payments:

#### SECTION 220.4—SPECIAL ACCOUNTS

\* \* \* \* \*

##### (i) **Special bond account.**

In a special bond account a creditor may extend and maintain credit on any exempted security, registered non-equity security or OTC margin bond. The maximum loan value of securities held in this account shall be as prescribed from time to time in § 220.8 (the Supplement to Regulation T). Call options may be issued, endorsed or guaranteed in this account on any underlying equity security which is held in this account because it is an exempted security.

\* \* \* \* \*

#### SECTION 220.8—SUPPLEMENT

\* \* \* \* \*

##### (b) **Maximum loan value for special bond account.**

The maximum loan value of an exempted security, a registered non-equity security or an OTC margin bond held in a special bond account subject to § 220.4(i) shall be as determined by the creditor in good faith.

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

ORDERS UNDER SECTION 3  
OF BANK HOLDING COMPANY ACT

Bellevue Holding Corporation,  
Geneva, Switzerland

Colonial General, Inc.,  
New York, New York

*Order Approving  
Formation of Bank Holding Companies*

Bellevue Holding Corporation ("Bellevue"), Geneva, Switzerland, and its wholly owned subsidiary, Colonial General, Inc. ("Colonial"), New York, New York, have applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become bank holding companies through the direct acquisition by Colonial of 62 per cent of the voting shares of First Coolidge Corporation ("First Coolidge"), Watertown, Massachusetts, a bank holding company that controls Coolidge Bank and Trust Company ("Bank"), Watertown, Massachusetts.

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

Applicants are non-operating corporations organized for the purpose of becoming bank holding companies by acquiring 62 per cent of First Coolidge, thereby acquiring indirect control of Bank. Bellevue, a corporation organized under the laws of the Republic of Panama and headquartered in Geneva, Switzerland, owns all outstanding shares of Colonial, which is chartered under the laws of Delaware and which has its principal place of business in New York, New York. Upon acquisition of First Coolidge, Applicants would control the 13th largest commercial bank in Massachusetts with 0.9 per cent of total commercial bank deposits in the State.<sup>1</sup>

Bank holds deposits of \$133.5 million, representing approximately one per cent of total deposits in commercial banks in the Boston banking

market.<sup>2</sup> Inasmuch as Applicants control no other banks, consummation of the proposed transaction would not have any adverse effects upon existing or potential competition and would not increase the concentration of banking resources in any relevant area. Thus, competitive considerations are consistent with approval of the applications.

The financial and managerial resources and future prospects of Applicants appear to be consistent with approval of their applications. Consummation of the proposal will result in an immediate injection of capital into Bank, and Applicants intend to devote significant attention to the provision of additional capital and managerial expertise in the immediate future. These actions are expected to strengthen the financial and managerial resources and future prospects of Bank and First Coolidge. Accordingly, banking factors lend weight toward approval of the applications.

Consummation of the transaction is expected to enable Bank to provide more effectively the services it currently offers. In addition, Applicants intend to expand and improve those services and to establish new areas of service. Therefore, it is the Board's judgment that considerations relating to the convenience and needs of the community to be served lend some weight toward approval of the applications. The Board concludes that consummation of the proposal to form bank holding companies would be in the public interest and that the applications should be approved.

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

By order of the Board of Governors, effective September 8, 1978.

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

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

<sup>1</sup> All banking data are as of December 31, 1977.

<sup>2</sup> The Boston banking market is approximated by the Boston SMSA, which includes all of the Suffolk County and portions of Essex, Middlesex, Norfolk, and Plymouth Counties.

Commerce Bancshares, Inc.,  
Kansas City, Missouri

*Order Approving Acquisition of Bank*

Commerce Bancshares, Inc., Kansas City, Missouri, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of Commerce Bank of Clay County, N.A., Kansas City, Missouri, a proposed *de novo* bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those submitted on behalf of Metro North State Bank, Kansas City, Missouri ("Protestant"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the third largest banking organization in Missouri, controls 32 banks with aggregate deposits of approximately \$1.6 billion, representing 7.7 per cent of the total deposits in commercial banks in the State.<sup>1</sup> Since Bank is a proposed new bank, its acquisition by Applicant would not in the near future increase the concentration of banking resources in Missouri.

Bank is to be located in the Kansas City banking market,<sup>2</sup> in which Applicant is the largest banking organization, with six subsidiary banks controlling 12.1 per cent of total market deposits. Applicant's market share would not change initially as a result of approval of this application. Since Bank would be a *de novo* bank, there will be no elimination of existing competition. Moreover, given the *de novo* nature of Bank, the size of the market, the number of banking organizations operating therein, and the prospects for continuing growth in the area, it does not appear that consummation of the proposal would have any adverse effects on potential competition. On the basis of the above and other facts of record, competitive considerations appear consistent with approval of the application.

The financial and managerial resources of Applicant, its subsidiaries, and Bank are regarded as

satisfactory. Bank has no financial or operating history; however, its future prospects as a subsidiary of Applicant appear favorable and considerations relating to banking factors are therefore regarded as consistent with approval of the application. As a new institution in Clay County and the Kansas City market, Bank would serve as an additional source of a full range of banking services in the market. Accordingly, considerations relating to the convenience and needs of the community to be served appear consistent with approval of the application.

In its review of the subject application, the Board has given careful consideration to the comments submitted on behalf of Protestant, a bank located near the proposed site of Bank. Protestant contends, among other things, that the banking needs of the community are being adequately met at the present time and there is no need for a new bank. In this regard, Protestant questions the validity of a study prepared for Applicant to establish the feasibility of Bank and claims that the information contained in the feasibility study either has changed or is different from that presented in connection with the subject application. Protestant further contends that Bank would act as a *de facto* branch of Applicant's subsidiary banks in violation of Missouri law and that consummation of the proposed acquisition would have anti-competitive effects.<sup>3</sup>

Protestant gave evidence at a public hearing before the Regional Administrator of the Comptroller of the Currency, Kansas City, Missouri, on February 23, 1977, related to the chartering of Bank. Many of the objections made by Protestant to the chartering of Bank are essentially the same as it has made in protesting the instant application. The Comptroller of the Currency, however, found

<sup>3</sup> Protestant also requested a hearing on the instant application. Under section 3(b) of the Act, the Board is required to hold a hearing when the primary supervisor of the Bank to be acquired recommends disapproval of the application (12 U.S.C. § 1842(b)). In this case, after a hearing on the charter application, the Comptroller of the Currency issued preliminary charter approval to Bank on August 31, 1977, and he has not subsequently recommended that the subject application be denied. Thus, there is no statutory requirement that the Board hold a hearing. Further, the Board has examined the record of the hearing held in connection with the chartering of Bank, the written submissions by Protestant and Applicant's responses, and is unable to conclude that a hearing would significantly supplement the record before the Board or resolve issues not already discussed at length in the written submissions of Protestant and Applicant and in the record of the hearing before the Office of the Comptroller of the Currency. In view of these facts, the Board concludes that the record in this case is sufficiently complete to render a decision and hereby denies Protestant's request for a hearing.

<sup>1</sup> All banking data are as of December 31, 1977.

<sup>2</sup> The Kansas City banking market is approximated by the northern half of Cass County, all of Clay, Jackson, and Platte Counties in Missouri and Johnson and Wyandotte Counties in Kansas.

that adequate demand for banking services existed to support an additional bank and approved Bank's application for a national charter. By letter dated June 30, 1978, to the Board, the Comptroller of the Currency, after reviewing all submissions made by Protestant and Applicant in connection with the subject application, reaffirmed to the Board his original decision that acquisition of Bank by Applicant is in the public interest and will provide the community with an additional convenient source of banking services.

The Clay County section of the Kansas City market in which Bank will be located has been one of the fastest-growing counties in the Kansas City market.<sup>4</sup> For example, from 1970 to 1974, the population of Clay County increased at an annual average rate of 1.9 per cent as opposed to 0.6 per cent for the entire Kansas City market. In addition, this population growth is expected to continue at an estimated annual rate for Clay County of 2.9 per cent through 1980, as opposed to 1.8 per cent for the market as a whole. Furthermore, the average annual compound growth rate for total personal income for Clay County was 9.7 per cent during the 1969-76 period, relative to a 9.0 per cent for the entire market.

The average annual growth rate of total deposits in commercial banks located in Clay County was 29.7 per cent from 1970-77, as opposed to a 14.0 per cent rate for all banks in the market.<sup>5</sup> Furthermore, banks located in Clay County are more profitable than the average firms within the market as measured by return on assets and equity capital. For example, during 1977, the banks in Clay County averaged a return on assets and equity capital of 0.89 and 11.3 per cent, respectively, as opposed to 0.75 and 10.5 per cent for all firms within the market.<sup>6</sup> Thus, it appears from these and other facts of record that the market, including Clay County, would be capable of supporting an

additional banking facility and that, despite possible errors or inconsistencies in the data utilized in Applicant's feasibility study, the ultimate conclusion of that study appears warranted.

Protestant also contends that Bank's proposed affiliation with Applicant would offend Missouri law prohibiting branch banking. It is clear from a long line of court cases that a State's restrictive branch banking laws do not automatically bar bank holding company operations. In a given case, the Board must examine the facts to determine whether a particular acquisition would constitute an illegal branch under State law. (See *Gravois Bank v. Board of Governors* 478 F.2d 546 (1973).) If the Board determines that a violation of State law would occur as a result of consummation of a proposal, it is required to disapprove the transaction. (*Whitney National Bank v. Bank of New Orleans* 323 F.2d 290 (D.C. Cir. 1963), reversed on other grounds, 379 U.S. 411 (1965).)

The facts of record indicate: that Bank will be a separate corporation, with its own capital stock and a loan limit based upon such capital stock; that Bank will be managed by its own officers; that Bank's board of directors will be generally separate and independent from the board of Applicant and of Applicant's subsidiaries; and that Bank will maintain its own separate books of account, issue its own distinctive checks, and use its own stationery. Moreover, except as permitted by law, money deposited at Bank will not be credited to the account of a depositor at any other banking subsidiary, nor will money deposited at the other subsidiaries be credited to accounts at Bank; Bank's officers and employees will not directly perform any services for customers of Applicant's other subsidiary banks other than those services that would be provided for customers of other area banks, and, conversely, officers and employees of Applicant's other subsidiary banks will not directly perform any services for customers of Bank that would not be provided for customers of other area banks. Applicant further represents that it will purchase Bank's shares through use of its own capital resources.

The Board concludes, based upon the above and other facts of record, that Applicant is a "traditionally recognized bank holding company which, with its own capital, invests in or buys the stock of banks,"<sup>7</sup> and that, upon consummation of the proposed acquisition, Bank would not be an illegal

<sup>4</sup> Bank's prospects are even further enhanced by the location of a regional shopping center containing 139 business establishments near Bank's proposed site.

<sup>5</sup> The annual deposits growth rate of the two banks located in Bank's proposed primary service area is greater than that of Clay County as a whole. For example, Protestant was formed *de novo* in 1973 and has experienced an annual deposit growth rate of 147.7 per cent from year end 1973 to 1977. The remaining bank in the proposed PSA has experienced a 53.0 per cent annual growth rate from June 1970 to December 1977.

<sup>6</sup> The profitability of the two banks in the proposed PSA has been more favorable than for the average Clay County bank. For example, Protestant earned 1.2 and 15.6 per cent return on assets and equity capital, respectively, for 1977. The other bank located in the proposed PSA earned 1.1 and 20.0 per cent return on assets and equity capital, respectively, during 1977.

<sup>7</sup> *Whitney National Bank v. Bank of New Orleans*, 323 F.2d 290, 303 (D.C. Cir. 1963).

branch of any of Applicant's other banking subsidiaries. Furthermore, it appears that any indicia of unitary operations that may be present in Applicant's future operations of Bank are those that are inherent in the structure of bank holding companies generally and permissible under Missouri law (*Grandview Bank and Trust Company v. Board of Governors* 550 F.2d 415 (1977)).

Finally, Protestant contends that consummation of the proposal will result in adverse competitive effects and cause undue injury to it. Protestant characterizes Applicant as "dominant" within the relevant banking market and argues that Applicant's acquisition of the *de novo* Bank would not be pro-competitive. Applicant controls 12.1 per cent of total market deposits and the market itself is not highly concentrated. Protestant has not submitted any information substantiating its claim that Applicant's presence in the market will be injurious to itself or general competition in the market. On the contrary, the growth trends and other factors discussed above and in the record, and the fact that Bank is a *de novo* bank support the conclusion that competitive considerations are consistent with approval.

In view of the foregoing discussion and having considered the facts of record and all the comments of Protestant in light of the statutory factors the Board must consider under § 3(c) of the Act, it is the Board's judgment that consummation of the subject proposal would be in the public interest and that the application to acquire Bank should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made: (a) before the thirtieth calendar day following the effective date of this Order; (b) later than three months after that date, and (c) Commerce Bank of Clay County, N.A., Kansas City, Missouri, shall be opened for business not later than six months after the effective 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 Kansas City pursuant to delegated authority.

By order of the Board of Governors, effective September 29, 1978.

Voting for this action: Chairman Miller and Governors Gardner, Wallich, Coldwell, Jackson, Partee, and Teeters.

(Signed) GRIFFITH L. GARWOOD,  
Deputy Secretary of the Board.

[SEAL]

DETROITBANK Corporation  
Detroit, Michigan

#### *Order Approving Acquisition of Bank*

DETROITBANK Corporation, Detroit, Michigan, has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(3)), to acquire 100 per cent of the voting shares (less directors' qualifying shares) of The Detroit Bank-Novi, National Association, Novi, Michigan, a proposed new bank ("Bank").

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

Applicant, the third largest banking organization in Michigan, controls eight banks with aggregate deposits of approximately \$3.3 billion, representing 9.3 per cent of the total deposits in commercial banks in the State.<sup>1</sup> Since Bank is a proposed new bank, its acquisition by Applicant would not increase the concentration of banking resources in Michigan.

Bank will be located in Novi and will be competing in the Detroit banking market.<sup>2</sup> Applicant is the second largest banking organization competing in the relevant market, with six of its banking subsidiaries controlling 16.4 per cent of market deposits. Since bank is a proposed new bank, Applicant's acquisition of Bank would not have any immediate effect on Applicant's share of commercial bank deposits in the Detroit banking market, nor would it eliminate any existing competition. Moreover, Applicant's relative size in the market and the number and concomitant growth of other banking organizations within the relevant market would assure that consummation of this proposal would not lead to a significant increase in Applicant's market share nor create a tendency toward monopoly by Applicant in the market. Accordingly, considerations of competitive effects are consistent with approval.

The financial and managerial considerations and prospects of Applicant and Bank are considered

<sup>1</sup> All deposit data are as of December 31, 1977.

<sup>2</sup> The Detroit banking market is approximated by Macomb, Oakland, and Wayne counties, and portions of the five surrounding counties of St. Clair, Lapeer, Livingston, Washtenaw, and Monroe.

generally satisfactory. Accordingly, banking factors are consistent with approval of the application.

Establishment of Bank in Novi will provide the convenience of an added banking alternative to that community. Bank will offer directly or provide access to all services normally considered to be "full-service banking." Considerations of convenience and needs lend weight toward approval of the application. Accordingly, it is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above provided the transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, and (c) The Detroit Bank-Novti, National Association, Novi, Michigan, shall be opened for business not later than six months after the effective 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 Chicago, pursuant to delegated authority.

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors of the Federal Reserve System, effective September 27, 1978.

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

Duclarkee, Inc.,  
Knoxville, Iowa

#### *Order Approving Retention of Bank Shares*

Duclarkee, Inc., Knoxville, Iowa, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to retain 31.64 per cent of the voting shares of Iowa State Savings Bank, Knoxville, Iowa ("Bank").

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

Applicant is a bank holding company by virtue of its ownership since 1960 of 49.3 per cent of the outstanding voting shares of Bank. Between April 1973 and May 1976, Applicant acquired by purchase an additional 1,107.5 shares or 31.64 per cent of Bank's outstanding voting shares. These acquisitions were made without the Board's prior approval.<sup>1</sup> Applicant now seeks Board approval to retain these shares.

Bank (\$25.2 million in deposits) is the 156th largest banking organization in Iowa, controlling 0.18 per cent of the total deposits in commercial banks in the State.<sup>2</sup> Bank is the fourth largest of five commercial banks in Marion County, Iowa (the relevant banking market), controlling 19.1 per cent of market deposits. In view of the fact that Applicant already controlled Bank before acquiring the additional shares, it does not appear that retention of Bank's shares by Applicant would have any adverse effect on competition, or increase the concentration of banking resources. Thus, competitive considerations are consistent with approval of the application.

The financial resources and future prospects of Applicant and Bank are satisfactory. In making its analysis of the managerial resources of these organizations, the Board notes that this application represents an after-the-fact request for the Board's approval to retain Bank shares acquired in violation of the Act. Upon consideration of the facts and circumstances surrounding Applicant's violation and other information in the record evidencing Applicant's intent and efforts to comply with the requirements of the Act, the Board has determined that the circumstances of the violation do not reflect so adversely on the managerial resources of Applicant as to warrant denial of the application. In other respects, the managerial resources of Applicant and Bank are regarded as satisfactory. Accordingly, considerations relating to banking factors are consistent with approval.

Although there are no changes contemplated in the services or facilities of Bank as a result of the retention of the voting shares, considerations

<sup>1</sup> As of April 1973, Applicant's sole shareholder owned an additional 1.0 per cent of the voting shares of Bank. Applicant, relying upon the advice of counsel, believed that for the purpose of qualifying for the exception from required Board approval pursuant to section 3(a)(B) of the Act, which permits a company to acquire additional bank shares without prior Board approval if the company already owns or controls a majority of the bank's shares, it could aggregate its sole shareholder's shares with those owned directly by Applicant. When informed of the inapplicability of section 3(a)(B), Applicant promptly filed the subject application.

<sup>2</sup> All banking data are as of December 31, 1977.



relating to the convenience and needs of the community to be served are consistent with approval of the application. Therefore, it is the Board's judgment that the proposed transaction is consistent with the public interest and that the application *should be approved*.

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

By order of the Board of Governors, effective September 18, 1978.

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

(Signed) GRIFFITH L. GARWOOD.

[SEAL.] *Deputy Secretary of the Board.*

First Banc Group of Ohio, Inc.,  
Columbus, Ohio

#### *Order Approving Acquisition of Bank*

First Banc Group of Ohio, Inc., Columbus, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of the successor by merger to The Sterling State Bank, Mount Sterling, Ohio ("Bank").<sup>1</sup> The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

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

Applicant, the sixth largest banking organization in Ohio, controls seventeen banking subsidiaries with aggregate deposits of approximately \$1.5 billion, representing 4.5 per cent of total deposits in commercial banks in the State.<sup>2</sup> Ac-

quisition of Bank with deposits of \$13.9 million, would increase Applicant's share of commercial bank deposits in Ohio by a nominal amount, and would not have an appreciable effect upon the concentration of banking resources in Ohio.

Bank is the seventeenth largest of twenty-seven banking organizations in the Columbus banking market<sup>3</sup> with 0.4 per cent of total deposits in commercial banks in the market. The City National Bank and Trust Company ("CNB"), Applicant's lead bank, also operates in the Columbus banking market, and is the third largest banking organization in the market with deposits of \$627 million, representing 18 per cent of total market deposits.<sup>4</sup> CNB has 28 branches located in the Franklin County portion of the Columbus banking market, while Bank has its only office in Madison County. Furthermore, the Board notes that current Ohio law prohibits Applicant from branching into Madison County.<sup>5</sup> While consummation of the proposal would appear to eliminate some existing competition between Bank and Applicant, in view of the facts of record in this application, the Board does not regard an increase of 0.4 per cent as so significant as to require a denial of the application. Moreover, while the Columbus banking market is somewhat concentrated with the three largest banking organizations holding 80.9 per cent of the total deposits in the market, Applicant is the *smallest of such organizations*, and in view of the facts presented in the record of this application, the Board concludes that the proposed acquisition of Bank by Applicant would have only slightly adverse effects on competition.

The financial and managerial resources of Applicant, its subsidiaries and Bank are regarded as satisfactory, and their future prospects appear favorable. Thus, considerations relating to banking factors are consistent with approval of the application. Upon consummation of the proposed acquisition, Applicant will take steps to cause Bank to improve its services in order to better meet the banking needs of its customers. More specifically, Applicant will assist Bank in revising its lending

<sup>3</sup> The Columbus banking market is approximated by all of Franklin, Fairfield, and Licking Counties, all of Pickaway County except Perry and Salt Creek Townships, the southern two thirds of Madison County, all of Delaware County except the northernmost townships, and Thorn Township in northwestern Perry County.

<sup>4</sup> Applicant has another banking subsidiary located in Columbus, but its activities are limited to providing fiduciary services.

<sup>5</sup> Ohio law has been amended, effective January 1, 1979, to permit a bank to branch into any county that is contiguous to the county in which it is headquartered.

<sup>1</sup> By separate action of this date, the Board denied Applicant's proposal to acquire The Fairfield National Bank of Lancaster, Lancaster, Ohio.

<sup>2</sup> All banking data are as of June 30, 1977.

policies, in particular providing for extended maximum maturities on mortgage loans, and for more competitive interest rates on instalment and commercial loans. Applicant also intends to cause Bank to reduce the minimum deposit required for certificates of deposit of less than four years maturity, and to increase the yield of all certificates of deposit offered by computing the interest on such certificates on a daily compounded basis. Following the acquisition of Bank, Applicant will improve Bank's premises by installing drive-in window facilities and equipping Bank with automated banking equipment. Finally, Bank's affiliation with Applicant will provide Bank's customers with more convenient access to certain specialized services, such as equipment leasing and trust services offered by Applicant's subsidiaries. Therefore, considerations relating to convenience and needs of the community to be served lend weight toward approval of the application and, in the Board's view, outweigh any slightly adverse effects on competition that might result from consummation of this proposal. Accordingly, it is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective September 1, 1978.

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

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

First Banc Group of Ohio, Inc.,  
Columbus, Ohio

*Order Denying Acquisition of Bank*

First Banc Group of Ohio, Inc., Columbus, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the

Act (12 U.S.C. §1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of the successor by merger to The Fairfield National Bank of Lancaster, Lancaster, Ohio ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

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

Applicant, the sixth largest commercial banking organization in Ohio, controls 17 banks<sup>1</sup> with aggregate deposits of \$1.5 billion, representing approximately 4.5 per cent of the total deposits held by commercial banks in that State.<sup>2</sup> Acquisition of Bank (\$44.9 million in deposits) would increase Applicant's share of Statewide deposits by approximately 0.1 per cent and would not alter Applicant's ranking among the other banking organizations in the State. Accordingly, consummation of this proposal would not result in a significant increase in the concentration of commercial banking resources in Ohio.

Bank, the eighth largest of 27 banking organizations in the Columbus market (the relevant banking market),<sup>3</sup> controls approximately 1.3 per cent of market deposits. Applicant is the third largest banking organization in the market, controlling 18.0 per cent of market deposits. Consummation of the proposed transaction would increase Applicant's already significant share of deposits in the market to 19.3 per cent and increase the percentage of deposits held by the three largest banking organizations in the market to 82.2 per cent.

<sup>1</sup> By a separate action of this date, the Board has approved the § 3(a)(3) application by Applicant to acquire the successor by merger to The Sterling State Bank, Mount Sterling, Ohio ("Sterling Bank").

<sup>2</sup> All banking data are as of June 30, 1977.

<sup>3</sup> The Columbus banking market is approximated by all of Franklin, Fairfield, and Licking Counties; all of Pickaway County except Perry and Salt Creek Townships; the southern two-thirds of Madison County; all of Delaware County except the northernmost townships; and Thorn Township in northwestern Perry County, Ohio.

In addition to the adverse effects upon the concentration of banking resources in the Columbus market, the proposal also would have substantially adverse effects upon competition within that market. As noted above, Applicant is already represented in the relevant market. The record indicates that existing competition would be eliminated upon consummation of this proposal. Furthermore, the proposal would foreclose the development of competition by removing Bank, the third largest (with three banking offices)<sup>1</sup> of seven banks in the Fairfield County portion of the market as an entry vehicle into the relevant market by Ohio bank holding companies not currently represented in the market. In addition, Applicant clearly is capable under Ohio law to expand in Fairfield County through the establishment of a branch or a subsidiary bank. In light of the above and other facts of record, the Board concludes that consummation of the proposal would have significant adverse competitive effects within the Columbus banking market.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as satisfactory and consistent with approval of the application. Accordingly, banking factors are consistent with approval of the subject application.

Although there is no evidence in the record that the banking needs of the Columbus banking market are not adequately being met, Applicant proposes to expand the range of services presently offered by Bank. While certain benefits to the convenience and needs of the communities to be served might result from Applicant's acquisition of Bank, such benefits would also result from entry by less anticompetitive means. Accordingly, although considerations relating to the convenience and needs of the communities to be served lend some weight toward approval, they do not clearly outweigh the adverse competitive considerations inherent in the subject proposal.

On the basis of all relevant facts of record, it is the Board's judgment that consummation of the proposed acquisition would not be in the public interest, and the application should be and hereby is denied.

By order of the Board of Governors, effective September 1, 1978.

<sup>1</sup> Bank is headquartered in the city of Lancaster and has three offices in the Fairfield County portion of the Columbus banking market, two in Lancaster, and one in the Village of Baltimore.

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

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

#### *Dissenting Statement of Governor Jackson*

I would approve the application of First Banc Group of Ohio to acquire The Fairfield National Bank. I do not believe that the proposed acquisition would have "substantially adverse" effects on competition in the market. Rather, I believe that the effect on competition would be only slightly anticompetitive, and that the effect on competition would be outweighed by the favorable effects that the acquisition would have on Bank's ability to serve the convenience and needs of its community.

The record shows that seven of the ten largest banking organizations in Ohio already operate in the Columbus banking market, and two of these operate in Fairfield County. Acquisition of The Fairfield National Bank—a bank with total deposits of approximately \$45 million, representing only 1.3 per cent of the market's commercial bank deposits—would, therefore, strengthen Bank and enable it to be a more effective competitor of the larger banking organizations in the market. Applicant plans, for example, to cause Bank to adopt more aggressive lending policies and improve its physical facilities. Thus, in my opinion, considerations related to the convenience and needs of the community to be served clearly outweigh the slightly adverse competitive effects that would result from Applicant's acquisition of Bank.

First Steuben Bancorp, Inc.,  
Toronto, Ohio

#### *Order Approving Acquisition of Bank*

First Steuben Bancorp, Inc., Toronto, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under Section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of the successor by merger to The Eastern Ohio Bank, Morristown, Ohio ("Bank"). The bank into which Bank is to be merged has no significance

except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

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

Applicant, the 29th largest banking organization in Ohio, controls four banks with aggregate deposits of approximately \$203 million, representing about 0.6 per cent of the total deposits in commercial banks in the State.<sup>1</sup> Acquisition of Bank (\$3.9 million in deposits) would increase Applicant's share of Statewide commercial bank deposits by less than 0.1 per cent and would have no appreciable effect upon the concentration of banking resources in the State.

Bank is the smallest of four banking organizations in the Barnesville banking market,<sup>2</sup> and controls approximately 5.3 per cent of the total deposits in commercial banks in the market.<sup>3</sup> Applicant, with one subsidiary bank in the market, is the second largest banking organization in that market, and holds deposits of approximately \$14.2 million, representing 20.6 per cent of market deposits. In addition to its principal banking office, Applicant's subsidiary bank has one branch office located in the Barnesville banking market. While consummation of this proposal would eliminate some existing competition inasmuch as Applicant and Bank operate in the Barnesville banking market, in view of the nature of the market and Bank's small size, the Board regards the effects of the proposal on competition as being only slightly adverse. Moreover, while the Barnesville banking market is concentrated, in view of the facts presented in the record of this application, the Board does not regard the increase in concentration of

market deposits associated with this proposal as being significant. Accordingly, the Board concludes that the proposed acquisition of Bank by Applicant would not have significant adverse effects on competition. Moreover, when viewed in light of the other considerations reflected in the record discussed below, the Board does not view the effects on competition as being so serious as to require denial of this proposal.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are satisfactory, and those of Bank are also satisfactory. Considerations relating to banking factors are consistent with approval of the application. Affiliation with Applicant would provide Bank with access to Applicant's financial resources and enable Bank to offer new and improved services in order to better meet the banking needs of its customers. In particular, Applicant has indicated that it intends to cause Bank to reduce auto loan interest rates and to offer additional maturities and reduced minimum amounts on certificates of deposit. In addition, the trust services of Applicant's lead bank will be more conveniently available to customers of Bank. Finally, upon affiliation with Applicant, Bank's ability to make larger loans will be substantially enhanced. Thus, considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application and outweigh any adverse effects on competition that might result from consummation of the proposal. Accordingly, it is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. *The transaction shall not be made before the thirtieth calendar day following the effective date of this Order or later than three months after the effective date of this Order, unless the latter 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, effective September 5, 1978.

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

(Signed) GRIFFITH L. GARWOOD,  
Deputy Secretary of the Board.

[SEAL.]

<sup>1</sup> All banking data are as of December 31, 1977, except as otherwise indicated. On April 26, 1978, Applicant received the Board's prior approval for the acquisition of Community National Bank, Flushing, Ohio ("Community Bank"), which is located in Bank's market area. Community Bank is treated as a subsidiary of Applicant for the purposes of the Board's competitive analysis.

<sup>2</sup> The Barnesville banking market, a primarily rural area on the periphery of the Wheeling, West Virginia, banking market, is approximated by the Western two thirds of Belmont County, Ohio.

<sup>3</sup> Market deposit data are as of June 30, 1977.

State Baneshares, Inc.,  
Olton, Texas

*Order Approving Acquisition of Bank*

State Baneshares, Inc., Olton, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 56.8 per cent of the voting shares of Security State Bank, Littlefield, Texas ("Bank").

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

Applicant, the 410th largest banking organization in Texas, controls one bank with deposits of \$22.1 million, representing 0.04 per cent of the total deposits in commercial banks in the State.<sup>1</sup> Acquisition of Bank, with deposits of \$30.9 million, would make Applicant<sup>2</sup> the 127th largest banking organization in the State and would increase Applicant's share of deposits in commercial banks in Texas by less than 0.1 per cent. Consequently, the acquisition would not have an appreciable effect upon the concentration of banking resources in the State.

Bank is the largest of four banks competing in the relevant market,<sup>3</sup> holding 53.6 per cent of the total deposits in commercial banks in that market. Applicant's only subsidiary bank does not compete in the relevant market and is located approximately 30 miles from Bank's sole office. From the record, it appears that no significant competition currently exists between Applicant's subsidiary bank and Bank, and it appears unlikely that any significant competition would develop between them in the future. In addition, Applicant's nonbank subsidiary, which makes agricultural loans in the same

area as Applicant's subsidiary bank, does not compete to any significant extent with Bank. Moreover, the relevant market does not appear to be attractive for *de novo* entry in view of the declining population in the market and the fact that the ratio of population to banking offices is well below the comparable Statewide average ratio. Accordingly, consummation of the proposal will have no significant adverse effect on either existing or potential competition or on concentration of banking resources in the relevant banking market. Therefore, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources of Applicant and its subsidiaries, as well as those of Bank, are regarded as satisfactory, and their future prospects appear favorable. Thus, banking factors are consistent with approval of the application. If the application is approved, Applicant proposes to make expanded services available to customers of Bank, including mortgage loans, accounts receivable financing, and direct deposit of payroll checks. Applicant also intends to extend banking hours and to increase Bank's loan portfolio, especially its agricultural loans. These considerations relating to convenience and needs of the community to be served are consistent with, and lend some weight toward, approval of the application. Therefore, it is the Board's judgment that the proposed acquisition is in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective September 29, 1978.

Voting for this action: Chairman Miller and Governors Gardner, Wallich, Coldwell, Jackson, Partee, and Teeters.

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

[SEAL]

<sup>1</sup> All banking data are as of December 31, 1977.

<sup>2</sup> Applicant, a "company covered in 1970" as that term is defined in the Act, has continuously since June 30, 1968, leased a service station that it owns. This activity is permanently "grandfathered" pursuant to § 4(a)(2) of the Act, and the Board sees no reason to require Applicant to terminate this activity at this time.

<sup>3</sup> An analysis of topographical population, highway access, and advertising media data indicates that the relevant banking market is approximated by the southern two-thirds of Lamb County, Texas.

Texas Commerce Baneshares, Inc.,  
Houston, Texas

*Order Approving Acquisition of Bank*

Texas Commerce Baneshares, Inc., Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Richmond Commerce Bank, Houston, Texas ("Bank"), a proposed *de novo* bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received including those of Western Bank and Post Oak Bank ("Protestants"), both located in Houston, Texas, and the Texas Banking Commissioner, in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant is the largest banking organization in Texas and controls 38 banking subsidiaries, with aggregate deposits of approximately \$4.9 billion, representing 8.2 per cent of total deposits in commercial banks in the State.<sup>1</sup> Since Bank is a proposed new bank, Applicant's acquisition of Bank would not cause any immediate increase in Applicant's share of deposits in commercial banks in Texas.

Bank has received charter approval from the Department of Banking of the State of Texas and is to be located in the southwest part of the city of Houston. Applicant ranks as the second largest of 123 banking organizations in the Houston banking market,<sup>2</sup> with 14 subsidiary banks controlling 19.2 per cent of total market deposits. Since Bank is a proposed new bank, Applicant's acquisition of Bank would not eliminate any existing competition, nor would it have any immediate effect upon Applicant's share of commercial bank deposits in the market. In addition, the facts of record indicate that even after consummation of this proposal the Houston banking market,

including the southwestern sector, appears to be capable of supporting additional entrants.

As part of its analysis of the subject application, the Board has considered the comments of the Texas Banking Commissioner and the comments and request for a hearing submitted by Protestants. In summary, Protestants contend that consummation of the subject proposal would further increase Applicant's dominant position in the State of Texas and, more particularly, in the Houston banking market; Applicant's *de novo* expansion in the southwestern part of the market, where Applicant is already well-represented, has increased the concentration of banking resources in that section of Houston; the acquisition of Bank by Applicant would preempt an attractive site for future *de novo* entry; because of the high number of bank charters being granted in the Houston market, further entry has become highly restricted, particularly in Houston's southwestern portion; Bank's proposed service area cannot support an additional bank and the growth of smaller banks in the area will be adversely affected by the establishment of Bank; finally, Protestants maintain there is no need for additional banking services in Bank's proposed service area. Protestants have requested a hearing on the subject application. The Texas Banking Commissioner has suggested that the Board, in acting upon the subject application, give special attention to the proximity of Applicant's subsidiary banks to Bank's proposed site.

With regard to Protestants' request for a hearing, the Board has examined the record of the hearing held in connection with the chartering of Bank and in which the Protestants participated, as well as the voluminous written submissions of the Protestants and Applicant, and is unable to conclude that a hearing would significantly supplement the record before the Board or serve to resolve issues already thoroughly discussed in the above-noted submissions and in the record of the hearing before the State Banking Board of Texas. In view of the foregoing, Protestants' request for a hearing is hereby denied.<sup>3</sup>

The Board notes that Applicant is but one of four banking organizations of comparable size in Texas, as measured by total deposits. Within the Houston banking market, Applicant is the second

<sup>1</sup> All deposit data are as of December 31, 1977, and reflect bank holding company formations and acquisitions approved as of June 30, 1978.

<sup>2</sup> The Houston banking market is approximated by the Houston Rationally Metropolitan Area ("RMA"), which includes Harris County and portions of Montgomery, Liberty, Brazoria, Fort Bend, and Galveston Counties in Texas.

<sup>3</sup> Under section 3(b) of the Act, the Board is required to hold a hearing only if the primary supervisor of the bank to be acquired recommends disapproval of the application (12 U.S.C. § 1842(b)). Where, as in this instance, the primary supervisor has not recommended disapproval there is no statutory requirement that the Board hold a hearing.

largest banking organization, competing with 122 other banking organizations in the market. Moreover, the Houston banking market has the lowest four-firm concentration ratio of Texas' four primary banking markets, with the top four banking organizations controlling 55.6 per cent of market deposits. To characterize Applicant as "dominant" in the Houston market is not an accurate description of Applicant's standing in that market. In addition, the Board is unable to conclude that consummation of the subject proposal would have the effects on Statewide concentration ascribed by Protestants.

While under some circumstances *de novo* expansion in a market by a leading organization within that market could reduce prospects for market deconcentration by preempting viable sites for *de novo* entry or expansion by other firms, Applicant's *de novo* expansion in the rapidly growing southwest sector of Houston would have only a minimal impact upon market entry conditions.<sup>1</sup> Further, it appears that the southwestern part of the Houston market is clearly capable of supporting an additional bank without having a significant adverse effect upon Protestants' banks or the other banks in the area. From the facts of record, it appears that even after consummation of the proposal the market would remain attractive for *de novo* entry and that ample opportunities for market deconcentration remain through foothold or *de novo* entry into the market.

In the Board's view, the concern expressed by the Texas Banking Commissioner and Protestants over the proximity of two of Applicant's subsidiary banks to Bank is not warranted in light of the facts of record. The record indicates that Applicant's two closest subsidiary banks to Bank presently do not derive a significant amount of their loans or deposits from Bank's proposed service area. Moreover, located within Bank's proposed service area are five other competing commercial banks three of which are subsidiaries of multi-bank

holding companies that are among the ten largest in the State. Furthermore, as noted above, Bank's service area is experiencing rapid growth, and appears attractive for *de novo* entry. Based upon these and other facts of record, it appears that Applicant's proposal to acquire Bank, will not give Applicant an undue competitive advantage in Bank's service area, the southwestern section of Houston, or in the Houston banking market as a whole.

Accordingly, based upon all the facts of record, including the record of the chartering hearing, the submissions of Protestants, and the submissions of Applicant, and given the growth of the Houston market, the large number of competing organizations, and the number of opportunities for market deconcentration, the Board concludes that approval of this application would not result in any adverse effects upon competition in any relevant area.

The financial and managerial resources and future prospects of Applicant and its subsidiary banks are regarded as generally satisfactory, particularly in light of Applicant's commitment to inject additional capital into Texas Commerce Bank upon consummation of the proposal. Bank, as a proposed *de novo* bank, has no financial or operating history; however, its prospects as a subsidiary of Applicant appear favorable. Accordingly, considerations relating to banking factors are consistent with approval of this application. The establishment of Bank would provide a new and convenient banking alternative for the area's residents. Moreover, as a subsidiary of Applicant, Bank would have access to Applicant's financial and managerial resources and would be able to institute and develop a full line of banking services. Thus, considerations relating to the convenience and needs of the community to be served lend some weight toward approval of the application. Accordingly, it is the Board's judgment that consummation of the transaction would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) Richmond Commerce Bank, Houston, Texas, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board,

<sup>1</sup> The Houston banking market experienced a population increase of 25.4 per cent during the 1970-1978 period. The population of the city of Houston increased by 18.4 per cent, compared with a population increase of 14.6 per cent for the State of Texas during the same period. It is also noted that the ratio of population to banking offices in the Houston banking market is 13,555, or 1.45 times the Statewide average. Also, per capita deposits in the market are 1.32 times the Statewide average. The southwestern sector of Houston has participated in the rapid expansion experienced throughout the Houston market over the last few years; moreover, numerous shopping areas, office buildings, and apartment buildings are located within Bank's service area.

or by the Federal Reserve Bank of Dallas, pursuant to delegated authority.

By order of the Board of Governors, effective September 5, 1978.

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

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

[SEAL]

#### ORDER UNDER SECTION 4 OF BANK HOLDING COMPANY ACT

People's Corporation,  
Providence, Rhode Island

##### *Order Approving Acquisition of 667 Corporation*

People's Corporation, Providence, Rhode Island, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire 100 per cent of the voting shares of 667 Corporation, Providence, Rhode Island, a company that engages in the activity of real property leasing. Such activity has been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(6)(b)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (43 Fed. Reg. 27894). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant is a bank holding company by virtue of its control of People's Trust Company, Providence, Rhode Island ("Bank"). Applicant, in turn, is a wholly-owned subsidiary of People's Savings Bank, Providence, Rhode Island ("Savings"), a Rhode Island chartered, insured mutual savings bank. While Savings controls Bank indirectly, Savings is not deemed to be a bank holding company by reason of section 2(a)(5)(F) of the

Act.<sup>1</sup> In 1973, Savings formed 667 Corporation to invest in and lease certain real estate located in Virginia. It was subsequently determined that this was not a permissible investment for Savings under section 2(a)(5)(F) of the Act and that Savings would have to divest its direct ownership of 667 Corporation. Accordingly, the sole purpose of the proposed transaction is to enable Savings to divest itself of its direct ownership of 667 Corporation in order to conform its investments with statutory requirements of the exemption provided in section 2(a)(5)(F) of the Act.

Applicant, the seventh largest commercial banking organization in Rhode Island, controls deposits of approximately \$19.6 million, representing 0.57 per cent of total deposits in commercial banks in that State.<sup>2</sup> Applicant does not currently engage in any nonbanking activities, either directly or through subsidiaries. Since the proposed transaction is merely a corporate reorganization, it does not appear that consummation of the proposal would have any adverse effects on competition in any relevant area. On the other hand, approval of the proposed transaction will ensure the continuation of the services provided by 667 Corporation to its customer on the same terms. Furthermore, there is no evidence in the record to indicate that consummation of the proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other effects that would be adverse to the public interests.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8), that consummation of this proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects and that the application to engage in real property leasing activities should be approved. Accordingly, the application is hereby approved. The transaction shall be accomplished not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Boston. The approval of this application is subject to the conditions set forth in § 225.4(c) of Regu-

<sup>1</sup> Section 2(a)(5)(F) provides that no insured mutual savings bank is a bank holding company by virtue of its control of a bank located in the same State, if the mutual savings bank does not acquire directly more than 5 per cent of the voting shares of any company.

<sup>2</sup> All banking data are as of December 31, 1977.



lation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective September 1, 1978.

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

(Signed) GRIFFITH L. GARWOOD,  
Deputy Secretary of the Board.

[SEAL]

#### CERTIFICATION UNDER THE BANK HOLDING COMPANY TAX ACT OF 1976

University Bancorp, Inc.,  
Kansas City, Missouri

##### *Prior Certification Pursuant to the Bank Holding Company Tax Act of 1976*

University Bancorp, Inc., Kansas City, Missouri ("University") (formerly Orwig and Company, Inc. ("Orwig")), has requested a prior certification pursuant to section 6158(a) of the Internal Revenue Code ("Code"), as amended by section 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that the sale on June 12, 1975, by Ward Parkway Building Company ("Ward Parkway"), a wholly-owned subsidiary of Merchants Investors, Inc., Kansas City, Missouri ("Merchants"), of substantially all the assets of Ward Parkway, was necessary or appropriate to effectuate section 4 of the Bank Holding Company Act (12 U.S.C. § 1843) ("BHC Act").<sup>1</sup> University is the successor under Missouri law to all of the rights, privileges and interests of Merchants.

In connection with this request, the following information is deemed relevant for purposes of issuing the requested certification:<sup>2</sup>

1. Merchants was a corporation organized

under the laws of the State of Missouri on June 1, 1953. Ward Parkway was a corporation organized under the laws of the State of Missouri. Merchants acquired 750 shares, representing 100 per cent of the outstanding shares, of Ward Parkway on January 28, 1955.

2. On December 3, 1956, Merchants acquired 14,500 shares, representing 24.2 per cent of the outstanding shares, of University Bank, Kansas City, Missouri. On May 1, 1969, the shares of University Bank held by Merchants were exchanged for 24.2 per cent of the shares of University Bancorp, Kansas City, Missouri, a holding company that had been formed to hold 99 per cent of the shares of University Bank.

3. On July 7, 1970, Merchants was a subsidiary of, i.e. approximately 38.75 per cent of its voting shares were held by, Mawn Investment Company ("Mawn"), a company that would have been a bank holding company had the 1970 Amendments to the BHC Act been in effect on that date. Mawn held, directly and indirectly, an additional 21 per cent of the voting shares of University Bancorp. The remaining 61.25 per cent of Merchants' voting shares, as well as all of the shares of Mawn, were owned by members of the Schultz family.<sup>3</sup> The President and two of the three directors of Merchants were members of the Schultz family. Those members of the Schultz family who were officers and directors of Merchants, and their immediate relatives, directly and indirectly owned an additional 45.1 per cent of the voting shares of University Bancorp.

4. During July 1970 the corporate holdings of the Schultz family were reorganized so that Mawn ceased to exist and Merchants became a subsidiary of Orwig, with Orwig owning 38.75 per cent of Merchant's stock and 24.2 per cent of Bancorp's stock. All of Orwig's shares were held by members of the Schultz family. Between July 24 and December 31, 1970, Merchants redeemed all of its own voting shares held by Orwig. As a result of these transactions, by December 31, 1970, Orwig and Merchants both stood as independent corporations, each controlled by the Schultz family and each owning 24.87 per cent of the voting shares of Bancorp.

<sup>1</sup> Pursuant to section 3(e)(2) of the Tax Act, in the case of any sale that takes place on or before December 31, 1976 (the 90th day after the date of the enactment of the Tax Act), the certification described in § 6158(a) shall be treated as made before the sale, if application for such certification was made before the close of December 31, 1976. University's application for such certification was received by the Board on December 29, 1976.

<sup>2</sup> This information derives from University's correspondence with the Board concerning its request for certification, Orwig's and Merchant's Registration Statements filed with the Board pursuant to the BHC Act, and other records of the Board.

<sup>3</sup> The family members referred to are Sonia and Sam Schultz, their sons William, Norman and Michael, and their daughter, Aletha Simon, and her husband.

5. Merchants registered as a bank holding company on September 20, 1971.

6. In accordance with section 1103(b)(2) of the Tax Act, Merchants is deemed, solely for the purpose of issuing the requested certification, to have controlled University as of July 7, 1970, by virtue of exercising a controlling influence over University Bancorp as of that date pursuant to section 2(a)(2)(c) of the BHC Act.

7. During 1972 and 1973, as the result of treasury stock acquisition by University Bancorp, Merchants' percentage ownership in University Bancorp increased to 38.57 per cent. This situation remained the same at the time of the Ward Parkway sale (June 17, 1975) and until Merchants and Orwig merged on December 31, 1975.

8. On June 12, 1975, Merchants held property acquired by it on or before July 7, 1970, the disposition of which would be necessary or appropriate to effectuate section 4 of the BHC Act if Merchants were to continue to be a bank holding company beyond December 31, 1980, which property is "prohibited property" within the meaning of sections 6158(f)(2) and 1103(c) of the Code.

9. In 1962 Ward Parkway purchased property located at 7215 Topeka Boulevard, Topeka, Kansas, known as the "Heart of America warehouse property." On June 12, 1975, Ward Parkway sold this warehouse property to a third party, Graham Investment Company, Wichita, Kansas, for \$1,450,000 in cash. No debtor-creditor relationship existed or exists between Graham Investment Company and Merchants or any corporation succeeding to the rights and liabilities of Merchants. Ward Parkway was liquidated into Merchants on December 31, 1975.

10. On December 1, 1975, the Board of Governors of the Federal Reserve System issued an Order approving the application of Orwig and Company, Kansas City, Missouri ("Orwig", a bank holding company controlled by the Schultz family) to merge with Merchants pursuant to section 3(a)(5) of the BHC Act. On December 31, 1975, Merchants merged with Orwig under the charter and title of Orwig. On June 9, 1976, Orwig amended its articles of corporation to change its name to University Bancorp, Inc. ("University").

11. No director, officer, or employee with policy-making functions of University or any of its subsidiaries (including honorary and advisory directors) holds any such position with Graham Investment Company.

12. No interest in Graham Investment Company is held by trustees for the benefit of University, its shareholders or employees.

13. University has no means, directly or indirectly, by which it is able to exercise or has the power to exercise a controlling influence over the management or policies of Graham Investment Company.

14. Under Missouri law, Section 351.450 Mo. Rev. Stat. (1969), University succeeded to all the rights that Merchants held prior to the merger of Merchants and Orwig on December 31, 1975.

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

(A) At the time of the sale by Ward Parkway of its warehouse property to Graham Investment Company, Merchants was a qualified bank holding corporation within the meaning of section 6158(f)(1) and subsection (b) of section 1103 of the Code, and satisfied the requirements of that subsection;

(B) the assets sold by Ward Parkway were "prohibited property" within the meaning of sections 6158(f)(2) and 1103(c) of the Code; and

(C) the sale of the Ward Parkway properties was necessary or appropriate to effectuate section 4 of the BHC Act.

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

By order of the Board of Governors acting through its General Counsel pursuant to delegated authority (12 CFR § 265.2(b)(3)), effective September 14, 1978.

(Signed) JOHN M. WALLACE,  
[SEAL] Assistant Secretary of the Board.

## ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

During September 1978, the Board of Governors approved the applications listed below. Copies are available on request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D. C. 20551.

## SECTION 3

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (Effective date)</i>
Bates County Bancshares, Inc., Rich Hill, Missouri	Security Bank of Rich Hill, Rich Hill, Missouri	September 27, 1978
BYRON BANCSHARES, INC., Byron, Illinois	First National Bank of Byron, Byron, Illinois	September 5, 1978
Exchange Bancorporation, Inc., Tampa, Florida	The Vanderbilt Bank, Naples, Florida	September 22, 1978
First Bancorp of N.H., Inc., Manchester, New Hampshire	Wolfeboro National Bank, Wolfeboro, New Hampshire	September 15, 1978
Guaranty Corporation, Denver, Colorado	Guaranty Bank and Trust Company, Denver, Colorado	September 28, 1978
Herget Financial Corp., Pekin, Illinois	The Herget National Bank of Pekin, Pekin, Illinois	September 22, 1978
Pecatonica Bancshares, Inc., Pecatonica, Illinois	Bank of Pecatonica, Pecatonica, Illinois	September 15, 1978
St. Joseph Bancshares, Inc., St. Joseph, Missouri	Farmers State Bank, St. Joseph, Missouri	September 20, 1978

## ORDERS APPROVED UNDER BANK MERGER ACT

<i>Applicant</i>	<i>Bank(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>
First Virginia Bank-Eastern, Warrenton, Fauquier County, Virginia	Bank of Warrenton, Warrenton, Virginia	Richmond	September <del>15</del> 6, 1978
Southern Bank and Trust Company, Richmond, Virginia	Williamsburg National Bank, Williamsburg, Virginia	Richmond	September <del>15</del> 6, 1978
The F.B.G. Bank of Mount Sterling, Mount Sterling, Ohio	The Sterling State Bank, Mount Sterling, Ohio	Cleveland	September 20, 1978
Bank of Utah, Ogden, Utah	Bank of Brigham City, Brigham City, Utah	San Francisco	September 20, 1978

## BY FEDERAL RESERVE BANKS

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

## Section 3

<i>Applicant</i>	<i>Bank(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>
First American Bank Corporation, Kalamazoo, Michigan	Van Buren State Bank, Hartford, Michigan	Chicago	September 20, 1978
First Virginia Banks, Inc., Falls Church, Virginia	Bank of Warrenton, Warrenton, Virginia	Richmond	September 6, 1978

## Section 4

<i>Applicant</i>	<i>Nonbanking company (or activity)</i>	<i>Reserve Bank</i>	<i>Effective date</i>
Southwest Baneshares Inc., Houston, Texas	Underwriting credit life and credit accident and health insurance directly related to banking	Dallas	September 12, 1978

## PENDING CASES INVOLVING THE BOARD OF GOVERNORS

Does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

*Cradel v. The United States and the Reserve Bank of Philadelphia*, filed July 1978, U.S.D.C. for the Eastern District of Pennsylvania.

*Beckley v. Board of Governors*, filed July 1978, U.S.D.C. for the Northern District of Illinois.

*Independent Bankers Association of Texas v. First National Bank in Dallas, et al.*, filed July 1978, U.S.C.A. for the Northern District of Texas.

*Mid-Nebraska Bancshares, Inc. v. Board of Governors*, filed July 1978, U.S.C.A. for the District of Columbia.

*NCNB Corporation v. Board of Governors*, filed June 1978, U.S.C.A. for the Fourth Circuit.

*NCNB Corporation v. Board of Governors*, filed June 1978, U.S.C.A. for the Fourth Circuit.

*Citicorp v. Board of Governors*, filed March 1978, U.S.C.A. for the Second Circuit.

*Ellis Banking Corporation v. Board of Governors*, filed May 1978, U.S.C.A. for the Fifth Circuit.

*United States League of Savings Associations v. Board of Governors*, filed May 1978, U.S.D.C. for the District of Columbia.

- Hawkeye Bancorporation v. Board of Governors*, filed April 1978, U.S.C.A. for the Eighth Circuit.
- Dakota Bankshares, Inc. v. Board of Governors*, filed April 1978, U.S.C.A. for the Eighth Circuit.
- Security Bancorp and Security National Bank v. Board of Governors*, filed March 1978, U.S.C.A. for the Ninth Circuit.
- Michigan National Corporation v. Board of Governors*, filed January 1978, U.S.C.A. for the Sixth Circuit.
- Wisconsin Bankers Association v. Board of Governors*, filed January 1978, U.S.C.A. for the District of Columbia.
- Vickers-Henry Corp. v. Board of Governors*, filed December 1977, U.S.C.A. for the Ninth Circuit.
- Emch v. The United States of America, et al.*, filed November 1977, U.S.D.C. for the Eastern District of Wisconsin.
- Corbin v. Federal Reserve Bank of New York, Board of Governors, et. al.*, filed October 1977, U.S.D.C. for the Southern District of New York.
- Central Bank v. Board of Governors*, filed October 1977, U.S.C.A. for the District of Columbia.
- Investment Company Institute v. Board of Governors*, filed September 1977, U.S.C.A. for the District of Columbia.
- BankAmerica Corporation v. Board of Governors*, filed May 1977, U.S.C.A. for the Northern District of California
- BankAmerica Corporation v. Board of Governors*, filed May 1977, U.S.C.A. for the Ninth Circuit.
- National Automobile Dealers Association, Inc. v. Board of Governors*, filed November 1976, U.S.C.A. for the District of Columbia.
- Central Wisconsin Bankshares, Inc. v. Board of Governors*, filed June 1976, U.S.C.A. for the Seventh Circuit.
- Memphis Trust Company v. Board of Governors*, filed February 1976, U.S.D.C. for the Western District of Tennessee.
- First Lincolnwood Corporation v. Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.
- Roberts Farms, Inc. v. Comptroller of the Currency, et. al.*, filed November 1975, U.S.D.C. for the Southern District of California.
- Florida Association of Insurance Agents, Inc. v. Board of Governors, and National Association of Insurance Agents, Inc. v. Board of Governors*, filed August 1975, actions consolidated in U.S.C.A. for the Fifth Circuit.
- David R. Merrill, et. al. v. Federal Open Market Committee of the Federal Reserve System*, filed May 1975, U.S.D.C. for the District of Columbia.
- Bankers Trust New York Corporation v. Board of Governors*, filed May 1973, U.S.C.A. for the Second Circuit.

# Announcements

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## CHANGES IN DISCOUNT RATE

The Board of Governors of the Federal Reserve System announced approval of an increase in the discount rate from 8 to 8½ per cent, effective October 16, 1978.

The action was taken to bring the discount rate into closer alignment with increased short-term market interest rates, and in recognition of continued high inflation, the recent rapid rate of monetary expansion, and current international financial conditions.

In making the change, the Board acted on requests from the directors of the Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco.

Earlier, the Board had announced an increase in the discount rate from 7¾ to 8 per cent, effective September 22, 1978.

Action was taken in recognition of recent increases in other short-term interest rates, to bring the discount rate into closer alignment with short-term rates generally, and as a further step to strengthen the dollar.

In making the change, the Board acted on requests from the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco. The discount rate is the interest rate that member banks are charged when they borrow from their district Federal Reserve Banks.

## COMMUNITY REINVESTMENT ACT: Regulations

Federal regulators of banks and savings and loan associations have announced final regulations implementing the Community Reinvestment Act (CRA), to take effect November 6, 1978.

The act requires the agencies to have in force regulations by that date and to encourage the

institutions they regulate to help meet the credit needs of their communities, including low- and moderate-income neighborhoods, consistent with safe and sound operations.

Before issuing these final rules, the agencies considered more than 500 letters of comment from the public. In response to numerous suggestions, the requirements were clarified and simplified.

The Board of Governors, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board will be assessing institutions' records of providing local credit services.

Key factors are listed in the regulations for examiners to use in assessing a lender's record. An institution's performance will be taken into account when it applies for branches, mergers, charters, insurance, and certain other approvals. Past performance may be grounds for denial of an application.

The regulation applies to all such applications pending on November 6, 1978, as well as to those filed on or after that date.

The agencies will also consider the views of State supervisory authorities when State-chartered institutions apply for Federal deposit insurance or other approvals.

The CRA regulation approved by the agencies includes the following principal provisions designed to assist lenders in complying with the act, to inform the public, and to help regulators discharge their responsibilities:

## DELINEATION OF COMMUNITY

Lenders subject to the act are required to prepare and at least annually to review a map delineating the local community or communities comprising the lender's entire community, without excluding low- and moderate-income neighborhoods. A local community consists of the contiguous areas around each office or group of offices of the institution but need not take account of off-premises electronic facilities that receive deposits for more than

one lender. The regulation specifies three bases for delineation of a community:

- Boundaries such as those of a standard metropolitan statistical area (SMSA), or counties, where an institution's office or offices are located. Where appropriate, adjacent areas may be included, and adjustments may be made for boundaries such as State lines. Small institutions may delineate those areas of an SMSA or county it may reasonably be expected to serve.
- A lender may use its effective lending territory by delineating its local community, defined as areas where it makes a substantial portion of its loans, and other equidistant areas around each of its offices.
- A lender may use any other reasonably delineated area that meets the purposes of the act and does not exclude low- and moderate-income areas.

### COMMUNITY REINVESTMENT ACT STATEMENT

Within 90 days after November 6, 1978, the board of directors of each institution subject to the act shall adopt a Community Reinvestment Act Statement (CRA Statement) for each delineated local community including the following main features:

1. The delineation of the local community;
2. A list of the principal types of credit the lender is prepared to extend in the local community;
3. A copy of the Community Reinvestment Act notice cited below.

Lenders are encouraged to include also in their CRA Statement a statement of how they are helping to meet community credit needs, a periodic report on their record of helping to meet community credit needs, and how they attempt to ascertain the credit needs of their local community.

The lender's board of directors shall review and update the lender's CRA Statement at least annually.

### COMMUNITY REINVESTMENT ACT NOTICE

Within 90 days after November 6, 1978, each lender shall provide in the lobby of each of its premises the following public notice (statements that are in parentheses apply only to lenders that serve more than one local community):

The Federal Community Reinvestment Act (CRA) requires the regulator to evaluate our

performance in helping to meet the credit needs of this community, and to take this evaluation into account when the regulator decides on certain applications submitted by us. Your involvement is encouraged.

You should know that:

- You may obtain our current CRA Statement for this community in this office. (Current CRA Statements for other communities served by us are available at our head office, located at (address).)
- You may send signed written comments about our CRA Statement(s) or our performance in helping to meet community credit needs to (title and address of State member bank official) and to Community Reinvestment Officer (appropriate Reserve Bank) (address). Your letter, together with any responses by us, may be made public.
- You may look at a file of all signed, written comments received by us within the past two years, any responses we have made to the comments, and all CRA Statements in effect during the past two years at our office located at (address). (You also may look at the file about this community at (name and address of designated office).)
- You may ask to look at any comments received by the (appropriate Federal Reserve Bank).
- You also may request from (the appropriate Federal Reserve Bank) an announcement of applications covered by the CRA filed with the Federal Reserve.
- We are a subsidiary of (name of bank holding company), a bank holding company. Applications filed by bank holding companies that are covered by the CRA are included in (the Federal Reserve's) announcement of applications referred to in a previous paragraph.

Consumers should note that they may request to be placed on a roster to receive announcements of CRA-covered applications that have been filed with the supervisory agency.

### FILES OF PUBLIC COMMENTS

Each lender shall maintain in files, readily available upon request for inspection by any member of the public, all signed written comments received from the public within the past 2 years that refer specifically to any CRA Statement or to the lender's performance in helping to meet the credit needs of its community or communities. The lender may include its responses in this file. Any comments that reflect adversely upon the good

name or reputation of any persons (natural or legal) or violate specific provisions of a law shall be deleted. Also, files pertaining to all offices of a lender shall be maintained at its head office. Materials relating to a local community shall be maintained at an office in that community.

All letters in these files are open to public inspection.

## REGULATION T: Amendment

The Board of Governors on September 20, 1978, amended its Regulation T (Credit by Brokers and Dealers) to permit brokers and dealers to extend and maintain credit on certain nonconvertible corporate bonds.

The amendment affects corporate bonds with characteristics specified by the Board that are sold only on the over-the-counter (OTC) market. Before adoption of the amendment, credit could be extended by brokers and dealers only for bonds listed on a national securities exchange.

The Board maintains a list of some 1,100 equity securities sold over the counter on which brokers and dealers may extend credit. This list includes seven convertible corporate bonds (debt issues that may be converted to equity issues).

The amendment adopted provides that credit may be extended and maintained by brokers and dealers also on unlisted nonconvertible corporate bonds that are sold on the OTC market and have the following characteristics:

- At the time the credit is extended, the outstanding principal amount of the issue is not less than \$25 million.
- All payments of principal and interest are current.
- The issue was registered with the Securities and Exchange Commission (SEC) and the issuer is providing current reports under SEC regulations.

The amendment provided that these securities will be designated "OTC margin bonds."

After reviewing the various characteristics of unlisted and exchange-traded corporate bonds -- including investment quality, price behavior, and marketability -- the Board decided to permit extensions of credit on a "good faith" basis for listed securities and for those unlisted bonds meeting its criteria as well as for listed nonconvertible bonds. The amount of credit that may be extended on a good faith basis is the amount a broker or dealer

would customarily extend on such collateral, in his best judgment, if the creditor had no other collateral that could be used to protect the loan.

The amendment as proposed would have required a 30 per cent margin (downpayment). The 50 per cent margin requirement for convertible corporate bonds listed on a national exchange, or appearing on the Board's OTC list, remains in effect.

## ADVERTISING OF AUTOMATIC FUNDS TRANSFER

The Board of Governors has provided guidance to member banks concerning advertising of plans for the automatic transfer of funds from savings to checking accounts.

In a letter sent to all member banks, the Board advised banks that advertisements and promotional materials should indicate clearly that the automatic transfer service involves two separate accounts -- a checking account and a savings account. Banks are also advised that advertisements for the automatic transfer service should not convey the impression that interest is being paid on a checking account or that checks may be written against an interest-bearing savings account.

The Board has approved the automatic transfer of funds from savings to checking accounts, beginning November 1. The service that has been approved by the Board requires that member banks offering the service specifically disclose in written agreements with customers desiring the service that the bank reserves the right to require at least 30 days' notice of withdrawal from savings accounts.

The Federal Deposit Insurance Corporation will issue similar guidance to insured nonmember banks in the near future.

## NATIONWIDE EFT NETWORK

The Board of Governors has announced the completion of a nationwide network for making payments electronically through the use of Federal Reserve facilities. The Board in April had authorized Federal Reserve Banks to provide services for automated clearinghouse (ACH) associations necessary to tie together ACH facilities in a national network.

The Board said it expected the availability of the new payments system network to enhance and



improve financial services to individuals and to financial institutions, as well as to encourage the use of the electronic payments mechanism as a more efficient and less costly alternative to making payments by check.

The Federal Reserve approved a pilot program for a national electronic payments network in 1975. In conjunction with the National Automated Clearing House Association (NACHA) pilot work started in early 1976. The last links in the national system were completed on September 11, 1978. NACHA was responsible for training local ACH associations<sup>1</sup> in the techniques of interregional electronic payments transfer. The local associations gave technical assistance to member financial institutions.

The new network ties together, over the Federal Reserve's communications system, 32 ACH associations. These associations use computers in 34 Federal Reserve offices where payments instructions recorded on magnetic tapes are cleared and sorted and in 1 privately operated ACH. The system makes intensified use of existing Federal Reserve computers and wires and requires no new facilities.

The system that has now been completed hooks up for the interchange of electronic payments some 9,400 banks, 1,500 thrift institutions that are currently members of ACH associations, and some 6,000 customer corporations. Any financial institution that is a member of an ACH association can now present payment instructions recorded on magnetic tape to the nearest ACH for transmission nationwide.

Linkage of ACH associations in all parts of the Nation makes possible the electronic transfer of payments to and from virtually any place in the United States. Payments that can be made by check can also be made electronically. At present, most electronically transmitted payments are payroll deposits and payments of recurring bills (such as mortgages) or other recurring amounts (such as U.S. Treasury deposits for social security beneficiaries and the like).

A magnetic tape bearing instructions for payroll deposits might contain instructions to make salary payments to a company's employees located in many parts of the country. The ACH that receives such a tape sends the instructions, over the Federal

Reserve's wire network, to other ACH's. This procedure provides for the sorting and forwarding of payment instructions on checks electronically rather than by mail or courier.

The ACH serving the area where the electronically recorded and forwarded payment instructions are to be carried out again sorts the instructions by computer and forwards them to the indicated commercial banks or thrift institutions. These depositories will debit the accounts of customers who are making the payments and credit the accounts of customers receiving payments, completing the electronic transfer of funds.

Increased efforts will be made to educate the public in the uses of electronic payments. Financial institutions are committing additional funds to marketing and educational efforts. The U.S. Treasury is conducting quarterly conferences to promote the use of direct deposits in making its payments. Available ACH facilities are adequate to accommodate very large increases in volume.

The Federal Reserve ACH facilities linked by the new system are located at:

Birmingham, Ala.	Kansas City, Mo.
Little Rock, Ark.	St. Louis, Mo.
Los Angeles, Calif.	Charlotte, N.C.
San Francisco, Calif.	Cincinnati, Ohio
Denver, Colo.	Cleveland, Ohio
Jacksonville, Fla.	Columbus, Ohio
Miami, Fla.	Portland, Ore.
Atlanta, Ga.	Philadelphia, Pa.
Chicago, Ill.	Pittsburgh, Pa.
Indianapolis, Ind.	Columbia, S.C.
Des Moines, Iowa	Memphis, Tenn.
Louisville, Ky.	Nashville, Tenn.
New Orleans, La.	Dallas, Tex.
Baltimore, Md.	Salt Lake City, Utah
Boston, Mass.	Richmond, Va.
Detroit, Mich.	Seattle, Wash.
Minneapolis, Minn.	Milwaukee, Wisc.

The system also includes a privately operated ACH at New York, N.Y. that is operated by the New York Automated Clearing House on its premises.

## UNIFORM INTERAGENCY TRUST RATING SYSTEM

The three Federal bank regulatory agencies have announced adoption of a uniform interagency system for rating the trust departments of the Nation's commercial banks.

In adopting the new system, the three agencies said:

The Uniform Interagency Trust Rating System recognizes the consumer oriented nature

<sup>1</sup> ACH associations are local organizations of financial institutions agreeing to initiate and receive among themselves electronic transfers of funds authorized by their customers.

of trust department activities and emphasizes the trust department's proper role in carrying out its fiduciary responsibilities in the public interest. Examiners are encouraged by the new system to focus on any conditions that could adversely impact the interests of account beneficiaries and to recommend corrective action before any such conditions might give rise to loss either to account beneficiaries or to the bank.

The new trust rating system is currently being implemented by the Office of the Comptroller of the Currency (for national banks), by the Federal Deposit Insurance Corporation (for insured State chartered banks that are not members of the Federal Reserve System), and by the Board of Governors (for State-chartered member banks).

The uniform system for rating trust departments of commercial banks has two main elements:

1. An assessment by Federal bank examiners of six critical areas of a trust department's administration and operations. These areas encompass the capability of the department's management, the soundness of the policies and procedures to carry out the department's fiduciary obligations, the quality of service rendered to the public, and the effect of the department's activities on the soundness of the bank.

The critical areas are as follows: supervision and organization of the trust department; the department's operations, controls, and audits; asset administration; account administration; conflicts of interest; and earnings, volume trends, and prospects.

Examiners will rate each of these critical areas of the trust department on a scale of 1 to 5, with 1 representing the top and 5 the bottom of the scale.

2. A combination of these ratings into a composite—over-all—rating of the trust department. This composite rating is arrived at by totaling the ratings assigned to the separate areas.

The agencies agreed upon qualitative guidelines that examiners will use in rating the six critical areas and in combining these ratings into a composite rating.

Agreement on the factors that constitute the main characteristics of a trust department's operations and soundness, and on how those factors should be combined into an over-all rating, is expected to provide a basis for comparable judgments about bank trust departments by all three Federal agencies and to enhance interagency evaluations and reports by the agencies to the Congress

and to the public. Such a common yardstick is new.

The three agencies began to use a similar uniform interagency bank rating system in May.

## POLICY STATEMENT ON TAX TRANSACTIONS

The Board of Governors has approved a policy statement on tax transactions between State member banks and their parent holding companies. The statement is available on request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## PROPOSED REPORT SIMPLIFICATION

The Federal bank regulatory agencies on October 11, 1978, proposed for comment a simplified version of the reports of condition and income that could be used by more than 90 per cent of the Nation's commercial banks to reduce their reporting burden. The agencies (Comptroller of the Currency, Board of Governors, and Federal Deposit Insurance Corporation) asked for comment by November 15, 1978.

## REVISED OTC STOCK LIST

The Board of Governors has published a revised list of over-the-counter (OTC) stocks that are subject to its margin regulations, effective October 2, 1978.

The list supersedes the revised list of OTC margin stocks that was issued on April 3, 1978. Changes that have been made in the list, which now includes 1,157 OTC stocks, are as follows: 81 stocks have been included for the first time; 8 stocks previously on the list have been removed for substantially failing to meet the requirements for continued listing; and 44 stocks have been removed for reasons such as being listed on a national securities exchange or the companies being acquired by another firm.

The list is available on request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

### CHANGES IN BOARD STAFF

The Board of Governors has announced that the Division of Administrative Services will be redesignated the Division of Support Services, effective January 1, 1979.

Donald E. Anderson, Assistant Director for Construction Management in the Office of Staff Director for Management, will be Director of the Division.

Walter W. Kreimann, Director, Division of Administrative Services, has been named Associate Division Director for Staff Support.

John L. Grizzard, Assistant Director, Division of Administrative Services, will be Associate Division Director for Building Services.

### SYSTEM MEMBERSHIP:

#### Admission of State Banks

The following banks were admitted to membership in the Federal Reserve System during the period September 16, 1978, through October 15, 1978:

#### *Alabama*

Oxford ..... Bank of Oxford

#### *Ohio*

Cleveland ..... Midwest Bank and Trust  
Company

#### *Kansas*

Topeka ..... Columbian Trust Company

#### *Virginia*

Norfolk ..... Fidelity American Bank

# Industrial Production

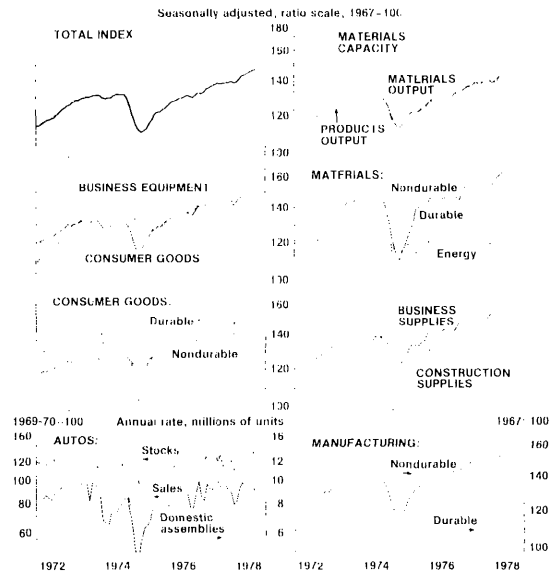
Released for publication October 17

Industrial production increased an estimated 0.5 per cent in September, the same as in August. The September increase reflected further advances in the production of equipment, business and construction supplies, and materials. Output of consumer goods was constrained by a decline in auto production, due in part to the end-of-month strike by railroad clerks. At 147.5 per cent of the 1967 average, total industrial production in September was 6.5 per cent higher than a year earlier. In the third quarter, output rose at an annual rate of 7.7 per cent from the second quarter.

Production of consumer durable goods declined 0.7 per cent in September, as a decrease in auto production more than offset a small rise in output of home goods; auto assemblies declined to an annual rate of 8.9 million units in September from a 9.4-million rate in August. Output of consumer nondurable goods in September increased 0.3 per cent; revised data for August and July indicate somewhat more growth in production of these goods over recent months than shown earlier. Production of business equipment increased 0.6 per cent further in September, following 3 months of very large increases, and was 9.3 per cent higher than a year earlier.

Output of materials increased 0.8 per cent in September, as both durable goods and nondurable

goods materials increased sharply. The increase in output of nondurable goods materials largely reflects the resumption of production in the paper industry that had been affected by strikes. Output of energy materials increased 0.3 per cent, with coal production again limited by the strike in the railroad industry.



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

Industrial production	1967 = 100		Percentage change from preceding month to						Percentage change 9/77 to 9/78
	1978		1978						
	Aug. <sup>a</sup>	Sept. <sup>c</sup>	Apr.	May	June	July	Aug.	Sept.	
<b>Total</b> .....	<b>146.7</b>	<b>147.5</b>	<b>1.6</b>	<b>.5</b>	<b>.7</b>	<b>.7</b>	<b>.5</b>	<b>.5</b>	<b>6.5</b>
Products, total .....	145.9	146.4	1.0	.1	.6	.5	.8	.3	5.5
Final products .....	143.0	143.4	1.2	.0	.4	.6	.8	.3	4.8
Consumer goods .....	148.2	148.3	1.1	.3	.0	.3	.5	.1	2.3
Durable .....	161.2	160.0	2.7	1.0	.2	.0	.4	.7	2.8
Nondurable .....	143.0	143.5	.4	.1	.1	.5	.5	.3	2.0
Business equipment .....	165.2	166.2	1.2	.6	1.0	1.1	1.0	.6	9.3
Intermediate products .....	156.4	157.3	.5	.3	1.4	.5	.6	.6	7.4
Construction supplies .....	155.3	155.9	.4	1.3	1.1	1.0	1.1	.4	8.9
Materials .....	148.0	149.2	2.7	1.0	.9	1.0	.1	.8	8.2

<sup>a</sup>Preliminary.

<sup>c</sup>Estimated.

NOTE: Indexes are seasonally adjusted.

# Financial and Business Statistics

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1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1977		1978		1978				
	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1 <sup>2</sup>	Q2 <sup>2</sup>	Apr. <sup>2</sup>	May <sup>2</sup>	June <sup>2</sup>	July <sup>2</sup>	Aug.
Monetary and credit aggregates (annual rates of change, seasonally adjusted in per cent) <sup>1,2</sup>									
<b>Member bank reserves</b>									
1 Total	7.3	6.1	8.5	6.3	9.3	10.0	15.0	14.9	9.0
2 Required	6.9	6.3	5.7	11.8	11.0	7.8	16.4	14.3	-8.1
3 Nonborrowed	1.7	3.4	14.5	0.3	1.8	11.4	19.4	8.0	3.5
<b>Concepts of money<sup>1</sup></b>									
4 M-1	8.0	7.5	6.2	9.9	19.6	7.2	7.5	4.8	8.5
5 M-2	9.9	8.1	6.9	7.9	11.2	7.1	7.8	8.0	10.4
6 M-3	11.9	10.6	7.7	7.8	9.5	7.2	8.4	9.3	11.8
<b>Time and savings deposits</b>									
<b>Commercial banks:</b>									
7 Total	10.3	13.0	12.8	10.1	7.5	13.6	6.1	10.2	7.5
8 Other than large CD's	11.2	8.5	7.3	6.4	5.3	6.7	8.2	10.3	11.5
9 Thrift institutions <sup>2</sup>	15.0	14.4	8.9	7.6	7.3	7.2	9.2	11.2	13.9
10 Total loans and investments at commercial banks <sup>3</sup>	11.1	9.9	9.6	13.0	18.5	15.6	6.0	16.7	5.2
	1977	1978			1978				
	Q4	Q1	Q2	Q3	May	June	July	Aug.	Sept.
Interest rates (levels, per cent per annum)									
<b>Short-term rates</b>									
11 Federal funds <sup>4</sup>	6.51	6.76	7.28	8.09	7.36	7.60	7.81	8.04	8.45
12 Federal Reserve discount <sup>5</sup>	5.93	6.46	6.78	7.50	6.84	7.00	7.23	7.43	7.83
13 Treasury bills (3-month market yield) <sup>6</sup>	6.11	6.39	6.48	7.31	6.41	6.73	7.01	7.08	7.85
14 Commercial paper (90- to 119-day) <sup>7</sup>	6.56	6.76	7.16	8.03	7.06	7.59	7.85	7.83	8.39
<b>Long-term rates</b>									
<b>Bonds:</b>									
15 U.S. Government <sup>8</sup>	7.78	8.19	8.43	8.53	8.44	8.53	8.69	8.45	8.47
16 State and local government <sup>9</sup>	5.57	5.65	6.02	6.16	6.03	6.22	6.28	6.12	6.09
17 Aaa utility (new issue) <sup>10</sup>	8.27	8.70	8.98	8.94	8.95	9.09	9.14	8.82	8.86
18 Conventional mortgages <sup>11</sup>	9.05	9.23	9.58	9.80	9.60	9.75	9.80	9.80	9.80

<sup>1</sup> M-1 equals currency plus private demand deposits adjusted.  
<sup>2</sup> M-2 equals M-1 plus bank time and savings deposits other than large negotiable certificates of deposit (CD's).  
<sup>3</sup> M-3 equals M-2 plus deposits at mutual savings banks, savings and loan associations, and credit union shares.  
<sup>4</sup> Savings and loan associations, mutual savings banks, and credit unions.  
<sup>5</sup> Quarterly changes calculated from figures shown in Table 1.2.3.  
<sup>6</sup> Seven-day averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).  
<sup>7</sup> Rate for the Federal Reserve Bank of New York.  
<sup>8</sup> Quoted on a bank-discount basis.

<sup>9</sup> Beginning Nov. 1977, unweighted average of offering rates quoted by five dealers. Previously, most representative rate quoted by these dealers.  
<sup>10</sup> Market yields adjusted to a 20-year maturity by the U.S. Treasury.  
<sup>11</sup> Bond Buyer series for 20 issues of mixed quality.  
<sup>12</sup> Weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa basis. Federal Reserve compilations.  
<sup>13</sup> Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development.  
<sup>14</sup> Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.

1.11 FACTORS AFFECTING MEMBER BANK RESERVES

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for weeks ending—						
	1978			1978						
	July	Aug.	Sept. <sup>a</sup>	Aug. 16	Aug. 23	Aug. 30	Sept. 6	Sept. 13	Sept. 20 <sup>b</sup>	Sept. 27 <sup>b</sup>
<b>SUPPLYING RESERVE FUNDS</b>										
1 Reserve Bank credit outstanding....	126,958	125,955	127,906	124,323	127,101	127,849	126,118	123,902	126,894	132,435
2 U.S. Govt. securities <sup>1</sup> .....	108,626	109,243	110,604	107,720	110,373	111,595	110,231	106,744	109,832	113,750
3 Bought outright.....	107,350	108,380	109,862	107,720	109,093	109,912	109,299	106,614	109,832	112,330
4 Held under repurchase agreement.....	1,276	863	742	.....	1,280	1,683	932	130	.....	1,420
5 Federal agency securities.....	8,584	8,220	8,323	7,983	8,204	8,485	8,218	7,969	7,950	8,920
6 Bought outright.....	8,166	8,016	7,958	7,983	7,981	7,981	7,976	7,963	7,950	7,950
7 Held under repurchase agreement.....	418	204	365	.....	223	504	242	6	.....	970
8 Acceptances.....	337	145	257	.....	152	329	258	3	.....	570
9 Loans.....	1,286	1,147	1,067	963	1,606	1,023	1,165	510	923	1,559
10 Float.....	5,399	4,826	5,316	5,066	4,821	4,446	4,029	6,382	5,803	5,337
11 Other Federal Reserve assets.....	2,726	2,374	2,339	2,590	1,945	1,971	2,218	2,294	2,385	2,299
12 Gold stock.....	11,698	11,683	11,670	11,680	11,680	11,680	11,679	11,668	11,668	11,668
13 Special Drawing Rights certificate account.....	1,250	1,279	1,300	1,271	1,300	1,300	1,300	1,300	1,300	1,300
14 Treasury currency outstanding.....	11,612	11,644	11,682	11,640	11,651	11,658	11,666	11,674	11,683	11,692
<b>ABSORBING RESERVE FUNDS</b>										
15 Currency in circulation.....	107,057	107,241	108,022	107,516	107,260	107,066	107,841	108,512	108,127	107,663
16 Treasury cash holdings.....	343	315	302	319	314	306	300	306	315	300
Deposits, other than member bank reserves with F.R. Banks:										
17 Treasury.....	10,512	10,065	11,080	8,419	10,810	11,675	9,468	7,803	9,497	15,429
18 Foreign.....	281	281	279	262	270	264	267	278	299	271
19 Other <sup>2</sup> .....	709	609	692	588	563	601	830	673	724	579
20 Other F.R. liabilities and capital....	4,047	3,971	4,077	3,805	4,061	4,319	4,109	3,783	4,046	4,285
21 Member bank reserves with F.R. Banks.....	28,570	28,079	28,105	28,007	28,455	28,256	27,947	27,189	28,537	28,568
<b>End-of-month figures</b>				<b>Wednesday figures</b>						
1978				1978						
	July	Aug.	Sept. <sup>a</sup>	Aug. 16	Aug. 23	Aug. 30	Sept. 6	Sept. 13	Sept. 20 <sup>b</sup>	Sept. 27 <sup>b</sup>
<b>SUPPLYING RESERVE FUNDS</b>										
22 Reserve Bank credit outstanding....	126,509	128,374	131,940	126,999	130,192	130,702	121,931	126,356	128,948	135,076
23 U.S. Govt. securities <sup>1</sup> .....	108,885	111,739	115,279	109,512	112,744	112,303	106,175	108,975	109,824	116,363
24 Bought outright.....	108,149	109,858	113,027	109,512	109,687	109,800	106,175	108,067	109,824	113,259
25 Held under repurchase agreement.....	736	1,881	2,252	.....	3,057	2,503	.....	908	.....	3,104
26 Federal agency securities.....	8,235	8,097	8,597	7,981	8,645	8,874	7,972	7,996	7,950	9,138
27 Bought outright.....	8,164	7,978	7,950	7,981	7,981	7,978	7,972	7,950	7,950	7,950
28 Held under repurchase agreement.....	71	119	647	.....	664	896	.....	46	.....	1,188
29 Acceptances.....	268	296	715	.....	401	449	.....	23	.....	753
30 Loans.....	1,127	954	1,363	1,089	1,803	1,310	785	566	2,032	1,157
31 Float.....	5,092	5,225	3,547	6,510	4,645	5,752	3,052	6,380	6,781	5,335
32 Other Federal Reserve assets.....	2,902	2,063	2,439	1,907	1,954	2,014	3,947	2,416	2,361	2,330
33 Gold stock.....	11,693	11,679	11,668	11,680	11,680	11,680	11,679	11,668	11,668	11,668
34 Special Drawing Rights certificate account.....	1,250	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
35 Treasury currency outstanding.....	11,592	11,641	11,695	11,651	11,654	11,669	11,672	11,683	11,683	11,695
<b>ABSORBING RESERVE FUNDS</b>										
36 Currency in circulation.....	106,577	107,588	107,672	107,690	107,359	107,640	108,591	108,684	108,150	107,985
37 Treasury cash holdings.....	313	299	302	321	308	304	305	306	297	297
Deposits, other than member bank reserves with F.R. Banks:										
38 Treasury.....	10,331	12,068	16,647	10,435	11,460	12,162	7,414	7,880	12,997	13,543
39 Foreign.....	347	309	325	272	243	235	301	285	337	253
40 Other <sup>2</sup> .....	771	691	628	622	627	631	1,566	592	660	559
41 Other F.R. liabilities and capital....	4,247	4,329	4,372	3,855	4,201	4,421	3,644	3,819	4,671	4,312
42 Member bank reserves with F.R. Banks.....	28,461	27,705	26,656	28,435	30,628	29,957	24,762	29,441	26,487	32,789

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

<sup>2</sup> Includes certain deposits of foreign-owned banking institutions

voluntarily held with member banks and redeposited in full with Federal Reserve Banks.

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



## 1.12 RESERVES AND BORROWINGS Member Banks

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1977	1978								
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. <sup>p</sup>
<b>All member banks</b>										
Reserves:										
1 At F.R. Banks.....	27,057	28,129	27,337	27,155	27,776	27,890	27,840	28,570	28,079	28,105
2 Currency and coin.....	9,351	9,980	9,320	8,992	9,028	9,151	9,345	9,542	9,512	9,600
3 Total held <sup>1</sup> .....	36,471	38,185	36,738	36,231	36,880	37,119	37,262	38,189	37,666	37,776
4 Required.....	36,297	37,880	36,605	35,925	36,816	36,867	37,125	38,049	37,404	37,612
5 Excess <sup>1</sup> .....	174	305	133	306	64	252	137	140	262	164
Borrowings at F.R. Banks: <sup>2</sup>										
6 Total.....	558	481	405	344	539	1,227	1,111	1,286	1,147	1,067
7 Seasonal.....	54	32	52	47	43	93	120	143	188	197
<b>Large banks in New York City</b>										
8 Reserves held.....	6,244	6,804	6,563	6,276	6,247	6,315	6,341	6,606	6,334	6,152
9 Required.....	6,279	6,775	6,584	6,193	6,320	6,236	6,376	6,581	6,290	6,252
10 Excess.....	-35	29	-21	83	-73	79	-35	25	44	-100
11 Borrowings <sup>2</sup> .....	48	77	12	21	61	113	54	129	58	78
<b>Large banks in Chicago</b>										
12 Reserves held.....	1,593	1,733	1,623	1,629	1,670	1,697	1,668	1,708	1,648	1,642
13 Required.....	1,613	1,684	1,633	1,620	1,686	1,669	1,670	1,707	1,646	1,650
14 Excess.....	-20	49	-10	9	-16	28	-2	1	2	-8
15 Borrowings <sup>2</sup> .....	26	14	.....	11	11	19	20	20	3	35
<b>Other large banks</b>										
16 Reserves held.....	13,993	14,487	13,867	13,729	14,135	14,106	14,250	14,553	14,502	14,444
17 Required.....	13,931	14,504	13,861	13,662	14,077	14,079	14,225	14,569	14,423	14,536
18 Excess.....	62	-17	6	67	58	27	25	-16	79	-92
19 Borrowings <sup>2</sup> .....	243	164	150	92	249	500	536	499	417	362
<b>All other banks</b>										
20 Reserves held.....	14,641	15,161	14,685	14,597	14,828	15,001	15,003	15,322	15,182	15,190
21 Required.....	14,474	14,917	14,527	14,450	14,733	14,883	14,854	15,192	15,045	15,174
22 Excess.....	167	244	158	147	95	118	149	130	137	16
23 Borrowings <sup>2</sup> .....	241	226	243	220	218	595	501	638	669	592

Weekly averages of daily figures for weeks ending—										
	1978									
	July 26	Aug. 2	Aug. 9	Aug. 16	Aug. 23	Aug. 30	Sept. 6	Sept. 13	Sept. 20 <sup>p</sup>	Sept. 27 <sup>p</sup>
<b>All member banks</b>										
Reserves:										
24 At F.R. Banks.....	28,362	28,101	27,194	28,007	28,455	28,256	27,947	27,189	28,537	28,568
25 Currency and coin.....	9,565	9,881	9,890	9,790	8,777	9,474	9,578	9,973	8,895	9,818
26 Total held <sup>1</sup> .....	38,004	38,058	37,159	37,872	37,307	37,804	37,600	37,236	37,501	38,454
27 Required.....	38,041	37,705	37,144	37,549	37,316	37,535	37,295	37,123	37,278	38,219
28 Excess <sup>1</sup> .....	-37	353	15	323	-9	269	305	113	223	235
Borrowings at F.R. Banks: <sup>2</sup>										
29 Total.....	1,462	1,438	878	963	1,606	1,023	1,165	510	923	1,559
30 Seasonal.....	151	162	179	182	196	204	187	175	189	205
<b>Large banks in New York City</b>										
31 Reserves held.....	6,352	6,432	6,267	6,419	6,287	6,158	6,378	6,106	6,266	6,057
32 Required.....	6,428	6,370	6,255	6,480	6,207	6,198	6,281	6,172	6,119	6,306
33 Excess.....	-76	62	12	-61	80	-40	97	-66	147	-249
34 Borrowings <sup>2</sup> .....	9	327	.....	41	25	66	143	.....	6	113
<b>Large banks in Chicago</b>										
35 Reserves held.....	1,688	1,654	1,646	1,658	1,610	1,662	1,669	1,699	1,580	1,696
36 Required.....	1,679	1,663	1,637	1,668	1,609	1,662	1,669	1,684	1,621	1,619
37 Excess.....	9	-9	9	-10	1	.....	.....	15	-41	77
38 Borrowings <sup>2</sup> .....	.....	7	.....	.....	4	.....	9	.....	134	4
<b>Other large banks</b>										
39 Reserves held.....	14,496	14,630	14,206	14,635	14,246	14,689	14,372	14,376	14,197	14,794
40 Required.....	14,555	14,496	14,318	14,446	14,395	14,526	14,336	14,356	14,401	14,795
41 Excess.....	-59	134	-112	189	-149	163	36	20	-204	-1
42 Borrowings <sup>2</sup> .....	696	409	305	338	846	158	379	123	210	722
<b>All other banks</b>										
43 Reserves held.....	15,468	15,342	15,040	15,160	15,164	15,295	15,181	15,055	15,157	15,485
44 Required.....	15,379	15,176	14,934	14,955	15,105	15,149	15,009	14,911	15,137	15,499
45 Excess.....	89	166	106	205	59	146	172	144	20	-14
46 Borrowings <sup>2</sup> .....	757	695	573	584	731	799	634	387	573	720

<sup>1</sup> Adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19, 1975, of permitting transitional relief on a graduated basis over a 24-month period when a nonmember bank merges into an existing member bank, or when a

nonmember bank joins the Federal Reserve System. For weeks for which figures are preliminary, figures by class of bank do not add to total because adjusted data by class are not available.

<sup>2</sup> Based on closing figures.

## 1.13 FEDERAL FUNDS TRANSACTIONS Money Market Banks

Millions of dollars, except as noted

Type	1978, week ending—									
	Aug. 2	Aug. 9	Aug. 16	Aug. 23	Aug. 30	Sept. 6	Sept. 13	Sept. 20	Sept. 27	
Total, 46 banks										
<b>Basic reserve position</b>										
1 Excess reserves <sup>1</sup> .....	109	39	71	43	131	144	41	93	136	
LESS:										
2 Borrowings at F.R. Banks.....	481	118	212	299	129	297	.....	227	202	
3 Net interbank Federal funds transactions.....	12,965	16,499	16,804	16,079	14,334	16,176	18,905	15,867	14,917	
EQUALS: Net surplus, or deficit (-):										
4 Amount.....	-13,337	-16,578	-16,945	-16,335	-14,333	-16,328	-18,864	-16,001	-14,983	
5 Per cent of average required reserves.....	83.9	105.9	106.2	105.0	91.4	104.2	120.8	103.3	93.9	
<b>Interbank Federal funds transactions</b>										
Gross transactions:										
6 Purchases.....	21,816	23,680	24,010	23,037	22,130	23,697	25,096	23,696	23,266	
7 Sales.....	8,851	7,181	7,206	6,957	7,796	7,522	6,191	7,828	8,350	
8 Two-way transactions <sup>2</sup> .....	6,814	5,693	5,690	5,655	5,680	5,428	5,380	5,434	5,133	
Net transactions:										
9 Purchases of net buying banks....	15,002	17,987	18,321	17,382	16,450	18,270	19,717	18,262	18,134	
10 Sales of net selling banks.....	2,038	1,489	1,571	1,303	2,116	2,094	811	2,394	3,218	
<b>Related transactions with U.S. Government securities dealers</b>										
11 Loans to dealers <sup>3</sup> .....	2,584	4,071	3,396	2,649	2,524	2,985	5,342	3,128	3,005	
12 Borrowing from dealers <sup>4</sup> .....	1,879	1,682	1,399	1,701	2,028	1,297	1,421	951	2,574	
13 Net loans.....	705	2,390	1,997	948	496	1,688	3,921	2,178	431	
8 banks in New York City										
<b>Basic reserve position</b>										
14 Excess reserves <sup>1</sup> .....	32	50	-33	53	3	101	2	91	27	
LESS:										
15 Borrowings at F.R. Banks.....	327	.....	36	25	66	143	.....	.....	99	
16 Net interbank Federal funds transactions.....	2,947	5,195	5,877	4,595	3,906	4,664	5,504	5,062	5,050	
EQUALS: Net surplus, or deficit (-):										
17 Amount.....	-3,242	-5,145	-5,946	-4,567	-3,969	-4,707	-5,502	-4,971	-5,122	
18 Per cent of average required reserves.....	56.3	91.0	101.3	81.5	70.9	83.0	98.8	89.7	89.9	
<b>Interbank Federal funds transactions</b>										
Gross transactions:										
19 Purchases.....	4,750	5,977	6,703	5,570	5,453	5,686	6,067	5,932	5,858	
20 Sales.....	1,803	781	826	975	1,547	1,022	564	871	808	
21 Two-way transactions <sup>2</sup> .....	1,778	781	825	975	1,547	1,022	564	871	808	
Net transactions:										
22 Purchases of net buying banks....	2,972	5,195	5,877	4,595	3,906	4,664	5,504	5,062	5,050	
23 Sales of net selling banks.....	25	.....	.....	.....	.....	.....	.....	.....	.....	
<b>Related transactions with U.S. Government securities dealers</b>										
24 Loans to dealers <sup>3</sup> .....	1,593	2,567	2,444	1,815	1,657	2,129	3,300	2,180	1,848	
25 Borrowing from dealers <sup>4</sup> .....	872	961	746	731	598	546	848	536	539	
26 Net loans.....	721	1,606	1,697	1,084	1,060	1,583	2,453	1,643	1,309	
38 banks outside New York City										
<b>Basic reserve position</b>										
27 Excess reserves <sup>1</sup> .....	77	-11	104	-10	128	43	40	2	109	
LESS:										
28 Borrowings at F.R. Banks.....	154	118	176	274	64	154	.....	227	104	
29 Net interbank Federal funds transactions.....	10,018	11,304	10,927	11,484	10,429	11,511	13,402	10,806	9,867	
EQUALS: Net surplus, or deficit (-):										
30 Amount.....	-10,095	-11,433	-10,999	-11,768	-10,364	-11,622	-13,362	-11,031	-9,861	
31 Per cent of average required reserves.....	99.6	114.3	109.1	118.3	102.8	116.2	133.0	110.9	96.1	
<b>Interbank Federal funds transactions</b>										
Gross transactions:										
32 Purchases.....	17,066	17,704	17,308	17,466	16,677	18,012	19,029	17,763	17,409	
33 Sales.....	7,049	6,400	6,381	5,982	6,249	6,500	5,627	6,958	7,542	
34 Two-way transactions <sup>2</sup> .....	5,036	4,912	4,864	4,679	4,133	4,406	4,816	4,563	4,325	
Net transactions:										
35 Purchases of net buying banks....	12,030	12,792	12,443	12,787	12,545	13,606	14,213	13,200	13,084	
36 Sales of net selling banks.....	2,012	1,489	1,517	1,303	2,116	2,094	811	2,394	3,218	
<b>Related transactions with U.S. Government securities dealers</b>										
37 Loans to dealers <sup>3</sup> .....	991	1,504	953	834	866	856	2,042	949	1,157	
38 Borrowing from dealers <sup>4</sup> .....	1,007	720	653	970	1,431	750	574	414	2,036	
39 Net loans.....	-16	784	300	-136	-564	105	1,468	535	-878	

For notes see end of table.

## 1.13 Continued

Type	1978, week ending -								
	Aug. 2	Aug. 9	Aug. 16	Aug. 23	Aug. 30	Sept. 6	Sept. 13	Sept. 20	Sept. 27
5 banks in City of Chicago									
<b>Basic reserve position</b>									
40 Excess reserves <sup>1</sup> .....	3	14	2	3	8	1	22	7	74
LESS:									
41 Borrowings at F.R. Banks.....	7							132	
42 Net interbank Federal funds transactions.....	4,666	5,031	4,618	4,845	4,356	4,922	5,593	5,206	4,998
<b>EQUALS: Net surplus, or deficit (-):</b>									
43 Amount.....	-4,670	-5,017	-4,616	-4,842	-4,349	-4,921	-5,571	-5,331	-4,924
44 Per cent of average required reserves.....	300.4	327.9	296.4	322.6	280.0	315.5	353.5	352.4	325.8
<b>Interbank Federal funds transactions</b>									
<b>Gross transactions:</b>									
45 Purchases.....	6,283	6,499	6,150	6,338	5,749	6,240	6,918	6,436	6,175
46 Sales.....	1,617	1,468	1,532	1,494	1,393	1,319	1,325	1,230	1,178
47 Two-way transactions <sup>2</sup> .....	1,617	1,468	1,533	1,494	1,392	1,318	1,325	1,229	1,178
<b>Net transactions:</b>									
48 Purchases of net buying banks.....	4,666	5,031	4,618	4,845	4,356	4,922	5,593	5,207	4,997
49 Sales of net selling banks.....									
<b>Related transactions with U.S. Government securities dealers</b>									
50 Loans to dealers <sup>3</sup> .....	188	335	223	188	173	253	247	103	166
51 Borrowing from dealers <sup>4</sup> .....	133	77	106	167	336	341	196	58	727
52 Net loans.....	55	258	117	22	-163	-88	51	45	-561
33 other banks									
<b>Basic reserve position</b>									
53 Excess reserves <sup>1</sup> .....	74	-25	102	-13	120	42	18	-6	35
LESS:									
54 Borrowings at F.R. Banks.....	147	118	176	274	64	154		94	104
55 Net interbank Federal funds transactions.....	5,352	6,273	6,309	6,639	6,072	6,589	7,809	5,600	4,870
<b>EQUALS: Net surplus, or deficit (-):</b>									
56 Amount.....	-5,425	-6,416	-6,383	-6,926	-6,016	-6,701	-7,791	-5,700	-4,938
57 Per cent of average required reserves.....	63.2	75.7	74.9	82.0	70.6	79.4	92.0	67.6	56.4
<b>Interbank Federal funds transactions</b>									
<b>Gross transactions:</b>									
58 Purchases.....	10,783	11,205	11,157	11,128	10,929	11,771	12,111	11,328	11,234
59 Sales.....	5,431	4,932	4,848	4,488	4,856	5,182	4,302	5,728	6,364
60 Two-way transactions <sup>2</sup> .....	3,419	3,444	3,332	3,186	2,740	3,088	3,491	3,334	3,147
<b>Net transactions:</b>									
61 Purchases of net buying banks.....	7,364	7,761	7,825	7,942	8,188	8,684	8,620	7,994	8,087
62 Sales of net selling banks.....	2,012	1,489	1,517	1,303	2,116	2,094	811	2,394	3,218
<b>Related transactions with U.S. Government securities dealers</b>									
63 Loans to dealers <sup>3</sup> .....	804	1,169	730	645	694	603	1,795	846	991
64 Borrowing from dealers <sup>4</sup> .....	874	643	547	803	1,094	409	378	356	1,308
65 Net loans.....	-71	526	183	-158	-401	193	1,417	490	-317

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

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

<sup>3</sup> Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases 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 U.S. Govt. or other securities.

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Per cent per annum

Current and previous levels

Federal Reserve Bank	Loans to member banks—									Loans to all others under Sec. 13, last par. <sup>4</sup>		
	Under Secs. 13 and 13a <sup>1</sup>			Under Sec. 10(b) <sup>2</sup>								
				Regular rate			Special rate <sup>3</sup>					
	Rate on 9/30/78	Effective date	Previous rate	Rate on 9/30/78	Effective date	Previous rate	Rate on 9/30/78	Effective date	Previous rate	Rate on 9/30/78	Effective date	Previous rate
Boston	7¼	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
New York	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
Philadelphia	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
Cleveland	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
Richmond	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
Atlanta	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
Chicago	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
St. Louis	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
Minneapolis	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
Kansas City	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
Dallas	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼
San Francisco	7¾	8/21/78	7¼	8¼	8/21/78	7¾	8¾	8/21/78	8¼	10¾	8/21/78	10¼

Range of rates in recent years<sup>5</sup>

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, 1970	5½	5½	1973—May 4	5¾	5¾	1976—Jan. 19	5½-6	5½
1971—Jan. 8	5¼-5½	5¼	11	5¾-6	6	23	5½	5½
15	5¼	5¼	18	6	6	Nov. 22	5¼-5½	5¼
19	5-5¼	5¼	June 11	6-6½	6½	26	5¼	5¼
22	5-5¼	5	15	6½	6½			
29	5	5	July 2	7	7	1977—Aug. 30	5¼-5¾	5¼
Feb. 13	4¾-5	5	Aug. 14	7-7½	7½	31	5¼-5¾	5¾
19	4¾	4¾	23	7½	7½	Sept. 2	5¾	5¾
July 16	4¾-5	5	1974—Apr. 25	7½-8	8	Oct. 26	6	6
23	5	5	30	8	8			
Nov 11	4¾-5	5	Dec. 9	7¾-8	7¾	1978—Jan. 9	6-6½	6½
19	4¾	4¾	16	7¾	7¾	20	6½	6½
Dec. 13	4½-4¾	4¾	1975—Jan. 6	7¼-7¾	7¾	May 11	6½-7	7
17	4½-4¾	4½	10	7¼-7¾	7¼	12	7	7
24	4½	4½	24	7¼	7¼	July 3	7-7¼	7¼
1973—Jan. 15	5	5	Feb. 5	6¾-7¼	6¾	10	7¼	7¼
Feb. 26	5-5½	5½	7	6¾	6¾	Aug. 21	7¾	7¾
Mar. 2	5½	5½	Mar. 10	6¼-6¾	6¼	Sept. 22	8	8
Apr. 23	5½-5¾	5½	14	6¼	6¼			
			16	6-6¼	6	In effect Sept. 30, 1978	8	8
			23	6	6			

<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.

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

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

<sup>4</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.

<sup>5</sup> Rates under Secs. 13 and 13a (as described above). For description and earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914-1941*, *Banking and Monetary Statistics, 1941-1970*, *Annual Statistical Digest, 1971-75*, and *Annual Statistical Digest, 1972-76*.

1.15 MEMBER BANK RESERVE REQUIREMENTS<sup>1</sup>

Per cent of deposits

Type of deposit, and deposit interval in millions of dollars	Requirements in effect September 30, 1978		Previous requirements	
	Per cent	Effective date	Per cent	Effective date
<b>Net demand:<sup>2</sup></b>				
0-2.....	7	12/30/76	7½	2/13/75
2-10.....	9½	12/30/76	10	2/13/75
10-100.....	11¾	12/30/76	12	2/13/75
100-400.....	12¾	12/30/76	13	2/13/75
Over 400.....	16¾	12/30/76	16½	2/13/75
<b>Time:<sup>2,3</sup></b>				
Savings.....	3	3/16/67	3½	3/2/67
Other time:				
0-5, maturing in—				
30-179 days.....	3	3/16/67	3½	3/2/67
180 days to 4 years.....	4 2½	1/8/76	3	3/16/67
4 years or more.....	4 1	10/30/75	3	3/16/67
Over 5, maturing in—				
30-179 days.....	6	12/12/74	5	10/1/70
180 days to 4 years.....	4 2½	1/8/76	3	12/12/74
4 years or more.....	4 1	10/30/75	3	12/12/74
<b>Legal limits, September 30, 1978</b>				
	Minimum		Maximum	
<b>Net demand:</b>				
Reserve city banks.....	10		22	
Other banks.....	7		14	
Time.....	3		10	

<sup>1</sup> For changes in reserve requirements beginning 1963, see Board's *Annual Statistical Digest, 1971-1975* and for prior changes, see Board's *Annual Report* for 1976, Table 13.

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

(b) The Federal Reserve Act specifies different ranges of requirements for reserve city banks and for other banks. Reserve cities are designated under a criterion adopted effective Nov. 9, 1972, by which a bank having net demand deposits of more than \$400 million is considered to have the character of business of a reserve city bank. The presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of \$400 million or less are considered to have the character of business of banks outside of

reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see the Board's Regulation D.

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

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

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

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

1.16 MAXIMUM INTEREST RATES PAYABLE on Time and Savings Deposits at Federally Insured Institutions  
Per cent per annum

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks			
	In effect August 31, 1978		Previous maximum		In effect August 31, 1978		Previous maximum	
	Per cent	Effective date	Per cent	Effective date	Per cent	Effective date	Per cent	Effective date
1 Savings	5	7/1/73	4½	1/21/70	5¼	(7)	5	(8)
2 Negotiable orders of withdrawal accounts <sup>1</sup>	5	1/1/74	(10)	.....	5	1/1/74	(10)	.....
3 Money market time deposit of less than \$100,000 <sup>2</sup>	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)
Other time (multiple- and single-maturity unless otherwise indicated) <sup>3</sup>								
30-89 days:								
4 Multiple-maturity	5	7/1/73	4¼	1/21/70	(10)	.....	(10)	.....
5 Single-maturity			5	9/26/66				
90 days to 1 year:								
6 Multiple-maturity	5½	7/1/73	5	7/20/66	45¾	(7)	5¼	1/21/70
7 Single-maturity			5	9/26/66				
8 1 to 2 years <sup>4</sup>	6	7/1/73	5½	1/21/70	6½	(7)	5¾	1/21/70
9 2 to 2½ years <sup>4</sup>			5¾	1/21/70			6	1/21/70
10 2½ to 4 years <sup>4</sup>			5¾	1/21/70			6¾	(7)
11 4 to 6 years <sup>5</sup>	7¼	11/1/73	(11)	.....	7½	11/1/73	(11)	.....
12 6 to 8 years <sup>5</sup>	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
13 8 years or more <sup>5</sup>	7¾	6/1/78	(10)	.....	8	6/1/78	(10)	.....
14 Governmental units (all maturities)	8	6/1/78	7¾	12/23/74	8	6/1/78	7¾	12/23/74
15 Individual retirement accounts and Keogh (H.R. 10) plans <sup>6</sup>	8	6/1/78	7¾	7/6/77	8	6/1/78	7¾	7/6/77

<sup>1</sup> For authorized States only. Federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks were first permitted to offer negotiable orders of withdrawal (NOW) accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976.

<sup>2</sup> Must have a maturity of exactly 26 weeks and a minimum denomination of \$10,000, and must be nonnegotiable.

<sup>3</sup> For exceptions with respect to certain foreign time deposits see the Federal Reserve BULLETIN for October 1962 (p. 1279), August 1965 (p. 1094), and February 1968 (p. 167).

<sup>4</sup> A minimum of \$1,000 is required for savings and loan associations, except in areas where mutual savings banks permit lower minimum denominations. This restriction was removed for deposits maturing in less than 1 year, effective Nov. 1, 1973.

<sup>5</sup> \$1,000 minimum except for deposits representing funds contributed to an Individual Retirement Account (IRA) or a Keogh (H.R. 10) Plan established pursuant to the Internal Revenue Code. The \$1,000 minimum requirement was removed for such accounts in December 1975 and November 1976, respectively.

<sup>6</sup> 3-year minimum maturity.

<sup>7</sup> July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loan associations.

<sup>8</sup> Oct. 1, 1966, for mutual savings banks; Jan. 21, 1970, for savings and loan associations.

<sup>9</sup> Commercial banks, savings and loan associations, and mutual savings banks were authorized to offer money market time deposits effective June 1, 1978. The ceiling rate for commercial banks is the discount rate on most recently issued 6-month U.S. Treasury bills. The ceiling rate for

savings and loan associations and mutual savings banks is ¼ per cent higher than the rate for commercial banks. The rates and effective dates for Sept. were:

	Aug. 31	Sept. 7	Sept. 14	Sept. 21	Sept. 28
Banks.....	7.550	7.742	7.793	7.979	8.276
Thrifts.....	7.800	7.992	8.043	8.229	8.526

<sup>10</sup> No separate account category.

<sup>11</sup> Between July 1, 1973, and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of \$1,000; however, the amount of such certificates that an institution could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount, as well as certificates of less than \$1,000, were limited to the 6½ per cent ceiling on time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, the present ceilings were imposed on certificates maturing in 4 years or more with minimum denominations of \$1,000. There is no limitation on the amount of these certificates that banks can issue.

NOTE—Maximum rates that can be paid by Federally insured commercial banks, mutual savings banks, and savings and loan associations are established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 C.F.R. 217, 329, and 526, respectively. The maximum rates on time deposits in denominations of \$100,000 or more were suspended in mid-1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the Federal Reserve BULLETIN, the Federal Home Loan Bank Board Journal, and the Annual Report of the Federal Deposit Insurance Corporation.

1.161 MARGIN REQUIREMENTS

Per cent of market value; effective dates shown.

Type of security on sale	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
1 Margin stocks	70	80	65	55	65	50
2 Convertible bonds	50	60	50	50	50	50
3 Short sales	70	80	65	55	65	50

NOTE.—Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the

difference between the market value (100 per cent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

Regulation G and special margin requirements for bonds convertible into stocks were adopted by the Board of Governors effective Mar. 11, 1968.

## 1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1975	1976	1977	1978						
				Feb.	Mar.	Apr.	May	June	July	Aug.
<b>U.S. GOVT. SECURITIES</b>										
<b>Outright transactions (excl. matched sale-purchase transactions)</b>										
Treasury bills:										
1 Gross purchases	11,562	14,343	13,738	379	748	1,670	416	4,395	701	972
2 Gross sales	5,599	8,462	7,241	1,974	50		737		466	689
3 Redemptions	26,431	25,017	2,136	1,100	31		300			
Others within 1 year: <sup>1</sup>										
4 Gross purchases	3,886	472	3,017		288	100	53	135		171
5 Gross sales		792	4,499	-653	261	136	2,343	380	241	1,544
6 Exchange, or maturity shift	-4									
7 Redemptions	3,549		2,500							
1 to 5 years:										
8 Gross purchases	23,284	23,202	2,833		813	235	290	631		424
9 Gross sales		177								
10 Exchange, or maturity shift	3,854	-2,588	6,649	1,109	-261	136	-79	467	241	490
5 to 10 years:										
11 Gross purchases	1,510	1,048	758		370	191	101	176		238
12 Gross sales										
13 Exchange, or maturity shift	-4,697	1,572	584	-906			1,526	87		1,434
Over 10 years:										
14 Gross purchases	1,070	642	553		147	145	74	115		113
15 Gross sales										
16 Exchange, or maturity shift	848	225	1,565	450			895			600
All maturities: <sup>1</sup>										
17 Gross purchases	221,313	219,707	20,898	379	2,367	2,341	935	5,451	701	1,919
18 Gross sales	5,599	8,639	7,241	1,974	50		737		466	689
19 Redemptions	29,980	25,017	4,636	1,100	31		300			
<b>Matched sale-purchase transactions</b>										
20 Gross sales	151,205	196,078	425,214	40,128	44,976	42,262	40,634	52,544	44,657	29,162
21 Gross purchases	152,132	196,579	423,841	44,270	44,129	42,799	40,362	52,557	44,712	29,641
<b>Repurchase agreements</b>										
22 Gross purchases	140,311	232,891	178,683	16,057	13,155	8,044	11,517	14,956	15,822	16,286
23 Gross sales	139,538	230,355	180,535	16,057	11,468	8,999	11,819	13,100	17,374	15,140
24 Net change in U.S. Government securities	7,434	9,087	5,798	1,447	3,127	1,923	-674	7,320	1,261	2,854
<b>FEDERAL AGENCY OBLIGATIONS</b>										
Outright transactions:										
25 Gross purchases	1,616	891	1,433					301		
26 Gross sales										173
27 Redemptions	246	169	223	22	53		34	28	4	13
Repurchase agreements:										
28 Gross purchases	15,179	10,520	13,811	1,966	2,638	1,282	3,927	3,421	5,170	3,080
29 Gross sales	15,566	10,360	13,638	1,966	2,374	1,410	4,037	3,088	5,457	3,032
<b>BANKERS ACCEPTANCES</b>										
30 Outright transactions, net	163	545	-196							
31 Repurchase agreements, net	-35	410	159		770	-480	17	747	-753	28
32 Net change in total System Account	8,539	9,833	7,143	1,425	4,107	1,315	834	8,673	2,305	2,744

<sup>1</sup> Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): 1975, 3,549; 1976, none; Sept. 1977, 2,500.

<sup>2</sup> In 1975, the System obtained \$421 million of 2-year Treasury notes in exchange for maturing bills. In 1976 there was a similar transaction

amounting to \$189 million. Acquisition of these notes is treated as a purchase; the run-off of bills, as a redemption.

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

## 1.18 FEDERAL RESERVE BANKS Condition and F.R. Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1978					1978		
	Aug. 30	Sept. 6	Sept. 13	Sept. 20 <sup>a</sup>	Sept. 27 <sup>a</sup>	July	Aug.	Sept. <sup>a</sup>
Consolidated condition statement								
ASSETS								
1 Gold certificate account.....	11,680	11,679	11,668	11,668	11,668	11,693	11,679	11,668
2 Special Drawing Rights certificate account.....	1,300	1,300	1,300	1,300	1,300	1,250	1,300	1,300
3 Coin.....	277	267	267	276	279	276	283	292
Loans:								
4 Member bank borrowings.....	1,310	785	566	2,032	1,157	1,127	954	1,363
5 Other.....								
Acceptances:								
6 Bought outright.....								
7 Held under repurchase agreements.....	449		23		753	268	296	715
Federal agency obligations:								
8 Bought outright.....	7,978	7,972	7,950	7,950	7,950	8,164	7,978	7,950
9 Held under repurchase agreements.....	896		46		1,188	71	119	647
U.S. Government securities								
Bought outright:								
10 Bills.....	45,075	41,450	43,342	45,099	47,783	44,370	45,133	47,551
11 Certificates—Special.....								
12 Other.....								
13 Notes.....	53,229	53,229	53,229	53,229	53,859	52,997	53,229	53,859
14 Bonds.....	11,496	11,496	11,496	11,496	11,617	10,782	11,496	11,617
15 Total <sup>1</sup> .....	109,800	106,175	108,067	109,824	113,259	108,149	109,858	113,027
16 Held under repurchase agreements.....	2,503		908		3,104	736	1,881	2,252
17 Total U.S. Government securities.....	112,303	106,175	108,975	109,824	116,363	108,885	111,739	115,279
18 Total loans and securities.....	122,936	114,932	117,560	119,806	127,411	118,515	121,086	125,954
19 Cash items in process of collection.....	11,990	11,061	13,116	13,905	11,997	9,466	10,728	9,320
20 Bank premises.....	392	394	393	394	396	389	392	394
Other assets:								
21 Denominated in foreign currencies.....	18	18	17	43	20	67	18	20
22 All other.....	1,604	3,535	2,006	1,924	1,914	2,446	1,653	2,025
23 Total assets.....	150,197	143,186	146,327	149,316	154,985	144,102	147,139	150,973
LIABILITIES								
24 F.R. notes.....	96,553	97,490	97,574	97,040	96,867	95,571	96,534	96,572
Deposits:								
25 Member bank reserves.....	29,957	24,762	29,441	26,487	32,789	28,461	27,705	26,656
26 U.S. Treasury—General account.....	12,162	7,414	7,880	12,997	13,543	10,331	12,068	16,647
27 Foreign.....	235	301	285	337	253	347	309	325
28 Other <sup>2</sup> .....	631	1,566	592	660	559	771	691	628
29 Total deposits.....	42,985	34,043	38,198	40,481	47,144	39,910	40,773	44,256
30 Deferred availability cash items.....	6,238	8,009	6,736	7,124	6,662	4,374	5,503	5,773
31 Other liabilities and accrued dividends.....	1,639	1,396	1,430	2,126	1,689	1,469	1,541	1,700
32 Total liabilities.....	147,415	140,938	143,938	146,771	152,362	141,324	144,351	148,301
CAPITAL ACCOUNTS								
33 Capital paid in.....	1,059	1,059	1,060	1,059	1,062	1,057	1,058	1,061
34 Surplus.....	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029
35 Other capital accounts.....	694	160	300	457	532	692	701	582
36 Total liabilities and capital accounts.....	150,197	143,186	146,327	149,316	154,985	144,102	147,139	150,973
37 MEMO: Marketable U.S. Govt. securities held in custody for foreign and intl. account.....	85,717	85,463	85,265	85,468	85,412	86,620	85,731	86,450
Federal Reserve note statement								
38 F.R. notes outstanding (issued to Bank).....	108,520	108,782	108,995	109,223	109,572	107,558	108,625	109,590
Collateral held against notes outstanding:								
39 Gold certificate account.....	11,680	11,679	11,668	11,668	11,668	11,693	11,679	11,668
40 Special Drawing Rights certificate account.....	1,300	1,300	1,300	1,300	1,300	1,250	1,300	1,300
41 Eligible paper.....	1,117	732	525	1,627	1,067	1,056	886	1,137
42 U.S. Government securities.....	94,423	95,071	95,502	94,628	95,537	93,559	94,760	95,485
43 Total collateral.....	108,520	108,782	108,995	109,223	109,572	107,558	108,625	109,590

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

<sup>2</sup> Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions voluntarily held with member banks and redeposited in full with F.R. Banks.



## 1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity	Wednesday					End of month		
	1978					1978		
	Aug. 30	Sept. 6	Sept. 13	Sept. 20	Sept. 27	July 31	Aug. 31	Sept. 30
1 Loans.....	1,310	785	565	2,032	1,157	1,132	953	1,363
2 Within 15 days.....	1,272	660	413	1,994	1,115	1,055	892	1,288
3 16 days to 90 days.....	38	125	113	38	42	77	61	75
4 91 days to 1 year.....			39					
5 Acceptances.....	449		23		753	268	296	715
6 Within 15 days.....	449		23		753	268	296	715
7 16 days to 90 days.....								
8 91 days to 1 year.....								
9 U.S. Government securities.....	112,303	106,175	108,975	109,824	116,363	108,885	111,739	115,279
10 Within 15 days <sup>1</sup> .....	6,404	4,728	5,484	3,730	8,008	6,094	4,086	5,150
11 16 days to 90 days.....	22,059	17,722	21,079	22,833	23,444	19,449	22,058	25,203
12 91 days to 1 year.....	29,458	29,538	28,225	29,074	30,142	31,475	31,408	30,157
13 Over 1 year to 5 years.....	31,154	30,959	30,959	30,959	31,309	31,025	30,959	31,309
14 Over 5 years to 10 years.....	13,521	13,521	13,521	13,521	13,632	11,849	13,521	13,632
15 Over 10 years.....	9,707	9,707	9,707	9,707	9,828	8,993	9,707	9,828
16 Federal agency obligations.....	8,874	7,972	7,996	7,950	9,138	8,235	8,097	8,597
17 Within 15 days <sup>1</sup> .....	1,041	97	46	54	1,242	114	264	701
18 16 days to 90 days.....	258	320	394	340	340	299	258	340
19 91 days to 1 year.....	1,479	1,459	1,467	1,467	1,467	1,495	1,479	1,467
20 Over 1 year to 5 years.....	3,594	3,594	3,619	3,619	3,619	3,825	3,594	3,619
21 Over 5 years to 10 years.....	1,641	1,641	1,609	1,609	1,609	1,631	1,641	1,609
22 Over 10 years.....	861	861	861	861	861	871	861	861

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

## 1.20 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1975	1976	1977	1978				
				Apr. <sup>†</sup>	May <sup>†</sup>	June <sup>†</sup>	July <sup>†</sup>	Aug.
Debits to demand deposits <sup>2</sup> (seasonally adjusted)								
1 All commercial banks.....	25,028.5	29,180.4	34,322.8	39,113.7	39,590.0	41,538.5	40,575.1	42,722.1
2 Major New York City banks...	9,670.7	11,467.2	13,860.6	15,128.0	14,774.6	15,976.0	15,355.3	16,432.9
3 Other banks.....	15,357.8	17,713.2	20,462.2	23,985.7	24,815.4	25,562.5	25,219.7	26,289.2
Debits to savings deposits <sup>3</sup> (not seasonally adjusted)								
4 All customers.....			174.0	425.5	398.1	444.0	432.1	433.0
5 Business <sup>1</sup> .....			21.7	49.5	51.9	61.5	55.6	57.6
6 Others.....			152.3	376.0	346.1	382.6	376.5	375.4
Demand deposit turnover <sup>2</sup> (seasonally adjusted)								
7 All commercial banks.....	105.3	116.8	129.2	137.6	139.4	144.4	139.0	146.2
8 Major New York City banks...	356.9	411.6	503.0	547.9	555.3	596.0	553.0	577.5
9 Other banks.....	72.9	79.8	85.9	93.5	96.4	98.0	95.5	99.7
Savings deposit turnover <sup>3</sup> (not seasonally adjusted)								
10 All customers.....			1.6	1.9	1.8	2.0	2.0	2.0
11 Business <sup>1</sup> .....			4.1	4.6	4.7	5.5	5.1	5.2
12 Others.....			1.5	1.8	1.6	1.8	1.8	1.8

<sup>1</sup> Represents corporations and other profit-seeking organizations (excluding commercial banks but including savings and loan associations, mutual savings banks, credit unions, the Export-Import Bank, and Federally sponsored lending agencies).

<sup>2</sup> Represents accounts of individuals, partnerships, and corporations, and of States and political subdivisions.

<sup>3</sup> Excludes negotiable orders of withdrawal (NOW) accounts and special club accounts, such as Christmas and vacation clubs.

NOTE: - Historical data - estimated for the period 1970 through June 1977, partly on the basis of the debits series for 233 SMSA's, which were available through June 1977 - are available from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Debits and turnover data for savings deposits are not available prior to July 1977.

## 1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1974 Dec.	1975 Dec. <sup>†</sup>	1976 Dec. <sup>†</sup>	1977 Dec. <sup>†</sup>	1978					
					Mar. <sup>†</sup>	Apr. <sup>†</sup>	May <sup>†</sup>	June <sup>†</sup>	July <sup>†</sup>	Aug.
Seasonally adjusted										
<b>MEASURES<sup>1</sup></b>										
1 M-1.....	282.9	295.2	313.5	338.5	342.9	348.5	350.6	352.8	354.2	356.7
2 M-2.....	612.2	664.7	740.5	809.5	822.6	830.3	835.2	840.6	846.2	853.5
3 M-3.....	981.2	1,092.5	1,236.5	1,376.1	1,400.3	1,411.4	1,419.9	1,429.8	1,440.9	1,455.1
4 M-4.....	701.2	746.1	803.2	883.5	904.7	913.7	922.2	927.3	933.6	939.8
5 M-5.....	1,070.3	1,173.8	1,299.2	1,450.1	1,482.3	1,494.9	1,506.9	1,516.5	1,528.3	1,541.4
<b>COMPONENTS</b>										
6 Currency.....	67.8	73.7	80.7	88.6	90.7	91.2	92.1	92.8	93.3	94.0
Commercial bank deposits:										
7 Demand.....	215.1	221.5	232.8	249.9	252.3	257.3	258.5	259.9	260.9	262.8
8 Time and savings.....	418.3	450.9	489.7	545.0	561.7	565.2	571.6	574.5	579.4	583.0
9 Negotiable CD's <sup>2</sup> .....	89.0	81.3	62.7	74.0	82.0	83.4	87.1	86.7	87.4	86.3
10 Other.....	329.3	369.6	427.0	471.0	479.7	481.8	484.5	487.8	492.0	496.7
11 Nonbank thrift institutions <sup>3</sup> .....	369.1	427.8	496.0	566.6	577.7	581.2	584.7	589.2	594.7	601.6
Not seasonally adjusted										
<b>MEASURES<sup>1</sup></b>										
12 M-1.....	291.3	303.9	322.6	348.2	338.2	350.9	345.3	351.7	356.0	354.2
13 M-2.....	617.5	670.0	745.8	814.9	821.1	836.6	833.6	842.0	848.7	850.8
14 M-3.....	983.8	1,095.0	1,238.4	1,377.5	1,400.2	1,421.2	1,420.3	1,435.2	1,447.9	1,453.1
15 M-4.....	708.0	753.5	810.0	890.9	901.4	917.9	918.2	928.3	936.0	938.8
16 M-5.....	1,074.3	1,178.4	1,320.7	1,453.4	1,480.5	1,502.6	1,505.0	1,521.5	1,535.2	1,541.1
<b>COMPONENTS</b>										
17 Currency.....	69.0	75.1	82.1	90.1	89.9	91.0	91.9	92.9	94.1	94.3
Commercial bank deposits:										
18 Demand.....	222.2	228.8	240.5	258.1	248.2	259.9	253.3	258.8	262.0	259.9
19 Member.....	159.7	162.8	169.4	177.5	170.0	177.3	172.6	175.7	177.7	176.1
20 Domestic nonmember.....	58.5	62.6	67.5	76.2	74.3	78.5	76.9	79.1	80.3	79.9
21 Time and savings.....	416.7	449.6	487.4	542.6	563.6	567.1	572.9	576.6	579.9	584.6
22 Negotiable CD's <sup>2</sup> .....	90.5	83.5	64.3	75.9	80.2	81.4	84.6	86.3	87.3	88.0
23 Other.....	326.3	366.2	423.1	466.7	483.0	485.7	488.3	490.3	492.6	496.6
24 Nonbank thrift institutions <sup>3</sup> .....	366.3	424.9	492.7	562.5	579.1	584.6	586.7	593.2	599.2	602.2
25 U.S. Government deposits (all commercial banks).....	4.9	4.1	4.4	5.1	4.8	5.0	4.0	6.2	4.5	3.6

<sup>1</sup> Composition of the money stock measures is as follows:

M-1: Averages of daily figures for (1) demand deposits at commercial banks other than domestic interbank and U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of commercial banks.

M-2: M-1 plus savings deposits, time deposits open account, and time certificates of deposit (CD's) other than negotiable CD's of \$100,000 or more at large weekly reporting banks.

M-3: M-2 plus the average of the beginning- and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).

M-4: M-2 plus large negotiable CD's.

M-5: M-3 plus large negotiable CD's.

Latest monthly and weekly figures are available from the Board's 508 (H.6) release. Back data are available from the Banking Section, Division of Research and Statistics.

<sup>2</sup> Negotiable time CD's issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

<sup>3</sup> Average of the beginning- and end-of-month figures for deposits of mutual savings banks, for savings capital at savings and loan associations, and for credit union shares.

## NOTES TO TABLE 1.23:

<sup>1</sup> Adjusted to exclude domestic commercial interbank loans.

<sup>2</sup> Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company. Prior to Aug. 28, 1974, the institutions included had been defined somewhat differently, and the reporting panel of banks was also different. On the new basis, both "Total loans" and "Commercial and industrial loans" were reduced by about \$100 million.

<sup>3</sup> Data beginning June 30, 1974, include one large mutual savings bank that merged with a nonmember commercial bank. As of that date there were increases of about \$500 million in loans, \$100 million in "Other" securities, and \$600 million in "Total loans and investments."

As of Oct. 31, 1974, "Total loans and investments" of all commercial banks were reduced by \$1.5 billion in connection with the liquidation

of one large bank. Reductions in other items were: "Total loans," \$1.0 billion (of which \$0.6 billion was in "Commercial and industrial loans"), and "Other securities," \$0.5 billion. In late November "Commercial and industrial loans" were increased by \$0.1 billion as a result of loan reclassifications at another large bank.

<sup>4</sup> Reclassification of loans reduced these loans by about \$1.2 billion as of Mar. 31, 1976.

<sup>5</sup> Reclassification of loans at one large bank reduced these loans by about \$200 million as of Dec. 31, 1977.

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

## 1.22 AGGREGATE RESERVES AND DEPOSITS Member Banks

Billions of dollars, averages of daily figures

Item	1974 Dec.	1975 Dec.	1976 Dec.	1977 Dec.	1978							
					Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Seasonally adjusted												
1 Reserves <sup>1</sup> .....	36.57	34.68	34.93	36.14	36.61	36.93	36.67	36.95	37.26	37.73	38.19	37.91
2 Nonborrowed.....	35.84	34.55	34.89	35.57	36.12	36.52	36.34	36.39	36.05	36.63	36.88	36.77
3 Required.....	36.31	34.42	34.29	35.95	36.34	36.69	36.47	36.80	37.04	37.55	38.00	37.74
4 Deposits subject to reserve requirements <sup>2</sup> .....	486.1	504.6	528.9	569.1	575.8	577.9	582.1	586.0	592.0	595.6	600.3	600.9
5 Time and savings.....	322.1	337.1	354.3	387.0	390.5	395.4	399.2	400.7	406.0	407.1	410.5	411.4
Demand:												
6 Private.....	160.6	164.5	171.4	178.5	182.1	179.5	179.6	182.0	183.5	184.6	186.1	186.3
7 U.S. Government.....	3.3	2.9	3.2	3.6	3.1	3.0	3.4	3.3	2.6	3.9	3.7	3.3
Not seasonally adjusted												
8 Deposits subject to reserve requirements <sup>2</sup> .....	491.8	510.9	534.8	575.3	581.3	572.5	579.4	588.6	588.3	596.8	600.6	599.0
9 Time and savings.....	321.7	337.2	353.6	386.4	390.3	393.2	399.3	401.2	406.1	408.6	411.1	412.8
Demand:												
10 Private.....	166.6	170.7	177.9	185.1	187.9	176.1	176.6	183.8	179.3	183.7	186.4	183.7
11 U.S. Government.....	3.4	3.1	3.3	3.8	3.1	3.1	3.5	3.6	2.9	4.5	3.2	2.5

<sup>1</sup> Series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. There are breaks in series because of changes in reserve requirements effective Dec. 12, 1974; Feb. 13, May 22, and Oct. 30, 1975; Jan. 8, and Dec. 30, 1976. In addition, effective Jan. 1, 1976, statewide branching in New York was instituted. The subsequent merger of a number of banks raised required reserves because of higher reserve requirements on aggregate deposits at these banks.

<sup>2</sup> Includes total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

NOTE.—Back data and estimates of the impact on required reserves and changes in reserve requirements are shown in Table 14 of the Board's *Annual Statistical Digest, 1971-1975*.

## 1.23 LOANS AND INVESTMENTS All Commercial Banks

Billions of dollars; last Wednesday of month except for June 30 and Dec. 31

Category	1974 Dec. 31	1975 Dec. 31	1976 Dec. 31	1977 Dec. 31	1978					
					Apr. 26 "	May 31 "	June 30 "	July 26 "	Aug. 30 "	Sept. 27 "
Seasonally adjusted										
1 Loans and investments <sup>1</sup> .....	690.4	721.1	784.4	870.6	906.0	917.9	922.4	935.2	939.2	947.1
2 Including loans sold outright <sup>2</sup> .....	695.2	725.5	788.2	875.5	910.5	922.3	926.9	939.8	943.9	951.7
Loans:										
3 Total.....	500.2	496.9	538.9	617.0	646.3	657.9	661.2	672.0	677.2	684.4
4 Including loans sold outright <sup>2</sup> .....	505.0	501.3	542.7	621.9	650.8	662.3	665.7	676.6	681.9	689.0
5 Commercial and industrial.....	183.3	176.0	179.5	201.4	213.3	219.2	220.4	222.3	224.4	226.3
6 Including loans sold outright <sup>2</sup> .....	186.0	178.5	181.9	204.2	215.6	221.5	222.6	224.6	226.9	228.7
Investments:										
7 U.S. Treasury.....	50.4	79.4	97.3	95.6	97.6	97.1	98.4	99.7	97.0	96.3
8 Other.....	139.8	144.8	148.2	158.0	162.1	162.9	162.8	163.5	165.0	166.4
Not seasonally adjusted										
9 Loans and investments <sup>1</sup> .....	705.6	737.0	801.6	888.9	904.9	917.0	928.9	931.1	936.6	946.1
10 Including loans sold outright <sup>2</sup> .....	710.4	741.4	805.4	893.8	909.4	921.4	933.3	935.7	941.3	950.8
Loans:										
11 Total <sup>1</sup> .....	510.7	507.4	550.2	629.9	642.3	657.1	669.2	672.6	678.0	685.8
12 Including loans sold outright <sup>2</sup> .....	515.5	511.8	554.0	634.8	646.8	661.5	673.7	677.1	682.7	690.5
13 Commercial and industrial.....	186.8	179.3	182.9	205.0	213.8	219.2	223.0	222.4	223.3	225.6
14 Including loans sold outright <sup>2</sup> .....	189.5	181.8	185.3	207.8	216.1	221.5	225.2	224.7	225.8	228.0
Investments:										
15 U.S. Treasury.....	54.5	84.1	102.5	100.2	99.6	96.6	96.1	95.2	93.9	94.1
16 Other.....	140.5	145.5	148.9	158.8	163.1	163.4	163.6	163.4	164.7	166.2

For notes see bottom of opposite page.

## 1.24 COMMERCIAL BANK ASSETS AND LIABILITIES Last-Wednesday-of-Month Series

Billions of dollars except for number of banks

Account	1976	1977	1978 <sup>3</sup>								
	Dec.	Dec.	Jan. <sup>p</sup>	Feb. <sup>p</sup>	Mar. <sup>p</sup>	Apr. <sup>p</sup>	May. <sup>p</sup>	June <sup>p</sup>	July <sup>p</sup>	Aug. <sup>p</sup>	Sept. <sup>p</sup>
All commercial											
1 Loans and investments .....	846.4	939.1	921.6	926.0	936.0	947.7	967.4	966.8	972.1	977.0	987.7
2 Loans, gross .....	594.9	680.1	664.9	668.0	677.8	685.0	707.4	707.8	713.5	718.4	727.4
Investments:											
3 U.S. Treasury securities .....	102.5	100.2	97.9	99.6	98.6	99.6	96.6	95.9	95.2	93.9	94.1
4 Other .....	148.9	158.8	158.8	158.5	159.6	163.1	163.4	163.2	163.4	164.7	166.2
5 Cash assets .....	136.1	168.7	126.9	145.2	131.5	134.1	162.7	142.6	131.8	139.9	143.6
6 Currency and coin .....	12.1	13.9	14.0	13.8	14.3	14.1	14.3	14.6	14.6	15.0	15.0
7 Reserves with F.R. Banks .....	26.1	29.3	26.6	31.0	30.2	27.6	30.3	30.8	23.6	29.7	32.6
8 Balances with banks .....	49.6	59.0	42.4	46.9	44.1	44.7	53.3	45.5	46.3	44.9	46.4
9 Cash items in process of collection ..	48.4	66.4	43.9	53.5	43.0	47.6	64.7	51.6	47.3	50.3	49.6
10 Total assets/total liabilities and capital <sup>1</sup> .....	1,030.7	1,166.0	1,113.7	1,136.4	1,136.7	1,151.2	1,199.5	1,177.3	1,170.4	1,184.5	1,200.6
11 Deposits .....	838.2	939.4	883.6	899.7	896.2	910.3	946.1	926.2	924.0	929.8	941.1
Demand:											
12 Interbank .....	45.4	51.7	37.1	42.6	37.4	38.8	50.7	40.5	40.2	40.1	41.6
13 U.S. Government .....	3.0	7.3	4.5	5.8	4.8	6.1	3.2	7.1	4.2	2.7	10.7
14 Other .....	288.4	323.9	284.2	288.6	280.2	292.0	310.6	294.9	293.2	295.8	294.2
Time:											
15 Interbank .....	9.2	9.8	9.1	8.7	9.0	9.0	9.4	9.8	10.2	10.6	11.5
16 Other .....	492.2	546.6	548.8	554.0	564.8	564.4	572.2	573.9	576.2	580.6	583.1
17 Borrowings .....	80.2	96.2	99.9	103.7	105.7	104.5	111.4	109.0	102.3	108.2	111.9
18 Total capital accounts <sup>2</sup> .....	78.1	85.8	82.4	82.8	83.3	83.7	84.6	84.7	85.4	85.9	87.1
19 MEMO: Number of banks .....	14,671	14,707	14,703	14,682	14,689	14,697	14,702	14,701	14,713	14,721	14,721
Member											
20 Loans and investments .....	620.5	675.5	659.5	661.8	668.6	676.8	693.8	691.5	695.8	698.9	706.9
21 Loans, gross .....	442.9	494.9	481.8	483.1	490.5	495.3	514.3	512.8	517.7	520.3	527.0
Investments:											
22 U.S. Treasury securities .....	74.6	70.4	67.7	69.2	68.2	68.8	66.9	66.2	65.7	65.3	65.4
23 Other .....	103.1	110.1	110.0	109.5	109.9	112.7	112.7	112.5	112.5	113.3	114.5
24 Cash assets, total .....	108.9	134.4	102.2	117.2	104.8	106.5	130.7	114.6	104.2	111.6	115.4
25 Currency and coin .....	9.1	10.4	10.4	10.2	10.6	10.5	10.6	10.8	10.8	11.1	11.1
26 Reserves with F.R. Banks .....	26.0	29.3	26.6	31.0	30.2	27.6	30.3	30.8	23.6	29.7	32.6
27 Balances with banks .....	27.4	30.8	23.0	24.6	22.9	22.7	28.1	23.6	24.3	22.9	24.0
28 Cash items in process of collection ..	46.5	63.9	42.2	51.4	41.2	45.7	61.7	49.4	45.4	48.0	47.7
29 Total assets/total liabilities and capital <sup>1</sup> .....	772.9	861.8	818.0	835.3	833.2	843.3	884.7	864.5	857.3	868.9	882.2
30 Deposits .....	618.7	683.5	636.8	649.2	645.1	655.1	686.7	668.4	666.1	670.5	679.6
Demand:											
31 Interbank .....	42.4	48.0	34.4	39.5	34.7	36.0	47.5	37.7	37.3	37.2	38.6
32 U.S. Government .....	2.1	5.4	3.4	4.4	3.7	4.5	2.2	5.1	3.1	1.9	8.1
33 Other .....	215.5	239.4	208.4	211.8	205.1	213.4	229.1	216.2	214.6	217.0	215.6
Time:											
34 Interbank .....	7.2	7.8	7.1	6.7	7.0	6.9	7.3	7.7	8.2	8.6	9.4
35 Other .....	351.5	382.9	383.5	386.9	394.7	394.3	400.5	401.7	402.9	405.9	407.8
36 Borrowings .....	71.7	84.9	88.0	90.8	91.8	91.1	96.9	94.2	88.0	93.9	97.2
37 Total capital accounts <sup>2</sup> .....	58.6	63.7	61.8	62.1	62.4	62.7	63.3	63.4	64.0	64.3	65.1
38 MEMO: Number of banks .....	5,759	5,669	5,659	5,659	5,654	5,645	5,638	5,611	5,613	5,610	5,610

<sup>1</sup> Includes items not shown separately.

Effective Mar. 31, 1976, some of the item "reserve for loan losses" and all of the item "unearned income on loans" are no longer reported as liabilities. As of that date the "valuation" portion of "reserve for loan losses" and the "unearned income on loans" have been netted against "other assets," and against "total assets" as well.

Total liabilities continue to include the deferred income tax portion of "reserve for loan losses."

<sup>2</sup> Effective Mar. 31, 1976, includes "reserves for securities" and the contingency portion (which is small) of "reserve for loan losses."<sup>3</sup> Figures partly estimated except on call dates.

NOTE.—Figures include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries.

Commercial banks: All such banks in the United States, including member and nonmember banks, stock savings banks, nondeposit trust companies, and U.S. branches of foreign banks, but excluding one national bank in Puerto Rico and one in the Virgin Islands.

Member banks: The following numbers of noninsured trust companies that are members of the Federal Reserve System are excluded from member banks in Tables 1.24 and 1.25 and are included with noninsured banks in Table 1.25: 1974—June, 2; December, 3; 1975—June and December, 4; 1976 (beginning month shown)—July, 5; December, 7; 1977—January, 8.

1.25 COMMERCIAL BANK ASSETS AND LIABILITIES Call-Date Series

Millions of dollars except for number of banks

Account	1976		1977		1976		1977	
	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31
	Total insured				National (all insured)			
1 Loans and investments, gross.....	773,701	827,696	854,734	914,783	443,959	476,610	488,240	523,000
Loans:								
2 Gross.....	539,021	578,734	601,122	657,513	315,628	340,691	351,311	384,722
3 Net.....	520,976	560,076	581,143	636,323	305,280	329,971	339,955	372,702
Investments:								
4 U.S. Treasury securities.....	90,947	101,461	100,568	99,333	49,688	55,727	53,345	52,244
5 Other.....	143,731	147,500	153,053	157,937	78,642	80,191	83,583	86,033
6 Cash assets.....	124,072 <sup>1</sup>	129,562	130,726	159,264	75,488	76,072	74,641	92,050
7 Total assets/total liabilities <sup>1</sup> .....	942,519	1,003,969	1,040,945	1,129,711	548,702	583,304	599,743	651,360
8 Deposits.....	776,957	825,003	847,372	922,664	444,251	469,377	476,381	520,167
Demand:								
9 U.S. Government.....	4,622	3,022	2,817	7,310	2,858	1,676	1,632	4,172
10 Interbank.....	37,502	44,064	44,965	49,849	20,329	23,149	22,876	25,646
11 Other.....	265,671	285,200	284,544	319,873	152,383	163,346	161,358	181,821
Time:								
12 Interbank.....	9,406	8,248	7,721	8,731	5,532	4,907	4,599	5,730
13 Other.....	459,753	484,467	507,324	536,899	263,147	276,296	285,915	302,795
14 Borrowings.....	63,828	75,291	81,137	89,332	45,187	54,421	57,283	63,218
15 Total capital accounts.....	68,988	72,061	75,503	79,084	39,501	41,319	43,142	44,994
16 MEMO: Number of banks.....	14,373	14,397	14,425	14,397	4,747	4,735	4,701	4,654
	State member (all insured)				Insured nonmember			
17 Loans and investments, gross.....	136,915	144,000	144,597	152,518	192,825	207,085	221,896	239,265
Loans:								
18 Gross.....	98,889	102,277	102,117	110,247	124,503	135,766	147,694	162,543
19 Net.....	96,037	99,474	99,173	107,210	119,658	130,630	142,015	156,411
Investments:								
20 U.S. Treasury securities.....	16,323	18,849	19,296	18,179	24,934	26,884	27,926	28,909
21 Other.....	21,702	22,874	23,183	24,091	43,387	44,434	46,275	47,812
22 Cash assets.....	30,422	32,859	35,918	42,305	18,161	20,631	20,166	24,908
23 Total assets/total liabilities <sup>1</sup> .....	179,649	189,578	195,452	210,441	214,167	231,086	245,749	267,910
24 Deposits.....	142,061	149,491	152,472	163,443	190,644	206,134	218,519	239,053
Demand:								
25 U.S. Government.....	869	429	371	1,241	894	917	813	1,896
26 Interbank.....	15,833	19,295	20,568	22,353	1,339	1,619	1,520	1,849
27 Other.....	49,659	52,204	52,570	57,605	63,629	69,648	70,615	80,445
Time:								
28 Interbank.....	3,074	2,384	2,134	2,026	799	956	988	973
29 Other.....	72,624	75,178	76,827	80,216	123,980	132,993	144,581	153,887
30 Borrowings.....	15,300	17,310	19,697	21,729	3,339	3,559	4,155	4,384
31 Total capital accounts.....	12,791	13,199	13,441	14,184	16,696	17,542	18,919	19,905
32 MEMO: Number of banks.....	1,029	1,023	1,019	1,014	8,597	8,639	8,705	8,729
	Noninsured nonmember				Total nonmember			
33 Loans and investments, gross.....	15,905	18,819	22,940	24,415	208,730	225,904	244,837	263,681
Loans:								
34 Gross.....	13,209	16,336	20,865	22,686	137,712	152,103	168,559	185,230
35 Net.....	13,092	16,209	20,679	22,484	132,751	146,840	162,694	178,896
Investments:								
36 U.S. Treasury securities.....	472	1,054	993	879	25,407	27,938	28,919	29,788
37 Other.....	2,223	1,428	1,081	849	45,610	45,863	47,357	48,662
38 Cash assets.....	4,362	6,496	8,330	9,458	22,524	27,127	28,496	34,367
39 Total assets/total liabilities <sup>1</sup> .....	21,271	26,790	33,390	36,433	235,439	257,877	279,139	304,343
40 Deposits.....	11,735	13,325	14,658	16,844	202,380	219,460	233,177	255,898
Demand:								
41 U.S. Government.....	4	4	8	10	899	921	822	1,907
42 Interbank.....	1,006	1,277	1,504	1,868	2,346	2,896	3,025	3,718
43 Other.....	2,555	3,236	3,588	4,073	66,184	72,884	74,203	84,518
Time:								
44 Interbank.....	1,292	1,041	1,164	1,089	2,092	1,997	2,152	2,063
45 Other.....	6,876	7,766	8,392	9,802	130,857	140,760	152,974	163,690
46 Borrowings.....	3,372	4,842	7,056	6,908	6,711	8,401	11,212	11,293
47 Total capital accounts.....	663	818	893	917	17,359	18,360	19,812	20,823
48 MEMO: Number of banks.....	270	275	293	310	8,867	8,914	8,998	9,039

<sup>1</sup> Includes items not shown separately.

For Note see Table 1.24.

## 1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Detailed Balance Sheet, March 31, 1978

Millions of dollars, except for number of banks.

Asset account	Insured commercial banks	Member banks <sup>1</sup>					Non-member banks <sup>1</sup>
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
1 Cash bank balances, items in process.....	148,275	126,359	40,297	4,853	44,741	36,468	21,923
2 Currency and coin.....	11,654	8,556	922	183	2,734	4,718	3,097
3 Reserves with F.R. Banks.....	29,373	29,373	5,021	1,338	11,935	11,079	1
4 Demand balances with banks in United States.....	35,658	22,002	10,601	95	2,928	8,377	13,662
5 Other balances with banks in United States.....	5,250	2,914	584	5	726	1,598	2,337
6 Balances with banks in foreign countries.....	4,235	3,713	582	327	1,819	985	522
7 Cash items in process of collection.....	62,105	59,801	22,588	2,904	24,599	9,710	2,303
8 Total securities held—Book value.....	256,200	177,684	20,044	8,012	57,309	92,319	78,536
9 U.S. Treasury.....	98,358	68,855	9,874	3,223	22,426	33,333	29,518
10 Other U.S. Government agencies.....	37,712	24,043	1,767	976	6,868	14,432	13,670
11 States and political subdivisions.....	113,825	80,789	8,027	3,616	26,803	42,344	33,038
12 All other securities.....	6,202	3,923	376	197	1,192	2,157	2,280
13 Unclassified total.....	103	74			20	54	29
14 Trading-account securities.....	5,922	5,745	2,143	867	2,487	248	176
15 U.S. Treasury.....	3,358	3,338	1,361	659	1,245	72	21
16 Other U.S. Government agencies.....	981	974	365	65	496	48	7
17 States and political subdivisions.....	998	983	285	96	529	73	15
18 All other trading account securities.....	482	377	132	47	197	1	105
19 Unclassified.....	103	74			20	54	29
20 Bank investment portfolios.....	250,278	171,939	17,901	7,145	54,822	92,071	78,359
21 U.S. Treasury.....	94,999	65,518	8,513	2,564	21,180	33,261	29,497
22 Other U.S. Government agencies.....	36,731	23,069	1,402	911	6,372	14,384	13,664
23 States and political subdivisions.....	112,827	79,807	7,742	3,520	26,274	42,270	33,023
24 All other portfolio securities.....	5,720	3,546	244	150	996	2,156	2,175
25 F.R. stock and corporate stock.....	1,624	1,373	307	107	488	471	252
26 Federal funds sold and securities resale agreement.....	45,780	35,129	3,622	1,931	17,552	12,024	10,715
27 Commercial banks.....	38,829	28,401	2,139	1,587	13,391	11,284	10,492
28 Brokers and dealers.....	4,315	4,168	1,151	269	2,166	581	147
29 Others.....	2,636	2,560	332	75	1,995	158	75
30 Other loans, gross.....	616,444	459,958	72,630	24,555	173,551	189,222	156,486
31 Less: Unearned income on loans.....	14,864	9,980	586	96	3,243	6,054	4,884
32 Reserves for loan loss.....	6,904	5,471	1,233	321	2,070	1,846	1,433
33 Other loans, net.....	594,676	444,507	70,811	24,137	168,237	181,322	150,169
Other loans, gross, by category							
34 Real estate loans.....	182,790	125,708	9,472	2,463	46,667	67,105	57,082
35 Construction and land development.....	21,562	16,178	2,253	505	7,951	5,470	5,384
36 Secured by farmland.....	7,919	3,453	21	8	381	3,042	4,466
37 Secured by residential properties.....	104,315	73,123	4,769	1,344	27,459	39,552	31,191
38 1- to 4-family residences.....	99,355	69,561	4,203	1,244	26,163	37,951	29,804
39 FHA-insured or VA-guaranteed.....	7,612	6,613	547	45	3,581	2,440	999
40 Conventional.....	91,754	62,948	3,655	1,199	22,582	35,511	28,805
41 Multifamily residences.....	4,950	3,562	566	100	1,296	1,600	1,387
42 FHA-insured.....	387	325	129	25	84	86	62
43 Conventional.....	4,562	3,237	437	74	1,212	1,514	1,325
44 Secured by other properties.....	48,994	32,953	2,430	607	10,875	19,041	16,041
45 Loans to financial institutions.....	34,258	32,199	11,202	4,135	13,951	2,910	2,059
46 RFI's and mortgage companies.....	8,476	8,092	2,267	869	4,298	658	384
47 Domestic commercial banks.....	2,806	2,136	743	138	1,008	247	670
48 Banks in foreign countries.....	6,597	6,427	2,786	264	2,681	696	170
49 Other depository institutions.....	1,424	1,302	211	40	840	212	122
50 Other financial institutions.....	14,955	14,242	5,196	2,824	5,124	1,097	713
51 Loans to security brokers and dealers.....	10,108	9,805	5,597	1,420	2,497	291	303
52 Other loans to purchase or carry securities.....	4,216	3,494	376	302	1,833	983	722
53 Loans to farmers, except real estate.....	25,440	13,955	165	157	3,321	10,312	11,485
54 Commercial and industrial loans.....	201,203	163,093	37,199	12,602	64,071	49,221	38,110
55 Loans to individuals.....	142,918	98,541	6,336	2,195	35,289	54,721	44,377
56 Instalment loans.....	115,070	79,424	4,732	1,406	29,071	44,215	35,646
57 Passenger automobiles.....	51,361	32,804	889	157	9,796	21,962	18,557
58 Residential repair and modernization.....	7,325	4,834	286	69	1,771	2,708	2,491
59 Credit cards and related plans.....	18,708	16,487	2,085	1,003	8,846	4,554	2,221
60 Charge-account credit cards.....	14,819	13,256	1,351	964	7,288	3,653	1,564
61 Check and revolving credit plans.....	3,888	3,231	734	39	1,558	900	657
62 Other retail consumer goods.....	17,696	12,036	368	53	4,480	7,136	5,660
63 Mobile homes.....	9,097	6,376	169	20	2,359	3,828	2,721
64 Other.....	8,599	5,659	199	33	2,121	3,307	2,939
65 Other instalment loans.....	19,980	13,262	1,104	124	4,178	7,856	6,718
66 Single-payment loans to individuals.....	27,848	19,117	1,604	789	6,218	10,505	8,731
67 All other loans.....	15,510	13,163	2,284	1,279	5,921	3,679	2,348
68 Total loans and securities, net.....	898,279	658,693	94,784	34,187	243,587	286,136	239,671
69 Direct lease financing.....	5,990	5,626	1,041	140	3,458	988	364
70 Fixed assets—Buildings, furniture, real estate.....	21,948	16,359	2,380	760	6,227	6,992	5,595
71 Investment in unconsolidated subsidiaries.....	3,079	3,038	1,498	242	1,201	98	41
72 Customer acceptances outstanding.....	13,803	13,376	6,540	939	5,492	405	427
73 Other assets.....	37,661	33,818	14,263	1,283	13,472	4,800	3,907
74 Total assets.....	1,129,035	857,269	160,802	42,404	318,177	335,885	271,928

For notes see opposite page.

1.26 Continued

Liability or capital account	Insured commercial banks	Member banks <sup>1</sup>					Non-member banks <sup>1</sup>
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
75 Demand deposits.....	343,578	264,614	61,165	10,354	94,367	98,728	78,977
76 Mutual savings banks.....	1,242	1,068	511	2	252	304	176
77 Other individuals, partnerships, and corporations.....	264,540	196,602	31,756	7,025	75,203	82,618	67,937
78 U.S. Government.....	3,550	2,370	146	31	681	1,512	1,180
79 States and political subdivisions.....	16,671	11,298	663	277	3,340	7,019	5,372
80 Foreign governments, central banks, etc.....	1,439	1,346	1,083	15	203	44	92
81 Commercial banks in United States.....	36,160	34,900	17,748	2,499	10,586	4,067	1,271
82 Banks in foreign countries.....	7,023	6,856	5,306	213	1,130	207	167
83 Certified and officers' checks, etc.....	12,955	10,173	3,951	293	2,971	2,957	2,783
84 Time deposits.....	340,980	247,508	36,646	14,894	88,682	107,286	93,472
85 Accumulated for personal loan payments.....	97	77	.....	.....	1	76	21
86 Mutual savings banks.....	367	350	171	45	113	21	17
87 Other individuals, partnerships, and corporations.....	267,045	192,741	27,651	10,975	67,811	86,305	74,304
88 U.S. Government.....	858	669	45	22	354	249	189
89 States and political subdivisions.....	56,281	38,502	1,820	1,340	15,789	19,553	17,779
90 Foreign governments, central banks, etc.....	8,469	8,224	4,872	1,442	1,794	116	245
91 Commercial banks in United States.....	6,473	5,719	1,380	982	2,599	758	754
92 Banks in foreign countries.....	1,389	1,226	708	88	221	209	163
93 Savings deposits.....	224,267	155,670	11,086	2,909	56,219	85,456	68,597
94 Individuals and nonprofit organizations.....	208,729	145,150	10,324	2,758	52,523	79,545	63,579
95 Corporations and other profit organizations.....	10,674	7,433	509	142	3,103	3,678	3,241
96 U.S. Government.....	60	47	4	.....	18	26	13
97 States and political subdivisions.....	4,766	3,006	231	10	559	2,205	1,760
98 All other.....	38	35	18	*	15	2	4
99 Total deposits.....	908,825	667,792	108,896	28,157	239,268	291,470	241,046
100 Federal funds purchased and securities sold under agreements to repurchase.....	89,613	84,592	21,755	9,112	40,981	12,744	5,026
101 Commercial banks.....	45,167	43,009	8,459	6,188	22,824	5,537	2,158
102 Brokers and dealers.....	10,272	9,595	2,115	1,115	5,029	1,336	682
103 Others.....	34,175	31,988	11,181	1,808	13,128	5,871	2,186
104 Other liabilities for borrowed money.....	6,413	6,073	2,583	123	2,608	759	340
105 Mortgage indebtedness.....	1,686	1,380	229	29	681	442	310
106 Bank acceptances outstanding.....	14,394	13,966	7,119	942	5,499	407	428
107 Other liabilities.....	21,389	18,620	6,655	1,158	7,006	3,802	2,897
108 Total liabilities.....	1,042,320	792,424	147,237	39,521	296,042	309,623	250,047
109 Subordinated notes and debentures.....	5,734	4,459	1,109	80	1,995	1,275	1,275
110 Equity capital.....	80,981	60,387	12,456	2,802	20,141	24,987	20,606
111 Preferred stock.....	80	32	.....	.....	2	29	49
112 Common stock.....	17,439	12,623	2,645	570	3,926	5,482	4,822
113 Surplus.....	31,468	22,763	4,542	1,404	7,997	8,821	8,708
114 Undivided profits.....	30,246	23,763	5,137	776	7,855	9,994	6,485
115 Other capital reserves.....	1,748	1,206	132	52	361	660	543
116 Total liabilities and equity capital.....	1,129,035	857,269	160,802	42,404	318,177	335,885	271,928
MEMO ITEMS:							
117 Demand deposits adjusted <sup>2</sup> .....	241,764	167,543	20,683	4,920	58,500	83,439	74,223
Average for last 15 or 30 days:							
118 Cash and due from bank.....	133,088	113,373	32,111	5,086	42,039	34,136	19,722
119 Federal funds sold and securities purchased under agreements to resell.....	46,678	35,671	4,328	1,997	16,675	12,671	11,090
120 Total loans.....	596,705	446,117	71,996	24,061	168,519	181,541	150,589
121 Time deposits of \$100,000 or more.....	165,180	135,150	30,866	11,960	56,901	35,422	30,030
122 Total deposits.....	887,163	649,600	101,607	26,568	233,300	288,125	237,573
123 Federal funds purchased and securities sold under agreements to repurchase.....	91,131	86,470	23,676	9,751	40,486	12,557	4,661
124 Other liabilities for borrowed money.....	6,488	6,176	2,702	117	2,538	820	312
125 Standby letters of credit outstanding.....	16,408	15,465	8,772	1,169	4,378	1,146	944
126 Time deposits of \$100,000 or more.....	168,974	138,295	31,243	12,496	58,552	36,004	30,679
127 Certificates of deposit.....	144,741	117,812	27,027	10,698	49,085	31,002	26,930
128 Other time deposits.....	24,233	20,483	4,216	1,798	9,467	5,002	3,750
129 Number of banks.....	14,372	5,652	12	9	153	5,478	8,733

<sup>1</sup> Member banks exclude and nonmember banks include 13 noninsured trust companies that are members of the Federal Reserve System.

<sup>2</sup> Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE: Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. Holdings by type of security will be reported as soon as they become available.

Back data in lesser detail were shown in previous BULLETINS. Details may not add to totals because of rounding.

## 1.27 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1978									
	Aug. 2	Aug. 9	Aug. 16	Aug. 23	Aug. 30 <sup>1</sup>	Sept. 6 <sup>1</sup>	Sept. 13 <sup>1</sup>	Sept. 20 <sup>1</sup>	Sept. 27 <sup>1</sup>	
1 Total loans and investments.....	467,710	470,167	473,202	467,324	469,516	479,086	474,578	477,078	475,523	
Loans:										
2 Federal funds sold <sup>1</sup> .....	25,649	27,084	26,805	22,900	23,813	28,575	24,741	24,591	23,119	
3 To commercial banks.....	19,981	19,762	20,720	17,600	18,346	21,101	19,287	18,858	17,947	
To brokers and dealers involving—										
4 U.S. Treasury securities.....	2,874	4,446	3,390	2,721	2,768	4,601	2,991	3,020	2,360	
5 Other securities.....	577	551	511	554	519	558	513	567	592	
6 To others.....	2,217	2,325	2,184	2,025	2,180	2,315	1,950	2,146	2,220	
7 Other, gross.....	342,412	343,201	345,689	344,078	345,497	348,286	348,142	350,215	351,173	
8 Commercial and industrial.....	135,352	134,541	135,106	134,958	134,968	135,402	135,546	136,543	136,710	
9 Agricultural.....	5,217	5,249	5,249	5,245	5,259	5,282	5,314	5,314	5,334	
For purchasing or carrying securities: To brokers and dealers:										
10 U.S. Treasury securities.....	1,022	1,712	1,505	927	933	1,600	1,493	1,321	921	
11 Other securities.....	8,424	8,308	8,898	8,150	8,857	8,915	8,602	8,942	9,253	
To others:										
12 U.S. Treasury securities.....	106	106	106	105	107	106	109	106	105	
13 Other securities.....	2,620	2,623	2,619	2,626	2,625	2,637	2,620	2,599	2,586	
To nonbank financial institutions:										
14 Personal and sales finance cos., etc.....	8,097	8,044	7,969	8,274	7,874	8,242	8,309	8,074	8,118	
15 Other.....	15,423	15,557	15,700	15,577	15,702	15,638	15,786	15,875	15,904	
16 Real estate.....	82,752	83,177	83,713	84,061	84,423	84,671	85,158	85,555	85,882	
To commercial banks:										
17 Domestic.....	2,483	2,317	2,312	2,231	2,313	2,392	2,162	2,329	2,561	
18 Foreign.....	5,776	6,209	5,991	5,985	5,929	6,024	5,968	5,962	6,063	
19 Consumer instalment.....	51,911	52,105	52,477	52,693	53,043	53,242	53,372	53,637	53,941	
20 Foreign govts., official institutions, etc.....	1,644	1,671	1,591	1,564	1,634	1,714	1,706	1,645	1,666	
21 All other loans.....	21,585	21,582	22,453	21,682	21,830	22,421	21,997	22,313	22,129	
22 Less: Loan loss reserve and unearned income on loans.....	10,448	10,543	10,621	10,677	10,682	10,732	10,793	10,840	10,789	
23 Other loans, net.....	331,964	332,658	335,068	333,401	334,815	337,554	337,349	339,375	340,384	
Investments:										
24 U.S. Treasury securities.....	42,847	42,613	43,577	43,331	42,777	43,803	43,518	43,918	42,917	
25 Bills.....	4,497	4,418	4,278	4,737	4,590	4,610	4,506	4,838	4,338	
Notes and bonds, by maturity:										
26 Within 1 year.....	7,255	7,227	6,912	6,623	6,741	6,915	6,920	6,937	6,979	
27 1 to 5 years.....	26,242	26,085	26,564	26,242	25,850	26,694	26,487	26,500	26,014	
28 After 5 years.....	4,853	4,883	5,823	5,729	5,596	5,584	5,605	5,643	5,586	
29 Other securities.....	67,250	67,812	67,752	67,692	68,111	69,154	68,970	69,194	69,103	
Obligations of States and political subdivisions:										
30 Tax warrants, short-term notes, and bills.....	6,131	6,540	6,110	6,079	6,156	6,784	6,069	6,080	6,141	
31 All other.....	44,764	44,947	45,352	45,382	45,750	45,931	46,226	46,028	45,953	
Other bonds, corporate stocks, and securities:										
32 Certificates of participation <sup>2</sup> .....	2,870	2,847	2,796	2,836	2,835	2,840	2,855	2,936	2,855	
33 All other, including corporate stocks.....	13,485	13,478	13,494	13,395	13,370	13,599	13,820	14,150	14,154	
34 Cash items in process of collection.....	45,413	40,752	47,325	41,698	43,132	52,742	46,007	47,020	43,352	
35 Reserves with F.R. Banks.....	24,721	20,679	21,711	23,163	22,408	18,229	22,708	19,210	25,261	
36 Currency and coin.....	6,256	6,191	6,354	6,506	6,782	6,155	6,863	6,755	6,936	
37 Balances with domestic banks.....	14,621	13,727	15,736	13,737	14,295	15,275	13,104	14,362	14,783	
38 Investments in subsidiaries not consolidated.....	3,369	3,378	3,267	3,274	3,256	3,325	3,306	3,315	3,328	
39 Other assets.....	63,121	63,473	61,397	63,955	63,298	63,412	64,970	65,876	65,367	
40 Total assets/total liabilities.....	625,211	618,367	628,992	619,657	622,687	638,224	631,536	633,616	634,550	
Deposits:										
41 Demand deposits.....	192,013	183,778	194,654	183,366	186,538	200,217	192,868	195,335	191,858	
42 Individuals, partnerships, and corps.....	138,220	134,261	140,184	133,405	135,136	141,823	142,160	139,295	135,128	
43 States and political subdivisions.....	6,632	5,643	6,007	5,484	5,592	5,736	5,364	5,832	5,802	
44 U.S. Govt.....	1,444	1,065	1,342	1,155	1,030	2,985	1,482	5,700	5,970	
Domestic interbank:										
45 Commercial.....	28,213	26,295	29,093	26,872	27,563	31,272	27,263	27,784	28,666	
46 Mutual savings.....	913	816	871	753	784	945	804	801	754	
Foreign:										
47 Governments, official institutions, etc.....	1,273	1,060	1,031	1,264	1,261	1,656	1,074	1,238	1,346	
48 Commercial banks.....	7,275	6,726	6,937	7,035	6,497	6,758	6,534	6,658	6,634	
49 Certified and officers' checks.....	8,043	7,912	9,189	7,398	8,675	9,042	8,187	8,027	7,558	
50 Time and savings deposits <sup>3</sup> .....	267,169	268,002	267,895	269,280	270,102	270,573	272,167	271,820	272,480	
51 Savings <sup>4</sup> .....	91,862	91,879	91,858	91,898	91,592	91,805	91,540	91,459	91,633	
52 Time.....	175,307	176,123	176,037	177,382	178,510	178,768	180,627	180,361	180,847	
53 Individuals, partnerships, and corps.....	135,914	136,351	136,466	136,923	137,420	137,482	139,084	138,877	139,486	
54 States and political subdivisions.....	25,351	25,679	25,652	26,153	26,298	26,278	26,335	26,200	26,153	
55 Domestic interbank.....	6,071	6,187	6,054	6,371	6,453	6,487	6,730	6,950	7,041	
56 Foreign govts., official institutions, etc.....	6,355	6,279	6,209	6,278	6,655	6,775	6,745	6,604	6,409	
57 Federal funds purchased, etc. <sup>5</sup> .....	78,014	80,263	80,066	80,213	79,304	80,175	79,797	78,034	82,370	
Borrowings from:										
58 F.R. Banks.....	1,696	392	611	1,192	608	350	176	1,487	509	
59 Others.....	6,544	6,300	6,185	6,106	6,688	6,882	6,746	6,616	6,661	
60 Other liabilities, etc. <sup>6</sup> .....	33,133	32,958	32,978	32,827	32,694	33,043	32,738	33,407	33,658	
61 Total equity capital and subordinated notes/debentures <sup>7</sup> .....	46,642	46,674	46,603	46,673	46,753	46,984	47,044	46,917	47,014	

<sup>1</sup> Includes securities purchased under agreements to resell.<sup>2</sup> Federal agencies only.<sup>3</sup> Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.<sup>4</sup> For amounts of these deposits by ownership categories, see Table 1.30.<sup>5</sup> Includes securities sold under agreements to repurchase.<sup>6</sup> Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.<sup>7</sup> Includes reserves for securities and contingency portion of reserves for loans.



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

Millions of dollars, Wednesday figures

Account	1978								
	Aug. 2	Aug. 9	Aug. 16	Aug. 23	Aug. 30 <sup>1</sup>	Sept. 6 <sup>1</sup>	Sept. 13 <sup>1</sup>	Sept. 20 <sup>1</sup>	Sept. 27 <sup>1</sup>
<b>1 Total loans and investments</b> .....	<b>95,187</b>	<b>95,211</b>	<b>97,832</b>	<b>93,929</b>	<b>94,099</b>	<b>96,907</b>	<b>94,792</b>	<b>96,634</b>	<b>94,795</b>
Loans:									
2 <i>Federal funds sold</i> <sup>1</sup> .....	5,799	5,038	5,614	4,464	4,534	4,586	3,442	4,294	3,884
3 To commercial banks.....	3,769	2,773	3,517	2,943	2,900	2,795	2,008	2,604	2,344
To brokers and dealers involving—									
4 U.S. Treasury securities.....	1,261	1,622	1,435	947	929	1,322	963	1,114	900
5 Other securities.....	19	11	3	6	10	4	4	4	4
6 To others.....	750	632	659	568	695	465	467	572	636
7 <i>Other gross</i> .....	70,871	71,513	72,973	70,728	71,156	72,979	72,917	73,728	73,148
8 Commercial and industrial.....	35,721	35,361	35,816	35,586	35,745	36,205	36,318	36,667	36,771
9 Agricultural.....	151	152	153	154	163	163	167	161	157
For purchasing or carrying securities:									
To brokers and dealers:									
10 U.S. Treasury securities.....	919	1,532	1,394	807	786	1,477	1,371	1,204	809
11 Other securities.....	4,406	4,309	4,777	4,147	4,605	4,772	4,652	5,075	4,801
To others:									
12 U.S. Treasury securities.....	24	25	25	26	28	28	28	28	26
13 Other securities.....	358	367	367	368	364	368	359	354	358
To nonbank financial institutions:									
14 Personal and sales finance cos., etc.....	2,786	2,754	2,675	2,926	2,626	2,802	2,879	2,790	2,759
15 Other.....	4,804	4,808	4,813	4,824	4,746	4,710	4,723	4,827	4,820
16 Real estate.....	9,319	9,368	9,394	9,407	9,428	9,447	9,603	9,657	9,718
To commercial banks:									
17 Domestic.....	823	797	787	681	672	730	612	736	767
18 Foreign.....	2,551	2,968	2,756	2,643	2,737	2,744	2,697	2,706	2,737
19 Consumer installment.....	4,735	4,756	4,804	4,822	4,841	4,854	4,886	4,907	4,935
20 Foreign govts, official institutions, etc.....	320	357	330	345	375	409	395	361	389
21 All other loans.....	3,954	3,959	4,882	3,992	4,040	4,270	4,226	4,255	4,101
22 Less: Loan loss reserve and unearned income on loans.....	1,806	1,824	1,838	1,839	1,847	1,867	1,889	1,889	1,849
23 <i>Other loans, net</i> .....	69,065	69,689	71,135	68,889	69,309	71,112	71,028	71,839	71,299
Investments:									
24 U.S. Treasury securities.....	9,761	9,783	10,275	9,866	9,477	10,002	9,274	9,415	8,723
25 Bills.....	1,771	1,777	1,714	1,935	1,893	1,982	1,385	1,630	1,178
Notes and bonds, by maturity:									
26 Within 1 year.....	926	988	910	619	672	597	561	539	566
27 1 to 5 years.....	6,123	6,099	6,065	5,887	5,629	6,282	6,121	6,010	5,762
28 After 5 years.....	941	919	1,586	1,425	1,283	1,141	1,207	1,236	1,217
29 <i>Other securities</i> .....	10,562	10,701	10,808	10,710	10,779	11,207	11,048	11,086	10,889
Obligations of States and political subdivisions:									
30 Tax warrants, short-term notes, and bills.....	1,551	1,834	1,694	1,690	1,732	2,150	1,772	1,868	1,850
31 All other.....	6,900	6,906	7,072	7,016	7,023	7,034	7,174	6,949	6,910
Other bonds, corporate stocks, and securities:									
32 Certificates of participation <sup>2</sup> .....	516	502	500	521	517	517	501	540	521
33 All other, including corporate stocks.....	1,595	1,459	1,542	1,483	1,507	1,506	1,601	1,729	1,608
34 Cash items in process of collection.....	14,127	13,865	15,739	13,950	15,534	15,451	14,700	15,327	14,243
35 Reserves with F.R. Banks.....	6,300	5,869	5,509	4,884	4,683	6,650	6,442	3,657	5,658
36 Currency and coin.....	906	899	920	933	973	955	1,025	1,034	1,039
37 Balances with domestic banks.....	7,337	6,749	8,406	7,413	7,786	6,840	6,427	7,409	7,145
38 Investments in subsidiaries not consolidated.....	1,715	1,707	1,701	1,716	1,722	1,713	1,729	1,729	1,732
39 Other assets.....	24,889	25,295	23,171	26,344	25,361	24,723	26,510	27,330	26,912
<b>40 Total assets/total liabilities</b> .....	<b>150,461</b>	<b>149,595</b>	<b>153,278</b>	<b>149,169</b>	<b>150,158</b>	<b>153,239</b>	<b>151,631</b>	<b>153,120</b>	<b>151,524</b>
Deposits:									
41 <i>Demand deposits</i> .....	53,215	50,584	54,828	51,388	53,163	54,312	51,990	54,469	53,142
42 Individuals, partnerships, and corps.....	28,715	27,517	29,118	27,115	28,215	27,707	28,152	28,753	27,281
43 States and political subdivisions.....	549	412	416	509	388	411	397	511	509
44 U.S. Govt.....	115	132	120	141	114	563	133	1,174	1,155
Domestic interbank:									
45 Commercial.....	13,392	12,528	14,158	13,475	13,648	13,977	13,005	13,769	14,447
46 Mutual savings.....	472	401	439	373	377	482	407	402	371
Foreign:									
47 Governments, official institutions, etc.....	1,018	808	777	1,005	994	1,354	849	1,007	1,084
48 Commercial banks.....	5,505	5,154	5,194	5,329	4,924	5,157	4,844	5,052	4,849
49 Certified and officers' checks.....	3,449	3,632	4,606	3,441	4,503	4,661	4,203	3,801	3,446
50 <i>Time and savings deposits</i> <sup>3</sup> .....	45,614	45,572	45,589	45,374	45,634	45,908	46,105	45,800	45,770
51 Savings <sup>4</sup> .....	9,598	9,591	9,573	9,560	9,526	9,551	9,540	9,525	9,571
52 Time.....	36,016	35,981	36,016	35,814	36,108	36,357	36,565	36,275	36,199
53 Individuals, partnerships and corps.....	27,843	27,798	27,963	27,640	27,681	27,900	28,142	27,821	27,835
54 States and political subdivisions.....	1,741	1,759	1,806	1,831	1,790	1,766	1,797	1,829	1,845
55 Domestic interbank.....	2,003	2,027	1,945	1,965	1,919	1,870	1,890	1,967	2,015
56 Foreign govts., official institutions, etc.....	3,695	3,670	3,592	3,646	3,956	4,028	3,949	3,847	3,666
57 Federal funds purchased, etc. <sup>5</sup> .....	19,654	22,739	21,850	21,286	20,150	22,244	22,937	22,330	21,822
Borrowings from:									
58 F.R. Banks.....	878	0	285	175	460	0	0	0	0
59 Others.....	3,029	2,996	3,112	3,180	3,379	3,315	3,398	3,257	3,289
60 Other liabilities, etc. <sup>6</sup> .....	14,890	14,490	14,387	14,542	14,143	14,176	13,914	13,979	14,217
61 Total equity capital and subordinated notes/ debentures <sup>7</sup> .....	13,181	13,214	13,227	13,224	13,229	13,284	13,287	13,285	13,284

<sup>1</sup> Includes securities purchased under agreements to resell.<sup>2</sup> Federal agencies only.<sup>3</sup> Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.<sup>4</sup> For amounts of these deposits by ownership categories, see Table 1.30.<sup>5</sup> Includes securities sold under agreements to repurchase.<sup>6</sup> Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.<sup>7</sup> Includes reserves for securities and contingency portion of reserves for loans.

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS OUTSIDE NEW YORK CITY  
Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1978								
	Aug. 2	Aug. 9	Aug. 16	Aug. 23	Aug. 30 <sup>1</sup>	Sept. 6 <sup>2</sup>	Sept. 13 <sup>3</sup>	Sept. 20 <sup>4</sup>	Sept. 27 <sup>5</sup>
<b>1 Total loans and investments</b> .....	<b>372,523</b>	<b>374,956</b>	<b>375,370</b>	<b>373,395</b>	<b>375,417</b>	<b>382,179</b>	<b>379,786</b>	<b>380,444</b>	<b>380,728</b>
Loans:									
Federal funds sold <sup>1</sup> .....	19,850	22,046	21,191	18,436	19,279	23,989	21,299	20,297	19,235
To commercial banks.....	16,212	16,989	17,203	14,657	15,446	18,306	17,279	16,254	15,603
To brokers and dealers involving—									
U.S. Treasury securities.....	1,613	2,824	1,955	1,774	1,839	3,279	2,028	1,906	1,460
Other securities.....	558	540	508	548	509	554	509	563	588
To others.....	1,467	1,693	1,525	1,457	1,485	1,850	1,483	1,574	1,584
Other, gross.....	271,541	271,688	272,716	273,350	274,341	275,307	275,225	276,487	278,025
Commercial and industrial.....	99,631	99,180	99,290	99,372	99,223	99,197	99,228	99,876	99,939
Agricultural.....	5,066	5,097	5,096	5,091	5,096	5,119	5,147	5,153	5,177
For purchasing or carrying securities:									
To brokers and dealers:									
U.S. Treasury securities.....	103	180	111	120	147	123	122	117	112
Other securities.....	4,018	3,999	4,121	4,003	4,252	4,143	3,950	3,867	4,452
To others:									
U.S. Treasury securities.....	82	81	81	79	79	78	80	78	79
Other securities.....	2,262	2,256	2,252	2,258	2,261	2,269	2,261	2,245	2,228
To nonbank financial institutions:									
Personal and sales finance cos., etc.....	5,311	5,290	5,294	5,348	5,248	5,440	5,430	5,284	5,359
Other.....	10,619	10,749	10,887	10,753	10,956	10,928	11,063	11,048	11,084
Real estate.....	73,433	73,809	74,319	74,654	74,995	75,224	75,555	75,898	76,164
To commercial banks:									
Domestic.....	1,660	1,520	1,525	1,550	1,641	1,662	1,550	1,593	1,794
Foreign.....	3,225	3,241	3,235	3,342	3,192	3,280	3,271	3,256	3,326
Consumer instalment.....	47,176	47,349	47,673	47,871	48,202	48,388	48,486	48,730	49,006
Foreign govts., official institutions, etc.....	1,324	1,314	1,261	1,219	1,259	1,305	1,311	1,284	1,277
All other loans.....	17,631	17,623	17,571	17,690	17,790	18,151	17,771	18,058	18,028
Less: Loan reserve and unearned income on loans.....	8,642	8,719	8,783	8,838	8,835	8,865	8,904	8,951	8,940
Other loans, net.....	262,899	262,969	263,933	264,512	265,506	266,442	266,321	267,536	269,085
Investments:									
U.S. Treasury securities.....	33,086	32,830	33,302	33,465	33,300	33,801	34,244	34,503	34,194
Bills.....	2,726	2,641	2,564	2,802	2,697	2,628	3,121	3,208	3,160
Notes and bonds, by maturity:									
Within 1 year.....	6,329	6,239	6,002	6,004	6,069	6,318	6,359	6,398	6,413
1 to 5 years.....	20,119	19,986	20,499	20,355	20,221	20,412	20,366	20,490	20,252
After 5 years.....	3,912	3,964	4,237	4,304	4,313	4,443	4,398	4,407	4,369
Other securities.....	56,688	57,111	56,944	56,982	57,332	57,947	57,922	58,108	58,214
Obligations of States and political subdivisions:									
Tax warrants, short-term notes, and bills.....	4,580	4,706	4,416	4,389	4,424	4,634	4,297	4,212	4,291
All other.....	37,864	38,041	38,280	38,366	38,727	38,897	39,052	39,079	39,043
Other bonds, corporate stocks, and securities:									
Certificates of participation <sup>2</sup> .....	2,354	2,345	2,296	2,315	2,318	2,323	2,354	2,396	2,334
All other, including corporate stocks.....	11,890	12,019	11,952	11,912	11,863	12,093	12,219	12,421	12,546
Cash items in process of collection.....	31,286	26,887	31,586	27,748	27,598	37,291	31,301	31,693	29,109
Reserves with F.R. Banks.....	18,421	14,810	16,202	18,279	17,725	11,579	16,266	15,553	19,603
Currency and coin.....	5,350	5,292	5,434	5,573	5,809	5,200	5,838	5,721	5,897
Balances with domestic banks.....	7,284	6,978	7,330	6,324	6,509	8,435	6,677	6,953	7,638
Investments in subsidiaries not consolidated.....	1,654	1,671	1,566	1,558	1,534	1,612	1,577	1,586	1,596
Other assets.....	38,232	38,178	38,226	37,611	37,937	38,689	38,460	38,546	38,455
<b>40 Total assets/total liabilities</b> .....	<b>474,750</b>	<b>468,772</b>	<b>475,714</b>	<b>470,488</b>	<b>472,529</b>	<b>484,985</b>	<b>479,905</b>	<b>480,496</b>	<b>483,026</b>
Deposits:									
Demand deposits.....	138,798	133,194	139,826	131,978	133,375	145,905	140,878	140,866	138,716
Individuals, partnerships, and corps.....	109,505	106,744	111,066	106,290	106,921	114,116	114,008	110,542	107,847
States and political subdivisions.....	6,083	5,231	5,591	4,975	5,204	5,325	4,967	5,321	5,293
U.S. Govt.....	1,329	933	1,222	1,014	916	2,422	1,349	4,526	4,815
Domestic interbank:									
Commercial.....	14,821	13,767	14,935	13,397	13,915	17,295	14,258	14,015	14,219
Mutual savings.....	441	415	432	380	407	463	397	399	383
Foreign:									
Governments, official institutions, etc.....	255	252	254	259	267	302	225	231	262
Commercial banks.....	1,770	1,572	1,743	1,706	1,573	1,601	1,690	1,606	1,785
Certified and officers' checks.....	4,594	4,280	4,583	3,957	4,172	4,381	3,984	4,226	4,112
Time and savings deposits <sup>3</sup> .....	221,555	222,430	222,306	223,906	224,468	224,665	226,062	226,020	226,710
Savings <sup>4</sup> .....	82,264	82,288	82,285	82,338	82,066	82,254	82,000	81,934	82,062
Time.....	139,291	140,142	140,021	141,568	142,402	142,411	144,062	144,086	144,648
Individuals, partnerships, and corps.....	108,071	108,553	108,503	109,283	109,739	109,582	110,942	111,056	111,651
States and political subdivisions.....	23,610	23,920	23,846	24,322	24,508	24,512	24,538	24,371	24,308
Domestic interbank.....	4,068	4,160	4,109	4,406	4,534	4,617	4,840	4,983	5,026
Foreign govts., official institutions, etc.....	2,660	2,609	2,617	2,632	2,699	2,747	2,796	2,757	2,743
Federal funds purchased, etc. <sup>5</sup> .....	58,360	57,524	58,216	58,927	59,154	57,931	56,860	55,704	60,548
Borrowings from:									
F.R. Banks.....	818	392	326	1,017	148	350	176	1,487	509
Others.....	3,515	3,304	3,073	2,926	3,309	3,567	3,348	3,359	3,372
Other liabilities, etc. <sup>6</sup> .....	18,243	18,468	18,591	18,285	18,551	18,867	18,824	19,428	19,441
Total equity capital and subordinated notes/debentures <sup>7</sup> .....	33,461	33,460	33,376	33,449	33,524	33,700	33,757	33,632	33,730

<sup>1</sup> Includes securities purchased under agreements to resell.<sup>2</sup> Federal agencies only.<sup>3</sup> Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.<sup>4</sup> For amounts of these deposits by ownership categories, see Table 1.30.<sup>5</sup> Includes securities sold under agreements to repurchase.<sup>6</sup> Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.<sup>7</sup> Includes reserves for securities and contingency portion of reserves for loans.

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1978								
	Aug. 2	Aug. 9	Aug. 16	Aug. 23	Aug. 30 <sup>1</sup>	Sept. 6 <sup>2</sup>	Sept. 13 <sup>3</sup>	Sept. 20 <sup>4</sup>	Sept. 27 <sup>5</sup>
<b>Total loans (gross) and investments adjusted<sup>1</sup></b>									
1 Large banks.....	455,694	458,631	460,791	458,170	459,539	466,325	463,922	466,731	465,804
2 New York City banks.....	92,401	93,465	95,366	92,144	92,374	95,249	94,061	95,183	93,533
3 Banks outside New York City.....	363,293	365,166	365,425	366,026	367,165	371,076	369,861	371,548	372,271
<b>Total loans (gross), adjusted</b>									
4 Large banks.....	345,597	348,206	349,462	347,147	348,651	353,368	351,434	353,619	353,784
5 New York City banks.....	72,078	72,981	74,283	71,568	72,118	74,040	73,739	74,682	73,921
6 Banks outside New York City.....	273,519	275,225	275,179	275,579	276,533	279,328	277,695	278,937	279,863
<b>Demand deposits, adjusted<sup>2</sup></b>									
7 Large banks.....	116,943	115,666	116,894	113,641	114,813	113,218	118,116	114,831	113,870
8 New York City banks.....	25,581	24,059	24,811	23,822	23,867	24,321	24,146	24,199	23,297
9 Banks outside New York City.....	91,362	91,607	92,083	89,819	90,946	88,897	93,970	90,632	90,573
<b>Large negotiable time CD's included in time and savings deposits<sup>3</sup></b>									
Total:									
10 Large banks.....	87,243	87,869	87,608	88,426	89,248	89,385	90,893	90,569	90,977
11 New York City.....	24,780	24,807	24,748	24,539	24,817	24,958	25,088	24,723	24,595
12 Banks outside New York City.....	62,463	63,062	62,860	63,887	64,431	64,427	65,805	65,846	66,382
Issued to IPC's:									
13 Large banks.....	62,227	62,562	62,448	62,823	63,164	63,111	64,363	63,912	64,380
14 New York City banks.....	17,945	17,999	18,073	17,761	17,794	17,976	18,129	17,725	17,721
15 Banks outside New York City.....	44,282	44,563	44,375	45,062	45,370	45,135	46,234	46,187	46,659
Issued to others:									
16 Large banks.....	25,016	25,307	25,160	25,603	26,084	26,274	26,530	26,657	26,597
17 New York City banks.....	6,835	6,808	6,675	6,778	7,023	6,982	6,959	6,998	6,874
18 Banks outside New York City.....	18,181	18,499	18,485	18,825	19,061	19,292	19,571	19,659	19,723
<b>All other large time deposits<sup>4</sup></b>									
Total:									
19 Large banks.....	33,808	33,999	34,018	34,496	34,628	34,719	34,820	34,707	34,654
20 New York City banks.....	6,301	6,288	6,304	6,307	6,328	6,455	6,481	6,512	6,540
21 Banks outside New York City.....	27,507	27,711	27,714	28,189	28,300	28,264	28,339	28,195	28,114
Issued to IPC's:									
22 Large banks.....	20,200	20,326	20,395	20,443	20,419	20,504	20,626	20,705	20,724
23 New York City banks.....	5,100	5,068	5,095	5,085	5,096	5,143	5,186	5,227	5,223
24 Banks outside New York City.....	15,100	15,258	15,300	15,358	15,323	15,361	15,440	15,478	15,501
Issued to others:									
25 Large banks.....	13,608	13,673	13,623	14,053	14,209	14,215	14,194	14,062	13,930
26 New York City banks.....	1,201	1,220	1,209	1,222	1,232	1,312	1,295	1,285	1,317
27 Banks outside New York City.....	12,407	12,453	12,414	12,831	12,977	12,903	12,899	12,717	12,613
<b>Savings deposits, by ownership category</b>									
Individuals and nonprofit organizations:									
28 Large banks.....	85,751	85,717	85,683	85,641	85,306	85,465	85,220	85,197	85,342
29 New York City banks.....	8,951	8,950	8,929	8,914	8,891	8,903	8,881	8,863	8,902
30 Banks outside New York City.....	76,800	76,767	76,754	76,727	76,415	76,562	76,339	76,334	76,440
Partnerships and corporations for profit: <sup>5</sup>									
31 Large banks.....	4,948	5,020	5,003	5,094	5,134	5,163	5,137	5,077	5,113
32 New York City banks.....	454	460	461	467	470	474	473	470	473
33 Banks outside New York City.....	4,494	4,560	4,542	4,627	4,664	4,689	4,664	4,607	4,640
Domestic governmental units:									
34 Large banks.....	1,143	1,123	1,147	1,140	1,138	1,154	1,152	1,153	1,145
35 New York City banks.....	183	169	165	163	158	160	169	172	176
36 Banks outside New York City.....	960	954	982	977	980	994	983	981	969
All other: <sup>6</sup>									
37 Large banks.....	20	19	25	23	14	23	31	32	33
38 New York City banks.....	10	12	18	16	7	14	17	20	20
39 Banks outside New York City.....	10	7	7	7	7	9	14	12	13
<b>Gross liabilities of banks to their foreign branches</b>									
40 Large banks.....	5,970	5,453	5,352	5,305	5,040	5,545	4,623	5,668	5,311
41 New York City banks.....	3,138	2,450	3,151	2,766	2,631	3,245	2,016	2,632	2,175
42 Banks outside New York City.....	2,832	3,003	2,201	2,539	2,409	2,300	2,607	3,036	3,136
<b>Loans sold outright to selected institutions by all large banks<sup>7</sup></b>									
43 Commercial and industrial <sup>8</sup> .....	2,381	2,472	2,424	2,481	2,479	2,412	2,424	2,366	2,376
44 Real estate <sup>8</sup> .....	249	245	249	251	247	256	253	252	252
45 All other <sup>8</sup> .....	2,027	2,014	2,016	2,027	1,958	2,033	2,061	2,020	2,022

<sup>1</sup> Exclusive of loans and Federal funds transactions with domestic commercial banks.

<sup>2</sup> All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.

<sup>3</sup> Certificates of deposit (CD's) issued in denominations of \$100,000 or more.

<sup>4</sup> All other time deposits issued in denominations of \$100,000 or more not included in large negotiable (CD's).

<sup>5</sup> Other than commercial banks.

<sup>6</sup> Domestic and foreign commercial banks, and official international organizations.

<sup>7</sup> To bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

<sup>8</sup> Data revised beginning July 7, 1977, due to reclassifications at one large bank.

1.31 LARGE WEEKLY REPORTING COMMERCIAL BANKS Commercial and Industrial Loans

Millions of dollars

Industry classification	Outstanding					Net change during --				
	1978					1978		1978		
	Aug. 30	Sept. 6	Sept. 13	Sept. 20	Sept. 27 <sup>1</sup>	Q2 <sup>2</sup>	Q3 <sup>2</sup>	July	Aug.	Sept. <sup>3</sup>
Total loans classified <sup>2</sup>										
1 Total	109,709	110,182	110,408	111,283	111,500	5,384	1,346	655	210	1,791
Durable goods manufacturing:										
2 Primary metals	2,721	2,751	2,699	2,706	2,732	43	-66	95	18	11
3 Machinery	5,324	5,268	5,317	5,375	5,388	177	-16	2	-82	64
4 Transportation equipment	2,696	2,655	2,705	2,760	2,747	66	-52	-69	-34	51
5 Other fabricated metal products	2,393	2,422	2,474	2,502	2,522	181	69	-45	-15	129
6 Other durable goods	3,943	3,987	4,020	4,048	4,045	382	136	-14	48	102
Nondurable goods manufacturing:										
7 Food, liquor, and tobacco	4,152	4,190	4,232	4,114	4,154	409	-101	-186	83	2
8 Textiles, apparel, and leather	4,439	4,483	4,495	4,420	4,383	565	240	129	167	56
9 Petroleum refining	2,566	2,502	2,480	2,544	2,521	159	-116	75	4	-45
10 Chemicals and rubber	3,399	3,474	3,467	3,494	3,468	154	-101	-55	115	69
11 Other nondurable goods	2,399	2,439	2,439	2,471	2,480	61	213	56	76	81
12 Mining, including crude petroleum and natural gas	10,453	10,427	10,509	10,627	10,577	883	172	-33	81	124
Trade:										
13 Commodity dealers	1,766	1,825	1,745	1,771	1,744	-187	-323	86	215	22
14 Other wholesale	8,973	8,998	8,905	8,999	9,172	458	232	81	48	199
15 Retail	8,062	8,023	8,001	8,034	8,194	639	-80	14	-198	132
16 Transportation	5,337	5,366	5,407	5,452	5,494	147	53	-177	73	157
17 Communication	1,678	1,708	1,699	1,784	1,733	249	68	17	4	55
18 Other public utilities	5,114	5,191	5,120	5,138	5,099	38	89	166	-62	-15
19 Construction	5,204	5,209	5,200	5,209	5,221	483	110	86	7	17
20 Services	13,546	13,635	13,749	13,956	13,959	1,134	520	98	9	413
21 All other domestic loans	8,030	7,942	7,932	8,013	8,036	296	282	161	115	6
22 Bankers acceptances	2,879	3,039	3,188	3,177	3,112	-429	-149	-627	245	233
23 Foreign commercial and industrial loans	4,635	4,598	4,625	4,689	4,719	-230	166	25	57	84
MEMO ITEMS:										
24 Commercial paper included in total classified loans <sup>1</sup>	45				63	-60	-8	7	-19	18
25 Total commercial and industrial loans of all large weekly reporting banks	134,968	135,402	135,546	136,543	136,710	6,601	1,333	-738	329	1,742
	1978					1978		1978		
	May 31	June 28	July 26	Aug. 30	Sept. 27 <sup>1</sup>	Q2	Q3	July	Aug.	Sept.
"Term" loans classified <sup>3</sup>										
26 Total	51,205	51,293	51,905	52,618	53,012	1,926	1,719	612	713	394
Durable goods manufacturing:										
27 Primary metals	1,736	1,706	1,695	1,710	1,672	128	-34	11	15	-38
28 Machinery	2,622	2,576	2,712	2,669	2,650	45	74	136	-43	-19
29 Transportation equipment	1,460	1,420	1,439	1,586	1,565	-69	145	19	147	21
30 Other fabricated metal products	973	994	1,000	990	1,007	87	13	6	10	17
31 Other durable goods	1,625	1,678	1,718	1,699	1,713	106	35	40	19	14
Nondurable goods manufacturing:										
32 Food, liquor, and tobacco	1,671	1,671	1,691	1,740	1,727	150	56	20	49	-13
33 Textiles, apparel, and leather	1,097	1,122	1,138	1,133	1,126	84	4	16	5	7
34 Petroleum refining	1,962	1,947	1,882	1,882	1,846	74	-101	-65		-36
35 Chemicals and rubber	2,229	2,412	2,418	2,322	2,301	296	-111	6	96	-21
36 Other nondurable goods	1,093	1,091	1,103	1,156	1,177	-78	86	12	53	21
37 Mining, including crude petroleum and natural gas	7,604	7,760	7,660	7,757	7,862	676	102	-100	97	105
Trade:										
38 Commodity dealers	254	228	233	248	250	24	22	5	15	2
39 Other wholesale	2,141	2,175	2,233	2,276	2,360	187	185	58	43	84
40 Retail	2,855	2,834	2,782	2,827	2,791	275	-43	52	45	-36
41 Transportation	3,702	3,738	3,678	3,732	3,753	-133	15	-60	54	21
42 Communication	980	1,009	1,061	1,057	1,076	85	67	52	-4	19
43 Other public utilities	3,770	3,529	3,714	3,860	3,847	293	318	185	146	-13
44 Construction	2,101	2,117	2,177	2,245	2,224	51	107	60	68	-21
45 Services	6,301	6,490	6,592	6,606	6,797	609	307	102	14	191
46 All other domestic loans	2,525	2,320	2,436	2,616	2,712	145	392	116	180	96
47 Foreign commercial and industrial loans	2,504	2,476	2,543	2,507	2,556	185	80	67	36	49

<sup>1</sup> Reported for the last Wednesday of each month.

<sup>2</sup> Includes "term" loans, shown below.

<sup>3</sup> Outstanding loans with an original maturity of more than 1 year and

all outstanding loans granted under a formal agreement—revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.

1.32 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations

Billions of dollars, estimated daily-average balances

Type of holder	At commercial banks											
	1973 Dec.	1974 Dec.	1975 Dec.	1976				1977			1978	
				Dec.	Mar.	June	Sept.	Dec.	Mar.	June		
1 All holders, individuals, partnerships, and corporations.....	220.1	225.0	236.9	250.1	242.3	253.8	252.7	274.4	262.5	271.2		
2 Financial business.....	19.1	19.0	20.1	22.3	21.6	25.9	23.7	25.0	24.5	25.7		
3 Nonfinancial business.....	116.2	118.8	125.1	130.2	125.1	129.2	128.5	142.9	131.5	137.7		
4 Consumer.....	70.1	73.3	78.0	82.6	81.6	84.1	86.2	91.0	91.8	92.9		
5 Foreign.....	2.4	2.3	2.4	2.7	2.4	2.5	2.5	2.5	2.4	2.4		
6 Other.....	12.4	11.7	11.3	12.4	11.6	12.2	11.8	12.9	12.3	12.4		
	At weekly reporting banks											
	1975 Dec.	1976 Dec.	1977 Dec.	1978								
				Feb.	Mar.	Apr.	May	June	July	Aug.		
7 All holders, individuals, partnerships, and corporations.....	124.4	128.5	139.1	132.5	131.9	135.6	134.3	136.9	139.9	137.7		
8 Financial business.....	15.6	17.5	18.5	18.1	18.2	17.9	18.1	19.0	19.4	19.4		
9 Nonfinancial business.....	69.9	69.7	76.3	70.7	68.9	70.9	71.9	71.9	73.7	72.0		
10 Consumer.....	29.9	31.7	34.6	34.4	35.4	37.6	36.0	36.6	37.1	36.8		
11 Foreign.....	2.3	2.6	2.4	2.4	2.3	2.2	2.4	2.3	2.3	2.4		
12 Other.....	6.6	7.1	7.4	6.9	7.0	7.0	7.1	7.1	7.3	7.1		

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

1.33 COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1975 Dec.	1976 Dec.	1977 Dec.	1978						
				Feb.	Mar.	Apr.	May	June	July	Aug.
	Commercial paper (seasonally adjusted)									
1 All issuers.....	48,459	53,025	65,209	65,578	67,476	70,289	71,213	74,536	74,900	73,960
Financial companies: <sup>1</sup>										
Dealer-placed paper: <sup>2</sup>										
2 Total.....	6,202	7,250	8,871	8,918	8,889	9,670	10,314	10,327	10,617	10,868
3 Bank-related.....	1,762	1,900	2,132	1,997	1,993	2,078	2,217	2,442	2,633	2,935
Directly-placed paper: <sup>3</sup>										
4 Total.....	31,374	32,500	40,496	42,238	42,903	44,326	44,664	47,315	46,594	45,510
5 Bank-related.....	6,892	5,959	7,102	7,718	8,153	7,995	9,258	9,585	10,030	9,634
6 Nonfinancial companies <sup>4</sup> .....	10,883	13,275	15,842	14,422	15,684	16,293	16,235	16,894	17,689	17,582
	Dollar acceptances (not seasonally adjusted)									
7 Total.....	18,727	22,523	25,654	25,411	26,181	26,256	26,714	28,289	27,579	28,319
Held by:										
8 Accepting banks.....	7,333	10,442	10,434	7,513	7,375	7,091	7,286	7,502	7,244	7,048
9 Own bills.....	5,899	8,769	8,915	6,583	6,375	6,117	6,365	6,520	6,345	6,131
10 Bills bought.....	1,435	1,673	1,519	931	1,000	974	921	983	899	917
F.R. Banks:										
11 Own account.....	1,126	991	954	.....	1	.....	1	.....	.....	.....
12 Foreign correspondents.....	293	375	362	456	522	550	679	625	568	633
13 Others.....	9,975	10,715	13,904	17,442	18,283	18,614	18,749	20,160	19,766	20,638
Based on:										
14 Imports into United States.....	3,726	4,992	6,532	6,842	6,979	7,108	7,027	7,578	7,415	7,885
15 Exports from United States.....	4,001	4,818	5,895	5,739	6,034	6,216	6,494	6,906	6,565	6,558
16 All other.....	11,000	12,713	13,227	13,026	13,168	12,932	13,193	13,805	13,599	13,876

<sup>1</sup> Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

<sup>2</sup> Includes all financial company paper sold by dealers in the open market.

<sup>3</sup> As reported by financial companies that place their paper directly with investors.

<sup>4</sup> Includes public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services

1.34 PRIME RATE CHARGED BY BANKS on Short-term Business Loans  
Per cent per annum

Effective date	Rate	Effective date	Rate	Month	Average rate	Month	Average rate
1977 --May 13.....	6½	1978 Jan. 10.....	8	1977--Jan.....	6.25	1978 Jan.....	7.93
31.....	6¾	May 5.....	8¼	Feb.....	6.25	Feb.....	8.00
Aug. 22.....	7	26.....	8½	Mar.....	6.25	Mar.....	8.00
Sept. 16.....	7¼	June 16.....	8¾	Apr.....	6.25	Apr.....	8.00
Oct. 7.....	7½	30.....	9	May.....	6.41	May.....	8.27
24.....	7¾	Aug. 31.....	9¼	June.....	6.75	June.....	8.63
		Sept. 15.....	9½	July.....	6.75	July.....	9.00
		28.....	9¾	Aug.....	6.83	Aug.....	9.01
				Sept.....	7.13	Sept.....	9.41
				Oct.....	7.52		
				Nov.....	7.75		
				Dec.....	7.75		

1.35 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 7-12, 1978

Item	All sizes	Size of loan (in thousands of dollars)					
		1-24	25-49	50-99	100-499	500-999	1,000 and over
Short-term commercial and industrial loans							
1 Amount of loans (thousands of dollars).....	7,198,593	1,049,321	559,214	638,138	1,899,754	532,767	2,519,400
2 Number of loans.....	187,673	147,855	16,858	10,683	10,445	863	970
3 Weighted-average maturity (months).....	3.0	2.8	3.4	2.4	3.0	3.3	3.1
4 Weighted-average interest rate (per cent per annum).....	9.97	10.45	10.19	10.30	10.19	9.93	9.47
5 Interquartile range <sup>1</sup> .....	9.31-10.47	9.25-11.65	9.34-10.50	9.73-10.75	9.38-10.64	9.31-10.43	9.00-9.88
Percentage of amount of loans:							
6 With floating rate.....	48.3	32.0	36.6	46.5	43.2	57.4	60.1
7 Made under commitment.....	38.1	15.2	21.0	27.5	31.2	58.5	54.9
Long-term commercial and industrial loans							
8 Amount of loans (thousands of dollars).....	1,417,990		293,717		355,547	99,274	669,452
9 Number of loans.....	22,251		19,735		2,218	150	148
10 Weighted-average maturity (months).....	45.2		33.7		47.2	57.7	47.4
11 Weighted-average interest rate (per cent per annum).....	10.20		10.66		10.35	9.83	9.96
12 Interquartile range <sup>1</sup> .....	9.38-11.00		9.89-11.57		9.38-11.02	9.25-10.50	9.00-10.48
Percentage of amount of loans:							
13 With floating rate.....	65.5		30.1		62.3	55.1	84.3
14 Made under commitment.....	51.3		25.0		35.7	50.6	71.2
Construction and land development loans							
15 Amount of loans (thousands of dollars).....	1,177,413	228,314	144,262	155,635	381,591		267,611
16 Number of loans.....	30,901	22,364	4,546	2,278	1,490		223
17 Weighted-average maturity (months).....	8.4	10.7	9.6	3.8	7.2		9.6
18 Weighted-average interest rate (per cent per annum).....	10.43	10.27	10.66	11.05	10.33		10.23
19 Interquartile range <sup>1</sup> .....	9.95-11.02	9.27-10.87	10.00-11.00	10.00-12.73	10.03-10.70		9.27-11.30
Percentage of amount of loans:							
20 With floating rate.....	49.3	12.3	13.0	18.3	80.2		74.3
21 Secured by real estate.....	92.9	85.4	97.1	94.5	97.1		90.3
22 Made under commitment.....	55.2	49.7	32.7	68.2	43.5		81.3
23 Type of construction: 1- to 4-family.....	42.1	77.2	71.3	64.9	20.2		14.5
24 Multifamily.....	8.5	1.2	10.0	1.7	7.8		18.8
25 Nonresidential.....	49.4	21.6	18.8	33.4	71.9		66.8
Loans to farmers							
26 Amount of loans (thousands of dollars).....	824,790	159,057	150,908	157,111	82,007	92,298	183,409
27 Number of loans.....	63,389	45,994	10,109	4,942	1,338	689	317
28 Weighted-average maturity (months).....	6.6	7.5	6.6	10.2	6.1	5.8	3.9
29 Weighted-average interest rate (per cent per annum).....	9.62	9.33	9.33	9.46	9.51	9.92	10.15
30 Interquartile range <sup>1</sup> .....	9.13-10.21	8.77-9.73	8.77-9.73	9.00-10.00	9.20-9.84	9.25-10.38	9.54-10.97
By purpose of loan:							
31 Feeder livestock.....	9.49	9.13	9.11	9.37	9.48	9.60	9.91
32 Other livestock.....	9.47	9.36	9.44	10.03	8.86	10.19	9.76
33 Other current operating expenses.....	9.66	9.27	9.44	9.26	9.81	9.96	10.41
34 Farm machinery and equipment.....	9.63	9.52	9.53	9.86	9.41	( <sup>2</sup> )	( <sup>2</sup> )
35 Other.....	9.87	9.61	9.22	9.67	9.77	10.39	10.28

<sup>1</sup> Interest rate range that covers the middle 50 per cent of the total dollar amount of loans made.

NOTE.—For more detail, see the Board's 416 (G.14) statistical release.

<sup>2</sup> Fewer than three loans.

1.36 INTEREST RATES Money and Capital Markets

Averages, per cent per annum

Instrument	1975	1976	1977	1978				1978, week ending--				
				June	July	Aug.	Sept.	Sept. 2	Sept. 9	Sept. 16	Sept. 23	Sept. 30
<b>Money market rates</b>												
1 Federal funds <sup>1</sup> .....	5.82	5.05	5.54	7.60	7.81	8.04	8.45	8.28	8.30	8.33	8.36	8.62
<b>Prime commercial paper <sup>2</sup></b>												
2 90- to 119-day.....	6.26	5.24	5.54	7.59	7.85	7.83	8.39	7.97	8.18	8.39	8.48	8.56
3 4- to 6-month.....	6.33	5.35	5.60	7.63	7.91	7.90	8.44	8.03	8.24	8.43	8.51	8.60
4 Finance company paper, directly placed, 3- to 6-month <sup>3</sup> .....	6.16	5.22	5.49	7.41	7.66	7.65	8.18	7.74	7.98	8.14	8.27	8.37
5 Prime bankers acceptances, 90-day <sup>4</sup> .....	6.30	5.19	5.59	7.75	8.02	7.98	8.54	8.19	8.31	8.44	8.62	8.82
<b>Large negotiable certificates of deposit</b>												
6 3-month, secondary market <sup>5</sup> .....	6.43	5.26	5.58	7.82	9.00	8.05	8.61	8.19	8.35	8.44	8.63	8.83
7 3-month, primary market <sup>6</sup> .....	6.11	5.15	5.52	7.68	8.00	7.86	8.42	7.90	8.14	8.38	8.50	8.65
8 Euro-dollar deposits, 3-month <sup>7</sup> .....	6.97	5.57	6.05	8.33	8.52	8.48	9.12	8.61	8.88	8.85	9.09	9.41
<b>U.S. Government securities</b>												
<b>Bills: <sup>8</sup></b>												
<b>Market yields:</b>												
9 3-month.....	5.80	4.98	5.27	6.73	7.01	7.08	7.85	7.50	7.60	7.77	8.02	7.96
10 6-month.....	6.11	5.26	5.53	7.23	7.44	7.37	7.99	7.65	7.69	7.87	8.10	8.28
11 1-year.....	6.30	5.52	5.71	7.53	7.79	7.73	8.01	7.86	7.86	7.95	8.08	8.16
<b>Rates on new issue: <sup>9</sup></b>												
12 3-month.....	5.838	4.989	5.265	6.707	7.074	7.036	7.836	7.323	7.659	7.695	7.884	8.106
13 6-month.....	6.122	5.266	5.510	7.200	7.471	7.363	7.948	7.550	7.742	7.793	7.979	8.276
<b>Capital market rates</b>												
<b>Government notes and bonds</b>												
<b>U.S. Treasury</b>												
<b>Constant maturities: <sup>10</sup></b>												
14 1-year.....	6.76	5.88	6.09	8.09	8.39	8.31	8.64	8.47	8.46	8.56	8.72	8.81
15 2-year.....	6.42	5.66	6.45	8.24	8.49	8.37	8.57	8.46	8.45	8.45	8.62	8.73
16 3-year.....	7.49	6.77	6.69	8.30	8.54	8.33	8.41	8.37	8.35	8.34	8.45	8.49
17 5-year.....	7.77	7.18	6.99	8.36	8.54	8.33	8.43	8.39	8.37	8.35	8.46	8.52
18 7-year.....	7.90	7.42	7.23	8.40	8.55	8.38	8.42	8.39	8.35	8.33	8.46	8.54
19 10-year.....	7.99	7.61	7.42	8.46	8.64	8.41	8.42	8.38	8.34	8.31	8.46	8.55
20 20-year.....	8.19	7.86	7.67	8.53	8.69	8.45	8.47	8.43	8.39	8.36	8.49	8.61
21 30-year.....				8.50	8.65	8.47	8.47	8.45	8.41	8.38	8.50	8.59
<b>Notes and bonds maturing in <sup>11</sup></b>												
22 3 to 5 years.....	7.55	6.94	6.85	8.31	8.54	8.31	8.38	8.36	8.33	8.32	8.40	8.48
23 Over 10 years (long-term).....	6.98	6.78	7.06	7.94	8.09	7.87	7.82	7.82	7.77	7.73	7.83	7.94
<b>State and local:</b>												
<b>Moody's series: <sup>12</sup></b>												
24 Aaa.....	6.42	5.66	5.20	5.73	5.80	5.56	5.53	5.50	5.50	5.40	5.60	5.60
25 Baa.....	7.62	7.49	6.12	6.44	6.45	6.54	6.63	7.00	7.00	6.80	6.40	6.30
26 <i>Bond Buyer</i> series <sup>13</sup> .....	7.05	6.64	5.68	6.22	6.28	6.12	6.09	6.16	6.13	6.02	6.12	6.09
<b>Corporate bonds</b>												
<b>Seasoned issues: <sup>14</sup></b>												
27 All industries.....	9.57	9.01	8.43	9.13	9.22	9.08	9.08	9.05	9.04	9.01	9.03	9.08
<b>By rating groups:</b>												
28 Aaa.....	8.83	8.43	8.02	8.76	8.88	8.69	8.78	8.67	8.67	8.63	8.70	8.77
29 Aa.....	9.17	8.75	8.24	8.95	9.07	8.96	8.96	8.91	8.91	8.89	8.92	8.97
30 A.....	9.65	9.09	8.49	9.18	9.33	9.18	9.11	9.15	9.14	9.10	9.10	9.11
31 Baa.....	10.61	9.75	8.97	9.60	9.60	9.48	9.47	9.46	9.43	9.40	9.39	9.46
<b>Aaa utility bonds: <sup>15</sup></b>												
32 New issue.....	9.40	8.48	8.19	9.09	9.14	8.82	8.86	8.80	8.77	8.74	8.90	9.06
33 Recently offered issues.....	9.41	8.49	8.19	9.07	9.18	8.91	8.86	8.85	8.79	8.73	8.92	9.00
<b>Dividend/price ratio</b>												
34 Preferred stocks.....	8.38	7.97	7.60	8.31	8.42	8.26	8.24	8.28	8.25	8.27	8.20	8.22
35 Common stocks.....	4.31	3.77	4.56	5.19	5.25	4.93	4.97	4.97	4.88	4.85	5.07	5.08

<sup>1</sup> Weekly figures are 7-day averages of daily effective rates for the week ending Wednesday; the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates.

<sup>2</sup> Beginning Nov. 1977, unweighted average of offering rates quoted by five dealers. Previously, most representative rate quoted by those dealers.

<sup>3</sup> Averages of the most representative daily offering rates published by finance companies for varying maturities in this range.

<sup>4</sup> Average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

<sup>5</sup> Weekly figures (week ending Wednesday) are 7-day averages of the daily midpoints as determined from the range of offering rates; monthly figures are averages of total days in the month. Beginning Apr. 5, 1978, weekly figures are simple averages of offering rates.

<sup>6</sup> Posted rates, which are the annual interest rates most often quoted on new offerings of negotiable CD's in denominations of \$100,000 or more by large New York City banks. Rates prior to 1976 not available. Weekly figures are for Wednesday dates.

<sup>7</sup> Averages of daily quotations for the week ending Wednesday.

<sup>8</sup> Except for new bill issues, yields are computed from daily closing bid prices. Yields for all bills are quoted on a bank-discount basis.

<sup>9</sup> Rates are recorded in the week in which bills are issued.

<sup>10</sup> Yields on the more actively traded issues adjusted to constant maturities by the U.S. Treasury, based on daily closing bid prices.

<sup>11</sup> Unweighted averages for all outstanding notes and bonds in maturity ranges shown, based on daily closing bid prices. "Long-term" includes all bonds neither due nor callable in less than 10 years, including a number of very low yielding "flower" bonds.

<sup>12</sup> General obligations only, based on figures for Thursday, from Moody's Investors Service.

<sup>13</sup> Twenty issues of mixed quality.

<sup>14</sup> Averages of daily figures from Moody's Investors Service.

<sup>15</sup> Compilation of the Board of Governors of the Federal Reserve System.

Issues included are long-term (20 years or more). New-issue yields are based on quotations on date of offering; those on recently offered issues (included only for first 4 weeks after termination of underwriter price restrictions), on Friday close-of-business quotations.

## 1.37 STOCK MARKET Selected Statistics

Indicator	1975	1976	1977	1978						
				Mar.	Apr.	May	June	July	Aug.	Sept.
Prices and trading (averages of daily figures)										
<b>Common stock prices</b>										
1 New York Stock Exchange (Dec. 31, 1965 = 50)	45.73	54.45	53.67	49.50	51.75	54.49	54.83	54.61	58.53	58.58
2 Industrial	51.88	60.44	57.84	52.77	55.48	59.14	59.63	59.35	64.07	64.23
3 Transportation	30.73	39.57	41.07	38.95	41.19	44.21	44.19	44.74	49.45	50.19
4 Utility	31.45	36.97	40.91	39.26	39.69	39.47	39.41	39.28	40.20	39.82
5 Finance	46.62	52.94	55.23	51.44	55.04	57.95	58.31	57.97	63.28	63.22
6 Standard & Poor's Corporation (1941-43 = 10) <sup>1</sup>	85.17	102.01	98.18	88.82	92.71	97.41	97.66	97.19	103.92	103.86
7 American Stock Exchange (Aug. 31, 1973 = 100)	83.15	101.63	116.18	126.11	133.67	142.26	147.64	149.87	162.52	170.95
<b>Volume of trading (thousands of shares)<sup>2</sup></b>										
8 New York Stock Exchange	18,568	21,189	20,936	22,617	34,780	35,261	30,514	27,074	37,603	33,612
9 American Stock Exchange	2,150	2,565	2,514	2,940	4,151	4,869	4,220	3,496	5,526	5,740
Customer financing (end-of-period balances, in millions of dollars)										
10 Regulated margin credit at brokers/dealers and banks <sup>3</sup>	6,500	9,011	10,866	11,027	11,424					
11 Brokers, total	5,340	8,166	9,993	10,172	10,510	10,910	11,332			
12 Margin stock <sup>4</sup>	5,390	7,960	9,740	9,920	10,260	10,660	11,090	11,190	11,740	
13 Convertible bonds	147	204	250	250	248	245	242			
14 Subscription issues	3	2	3	2	2	1				
15 Banks, total	960	845	873	855	914					
16 Margin stocks	909	800	827	824	882					
17 Convertible bonds	36	30	30	24	25					
18 Subscription issues	15	15	16	7	7					
19 Unregulated nonmargin stock credit at banks <sup>5</sup>	2,281	2,283	2,568	2,544	2,560					
<b>MEMO: Free credit balances at brokers<sup>6</sup></b>										
20 Margin-account	475	585	640	630	715	755	700	710	795	
21 Cash-account	1,525	1,855	2,060	1,795	2,170	2,395	2,300	2,295	2,555	
Margin-account debt at brokers (percentage distribution, end of period)										
22 Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
<b>By equity class (in per cent):<sup>7</sup></b>										
23 Under 40	24.0	12.0	18.0	21.0	15.0	15.0	16.0	13.0	12.0	
24 40-49	28.8	23.0	36.0	33.0	32.0	33.0	34.0	34.0	34.0	
25 50-59	22.3	35.0	23.0	24.0	27.0	26.0	26.0	25.0	23.0	
26 60-69	11.6	15.0	11.0	11.0	13.0	13.0	12.0	14.0	16.0	
27 70-79	6.9	8.7	6.0	6.0	7.0	7.0	7.0	8.0	9.0	
28 80 or more	5.3	6.0	5.0	5.0	6.0	6.0	5.0	6.0	6.0	
Special miscellaneous-account balances at brokers (end of period)										
29 Total balances (millions of dollars) <sup>8</sup>	7,290	8,776	9,910	10,190	10,212	10,516				
<b>Distribution by equity status (per cent)</b>										
30 Net credit status	43.8	41.3	43.4	42.6	41.9	42.6				
<b>Debit status, equity of—</b>										
31 60 per cent or more	40.8	47.8	44.9	43.7	46.2	46.0				
32 Less than 60 per cent	15.4	10.9	11.7	13.5	11.9	11.4				

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

<sup>2</sup> Based on trading for a 5½-hour day.

<sup>3</sup> Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange; June data for banks are universe totals; all other data for banks are estimates for all commercial banks based on data from a sample of reporting banks.

In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

<sup>4</sup> A distribution of this total by equity class is shown on lines 23-28.

<sup>5</sup> Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of over-the-counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

<sup>6</sup> Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

<sup>7</sup> Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.

<sup>8</sup> Balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

NOTE.—For table on "Margin Requirements" see p. A-10, Table 1.161.



1.38 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1974	1975	1976	1977				1978				
				Nov.	Dec.	Feb.	Mar.	Apr.	May	June	July	Aug <sup>10</sup>
Savings and loan associations												
1 Assets	295,545	338,233	391,907	455,644	459,282	469,726	475,320	480,986	487,091	491,616	498,341	504,348
2 Mortgages	249,301	278,590	323,005	376,468	381,216	387,644	392,479	397,335	402,356	408,019	412,008	416,801
3 Cash and investment securities <sup>1</sup>	23,251	30,853	35,724	40,522	39,197	41,646	41,870	41,901	42,493	41,553	43,676	44,173
4 Other	22,993	28,790	33,178	38,654	38,869	40,436	40,971	41,750	42,242	42,044	42,657	43,374
5 Liabilities and net worth	295,545	338,233	391,907	455,644	459,282	469,726	475,320	480,986	487,091	491,616	498,341	504,348
6 Savings capital	242,974	285,743	335,912	381,333	386,875	391,917	399,070	399,628	402,008	408,665	411,740	414,091
7 Borrowed money	24,780	20,634	19,083	25,540	27,796	28,666	29,274	31,838	32,689	34,183	35,633	37,140
8 FHLBB	21,508	17,524	15,708	18,275	19,945	20,602	21,030	22,692	23,323	24,875	26,151	27,375
9 Other	3,272	3,110	3,375	7,265	7,851	8,064	8,244	9,146	9,366	9,308	9,482	9,765
10 Loans in process	3,244	5,128	6,840	9,924	9,932	9,924	10,435	10,959	11,408	11,650	11,558	11,430
11 Other	6,105	6,949	8,074	13,846	9,498	13,456	10,511	12,194	14,252	10,081	12,016	13,901
12 Net worth <sup>2</sup>	18,442	19,779	21,998	25,001	25,181	25,763	26,030	26,367	26,734	27,037	27,394	27,786
13 MEMO: Mortgage loan commitments outstanding <sup>3</sup>	7,454	10,673	14,826	21,270	19,886	20,625	22,320	23,409	23,951	22,936	22,401	22,032
Mutual savings banks												
14 Assets	109,550	121,056	134,812	146,346	147,287	149,528	150,962	151,383	152,202	153,158	154,290	
Loans:												
15 Mortgage	74,891	77,221	81,630	87,333	88,195	89,247	89,800	90,346	90,915	91,535	92,217	
16 Other	3,812	4,023	5,183	7,241	6,210	7,398	7,782	7,422	7,907	7,793	8,240	
Securities:												
17 U.S. Government	2,555	4,740	5,840	6,071	5,895	5,737	5,677	5,670	5,491	5,268	5,225	
18 State and local government	930	1,545	2,417	2,809	2,828	2,808	2,850	2,915	2,994	3,007	3,024	
19 Corporate and other <sup>4</sup>	22,550	27,992	33,793	37,221	37,918	38,605	38,964	39,146	39,225	39,447	39,673	
20 Cash	2,167	2,330	2,355	1,887	2,401	1,838	1,990	1,940	1,798	2,188	2,033	
21 Other assets	2,645	3,205	3,593	3,783	3,839	3,895	3,899	3,945	3,873	3,921	3,879	
22 Liabilities	109,550	121,056	134,812	146,346	147,287	149,528	150,962	151,383	152,202	153,158	154,290	
23 Deposits	98,701	109,873	122,877	132,537	134,017	135,200	136,997	136,931	137,307	138,674	139,093	
24 Regular <sup>5</sup>	98,221	109,291	121,961	131,319	132,744	133,846	135,558	135,349	135,785	137,062	137,403	
25 Ordinary savings	64,286	69,653	74,535	77,460	78,005	77,837	78,783	78,170	78,273	77,269	76,053	
26 Time and other	33,935	39,639	47,426	53,859	54,739	56,009	56,775	57,179	57,512	59,793	61,350	
27 Other	480	582	916	1,208	1,272	1,354	1,439	1,582	1,521	1,612	1,690	
28 Other liabilities	2,888	2,755	2,884	3,938	3,292	4,155	3,735	4,152	4,481	3,996	4,658	
29 General reserve accounts	7,961	8,428	9,052	9,882	9,978	10,174	10,230	10,301	10,414	10,487	10,538	
30 MEMO: Mortgage loan commitments outstanding <sup>6</sup>	2,040	1,803	2,439	4,458	4,066	4,027	4,185	4,342	4,606	4,958	4,872	
Life insurance companies <sup>9</sup>												
31 Assets	263,349	289,304	321,552	348,770	351,722	356,266	359,110	363,269	366,938	369,879	374,415	
Securities:												
32 Government	10,900	13,758	17,942	19,738	19,553	19,692	19,573	19,330	19,489	19,401	19,447	
33 United States <sup>7</sup>	3,372	4,736	5,368	5,704	5,315	5,373	5,229	5,087	5,206	4,984	5,006	
34 State and local	3,667	4,508	5,594	5,962	6,051	6,071	6,041	5,923	5,915	5,943	5,925	
35 Foreign <sup>8</sup>	3,861	4,514	6,980	8,072	8,187	8,248	8,303	8,320	8,368	8,474	8,516	
36 Business	119,637	135,317	157,246	174,998	175,654	179,547	181,441	184,917	187,126	188,500	192,112	
37 Bonds	97,717	107,256	122,984	141,349	141,891	147,509	148,849	150,419	152,267	153,812	156,207	
38 Stocks	21,920	28,061	34,262	33,649	33,763	32,038	32,592	34,498	34,859	34,688	35,905	
39 Mortgages	86,234	89,167	91,552	95,200	96,848	97,475	98,022	98,585	99,190	100,040	100,596	
40 Real estate	8,331	9,621	10,476	11,010	11,060	11,218	11,213	11,269	11,537	11,540	11,562	
41 Policy loans	22,862	24,467	25,834	27,413	27,556	27,839	28,024	28,246	28,431	28,649	28,843	
42 Other assets	15,385	16,971	18,502	20,411	21,051	20,495	20,837	20,922	21,165	21,749	21,855	
Credit unions												
43 Total assets/liabilities and capital	31,948	38,037	45,225	53,141	54,084	54,989	56,703	56,827	58,018	59,381	59,152	
44 Federal	16,715	20,209	24,396	28,954	29,574	30,236	31,274	31,255	31,925	32,793	32,679	
45 State	15,233	17,828	20,829	24,187	24,510	24,753	25,429	25,572	26,093	26,588	26,473	
46 Loans outstanding	24,432	28,169	34,384	41,427	42,055	42,331	43,379	44,133	45,506	47,118	47,620	
47 Federal	12,730	14,869	18,311	22,224	22,717	22,865	23,555	23,919	24,732	25,762	25,970	
48 State	11,702	13,300	16,073	19,203	19,338	19,466	19,824	20,214	20,774	21,356	21,650	
49 Savings	27,518	33,013	39,173	45,977	46,832	48,093	49,706	49,931	50,789	52,076	51,551	
50 Federal (shares)	14,370	17,530	21,130	25,303	25,849	26,569	27,514	27,592	28,128	28,903	28,627	
51 State (shares and deposits)	13,148	15,483	18,043	20,674	20,983	21,524	22,192	22,339	22,661	23,173	22,924	

For notes see bottom of page A30.

## 1.39 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1976	Transition quarter (July-Sept. 1976)	Fiscal year 1977	Calendar year					
				1977		1978	1978		
				H1	H2	H1	June	July	Aug.
<b>U.S. Budget</b>									
1 Receipts <sup>1</sup> .....	300,005	81,772	357,762	190,278	175,820	210,650	47,657	29,194	35,040
2 Outlays <sup>1,2,3</sup> .....	366,451	94,742	402,803	200,350	216,781	222,518	38,602	36,426	39,572
3 Surplus, or deficit (-).....	-66,446	-12,970	-45,041	-10,072	40,961	-11,870	9,055	7,232	-4,532
4 Trust funds.....	2,409	-1,952	7,833	7,332	4,293	4,334	1,597	-2,810	3,890
5 Federal funds <sup>4</sup> .....	-68,855	-11,018	-52,874	-17,405	45,254	-16,204	7,458	-4,421	8,422
<b>Off-budget entities surplus, or deficit (-)</b>									
6 Federal Financing Bank outlays...	-5,915	-2,575	8,415	-2,075	6,663	-5,105	499	-824	-1,056
7 Other <sup>2,5</sup> .....	-1,355	793	269	-2,086	428	-790	-155	72	-525
<b>U.S. Budget plus off-budget, including Federal Financing Bank</b>									
8 Surplus, or deficit (-).....	-73,716	-14,752	-53,725	-14,233	-47,196	-17,765	8,401	7,984	-6,113
<b>Financed by:</b>									
9 Borrowing from the public <sup>3</sup> .....	82,922	18,027	53,516	16,480	40,284	23,374	5,401	3,195	9,039
10 Cash and monetary assets (decrease, or increase (-)).....	-7,796	-2,899	-2,238	-4,666	4,317	-5,098	-14,091	5,824	-956
11 Other <sup>6</sup> .....	-1,396	-373	2,440	2,420	2,597	-511	289	-7,035	-1,970
<b>MEMO ITEMS:</b>									
12 Treasury operating balance (level, end of period).....	14,836	17,418	19,104	16,255	12,274	17,526	17,526	13,078	13,078
13 F.R. Banks.....	11,975	13,299	15,740	15,183	7,114	11,614	11,614	12,068	12,068
14 Tax and loan accounts.....	2,854	4,119	3,364	1,072	5,160	5,912	5,912	1,010	1,010
15 Other demand accounts <sup>7</sup> .....	7								

<sup>1</sup> Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.

<sup>2</sup> Outlay totals reflect the reclassification of the Export-Import Bank, and the Housing for the Elderly and Handicapped Fund effective October 1977, from off-budget status to unified budget status.

<sup>3</sup> Export-Import Bank certificates of beneficial interest (effective July 1, 1975) and loans to the Private Export Funding Corp. (PEFCO), a wholly owned subsidiary of the Export-Import Bank, are treated as debt rather than asset sales.

<sup>4</sup> Half years calculated as a residual of total surplus/deficit and trust fund surplus/deficit.

<sup>5</sup> Includes Pension Benefit Guaranty Corp.; Postal Service Fund, Rural

Electrification; Telephone Revolving Fund, Rural Telephone Bank; and Housing for the Elderly or Handicapped Fund until October 1977.

<sup>6</sup> Includes public debt accrued interest payable to the public; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seignorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment.

<sup>7</sup> Excludes the gold balance but includes deposits in certain commercial depositories that have been converted from a time deposit to a demand deposit basis to permit greater flexibility in Treasury cash management.

SOURCE.—"Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and *U.S. Budget, Fiscal Year 1978*.

## NOTES TO TABLE 1.38

<sup>1</sup> Holdings of stock of the Federal home loan banks are included in "other assets."

<sup>2</sup> Includes net undistributed income, which is accrued by most, but not all, associations.

<sup>3</sup> Excludes figures for loans in process, which are shown as a liability.

<sup>4</sup> Includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

<sup>5</sup> Excludes checking, club, and school accounts.

<sup>6</sup> Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Assn. of the State of New York.

<sup>7</sup> Direct and guaranteed obligations. Excludes Federal agency issues not guaranteed, which are shown in this table under "business" securities.

<sup>8</sup> Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

<sup>9</sup> Data for 1977 and 1978 have been revised by the American Council of Life Insurance.

NOTE.—*Savings and loan associations*: Estimates by the FHLBB for all associations in the United States. Data are based on monthly reports of Federally insured associations and annual reports of other associations.

Even when revised, data for current and preceding year are subject to further revision.

*Mutual savings banks*: Estimates of National Association of Mutual Savings Banks for all savings banks in the United States. Data are reported on a gross-of-valuation-reserves basis.

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

*Credit unions*: Estimates by the National Credit Union Administration for a group of Federal and State-chartered credit unions that account for about 30 per cent of credit union assets. Figures are preliminary and revised annually to incorporate recent benchmark data.

## 1.40 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1976	Transition quarter (July-Sept. 1976)	Fiscal year 1977	Calendar year					
				1977		1978	1978		
				HI	II2	III	June	July	Aug.
<b>Receipts</b>									
1 All sources <sup>1</sup> .....	300,005	81,772	357,762	190,278	175,820	210,650	47,657	29,194	35,040
2 Individual income taxes, net .....	131,602	38,800	157,626	78,816	82,911	90,336	20,301	14,590	14,784
3 Withheld .....	123,408	32,949	144,820	73,303	75,480	82,784	14,490	14,182	14,370
4 Presidential Election Campaign Fund .....	34	1	37	37	1	36	5	2	.....
5 Nonwithheld .....	35,528	6,809	42,062	32,959	9,397	37,584	6,627	1,088	868
6 Refunds <sup>1</sup> .....	27,367	958	29,293	27,482	1,967	30,068	820	682	454
7 Corporation income taxes:									
8 Gross receipts .....	46,783	9,808	60,057	37,133	25,121	38,496	15,054	2,127	1,509
9 Refunds .....	5,374	1,348	5,164	2,324	2,819	2,782	399	342	388
10 Social insurance taxes and contributions, net .....	92,714	25,760	108,683	58,099	52,347	66,191	9,287	9,518	15,587
11 Payroll employment taxes and contributions <sup>2</sup> .....	76,391	21,534	88,196	45,242	44,384	51,668	8,383	7,960	12,191
12 Self-employment taxes and contributions <sup>3</sup> .....	3,518	269	4,014	3,687	316	3,892	265	.....	.....
13 Unemployment insurance .....	8,054	2,698	11,312	6,575	4,936	7,800	169	1,094	2,912
14 Other net receipts <sup>4</sup> .....	4,752	1,259	5,162	2,595	2,711	2,831	470	464	484
15 Excise taxes .....	16,963	4,473	17,548	8,432	9,284	8,835	1,651	1,707	1,591
16 Customs deposits .....	4,074	1,212	5,150	2,519	2,848	3,320	653	596	681
17 Estate and gift taxes .....	5,216	1,455	7,327	4,332	2,837	2,587	436	407	515
18 Miscellaneous receipts <sup>5</sup> .....	8,026	1,612	6,536	3,269	3,292	3,667	674	590	760
<b>Outlays<sup>9</sup></b>									
19 All types <sup>1,6</sup> .....	366,451	94,742	402,803	200,350	216,781	222,518	38,602	36,426	39,572
20 National defense .....	89,430	22,307	97,501	48,721	50,873	52,979	9,120	8,495	9,742
21 International affairs <sup>6</sup> .....	5,567	2,180	4,831	2,522	2,896	2,904	1,099	231	987
22 General science, space, and technology .....	4,370	1,161	4,677	2,108	2,318	2,395	393	368	405
23 Energy .....	3,127	794	4,172	.....	.....	2,487	627	548	620
24 Natural resources and environment .....	8,124	2,532	10,000	.....	.....	4,959	990	854	982
25 Agriculture .....	2,502	584	5,526	2,628	5,477	2,353	165	183	386
26 Commerce and housing credit .....	3,795	1,391	-31	.....	.....	946	-121	460	-110
27 Transportation .....	13,438	3,306	14,636	.....	.....	7,723	1,585	1,415	1,288
28 Community and regional development .....	4,709	1,340	6,283	3,149	4,924	5,928	983	859	1,218
29 Education, training, employment, and social services .....	18,737	5,162	20,985	9,775	10,800	12,792	2,222	2,099	2,716
30 Health .....	33,448	8,720	38,785	18,654	19,422	21,391	3,876	3,597	4,039
31 Income security <sup>1</sup> .....	127,406	32,795	137,905	70,785	71,081	75,201	12,512	11,641	12,266
32 Veterans benefits and services .....	18,432	3,962	18,038	9,382	9,864	9,603	2,433	610	1,529
33 Administration of justice .....	3,320	859	3,600	1,783	1,723	1,946	312	303	317
34 General government .....	2,927	878	3,357	1,587	1,749	1,803	293	186	340
35 General-purpose fiscal assistance .....	7,235	2,092	9,499	4,333	4,926	4,665	50	1,964	36
36 Interest <sup>7</sup> .....	34,589	7,246	38,092	18,927	19,962	22,280	6,617	3,013	3,539
37 Undistributed offsetting receipts <sup>7,8</sup> .....	-14,704	-2,567	-15,053	-6,803	-8,506	-7,945	-4,225	402	-729

<sup>1</sup> Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.

<sup>2</sup> Old-age, disability and hospital insurance, and Railroad Retirement accounts.

<sup>3</sup> Old-age, disability, and hospital insurance.

<sup>4</sup> Supplementary medical insurance premiums, Federal employee retirement contributions, and Civil Service retirement and disability fund.

<sup>5</sup> Deposits of earnings by F.R. Banks and other miscellaneous receipts.

<sup>6</sup> Outlay totals reflect the reclassification of the Export-Import Bank from off-budget status to unified budget status on Oct. 1, 1976.

<sup>7</sup> Effective September 1976, "Interest" and "Undistributed Offsetting Receipts" reflect the accounting conversion for the interest on special issues for U.S. Govt. accounts from an accrual basis to a cash basis.

<sup>8</sup> Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. Govt. contributions for employee retirement.

<sup>9</sup> For some types of outlays the categories are new or represent regroupings; data for these categories are from the *Budget of the United States Government, Fiscal Year 1979*; data are not available for half years or for months prior to February 1978.

Two categories have been renamed: "Law enforcement and justice" has become "Administration of justice" and "Revenue sharing and general purpose fiscal assistance" has become "General purpose fiscal assistance."

In addition, for some categories the table includes revisions in figures published earlier.

## 1.41 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1975	1976			1977			1978	
	Dec. 31	June 30	Sept. 30	Dec. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30
1 Federal debt outstanding.....	587.6	631.9	2 646.4	665.5	685.2	709.1	729.2	747.8	758.8
2 Public debt securities.....	576.6	620.4	634.7	653.5	674.4	698.8	718.9	738.0	749.0
3 Held by public.....	437.3	470.8	488.6	506.4	523.2	543.4	564.1	585.2	587.9
4 Held by agencies.....	139.3	149.6	146.1	147.1	151.2	155.5	154.8	152.7	161.1
5 Agency securities.....	10.9	11.5	11.6	12.0	10.8	10.3	10.2	9.9	9.8
6 Held by public.....	8.9	9.5	2 9.7	10.0	9.0	8.5	8.4	8.1	8.0
7 Held by agencies.....	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.8	1.8
8 Debt subject to statutory limit.....	577.8	621.6	635.8	654.7	675.6	700.0	720.1	739.1	750.2
9 Public debt securities.....	576.0	619.8	634.1	652.9	673.8	698.2	718.3	737.3	748.4
10 Other debt <sup>1</sup> .....	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8
11 MEMO: Statutory debt limit.....	595.0	636.0	636.0	682.0	700.0	700.0	752.0	752.0	752.0

<sup>1</sup> Includes guaranteed debt of Govt. agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

<sup>2</sup> Gross Federal debt and agency debt held by the public increased

\$0.5 billion due to a retroactive reclassification of the Export-Import Bank certificates of beneficial interest from loan asset sales to debt, effective July 1, 1975.

NOTE.—Data from *Treasury Bulletin* (U.S. Treasury Dept.).

## 1.42 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership

Billions of dollars, end of period

Type and holder	1974	1975	1976	1977	1978				
					May	June	July	Aug.	Sept.
1 Total gross public debt.....	492.7	576.6	653.5	718.9	741.6	749.0	750.5	764.4	771.5
By type:									
2 Interest-bearing debt.....	491.6	575.7	652.5	715.2	740.6	748.0	749.5	763.4	767.0
3 Marketable.....	282.9	363.2	421.3	459.9	473.7	477.7	481.0	485.6	485.2
4 Bills.....	119.7	157.5	164.0	161.1	159.4	159.8	160.1	160.6	160.9
5 Notes.....	129.8	167.1	216.7	251.8	261.6	265.3	266.6	268.5	267.9
6 Bonds.....	33.4	38.6	40.6	47.0	52.7	52.6	54.4	56.4	56.4
7 Nonmarketable <sup>1</sup> .....	208.7	212.5	231.2	255.3	266.9	270.3	268.4	227.8	281.8
8 Convertible bonds <sup>2</sup> .....	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2
9 State and local government series.....	.6	1.2	4.5	13.9	18.6	20.6	20.8	24.2	24.2
10 Foreign issues <sup>3</sup> .....	22.8	21.6	22.3	22.2	22.4	21.5	20.8	22.2	21.7
11 Savings bonds and notes.....	63.8	67.9	72.3	77.0	79.0	79.4	79.7	79.9	80.2
12 Government account series <sup>4</sup> .....	119.1	119.4	129.7	139.8	144.4	146.4	144.7	149.0	153.3
13 Non-interest-bearing debt.....	1.1	1.0	1.1	3.7	1.0	1.0	1.0	1.0	4.6
By holder: <sup>5</sup>									
14 U.S. Government agencies and trust funds.....	138.2	145.3	149.6	154.8	159.1	161.1	159.3		
15 F.R. Banks.....	80.5	84.7	94.4	102.5	102.8	110.1	108.9		
16 Private investors.....	271.0	349.4	409.5	461.3	479.7	477.8	482.3		
17 Commercial banks.....	55.6	85.1	103.8	101.4	98.4	98.5	97.7		
18 Mutual savings banks.....	2.5	4.5	5.9	5.9	5.6	5.5	5.6		
19 Insurance companies.....	6.2	9.5	12.7	15.1	14.9	14.7	15.0		
20 Other corporations.....	11.0	20.2	26.5	22.7	19.7	19.0	20.0		
21 State and local governments.....	29.2	34.2	41.6	55.2	60.2	62.7	61.7		
Individuals:									
22 Savings bonds.....	63.4	67.3	72.0	76.7	78.8	79.1	79.4		
23 Other securities.....	21.5	24.0	28.8	28.6	28.9	29.0	29.0		
24 Foreign and international <sup>6</sup> .....	58.8	66.5	78.1	109.6	119.7	119.3	120.5		
25 Other miscellaneous investors <sup>7</sup> .....	22.8	38.0	38.9	46.1	53.5	50.3	53.4		

<sup>1</sup> Includes (not shown separately): Securities issued to the Rural Electrification Administration and to State and local governments, depository bonds, retirement plan bonds, and individual retirement bonds.

<sup>2</sup> These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1½ per cent, 5-year marketable Treasury notes. Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category above.

<sup>3</sup> Nonmarketable foreign government dollar-denominated and foreign currency denominated series.

<sup>4</sup> Held almost entirely by U.S. Govt. agencies and trust funds.

<sup>5</sup> Data for F.R. Banks and U.S. Govt. agencies and trust funds are actual holdings; data for other groups are Treasury estimates.

<sup>6</sup> Consists of the investments of foreign balances and international accounts in the United States. Beginning with July 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.

<sup>7</sup> Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain Govt. deposit accounts, and Govt.-sponsored agencies.

NOTE.—Gross public debt excludes guaranteed agency securities and, beginning in July 1974, includes Federal Financing Bank security issues.

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

## 1.43 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars, end of period

Type of holder	1976		1977		1978		1978		1978
	1976	1977	1978		1976	1977	1978		
			June	July			June	July	
	All maturities				1 to 5 years				
1 All holders	421,276	459,927	477,699	481,041	141,132	151,264	174,302	175,250	
2 U.S. Govt. agencies and trust funds	16,485	14,420	13,904	13,902	6,141	4,788	4,856	4,856	
3 F. R. Banks	96,971	101,191	110,134	108,885	31,249	27,012	31,903	31,377	
4 Private investors	307,820	344,315	353,660	358,255	103,742	119,464	137,543	139,017	
5 Commercial banks	78,262	75,363	71,675	70,901	40,005	38,691	42,198	42,050	
6 Mutual savings banks	4,072	4,379	3,736	3,869	2,010	2,112	2,077	2,179	
7 Insurance companies	10,284	12,378	11,531	11,780	3,885	4,729	5,316	5,327	
8 Nonfinancial corporations	14,193	9,474	6,390	6,839	2,618	3,183	3,280	3,707	
9 Savings and loan associations	4,576	4,817	4,342	4,359	2,360	2,368	2,503	2,421	
10 State and local governments	12,252	15,495	15,446	14,543	2,543	3,875	4,792	4,549	
11 All others	184,182	222,409	240,540	245,964	50,321	64,505	77,377	78,784	
	Total, within 1 year				5 to 10 years				
12 All holders	211,035	230,691	220,683	221,343	43,045	45,328	44,443	44,441	
13 U.S. Govt. agencies and trust funds	2,012	1,906	1,145	1,145	2,879	2,129	1,989	1,987	
14 F. R. Banks	51,569	56,702	57,005	56,580	9,148	10,404	11,995	11,880	
15 Private investors	157,454	172,084	162,533	163,619	31,018	32,795	30,458	30,573	
16 Commercial banks	31,213	29,477	20,988	19,993	6,278	6,162	6,538	6,714	
17 Mutual savings banks	1,214	1,400	903	896	567	584	527	526	
18 Insurance companies	2,191	2,398	1,455	1,557	2,546	3,204	2,616	2,707	
19 Nonfinancial corporations	11,009	5,770	2,597	2,637	370	307	293	222	
20 Savings and loan associations	1,984	2,236	1,656	1,744	155	143	112	122	
21 State and local governments	6,622	7,917	6,235	5,662	1,465	1,283	1,257	1,230	
22 All others	103,220	122,885	128,700	131,129	19,637	21,112	19,114	19,052	
	Bills, within 1 year				10 to 20 years				
23 All holders	163,992	161,081	159,757	160,092	11,865	12,906	14,894	16,638	
24 U.S. Govt. agencies and trust funds	449	32	1	2	3,102	3,102	3,273	3,273	
25 F. R. Banks	41,279	42,004	44,597	44,644	1,363	1,510	1,855	1,852	
26 Private investors	122,264	119,035	115,158	115,446	7,400	8,295	9,766	11,513	
27 Commercial banks	17,303	11,996	7,010	6,172	339	456	798	1,012	
28 Mutual savings banks	454	484	233	193	139	137	123	139	
29 Insurance companies	1,463	1,187	565	650	1,114	1,245	1,232	1,300	
30 Nonfinancial corporations	9,939	4,329	1,309	1,218	142	133	130	138	
31 Savings and loan associations	1,266	806	401	450	64	54	56	55	
32 State and local governments	5,556	6,092	4,123	3,600	718	890	1,040	1,078	
33 All others	86,282	94,152	101,516	103,173	4,884	5,380	6,387	7,790	
	Other, within 1 year				Over 20 years				
34 All holders	47,043	69,610	60,926	61,251	14,200	19,738	23,377	23,370	
35 U.S. Govt. agencies and trust funds	1,563	1,874	1,144	1,143	2,350	2,495	2,641	2,640	
36 F. R. Banks	10,290	14,698	12,408	11,936	3,642	5,564	7,376	7,197	
37 Private investors	35,190	53,039	47,375	48,173	8,208	11,679	13,360	13,533	
38 Commercial banks	13,910	15,482	13,978	13,821	427	578	1,153	1,132	
39 Mutual savings banks	760	916	670	703	143	146	106	128	
40 Insurance companies	728	1,211	890	907	548	802	911	889	
41 Nonfinancial corporations	1,070	1,441	1,288	1,419	55	81	89	134	
42 Savings and loan associations	718	1,430	1,255	1,294	13	16	16	16	
43 State and local governments	1,066	3,875	2,112	2,062	904	1,530	2,123	2,024	
44 All others	16,938	28,733	27,184	27,956	6,120	8,526	8,962	9,209	

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership from Treasury Bulletin (U.S. Treasury Dept.).

Data complete for U.S. Govt. agencies and trust funds and F. R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of July 31, 1978; (1) 5,470 commercial

banks, 464 mutual savings banks, and 728 insurance companies, each about 90 per cent; (2) 435 nonfinancial corporations and 485 savings and loan assns., each about 50 per cent; and (3) 493 State and local govts., about 40 per cent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

## 1.44 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1975	1976	1977	1978			1978, week ending Wednesday—					
				June	July	Aug.	July 19	July 26	Aug. 2	Aug. 9	Aug. 16	Aug. 23
1 U.S. Government securities ..	6,027	10,449	10,838	9,704	8,829	11,526	7,522	9,986	12,540	13,817	11,638	10,663
By maturity:												
2 Bills.....	3,889	6,676	6,746	5,982	5,367	6,074	5,040	5,989	6,782	6,033	6,235	6,309
3 Other within 1 year.....	223	210	237	386	428	386	259	561	749	467	499	258
4 1-5 years.....	1,414	2,317	2,318	1,931	1,524	2,251	921	1,985	2,516	2,729	2,046	1,768
5 5-10 years.....	363	1,019	1,148	675	668	1,619	605	677	1,167	2,783	1,807	1,270
6 Over 10 years.....	138	229	388	730	842	1,196	695	774	1,326	1,805	1,051	1,057
By type of customer:												
7 U.S. Government securities dealers.....	885	1,360	1,267	1,210	1,053	942	1,052	1,134	1,011	1,142	983	859
8 U.S. Government securities brokers.....	1,750	3,407	3,709	3,393	3,299	4,988	2,791	3,654	5,322	6,088	5,026	4,653
9 Commercial banks.....	1,451	2,426	2,295	1,687	1,419	1,908	1,155	1,587	2,132	2,262	2,042	1,737
10 All others <sup>1</sup> .....	1,941	3,257	3,567	3,414	3,058	3,688	2,524	3,612	4,076	4,324	3,586	3,413
11 Federal agency securities....	1,043	1,548	693	1,828	1,918	2,077	2,276	1,704	2,742	2,302	1,896	2,051

<sup>1</sup> Includes, among others, all other dealers and brokers in commodities and securities, foreign banking agencies, and the F.R. System.

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

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

## 1.45 U.S. GOVERNMENT SECURITIES DEALERS Positions and Sources of Financing

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

Item	1975	1976	1977	1978			1978, week ending Wednesday					
				June	July	Aug.	June 28	July 5	July 12	July 19	July 26	Aug. 2
Positions <sup>2</sup>												
1 U.S. Government securities ..	5,884	7,592	5,172	2,942	633	2,753	1,506	634	381	-435	1,689	1,656
2 Bills.....	4,297	6,290	4,772	2,862	1,260	2,330	1,550	730	1,043	640	2,120	1,960
3 Other within 1 year.....	265	188	99	477	330	348	451	231	274	335	384	407
4 1-5 years.....	886	515	60	38	-474	-64	206	-218	-595	-965	-229	143
5 5-10 years.....	300	402	92	-85	-321	218	-158	-156	-272	-293	-366	-448
6 Over 10 years.....	136	198	149	-350	-162	78	-544	46	-67	-151	-221	-405
7 Federal agency securities....	943	729	693	894	214	656	634	424	75	218	154	423
Sources of financing <sup>3</sup>												
8 All sources.....	6,666	8,715	9,877	11,120	8,239	11,041	8,843	8,576	8,312	7,701	7,861	9,111
Commercial banks:												
9 New York City.....	1,621	1,896	1,313	995	38	608	-105	59	430	-169	-208	-39
10 Outside New York City...	1,466	1,660	1,987	2,728	1,759	2,370	2,234	2,066	1,968	1,495	1,509	1,953
11 Corporations <sup>1</sup> .....	842	1,479	2,358	2,276	1,981	2,501	1,896	1,779	1,886	2,021	1,864	2,353
12 All others.....	2,738	3,681	4,170	5,121	4,460	5,563	4,817	4,672	4,029	4,353	4,696	4,843

<sup>1</sup> All business corporations except commercial banks and insurance companies.

<sup>2</sup> Net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase. The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities purchased under agreements to resell.

<sup>3</sup> Total amounts outstanding of funds borrowed by nonbank dealer

firms and dealer departments of commercial banks against U.S. Govt. and Federal agency securities (through both collateral loans and sales under agreements to repurchase), plus internal funds used by bank dealer departments to finance positions in such securities. Borrowings against securities held under agreement to resell are excluded where the borrowing contract and the agreement to resell are equal in amount and maturity, that is, a matched agreement.

NOTE.—Averages for positions are based on number of trading days in the period; those for financing, on the number of calendar days in the period.

## 1.46 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1975	1976	1977	1978					
				Feb.	Mar.	Apr.	May	June	July
<b>1 Federal and Federally sponsored agencies.....</b>	<b>97,680</b>	<b>103,325</b>	<b>110,409</b>	<b>112,945</b>	<b>114,371</b>	<b>115,903</b>	<b>119,728</b>	<b>121,239</b>	<b>123,497</b>
2 <i>Federal agencies.....</i>	19,046	21,896	23,245	23,284	23,695	23,766	23,864	23,983	24,145
3 Defense Department <sup>1</sup> .....	1,220	1,113	983	963	954	949	935	926	916
4 Export-Import Bank <sup>2,3</sup> .....	7,188	7,801	9,156	9,156	9,416	9,416	9,416	9,455	9,455
5 Federal Housing Administration <sup>4</sup> .....	564	575	581	602	607	607	608	606	603
6 Government National Mortgage Association participation certificates <sup>5</sup> .....	4,200	4,120	3,743	3,743	3,743	3,701	3,701	3,701	3,666
7 Postal Service <sup>6</sup> .....	1,750	2,998	2,431	2,431	2,431	2,431	2,364	2,364	2,364
8 Tennessee Valley Authority.....	3,915	5,185	6,015	6,045	6,195	6,310	6,485	6,575	6,785
9 United States Railway Association <sup>6</sup> .....	209	104	336	344	349	352	355	356	356
10 <i>Federally sponsored agencies.....</i>	78,634	81,429	87,164	89,661	90,676	92,137	95,864	97,256	99,352
11 Federal home loan banks.....	18,900	16,811	18,345	19,893	20,007	20,163	22,217	22,306	23,430
12 Federal Home Loan Mortgage Corporation.....	1,550	1,690	1,686	1,768	1,768	1,639	1,637	1,937	1,937
13 Federal National Mortgage Association.....	29,963	30,565	31,890	32,553	33,350	34,024	35,297	36,404	36,900
14 Federal land banks.....	15,000	17,127	19,118	19,350	19,350	19,686	19,686	19,686	20,198
15 Federal intermediate credit banks.....	9,254	10,494	11,174	10,958	10,881	10,977	11,081	11,257	11,392
16 Banks for cooperatives.....	3,655	4,330	4,434	4,622	4,728	5,046	5,264	4,974	4,788
17 Student Loan Marketing Association <sup>7</sup> .....	310	410	515	515	590	600	680	690	705
18 Other.....	2	2	2	2	2	2	2	2	2
MEMO ITEMS:									
19 <b>Federal Financing Bank debt<sup>6,8</sup>.....</b>	<b>17,154</b>	<b>28,711</b>	<b>38,580</b>	<b>40,605</b>	<b>42,169</b>	<b>42,964</b>	<b>43,871</b>	<b>44,504</b>	<b>45,550</b>
Lending to Federal and Federally sponsored agencies:									
20 Export-Import Bank <sup>3</sup> .....	4,595	5,208	5,834	5,834	6,094	6,094	6,094	6,132	6,132
21 Postal Service <sup>6</sup> .....	1,500	2,748	2,181	2,181	2,181	2,181	2,114	2,114	2,114
22 Student Loan Marketing Association <sup>7</sup> .....	310	410	515	515	590	600	680	690	705
23 Tennessee Valley Authority.....	1,840	3,110	4,190	4,220	4,370	4,485	4,660	4,750	4,960
24 United States Railway Association <sup>6</sup> .....	209	104	336	344	349	352	355	356	356
Other lending: <sup>9</sup>									
25 Farmers Home Administration.....	7,000	10,750	16,095	17,545	18,050	19,120	20,090	20,910	21,580
26 Rural Electrification Administration.....	566	1,415	2,647	2,947	3,124	3,323	3,498	3,602	3,684
27 Other.....	1,134	4,966	6,782	7,019	7,411	6,809	6,380	5,950	6,019

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

<sup>2</sup> Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

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

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

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

<sup>6</sup> Off-budget.

<sup>7</sup> Unlike other Federally sponsored agencies, the Student Loan Marketing Association may borrow from the Federal Financing Bank (FFB) since its obligations are guaranteed by the Department of Health, Education, and Welfare.

<sup>8</sup> The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other Federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.

<sup>9</sup> Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

1.47 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1975	1976	1977	1978					
				Mar.	Apr.	May	June	July	Aug.
1 All issues, new and refunding <sup>1</sup> .....	30,607	35,313	46,769	4,754	3,811	5,440	4,244	3,719	6,152
By type of issue:									
2 General obligation.....	16,020	18,040	18,042	1,426	1,363	2,216	1,972	1,031	2,142
3 Revenue.....	14,511	17,140	28,655	3,325	2,437	3,204	2,266	2,685	4,001
4 Housing Assistance Administration <sup>2</sup> .....									
5 U.S. Government loans.....	76	133	72	3	11	20	6	3	9
By type of issuer:									
6 State.....	7,438	7,054	6,354	409	237	873	912	650	919
7 Special district and statutory authority.....	12,441	15,304	21,717	2,606	1,861	2,186	1,383	2,023	2,885
8 Municipalities, counties, townships, school districts.....	10,660	12,845	18,623	1,735	1,702	2,360	1,944	1,043	2,339
9 Issues for new capital, total.....	29,495	32,108	36,189	3,068	2,595	3,134	3,816	3,389	3,331
By use of proceeds:									
10 Education.....	4,689	4,900	5,076	348	332	673	401	498	275
11 Transportation.....	2,208	2,586	2,951	273	158	130	359	315	631
12 Utilities and conservation.....	7,209	9,594	8,119	959	720	557	616	955	681
13 Social welfare.....	4,392	6,566	8,274	684	845	955	667	1,125	975
14 Industrial aid.....	445	483	4,676	328	273	357	412	219	291
15 Other purposes.....	10,552	7,979	7,093	476	267	462	1,361	277	478

<sup>1</sup> Par amounts of long-term issues based on date of sale.

SOURCE.—Public Securities Association.

<sup>2</sup> Only bonds sold pursuant to the 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

1.48 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1975	1976	1977	1978					
				Jan.	Feb.	Mar.	April	May	June
1 All issues <sup>1</sup> .....	53,619	53,488	54,205	3,013	2,657	4,442	3,285	4,035	5,215
2 Bonds.....	42,756	42,380	42,193	2,380	2,131	3,620	2,811	2,996	3,810
By type of offering:									
3 Public.....	32,583	26,453	24,186	1,382	1,464	1,902	1,958	1,719	1,744
4 Private placement.....	10,172	15,927	18,007	998	667	1,718	853	1,277	2,066
By industry group:									
5 Manufacturing.....	16,980	13,264	12,510	268	716	1,155	534	837	1,105
6 Commercial and miscellaneous.....	2,750	4,372	5,887	280	87	428	421	314	562
7 Transportation.....	3,439	4,387	2,033	123	101	217	291	244	225
8 Public utility.....	9,658	8,297	8,261	284	205	631	505	885	815
9 Communication.....	3,464	2,787	3,059	519	9	291	35	.....	344
10 Real estate and financial.....	6,469	9,274	10,438	907	1,012	898	1,027	714	761
11 Stocks.....	10,863	11,108	12,013	633	526	822	474	1,039	1,405
By type:									
12 Preferred.....	3,458	2,803	3,878	171	138	148	235	390	586
13 Common.....	7,405	8,305	8,135	462	388	674	239	649	819
By industry group:									
14 Manufacturing.....	1,670	2,237	1,265	5	.....	74	15	41	366
15 Commercial and miscellaneous.....	1,470	1,183	1,838	138	91	94	183	90	245
16 Transportation.....	1	24	418	.....	.....	.....	28	20	38
17 Public utility.....	6,235	6,121	6,058	360	260	627	238	800	429
18 Communication.....	1,002	776	1,379	.....	25	.....	.....	.....	5
19 Real estate and financial.....	488	771	1,054	130	150	28	10	88	320

<sup>1</sup> Figures, which represent gross proceeds of issues maturing in more than 1 year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less than \$100,000, secondary offerings, undefined or exempted issues as defined in the Securities Act of 1933, employee stock plans, investment

companies other than closed-end, intracorporate transactions, and sales to foreigners.

SOURCE.—Securities and Exchange Commission.



## 1.49 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1976	1977	1978						
			Feb.	Mar.	Apr.	May	June	July	Aug.
INVESTMENT COMPANIES excluding money market funds									
1 Sales of own shares <sup>1</sup> .....	4,226	6,401	451	613	625	558	487	474	585
2 Redemptions of own shares <sup>2</sup> .....	6,802	6,027	348	459	580	831	757	645	882
3 Net sales.....	-2,496	357	103	154	45	-273	-270	-181	-297
4 Assets <sup>3</sup> .....	47,537	45,049	42,747	44,052	46,594	46,969	46,106	47,975	49,249
5 Cash position <sup>4</sup> .....	2,747	3,274	4,258	4,331	4,592	4,642	4,493	4,285	3,948
6 Other.....	44,790	41,775	38,489	39,721	42,002	42,327	41,613	43,690	43,301

<sup>1</sup> Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.

<sup>2</sup> Excludes share redemption resulting from conversions from one fund to another in the same group.

<sup>3</sup> Market value at end of period, less current liabilities.

<sup>4</sup> Also includes all U.S. Govt. securities and other short-term debt securities.

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

## 1.50 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1975	1976	1977	1976	1977				1978	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2
1 Profits before tax.....	120.4	155.9	173.9	154.6	164.8	175.1	177.5	178.3	172.1	205.5
2 Profits tax liability.....	49.8	64.3	71.8	62.4	68.3	72.3	72.8	73.9	70.0	85.0
3 Profits after tax.....	70.6	91.6	102.1	92.2	96.5	102.8	104.7	104.4	102.1	120.5
4 Dividends.....	31.9	37.9	43.7	41.4	41.5	42.7	44.1	46.3	47.0	48.1
5 Undistributed profits.....	38.7	53.7	58.4	50.8	55.0	60.1	60.6	58.1	55.1	72.4
6 Capital consumption allowances.....	89.2	97.1	106.0	100.5	102.0	105.0	107.6	109.3	111.3	113.3
7 Net cash flow.....	127.9	150.8	164.4	151.3	157.0	165.1	168.2	167.4	166.4	185.7

SOURCE.—Survey of Current Business (U.S. Dept. of Commerce).

1.51 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1974	1975	1976			1977				1978
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1 Current assets.....	734.6	756.3	801.7	817.4	823.1	842.0	856.4	880.3	900.1	921.8
2 Cash.....	73.0	80.0	80.7	79.5	86.8	80.8	83.1	83.4	94.2	88.3
3 U.S. Government securities.....	11.3	19.6	23.4	24.1	26.0	26.8	22.1	21.5	20.9	20.8
4 Notes and accounts receivable.....	265.5	272.1	290.2	297.9	292.4	304.1	312.8	326.9	325.7	336.8
5 Inventories.....	318.9	314.7	333.7	342.2	341.4	352.1	358.8	367.5	375.0	389.5
6 Other.....	65.9	69.9	73.6	73.6	76.4	78.3	79.6	81.0	84.3	86.4
7 Current liabilities.....	451.8	446.9	470.3	484.0	487.5	502.6	509.5	528.9	543.2	564.6
8 Notes and accounts payable.....	272.3	261.2	269.5	271.2	273.2	280.2	286.8	297.8	306.8	316.3
9 Other.....	179.5	185.7	200.8	212.8	214.2	222.4	222.7	231.1	236.3	248.3
10 Net working capital.....	282.8	309.5	331.4	333.4	335.6	339.5	346.9	351.4	357.0	357.2
11 MISTO: Current ratio <sup>1</sup> .....	1.626	1.693	1.705	1.689	1.688	1.675	1.681	1.664	1.657	1.633

<sup>1</sup> (Total current assets)/(Total current liabilities).

SOURCE: - Federal Trade Commission.

NOTE: For a description of this series see "Working Capital of Non-financial Corporations" in the July 1978 BULLETIN, pp. 533-37.

1.52 BUSINESS EXPENDITURES on New Plant and Equipment

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

Industry	1977	1978 <sup>2</sup>	1977				1978			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3 <sup>2</sup>	Q4 <sup>2</sup>
1 All industries.....	135.72	152.28	130.16	134.24	140.38	138.11	144.25	150.76	155.13	158.98
Manufacturing										
2 Durable goods industries.....	27.75	31.53	26.30	27.26	29.23	28.19	28.72	31.40	32.11	33.89
3 Nondurable goods industries.....	32.33	36.23	30.13	32.19	33.79	33.22	32.86	35.80	36.54	39.72
Nonmanufacturing										
4 Mining.....	4.49	4.78	4.24	4.49	4.74	4.50	4.45	4.81	4.80	5.07
Transportation:										
5 Railroad.....	2.82	3.28	2.71	2.57	3.20	2.80	3.35	3.09	3.64	3.05
6 Air.....	1.63	2.45	1.62	1.43	1.69	1.76	2.67	2.08	2.97	2.08
7 Other.....	2.55	2.27	2.96	2.96	1.96	2.32	2.44	2.23	2.37	2.05
Public utilities:										
8 Electric.....	21.57	24.49	21.19	21.14	21.90	22.05	23.15	23.83	25.04	25.94
9 Gas and other.....	4.21	4.48	4.16	4.16	4.32	4.18	4.78	4.62	4.22	4.28
10 Communication.....	15.43	.....	14.19	15.32	16.40	15.82	17.07	18.18	.....	.....
11 Commercial and other <sup>1</sup> .....	22.95	.....	22.67	22.73	23.14	23.27	24.76	24.71	43.44	42.90

<sup>1</sup> Includes trade, service, construction, finance, and insurance.

<sup>2</sup> Anticipated by business.

agriculture; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.

NOTE.—Estimates for corporate and noncorporate business, excluding

SOURCE: -Survey of Current Business (U.S. Dept. of Commerce).

## 1.521 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1972	1973	1974	1975	1976	1977			1978	
						Q2	Q3	Q4	Q1	Q2
<b>ASSETS</b>										
Accounts receivable, gross										
1 Consumer.....	31.9	35.4	36.1	36.0	38.6	40.7	42.3	44.0	44.5	47.1
2 Business.....	27.4	32.3	37.2	39.3	44.7	50.4	50.6	55.2	57.6	59.5
3 Total.....	59.3	67.7	73.3	75.3	83.4	91.2	92.9	99.2	102.1	106.6
4 LESS: Reserves for unearned income and losses	7.4	8.4	9.0	9.4	10.5	11.1	11.7	12.7	12.8	14.1
5 Accounts receivable, net.....	51.9	59.3	64.2	65.9	72.9	80.1	81.2	86.5	89.3	92.6
6 Cash and bank deposits.....	2.8	2.6	3.0	2.9	2.6	2.5	2.5	2.6	2.2	2.9
7 Securities.....	.9	.8	.4	1.0	1.1	1.2	1.8	.9	1.2	1.3
8 All other.....	10.0	10.6	12.0	11.8	12.6	13.7	14.2	14.3	15.0	16.2
9 Total assets.....	65.6	73.2	79.6	81.6	89.2	97.5	99.6	104.3	107.7	112.9
<b>LIABILITIES</b>										
10 Bank loans.....	5.6	7.2	9.7	8.0	6.3	5.7	5.4	5.9	5.8	5.4
11 Commercial paper.....	17.3	19.7	20.7	22.2	23.7	27.5	25.7	29.6	29.9	31.3
Debt:										
12 Short-term, n.e.c.....	4.3	4.6	4.9	4.5	5.4	5.5	5.4	6.2	5.3	6.6
13 Long-term, n.e.c.....	22.7	24.6	26.5	27.6	32.3	35.0	34.8	36.0	38.0	40.1
14 Other.....	4.8	5.6	5.5	6.8	8.1	9.4	13.7	11.5	12.9	13.6
15 Capital, surplus, and undivided profits.....	10.9	11.5	12.4	12.5	13.4	14.4	14.6	15.1	15.7	16.0
16 Total liabilities and capital.....	65.6	73.2	79.6	81.6	89.2	97.5	99.6	104.3	107.7	112.9

NOTE.—Components may not add to totals due to rounding.

## 1.522 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding July 31, 1978 <sup>1</sup>	Changes in accounts receivable during—			Extensions			Repayments		
		1978			1978			1978		
		May	June	July	May	June	July	May	June	July
1 Total.....	58,859	545	560	284	14,786	14,994	14,688	14,241	14,434	14,404
2 Retail automotive (commercial vehicles).....	13,600	223	400	111	1,155	1,314	1,073	932	914	962
3 Wholesale automotive.....	11,401	1	472	103	6,195	5,705	6,148	6,194	6,177	6,045
4 Retail paper on business, industrial, and farm equipment.....	15,472	182	283	210	1,153	1,194	1,324	971	911	1,114
5 Loans on commercial accounts receivable.....	4,128	59	182	140	2,943	3,314	2,748	2,884	3,132	2,888
6 Factored commercial accounts receivable.....	2,455	51	104	11	1,663	1,743	1,716	1,612	1,639	1,727
7 All other business credit.....	11,803	29	63	11	1,677	1,724	1,679	1,648	1,661	1,668

<sup>1</sup> Not seasonally adjusted.

## 1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1975	1976	1977	1978						
				Mar.	Apr.	May	June	July	Aug.	
Terms and yields in primary and secondary markets										
<b>PRIMARY MARKETS</b>										
Conventional mortgages on new homes										
Terms: <sup>1</sup>										
1	Purchase price (thous. dollars).....	44.6	48.4	54.3	58.8	61.6	59.8	62.6	61.9	63.6
2	Amount of loan (thous. dollars).....	33.3	35.9	40.5	43.5	45.7	44.2	45.9	45.3	46.4
3	Loan/price ratio (per cent).....	74.7	74.2	76.3	75.5	76.1	75.5	75.6	75.3	75.3
4	Maturity (years).....	26.8	27.2	27.9	27.4	28.4	27.7	28.3	28.2	28.0
5	Fees and charges (per cent of loan amount) <sup>2</sup> .....	1.54	1.44	1.33	1.37	1.44	1.34	1.40	1.40	1.43
6	Contract rate (per cent per annum).....	8.75	8.76	8.80	9.03	9.07	9.14	9.23	9.34	9.45
Yield (per cent per annum):										
7	FHLBB series <sup>3</sup> .....	9.01	8.99	9.01	9.26	9.30	9.37	9.46	9.57	9.70
8	HUD series <sup>4</sup> .....	9.10	8.99	8.95	9.30	9.40	9.60	9.75	9.80	9.80
<b>SECONDARY MARKETS</b>										
Yields (per cent per annum):										
9	FHA mortgages (HUD series) <sup>5</sup> .....	9.19	8.82	7.96	9.29	9.37	9.67	.....	9.92	9.78
10	GNMA securities <sup>6</sup> .....	8.52	8.17	8.04	8.60	8.71	8.71	9.05	9.16	8.96
FNMA auctions: <sup>7</sup>										
11	Government-underwritten loans.....	9.26	8.99	8.73	9.35	9.44	9.66	9.91	10.01	9.81
12	Conventional loans.....	9.37	9.11	8.98	9.61	9.72	9.90	10.10	10.19	10.11
Activity in secondary markets										
<b>FEDERAL NATIONAL MORTGAGE ASSOCIATION</b>										
Mortgage holdings (end of period)										
13	Total.....	31,824	32,904	34,370	36,030	36,702	37,937	38,753	39,409	40,325
14	FHA-insured.....	19,732	18,916	18,457	18,759	18,950	19,382	19,608	19,763	20,034
15	VA-guaranteed.....	9,573	9,212	9,315	9,727	9,905	10,255	10,398	10,457	10,535
16	Conventional.....	2,519	4,776	6,597	7,543	7,847	8,300	8,747	9,189	9,752
Mortgage transactions (during period)										
17	Purchases.....	4,263	3,606	497	891	937	1,551	1,148	945	1,230
18	Sales.....	2	86	.....	4	.....	.....	.....	.....	.....
Mortgage commitments: <sup>8</sup>										
19	Contracted (during period).....	6,106	6,247	1,333	1,563	2,119	3,439	1,517	927	527
20	Outstanding (end of period).....	4,126	3,398	4,698	7,445	8,486	10,271	10,395	10,171	9,419
Auction of 4-month commitments to buy—										
Government-underwritten loans:										
21	Offered <sup>9</sup> .....	7,042.6	4,929.8	1,184.5	523.7	909.3	2,117.7	1,095.0	756.7	499.1
22	Accepted.....	3,848.3	2,787.2	794.0	334.9	529.2	1,093.7	636.6	471.5	277.2
Conventional loans:										
23	Offered <sup>9</sup> .....	1,401.3	2,595.7	591.6	823.5	974.2	1,935.8	574.5	316.0	224.7
24	Accepted.....	765.0	1,879.2	359.4	512.5	578.1	968.3	342.0	178.9	128.5
<b>FEDERAL HOME LOAN MORTGAGE CORPORATION</b>										
Mortgage holdings (end of period) <sup>10</sup>										
25	Total.....	4,987	4,269	3,276	3,372	3,092	2,878	2,255	2,024	2,448
26	FHA/VA.....	1,824	1,618	1,395	1,387	1,373	1,356	1,338	1,321	1,304
27	Conventional.....	3,163	2,651	1,881	1,985	1,719	1,522	917	702	1,144
Mortgage transactions (during period)										
28	Purchases.....	1,716	1,175	489	344	356	479	500	520	742
29	Sales.....	1,020	1,396	477	120	466	651	1,093	725	299
Mortgage commitments: <sup>11</sup>										
30	Contracted (during period).....	982	1,477	361	593	512	811	762	737	838
31	Outstanding (end of period).....	111	333	1,063	1,233	1,346	1,640	1,870	2,055	2,142

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

<sup>2</sup> Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) in order to obtain a loan.

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

<sup>4</sup> Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points; from Dept. of Housing and Urban Development.

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

<sup>6</sup> Average net yields to investors on Government National Mortgage Association-guaranteed, mortgage-backed, fully-modified pass-through

securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.

<sup>7</sup> Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30-year mortgages. No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month.

<sup>8</sup> Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA Tandem plans.

<sup>9</sup> Mortgage amounts offered by bidders are total bids received.

<sup>10</sup> Includes participations as well as whole loans.

<sup>11</sup> Includes conventional and Government-underwritten loans.

## 1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1973	1974	1975	1976	1977		1978	
					Q3	Q4	Q1	Q2 <sup>p</sup>
<b>1 All holders.....</b>	<b>682,321</b>	<b>742,512</b>	<b>801,537</b>	<b>889,327</b>	<b>986,395</b>	<b>1,023,470</b>	<b>1,052,358</b>	<b>1,089,740</b>
2 1- to 4-family.....	416,211	449,371	490,761	556,557	630,498	656,159	675,556	701,238
3 Multifamily.....	93,132	99,976	100,601	104,516	109,389	111,809	114,206	116,940
4 Commercial.....	131,725	146,877	159,298	171,223	182,510	189,834	194,550	200,668
5 Farm.....	41,253	46,288	50,877	57,031	63,998	65,668	68,046	70,894
<b>6 Major financial institutions.....</b>	<b>505,400</b>	<b>542,560</b>	<b>581,193</b>	<b>647,650</b>	<b>718,153</b>	<b>745,064</b>	<b>764,665</b>	<b>792,152</b>
7 Commercial banks <sup>1</sup> .....	119,068	132,105	136,186	151,326	171,166	178,979	184,423	193,223
8 1- to 4-family.....	67,998	74,758	77,018	86,234	100,474	105,115	108,699	113,886
9 Multifamily.....	6,932	7,619	5,915	8,082	8,815	9,215	9,387	9,816
10 Commercial.....	38,696	43,679	46,882	50,289	54,260	56,898	58,407	61,194
11 Farm.....	5,442	6,049	6,371	6,721	7,617	7,751	7,930	8,327
<b>12 Mutual savings banks.....</b>	<b>73,230</b>	<b>74,920</b>	<b>77,249</b>	<b>81,639</b>	<b>86,079</b>	<b>88,104</b>	<b>89,800</b>	<b>91,382</b>
13 1- to 4-family.....	48,811	49,213	50,025	53,089	56,313	57,637	58,747	59,782
14 Multifamily.....	12,343	12,923	13,792	14,177	14,952	15,304	15,398	15,873
15 Commercial.....	12,012	12,722	13,373	14,313	14,762	15,110	15,401	15,672
16 Farm.....	64	62	59	60	52	53	54	55
<b>17 Savings and loan associations.....</b>	<b>231,733</b>	<b>249,301</b>	<b>278,590</b>	<b>323,130</b>	<b>366,838</b>	<b>381,216</b>	<b>392,479</b>	<b>407,943</b>
18 1- to 4-family.....	187,078	200,987	223,903	260,895	298,459	310,728	319,910	332,514
19 Multifamily.....	22,779	23,808	25,547	28,436	31,585	32,518	33,478	34,798
20 Commercial.....	21,876	24,506	29,140	33,799	36,794	37,969	39,091	40,631
<b>21 Life insurance companies.....</b>	<b>81,369</b>	<b>86,234</b>	<b>89,168</b>	<b>91,555</b>	<b>94,070</b>	<b>96,765</b>	<b>97,963</b>	<b>99,604</b>
22 1- to 4-family.....	20,426	19,026	17,590	16,088	15,022	14,727	14,476	14,226
23 Multifamily.....	18,451	19,625	19,629	19,178	18,831	18,807	18,851	19,165
24 Commercial.....	36,496	41,256	45,196	48,864	51,742	54,388	55,426	56,631
25 Farm.....	5,996	6,327	6,753	7,425	8,475	8,843	9,210	9,582
<b>26 Federal and related agencies.....</b>	<b>46,721</b>	<b>58,320</b>	<b>66,891</b>	<b>66,753</b>	<b>69,068</b>	<b>70,006</b>	<b>72,014</b>	<b>74,783</b>
27 Government National Mortgage Assn.....	4,029	4,846	7,438	4,241	3,599	3,660	3,291	3,200
28 1- to 4-family.....	1,455	2,248	4,728	1,970	1,522	1,548	948	922
29 Multifamily.....	2,574	2,598	2,710	2,271	2,077	2,112	2,343	2,278
<b>30 Farmers Home Admin.....</b>	<b>1,366</b>	<b>1,432</b>	<b>1,109</b>	<b>1,064</b>	<b>1,292</b>	<b>1,353</b>	<b>1,179</b>	<b>1,429</b>
31 1- to 4-family.....	743	759	208	454	548	202	245	245
32 Multifamily.....	29	167	215	218	192	275	408	495
33 Commercial.....	218	156	190	72	142	149	218	264
34 Farm.....	376	350	496	320	410	303	351	425
<b>35 Federal Housing and Veterans Admin.....</b>	<b>3,476</b>	<b>4,015</b>	<b>4,970</b>	<b>5,150</b>	<b>5,130</b>	<b>5,212</b>	<b>5,219</b>	<b>5,289</b>
36 1- to 4-family.....	2,013	2,009	1,990	1,676	1,566	1,627	1,585	1,607
37 Multifamily.....	1,463	2,006	2,980	3,474	3,564	3,585	3,634	3,682
<b>38 Federal National Mortgage Assn.....</b>	<b>24,175</b>	<b>29,578</b>	<b>31,824</b>	<b>32,904</b>	<b>34,148</b>	<b>34,369</b>	<b>36,029</b>	<b>38,753</b>
39 1- to 4-family.....	20,370	23,778	25,813	26,934	28,178	28,504	30,208	32,974
40 Multifamily.....	3,805	5,800	6,011	5,970	5,970	5,865	5,821	5,779
<b>41 Federal land banks.....</b>	<b>11,071</b>	<b>13,863</b>	<b>16,563</b>	<b>19,125</b>	<b>21,523</b>	<b>22,136</b>	<b>22,925</b>	<b>23,857</b>
42 1- to 4-family.....	123	406	549	601	649	627	691	727
43 Farm.....	10,948	13,457	16,014	18,524	20,874	21,466	22,234	23,130
<b>44 Federal Home Loan Mortgage Corp.....</b>	<b>2,604</b>	<b>4,586</b>	<b>4,987</b>	<b>4,269</b>	<b>3,376</b>	<b>3,276</b>	<b>3,371</b>	<b>2,255</b>
45 1- to 4-family.....	2,446	4,217	4,588	3,889	2,818	2,738	2,785	1,856
46 Multifamily.....	158	369	399	380	558	538	586	399
<b>47 Mortgage pools or trusts<sup>2</sup>.....</b>	<b>18,040</b>	<b>23,799</b>	<b>34,138</b>	<b>49,801</b>	<b>64,667</b>	<b>70,289</b>	<b>74,080</b>	<b>77,917</b>
48 Government National Mortgage Assn.....	7,890	11,769	18,257	30,572	41,089	44,896	46,357	48,032
49 1- to 4-family.....	7,561	11,249	17,538	29,583	39,865	43,555	44,906	46,515
50 Multifamily.....	329	520	719	989	1,224	1,341	1,451	1,517
<b>51 Federal Home Loan Mortgage Corp.....</b>	<b>766</b>	<b>757</b>	<b>1,598</b>	<b>2,671</b>	<b>5,332</b>	<b>6,610</b>	<b>7,471</b>	<b>9,134</b>
52 1- to 4-family.....	617	608	1,349	2,282	4,642	5,621	6,286	7,685
53 Multifamily.....	149	149	249	389	690	989	1,185	1,449
<b>54 Farmers Home Admin.....</b>	<b>9,384</b>	<b>11,273</b>	<b>14,283</b>	<b>16,558</b>	<b>18,426</b>	<b>18,783</b>	<b>20,252</b>	<b>20,751</b>
55 1- to 4-family.....	5,458	6,782	9,194	10,219	11,127	11,379	12,235	12,536
56 Multifamily.....	138	116	295	532	768	759	732	750
57 Commercial.....	1,124	1,473	1,948	2,440	2,824	2,945	3,528	3,615
58 Farm.....	2,664	2,902	2,846	3,367	3,527	3,682	3,757	3,850
<b>59 Individuals and others<sup>3</sup>.....</b>	<b>112,160</b>	<b>117,833</b>	<b>119,315</b>	<b>125,123</b>	<b>134,507</b>	<b>138,111</b>	<b>141,599</b>	<b>144,888</b>
60 1- to 4-family.....	51,112	53,331	56,268	62,643	69,315	71,665	73,878	75,763
61 Multifamily.....	23,982	24,276	22,140	20,420	20,163	20,501	20,732	20,939
62 Commercial.....	21,303	23,085	22,569	21,446	21,986	22,375	22,479	22,661
63 Farm.....	15,763	17,141	18,338	20,614	23,043	23,570	24,510	25,525

<sup>1</sup> Includes loans held by nondeposit trust companies but not bank trust departments.

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

<sup>3</sup> Other holders include mortgage companies, real estate investment trusts, State and local credit agencies, State and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or separate data are not readily available.

NOTE.—Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations where required, are estimated mainly by Federal Reserve. Multifamily debt refers to loans on structures of 5 or more units.

## 1.55 CONSUMER INSTALMENT CREDIT Total Outstanding, and Net Change

Millions of dollars

Holder, and type of credit	1975	1976	1977	1978						
				Feb.	Mar.	Apr.	May	June	July	Aug.
Amounts outstanding (end of period)										
1 Total.....	164,955	185,489	216,572	216,297	219,203	222,737	227,561	233,416	237,197	242,538
By holder:										
2 Commercial banks.....	78,667	89,511	105,291	105,663	107,166	109,336	111,673	114,756	117,110	119,889
3 Finance companies.....	35,994	38,639	44,015	44,107	44,486	45,182	46,136	47,147	47,967	48,982
4 Credit unions.....	25,666	30,546	37,036	37,217	38,185	38,750	39,951	41,388	41,802	42,931
5 Retailers <sup>1</sup> .....	18,002	19,052	21,082	20,060	19,920	19,941	20,141	20,310	20,432	20,655
6 Others <sup>2</sup> .....	6,626	7,741	9,149	9,250	9,446	9,528	9,660	9,815	9,886	10,081
By type of credit:										
7 Automobile.....	55,879	66,116	79,352	79,984	81,666	83,490	85,954	88,767	90,671	92,956
8 Commercial banks.....	31,553	37,984	46,119	46,547	47,534	48,731	50,119	51,714	52,938	54,224
9 Indirect.....	18,353	21,176	25,370	25,696	26,327	27,049	27,854	28,773	29,496	30,202
10 Direct.....	13,200	16,808	20,749	20,851	21,207	21,682	22,265	22,941	23,442	24,022
11 Finance companies.....	11,155	12,489	14,263	14,374	14,577	14,921	15,382	15,863	16,327	16,753
12 Credit unions.....	12,741	15,163	18,385	18,475	18,955	19,239	19,835	20,549	20,754	21,314
13 Others.....	430	480	585	588	600	599	618	641	652	665
14 Mobile homes.....	14,423	14,572	15,014	14,973	15,062	15,156	15,220	15,309	15,438	15,577
15 Commercial banks.....	8,649	8,734	8,862	8,807	8,845	8,876	8,912	8,967	9,061	9,117
16 Finance companies.....	3,451	3,273	3,109	3,098	3,085	3,095	3,098	3,103	3,123	3,139
17 Home improvement.....	9,405	10,990	12,952	12,968	13,162	13,375	13,691	14,037	14,260	14,633
18 Commercial banks.....	4,965	5,554	6,473	6,436	6,479	6,598	6,782	6,971	7,129	7,331
Revolving credit:										
19 Bank credit cards.....	9,501	11,351	14,262	14,174	14,142	14,345	14,456	14,929	15,288	15,857
20 Bank check credit.....	2,810	3,041	3,724	3,822	3,844	3,856	3,919	3,996	4,043	4,178
21 All other.....	72,937	79,418	91,269	90,376	91,327	92,515	94,321	96,378	97,497	99,337
22 Commercial banks, total.....	21,188	22,847	25,850	25,877	26,322	26,930	27,485	28,179	28,651	29,182
23 Personal loans.....	14,629	15,669	17,740	17,769	18,002	18,383	18,640	19,049	19,401	19,655
24 Finance companies, total.....	21,238	22,749	26,498	26,489	26,675	27,012	27,496	28,012	28,336	28,898
25 Personal loans.....	17,263	18,554	21,302	21,283	21,416	21,700	22,110	22,547	22,906	23,344
26 Credit unions.....	10,754	12,799	15,518	15,594	15,999	16,232	16,735	17,337	17,511	17,984
27 Retailers.....	18,002	19,052	21,082	20,060	19,920	19,941	20,141	20,310	20,432	20,655
28 Others.....	1,755	1,971	2,321	2,356	2,411	2,400	2,464	2,540	2,567	2,618
Net change (during period) <sup>3</sup>										
29 Total.....	7,504	20,533	31,090	2,661	4,068	3,719	3,857	3,792	3,301	2,986
By holder:										
30 Commercial banks.....	2,821	10,845	15,779	1,280	2,021	2,001	1,881	1,960	1,915	1,645
31 Finance companies.....	-90	2,644	5,376	418	662	781	763	553	605	607
32 Credit unions.....	3,771	4,880	6,490	603	836	699	911	836	369	508
33 Retailers <sup>1</sup> .....	69	1,050	2,032	202	367	129	170	282	364	45
34 Others <sup>2</sup> .....	933	1,115	1,413	158	182	109	132	161	48	181
By type of credit:										
35 Automobile.....	3,007	10,238	13,235	1,104	1,522	1,728	1,789	1,543	1,520	1,446
36 Commercial banks.....	559	6,431	8,135	599	882	989	944	946	937	894
37 Indirect.....	-334	2,823	4,194	389	564	603	575	554	553	464
38 Direct.....	894	3,608	3,941	210	318	386	369	392	384	430
39 Finance companies.....	532	1,334	1,774	201	238	375	367	199	371	260
40 Credit unions.....	1,872	2,422	3,222	300	406	343	465	383	206	261
41 Other.....	44	50	105	4	-4	21	13	15	6	31
42 Mobile homes.....	-195	150	441	23	108	95	58	15	104	87
43 Commercial banks.....	-323	85	128	2	46	28	33	1	79	26
44 Finance companies.....	-73	-177	-164	9	2	11	-3	7	14	7
45 Home improvement.....	881	1,585	1,967	171	217	212	222	209	156	229
46 Commercial banks.....	271	588	920	69	74	111	109	95	101	123
Revolving credit:										
47 Bank credit cards.....	1,220	1,850	2,911	285	448	311	263	362	398	280
48 Bank check credit.....	14	231	683	87	120	56	129	90	27	44
49 All other.....	2,577	6,479	11,853	991	1,653	1,317	1,396	1,573	1,096	900
50 Commercial banks, total.....	1,080	1,659	3,003	238	451	506	403	468	373	278
51 Personal loans.....	858	1,040	2,070	167	263	333	207	303	220	154
52 Finance companies, total.....	-348	1,509	3,749	223	419	387	395	358	210	329
53 Personal loans.....	279	1,290	2,748	183	309	307	327	301	238	236
54 Credit unions.....	1,580	2,045	2,719	252	358	301	371	383	133	212
55 Retailers.....	69	1,050	2,032	202	367	129	170	282	364	45
56 Others.....	196	217	350	76	58	-6	57	82	16	36

<sup>1</sup> Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

<sup>2</sup> Mutual savings banks, savings and loan associations, and auto dealers.

<sup>3</sup> Net change equals extensions minus liquidations (repayments, charge-offs, and other credits); figures for all months are seasonally adjusted.

NOTE.—Total consumer noninstalment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to \$44.2 billion at the end of 1977, \$38.7 billion at the end of 1976, \$35.7 billion at the end of 1975, and \$33.8 billion at the end of 1974. Comparable data for Dec. 31, 1978 will be published in the February 1979 BULLETIN.

## 1.56 CONSUMER INSTALMENT CREDIT Extensions and Liquidations

Millions of dollars

Holder, and type of credit	1975	1976	1977	1978						
				Feb.	Mar.	Apr.	May	June	July	Aug.
Extensions <sup>3</sup>										
1 Total.....	164,169	193,328	225,645	20,179	21,595	22,117	22,336	22,680	22,332	22,632
By holder:										
2 Commercial banks.....	77,312	94,220	110,777	9,905	10,608	11,120	11,004	11,329	11,315	11,474
3 Finance companies.....	31,173	36,028	41,770	3,691	3,914	4,226	4,241	4,113	4,078	4,214
4 Credit unions.....	24,096	28,587	33,592	3,028	3,309	3,267	3,508	3,433	3,128	3,271
5 Retailers <sup>1</sup> .....	27,049	29,188	33,202	2,976	3,148	2,955	2,995	3,185	3,300	2,995
6 Others <sup>2</sup> .....	4,539	5,305	6,303	579	616	549	588	620	511	678
By type of credit:										
7 Automobile.....	51,413	62,988	72,888	6,400	6,822	7,248	7,387	7,241	7,156	7,399
8 Commercial banks.....	28,573	36,585	42,570	3,700	3,924	4,212	4,189	4,178	4,267	4,349
9 Indirect.....	15,766	19,882	22,904	2,065	2,173	2,347	2,327	2,305	2,329	2,370
10 Direct.....	12,807	16,704	19,666	1,635	1,751	1,865	1,862	1,873	1,938	1,979
11 Finance companies.....	9,674	11,209	12,635	1,080	1,173	1,314	1,337	1,278	1,208	1,324
12 Credit unions.....	12,683	14,675	17,041	1,565	1,679	1,654	1,798	1,721	1,624	1,644
13 Others.....	483	518	642	55	46	68	63	64	57	82
14 Mobile homes.....	4,323	4,841	5,244	406	502	508	490	460	517	546
15 Commercial banks.....	2,622	3,071	3,153	236	284	279	294	271	334	310
16 Finance companies.....	764	690	651	62	74	85	74	69	81	78
17 Home improvement.....	5,556	6,736	8,066	710	770	753	798	801	736	850
18 Commercial banks.....	2,722	3,245	3,968	338	352	382	395	390	390	429
Revolving credit:										
19 Bank credit cards.....	20,428	25,862	31,761	3,143	3,231	3,255	3,245	3,482	3,466	3,499
20 Bank check credit.....	4,024	4,783	5,886	535	608	646	677	694	599	625
21 All other.....	78,425	88,117	101,801	8,985	9,662	9,707	9,739	10,002	9,858	9,713
22 Commercial banks, total.....	18,944	20,673	23,439	1,953	2,209	2,346	2,204	2,314	2,259	2,262
23 Personal loans.....	13,386	14,480	16,828	1,405	1,537	1,669	1,511	1,614	1,574	1,587
24 Finance companies, total.....	20,657	24,087	28,396	2,541	2,659	2,814	2,819	2,755	2,773	2,793
25 Personal loans.....	16,944	19,579	22,348	1,989	2,105	2,226	2,273	2,231	2,211	2,194
26 Credit unions.....	10,134	12,340	14,604	1,288	1,429	1,431	1,500	1,501	1,335	1,444
27 Retailers.....	27,049	29,188	33,202	2,976	3,148	2,955	2,995	3,185	3,300	2,995
28 Others.....	1,642	1,830	2,160	227	217	161	221	247	191	219
Liquidations <sup>3</sup>										
29 Total.....	156,665	172,795	194,555	17,518	17,527	18,398	18,479	18,888	19,031	19,646
By holder:										
30 Commercial banks.....	74,491	83,376	94,998	8,625	8,587	9,119	9,123	9,369	9,400	9,829
31 Finance companies.....	31,263	33,384	36,394	3,273	3,252	3,445	3,478	3,560	3,473	3,607
32 Credit unions.....	20,325	23,707	27,103	2,425	2,473	2,568	2,597	2,597	2,759	2,763
33 Retailers <sup>1</sup> .....	26,980	28,138	31,170	2,774	2,781	2,826	2,825	2,903	2,936	2,950
34 Others <sup>2</sup> .....	3,606	4,191	4,890	421	434	440	456	459	463	497
By type of credit:										
35 Automobile.....	48,406	52,750	59,652	5,296	5,300	5,520	5,598	5,698	5,636	5,953
36 Commercial banks.....	28,014	30,154	34,435	3,101	3,042	3,223	3,245	3,232	3,330	3,455
37 Indirect.....	16,101	17,059	18,710	1,676	1,609	1,744	1,752	1,751	1,776	1,906
38 Direct.....	11,913	13,095	15,726	1,425	1,433	1,479	1,493	1,481	1,554	1,549
39 Finance companies.....	9,142	9,875	10,819	879	935	939	970	1,079	837	1,064
40 Credit unions.....	10,811	12,253	13,819	1,265	1,273	1,311	1,333	1,338	1,418	1,383
41 Others.....	439	468	536	51	50	47	50	49	51	51
42 Mobile homes.....	4,517	4,691	4,802	383	394	413	432	445	413	459
43 Commercial banks.....	2,944	2,986	3,025	234	238	251	261	272	255	284
44 Finance companies.....	837	867	806	71	72	74	77	76	67	71
45 Home improvement.....	4,675	5,151	6,098	539	553	541	576	592	580	621
46 Commercial banks.....	2,451	2,657	3,048	269	278	271	286	295	289	306
Revolving credit:										
47 Bank credit cards.....	19,208	24,012	28,851	2,858	2,783	2,944	2,982	3,120	3,068	3,219
48 Bank check credit.....	4,010	4,552	5,202	448	488	590	548	604	572	581
49 All other.....	75,849	81,638	89,948	7,994	8,009	8,390	8,343	8,429	8,762	8,813
50 Commercial banks, total.....	17,864	19,014	20,436	1,715	1,758	1,840	1,801	1,846	1,886	1,984
51 Personal loans.....	12,528	13,439	14,757	1,238	1,274	1,336	1,304	1,311	1,354	1,433
52 Finance companies, total.....	21,005	22,578	24,647	2,318	2,240	2,427	2,424	2,397	2,563	2,464
53 Personal loans.....	16,665	18,289	19,600	1,806	1,796	1,919	1,919	1,930	1,973	1,958
54 Credit unions.....	8,554	10,295	11,884	1,036	1,071	1,130	1,129	1,118	1,202	1,232
55 Retailers.....	26,980	28,138	31,170	2,774	2,781	2,826	2,825	2,903	2,936	2,950
56 Others.....	1,446	1,613	1,811	151	159	167	164	165	175	183

<sup>1</sup> Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

<sup>2</sup> Mutual savings banks, savings and loan associations, and auto dealers.

<sup>3</sup> Monthly figures are seasonally adjusted.

## 1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

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

Transaction category, or sector	1972	1973	1974	1975	1976	1977	1977				1978	
							Q1	Q2	Q3	Q4	Q1	Q2
Nonfinancial sectors												
1 Total funds raised.....	176.0	203.5	188.0	208.5	272.1	340.5	303.8	300.6	390.6	367.1	380.6	370.5
2 Excluding equities.....	165.5	196.1	184.9	198.0	261.7	337.4	303.6	298.4	385.0	362.5	380.9	370.0
By sector and instrument:												
3 U.S. Government.....	15.1	8.3	11.8	85.4	69.0	56.8	47.3	37.8	80.1	61.9	66.1	48.5
4 Public debt securities.....	14.3	7.9	12.0	85.8	69.1	57.6	48.0	38.2	82.2	62.2	67.4	49.0
5 Agency issues and mortgages.....	.8	.4	-.2	-.4	-.1	-.9	-.7	.4	2.1	-.3	1.4	-.5
6 All other nonfinancial sectors.....	160.9	195.2	176.2	123.1	203.0	283.8	256.5	262.8	310.5	305.2	314.6	322.0
7 Corporate equities.....	10.5	7.4	3.1	10.5	10.4	3.1	.1	2.2	5.6	4.6	.3	.5
8 Debt instruments.....	150.4	187.9	173.1	112.6	192.6	280.6	256.3	260.6	304.9	300.6	314.9	321.6
9 Private domestic nonfinancial sectors.....	156.9	189.3	161.6	109.5	182.8	271.4	250.4	253.8	288.5	292.9	301.4	300.0
10 Corporate equities.....	10.9	7.9	4.1	9.9	10.5	2.7	-.6	1.7	4.4	5.4	1.0	.7
11 Debt instruments.....	146.0	181.4	157.5	99.6	172.3	268.7	251.0	252.1	284.1	287.5	300.4	299.3
12 Debt capital instruments.....	102.3	105.0	98.0	97.8	126.8	181.1	144.8	181.9	198.4	199.3	171.7	188.5
13 State and local obligations.....	14.7	14.7	16.5	15.6	19.0	29.2	20.5	38.2	33.0	25.0	22.3	35.8
14 Corporate bonds.....	12.2	9.2	19.7	27.2	22.8	21.0	18.3	13.6	27.3	24.7	15.0	18.7
Mortgages:												
15 Home.....	42.6	46.4	34.8	39.5	63.7	96.4	79.1	97.9	103.9	104.6	92.4	89.7
16 Multifamily residential.....	12.7	10.4	6.9	* .3	1.8	7.4	4.4	8.5	7.0	9.7	10.6	10.2
17 Commercial.....	16.5	18.9	15.1	11.0	13.4	18.4	13.9	14.4	18.6	26.6	21.9	24.4
18 Farm.....	3.6	5.5	5.0	4.6	6.1	8.8	8.6	9.2	8.6	8.8	9.5	9.7
19 Other debt instruments.....	43.7	76.4	59.6	1.8	45.3	87.6	106.2	70.2	85.7	88.2	128.7	110.8
20 Consumer credit.....	17.1	23.8	10.2	9.4	23.6	35.0	33.2	38.3	32.6	36.2	38.0	51.6
21 Bank loans n.e.c.....	18.9	39.8	29.0	14.0	3.5	30.6	48.9	19.0	33.8	20.7	61.3	45.9
22 Open market paper.....	.8	2.5	6.6	-2.6	4.0	2.9	1.7	5.3	.5	4.2	5.3	5.1
23 Other.....	6.9	10.3	13.7	9.0	14.4	19.0	22.5	7.6	18.8	27.1	24.1	8.2
24 By borrowing sector.....	156.9	189.3	161.6	109.5	182.8	271.4	250.4	253.8	288.5	292.9	301.4	300.0
25 State and local governments.....	14.5	13.2	15.5	13.2	18.5	25.9	19.6	25.9	34.8	23.2	20.9	24.4
26 Households.....	64.3	80.9	49.2	48.6	89.9	139.6	127.7	134.7	150.0	145.9	143.0	141.1
27 Farm.....	5.8	9.7	7.9	8.7	11.0	14.7	15.5	15.5	14.5	13.2	13.1	13.7
28 Nonfarm noncorporate.....	14.1	12.8	7.4	2.0	5.2	12.6	11.7	14.0	9.2	15.5	17.5	19.5
29 Corporate.....	58.3	72.7	81.8	37.0	58.2	78.7	75.9	63.7	80.1	95.2	107.0	101.3
30 Foreign.....	4.0	5.9	14.6	13.6	20.2	12.3	6.1	9.0	22.0	12.3	13.2	22.0
31 Corporate equities.....	-.4	-.5	-1.0	-.6	-.1	.4	.8	.5	1.2	-.8	-1.3	-.3
32 Debt instruments.....	4.4	6.4	15.6	13.0	20.4	11.9	5.3	8.5	20.8	13.1	14.5	22.2
33 Bonds.....	1.0	1.0	2.1	6.2	8.5	5.0	2.2	6.6	7.5	3.7	5.1	4.0
34 Bank loans n.e.c.....	2.9	2.8	4.7	3.7	6.6	1.6	-3.9	-2.6	7.2	5.6	7.4	8.0
35 Open market paper.....	-1.0	.9	7.3	.3	1.9	2.4	3.0	2.3	2.5	1.8	.9	8.1
36 U.S. Government loans.....	1.5	1.7	1.5	2.8	3.3	3.0	4.0	2.2	3.7	2.0	2.9	2.1
Financial sectors												
37 Total funds raised.....	28.3	57.6	36.4	11.7	29.2	58.8	57.6	65.4	41.3	71.1	111.1	94.3
By instrument:												
38 U.S. Government related.....	8.4	19.9	23.1	13.5	18.6	26.3	27.4	22.6	25.4	29.7	38.8	39.8
39 Sponsored credit agency securities.....	3.5	16.3	16.6	2.3	3.3	7.0	9.4	9.5	1.7	7.2	23.7	24.4
40 Mortgage pool securities.....	4.9	3.6	5.8	10.3	15.7	20.5	22.6	13.1	23.7	22.5	15.2	15.3
41 Loans from U.S. Government.....			.7	.9	-.4	-1.2	-4.7					
42 Private financial sectors.....	19.9	37.7	13.3	-1.9	10.6	32.6	30.2	42.8	15.9	41.4	72.2	54.5
43 Corporate equities.....	2.8	1.5	.3	.6	1.0	.6	-1.4	2.5	1.4	2.8	1.2	1.7
44 Debt instruments.....	17.1	36.2	13.0	-2.5	9.6	32.0	31.6	40.3	17.3	38.7	71.1	52.8
45 Corporate bonds.....	5.1	3.5	2.1	2.9	5.8	10.1	7.3	13.0	8.5	11.7	10.3	9.6
46 Mortgages.....	1.7	-1.2	-1.3	2.3	2.1	3.1	2.7	3.8	3.1	2.8	2.6	1.6
47 Bank loans n.e.c.....	5.9	8.9	4.6	-3.6	-3.7	*	1.9	-6.5	-1	4.7	1.1	2.9
48 Open market paper and Rp's.....	4.4	17.8	.9	-1	7.3	14.4	17.1	25.7	5.8	9.0	46.4	23.4
49 Loans from FHLB's.....	*	7.2	6.7	-4.0	-2.0	4.3	2.6	4.3	.1	10.4	12.8	15.3
By sector:												
50 Sponsored credit agencies.....	3.5	16.3	17.3	3.2	2.9	5.8	4.7	9.5	1.7	7.2	23.7	24.4
51 Mortgage pools.....	4.9	3.6	5.8	10.3	15.7	20.5	22.6	13.1	23.7	22.5	15.2	15.3
52 Private financial sectors.....	19.9	37.7	13.3	-1.9	10.6	32.6	30.2	42.8	15.9	41.4	72.2	54.5
53 Commercial banks.....	4.5	14.1	-5.6	-1.4	7.5	4.8	10.0	10.0	2.5	3.4	31.1	3.6
54 Bank affiliates.....	.7	2.2	3.5	.3	-.8	1.3	.4	2.3	1.5	.9	3.6	8.0
55 Savings and loan associations.....	2.0	6.0	6.3	-2.2	*	11.9	8.7	12.5	5.6	20.7	18.1	20.7
56 Other insurance companies.....	.5	.5	.9	1.0	.9	.9	.9	.9	.9	1.0	1.0	1.0
57 Finance companies.....	6.5	9.4	6.0	.6	6.4	16.9	15.1	19.8	11.1	21.6	14.0	16.9
58 REIT's.....	6.3	6.5	.6	1.4	-2.4	-2.4	-2.7	-2.4	-2.6	1.9	-1.9	-1.4
59 Open-end investment companies.....	-.5	-1.2	-.7	-1	-1.0	-1.0	-2.6	1.0	-3.3	.9	*	.4
60 Money market funds.....			2.4	1.3	*	.2	.3	-1.3	.1	1.7	6.4	5.3
All sectors												
60 Total funds raised, by instrument.....	204.3	261.1	224.4	220.2	301.3	399.4	361.3	366.0	431.8	438.2	491.7	464.8
62 Investment company shares.....	-.5	-1.2	-.7	-.1	-1.0	-1.0	-2.6	1.0	-3.3	.9	*	.4
63 Other corporate equities.....	13.8	10.1	4.1	11.2	12.4	4.8	1.3	3.7	7.5	6.5	.9	1.8
64 Debt instruments.....	191.0	252.3	221.0	209.1	289.8	395.6	362.6	361.3	427.6	430.9	490.9	462.6
65 U.S. Government securities.....	23.6	28.3	34.3	98.2	88.1	84.3	79.5	60.6	105.5	91.7	105.0	88.4
66 State and local obligations.....	14.7	14.7	16.5	15.6	19.0	29.2	20.5	38.2	33.0	25.0	22.3	35.8
67 Corporate and foreign bonds.....	18.4	13.6	23.9	36.4	37.2	36.1	27.7	33.2	43.3	40.1	30.3	32.3
68 Mortgages.....	77.0	79.9	60.5	57.2	87.1	134.0	108.6	133.8	141.0	152.4	137.0	135.5
69 Consumer credit.....	17.1	23.8	10.2	9.4	23.6	35.0	33.2	38.3	32.6	36.2	38.0	51.6
70 Bank loans n.e.c.....	27.8	51.6	38.3	-13.9	6.4	32.2	46.9	9.9	40.9	30.9	67.6	56.8
71 Open market paper and Rp's.....	4.1	21.2	14.8	-2.4	13.3	19.8	21.9	33.3	8.8	15.0	50.8	36.6
72 Other loans.....	8.4	19.1	22.6	8.7	15.3	25.1	24.4	14.0	22.4	39.6	39.9	25.6



## 1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1972	1973	1974	1975	1976	1977	1977				1978	
							Q1	Q2	Q3	Q4	Q1	Q2
<b>1 Total funds advanced in credit markets to nonfinancial sectors</b>	<b>165.5</b>	<b>196.1</b>	<b>184.9</b>	<b>198.0</b>	<b>261.7</b>	<b>337.4</b>	<b>303.6</b>	<b>298.4</b>	<b>385.0</b>	<b>362.5</b>	<b>380.9</b>	<b>370.0</b>
By public agencies and foreign:												
2 Total net advances	19.8	34.1	52.6	44.3	54.5	85.4	59.2	79.3	81.4	121.8	116.3	83.0
3 U.S. Government securities	7.6	9.5	11.9	22.5	26.8	40.2	14.8	39.7	40.8	65.6	48.7	33.9
4 Residential mortgages	7.0	8.2	14.7	16.2	12.8	20.4	23.6	16.3	18.8	23.0	27.2	20.0
5 FHLB advances to S&L's	*	7.2	6.7	-4.0	-2.0	4.3	2.6	4.3	-1	10.4	12.8	15.3
6 Other loans and securities	5.1	9.2	19.4	9.5	16.9	20.5	18.2	19.1	21.9	22.8	27.5	13.8
Totals advanced, by sector												
7 U.S. Government	1.8	2.8	9.7	15.1	8.9	11.8	10.3	1.8	17.4	17.8	28.7	8.5
8 Sponsored credit agencies	9.2	21.4	25.6	14.5	20.6	26.9	28.4	24.9	25.7	28.7	39.9	43.6
9 Monetary authorities	.3	9.2	6.2	8.5	9.8	7.1	-5.8	26.1	2.1	6.2	-4.1	30.7
10 Foreign	8.4	.6	11.2	6.1	15.2	39.5	26.2	26.5	36.2	69.2	51.8	.3
11 Agency borrowing not included in line 1	8.4	19.9	23.1	13.5	18.6	26.3	27.4	22.6	25.4	29.7	38.8	39.8
Private domestic funds advanced												
12 Total net advances	154.1	182.0	155.3	167.3	225.7	278.2	271.8	241.7	328.9	270.4	303.5	326.8
13 U.S. Government securities	16.0	18.8	22.4	75.7	61.3	44.1	64.7	20.9	64.8	26.1	56.3	54.5
14 State and local obligations	14.7	14.7	16.5	15.6	19.0	29.2	20.5	38.2	33.0	25.0	22.3	35.8
15 Corporate and foreign bonds	13.1	10.0	20.9	32.8	30.5	22.3	19.6	14.9	31.1	23.6	19.3	21.5
16 Residential mortgages	48.2	48.4	26.9	23.2	52.7	83.2	59.7	90.0	92.0	91.2	75.6	79.8
17 Other mortgages and loans	62.1	97.2	75.4	16.1	60.4	103.7	109.9	82.0	107.9	115.0	142.8	150.6
18 Less: FHLB advances	*	7.2	6.7	-4.0	-2.0	4.3	2.6	4.3	-1	10.4	12.8	15.3
Private financial intermediation												
19 Credit market funds advanced by private financial institutions	149.7	165.4	126.2	119.9	191.2	249.6	239.3	242.9	280.6	235.4	266.6	307.9
20 Commercial banking	70.5	86.5	64.5	27.6	58.0	85.8	85.0	77.1	103.1	77.9	114.2	136.8
21 Savings institutions	48.2	36.9	26.9	52.0	71.4	84.8	85.5	85.1	89.1	79.6	79.1	81.6
22 Insurance and pension funds	17.2	23.9	30.0	41.5	51.7	62.0	58.6	62.0	66.4	61.1	62.7	66.2
23 Other finance	13.9	18.0	4.7	-1.1	10.1	16.9	10.2	18.7	22.0	16.8	10.6	23.3
24 Sources of funds	149.7	165.4	126.2	119.9	191.2	249.6	239.3	242.9	280.6	235.4	266.6	307.9
25 Private domestic deposits	100.6	86.6	69.4	90.6	121.5	136.0	140.3	113.7	165.4	124.5	112.3	124.0
26 Credit market borrowing	17.1	36.2	13.0	-2.5	9.6	32.0	31.6	40.3	17.3	38.7	71.1	52.8
27 Other sources	32.0	42.5	43.8	31.9	60.1	81.6	67.3	89.0	97.9	72.5	83.2	131.1
28 Foreign funds	4.6	5.8	16.8	.9	5.1	11.6	-7.6	9.1	20.4	24.4	2.4	16.4
29 Treasury balances	.7	-1.0	-5.1	-1.7	-1	4.3	4.3	-7.9	5.5	15.2	-14.1	12.3
30 Insurance and pension reserves	11.6	18.4	26.0	29.6	34.8	48.0	40.6	50.4	51.9	48.9	47.7	50.1
31 Other, net	15.0	19.4	6.0	3.1	20.3	17.8	30.0	37.4	20.0	-16.2	52.0	52.3
Private domestic nonfinancial investors												
32 Direct lending in credit markets	21.5	52.8	42.2	44.9	44.1	60.6	64.1	39.1	65.6	73.6	108.0	71.8
33 U.S. Government securities	3.9	19.2	17.5	23.0	19.6	24.6	34.3	6.0	37.8	32.5	51.7	20.7
34 State and local obligations	3.0	5.4	9.3	8.3	6.8	9.1	2.1	14.2	7.3	12.9	4.4	9.6
35 Corporate and foreign bonds	4.4	1.3	4.7	8.0	2.1	1.1	.9	*	3.5	.2	-3.5	-2.1
36 Commercial paper	2.9	18.3	2.4	-8	4.1	9.5	12.7	13.3	.5	11.5	37.2	22.6
37 Other	7.3	8.6	8.2	6.4	11.5	16.2	14.3	17.6	16.5	16.5	18.3	21.0
38 Deposits and currency	105.0	90.6	75.7	96.8	128.8	144.3	146.9	118.3	182.2	129.7	123.2	133.9
39 Time and savings accounts	83.8	76.1	66.7	84.8	112.2	120.1	119.6	101.5	151.4	108.0	110.5	110.5
40 Large negotiable CD's	7.7	18.1	18.8	14.1	-14.4	9.3	-13.5	4.8	13.1	32.7	5.4	19.8
41 Other at commercial banks	30.6	29.6	26.1	39.4	58.1	41.7	62.9	27.7	60.0	16.3	52.8	33.6
42 At savings institutions	45.4	28.5	21.8	59.4	68.5	69.1	70.2	69.0	78.3	59.0	52.3	57.0
43 Money	21.2	14.4	8.9	12.0	16.6	24.2	27.3	16.8	30.8	21.7	12.7	23.5
44 Demand deposits	16.8	10.5	2.6	5.8	9.3	15.9	20.8	12.2	14.0	16.5	1.8	13.5
45 Currency	4.4	3.9	6.3	6.2	7.3	8.3	6.6	4.6	16.8	5.2	11.0	9.9
<b>46 Total of credit market instruments, deposits and currency</b>	<b>126.5</b>	<b>143.4</b>	<b>117.8</b>	<b>141.6</b>	<b>172.9</b>	<b>204.9</b>	<b>211.1</b>	<b>157.3</b>	<b>247.8</b>	<b>203.3</b>	<b>231.3</b>	<b>205.7</b>
47 Public support rate (in per cent)	12.0	17.4	28.5	22.4	20.8	25.3	19.5	26.6	21.1	33.6	30.5	22.4
48 Private financial intermediation (in per cent)	97.2	90.9	81.3	71.7	84.7	89.7	88.0	100.5	85.3	87.1	87.8	94.2
49 Total foreign funds	13.0	6.4	28.0	7.1	20.3	51.1	18.6	35.6	56.6	93.5	49.4	16.6
Memo: Corporate equities not included above												
50 Total net issues	13.3	8.9	3.4	11.1	11.4	3.8	-1.3	4.7	4.2	7.4	.9	2.1
51 Mutual fund shares	.5	-1.2	-.7	.1	-1.0	-1.0	-2.6	1.0	-3.3	.9	*	.4
52 Other equities	13.8	10.1	4.1	11.2	12.4	4.8	1.3	3.7	7.5	6.5	.9	1.8
53 Acquisitions by financial institutions	16.5	13.3	5.8	9.7	12.5	6.2	6.0	6.2	8.0	4.6	-1.5	.4
54 Other net purchases	-3.3	-4.4	-2.4	1.4	-1.1	-2.4	-7.3	-1.5	-3.8	2.8	2.3	1.8

## NOTES BY LINE NUMBER.

- Line 2 of p. A-44.
- Sum of lines 3-6 or 7-10.
- Includes farm and commercial mortgages.
- Credit market funds raised by Federally sponsored credit agencies, and net issues of Federally related mortgage pool securities. Included below in lines 3, 13, and 33.
- Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32.
- Also sum of lines 27, 32, 39, and 44.
- Includes farm and commercial mortgages.
- Sum of lines 39 and 44.
- Excludes equity issues and investment company shares. Includes line 18.
- Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.

29. Demand deposits at commercial banks.

30. Excludes net investment of these reserves in corporate equities.

31. Mainly retained earnings and net miscellaneous liabilities.

32. Line 12 less line 19 plus line 26.

33-37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.

45. Mainly an offset to line 9.

46. Lines 32 plus 38, or line 12 less line 27 plus line 45.

47. Line 2/line 1.

48. Line 19/line 12.

49. Sum of lines 10 and 28.

50, 52. Includes issues by financial institutions.

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

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

1967 = 100; monthly and quarterly data are seasonally adjusted. Exceptions noted.

Measure	1975	1976	1977	1978								
				Feb.	Mar.	Apr.	May	June <sup>r</sup>	July <sup>r</sup>	Aug. <sup>r</sup>	Sept.	
1 Industrial production.....	117.8	129.8	137.0	139.2	140.9	143.2	143.9	144.9	145.9	146.7	147.5	
Market groupings:												
2 Products, total.....	119.3	129.3	137.1	139.6	141.6	143.0	143.1	144.0	144.7	145.9	146.4	
3 Final, total.....	118.2	127.2	134.9	136.4	138.9	140.5	140.5	141.1	141.9	143.0	143.4	
4 Consumer goods.....	124.0	136.2	143.4	143.8	145.9	147.5	147.0	147.0	147.5	148.2	148.3	
5 Equipment.....	110.2	114.6	123.2	126.2	129.1	130.8	131.6	133.0	134.4	135.9	136.7	
6 Intermediate.....	123.1	137.2	145.1	151.4	151.4	152.1	152.6	154.7	155.5	156.4	157.3	
7 Materials.....	115.5	130.6	136.9	138.6	139.9	143.7	145.1	146.4	147.8	148.0	149.2	
Industry groupings:												
8 Manufacturing.....	116.3	129.5	137.1	139.4	141.4	143.5	144.3	145.5	146.6	147.4	148.2	
Capacity utilization (per cent) <sup>1</sup>												
9 Manufacturing.....	73.6	80.2	82.4	81.9	82.7	83.7	83.9	84.3	84.7	84.9	85.0	
10 Industrial materials industries.....	73.6	80.4	81.9	81.3	81.9	84.0	84.5	85.1	85.7	85.6	86.0	
11 Construction contracts <sup>2</sup> .....	162.3	190.2	253.0	266.0	254.0	279.0	332.0	249.0	286.0	289.0	.....	
12 Nonagricultural employment, total <sup>3</sup> .....	117.0	120.7	125.0	128.0	128.8	129.8	130.1	130.7	130.8	131.0	130.9	
13 Goods-producing, total.....	97.0	100.4	104.2	106.1	106.9	108.6	108.7	109.3	109.4	109.2	109.2	
14 Manufacturing, total.....	94.2	97.7	101.0	103.6	104.0	104.3	104.4	104.5	104.4	104.2	104.3	
15 Manufacturing, production-worker.....	91.2	95.3	98.6	101.3	101.8	102.0	102.1	102.0	101.8	101.5	101.6	
16 Service-producing.....	127.9	131.9	136.4	140.0	140.8	141.5	141.9	142.5	142.5	142.9	142.8	
17 Personal income, total <sup>4</sup> .....	200.4	220.4	244.0	259.3	262.7	266.4	268.4	270.6	274.5	275.8	.....	
18 Wages and salary disbursements.....	188.5	208.2	230.1	245.0	249.5	253.5	254.6	256.9	259.5	260.3	.....	
19 Manufacturing.....	157.3	177.1	198.6	213.6	218.0	219.5	220.7	222.3	224.9	224.5	.....	
20 Disposable personal income.....	199.6	217.5	239.3	261.6	.....	.....	265.5	.....	.....	.....	.....	
21 Retail sales <sup>5</sup> .....	184.6	203.5	224.4	235.6	239.5	244.8	245.4	246.7	245.9	250.3	254.1	
Prices: <sup>6</sup>												
22 Consumer <sup>7</sup> .....	161.2	170.5	181.6	188.4	189.8	191.5	193.3	196.7	.....	197.8	.....	
23 Producer finished goods.....	174.9	183.0	194.2	202.1	203.7	206.5	207.9	209.4	210.6	210.4	212.3	

<sup>1</sup> Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.

<sup>2</sup> Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.

<sup>3</sup> The establishment survey data in this table have been revised to conform to the industry definitions of the 1972 Standard Industrial Classification (SIC) Manual and to reflect employment benchmark levels for March 1977. In addition, seasonal factors for these data have been revised, based on experience through May 1978. Based on data in *Employment and Earnings* (U.S. Dept. of Labor). Series covers employees only, excluding personnel in the Armed Forces.

<sup>4</sup> Based on data in *Survey of Current Business* (U.S. Dept. of Commerce). Series for disposable income is quarterly.

<sup>5</sup> Based on Bureau of Census data published in *Survey of Current Business* (U.S. Dept. of Commerce).

<sup>6</sup> Data without seasonal adjustment, as published in *Monthly Labor Review* (U.S. Dept. of Labor). Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Dept. of Labor.

<sup>7</sup> Beginning Jan. 1978, based on new index for all urban consumers.

NOTE.—Basic data (not index numbers) for series mentioned in notes 3, 4, and 5, and indexes (or series mentioned in notes 2 and 6) may also be found in the *Survey of Current Business* (U.S. Dept. of Commerce).

Figures for industrial production for the last 2 months are preliminary and estimated, respectively.

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1977				1978				1977				1978						
	Q4		Q1		Q2		Q3		Q4		Q1		Q2		Q3				
	Output (1967 = 100)												Capacity (per cent of 1967 output)				Utilization rate (per cent)		
1 Manufacturing.....	139.9	139.8	144.4	147.4	168.7	170.3	172.0	173.7	82.9	82.1	84.0	84.9							
2 Primary processing.....	148.2	148.2	154.1	157.6	175.1	176.8	178.5	180.2	84.6	83.8	86.3	87.5							
3 Advanced processing.....	135.6	135.4	139.3	141.9	165.3	166.9	168.5	170.2	82.0	81.1	82.7	83.4							
4 Materials.....	138.9	139.2	145.1	148.3	168.9	170.4	171.7	173.0	82.2	81.7	84.5	85.7							
5 Durable goods.....	137.7	137.9	144.0	149.5	172.8	174.0	175.2	176.3	79.6	79.3	82.2	84.8							
6 Basic metal.....	109.4	110.5	117.5	.....	145.5	145.8	146.1	.....	75.2	75.8	80.4	.....							
7 Nondurable goods.....	155.0	158.0	163.2	162.6	180.4	182.3	184.4	186.5	85.9	86.7	88.5	87.2							
8 Textile, paper, and chemical.....	159.5	163.1	167.7	167.4	188.9	190.8	193.1	195.4	84.5	85.5	86.8	85.7							
9 Textile.....	117.9	115.3	117.1	.....	143.0	143.5	144.1	.....	82.4	80.3	81.2	.....							
10 Paper.....	132.3	136.5	139.7	.....	152.5	153.6	154.8	.....	86.7	88.9	90.3	.....							
11 Chemical.....	188.9	194.9	201.4	.....	223.6	226.6	230.1	.....	84.5	86.0	87.5	.....							
12 Energy.....	121.9	119.1	125.5	127.8	145.7	147.2	147.8	148.4	83.7	80.9	84.9	86.1							

## 2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1975	1976	1977	1978						
				Mar.	Apr.	May	June	July	Aug.	Sept.
Household survey data										
1 Noninstitutional population <sup>1</sup> .....	153,449	156,048	158,559	160,313	160,504	160,713	160,928	161,148	161,348	161,570
2 Labor force (including Armed Forces) <sup>1</sup> .....	94,793	96,917	99,534	101,536	101,902	102,374	102,671	102,734	102,671	102,993
3 Civilian labor force.....	92,613	94,773	97,401	99,414	99,784	100,261	100,573	100,618	100,549	100,870
Employment:										
4 Nonagricultural industries <sup>2</sup> .....	81,403	84,188	87,302	89,956	90,526	90,877	91,346	91,038	91,221	91,457
5 Agriculture.....	3,380	3,297	3,244	3,310	3,275	3,235	3,473	3,387	3,360	3,411
Unemployment:										
6 Number.....	7,830	7,288	6,855	6,148	5,983	6,149	5,754	6,193	5,968	6,002
7 Rate (per cent of civilian labor force).....	8.5	7.7	7.0	6.2	6.0	6.1	5.7	6.2	5.9	6.0
8 Not in labor force.....	58,655	59,130	59,025	58,776	58,602	58,340	58,257	58,414	58,677	58,577
Establishment survey data <sup>4</sup>										
9 Nonagricultural payroll employment <sup>3</sup>	76,945	79,382	82,256	84,726	85,418	85,618	85,996	86,033	86,164	86,106
10 Manufacturing.....	18,323	18,997	19,647	20,230	20,282	20,297	20,316	20,302	20,272	20,282
11 Mining.....	751	779	809	698	867	869	879	882	886	885
12 Contract construction.....	3,529	3,576	3,827	3,999	4,164	4,175	4,278	4,317	4,295	4,275
13 Transportation and public utilities.....	4,542	4,582	4,695	4,817	4,847	4,847	4,881	4,827	4,844	4,852
14 Trade.....	17,053	17,754	18,487	19,169	19,252	19,335	19,412	19,469	19,525	19,509
15 Finance.....	4,165	4,271	4,452	4,605	4,623	4,637	4,670	4,690	4,711	4,723
16 Service.....	13,892	14,552	15,247	15,773	15,866	15,896	15,963	15,989	16,072	16,104
17 Government.....	14,683	14,869	15,078	15,435	15,517	15,562	15,597	15,557	15,559	15,476

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

<sup>2</sup> Includes self-employed, unpaid family, and domestic service workers.

<sup>3</sup> Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants,

unpaid family workers, and members of the Armed Forces. Data are adjusted to the February 1977 benchmark. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).

<sup>4</sup> The establishment survey data in this table have been revised to conform to the industry definitions of the 1972 Standard Industrial Classification (SIC) Manual and to reflect employment benchmark levels for March 1977. In addition, seasonal factors for these data have been revised, based on experience through May 1978.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted.

Grouping	1967		1977						1978				
	pro- por- tion	1977 aver- age	July	Aug.	Sept.	Feb.	Mar.	Apr.	May	June <sup>r</sup>	July	Aug. <sup>p</sup>	Sept. <sup>e</sup>
Index (1967 = 100)													
<b>MAJOR MARKET</b>													
1 Total index.....	100.00	137.1	138.7	138.1	138.5	139.2	140.9	143.2	143.9	144.9	145.9	146.7	147.5
2 Products.....	60.71	137.1	138.7	138.4	138.8	139.6	141.6	143.0	143.1	144.0	144.7	145.9	146.4
3 Final products.....	47.82	134.9	136.8	136.3	136.8	136.4	138.9	140.5	140.5	141.1	141.9	143.0	143.4
4 Consumer goods.....	27.68	143.4	145.4	144.7	144.9	143.8	145.9	147.5	147.0	147.0	147.5	148.2	148.3
5 Equipment.....	20.14	123.2	124.8	124.9	125.6	126.2	129.1	130.8	131.6	133.0	134.4	135.9	136.7
6 Intermediate products.....	12.89	145.1	146.3	146.1	146.5	151.4	151.4	152.1	152.6	154.7	155.5	156.4	157.3
7 Materials.....	39.29	136.9	138.9	137.6	137.9	138.6	139.9	143.7	145.1	146.4	147.8	148.0	149.2
<b>Consumer goods</b>													
8 Durable consumer goods.....	7.89	153.1	158.0	154.7	155.6	151.2	157.5	161.8	160.2	160.6	160.6	161.2	160.0
9 Automotive products.....	2.83	174.2	184.8	177.2	177.0	162.8	175.8	184.3	180.0	179.9	182.3	181.8	178.4
10 Autos and utility vehicles.....	2.03	169.2	184.1	173.1	172.6	153.9	171.0	182.7	175.6	174.3	176.7	175.6	170.5
11 Autos.....	1.90	148.4	161.4	150.9	151.6	131.5	149.7	159.1	151.6	149.8	152.7	151.1	144.4
12 Auto parts and allied goods.....	.80	186.8	186.6	187.3	188.1	185.3	188.5	188.2	191.5	193.9	196.4	197.4	198.2
13 Home goods.....	5.06	141.3	142.9	142.1	143.6	144.6	147.2	149.2	148.9	149.7	148.4	149.4	149.8
14 Appliances, A/C, and TV.....	1.40	127.3	130.1	129.6	129.4	133.3	135.4	142.2	138.3	139.0	133.8	135.0	133.6
15 Appliances and TV.....	1.33	130.5	134.4	133.0	134.1	135.7	137.9	144.7	140.7	141.0	136.8	136.4	.....
16 Carpeting and furniture.....	1.07	152.2	154.1	154.8	159.0	160.2	159.3	158.9	163.4	166.0	168.1	169.5	.....
17 Miscellaneous home goods.....	2.59	144.3	145.1	143.6	144.9	144.3	148.7	149.0	148.8	148.8	148.3	149.1	150.2
18 Nondurable consumer goods.....	19.79	139.6	140.3	140.6	140.7	140.8	141.3	141.8	141.7	141.6	142.3	143.0	143.5
19 Clothing.....	4.29	125.2	124.1	126.4	128.3	121.1	122.4	124.9	123.8	124.8	125.1	.....	.....
20 Consumer staples.....	15.50	143.6	144.8	144.6	144.1	146.3	146.4	146.6	146.2	146.3	147.2	147.8	148.3
21 Consumer foods and tobacco.....	8.33	135.5	137.1	137.9	137.1	138.3	138.7	140.8	139.9	139.0	140.1	140.8	.....
22 Nonfood staples.....	7.17	152.9	153.8	152.4	152.4	155.8	155.3	153.3	153.4	154.8	155.4	156.2	156.3
23 Consumer chemical products.....	2.63	180.5	179.4	181.8	182.5	184.3	182.1	182.5	182.0	185.5	186.5	187.9	.....
24 Consumer paper products.....	1.92	117.1	117.4	117.0	116.4	118.8	118.9	117.7	117.9	118.0	117.6	118.0	.....
25 Consumer energy products.....	2.62	151.4	154.9	148.9	148.6	154.5	155.0	149.9	150.7	150.8	151.9	152.2	.....
26 Residential utilities.....	1.45	159.0	167.5	156.1	153.8	167.6	166.9	159.0	157.2	159.0	.....	.....	.....
<b>Equipment</b>													
27 Business equipment.....	12.63	149.2	151.2	151.1	152.1	154.2	157.4	159.3	160.2	161.8	163.5	165.2	166.2
28 Industrial equipment.....	6.77	138.5	140.7	140.4	141.4	144.6	146.9	147.8	149.7	150.9	151.7	153.0	153.7
29 Building and mining equipment.....	1.44	202.5	210.6	203.9	204.5	214.9	221.7	225.1	226.0	227.3	229.0	229.4	230.1
30 Manufacturing equipment.....	3.85	113.9	114.3	115.3	117.6	117.7	118.3	119.0	121.3	122.8	122.5	123.6	124.0
31 Power equipment.....	1.47	140.2	141.2	143.7	141.4	145.8	148.8	147.3	149.2	149.2	152.1	154.9	156.5
32 Commercial transit, farm equipment.....	5.86	161.6	163.3	163.4	164.4	165.5	169.4	172.6	172.3	174.4	177.1	179.4	180.8
33 Commercial equipment.....	3.26	191.6	191.7	193.0	193.7	200.9	202.0	203.8	204.2	206.9	210.1	212.0	212.6
34 Transit equipment.....	1.93	117.8	121.5	121.9	125.1	115.9	126.1	133.7	132.2	132.3	135.0	137.5	140.5
35 Farm equipment.....	.67	142.3	144.6	139.2	134.9	134.8	137.0	132.9	131.9	137.3	138.8	141.0	.....
36 Defense and space equipment.....	7.51	79.6	80.4	80.8	80.9	79.2	81.9	82.9	83.6	84.6	85.4	86.5	87.2
<b>Intermediate products</b>													
37 Construction supplies.....	6.42	140.8	141.2	141.7	143.2	148.6	147.9	148.5	150.4	152.1	153.6	155.3	155.9
38 Business supplies.....	6.47	149.5	151.3	150.6	149.7	154.2	155.0	155.6	155.0	157.0	157.5	157.5	.....
39 Commercial energy products.....	1.14	164.6	168.2	165.0	162.7	165.6	164.3	163.5	162.7	163.0	163.7	164.8	.....
<b>Materials</b>													
40 Durable goods materials.....	20.35	134.5	136.8	135.4	135.7	137.0	138.6	142.7	143.9	145.4	148.5	149.4	150.6
41 Durable consumer parts.....	4.58	132.0	137.2	135.2	135.8	131.1	133.1	136.8	137.9	138.7	142.1	142.8	143.6
42 Equipment parts.....	5.44	143.1	145.0	145.6	146.8	146.6	151.3	154.8	155.8	157.4	161.1	162.2	163.4
43 Durable materials n.e.c.....	10.34	131.1	132.4	130.1	129.8	134.6	134.5	138.9	140.3	141.8	144.6	145.8	146.9
44 Basic metal materials.....	5.57	110.9	112.6	108.7	106.8	111.0	110.4	116.7	117.5	118.2	121.7	123.2	.....
45 Nondurable goods materials.....	10.47	153.5	154.1	155.1	153.9	158.5	160.5	162.0	163.5	164.1	162.3	162.1	163.5
46 Textile, paper, and chemical materials.....	7.62	158.3	158.9	159.6	159.0	162.8	165.7	166.4	167.9	168.8	168.0	166.3	167.9
47 Textile materials.....	1.85	113.0	110.1	112.2	114.5	115.8	115.1	116.5	116.7	118.0	117.1	116.5	.....
48 Paper materials.....	1.62	133.5	134.3	135.7	135.2	136.8	137.8	139.2	140.1	139.9	135.1	128.8	.....
49 Chemical materials.....	4.15	188.2	190.3	190.1	188.2	194.2	199.2	199.5	201.7	202.9	203.7	203.3	.....
50 Containers, nondurable.....	1.70	150.9	152.4	156.2	151.2	158.7	158.1	160.5	161.9	162.8	154.8	161.6	.....
51 Nondurable materials n.e.c.....	1.14	125.3	124.9	122.4	124.1	128.9	129.3	134.6	135.8	135.0	135.5	134.9	.....
52 Energy materials.....	8.48	122.4	125.2	121.4	123.5	117.7	117.5	123.9	125.2	127.5	127.9	127.5	127.9
53 Primary energy.....	4.65	107.3	108.9	106.8	110.0	101.0	104.5	115.5	114.4	116.1	116.6	115.8	.....
54 Converted fuel materials.....	3.82	140.7	145.1	139.1	140.0	138.0	133.3	134.1	138.6	141.4	141.5	141.8	.....
<b>Supplementary groups</b>													
55 Home goods and clothing.....	9.35	133.9	134.3	134.9	136.5	133.8	135.9	138.0	138.2	138.3	137.6	138.5	138.8
56 Energy, total.....	12.23	132.5	135.6	131.4	132.5	130.0	129.8	133.1	134.2	135.9	136.3	136.2	136.8
57 Products.....	3.76	155.4	158.9	153.7	153.0	157.9	157.9	154.1	154.3	154.6	155.5	156.0	.....
58 Materials.....	8.48	122.4	125.2	121.4	123.5	117.7	117.5	123.9	125.2	127.5	127.9	127.5	127.9

For NOTE see opposite page.

## 2.13 Continued

Grouping	SIC code	1967 proportion	1977 average	1977					1978						
				July	Aug.	Sept.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	
<b>MAJOR INDUSTRY</b>				Index (1967 = 100)											
1	Mining and utilities	12.05	136.2	139.4	134.4	135.1	137.7	138.2	140.9	140.9	142.5	142.7	142.5	142.5	
2	Mining	6.36	117.8	119.8	115.4	118.0	114.4	119.3	127.2	126.7	128.0	127.3	126.2	125.4	
3	Utilities	5.69	156.5	161.4	155.7	154.1	163.5	159.5	156.0	157.0	158.6	159.9	160.6	161.4	
4	Electric	3.88	175.5	183.9	175.4	173.7	184.3	178.8	175.0	177.1	180.1				
5	Manufacturing	87.95	137.1	138.5	138.6	139.0	139.4	141.4	143.5	144.3	145.5	146.6	147.4	148.2	
6	Nondurable	35.97	148.1	148.6	149.4	149.5	150.6	151.4	153.2	154.0	154.9	155.0	155.3	156.0	
7	Durable	51.98	129.5	131.6	131.3	131.7	131.5	134.4	136.9	137.6	139.0	140.8	142.0	142.7	
<b>Mining</b>															
8	Metal mining	10	.51	105.4	101.9	70.0	71.4	119.9	127.6	122.3	120.0	121.1	118.2	117.3	
9	Coal	11.12	.69	118.0	120.7	113.6	133.0	56.5	78.4	129.5	131.7	136.4	132.3	126.1	115.0
10	Oil and gas extraction	13	4.40	118.0	120.6	119.3	119.6	120.4	123.3	127.3	126.3	127.1	126.8	126.4	126.9
11	Stone and earth minerals	14	.75	124.9	126.7	125.0	126.7	129.1	128.2	128.9	130.1	130.7	131.3	130.9	
<b>Nondurable manufactures</b>															
12	Foods	20	8.75	137.9	138.3	139.3	138.3	140.8	141.1	143.1	142.8	141.8	142.8	143.9	
13	Tobacco products	21	.67	114.3	114.5	117.0	113.5	117.7	115.6	121.0	120.2	122.7	121.8		
14	Textile mill products	22	2.68	137.1	137.2	136.6	140.7	136.4	135.1	138.1	138.5	140.4	141.1	139.8	
15	Apparel products	23	3.31	124.2	121.1	124.1	127.7	121.1	122.8	126.1	125.8	126.8	124.6		
16	Paper and products	26	3.21	137.4	139.2	140.3	139.1	143.9	144.9	145.7	146.6	148.0	140.5	140.6	145.2
17	Printing and publishing	27	4.72	124.9	124.9	125.0	124.2	128.3	129.1	128.6	128.2	128.7	130.4	129.8	129.7
18	Chemicals and products	28	7.74	180.7	182.6	182.6	181.3	183.7	185.2	185.5	188.1	191.1	192.0	191.9	
19	Petroleum products	29	1.79	141.0	140.4	139.9	141.9	139.0	140.1	141.7	143.4	142.8	143.9	144.6	145.7
20	Rubber & plastic products	30	2.24	232.2	235.2	237.4	239.5	240.0	243.1	249.1	252.7	255.5	258.9	261.1	
21	Leather and products	31	.86	75.3	74.1	74.5	74.0	73.0	72.1	76.0	75.7	75.1	74.5	75.0	
<b>Durable manufactures</b>															
22	Ordnance, private & government	19.91	3.64	73.9	75.0	75.5	75.1	71.2	72.7	73.0	74.3	74.7	75.2	76.3	76.8
23	Lumber and products	24	1.64	133.4	132.9	131.8	137.1	135.5	136.5	136.9	136.5	138.7	138.4	138.6	
24	Furniture and fixtures	25	1.37	140.9	143.0	142.9	145.6	150.1	149.2	148.9	152.8	156.2	158.1	160.2	
25	Clay, glass, stone products	32	2.74	146.1	148.0	148.8	145.5	152.6	154.2	156.7	157.9	159.8	159.4	159.7	
26	Primary metals	33	6.57	110.2	114.4	112.5	109.0	106.2	106.1	114.3	115.5	117.5	123.0	124.4	125.1
27	Iron and steel	331.2	4.21	103.4	110.9	110.6	104.6	96.3	96.4	109.0	110.5	114.5	119.0	120.7	
28	Fabricated metal products	34	5.93	130.9	132.0	134.0	133.6	136.9	138.1	139.5	140.4	142.3	144.0	145.4	146.7
29	Nonelectrical machinery	35	9.15	144.8	145.7	145.2	147.4	150.1	151.5	152.2	152.9	154.6	156.1	157.2	158.5
30	Electrical machinery	36	8.05	141.9	143.6	143.9	144.6	146.4	149.5	152.3	152.9	154.1	156.4	157.1	157.8
31	Transportation equipment	37	9.27	121.1	125.6	124.3	125.5	118.4	126.5	130.5	130.1	130.4	132.1	133.7	133.2
32	Motor vehicles & parts	371	4.50	159.7	166.2	164.4	165.6	153.1	165.1	171.7	168.3	167.7	169.7	171.0	168.0
33	Aerospace & misc. trans. eq.	372.9	4.77	84.7	87.3	86.5	87.7	85.8	90.1	91.8	93.9	95.0	96.5	98.6	100.5
34	Instruments	38	2.11	159.1	159.0	158.3	160.5	163.5	168.7	170.5	169.8	170.9	172.0	173.1	174.1
35	Miscellaneous mfrs.	39	1.51	149.1	150.4	147.5	150.7	151.8	153.7	152.9	152.7	153.5	153.2	152.9	154.0
<b>MAJOR MARKET</b>				Gross value (billions of 1972 dollars, annual rates)											
36	Products, total	1507.4	583.9	590.5	590.2	590.1	591.2	601.1	608.8	606.8	608.9	608.8	613.2	615.5	
37	Final products	1390.9	452.1	457.8	456.9	456.8	454.4	463.5	470.7	468.2	468.9	468.4	472.0	473.5	
38	Consumer goods	1277.5	317.5	321.5	320.0	319.1	318.6	321.6	326.3	324.0	323.0	323.5	324.6	324.2	
39	Equipment	1113.4	134.6	136.2	137.0	137.6	135.8	142.0	144.4	144.2	146.0	145.0	147.5	149.2	
40	Intermediate products	1116.6	131.9	132.8	133.1	133.5	137.0	137.5	138.3	138.6	140.3	140.5	141.3	141.8	

1 1972 dollars.

NOTE.—Published groupings include some series and subtotals not shown

separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System; Washington, D.C.), Dec. 1977.

## 2.14 HOUSING AND CONSTRUCTION

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

Item	1978									
	1975	1976	1977	Feb.	Mar.	Apr.	May <sup>r</sup>	June <sup>r</sup>	July <sup>r</sup>	Aug.
Private residential real estate activity (thousands of units)										
NEW UNITS										
1 Permits authorized.....	927	1,296	18,133	1,534	1,647	1,740	1,597	1,821	1,632	1,571
2 1-family.....	669	894	12,265	957	1,037	1,157	1,058	1,123	1,035	1,023
3 2-or-more-family.....	278	402	5,861	577	610	583	539	698	597	548
4 Started.....	1,160	1,538	1,986	1,569	2,047	2,165	2,054	2,124	2,128	2,029
5 1-family.....	892	1,163	1,451	1,103	1,429	1,492	1,478	1,441	1,453	1,442
6 2-or-more-family.....	268	377	535	466	618	673	576	683	675	587
7 Under construction, end of period <sup>1</sup>	1,003	1,147	1,442	1,260	1,260	1,274	1,282	1,300	1,307	.....
8 1-family.....	531	655	829	787	778	774	770	778	787	.....
9 2-or-more-family.....	472	492	613	474	483	500	513	522	520	.....
10 Completed.....	1,297	1,362	1,652	1,696	1,821	1,943	1,854	1,898	1,924	.....
11 1-family.....	866	1,026	1,254	1,233	1,363	1,515	1,426	1,342	1,253	.....
12 2-or-more-family.....	430	336	398	463	458	428	428	556	671	.....
13 Mobile homes shipped.....	213	246	277	265	285	252	258	263	232	276
Merchant builder activity in										
1-family units:										
14 Number sold.....	544	639	819	774	793	827	846	824	791	757
15 Number for sale, end of period <sup>1</sup> .....	383	433	407	404	404	410	412	418	420	423
Price (thous. of dollars) <sup>2</sup>										
Median:										
16 Units sold.....	39.3	44.2	48.9	53.2	53.2	53.3	55.7	56.8	55.0	56.6
17 Units for sale.....	38.9	41.6	48.2	.....	.....	.....	.....	.....	.....	.....
Average:										
18 Units sold.....	42.5	48.1	54.4	59.1	60.0	59.3	62.3	63.3	63.1	63.7
EXISTING UNITS (1-family)										
19 Number sold.....	2,452	3,002	3,572	3,460	3,770	3,880	3,770	3,780	3,890	4,080
Price of units sold (thous. of dollars): <sup>2</sup>										
20 Median.....	35.3	38.1	42.9	46.3	46.5	48.2	47.8	48.4	49.4	50.3
21 Average.....	39.0	42.2	47.9	51.3	51.1	53.6	54.8	55.1	56.5	57.5
Value of new construction <sup>4</sup> (millions of dollars)										
CONSTRUCTION										
22 Total put in place.....	134,293	147,481	170,685	177,631	185,381	195,261	201,555	205,843	208,334	205,438
23 Private.....	93,624	109,499	133,652	141,902	147,709	153,728	156,456	160,594	159,907	157,667
24 Residential.....	46,472	60,519	81,067	85,273	88,141	92,433	94,533	94,902	93,994	92,724
25 Nonresidential, total.....	47,152	48,980	52,585	56,629	59,568	61,295	61,923	65,692	65,913	64,943
Buildings:										
26 Industrial.....	8,017	7,182	7,182	7,674	9,199	9,244	8,735	11,335	11,170	11,560
27 Commercial.....	12,804	12,757	14,604	15,154	16,227	17,177	18,546	19,246	19,463	18,677
28 Other.....	5,585	6,155	6,226	5,867	6,358	6,806	6,935	6,761	7,036	6,773
29 Public utilities and other.....	20,746	22,886	24,573	27,934	27,784	28,068	27,707	28,350	28,244	27,933
30 Public.....	40,669	37,982	37,033	35,729	37,672	41,532	45,099	45,249	48,427	46,771
31 Military.....	1,392	1,508	1,478	1,478	1,405	1,500	1,446	1,358	1,493	1,480
32 Highway.....	10,861	9,756	9,170	7,364	8,125	8,491	10,556	10,338	10,015	.....
33 Conservation and development.....	3,256	3,722	3,765	3,891	4,237	4,586	4,172	3,508	4,947	.....
34 Other <sup>3</sup> .....	25,160	22,996	22,620	22,996	23,905	26,955	28,925	30,045	31,972	.....

<sup>1</sup> Not at annual rates.<sup>2</sup> Not seasonally adjusted.<sup>3</sup> Beginning Jan. 1977 Highway imputations are included in Other.<sup>4</sup> Value of new construction data in recent periods may not be strictly comparable with data in prior periods due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports (C-30-76-5)*, issued by the Bureau in July 1976.

NOTE.—Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are for 14,000 jurisdictions reporting to the Census Bureau.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted.

Item	12 months to—		3 months (at annual rate) to—				1 month to—					Index level Aug. 1978 (1967 = 100) <sup>2</sup>
	1977 Aug.	1978 Aug.	1977		1978		1978					
			Sept.	Dec.	Mar.	June	Apr.	May	June	July	Aug.	
<b>Consumer prices<sup>3</sup></b>												
1 All items.....	6.6	7.9	4.5	4.9	9.3	11.4	.9	.9	.9	.5	.6	197.8
2 Commodities.....	5.8	7.4	2.5	4.9	9.3	11.2	.9	.9	.9	.4	.4	189.3
3 Food.....	7.0	10.3	1.9	4.2	16.4	20.4	1.9	1.5	1.3	.0	.3	215.4
4 Commodities less food.....	5.1	6.2	2.7	5.4	6.1	7.2	.5	.6	.6	.6	.5	176.3
5 Durable.....	5.1	7.1	1.5	5.2	8.7	9.0	.5	.8	.8	.7	.5	175.9
6 Nondurable.....	5.2	4.8	3.4	5.1	3.1	5.5	.5	.4	.4	.5	.5	175.4
7 Services.....	8.0	8.7	7.6	4.9	9.1	11.8	.9	1.0	.9	.8	.8	213.4
8 Rent.....	6.0	6.9	6.7	6.3	6.2	8.5	.7	.7	.6	.5	.5	165.1
9 Services less rent.....	8.2	9.0	8.0	4.8	9.6	12.2	.9	1.0	.9	.9	.9	222.2
Other groupings:												
10 All items less food.....	6.5	7.5	5.3	5.0	8.1	9.3	.7	.8	.7	.7	.7	193.3
11 All items less food and energy.....	6.2	7.6	5.1	5.3	8.0	9.9	.7	.8	.9	.7	.6	190.5
12 Homeownership.....	7.2	11.2	8.5	7.1	12.2	14.5	1.1	1.1	1.2	1.2	1.0	230.6
<b>Producer prices, formerly Wholesale prices</b>												
13 Finished goods.....	6.6	7.7	2.9	7.2	9.6	11.2	*1.3	.7	.7	.5	.1	195.3
14 Consumer.....	6.6	7.6	1.8	5.4	10.9	12.0	1.5	.6	.7	.5	.3	193.4
15 Foods.....	6.8	8.4	-2.3	7.4	21.2	14.6	1.8	*.4	*1.2	-.3	-1.5	205.8
16 Excluding foods.....	6.5	7.1	4.0	4.7	*5.3	*10.5	1.3	.8	*.3	1.0	.4	185.3
17 Capital Equipment.....	6.8	8.1	6.0	10.9	7.1	9.1	*.6	*.8	.8	.5	.4	199.8
18 Materials.....	5.4	8.3	.4	8.3	*13.9	8.4	*1.0	.5	.6	.3	.1	221.2
19 Intermediate <sup>1</sup> .....	7.1	6.5	7.1	4.2	*9.2	*6.0	.5	.5	*.4	.4	.7	218.3
Crude:												
20 Nonfood.....	7.5	13.3	-5.3	20.1	*16.2	*11.9	*.8	.4	*1.6	2.3	-.5	291.7
21 Food.....	3.9	17.6	-19.6	27.6	*40.3	*28.1	*4.3	.0	1.9	-2.5	-1.8	213.2

<sup>1</sup> Excludes intermediate materials for food manufacturing and manufactured animal feeds.

<sup>2</sup> Not seasonally adjusted.

<sup>3</sup> Beginning Jan. 1978 figures for consumer prices are those for all urban consumers.

SOURCE.—Bureau of Labor Statistics.

## 2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1975	1976	1977	1977				1978	
				Q1	Q2	Q3	Q4	Q1	Q2 <sup>r</sup>
<b>Gross national product</b>									
1 Total.....	1,528.8	1,700.1	1,887.2	1,806.8	1,867.0	1,916.8	1,958.1	1,992.0	2,087.5
By source:									
2 Personal consumption expenditures.....	979.1	1,090.2	1,206.5	1,167.7	1,188.6	1,214.5	1,255.2	1,276.7	1,322.9
3 Durable goods.....	132.6	156.6	178.4	173.2	175.6	177.4	187.2	183.5	197.8
4 Nondurable goods.....	408.9	442.6	479.0	465.9	473.6	479.7	496.9	501.4	519.3
5 Services.....	437.5	491.0	549.2	528.6	539.4	557.5	571.1	591.8	605.8
6 Gross private domestic investment.....	190.9	243.0	297.8	272.5	295.6	309.7	313.5	322.7	345.4
7 Fixed investment.....	201.6	232.8	282.3	262.2	278.6	287.8	300.5	306.0	325.3
8 Nonresidential.....	150.2	164.6	190.4	180.6	187.2	193.5	200.3	205.6	220.1
9 Structures.....	53.8	57.3	63.9	59.3	63.4	65.4	67.4	68.5	76.6
10 Producers' durable equipment.....	96.4	107.3	126.5	121.4	123.8	128.1	132.8	137.1	143.5
11 Residential structures.....	51.5	68.2	91.9	81.6	91.4	94.3	100.2	100.3	105.3
12 Nonfarm.....	49.5	65.8	88.9	78.6	88.4	91.2	97.5	97.3	102.1
13 Change in business inventories.....	-10.7	10.2	15.6	10.3	17.0	21.9	13.1	16.7	20.1
14 Nonfarm.....	-14.3	12.2	15.0	11.1	16.5	22.0	10.4	16.9	22.1
15 Net exports of goods and services.....	20.4	7.4	-11.1	-8.5	-5.9	-7.0	-23.2	-24.1	-5.5
16 Exports.....	147.3	163.2	175.5	170.9	178.1	180.8	172.1	181.7	205.4
17 Imports.....	126.9	155.7	186.6	179.4	184.0	187.8	195.2	205.8	210.9
18 Government purchases of goods and services..	338.4	359.5	394.0	375.0	388.8	399.5	412.5	416.7	424.7
19 Federal.....	123.1	129.9	145.1	138.3	142.9	146.8	152.2	151.5	147.2
20 State and local.....	215.4	229.6	248.9	236.7	245.9	252.7	260.3	265.2	277.6
By major type of product:									
21 Final sales, total.....	1,539.6	1,689.9	1,871.6	1,796.5	1,850.0	1,894.9	1,945.0	1,975.3	2,067.4
22 Goods.....	686.6	760.3	832.6	800.2	825.8	844.7	859.6	861.8	912.2
23 Durable.....	259.0	304.6	341.3	332.2	339.1	346.5	347.4	351.2	375.8
24 Nondurable.....	427.5	455.7	491.3	468.0	486.7	498.2	512.2	510.6	536.4
25 Services.....	697.6	778.0	862.8	832.3	850.0	875.3	893.6	926.4	952.0
26 Structures.....	144.7	161.9	191.8	174.3	191.3	196.8	204.9	203.8	223.4
27 Change in business inventories.....	-10.7	10.2	15.6	10.3	17.0	21.9	13.1	16.7	20.1
28 Durable goods.....	-8.9	5.3	8.4	6.1	9.1	11.9	6.3	14.8	10.8
29 Nondurable goods.....	-1.8	4.9	7.2	4.2	7.9	10.0	6.8	1.9	9.3
30 MEMO: Total GNP in 1972 dollars.....	1,202.3	1,271.0	1,332.7	1,306.7	1,325.5	1,343.9	1,354.5	1,354.2	1,382.6
<b>National income</b>									
31 Total.....	1,215.0	1,359.2	1,515.3	1,447.5	1,499.3	1,537.6	1,576.9	1,603.1	1,688.1
32 Compensation of employees.....	931.1	1,036.8	1,153.4	1,107.9	1,140.5	1,165.8	1,199.7	1,241.0	1,287.8
33 Wages and salaries.....	805.9	890.1	983.6	946.4	973.4	993.6	1,021.2	1,050.8	1,090.2
34 Government and Government enterprises..	175.4	187.6	200.8	195.2	198.1	201.7	208.1	211.4	213.9
35 Other.....	630.4	702.5	782.9	751.2	775.3	791.9	813.1	839.3	876.3
36 Supplement to wages and salaries.....	125.2	146.7	169.8	161.5	167.1	172.2	178.4	190.2	197.6
37 Employer contributions for social insurance.....	60.1	69.7	79.4	76.6	78.6	79.9	82.4	90.2	93.6
38 Other labor income.....	65.1	77.0	90.4	84.9	88.5	92.2	96.1	100.0	104.0
39 Proprietors' income <sup>1</sup> .....	87.0	88.6	99.8	95.6	98.9	97.2	107.3	105.0	110.1
40 Business and professional <sup>1</sup> .....	63.5	70.2	79.5	76.1	78.9	80.8	82.3	83.1	86.1
41 Farm <sup>1</sup> .....	23.5	18.4	20.3	19.4	20.0	16.5	25.1	21.9	24.0
42 Rental income of persons <sup>2</sup> .....	22.4	22.5	22.5	22.5	22.4	22.4	22.7	22.8	22.2
43 Corporate profits <sup>1</sup> .....	95.9	127.0	144.2	129.9	143.7	154.8	148.2	132.6	163.4
44 Profits before tax <sup>3</sup> .....	120.4	155.9	173.9	164.8	175.1	177.5	178.3	172.1	205.5
45 Inventory valuation adjustment.....	-12.4	-14.5	-14.8	-20.3	-16.6	-7.7	-14.8	-23.5	-24.9
46 Capital consumption adjustment.....	-12.0	-14.4	-14.9	-14.6	-14.8	-15.0	-15.3	-16.1	-17.2
47 Net interest.....	78.6	84.3	95.4	91.7	93.7	97.3	99.0	101.7	104.6

<sup>1</sup> With inventory valuation and capital consumption adjustments.<sup>2</sup> With capital consumption adjustments.<sup>3</sup> For after-tax profits, dividends, etc., see Table 1.50.

SOURCE.—Survey of Current Business (U.S. Dept. of Commerce).



## 2.17 PERSONAL INCOME AND SAVING

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

Account	1975	1976	1977	1977				1978	
				Q1	Q2	Q3	Q4	Q1	Q2 <sup>r</sup>
<b>Personal income and saving</b>									
1 Total personal income.....	1,255.5	1,380.9	1,529.0	1,470.7	1,508.6	1,543.7	1,593.0	1,628.9	1,682.4
2 Wage and salary disbursements.....	805.9	890.1	983.6	946.4	973.4	993.6	1,021.2	1,050.8	1,090.2
3 Commodity-producing industries.....	275.0	307.5	343.7	327.3	342.0	348.3	357.1	365.9	387.0
4 Manufacturing.....	211.0	237.5	266.3	254.6	264.1	269.3	277.3	286.9	296.1
5 Distributive industries.....	195.3	216.4	239.1	231.2	236.5	241.2	247.5	257.0	266.4
6 Service industries.....	160.1	178.6	200.1	192.7	196.8	202.3	208.5	216.5	222.8
7 Government and government enterprises.....	175.4	187.6	200.8	195.2	198.1	201.7	208.1	211.4	213.9
8 Other labor income.....	65.1	77.0	90.4	84.9	88.5	92.2	96.1	100.0	104.0
9 Proprietors' income <sup>1</sup> .....	87.0	88.6	99.8	95.6	98.9	97.2	107.3	105.0	110.1
10 Business and professional <sup>1</sup> .....	63.5	70.2	79.5	76.1	78.9	80.8	82.3	83.1	86.1
11 Farm <sup>1</sup> .....	23.5	18.4	20.3	19.4	20.0	16.5	25.1	21.9	24.0
12 Rental income of persons <sup>2</sup> .....	22.4	22.5	22.5	22.5	22.4	22.4	22.7	22.8	22.2
13 Dividends.....	31.9	37.9	43.7	41.5	42.7	44.1	46.3	47.0	48.1
14 Personal interest income.....	115.5	126.3	141.2	135.9	139.1	143.6	146.0	151.4	156.3
15 Transfer payments.....	178.2	193.9	208.8	203.4	204.0	211.9	215.9	219.2	220.6
16 Old-age survivors, disability, and health insurance benefits.....	81.4	92.9	105.0	99.7	101.8	108.5	110.1	112.1	113.7
17 LESS: Personal contributions for social insurance.....	50.5	55.5	61.0	59.4	60.5	61.4	62.6	67.2	69.2
18 EQUALS: Personal income.....	1,255.5	1,380.9	1,529.0	1,470.7	1,508.6	1,543.7	1,593.0	1,628.9	1,682.4
19 LESS: Personal tax and nontax payments.....	168.8	196.5	226.0	222.7	223.3	224.6	233.3	237.3	249.1
20 EQUALS: Disposable personal income.....	1,086.7	1,184.4	1,303.0	1,248.0	1,285.3	1,319.1	1,359.6	1,391.6	1,433.3
21 LESS: Personal outlays.....	1,003.0	1,116.3	1,236.1	1,195.8	1,217.8	1,244.8	1,285.9	1,309.2	1,357.0
22 EQUALS: Personal saving.....	83.6	68.0	66.9	52.2	67.5	74.3	73.7	82.4	76.3
<b>MEMO ITEMS:</b>									
Per capita (1972 dollars):									
23 Gross national product.....	5,629	5,906	6,144	6,044	6,120	6,191	6,226	6,215	6,333
24 Personal consumption expenditures.....	3,626	3,808	3,954	3,916	3,922	3,953	4,030	4,009	4,060
25 Disposable personal income.....	4,025	4,136	4,271	4,185	4,241	4,293	4,365	4,370	4,399
26 Saving rate (per cent).....	7.7	5.7	5.1	4.2	5.3	5.6	5.4	5.9	5.3
<b>Gross saving</b>									
27 Gross private saving.....	259.8	270.7	290.8	259.6	288.6	310.7	304.3	305.4	319.9
28 Personal saving.....	83.6	68.0	66.9	52.2	67.5	74.3	73.7	82.4	76.3
29 Undistributed corporate profits <sup>1</sup> .....	14.2	24.8	28.7	20.1	28.7	38.0	28.0	15.6	30.3
30 Corporate inventory valuation adjustment.....	-12.4	-14.5	-14.8	-20.3	-16.6	-7.7	-14.8	-23.5	-24.9
Capital consumption allowances:									
31 Corporate.....	101.3	111.5	120.9	116.6	119.8	122.6	124.6	127.4	130.5
32 Noncorporate.....	60.7	66.3	74.3	70.7	72.6	75.9	77.9	79.9	82.8
33 Wage accruals less disbursements.....									
34 Government surplus, or deficit (-), national income and product accounts.....	-64.4	-33.2	-18.6	-7.8	-11.8	-25.2	-29.6	-21.1	6.2
35 Federal.....	-70.6	-53.8	-48.1	-37.3	-40.3	-56.4	-58.6	-52.6	-23.6
36 State and local.....	6.2	20.7	9.6	29.5	28.5	31.2	29.0	31.5	29.8
37 Capital grants received by the United States, net.....									
38 Investment.....	202.8	241.7	276.9	255.2	280.4	292.6	279.5	286.4	326.6
39 Gross private domestic.....	190.9	243.0	297.8	272.5	295.6	309.7	313.5	322.7	345.4
40 Net foreign.....	11.9	-1.2	-20.9	-17.3	-15.2	-17.1	-34.1	-36.3	-18.9
41 Statistical discrepancy.....	7.4	4.2	4.7	3.4	3.7	7.1	4.8	2.2	.5

<sup>1</sup> With inventory valuation and capital consumption adjustments.<sup>2</sup> With capital consumption adjustment.

SOURCE.—Survey of Current Business (U.S. Dept. of Commerce).

## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.<sup>1</sup>

Item credits or debits	1975	1976	1977	1977				1978
				Q1	Q2	Q3	Q4	Q1
1 Merchandise exports	107,088	114,694	120,585	29,477	30,638	31,013	29,457	30,664
2 Merchandise imports	98,041	124,047	151,644	36,495	37,259	38,263	39,627	41,865
3 Merchandise trade balance <sup>2</sup>	9,047	-9,353	-31,059	-7,018	-6,621	-7,250	-10,170	-11,201
4 Military transactions, net	-876	312	1,334	568	295	467	5	307
5 Investment income, net <sup>3</sup>	12,795	15,933	17,507	4,599	4,487	4,610	3,812	4,767
6 Other service transactions, net	2,095	2,469	1,705	229	412	583	482	428
7 Balance on goods and services <sup>3,4</sup>	23,060	9,361	-10,514	-1,623	-1,427	-1,591	-5,870	-5,700
8 Remittances, pensions, and other transfers	-1,721	-1,878	-1,932	-490	-480	-490	-473	-502
9 U.S. Government grants (excluding military)	-2,894	-3,145	-2,776	-636	-763	-787	-591	-752
10 Balance on current account <sup>3</sup>	18,445	4,339	-15,221	-2,749	-2,670	-2,868	-6,934	-6,954
11 Not seasonally adjusted <sup>3</sup>				-2,339	-2,492	-5,179	-5,212	-6,466
12 Change in U.S. Government assets, other than official reserve assets, net (increase, -)	-3,470	-4,213	-3,679	-949	-795	-1,098	-838	-900
13 Change in U.S. official reserve assets (increase, -)	-607	-2,530	-231	-388	6	151		246
14 Gold			-118	-58				-60
15 Special Drawing Rights (SDR's)	-66	-78	-121		83	-9	-29	-16
16 Reserve position in International Monetary Fund (IMF)	-466	-2,212	-294	-389	80	133	42	324
17 Foreign currencies	-75	-240	302	59	169	27	47	-62
18 Change in U.S. private assets abroad (increase, -) <sup>3</sup>	-35,368	-43,865	-30,740	3	-11,214	-5,668	-13,862	-13,632
19 Bank-reported claims	-13,532	-21,368	-11,427	3,684	-4,582	-1,779	-8,750	-6,270
20 Long-term	-2,357	-2,362	-751	-306	18	-447	-16	-311
21 Short-term	-11,175	-19,006	-10,676	3,990	-4,600	-1,332	-8,734	-5,959
22 Nonbank-reported claims	-1,357	-2,030	-1,700	-768	-1,137	1,389	-1,184	-2,015
23 Long-term	-366	5	25	33	66	205	-279	60
24 Short-term	-991	-2,035	-1,725	-801	-1,203	1,184	-905	-1,955
25 U.S. purchase of foreign securities, net	-6,235	-8,852	-5,398	-736	-1,766	-2,165	-731	-934
26 U.S. direct investments abroad, net <sup>3</sup>	-14,244	-11,614	-12,215	-2,177	-3,729	-3,113	-3,197	-4,413
27 Change in foreign official assets in the United States (increase, +)	6,907	18,073	37,124	5,451	7,884	8,246	15,543	15,691
28 U.S. Treasury securities	4,408	9,333	30,294	5,323	5,123	6,948	12,900	12,965
29 Other U.S. Government obligations	905	573	2,308	98	610	627	973	117
30 Other U.S. Government liabilities <sup>5</sup>	1,647	4,993	1,644	505	417	332	390	785
31 Other U.S. liabilities reported by U.S. banks	-2,158	969	773	-725	752	-163	909	1,456
32 Other foreign official assets <sup>6</sup>	2,104	2,205	2,105	250	982	502	371	368
33 Change in foreign private assets in the United States (increase, +) <sup>3</sup>	8,643	18,897	13,746	-2,962	6,180	6,005	4,522	2,125
34 U.S. bank-reported liabilities	628	10,990	6,719	-5,304	6,240	2,640	3,143	-314
35 Long-term	-280	231	373	42	104	194	33	250
36 Short-term	908	10,759	6,346	-5,346	6,136	2,446	3,110	-564
37 U.S. nonbank-reported liabilities	319	-507	257	-346	-412	590	425	418
38 Long-term	406	-958	-620	-220	-176	18	-242	45
39 Short-term	-87	451	877	-126	-236	572	667	373
40 Foreign private purchases of U.S. Treasury securities, net	2,590	2,783	563	981	-1,370	1,251	-299	881
41 Foreign purchases of other U.S. securities, net	2,503	1,284	2,869	828	725	513	803	462
42 Foreign direct investments in the United States, net <sup>3</sup>	2,603	4,347	3,338	880	996	1,012	450	679
43 Allocation of SDR's								
44 Discrepancy	5,449	9,300	-998	1,593	609	-4,769	1,569	3,423
45 Owing to seasonal adjustments				130	-177	-2,230	2,276	176
46 Statistical discrepancy in recorded data before seasonal adjustment	5,449	9,300	-998	1,463	786	-2,539	-707	3,247
MEMO ITEMS:								
47 Changes in official assets:								
47 U.S. official reserve assets (increase, -)	-607	-2,530	-231	-388	6	151		246
48 Foreign official assets in the United States (increase, +)	5,259	13,080	35,480	4,946	7,467	7,914	15,153	14,906
49 Changes in Organization of Petroleum Exporting Countries (OPEC) official assets in the United States (part of line 27 above)	7,092	9,581	6,733	2,927	1,344	1,438	1,024	1,810
50 Transfers under military grant programs (excluded from lines 1, 4, and 9 above)	2,207	373	194	39	53	31	71	77

<sup>1</sup> Seasonal factors are no longer calculated for lines 13 through 50.<sup>2</sup> Data are on an international accounts (IA) basis. Differs from the Census basis primarily because the IA basis includes imports into the U.S. Virgin Islands, and it excludes military exports, which are part of Line 4.<sup>3</sup> Includes reinvested earnings of incorporated affiliates.<sup>4</sup> Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition

excludes certain military sales to Israel from exports and excludes U.S. Govt. interest payments from imports.

<sup>5</sup> Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.<sup>6</sup> Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.NOTE.—Data are from Bureau of Economic Analysis, *Survey of Current Business* (U.S. Department of Commerce).

## 3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1975 <sup>r</sup>	1976 <sup>r</sup>	1977	1978						
				Feb.	Mar.	Apr.	May	June	July	Aug.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments.....	107,589	115,156	121,151	9,922	10,912	11,635	11,754	12,126	11,793	12,469
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses.....	96,573	121,009	147,685	14,440	13,699	14,496	13,992	13,723	14,779	14,090
3 Trade balance.....	11,016	-5,853	-26,534	-4,518	-2,787	-2,861	-2,238	1,597	-2,987	-1,621

NOTE. Bureau of Census data reported on a free-alongside-ship (f.a.s.) value basis. Effective January 1978, major changes were made in coverage, reporting, and compiling procedures. The international-accounts-basis data adjust the Census basis data for reasons of coverage and timing. On the *export side*, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military exports (which are combined with other military transactions

and are reported separately in the "service account"). On the *import side*, the largest single adjustment is the addition of imports into the Virgin Islands (largely oil for a refinery on St. Croix), which are not included in Census statistics.

SOURCE. -FI 900 "Summary of U.S. Export and Import Merchandise Trade" (U.S. Dept. of Commerce, Bureau of the Census).

## 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1975	1976	1977	1978						
				Mar.	Apr.	May	June	July	Aug.	Sept.
1 Total.....	16,226	18,747	19,312	19,192	18,842	18,966	18,864	18,832	18,783	18,850
2 Gold stock, including Exchange Stabilization Fund <sup>1</sup> .....	11,599	11,598	11,719	11,718	11,718	11,718	11,706	11,693	11,679	11,668
3 Special Drawing Rights <sup>2</sup> .....	2,335	2,395	2,629	2,693	2,669	2,760	2,804	2,860	2,885	2,942
4 Reserve position in International Monetary Fund.....	2,212	4,434	4,946	4,701	4,388	4,347	4,270	4,177	4,196	4,214
5 Convertible foreign currencies.....	80	320	18	80	67	141	84	102	23	26

<sup>1</sup> Gold held under earmark at F.R. Banks for foreign and international accounts is not included in the gold stock of the United States; see Table 3.24.

<sup>2</sup> Includes allocations by the International Monetary Fund (IMF) of SDR's as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; and \$710 million on Jan. 1, 1972; plus net transactions in SDR's.

<sup>3</sup> Beginning July 1974, the IMF adopted a technique for valuing the

SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR1 = \$1.20635) total U.S. reserve assets at end of Sept. amounted to \$18,298; SDR holdings, \$2,770; and reserve position in IMF \$3,834.

3.13 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1975	1976	1977	1978						
				Jan.	Feb.	Mar.	Apr.	May <sup>2</sup>	June	July <sup>2</sup>
All foreign countries										
1 Total, all currencies . . . . .	176,493	219,420	258,897	258,502	256,779	263,468	260,558	259,452	271,706	269,556
2 Claims on United States . . . . .	6,743	7,889	11,623	9,874	9,361	11,013	13,754	8,727	10,841	9,264
3 Parent bank . . . . .	3,665	4,323	7,806	5,932	5,410	6,708	9,348	4,863	6,744	5,089
4 Other . . . . .	3,078	3,566	3,817	3,942	3,951	4,305	4,406	3,864	4,097	4,175
5 Claims on foreigners . . . . .	163,391	204,486	238,848	239,622	238,658	243,316	237,447	241,784	251,847	250,704
6 Other branches of parent bank . . . . .	34,508	45,955	55,772	55,052	54,201	55,554	51,817	52,719	55,358	55,226
7 Banks . . . . .	69,206	83,765	91,883	92,229	92,341	95,348	92,370	*91,912	96,675	94,655
8 Public borrowers <sup>1</sup> . . . . .	5,792	10,613	14,634	15,274	15,093	15,284	15,207	*21,139	22,495	22,889
9 Nonbank foreigners . . . . .	53,886	64,153	76,560	77,067	77,023	77,130	78,053	*76,014	77,319	77,934
10 Other assets . . . . .	6,359	7,045	8,425	9,007	8,761	9,139	9,357	8,941	9,018	9,588
11 Total payable in U.S. dollars . . . . .	132,901	167,695	193,764	192,795	189,372	194,855	194,168	*192,466	202,792	198,209
12 Claims on United States . . . . .	6,408	7,595	11,049	9,252	8,629	10,320	12,952	8,035	10,025	8,466
13 Parent bank . . . . .	3,628	4,264	7,692	5,781	5,162	6,611	9,158	4,712	6,574	4,899
14 Other . . . . .	2,780	3,332	3,357	3,470	3,467	3,709	3,795	3,323	3,451	3,567
15 Claims on foreigners . . . . .	123,496	156,896	178,896	179,237	176,737	180,341	176,877	*180,331	188,676	185,436
16 Other branches of parent bank . . . . .	28,478	37,909	44,256	43,618	42,664	43,502	40,628	41,209	43,549	43,447
17 Banks . . . . .	55,319	66,331	70,786	70,535	69,721	71,934	70,504	*70,124	74,901	71,588
18 Public borrowers <sup>1</sup> . . . . .	4,864	9,022	12,632	13,097	13,087	13,276	13,232	*18,275	19,515	20,223
19 Nonbank foreigners . . . . .	34,835	43,634	51,222	51,987	51,267	51,628	52,513	*50,723	50,711	50,178
20 Other assets . . . . .	2,997	3,204	3,820	4,307	4,005	4,195	4,339	4,100	4,091	4,307
United Kingdom										
21 Total, all currencies . . . . .	74,883	81,466	90,933	90,789	89,626	90,162	87,100	89,645	93,538	92,989
22 Claims on United States . . . . .	2,392	3,354	4,341	3,701	2,547	3,075	2,506	2,333	3,134	2,615
23 Parent bank . . . . .	1,449	2,376	3,518	2,928	1,775	2,274	1,548	1,476	2,279	1,515
24 Other . . . . .	943	978	823	773	771	802	958	857	855	1,100
25 Claims on foreigners . . . . .	70,331	75,859	84,016	84,346	84,423	84,648	81,871	84,700	87,816	87,479
26 Other branches of parent bank . . . . .	17,557	19,753	22,017	21,427	21,114	21,092	19,514	19,550	19,944	20,438
27 Banks . . . . .	35,904	38,089	39,899	40,605	40,996	41,612	40,436	40,807	43,044	42,465
28 Public borrowers <sup>1</sup> . . . . .	881	1,274	2,206	2,303	2,100	2,192	2,020	4,150	4,400	4,257
29 Nonbank foreigners . . . . .	15,990	16,743	19,895	20,010	20,213	19,753	19,901	20,193	20,428	20,319
30 Other assets . . . . .	2,159	2,253	2,576	2,742	2,656	2,439	2,724	2,612	2,588	2,895
31 Total payable in U.S. dollars . . . . .	57,361	61,587	66,635	65,744	63,870	64,565	62,330	63,565	67,016	65,452
32 Claims on United States . . . . .	2,273	3,275	4,100	3,443	2,186	2,850	2,312	2,163	2,862	2,321
33 Parent bank . . . . .	1,445	2,374	3,431	2,815	1,558	2,236	1,520	1,452	2,178	1,386
34 Other . . . . .	828	902	669	628	628	614	793	711	684	935
35 Claims on foreigners . . . . .	54,121	57,488	61,408	61,094	60,521	60,610	58,845	60,277	63,051	61,938
36 Other branches of parent bank . . . . .	15,645	17,249	18,947	18,102	17,782	17,603	16,531	16,406	17,025	17,438
37 Banks . . . . .	28,224	28,983	28,530	28,661	28,641	28,947	28,177	28,324	30,686	29,458
38 Public borrowers <sup>1</sup> . . . . .	648	846	1,669	1,770	1,640	1,710	1,631	3,254	3,366	3,611
39 Nonbank foreigners . . . . .	9,604	10,410	12,263	12,560	12,457	12,349	12,507	12,293	11,974	11,431
40 Other assets . . . . .	967	824	1,126	1,208	1,163	1,104	1,173	1,125	1,103	1,193
Bahamas and Caymans										
41 Total, all currencies . . . . .	45,203	66,774	79,052	80,081	79,711	82,947	84,409	82,083	84,692	82,149
42 Claims on United States . . . . .	3,229	3,508	5,782	4,994	5,837	6,761	9,908	5,237	6,399	5,142
43 Parent bank . . . . .	1,477	1,141	3,051	2,097	2,918	3,585	6,710	2,502	3,443	2,374
44 Other . . . . .	1,752	2,367	2,731	2,897	2,919	3,176	3,198	2,735	2,956	2,768
45 Claims on foreigners . . . . .	41,040	62,048	71,671	73,470	72,272	74,397	72,720	74,846	76,322	74,982
46 Other branches of parent bank . . . . .	5,411	8,144	11,120	11,272	11,025	11,367	9,565	10,580	10,792	10,275
47 Banks . . . . .	16,298	25,354	27,939	28,810	28,179	29,602	28,712	*29,045	30,344	29,295
48 Public borrowers <sup>1</sup> . . . . .	3,576	7,105	9,109	9,322	9,486	9,438	9,362	*11,424	12,394	12,580
49 Nonbank foreigners . . . . .	15,756	21,445	23,503	24,067	23,583	23,990	25,082	*23,797	22,792	22,832
50 Other assets . . . . .	933	1,217	1,599	1,617	1,602	1,789	1,781	2,000	1,971	2,025
51 Total payable in U.S. dollars . . . . .	41,887	62,705	73,987	74,831	74,283	77,521	79,324	*76,660	79,277	76,498

For notes see opposite page.

## 3.13 Continued

Liability account	1975	1976	1977	1978						
				Jan.	Feb.	Mar.	Apr.	May <sup>2</sup>	June	July <sup>1</sup>
All foreign countries										
52 Total, all currencies	176,493	219,420	258,897	258,502	256,779	263,468	260,558	259,452	271,706	269,556
53 To United States	20,221	32,719	44,154	45,810	45,810	50,860	49,088	49,907	50,254	51,890
54 Parent bank	12,165	19,773	24,542	28,311	26,999	27,650	26,643	28,500	24,987	28,153
55 Other banks in United States	8,057	12,946	19,613	17,499	18,811	23,209	22,445	9,120	10,485	8,563
56 Nonbanks								12,287	14,782	15,174
57 To foreigners	149,815	179,954	206,579	204,471	203,041	204,629	202,946	202,241	213,724	209,313
58 Other branches of parent bank	34,111	44,370	53,244	51,901	50,896	52,090	48,850	50,368	53,547	53,171
59 Banks	72,259	83,880	94,140	90,744	90,904	90,557	91,699	87,567	93,501	88,455
60 Official institutions	22,773	25,829	28,110	28,677	28,850	28,018	28,568	29,776	31,320	31,714
61 Nonbank foreigners	20,672	25,877	31,085	33,149	32,390	33,963	33,830	34,530	35,356	35,973
62 Other liabilities	6,456	6,747	8,163	8,220	7,929	7,980	8,524	7,304	7,728	8,353
63 Total payable in U.S. dollars	135,907	173,071	198,572	197,760	194,537	199,879	197,575	196,746	206,900	202,411
64 To United States	19,503	31,932	42,881	44,601	44,472	49,248	47,811	48,278	48,548	49,964
65 Parent bank	11,939	19,559	24,213	28,017	26,688	27,321	26,348	27,865	24,273	27,383
66 Other banks in United States	7,564	12,373	18,669	16,584	17,784	21,927	21,463	8,810	10,192	8,230
67 Nonbanks								11,603	14,083	14,351
68 To foreigners	112,879	137,612	151,363	148,878	145,958	146,406	145,350	144,758	154,341	148,135
69 Other branches of parent bank	28,217	37,098	43,268	41,812	40,720	41,636	39,214	40,099	42,464	42,235
70 Banks	51,583	60,619	64,872	61,571	60,815	60,353	61,665	57,871	62,523	56,375
71 Official institutions	19,982	22,878	23,972	24,546	24,453	23,593	23,865	25,124	26,493	26,726
72 Nonbank foreigners	13,097	17,017	19,251	20,949	19,970	20,824	20,606	21,664	22,861	22,799
73 Other liabilities	3,526	3,527	4,328	4,282	4,107	4,224	4,414	3,710	4,011	4,312
United Kingdom										
74 Total, all currencies	74,883	81,466	90,933	90,789	89,626	90,162	87,100	89,645	93,538	92,989
75 To United States	5,646	5,997	7,753	6,008	6,785	7,609	7,266	6,758	8,174	7,999
76 Parent bank	2,122	1,198	1,451	1,253	1,550	1,646	1,983	1,636	1,822	1,949
77 Other banks in United States	3,523	4,798	6,302	4,755	5,236	5,962	5,283	2,346	3,273	2,911
78 Nonbanks								2,776	3,079	3,139
79 To foreigners	67,240	73,228	80,736	82,160	80,331	80,036	77,169	80,108	82,703	81,859
80 Other branches of parent bank	6,494	7,092	9,376	9,999	9,037	8,674	8,014	9,009	9,700	10,106
81 Banks	32,964	36,259	37,893	36,915	36,764	36,250	34,940	35,980	36,590	34,779
82 Official institutions	16,553	17,273	18,318	19,309	19,580	19,262	18,817	19,087	19,980	20,746
83 Nonbank foreigners	11,229	12,605	15,149	15,937	14,950	15,850	15,399	16,032	16,073	16,228
84 Other liabilities	1,997	2,241	2,445	2,621	2,509	2,518	2,665	2,779	2,661	3,131
85 Total payable in U.S. dollars	57,820	63,174	67,573	66,619	65,021	65,477	62,662	64,025	67,718	65,671
86 To United States	5,415	5,849	7,480	5,737	6,479	7,250	6,938	6,446	7,852	7,640
87 Parent bank	2,083	1,182	1,416	1,222	1,524	1,598	1,953	1,609	1,794	1,917
88 Other banks in United States	3,332	4,667	6,064	4,515	4,955	5,652	4,985	2,281	3,176	2,828
89 Nonbanks								2,556	2,882	2,895
90 To foreigners	51,447	56,372	58,977	59,671	57,386	57,045	54,498	56,274	58,638	56,648
91 Other branches of parent bank	5,442	5,874	7,505	8,164	7,211	6,747	6,202	6,696	7,041	7,704
92 Banks	23,330	25,527	25,608	24,015	23,352	23,075	22,115	22,554	23,566	20,644
93 Official institutions	14,498	15,423	15,482	16,459	16,541	16,213	15,672	15,908	16,772	17,280
94 Nonbank foreigners	8,176	9,547	10,382	11,033	10,282	11,009	10,509	11,116	11,259	11,020
95 Other liabilities	959	953	1,116	1,210	1,156	1,182	1,227	1,305	1,228	1,383
Bahamas and Caymans										
96 Total, all currencies	45,203	66,774	79,052	80,081	79,711	82,947	84,409	82,083	84,692	82,149
97 To United States	11,147	22,721	32,176	35,795	35,082	38,380	37,256	37,350	35,140	37,552
98 Parent bank	7,628	16,161	20,956	24,713	23,374	23,854	22,289	23,333	19,101	22,399
99 Other banks in United States	3,520	6,560	11,220	11,082	11,708	14,526	14,967	5,742	5,628	4,607
100 Nonbanks								8,275	10,411	10,546
101 To foreigners	32,949	42,899	45,292	42,929	43,272	43,153	45,610	43,394	48,133	43,142
102 Other branches of parent bank	10,569	13,801	12,816	11,642	11,598	10,839	10,288	11,250	11,650	10,540
103 Banks	16,825	21,760	24,717	22,264	22,840	23,374	25,847	21,452	25,746	21,936
104 Official institutions	3,308	3,573	3,000	3,183	3,207	3,060	3,489	4,419	4,583	4,221
105 Nonbank foreigners	2,248	3,765	4,759	5,840	5,628	5,880	5,986	6,273	6,147	6,445
106 Other liabilities	1,106	1,154	1,584	1,357	1,358	1,414	1,543	1,339	1,419	1,455
107 Total payable in U.S. dollars	42,197	63,417	74,463	75,479	75,253	78,467	80,243	78,254	80,651	78,135

<sup>1</sup> In May 1978 a broader category of claims on foreign public borrowers, including corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions.

<sup>2</sup> In May 1978 the exemption level for branches required to report was increased, which reduced the number of reporting branches.

## 3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1975	1976	1977	1978						
				Feb.	Mar.	Apr. ▲	May	June	July <sup>a</sup>	Aug. <sup>a</sup>
A. By type										
1 Total <sup>1</sup> .....	82,572	95,634	131,049	137,909	145,998	142,625	140,918	140,625	144,147	146,065
2 Liabilities reported by banks in the United States <sup>2</sup> .....	16,262	17,231	18,003	19,020	19,459	19,450	19,057	18,821	19,445	20,022
3 U.S. Treasury bills and certificates <sup>3</sup> .....	34,199	37,725	47,820	52,689	59,302	57,613	56,449	55,606	56,842	56,299
4 U.S. Treasury bonds and notes: Marketable.....	6,671	11,788	32,116	33,554	34,528	32,838	32,272	32,865	34,158	34,868
5 Nonmarketable <sup>4</sup> .....	19,976	20,648	20,443	19,602	19,513	19,444	19,355	19,284	19,214	20,375
6 U.S. securities other than U.S. Treasury securities <sup>5</sup> .....	5,464	8,242	12,667	13,044	13,196	13,280	13,785	14,049	14,448	14,501
B. By area										
7 Total.....	82,572	95,634	131,049	137,909	145,998	142,625	140,918	140,625	144,147	146,065
8 Western Europe <sup>6</sup> .....	45,701	45,882	70,707	74,401	76,238	73,666	72,735	74,493	75,748	79,717
9 Canada.....	3,132	3,406	2,334	1,389	1,633	2,493	2,702	2,609	2,490	2,071
10 Latin America and Caribbean.....	4,461	4,926	4,649	5,179	5,773	5,554	5,426	4,665	4,630	4,611
11 Asia.....	24,411	37,767	50,693	54,385	59,587	57,945	57,203	56,199	58,081	56,847
12 Africa.....	2,983	1,893	1,742	1,899	1,756	1,872	1,945	1,689	2,219	2,035
13 Other countries <sup>6</sup> .....	1,884	1,760	924	656	1,011	1,095	907	970	979	784

<sup>1</sup> Includes the Bank for International Settlements.<sup>2</sup> Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.<sup>3</sup> Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.<sup>4</sup> Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.<sup>5</sup> Debt securities of U.S. Govt. corporations and Federally sponsored agencies, and U.S. corporate stocks and bonds.<sup>6</sup> Includes countries in Oceania and Eastern Europe.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks (including Federal Reserve Banks) and securities dealers in the United States.

▲ For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

3.15 LIABILITIES TO FOREIGNERS Reported by Banks in the United States

Payable in U.S. dollars  
Millions of dollars, end of period

Item	1975	1976	1977	1978						
				Feb.	Mar.	Apr. ▲	May	June	July <sup>¶</sup>	Aug. <sup>¶</sup>
A. By holder and type of liability										
1 All foreigners.....	95,590	110,657	126,168	130,105	139,414	141,652	137,307	135,743	137,180	141,115
2 Banks' own liabilities.....						65,364	61,604	60,547	61,411	64,017
3 Demand deposits.....	13,564	16,803	18,996	17,675	17,163	17,863	17,828	17,189	17,953	16,101
4 Time deposits <sup>1</sup> .....	10,267	11,347	11,521	12,038	11,274	11,665	11,810	11,638	11,921	12,623
5 Other <sup>2</sup> .....						7,343	7,239	6,495	6,876	7,243
6 Own foreign offices <sup>3</sup> .....						28,493	24,727	25,225	24,661	28,050
7 Banks' custody liabilities <sup>4</sup> .....						76,288	75,704	75,196	75,769	77,098
8 U.S. Treasury bills and certificates <sup>5</sup> .....	37,414	40,744	48,906	54,233	61,071	59,104	58,262	57,138	57,629	57,262
9 Other negotiable and readily transferable instruments <sup>6</sup> .....						14,176	14,796	15,358	15,419	17,192
10 Other.....						3,008	2,646	2,700	2,722	2,644
11 Nonmonetary international and regional organizations <sup>7</sup> .....	5,699	5,714	3,274	3,102	3,618	2,998	3,120	2,942	2,678	2,823
12 Banks' own liabilities.....						831	499	480	1,017	808
13 Demand deposits.....	139	290	231	180	245	272	286	265	257	142
14 Time deposits <sup>1</sup> .....	148	205	139	120	109	143	59	119	116	97
15 Other <sup>2</sup> .....						416	154	97	644	569
16 Banks' custody liabilities <sup>4</sup> .....						2,166	2,621	2,462	1,662	2,014
17 U.S. Treasury bills and certificates.....	2,554	2,701	706	1,111	1,317	892	1,153	922	228	368
18 Other negotiable and readily transferable instruments <sup>6</sup> .....						1,274	1,467	1,537	1,432	1,645
19 Other.....						1	1	3	1	1
20 Official institutions <sup>8</sup> .....	50,461	54,956	65,822	71,709	78,761	77,063	75,506	74,427	76,286	76,320
21 Banks' own liabilities.....						9,586	9,017	8,453	9,422	9,057
22 Demand deposits.....	2,644	3,394	3,528	2,782	2,804	3,703	3,092	2,611	3,473	2,639
23 Time deposits <sup>1</sup> .....	3,423	2,321	1,797	2,570	1,777	1,884	1,982	1,981	2,277	2,583
24 Other <sup>2</sup> .....						3,999	3,943	3,862	3,673	3,835
25 Banks' custody liabilities <sup>4</sup> .....						67,477	66,489	65,974	66,864	67,263
26 U.S. Treasury bills and certificates <sup>5</sup> .....	34,199	37,725	47,820	52,689	59,302	57,613	56,449	55,606	56,842	56,299
27 Other negotiable and readily transferable instruments <sup>6</sup> .....						9,375	9,457	9,870	9,498	10,326
28 Other.....						489	583	498	524	638
29 Banks <sup>9</sup> .....	29,330	37,174	42,335	40,549	42,115	47,283	43,531	43,132	42,904	46,155
30 Banks' own liabilities.....						42,841	39,251	38,697	38,341	41,141
31 Unaffiliated foreign banks.....						14,348	14,524	13,472	13,680	13,091
32 Demand deposits.....	7,534	9,104	10,933	10,570	10,113	10,195	10,343	10,164	10,240	9,229
33 Time deposits <sup>1</sup> .....	1,873	2,297	2,040	1,823	1,734	1,643	1,595	1,255	1,321	1,395
34 Other <sup>2</sup> .....						2,511	2,585	2,053	2,119	2,468
35 Own foreign offices <sup>3</sup> .....						28,493	24,727	25,225	24,661	28,050
36 Banks' custody liabilities <sup>4</sup> .....						4,442	4,280	4,435	4,564	5,014
37 U.S. Treasury bills and certificates.....	335	119	141	165	161	314	363	300	269	296
38 Other negotiable and readily transferable instruments <sup>6</sup> .....						1,991	2,174	2,260	2,417	2,892
39 Other.....						2,137	1,744	1,875	1,877	1,826
40 Other foreigners.....	10,100	12,814	14,736	14,745	14,919	14,309	15,150	15,242	15,312	15,818
41 Banks' own liabilities.....						12,106	12,836	12,917	12,631	13,010
42 Demand deposits.....	3,248	4,015	4,304	4,143	4,000	3,693	4,106	4,149	3,983	4,091
43 Time deposits <sup>1</sup> .....	4,823	6,524	7,546	7,526	7,654	7,995	8,173	8,284	8,208	8,548
44 Other <sup>2</sup> .....						418	557	484	441	371
45 Banks' custody liabilities <sup>4</sup> .....						2,203	2,314	2,325	2,680	2,808
46 U.S. Treasury bills and certificates.....	325	198	240	268	291	286	297	310	290	300
47 Other negotiable and readily transferable instruments <sup>6</sup> .....						1,536	1,699	1,691	2,071	2,329
48 Other.....						381	319	323	320	179
49 MEMO: Negotiable time certificates of deposit held in custody for foreigners.....						78,666	79,135	9,260	9,290	9,990

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

<sup>2</sup> Includes borrowings under repurchase agreements.

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

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

<sup>5</sup> Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.

<sup>6</sup> Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

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

<sup>8</sup> Foreign central banks and foreign central governments and the Bank for International Settlements.

<sup>9</sup> Excludes central banks, which are included in "Official institutions."

NOTE.—Data for time deposits prior to April 1978 represent short-term only.

▲ For a description of the changes in the International Statistics Tables, see July 1978 BULLETIN, p. 612.

## 3.15 Continued

Item	1975	1976	1977	1978						
				Feb.	Mar.	Apr. ▲	May	June	July <sup>¶</sup>	Aug. <sup>¶</sup>
<b>B. By area and country</b>										
<b>1 Total</b> .....	<b>95,590</b>	<b>110,657</b>	<b>126,168</b>	<b>130,105</b>	<b>139,414</b>	<b>141,652</b>	<b>137,307</b>	<b>135,743</b>	<b>137,180</b>	<b>141,115</b>
<b>2 Foreign countries</b> .....	<b>89,891</b>	<b>104,943</b>	<b>122,893</b>	<b>127,002</b>	<b>135,795</b>	<b>138,654</b>	<b>134,187</b>	<b>132,801</b>	<b>134,502</b>	<b>138,293</b>
<b>3 Europe</b> .....	<b>44,072</b>	<b>47,076</b>	<b>60,295</b>	<b>60,970</b>	<b>63,994</b>	<b>63,067</b>	<b>62,972</b>	<b>64,302</b>	<b>64,623</b>	<b>67,330</b>
4 Austria.....	759	346	318	302	419	322	350	349	372	424
5 Belgium-Luxembourg.....	2,893	2,187	2,531	2,765	2,992	3,109	2,893	2,756	2,276	2,174
6 Denmark.....	329	356	770	1,050	1,044	1,063	1,110	1,335	1,542	1,593
7 Finland.....	391	416	323	307	357	430	393	352	407	417
8 France.....	7,726	4,876	5,269	4,668	5,033	5,499	6,278	6,562	7,353	7,988
9 Germany.....	4,543	6,241	7,239	10,585	11,530	11,013	9,537	10,029	9,727	10,765
10 Greece.....	284	403	603	548	571	588	563	597	646	826
11 Italy.....	1,059	3,182	6,857	5,943	5,626	5,987	6,365	6,870	7,037	8,055
12 Netherlands.....	3,407	3,003	2,869	3,029	3,132	3,011	2,993	3,118	3,078	3,240
13 Norway.....	994	782	944	888	1,211	1,465	1,643	1,869	1,737	1,516
14 Portugal.....	193	239	273	188	174	164	288	191	227	324
15 Spain.....	423	559	619	648	717	659	717	688	709	752
16 Sweden.....	2,277	1,692	2,712	2,826	2,816	3,177	3,302	3,385	3,340	3,355
17 Switzerland.....	8,476	9,460	12,343	12,689	13,549	13,090	12,534	12,415	11,888	12,102
18 Turkey.....	118	166	130	171	115	249	200	110	147	137
19 United Kingdom.....	6,867	10,018	14,125	11,929	12,274	11,021	11,609	11,471	11,770	10,956
20 Yugoslavia.....	126	189	232	196	138	192	168	229	192	149
21 Other Western Europe <sup>1</sup> .....	2,970	2,673	1,804	1,966	2,030	1,757	1,721	1,655	1,895	2,298
22 U.S.S.R.....	40	51	98	98	72	62	96	66	55	50
23 Other Eastern Europe <sup>2</sup> .....	197	236	236	175	193	206	211	255	222	210
<b>24 Canada</b> .....	<b>2,919</b>	<b>4,659</b>	<b>4,607</b>	<b>4,758</b>	<b>4,564</b>	<b>5,923</b>	<b>6,600</b>	<b>5,816</b>	<b>5,623</b>	<b>5,890</b>
<b>25 Latin America and Caribbean</b> .....	<b>15,028</b>	<b>19,132</b>	<b>23,670</b>	<b>24,286</b>	<b>25,338</b>	<b>28,764</b>	<b>24,995</b>	<b>25,367</b>	<b>24,759</b>	<b>27,758</b>
26 Argentina.....	1,146	1,534	1,416	1,928	1,801	1,861	2,260	1,692	1,550	1,454
27 Bahamas.....	1,874	2,770	3,596	3,755	4,199	7,259	3,327	3,981	3,612	5,125
28 Bermuda.....	184	218	321	286	322	364	340	399	383	348
29 Brazil.....	1,219	1,438	1,396	977	1,327	1,414	1,298	1,220	1,295	1,382
30 British West Indies.....	1,311	1,877	3,998	3,993	4,097	4,814	3,949	4,742	4,009	5,474
31 Chile.....	319	337	360	412	415	394	361	376	380	346
32 Colombia.....	417	1,021	1,221	1,207	1,290	1,350	1,300	1,424	1,429	1,486
33 Cuba.....	6	6	6	7	8	6	7	7	9	10
34 Ecuador.....	120	320	330	376	438	360	318	325	378	347
35 Guatemala <sup>3</sup> .....						447	552	448	414	419
36 Jamaica <sup>3</sup> .....						41	46	66	75	59
37 Mexico.....	2,070	2,870	2,876	3,084	2,793	2,677	2,965	2,774	2,920	3,169
38 Netherlands Antilles <sup>4</sup> .....	129	158	196	203	212	212	289	320	435	288
39 Panama.....	1,115	1,167	2,331	2,121	2,132	2,176	2,559	2,336	2,586	2,628
40 Peru.....	243	257	287	267	262	309	274	282	309	311
41 Uruguay.....	172	243	243	280	226	221	308	320	218	185
42 Venezuela.....	3,309	3,118	2,929	3,246	3,438	3,225	3,298	3,147	3,229	3,208
43 Other Latin America and Caribbean.....	1,393	1,797	2,167	2,147	2,380	1,636	1,644	1,608	1,531	1,519
<b>44 Asia</b> .....	<b>22,384</b>	<b>29,766</b>	<b>30,488</b>	<b>33,330</b>	<b>37,995</b>	<b>36,625</b>	<b>35,712</b>	<b>33,665</b>	<b>35,170</b>	<b>33,556</b>
45 China, People's Republic of (Mainland).....	123	48	53	48	56	50	47	53	47	44
46 China, Republic of (Taiwan).....	1,025	990	1,013	995	1,014	1,208	1,043	1,053	1,195	1,262
47 Hong Kong.....	605	894	1,094	1,121	1,174	1,118	1,489	1,085	1,191	1,209
48 India.....	115	330	961	1,001	947	937	962	899	798	762
49 Indonesia.....	369	340	410	506	492	649	451	330	597	309
50 Israel.....	387	392	559	454	485	486	568	476	518	440
51 Japan.....	10,207	14,363	14,616	17,024	21,725	20,392	19,998	19,020	20,374	19,851
52 Korea.....	390	438	602	737	682	753	817	748	714	735
53 Philippines.....	700	628	687	615	647	601	688	595	640	566
54 Thailand.....	252	277	264	309	317	258	304	297	320	296
55 Middle East oil-exporting countries <sup>5</sup> .....	7,355	9,360	8,979	9,329	9,165	8,866	8,058	7,894	7,267	6,719
56 Other Asia.....	856	1,398	1,250	1,190	1,291	1,307	1,289	1,215	1,509	1,363
<b>57 Africa</b> .....	<b>3,369</b>	<b>2,298</b>	<b>2,535</b>	<b>2,645</b>	<b>2,469</b>	<b>2,699</b>	<b>2,641</b>	<b>2,360</b>	<b>3,013</b>	<b>2,578</b>
58 Egypt.....	342	333	404	357	341	455	461	402	594	463
59 Morocco.....	68	87	66	79	51	31	29	28	28	67
60 South Africa.....	166	141	174	251	183	167	185	226	175	161
61 Zaire.....	62	36	39	50	45	46	49	44	73	52
62 Oil-exporting countries <sup>6</sup> .....	2,250	1,133	1,155	1,263	1,226	1,393	1,244	981	1,365	1,199
63 Other Africa.....	481	568	698	645	623	607	673	679	778	636
<b>64 Other countries</b> .....	<b>2,119</b>	<b>2,012</b>	<b>1,297</b>	<b>1,014</b>	<b>1,434</b>	<b>1,575</b>	<b>1,267</b>	<b>1,288</b>	<b>1,315</b>	<b>1,181</b>
65 Australia.....	2,006	1,905	1,140	870	1,229	1,275	1,129	1,085	1,158	1,051
66 All other.....	113	107	158	144	205	300	138	203	157	130
<b>67 Nonmonetary international and regional organizations</b> .....	<b>5,699</b>	<b>5,714</b>	<b>3,274</b>	<b>3,102</b>	<b>3,618</b>	<b>2,998</b>	<b>3,120</b>	<b>2,942</b>	<b>2,678</b>	<b>2,823</b>
68 International.....	5,415	5,157	2,752	2,558	3,094	2,591	2,430	2,311	2,020	2,076
69 Latin American regional.....	188	267	278	266	261	117	430	395	417	518
70 Other regional <sup>7</sup> .....	96	290	245	279	262	290	260	236	241	228

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

<sup>2</sup> Beginning April 1978 comprises Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, and Romania.

<sup>3</sup> Included in "Other Latin America and Caribbean" through March 1978.

<sup>4</sup> Includes Surinam through December 1975.

<sup>5</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

<sup>6</sup> Comprises Algeria, Gabon, Libya, and Nigeria.

<sup>7</sup> Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

▲ For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.



## 3.16 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars  
Millions of dollars, end of period

Area and country	1975	1976	1977	1978						
				Feb.	Mar.	Apr. ▲	May	June	July <sup>b</sup>	Aug. <sup>b</sup>
1 Total	58,308	79,301	90,206	91,040	96,449	88,387	87,876	87,349	87,347	90,533
2 Foreign countries	58,275	79,261	90,163	91,005	96,406	88,339	87,842	87,317	87,308	90,495
3 Europe	11,109	14,776	18,114	17,197	18,690	15,318	15,825	16,366	15,761	15,735
4 Austria	35	63	65	112	83	76	94	105	116	107
5 Belgium-Luxembourg	286	482	561	552	596	586	793	731	634	693
6 Denmark	104	133	173	171	166	146	186	145	129	145
7 Finland	180	199	172	184	189	180	184	182	190	216
8 France	1,565	1,549	2,082	1,988	2,265	1,646	1,679	1,891	1,813	1,796
9 Germany	380	509	644	615	783	698	752	787	689	625
10 Greece	290	279	206	209	211	200	279	204	190	125
11 Italy	443	993	1,334	1,147	1,155	907	1,194	965	1,078	1,027
12 Netherlands	305	315	338	382	470	419	468	383	436	405
13 Norway	131	136	162	191	184	192	209	217	210	163
14 Portugal	30	88	175	155	155	131	132	126	140	105
15 Spain	424	745	722	735	741	597	700	706	669	672
16 Sweden	198	206	218	200	171	206	185	219	244	283
17 Switzerland	199	379	564	704	696	699	391	685	631	849
18 Turkey	164	249	360	311	315	308	306	309	313	314
19 United Kingdom	5,170	7,033	8,964	8,200	9,204	6,823	6,951	7,387	6,961	6,909
20 Yugoslavia	210	234	311	308	307	280	285	320	300	280
21 Other Western Europe <sup>1</sup>	76	85	86	74	49	268	137	153	165	125
22 U.S.S.R.	406	485	413	383	370	337	362	319	305	343
23 Other Eastern Europe <sup>2</sup>	513	613	566	576	580	621	536	534	548	553
24 Canada	2,834	3,319	3,355	4,009	4,084	2,779	2,434	2,516	3,116	3,346
25 Latin America and Caribbean	23,863	38,879	45,850	47,249	49,866	48,991	46,947	45,991	46,972	49,471
26 Argentina	1,377	1,192	1,478	1,574	1,642	1,533	1,595	1,554	1,572	1,550
27 Bahamas	7,583	15,464	19,858	21,517	22,801	22,015	21,043	18,725	19,643	22,196
28 Bermuda	104	150	232	233	195	176	345	145	145	194
29 Brazil	3,385	4,901	4,629	4,559	4,832	4,412	4,443	4,661	4,599	4,860
30 British West Indies	1,464	5,082	6,481	5,589	6,851	7,823	6,271	7,412	6,872	6,879
31 Chile	494	597	675	700	710	722	717	745	745	816
32 Colombia	751	675	671	640	592	551	578	615	648	683
33 Cuba	14	13	10	4	3	1	1	1	1	1
34 Ecuador	252	375	517	530	544	525	530	562	546	560
35 Guatemala <sup>3</sup>										
36 Jamaica <sup>3</sup>										
37 Mexico	3,745	4,822	4,909	4,719	4,836	4,379	4,506	4,864	5,065	5,001
38 Netherlands Antilles <sup>4</sup>	72	140	224	208	215	202	206	212	206	198
39 Panama	1,138	1,372	1,410	1,880	1,699	2,196	2,147	1,902	2,278	1,625
40 Peru	805	933	962	931	920	885	920	930	918	929
41 Uruguay	57	42	80	65	65	51	58	53	52	56
42 Venezuela	1,319	1,828	2,318	2,421	2,367	2,146	2,233	2,242	2,337	2,515
43 Other Latin America and Caribbean	1,302	1,293	1,394	1,678	1,593	1,302	1,233	1,225	1,213	1,249
44 Asia	17,706	19,204	19,236	18,985	20,039	18,064	19,453	19,313	18,323	18,696
45 China, People's Republic of (Mainland)	22	3	10	13	11	15	22	13	5	7
46 China, Republic of (Taiwan)	1,053	1,344	1,719	1,663	1,656	1,422	1,456	1,343	1,193	1,200
47 Hong Kong	289	316	543	495	609	826	755	769	698	664
48 India	57	69	53	72	97	53	70	80	46	73
49 Indonesia	246	218	232	222	202	165	137	146	139	125
50 Israel	721	755	584	498	491	434	494	468	444	504
51 Japan	10,944	11,040	9,839	9,767	10,266	9,532	9,745	10,023	9,779	9,659
52 Korea	1,791	1,978	2,336	2,315	2,090	1,850	1,800	2,327	1,936	1,924
53 Philippines	534	719	594	642	660	615	751	679	640	742
54 Thailand	520	442	633	647	656	686	730	711	725	693
55 Middle East oil-exporting countries <sup>5</sup>	744	1,459	1,746	1,753	2,219	1,488	2,522	1,572	1,551	1,951
56 Other Asia	785	862	947	898	1,082	978	971	1,182	1,167	1,154
57 Africa	1,933	2,311	2,518	2,548	2,632	2,235	2,219	2,137	2,133	2,267
58 Egypt	123	126	119	121	107	79	72	70	79	62
59 Morocco	8	27	43	44	39	35	37	38	36	42
60 South Africa	657	957	1,066	1,106	1,169	1,052	1,055	1,054	1,036	1,058
61 Zaire	181	112	98	98	101	77	80	79	79	79
62 Oil-exporting countries <sup>6</sup>	382	524	510	531	493	416	441	383	340	459
63 Other	581	565	682	648	723	575	534	513	563	567
64 Other countries	830	772	1,090	1,017	1,095	953	964	955	1,002	980
65 Australia	700	597	905	813	879	785	798	828	836	835
66 All other	130	175	186	204	216	168	166	167	167	145
67 Nonmonetary International and Regional Organizations <sup>7</sup>	33	40	43	35	43	48	34	31	40	38

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

<sup>2</sup> Beginning April 1978 comprises Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, and Romania.

<sup>3</sup> Included in "Other Latin America and Caribbean" through March 1978.

<sup>4</sup> Includes Surinam through December 1975.

<sup>5</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

<sup>6</sup> Comprises Algeria, Gabon, Libya, and Nigeria.

<sup>7</sup> Excludes the Bank for International Settlements, which is included in "Other Western Europe."

▲ Data for period prior to April 1978 include claims of banks' domestic customers on foreigners. For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

## 3.17 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1975	1976	1977	1978							
				Feb.	Mar.	Apr. ▲	May	June	July <sup>b</sup>	Aug. <sup>b</sup>	
1 Total.....	58,308	79,301	90,206	91,040	96,449						
2 Banks' own claims on foreigners.....						88,387	87,876	87,349	87,347	90,533	
3 Foreign public borrowers.....						4,584	5,283	5,851	6,653	7,119	
4 Own foreign offices <sup>1</sup> .....						35,513	35,714	31,707	33,813	36,039	
5 Unaffiliated foreign banks.....						28,660	27,805	30,154	27,492	27,362	
6 Deposits.....						4,869	4,658	5,116	4,623	4,352	
7 Other.....						23,791	23,147	25,039	22,869	23,010	
8 All other foreigners.....						19,629	19,074	19,637	19,389	20,012	
9 Claims of banks' domestic customers <sup>2</sup> .....											
10 Deposits.....											
11 Negotiable and readily transferable instruments <sup>3</sup> .....											
12 Outstanding collections and other claims <sup>4</sup> .....	5,467	5,756	6,176	6,446	6,765						
13 MEMO: Customer liability on acceptances.....											

<sup>1</sup> U.S. banks: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly-owned subsidiaries of head office or parent foreign bank.

<sup>2</sup> Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

<sup>3</sup> Principally negotiable time certificates of deposit and bankers acceptances.

<sup>4</sup> Data for March 1978 and for period prior to that are outstanding collections only.

NOTE.—Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' domestic customers are available on a quarterly basis only.

▲ For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

3.18 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States  
 Payable in U.S. Dollars  
 Millions of dollars, end of period

Maturity; by borrower and area						
1	Total.....					
By borrower:						
2	Maturity of 1 year or less <sup>1</sup> .....					
3	Foreign public borrowers.....					
4	All other foreigners.....					
5	Maturity of over 1 year <sup>1</sup> .....					
6	Foreign public borrowers.....					
7	All other foreigners.....					
By area:						
Maturity of 1 year or less <sup>1</sup> .....						
8	Europe.....					
9	Canada.....					
10	Latin America and Caribbean.....					
11	Asia.....					
12	Africa.....					
13	All other <sup>2</sup> .....					
Maturity of over 1 year <sup>1</sup> .....						
14	Europe.....					
15	Canada.....					
16	Latin America and Caribbean.....					
17	Asia.....					
18	Africa.....					
19	All other <sup>2</sup> .....					

NO FIGURES UNTIL JUNE 1978 DATA ARE AVAILABLE▲

<sup>1</sup> Remaining time to maturity.

<sup>2</sup> Includes nonmonetary international and regional organizations.

▲ For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

3.19 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States  
 Payable in Foreign Currencies▲  
 Millions of dollars, end of period

Item	1974	1975	1976	1977		1978		
				Nov.	Dec.	Jan.	Feb.	Mar.
1 Banks' own liabilities.....	766	560	781	944	925	831	885	986
2 Banks' own claims <sup>1</sup> .....	1,276	1,459	1,834	2,086	2,356	2,371	2,317	2,383
3 Deposits.....	669	656	1,103	841	941	940	895	948
4 Other claims.....	607	802	731	1,245	1,415	1,432	1,422	1,435
5 Claims of banks' domestic customers <sup>2</sup> .....								

<sup>1</sup> Includes claims of banks' domestic customers through March 1978.  
<sup>2</sup> Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

NOTE.—Data on claims exclude foreign currencies held by U.S. monetary authorities.  
 ▲ For a description of the changes in the International Statistics Tables, see July 1978 BULLETIN, p. 612.

## 3.20 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1976	1977	1978				1978			
			Jan.- Aug. <sup>a</sup>	Feb.	Mar.	Apr.	May	June	July <sup>b</sup>	Aug. <sup>b</sup>
Holdings (end of period) <sup>3</sup>										
1 Estimated total.....	15,799	38,620	40,380	41,230	39,662	39,367	40,707	41,178	41,603	
2 Foreign countries.....	12,765	33,874	35,479	36,475	34,813	34,345	35,014	36,336	37,149	
3 Europe.....	2,330	13,916	14,895	15,206	13,607	12,946	13,156	14,256	14,184	
4 Belgium-Luxembourg.....	14	19	19	19	19	19	19	19	19	
5 Germany.....	764	3,168	3,494	3,816	3,820	4,031	4,361	5,531	5,761	
6 Netherlands.....	288	911	954	1,029	1,079	1,070	1,113	1,113	1,278	
7 Sweden.....	191	100	125	155	175	175	185	180	190	
8 Switzerland.....	261	477	401	400	443	447	509	569	615	
9 United Kingdom.....	485	8,888	9,513	9,418	7,737	6,856	6,597	6,473	5,932	
10 Other Western Europe.....	323	349	384	363	332	346	370	368	385	
11 Eastern Europe.....	4	4	4	4	4	4	4	4	4	
12 Canada.....	256	288	250	251	253	261	264	275	276	
13 Latin America and Caribbean.....	313	551	587	551	535	503	494	485	545	
14 Venezuela.....	149	199	241	200	189	174	174	174	244	
15 Other Latin American and Caribbean.....	47	183	184	189	184	167	158	149	139	
16 Netherlands Antilles.....	118	170	162	162	162	162	162	162	162	
17 Asia.....	9,323	18,745	19,378	20,120	20,070	20,137	20,605	20,831	21,647	
18 Japan.....	2,687	6,860	7,617	8,313	8,332	8,964	9,616	9,927	10,791	
19 Africa.....	543	362	362	341	341	491	491	491	491	
20 All other.....	*	11	7	6	6	8	4	-3	7	
21 Nonmonetary international and regional organizations.....	3,034	4,746	4,901	4,755	4,849	5,022	5,693	4,842	4,454	
22 International.....	2,906	4,646	4,781	4,640	4,740	4,931	5,633	4,809	4,421	
23 Latin American regional.....	128	100	120	115	110	90	61	33	33	
Transactions (net purchases, or sales (-), during period)										
24 Total.....	8,096	22,823	2,982	278	851	-1,569	295	1,341	470	425
25 Foreign countries.....	5,393	21,110	3,274	-169	996	-1,664	-467	669	1,322	813
26 Official institutions.....	4,958	20,328	2,744	-277	975	-1,690	-574	592	1,293	710
27 Other foreign.....	435	782	530	108	22	26	106	77	29	103
28 Nonmonetary international and regional organizations.....	2,704	1,713	-292	447	-145	95	171	671	852	387
MEMO: Oil-exporting countries										
29 Middle East <sup>1</sup> .....	3,887	4,451	-990	-184	72	-72	-563	185	-85	-31
30 Africa <sup>2</sup> .....	221	-181	130		-20		150			

<sup>1</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).<sup>2</sup> Comprises Algeria, Gabon, Libya, and Nigeria.<sup>3</sup> Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

## 3.21 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1975	1976	1977	1978						
				Mar.	Apr.	May	June	July	Aug.	Sept.
1 Deposits.....	353	352	424	352	481	453	288	347	309	325
Assets held in custody:										
2 U.S. Treasury securities <sup>1</sup> .....	60,019	66,532	91,962	105,362	102,044	100,146	99,465	101,696	102,902	102,699
3 Earmarked gold <sup>2</sup> .....	16,745	16,414	15,988	15,727	15,686	15,667	15,620	15,594	15,572	15,553

<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.<sup>2</sup> The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

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

## 3.22 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1976	1977	1978		1978					
			Jan.-Aug.	Feb.	Mar.	Apr.	May	June	July <sup>1</sup>	Aug. <sup>1</sup>
U.S. corporate securities										
<b>Stocks</b>										
1 Foreign purchases.....	18,227	14,155	13,301	825	1,413	1,864	2,391	2,035	1,305	2,444
2 Foreign sales.....	15,475	11,479	11,606	762	921	1,151	1,963	1,925	1,296	2,678
3 Net purchases, or sales (-).....	2,753	2,676	1,695	63	492	713	427	110	9	-235
4 Foreign countries.....	2,740	2,661	1,740	63	510	720	427	131	9	-235
5 Europe.....	336	1,006	1,096	41	319	508	323	31	-6	-152
6 France.....	256	40	87	-2	68	79	-2	-39	-15	9
7 Germany.....	68	291	352	33	52	125	52	80	17	52
8 Netherlands.....	-199	22	34	-13	-9	16	9	-18	9	22
9 Switzerland.....	-100	152	244	-16	7	103	31	-78	-52	-184
10 United Kingdom.....	340	613	964	57	187	173	229	98	50	110
11 Canada.....	324	65	-108	-26	-3	44	-58	-12	-16	-18
12 Latin America and Caribbean.....	155	127	122	-4	17	37	36	33	35	48
13 Middle East <sup>1</sup> .....	1,803	1,390	506	48	170	97	90	59	69	-134
14 Other Asia.....	119	59	139	1	5	35	39	23	5	35
15 Africa.....	7	5	-16	2	1	-1	-4	-3	1	-12
16 Other countries.....	-4	8	1	1	*	*	*	*	*	1
17 Nonmonetary international and regional organizations.....	13	15	45	1	-19	-7	1	-21	*	*
<b>Bonds<sup>2</sup></b>										
18 Foreign purchases.....	5,529	7,739	5,305	574	600	312	780	678	1,029	872
19 Foreign sales.....	4,322	3,404	3,377	348	621	343	333	301	595	460
20 Net purchases, or sales (-).....	1,207	4,335	1,928	226	-21	-31	447	377	434	412
21 Foreign countries.....	1,248	4,239	1,778	181	*	-29	449	306	412	360
22 Europe.....	91	2,006	664	32	-163	-93	41	159	388	167
23 France.....	39	-34	23	1	5	-4	8	-3	13	6
24 Germany.....	-49	59	128	7	19	10	21	14	18	38
25 Netherlands.....	-29	72	11	1	-20	3	-3	-7	11	18
26 Switzerland.....	158	157	-170	3	-37	-33	-36	5	-74	10
27 United Kingdom.....	23	1,705	704	22	-122	-54	75	154	416	89
28 Canada.....	96	141	84	7	5	13	9	6	14	24
29 Latin America and Caribbean.....	94	64	51	6	11	1	12	2	-8	17
30 Middle East <sup>1</sup> .....	1,179	1,695	931	125	137	33	370	91	135	99
31 Other Asia.....	-165	338	45	11	9	16	15	48	-116	52
32 Africa.....	-25	-6	1	-1	*	*	*	*	*	*
33 Other countries.....	-21	*	3	*	*	1	1	*	*	1
34 Nonmonetary international and regional organizations.....	41	96	150	45	-20	-2	-1	72	22	53
Foreign securities										
35 Stocks, net purchases, or sales (-).....	-323	-410	462	113	114	143	-13	-59	10	50
36 Foreign purchases.....	1,937	2,255	2,505	280	337	404	271	244	333	381
37 Foreign sales.....	2,259	2,665	2,044	167	223	261	284	303	323	331
38 Bonds, net purchases, or sales (-).....	-8,774	-5,115	-2,954	-181	-526	-501	-39	648	291	-196
39 Foreign purchases.....	4,932	8,052	7,110	522	797	1,169	1,017	1,012	921	982
40 Foreign sales.....	13,706	13,167	10,064	703	1,322	1,670	1,056	1,659	1,212	1,178
41 Net purchases, or sales (-) of stocks and bonds.....	-9,097	-5,524	-2,492	69	-412	-358	-51	-707	-281	-146
42 Foreign countries.....	7,199	-3,967	-2,409	12	-263	-428	-67	-752	-283	150
43 Europe.....	-850	1,145	-93	95	116	106	-194	236	-171	94
44 Canada.....	-5,245	-2,404	-2,241	-4	-177	807	-80	-420	-146	161
45 Latin America and Caribbean.....	-3	-80	213	37	69	120	72	70	8	17
46 Asia.....	-733	-73	38	-118	-277	143	131	178	44	54
47 Africa.....	48	2	-164	*	*	7	*	-22	25	-123
48 Other countries.....	-416	-267	-162	2	6	2	4	-182	7	3
49 Nonmonetary international and regional organizations.....	-1,898	-1,557	83	80	-148	70	16	45	2	5

<sup>1</sup> Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

<sup>2</sup> Includes State and local government securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

## 3.23 SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Nonbanking Concerns in the United States

Millions of dollars, end of period

Type, and area or country	1977				1978	1977				1978
	Mar.	June	Sept.	Dec.	Mar. <sup>a</sup>	Mar.	June	Sept.	Dec.	Mar. <sup>a</sup>
	Liabilities to foreigners				Claims on foreigners					
1 Total	6,595	6,480	7,190	7,873	8,311	14,941	16,125	14,971	16,050	18,215
By type:										
2 Payable in dollars	5,828	5,763	6,340	7,070	7,426	13,925	15,012	13,925	14,704	16,587
3 Payable in foreign currencies	767	717	850	803	885	1,016	1,113	1,047	1,346	1,628
4 Deposits with banks abroad in reporter's name						431	448	414	620	670
5 Other						585	665	632	726	958
By area or country:										
6 Foreign countries	6,403	6,310	7,036	7,658	8,164	14,938	16,124	14,970	16,049	18,214
7 Europe	2,135	2,183	2,283	2,495	2,754	5,170	5,751	4,991	5,660	5,457
8 Austria	9	10	12	21	23	23	26	24	24	21
9 Belgium-Luxembourg	177	138	119	106	161	170	221	226	211	187
10 Denmark	15	14	16	14	23	48	40	44	56	47
11 Finland	2	10	11	9	12	40	90	59	13	13
12 France	163	157	171	239	274	436	413	430	513	545
13 Germany	175	163	226	284	335	367	377	393	453	410
14 Greece	80	73	78	85	108	90	86	52	41	42
15 Italy	135	138	107	128	104	473	440	352	387	384
16 Netherlands	168	205	176	230	252	172	182	161	166	184
17 Norway	37	33	35	7	9	42	42	38	42	42
18 Portugal	23	20	12	11	7	35	30	34	69	27
19 Spain	52	68	74	77	94	325	322	307	387	407
20 Sweden	36	36	41	28	37	93	92	91	117	115
21 Switzerland	214	236	257	263	229	154	179	146	220	238
22 Turkey	12	21	97	108	99	32	37	32	39	48
23 United Kingdom	689	721	725	750	861	2,413	2,963	2,409	2,687	2,526
24 Yugoslavia	113	110	92	90	82	30	28	20	20	24
25 Other Western Europe	6	6	9	10	8	18	15	15	25	33
26 U.S.S.R.	15	16	11	24	15	105	76	62	55	44
27 Other Eastern Europe	13	10	14	12	23	103	102	96	135	121
28 Canada	427	448	451	504	530	2,426	2,574	2,509	2,600	3,347
29 Latin America	1,121	1,020	1,027	1,178	1,359	4,448	4,965	4,567	4,476	5,885
30 Argentina	42	50	50	40	53	46	51	53	53	53
31 Bahamas	256	216	222	300	306	1,920	2,271	1,906	2,007	3,088
32 Brazil	49	37	76	49	62	535	457	414	517	496
33 Chile	16	24	13	17	14	35	28	40	45	40
34 Colombia	18	22	24	42	26	75	72	85	84	83
35 Cuba	*	*	*	*	*	1	*	*	*	*
36 Mexico	121	120	103	114	177	317	301	302	314	312
37 Panama	12	11	12	22	12	105	121	222	91	178
38 Peru	24	21	13	15	22	32	28	30	32	30
39 Uruguay	4	3	4	3	5	6	5	5	5	7
40 Venezuela	260	208	225	222	283	210	240	256	277	317
41 Other Latin American republics	148	141	122	118	107	237	237	257	281	270
42 Netherlands Antilles	11	17	9	25	41	14	8	8	12	24
43 Other Latin America	160	151	154	209	250	914	1,146	989	757	987
44 Asia	2,057	1,971	2,594	2,825	2,809	2,316	2,315	2,403	2,774	2,966
45 China, People's Republic of (Mainland)	3	2	1	8	4	7	7	12	9	22
46 China, Republic of (Taiwan)	113	138	152	156	164	130	131	139	157	145
47 Hong Kong	42	27	25	40	32	107	93	73	98	84
48 India	39	41	44	37	26	35	51	42	38	85
49 Indonesia	94	80	60	56	57	206	184	185	375	189
50 Israel	37	45	58	63	68	51	70	46	38	47
51 Japan	172	183	604	695	767	969	927	1,026	1,068	1,372
52 Korea	96	95	81	108	104	130	158	153	174	135
53 Philippines	59	73	78	74	99	86	90	111	99	94
54 Thailand	19	11	17	17	11	27	22	24	23	31
55 Other Asia	1,383	1,277	1,474	1,572	1,477	569	582	590	697	761
56 Africa	591	589	568	563	609	429	370	346	393	408
57 Egypt	29	33	45	13	19	70	24	22	38	33
58 Morocco	30	72	105	112	130	12	11	10	21	20
59 South Africa	33	27	29	20	30	80	69	75	75	71
60 Zaire	39	39	48	46	55	19	17	19	15	11
61 Other Africa	460	418	341	372	375	248	248	221	245	272
62 Other countries	72	98	111	93	104	150	149	153	146	150
63 Australia	53	78	93	75	89	114	110	113	111	116
64 All other	19	20	18	18	14	36	40	41	35	34
65 Nonmonetary international and regional organizations	192	170	154	215	147	2	1	1	1	1

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States.

Data exclude claims held through U.S. banks and intercompany accounts between U.S. companies and their affiliates.

**3.24 SHORT-TERM CLAIMS ON FOREIGNERS** Reported by Large Nonbanking Concerns in the United States  
Millions of dollars, end of period

Type and country	1974	1975	1976	1977	1978					
					Feb.	Mar.	Apr.	May	June	July <sup>a</sup>
<b>1 Total</b> .....	<b>3,357</b>	<b>3,799</b>	<b>5,506</b>	<b>6,936</b>	<b>8,312</b>	<b>8,929</b>	<b>9,049</b>	<b>9,439</b>	<b>8,912</b>	<b>8,924</b>
By type:										
2 Payable in dollars.....	2,660	3,042	4,823	5,999	7,321	7,791	7,953	8,420	7,771	7,639
3 Deposits.....	2,591	2,710	4,450	5,597	6,836	7,213	7,310	7,814	7,218	7,156
4 Short-term investments <sup>1</sup> .....	69	332	373	402	485	578	643	606	553	483
5 Payable in foreign currencies.....	697	757	683	955	991	1,137	1,096	1,018	1,142	1,285
6 Deposits.....	429	511	397	553	533	607	597	492	599	669
7 Short-term investments <sup>1</sup> .....	268	246	286	402	458	530	499	526	543	616
By country:										
8 United Kingdom.....	1,350	1,306	1,817	2,006	1,908	1,810	1,746	1,595	1,683	1,861
9 Canada.....	967	1,156	1,541	1,696	2,284	2,463	2,702	2,771	2,547	2,513
10 Bahamas.....	391	546	1,322	1,883	2,656	2,951	2,988	3,569	2,975	3,222
11 Japan.....	398	343	113	153	267	405	290	258	273	286
12 All other.....	252	446	713	1,198	1,197	1,300	1,323	1,246	1,435	1,042

<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.

NOTE.—Data represent the assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 3.26.

**3.25 LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS** Reported by Nonbanking Concerns in the United States  
Millions of dollars, end of period

Area and country	1977				1978	1977				1978
	Mar.	June	Sept.	Dec.	Mar. <sup>a</sup>	Mar.	June	Sept.	Dec.	Mar. <sup>a</sup>
Liabilities to foreigners										
<b>1 Total</b> .....	<b>3,523</b>	<b>3,364</b>	<b>3,355</b>	<b>3,222</b>	<b>3,205</b>	<b>4,946</b>	<b>4,898</b>	<b>4,697</b>	<b>5,054</b>	<b>5,114</b>
2 Europe.....	2,657	2,507	2,565	2,458	2,540	899	898	826	857	930
3 Germany.....	391	370	407	255	295	84	76	76	70	73
4 Netherlands.....	272	262	272	288	293	154	147	81	82	81
5 Switzerland.....	178	177	224	241	241	53	43	42	49	48
6 United Kingdom.....	1,389	1,277	1,255	1,232	1,247	259	283	282	310	332
7 Canada.....	80	79	76	71	67	1,475	1,486	1,462	1,776	1,792
8 Latin America.....	292	301	294	289	253	1,489	1,457	1,371	1,406	1,387
9 Bahamas.....	163	167	159	156	146	34	34	36	40	42
10 Brazil.....	5	7	7	7	6	125	125	134	144	154
11 Chile.....	1	1	1	1	1	210	208	201	203	194
12 Mexico.....	23	26	30	30	30	180	178	187	177	183
13 Asia.....	432	408	358	342	284	817	833	809	797	789
14 Japan.....	413	386	319	305	250	96	111	94	66	83
15 Africa.....	2	3	3	2	2	199	158	165	161	156
16 All other <sup>1</sup> .....	59	67	59	60	60	67	67	63	59	60
Claims on foreigners										

<sup>1</sup> Includes nonmonetary international and regional organizations.

## 3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Per cent per annum

Country	Rate on Sept. 30, 1978		Country	Rate on Sept. 30, 1978		Country	Rate on Sept. 30, 1978	
	Per cent	Month effective		Per cent	Month effective		Per cent	Month effective
Argentina	18.0	Feb. 1972	France	9.5	Aug. 1977	Norway	7.0	Feb. 1978
Austria	4.5	June 1978	Germany, Fed. Rep. of	3.0	Dec. 1977	Sweden	6.5	July 1978
Belgium	6.0	July 1978	Italy	10.5	Sept. 1978	Switzerland	1.0	Feb. 1978
Brazil	30.0	Sept. 1977	Japan	3.5	Mar. 1978	United Kingdom	10.0	June 1978
Canada	9.5	Sept. 1978	Mexico	4.5	June 1942	Venezuela	5.0	Oct. 1970
Denmark	8.0	July 1977	Netherlands	5.5	Sept. 1978			

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government securities for commercial banks or brokers. For countries with

more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

## 3.27 FOREIGN SHORT-TERM INTEREST RATES

Per cent per annum, averages of daily figures

Country, or type	1975	1976	1977	1978					
				Apr.	May	June	July	Aug.	Sept.
1 Euro-dollars	7.02	5.58	6.03	7.38	7.82	8.33	8.52	8.48	9.12
2 United Kingdom	10.63	11.35	8.07	7.47	9.17	10.02	10.13	9.42	9.29
3 Canada	8.00	9.39	7.47	8.14	8.01	8.12	8.23	8.77	9.08
4 Germany	4.87	4.19	4.30	3.54	3.60	3.61	3.71	3.64	3.67
5 Switzerland	3.01	1.45	2.56	.40	1.18	1.38	1.74	0.67	4.58
6 Netherlands	5.17	7.02	4.73	4.62	4.48	4.60	5.61	6.27	6.91
7 France	7.91	8.65	9.20	8.35	8.21	7.94	7.61	7.39	7.40
8 Italy	10.37	16.32	14.26	11.75	11.80	11.75	11.75	11.75	10.94
9 Belgium	6.63	10.25	6.95	5.55	5.71	5.61	5.84	7.09	7.24
10 Japan	11.64	7.70	6.22	4.50	4.50	4.75	4.75	4.64	4.51

NOTE.—Rates are for 3-month interbank loans except for—Canada, finance company paper; Belgium, time deposits of 20 million francs and

over; and Japan, loans and discounts that can be called after being held over a minimum of two month-ends.

## 3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1975	1976	1977	1978					
				Apr.	May	June	July	Aug.	Sept.
1 Australia/dollar	130.77	122.15	110.82	113.97	112.76	113.83	114.94	115.41	115.29
2 Austria/shilling	5.7467	5.5744	6.0494	6.8081	6.6031	6.6718	6.7547	6.9490	7.0102
3 Belgium/franc	2.7253	2.5921	2.7911	3.1419	3.0463	3.0590	3.0864	3.1834	3.2207
4 Canada/dollar	98.30	101.41	94.112	87.592	89.397	89.143	88.921	87.690	85.739
5 Denmark/krone	17.437	16.546	16.658	17.807	17.535	17.723	17.846	18.171	18.411
6 Finland/markka	27.285	25.938	24.913	23.900	23.430	23.390	23.809	24.381	24.586
7 France/franc	23.354	20.942	20.344	21.803	21.513	21.841	22.531	22.998	22.909
8 Germany/deutsche mark	40.729	39.737	43.079	48.964	47.497	47.984	48.647	50.084	50.778
9 India/rupee	11.926	11.148	11.406	11.815	11.653	11.900	12.245	12.483	12.445
10 Ireland/pound	222.16	180.48	174.49	184.97	181.81	183.72	189.49	194.06	195.95
11 Italy/lira	15328	12044	11328	11644	11488	11634	11804	11952	12050
12 Japan/yen	33705	33741	37342	45084	44215	46744	50101	53002	52656
13 Malaysia/ringgit	41.753	39.340	40.620	42.057	41.462	41.964	42.447	43.433	43.603
14 Mexico/peso	8.0000	6.9161	4.4239	4.3945	4.3973	4.3840	4.3756	4.3758	4.3907
15 Netherlands/guilder	39.632	37.846	40.752	45.865	44.407	44.716	45.076	46.203	46.733
16 New Zealand/dollar	121.16	99.115	96.893	101.92	100.69	101.90	103.85	105.42	105.58
17 Norway/krone	19.180	18.327	18.789	18.621	18.360	18.450	18.524	19.018	19.189
18 Portugal/escudo	3.9286	3.3159	2.6234	2.4075	2.2208	2.1857	2.1939	2.2042	2.1948
19 South Africa/rand	136.47	114.85	114.99	115.05	115.01	114.93	115.00	115.00	115.00
20 Spain/peseta	1.7424	1.4958	1.3287	1.2475	1.2317	1.2587	1.2885	1.3344	1.3605
21 Sri Lanka/rupee	14.385	11.908	11.964	6.4950	6.2945	6.2859	6.3245	6.3926	6.3855
22 Sweden/krona	24.141	22.957	22.383	21.731	21.491	21.690	22.012	22.523	22.592
23 Switzerland/franc	38.743	40.013	41.714	52.511	50.892	53.046	55.443	60.013	63.765
24 United Kingdom/pound	222.16	180.48	174.49	184.97	181.81	183.72	189.49	194.06	195.95
MEMO:									
25 United States/dollar	98.34	105.57	103.31	94.56	96.31	94.74	92.44	89.99	89.51

<sup>1</sup> Index of weighted average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland, March 1973 = 100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of the Weighted-Average Exchange Value of the U.S. Dollar; Revision" on page 700 of the August 1978 BULLETIN.

NOTE.—Averages of certified noon buying rates in New York for cable transfers.



# Guide to Tabular Presentation and Statistical Releases

## GUIDE TO TABULAR PRESENTATION

### SYMBOLS AND ABBREVIATIONS

p	Preliminary	SMSA's	Standard metropolitan statistical areas
r	Revised (Notation appears on column heading when more than half of figures in that column are changed.)	REIT's	Real estate investment trusts
e	Estimated	*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
c	Corrected	.....	(1) Zero, (2) no figure to be expected, or (3) figure delayed or, (4) no change (when figures are expected in percentages).
n.e.c.	Not elsewhere classified		
Rp's	Repurchase agreements		
IPC's	Individuals, partnerships, and corporations		

### GENERAL INFORMATION

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

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct

obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

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

### STATISTICAL RELEASES

#### LIST PUBLISHED SEMIANNUALLY, WITH LATEST BULLETIN REFERENCE

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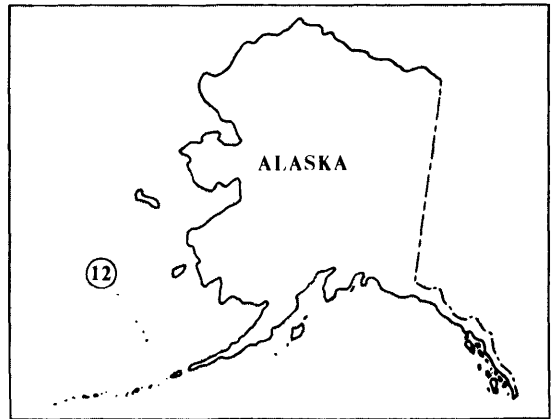
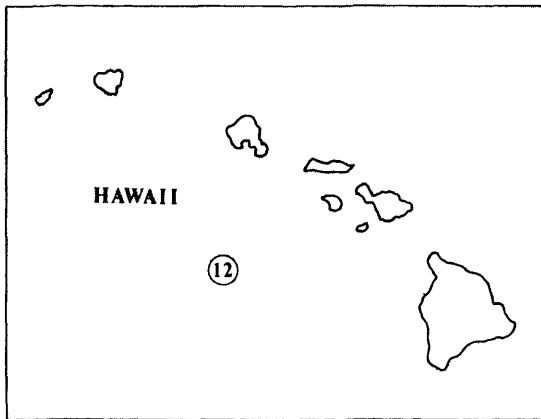
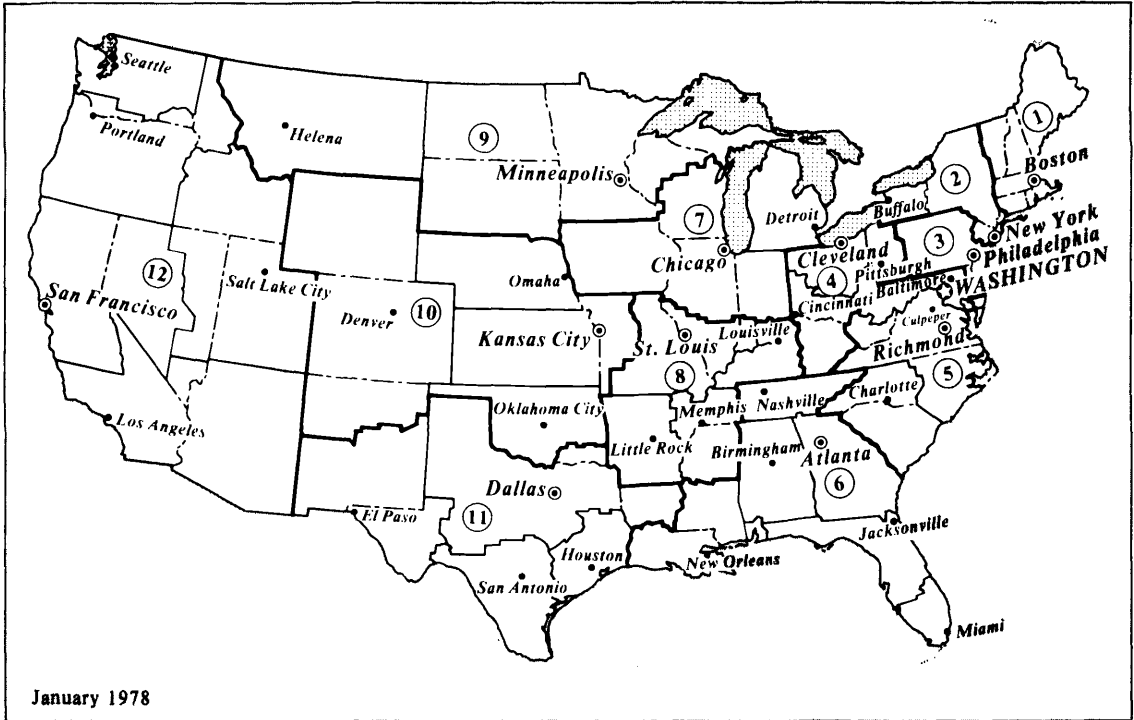
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# The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



## LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility