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Table of Contents

The Federal Reserve Position on Restructuring of Financial Regulation Responsibilities

In December 1982, the Task Group on Regulation of Financial Services was created to review the current federal system for the regulation of financial services and to propose desirable legislative changes. The Chairman of the Task Group was Vice President George Bush, and Secretary of the Treasury Donald T. Regan was Vice Chairman. The Task Group also included the heads of all seven federal financial regulatory agencies and the Attorney General, the Director of the Office of Management and Budget, the Assistant to the President for Policy Development, and the Chairman of the Council of Economic Advisers.

More than four dozen recommendations were adopted by the Task Group in its final meetings, held in December 1983 and January 1984. All of the recommendations, along with draft legislation, are to be sent to President Reagan before the Congress adjourns.

The issue of how federal agencies responsible for commercial bank supervision and regulation should be reorganized was one of the more important to be considered by the Task Group.

The following article is, with slight editorial changes, the paper that Paul A. Volcker, the Chairman of the Board of Governors of the Federal Reserve System, distributed to the other members of the Task Group in December 1983.

One fundamental premise of the Federal Reserve's interpretation of, and response to, any proposed restructuring of arrangements for the regulation and supervision of banking and related markets and institutions is that such responsibilities cannot be insulated from—or thought of as something separate from—the basic responsibilities of a central bank. Central banking responsibilities by law and custom, in the United States as well as in most other industrialized countries, plainly encompass concerns about the stability of the financial system in general, and the banking system in particular.

Crucial points of concern include the following:

1. The operation of the domestic and international payments system—that is, the reliability and safety of arrangements by which hundreds of billions of funds are transferred among banks and others day by day.
2. The capital and liquidity of the banking system, so that it can (a) absorb shocks originating inside or outside the banking system, and (b) respond effectively to monetary policy decisions.
3. The general risk profile of banks, and the consistency of regulatory and supervisory approaches toward risk with objectives of monetary policy.
4. The structure of the banking system and the powers of banking or other financial organizations as they bear upon these concerns.

The clear implication is that the Federal Reserve as the nation's central bank must remain substantively involved in the regulation and supervision of the financial and banking system because those functions impinge upon its general responsibilities.

These responsibilities are broader than those implied by any particular operational mode for monetary policy; they go back to the founding of the Federal Reserve System as an institution for forestalling and for dealing with financial crises. But it is also true that, taking monetary policy as the point of departure, that policy will be either complemented or compromised by regulation and supervision of the banking and financial system.

In sum, "central banking" concerns about regulation and supervision need to be considered together with other valid concerns of regulatory policy—competition, simplicity, adaptability, fairness, and federal-state relationships—in any "reform" of the regulatory system.

This paper first develops these basic points about the relationships between central banking and supervisory and regulatory responsibilities, including the possibility of conflicts among them. It then emphasizes that proposals for administrative reform of supervisory authority need to be viewed in the light of proposed changes in substantive legislation governing powers of banks and bank holding companies.

THE FEDERAL RESERVE AND BANKING REGULATION

A basic continuing responsibility of any central bank—and the principal reason for the founding of the Federal Reserve—is to assure stable and smoothly functioning financial and payments systems. These are prerequisites for, and complementary to, the central bank's responsibility for conducting monetary policy as it is more narrowly conceived. Indeed, conceptions of the appropriate focus for "monetary policy" have changed historically, variously focusing on control of the money supply, defending a particular exchange rate, or more passively providing a flow of money and credit responsive to the needs of business. What has not changed, and what is not likely to change, is the idea that a central bank must, to the extent possible, head off or deal with financial disturbances and crises.

To these ends, the Congress has over the last 70 years authorized the Federal Reserve (1) to be a major participant in the nation's payments mechanism, (2) to lend at the discount window as the ultimate source of liquidity for the economy, and (3) to regulate and supervise key sectors of the financial markets, both domestic and international. These functions largely predate, and are in addition to, the more purely "monetary" functions of engaging in open market and foreign exchange operations and setting reserve requirements; historically, in fact, the monetary functions were largely grafted onto the supervisory functions, not the reverse.

In a real sense, the Federal Reserve was founded out of an instinct that monetary and banking disturbances were interrelated. Plainly, the concept is still relevant. At times of strain, the Federal Reserve is looked to as central to efforts to contain the crisis and maintain confidence—to maintain stability and continuity in the financial system—even if the involvement of the banking system is only derivative. Examples can be found in the Federal Reserve's participation in efforts to deal with the threat to the commercial paper market in the early 1970s from the bankruptcy of Penn Central, or with the pressures on securities firms (and potentially banks) from the collapse of silver speculation in early 1980. These crises had the seeds, and more, of requiring a response in terms of monetary policy itself—that is, the need to provide more liquidity to the economy. The point is that monetary policy can potentially be thrown off course by disturbances or fragilities arising in the internal structure or performance of financial markets, and those disturbances may, in some instances, require a monetary policy response. The public interest requires not only a continuing effort to foresee and deal with such weaknesses before they erupt into crisis, but also effective crisis management based on full awareness of monetary implications.

Central banking responsibilities for financial stability are supported by discount window facilities—historically, a key function of a central bank—through which the banking system, and in a crisis the economy more generally, can be supported. But effective use of that critically important tool of crisis management is itself dependent on intimate familiarity with the operations of banks, and to a degree other financial institutions, of the kind that can be derived only from continuing the operational supervisory responsibilities. We need to be aware of the ways in which financial markets and institutions are intertwined, recognizing that problems in one area typically affect others. In particular, a crisis in one limited part of the banking system can quickly affect the strength and well-being of other parts and the system as a whole, both because of direct links through the payments system and because the system, in the end, rests on intangibles of confidence.

In our view it would not be workable or reasonable—indeed, it would be dangerous—to look to the Federal Reserve to "pick up the pieces" in a financial crisis without also providing the Federal Reserve with the tools to do the job and with adequate "leverage" in shaping the system so as to reduce the likelihood of a crisis arising. However imperfect the foresight of any institution in the best of circumstances, these continuing concerns and responsibilities demand a strong place for the central bank among the institutions shaping financial regulations.

These concerns have continuing operational implications. Year in and year out, supervisory and regulatory decisions will influence the manner in which depository institutions respond to monetary policy decisions. On those occasions when the economic environment may require particularly forceful monetary policy action, the failure of supervisors and regulators adequately to have foreseen potential strains on depository institutions can either constrain the ability of the central bank to act vigorously to meet monetary policy objectives or create a situation in which needed monetary restraint pushes the stability of the system to and beyond a breaking point. The administration of the discount window from day to day and operations in the open market, domestically and internationally, presume a capacity to evaluate the circumstances and soundness of the institutions with which the Federal Reserve is dealing or to which it is providing credit.

Some have argued that these needs of the central bank can be met by adequate exchanges of information. We respectfully, but strongly, disagree. Clearly, close working arrangements among all agencies with supervisory responsibilities are helpful and important. But no one familiar with bureaucratic processes over the years, in fair weather and foul, or with the realities of changing personalities and consequent possibilities for friction, can count on access to examination reports or other information prepared elsewhere, or on opportunities to express views formally or informally, to substitute adequately for a share of "hands on" operational and policy responsibility. Without such a share, the voice of the central bank in regulatory and supervisory matters can and sometimes will be ignored; the analysis it performs or that is performed for it in these areas will be superficial; and the able and forceful staff it needs will be dissipated. Almost inevitably, the tendency would be to retreat into a kind of ivory tower, adversely affecting both monetary *and* supervisory policy.

Possibility of Conflicts

Some have argued that conflicts between regulation of banks and the conduct of monetary policy can arise, and that when, in specific instances, the conflict becomes acute, the Federal Reserve will in effect tend to override the supervisory or regulatory concerns, presumably to the detriment either of the safety and soundness of banking or of its competitive strength. Others may argue the reverse: that at times of financial crisis those concerns may lead to the provision of significant additional liquidity to the detriment of monetary targets.

We do not dispute the obvious—that in particular instances, different responsibilities may lead to legitimate differences in points of view. The real question is how best to resolve such differences so that tradeoffs are carefully weighed and decisions made with a balanced view of the public interest.

The nature of the Federal Reserve's responsibilities for the overall financial health of the economy forces it to weigh tradeoffs among various goals. Specifically, conflicts between measures taken to achieve objectives of monetary policy and measures taken to achieve those of supervision and regulation have to be reconciled; more positively, those objectives need to be pursued in a mutually reinforcing manner. Indeed, both regulatory and monetary policy will be improved if each can take advantage of information obtained in the execution of the other.

On the other hand, the public interest will not necessarily be served by the single-minded pursuit of different—and possibly competing—policy objectives. To take an extreme case, the imposition of highly conservative supervision standards at a time of strain in pursuit of the safety and soundness of individual institutions—one legitimate and continuing objective of supervision and regulation—could unwittingly place the stability of the entire system at risk. Such an approach may not take account of tradeoffs that have implications for the ability of the financial system as a whole to withstand and manage the strains. Conversely, our supervisory arrangements should encourage continuing concern with the ability of the banking system to withstand potential pressure even during long periods of fair weather, when temptations may develop to cater to the instincts of the most aggressive banking entrepreneurs.

There can be no absolute protection from these dangers. But experience here and abroad suggests that a strong central bank, by the very nature of its broad responsibilities and its relative independence, is in a unique strategic position to take a balanced and long view. The design of any regulatory and supervisory system needs to take account of that broad perspective—a perspective essentially shared only with the treasury or finance ministry.

Some history on the point is useful. A major concern of the Federal Reserve Board and others during and after the Great Depression was that bank supervisors enforcing unduly conservative lending standards were undercutting the effects of expansionary fiscal and monetary objectives. At other times, the opposite concern may develop—that loose standards are compromising restrictive objectives. The fact is that such general regulatory policies as capital and liquidity standards, reserving policies, interest rate ceilings (when they were in effect), and disclosure of financial information have great significance for monetary policy and the stability of the entire financial system. In specific instances, they can even be a dominating influence on actual policy results.

A current example is the situation with respect to loans to underdeveloped countries, in which we face complex and interrelated questions about financial and economic stability, bank soundness and public confidence, and appropriate disclosure. The various regulators of depository institutions inevitably have different emphases in carrying out their responsibilities; and there is considerable merit in bringing these disparate views to bear on supervisory and regulatory problems. But in the end, resolution of the issue will have the broadest implications for monetary policy and our economy, and for the economies of other major countries. The Federal Reserve cannot help but be deeply concerned and involved in the decisionmaking.

It is possible—indeed, probable—that any reform to eliminate or greatly reduce the Federal Reserve's formal regulatory and supervisory involvement would eventually be overwhelmed by the need to achieve coordination, and the regulatory structure would in practice provide significant weight to the views of this nation's central bank. But this clearly is not the intent of certain proposals, and it would obviously be totally unsatisfactory to have recognition of the central bank's legitimate and necessary interests reasserted only after the system has lurched from crisis to crisis.

Foreign Experience

Although specific arrangements differ, the concerns expressed in this memorandum are widely recognized in the practices of other industrialized countries. Among the countries of the Organisation for Economic Co-operation and Development fully one-half (including the United Kingdom, Italy, and the Netherlands) place both the monetary policy and the main supervisory functions directly in the central bank.[1] In several major countries, including France, Germany, and Japan, supervisory responsibilities are shared in varying degrees between the central bank and either a banking commission or the ministry of finance. In one country, Canada, the formal responsibility lies basically with the finance ministry. The remaining countries have separate (and typically very small) banking commissions; those commissions usually have formal links with the central bank, and may rely on it for operational surveillance as well as for policy input.

THE LOCUS OF REGULATORY AUTHORITY AND SUBSTANTIVE BANKING LEGISLATION

In our view, much of the discussion about the organization of financial supervision—including various schemes to curtail or practically eliminate the Federal Reserve's regulatory or supervisory role—is out of focus. The present sense of disarray among regulatory agencies and their approaches grows in substantial part out of questions of substance and policy inherent in applying a framework of law developed many years

1. The arrangements are discussed in detail in the appendix.

ago to markets and institutions transformed by economic and technological change. These are not, at bottom, questions of procedure or bureaucratic jurisdiction. They urgently need to be sorted out by the review of substantive law under way in the Congress.

For instance, one key concern is the question of what nonbanking business banks and other depository institutions should be permitted to engage in and what types of organizations should be permitted to own banks. Uncertainty is rife in the industry, and conflicts in the regulatory approach to interpreting current law are obvious.

The problem has become acute as banks and bank holding companies have attempted to expand into new businesses such as securities and insurance brokerage, while nonbank entities such as insurance companies, securities firms, and retail firms have made inroads on the banks' traditional franchise in deposit taking and the payments system. A glaring illustration of this process was the success of the money market funds in competing with the banks' core business of collecting deposits. The problem has accelerated with various deregulatory steps, with the vast improvements in communications and data processing technology, and, until recently, with rising inflation and interest rates.

Exploitation of loopholes in existing law—law that for many years protected the core of the banking business from outside competition—has recently favored "nonbank" competitors while generally restraining banks from diversifying their business lines. The problem has been compounded by provisions of the Bank Holding Company Act, in which the Congress placed on banking organizations a differential burden of demonstrating net public benefits from proposed new activities and which gives procedural advantages to banks' competitors when banks seek to undertake new activities through the holding company vehicle. These problems are rightly of concern to banks. But the concerns arise fundamentally from the law, not from the particular administrators of the law—although, as a common phenomenon of human nature, the "messenger" can be blamed for the message.

Some parts of the banking community have argued that the Bank Holding Company Act is too restrictive in terms of the powers permitted to banking organizations. The Federal Reserve shares that view, and we have endorsed and supported the administration's proposed Financial Institutions Deregulation Act (FIDA). That bill provides for expanded powers for banking organizations and firmly defines the banking powers of nondepository institutions. It carefully defines a "bank" and thus the scope of institutions that are subject to the Bank Holding Company Act. Moreover, as a natural complement, the proposals would greatly simplify the regulatory procedures for holding company initiation of the new activities that are provided for in the bill.

Passage of FIDA would, in and of itself, settle many of the substantive issues, provide fresh, direct indications of congressional intent about the way the law should be administered, and greatly improve and simplify the regulatory process. Concomitantly, it could be expected to clear the atmosphere and eliminate, or at least alleviate, many of the pressures by banking trade associations to seek change through a different regulatory structure conceived as more sympathetic to their substantive or procedural concerns. Indeed, in the absence of fundamental legislation dealing with both powers and procedures, it is doubtful that any reshuffling of governmental responsibilities for bank regulation would relieve the legitimate concerns of commercial banks about their competitive position and hence their discomfort with the regulatory regime.

APPROACHES TO CHANGE

The Federal Reserve neither needs nor seeks sole responsibility for regulation and supervision of depository institutions, but it must have a continuing, substantial involvement in this process. It must be able to bring to bear effectively its concerns about the direction of regulation as the financial system evolves, and it needs significant supervisory authority as well. Such authority will keep the Federal Reserve in touch with developments at financial institutions and will give weight to its views in the formation of supervisory policy, which is at the foundation of a sound financial system.

Consequently, proposals that would simply remove the most important element for Federal Reserve regulatory and supervisory influence—its responsibility for bank holding companies—cannot meet the minimum requirements unless "leverage" is restored in other ways. One vote on a five-member council and the right to accompany the examiners of other agencies as a kind of junior partner as they supervise a limited number of the nation's largest banks—without regulatory authority or the power to require corrective measures—do not constitute an adequate substitute. And, to the extent concurrent regulatory or supervisory authority is provided for a small group of institutions, problems of a clash in policy and confusion for the supervised banks would be magnified.

We also recognize that the current regulatory system poses a number of problems of overlapping or divided authority and that these problems have been aggravated by differences toward substantive questions. In our view, the fresh congressional direction on these questions implied by the adoption of FIDA would eliminate much of the difficulty and present the remaining problems in a different, and more manageable, context.

Modifying the Present Framework

In approaching change, the strengths of the present regulatory system should not be overlooked. Broadly, it has provided some balance among various interests and concerns within the government in the process of supervision and regulation. For example, through the Office of the Comptroller of the Currency there is a link to the broad policy concerns of the Secretary of the Treasury. At the same time, the supervisory and regulatory function as a whole, and particularly the portions concerned with "casework," are insulated from political pressures; and administrative arrangements encourage a degree of continuity that would be lost if they were tied directly to the executive branch.

The current system also incorporates an important role and influence for the Federal Reserve in domestic and international banking regulation without concentrating power and casework in that agency.

There is a significant role for the deposit insurance agency that offers some balance to its inherently conservative mandate to protect the insurance fund. The existing system also fits reasonably comfortably within the context of the dual banking system; a more centralized system, impelled to treat banks with a high degree of uniformity, might tend inherently to erode the meaningful role for states in regulation and supervision.

These are matters that must be dealt with in any reform, and it remains to be seen whether they can be dealt with as effectively in another framework.

As noted earlier, enactment of FIDA would, in itself, deal with some of the most important concerns of the regulated banks and substantially simplify bank holding company regulation. Other steps could be taken to improve the present supervisory and regulatory structure independent of FIDA.

Those steps include consolidating the responsibility for antitrust analysis of cases involving domestic banking organizations in the Justice Department. Another step would be to consolidate in the Securities and Exchange Commission the responsibility for administration of the securities laws as they affect deposit-taking companies. Authority for margin requirements could be realigned. (It may be noted that, when these steps have been considered in the past, the banking industry itself usually has urged that the basic authorities be retained by the bank regulatory agencies.)

Regulatory responsibility for much of the consumer credit protection legislation (and for relations with the Consumer Advisory Council, which, in any event, should be preserved) might also be shifted from the Federal Reserve to an agency with responsibility for other consumer-related legislation. The current arrangement appears to be working satisfactorily, however, and this, in itself, is probably not a priority matter.

Improvements aimed at simplicity and consistency can be made in other areas, potentially more closely related to the essence of the Federal Reserve's concerns for regulation and supervision. These steps could be taken whether or not FIDA is passed, but would make a greater contribution if FIDA were the operative law.

One possibility would be to shift to the primary banking regulator responsibility for one-bank holding companies that in fact conduct no significant nonbank activities; while a heavy case load exists in this area, the holding companies are essentially nothing more than financing vehicles for the bank.

Another possibility would be to shift to the Federal Reserve responsibility for regulation of the banks that are part of holding companies with significant nonbanking activities. Under such an arrangement, both the bank and the bank holding company would be regulated by the same agency, further reducing the overlapping jurisdiction now in place.

Regulation of nonbanking activities of bank holding companies and multibank holding companies raises questions of uniform treatment for activities that extend over state and national boundaries, and the logic points strongly toward maintaining regulation and supervision of holding companies in a single agency. From the standpoint of the Federal Reserve, this arrangement offers a critical vantage point for maintaining oversight and surveillance over the evolution and risk characteristics of the system as a whole.

Under current practice, the Federal Reserve routinely solicits the recommendations of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and state supervisory authorities on applications that come before it under the Bank Holding Company Act. With rare exceptions, the final determination by the Federal Reserve is consistent with those recommendations. Nonetheless, the supervisory system could be better integrated if the law were amended to provide the presumption that the Federal Reserve accepts the findings of the primary banking supervisor with respect to the financial and managerial factors bearing on the lead bank of the holding company.

Appendix: Central Bank Responsibility for Bank Supervision in Selected Countries

Central banks in many industrial countries, as well as those in most developing countries, have major responsibility for bank supervision and regulation. In the United Kingdom, Italy, and the Netherlands, the central bank has sole responsibility for bank supervision.[2]

In a number of other countries of the Organisation for Economic Co-operation and Development responsibility for supervision, both in form and in practice, is divided between the central bank and a bank supervisory office or commission. Legislation recently enacted in France placed the banking commission more directly under the Bank of France. On-site inspections of banks in France are conducted by inspectors of the Bank of France. Luxembourg has recently created a new institution with most of the powers of a central bank, including responsibility for prudential supervision of financial institutions.

In Germany and in Japan, responsibility for bank supervision is shared by the central bank with a banking commmission and with the Ministry of Finance respectively. In Germany, the Bundesbank is consulted on all major supervisory decisions, concurs in the establishment of liquidity ratios and guidelines, conducts on-site examinations (through the state central banks), and collects reports on large credits. In Japan, the Ministry of Finance has statutory responsibility and authority for licensing, but operational supervision is closely coordinated with the Bank of Japan, which has its own inspectors who examine loan quality and management.

In Belgium and Switzerland, the central bank is somewhat less involved in bank supervision. In Belgium, the Deputy Governor of the Central Bank has a seat on the banking commission, and the commission consults with the central bank before establishing solvency and liquidity ratios; the commission relies on external auditors to

2. The material for this appendix was derived from Richard Dale, *Bank Supervision Around the World* (New York: Group of Thirty, 1982); and Board of Governors of the Federal Reserve System, *Report to Congress on Bank Supervision in the Group of Ten Nations and Switzerland* (The Board, 1984).

ensure compliance with banking laws. In Switzerland, the central bank has taken a role in supervision only recently, and at times it has had a seat on the banking commission.

In Austria, Canada, and the Scandinavian countries, the central bank has a limited role in bank supervision.

In all OECD countries, the central bank and the banking supervisory institution consult on problem cases, particularly in view of the role of the central bank as lender to the banking system. Moreover, central banks have responsibility for monitoring developments in foreign exchange and domestic financial markets, for identifying trading and other market practices that may signal prudential problems, and for overseeing the smooth functioning of the payments system.

The accompanying table summarizes the responsibilities of the central banks for bank supervision in the OECD countries.

Responsibility for bank supervision in OECD countries

Primary central bank responsibility	Joint responsibility	Little direct central bank responsibility
	G-10 countries	
France Italy Luxembourg Netherlands United Kingdom	Belgium Germany Japan Switzerland United States	Canada Sweden
	Other OECD countries	
Australia Greece Iceland New Zealand Portugal Spain Turkey		Austria Denmark Finland Norway

United Kingdom

The Banking Act of 1979 is the statutory basis for banking supervision and regulation in the United Kingdom. It defines two categories of institutions: recognized banks and licensed deposit-takers. The Bank of England supervises recognized banks through its direct and continuing contacts with management, while the licensed deposit-taking institutions are regulated through more formal procedures.[3] As of February 1984 there were 290 recognized banks and 308 licensed deposit-taking institutions in the United Kingdom.

The Bank of England does not conduct regular on-site examinations of banks. The supervisory process is initiated through its analysis of statistical reports filed by the banks. These reports are utilized in quarterly or semiannual discussions with banks' senior management. These discussions are intended to analyze the ability of management to control the business objectives of the banks.

3. The statutory requirements for recognition as a bank by the Bank of England are more stringent than those for obtaining a deposit-taking license. The main criteria are (1) adequacy of financial resources (including a minimum capital requirement); (2) high reputation and standing in the financial community; (3) provision of a specified range of financial services; and (4) a management of integrity and prudence commanding appropriate professional skills.

Italy

The Bank of Italy is responsible for supervision and regulation of the domestic banking system, subject to directives from the Interministerial Committee for Credit and Savings. The Banking Law of 1936 granted the Bank of Italy broad powers to license banks, to establish supervisory requirements, and to conduct on-site examinations. The Bank of Italy has an inspection department that regularly conducts such examinations.

The Netherlands

The Netherlands Bank has broad responsibility for supervision of the credit system, including licensing authority, monitoring responsibilities, and the ability to impose sanctions on credit institutions. Its supervisory responsibilities cover the universal banks, cooperative banks, savings banks, and mortgage institutions. The supervisory system is highly formal, with detailed regulations on solvency and liquidity. The central bank also attaches considerable importance to its informal contacts with banks. On-site inspections by the central bank form an important part of the supervisory process.

France

The Banking Law of January 24, 1984, brought all credit institutions in France under a single supervisory structure, with considerable authority and responsibility for supervisory policy and for on-site inspection vested in the Bank of France. That new law created three separate bodies with bank supervisory responsibility:

1. *The Bank Commission,* chaired by the Governor of the Bank of France, is responsible for ensuring the safety and soundness of the credit institutions and monitoring compliance with banking laws and regulations. On-site banking examinations are conducted by inspectors of the Bank of France.
2. *The Committee on Bank Regulation,* chaired by the Minister of Finance with the Governor of the Bank of France as Vice Chairman, establishes prudential regulations and accounting standards, and determines what activities are permissible for commercial banks.
3. *The Committee on Credit Institutions,* cochaired by the Governor of the Bank of France and the Director of the Treasury, is responsible for approving licenses to establish new banks and for making technical decisions regarding application of regulations to individual banks.

Luxembourg

The Institut Monetaire Luxembourgeois (IML) was established in June 1983. The IML performs many of the functions of a central bank, including issuing coins and notes, holding and managing official reserves, regulating of domestic credit, serving as a depository for government funds, and supervising financial institutions. The legislation establishing the IML transferred to that institution the exercise of all supervisory and regulatory powers of the previous Banking Control Commission.

Germany

The Federal Banking Supervisory Office (FBSO) is responsible for the supervision of banks and other credit institutions in Germany, although it exercises its functions in close cooperation with the Bundesbank, which maintains its own bank supervision department. Financial reports are collected by the Bundesbank, but the FBSO has the responsibility for taking appropriate steps in the light of such reports. Similarly, the FBSO has responsibility for issuing detailed regulations on liquidity and capital adequacy; however, the Bundesbank is consulted in the determination of applicable ratios that may have implications for monetary policy. The FBSO is empowered to conduct on-site inspections of banks, but does not generally do so. These inspections are conducted by external auditors or by the 11 state central banks (Landeszentralbanken), which are analogous to Federal Reserve District Banks. Presidents of the Landeszentralbanken sit on the Central Bank Council, which determines monetary and credit policy.

Present supervisory arrangements reflect reforms introduced in 1976 after the failure of the Herstatt bank, including rules on risk spreading and foreign exchange exposure, the establishment of a "lifeboat fund" for banks experiencing liquidity difficulties, and an extended deposit protection scheme. These arrangements have been supplemented by a series of "gentleman's agreements" aimed at extending the supervisory function to the foreign operations of German banks.

Following the Herstatt episode, the Bundesbank, in conjunction with the domestic banking industry, established the Liquidity Consortium Bank (Liko-Bank) to assist banks that run into temporary liquidity difficulties but are otherwise sound.

In early 1984 the German cabinet approved draft changes to the Banking Act that would limit outstanding credits of the consolidated bank (including majority-owned subsidiaries) to 18 times capital, would reduce the limit on single credits from 75 percent to 50 percent of a bank's capital, and would improve the statistical coverage of foreign subsidiaries.

Japan

The Ministry of Finance (MOF) has broad responsibility for licensing, regulating, and supervising banks and other financial institutions in Japan, although the Bank of Japan (BOJ) also has a role in bank supervision, which it fulfills in close consulation with the MOF. Since 1981 the emphasis in bank supervision has shifted from the traditional approach of administrative guidance toward a more formal regulatory structure, although the MOF retains considerable discretionary authority.

The BOJ also conducts on-site inspections of banks because of its substantial extensions of credit to banks, with the aim of ensuring a stable financial environment as well as the smooth implementation of monetary policy. In addition to the MOF, the BOJ has its own inspectors who focus primarily on an assessment of the banks' loan quality and management. Copies of examination reports submitted to the MOF are provided to the BOJ.

Belgium

The Banking Commission, established in 1935, is responsible for supervising the Belgian banking system. A member of the Management Committee of the National Bank, often the Deputy Governor, is usually a member of the Banking Commission. The Banking Commission's functions are confined largely to preventive supervision and to regulation. Deposit protection is provided mostly through the Institut de Reescompte et de Garantie.

The National Bank has a limited statutory role in supervision. Regulations on balance sheet ratios, reserve requirements, and other matters of economic policy are the responsibility of the National Bank, although in practice it consults regularly with the Banking Commission before issuing monetary policy guidelines affecting banks. On-site inspections are generally conducted by auditors appointed by the Banking Commission, which also uses its own inspectors in special situations.

Switzerland

The Federal Banking Commission is the chief supervisor for institutions that accept deposits from the public in Switzerland. The members of the commission are appointed by the Swiss government and must be experts in banking. At times since 1975 a vice president of the Swiss National Bank (SNB) has been a member of the commission, facilitating cooperation between the two institutions, but there is no legal requirement that a member of the commission be from the SNB. In practice, the cooperation and coordination between the commission and the SNB is quite close. The SNB receives copies of licenses issued by the commission (but not audits), and provides the commission with certain statistical reports. The staff of the commission is quite small. On-site inspections are typically performed by private auditing firms, which are appointed and paid for by the banks but are licensed by the commission. The outside auditor's report is in a format and has a content designed by the commission, and it must give an accurate assessment of the financial condition of the bank and its compliance with banking law and licensing criteria.

Canada

In Canada, the Inspector General of Banks is responsible to the Minister of Finance for the administration of the Bank Act, including supervision of the country's banking system. The Inspector General must report to the Minister of Finance at least once a year on the financial soundness of each bank.

The focus of the examination procedures is a management audit, with emphasis on capital, asset quality, management, earnings, and liquidity. There is heavy reliance on outside auditors, who must rotate every two years.

Because the Bank of Canada is the lender of last resort, it cooperates closely with the Inspector General in the supervision of problem banks. The Governor of the Bank and the Inspector General both sit on the Board of the Canadian Deposit Insurance Corporation. The Bank of Canada collects, processes, and analyzes financial returns submitted by banks, and is in daily contact with banks through trading of foreign exchange and government securities.

The Governor of the Bank of Canada also serves as Chairman of the Board of Directors of the Canadian Payments Association, a group that oversees clearing and settlement of Canadian payments.

Sweden

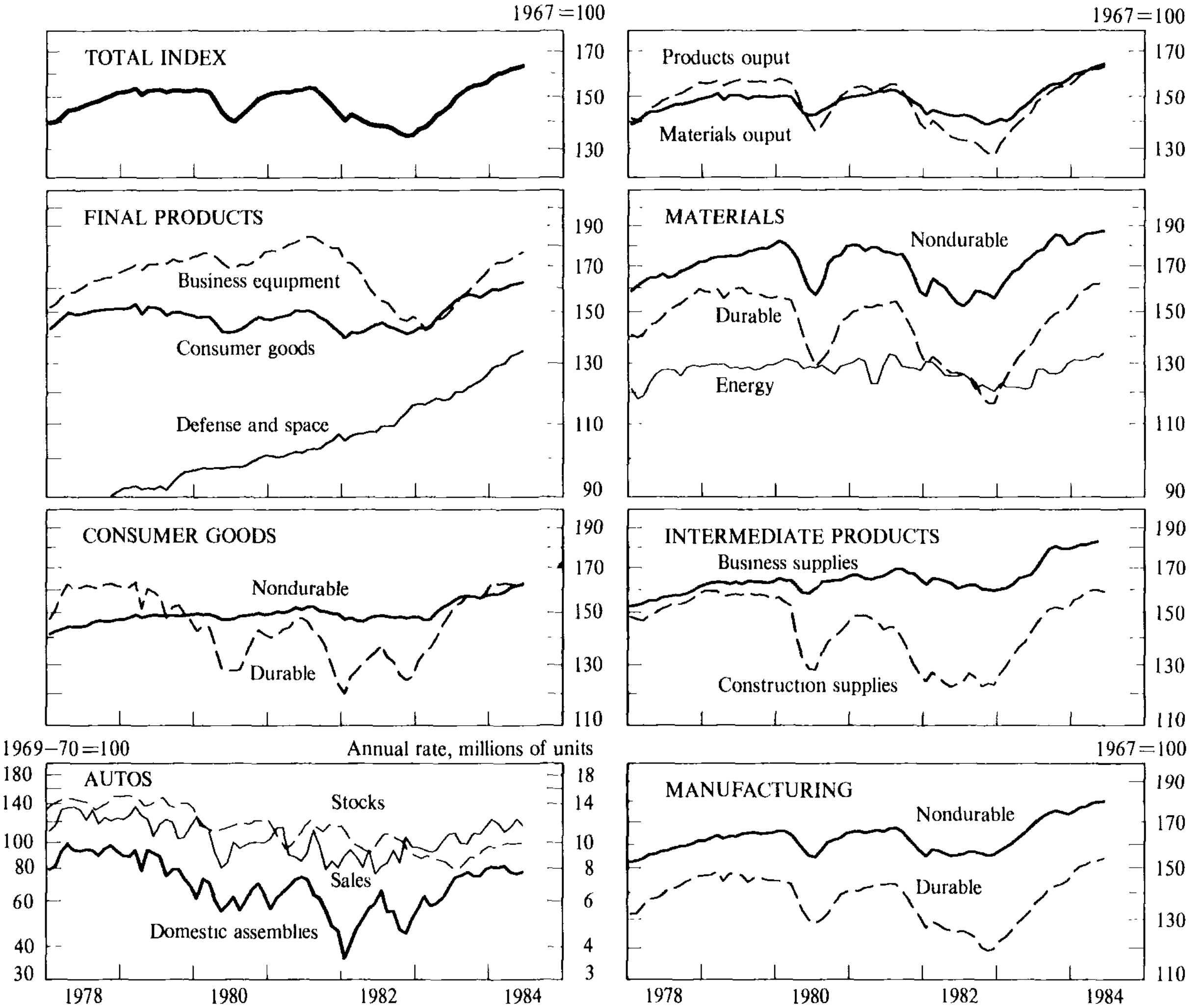
Bank supervision in Sweden is conducted by the Bank Inspection Board (Bankinspektionen), which reports to the Minister of Economics. Its principal functions are ensuring safety and soundness of banks, compliance with banking laws and regulations, and conducting on-site examinations. The Swedish Central Bank (Riksbank) regulates the credit markets, serves as a source of liquidity, and acts as the lender of last resort. The Riksbank has some role in supervising banks' foreign exchange positions, and the reports by banks on foreign lending exposure are provided to both the Bank Inspection Board and the Riksbank, which discuss them at regular joint meetings.

Industrial Production

Released for publication July 13

Industrial production increased an estimated 0.5 percent in June following a rise of 0.4 percent in May; the April gain has been revised down to 0.9 percent from the previous estimate of 1.1 percent. Production increases in June were largest in automotive products, equipment, and energy materials. In June the index of industrial output was at 163.6 percent of the 1967 average; since December 1983 it has increased at an annual rate of 9.7 percent. From December 1982 to December 1983 the pace of advance was 15.5 percent.

In market groupings, production of consumer goods increased 0.4 percent in June. Auto assemblies increased about 2.5 percent to an annual rate of 7.8 million units; output of nondurable consumer goods was up 0.4 percent, but produc-



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

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, June 1983 to June 1984
	1984		1984					
	May	June	Feb.	Mar.	Apr.	May	June	
	Major market groupings							
Total industrial production	**162.8**	**163.6**	**.9**	**.5**	**.9**	**.4**	**.5**	**11.7**
Products, total	163.3	164.1	.4	.4	9	.5	.5	10 8
Final products	161.1	162.1	.3	4	1 0	.6	.6	10.7
Consumer goods	162.1	162.7	−.1	.5	8	.4	.4	6.8
Durable	162.2	163.2	−.6	.4	−.4	−.2	.6	9.4
Nondurable	162.0	162.6	.2	.6	1.3	.6	.4	5.9
Business equipment	175.4	177.0	.7	.1	.8	1.1	.9	17.8
Defense and space	133.6	134.7	.9	5	2.1	.6	.8	14.2
Intermediate products	171.3	171.6	.7	.7	.5	.1	2	11 1
Construction supplies	159.7	159.2	.7	1.6	.5	− 1	−.3	12.0
Materials	162.0	162 9	1.8	6	.9	.1	.6	13.4
	Major industry groupings							
Manufacturing	164.2	164.8	1.2	.4	.9	4	.4	11 8
Durable	153.3	154 1	1.3	6	.9	.3	.5	15.7
Nondurable	179.9	180.2	1.1	.2	.9	.4	.2	7.4
Mining	124.6	126.0	− 6	−.2	−.6	1.2	1 1	11.9
Utilities	182.5	185.1	−2.5	2.0	1.6	−.2	1.4	9.0

NOTE. Indexes are seasonally adjusted.

tion of home goods changed little. Production of business equipment posted another sizable gain, with the largest increases occurring in building and mining, and transit equipment. Output of construction supplies declined 0.3 percent following a slight decrease in May.

Output of materials increased 0.6 percent in June. Output of parts for consumer durables and for equipment rose sharply. However, a sizable decline in steel production held the total gain for durable materials to 0.4 percent. Production of nondurable materials increased 0.3 percent and that of energy materials, 1.4 percent.

In industry groupings, manufacturing output rose 0.4 percent; production of durables advanced 0.5 percent, and output of nondurables edged up 0.2 percent. Mining output was up sharply as a result of increases in coal production and oil and gas well drilling activity. Production by utilities also increased sharply because of the unusually hot June and resulting strong demand for electricity.

Statements to Congress

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 12, 1984.

I appreciate the opportunity to review with you proposals to restructure the laws governing bank and thrift holding company activities. I am hopeful that these hearings will represent the conclusion of an extensive review by the Congress of legislative proposals affecting the competitive environment in the markets for banking and other financial services so that much needed legislation can be enacted this year.

I have on several occasions expressed my conviction, before congressional committees and elsewhere, that we must move with a sense of urgency to reform the existing legislative framework governing "banking" organizations. The time remaining for congressional action in this session has grown shorter, but the pressures of events remain. The banking and financial system will evolve in new directions. The only question is whether that evolution will proceed within a framework established by the Congress, with full consideration and a balancing of the public interests involved, or whether it will proceed entirely under the impetus of market forces pushing around, and over, a legislative structure set in quite different circumstances years ago.

The latter possibility cannot be satisfactory, opening the clear danger that the overriding public interest in a strong, stable, and competitive financial system will be lost. New technologies, intense market pressures, the growing aggressiveness of states in competing with each other for jobs in banking, and potentially conflicting decisions of regulators and courts attempting to apply old laws to today's circumstances all demand a considered and adequate response. Your committee has the opportunity to take a leading role in that effort.

The basic framework within which we at the Federal Reserve approach these questions can be simply summarized as follows: (1) we want to encourage fair competition in the provision of banking and financial services; (2) we want to promote efficiency and minimal cost to benefit consumers; (3) we want to protect against concentration of economic resources, discrimination, conflicts of interest, and other potential abuses; and (4) we want a strong and stable banking system, implying continuing attention to safety and soundness of banks and other depository institutions.

These goals in some circumstances will, to be sure, be in conflict or point to different approaches. Consequently, they must be appropriately balanced. In approaching that balance, the normal perception for most industries—that we can simply look to the marketplace to promote competition and efficiency—must be considered in the light of the crucial importance of maintaining confidence in banking institutions, continuity in the provision of money and payment systems, and the ability of the central bank to conduct effective monetary policy.

Public policy has long recognized the importance of protecting the safety and soundness of banks and depository institutions generally: they perform a unique and critical role in the financial system as operators of the payments system, as custodians of the bulk of liquid savings, as unbiased suppliers of short-term credit, and as the critical link between monetary policy and the economy. In our judgment, those concerns remain central today in any consideration of banking legislation. Recent developments only emphasize the point.

One aspect of those concerns is reflected in the federal "safety net" long provided by the discount window and deposit insurance, and that "safety net" also implies an effective supervisory and regulatory framework for depository institutions to contain excessive risk. Moreover, that framework must, to a degree, extend to holding companies of which the depository institutions are a part because banking institutions cannot be wholly separated from the fortunes of their affiliates and from the success or failure of their business objectives.

At the same time, banking and thrift organizations must be able to compete, and compete effectively and profitably in the marketplace, if they are to be strong and stable institutions, capable of serving the public and the public policy effectively. That need itself requires adaptation of the legislative framework. It is establishing that balance among the needs for soundness, continuity, and competitive strength that represent the legislative challenge before you.

The Current Situation

The accelerated pace of change in the structure of our financial system grows out of several developments that are well known by now. New communications and data processing technology has led to computerization of many financial services and to a blurring in the capacities of banks, thrifts, and other potential suppliers of financial services. There are greater opportunities for providing efficient services and more services by banks and nonbanks alike. At the same time, business and consumer experience with inflation and related higher interest rates of the late 1970s and 1980s has increased sensitivity to yield differentials and has put a premium on the ability to move money quickly both nationally and internationally.

Removal of interest rate ceilings on liabilities of depository institutions and aggressive competition with new forms of liquid deposits and deposit substitutes have spurred efforts to attain new sources of income through fees, through expanded asset powers, and by operating interstate. At the same time, nonbanks, offering broadly similar types of financial instruments, have sought ways to enter the banking business to gain access to federal deposit insurance and to the payments mechanism without having all the burdens carried by the regulated banking sector.

There have been numerous reactions to the forces driving change. We see new combinations of financial firms and new services. Increasingly, it seems, those services are similar to those offered by banks—money market funds, cash management accounts, and more recently brokerage of insured deposits. The phenomenon known as "nonbank banks," growing out of loopholes in current law, provides a vehicle by which financial and nonfinancial firms can enter the banking business outside the framework of law and regulation surrounding bank holding companies, actually or potentially violating the policy proscriptions against the combining of banking and commerce, and in the case of banks themselves, the established policies limiting interstate banking. Among depository institutions the distinctions are also blurring, with many thrifts increasingly assuming the characteristics of banks. Moreover, "bank-like" thrifts are also able, particularly under much more liberal laws in some states, to undertake activities prohibited for banks.

Now, we can also see a strong movement among states to enact banking laws more permissive than federal law—in an effort to attract institutions, to enhance state revenues, and to create new state employment opportunities—with the obvious potential for undermining federal law and policy. And, as those efforts become generalized, they will be self-defeating even in their immediate purpose. Meanwhile, the decisions of federal regulators in the framework of existing law may be, or appear to be, inconsistent, whether they are meant to facilitate change or to maintain congressional intent. Such decisions are increasingly subject to court challenges to stop or speed the process, as they have an impact on particular private interest concerns, and the courts themselves are hard pressed to apply old laws to new circumstances.

As regulators and legislators concerned with the public interest, we must be sensitive to abiding and valid concerns of the public interest without blocking responses to real needs in the marketplace. As things now stand, there is no assurance that the process of change will adequately address public policy concerns. Quite the opposite—it is clear that some of the time-tested tenets of banking law and policy are being undermined as market pressures and competitive instincts play against an outmoded legal and regulatory framework. The longer difficult decisions about the direction in which change should be encouraged or discouraged by public policy are postponed, the more difficult these decisions will ultimately become. And, more importantly in my view, delay only increases the risks that policy concerns—including the safety and soundness of the banking system—will be undermined.

A Balanced Approach to Banking Legislation

In previous testimony on these issues before the Senate Banking Committee, I have suggested that new legislation should now address the following areas affecting banking institutions: (1) a strengthened definition of a bank, (2) a definition of a "qualified" thrift, (3) statutory guidelines to govern the division of state and federal authority in the area of banking organization powers, (4) new procedures to streamline application of the Bank Holding Company Act, and (5) expanded powers of depository institutions holding companies. That testimony described in considerable detail our position on each of these areas and, rather than reviewing those positions again, I have attached my Senate testimony to this statement for the use of the committee.

The legislation introduced by Chairman St Germain and by Mr. Wylie—The Financial Institutions Equity Act of 1984—deals in a broadly appropriate way with the first three areas I have mentioned. So far as they go, the provisions closely parallel the views of the Federal Reserve Board. Specifically, they would more adequately define what a bank is, define the essential nature of a thrift eligible for the privilege of treatment as a "unitary" savings and loan holding company, and limit the ability of states to regulate banking in ways inconsistent with federal policy. Provisions along these lines are important in any legislation. What is necessary, however, is redefinitions of the powers of bank holding companies in a manner more in line with present needs, while consistent with safety and soundness as a whole. Therefore, I urge the committee, in its consideration of the legislation, to add the two vital elements now omitted: namely the streamlining of provisions under the Bank Holding Company Act and the expanded powers of depository institution holding companies.

In reviewing H.R. 5734, my comments will be fairly general. Therefore, I have appended specific legislative language encompassing suggested changes that the committee may wish to consider.

Definition of a Bank

The definition of a bank proposed in H.R. 5734—(1) an FDIC insured bank; (2) a bank eligible for FDIC insurance; or (3) a depository institution that accepts transaction accounts and makes commercial loans—is the one originally recommended by the Federal Reserve. The new definition would close the nonbank bank loophole in current law, and would not allow so-called "consumer banks" to be exempt from the Bank Holding Company Act. We believe it to be basically sound.

We have suggested a few limited changes to the basic definition in the bill in the Senate testimony that is attached.[1] Those changes are designed to avoid having an unnecessary impact on a limited number of state-chartered nonbank institutions should the committee wish to do so, although we fully agree that nonbank depository institutions such as industrial banks and privately insured thrifts should be covered by the basic policies of the bank and savings and loan holding company acts.

An important provision of the bill would provide for divestiture of institutions that are defined as banks if the parent owner is engaged in businesses that are inconsistent with the restrictions and limitations of the Bank Holding Company Act, without providing any grandfathering. While we have been willing to support provisions that would permit a limited amount of grandfathering for institutions proceeding in good faith before legislative proposals were introduced, we agree that such exceptions should be made with great caution.

I would like to remind the committee of a related point concerning equity among financial institutions: we regulate banks to preserve the integrity of the nation's payments mechanism and to meet the needs of monetary policy. It has been the longstanding view of the Board that authority should be provided to it to define

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

transaction accounts and to apply reserve requirements to institutions that are not formally depository institutions (and thus are not covered by the prudential rules applicable to these institutions and their holding companies), but that do offer transaction accounts similar to those offered by banks and thrifts. As long as these close substitutes for bank deposits are free from reserve requirements, potential competitive advantages relative to bank deposits exist, particularly when no interest is paid on required reserves. At some time, the result of the competitive disparity could be to complicate the task of conducting monetary policy.

Thus, the Board believes it would be prudent to incorporate into the bill a provision whereby it would have authority to determine if instruments issued by nonbank institutions allowing third-party payment have, in fact, the essential characteristic of transaction accounts and should thus be subject to reserve requirements. The Board would not expect to use this authority unless conditions arose to demonstrate its necessity. Also, we believe that institutions with such powers should be subject to requirements pertaining to reporting of deposits.

Definition of Qualified Thrift Institution

As in the case of nonbank banks, there has been increasingly clear recognition of the need to adopt rules to assure equality of treatment of various types of depository institutions exercising similar or overlapping powers. Thrift institutions have become more like banks with respect to the powers they are *allowed* to exercise, and that has become increasingly true with respect to the powers they *do* exercise. Moreover, the powers available to thrift institutions in other respects extend well beyond those available to banks and over time will even call into question the basic separation of banking and commerce now incorporated in public policy. Considerations of competitive equity alone dictate that the privileges and restrictions of banks and thrifts be brought into a more coherent relationship. But it is not just a matter of competitive equity. Restrictions on powers of bank holding companies and on "nonbank banks" will inevitably be undercut, and rapidly, to the extent thrift institutions with banking powers can simply substitute as a vehicle for combining various activities. The need for action is reflected in the interest of a variety of nonfinancial and financial businesses in the acquisition of thrifts in order to benefit from their bank-like powers, to have expanded opportunity for branching, to gain access to federal deposit insurance, and to be direct participants in the payments mechanism while retaining their range of nonbanking, and even nonfinancial, business.

I recognize that there are difficult questions posed by firms that already have operations on both sides of the line between commerce and "thrift banking." In the past, some industrial or commercial firms have owned thrifts operating as separate and distinct entities without significant problems arising. But in the environment we now face, these questions need to be approached anew, and a firm policy established with respect to which combinations are acceptable and which are not.

H.R. 5734 approaches this issue by defining a "qualified" thrift institution to be a thrift that has at least 65 percent of its assets in residential mortgages or related investments. This test must be met within two years, except for mutual and stock savings banks that are given a 10-year period to comply. Further, "nonqualified" thrifts would be precluded from engaging in commercial lending activities whether or not they are part of a holding company. Similarly, commercial lending activities would not be permitted by those "qualified" thrifts that are owned by a unitary savings and loan holding company that engages in activities not permitted for a multiple savings and loan holding company.

We believe that this qualified thrift test is appropriate for a savings and loan holding company to be eligible for treatment as a unitary thrift holding company, with the special benefits that status carries. Further, we believe the basket of assets to be included under H.R. 5734 in the 65 percent ratio, which would include residential mortgages or mortgage backed securities, mobile home loans, loans for home improvement, or participation in any of these instruments, is appropriate and consistent with the historic purpose and the special benefits the Congress has given to thrifts as housing lenders.

Based on this definition, according to our calculations, almost three-quarters of institutions insured by the Federal Savings and Loan Insurance Corporation would currently meet this test.

We believe that the transition periods provided in H.R. 5734—two years for savings and loans and ten years for mutual or stock savings banks, with interim targets as set in the bill, represent reasonable time frames for thrift institutions to decide whether they wish to be excluded from holding company act policies and continue to be treated as thrifts or conform to those policies as do banks. If necessary, a longer transition period than two years could be considered for savings and loan institutions, provided they meet interim targets. Further, we agree that ownership of a thrift by an industrial or commercial firm could be continued during the transition period and thereafter, provided that "tandem" operations between the holding company and its depository subsidiary or vice versa are not permitted.

Some clarification of the proposed treatment of banks and thrifts with regard to tandem operations would be desirable. The Board's position has been that tandem operations between a thrift institution and affiliated nonbanking subsidiaries of the parent holding company—in either direction—should not be permitted, that is, the thrift could not jointly market or offer its services and the products or service of the nonbanking affiliates, and the nonbanking affiliates could not market or offer the products or services of the thrift. We believe that the legislation should clearly indicate that the prohibition would work in both directions. In the appendix, we have suggested legislative language to accomplish this result and to make a number of other technical changes.

The bill also applies the tandem operations limitations to relationships between banks and nonbanking affiliates of bank holding companies. Bank holding companies are already subject to strict antitying prohibitions in the Bank Holding Company Act and in the Board's regulations. Considering these provisions and the activities limitations of the Bank Holding Company Act, I would not see any need for the provisions of section 2(b) of H.R. 5734 related to tandem operations between banks and bank holding companies.

Finally, the bill prohibits the affiliation of thrifts and securities firms applying the Glass–Steagall Act to insured and uninsured savings and loan associations. Such a provision is necessary to assure safety and soundness and competitive equity, has been recommended by the Federal Home Loan Bank Board, and is strongly supported by the Federal Reserve Board.

ACTIVITIES OF STATE-CHARTERED DEPOSITORY INSTITUTIONS

Concern has been expressed about authorizations by states permitting banks or thrifts (and their subsidiaries) to conduct nonbanking businesses that would not otherwise be permitted to bank holding companies under present or new federal laws. The question must certainly be asked whether it makes sense for the Congress to work out carefully balanced arrangements for depository holding companies in the conduct of nonbanking activities, taking full account of what is necessary to assure a safe and sound banking system, only to see subsequently far different and inconsistent arrangements established for state-chartered institutions under state law for reasons that are often more concerned with shifting revenues and jobs than with the overriding need to provide a secure and stable banking system.

H.R. 5734 deals with this problem by permitting states to authorize activities beyond the scope of section 4(c)(8) of the Bank Holding Company Act or section 408 of the National Housing Act, but requiring that such activities be conducted only within the authorizing state and provided only to residents of the state.

These provisions directly address the problems created by certain state actions, such as in South Dakota, where nonbanking activities, such as insurance underwriting and brokerage, by state-chartered banks are encouraged so long as these activities are directed largely out of state. Moreover, the proposal would allow an area of state initiative and experimentation consistent with the traditions of the dual banking system.

At the same time, the Board believes that one additional step should be taken to enforce basic national policy when questions of safety and soundness are fundamentally at stake. That step would involve a congressional decision to rule out specific activities for banks or their affiliates that the Congress specifically decides to prohibit or limit on grounds that the safety or stability of the banking system might be impaired—areas in which the federal government, through the provision of a national "safety net," has a unique and overriding interest. For example, if the Congress reaffirms its decision to exclude banking organizations from participating in underwriting corporate debt and equity, or limits the participation of these organizations in real estate development on grounds of risk, as we believe appropriate, the states should not be able to overrule that judgment and expose the insured depository system to those risks. A similar point might be made with respect to insurance underwriting and the general prohibitions on links between commerce and banking. However, in areas in which safety and soundness are not so heavily involved, such as in a decision to authorize real estate or insurance brokerage powers or travel services for banking institutions, but rather involve questions of consumer protection and competitive equity, an overriding federal interest does not appear to be present. Consequently, state legislatures might authorize banking organizations to participate in these activities within the confines of their own state, as H.R. 5734 provides. Here each state may be in at least as good a position as the federal government to make the judgment as to what is desirable to protect local customers and local interests, while encouraging a competitive environment and efficiency.

In sum, we would suggest that the balance between federal and state interest be struck as follows: (1) states may not authorize activities that the Congress has ruled out of bounds for safety and soundness reasons; and (2) states may optionally authorize other activities but only if they are conducted within separate affiliates within their borders and provided to their own residents. We have attached to this testimony a draft of these provisions, which the committee may find useful.

Other Provisions of H.R. 5734

The legislation contains several other provisions all having to do with securities activities of depository institutions and their holding companies. It would appropriately extend Glass–Steagall prohibitions on the intermingling of banking and security dealings to cover affiliations with securities firms by all banks and thrifts. Currently the Glass–Steagall prohibitions arguably cover only member banks. The statutory omission of explicit coverage of nonmember banks is an anomaly that appears to have developed as an oversight rather than by congressional intent. Explicit coverage of thrifts is overdue, both to assure safety and soundness and as a matter of competitive equity. The legislation would also close another potential loophole by making it clear that the Glass–Steagall limitations on the affiliation of securities firms and depository institutions apply when securities activities are conducted in affiliates of depository institutions. We support these provisions.

The bill would also prohibit all retail brokerage activities for all types of depository institutions or their holding companies. This would include so-called "discount brokerage"—shorthand for a passive brokerage function separated from research and active management or advice with respect to specific accounts or stocks. Discount brokerage, involving the purchase and sale of securities at the request and initiative of a customer, has been approved for bank holding companies by the Federal Reserve Board. In the Board's view, that activity does not raise questions of safety and soundness or of conflict of interest, and is an appropriate and natural extension of services that banks and other depositories have historically offered to their customers. Particularly when conducted in a separate subsidiary of a depository institution holding company, we see no public policy reason why these institutions should not be able to offer discount brokerage service.

In fact, considerations of competitive equality and potential benefits to consumers would suggest that such activities would have positive public benefits. We believe that discount brokerage should be permitted for depository institution holding companies. A more substantive question would arise with respect to general stock brokerage activities. If the Congress feels it important to provide limitations in this area, we would confine such limitations only to a combination of brokerage with the dissemination of advice and research, and active solicitation of transactions in particular securities.

BANK HOLDING COMPANY PROCEDURES

As I noted above, the Federal Reserve has recommended that banking legislation should include amendments to the Bank Holding Company Act to permit new procedures for streamlining the processing of applications under the act. These provisions do not appear in H.R. 5734. The Board believes the new procedures that are contained in legislation being considered in the Senate would minimize the cost and burdens of regulation of holding companies, would provide the Board with adequate supervisory authority over the activities of holding companies and their nonbanking subsidiaries, and are fully consistent with the public interest. These provisions are desirable not only to avoid unnecessary procedural delays for bank holding companies but also are necessary to place bank holding companies on more equal footing with their competitors by eliminating the need for a positive finding of public benefits and for formal hearings. As things now stand, those requirements, which other businesses do not face in undertaking new activities, can become a tool for competitors to limit bank entry into lines of activity now dominated by others.

In the proposed approach, new activities could go forward, after notice to the Federal Reserve Board, unless the Board found grounds for disapproval under statutory criteria, relevant to broad public policy considerations. Specifically, new initiatives could be disapproved if inadequacy of financial and managerial resources were demonstrated, if resources were widely concentrated, or if there were adverse effects on bank safety and soundness. As further protection, the Board would also have general authority to set out regulations on nonbanking activities to assure "safe and sound financial practices," including appropriate capital standards.

The purpose of those provisions, and the provision reducing the scope for judicial review by competitors, is to reduce unnecessary regulatory burdens while maintaining a necessary level of supervision to protect public policy interests. While potentially dilatory formal hearings on applications would be limited, formal rulemaking procedures would, of course, remain in place with respect to decisions to add new activities to permissible bank holding company powers. The Board would continue to request public comments on notices and to hold informal hearings, when necessary, to obtain information necessary to make decisions.

Our conclusion is that those provisions adequately balance the need for reducing the regulatory burdens with the requirement for adequate supervision to enforce fully the provisions of the Bank Holding Company Act. I strongly recommend that these provisions be included in legislation now before the committee.

NEW ACTIVITIES FOR BANK HOLDING COMPANIES

H.R. 5734 provides for no new expanded powers for bank holding companies. In our view, considerations of competitive equality as among types of financial institutions (including thrifts), potential benefits to consumers of a broader range of suppliers of financial services, and the need for banks to broaden their earning capacity strongly point to an increase in the range of banking related activities permitted bank holding companies. The point is reinforced by the need to assure that these companies are in a position to take advantage of the burgeoning technological developments that are enhancing the delivery of financial services.

As I have stressed, those considerations must be—and they can be—balanced against other public policy concerns: assurance of fair and open competition in the provision of credit and other services, maintenance of impartiality of banks and credit judgments, and avoidance of practices that can undermine the strength of the bank itself, and the banking system more generally. My earlier testimony before the Senate deals with these questions at length, considering each of the most significant powers in turn. Rather than burden you by reiterating that analysis here, I would only point out that in approaching these questions, we firmly believe the issues of safety and soundness of concern to members of the committee can be appropriately addressed in the legislative process consistent with a broadening of bank holding company powers.

INTERSTATE BANKING

We surely need a fresh congressional review of our entire policy toward interstate banking. While I understand the difficulties involved in this issue, we also must recognize that the proliferation of nonbank affiliates of bank holding companies operating across state lines, integrated loan production and "Edge Act" offices, national and regional marketing of credit card and related services, the current action of some states themselves to permit entry of out-of-state banking organizations, and the broader powers of thrift institutions able to operate interstate have by now led to interstate banking de facto for many banking services. But this de facto system has inherent inefficiencies and gaps, and in some instances may be more difficult to operate, from the standpoint of the bank, or to supervise from the standpoint of the regulator.

While most of the issues in this controversial area will need to be held over to a later Congress, the present movement towards regional interstate banking arrangements does raise major constitutional and public policy issues that need to be dealt with now. Recently, in three bank holding company merger applications under reciprocal statutes of New England, the Board had to address constitutional issues inherent in these discriminatory arrangements. As anticipated, the basic issues in these cases are now before the federal courts.

We cannot anticipate the outcome of those actions, but we do believe the matter should be decided as a matter of congressional policy, not by regulators or courts attempting to read the legislature's intent into old laws originally intended to deal with different problems. If the Congress wishes to support regional arrangements, legislation explicitly authorizing that approach should be enacted. We believe, as a matter of public policy, that such authorization should be for a strictly limited period, and viewed as a transition toward interstate banking arrangements that avoid "Balkanization" of banking into regions.

BROKERED DEPOSITS

An important issue that has received considerable attention is the proliferation of insured brokered deposits. Developments in this area are an example of how the marketplace can respond to one element of government intervention—in this case federal deposit insurance—in a manner that can have unintended and undesirable effects. The deposit insurance agencies are rightly concerned about the proliferation of brokered deposits. Indeed, brokered deposits have in a number of instances facilitated extremely rapid, unsustainable growth and excessive risktaking by some institutions that subsequently failed or are now in serious financial condition. If permitted to expand without appropriate constraints, such activities could have serious and unintended effects on the insurance funds and the structure of depository institutions.

The Board has taken the position that legislation to permit regulatory agencies to set a cap on insured brokered deposits—at a low level, such as 5 percent of deposits or tied to capital—would be appropriate. I have attached legislative language that would accomplish this. In our view, it should be added to this legislation.

CONCLUSION

I cannot emphasize strongly enough the urgent need for definitive congressional action on the legislation now before you during the current session. Decisions cannot be postponed any longer, for if they are, the financial system will be markedly restructured without guidance from the Congress. The legislation before you—H.R. 5734—is a positive step, and as indicated, we support the main thrust, so far as it goes.

What we find lacking in the bill is an appropriate response to the need for striking an appropriate balance in the powers permitted bank holding companies. Without such provision, the job of reform will be incomplete, only to be left to later Congresses, and at risk to the competitive strength of the banking organizations upon which we rely so heavily.

Members of the committee have called attention to the degree of pressures and strains in the banking system that have called into play the federal safety net. I believe we must be extremely careful in drawing conclusions from those events. While the overall stability of the banking system should not be in question, in individual instances there may indeed be a question raised, for bankers and supervisors alike, about the conduct of traditional banking business. Appropriate standards for capital, for liquidity, and for credit risk are continuing questions that deserve, and are receiving, our attention.

But those questions affecting the use of existing powers are not directly at issue in this legislation. The matters covered by H.R. 5734 do deal with some implicit threats to safety and soundness, particularly from the proliferation of competition in banking by unregulated institutions. New powers need to be assessed in the light of those concerns as well. But simply prohibiting banking organizations from competing in areas consistent with criteria of safety and soundness—areas that would in fact enhance their prospects and stability—does not serve either the consumer or other public policy concerns. To that extent, H.R. 5734 strikes us as incomplete legislation, deferring issues that need to be resolved.

In sum, the basic policies of the Bank Holding Company Act against excessive risk, conflicts of interest, impartiality in the credit-granting process, and concentration of resources, remain sound. Those principles are now being undermined by a haphazard pattern of interindustry acquisitions and by new combinations of banking, securities, insurance, and commercial products. Decisions shaped by market forces working around present outmoded law will not produce a coherent framework and can only in the end undermine and weaken the fabric of the banking system.

This is a critical time in our financial history. You have a unique opportunity to adapt the enduring principles to present needs.

The time is already late. But the issues are clearly before you, ready for decision and action. I urge you to move ahead with a sense of urgency, to protect and strengthen the financial system. □

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on International Economic Policy of the Committee on Foreign Relations, U.S. Senate, June 15, 1984.[1]

I am pleased to have this opportunity to discuss the outlook for world trade and U.S. exports in light of the international debt situation and dollar interest rates and exchange rates.

The growth of international trade that we have witnessed over the past several decades has provided a vital boost to standards of living throughout the world. During the 1960s and the 1970s, the volume of world trade expanded at an average annual rate of about 7 percent. That expansion allowed countries with raw material resources and fertile agricultural lands to raise their incomes significantly by marketing their minerals and crops outside their borders. Apart from the exploitation of natural resources, the expansion of trade has also allowed countries to raise their living standards by devoting their labor and physical capital to larger-scale production of manufactures and provision of services. The pressures of international competition associated with the expansion of world trade have encouraged the efficient use of resources, helped to restrain the forces of inflation, and fostered a continuing stream of new products and technologies that have pervasively affected the lives of all of us.

The growth of world trade slowed markedly—in both volume and value—during the first two years of this decade and turned negative in 1982. To a large extent that performance reflected the recession and sluggish growth of economic activity in industrial countries. It was also affected by the slowdown of international lending to developing countries.

In 1983, the volume of world trade began to recover, and some forecasters are predicting growth of about 5 or 6 percent in 1984. The expansion of U.S. trade contributed importantly

1. Chairman Volcker presented similar testimony before the Subcommittee on International Finance and Monetary Policy of the Senate Committee on Banking, Housing, and Urban Affairs on June 14, 1984.

to the recovery of world trade last year, but, as most of you are intimately aware, that expansion occurred disproportionately on the side of our imports rather than on the side of our exports.

U.S. exports did increase moderately in value and volume terms during the four quarters of 1983. They continued to increase during the early months of this year, though the expansion has been outpaced by that of imports. Thus, today we face a number of serious economic policy concerns with international symptoms: our large and growing international trade deficits, the international debt situation, and the high value of the dollar.

In approaching these issues, I believe it is right to emphasize, first, that the past year or more has been one of vigorous economic advance in the United States. That, in turn, has been a powerful force assisting growth in other industrialized countries and easing the difficult adjustment problems of much of the developing world. At the same time, that progress has been accompanied by some obvious and serious imbalances in the international economy and financial system. Those international strains are a reflection, in considerable part, of problems in internal policy here and abroad.

One aspect of those problems that has received a great deal of attention, internationally as well as domestically, is the high level of interest rates in the United States. Those interest rates have risen over recent months under the pressure of rising private credit demands, as the economy has grown, superimposed on the need to finance an already huge federal deficit. High interest rates have helped attract a growing inflow of capital from abroad, and that inflow has, for the time being, helped to reconcile rising investment with the need to finance the deficit.

But that capital inflow is not without heavy cost to us and to others in the short and in the long run. The essential counterpart of a net capital inflow is a massive trade and current account deficit partly related to an appreciating dollar. Increases in our interest rates add directly to the strain on the external payments of heavily indebted developing countries. And, over time, the capital flows and trade imbalance will not be sustainable, posing the risk of further financial disturbances in the absence of needed policy adjustments.

If we are to restore better balance in our international trade accounts and relieve the pressures on our internationally exposed industries, and if we are to mitigate the burdens that high interest rates place on borrowing countries without undermining other objectives—including stability and growth at home—we cannot, in my judgment, escape the need for decisive action to reduce our federal budget deficit. The more slowly we proceed in correcting our internal imbalance, the greater are the risks not only to our international trade position, but also to the health of our domestic economy and our financial markets.

The Congress is in the process of taking a first step toward dealing with the problem over time, and I welcome that effort. Reducing a substantial budget deficit, in the United States as elsewhere, is not easy. Popular support for painful adjustment is particularly difficult to win when the consequences of inaction are prospective rather than immediate. That, to many, has appeared to be the case over the past year and a half as our economy has performed remarkably well. From the fourth quarter of 1982 through the first quarter of this year, our gross national product has expanded at an average annual rate of 6¾ percent in real terms, while the unemployment rate has declined from its 10¾ percent peak at the end of 1982 to a level of 7½ percent in May. Moreover, the recovery has brought healthy rates of investment in producers durable equipment, in nonresidential structures, and in housing.

Of course, these gains started from a low level, and for a time it could be argued that an expansionary thrust from the budget deficit could be helpful. But, as the forward momentum of the economy continues and private spending and borrowing increase, the consequences of the continuing structural budget deficit are apparent.

That is perhaps most apparent in the deteriora tion of our trade position. One counterpart to the continuing federal budget deficit at a time of growing economic activity has been the growing net inflow of capital from abroad and its counterpart, the widening deficit in our current account transactions with other countries. In essence, that growing deficit has permitted us to consume, to invest, and to buy "more government" than provided by the increase in national output—the GNP. In fact, all domestic demands have expanded since the fourth quarter of 1982 at an annual rate of 8¾ percent, about 2 percentage points faster than our gross national product. Looking at the financial side of the equation, the net inflow of capital that we have attracted from abroad is supplementing internal savings about one-quarter—or more than 2 percent of the GNP—enabling us to finance our large federal deficit while private spending on consumption and investment goods has also been growing rapidly.

Whatever the net benefits and difficulties of this process to date—and both have been present—the issue for the future is how to promote a sustainable pattern that meets our interests in stable and sustained growth at home in a context of growing world trade and financial stability. In analyzing these prospects, it is useful to review developments with respect to our external position since the fourth quarter of 1980, when the dollar began its extraordinary appreciation. From that period through the first quarter of this year, our trade balance has deteriorated roughly $75 billion, despite a sizable reduction of about $25 billion in our imports of oil. The adverse swing in the non-oil trade balance has thus amounted to about $100 billion. To put that figure in perspective, the additional $100 billion of annual sales that our tradable goods industries might have retained or captured in the absence of shifts in our non-oil trade flows is two-thirds the size of the entire annual output of our residential building sector, which measures around $150 billion in the GNP accounts.

Plainly, the deterioration in our trade position has had profound effects spread through many firms and farms in all parts of the United States. Those engaged in foreign trade or competing with imports have not shared proportionately in the strong expansion of the U.S. economy, and some important industries are still operating well below 1980 levels. Exports of all major categories of goods have declined since the fourth quarter of 1980. Measured in real terms or at constant base-period prices, exports of agricultural goods declined 4 percent on balance, while exports of nonagricultural goods declined about 15 percent. Among the leading categories of nonagricultural goods, exports of both machinery and industrial supplies declined nearly 20 percent. The longer our exports remain depressed, the more difficult it becomes to maintain marketing networks, and the more costly and difficult it becomes to recover foreign sales.

The strong expansion of aggregate demand in the United States relative to aggregate demand in foreign industrial economies has contributed importantly to the widening of our trade deficit. In that sense, some of the deterioration in our trade position is cyclical and reflects not the loss of markets at home or abroad, but rather the absence of proportionate gains. In addition, exports have dropped sharply to developing countries that are burdened with large external debts and are in the process of readjusting their economies and their balance of payments positions. This is particularly true with respect to our neighbors in Latin America; our exports to that area have dropped $15 billion since the fourth quarter of 1980. Together, the change in our cyclical position relative to foreign industrial countries and the decline in our exports to debt-burdened developing countries appear to explain one-third to one-half of the adverse swing in our non-oil trade balance.

The dramatic appreciation of the dollar has also had an important effect. Since the fourth quarter of 1980 the value of the dollar has appreciated about 45 percent on average against the currencies of foreign industrial countries. Over the same period, U.S. price performance has been somewhat better than the average in foreign industrial economies, but even allowing for the differential in inflation, the dollar has appreciated substantially. No doubt that appreciation of the dollar has helped to maintain the progress made against inflation during a period of vigorous recovery. But, if it proves inconsistent with a more sustainable trade position, we cannot count on the current strength of the dollar to persist indefinitely.

The dramatic appreciation of the dollar reflects a number of forces, and the outlook for the dollar is difficult to predict. Apart from the relatively high level of interest rates in the United States, the performance of our economy and a sense of confidence in our political stability have helped encourage capital inflows, particularly when tensions have increased abroad. The degree to which these forces will continue in the months and years ahead cannot, of course, be assessed with certainty, but the point is often made that, in a purchasing power sense, the dollar is now "overvalued." Such calculations are necessarily imprecise. They differ depending upon the particular type of price index that is used—consumer prices, producer prices, export prices, and so forth—and upon the time period that is chosen as the base period for the calculations.

There can be no doubt, however, that the dollar has risen in recent years substantially more than in proportion to movements in relative price levels here and abroad. Thus, the value of the dollar is substantially higher today than would be warranted solely on the basis of changes in the relative levels of U.S. and foreign price indexes.

But exchange rates are clearly influenced—in the short and even in the longer run—by factors other than relative rates of general price inflation. This often is the case when there has been a substantial change in the relative levels of interest rates, as has been the case between the United States and its trading partners in recent years. In principle, large capital inflows could persist for some time ahead even though the United States is now becoming a net debtor internationally. But there is a serious question as to whether the situation is in our best interest or that of other countries. High interest rates pose severe problems for important sectors of the domestic economy and certainly for the indebted countries. Moreover the sustainability of our trade deficits and net capital inflows over a prolonged period are questionable, to say the least.

A precipitous large decline in the dollar, whatever its immediate cause, would not be in our interest. If related to a reduced willingness to invest in, or lend to, the United States, the burden of financing the budget deficit, in competition with private needs for credit, would be increased. Domestic prices and costs would be affected. And, the prospects for achieving lower interest rates would be further clouded.

All of that emphasizes the key importance of maintaining confidence in our economic policies and outlook. There are implications for monetary policy because that confidence must be rooted in a sense of conviction that inflation will remain under control. And there are clear consequences for fiscal policy as well because of understandable concerns that excessive fiscal stimulus may regenerate inflationary forces or stronger financial market pressures, or both.

There is a straightforward and constructive way to deal with concerns of the kind—a way fully consistent with purely domestic needs. I am thinking, of course, of credible action to put the structural budget deficit on a course that is headed toward balance within a reasonable time period. Apart from the direct benefits of taking pressures off financial markets and reversing recent increases in interest rates, we would become less dependent on inflows of capital from abroad to balance our savings with our investment needs. Over time, the dollar should move into an equilibrium consistent with a stronger, and sustainable, trade position. And, the risk of disturbingly large declines in the dollar should be ameliorated because U.S. policies would earn the continued respect and confidence of the financial community.

While I will not try to suggest an appropriate "equilibrium" value of the dollar over time, I do believe that balance will be struck at a higher level, and the risks of sharp and abrupt changes reduced, to the extent that we can build upon the progress against inflation. I also believe it is not in our interest to see abnormal, and ultimately temporary, strength in the dollar when such strength is really a reflection of imbalances in our domestic policies and markets.

Sometimes it is suggested that intervention in exchange markets can be useful to smooth these fluctuations, or as some would suggest now, to depress the dollar in the interests of our trade position.

In my judgment, exchange market intervention can play a useful role in dealing with disturbed market conditions or, occasionally, in signaling the desires or policy intent of the financial authorities in various countries, particularly when the approach is coordinated among them. But its role is subsidiary: experience strongly suggests that intervention alone is a limited tool that cannot, itself, greatly or for long change market exchange rates unless accompanied by changes in more basic policies. In present circumstances, as I have indicated, we have come to rely on inflows of capital to finance our domestic needs. So long as the fiscal situation is unchanged and private credit demands are high, an intervention approach that resulted directly or indirectly in curtailing that flow would risk undesirable consequences for interest rates. Those risks would be particularly great if the United States were seen to be embarking on a deliberate policy of depreciation.

Others suggest we attack our external deficits directly, either by erecting barriers to capital flows or by restricting imports. Again, such measures do not go to the root of the difficulty.

To the extent direct measures were successful in reducing the net capital inflow, real interest rates in the United States would presumably rise, other things equal, as part of the process of replacing the lost saving from abroad with an increase in private domestic saving or a reduction in private domestic investment. The burden of our budget deficit on interest-sensitive sectors of the U.S. economy would be intensified; the problem would be shifted without resolving it. That would be true quite apart from the other compelling considerations against direct controls, which would be administratively difficult and contrary to our basic interest in open markets.

Yielding to the pressures for intensified import restrictions also could only complicate our problems. Beware, in particular, of arguments suggesting that import restrictions designed to benefit one industry or another will produce more jobs for the economy as a whole. To an individual firm or industry, shutting off import competition offers immediate advantages; more generally, it is argued that each billion dollars of the trade deficit represents a billion dollars of domestic output foregone, other things equal. Using the rule of thumb that each billion dollar's worth of domestic output requires about 25,000 workers, it is then calculated that one million jobs could be created by reducing the trade deficit $40 billion.

The pitfalls in such reasoning should be clear at a time when the economy is already expanding strongly: a more rapid growth of output and employment than we have experienced over the past year and a half, combined with reduced capital inflows, would likely have been reflected in more pressures on financial markets at the expense of other sectors of the economy.

More generally, it should not be overlooked that the decision to protect one industry invariably imposes costs elsewhere. It is costly to other industries if foreign countries retaliate against U.S. exports, if import restrictions lead to higher dollar exchange rates than would otherwise prevail, or if costs rise. Protection typically leads also to higher prices and less choice for consumers and can be politically difficult to terminate, as exemplified by the current export restraint program on Japanese automobiles.

Still another essential reason for resisting protectionist pressures is the adverse implications of protection for the export earnings of the developing countries. We encourage those countries to take effective measures to build their productive structures over time, and we urge strong steps to adjust their economies in the short run to generate the payments due on their debts. But those processes cannot ultimately succeed if the United States and other industrial countries protect their own markets from the competitive exports of the developing countries.

Those developing countries have traditionally been an important market for our exports, and they have the potential to be much larger. That process of two-sided trade is fundamentally a healthy one—a process that raises our own average productivity and real income over time at the same time that it promotes growth in the developing countries. In a context of growing economies, we should be able to adjust to international competition so that we can ease the process of transition for impacted workers and firms.

That, of course, is more easily said than done. It is particularly difficult to anticipate adjustment and to accept the pressures of international competition in an environment of large and fairly rapid swings in exchange rates. Moving toward a healthier process of international development and competition over time requires that we discipline our fiscal and monetary policies to provide the conditions for more stable exchange rates.

This brings me back to the central thrust of my remarks—the need here and elsewhere to achieve better balance in our basic policies and a more sustainable pattern of external transactions.

Much has been achieved in these past few years to put the economy on a sounder footing—too much, at too great a cost, to see it all jeopardized now. Our recovery has been proceeding rapidly, with little acceleration of inflation. But the combined credit demands of the federal government and the private sector have generated disturbing pressures on interest rates, on developing countries, and on exchange rates.

In concept, we can visualize an economic expansion characterized by relatively high interest rates and by strong private consumption and a large budget deficit That is what we are having. But it has costs—costs reflected in huge trade deficits and net borrowing from abroad, potential problems for housing and other interest-sensitive sectors, and risks of exchange rate and financial instability.

What is at issue is the sustainability of growth here and abroad, and our prospects for further progress toward price stability. In the end, I know of no way to deal with these risks, and to provide solid assurance that we can build on the real progress of the past, other than to carry through on the efforts to deal with the federal deficit. □

Statement by John E. Ryan, Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, before the Subcommittee on General Oversight and Renegotiation of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 20, 1984.

I appreciate the opportunity to appear before this subcommittee on behalf of the Board of Governors to review the role of the Federal Reserve in monitoring compliance with the Bank Secrecy Act and its reporting requirements, and in assisting the primary law enforcement authorities in discharging their enforcement responsibilities.

At the outset, I think it may be useful to describe briefly the activities and responsibilities of the Federal Reserve that have a bearing on the concerns of this subcommittee. First, as a bank supervisory and regulatory agency, the Federal Reserve refers to the appropriate law enforcement agency any evidence of possible criminal conduct that is brought to light through its examination and supervisory activities. Further, the Federal Reserve has specific responsibilities for monitoring compliance with the requirements of the Bank Secrecy Act of the financial institutions under its direct supervision. This responsibility was delegated to the Federal Reserve and other bank regulatory agencies by the Department of the Treasury, which has primary responsibility for the enforcement of the statute. Among other provisions, the Bank Secrecy Act requires financial institutions to report certain currency transactions in excess of $10,000 to the Treasury Department. The reporting and other requirements of the Bank Secrecy Act were designed to frustrate organized criminal elements by putting the spotlight on currency transactions that are out of the ordinary. Finally, the Federal Reserve issues, redeems, destroys, and processes currency for banking organizations. In this capacity, it provides technical expertise and information to law enforcement agencies on banking and currency matters in connection with drug-related and other criminal investigations.

The Federal Reserve System has primary supervisory authority over approximately 1,000 state member banks and 150 Edge corporations, domestic subsidiaries of banks that are licensed to engage in international banking. The System is charged by the Congress for ensuring that these commercial banking organizations are operated in a safe and sound manner and for determining their compliance with U.S. banking laws and regulations, including the Bank Secrecy Act. We discharge our safety and soundness and compliance responsibilities, largely through the conduct of on-site supervisory examinations and through the referrel of possible violations of law to the designated agency with primary responsibility for enforcing the relevant statute. The Federal Reserve also takes civil enforcement action, such as the issuance of cease and desist orders, to prevent violations of law and unsound banking practices and to protect the bank and the bank's depositors from their adverse effects.

In carrying out its responsibilities for state member banks, the Federal Reserve often relies on examinations conducted in alternate years by state banking authorities. These procedures are intended to reduce the burden associated with overlapping regulatory authority to strengthen the dual banking system, and to further cooperation between federal and state banking agencies.

The examination procedures followed in monitoring bank compliance with the Bank Secrecy Act evolved over time and have expanded as our experience with enforcement has broadened. Beginning with the passage of the Bank Secrecy Act in 1970, Federal Reserve examiners were instructed as to its requirements in examination schools and were provided with examination procedures to check compliance. The original compliance checklist, worked out in consultation with the Department of the Treasury, formulated more detailed examination guidelines that were forwarded to the examiners for implementation.

The examination procedures presently in use by the banking agencies to monitor compliance with the Bank Secrecy Act were revised in 1981. The purpose of these revisions was to strengthen the agencies' ability to determine if banks are complying with the act and to provide the Treasury Department with better and more comprehensive information on possible violations of the act. In revising the examination procedures, the banking agencies incorporated comments and suggestions from the staffs of the Treasury Department and the General Accounting Office. The procedures are designed to ensure that banking organizations have established internal systems and procedures to ensure compliance. For those institutions with deficiencies or those that have engaged in unusually large cash shipments, the procedures call for extensive testing of actual transactions to determine if reports are being prepared as required by the regulations of the Bank Secrecy Act.

In addition to the on-site evaluation of bank compliance, the Federal Reserve reports to the Treasury Department on a quarterly basis those institutions cited for apparent violations of certain of the reporting and recordkeeping requirements. We also make specific referrals to the primary law enforcement authority whenever a situation or violation uncovered during an examination appears to involve possible criminal activity or other unusual circumstances. These notification efforts serve as the basis for further review by the federal enforcement agencies and, in some instances, may result in the initiation of criminal investigations by the appropriate authorities. In connection with these reports and referrals, the Federal Reserve responds to follow-up questions by enforcement agencies concerning apparent violations and possible criminal investigations. Moreover, our examiners have conducted special examinations of state member banks for possible violations of the Bank Secrecy Act, such as the Operation Greenback project in south Florida, and the Federal Reserve remains committed to assisting law enforcement agencies, under appropriate circumstances, in the conduct of special investigations of possible violations. These steps reflect a long-standing desire and commitment on the part of the Federal Reserve to cooperate with the U.S. Treasury and the primary law enforcement agencies in ensuring compliance with the Bank Secrecy Act.

The Federal Reserve also has statutory responsibility for reviewing notifications of changes in ownership and control involving state member banks. In passing upon such notifications, the banking backgrounds of the new principals and any known violations of law are carefully reviewed.

As a result of its responsibilities for processing currency, the Federal Reserve cooperates with the Treasury Department and other law enforcement agencies by providing information concerning currency flows into and out of the Federal Reserve Banks and their branches that result from the requests of banks for currency and coin. This information is provided monthly to a number of other agencies and can assist the law enforcement authorities in determining which regions of the country have a pattern or volume of cash transactions that may warrant further investigations. Several years ago, one study of these flows by the Treasury Department showed what appeared to be unusually heavy inflows of currency at the Miami Branch of the Federal Reserve Bank of Atlanta, particularly in $50 and $100 bills, denominations that are reportedly popular with narcotics operatives. Using the records of the Federal Reserve, and the currency transaction reports filed by banks, a number of financial institutions in Florida were selected for review for compliance with the Bank Secrecy Act as part of the effort known as Operation Greenback. Each federal banking agency has conducted examinations as part of this ongoing effort. Moreover, each Federal Reserve Bank has been instructed to establish internal systems and operating procedures to notify the primary banking agency when an institution under that agency's jurisdiction experiences unusually large or abnormal currency flows. This procedure can assist the banking agencies in identifying institutions that may require greater scrutiny to determine compliance with the reporting regulations.

Despite some isolated instances of noncompliance, we believe that the overwhelming majority of senior management of the financial institutions under the supervision of the Federal Reserve do not knowingly permit their institutions to be used as vehicles for laundering narcotics-related or other illicit monies. Indeed, the preponderance of commercial banks are sound, well-run institutions with honest and capable management. The majority of those banks cited for noncompliance have responded to examiner criticism and have instituted corrective action to ensure future compliance with the Bank Secrecy Act.

In the final analysis, however, we do not believe that it is possible for our bank examiners, or for the bankers themselves for that matter, to be absolutely certain that illicit monies are not flowing through the banks. As we all know, currency, being fungible with no lasting identity to any particular transaction, is extremely difficult to trace, and there seem to be an infinite number of ways for the dishonest to frustrate or circumvent necessarily rigid statutory or regulatory requirements. Nevertheless, we share the subcommittee's concern over the obvious adverse effects that the flow of illicit monies has on the social fabric of our country and on the integrity of financial institutions, and will continue to strive to ensure that our examination techniques serve as an effective mechanism to monitor compliance with the Bank Secrecy Act.

Statement by Frederick R. Dahl, Associate Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, before the Subcommittee on International Economic Policy and Trade of the Committee on Foreign Affairs, U.S. House of Representatives, June 20, 1984.

I appreciate the opportunity to appear before this subcommittee on behalf of the Board of Governors to discuss the role of the Federal Reserve in implementing the Bank Export Services Act. The Bank Export Services Act, which is Title II of the Export Trading Company Act of 1982, authorizes bank holding companies to acquire equity interests in export trading companies and empowers the Federal Reserve Board to act on proposals to do so. It is my intent today to give a brief overview of the regulations adopted by the Board to implement the legislation and to summarize the holding company proposals acted upon by the Board to date. This overview is followed by a description of the current activities of the export trading companies owned by bank holding companies.

The Bank Export Services Act envisages a fairly restrictive role for the Federal Reserve in relation to investments by bank holding companies in export trading companies. First, it establishes a notification procedure, as opposed to a prior approval procedure, for such investments. The investments can be made, unless specifically disapproved by the Board, within, at most, 90 days after the notice has been accepted. Second, the legislation establishes quite limited grounds on which the Board may object to a proposed investment. The Board may disapprove a proposed investment only if the Board determines disapproval is necessary to prevent unsafe and unsound banking practices, undue concentration of resources, decreased or unfair competition, or conflicts of interest; or if the Board finds that the investment would affect the financial and managerial resources of a bank holding company to an extent that is likely to have a materially adverse effect on the safety and soundness of a subsidiary bank. The only other basis for disapproving an investment is that the bank holding company fails to furnish information about the proposal that is required by regulation.

THE BOARD'S REGULATIONS

The Board's regulations implementing the Bank Export Services Act are brief. Their principal purpose is to clarify a few areas of ambiguity in the statutory language. For the most part, these clarifications reflect an attempt to limit the potential for conflicts of interest that might grow out of bank affiliation with an export trading company. The final regulations were promulgated on June 2, 1983. A copy of the regulations is attached as appendix A.[1]

In adopting final regulations, there were three principal issues. The first issue was the definition of an export trading company in which a bank holding company may invest. The problem was that the statutory language could be interpreted to permit a bank holding company to invest in any company that principally provides its own services to non-U.S. residents. For example, the statute might be read to permit a general insurance underwriting company to qualify as an export trading company that could be owned by a bank holding company so long as the customers were non-U.S. residents. A number of commenters on the proposed regulations argued for such an interpretation. The Board, however, read the legislative history of the Bank Export Services Act to support a narrower interpretation—namely, that the export trading company should serve principally as an intermediary for producers and suppliers of goods and services in the foreign marketing and sale of their products by providing a range of export trade services.

Another aspect of the definition of an export trading company centered on the statutory requirement that a bank holding company-controlled export trading company should be "principally engaged in exporting." The Board determined that a test that would be liberal, yet at the same time consistent with the congressional purpose of promoting exports, and not simply trade, would be a 50 percent test: at least half of the revenues of a bank holding company-affiliated export trading company, as measured over a two-year period, must be derived from exporting, or facilitating the exportation of, goods and services. In this regard, revenues derived from trade between third countries (two countries other than the United States) and countertrade (an export from a third country undertaken as a quid pro quo for allowing U.S. goods to be imported into that country) are counted as non-export revenues for the purposes of this test. Again, the rationale for this determination was that the Bank Export Services Act was export legislation, not trade legislation. Furthermore, these types of transactions might result in providing substitutes for the export of U.S. goods.

The third issue was whether the collateral restrictions of section 23(a) of the Federal Reserve Act (12 U.S.C. § 371(c)) should apply to transactions between the export trading company and the affiliated bank of the bank holding company. Broadly speaking, credit transactions between a bank and its parent bank holding company and its nonbank subsidiaries are restricted in amount and must be supported by marketable collateral. The question arose with respect to export trading companies because the Bank Export Services Act has a provision stating that no provision of federal law in effect on October 1, 1982, relating to collateral requirements shall apply with respect to extensions of credit from the subsidiaries of a bank holding company to its affiliated export trading company. On October 15, 1982, however, the Garn–St Germain Depository Institutions Act of 1982 revised section 23(a) in its entirety and established new collateral requirements for affiliate lending. While some commenters on the Board's proposed regulations argued that these new collateral provisions should not apply to export trading companies, the Board determined, on the basis of the statutory language and its understanding of the legislative history, to apply the restrictions to loans and extensions of credit by a bank to its affiliated export trading company. On the other hand, in order to allow an export trading company to obtain normal trade financing from an affiliated bank, the regulations include a waiver of the collateral requirements where the bank provides a letter of credit for the account of its affiliated export trading company, or advances funds for the purchase of goods for the resale of which the export trading company has a firm order, and when the bank has a security interest in the goods, or proceeds from the sale of the goods, equal to the value of the letter of credit or advance. Furthermore, the Board indicated that it might grant additional waivers based on specific requests.

The initial notifications to invest in export trading companies were all acted on by the Board. In December 1983, however, on the basis of experience up to that time, the Board conclud-

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

ed that export trading company notifications could be acted upon by the Reserve Banks under delegated authority, which could expedite the processing. The criteria for processing notifications under delegated authority are: (1) the proposed export trading company is to be a wholly owned subsidiary, or ownership is to be shared only with individuals involved in the operation of the export trading company; (2) the bank holding company investor and its lead bank meet the minimum capital adequacy guidelines of the Board and the Comptroller of the Currency or have capital enhancement plans acceptable to the appropriate supervisory authority; (3) the proposed export trading company will take title to goods only against firm orders, except that the company may maintain an inventory of goods of up to $2 million; (4) the proposed activities of the company do not include product research or design, and product modification; and (5) the proposed leveraging of the export trading company (assets: capital) does not exceed 10:1.

Notifications Acted Upon to Date

As of this time, the Federal Reserve System has acted upon 26 notifications, involving 28 bank holding companies, to establish export trading companies. The Board has not objected to any of these notifications.

Of the 28 bank holding companies that have filed notices to date, nine are multinational banking organizations, five others have assets of more than $5 billion, seven have assets between $1 billion and $5 billion, six have assets of less than $600 million, and one is a foreign banking organization.

For the most part, these proposals have involved the de novo formation of an export trading company as a wholly owned subsidiary of the bank holding company. There have been a few exceptions to this procedure, however. Several proposals have involved investments in going concerns when the attraction has been primarily the skills and expertise of the people in the companies. These companies have been small. There have also been proposals involving joint ventures. The most notable of these ventures is a partnership involving First Chicago Corporation and Sears World Trade. Another instance is an export trading company owned by three relatively small New Jersey bank holding companies.

The proposals reviewed by the Board can be separated into two broad groups. The first group consists of those in which the export trading company was conceived as furnishing primarily financing and export trade services. These services include market research, product research, freight forwarding, consulting, and advisory services. The second group is composed of those companies that were expected to engage in trade transactions as well. Although this would involve taking title to goods, these companies planned to do so only against firm orders. No bank holding company said that it would try to make an overseas market for goods that they had bought and were holding in inventory pending discovery of a buyer.

Turning to the experience of bank-affiliated export trading companies, it has to be said at the outset that the first proposal by a bank holding company to establish such a company was acted on by the Board in May 1983, only a little over a year ago. Actually, more than one-third of the proposals date only from the beginning of this year. Thus, it is not surprising that most of them are still in the formative stage—getting organized, looking for personnel, identifying markets and potential customers, and the like. In those companies in which operations have commenced, there are no clear indications of how their operations will develop in either size or character. Only a few have done trade transactions, and those transactions have generally been quite small. Discussions with these institutions, from time to time, suggest that exploration and experimentation will be the prime characteristics of many for some time to come. In short, it appears far too early to evaluate the success of the legislation and to determine whether the present rules contain impediments to the effective operation of these companies.

Later this year, the Board will be reviewing the progress of export trading companies affiliated with bank holding companies. That review is prompted by the requirement in the Bank Export Services Act that the Board make a report to the Senate and House Banking Committees on or before October 2, 1984, on the implementation of the Bank Export Services Act and on any changes in the legislation. □

Announcements

Martha R. Seger: Appointment as a Member of the Board of Governors

On July 2, 1984, the President announced the recess appointment of Martha R. Seger as a member of the Board of Governors. Dr. Seger took the oath of office, administered by Chairman Volcker, in the Board's building on that same day. Dr. Seger succeeds Nancy Hays Teeters whose term as a Board member expired on January 31, 1984. Mrs. Teeters resigned as a Board member on June 27, 1984.

On May 31, the President announced his intention to nominate Dr. Seger as a member of the Board, and confirmation hearings were held by the Senate Banking Committee on June 19, 20, 21, and 22. The Committee approved the nomination on June 28, but Congress recessed before the nomination could be brought to the Senate itself.

The text of the White House announcement of May 31 follows:

The President today announced his intention to nominate Martha R. Seger to be a Member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1984. She would succeed Nancy Hays Teeters.

Dr. Seger is a financial economist who has been serving as Professor of Finance at Central Michigan University since 1982. Previously, she was Commissioner of Financial Institutions for the State of Michigan in 1981–1982 and Associate Professor of Economics and Finance at Oakland University in 1980. She has also taught at the University of Michigan and the University of Windsor. Dr. Seger has had ten years' experience in commercial banking including serving as Chief Economist for Detroit Bank and Trust for over seven years. Prior to this she was Financial Economist in the Capital Market Section at the Federal Reserve Board.

Dr. Seger is a Director of Comerica, Inc., and the Comerica Bank-Detroit. She is a Member of the National Association of Business Economists, the American Economics Association, the Economic Club of Detroit and the Women's Economic Club.

She has three degrees from the University of Michigan, including an M.B.A. in Finance and a Ph.D. in Finance and Business Economics. Dr. Seger was born February 17, 1932, in Adrian, Michigan, and now resides in Bloomfield Hills, Michigan.

In submitting her resignation to accept a position in private industry, Mrs. Teeters sent the following letter to the President:

June 27, 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Since my term as a Member of the Board of Governors of the Federal Reserve System has expired and you have nominated Martha R. Seger to the position I have occupied, I therefore resign. I have truly enjoyed serving on the Federal Reserve Board and wish my colleagues and successor well.

Sincerely,

Nancy H. Teeters

Governor Teeters received the following reply to her letter of resignation:

The White House
Washington

July 13, 1984

Dear Mrs. Teeters:

Thank you for your letter, and I accept your resignation as a Member of the Board of Governors of the Federal Reserve System, effective June 27, 1984.

Your service to the Nation in this capacity has been greatly appreciated. I know that in the years ahead you will be able to look back with pride on your accomplishments.

You may be sure that you have my best wishes for every future success.

Sincerely,

Ronald Reagan

FINANCIAL RESULTS OF PRICED SERVICE OPERATIONS

The Federal Reserve Board has issued a report providing financial results of Federal Reserve priced service operations for the quarter ended March 31, 1984.

The Board issues a report on priced services annually and a priced service balance sheet and income statement quarterly. The financial statements, which are shown in tables 1 and 2, are designed to reflect standard accounting practices, taking into account the nature of the Federal Reserve's activities and its unique position in this field.

1. Pro forma balance sheet for priced services of Federal Reserve Banks, March 31, 1984

Millions of dollars

ASSETS		
Short-term assets		
Imputed reserve requirements on clearing balances	147.4	
Investment in marketable securities	1,080.6	
Receivables	50.1	
Materials and supplies	4.3	
Prepaid expenses	3.5	
Net items in process of collection (float)	312.4	
Total short-term assets		1,598 3
Long-term assets		
Premises	169.1	
Furniture and equipment	99.2	
Leases and leasehold improvements	2.3	
Total long-term assets		270.6
Total assets		**1,868.9**
LIABILITIES		
Short-term liabilities		
Clearing balances	1,228.0	
Balances arising from early credit of uncollected items	312.4	
Short-term debt	57.9	
Total short-term liabilities		1,598.3
Long-term liabilities		
Obligations under capital leases	.4	
Long-term debt	85.9	
Total long-term liabilities		86 3
Total liabilities		1,684.6
Equity		184.3
Total liabilities and equity		**1,868.9**

NOTE. Accompanying notes are an integral part of these financial statements.

2. Pro forma income statement for priced services of Federal Reserve Banks, for the quarter ended March 31, 1984

Millions of dollars

Income or expense item	Amount	
Income		
Services provided to depository institutions		139.6
Expenses		
Production expenses	111.0	
LESS: Board approved subsidies	1.5	109.5
Income from operations		30.1
Imputed costs		
Interest on float	12.2	
Interest on short-term debt	.8	
Interest on long-term debt	2.2	
Sales taxes	1.2	
FDIC insurance	.3	16.7
Income from operations after imputed costs		13.4
Other income and expenses		
Investment income	27.9	
Earnings credits	26.4	1.5
Income before income taxes		14.9
Imputed income taxes		5 8
Net income		**9.1**
MEMO		
Targeted return on equity		5.9

NOTE. Details may not add to totals due to rounding. Accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Balance Sheet (table 1)

Federal Reserve assets are classified as short- or long-term. Short-term assets represent assets such as cash and due from balances, marketable securities, receivables, materials and supplies, prepaid expenses, and items in the process of collection. Long-term assets are primarily fixed assets, such as premises and equipment.

The imputed reserve requirement on clearing balances and investment in marketable securities reflects the Federal Reserve's treatment of clearing balances maintained on deposit with Reserve Banks by depository institutions. For balance sheet and income statement presentation, clearing balances are reported on a basis comparable with reporting of compensating balances held by respondent institutions with correspondents. That is, respondent balances held with a correspondent are subject to a reserve requirement as determined by the Federal Reserve. This reserve requirement must be satisfied either with vault cash or with non-earning balances maintained at a Reserve Bank. Following this model, clearing balances maintained with Reserve Banks for priced service purposes should also be subject to reserve requirements. Therefore, a portion of the clearing balances held with the Federal Reserve are identified on the balance sheet as imputed reserve requirements on clearing balances, representing vault cash and due from balances. The remaining amount would be available for investment. For these purposes, the Federal Reserve assumes that all such balances would be invested in three-month Treasury bills.

Other short-term assets reflect the total of either (1) assets directly used in providing priced services or (2) an allocation of the portion of joint assets used in providing priced services. Receivables primarily reflect amounts due the Reserve Banks for priced services that have been provided to institutions for which payment has not yet been received. Receivables also include that share of suspense account and difference account balances related to priced services.

Materials and supplies reflect short-term assets necessary for the ongoing operations of priced service areas for which payment has been made. Prepaid expenses represent other prepaid items such as salary advances and travel advances for priced service personnel and the portion of priced service leasehold improvements that will be amortized to current expense during the year.

Net items in the process of collection is the amount of float that will be added to the cost base subject to recovery. Thus, it is the difference between cash items in the process of collection and deferred availability cash items. Therefore, the asset item on the balance sheet *corresponds to the amount of float that the Federal Reserve must* recover through fees to satisfy the Monetary Control Act. Conventional accounting procedures would call for the gross amount of cash items and deferred availability items to be included on a balance sheet. However, because the gross amounts have no implications for income or costs and no implications for the calculation of the private sector adjustment factor (PSAF), they are not reflected on the pro forma balance sheet.

Long-term assets that are reflected on the balance sheet have been allocated to priced services using a direct determination basis. This approach was adopted along with other changes in calculating the PSAF for 1984. The direct determination method utilizes the Federal Reserve's Planning and Control System (PACS) to directly associate single-purpose assets and to apportion assets used jointly in the provision of different services to priced and non-priced services. Additionally, also resulting from changes to the PSAF methodology, an estimate of the assets of the Board of Governors related to the development of priced services has been included in long-term assets in the premises account.

Long-term assets also include an amount for capital leases. In accordance with generally accepted accounting principles, the Federal Reserve in 1984 has begun to capitalize leases that qualify for capitalization. Leases had not been shown previously on Federal Reserve balance sheets due to immateriality. While the impact in the future is also likely to be immaterial, procedures have been established in order to disclose these assets on a basis consistent with accounting and disclosure practices of private sector firms. These assets also include leasehold improvements. The current portion of leasehold improvements has been included in prepaid expenses.

A matched-book capital structure for those assets that are not "self-financing" has been used to determine the liability and equity amounts. Short-term assets are financed with short-term debt. Long-term assets are financed with long-term debt and equity in a proportion equal to the ratio of long-term debt and equity of the bank holding companies used in the private sector adjustment model.

Other short-term liabilities include clearing balances maintained at Reserve Banks and deposit balances arising from float. Other long-term liabilities consist of obligations on capital leases.

System Income Statement (table 2)

The income statement reflects the income and expenses for priced services. Included in these amounts are Board approved subsidies, imputed float costs, imputed financing costs, and the income and cost related to clearing balances.

Revenues reflect charges to depository institutions for priced services. These revenues are realized through one of two methods: direct charges to an institution's deposit account or charges against accumulated earnings credits. Income includes charges for per-item fees, package fees, explicitly priced interterritory check float, account maintenance fees, shipping and insurance fees, and surcharges. Production expenses include direct, indirect, and other general administrative expenses generated by priced service activities. Other expenses relate to the expenses of Board staff working directly on the development of priced services and amounted to $0.4 million in the first quarter of 1984.

Board approved subsidies consist of a program established for the commercial automated clearinghouse (ACH) service. The incentive pricing program established for the ACH service provides for fee structures designed to recover an increasing share of expenses. In 1984, ACH revenues are intended to recover 60 percent of costs plus the private sector adjustment. This incentive pricing program is being phased out, with complete elimination planned in 1985.

Imputed float costs include the value of float that was intended to be recovered, either explicitly or through per-item fees, during the first quarter of 1984 for the commercial check, automated clearinghouse, and book-entry securities transfer services. In the second quarter of 1984, float recovery for the noncash coupon collection service will be implemented. Also included in imputed costs is the interest on short- and long-term debt used to finance priced service assets through the PSAF and the sales taxes and FDIC insurance, which the Federal Reserve would have paid had it been a private sector firm.

Other income and expenses are comprised of income on clearing balances and the cost of earnings credits granted to depository institutions. Income represents the average coupon equivalent yield on three-month Treasury bills applied to the total clearing balance maintained, adjusted for the effect of reserve requirements. Expenses for earnings credits were derived by applying the average federal funds rate to the required portion of the clearing balances. The Federal Reserve is committed to adjusting the federal funds rate at which earnings credits are paid on clearing balances in order to take into account the effect of reserve requirements. The software changes necessary to implement this adjustment are complex and will take some time to complete, however, the adjustment is expected to be made starting November 1, 1984. Had the reserve adjustment to earnings credits been in place in the first quarter, and assuming no resulting shift in clearing balances, the expenses of earnings credits would have been about $24.6 million with a resulting increase in net clearing balance income of $1.8 million and an increase in net income of $1.2 million to $10.3 million.

Imputed income taxes are calculated at the effective tax rate used in the PSAF calculation applied to the net income before taxes.

The targeted return on equity represents the after-tax rate of return on equity that the Federal Reserve would have earned based on a model of bank holding companies.

COORDINATION OF PRICED SERVICE ACTIVITIES

Effective July 1, 1984, the Federal Reserve Board has made the following changes relating to the management and coordination of the priced service activities of the Federal Reserve Banks.

- Edward G. Boehne, President of the Federal Reserve Bank of Philadelphia, has been appointed a member and Chairman of the Pricing Policy Committee (PPC). He succeeds E. Gerald Corrigan, President of the Federal Reserve Bank of Minneapolis. Mr. Corrigan will continue to serve as an ex-officio member of the Committee.
- Henry R. Czerwinski, First Vice President, Federal Reserve Bank of Kansas City, has been named to the newly established position of Executive Director for Federal Reserve Priced Services. While he will remain First Vice President of the Kansas City Bank, Mr. Czerwinski will devote a substantial portion of his time to the oversight and coordination of the priced service activities of the Reserve Banks under the general direction of the PPC and the Board of Governors. Mr. Czerwinski will remain a member of the PPC.
- Theodore H. Roberts, President, Federal Reserve Bank of St. Louis, has been appointed a member of the PPC.

Lyle E. Gramley, Member of the Board of Governors, Theodore E. Allison, Staff Director for Federal Reserve Activities at the Board of Governors, and William H. Hendricks, First

Vice President, Federal Reserve Bank of Cleveland, will continue as members of the PPC.

AMENDMENT TO REGULATION L

The Federal Reserve Board amended its Regulation L (Management Official Interlocks) effective June 11, 1984, to conform it to recent legislation that deleted all references in the Depository Institution Management Interlocks Act to "standard metropolitan statistical areas" and substituted the new classifications for metropolitan statistical areas now in use by the Federal Office of Management and Budget.

In a joint notice for publication in the *Federal Register*, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration announced that they are similarly amending their regulations. The text of the notice is available at District Federal Reserve Banks.

PROPOSED ACTIONS

The Federal Reserve Board has requested by September 12, 1984, comment on proposed revisions of its Regulation K (International Banking Operations) concerning chiefly the international operations of U.S. banking organizations.

The Federal Reserve Board also published for public comment a proposed amendment to Regulation J (Collection of Checks and Other Items and Wire Transfers of Funds) that would require a depository institution upon which a check is drawn (payor institution) to provide notification to the depository institution in which the check is first deposited (institution of first deposit) that a large dollar check is being returned. The Board requested comment by August 31, 1984.

MEETING OF CONSUMER ADVISORY COUNCIL

The Federal Reserve Board announced that its Consumer Advisory Council met on July 18 and 19, 1984, in sessions open to the public.

The Council's function is to advise the Board on the exercise of the Board's responsibilities under the Consumer Credit Protection Act and on other matters on which the Board seeks its advice.

CHANGE IN BOARD STAFF

The Board of Governors has announced the appointment of George M. Lopez to the official staff as Assistant Director in the Division of Support Services with oversight responsibility for the Procurement, Communications, Duplicating, Publications, Security, and Motor Transport services.

Mr. Lopez came to the Board in July 1975. He has a B.S. in Business Administration from the University of Wyoming.

SYSTEM MEMBERSHIP: ADMISSION OF STATE BANKS

The following banks were admitted to membership in the Federal Reserve System during the period June 10 through July 10, 1984:

Colorado
Englewood .. First Bank of Araphoe/Yosemite
Delaware
Wilmington .. Marine Midland Bank Delaware
Florida
Destin .... Florida State Bank
Hialeah .... Trust Bank
Miami......... Metro Bank of Dade County
Texas
Houston ...... Ellington Bank of Commerce

Legal Developments

AMENDMENTS TO REGULATION L

The Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration (collectively referred to as the "agencies") are amending their respective regulations implementing the Depository Institution Management Interlocks Act, which generally prohibits certain management official interlocks between unaffiliated depository institutions and depository holding companies depending upon their asset size and location. The amendments conform the regulations to a change in the Depository Institution Management Interlocks Act which deleted all references to "Standard Metropolitan Statistical Areas" ("SMSAs") and substituted therefore the new classifications for Metropolitan Statistical Areas adopted by the Office of Management and Budget.

Effective June 11, 1984, the Board of Governors amends Regulation L, 12 C.F.R. Part 212 is amended as follows:

Part 212—Management Official Interlocks

1. The authority citation for Part 212 reads as follows:
AUTHORITY: 12 U.S.C. 3201 et seq.
2. Section 212.2 is amended by adding a new paragraph (n) to read as follows:

Section 212.2—Definitions

* * * * *

(n) "Relevant metropolitan statistical area" means a Primary Metropolitan Statistical Area, a Metropolitan Statistical Area, or a Consolidated Metropolitan Statistical Area that is not comprised of designated Primary Metropolitan Statistical Areas as defined by the Office of Management and Budget.

3. Section 212.3 is amended by revising paragraph (b) to read as follows:

Section 212.3—General Prohibitions

* * * * *

(b) *Metropolitan Statistical Area.* A management official of a depository organization may not serve at the same time as a management official of another depository organization not affiliated with it if:

(1) Both are depository institutions, each has an office in the same relevant metropolitan statistical area, and either institution has total assets of $20 million or more;

(2) Offices of depository institution affiliates of both are located in the same relevant metropolitan statistical area and either of the depository institution affiliates has total assets of $20 million or more; or

(3) One is a depository institution that has an office in the same relevant metropolitan statistical area as a depository institution affiliate of the other and either the depository institution or the depository institution affiliate has total assets of $20 million or more.

4. Section 212.6 is amended by revising paragraph (a) to read as follows:

Section 212.6—Changes in Circumstances

(a) *Non-grandfathered interlocks.* If a person's service as a management official is not grandfathered under section 212.5 of this part, the person's service must be terminated if a change in circumstances causes such service to become prohibited. Such a change may include, but is not limited to, an increase in asset size of an organization due to natural growth, a change in relevant metropolitan statistical area or community boundaries or the designation of a new relevant metropolitan statistical area, an acquisition, merger, or consolidation, the establishment of an office, or a disaffiliation.

* * * * *

AMENDMENT TO RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors is amending 12 C.F.R. Part 265, its Rules Regarding Delegation of Authority, to delegate to the Director of the Division of Banking Supervision and Regulation the authority to determine the need for establishment and the amount of any allocated transfer risk reserves against certain international assets, pursuant to the International Lending Supervision Act of 1983 and the Board's Regulation K

(12 C.F.R. § 211.43(b)), and to notify banking institutions of such determination.

Effective June 14, the Board of Governors amends its Rules Regarding Delegation of Authority (12 C.F.R. Part 265) by adding a new section, 265.2(c)(32) to read as follows:

Part 265—Rules Regarding Delegation of Authority

Section 265.2—Specific Functions Delegated to Board Employees and to Federal Reserve Banks

(c) ***

(32) Under the provisions of Subpart D of the Board's Regulation K (12 C.F.R. Part 211), to determine the need for establishment and the amount of any allocated transfer risk reserve against certain international assets and to notify banking institutions of the determination and the amount of such reserve and whether such reserve may be reduced.

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

Orders Issued Under Section 3 of the Bank Holding Company Act

Bank of Boston Corporation
Boston, Massachusetts

Stay of Board's Order Approving Acquisition of a Bank Holding Company

By Order dated May 18, 1984, the Board approved the application of Bank of Boston Corporation, Boston, Massachusetts, to acquire Colonial Bancorp, Inc., Waterbury, Connecticut, and thereby to acquire Colonial Bank, Waterbury, Connecticut. The Board's approval of this interstate acquisition of a bank was made possible by the Connecticut statute authorizing, under certain conditions, the acquisition of Connecticut banks by bank holding companies located in other New England states.[1]

Citicorp, New York, New York, protested the application in a timely manner on the basis that the Connecticut interstate banking statute unconstitutionally discriminates against non-New England bank holding companies. Citicorp has sought judicial review of the Board's Order by the United States Court of Appeals for the Second Circuit. It has also petitioned the Board to stay its Order pending resolution by the Second Circuit Court of Appeals of the constitutional issues raised by the Connecticut statute.

On March 26, 1984, the Board approved two other New England interstate transactions[2] despite protests from Citicorp and other protestants that raised constitutional issues identical to the issue in this case. The protestants sought judicial review of the Board's Orders in the previous cases before the United States Court of Appeals for the Second Circuit,[3] and on April 24, 1984, that Court stayed the effectiveness of the Board's Orders pending the Court's decision on the merits of the cases. In view of the decision of the Court of Appeals to stay the Board's prior Orders and the fact that this case raises the same substantive issues, and considering the factors relevant to a decision on a stay motion, the Board believes that the interests of administrative and judicial efficiency as well as considerations of fairness require the Board to grant the petition of Citicorp and to stay its Order approving the application of Bank of Boston Corporation to acquire Colonial Bancorp, Inc.

Accordingly, the Board hereby stays the effectiveness of its Order approving the application of Bank of Boston Corporation to acquire Colonial Bancorp, Inc., pending judicial review of this case by the United States Court of Appeals for the Second Circuit.

By order of the Board of Governors, effective June 11, 1984.

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

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

Canadian Commercial Bank
Edmonton, Alberta, Canada

Order Approving Acquisition of Shares of a Bank Holding Company

Canadian Commercial Bank, Edmonton, Alberta, Canada, a bank holding company within the meaning

1. 1983 Conn. Acts 411 (Res. Sess.) entitled "An Act Concerning Interstate Banking," § 2.

2. Bank of New England Corporation, Boston, Massachusetts, to merge with CBT Corporation, Hartford, Connecticut, 70 FEDERAL RESERVE BULLETIN 374 (1984), and Hartford National Corporation, Hartford, Connecticut, to acquire Arltru Bancorporation, Lawrence, Massachusetts, 70 FEDERAL RESERVE BULLETIN 354 (1984).

3. *Northeast Bancorporation, Inc. v. Board of Governors of the Federal Reserve System*, No. 84-4047 (2d Cir. filed March 27, 1984); *Citicorp v. Board of Governors of the Federal Reserve System*, Nos. 84-4051 and 84-4053 (2d Cir. filed March 30, 1984).

of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval pursuant to section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)), to increase its ownership of Westlands Diversified Bancorp, Santa Ana, California ("WDB"), from 41.7 percent to 100 percent and thereby increase its ownership of Westlands Bank, Santa Ana, California ("Bank").[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been given in accordance with section 3(b) of the Act (49 *Federal Register* 18179). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act.

Applicant, through its subsidiary CCB Bancorp, indirectly controls 41.7 percent of Bank, the 26th largest commercial banking organization in California, with aggregate deposits of $390.8 million, representing 0.23 percent of the total deposits in commercial banks in the state.[2] Bank operates in four markets in California and controls less than 1 percent of total deposits in commercial banks in each market.[3] Neither Applicant nor any of its principals is affiliated with any other banking organization in these markets, and it appears that consummation of the proposal will not result in significant adverse effects upon competition in any relevant area.

The financial and managerial resources and future prospects of Applicant are consistent with the approval of this acquisition, particularly in light of Applicant's recent management changes and its recent issuance of additional preferred stock. Bank experienced rapid growth over the past three years as a result of a substantial increase in its real estate lending. As a result of this growth and substantial loan losses experienced in 1983, Bank's capital is significantly below the minimum levels specified by the appropriate banking supervisory authorities. WDB's and Bank's financial and managerial resources will be strengthened as a result of consummation of this proposal, particularly in light of Applicant's commitment to raise Bank's capital substantially above the minimum capital levels specified by the appropriate banking supervisory authorities.

Thus, the Board concludes that considerations relating to banking factors are consistent with approval, as are considerations relating to the convenience and needs of the community to be served. Accordingly, based on the foregoing and other facts of record, the Board has determined that consummation of the transaction would be consistent with the public interest and that the application should be approved.

In view of all of the facts of record and the request by the California Superintendent of Banks that this application be processed on an expedited basis, the Board has determined that the conditions specified in section 11(b) of the Act for consummation of a proposal immediately after Board approval are present in this case. Accordingly, consummation of this transaction may take place immediately. The transaction shall not be consummated later than three months after the effective date of this Order unless the period for consummation is extended for good cause by the Board or the Federal Reserve Bank of San Francisco under delegated authority.

By order of the Board of Governors, effective June 11, 1984.

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

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

C.Y. Tung Financial Corporation
Hong Kong, B.C.C.

American Asian Bancorp
San Francisco, California

Order Approving Formation of a Bank Holding Company

C.Y. Tung Financial Corporation, Hong Kong, B.C.C., and American Asian Bancorp, San Francisco, California, have applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("the Act") (12 U.S.C. § 1842(a)(1)) to become bank holding companies by acquiring directly or indirectly the voting shares of American Asian Bank, San Francisco, California ("Bank"). Upon consummation of the proposed transaction, C.Y. Tung Financial Corporation would own at least 65 percent of the voting shares of American Asian Bancorp, which will own all of the voting shares of Bank.

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

1. Applicant proposes to acquire WDB by merging it with Westlands Acquisition Corporation, a newly organized, wholly-owned subsidiary of Applicant. Applicant also has applied to acquire directly or indirectly 10,000,000 newly issued shares of WDB if the merger cannot be consummated.

Applicant and CCB Bancorp have also applied to retain the 2.7 percent of WDB's voting shares that were acquired by foreclosure in satisfaction of a debt previously contracted

2. All banking data are as of September 30, 1983.

3. These banking markets are as follows: the Los Angeles RMA, the San Diego RMA, the Sacramento RMA, and the San Francisco/Oakland RMA.

time for filing comments has expired and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act.

C.Y. Tung Financial Corporation is a nonoperating foreign corporation organized solely for the purpose of acquiring and holding shares of American Asian Bancorp and is wholly owned by a foreign individual. American Asian Bancorp is a nonoperating domestic corporation organized for the purpose of holding the shares of Bank. The proposed transactions represent essentially corporate reorganizations by the current shareholders of Bank.

Upon consummation of the proposed transactions, Applicants would control one of the smaller commercial banking organizations in California.[1] The Federal Deposit Insurance Corporation and the California State Banking Department have recently approved the merger of Toronto Dominion Bank of California, San Francisco, California, into Bank. Upon consummation of that merger, Bank will have total assets of approximately $190.3 million and will rank 24th among commercial banking organizations in the San Francisco banking market, with less than one percent of the total deposits in commercial banks in the market.[2] Inasmuch as Applicants and their principal shareholders do not control any other banks in California or conduct any nonbanking business in the United States,[3] consummation of the proposed transactions would have no significant adverse effects on either existing or potential competition in any relevant market and would not increase the concentration of resources in any relevant area.

The financial and managerial resources and future prospects of C.Y. Tung Financial Corporation and American Asian Bancorp are considered satisfactory. In this connection, neither Applicant has any debt nor will incur any debt as a result of the proposed acquisition. Moreover, C.Y. Tung Financial Corporation has committed to consent to the jurisdiction of the United States, to appoint an agent for service of process in the United States, and to maintain adequate books and records in the United States available to the Board on request together with any additional information that the Board may require concerning the business and financial condition of C.Y. Tung Financial Corporation.

The financial and managerial resources and future prospects of Bank appear satisfactory in light of commitments made by C.Y. Tung Financial Corporation and its principal shareholder to inject additional capital into Bank as part of the merger between Bank and Toronto Dominion Bank of California. Based on all of the facts of record, including the commitments made by Applicants, the Board has determined that the considerations relating to banking factors are consistent with approval of these applications. The Board has determined that considerations relating to the convenience and needs of the communities to be served are also consistent with approval of these applications.

Based on all the facts of record and commitments made by Applicants and the principal shareholder of C.Y. Tung Financial Corporation, the Board has determined that these applications should be, and hereby are, approved. The acquisitions shall not be consummated before the thirtieth day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco under delegated authority.

By order of the Board of Governors, effective June 4, 1984.

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

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

C.Y. Tung & Sons Co., Inc.
Hong Kong, B.C.C.

Order Approving Formation of a Bank Holding Company

C.Y. Tung & Sons Co., Inc., Hong Kong, B.C.C., has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("the Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company by increasing from approximately 24 percent to 48 percent its ownership of the voting shares of Global Bancorporation, New York, New York, a registered bank holding company by virtue of its ownership of Global Union Bank, New York, New York ("Bank").

1. All banking data are as of March 31, 1984.
2. The San Francisco banking market is approximated by the San Francisco RMA.
3. The sole shareholder of C.Y. Tung Financial Corporation is an individual who also owns 100 percent of another company that has applied for Board approval to become a bank holding company and to acquire approximately 47 percent of the voting shares of a bank located in New York. These two companies will have two directors in common. *See, C.Y. Tung & Sons Co., Inc.*, Board Order of even date. Because these two companies are owned and controlled by a common individual, the two banks have been deemed part of a chain banking organization for purposes of the Board's analysis of these applications.

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

Applicant was organized solely for the purpose of acquiring and holding shares of Global Bancorporation and is wholly owned by a foreign individual. Upon acquisition of the shares of Global Bancorporation and, indirectly, Bank, Applicant would control one of the smaller commercial banking organizations in New York.[1] Bank has total assets of $47.6 million and ranks 95th among commercial banking organizations in the Metropolitan New York banking market, with less than one percent of the total deposits in commercial banks in the market.[2] Inasmuch as Applicant and its principal control no other banks in New York and conduct no nonbanking business in the United States,[3] consummation of the proposed transaction would have no significant adverse effects on either existing or potential competition in any relevant market and would not increase the concentration of resources in any relevant area.

The financial and managerial resources and future prospects of Applicant and Bank are considered satisfactory. In this connection Applicant currently has no debt and will not incur any debt as a result of the proposed acquisition. Moreover, Applicant has committed to consent to the jurisdiction of the United States, to appoint an agent for service of process in the United States, and to maintain adequate books and records in the United States available to the Board on request together with any additional information that the Board may require concerning Applicant's business and financial condition. Based on all of the facts of record, including the commitments made by Applicant, the Board has determined that the considerations relating to banking factors are consistent with approval of this application. The Board has determined that considerations relating to the convenience and needs of the communities to be served are also consistent with approval of the application.

1. All banking data are as of December 31, 1983.

2. The Metropolitan New York banking market includes New York City; Nassau, Putnam, Rockland, Westchester, and western Suffolk Counties in New York State; the northeastern two-thirds of Bergen County and eastern Hudson County in New Jersey; and southwestern Fairfield County in Connecticut.

3. The sole shareholder of Applicant is an individual who also owns 100 percent of another company that has applied for Board approval to become a bank holding company and to acquire 67 percent of the voting shares of a bank operating in California. These two companies will have two directors in common. *See, C.Y. Tung Financial Corporation*, Board Order of even date. Because these two companies are owned and controlled by a common individual, the two banks have been deemed part of a chain banking organization for purposes of the Board's analysis of these applications.

Based on all the facts of record and commitments made by Applicant and its principal shareholder, the Board has determined that the application should be, and hereby is, approved. The acquisition shall not be consummated before the thirtieth day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York under delegated authority.

By order of the Board of Governors, effective June 4, 1984.

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

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

United Banks of Colorado, Inc. Denver, Colorado

Order Approving Acquisition of a Bankers' Bank

United Banks of Colorado, Inc., Denver, Colorado ("Applicant"), has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act ("Act") (12 U.S.C. § 1842(a)(3)) to acquire indirectly 85 percent of the voting shares of Westnet Bank, N.A., Denver, Colorado ("Bank"), a proposed *de novo* bankers' bank.[1] Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant is the largest banking organization in Colorado, controlling total deposits of $2.74 billion,

1. Seventeen of Applicant's present and proposed banking subsidiaries each propose to acquire 5 percent of Bank's voting shares. This would result in indirect control by Applicant of 85 percent of Bank's voting shares. The following banks also would each acquire 5 percent of Bank's voting shares. Wells Fargo Bank, N.A., San Francisco, California, Bank of Hawaii, Honolulu, Hawaii, and Valley National Bank of Arizona, Phoenix, Arizona (collectively with Applicant, the "Organizers").

which represent 16.2 percent of the total deposits in commercial banks in Colorado.[2] Section 404 of the Garn–St Germain Depository Institutions Act of 1982 authorized the Comptroller of the Currency to charter national "bankers' banks," which are limited-charter institutions owned exclusively by depository institutions and which provide services solely to depository institutions and their directors, officers, and employees.[3] A national bank is permitted to own stock (not in excess of 5 percent of the voting shares) in a bankers' bank provided that the bankers' bank and all of its subsidiaries provide services only to depository institutions.

Bank will not do business with the general public; instead, it will operate primarily as a correspondent bank for and on behalf of depository institutions predominantly located in the western United States. Its services may encompass any activity permitted by the Comptroller for national bankers' banks, but initially Bank proposes to provide, in addition to traditional correspondent banking services: a funds settlement service; a clearing center for brokerage orders placed with member depository institutions; shared data processing and banking operations centers; and a loan participation service, all on behalf of member depository institutions.

Applicant proposes to conduct its bankers' bank operations from an office located in Denver, Colorado. Applicant also proposes to establish an office of Bank in San Francisco, California, which Applicant has committed will perform certain limited administrative functions and will not be a bank.

In view of Applicant's commitment regarding the conduct of Bank's activities at its San Francisco, California, administrative office, Applicant's proposal does not involve the acquisition of an additional "bank" located in California.

The Board notes that nonvoting nonconvertible preferred stock represents 99 percent of Organizers' total equity investment in Bank. The proposal, therefore, also has been examined for its consistency with the Board's Policy Statement on Nonvoting Equity Investments (the "Policy Statement") as well as prior Board decisions involving nonvoting equity investments.[4] Applicant has committed that no bank or bank affiliate outside of the state of Colorado would own 25 percent or more of the equity of Bank. Moreover, no single bank or bank affiliate would control Bank's board of directors. Based upon the foregoing, the Board concludes that the proposed investments are consistent with the Policy Statement and that no entity outside of Colorado would control Bank or exert a controlling influence over Bank for purposes of section 2(a)(2) of the Act.

In view of the nature of Bank's proposed activities, Bank would compete only with other banks that offer correspondent banking services. Bank, as a *de novo* provider of these services, may be expected to exert a procompetitive influence and to foster increased competition in the market for correspondent banking and other bankers' bank services. Although certain of Bank's services are now provided by Bank's member depository institutions, the advantages of economies of scale and joint operations would be available through Bank and would allow members an opportunity to remain competitive with other financial institutions. Accordingly, the Board concludes that consummation of the proposal would not have any substantial adverse effects on competition.

The financial and managerial resources of Applicant, its subsidiaries, and Bank are regarded as satisfactory, and their prospects appear favorable. Consummation of the proposed transaction would result in decreased costs in the provision of new or expanded correspondent banking services among Bank's member depository institutions. Accordingly, factors relating to the convenience and needs of the community to be served are consistent with approval of this proposal.

Based on the foregoing and other facts of record, the Board has determined that this application should be and hereby is approved. This transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Kansas City, acting pursuant to delegated authority.

By order of the Board of Governors, effective June 12, 1984.

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

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

2. Deposit data are as of June 30, 1983.

3. Pub. L. No. 97-320, 96 Stat. 1469 (1982), as amended by, S.J. Res. 271, Pub. L. No. 97-457, 96 Stat. 2508 (1983) ("Garn–St Germain Act"). Preliminary charter approval for Bank was granted by the Comptroller on February 15, 1984.

4. 68 FEDERAL RESERVE BULLETIN 413 (1982); 12 C.F.R. § 225.143 (July 1982). *See United Midwest Bancshares, Inc.*, 68 FEDERAL RESERVE BULLETIN 774 (1982); *Valley View Bancshares*, 61 FEDERAL RESERVE BULLETIN 676 (1975); and *Security Bancorp, Inc.*, 66 FEDERAL RESERVE BULLETIN 977 (1980).

Orders Issued Under Section 4 of the Bank Holding Company Act

CB&T Bancshares, Inc.
Columbus, Georgia

Bank South Corporation
Citizens and Southern Georgia Corporation
First Atlanta Corporation
Atlanta, Georgia

First Railroad & Banking Company of Georgia
Augusta, Georgia

Heritage Bancshares, Inc. and Trust Company of Georgia
Snellville, Georgia

Order Approving Acquisition of Shares in Georgia Interchange Network, Inc.

CB&T Bancshares, Inc., Columbus, Georgia; Bank South Corporation, Citizens and Southern Georgia Corporation ("Citizens and Southern"), Trust Company of Georgia, and First Atlanta Corporation ("First Atlanta"), all of Atlanta, Georgia; First Railroad & Banking Company of Georgia ("First Railroad"), Augusta, Georgia; and Heritage Bancshares Inc. ("Heritage"), Snellville, Georgia, all bank holding companies within the meaning of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1841 *et seq.*), have applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. § 225.23), each to acquire 8.33 percent of the voting shares of Georgia Interchange Network, Inc. ("GIN"), Atlanta, Georgia, a joint venture to engage *de novo* in data processing and related activities.[1] GIN will operate an electronic funds transfer ("EFT") system for interchanging financial transactions tnroughout Georgia. The proposed interchange system ("the Switch") will operate as a neutral clearing house for customer EFT banking transactions, such as cash withdrawals, funds transfers, balance inquiries, and point-of-sale ("POS") debit and credit transactions. Access to the Switch will be available to all federally insured depository institutions located in Georgia. The Switch will enable the customers of each participating depository institution to access their account by using their institution's proprietary access card at point-of-sale terminals and automated teller machines ("ATMs") located in shopping centers, grocery stores, office buildings and convenience stores throughout Georgia. These terminals will be owned, installed and operated not by the Switch but by the participating financial institutions and by retailers and third parties that have contracted with participating institutions to provide terminals to those institutions. Thus, the sole function of the Switch will be to operate as a clearing facility for the banking transactions initiated at the ATMs and POS terminals that are placed within the Switch system. Customer transactions at these terminals will be passed through the terminal owner's computer to the Switch, which will then route the messages to the cardholder's institution[2] for processing.

The Switch will operate behind the participating institutions; that is, no terminals will be connected directly to the Switch. Instead, all terminals will be connected to computers of the participating institutions or their designated processors (or to the computers of retailers and corporations that operate terminals sponsored by participating institutions), which in turn will communicate with the Switch. Thus, the general and technical operational objective of the Switch is to provide for the central transmission of "non-on-us" financial transaction messages (i.e., transactions initiated by a financial institution cardholder at a terminal owned or sponsored by another financial institution) between participating institutions.[3] The participating institutions will respond directly to "on-us" transactions (i.e., transactions by their cardholder at their terminal) and will route only "non-on-us" transactions to the Switch.

These data processing and related activities have been determined by the Board to be closely related to banking and are permissible under section 225.25(b)(7) of Regulation Y (12 C.F.R. § 225.25(b)(7)(i) and (ii)). Notice of these applications, affording opportunity for

1. With one exception, Applicants propose to acquire the shares directly. Heritage will acquire its shares indirectly through its subsidiary, Heritage Bank, Snellville, Georgia, a state-chartered nonmember bank. The remaining 8.33 percent owners of GIN are: Georgia Telco Credit Union, Atlanta, Georgia, DFS Services, Inc., a wholly owned subsidiary of Decatur Federal Savings and Loan Association, Decatur, Georgia; a wholly owned subsidiary of Fulton Federal Savings and Loan Association, Atlanta, Georgia; and a wholly owned subsidiary of Georgia Federal Bank, F.S.B., Atlanta, Georgia.

Concurrent with these applications, the First National Bank of Cobb County, Marietta, Georgia, has applied pursuant to section 5(b) of the Bank Service Corporation Act to acquire shares of a proposed bank service corporation which also will acquire 8.33 percent of the voting shares in the GIN Network. That application is the subject of a separate Order issued today, which incorporates by reference the terms of the instant Order.

2. The term "cardholder institution" refers to the institution whose proprietary access card is used by its customers ("the cardholder") at one of the terminals within the Switch system.

3. In addition to transmitting financial transaction messages between participating institutions, the Switch will perform the following incidental functions: monitoring and maintaining technical Switch performance standards; assisting in the training and education of participants; producing and distributing timely reports to management; and performing a daily settlement on all transactions passed through the Switch.

interested persons to submit comments and views, has been duly published. 49 *Federal Register* 13426 (April 4, 1984). 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 4(c)(8) of the BHC Act, 12 U.S.C. § 1843(c)(8).

Each of the co-venturers currently engages either directly or indirectly, through a subsidiary or affiliate, in data processing and data transmission activities, including the operation of proprietary ATM networks. The proprietary ATM networks operated directly or indirectly by the co-venturers provide services for the co-venturers' affiliated banks. Two of the co-venturers, Citizens and Southern and First Railroad, currently operate indirectly proprietary ATM systems for non-affiliated as well as affiliated institutions. Another co-venturer, First Atlanta, provides ATM services at four Atlanta, Georgia offices of a large corporation. An additional co-venturer, Heritage Bank, is affiliated with a data processing subsidiary through their common bank holding company. The subsidiary provides complete data processing services (including the processing of ATM transactions) for 27 banks. Unlike GIN, the function of these proprietary networks, and the proprietary networks of the other co-venturers, is not limited to interchanging transactions: they also issue cards and provide directly support terminals. Because the Switch will only interchange "non-on-us" transactions, the individual co-venturers (either directly or through their subsidiaries or affiliates) will continue to operate their own proprietary ATM networks while participating in the Switch's shared interchange system.

The GIN Switch will not own or operate any ATM or POS terminals. Because of the limited interchange functions of the Switch, each terminal owner and sponsor and each cardholder institution will price its services to merchants, cardholders, or third parties as it deems appropriate.

Any federally insured depository institution located in Georgia may use the Switch's interchange service by joining the Switch.[4] Participants will pay a one-time initiation fee, an annual membership fee, and certain transaction fees for services performed by the Switch. As indicated above, all existing proprietary ATM systems of participating financial institutions will continue to operate; GIN will merely interface among those systems.

The appropriate line of commerce for analyzing the competitive effects of consummation of this proposal is the provision for unaffiliated financial institutions of data processing services. Inasmuch as the proposed venture is to commence *de novo,* no existing competition among the co-venturers in operating an interchange system would be eliminated.

The Board also has considered the effects of consummation of this proposal on probable future competition, particularly as these applications utilize a joint venture to engage in the relevant activities, and the co-venturers are some of the largest financial institutions in Georgia. The GIN group comprises 12 financial organizations. They include the six largest, and the ninth and sixteenth largest banking organizations in Georgia, the state's three largest thrift institutions, and one of the state's largest credit unions. It does not appear likely, however, that the individual venturers would expand an existing ATM/POS network on a statewide basis, or establish individually a statewide EFT Switch, in view of the substantial capital costs and the necessity for a high volume of transactions for cost-effective operation that such a venture would entail. Nor would the limited cardholder base and the limited accessibility of an individual institution's EFT system likely be sufficiently attractive to potential outside participants (depository institutions, retailers) so as to place their own ATM/POS terminals within an individual system.

Moreover, the market for such data processing activities is not regarded as concentrated. The record reflects that there are presently numerous statewide, regional, and national shared ATM/POS systems in Georgia, all in various stages of development. Several of the co-venturers currently share ownership or participate in one or more of these shared systems. The existence of these current (and other potential) entrants mitigates concerns that the GIN interchange system may represent so large a proportion of possible ATM/POS facilities in local markets that no competing networks could exist. Additionally, the membership contract that is proposed for GIN-participating institutions provides a term of only three years and does not restrict the ability to participate in other such shared systems.[5] In this light, the loss of these potential

4. All federally insured Georgia depository institutions (or their affiliates) also were afforded an opportunity to share ownership of the Switch. Hence, both equity and nonequity participation in the Switch was made available.

5. Each of the member financial institutions is free to join other shared networks or switches; thus, each has the flexibility to compete by offering its customers access to as many ATM/POS terminals as it chooses. In addition, each member has sole discretion over the decision where to locate its ATM/POS terminals, thereby preserving its ability to develop a system most convenient for its customers. Finally, while there are some minimum standards on the types and numbers of transactions that can be offered within the GIN interchange, these seem consistent with the inherent technological constraints of linking together ATM or POS terminals.

entrants into the market for data processing services does not raise any serious concern. Accordingly, the Board concludes that consummation of the proposed joint venture would not have any significantly adverse effects upon probable future competition. After careful review of the application and other facts of record, the Board also concludes that no evidence exists upon which to conclude that consummation of the proposal would result in unfair competition, conflicts of interest or unsound banking practices.[6]

The Board has also considered the effect of consummation of this proposal in light of state and federal laws governing the establishment of branches and the use of ATM/POS terminals in a network. As described above, the GIN Switch would only provide data processing services for the interchange and would neither own nor provide ATM/POS terminals. Moreover, membership in the interchange is not restricted and Applicants have stated that the institutional participants in the interchange would comply with all applicable federal or state branching laws and other statutes regarding the establishment and use of ATM/POS terminals in a network.[7] Applicants further have committed to offer through the interchange only those transactional services legally available to ATM/POS customers of participating financial institutions under applicable federal and Georgia laws.

It is the Board's view that approval of these applications can reasonably be expected to produce benefits to the public. Consummation of this proposal would allow individuals in Georgia access to a larger number of ATM/POS terminals. In addition, the GIN Switch would introduce to Georgia a new provider of data processing services and an alternative ATM/POS network interchange. Further, the economies of scale that would result from operation of the combined network would accrue to all participating institutions. Finally, the joint venture would enable Applicants to share the cost of expanding and improving EFT services and would ensure greater availability of funds for product research and development.

There is no evidence in the record in this case indicating that consummation of the present proposal would result in undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices or other adverse effects. Based upon the foregoing and other facts of record, the Board concludes that the balance of public interest factors it must consider under section 4(c)(8) favors approval of these applications. In addition, the financial and managerial resources and future prospects of Applicants are considered consistent with approval.

Accordingly, the Board concludes that approval of these applications is in the public interest and has determined that the applications should be approved. This determination is subject to the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b)(3), and to the Board's authority to require such modification or termination of the activities of a bank holding company or 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.

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

By order of the Board of Governors, effective June 25, 1984.

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

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

Citicorp
New York, New York

Order Approving Application to Execute and Clear Certain Options Contracts

Citicorp, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act, 12 U.S.C. § 1841 *et seq.* ("BHC Act"), has applied pursuant to section 4(c)(8) of the BHC Act and

6. Applicants have committed that the transaction and other fees charged by the Switch will be nondiscriminatory and will relate solely to the interchange services that it provides As noted above, participation in the Switch is open to all federally insured Georgia depository institutions.

7. In that regard, the proposed data processing and transmission activities are permissible under the corporate laws of the state of Georgia. Section 7-1-603(b)(4) of the Official Code of Georgia, Ga. Code Ann. § 7-1-603(b)(4) (1982), permits banks to operate ATMs or POS terminals individually or jointly on a cost-sharing basis with two or more other financial institutions. Section 7-1-603, in turn, is made applicable to national banks and all other persons, corporations, or associations engaged in the business of banking by Ga. Code Ann. § 7-1-600(1). Under Section 7-1-603, such ATM/POS "facilities" are not deemed to be additional offices or facilities of a bank for purposes of Georgia branch banking laws (which generally prohibit branching except on a county-wide basis), so long as they are maintained within a county in which the sponsoring financial institution is otherwise authorized to operate. In order to clarify under Georgia law whether a Georgia financial institution may be linked with another financial institution's ATM/POS terminal in a county where it could not otherwise own or lease an ATM, the Federal Reserve Bank of Atlanta requested the opinion of the Georgia Department of Banking and Finance in this matter. The written response of the Deputy Commissioner of that Department makes apparent that the proposed activities of the GIN group comply with Georgia branching law.

section 225.21(a) of the Board's Regulation Y, 49 *Federal Register* 794 (1984) (to be codified at 12 C.F.R. § 225.21(a)), to engage *de novo* through its wholly owned subsidiary, Citicorp Futures Corporation ("CFC"), in executing and clearing options on bullion, foreign exchange, U.S. government securities and money market instruments, and options on futures in these commodities and instruments. Citicorp also has applied for the Board's approval to provide advisory services in connection with some of the proposed options activities.

Notice of the application, affording interested persons an opportunity to submit comments on the relation of the proposed activity to banking and on the balance of the public interest factors regarding the application, has been duly published, 48 *Federal Register* 51372 (1983). The time for filing comments has expired and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Applicant, with consolidated assets of $142 billion[1] is the largest banking organization in the United States. Citicorp controls four subsidiary banks—two in New York, one in South Dakota and one in Delaware—with aggregate deposits of $78.9 billion.[2] Applicant, directly and through certain of its subsidiaries, engages in a broad range of permissible nonbanking activities throughout the United States. The capitalization of CFC is adequate to permit it to engage in the proposed nonbanking activities.

Applicant proposes to engage through CFC in acting as a futures commission merchant ("FCM") registered with the Commodity Futures Trading Commission ("CFTC") in order to execute and clear options on futures in bullion, foreign exchange, U.S. government securities and money market instruments on established commodity exchanges.[3] These FCM activities are permissible for bank holding companies under section 225.25(b)(18) of the Board's Regulation Y, subject to the conditions set forth therein.

Applicant also proposes to engage through CFC in acting as a broker-dealer registered with the Securities and Exchange Commission ("SEC") in order to execute and clear options on foreign exchange, U.S. government securities and money market instruments on authorized stock exchanges. The Board has previously approved by order the activity of executing and clearing these SEC-regulated options.[4] Applicant's proposal to execute and clear such options is substantially similar to proposals previously approved by the Board, and Applicant's prior experience in the cash and forward markets for these financial physicals indicates that CFC would have the expertise to provide the proposed options services. Accordingly, the Board concludes that the execution and clearance of these SEC-regulated options, in the manner proposed, is closely related to banking.

In addition, Applicant proposes to execute and clear CFTC-regulated options on bullion and foreign exchange on authorized commodity exchanges, activities which have not been authorized previously. In order to approve an application to engage in new activities pursuant to section 4(c)(8) of the BHC Act, the Board is first required to determine that the proposed activity is closely related to banking or managing or controlling banks.

The Board has previously determined that the brokering of futures and options on futures in bullion and foreign exchange is a permissible nonbanking activity.[5] In addition, the Board has concluded that options on physicals serve essentially the same function as futures and options on futures, and that the brokering of options on certain physicals, *i.e.*, U.S. government securities, money market instruments and options on foreign currency regulated by the SEC, is closely related to banking.[6] The proposed CFTC- and SEC-regulated options on physicals are functionally and operationally comparable devices for hedging investment portfolio risk. Therefore, the Board has determined that Applicant's proposal to execute and clear options on bullion and foreign currency is substantially similar to proposals to engage in options activities previously approved by the Board.

Moreover, the record indicates that Applicant has been active in the cash and forward markets for bullion and foreign currency and has the expertise to provide the proposed services to customers. Accordingly, the Board concludes that, in the manner proposed, and

1. As of March 31, 1984.
2. As of June 30, 1983. The Board recently approved Applicant's proposal to acquire a subsidiary bank in Maryland. *Citicorp*, 70 Federal Reserve Bulletin 591 (Order dated April 30, 1984).
3. Under an accord between the SEC and the CFTC adopted by Congress (Pub. L. No. 97-444, 96 Stat. 2294, 7 U.S.C. § 2(a) (1982) and Pub. L. No. 97-303, 96 Stat. 1409, 15 U.S.C. § 77b (1982)), the SEC has exclusive jurisdiction over options on U.S. government securities and money market instruments. The CFTC has overlapping jurisdiction with the SEC over options on foreign currency and has exclusive jurisdiction over options on bullion and on futures.

4. *Fidelcor, Inc.*, 70 Federal Reserve Bulletin 368 (1984) (SEC-regulated options on foreign exchange); *Security Pacific Corporation*, 70 Federal Reserve Bulletin 53 (1984) (SEC-regulated options on U.S. government securities and money market instruments).
5. Section 225.25(b)(18) of Regulation Y.
6. See note 4, *supra*.

subject to the conditions set forth in section 225.25(b)(18) of Regulation Y for futures and options on futures, Applicant's proposal to execute and clear options on bullion and foreign exchange is closely related to banking.

With respect to the above-referenced CFTC-regulated options, Applicant also proposes to provide investment advisory services consisting of general research and advice on market conditions and trading strategies, client account information and reconciliation of trades, and communication linkage between clients and commodity exchange floors in connection with proposed FCM activities. These services would be offered to customers as an integrated package of services on a nonfee basis. The Board has previously determined that the provision of investment advice on this basis is incidental to FCM activities.[7] Although the Board has expressed some doubt with regard to the continuing applicability of this precedent, the Board also has determined that the provision of investment advice in connection with FCM activities is closely related to banking.[8] Accordingly, the Board has determined that FCM investment advisory services, conducted in the manner proposed, may be approved.

In order to approve this application, the Board is also required to determine that the performance of the proposed activities by Applicant "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects . . . . " (12 U.S.C. § 1843(c)(8)). Consummation of Applicant's proposal would provide added convenience to those clients of Applicant and its subsidiaries that trade in the cash, forward and futures markets for these instruments. The Board expects that the *de novo* entry of Applicant into the market for these services would increase the level of competition among providers of these services already in operation. Accordingly, the Board concludes that the performance of the proposed activities by Applicant can reasonably be expected to produce benefits to the public.

The Board also has considered the potential for adverse effects that may be associated with this proposal. In particular, the Board has taken into account and has relied on the regulatory framework established pursuant to law by the SEC and the CFTC for the trading of options, as well as the conditions set forth in section 225.25(b)(18) of Regulation Y with respect to executing and clearing futures and options on futures.

7. *Security Pacific*, 70 FEDERAL RESERVE BULLETIN 53, 55 (1984); *Citicorp*, 68 FEDERAL RESERVE BULLETIN 776, 778 (1982).

8. *Manufacturers Hanover Corporation*, 70 FEDERAL RESERVE BULLETIN 369 (1984).

Based upon a consideration of all the relevant facts, the Board concludes that the balance of the public interest factors it is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to all of the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective June 5, 1984.

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

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

Old Stone Corporation
Providence, Rhode Island

Statement By Board of Governors of the Federal Reserve System Regarding the Application of Old Stone Corporation to Acquire First Federal Savings and Loan Association of Catawba County

By Order dated June 5, 1984, the Board denied the application of Old Stone Corporation, Providence, Rhode Island, pursuant to section 4(c)(8) of the Bank Holding Company Act, (12 U.S.C. § 1843(c)(8)) ("BHC Act"), to acquire First Federal Savings and Loan Association of Catawba County, Conover, North Carolina.[1] In this Statement, the Board sets forth its reasons for denying the application.

Applicant is a bank holding company by virtue of its control of Old Stone Bank, Providence, Rhode Island,

1. In decisions involving applications previously considered under section 4(c)(8) of the BHC Act, the Board determined that the operation of a savings and loan association is closely related to banking. *E.g.*, *D.H. Baldwin Company*, 63 FEDERAL RESERVE BULLETIN 280 (1977).

which operates 27 banking offices throughout Rhode Island and controls $1.4 billion in deposits.[2] Applicant also operates industrial banking, consumer finance, and mortgage banking subsidiaries, and one savings and loan association that is located in North Carolina. The Board approved Applicant's acquisition of that thrift subsidiary, Perpetual Savings & Loan Association, High Point, North Carolina ("Perpetual"), on September 7, 1983.[3] Perpetual operates seven offices in western North Carolina and controls $180.8 million in deposits. At the time of its acquisition, Perpetual was a financially troubled, state-chartered and state-insured thrift institution. In order to ensure that Perpetual would not be considered a bank under the BHC Act, Applicant committed that Perpetual would secure FSLIC insurance.[4]

Catawba is a small ($50 million in deposits), federally chartered and FSLIC-insured association which operates three offices in western North Carolina. Applicant plans to acquire Catawba and immediately have Perpetual merge with Catawba. Because Catawba is not a failing institution, the Board could not approve this application under the emergency thrift acquisition provisions of the Garn–St Germain Act. Instead, the Board must consider this proposal in light of the Board's general authority to approve bank holding company acquisitions of nonbanking companies under section 4(c)(8) of the BHC Act.

In construing its general authority regarding thrift acquisitions, the Board has reaffirmed its determination made in *D.H. Baldwin Company* that in most instances the generalized adverse effects of the affiliation between banks and thrift institutions outweigh any public benefits that might be present in a particular transaction.[5] Moreover, it is implicit in the Garn–St Germain Act, which permits only the acquisition of failing thrift institutions by bank holding companies, that there are some adverse effects associated with the acquisition of healthy thrifts.[6] As noted, Catawba is not a failing institution, and the record contains no evidence of any other compelling public benefits that would outweigh the generalized adverse effects of the affiliation of a bank and a thrift institution.

Because the acquisition of Catawba is intended to strengthen Perpetual, Applicant claims that the proposed acquisition is consistent with the policy underlying the emergency thrift acquisition provisions of the Garn–St Germain Act. Applicant states that acquisition of Catawba would provide Perpetual with FSLIC deposit insurance necessary to Perpetual's continued viability. FSLIC insurance, however, is available to Perpetual even absent this acquisition by direct application to the FSLIC. Applicant further states that the acquisition would provide Perpetual with Catawba's management expertise, expertise that Applicant maintains it cannot itself provide. When Applicant applied to acquire Perpetual, however, it asserted that it had the financial and managerial resources necessary to restore Perpetual to competitive vitality. This assertion was an essential part of the basis for the Board's approval of the Perpetual acquisition. In this context, the Board does not favor a subsequent application to acquire a healthy thrift merely to facilitate the operation of Perpetual or to support it with the managerial resources its parent claimed it could independently provide; this is particularly true in a situation in which the Board must find positive public benefits to overcome the adverse effects the Board has found continue to apply in the case of bank holding company acquisitions of thrifts.

In addition, Applicant presents a technical argument in support of this application. Applicant maintains that, had Perpetual been acquired under the emergency provisions of the Garn–St Germain Act, this acquisition would be permissible under the provision in section 123 of that Act that permits an acquired thrift to branch, subject to the restrictions on branching applicable to national banks located in the state. Applicant argues that since national banks in North Carolina may branch by merger, and not merely by establishing *de novo* branches, the proposed acquisition should be viewed as an expansion of Perpetual permissible under the Garn–St Germain Act.[7]

2. All banking data are as of December 31, 1983.
3. 69 FEDERAL RESERVE BULLETIN 812 (1983).
4. As a result of the Garn–St Germain Act, the definition of the term bank contained in section 2(c) of the BHC Act excludes FSLIC-insured thrifts.
5. *Citicorp (Fidelity Federal)*, 68 FEDERAL RESERVE BULLETIN 656 (1982); *Interstate Financial Corp. (Scioto)* 68 FEDERAL RESERVE BULLETIN 316 (1982). *See also, Citicorp (First Federal)*, 70 FEDERAL RESERVE BULLETIN 149, 152–53 (1984) (analysis of *D.H. Baldwin* precedent in context of acquisition under Garn–St Germain Act).
6. These provisions of the Garn–St Germain Act expire on October 15, 1985, and would thereafter have no impact on the Board's general authority under section 4(c)(8) to authorize thrift acquisitions where the net public benefits of a particular proposal are positive.
7. Section 123(a)(5)(A) of the Garn–St Germain Act provides:

> Where a merger, consolidation, transfer, or acquisition under this subsection involves an insured institution eligible for assistance and a bank or bank holding company, an insured institution may retain and operate any existing branch or branches or any other existing facilities but otherwise shall be subject to the conditions upon which a national bank may establish and operate branches in the State in which such insured institution is located

The language and structure of this provision, however, demonstrate that it is a limiting provision rather than a permissive one, which does not by its terms authorize the acquisition of a healthy thrift, and speaks only to branching and not to expansion by merger. This proposal involves a merger of S&Ls — thereby eliminating a thrift institution from the marketplace — and not merely the establishment or acquisition of branches.

Perpetual, however, was not acquired by Applicant under the Garn–St Germain Act, and therefore the branching provision of that Act is not applicable to this acquisition. In addition, Applicant offers no compelling public benefits resulting from this acquisition that would cause the Board to apply the Garn–St Germain Act by analogy. The Board also noted that there was a reasonable argument that it is unlikely that Congress intended under this provision to permit bank holding companies to expand their presence in the thrift industry through merger with healthy thrift institutions.[8]

Finally as noted above, the Board believes that the benefits that might accrue to Applicant through this proposed affiliation—acquisition of FSLIC deposit insurance and Catawba's management expertise—are available to Applicant through other means. Consequently, the Board finds that the public benefits associated with this proposal do not outweigh the generalized adverse effects that the Board determined in D.H. Baldwin were associated with the affiliation of banks and thrift institutions. Accordingly, on the basis of all the facts of record, the application is hereby denied.

Board of Governors of the Federal Reserve System, June 5, 1984.

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

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

Orders Issued Under Sections 3 and 4 of the Bank Holding Company Act

Mercantile Texas Corporation
Dallas, Texas

Order Approving Merger of Bank Holding Companies and Acquisition of a Company Engaged in the Underwriting of Credit-Related Insurance

Mercantile Texas Corporation, Dallas, Texas, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 3 of the Act (12 U.S.C. § 1842) to merge with Southwest Bancshares, Inc., Houston, Texas ("Southwest").[1] As a result of the proposed transaction, Applicant would acquire indirectly Southwest's 37 subsidiary banks. The resulting organization would operate under the charter of Mercantile Texas Corporation and would be known as Mercantile Southwest Corporation.

Applicant has also applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(2) of the Board's Regulation Y (12 C.F.R. § 225.23(a)(2)), to acquire Southwest Bancshares Life Insurance Company, Houston, Texas ("Southwest Bancshares Life"), a company engaged in the underwriting of credit life and credit accident and health insurance directly related to extensions of credit by subsidiaries of Southwest. This activity has been determined by the Board to be closely related to banking and permissible for bank holding companies (12 C.F.R. § 225.25(b)(9)) and this determination has not been affected by the recent amendments to section 4(c)(8) of the Act limiting the permissible insurance activities of bank holding companies.[2]

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the Act (49 *Federal Register* 935 (1984)). 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)) and the considerations specified in section 4(c)(8) of the Act.

Applicant is the fifth largest banking organization in Texas, with 29 subsidiary banks that control aggregate domestic deposits of $7.0 billion,[3] representing 6.1 percent of the total deposits in commercial banks in the state. Southwest is the seventh largest banking organization in the state, with 37 subsidiary banks that control aggregate domestic deposits of $5.5 billion,

8. Such expansion could well be considered to be inconsistent with the entire scheme of the emergency thrift acquisition provisions of the Garn–St Germain Act if an initial acquisition of a failing thrift were used as a vehicle for the subsequent acquisition of a healthy thrift These provisions were constructed to allow banking organizations to acquire thrifts only if the thrifts were failing, and even then, only as a last resort if no other thrift was prepared to make the acquisition.

1. Applicant has also applied under section 3(a)(1) of the Act (12 U.S.C. § 1842(a)(1)) for approval of the acquisition by its wholly-owned inactive subsidiary, Mercantile Southwest Financial Corporation ("MSFC"), of the banking subsidiaries of Southwest and Applicant. MSFC will hold directly all of the banking subsidiaries of the resulting organization.

2. *See* Garn–St Germain Depository Institutions Act of 1982, Pub. L. No. 97-320, § 601, 96 Stat. 1469, 1536–38 (1982).

3. Unless otherwise indicated, deposit data are of June 30, 1983, and reflect bank holding company formations and acquisitions approved through April 16, 1984. Statewide deposit data also reflect Southwest's divestiture, on March 30, 1984, of The Mercantile National Bank of Corpus Christi

representing 4.5 percent of the total deposits in commercial banks in the state. Upon consummation of the proposed acquisition, Applicant's share of the total deposits in commercial banks in the state would increase to 10.6 percent and Applicant would become the second largest banking organization in Texas.

Although the Board is concerned about the effect of this merger of the fifth and seventh largest banking organizations in Texas on the concentration of banking resources within the state, a number of factors mitigate that concern. Upon consummation of this proposal, there would remain a number of other large multibank holding companies, which are active competitors throughout the state. In addition, the share of deposits held by the four largest banking organizations in Texas would increase from 39.3 percent to only 41 percent upon consummation of the proposed merger, and in terms of concentration of deposits in commercial banks, Texas would remain moderately concentrated. Accordingly, it is the Board's view that the proposed acquisition would not have a significantly adverse effect on the concentration of banking resources in Texas.

Subsidiary banks of Applicant compete directly with subsidiary banks of Southwest in three banking markets: the Dallas, Houston, and San Antonio markets. On March 30, 1984, Southwest sold its only bank in the Corpus Christi banking market, The Mercantile National Bank of Corpus Christi. As a result of this divestiture, consummation of this proposal would not eliminate existing competition between Applicant and Southwest in the Corpus Christi banking market.

Applicant is the third largest of 109 commercial banking organizations in the Dallas banking market[4] with $2.96 billion in deposits therein, representing 11.2 percent of the total deposits in commercial banks in the market. Southwest is the seventh largest commercial banking organization in the Dallas banking market with $864.7 million in deposits, representing 3.3 percent of the total deposits in commercial banks in the market. Upon consummation of the proposed transaction, Applicant would remain the third largest banking organization in the Dallas market, and would hold approximately 14.5 percent of the total deposits in commercial banks in that market.

The Dallas banking market is considered moderately concentrated, with the four largest banking organizations controlling 66.2 percent of the total deposits in commercial banks and a Herfindahl–Hirschman Index ("HHI") of 1400. Upon consummation of this proposal, the four-firm concentration ratio would increase to 69.5 percent and the HHI would increase 74 points to 1474.[5]

Southwest is the fourth largest of 103 commercial banking organizations in the Houston banking market[6] with $2.8 billion in deposits, representing 8.7 percent of the total deposits in commercial banks in the market. Applicant is the seventh largest commercial banking organization in the market with $1.0 billion in deposits, representing 3.2 percent of the total deposits in commercial banks in the market. Upon consummation of the proposed transaction, Applicant would become the fourth largest banking organization in the Houston market, with a market share of approximately 11.9 percent of the total deposits in commercial banks in the market.

The Houston banking market is only moderately concentrated, with a four-firm concentration ratio of 60.5 percent and a pre-merger HHI of 1104. Upon consummation of the proposed transaction, the four-firm concentration ratio would increase to 63.7 percent and the HHI to 1159.

Applicant is the fourth largest commercial banking organization in the San Antonio banking market[7] with $518.4 million in deposits, representing 8.4 percent of the total deposits in commercial banks in the market. Southwest is the ninth largest commercial banking organization in the San Antonio market with $112.3 million in deposits, representing 1.8 percent of the total deposits in commercial banks in the market. Upon consummation of the proposed merger, Applicant would remain the fourth largest commercial banking organization in the San Antonio banking market and would hold approximately 10.2 percent of the total deposits in commercial banks in the market.

The San Antonio market is only moderately concentrated, with a four-firm concentration ratio of 62.6 percent and a pre-merger HHI of 1226. Upon consummation of the proposed transaction, the four-firm

4. The Dallas banking market is approximated by Dallas County, the southeast quadrant of Denton County (including Denton and Lewisville), the southwest quadrant of Collin County (including McKinney and Plano), the northern half of Rockwall County, the communities of Forney and Terrell in Kaufman County, Midlothian, Waxahatchie, and Ferris in Ellis County, and Grapevine and Arlington in Tarrant County.

5. Under the Department of Justice's Merger Guidelines, a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated. In such markets, the Department of Justice is unlikely to challenge a merger that produces an increase in the HHI of less than 100 points.

6. The Houston banking market is approximated by the Houston Ranally Metropolitan Area.

7. The San Antonio banking market is approximated by the San Antonio Ranally Metropolitan Area.

concentration ratio would increase to 64.4 percent and the HHI would increase by only 30 points, to 1256.

Based on all of the facts of record, including the small increase in concentration in the Dallas, Houston, and San Antonio banking markets and the number and size of the remaining banking competitors in each of the markets, the Board concludes that consummation of the proposed transaction would not have a significantly adverse effect on competition in the three markets in which subsidiary banks of Applicant compete with Southwest's subsidiary banks.

There are 19 markets in Texas in which only one of the two holding companies competes.[8] The Board has considered the effects of this proposal on probable future competition in these geographic markets and has also examined the proposal in light of its proposed guidelines for assessing the competitive effects of market-extension mergers or acquisitions.[9] In evaluating the effects of a proposed merger or acquisition upon probable future competition, the Board considers market concentration, the number of probable future entrants into the market, the size and market position of the firm to be acquired, and the attractiveness of the market for *de novo* or foothold entry.

In view of the fact that Southwest had established a banking subsidiary in the Corpus Christi banking market which it sold in anticipation of this transaction, the Board believes that Southwest would be a probable future entrant into the Corpus Christi market absent approval of this proposal. However, the Corpus Christi banking market is not highly concentrated, as indicated by a three-firm concentration ratio of 57.5 percent, and there is no indication that the market is not competitive. Thus, the Board does not view the elimination of Southwest as a probable future entrant into the Corpus Christi market as having a substantial adverse effect on probable future competition in the market.

Of the 18 other markets in which either Applicant or Southwest, but not the other, competes, ten are not highly concentrated.[10] With respect to the remaining eight markets (as well as to seven of the ten markets that are not highly concentrated), there are numerous other probable future entrants into each market. On the basis of these and other facts of record, the Board concludes that consummation of this proposal would not have any significant adverse effects on probable future competition in any relevant market.

The Board has stated and continues to believe that capital adequacy is an especially important factor in the analysis of bank holding company expansion proposals, particularly where significant acquisitions are proposed. In this case, the financial and managerial resources of Applicant, Southwest, and their subsidiaries are consistent with approval, and their prospects appear favorable. The Board notes that, because this transaction would be accomplished through an exchange of shares, it would not have any significant adverse effect on Applicant's financial resources. Considerations relating to the convenience and needs of the communities to be served are also consistent with approval of the application.

Applicant has also applied, pursuant to section 4(c)(8) of the Act, to acquire Southwest's nonbanking subsidiary, Southwest Bancshares Life, through which Applicant proposes to engage in the underwriting of credit life and credit accident and health insurance directly related to extensions of credit by the banking subsidiaries acquired by Applicant from Southwest. This activity is authorized for bank holding companies by section 225.25(b)(9) of Regulation Y (12 C.F.R. § 225.25(b)(9)).[11]

There is no evidence in the record to indicate that approval of the proposed acquisition of Southwest Bancshares Life would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices, or other adverse effects. Accordingly, the Board has determined that the balance of the public interest factors it must consider under section 4(c)(8) of the Act is favorable and consistent with approval of the application to acquire Southwest Bancshares Life.

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3 and 4 of the Act should be and hereby are

8. The ten markets in which only Applicant operates are. Abilene, Austin, Comal County, Corpus Christi, El Paso, Hunt County, Navarro County, Sherman-Denison, Waco, and Wichita Falls. The nine markets in which only Southwest operates are: Beaumont-Port Arthur, Brownsville, Fort Worth, Harlingen, Longview, Marshall, Odessa, Orange, and Washington County.

9. 47 *Federal Register* 9017 (March 3, 1982). Although the proposed policy statement setting forth these guidelines has not been adopted by the Board, the Board is using the policy guidelines in its analysis of the effects of a proposal on probable future competition.

10. The United States Supreme Court has stated that "the potential competition doctrine has meaning only as applied to concentrated markets." *United States v. Marine Bancorporation,* 418 U.S. 602, 630 (1974).

11. Regulation Y currently requires that an applicant must offer premium rate reductions or equivalent public benefits in order to engage in insurance underwriting activities. 12 C.F.R § 225.25(b)(9) n.7. Applicant has committed to offer the required rate reductions. The Board notes, however, that it has proposed an amendment to Regulation Y that would eliminate the rate reduction requirement from its regulations concerning this activity. 48 *Federal Register* 53125 (November 25, 1983). Any final action taken by the Board with respect to this rule would be applicable to Applicant.

approved. The merger shall not be consummated before the thirtieth calendar day following the effective date of this Order and neither the merger nor the acquisition of Southwest's nonbanking subsidiary shall occur 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. The approval of Applicant's proposal to acquire Southwest's nonbanking subsidiary is subject to the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b)(3) (12 C.F.R. §§ 225.4(d) and 225.23(b)(3)), 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 June 4, 1984.

Voting for this action: Governors Partee, Teeters, Rice, and Gramley. Governor Teeters abstained from voting on the insurance portion of these applications. Absent and not voting: Chairman Volcker and Governors Martin and Wallich.

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

Legal Developments continued on next page.

Orders Approved under Bank Holding Company Act

By the Board of Governors

During June 1984 the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	Bank	Board action (effective date)
Royal Bank Group, Inc. Royal Oak, Michigan	National Bank of Royal Oak Royal Oak, Michigan	June 26, 1984

Section 4

Applicant	Bank	Effective date
First Security Corporation Salt Lake City, Utah	Mission Bay Mortgage Company San Diego, California	June 25, 1984

By Federal Reserve Banks

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

Section 3

Applicant	Bank(s)	Reserve Bank	Effective date
Alaska Continental Bancorp Anchorage, Alaska	Alaska Continental Bank Anchorage, Alaska	San Francisco	June 18, 1984
American Bank Holding Corporation Corpus Christi, Texas	American National Bank Corpus Christi, Texas	Dallas	June 22, 1984
American Bankshares, Inc. War, West Virginia	First Clark National Bank Northfork, West Virginia	Richmond	June 6, 1984
Amoskeag Bank Shares, Inc. Manchester, New Hampshire	Bank Meridian, N.A. Hampton, New Hampshire	Boston	June 8, 1984
Arvada Bankshares, Ltd. Denver, Colorodo	The First National Bank of Arvada Arvada, Colorodo	Kansas City	June 22, 1984
Assumption Bancshares, Inc. Napoleonville, Louisiana	Assumption Bank & Trust Company Napoleonville, Louisiana	Atlanta	June 18, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Atlanta Bancorp, Inc. Atlanta, Texas	The Atlanta National Bank Atlanta, Texas	Dallas	June 14, 1984
Auburn National Bancorporation Auburn, Alabama	Auburn National Bank of Auburn Auburn, Alabama	Atlanta	May 31, 1984
Beverly National Corporation Beverly, Massachusetts	The Beverly National Bank Beverly, Massachusetts	Boston	May 29, 1984
Cashmere Valley Bancshares, Inc. Cashmere, Washington	Columbia Valley Bank East Wenatchee, Washington Cashmere Valley Bank Cashmere, Washington	San Francisco	May 30, 1984
Central Fidelity Banks, Inc. Richmond, Virginia	The Bank of Christiansburg Christiansburg, Virginia	Richmond	June 12, 1984
Central Illinois Financial Corporation Champaign, Illinios	The Champaign National Bank Champaign, Illinois Market Place National Bank Champaign, Illinois	Chicago	June 15, 1984
Citizens Bancorporation Sheboygan, Wisconsin	North Side Bancorp, Inc. Racine, Wisconsin	Chicago	June 5, 1984
Citizens Bancshares, Inc. Ontonagon, Michigan	The Citizens State Bank of Ontonagan Ontonagon, Michigan	Minneapolis	June 14, 1984
Commonwealth Bancorporation, Inc. Glendale, Colorado	Commonwealth State Bank Glendale, Colorado	Kansas City	June 1, 1984
Community Bancorp Royal Center, Indiana	Community State Bank Royal Center, Indiana	Chicago	June 5, 1984
Community Bank System, Inc. Canton, New York	The Exchange National Bank Olean, New York	New York	May 31, 1984
Community Capital Corp. Houston, Texas	Community National Bank Friendswood, Texas	Dallas	June 11, 1984
Community National Corporation Grand Forks, North Dakota	Community National Bank of Grand Forks Grand Forks, North Dakota	Minneapolis	June 21, 1984
Consolidated Banc Shares, Inc. Clarksburg, West Virginia	The Lowndes Bank Clarksburg, West Virginia	Richmond	June 8, 1984
Financial and Property Management, Inc. Emporia, Kansas	Educators Investment Company of Kansas, Inc. Emporia, Kansas	Kansas City	June 6, 1984
Financial Trans Corp. Carlisle, Pennsylvania	Chambersburg Trust Company Chambersburg, Pennsylvania	Philadelphia	May 31, 1984
First Community Bancshares, Inc. Princeton, West Virginia	Bank of Winfield Winfield, West Virginia	Richmond	June 12, 1984
First Fayette Bancshares, Inc. Fayette, Alabama	The First National Bank of Fayette Fayette, Alabama	Atlanta	June 12, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
First National Bancorp Gainesville, Georgia	Granite City Bank Elberton, Georgia	Atlanta	June 8, 1984
First National Bancshares of West Alabama, Inc. Aliceville, Alabama	First National Bank of Aliceville Aliceville, Alabama Bank of Gordo Gordo, Alabama	Atlanta	June 13, 1984
First National Corporation of West Point West Point, Mississippi	The First National Bank of West Point West Point, Mississippi	St. Louis	June 11, 1984
First Security Bancorp Tacoma, Washington	First Security Bank Tacoma, Washington	San Francisco	June 11, 1984
FNB Financial Corporation Scottsburg, Indiana	First National Bank of Scottsburg Scottsburg, Indiana	St. Louis	June 27, 1984
Fourth Financial Corporation Wichita, Kansas	Olathe Bancshares, Inc. Wichita, Kansas	Kansas City	June 22, 1984
F.S. Bancorp Lagrange, Indiana	Farmers State Bank Lagrange, Indiana	Chicago	May 29, 1984
General Bank Corporation of Kentucky Horse Cave, Kentucky	Horse Cave State Bank Horse Cave, Kentucky	St. Louis	June 18, 1984
GuarantyShares of West Virginia, Inc. Huntington, West Virginia	The Guaranty National Bank of Huntington Huntington, West Virginia	Richmond	June 21, 1984
Hancock Holding Company Gulfport, Mississippi	Hancock Bank Gulfport, Mississippi	Atlanta	May 30, 1984
Harrison County Bancshares, Inc. Bethany, Missouri	National Bancshares, Inc. Bethany, Missouri	Kansas City	June 14, 1984
Harvest Bancorp, Inc. Hamilton, Virginia	Farmers and Merchants National Bank of Hamilton Hamilton, Virginia	Richmond	June 6, 1984
Hillside Investors, Ltd. Hillside, Illinois	Bank of Hillside Hillside, Illinois	Chicago	June 15, 1984
Independent Community Financial Corporation Rockwall, Texas	Wylie Bank, N.A. Wylie, Texas Balch Springs Bank, N.A. Balch Springs, Texas	Dallas	June 18, 1984
Iowa Park Bancshares, Inc. Iowa Park, Texas	Electra State Bank and Trust Company Electra, Texas	Dallas	June 6, 1984
Jamestown Union Bancshares, Inc. Jamestown, Tennessee	Union Bank Jamestown, Tennessee	Atlanta	June 7, 1984
Kentucky Southern Bancorp, Inc. Bowling Green, Kentucky	The Citizens National Bank of Bowling Green Bowling Green, Kentucky	St. Louis	May 30, 1984
Lake Cities Financial Corporation Lake Dallas, Texas	Lake Cities State Bank Lake Dallas, Texas	Dallas	June 14, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Lamar Trust Bancshares, Inc. Lamar, Missouri	Lamar Trust Company Lamar, Missouri	Kansas City	June 4, 1984
L&W, Inc. Portsmouth, Iowa	State Bank of Portsmouth Portsmouth, Iowa	Chicago	June 7, 1984
Marie R. Turner Holding Company Jackson, Kentucky	Citizens Bank of Jackson Jackson, Kentucky	Cleveland	June 5, 1984
Merchants Republic Corp. Terre Haute, Indiana	The Merchants National Bank of Terre Haute Terre Haute, Indiana	Chicago	June 6, 1984
Metro Bancorp, Inc. Melrose, Massachusetts	Metropolitan Bank and Trust Company Melrose, Massachusetts	Boston	June 18, 1984
Metropolitan Bancshares, Inc. Dallas, Texas	Metropolitan National Bank-Lewisville Lewisville, Texas	Dallas	June 8, 1984
Minnesota Asset Management Corporation St. Louis Park, Minnesota	Summit State Bank of Richfield Richfield, Minnesota	Minneapolis	May 25, 1984
Montbello Bankcorp, Inc. Denver, Colorado	Mission State Bank Lakewood, Colorado	Kansas City	June 11, 1984
Moran National Bancshares, Inc. Moran, Texas	The Moran National Bank Moran, Texas	Dallas	May 31, 1984
National American Bancorp, Inc. Towanda, Pennsylvania	The First National Bank of Bradford County Towanda, Pennsylvania	Philadelphia	June 4, 1984
New Boston Bancshares, Inc. New Boston, Texas	The First National Bank of New Boston New Boston, Texas	Dallas	June 28, 1984
Northern Trust Corporation Chicago, Illinois	Northern Trust of Florida Corporation Miami, Florida	Chicago	June 19, 1984
O.F.I. Navarre, Minnesota	Orano Financial, Inc. Navarre, Minnesota	Minneapolis	May 31, 1984
Olathe Bancshares, Inc. Wichita, Kansas	Patrons Bancorporation, Inc. Olathe, Kansas	Kansas City	June 22, 1984
Old Point Financial Corporation Hampton, Virginia	The Old Point National Bank of Phoebus Hampton, Virginia	Richmond	June 27, 1984
Olmstead Bancorporation, Inc. Byron, Minnesota	Byron Bancorporation, Inc. Byron, Minnesota State Bank of Byron Byron, Minnesota	Minneapolis	May 30, 1984
PSB Corporation Wellsburg, Iowa	Peoples Savings Bank Wellsburg, Iowa	Chicago	June 21, 1984
Pulaski Bancshares, Inc. Pulaski, Wisconsin	Pulaski State Bank Pulaski, Wisconsin	Chicago	June 20, 1984
Richland State Bancorp, Inc. Rayville, Louisiana	Richland State Bank Rayville, Louisiana	Dallas	June 1, 1984

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Rosholt Bancorporation, Inc. Rosholt, Wisconsin	The State Bank of Rosholt Rosholt, Wisconsin	Chicago	June 22, 1984
SecurShares Incorporated Navosota, Texas	The Security State Bank Navasota, Texas	Dallas	June 14, 1984
Shamrock Bancshares, Inc. Coalgate, Oklahoma	Sooner Bancshares, Inc. Caddo, Oklahoma	Dallas	June 1, 1984
Simmons First National Corporation Pine Bluff, Arkansas	First Bank and Trust of Jonesboro Jonesboro, Arkansas	St. Louis	June 15, 1984
Somerset Bancorp, Inc. Somerville, New Jersey	Somerset Trust Company Somerville, New Jersey	New York	June 20, 1984
Stephenson National Bancorp, Inc. Marinette, Wisconsin	The Stephenson National Bank and Trust Marinette, Wisconsin	Chicago	June 11, 1984
South St. Paul Bancshares, Inc. South St. Paul, Minnesota	Summit State Bank of South St. Paul South St. Paul, Minnesota	Minneapolis	May 31, 1984
Summit Bankshares, Inc. Ripley, West Virginia	First National Bank of Ripley Ripley, West Virginia	Richmond	June 22, 1984
Sunwest Financial Services, Inc. Alburquerque, New Mexico	Sunwest Bank of Sandoval County, N.A. Rio Rancho, New Mexico	Kansas City	June 7, 1984
Texas Commerce Bancshares, Inc. Houston, Texas	Texas Commerce Bank-Midland, N.A. Midland, Texas	Dallas	June 14, 1984
Texas Community Bankers, Inc. Iredell, Texas	Iredell State Bank of Iredell Iredell, Texas	Dallas	June 12, 1984
Texas Guld Coast Bancorp, Inc. Houston, Texas	First National Bank of Pearland Pearland, Texas	Dallas	June 15, 1984
Ultra Bancorporation Bridgewater, New Jersey	The Peoples National Bank of Central Jersey Piscataway, New Jersey	New York	June 22, 1984
UST Corp Boston, Massachusetts	Natick Trust Company Natick, Massachusetts	Boston	June 13, 1984
Wesbanco, Inc. Wheeling, West Virginia	New Martinville Bank New Martinville, West Virginia	Cleveland	June 22, 1984
Western National Bank of Texas Fort Worth, Texas	Western National Bank of Texas Fort Worth, Texas	Dallas	May 29, 1984

Section 4

Applicant	Nonbanking company	Reserve Bank	Effective date
First Lena Corporation Lena, Illinois	First Lena Insurance Agency, Inc. Lena, Illinois	Chicago	June 18, 1984

Section 4—Continued

Applicant	Nonbanking company	Reserve Bank	Effective date
First National Bankshares of Beloit, Inc. Beloit, Kansas	First Loan Company Beloit, Kansas	Kansas City	June 5, 1984
First Oklahoma Bancorporation, Inc. Oklahoma City, Oklahoma	Holliday Mortgage Corporation Tulsa, Oklahoma	Kansas City	June 6, 1984
First Oklahoma Bancorporation, Inc. Oklahoma City, Oklahoma	Sun Country Financial Corporation of Colorado Colorado Springs, Colorado	Kansas City	May 29, 1984
First Valley Bancorp Bethlehem, Pennsylvania	Lehigh Securities Corporation Lehigh County, Pennsylvania	Philadelphia	June 8, 1984
First Vermont Financial Corporation Brattleboro, Vermont	Vermont Mortgage Group, Inc. Wilmington, Vermont	Boston	June 13, 1984
Marshall & Ilsley Corporation Milwaukee, Wisconsin	Grootemaat Corporation Milwaukee, Wisconsin	Chicago	June 13, 1984
Peoples Investment Corporation Cuba, Missouri	Dorf Insurance Agency, Inc. Cuba, Missouri	St. Louis	June 6, 1984
S.B.T. Financial, Inc. Townsend, Montana	Kearns Agency Townsend, Montana	Minneapolis	June 14, 1984

Sections 3 and 4

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
First National Agency Company of Deer River, Inc. Deer River, Minnesota	First National Bank of Deer River Deer River, Minnesota general insurance activities	Minneapolis	June 1, 1984
Tuttle Bancshares, Inc. Tuttle, Oklahoma	The Bank of Tuttle Tuttle, Oklahoma Tuttle Insurance Agency, Inc. Tuttle, Oklahoma	Kansas City	June 1, 1984

ORDERS APPROVED UNDER BANK MERGER ACT

By Federal Reserve Banks

Applicant	Bank(s)	Reserve Bank	Effective date
State Bank of Albany Albany, New York	The Mohawk National Bank Schenectady, New York	New York	June 13, 1984

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

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

Melcher v. Federal Open Market Committee, No. 84–1335 (D.D.C., filed, Apr. 30, 1984).

Florida Bankers Association v. Board of Governors, No. 84-3269 and No. 84–3270 (11th Cir., filed Apr. 20, 1984).

Northeast Bancorp, Inc. v. Board of Governors, No. 84–4047, No. 84–4051, No. 84–4053 (2d Cir., filed Mar. 27, 1984).

Huston v. Board of Governors, No. 84–1361 (8th Cir., filed Mar. 20, 1984); and No. 84–1084 (8th Cir. filed Jan. 17, 1984).

De Young v. Owens, No. SC 9782–20–6 (Iowa Dist. Ct., filed Mar. 8, 1984).

First Tennessee National Corp. v. Board of Governors, No. 84–3201 (6th Cir., filed Mar. 6, 1984).

Independent Insurance Agents of America v. Board of Governors, No. 84–1083 (D.C. Cir., filed Mar. 5, 1984).

State of Ohio, v. Board of Governors, No. 84–1270 (10th Cir., filed Jan. 30, 1984).

Ohio Deposit Guarantee Fund v. Board of Governors, No. 84–1257 (10th Cir., filed Jan. 28, 1984).

Colorado Industrial Bankers Association v. Board of Governors, No. 84–1122 (10th Cir., filed Jan. 27, 1984).

Financial Institutions Assurance Corp. v. Board of Governors, No. 84–1101 (4th Cir., filed Jan. 27, 1984).

First Bancorporation v. Board of Governors, No. 84–1011 (10th Cir., filed Jan. 5, 1984).

Dimension Financial Corporation v. Board of Governors, No. 83-2696 (10th Cir., filed Dec. 30, 1983).

Oklahoma Bankers Association v. Federal Reserve Board, No. 83–2591 (10th Cir., filed Dec. 13, 1983).

Independent Insurance Agents of America, Inc. v. Board of Governors, No. 83–1818 (8th Cir., filed June 21, 1983); and No. 83–1819 (8th Cir., filed June 21, 1983).

The Committee for Monetary Reform v. Board of Governors, No. 84–5067 (D.C. Cir., filed June 16, 1983).

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Securities Industry Association v. Board of Governors, No. 82–1766 (U.S., filed Oct. 24, 1980).

A. G. Becker, Inc. v. Board of Governors, No. 82–1766 (U.S., filed Oct. 14, 1980).

A. G. Becker, Inc. v. Board of Governors, No. 81–1493 (D.C. Cir., filed Aug. 25, 1980).

Membership of the Board of Governors of the Federal Reserve System, 1913–84

APPOINTIVE MEMBERS[1]

Name	Federal Reserve District	Date of initial oath of office	Other dates and information relating to membership[2]
Charles S. Hamlin	Boston	Aug. 10, 1914	Reappointed in 1916 and 1926. Served until Feb. 3, 1936.[3]
Paul M. Warburg	New York	do	Term expired Aug. 9, 1918.
Frederic A. Delano	Chicago	do	Resigned July 21, 1918.
W.P.G. Harding	Atlanta	do	Term expired Aug. 9, 1922.
Adolph C. Miller	San Francisco	do	Reappointed in 1924. Reappointed in 1934 from the Richmond District. Served until Feb. 3, 1936.[3]
Albert Strauss	New York	Oct. 26, 1918	Resigned Mar. 15, 1920.
Henry A. Moehlenpah	Chicago	Nov. 10, 1919	Term expired Aug. 9, 1920.
Edmund Platt	New York	June 8, 1920	Reappointed in 1928. Resigned Sept. 14, 1930.
David C. Wills	Cleveland	Sept. 29, 1920	Term expired Mar. 4, 1921.
John R. Mitchell	Minneapolis	May 12, 1921	Resigned May 12, 1923.
Milo D. Campbell	Chicago	Mar. 14, 1923	Died Mar. 22, 1923.
Daniel R. Crissinger	Cleveland	May 1, 1923	Resigned Sept. 15, 1927.
George R. James	St. Louis	May 14, 1923	Reappointed in 1931. Served until Feb. 3, 1936.[4]
Edward H. Cunningham	Chicago	do	Died Nov. 28, 1930.
Roy A. Young	Minneapolis	Oct. 4, 1927	Resigned Aug. 31, 1930.
Eugene Meyer	New York	Sept. 16, 1930	Resigned May 10, 1933.
Wayland W. Magee	Kansas City	May 18, 1931	Term expired Jan. 24, 1933.
Eugene R. Black	Atlanta	May 19, 1933	Resigned Aug. 15, 1934.
M.S. Szymczak	Chicago	June 14, 1933	Reappointed in 1936 and 1948. Resigned May 31, 1961.
J.J. Thomas	Kansas City	do	Served until Feb. 10, 1936.[3]
Marriner S. Eccles	San Francisco	Nov. 15, 1934	Reappointed in 1936, 1940, and 1944. Resigned July 14, 1951.
Joseph A. Broderick	New York	Feb. 3, 1936	Resigned Sept. 30, 1937.
John K. McKee	Cleveland	do	Served until Apr. 4, 1946.[3]
Ronald Ransom	Atlanta	do	Reappointed in 1942. Died Dec. 2, 1947.
Ralph W. Morrison	Dallas	Feb. 10, 1936	Resigned July 9, 1936.
Chester C. Davis	Richmond	June 25, 1936	Reappointed in 1940. Resigned Apr. 15, 1941.
Ernest G. Draper	New York	Mar. 30, 1938	Served until Sept. 1, 1950.[3]
Rudolph M. Evans	Richmond	Mar. 14, 1942	Served until Aug. 13, 1954.[3]
James K. Vardaman, Jr.	St. Louis	Apr. 4, 1946	Resigned Nov. 30, 1958.
Lawrence Clayton	Boston	Feb. 14, 1947	Died Dec. 4, 1949.
Thomas B. McCabe	Philadelphia	Apr. 15, 1948	Resigned Mar. 31, 1951.
Edward L. Norton	Atlanta	Sept. 1, 1950	Resigned Jan. 31, 1952.
Oliver S. Powell	Minneapolis	do	Resigned June 30, 1952.
Wm. McC. Martin, Jr.	New York	April 2, 1951	Reappointed in 1956. Term expired Jan. 31, 1970.
A.L. Mills, Jr.	San Francisco	Feb. 18, 1952	Reappointed in 1958. Resigned Feb. 28, 1965.
J.L. Robertson	Kansas City	do	Reappointed in 1964. Resigned Apr. 30, 1973.
C. Canby Balderston	Philadelphia	Aug. 12, 1954	Served through Feb. 28, 1966.
Paul E. Miller	Minneapolis	Aug. 13, 1954	Died Oct. 21, 1954.
Chas. N. Shepardson	Dallas	Mar. 17, 1955	Retired Apr. 30, 1967.
G.H. King, Jr.	Atlanta	Mar. 25, 1959	Reappointed in 1960. Resigned Sept. 18, 1963.

Name	Federal Reserve District	Date of initial oath of office	Other dates and information relating to membership[2]
George W. Mitchell	Chicago	Aug. 31, 1961	Reappointed in 1962. Served until Feb. 13, 1976.[3]
J. Dewey Daane	Richmond	Nov. 29, 1963	Served until Mar. 8, 1974.[3]
Sherman J. Maisel	San Francisco	Apr. 30, 1965	Served through May 31, 1972.
Andrew F. Brimmer	Philadelphia	Mar. 9, 1966	Resigned Aug. 31, 1974.
William W. Sherrill	Dallas	May 1, 1967	Reappointed in 1968. Resigned Nov. 15, 1971.
Arthur F. Burns	New York	Jan. 31, 1970	Term began Feb. 1, 1970. Resigned Mar. 31, 1978.
John E. Sheehan	St. Louis	Jan. 4, 1972	Resigned June 1, 1975.
Jeffrey M. Bucher	San Francisco	June 5, 1972	Resigned Jan. 2, 1976.
Robert C. Holland	Kansas City	June 11, 1973	Resigned May 15, 1976.
Henry C. Wallich	Boston	Mar. 8, 1974	
Philip E. Coldwell	Dallas	Oct. 29, 1974	Served through Feb. 29, 1980.
Philip C. Jackson, Jr.	Atlanta	July 14, 1975	Resigned Nov. 17, 1978.
J. Charles Partee	Richmond	Jan. 5, 1976	
Stephen S. Gardner	Philadelphia	Feb. 13, 1976	Died Nov. 19, 1978.
David M. Lilly	Minneapolis	June 1, 1976	Resigned Feb. 24, 1978.
G. William Miller	San Francisco	Mar. 8, 1978	Resigned Aug. 6, 1979.
Nancy H. Teeters	Chicago	Sept. 18, 1978	Served through June 27, 1984.
Emmett J. Rice	New York	June 20, 1979	
Frederick H. Schultz	Atlanta	July 27, 1979	Served through Feb. 11, 1982.
Paul A. Volcker	Philadelphia	Aug. 6, 1979	
Lyle E. Gramley	Kansas City	May 28, 1980	
Preston Martin	San Francisco	Mar. 31, 1982	
Martha R. Seger	Chicago	July 2, 1984	

Chairmen[4]

Charles S. Hamlin	Aug. 10, 1914–Aug. 9, 1916
W.P.G. Harding	Aug. 10, 1916–Aug. 9, 1922
Daniel R. Crissinger	May 1, 1923–Sept. 15, 1927
Roy A. Young	Oct. 4, 1927–Aug. 31, 1930
Eugene Meyer	Sept. 16, 1930–May 10, 1933
Eugene R. Black	May 19, 1933–Aug. 15, 1934
Marriner S. Eccles	Nov. 15, 1934–Jan. 31, 1948
Thomas B. McCabe	Apr. 15, 1948–Mar. 31, 1951
Wm. McC. Martin, Jr.	Apr. 2, 1951–Jan. 31, 1970
Arthur F. Burns	Feb. 1, 1970–Jan. 31, 1978
G. William Miller	Mar. 8, 1978–Aug. 6, 1979
Paul A. Volcker	Aug. 6, 1979–

Vice Chairmen[4]

Frederic A. Delano	Aug. 10, 1914–Aug. 9, 1916
Paul M. Warburg	Aug. 10, 1916-Aug. 9, 1918
Albert Strauss	Oct. 26, 1918–Mar. 15, 1920
Edmund Platt	July 23, 1920–Sept. 14, 1930
J.J. Thomas	Aug. 21, 1934–Feb. 10, 1936
Ronald Ransom	Aug. 6, 1936–Dec. 2, 1947
C. Canby Balderston	Mar. 11, 1955–Feb. 28, 1966
J.L. Robertson	Mar. 1, 1966–Apr. 30, 1973
George W. Mitchell	May 1, 1973–Feb. 13, 1976
Stephen S. Gardner	Feb. 13, 1976–Nov. 19, 1978
Frederick H. Schultz	July 27, 1979–Feb. 11, 1982
Preston Martin	Mar. 31, 1982–

EX-OFFICIO MEMBERS[1]

Secretaries of the Treasury

W.G. McAdoo	Dec. 23, 1913–Dec. 15, 1918
Carter Glass	Dec. 16, 1918–Feb. 1, 1920
David F. Houston	Feb. 2, 1920–Mar. 3, 1921
Andrew W. Mellon	Mar. 4, 1921–Feb. 12, 1932
Ogden L. Mills	Feb. 12, 1932–Mar. 4, 1933
William H. Woodin	Mar. 4, 1933–Dec. 31, 1933
Henry Morgenthau, Jr.	Jan. 1, 1934–Feb. 1, 1936

Comptrollers of the Currency

John Skelton Williams	Feb. 2, 1914–Mar. 2, 1921
Daniel R. Crissinger	Mar. 17, 1921–Apr. 30, 1923
Henry M. Dawes	May 1, 1923–Dec. 17, 1924
Joseph W. McIntosh	Dec. 20, 1924–Nov. 20, 1928
J.W. Pole	Nov. 21, 1928–Sept. 20, 1932
J.F.T. O'Connor	May 11, 1933–Feb. 1, 1936

1. Under the provisions of the original Federal Reserve Act, the Federal Reserve Board was composed of seven members, including five appointive members, the Secretary of the Treasury, who was ex-officio chairman of the Board, and the Comptroller of the Currency. The original term of office was ten years, and the five original appointive members had terms of two, four, six, eight, and ten years respectively. In 1922 the number of appointive members was increased to six, and in 1933 the term of office was increased to twelve years. The Banking Act of 1935, approved Aug. 23, 1935, changed the name of the Federal Reserve Board to the Board of Governors of the Federal Reserve System and provided that the Board should be composed of seven appointive members; that the Secretary of the Treasury and the Comptroller of the Currency should continue to serve as members until Feb. 1, 1936; that the appointive members in office on the date of that act should continue to serve until Feb. 1, 1936, or until their successors were appointed and had qualified; and that thereafter the terms of members should be fourteen years and that the designation of Chairman and Vice Chairman of the Board should be for a term of four years.
2. Date after words "Resigned" and "Retired" denotes final day of service.
3. Successor took office on this date.
4. Chairman and Vice Chairman were designated Governor and Vice Governor before Aug. 23, 1935.

Financial and Business Statistics

Contents

Domestic Financial Statistics

Policy Instruments

Federal Reserve Banks

Monetary and Credit Aggregates

Commercial Banking Institutions

Weekly Reporting Commercial Banks

Financial Markets

Federal Finance

1.10 RESERVES, MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Item	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[1]								
	1983			1984	1984				
	Q2	Q3	Q4	Q1	Jan	Feb.	Mar	Apr	May
Reserves of depository institutions[2]									
1 Total	11.8	6.0	5	6.9	7.6	19.0	1.3	0r	10.7
2 Required	12.0	5.9	1	4.5	5.9	8.0	9.3	7.4r	8.0
3 Nonborrowed	5.2	2.9	8.0	8.2	9.8	24.5	-11.7	-9.6	-46.2
4 Monetary base[3]	10.2	8.1	7.8	9.0	12.8	10.5	.8	6.0r	10.1
Concepts of money, liquid assets, and debt[4]									
5 M1	11.6	9.5	4.8	7.2	10.7	6.6	5.2r	4	12.6
6 M2	10.6	6.9	8.5	7.0r	5.8r	8.5r	4.1	6.9r	8.8
7 M3	9.3	7.4	9.9	9.0r	6.7r	10.1r	9.3	10.9r	10.7
8 L	10.3	9.6	8.9	10.9r	7.8r	11.2r	15.7r	10.4	n.a.
9 Debt	10.7	11.8r	10.3r	12.5r	13.0r	13.0r	12.2r	13.3	n.a.
Nontransaction components									
10 In M2[5]	10.2	6.1	9.7r	6.9r	4.2r	9.2r	3.7r	9.0r	7.6
11 In M3 only[6]	3.8	9.8r	16.0r	17.9r	10.6	16.8r	31.5r	27.3r	18.2
Time and savings deposits									
Commercial banks									
12 Savings[7]	-14.8	-6.3	-6.4	-16.2	-22.3	-18.2	-11.1r	2.8r	-3.7
13 Small-denomination time[8]	-21.2	13.7	19.3	4.4	-.7	-.3	2.4r	8.2r	14.2
14 Large-denomination time[9,10]	-14.6	-4.8r	-.2r	10.0r	9.1r	5.8	23.7r	18.6	36.6
Thrift institutions									
15 Savings[7]	-1.3	-2.2	-4.4	-5.1	-3.4	-8.1	7	1.4	1.4
16 Small-denomination time	-17.0	12.3	18.8	11.8	11.2	10.8	4.8	6.7r	13.0
17 Large-denomination time[9]	51.2	63.5	58.1r	58.6r	70.5r	63.2	38.6	40.5	40.2
Debt components[4]									
18 Federal	23.2	22.9r	13.3r	14.7r	17.7r	22.0r	7.5r	12.7	n.a.
19 Nonfederal	7.3	8.7r	9.5	11.8	11.6r	10.3r	13.6r	13.5	n.a.
20 Total loans and securities at commercial banks[11]	9.9	9.7	10.4r	14.0	12.6r	15.9r	13.6r	5.6r	14.9

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

2 Figures incorporate adjustments for discontinuities associated with the implementation of the Monetary Control Act and other regulatory changes to reserve requirements. To adjust for discontinuities due to changes in reserve requirements on reservable nondeposit liabilities, the sum of such required reserves is subtracted from the actual series. *Similarly, in adjusting for discontinuities in the monetary base*, required clearing balances and adjustments to compensate for float also are subtracted from the actual series

3. The monetary base not adjusted for discontinuities consists of total reserves plus required clearing balances and adjustments to compensate for float at Federal Reserve Banks plus the currency component of the money stock less the amount of vault cash holdings of thrift institutions that is included in the currency component of the money stock plus, for institutions not having required reserve balances, the excess of current vault cash over the amount applied to satisfy current reserve requirements. After the introduction of contemporaneous reserve requirements (CRR), currency and vault cash figures are measured over the weekly computation period ending Monday

Before CRR, all components of the monetary base other than excess reserves are seasonally adjusted as a whole, rather than by component, and excess reserves are added on a not seasonally adjusted basis. After CRR, the seasonally adjusted series consists of seasonally adjusted total reserves, which include excess reserves on a not seasonally adjusted basis, plus the seasonally adjusted currency component of the money stock plus the remaining items seasonally adjusted as a whole

4. Composition of the money stock measures and debt is as follows.

M1 · (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those due to domestic banks, the U S government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCD) consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft *accounts, and demand deposits at thrift institutions*. The currency and demand deposit components exclude the estimated amount of vault cash and demand deposits respectively held by thrift institutions to service their OCD liabilities.

M2. M1 plus overnight (and continuing contract) repurchase agreements (RPs) issued by all commercial banks and overnight Eurodollars issued to U.S. residents by foreign branches of U.S banks worldwide, MMDAs, savings and small-denomination time deposits (time deposits—including retail RPs—in amounts of *less than $100,000), and balances in both taxable and tax exempt general purpose* and broker/dealer money market mutual funds. Excludes individual retirement accounts (IRA) and Keogh balances at depository institutions and money market funds Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker/dealer), foreign governments and commercial banks, and the U S government. Also subtracted is a consolidation adjustment that represents the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposits.

M3 M2 plus large-denomination time deposits and term RP liabilities (in amounts of $100,000 or more) issued by commercial banks and thrift institutions, *term Eurodollars held by U.S. residents at foreign branches of U.S. banks* worldwide and at all banking offices in the United Kingdom and Canada, and balances in both taxable and tax-exempt, institution-only money market mutual funds Excludes amounts held by depository institutions, the U S government, money market funds, and foreign banks and official institutions Also subtracted is a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.

L. M3 plus the nonbank public holdings of U S savings bonds, short-term Treasury securities, commercial paper and bankers acceptances, net of money market mutual fund holdings of these assets.

Debt· Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U S government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments. The source of data on domestic nonfinancial debt is the Federal Reserve Board's flow of funds accounts. Debt data are on an end-of-month basis Growth rates for debt reflect adjustments for discontinuities over time in the levels of debt presented in other tables

5 Sum of overnight RPs and Eurodollars, money market fund balances (general purpose and broker/dealer), MMDAs, and savings and small time deposits less the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposit liabilities.

6. Sum of large time deposits, term RPs, and Eurodollars of U.S. residents, money market fund balances (institution-only), less a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds

7. Excludes MMDAs.

8. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than $100,000. All IRA and Keogh accounts at commercial banks and thrifts are subtracted from small time deposits.

9. Large-denomination time deposits are those issued in amounts of $100,000 or more, excluding those booked at international banking facilities.

10. Large-denomination time deposits at commercial banks less those held by money market mutual funds, depository institutions, and foreign banks and *official institutions*

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

1.11 RESERVE BALANCES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1984			1984						
	Apr.	May	June	May 16	May 23	May 30	June 6	June 13	June 20	June 27
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit**	**174,232r**	**173,797**	**175,398**	**174,875**	**169,162**	**172,199**	**174,301**	**174,525**	**176,524**	**176,728**
2 U.S. government securities[1]	154,226	152,987	154,500	152,606	148,520	152,195	153,849	154,735	155,037	155,132
3 Bought outright	152,859	152,313	153,354	152,606	148,520	152,195	152,800	154,383	153,350	152,863
4 Held under repurchase agreements	1,367	674	1,146	0	0	0	1,049	352	1,687	2,269
5 Federal agency obligations	8,660	8,571	8,602	8,516	8,516	8,515	8,583	8,534	8,612	8,756
6 Bought outright	8,557	8,527	8,503	8,516	8,516	8,515	8,509	8,502	8,501	8,501
7 Held under repurchase agreements	103	44	99	0	0	0	74	32	111	255
8 Acceptances	87	50	106	0	0	0	82	18	175	241
9 Loans	1,285	2,964	3,166	4,613	3,746	3,008	3,131	2,508	3,421	2,973
10 Float	756r	524	594	11	439	394	581	470	754	964
11 Other Federal Reserve assets	9,219	8,701	8,430	9,129	7,941	8,088	8,075	8,260	8,525	8,661
12 Gold stock	11,110	11,106	11,103	11,107	11,106	11,104	11,104	11,104	11,104	11,103
13 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
14 Treasury currency outstanding	15,949r	16,018	16,082	16,013	16,024	16,037	16,055	16,070	16,085	16,100
ABSORBING RESERVE FUNDS										
15 Currency in circulation	170,426r	172,013	174,218	172,168	177,825	172,653	173,742	174,414	174,275	174,021
16 Treasury cash holdings	523r	544	531	546	548	544	537	535	530	527
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	6,637	4,960	3,894	3,521	4,020	3,332	4,704	3,311	4,081	3,401
18 Foreign	220	241	244	230	237	274	241	234	269	236
19 Service-related balances and adjustments	1,482r	1,456	1,388	1,380	1,599	1,304	1,285	1,318	1,434	1,427
20 Other	394	487	439	511	441	436	513	394	489	359
21 Other Federal Reserve liabilities and capital	6,098	5,874	6,214	5,777	5,915	5,885	5,889	5,849	6,222	6,946
22 Reserve balances with Federal Reserve Banks[2]	20,129r	19,964	20,272	22,479	16,324	19,531	19,167	20,261	21,030	21,632

Factors	End-of-month figures			Wednesday figures						
	1984			1984						
	Apr.	May	June	May 16	May 23	May 30	June 6	June 13	June 20	June 27
SUPPLYING RESERVE FUNDS										
23 **Reserve Bank credit**	**182,683**	**175,753**	**175,051**	**171,598**	**171,438**	**174,565**	**174,725**	**173,197**	**181,880**	**173,877**
24 U.S. government securities[1]	162,134	154,869	152,859	149,417	151,148	153,697	152,791	153,635	158,583	152,907
25 Bought outright	155,042	151,745	152,859	149,417	151,148	153,697	152,791	153,635	153,182	152,907
26 Held under repurchase agreements	7,092	3,124	0	0	0	0	0	0	5,401	0
27 Federal agency obligations	8,982	8,851	8,501	8,516	8,516	8,515	8,502	8,501	8,872	8,501
28 Bought outright	8,556	8,515	8,501	8,516	8,516	8,515	8,502	8,501	8,501	8,501
29 Held under repurchase agreements	426	336	0	0	0	0	0	0	371	0
30 Acceptances	305	426	0	0	0	0	0	0	619	0
31 Loans	907	2,832	4,760	5,459	3,225	2,703	4,387	2,404	4,394	3,332
32 Float	609	588	−655	221	432	1,390	752	212	590	352
33 Other Federal Reserve assets	9,746	8,187	9,586	7,985	8,117	8,260	8,293	8,445	8,822	8,785
34 Gold stock	11,109	11,104	11,100	11,107	11,104	11,104	11,104	11,104	11,103	11,100
35 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
36 Treasury currency outstanding	15,987r	16,053	16,113	16,022	16,035	16,047	16,068	16,083	16,098	16,113
ABSORBING RESERVE FUNDS										
37 Currency in circulation	170,345r	173,803	175,070	172,187	172,097	173,562	174,228	174,603	174,114	174,441
38 Treasury cash holdings	547r	534	523	549	544	542	532	530	528	523
Deposits, other than reserve balances with Federal Reserve Banks										
39 Treasury	16,729	4,855	4,397	5,096	2,594	6,306	3,458	3,524	2,922	3,533
40 Foreign	345	295	237	229	212	292	206	251	179	243
41 Service-related balances and adjustments	1,134r	1,148	1,148	1,136	1,136	1,148	1,148	1,150	1,150	1,149
42 Other	324	416	432	493	407	425	378	342	405	310
43 Other Federal Reserve liabilities and capital	6,391	5,939	5,971	5,563	5,750	5,715	5,658	5,752	6,240	5,942
44 Reserve balances with Federal Reserve Banks[2]	18,581r	20,538	19,104	18,092	20,455	18,344	20,906	18,849	28,161	19,567

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

2 Excludes required clearing balances and adjustments to compensate for float.

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

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1981	1982	1983		1984					
	Dec	Dec	Nov	Dec	Jan	Feb.	Mar	Apr.	May	June^p
1 Reserve balances with Reserve Banks[1]	26,163	24,804	20,943	20,986	21,325	18,414	19,484	20,351	19,560	20,278
2 Total vault cash[2]	19,538	20,392	20,558	20,755	22,578	22,269	20,396	20,152	20,446	20,770
3 Vault cash used to satisfy reserve requirements[3]	15,755	17,049	17,201	17,908	18,795	17,951	16,794	16,802	16,960	17,297
4 Surplus vault cash[4]	3,783	3,343	3,357	2,847	3,782	4,318	3,602	3,349	3,486	3,472
5 Total reserves[5]	41,918	41,853	38,144	38,894	40,120	36,365	36,278	37,154	36,519	37,575
6 Required reserves	41,606	41,353	37,615	38,333	39,507	35,423	35,569	36,664	35,942	36,712
7 Excess reserve balances at Reserve Banks[6]	312	500	529	561	613	942	709	490	577	863
8 Total borrowings at Reserve Banks	642	697	912	745	715	567	952	1,234	2,988	3,300
9 Seasonal borrowings at Reserve Banks	53	33	119	96	86	103	133	139	196	264
10 Extended credit at Reserve Banks[7]	149	187	6	2	4	5	27	44	37	1,873
	Biweekly averages of daily figures for weeks ending									
	1984									
	Feb. 29	Mar 14	Mar. 28	Apr 11	Apr 25	May 9	May 23	June 6	June 20^p	July 4^p
11 Reserve balances with Reserve Banks[1]	18,212	19,948	18,859	20,237	20,556	20,029	19,390	19,329	20,619	20,372
12 Total vault cash[2]	21,750	19,980	20,938	19,803	20,476	20,010	20,655	20,570	20,604	21,121
13 Vault cash used to satisfy reserve requirements[3]	17,452	16,458	17,188	16,520	17,103	16,582	17,167	17,023	17,280	17,486
14 Surplus vault cash[4]	4,298	3,552	3,750	3,282	3,373	3,429	3,489	3,547	3,324	3,635
15 Total reserves[5]	35,664	36,406	36,047	36,758	37,659	36,611	36,556	36,352	37,899	37,857
16 Required reserves	34,943	35,635	35,322	36,413	37,091	36,019	35,937	35,865	37,143	36,617
17 Excess reserve balances at Reserve Banks[6]	721	770	725	344	568	592	620	487	756	1,240
18 Total borrowings at Reserve Banks	571	689	1,136	1,313	1,232	1,064	4,180	3,070	2,965	3,909
19 Seasonal borrowings at Reserve Banks	116	118	149	131	138	159	195	239	257	289
20 Extended credit at Reserve Banks[7]	7	21	30	36	44	61	34	16	1,974	2,846

1 Excludes required clearing balances and adjustments to compensate for float.

2 Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements. Under contemporaneous reserve requirements, maintenance periods end 30 days after the lagged computation periods in which the balances are held

3 Equal to all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances

4 Total vault cash at institutions having no required reserve balances less the amount of vault cash equal to their required reserves during the maintenance period.

5. Total reserves not adjusted for discontinuities consist of reserve balances with Federal Reserve Banks, which exclude required clearing balances and adjustments to compensate for float, plus vault cash used to satisfy reserve requirements. Such vault cash consists of all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances

6 Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements less required reserves.

7 Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is *similar to that of nonborrowed reserves*

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

Averages of daily figures, in millions of dollars

By maturity and source	1984 week ending Monday								
	Apr. 30	May 7	May 14	May 21	May 28	June 4	June 11	June 18	June 25
One day and continuing contract									
1 Commercial banks in United States	53,458	59,973	57,642^r	58,637^r	57,887	61,315	66,186	61,024	57,342
2 Other depository institutions, foreign banks and foreign official institutions, and U S. government agencies	20,606	21,749	22,804	21,164	22,206	22,309	23,296	21,313	21,271
3 Nonbank securities dealers	6,106	5,791	6,016	6,493	7,057	6,043	5,553	4,893	4,916
4 All other	25,893	26,181	26,133	26,775	25,006	27,514	25,275	25,176	24,743
All other maturities									
5 Commercial banks in United States	8,285	8,237	8,688	9,739	10,303	9,870	9,790	9,604	9,647
6 Other depository institutions, foreign banks and foreign official institutions, and U S government agencies	11,598	12,116	12,375	12,642	12,647	12,309	11,921	11,770	12,247
7 Nonbank securities dealers	8,632	8,542	8,036	7,379^r	7,951	7,498	6,770	6,720	6,895
8 All other	9,164	9,396	9,823	10,504	10,030	8,835	9,207	9,294	8,957
MEMO Federal funds and resale agreement loans in maturities of one day or continuing contract									
9 Commercial banks in United States	21,468	23,192	22,907	25,140^r	24,345^r	27,458	28,633	27,140	24,389
10 Nonbank securities dealers	5,617	7,069	5,876	5,686	5,488	5,938	4,971	4,951	4,845

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

Federal Reserve Bank	Short-term adjustment credit and seasonal credit			Extended credit[1]						
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days		Effective date for current rates
	Rate on 6/30/84	Effective date	Previous rate	Rate on 6/30/84	Previous rate	Rate on 6/30/84	Previous rate	Rate on 6/30/84	Previous rate	
Boston	9	4/9/84	8½	9	8½	10	9½	11	10½	4/9/84
New York		4/9/84								4/9/84
Philadelphia		4/9/84								4/9/84
Cleveland		4/10/84								4/10/84
Richmond		4/9/84								4/9/84
Atlanta		4/10/84								4/10/84
Chicago		4/9/84								4/9/84
St Louis		4/9/84								4/9/84
Minneapolis		4/9/84								4/9/84
Kansas City		4/13/84								4/13/84
Dallas		4/9/84								4/9/84
San Francisco	9	4/13/84	8½	9	8½	10	9½	11	10½	4/13/84

Range of rates in recent years[2]

Effective date	Range (or level)— All F.R. Banks	F.R Bank of N.Y
In effect Dec. 31, 1973	7½	7½
1974— Apr. 25	7½–8	8
30	8	8
Dec. 9	7¾–8	7¾
16	7¾	7¾
1975— Jan. 6	7¼–7¾	7¾
10	7¼–7¾	7¼
24	7¼	7¼
Feb 5	6¾–7¼	6¾
7	6¾	6¾
Mar 10	6¼–6¾	6¼
14	6¼	6¼
May 16	6–6¼	6
23	6	6
1976— Jan. 19	5½–6	5½
23	5½	5½
Nov 22	5¼–5½	5¼
26	5¼	5¼
1977— Aug. 30	5¼–5¾	5¼
31	5¼–5¾	5¾
Sept 2	5¾	5¾
Oct. 26	6	6
1978— Jan 9	6–6½	6½
20	6½	6½
May 11	6½–7	7
12	7	7

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

Effective date	Range (or level)— All F R Banks	F R. Bank of N Y.
1981— May 5	13–14	14
8	14	14
Nov 2	13–14	13
6	13	13
Dec 4	12	12
1982— July 20	11½–12	11½
23	11½	11½
Aug. 2	11–11½	11
3	11	11
16	10½	10½
27	10–10½	10
30	10	10
Oct 12	9½–10	9½
13	9½	9½
Nov. 22	9–9½	9
26	9	9
Dec. 14	8½–9	9
15	8½–9	8½
17	8½	8½
1984— Apr. 9	8½–9	9
13	9	9
In effect June 30, 1984	9	9

1. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution and to advances when an institution is under sustained liquidity pressures See section 201 3(b)(2) of Regulation A.

2. Rates for short-term adjustment credit For description and earlier data see the following publications of the Board of Governors. *Banking and Monetary Statistics, 1914–1941*, and *1941–1970, Annual Statistical Digest, 1970–1979, 1980, 1981*, and *1982*.

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

Percent of deposits

Type of deposit, and deposit interval	Member bank requirements before implementation of the Monetary Control Act		Type of deposit, and deposit interval[5]	Depository institution requirements after implementation of the Monetary Control Act[6]	
	Percent	Effective date		Percent	Effective date
Net demand[2]			*Net transaction accounts*[7,8]		
$0 million–$2 million	7	12/30/76	$0–$28.9 million	3	12/29/83
$2 million–$10 million	9½	12/30/76	Over $28.9 million	12	12/29/83
$10 million–$100 million	11¾	12/30/76			
$100 million–$400 million	12¾	12/30/76	*Nonpersonal time deposits*[9]		
Over $400 million	16¼	12/30/76	By original maturity		
			Less than 1½ years	3	10/6/83
Time and savings[2,3]			1½ years or more	0	10/6/83
Savings	3	3/16/67			
			Eurocurrency liabilities		
Time[4]			All types	3	11/13/80
$0 million–$5 million, by maturity					
30–179 days	3	3/16/67			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			
Over $5 million, by maturity					
30–179 days	6	12/12/74			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			

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

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

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

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

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

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

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

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

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

5. The Garn-St Germain Depository Institutions Act of 1982 (Public Law 97–320) provides that $2 million of reservable liabilities (transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities) of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the next succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. Effective Dec. 9, 1982, the amount of the exemption was established at $2.1 million. Effective with the reserve maintenance period beginning Jan. 12, 1984, the amount of the exemption is $2.2 million. In determining the reserve requirements of a depository institution, the exemption shall apply in the following order: (1) nonpersonal money market deposit accounts (MMDAs) authorized under 12 CFR section 1204.122; (2) net NOW accounts (NOW accounts less allowable deductions); (3) net other transaction accounts; and (4) nonpersonal time deposits or Eurocurrency liabilities starting with those with the highest reserve ratio. With respect to NOW accounts and other transaction accounts, the exemption applies only to such accounts that would be subject to a 3 percent reserve requirement.

6. For nonmember banks and thrift institutions that were not members of the Federal Reserve System on or after July 1, 1979, a phase-in period ends Sept. 3, 1987. For banks that were members on or after July 1, 1979, but withdrew on or before Mar. 31, 1980, the phase-in period established by Public Law 97–320 ends on Oct. 24, 1985. For existing member banks the phase-in period of about three years was completed on Feb. 2, 1984. All new institutions will have a two-year phase-in beginning with the date that they open for business, except for those institutions that have total reservable liabilities of $50 million or more.

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

8. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage increase in transaction accounts held by all depository institutions determined as of June 30 each year. Effective Dec. 31, 1981, the amount was increased accordingly from $25 million to $26 million, and effective Dec. 30, 1982, to $26.3 million; and effective Dec. 29, 1983, to $28.9 million.

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

NOTE. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmembers may maintain reserve balances with a Federal Reserve Bank indirectly on a pass-through basis with certain approved institutions.

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

Percent per annum

Type of deposit	Commercial banks		Savings and loan associations and mutual savings banks (thrift institutions)[1]	
	In effect June 30, 1984		In effect June 30, 1984	
	Percent	Effective date	Percent	Effective date
1 Savings	5½	1/1/84	5½	7/1/79
2 Negotiable order of withdrawal accounts	5¼	12/31/80	5¼	12/31/80
3 Negotiable order of withdrawal accounts of $2,500 or more[2]		1/5/83		1/5/83
4 Money market deposit account[2]	...[3]	12/14/82	...[3]	12/14/82
Time accounts by maturity				
5 7–31 days of less than $2,500[4]	5½	1/1/84	5½	9/1/82
6 7–31 days of $2,500 or more[2]	...	1/5/83	...	1/5/83
7 More than 31 days	...	10/1/83	...	10/1/83

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

2. Effective Dec. 1, 1983, IRA/Keogh (HR10) Plan accounts are not subject to minimum deposit requirements

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1981	1982	1983	1983		1984				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	13,899	17,067	18,888	1,435	3,695	0	368	3,159	3,283	610
2 Gross sales	6,746	8,369	3,420	0	0	1,967	828	0	0	2,003
3 Exchange	0	0	0	0	0	0	0	0	0	0
4 Redemptions	1,816	3,000	2,400	700	0	1,300	600	0	3,283	2,200
Others within 1 year										
5 Gross purchases	317	312	484	155	0	0	0	0	198	0
6 Gross sales	23	0	0	0	0	0	0	0	0	0
7 Maturity shift	13,794	17,295	18,887	2,828	915	573	−2,488	1,012	347	2,739
8 Exchange	−12,869	−14,164	−16,553	−2,930	0	1,530	−4,574	0	2,223	−1,807
9 Redemptions	0	0	87	0	0	0	0	0	0	0
1 to 5 years										
10 Gross purchases	1,702	1,797	1,896	820	0	0	0	0	808	0
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shift	−10,299	−14,524	−15,533	−1,684	−915	−487	2,488	1,012	−273	−2,279
13 Exchange	10,117	11,804	11,641	1,796	0	1,530	2,861	0	2,223	1,150
5 to 10 years										
14 Gross purchases	393	388	890	349	0	0	0	0	200	0
15 Gross sales	0	0	0	0	0	300	0	0	0	0
16 Maturity shift	−3,495	−2,172	−2,450	−250	0	−86	97	0	−75	−383
17 Exchange	1,500	2,128	2,950	700	0	0	1,000	0	0	400
Over 10 years										
18 Gross purchases	379	307	383	151	0	0	0	0	277	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	0	−601	−904	−894	0	0	−97	0	0	77
21 Exchange	1,253	234	1,962	434	0	0	713	0	0	257
All maturities										
22 Gross purchases	16,690	19,870	22,540	2,909	3,695	0	368	3,159	1,484	610
23 Gross sales	6,769	8,369	3,420	0	0	2,267	828	0	0	2,003
24 Redemptions	1,816	3,000	2,487	700	0	1,300	600	0	0	2,200
Matched transactions										
25 Gross sales	589,312	543,804	578,591	56,858	58,979	54,833	55,656	66,827	72,293	79,313
26 Gross purchases	589,647	543,173	576,908	57,991	56,404	58,096	47,310	73,634	71,754	79,608
Repurchase agreements										
27 Gross purchases	79,920	130,774	105,971	3,257	3,644	14,245	0	4,996	15,313	8,267
28 Gross sales	78,733	130,286	108,291	3,257	2,260	15,629	0	4,996	8,220	12,199
29 Net change in U.S. government securities	9,626	8,358	12,631	3,342	2,504	−1,688	−9,407	9,966	11,321	−7,228
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	494	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	108	189	292	84	2	40	38	10	2	40
Repurchase agreements										
33 Gross purchases	13,320	18,957	8,833	497	634	931	0	609	1,247	616
34 Gross sales	13,576	18,638	9,213	497	426	1,139	0	609	820	744
35 Net change in federal agency obligations	130	130	−672	−84	206	−248	−38	−10	424	−169
BANKERS ACCEPTANCES										
36 Repurchase agreements, net	−582	1,285	−1,062	0	418	−418	0	0	305	122
37 Total net change in System Open Market Account	**9,175**	**9,773**	**10,897**	**3,258**	**3,128**	**−2,354**	**−9,444**	**9,956**	**12,050**	**−7,275**

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

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1984					1984		
	May 30	June 6	June 13	June 20	June 27	Apr	May	June
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,104	11,104	11,104	11,103	11,100	11,109	11,104	11,100
2 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
3 Coin	453	449	451	453	445	482	443	435
Loans								
4 To depository institutions	2,703	4,387	2,404	4,394	3,332	907	2,832	4,760
5 Other	0	0	0	0	0	0	0	0
Acceptances—Bought outright								
6 Held under repurchase agreements	0	0	0	619	0	305	426	0
Federal agency obligations								
7 Bought outright	8,515	8,502	8,501	8,501	8,501	8,556	8,515	8,501
8 Held under repurchase agreements	0	0	0	371	0	426	336	0
U.S. government securities								
Bought outright								
9 Bills	67,766	66,860	67,704	67,251	66,976	69,111	65,814	66,928
10 Notes	63,870	63,870	63,870	63,870	63,870	64,127	63,870	63,870
11 Bonds	22,061	22,061	22,061	22,061	22,061	21,804	22,061	22,061
12 Total bought outright[1]	153,697	152,791	153,635	153,182	152,907	155,042	151,745	152,859
13 Held under repurchase agreements	0	0	0	5,401	0	7,092	3,124	0
14 Total U.S. government securities	153,697	152,791	153,635	158,583	152,907	162,134	154,869	152,859
15 Total loans and securities	**164,915**	**165,680**	**164,540**	**172,468**	**164,740**	**172,328**	**166,978**	**166,120**
16 Cash items in process of collection	10,891	8,085	7,447	8,433	7,511	7,044	8,770	6,350
17 Bank premises	553	553	553	554	555	548	553	556
Other assets								
18 Denominated in foreign currencies[2]	3,842	3,794	3,807	3,810	3,814	3,912	3,794	3,733
19 All other[3]	3,865	3,946	4,085	4,458	4,416	5,286	3,840	5,297
20 Total assets	**200,241**	**198,229**	**196,605**	**205,897**	**197,199**	**205,327**	**200,100**	**198,209**
LIABILITIES								
21 Federal Reserve notes	158,510	159,142	159,502	158,997	159,296	155,388	158,727	159,915
Deposits								
22 To depository institutions	19,492	22,054	19,999	29,311	20,716	19,715	21,686	20,252
23 U.S. Treasury—General account	6,306	3,458	3,524	2,922	3,533	16,729	4,855	4,397
24 Foreign—Official accounts	292	206	251	179	243	345	295	237
25 Other	425	378	342	405	310	324	416	432
26 Total deposits	**26,515**	**26,096**	**24,116**	**32,817**	**24,802**	**37,113**	**27,252**	**25,318**
27 Deferred availability cash items	9,501	7,333	7,235	7,843	7,159	6,435	8,182	7,005
28 Other liabilities and accrued dividends[4]	2,338	2,358	2,355	2,847	2,530	2,920	2,593	2,528
29 Total liabilities	**196,864**	**194,929**	**193,208**	**202,504**	**193,787**	**201,856**	**196,754**	**194,766**
CAPITAL ACCOUNTS								
30 Capital paid in	1,532	1,537	1,538	1,539	1,541	1,520	1,531	1,541
31 Surplus	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
32 Other capital accounts	380	298	394	389	406	486	350	437
33 Total liabilities and capital accounts	**200,241**	**198,229**	**196,605**	**205,897**	**197,199**	**205,327**	**200,100**	**198,209**
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account	113,517	113,776	115,446	114,336	116,908	116,173	114,495	116,234
	Federal Reserve note statement							
35 Federal Reserve notes outstanding	186,105	186,571	186,896	187,464	187,787	184,496	185,998	187,637
36 LESS: Held by bank[5]	27,595	27,429	27,394	28,467	28,491	29,108	27,271	27,722
37 Federal Reserve notes, net	158,510	159,142	159,502	158,997	159,296	155,388	158,727	159,915
Collateral held against notes net								
38 Gold certificate account	11,104	11,104	11,104	11,103	11,100	11,109	11,104	11,100
39 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S government and agency securities	142,788	143,420	143,780	143,276	143,578	139,661	143,005	144,197
42 Total collateral	**158,510**	**159,142**	**159,502**	**158,997**	**159,296**	**155,388**	**158,727**	**159,915**

1. *Includes* securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and *excludes* (if any) securities sold and scheduled to be bought back under matched sale-purchase transactions.
2. Assets shown in this line are revalued monthly at market exchange rates.
3. Includes special investment account at Chicago of Treasury bills maturing within 90 days.
4. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.
5. Beginning September 1980, Federal Reserve notes held by the Reserve Bank are exempt from the collateral requirement.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1984					1984		
	May 30	June 6	June 13	June 20	June 27	April 30	May 31	June 29
1 Loans—Total	2,703	4,387	2,404	4,394	3,332	907	2,832	4,760
2 Within 15 days	2,660	4,255	2,229	4,363	3,294	864	2,764	4,674
3 16 days to 90 days	43	132	175	31	38	43	68	86
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	0	0	0	619	0	305	426	0
6 Within 15 days	0	0	0	619	0	305	426	0
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S government securities—Total	153,697	152,791	153,635	158,583	152,907	162,134	154,869	152,859
10 Within 15 days[1]	9,551	8,705	8,600	12,340	7,687	10,462	7,751	5,129
11 16 days to 90 days	30,785	30,918	33,726	32,922	31,614	35,614	30,922	34,053
12 91 days to 1 year	44,706	44,603	42,744	44,756	45,041	46,562	47,631	45,112
13 Over 1 year to 5 years	35,228	35,138	35,138	35,138	35,138	36,267	35,138	35,138
14 Over 5 years to 10 years	14,339	14,339	14,339	14,339	14,339	14,322	14,339	14,339
15 Over 10 years	19,088	19,088	19,088	19,088	19,088	18,907	19,088	19,088
16 Federal agency obligations—Total	8,515	8,502	8,501	8,872	8,501	8,982	8,851	8,501
17 Within 15 days[1]	159	86	108	597	159	561	495	159
18 16 days to 90 days	559	640	653	535	519	635	559	519
19 91 days to 1 year	1,638	1,646	1,604	1,604	1,647	1,657	1,638	1,647
20 Over 1 year to 5 years	4,421	4,392	4,436	4,436	4,476	4,409	4,421	4,476
21 Over 5 years to 10 years	1,339	1,339	1,301	1,301	1,301	1,321	1,339	1,301
22 Over 10 years	399	399	399	399	399	399	399	399

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE

Billions of dollars, averages of daily figures

Item	1980 Dec	1981 Dec.	1982 Dec.	1983 Dec	1983 Oct.	1983 Nov.	1983 Dec.	1984 Jan.	1984 Feb	1984 Mar	1984 Apr.	1984 May
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[1]												
1 **Total reserves[2]**	**30.64**	**31.51**	**33.63**	**35.28**	**35.32**	**35.25**	**35.28**	**35.50**	**36.07**	**36.10**	**36.10r**	**36.43**
2 Nonborrowed reserves	28 95	30.88	33.00	34.51	34 47	34.34	34 51	34 79	35 50	35 15	34 87	33 44
3 Nonborrowed reserves plus extended credit[3]	28.95	31 03	33.18	34.51	34.73	34.35	34 51	34 79	35 50	35 18	34.91r	33.48
4 Required reserves	30 13	31.20	33.13	34.72	34 81	34 72	34 72	34 89	35.12	35 40	35 61r	35 85
5 Monetary base[4]	150 11	157.82	169.81	184 97	182 85	183 95	184.97	186 94	188.58	188 72r	189 66r	191 26
	Not seasonally adjusted											
6 **Total reserves[2]**	**31.34**	**32.23**	**34.35**	**36.00**	**35.31**	**35.35**	**36.00**	**37.30**	**35.65**	**35.63**	**36.46r**	**35.76**
7 Nonborrowed reserves	29 65	31.59	33.71	35.22	34.47	34.45	35 22	36 59	35 09	34 68	35 23	32 78
8 Nonborrowed reserves plus extended credit[3]	29.65	31 74	33 90	35.23	34 73	34.45	35.23	36.59	35.09	34.70	35.28	32 81
9 Required reserves	30.82	31.91	33 85	35.44	34.81	34.82	35.44	36.69	34.71	34.92	35.97r	35.19
10 Monetary base[4]	152 80	160 65	172.83	188.23	182.67	185.04	188 23	188 10	185 93	187 17r	189 65r	190 33
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[5]												
11 **Total reserves[2]**	**40.66**	**41.93**	**41.85**	**38.89**	**38.14**	**38.14**	**38.89**	**40.12**	**36.37**	**36.28**	**37.15**	**36.52**
12 Nonborrowed reserves	38.97	41.29	41.22	38 12	37 29	37 24	38.12	39.41	35.80	35.33r	35.92	33.53
13 Nonborrowed reserves plus extended credit[3]	38 97	41 44	41.41	38.12	37.55	37.25	38 12	39 41	35 80	35 33	35 78	33 83
14 Required reserves	40.15	41 61	41 35	38.33	37.63	37.62	38 33	39 51	35 42	35 57	36 66	35 94
15 Monetary base[4]	163 00	170.47	180.52	192.36	186 60	188 97	192.36	192.30	186.67	187 81	190.34r	191.02

1 Figures incorporate adjustments for discontinuities associated with the implementation of the Monetary Control Act and other regulatory changes to reserve requirements. To adjust for discontinuities due to changes in reserve requirements on reservable nondeposit liabilities, the sum of such required reserves is subtracted from the actual series Similarly, in adjusting for discontinuities in the monetary base, required clearing balances and adjustments to compensate for float also are subtracted from the actual series

2. Total reserves not adjusted for discontinuities consist of reserve balances with Federal Reserve Banks, which exclude required clearing balances and adjustments to compensate for float, plus vault cash used to satisfy reserve requirements. Such vault cash consists of all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances

3. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

4 The monetary base not adjusted for discontinuities consists of total reserves plus required clearing balances and adjustments to compensate for float at Federal Reserve Banks and the currency component of the money stock less the amount of vault cash holdings of thrift institutions that is included in the currency component of the money stock plus, for institutions not having required reserve balances, the excess of current vault cash over the amount applied to satisfy current reserve requirements After the introduction of contemporaneous reserve requirements (CRR), currency and vault cash figures are measured over the weekly computation period ending Monday

Before CRR, all components of the monetary base other than excess reserves are seasonally adjusted as a whole, rather than by component, and excess reserves are added on a not seasonally adjusted basis. After CRR, the seasonally adjusted series consists of seasonally adjusted total reserves, which include excess reserves on a not seasonally adjusted basis, plus the seasonally adjusted currency component of the money stock and the remaining items seasonally adjusted as a whole

5. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with implementation of the Monetary Control Act or other regulatory changes to reserve requirements

NOTE Latest monthly and biweekly figures are available from the Board's H 3(502) statistical release. Historical data and estimates of the impact on required reserves of changes in reserve requirements are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Billions of dollars, averages of daily figures

Item[1]	1980 Dec.	1981 Dec.	1982 Dec.	1983 Dec.	1984 Feb.	1984 Mar.	1984 Apr.	1984 May
	Seasonally adjusted							
1 M1	414.9	441.9	480.5	525.3	532.9	535.2r	535.4r	541.0
2 M2	1,632.6	1,796.6	1,965.3	2,196.2r	2,222.5r	2,230.0r	2,242.9r	2,259.3
3 M3	1,989.8	2,236.7	2,460.3	2,706.7	2,744.8r	2,766.0r	2,791.1r	2,815.9
4 L	2,326.0	2,598.4	2,868.7	3,176.9	3,227.3r	3,269.5r	3,297.9	n.a.
5 Debt[2]	3,946.9	4,323.8	4,710.1	5,203.9r	5,317.2r	5,371.2r	5,430.9	n.a.
M1 components								
6 Currency[2]	116.7	124.0	134.1	148.0	150.2	150.9	151.8	152.9
7 Travelers checks[3]	4.2	4.3	4.3	4.9	5.0	5.0	5.1	5.1
8 Demand deposits[4]	266.5	236.2	239.7	243.7	243.8	244.0	245.3r	245.2
9 Other checkable deposits[5]	27.6	77.4	102.4	128.8	133.8	135.3	133.2r	137.8
Nontransactions components								
10 In M2[6]	1,217.7	1,354.6	1,484.8	1,670.9r	1,689.6r	1,694.8r	1,707.5r	1,718.3
11 In M3 only[7]	357.2	440.2	495.0	510.6	522.3r	536.0	548.2r	556.5
Savings deposits[9]								
12 Commercial Banks	185.9	159.7	164.9	134.6	130.1	128.9	128.6	128.2
13 Thrift Institutions	215.6	186.1	197.2	178.2	176.5	176.6	176.8	177.0
Small denomination time deposits[9]								
14 Commerical Banks	287.5	349.6	382.2	353.1	352.8	353.5	355.9r	360.4
15 Thrift Institutions	443.9	477.7	474.7	440.0	448.1	449.9	452.4r	457.2
Money market mutual funds								
16 General purpose and broker/dealer	61.6	150.6	185.2	138.2	142.1	144.8	146.1	146.6
17 Institution-only	15.0	36.2	48.4	40.3	41.6	41.8	41.8	42.0
Large denomination time deposits[10]								
18 Commercial Banks[11]	213.9	247.3	261.8	225.5	228.3	232.8r	236.3	243.5
19 Thrift Institutions	44.6	54.3	66.1	100.4	111.9	115.5	119.4	123.4
Debt components								
20 Federal debt	742.8	830.1	991.4	1,174.0r	1,213.1r	1,220.7r	1,233.6	n.a.
21 Non-federal debt	3,204.1	3,493.7	3,718.7	4,029.9r	4,104.0r	4,150.5r	4,197.3	n.a.
	Not seasonally adjusted							
22 M1	424.8	452.3	491.9	537.8	521.9	528.1	543.2r	543.9
23 M2	1,635.4	1,798.7	1,967.4	2,198.0r	2,212.3r	2,230.9r	2,254.7r	2,254.3
24 M3	1,996.1	2,242.7	2,466.6	2,712.8	2,737.5r	2,767.2r	2,799.6r	2,811.2
25 L	2,332.8	2,605.6	2,876.5	3,184.7	3,228.7r	3,275.7r	3,309.4	n.a.
26 Debt[2]	3,946.9	4,323.8	4,710.1	5,197.0r	5,301.7r	5,352.7r	5,408.3	n.a.
M1 components								
27 Currency[2]	118.8	126.1	136.4	150.5	148.3	149.8	151.5	152.9
28 Travelers checks[3]	3.9	4.1	4.1	4.6	4.7	4.8	4.8	5.0
29 Demand deposits[4]	274.7	243.6	247.3	251.6	237.9	239.4	247.8	241.3
30 Other checkable deposits[5]	27.4	78.5	104.1	131.2	130.9	134.1	139.0	135.7
Nontransactions components								
31 M2[6]	1,210.6	1,346.3	1,475.5	1,660.2r	1,690.5r	1,702.8r	1,711.5r	1,719.4
32 M3 only[7]	360.7	444.1	499.2	514.8	525.2r	536.3	544.9r	556.9
Money market deposit accounts								
33 Commercial banks	n.a.	n.a.	26.3	230.0	238.3	242.6	245.3	244.3
34 Thrift institutions	n.a.	n.a.	16.6	145.9	147.7	149.9	151.0	150.4
Savings deposits[8]								
35 Commercial Banks	183.8	157.5	162.1	132.0	129.9	130.2	130.5	129.9
36 Thrift Institutions	214.4	184.7	195.5	176.5	175.3	177.0	178.0	178.0
Small denomination time deposits[9]								
37 Commercial Banks	286.0	347.7	380.1	351.0	355.4	356.0	356.4	360.3
38 Thrift Institutions	442.3	475.6	472.4	437.6	450.0	451.6	454.3r	458.2
Money market mutual funds								
39 General purpose and broker/dealer	61.6	150.6	185.2	138.2	142.1	144.8	146.1	146.6
40 Institution-only	15.0	36.2	48.4	40.3	41.6	41.8	41.8	42.0
Large denomination time deposits[10]								
41 Commercial Banks[11]	218.5	252.1	266.2	229.0	229.7	233.1	233.6r	241.4
42 Thrift Institutions	44.3	54.3	66.2	100.7	111.2	114.2	118.0	122.9
Debt components								
43 Federal debt	742.8	830.1	991.4	1,170.2r	1,210.7r	1,223.6r	1,235.9	n.a.
44 Non-federal debt	3,204.1	3,943.7	3,718.7	4,026.8r	4,090.9r	4,129.1r	4,172.4	n.a.

For notes see bottom of next page

1.22 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1981[1]	1982[1]	1983[1]	1983	1984				
				Dec	Jan	Feb	Mar	Apr.	May
	Seasonally adjusted								
DEBITS TO									
Demand deposits[2]									
1 All insured banks	80,858.7	90,914.4	108,646.4	115,381.5	120,954.6	126,749.9	116,416.7	129,229.4	131,456.9
2 Major New York City banks	33,891.9	37,932.9	47,336.9	48,255.7	51,952.5	55,776.7	50,765.2	57,868.3	60,351.3
3 Other banks	46,966.9	52,981.6	61,309.5	67,125.8	69,002.2	70,973.1	65,651.5	71,361.1	71,105.6
4 ATS-NOW accounts[3]	743.4	1,036.2	1,394.9	1,499.6	1,345.1	1,491.1	1,464.9	1,432.1	1,608.9
5 Savings deposits[4]	672.7	721.4	735.7	661.4	620.8	708.3	688.9	606.5	688.8
DEPOSIT TURNOVER									
Demand deposits[2]									
6 All insured banks	285.8	324.2	376.8	395.7	414.2	434.7	394.9	441.7	442.7
7 Major New York City banks	1,105.1	1,287.6	1,512.0	1,541.4	1,650.9	1,747.7	1,649.5	2,012.5	1,938.7
8 Other banks	186.2	211.1	238.5	257.9	264.9	273.3	248.7	270.5	267.5
9 ATS-NOW accounts[3]	14.0	14.5	15.5	15.9	13.8	15.0	14.7	14.6	16.0
10 Savings deposits[4]	4.1	4.5	5.3	5.0	4.7	5.5	5.4	4.8	5.5
	Not seasonally adjusted								
DEBITS TO									
Demand deposits[2]									
11 All insured banks	81,197.9	91,031.9	108,459.5	122,558.3	123,567.2	114,721.3	124,088.6	121,514.4	132,521.7
12 Major New York City banks	34,032.0	38,001.0	47,238.2	52,418.5	52,895.2	50,724.8	54,301.1	53,514.4	60,214.5
13 Other banks	47,165.9	53,030.9	61,221.3	70,139.7	70,672.0	63,996.5	69,787.5	68,000.0	72,307.2
14 ATS-NOW accounts[3]	737.6	1,027.1	1,387.5	1,465.4	1,601.5	1,389.5	1,504.3	1,670.1	1,599.0
15 MMDA[5]	0	0	567.4	745.8	793.4	682.1	790.3	918.9	883.6
16 Savings deposits[4]	672.9	720.0	736.4	647.1	672.5	649.9	711.9	665.7	673.8
DEPOSIT TURNOVER									
Demand deposits[2]									
17 All insured banks	286.1	325.0	376.1	407.0	412.3	402.7	431.8	410.8	456.8
18 Major New York City banks	1,114.2	1,295.7	1,510.0	1,613.6	1,581.5	1,618.7	1,795.5	1,770.2	1,997.1
19 Other banks	186.2	211.5	238.1	261.1	265.4	252.4	271.4	256.0	278.1
20 ATS-NOW accounts[3]	14.0	14.3	15.4	15.1	16.2	14.3	15.2	16.4	16.1
21 MMDA[5]	0	0	2.8	3.3	3.4	2.9	3.3	3.8	3.6
22 Savings deposits[4]	4.1	4.5	5.3	4.9	5.2	5.1	5.5	5.2	5.3

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

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

NOTES TO TABLE 1 21

1. Composition of the money stock measures and debt is as follows.

M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those due to domestic banks, the U S government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCD) consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions The currency and demand deposit components exclude the estimated amount of vault cash and demand deposits respectively held by thrift institutions to service their OCD liabilities

M2: M1 plus overnight (and continuing contract) repurchase agreements (RPs) issued by all commercial banks and overnight Eurodollars issued to U.S. residents by foreign branches of U S banks worldwide, MMDAs, savings and small-denomination time deposits (time deposits—including retail RPs—in amounts of less than $100,000), and balances in both taxable and tax-exempt general purpose and broker/dealer money market mutual funds Excludes individual retirement accounts (IRA) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S commercial banks, money market funds (general purpose and broker/dealer), foreign governments and commercial banks, and the U.S government Also subtracted is a consolidation adjustment that represents the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposits

M3 M2 plus large-denomination time deposits and term RP liabilities (in amounts of $100,000 or more) issued by commercial banks and thrift institutions, term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and balances in both taxable and tax-exempt, institution-only money market mutual funds. Excludes amounts held by depository institutions, the U.S government, money market funds, and foreign banks and official institutions Also subtracted is a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.

L: M3 plus the nonbank public holdings of U S savings bonds, short-term Treasury securities, commercial paper and bankers acceptances, net of money market mutual fund holdings of these assets

Debt. Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U S government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments The source of data on domestic nonfinancial debt is the Federal Reserve Board's flow of funds accounts. Debt data are on an end-of-month basis

2 Currency outside the U.S. Treasury, Federal Reserve Banks, and vaults of commercial banks Excludes the estimated amount of vault cash held by thrift institutions to service their OCD liabilities.

3 Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers. Travelers checks issued by depository institutions are included in demand deposits

4. Demand deposits at commercial banks and foreign-related institutions other than those due to domestic banks, the U S government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float. Excludes the estimated amount of demand deposits held at commercial banks by thrift institutions to service their OCD liabilities.

5 Consists of NOW and ATS balances at all depository institutions, credit union share draft balances, and demand deposits at thrift institutions Other checkable deposits seasonally adjusted equals the difference between the seasonally adjusted sum of demand deposits plus OCD and seasonally adjusted demand deposits Included are all ceiling free "Super NOWs," authorized by the Depository Institutions Deregulation committee to be offered beginning Jan 5, 1983

6. Sum of overnight RPs and overnight Eurodollars, money market fund balances (general purpose and broker/dealer), MMDAs, and savings and small time deposits, less the consolidation adjustment that represents the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposits liabilities

7 Sum of large time deposits, term RPs and term Eurodollars of U.S. residents, money market fund balances (institution-only), less a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds.

8 Savings deposits exclude MMDAs

9 Small-denomination time deposits—including retail RPs— are those issued in amounts of less than $100,000 All individual retirement accounts (IRA) and Keogh accounts at commercial banks and thrifts are subtracted from small time deposits.

10 Large-denomination time deposits are those issued in amounts of $100,000 or more, excluding those booked at international banking facilities.

11 Large-denomination time deposits at commercial banks less those held by money market mutual funds, depository institutions, and foreign banks and official institutions

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

1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars; averages of Wednesday figures

Category	1982 Dec	1983 Dec	1984 Feb.r	1984 Mar.r	1984 Apr.r	1984 May	1982 Dec	1983 Dec	1984 Feb.r	1984 Mar	1984 Apr.r	1984 May
	Seasonally adjusted						Not seasonally adjusted					
1 **Total loans and securities[3]**	**1,412.0**	**1,568.1**	**1,604.9**	**1,622.1**	**1,630.6**	**1,650.8**	**1,422.4**	**1,579.5**	**1,600.2**	**1,616.6r**	**1,630.1**	**1,643.7**
2 U.S. Treasury securities	130.9	188.0	188.3	187.1	185.9	187.4	131.5	188.8	189.0	189.8	189.2	186.6
3 Other securities	239.2	247.5	252.2	253.1	250.5	249.7	240.6	249.0	251.6	252.5r	250.4	249.9
4 Total loans and leases[3]	1,042.0	1,132.6	1,164.4	1,181.9	1,194.3	1,213.6	1,050.3	1,141.7	1,159.5	1,174.2r	1,190.4	1,207.2
5 Commercial and industrial loans	392.3	413.4	423.7	433.8	437.0	447.3	394.5	415.8	422.0	432.6	439.4	447.5
6 Real estate loans	303.1	335.5	343.1	346.7	350.5	354.6	304.0	336.5	342.7	345.7	349.4	353.2
7 Loans to individuals	191.9	219.7	227.6	231.4	235.3	239.6	193.2	221.2	226.9	229.3r	233.6	238.1
8 Security loans	24.7	27.3	30.8	27.3	26.9	27.5	25.5	28.2	29.7	26.5r	26.9	26.5
9 Loans to nonbank financial institutions	31.1	29.7	30.5	30.6	30.9	31.6	32.1	30.6	30.6	30.2	30.7	31.3
10 Agricultural loans	36.3	39.6	40.0	40.2	40.6	40.8	36.3	39.6	39.4	39.4	39.9	40.6
11 Lease financing receivables	13.1	13.1	13.5	13.5	13.5	13.6	13.1	13.1	13.5	13.5	13.5	13.6
12 All other loans	49.5	54.3	55.1	58.4	59.7	58.6	51.5	56.5	54.6	57.1r	57.1	56.4
MEMO												
13 **Total loans and securities plus loans sold[3,4]**	**1,415.0**	**1,570.5**	**1,607.4**	**1,625.2**	**1,633.8**	**1,653.6**	**1,425.4**	**1,581.8**	**1,602.7**	**1,619.7r**	**1,633.2**	**1,646.6**
14 Total loans plus loans sold[3,4]	1,044.9	1,135.0	1,166.9	1,185.0	1,197.4	1,216.5	1,053.3	1,144.0	1,162.0	1,177.3r	1,193.6	1,210.1
15 Total loans sold to affiliates[3,4]	2.9	2.4	2.5	3.1	3.1	2.8	2.9	2.4	2.5	3.1	3.1	2.8
16 Commercial and industrial loans plus loans sold[4]	394.5	415.3	425.6	435.8	438.9	449.3	396.8	417.7	423.8	434.5	441.3	449.4
17 Commercial and industrial loans sold[4]	2.3	1.8	1.9	1.9	1.9	2.0	2.3	1.8	1.9	1.9	1.9	2.0
18 Acceptances held	8.5	8.3	8.5	9.4	9.6	9.9	9.5	9.1	8.6	9.0	8.8	9.3
19 Other commercial and industrial loans	383.7	405.2	415.2	424.4	427.4	437.4	385.1	406.8	413.3	423.6r	430.6	438.2
20 To U.S. addressees[5]	373.4	395.1	403.2	412.2	415.4	424.6	372.6	394.3	401.3	411.6	418.7	426.4
21 To non-U.S. addressees	10.3	10.1	12.1	12.2	12.0	12.8	12.4	12.5	12.0	12.0	11.8	11.7
22 Loans to foreign banks	13.5	12.7	13.2	12.8	13.0	12.7	14.5	13.6	13.0	12.5	12.5	12.2

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

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

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

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

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

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

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

Source	1981	1982	1983						1984				
	Dec.	Dec.	July	Aug	Sept.	Oct.	Nov.	Dec.	Jan.r	Feb.r	Mar r	Apr r	May
Total nondeposit funds													
1 Seasonally adjusted[2]	96.3	82.9	78.0r	83.4r	85.4r	82.0r	96.3r	100.3	98.2	102.4	108.1	111.8	116.8
2 Not seasonally adjusted	98.1	84.9	78.7r	86.2r	86.5r	83.0r	99.6r	102.5r	99.2	103.8	109.6	113.0	121.1
Federal funds, RPs, and other borrowings from nonbanks[3]													
3 Seasonally adjusted	111.8	127.7	134.4r	132.7r	134.2r	135.2r	140.8r	140.7r	139.4	143.0	141.8	142.3	142.4
4 Not seasonally adjusted	113.5	129.7	135.1r	135.5r	135.3r	136.2r	144.1r	142.8r	140.4	144.4	143.3	143.5	146.7
5 Net balances due to foreign-related institutions, not seasonally adjusted	−18.1	−47.7	−59.0	−51.8r	−51.3r	−55.7r	−47.0	−42.7	−43.7	−43.1	−36.8	−33.7	−28.4
6 Loans sold to affiliates, not seasonally adjusted[4]	2.8	2.9	2.7	2.6	2.6	2.6	2.5	2.4	2.4	2.5	3.1	3.1	2.8
MEMO													
7 Domestically chartered banks' net positions with own foreign branches, not seasonally adjusted[5]	−22.4	−39.6	−50.8r	−45.2r	−46.3	−48.5	−43.0r	−39.8r	−38.8	−39.0	−34.9	−33.2	−29.9
8 Gross due from balances	54.9	72.2	77.4	73.6	74.7	76.4	76.5	75.3r	73.2	74.7	73.8	73.6	73.5
9 Gross due to balances	32.4	32.6	26.5	28.3	28.3	27.9	33.6	35.5	34.5	35.7	38.8	40.3	43.6
10 Foreign-related institutions' net positions with directly related institutions, not seasonally adjusted[6]	4.3	−8.1	−8.0	−6.5r	−5.0r	−7.2r	−4.0r	−3.0	−4.9	−4.1	−1.9	−0.5	1.5
11 Gross due from balances	48.1	54.7	55.2	53.6r	53.5	55.5r	53.5r	54.1r	53.5	52.9	50.1	49.6	49.8
12 Gross due to balances	52.4	46.6	47.1r	47.0	48.5r	48.3r	49.5r	51.1r	48.6	48.8	48.2	49.1	51.3
Security RP borrowings													
13 Seasonally adjusted[7]	59.0	71.0	77.3	76.1	78.1	79.9	83.3	84.8	85.5	86.9	85.5	86.9	84.0
14 Not seasonally adjusted	59.2	71.2	76.2	77.0	77.3	79.1	84.6	85.1	84.6	86.5	85.1	86.2	86.4
U.S. Treasury demand balances[8]													
15 Seasonally adjusted	12.2	12.8	21.7	20.3	16.7	18.9	12.0	13.1	16.5	20.6	16.7	15.9	12.2
16 Not seasonally adjusted	11.1	10.8	21.8	16.4	17.9	24.7	7.5	10.8	19.6	22.3	17.5	16.5	12.8
Time deposits, $100,000 or more[9]													
17 Seasonally adjusted	325.4	347.9	285.9	284.1	282.8	278.3	280.7	283.1	284.4	283.8	289.2	292.3	302.7
18 Not seasonally adjusted	330.4	354.6	281.5	284.4	284.7	280.3	283.0	288.1	287.1	285.0	288.8	288.7	298.6

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

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

Billions of dollars except for number of banks

Account	1982 Dec.	1983 Mar	Apr	May	June	July	Aug.	Sept	Oct	Nov	Dec
DOMESTICALLY CHARTERED COMMERCIAL BANKS[1]											
1 Loans and securities, excluding interbank	1,370.3	1,392.2	1,403.8	1,411.9	1,435.1	1,437.4	1,457.0	1,466.1	1,483.0	1,502.3	1,525.2
2 Loans, excluding interbank	1,000.7	1,001.7	1,005.1	1,007.5	1,025.6	1,029.1	1,043.4	1,049.7	1,060.3	1,075.5	1,095.1
3 Commercial and industrial	356.7	358.0	357.9	356.7	360.1	361.1	363.0	364.0	367.0	372.8	380.8
4 Other	644.0	643.7	647.2	650.8	665.6	668.0	680.4	685.7	693.3	702.7	714.4
5 U.S. Treasury securities	129.0	150.6	155.5	160.9	166.0	165.1	167.5	171.2	176.8	180.4	181.4
6 Other securities	240.5	239.9	243.3	243.5	243.5	243.3	246.1	245.2	245.9	246.4	248.7
7 Cash assets, total	184.4	168.9	170.1	164.5	176.9	168.7	176.9	160.0	164.0	179.0	190.5
8 Currency and coin	23.0	19.9	20.4	20.3	21.3	20.7	21.0	20.8	20.5	22.3	23.3
9 Reserves with Federal Reserve Banks	25.4	20.5	23.9	22.4	18.8	20.6	22.5	15.4	19.7	17.6	18.6
10 Balances with depository institutions	67.6	67.1	66.1	65.6	69.7	67.1	69.0	66.7	67.1	70.9	75.6
11 Cash items in process of collection	68.4	61.5	59.6	56.3	67.1	60.3	64.4	56.9	56.6	69.0	73.0
12 Other assets[2]	265.3	257.9	252.4	248.3	253.2	254.5	257.2	252.3	253.0	261.9	253.8
13 Total assets/total liabilities and capital	**1,820.0**	**1,818.9**	**1,826.3**	**1,824.8**	**1,865.2**	**1,860.6**	**1,891.0**	**1,878.4**	**1,900.0**	**1,943.9**	**1,969.5**
14 Deposits	1,361.8	1,374.2	1,368.0	1,370.8	1,402.7	1,396.5	1,420.1	1,408.1	1,419.5	1,459.2	1,482.6
15 Demand	363.9	333.4	329.2	324.5	344.4	334.2	344.7	328.1	331.3	358.1	371.0
16 Savings	296.4	419.2	426.9	440.2	445.3	447.5	449.0	448.8	451.5	458.3	460.7
17 Time	701.5	621.6	611.9	606.1	613.1	614.8	626.4	631.2	636.8	642.8	650.8
18 Borrowings	215.1	211.3	224.0	214.1	221.2	217.5	217.2	217.8	226.8	219.7	216.3
19 Other liabilities	109.2	103.5	102.3	104.7	104.3	105.5	107.6	107.1	106.5	112.6	117.9
20 Residual (assets less liabilities)	133.8	130.0	132.0	135.1	137.0	141.0	146.1	145.4	147.2	152.4	152.8
MEMO											
21 U.S. Treasury note balances included in borrowing	10.7	9.6	17.8	2.7	19.3	19.3	14.8	20.8	22.5	2.8	8.8
22 Number of banks	14,787	14,819	14,823	14,817	14,826	14,785	14,795	14,804	14,800	14,799	14,796
ALL COMMERCIAL BANKING INSTITUTIONS[3]											
23 Loans and securities, excluding interbank	1,429.7	1,451.3	1,460.8	1,467.6	1,491.5	1,494.1	1,515.4	1,525.4	1,541.8	1,563.2	1,586.8
24 Loans, excluding interbank	1,054.8	1,054.5	1,055.7	1,056.4	1,075.2	1,078.8	1,094.9	1,102.5	1,112.2	1,129.2	1,149.3
25 Commercial and industrial	395.3	395.9	393.5	391.7	395.3	397.7	400.6	402.7	405.3	412.0	420.1
26 Other	659.5	658.6	662.2	664.7	679.9	681.2	694.3	699.8	706.8	717.2	729.2
27 U.S. Treasury securities	132.8	155.3	160.2	166.1	171.3	170.3	172.7	176.1	182.0	185.9	186.9
28 Other securities	242.1	241.5	244.9	245.2	245.1	245.0	247.8	246.9	247.7	248.1	250.6
29 Cash assets, total	200.7	185.5	186.3	180.3	193.5	185.2	193.3	174.7	178.4	195.0	205.0
30 Currency and coin	23.0	19.9	20.4	20.3	21.3	20.7	21.1	20.9	20.5	22.3	23.4
31 Reserves with Federal Reserve Banks	26.8	22.0	25.4	23.8	20.0	21.9	24.0	16.6	20.8	19.1	19.7
32 Balances with depository institutions	81.4	81.0	79.8	78.9	84.0	81.2	82.8	79.3	79.5	83.6	88.0
33 Cash items in process of collection	69.4	62.6	60.7	57.3	68.2	61.4	65.4	58.0	57.6	70.0	74.0
34 Other assets[2]	341.7	325.4	317.8	309.5	318.1	318.7	324.6	320.9	318.8	329.7	321.3
35 Total assets/total liabilities and capital	**1,972.1**	**1,962.2**	**1,964.9**	**1,957.4**	**2,003.2**	**1,998.0**	**2,033.3**	**2,021.0**	**2,039.1**	**2,088.0**	**2,113.1**
36 Deposits	1,409.7	1,419.5	1,411.0	1,413.1	1,443.8	1,438.1	1,461.4	1,448.9	1,459.0	1,499.4	1,524.8
37 Demand	376.2	345.7	341.1	336.4	356.4	346.4	356.6	340.0	343.2	369.9	383.2
38 Savings	296.7	419.7	427.3	440.7	445.7	448.0	449.5	449.3	452.0	458.8	461.3
39 Time	736.7	654.1	642.6	636.0	641.6	643.8	655.3	659.5	663.8	670.6	680.4
40 Borrowings	278.3	269.9	281.3	269.5	278.2	277.9	280.5	282.6	289.6	282.5	275.1
41 Other liabilities	148.4	141.1	138.6	137.9	142.3	139.1	143.4	142.3	141.5	151.9	158.6
42 Residual (assets less liabilities)	135.7	131.9	133.9	137.0	138.9	142.9	148.0	147.3	149.1	154.2	154.7
MEMO											
43 U.S. Treasury note balances included in borrowing	10.7	9.6	17.8	2.7	19.3	19.3	14.8	20.8	22.5	2.8	8.8
44 Number of banks	15,329	15,376	15,390	15,385	15,396	15,359	15,370	15,382	15,383	15,382	15,380

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

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

1.26 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $1.4 Billion or More on December 31, 1982, Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1984								
	May 2	May 9	May 16	May 23	May 30r	June 6	June 13	June 20	June 27
1 Cash and balances due from depository institutions	93,873	90,176	91,476	86,033	96,546	87,590	86,757	96,991	87,402
2 Total loans, leases and securities, net	**755,804r**	**754,896r**	**756,678**	**756,074**	**760,223**	**765,046**	**757,888**	**763,422**	**758,255**
Securities									
3 U.S. Treasury and government agency	77,977	75,966	75,670	75,140	76,834	75,000	73,596	72,234	72,167
4 Trading account	11,522	9,887	10,266	10,284	11,797	9,934	8,932	7,749	7,630
5 Investment account, by maturity	66,455	66,079	65,404	64,855	65,037	65,067	64,664	64,485	64,537
6 One year or less	18,129	17,578	17,098	16,695	17,071	17,486	16,916	16,892	16,521
7 Over one through five years	35,622	35,764	35,879	35,746	35,684	35,423	35,551	35,462	35,665
8 Over five years	12,704	12,738	12,427	12,414	12,283	12,158	12,198	12,130	12,350
9 Other securities	50,394	49,734	49,308	49,005	48,892	48,785	48,385	47,466	47,405
10 Trading account	6,090	5,467	5,055	4,592	4,462	4,658	4,336	4,002	4,113
11 Investment account	44,304	44,268	44,253	44,413	44,430	44,128	44,049	43,464	43,291
12 States and political subdivisions, by maturity	40,155	40,115	40,066	40,196	40,250	40,145	40,099	39,811	39,647
13 One year or less	4,850	4,808	4,758	4,782	4,830	4,798	4,675	4,439	4,432
14 Over one year	35,305	35,307	35,309	35,413	35,420	35,347	35,424	35,372	35,215
15 Other bonds, corporate stocks, and securities	4,149	4,153	4,186	4,218	4,180	3,982	3,950	3,653	3,644
16 Other trading account assets	2,751	2,435	1,960	1,882	1,932	2,292	2,261	2,265	2,256
Loans and leases									
17 Federal funds sold[1]	42,471	45,551	44,750	44,484	44,043	48,558	43,695	48,661	42,525
18 To commercial banks	27,896r	31,640	30,309r	30,278r	30,021	36,477	31,475	35,961	29,093
19 To nonbank brokers and dealers in securities	9,746r	8,827	9,213r	8,637r	8,397	7,870	7,618	8,173	8,297
20 To others	4,829	5,083	5,228	5,568	5,625	4,211	4,602	4,527	5,135
21 Other loans and leases, gross	596,941r	596,012r	599,844r	600,503r	603,435	605,431	604,948	607,810	608,884
22 Other loans, gross	585,340r	584,416r	588,231r	588,948r	591,857	593,765	593,286	596,136	597,194
23 Commercial and industrial	236,793r	239,225r	240,681r	240,531r	239,798	240,929	240,868	243,101	243,810
24 Bankers acceptances and commercial paper	3,547	3,748	3,629	3,640	3,907	3,650	3,916	3,730	4,035
25 All other	233,246r	235,477r	237,052r	236,892r	235,892	237,279	236,952	239,372	239,775
26 U.S. addressees	226,706r	228,932r	230,384r	230,186r	229,309	230,843	230,463	233,021	233,334
27 Non-U.S. addressees	6,540	6,545	6,668	6,705	6,583	6,436	6,489	6,350	6,442
28 Real estate loans	148,413r	148,580r	148,897r	149,110r	149,262	149,543	150,501	150,492	150,791
29 To individuals for personal expenditures	96,325r	96,317r	96,885r	97,168r	97,604	97,937	97,967	98,850	99,362
30 To depository and financial institutions	41,282r	40,282r	41,329r	41,093r	42,214	42,152	41,618	40,523	40,912
31 Commercial banks in the United States	8,870	7,976	9,305	9,264	9,800	9,456	9,737	8,828	9,269
32 Banks in foreign countries	7,012	6,596	6,668	6,630	6,635	6,774	6,363	6,103	6,364
33 Nonbank depository and other financial institutions	25,401r	25,710r	25,356r	25,198r	25,779	25,922	25,518	25,591	25,278
34 For purchasing and carrying securities	13,872	12,059	12,484	13,183r	14,479	14,487	13,841	14,100	13,103
35 To finance agricultural production	7,517	7,612r	7,604	7,604	7,587	7,649	7,718	7,791	7,785
36 To states and political subdivisions	22,583r	22,808r	22,709	22,862	23,053	23,520	23,668	23,824	23,894
37 To foreign governments and official institutions	4,217r	4,234r	4,201r	4,038r	4,022	4,010	4,050	4,030	3,995
38 All other	14,337r	13,299r	13,441r	13,357r	13,837	13,536	13,054	13,424	13,542
39 Lease financing receivables	11,601r	11,596r	11,613r	11,555r	11,578	11,666	11,662	11,674	11,690
40 LESS: Unearned income	5,060r	5,094r	5,118r	5,147r	5,143	5,127	5,118	5,133	5,134
41 Loan and lease reserve	9,670	9,709	9,736	9,792	9,769	9,894	9,879	9,882	9,847
42 Other loans and leases, net	582,211r	581,209r	584,990	585,564	588,522	590,410	589,951	592,795	593,903
43 All other assets	141,192r	141,945	142,068	136,555r	134,836	140,670	137,689	139,404	140,318
44 Total assets	**990,869r**	**987,017r**	**990,222**	**978,662r**	**991,605**	**993,307**	**982,335**	**999,817**	**985,975**
Deposits									
45 Demand deposits	185,550	174,058	187,606	172,574	185,051	180,246	180,272	180,524	177,565
46 Individuals, partnerships, and corporations	140,884	133,822	141,986	132,751	140,804	137,820	140,526	136,733	135,144
47 States and political subdivisions	5,854	4,424	4,867	4,526	4,623	4,669	4,261	5,041	4,694
48 U.S. government	1,307	1,068	2,463	2,076	1,076	1,879	1,366	4,066	2,320
49 Depository institutions in United States	22,118	20,364	22,509	19,522	22,562	21,132	19,869	21,348	20,828
50 Banks in foreign countries	6,272	6,106	6,263	6,014	6,585	6,355	5,772	5,618	6,226
51 Foreign governments and official institutions	948	857	1,088	792	845	791	798	816	788
52 Certified and officers' checks	8,166	7,418	8,430	6,892	8,557	7,600	7,681	6,901	7,565
53 Transaction balances other than demand deposits (ATS, NOW, Super NOW, telephone transfers)	33,236	33,211	32,984	32,408	32,673	34,386	33,569	32,700	31,974
54 Nontransaction balances	414,606	417,796	420,440	424,671	426,900	428,718	429,317	428,785	431,272
55 Individuals, partnerships and corporations	385,469r	388,313r	390,066r	393,353r	395,662	397,890	398,419	397,579	399,495
56 States and political subdivisions	18,392	18,726	19,149	19,742	19,530	19,057	19,352	19,240	19,463
57 U.S. government	373r	360r	356r	365	342	338	321	334	314
58 *Depository institutions in the United States*	7,060r	7,176r	7,343r	7,898r	8,103	7,957	7,733	8,144	8,326
59 Foreign governments, official institutions and banks	3,311	3,221	3,526	3,314	3,264	3,474	3,491	3,488	3,674
60 Liabilities for borrowed money	188,887r	194,588r	181,260	180,249	180,297	187,036	176,689	194,222	177,579
61 Borrowings from Federal Reserve Banks	170	2,078	4,827	2,416	1,857	3,915	1,950	3,690	2,466
62 Treasury tax-and-loan notes	16,781r	13,823r	3,303	563	2,960	2,748	2,066	15,719	11,108
63 All other liabilities for borrowed money[2]	171,936r	178,687r	173,130r	177,270	175,480	180,373	172,673	174,813	164,005
64 Other liabilities and subordinated note and debentures	101,926r	100,445	101,080	101,488r	99,603	94,922	94,689	96,152	100,297
65 Total liabilities	**924,206r**	**920,099r**	**923,370**	**911,391r**	**924,525**	**925,308**	**914,537**	**932,384**	**918,688**
66 Residual (total assets minus total liabilities)[3]	66,663	66,917	66,852	67,271	67,080	67,999	67,797	67,433	67,287

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

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

Millions of dollars, Wednesday figures

Account	1984								
	May 2	May 9	May 16	May 23	May 30	June 6	June 13	June 20	June 27
1 Cash and balances due from depository institutions	20,088	21,533	22,789	19,903	22,490	19,721	19,170	23,327	20,276
2 Total loans, leases and securities, net[1]	**159,284[r]**	**159,760[r]**	**160,726**	**162,662**	**164,164**	**163,778**	**160,949**	**164,208**	**162,990**
Securities									
3 U.S. Treasury and government agency[2]		...	...	...	...	...	...	...	
4 Trading account[2]	...	...	...	...	...	...	...	...	...
5 Investment account, by maturity	10,082	10,023	10,120	10,064	10,142	9,840	9,765	9,632	9,494
6 One year or less	2,041	1,912	1,885	1,831	1,905	1,791	1,719	1,637	1,498
7 Over one through five years	6,652	6,746	7,100	7,090	7,090	6,897	6,895	6,847	6,848
8 Over five years	1,389	1,364	1,136	1,143	1,148	1,152	1,151	1,149	1,149
9 Other securities[2]	...	...	...	...	...	...	...		
10 Trading account[2]	...	...	...	...	...				
11 Investment account	9,788	9,731	9,690	9,669	9,699	9,638	9,535	9,451	9,431
12 States and political subdivisions, by maturity	8,940	8,884	8,873	8,881	8,968	8,959	8,845	8,770	8,751
13 One year or less	1,511	1,485	1,473	1,492	1,572	1,563	1,445	1,380	1,355
14 Over one year	7,429	7,399	7,400	7,389	7,396	7,396	7,400	7,391	7,397
15 Other bonds, corporate stocks and securities	849	847	817	788	731	679	690	681	679
16 Other trading account assets[2]		...	...	...	...	...	...	...	...
Loans and leases									
17 Federal funds sold[3]	12,463	14,462	13,564	15,020	14,771	14,187	12,286	15,575	14,462
18 To commercial banks	5,530	7,784	6,802	8,152	7,283	8,463	6,442	9,196	8,056
19 To nonbank brokers and dealers in securities	4,755	4,118	3,921	4,032	4,324	3,617	3,426	3,848	3,660
20 To others	2,178	2,560	2,842	2,836	3,164	2,106	2,418	2,531	2,746
21 Other loans and leases, gross	131,339[r]	129,959[r]	131,791	132,422	134,033	134,655	133,924	134,123	134,126
22 Other loans, gross	129,316[r]	127,937[r]	129,765	130,402	132,011	132,615	131,894	132,080	132,083
23 Commercial and industrial	62,428[r]	63,150[r]	63,751[r]	63,334[r]	63,160[r]	64,118	63,821	64,432	64,246
24 Bankers acceptances and commercial paper	879	818	966	844	948	800	870	763	736
25 All other	61,548[r]	62,332[r]	62,786[r]	62,489[r]	62,213[r]	63,319	62,951	63,668	63,511
26 U.S. addressees	60,378[r]	61,138[r]	61,465[r]	61,110[r]	60,902[r]	62,029	61,682	62,408	62,329
27 Non-U.S. addressees	1,170	1,195	1,321	1,379	1,310	1,290	1,269	1,261	1,182
28 Real estate loans	21,523[r]	21,628[r]	21,716[r]	21,807[r]	21,866[r]	21,925	22,056	22,235	22,171
29 To individuals for personal expenditures	14,462[r]	14,473[r]	14,540[r]	14,557[r]	14,605[r]	14,752	14,721	14,794	14,846
30 To depository and financial institutions	12,375	11,486	12,238	12,262	12,732	12,782	12,638	11,791	12,224
31 Commercial banks in the United States	1,657	1,175	1,667	1,816	2,010	2,014	2,265	1,696	2,010
32 Banks in foreign countries	2,487	1,967	2,367	2,294	2,187	2,402	2,125	1,875	2,016
33 Nonbank depository and other financial institutions	8,231	8,344	8,204	8,152	8,534	8,366	8,248	8,221	8,197
34 For purchasing and carrying securities	7,006	5,779	6,113	6,740[r]	7,888[r]	7,382	7,114	6,838	6,598
35 To finance agricultural production	542	552	549	531	520	510	497	507	474
36 To states and political subdivisions	6,455[r]	6,626[r]	6,584	6,726	6,732	7,101	7,168	7,282	7,332
37 To foreign governments and official institutions	428	451	516	389	406	393	381	396	388
38 All other	4,098	3,793	3,758	4,055	4,101	3,650	3,500	3,804	3,803
39 Lease financing receivables	2,023	2,022	2,027	2,020	2,022	2,041	2,030	2,042	2,043
40 LESS Unearned income	1,471	1,492	1,509	1,530	1,522	1,521	1,530	1,532	1,516
41 Loan and lease reserve	2,917	2,922	2,931	2,984	2,960	3,022	3,031	3,042	3,008
42 Other loans and leases, net	*126,951[r]*	*125,544[r]*	*127,351*	*127,908*	*129,551*	*130,113*	*129,363*	*129,549*	*129,602*
43 All other assets[4]	67,752	65,922	66,542	63,750	63,430	67,309	66,050	63,981	63,328
44 Total assets	**247,125[r]**	**247,215[r]**	**250,056**	**246,315**	**250,084**	**250,808**	**246,169**	**251,516**	**246,594**
Deposits									
45 Demand deposits	46,035	44,044	49,479	43,829	47,373	44,406	44,273	45,136	45,490
46 Individuals, partnerships, and corporations	31,917	30,159	32,657	30,398	32,016	29,766	30,731	31,130	30,558
47 States and political subdivisions	612	544	706	627	563	637	541	737	696
48 U S government	200	184	606	442	175	419	265	765	547
49 Depository institutions in the United States	4,466	4,689	5,451	4,170	4,554	4,722	4,262	4,635	4,783
50 Banks in foreign countries	4,913	4,767	4,918	4,752	5,194	4,992	4,426	4,337	4,856
51 Foreign governments and official institutions	740	660	842	564	618	594	547	618	583
52 Certified and officers' checks	3,188	3,040	4,298	2,875	4,252	3,276	3,501	2,913	3,466
53 Transaction balances other than demand deposits ATS, NOW, Super NOW, telephone transfers)	3,764	3,699	3,740	3,658	3,651	3,803	3,745	3,666	3,606
54 Nontransaction balances	72,072	72,684	73,780	74,593	76,050	76,875	77,285	77,490	78,482
55 Individuals, partnerships and corporations	65,547	66,208	66,514	67,159	68,522	69,189	69,614	69,591	70,222
56 States and political subdivisions	2,246	2,276	2,434	2,585	2,601	2,608	2,747	2,936	2,961
57 U S. government	29	29	34	35	28	30	30	31	34
58 Depository institutions in the United States	2,554	2,596	2,896	3,151	3,283	3,222	2,985	3,042	3,235
59 Foreign governments, official institutions and banks	1,696	1,575	1,903	1,664	1,615	1,826	1,908	1,890	2,028
60 Liabilities for borrowed money	61,166[r]	63,098[r]	58,956	58,800	59,448	64,272	59,237	63,152	54,414
61 Borrowings from Federal Reserve Banks	...	953	...	925	...	575		750	
62 Treasury tax-and-loan notes	4,284	3,519	888	83	913	678	520	4,005	2,760
63 All other liabilities for borrowed money[5]	56,882[r]	58,626[r]	58,067	57,792	58,536	63,020	58,717	58,397	51,654
64 Other liabilities and subordinated note and debentures	42,428	41,856	42,294	43,313	41,629	39,040	39,404	40,046	42,691
65 Total liabilities	***225,465[r]***	***225,382[r]***	***228,250***	***224,193***	***228,152***	***228,396***	***223,944***	***229,491***	***224,682***
66 Residual (total assets minus total liabilities)[6]	21,660	21,832	21,806	22,122	21,932	22,411	22,225	22,025	21,912

1. Excludes trading account securities
2. Not available due to confidentiality
3. Includes securities purchased under agreements to resell
4. Includes trading account securities
5. Includes federal funds purchased and securities sold under agreements to repurchase
6. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1984								
	May 2r	May 9r	May 16	May 23r	May 30r	June 6	June 13	June 20	June 27
BANKS WITH ASSETS OF $1.4 BILLION OR MORE									
1 Total loans and leases (gross) and investments adjusted[1]	733,769	730,081	731,918r	731,471	735,314	734,133	731,674	733,647	734,873
2 Total loans and leases (gross) adjusted[1]	602,647	601,946	604,980r	605,444	607,656	608,056	607,431	611,682	613,046
3 Time deposits in amounts of $100,000 or more	142,386	144,738	146,776r	150,990	152,853	153,412	154,512	154,256	156,594
4 Loans sold outright to affiliates—total[2]	3,126	3,125	3,122	2,549	2,518	2,557	2,618	2,675	2,741
5 Commercial and industrial	1,983	1,964	2,005	1,933	1,914	1,952	1,929	1,940	1,960
6 Other	1,144	1,161	1,116	616	603	605	689	735	781
7 Nontransaction savings deposits (including MMDAs)	155,085	155,406	155,634	155,224	155,357	155,819	155,195	154,363	154,108
BANKS IN NEW YORK CITY									
8 Total loans and leases (gross) and investments adjusted[1,3]	156,485	155,216	156,697	157,207	159,352	157,843	156,804	157,889	157,448
9 Total loans and leases (gross) adjusted[1]	136,615	135,462	136,887	137,474	139,510	138,365	137,503	138,806	138,522
10 Time deposits in amounts of $100,000 or more	29,084	29,739	30,397	31,273	32,668	33,266	33,894	34,118	34,710

1 Exclusive of loans and federal funds transactions with domestic commercial banks.
2. 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.
3 Excludes trading account securities.

1.30 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS WITH ASSETS OF $1.4 BILLION OR MORE ON JUNE 30, 1980 Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1984								
	May 2	May 9	May 16	May 23	May 30r	June 6	June 13	June 20	June 27
1 Cash and due from depository institutions	6,570	7,013	6,865	6,748	6,489	7,310	6,764	7,394	6,858
2 Total loans and securities	45,572	45,474	46,084	45,941	47,286	46,507	45,894	46,374	46,985
3 U.S. Treasury and govt. agency securities[1]	4,429	4,458	4,453	4,331	4,395	4,610	4,556	4,466	4,339
4 Other securities[1]	786	788	790	786	789	780	784	802	798
5 Federal funds sold[2]	4,421	4,389	4,366	4,083	4,748	3,360	3,488	3,382	4,328
6 To commercial banks in the United States	4,224	4,145	4,095	3,790	4,467	3,128	3,335	3,250	3,928
7 To others	198	244	270	293	281	232	153	132	400
8 Other loans, gross	35,936	35,839	36,476	36,741	37,354	37,756	37,066	37,724	37,520
9 Commercial and industrial	19,693	20,095	20,297	19,888	20,153	20,513	20,034	20,320	20,321
10 Bankers acceptances and commercial paper	3,298	3,264	3,366	3,266	3,215	3,162	3,261	3,234	3,312
11 All other	16,396	16,831	16,931	16,622	16,938	17,350	16,773	17,086	17,008
12 U.S. addressees	14,737	15,161	15,256	14,994	15,295	15,694	15,151	15,423	15,320
13 Non-U S addressees	1,659	1,669	1,675	1,628	1,643	1,656	1,622	1,663	1,689
14 To financial institutions	12,614	12,408	12,797	13,380	13,601	13,742	13,455	14,039	13,989
15 Commercial banks in the United States	10,618	10,324	10,791	11,319	11,400	11,640	11,353	11,966	11,714
16 Banks in foreign countries	1,384	1,420	1,411	1,404	1,456	1,470	1,399	1,348	1,450
17 Nonbank financial institutions	612	664	595	657	745	632	703	726	825
18 To foreign govts. and official institutions[3]	801	800	802	806	812	803	789	760	760
19 For purchasing and carrying securities	949	676	712	821	951	828	839	664	643
20 All other[3]	1,879	1,860	1,869	1,847	1,838	1,869	1,949	1,940	1,807
21 Other assets (claims on nonrelated parties)	14,652	15,105	15,376r	16,000	15,267	15,691	15,940	15,953	15,376
22 Net due from related institutions	9,415	10,290	10,245r	10,141	9,764	11,428	11,774	11,767	11,498
23 Total assets	76,209	77,882	78,570	78,830	78,806	80,937	80,372	81,488	80,717
24 Deposits or credit balances due to other than directly related institutions	20,389	21,010	21,054	21,858	21,770	21,766	21,897	21,880	22,357
25 Credit balances	138	145	186	135	169	143	127	112	132
26 Demand deposits	1,881r	1,907	1,839r	1,913r	1,792	1,797	1,572	1,901	1,677
27 Individuals, partnerships, and corporations	842r	771	812r	807r	881	791	802	806	799
28 Other	1,038	1,136	1,027	1,106	912	1,006	769	1,095	878
29 Time and savings deposits	18,370r	18,957	19,029r	19,810r	19,808	19,826	20,198	19,867	20,548
30 Individuals, partnerships, and corporations	15,168r	15,831	15,912r	16,678r	16,625	16,494	16,894	16,472	17,105
31 Other	3,202	3,126	3,117	3,132	3,184	3,332	3,304	3,395	3,444
32 Borrowings from other than directly related institutions	32,273	33,530	33,474	32,456r	32,226	35,404	34,090	34,990	33,907
33 Federal funds purchased[4]	9,223	9,983	8,513	7,176r	7,508	11,363	10,258	10,836	8,770
34 From commercial banks in the United States	6,275	6,829	5,786r	4,325r	4,718	8,757	7,811	8,066	5,976
35 From others	2,948	3,154	2,727r	2,850	2,791	2,606	2,447	2,770	2,794
36 Other liabilities for borrowed money	23,050	23,547	24,961	25,280	24,718	24,041	23,832	24,154	25,136
37 To commercial banks in the United States	19,768	20,171	21,424	21,756	21,286	20,817	20,372	20,471	21,064
38 To others	3,282	3,376	3,536	3,524	3,432	3,224	3,459	3,683	4,072
39 Other liabilities to nonrelated parties	15,452	15,684	16,067	16,471	15,803	16,265	16,418	16,477	15,872
40 Net due to related institutions	8,095	7,659	7,974	8,045r	9,006	7,502	7,967	8,140	8,581
41 Total liabilities	76,209	77,882	78,570	78,830	78,806	80,937	80,372	81,488	80,717
MEMO									
42 Total loans (gross) and securities adjusted[5]	30,730	31,005	31,198	30,832	31,419	31,738	31,207	31,158	31,343
43 Total loans (gross) adjusted[5]	25,515	25,758	25,956	25,715	26,236	26,348	25,867	25,890	26,207

1. Prior to Jan 4, 1984, U.S government agency securities were included in other securities
2 Includes securities purchased under agreements to resell.
3 As of Jan 4, 1984, loans to foreign governments and official institutions is reported as a separate item. Before that date it was included in all other loans.
4. Includes securities sold under agreements to repurchase.
5 Exclusive of loans to and federal funds sold to commercial banks in the United States.

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

Billions of dollars, estimated daily-average balances

Type of holder	1978 Dec.	1979 Dec.	1980 Dec.	1981 Dec.	1982 Dec.	1983 Mar.	1983 June	1983 Sept.	1983 Dec.	1984 Mar.
	Commercial banks									
	1978 Dec.	1979[2] Dec.	1980 Dec.	1981 Dec.	1982 Dec.	1983 Mar.	1983 June	1983 Sept.	1983 Dec.	1984 Mar.
1 **All holders—Individuals, partnerships, and corporations**	**290.0**	**302.3**	**315.5**	**288.9**	**291.7**	**272.0**	**281.9**	**280.3**	**293.5**	**279.3**
2 Financial business	27.0	27.1	29.8	28.0	35.4	32.7	34.6	32.1	32.8	31.7
3 Nonfinancial business	146.9	157.7	162.8	154.8	150.5	139.9	146.9	150.2	161.3	150.3
4 Consumer	98.2	99.2	102.4	86.6	85.9	79.4	80.3	77.9	78.5	78.1
5 Foreign	2.8	3.1	3.3	2.9	3.0	3.1	3.0	2.9	3.3	3.3
6 Other	15.1	15.1	17.2	16.7	17.0	16.9	17.2	17.1	17.8	15.9
	Weekly reporting banks									
	1978 Dec.	1979[3] Dec.	1980 Dec.	1981 Dec.	1982 Dec.	1983 Mar.	1983 June	1983 Sept.	1983 Dec.	1984 Mar.
7 **All holders—Individuals, partnerships, and corporations**	**127.6**	**139.3**	**147.4**	**137.5**	**144.2**	**133.0**	**139.6**	**136.3**	**146.2**	**139.2**
8 Financial business	18.2	20.1	21.8	21.0	26.7	24.3	26.1	23.6	24.2	23.5
9 Nonfinancial business	67.2	74.1	78.3	75.2	74.3	68.9	72.8	72.9	79.8	76.4
10 Consumer	32.8	34.3	35.6	30.4	31.9	28.7	28.5	28.1	29.7	28.4
11 Foreign	2.5	3.0	3.1	2.8	2.9	3.0	2.8	2.8	3.1	3.2
12 Other	6.8	7.8	8.6	8.0	8.4	8.1	9.3	8.9	9.3	7.7

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

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

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1978 Dec	1979[1] Dec	1980 Dec	1981 Dec.	1982 Dec [2]	1983 Dec.	1984 Jan.	1984 Feb.	1984 Mar.	1984 Apr.	1984 May
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**83,438**	**112,803**	**124,374**	**165,829**	**166,670**	**185,852**	**184,419**	**190,808**	**200,631**	**209,535**	**213,136**
Financial companies[3]											
Dealer-placed paper[4]											
2 Total	12,181	17,359	19,599	30,333	34,634	41,688	39,884	41,363	43,167	46,091	45,397
3 Bank-related (not seasonally adjusted)	3,521	2,784	3,561	6,045	2,516	2,441	2,087	1,765	1,767	1,865	1,696
Directly placed paper[5]											
4 Total	51,647	64,757	67,854	81,660	84,130	96,548	98,495	102,606	107,421	109,376	110,791
5 Bank-related (not seasonally adjusted)	12,314	17,598	22,382	26,914	32,034	35,566	37,636	36,958	39,617	41,881	46,338
6 Nonfinancial companies[6]	19,610	30,687	36,921	53,836	47,906	47,616	46,040	46,839	50,043	54,068	56,948
	Bankers dollar acceptances (not seasonally adjusted)										
7 **Total**	**33,700**	**45,321**	**54,744**	**69,226**	**79,543**	**78,309**	**73,450**	**74,367**	**73,221**	**78,457**	**79,530**
Holder											
8 Accepting banks	8,579	9,865	10,564	10,857	10,910	9,355	9,546	9,237	8,734	11,160	9,927
9 Own bills	7,653	8,327	8,963	9,743	9,471	8,125	7,814	7,897	7,040	9,029	8,422
10 Bills bought	927	1,538	1,601	1,115	1,439	1,230	1,732	1,340	1,694	2,131	1,504
Federal Reserve Banks											
11 Own account	587	704	776	195	1,480	418	0	0	0	305r	0
12 Foreign correspondents	664	1,382	1,791	1,442	949	729	729	777	896	834	679
13 Others	24,456	33,370	41,614	56,731	66,204	68,225	63,174	64,353	63,592	66,468r	68,925
Basis											
14 Imports into United States	8,574	10,270	11,776	14,765	17,683	15,649	15,028	15,495	15,107	16,579	16,687
15 Exports from United States	7,586	9,640	12,712	15,400	16,328	16,880	16,159	15,818	15,572	16,283r	15,938
16 All other	17,541	25,411	30,257	39,060	45,531	45,781	42,262	43,055	42,542	45,545r	46,906

1 A change in reporting instructions results in offsetting shifts in the dealer-placed and directly placed financial company paper in October 1979.
2 Effective Dec 1, 1982, there was a break in the commercial paper series. The key changes in the content of the data involved additions to the reporting panel, the exclusion of broker or dealer placed borrowings under any master note agreements from the reported data, and the reclassification of a large portion of bank-related paper from dealer-placed to directly placed.
3. Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking, sales, personal, and mortgage financing; factoring, finance leasing, and other business lending, insurance underwriting; and other investment activities.
4. Includes all financial company paper sold by dealers in the open market
5. As reported by financial companies that place their paper directly with investors
6 Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services

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

Percent per annum

Effective date	Rate	Effective Date	Rate	Month	Average rate	Month	Average rate
1981—Nov 24	16.00	1982—Oct 7	13.00	1982—Jan.	15 75	1983—Apr.	10.50
Dec 1	15 75	14	12.00	Feb.	16.56	May	10.50
		Nov 22	11.50	Mar.	16.50	June	10.50
				Apr.	16.50	July	10.50
1982—Feb 2	16.50			May	16.50	Aug.	10.89
18	17.00	1983—Jan 11	11.00	June	16 50	Sept.	11.00
23	16 50	Feb. 28	10.50	July	16.26	Oct.	11.00
July 20	16 00	Aug 8	11 00	Aug	14 39	Nov.	11 00
29	15.50			Sept.	13.50	Dec	11.00
Aug 2	15 00	1984—Mar 19	11 50	Oct	12 52		
16	14 50	Apr. 5	12 00	Nov.	11.85	1984—Jan.	11.00
18	14.00	May 8	12.50	Dec.	11.50	Feb.	11.00
23	13.50	June 25	13.00			Mar.	11.21
				1983—Jan	11.16	Apr	11.93
				Feb.	10.98	May	12.39
				Mar	10.50	June	12.58

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 7–11, 1984

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)	38,733,851	1,071,948	786,804	947,786	2,643,636	987,715	32,295,962
2 Number of loans	194,776	135,176	23,944	14,370	15,327	1,503	4,456
3 Weighted-average maturity (months)	1.4	4.5	4.6	5.0	5.4	3.5	.8
4 With fixed rates	1.0	3.8	4.0	3.0	4.1	2.1	.7
5 With floating rates	2.1	6.0	5.4	7.0	6.3	4.6	1.1
6 Weighted-average interest rate (percent per annum)	12.45	14.93	14.46	14.41	13.86	13.37	12.12
7 Interquartile range[1]	11.82–12.75	13.95–15.87	13.70–15.39	13.80–14.94	13.24–14.37	12.68–13.88	11.75–12.36
8 With fixed rates	12.23	14.89	14.16	14.28	13.76	12.86	11.99
9 With floating rates	12.80	14.99	14.80	14.50	13.90	13.61	12.36
Percentage of amount of loans							
10 With floating rate	39.2	34.7	46.2	57.8	67.4	68.8	35.4
11 Made under commitment	69.7	32.3	40.1	51.7	54.8	70.6	73.4
12 With no stated maturity	9.9	9.1	10.2	18.6	24.7	35.4	7.7
13 With one-day maturity	39.0	1	1	1	3	3.4	46.7
LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS		1–99					
14 Amount of loans (thousands of dollars)	4,129,515	683,061			348,909	198,394	2,899,152
15 Number of loans	35,908	33,322			1,689	296	600
16 Weighted-average maturity (months)	47.9	42.8			46.1	45.2	49.4
17 With fixed rates	44.3	38.2			57.2	54.6	44.6
18 With floating rates	50.2	46.2			42.5	43.7	53.1
19 Weighted-average interest rate (percent per annum)	13.12	15.00			13.91	13.50	12.56
20 Interquartile range[1]	12.00–13.92	14.37–15.87			13.10–14.45	12.68–14.09	11.75–13.24
21 With fixed rates	12.58	14.98			14.03	12.75	11.94
22 With floating rates	13.49	15.02			13.87	13.62	13.04
Percentage of amount of loans							
23 With floating rate	59.9	58.4			75.7	86.7	56.5
24 Made under commitment	75.4	37.0			57.1	74.5	86.7
CONSTRUCTION AND LAND DEVELOPMENT LOANS		1–24	25–49	50–99		500 and over	
25 Amount of loans (thousands of dollars)	2,567,543	211,528	118,448	163,406	890,297	1,183,865	
26 Number of loans	32,938	22,087	3,012	2,292	4,563	984	
27 Weighted-average maturity (months)	8.2	10.4	9.3	7.7	5.9	9.7	
28 With fixed rates	7.9	12.7	9.3	6.1	4.2	11.0	
29 With floating rates	8.5	5.8	9.1	11.8	8.5	8.6	
30 Weighted-average interest rate (percent per annum)	13.76	15.04	14.78	14.71	13.92	13.19	
31 Interquartile range[1]	13.22–14.50	14.37–15.79	14.75–15.03	14.37–15.57	13.24–14.50	12.02–14.09	
32 With fixed rates	13.53	15.05	14.87	14.80	14.00	12.28	
33 With floating rates	14.07	15.03	14.33	14.51	13.80	14.06	
Percentage of amount of loans							
34 With floating rate	43.2	35.3	17.1	31.7	40.8	50.7	
35 Secured by real estate	72.6	95.4	98.3	97.8	78.7	57.8	
36 Made under commitment	43.8	50.0	18.0	25.1	37.9	52.2	
37 With no stated maturity	9.5	3.7	33.6	5.8	3.4	13.1	
38 With one-day maturity	0	0	1	6	0	0	
Type of construction							
39 1- to 4-family	28.8	53.5	91.1	79.3	34.0	7.2	
40 Multifamily	3.6	3.0	2.2	5.9	2.8	4.1	
41 Nonresidential	67.6	43.5	6.8	14.8	63.1	88.6	
LOANS TO FARMERS	All sizes	1–9	10–24	25–49	50–99	100–249	250 and over
42 Amount of loans (thousands of dollars)	1,502,201	199,153	176,270	195,641	173,959	339,127	418,052
43 Number of loans	77,344	53,658	11,974	6,105	2,720	2,312	574
44 Weighted-average maturity (months)	8.3	6.6	7.1	8.0	8.4	11.3	7.5
45 Weighted-average interest rate (percent per annum)	14.25	14.64	14.35	14.41	14.24	14.51	13.75
46 Interquartile range[1]	13.55–14.95	13.96–15.02	13.67–15.02	13.80–14.95	13.59–15.03	14.09–15.02	12.55–14.49
By purpose of loan							
47 Feeder livestock	14.51	14.79	14.07	14.34	14.63	14.84	13.74
48 Other livestock	13.86	13.97	14.59	14.63	([2])	([2])	13.33
49 Other current operating expenses	14.29	14.56	14.41	14.54	14.21	14.44	13.89
50 Farm machinery and equipment	15.04	15.88	14.55	14.68	([2])	([2])	([2])
51 Other	13.93	14.59	14.02	13.91	14.10	14.14	13.63

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

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

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1981	1982	1983	1984				1984, week ending				
				Mar	Apr	May	June	June 1	June 8	June 15	June 22	June 29
MONEY MARKET RATES												
1 Federal funds[1,2]	16.38	12.26	9.09	9.91	10.29	10.32	11.06	10.30	10.72	10.85	11.49	11.27
2 Discount window borrowing[1,2,3]	13.42	11.02	8.50	8.50	8.87	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Commercial paper[4,5]												
3 1-month	15.69	11.83	8.87	9.81	10.17	10.38	10.82	10.32	10.56	10.75	10.98	11.07
4 3-month	15.32	11.89	8.88	9.83	10.18	10.65	10.98	10.72	10.78	10.87	11.06	11.26
5 6-month	14.76	11.89	8.89	9.86	10.22	10.87	11.23	11.08	11.13	11.19	11.24	11.37
Finance paper, directly placed[4,5]												
6 1-month	15.30	11.64	8.80	9.76	10.08	10.26	10.76	10.28	10.53	10.69	10.90	11.04
7 3-month	14.08	11.23	8.70	9.54	9.86	10.16	10.38	10.26	10.26	10.28	10.45	10.55
8 6-month	13.73	11.20	8.69	9.38	9.76	10.03	10.25	10.11	10.13	10.15	10.31	10.45
Bankers acceptances[5,6]												
9 3-month	15.32	11.89	8.90	9.88	10.22	10.84	11.04	10.88	10.76	10.81	11.22	11.41
10 6-month	14.66	11.83	8.91	9.91	10.26	11.06	11.30	11.35	11.20	11.19	11.33	11.49
Certificates of deposit, secondary market[7]												
11 1-month	15.91	12.04	8.96	9.91	10.24	10.62	11.02	10.56	10.69	10.83	11.19	11.41
12 3-month	15.91	12.27	9.07	10.08	10.41	11.11	11.34	11.31	11.09	11.13	11.46	11.67
13 6-month	15.77	12.57	9.27	10.37	10.73	11.64	11.96	11.99	11.83	11.94	11.97	12.11
14 Eurodollar deposits, 3-month[8]	16.79	13.12	9.56	10.40	10.83	11.53	11.68	11.67	11.39	11.50	11.75	12.11
U.S. Treasury bills[5]												
Secondary market[9]												
15 3-month	14.03	10.61	8.61	9.52	9.69	9.83	9.87	9.76	9.81	9.95	9.91	9.81
16 6-month	13.80	11.07	8.73	9.66	9.84	10.31	10.51	10.56	10.49	10.50	10.56	10.48
17 1-year	13.14	11.07	8.80	9.67	9.95	10.57	10.93	10.94	10.80	10.87	10.97	11.09
Auction average[10]												
18 3-month	14.029	10.686	8.63	9.44	9.69	9.90	9.94	9.83	9.90	10.07	10.01	9.77
19 6-month	13.776	11.084	8.75	9.58	9.83	10.31	10.55	10.62	10.57	10.66	10.49	10.49
20 1-year	13.159	11.099	8.86	9.68	9.86	10.64	10.92	...	...	10.92	...	...
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds[11]												
Constant maturities[12]												
21 1-year	14.78	12.27	9.57	10.59	10.90	11.66	12.08	12.10	11.92	12.02	12.15	12.28
22 2-year	14.56	12.80	10.21	11.31	11.69	12.47	12.91	12.94	12.71	12.83	12.98	13.15
23 2-1/2-year[13]	...	...	...	...		...	...	13.05	...	12.90	...	13.35
24 3-year	14.44	12.92	10.45	11.59	11.98	12.75	13.18	13.25	12.99	13.08	13.24	13.46
25 5-year	14.24	13.01	10.80	12.02	12.37	13.17	13.48	13.69	13.34	13.36	13.49	13.72
26 7-year	14.06	13.06	11.02	12.25	12.56	13.34	13.56	13.82	13.45	13.46	13.55	13.77
27 10-year	13.91	13.00	11.10	12.32	12.63	13.41	13.56	13.86	13.47	13.43	13.55	13.79
28 20-year	13.72	12.92	11.34	12.45	12.65	13.43	13.54	13.79	13.47	13.45	13.51	13.71
29 30-year	13.44	12.76	11.18	12.38	12.65	13.43	13.44	13.80	13.42	13.32	13.41	13.59
Composite[14]												
30 Over 10 years (long-term)	12.87	12.23	10.84	11.90	12.17	12.89	13.00	13.25	12.94	12.91	12.97	13.18
State and local notes and bonds												
Moody's series[15]												
31 Aaa	10.43	10.88	8.80	9.41	9.54	9.98	10.05	10.30	10.00	10.00	10.00	10.20
32 Baa	11.76	12.48	10.17	10.22	10.30	10.55	10.68	11.10	10.85	10.60	10.50	10.75
33 *Bond Buyer* series[16]	11.33	11.66	9.51	9.94	9.96	10.49	10.67	11.07	10.78	10.59	10.56	10.76
Corporate bonds												
Seasoned issues[17]												
34 All industries	15.06	14.94	12.78	13.33	13.59	14.13	14.40	14.44	14.34	14.34	14.37	14.53
35 Aaa	14.17	13.79	12.04	12.57	12.81	13.28	13.55	13.56	13.46	13.48	13.55	13.71
36 Aa	14.75	14.41	12.42	13.22	13.48	14.10	14.33	14.44	14.32	14.29	14.27	14.41
37 A	15.29	15.43	13.10	13.54	13.77	14.37	14.66	14.73	14.64	14.58	14.59	14.80
38 Baa	16.04	16.11	13.55	13.99	14.31	14.74	15.05	15.04	14.95	15.01	15.06	15.20
39 A-rated, recently-offered utility bonds[18]	16.63	15.49	12.73	13.63	13.96	14.79	15.00	15.02	14.82	14.78	15.21	15.28
MEMO: Dividend/price ratio[19]												
40 Preferred stocks	12.36	12.53	11.02	11.39	11.66	11.72	12.04	11.97	12.07	12.00	12.02	12.06
41 Common stocks	5.20	5.81	4.40	4.63	4.64	4.72	4.86	4.93	4.79	4.89	4.82	4.92

1. Weekly and monthly figures are averages of all calendar days, where the rate for a weekend or holiday is taken to be the rate prevailing on the preceding business day. The daily rate is the average of the rates on a given day weighted by the volume of transactions at these rates
2. Weekly figures are averages for statement week ending Wednesday
3. Rate for the Federal Reserve Bank of New York.
4. Unweighted average of offering rates quoted by at least five dealers (in the case of commercial paper), or finance companies (in the case of finance paper). Before November 1979, maturities for data shown are 30–59 days, 90–119 days, and 120–179 days for commercial paper, and 30–59 days, 90–119 days, and 150–179 days for finance paper
5. Yields are quoted on a bank-discount basis, rather than an investment yield basis (which would give a higher figure)
6. Dealer closing offered rates for top-rated banks. Most representative rate (which may be, but need not be, the average of the rates quoted by the dealers)
7. Unweighted average of offered rates quoted by at least five dealers early in the day.
8. Calendar week average. For indication purposes only
9. Unweighted average of closing bid rates quoted by at least five dealers.
10. Rates are recorded in the week in which bills are issued. Beginning with the Treasury bill auction held on Apr. 18, 1983, bidders were required to state the percentage yield (on a bank discount basis) that they would accept to two decimal places. Thus, average issuing rates in bill auctions will be reported using two rather than three decimal places
11. Yields are based on closing bid prices quoted by at least five dealers.
12. Yields adjusted to constant maturities by the U.S. Treasury. That is, yields are read from a yield curve at fixed maturities. Based on only recently issued, actively traded securities
13. Each biweekly figure is the average of five business days ending on the Monday following the date indicated. Until Mar. 31, 1983, the biweekly rate determined the maximum interest rate payable in the following two-week period on 2-1/2-year small saver certificates. (See table 1.16.)
14. Averages (to maturity or call) for all outstanding bonds neither due nor callable in less than 10 years, including several very low yielding "flower" bonds.
15. General obligations based on Thursday figures; Moody's Investors Service.
16. General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday
17. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
18. Compilation of the Federal Reserve. This series is an estimate of the yield on recently-offered, A-rated utility bonds with a 30-year maturity and 5 years of call protection. Weekly data are based on Friday quotations.
19. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.

1.36 STOCK MARKET Selected Statistics

Indicator	1981	1982	1983	1983 Oct	1983 Nov	1983 Dec	1984 Jan	1984 Feb.	1984 Mar	1984 Apr	1984 May	1984 June
	Prices and trading (averages of daily figures)											
Common stock prices												
1 New York Stock Exchange (Dec 31, 1965 = 50)	74.02	68.93	92.63	96.78	95.36	94.92	96.16	90.60	90.66	90.67	90.07	88.28
2 Industrial	85.44	78.18	107.45	112.87	110.77	110.60	112.16	105.44	105.92	106.56	105.94	104.04
3 Transportation	72.61	60.41	89.36	95.41	97.68	98.79	97.98	86.33	86.10	83.61	81.62	79.29
4 Utility	38.90	39.75	47.00	48.73	48.50	47.00	47.43	45.67	44.83	43.86	44.22	43.65
5 Finance	73.52	71.99	95.34	94.79	94.48	94.25	95.79	89.95	89.50	88.22	85.06	80.75
6 Standard & Poor's Corporation (1941–43 = 10)[1]	128.05	119.71	160.41	167.65	165.23	164.36	166.39	157.70	157.44	157.60	156.55	153.12
7 American Stock Exchange[2] (Aug. 31, 1973 = 100)	171.79	141.31	216.48	223.76	218.42	221.31	224.83	207.95	210.09	207.66	206.39	201.24
Volume of trading (thousands of shares)												
8 New York Stock Exchange	46,967	64,617	85,418	85,445	86,405	88,041	105,518	96,641	84,328	85,874	88,170	85,920
9 American Stock Exchange	5,346	5,283	8,215	7,751	6,160	6,939	7,167	6,431	5,382	5,863	5,935	5,071
	Customer financing (end-of-period balances, in millions of dollars)											
10 **Margin credit at broker–dealers**[3]	**14,411**	**13,325**	**23,000**	**21,030**	**22,075**	**23,000**	**23,132**	**22,557**	**22,668**	**22,830**	**22,360**	n.a.
11 Margin stock	14,150	12,980	22,720	20,690	21,790	22,720	22,870	22,330	22,460	n.a.	n.a.	n.a.
12 Convertible bonds	259	344	279	339	285	279	261	226	208	n.a.	n.a.	n.a.
13 Subscription issues	2	1	1	1	1	1	1	1	*	n.a.	n.a.	n.a.
Free credit balances at brokers[4]												
14 Margin-account	3,515	5,735	6,620	6,630	6,512	6,620	6,510	6,420	6,520	6,450	6,685	n.a.
15 Cash-account	7,150	8,390	8,430	7,695	7,599	8,430	8,230	8,420	8,265	7,910	8,115	n.a.
	Margin-account debt at brokers (percentage distribution, end of period)											
16 **Total**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	n.a.
By equity class (in percent)[5]												
17 Under 40	37.0	21.0	41.0	35.0	48.0	41.0	43.0	48.0	46.0	47.0	53.0	n.a.
18 40–49	24.0	24.0	22.0	24.0	22.0	22.0	21.0	20.0	20.0	20.0	18.0	n.a.
19 50–59	17.0	24.0	16.0	17.0	17.0	16.0	15.0	13.0	14.0	13.0	12.0	n.a.
20 60–69	10.0	14.0	9.0	10.0	10.0	9.0	9.0	8.0	9.0	8.0	7.0	n.a.
21 70–79	6.0	9.0	6.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	5.0	n.a.
22 80 or more	6.0	8.0	6.0	7.0	6.0	6.0	6.0	5.0	5.0	6.0	5.0	n.a.
	Special miscellaneous-account balances at brokers (end of period)											
23 **Total balances (millions of dollars)**[6]	**25,870**	**35,598**	**58,329**	**54,029**	**57,490**	**58,329**	**62,670**	**63,411**	**65,855**	**66,340**	**70,110**	n.a.
Distribution by equity status (percent)												
24 Net credit status	58.0	62.0	63.0	63.0	63.0	63.0	61.0	59.0	61.0	60.0	60.0	n.a.
Debt status, equity of												
25 60 percent or more	31.0	29.0	28.0	28.0	29.0	28.0	29.0	29.0	28.0	29.0	27.0	n.a.
26 Less than 60 percent	11.0	9.0	9.0	9.0	8.0	9.0	10.0	12.0	11.0	11.0	13.0	n.a.

	Margin requirements (percent of market value and effective date)[7]					
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec 6, 1971	Nov 24, 1972	Jan 3, 1974
27 Margin stocks	70	80	65	55	65	50
28 Convertible bonds	50	60	50	50	50	50
29 Short sales	70	80	65	55	65	50

1. Effective July 1976, includes a new financial group, banks and insurance companies With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial
2. Beginning July 5, 1983, the American Stock Exchange rebased its index effectively cutting previous readings in half
3. Beginning July 1983, under the revised Regulation T, margin credit at broker-dealers includes credit extended against stocks, convertible bonds, stocks acquired through exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984, and margin credit at broker-dealers became the total that is distributed by equity class and shown on lines 17–22.
4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.
5. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values
6. 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.
7. Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1981	1982	1983 July	Aug	Sept	Oct	Nov	Dec	1984 Jan.	Feb	Mar	Apr	May p
							Savings and loan associations						
1 **Assets**	**664,167**	**707,646**	**741,416**	**746,998**	**748,491**	**756,953**	**763,365**	**771,705**	**772,723**	**780,107**	**796,095**	**806,482**	**821,376**
2 Mortgages	518,547	483,614	479,322	483,178	482,305	485,366	489,720	493,432	494,682	497,987	502,143	509,283	518,147
3 Cash and investment securities[1]	63,123	85,438	102,546	99,812	100,243	101,553	101,553	103,395	101,883	103,917	108,565	105,950	109,050
4 Other	82,497	138,594	159,548	164,008	165,943	170,034	172,259	174,878	176,158	178,203	185,387	191,249	194,179
5 **Liabilities and net worth**	**664,167**	**707,646**	**741,416**	**746,998**	**748,491**	**756,953**	**763,365**	**771,705**	**772,723**	**780,107**	**796,095**	**806,482**	**821,376**
6 Savings capital	525,061	567,961	610,826	615,369	618,002	622,577	625,013	634,076	639,694	644,588	656,252	660,262	669,874
7 Borrowed money	88,782	97,850	84,694	84,267	85,976	87,367	89,235	91,443	86,322	86,526	93,321	97,468	102,363
8 FHLBB	62,794	63,861	53,579	52,182	52,179	52,678	51,735	52,626	50,880	50,465	50,663	51,951	53,620
9 Other	25,988	33,989	31,115	32,085	33,797	34,689	37,500	38,817	35,442	36,061	42,658	45,517	48,743
10 Loans in process[2]	6,385	9,934	17,094	17,967	18,812	19,209	19,728	21,117	21,498	21,939	22,929	23,898	24,677
11 Other	15,544	15,602	17,527	18,615	15,496	17,458	19,179	15,275	15,777	17,520	14,938	16,904	17,155
12 Net worth[3]	28,395	26,233	28,369	28,626	29,017	29,551	29,938	30,911	30,930	31,473	31,584	31,848	31,984
13 MEMO: Mortgage loan commitments outstanding[4]	15,225	18,054	31,733	32,415	32,483	32,798	34,780	32,996	39,813	36,150	39,813	41,672	44,376
							Mutual savings banks[5]						
14 **Assets**	**175,728**	**174,197**	**182,822**	**183,612**	**186,041**	**187,385**	**189,149**	**193,535**	**194,217**	**195,168**	**196,944**	**198,000**	n.a.
Loans													
15 Mortgage	99,997	94,091	93,998	93,941	94,831	94,863	95,600	97,356	97,704	97,895	98,383	99,017	n.a.
16 Other	14,753	16,957	18,134	17,929	17,830	19,589	19,675	19,129	20,469	21,694	21,971	22,531	n.a.
Securities													
17 U.S. government[6]	9,810	9,743	13,931	14,484	14,794	14,634	15,092	15,360	15,167	15,667	15,773	15,913	n.a.
18 State and local government	2,288	2,470	2,248	2,247	2,244	2,195	2,195	2,177	2,180	2,054	2,071	2,033	n.a.
19 Corporate and other[7]	37,791	36,161	40,667	41,045	41,889	42,092	42,629	43,580	43,541	43,439	43,465	43,122	n.a.
20 Cash	5,442	6,919	5,322	5,168	5,560	4,993	4,983	6,263	4,783	4,580	5,024	5,008	n.a.
21 Other assets	5,649	7,855	8,522	8,799	8,893	9,019	8,975	9,670	10,373	9,839	10,257	10,376	n.a.
22 **Liabilities**	**175,728**	**174,197**	**182,822**	**183,612**	**186,041**	**187,385**	**189,149**	**193,535**	**194,217**	**195,168**	**196,944**	**198,000**	n.a.
23 Deposits	155,110	155,196	164,848	165,087	165,887	168,064	169,356	172,665	173,637	174,349	175,909	175,875	n.a.
24 Regular[8]	153,003	152,777	162,271	162,600	162,998	165,575	167,006	170,135	171,099	171,935	173,250	173,010	n.a.
25 Ordinary savings	49,425	46,862	39,983	39,360	39,768	38,485	38,448	38,554	37,999	37,642	37,853	37,329	n.a.
26 Time	103,578	96,369	85,445	86,446	85,603	91,795	93,073	95,129	96,520	96,983	97,230	96,920	n.a.
27 Other	2,108	2,419	2,577	2,487	2,889	2,489	2,350	2,530	2,538	2,414	2,659	2,865	n.a.
28 Other liabilities	10,632	8,336	7,596	7,884	9,475	8,779	9,185	10,154	9,932	9,932	10,280	11,211	n.a.
29 General reserve accounts	9,986	9,235	9,684	9,932	9,879	10,015	10,210	10,368	10,334	10,566	10,384	10,466	n.a.
30 MEMO: Mortgage loan commitments outstanding[9]	1,293	1,285	1,969	2,046	2,023	2,210	2,418	2,387	n.a.	n.a.	n.a.	n.a.	n.a.
							Life insurance companies						
31 **Assets**	**525,803**	**588,163**	**633,569**	**638,826**	**644,295**	**647,149**	**652,904**	**658,979**	**663,013**	**664,677**	**668,833**	n.a.	n.a.
Securities													
32 Government	25,209	36,499	44,751	45,700	46,109	47,767	47,170	49,417	49,690	49,711	50,505	n.a.	n.a.
33 United States[10]	8,167	16,529	22,228	22,817	23,134	24,380	24,232	26,364	26,659	27,285	28,267	n.a.	n.a.
34 State and local	7,151	8,664	10,504	10,695	10,739	10,791	10,686	10,796	10,673	10,048	9,822	n.a.	n.a.
35 Foreign[11]	9,891	11,306	12,019	12,188	12,236	12,596	12,252	12,257	12,358	12,378	12,416	n.a.	n.a.
36 Business	255,769	287,126	316,934	318,584	321,568	320,964	325,787	325,015	329,697	330,303	332,342	n.a.	n.a.
37 Bonds	208,099	231,406	252,397	253,977	256,131	256,332	260,432	259,591	264,430	266,234	268,173	n.a.	n.a.
38 Stocks	47,670	55,720	64,537	64,607	65,437	64,632	65,355	65,424	65,267	64,069	64,169	n.a.	n.a.
39 Mortgages	137,747	141,989	145,086	146,400	147,356	148,256	148,947	151,599	151,878	151,630	151,968	n.a.	n.a.
40 Real estate	18,278	20,264	21,690	21,749	21,903	22,141	22,278	22,683	22,700	23,032	23,420	n.a.	n.a.
41 Policy loans	48,706	52,961	53,972	54,063	54,165	54,255	54,362	54,518	54,559	54,631	54,698	n.a.	n.a.
42 Other assets	40,094	48,571	51,136	52,330	53,194	53,765	54,360	55,747	54,474	55,370	55,900	n.a.	n.a.
							Credit unions[12]						
43 **Total assets/liabilities and capital**	**60,611**	**69,585**	**78,846**	**79,241**	**80,189**	**80,419**	**81,094**	**81,961**	**82,287**	**83,779**	**86,498**	**87,204**	**89,378**
44 Federal	39,181	45,493	51,859	52,261	53,086	53,297	53,801	54,482	54,770	55,753	57,569	58,127	59,636
45 State	21,430	24,092	26,987	26,980	27,103	27,122	27,293	27,479	27,517	28,026	28,929	29,077	29,742
46 Loans outstanding	42,333	43,232	45,647	46,940	47,829	48,454	49,240	50,083	50,477	51,386	52,353	53,355	54,813
47 Federal	27,096	27,948	29,672	30,582	31,212	31,691	32,304	32,930	33,270	33,878	34,510	35,286	36,274
48 State	15,237	15,284	15,975	16,358	16,617	16,763	16,936	17,153	17,207	17,508	17,843	18,069	18,539
49 Savings	54,152	62,990	72,232	72,214	73,280	73,661	74,051	74,739	75,373	76,423	79,150	80,032	81,571
50 Federal (shares)	35,250	41,352	47,713	47,847	48,709	49,044	49,400	49,889	50,438	51,218	52,905	53,587	54,632
51 State (shares and deposits)	18,902	21,638	24,519	24,367	24,571	24,617	24,651	24,850	24,935	25,205	26,245	26,445	26,939

1.37 Continued

Account	1981	1982	1983 July	1983 Aug	1983 Sept	1983 Oct	1983 Nov	1983 Dec	1984 Jan	1984 Feb	1984 Mar	1984 Apr	1984 May[p]
	FSLIC-insured federal savings banks												
52 **Assets**	......	**6,859**	**41,763**	**46,191**	**57,496**	**59,422**	**61,717**	**64,969**	**69,835**	**72,143**	**75,555**	**77,374**	**78,558**
53 Mortgages		3,353	26,494	28,086	34,814	35,637	37,166	38,698	41,754	43,371	44,708	45,900	46,532
54 Cash and investment securities[1]			6,890	7,514	9,245	9,587	9,653	10,436	11,243	11,662	12,552	12,762	12,750
55 Other			8,379	10,591	13,437	14,198	14,898	15,835	16,838	17,110	18,295	18,712	19,276
56 **Liabilities and net worth**	......	**6,859**	**41,763**	**46,191**	**57,496**	**59,422**	**61,717**	**64,969**	**69,835**	**72,143**	**75,555**	**77,374**	**78,558**
57 Savings and capital		5,877	34,108	37,284	47,058	48,544	50,384	53,227	57,195	59,107	61,433	62,495	62,729
58 Borrowed money			5,008	5,445	6,598	6,775	6,981	7,477	8,048	8,088	9,213	9,707	10,402
59 FHLBB			3,131	3,572	4,192	4,323	4,381	4,640	4,751	4,884	5,232	5,491	5,905
60 *Other*			1,877	1,873	2,406	2,452	2,600	2,837	3,297	3,204	3,981	4,216	4,497
61 Other			919	1,142	1,089	1,293	1,428	1,157	1,347	1,545	1,360	1,548	1,728
62 Net worth[3]			1,728	2,320	2,751	2,810	2,924	3,108	3,245	3,403	3,549	3,624	3,699
MEMO													
63 Loans in process[2]		98	828	934	1,120	1,181	1,222	1,264	1,387	1,531	1,669	1,716	1,781
64 *Mortgage loan commitments outstanding*[4]			1,743	1,774	2,130	2,064	2,230	2,151	2,974	2,704	3,253	3,714	3,700

1 Holdings of stock of the Federal Home Loan Banks are in "other assets."
2 Beginning in 1982, loans in process are classified as contra-assets and are not included in total liabilities and net worth. Total assets are net of loans in process.
3 Includes net undistributed income accrued by most associations.
4. Excludes figures for loans in process.
5 The National Council reports data on member mutual savings banks and on savings banks that have converted to stock institutions, and to federal savings banks.
6 Beginning April 1979, includes obligations of U.S. government agencies. Before that date, this item was included in "Corporate and other."
7 Includes securities of foreign governments and international organizations and, before April 1979, nonguaranteed issues of U.S. government agencies.
8 Excludes checking, club, and school accounts.
9 Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Association of the State of New York.
10 Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.
11 Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.
12 As of June 1982, data include only federal or federally insured state credit unions serving natural persons.

NOTE. *Savings and loan associations*. Estimates by the FHLBB for all associations in the United States. Data are based on monthly reports of federally insured associations and annual reports of other associations. Even when revised, data for current and preceding year are subject to further revision.
Mutual savings banks. Estimates of National Council of Savings Institutions for all savings banks in the United States.
Life insurance companies. Estimates of the American Council of Life Insurance for all life insurance companies in the United States. Annual figures are annual-statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total, in "other assets."
Credit unions. Estimates by the National Credit Union Administration for a group of federal and federally insured state credit unions serving natural persons. Figures are preliminary and revised annually to incorporate recent data.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983	Calendar year 1982 H1	Calendar year 1982 H2	Calendar year 1983 H1	Calendar year 1984 Mar	Calendar year 1984 Apr	Calendar year 1984 May
U.S. budget									
1 Receipts[1]	599,272	617,766	600,562	322,478	286,338	306,331	44,464	80,180	37,459
2 Outlays[1]	657,204	728,375	795,917	348,678	390,846	396,477	73,020	68,687	71,391
3 Surplus, or deficit ( )	57,932	110,609	195,355	26,200	104,508	90,146	28,556	11,493	−33,932
4 Trust funds	6,817	5,456	23,056	17,690	6,576	22,680	−2,827	5,033	3,849
5 Federal funds[2,3]	-64,749	116,065	218,410	43,889	97,934	112,822	25,728	6,459	-37,781
Off-budget entities (surplus, or deficit ( ))									
6 Federal Financing Bank outlays	20,769	14,142	10,404	7,942	4,923	5,418	1,431	920	1,171
7 Other[3,4]	236	3,190	1,953	227	-2,267	528	296	262	181
U.S. budget plus off-budget, including Federal Financing Bank									
8 Surplus, or deficit ( )	78,936	127,940	207,711	33,914	111,699	96,094	-30,282	10,833	35,284
Source of financing									
9 Borrowing from the public	79,329	134,993	212,425	41,728	119,609	102,538	7,568	17,038	8,604
10 Cash and monetary assets (decrease, or increase (−))[4]	1,878	11,911	9,889	408	9,057	-9,664	9,415	24,772	31,023
11 Other[5]	1,485	4,858	5,176	7,405	1,146	3,222	13,299	3,099	4,344
MEMO									
12 Treasury operating balance (level, end of period)	18,670	29,164	37,057	10,999	19,773	100,243	14,054	38,204	8,182
13 Federal Reserve Banks	3,520	10,975	16,557	4,099	5,033	19,442	3,684	16,729	4,855
14 Tax and loan accounts	15,150	18,189	20,500	6,900	14,740	72,037	10,369	21,474	3,327

1 Effective Feb. 8, 1982, supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other insurance receipts, have been reclassified as offsetting receipts in the health function.
2 Half-year figures are calculated as a residual (total surplus/deficit less trust fund surplus/deficit).
3. Other off-budget includes Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank; and petroleum acquisition and transportation and strategic petroleum reserve effective November 1981.
4. Includes U.S. Treasury operating cash accounts, SDRs, gold tranche drawing rights, loans to International Monetary Fund, and other cash and monetary assets.
5 Includes accrued interest payable to the public, allocations of special drawing rights, deposit funds, miscellaneous liability (including checks outstanding) and asset accounts, seigniorage, increment on gold, net gain/loss for U.S. currency valuation adjustment, net gain/loss for IMF valuation adjustment, and profit on the sale of gold.

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1985*.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983	Calendar year					
				1982		1983	1984		
				H1	H2	H1	Mar.	Apr.	May
RECEIPTS									
1 **All sources**	**599,272**	**617,766**	**600,563**	**322,478**	**286,338**	**306,331**	**44,464**	**80,180**	**37,459**
2 Individual income taxes, net	285,917	297,744	288,938	150,565	145,676	144,550	12,895	39,192	4,333
3 Withheld	256,332	267,513	266,010	133,575	131,567	135,531	26,877	22,321	23,519
4 Presidential Election Campaign Fund	41	39	36	34	5	30	9	5	8
5 Nonwithheld	76,844	84,691	83,586	66,174	20,040	63,014	2,776	31,993	1,269
6 Refunds	47,299	54,498	60,692	49,217	5,938	54,024	16,766	15,127	20,463
Corporation income taxes									
7 Gross receipts	73,733	65,991	61,780	37,836	25,661	33,522	9,441	11,786	2,295
8 Refunds	12,596	16,784	24,758	8,028	11,467	13,809	1,476	2,691	2,015
9 Social insurance taxes and contributions, net	182,720	201,498	209,001	108,079	94,278	110,521	17,702	26,036	26,441
10 Payroll employment taxes and contributions[1]	156,932	172,744	179,010	88,795	85,063	90,912	16,704	18,532	17,168
11 Self-employment taxes and contributions[2]	6,041	7,941	6,756	7,357	177	6,427	433	4,637	432
12 Unemployment insurance	15,763	16,600	18,799	9,809	6,857	11,146	191	2,501	8,457
13 Other net receipts[3]	3,984	4,212	4,436	2,119	2,181	2,196	373	366	384
14 Excise taxes	40,839	36,311	35,300	17,525	16,556	16,904	2,870	3,042	3,322
15 Customs deposits	8,083	8,854	8,655	4,310	4,299	4,010	974	937	990
16 Estate and gift taxes	6,787	7,991	6,053	4,208	3,445	2,883	523	505	550
17 Miscellaneous receipts[4]	13,790	16,161	15,594	7,984	7,891	7,751	1,535	1,374	1,543
OUTLAYS									
18 **All types**	**657,204**	**728,424**	**795,917**	**348,683**	**390,847**	**396,477**	**73,020**	**68,687**	**71,391**
19 National defense	159,765	187,418	210,461	93,154	100,419	105,072	19,516	18,711	19,955
20 International affairs	11,130	9,982	8,927	5,183	4,406	4,705	1,180	973	999
21 General science, space, and technology	6,359	7,070	7,777	3,370	3,903	3,486	611	685	756
22 Energy	10,277	4,674	4,035	2,946	2,059	2,073	265	57	119
23 Natural resources and environment	13,525	12,934	12,676	5,636	6,940	5,892	861	923	951
24 Agriculture	5,572	14,875	22,173	7,087	13,260	10,154	1,315	1,364	687
25 Commerce and housing credit	3,946	3,865	4,721	1,408	2,244	2,164	224	−22	2,013
26 Transportation	23,381	20,560	21,231	9,915	10,686	9,918	1,555	1,716	1,798
27 Community and regional development	9,394	7,165	7,302	3,055	4,186	3,124	514	481	563
28 Education, training, employment, social services	31,402	26,300	25,726	12,607	12,187	12,801	2,172	2,210	2,260
29 Health	26,858	27,435	28,655				2,729	2,577	2,638
30 Social security and medicare	178,733	202,531	223,311	150,001[5]	172,852	184,207	20,192	19,405	19,555
31 Income security	85,514	92,084	106,211				9,791	8,677	8,498
32 Veterans benefits and services	22,988	23,955	24,845	112,782	13,241	11,334	3,293	891	2,204
33 Administration of justice	4,696	4,671	5,014	2,334	2,373	2,522	435	476	441
34 General government	4,614	4,726	4,991	2,400	2,322	2,434	585	265	558
35 General-purpose fiscal assistance	6,856	6,393	6,287	3,325	3,152	3,124	86	1,219	80
36 Net interest[6]	68,726	84,697	89,774	41,883	44,948	42,358	8,592	9,211	10,235
37 Undistributed offsetting receipts[7]	−16,509	−13,270	−21,424	−6,490	−8,333	−8,885	−824	−1,130	−2,918

1. Old-age, disability, and hospital insurance, and railroad retirement accounts.
2. Old-age, disability, and hospital insurance.
3. Federal employee retirement contributions and civil service retirement and disability fund.
4. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
5. In accordance with the Social Security Amendments Act of 1983, the Treasury now provides social security and medicare outlays as a separate function. Before February 1984, these outlays were included in the income security and health functions.
6. Net interest function includes interest received by trust funds.
7. Consists of rents and royalties on the outer continental shelf and U.S. government contributions for employee retirement.

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the *Budget of the U.S. Government, Fiscal Year 1985*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1982				1983				1984
	Mar. 31	June 30	Sept. 30	Dec 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar 31
1 **Federal debt outstanding**	**1,066.4**	**1,084.7**	**1,147.0**	**1,201.9**	**1,249.3**	**1,324.3**	**1,381.9**	**1,415.3**	**1,468.3**
2 Public debt securities	1,061.3	1,079.6	1,142.0	1,197.1	1,244.5	1,319.6	1,377.2	1,410.7	1,463.7
3 Held by public	858.9	867.9	925.6	987.7	1,043.3	1,090.3	1,138.2	1,174.4	1,223.9
4 Held by agencies	202.4	211.7	216.4	209.4	201.2	229.3	239.0	236.3	239.8
5 Agency securities	5.1	5.0	5.0	4.8	4.8	4.7	4.7	4.6	4.6
6 Held by public	3.9	3.9	3.7	3.7	3.7	3.6	3.6	3.5	3.5
7 Held by agencies	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1
8 **Debt subject to statutory limit**	**1,062.2**	**1,080.5**	**1,142.9**	**1,197.9**	**1,245.3**	**1,320.4**	**1,378.0**	**1,411.4**	**1,464.5**
9 Public debt securities	1,060.7	1,079.0	1,141.4	1,196.5	1,243.9	1,319.0	1,376.6	1,410.1	1,463.1
10 Other debt[1]	1.5	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.3
11 MEMO: Statutory debt limit	1,079.8	1,143.1	1,143.1	1,290.2	1,290.2	1,389.0	1,389.0	1,490.0	1,490.0

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

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

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

Billions of dollars, end of period

Type and holder	1979	1980	1981	1982	1983			1984
					Q2	Q3	Q4	Q1
1 **Total gross public debt**	**845.1**	**930.2**	**1,028.7**	**1,197.1**	**1,319.6**	**1,377.2**	**1,410.7**	**1,463.7**
By type								
2 Interest-bearing debt	844.0	928.9	1,027.3	1,195.5	1,318.1	1,375.8	1,400.9	1,452.1
3 Marketable	530.7	623.2	720.3	881.5	978.9	1,024.0	1,050.9	1,097.7
4 Bills	172.6	216.1	245.0	311.8	334.3	340.7	343.8	350.2
5 Notes	283.4	321.6	375.3	465.0	527.1	557.5	573.4	604.9
6 Bonds	74.7	85.4	99.9	104.6	117.5	125.7	133.7	142.6
7 Nonmarketable[1]	313.2	305.7	307.0	314.0	339.2	351.8	350.0	354.4
8 State and local government series	24.6	23.8	23.0	25.7	33.1	35.1	36.7	38.1
9 Foreign issues[2]	28.8	24.0	19.0	14.7	11.4	11.5	10.4	9.9
10 Government	23.6	17.6	14.9	13.0	10.8	11.5	10.4	9.9
11 Public	5.3	6.4	4.1	1.7	.6	0	0	.0
12 Savings bonds and notes	79.9	72.5	68.1	68.0	69.4	70.3	70.7	71.6
13 Government account series[3]	177.5	185.1	196.7	205.4	225.0	234.7	231.9	234.6
14 Non-interest-bearing debt	1.2	1.3	1.4	1.6	1.5	1.5	9.8	11.6
By holder[4]								
15 U.S. government agencies and trust funds	187.1	192.5	203.3	209.4	229.3	239.0	236.3	239.8
16 Federal Reserve Banks	117.5	121.3	131.0	139.3	141.7	155.4	151.9	150.8
17 Private investors	540.5	616.4	694.5	848.4	948.6	982.7	1,022.6	1,073.0
18 Commercial banks	96.4	116.0	109.4	131.4	171.6	176.3	188.8	189.8
19 Money market funds	4.7	5.4	5.2	n.a.	28.3	22.1	22.8	19.4
20 Insurance companies	16.7	20.1	19.1	38.7	44.8	47.3	48.9	n.a.
21 Other companies	22.9	25.7	37.8	n.a.	32.8	35.9	40.2	43.1
22 State and local governments	69.9	78.8	85.6	113.4	n.a.	n.a.	n.a.	n.a.
Individuals								
23 Savings bonds	79.9	72.5	68.0	68.3	69.7	70.6	71.5	72.2
24 Other securities	36.2	56.7	75.6	48.2	51.6	58.4	61.9	64.1
25 Foreign and international[5]	124.4	127.7	141.4	149.4	160.1	160.2	168.9	166.4
26 Other miscellaneous investors[6]	90.1	106.9	152.3	233.2	n.a.	n.a.	n.a.	n.a.

1. Includes (not shown separately): Securities issued to the Rural Electrification Administration; depository bonds, retirement plan bonds, and individual retirement bonds.
2. Nonmarketable dollar-denominated and foreign currency-denominated series held by foreigners.
3. Held almost entirely by U.S. government agencies and trust funds.
4. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
5. Consists of investments of foreign and international accounts. Excludes non-interest-bearing notes issued to the International Monetary Fund.
6. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. government deposit accounts, and U.S. government-sponsored agencies.

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

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

	Item	1981	1982	1983	1984			1984 week ending Wednesday					
					Apr[r]	May[r]	June	May 2[r]	May 9[r]	May 16	May 23	May 30	June 6
	Immediate delivery[1]												
1	U.S. government securities	24,728	32,271	42,135	45,766	55,011	50,973	40,716	48,611	63,673	51,889	57,583	65,457
	By maturity												
2	Bills	14,768	18,398	22,393	24,577	29,041	27,502	20,890	25,756	30,038	30,176	30,391	34,751
3	Other within 1 year	621	810	708	949	1,162	1,195	1,176	853	1,172	1,322	1,193	1,347
4	1–5 years	4,360	6,272	8,758	8,859	11,388	10,594	9,856	10,954	13,944	10,186	12,321	11,832
5	5–10 years	2,451	3,557	5,279	5,783	6,739	6,783	4,057	5,350	8,187	4,820	7,697	11,716
6	Over 10 years	2,528	3,234	4,997	5,598	6,682	4,899	4,738	5,697	10,333	5,385	5,981	5,811
	By type of customer												
7	U.S. government securities dealers	1,640	1,769	2,257	2,282	2,459	2,268	2,352	2,016	2,852	2,136	2,850	2,716
8	U.S. government securities brokers	11,750	15,659	21,045	22,635	28,028	26,520	20,339	25,059	34,166	25,995	27,294	33,313
9	All others[2]	11,337	15,344	18,832	20,849	24,523	22,185	18,026	21,536	26,655	23,758	27,440	29,427
10	Federal agency securities	3,306	4,142	5,576	7,214	6,568	7,065	5,975	6,499	8,584	5,221	4,884	8,268
11	Certificates of deposit	4,477	5,001	4,333	7,618	6,186	3,979	8,422	8,693	7,038	4,091	4,183	4,692
12	Bankers acceptances	1,807	2,502	2,642	3,068	3,332	3,108	2,637	3,206	3,655	3,402	3,424	3,689
13	Commercial paper	6,128	7,595	8,036	9,858	8,868	10,027	9,343	7,961	8,775	9,487	8,747	10,480
	Futures transactions[3]												
14	Treasury bills	3,523	5,031	6,655	8,494	11,279	8,171	6,373	10,405	13,867	10,828	11,486	10,871
15	Treasury coupons	1,330	1,490	2,501	3,789	5,506	4,967	3,044	4,509	7,433	5,164	5,868	6,235
16	Federal agency securities	234	259	265	223	351	381	176	403	253	362	443	367
	Forward transactions[4]												
17	U.S. government securities	365	835	1,493	995	1,766	1,683	1,131	2,537	1,735	1,493	1,550	1,601
18	Federal agency securities	1,370	982	1,646	2,952	3,069	2,805	2,648	3,783	3,884	1,922	2,704	3,230

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

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

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

	Item	1981	1982	1983	1984			1984 week ending Wednesday				
					Apr.[r]	May[r]	June	May 2	May 9	May 16	May 23	May 30
		Positions										
	Net immediate[1]											
1	U.S. government securities	9,033	9,328	6,263	1,333	−9,046	−6,362	−4,165	−9,467	−7,972	−9,173	−11,193
2	Bills	6,485	4,837	4,282	2,929	−7,091	−2,628	−2,812	−7,602	−8,251	−6,019	−8,021
3	Other within 1 year	−1,526	−199	−177	−32	−291	−595	−295	−284	−1	−263	−541
4	1–5 years	1,488	2,932	1,709	−999	50	365	560	708	517	−1,665	716
5	5–10 years	292	−341	−78	−46	−939	−1,339	−777	−994	−550	−802	−1,719
6	Over 10 years	2,294	2,001	528	−598	−865	−2,250	−921	−1,388	221	−519	−1,713
7	Federal agency securities	2,277	3,712	7,172	16,649	16,852	16,003	16,729	17,016	16,875	16,390	16,723
8	Certificates of deposit	3,435	5,531	5,839	6,968	6,405	7,013	7,003	7,181	6,141	5,968	6,042
9	Bankers acceptances	1,746	2,832	3,332	3,299	3,183	3,493	3,592	3,719	3,499	2,694	2,611
10	Commercial paper	2,658	3,317	3,159	2,797	2,937	3,969	3,065	3,218	2,550	2,601	3,050
	Futures positions											
11	Treasury bills	−8,934	−2,508	−4,125	−689	9,342	2,608	3,631	6,811	10,369	11,070	11,525
12	Treasury coupons	−2,733	−2,361	−1,032	976	1,083	1,867	796	1,035	828	1,308	1,340
13	Federal agency securities	522	−224	170	79	628	826	228	479	810	768	620
	Forward positions											
14	U.S. government securities	−603	−788	−1,935	−1,932	−4,588	−863	−4,407	−4,242	−5,001	−5,559	−3,844
15	Federal agency securities	−451	−1,190	−3,561	−9,485	−10,278	−10,760	−9,913	−10,879	−10,519	−9,782	−9,711
		Financing[2]										
	Reverse repurchase agreements[3]											
16	Overnight and continuing	14,568	26,754	29,099	43,525	46,348	n.a.	45,859	45,622	44,056	48,289	47,621
17	Term agreements	32,048	48,247	52,493	65,149	65,921	n.a.	65,412	66,138	66,389	65,554	65,805
	Repurchase agreements[4]											
18	Overnight and continuing	35,919	49,695	57,946	74,563	72,521	n.a.	76,562	74,193	72,378	70,412	71,484
19	Term agreements	29,449	43,410	44,410	53,023	54,881	n.a.	52,834	52,398	54,450	57,118	56,375

For notes see opposite page

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1980	1981	1982	1983 Dec	1984 Jan.	1984 Feb	1984 Mar	1984 Apr	1984 May
1 **Federal and federally sponsored agencies**	**188,665**	**221,946**	**237,085**	**239,716**	**239,872**	**241,628**	**244,691**[r]	**247,148**	**252,044**
2 Federal agencies	28,606	31,806	33,055	33,940	33,919	33,785	32,800	34,273	34,231
3 Defense Department[1]	610	484	354	243	234	215	206	197	188
4 Export-Import Bank[2,3]	11,250	13,339	14,218	14,853	14,852	14,846	15,347	15,344	15,344
5 Federal Housing Administration[4]	477	413	288	194	173	169	166	162	156
6 Government National Mortgage Association participation certificates[5]	2,817	2,715	2,165	2,165	2,165	2,165	2,165	2,165	2,165
7 Postal Service[6]	1,770	1,538	1,471	1,404	1,404	1,404	1,404	1,404	1,337
8 Tennessee Valley Authority	11,190	13,115	14,365	14,970	14,980	14,875	14,805	14,890	14,930
9 United States Railway Association[6]	492	202	194	111	111	111	111	111	111
10 Federally sponsored agencies[7]	160,059	190,140	204,030	205,776	205,953	207,843	211,891	212,872	217,813
11 Federal Home Loan Banks	37,268	54,131	55,967	48,930	48,344	48,224	48,594	49,786	52,281
12 Federal Home Loan Mortgage Corporation	4,686	5,480	4,524	6,793	6,679	7,556	8,633	8,134	9,131
13 Federal National Mortgage Association	55,182	58,749	70,052	74,594	74,676	75,865	77,966	78,073	79,267
14 Farm Credit Banks	62,923	71,359	71,896	72,409	73,023	72,856	73,180	73,130	73,138
15 Student Loan Marketing Association	(8)	421	1,591	3,050	3,231	3,342	3,518	3,749	3,996
MEMO									
16 **Federal Financing Bank debt**[9]	**87,460**	**110,698**	**126,424**	**135,791**	**135,940**	**135,859**	**137,707**	**138,769**	**139,936**
Lending to federal and federally sponsored agencies									
17 Export-Import Bank[3]	10,654	12,741	14,177	14,789	14,789	14,789	15,296	15,296	15,296
18 Postal Service[6]	1,520	1,288	1,221	1,154	1,154	1,154	1,154	1,154	1,087
19 Student Loan Marketing Association	2,720	5,400	5,000	5,000	5,000	5,000	5,000	5,000	5,000
20 Tennessee Valley Authority	9,465	11,390	12,640	13,245	13,255	13,150	13,080	13,165	13,205
21 United States Railway Association[6]	492	202	194	111	111	111	111	111	111
Other Lending[10]									
22 Farmers Home Administration	39,431	48,821	53,261	55,266	54,776	54,471	55,186	55,691	56,476
23 Rural Electrification Administration	9,196	13,516	17,157	19,766	19,927	19,982	20,186	20,413	20,456
24 Other	11,262	12,740	22,774	26,460	26,928	27,202	27,694	27,939	28,305

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

NOTES TO TABLE 1 43

1. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Prior to 1984, securities owned, and hence dealer positions, do not include all securities acquired under reverse RPs After January 1984, immediate positions include reverses to maturity, which are securities that were sold after having been obtained under reverse repurchase agreements that mature on the same day as the securities. Before 1981, data for immediate positions include forward positions

2. Figures cover financing involving U.S government and federal agency securities, negotiable CDs, bankers acceptances, and commercial paper
3. Includes all reverse repurchase agreements, including those that have been arranged to make delivery on short sales and those for which the securities obtained have been used as collateral on borrowings, that is, matched agreements
4. Includes both repurchase agreements undertaken to finance positions and "matched book" repurchase agreements.

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

1.45 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1981	1982	1983	1983 Sept.	Oct.	Nov.	Dec.	1984 Jan.	Feb.r	Mar.r	Apr.
1 **All issues, new and refunding[1]**	**47,732**	**79,138**	**86,421**	**6,172**	**6,701**	**5,945**	**9,833**	**5,061r**	**4,537**	**5,427**	**5,243**
Type of issue											
2 General obligation	12,394	21,094	21,566	1,266	1,951	1,730	1,153	1,120r	1,829	2,495	2,216
3 U.S. government loans[2]	34	225	96	14	15	15	15	0	2	2	3
4 Revenue	35,338	58,044	64,855	4,906	4,750	4,215	8,680	3,941	2,708	2,932	3,027
5 U.S. government loans[2]	55	461	253	35	39	39	39	1	2	4	8
Type of issuer											
6 State	5,288	8,438	7,140	452	856	405	204	327	935	584	885
7 Special district and statutory authority	27,499	45,060	51,297	4,196	4,406	3,358	6,323	3,487r	2,114	2,964	2,668
8 Municipalities, counties, townships, school districts	14,945	25,640	27,984	1,524	1,439	2,182	3,306	1,247r	1,488	1,879	1,690
9 **Issues for new capital, total**	**46,530**	**74,804**	**72,441**	**5,526**	**5,238**	**5,448**	**9,405**	**4,058r**	**3,953**	**4,634**	**4,153**
Use of proceeds											
10 Education	4,547	6,482	8,099	529	470	406	753	391	348	592	436
11 Transportation	3,447	6,256	4,387	195	250	353	438	127	330	53	539
12 Utilities and conservation	10,037	14,259	13,588	1,238	608	1,122	1,243	1,914	734	1,276	619
13 Social welfare	12,729	26,635	26,910	2,349	2,599	2,175	2,951	826	1,108	1,063	1,020
14 Industrial aid	7,651	8,349	7,821	490	355	584	2,945	127	288	76	311
15 Other purposes	8,119	12,822	11,637	725	956	808	1,075	673r	1,145	1,574	1,228

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

SOURCE. Public Securities Association

1.46 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1981	1982r	1983r	1983 Sept	Oct	Nov	Dec.	1984 Jan.	Feb	Mar	Apr.
1 **All issues[1,2]**	**70,441**	**84,514**	**99,003**	**6,568**	**6,897**	**8,103**	**6,812**	**7,691**	**7,629**	**5,442**	**6,047**
2 **Bonds**	**45,092**	**53,952**	**47,424**	**2,865**	**3,055**	**4,075**	**3,173**	**5,648**	**5,250**	**3,346**	**4,262**
Type of offering											
3 Public	38,103	44,154	47,424	2,865	3,055	4,075	3,173	5,648	5,250	3,346	4,262
4 Private placement	6,989	9,798	n a.	n.a.	n.a.	n.a.	n.a	n a.	n a	n a	n.a
Industry group											
5 Manufacturing	12,325	13,123	8,133	282	367	22	423	179	452	68	691
6 Commercial and miscellaneous	5,229	5,681	5,374	353	114	23	201	976	626	258	1,096
7 Transportation	2,052	1,474	1,086	0	0	111	105	10	75	180	69
8 Public utility	8,963	12,155	7,066	590	510	910	120	325	385	521	495
9 Communication	4,280	2,265	3,380	100	50	0	0	210	0	200	0
10 Real estate and financial	12,243	19,255	22,385	1,540	2,014	3,009	2,324	3,948	3,712	2,119	1,911
11 **Stocks[3]**	**25,349**	**30,562**	**51,579**	**3,703**	**3,842**	**4,028**	**3,639**	**2,043**	**2,379**	**2,096**	**1,785**
Type											
12 Preferred	1,797	5,113	7,213	644	300	433	253	305	425	227	339
13 Common	23,552	25,449	44,366	3,059	3,542	3,595	3,386	1,738	1,954	1,869	1,446
Industry group											
14 Manufacturing	5,074	5,649	14,135	962	744	498	649	427	299	387	165
15 Commercial and miscellaneous	7,557	7,770	13,112	997	868	1,498	852	465	616	486	732
16 Transportation	779	709	2,729	165	305	192	413	54	15	105	62
17 Public utility	5,577	7,517	5,001	200	588	622	245	225	45	134	188
18 Communication	1,778	2,227	1,822	0	36	13	12	30	20	18	94
19 Real estate and financial	4,584	6,690	14,780	1,379	1,301	1,145	1,468	842	1,384	966	544

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

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

SOURCE Securities and Exchange Commission and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1982	1983	1983			1984				
			Oct	Nov.	Dec	Jan	Feb	Mar	Apr r	May
INVESTMENT COMPANIES[1]										
1 Sales of own shares[2]	45,675	84,793	6,532	6,341	6,846	10,274	8,233	8,857	9,549	8,657
2 Redemptions of own shares[3]	30,078	57,120	4,264	3,920	5,946	5,544	5,162	5,339	7,451	5,993
3 Net sales	15,597	27,673	2,268	2,421	900	4,730	3,071	3,518	2,098	2,664
4 Assets[4]	76,841	113,599	107,314	113,052	113,599	114,839	111,068	114,537	116,812	111,070
5 Cash position[5]	6,040	8,343	8,256	9,395	8,343	8,963	9,140	10,406	10,941	10,847
6 Other	70,801	105,256	99,058	103,657	105,256	105,876	101,928	104,131	105,871	100,223

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

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

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1981	1982	1983	1982			1983				1984
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1 Corporate profits with inventory valuation and capital consumption adjustment	192 3	164 8	229 2	166 8	168 5	161 9	181 8	218 2	248 4	268.2	281 6
2 Profits before tax	227 0	174 2	207 6	178 8	177 3	167 5	169.7	203.3	229.1	228 2	244 3
3 Profits tax liability	82.8	59.1	76.9	61.4	60.8	54.0	61.5	76.0	84 9	85 3	92 7
4 Profits after tax	144.1	115 1	130 6	117 4	116 5	113 5	108.2	127.2	144 1	142 9	151 6
5 Dividends	64 7	68 7	73.2	67.8	68.8	70 4	71 4	72 0	73 7	75 9	78 2
6 Undistributed profits	79.4	46.4	57 3	49 5	47 7	43 1	36.7	55.2	70 4	67 0	73 4
7 Inventory valuation	-23.6	-8 3	-9 2	-8 5	-9 0	-10 3	-1 7	-10.6	-18.3	-6.3	-12 5
8 Capital consumption adjustment	-11 0	-1 1	30.8	-3 5	.1	4 7	13 9	25 6	37.6	46 2	49 8

SOURCE *Survey of Current Business* (Department of Commerce)

1.49 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1977	1978	1979	1980	1981	1982	1983			
						Q4	Q1	Q2	Q3	Q4
1 **Current assets**	**912.7**	**1,043.7**	**1,214.8**	**1,327.0**	**1,419.3**	**1,425.4**	**1,437.3**	**1,465.1**	**1,522.5**	**1,561.2**
2 Cash	97.2	105.5	118.0	126.9	131.8	144.0	138.7	145.0	148.1	164.9
3 U.S. government securities	18.2	17.2	16.7	18.7	17.4	22.4	26.0	27.9	26.6	30.2
4 Notes and accounts receivable	330.3	388.0	459.0	506.8	530.3	511.0	518.4	535.0	563.4	579.0
5 Inventories	376.9	431.8	505.1	542.8	585.1	575.2	573.4	571.0	590.7	591.9
6 Other	90.1	101.1	116.0	131.8	154.6	172.6	180.7	186.2	193.7	195.3
7 **Current liabilities**	**557.1**	**669.5**	**807.3**	**889.3**	**976.3**	**977.8**	**987.1**	**996.4**	**1,037.1**	**1,056.7**
8 Notes and accounts payable	317.6	383.0	460.8	513.6	558.8	552.8	542.7	550.8	577.3	598.8
9 Other	239.6	286.5	346.5	375.7	417.5	425.0	444.4	445.6	459.9	457.9
10 **Net working capital**	**355.5**	**374.3**	**407.5**	**437.8**	**442.9**	**447.6**	**450.2**	**468.6**	**485.4**	**504.6**
11 MEMO: Current ratio[1]	1.638	1.559	1.505	1.492	1.454	1.458	1.456	1.470	1.468	1.477

1. Ratio of total current assets to total current liabilities.

NOTE. For a description of this series, see "Working Capital of Nonfinancial Corporations" in the July 1978 BULLETIN, pp. 533–37.

All data in this table reflect the most current benchmarks. Complete data are available upon request from the Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SOURCE. Federal Trade Commission and Bureau of the Census.

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

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

Industry[1]	1982	1983	1984[1]	1983				1984			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3[1]	Q4[1]
1 **Total nonfarm business**	**282.71**	**269.22**	**308.98**	**261.71**	**261.16**	**270.05**	**283.96**	**293.15**	**303.79**	**314.52**	**324.45**
Manufacturing											
2 Durable goods industries	56.44	51.78	61.40	50.74	48.48	53.06	54.85	58.94	58.28	63.39	65.00
3 Nondurable goods industries	63.23	59.75	67.36	59.12	60.31	58.06	61.50	63.84	67.72	67.02	70.86
Nonmanufacturing											
4 Mining	15.45	11.83	13.97	12.03	10.91	11.93	12.43	13.95	13.32	14.14	14.47
Transportation											
5 Railroad	4.38	3.92	4.90	3.35	3.64	4.07	4.63	4.41	5.12	5.40	4.67
6 Air	3.93	3.77	2.67	4.09	4.10	3.57	3.32	2.77	2.69	2.57	2.65
7 Other	3.64	3.50	4.40	3.60	3.14	3.36	3.91	4.28	4.32	4.35	4.64
Public utilities											
8 Electric	33.40	34.99	35.58	33.97	34.86	35.84	35.31	35.74	35.12	35.38	36.07
9 Gas and other	8.55	7.00	9.40	7.64	6.62	6.38	7.37	7.87	9.31	9.75	10.67
10 Commercial and other[2]	93.68	92.67	109.30	87.17	89.10	93.79	100.62	101.35	107.92	112.52	115.42

▲Trade and services are no longer being reported separately. They are included in Commercial and other, line 10.

1. Anticipated by business.

2. "Other" consists of construction, wholesale and retail trade, finance and insurance, personal and business services, and communication.

SOURCE. *Survey of Current Business* (Department of Commerce).

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1978	1979	1980	1981	1982	1983 Q1	1983 Q2	1983 Q3	1983 Q4	1984 Q1
ASSETS										
Accounts receivable, gross										
1 Consumer	52.6	65.7	73.6	85.5	89.5	89.9	91.3	92.3	92.8	96.9
2 Business	63.3	70.3	72.3	80.6	81.0	82.2	84.9	86.8	95.2	101.1
3 Total	116.0	136.0	145.9	166.1	170.4	172.1	176.2	179.0	188.0	198.0
4 LESS: Reserves for unearned income and losses	15.6	20.0	23.3	28.9	30.5	29.7	30.4	30.1	30.6	31.9
5 Accounts receivable, net	100.4	116.0	122.6	137.2	139.8	142.4	145.8	148.9	157.4	166.1
6 Cash and bank deposits	3.5									
7 Securities	1.3	24.9[1]	27.5	34.2	39.7	42.8	44.3	45.0	45.3	47.1
8 All other	17.3									
9 **Total assets**	**122.4**	**140.9**	**150.1**	**171.4**	**179.5**	**185.2**	**190.2**	**193.9**	**202.7**	**213.2**
LIABILITIES										
10 Bank loans	6.5	8.5	13.2	15.4	18.6	16.6	16.3	17.0	19.1	14.7
11 *Commercial paper*	34.5	43.3	43.4	51.2	45.8	45.2	49.0	49.7	53.6	58.4
Debt										
12 Short-term, n.e.c.	8.1	8.2	7.5	9.6	8.7	9.8	9.6	8.7	11.3	12.2
13 Long-term, n.e.c.	43.6	46.7	52.4	54.8	63.5	64.7	64.5	66.2	65.4	68.7
14 Other	12.6	14.2	14.3	17.8	18.7	22.8	24.0	24.4	27.1	29.8
15 Capital, surplus, and undivided profits	17.2	19.9	19.4	22.8	24.2	26.0	26.7	27.9	26.2	29.4
16 **Total liabilities and capital**	**122.4**	**140.9**	**150.1**	**171.4**	**179.5**	**185.2**	**190.2**	**193.9**	**202.7**	**213.2**

1. Beginning Q1 1979, asset items on lines 6, 7, and 8 are combined.

NOTE Components may not add to totals due to rounding

1.52 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Apr. 30, 1984[1]	Changes in accounts receivable 1984 Feb	Changes in accounts receivable 1984 Mar	Changes in accounts receivable 1984 Apr	Extensions 1984 Feb	Extensions 1984 Mar	Extensions 1984 Apr	Repayments 1984 Feb	Repayments 1984 Mar	Repayments 1984 Apr
1 **Total**	**101,816**	**1,934**	**706**	**818**	**28,218**	**26,006**	**24,643**	**26,284**	**25,300**	**23,825**
2 Retail automotive (commercial vehicles)	23,715	700	364	466	2,157	1,878	2,002	1,457	1,514	1,536
3 Wholesale automotive	17,133	638	−10	343	9,856	7,728	8,713	9,218	7,738	8,370
4 Retail paper on business, industrial, and farm equipment	29,125	568	352	−5	1,488	1,304	1,142	920	952	1,147
5 Loans on commercial accounts receivable and factored commercial accounts receivable	10,678	−117	−236	−78	12,313	12,709	10,705	12,430	12,945	10,783
6 All other business credit	21,165	145	236	92	2,404	2,387	2,081	2,259	2,151	1,989

1 Not seasonally adjusted

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1981	1982	1983	1983		1984				
				Nov	Dec	Jan	Feb.	Mar	Apr	May
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Conventional mortgages on new homes										
Terms[1]										
1 Purchase price (thousands of dollars)	90.4	94.6	92.8	98.0	94.8	92 9	104.1	94.0	92 4[r]	94.6
2 Amount of loan (thousands of dollars)	65 3	69.8	69.6	76.7	73 3	71 7	77.8	73 4	71 1[r]	73.3
3 Loan/price ratio (percent)	74.8	76.6	77.1	80 5	79.1	79 2	77.8	80.4	79.2[r]	79 7
4 Maturity (years)	27.7	27 6	26 7	26 5	27.3	27 8	27.3	27.9	28 0[r]	27 6
5 Fees and charges (percent of loan amount)[2]	2.67	2.95	2 40	2 54	2.56	2.61	2.41	2.52	2.63[r]	2.61
6 Contract rate (percent per annum)	14.16	14.47	12.20	11 82	11.94	11.80	11.78	11 56	11.55[r]	11 67
Yield (percent per annum)										
7 FHLBB series[3]	14.74	15.12	12 66	12 34	12.42	12.29	12.23	12.02	12.04[r]	12 17
8 HUD series[4]	16 52	15.79	13.43	13 48	13 41	13.28	13.31	13.57	13.77[r]	14.38
SECONDARY MARKETS										
Yield (percent per annum)										
9 FHA mortgages (HUD series)[5]	16.31	15 31	13.11	13.23	13 25	13 08	13.20	13 68	13.80	15.01
10 GNMA securities[6]	15 29	14 68	12.26	12.51	12.49	12 35	12 31	12 70	13.01	13 67
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	58,675	66,031	74,847	76,714	78,256	79,049	79,350	80,974	81,956	82,697
12 FHA/VA-insured	39,341	39,718	37,393	36,349	36,211	40,873	35,420	35,329	35,438	35,309
13 Conventional	19,334	26,312	37,454	40,365	42,045	38,177	43,930	45,645	46,518	47,388
Mortgage transactions (during period)										
14 Purchases	6,112	15,116	17,554	1,348	2,204	1,285	1,507	2,030	1,775	1,379
15 Sales	2	2	3,528	0	250	20	723	0	235	0
Mortgage commitments[7]										
16 Contracted (during period)	9,331	22,105	18,607	997	1,471	1,772	1,930	1,626	1,561	1,233
17 Outstanding (end of period)	3,717	7,606	5,461	6,493	5,461	5,470	5,872	5,333	5,135	4,981
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[8]										
18 Total	5,231	5,131	5,996	7,093	7,633	8,049	8,566	8,980	9,143	9,224
19 FHA/VA	1,065	1,027	974	940	941	940	934	929	924	918
20 Conventional	4,166	4,102	5,022	6,153	6,691	7,109	7,632	8,050	8,219	8,306
Mortgage transactions (during period)										
21 Purchases	3,800	23,673	23,089	1,287	1,685	1,419	1,389	1,291	983	987
22 Sales	3,531	24,170	19,686	1,143	1,115	984	810	863	717	829
Mortgage commitments[9]										
23 Contracted (during period)	6,896	28,179	32,852	2,093	1,704	1,470	1,386	1,874	1,701	1,966
24 Outstanding (end of period)	3,518	7,549	16,964	16,994	16,964	16,994	16,944	17,514	18,183	19,139

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups; compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan
3. Average effective interest rates on loans closed, assuming prepayment at the end of 10 years
4. Average contract rates on new commitments for conventional first mortgages, from Department of Housing and Urban Development.
5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates
6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate Monthly figures are unweighted averages of Monday quotations for the month.
7. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans
8. Includes participation as well as whole loans
9 Includes conventional and government-underwritten loans FHLMC's mortgage commitments and mortgage transactions include activity under mortgage/securities swap programs, while the corresponding data for FNMA exclude swap activity

1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

	Type of holder, and type of property	1981	1982	1983	1983				1984
					Q1	Q2	Q3	Q4	Q1
1	**All holders**	**1,583,264**	**1,654,966r**	**1,826,395r**	**1,681,575r**	**1,723,052r**	**1,775,117r**	**1,826,395r**	**1,869,577r**
2	1- to 4-family	1,065,294	1,105,709r	1,214,592r	1,122,056r	1,146,926r	1,182,356r	1,214,592r	1,246,655r
3	Multifamily	136,354	140,542	150,949	141,500	144,731	147,052	150,949	153,578r
4	Commercial	279,889	302,009	351,287	311,107	323,427	336,697	351,287	359,220
5	Farm	101,727	106,706	109,567	106,912	107,968	109,012	109,567	110,124r
6	Major financial institutions	1,040,827	1,023,541	1,109,963	1,028,802	1,048,688	1,079,605	1,109,963	1,134,658
7	Commercial banks[1]	284,536	300,203	328,878	303,371	310,217	320,299	328,878	337,878
8	1- to 4-family	170,013	173,157	181,672	172,346	174,032	178,054	181,672	185,833
9	Multifamily	15,132	16,421	18,023	16,230	16,876	17,424	18,023	18,583
10	Commercial	91,026	102,219	119,843	106,301	110,437	115,692	119,843	123,832
11	Farm	8,365	8,406	9,340	8,494	8,872	9,129	9,340	9,630
12	Mutual savings banks	99,997	97,805	136,054	105,378	119,236	129,645	136,054	142,255
13	1- to 4-family	68,187	66,777	96,569	73,240	84,349	92,467	96,569	101,176
14	Multifamily	15,960	15,305	17,785	15,587	16,667	17,588	17,785	18,341
15	Commercial	15,810	15,694	21,671	16,522	18,192	19,562	21,671	22,708
16	Farm	40	29	29	29	28	28	29	30
17	Savings and loan associations	518,547	483,614	493,432	477,022	474,510	482,305	493,432	502,646
18	1- to 4-family	433,142	393,323	389,811	384,718	377,947	381,744	389,811	396,336
19	Multifamily	37,699	38,979	42,435	39,259	39,954	41,334	42,435	43,479
20	Commercial	47,706	51,312	61,186	53,045	56,609	59,227	61,186	62,831
21	Life insurance companies	137,747	141,919	151,599	143,031	144,725	147,356	151,599	151,879
22	1- to 4-family	17,201	16,743	15,385	16,388	15,860	15,534	15,385	15,351
23	Multifamily	19,283	18,847	19,189	18,825	18,778	18,857	19,189	19,207
24	Commercial	88,163	93,501	104,279	95,158	97,416	100,209	104,279	104,621
25	Farm	13,100	12,828	12,746	12,660	12,671	12,756	12,746	12,700
26	Federal and related agencies	126,094	138,138	147,370r	139,973r	142,094	142,224	147,370r	150,921r
27	Government National Mortgage Association	4,765	4,227	3,395r	3,753r	3,643	3,475	3,395r	2,900r
28	1- to 4-family	693	676	630r	665r	651	639	630r	618r
29	Multifamily	4,072	3,551	2,765r	3,088r	2,992	2,836	2,765r	2,282r
30	Farmers Home Administration	2,235	1,786	2,141	2,077	1,605	600	2,141	2,094
31	1- to 4-family	914	783	1,159	707	381	211	1,159	1,005
32	Multifamily	473	218	173	380	555	32	173	303
33	Commercial	506	377	409	337	248	113	409	319
34	Farm	342	408	400	653	421	244	400	467
35	Federal Housing and Veterans Administration	5,999	5,228	4,894	5,138	5,084	5,050	4,894	4,969
36	1- to 4-family	2,289	1,980	1,893	1,867	1,911	2,061	1,893	1,929
37	Multifamily	3,710	3,248	3,001	3,271	3,173	2,989	3,001	3,040
38	Federal National Mortgage Association	61,412	71,814	78,256	73,666	74,669	75,174	78,256	80,975
39	1- to 4-family	55,986	66,500	73,045	68,370	69,396	69,938	73,045	75,770
40	Multifamily	5,426	5,314	5,211	5,296	5,273	5,236	5,211	5,205
41	Federal Land Banks	46,446	50,350	51,052	50,544	50,858	51,069	51,052	51,004r
42	1- to 4-family	2,788	3,068	3,000	3,059	3,030	3,008	3,000	2,982r
43	Farm	43,658	47,282	48,052	47,485	47,828	48,061	48,052	48,022r
44	Federal Home Loan Mortgage Corporation	5,237	4,733	7,632	4,795	6,235	6,856	7,632r	8,979r
45	1- to 4-family	5,181	4,686	7,559	4,740	6,119	6,799	7,559r	8,847r
46	Multifamily	56	47	73	55	116	57	73r	132r
47	*Mortgage pools or trusts*[2]	163,000	216,654	285,073	234,596	252,665	272,611	285,073	296,527
48	Government National Mortgage Association	105,790	118,940	159,850	127,939	139,276	151,597	159,850	166,261
49	1- to 4-family	103,007	115,831	155,801	124,482	135,628	147,761	155,801	161,943
50	Multifamily	2,783	3,109	4,049	3,457	3,648	3,836	4,049	4,318
51	Federal Home Loan Mortgage Corporation	19,853	42,964	57,895	48,008	50,934	54,152	57,895	59,422
52	1- to 4-family	19,501	42,560	57,273	47,575	50,446	53,539	57,273	58,755
53	Multifamily	352	404	622	433	488	613	622	667
54	Federal National Mortgage Association[3]	717	14,450	25,121	18,157	20,933	23,819	25,121	28,354
55	1- to 4-family	717	14,450	25,121	18,157	20,933	23,819	25,121	28,354
56	*Farmers Home Administration*	36,640	40,300	42,207	40,492	41,522	43,043	42,207	42,490
57	1- to 4-family	18,378	20,005	20,404	20,263	20,728	21,083	20,404	20,573
58	Multifamily	3,426	4,344	5,090	4,344	4,343	5,042	5,090	5,081
59	Commercial	6,161	7,011	7,351	7,115	7,303	7,542	7,351	7,456
60	Farm	8,675	8,940	9,362	8,770	9,148	9,376	9,362	9,380
61	Individual and others[4]	253,343	276,633	283,989	278,204	279,605	280,677	283,989	287,471
62	1- to 4-family[5]	167,297	185,170	185,270	185,479	185,515	185,699	185,270	187,183
63	Multifamily	27,982	30,755	32,533	31,275	31,868	31,208	32,533	32,940
64	Commercial	30,517	31,895	36,548	32,629	33,222	34,352	36,548	37,453
65	Farm	27,547	28,813	29,638	28,821	29,000	29,418	29,638	29,895

1. Includes loans held by nondeposit trust companies but not bank trust departments.

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

3 Outstanding balances on FNMA's issues of securities backed by pools of conventional mortgages held in trust. Implemented by FNMA in October 1981.

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

5. Includes estimate of residential mortgage credit provided by individuals

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

1.55 CONSUMER INSTALLMENT CREDIT[1] Total Outstanding, and Net Change▲

Millions of dollars

Holder, and type of credit	1980	1981	1982	1983 Oct.	1983 Nov.	1983 Dec.	1984 Jan.	1984 Feb	1984 Mar.	1984 Apr.	1984 May
	Amounts outstanding (end of period)										
1 **Total**	**314,910**	**335,691**	**355,849**	**379,334**	**384,410**	**396,082**	**394,922**	**399,177**	**402,466**	**407,671**	**418,080**
By major holder											
2 Commercial banks	147,013	147,622	152,490	163,274	165,670	171,978	171,934	175,941	177,625	181,022	186,668
3 Finance companies	76,756	89,818	98,693	102,338	102,560	102,862	101,680	101,702	101,619	101,119	102,967
4 Credit unions	44,041	45,953	47,253	51,767	52,578	53,471	53,882	54,851	55,892	56,962	58,517
5 Retailers[2]	28,697	31,348	32,735	31,337	32,371	35,911	34,505	33,455	33,208	33,327	33,730
6 Savings and loans	9,911	12,410	15,823	20,472	21,023	21,615	21,823	22,269	23,071	23,957	24,915
7 Gasoline companies	4,468	4,403	4,063	4,243	4,157	4,131	4,300	4,025	3,944	3,955	4,020
8 Mutual savings banks	4,024	4,137	4,792	5,903	6,051	6,114	6,798	6,934	7,107	7,329	7,263
By major type of credit											
9 Automobile	116,838	125,331	131,086	140,101	141,107	142,449	143,186	146,047	146,047	147,944	152,225
10 Commercial banks	61,536	58,081	59,555	64,780	65,917	67,557	68,747	71,327	71,237	73,016	75,787
11 Indirect paper	35,233	34,375	34,755	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
12 Direct loans	26,303	23,706	23,472	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
13 Credit unions	21,060	21,975	22,596	24,759	25,147	25,574	25,771	26,234	26,732	27,244	27,988
14 Finance companies	34,242	45,275	48,935	50,562	50,043	49,318	48,668	48,486	48,078	47,684	48,450
15 Revolving	58,506	64,500	69,998	72,105	74,032	80,823	78,566	77,671	79,110	80,184	82,436
16 Commercial banks	29,765	32,880	36,666	39,774	40,774	44,184	43,118	43,506	45,235	46,149	47,936
17 Retailers	24,273	27,217	29,269	28,088	29,101	32,508	31,148	30,140	29,931	30,080	30,480
18 Gasoline companies	4,468	4,403	4,063	4,243	4,157	4,131	4,300	4,025	3,944	3,955	4,020
19 Mobile home	17,321	17,958	22,254	23,358	23,492	23,680	23,668	23,571	23,661	23,850	24,104
20 Commercial banks	10,371	10,187	9,605	9,877	9,871	9,842	9,829	9,663	9,589	9,580	9,573
21 Finance companies	3,745	4,494	9,003	9,250	9,270	9,365	9,345	9,324	9,333	9,361	9,434
22 Savings and loans	2,737	2,788	3,143	3,682	3,793	3,906	3,923	4,003	4,147	4,306	4,478
23 Credit unions	469	489	503	549	558	567	571	581	592	603	619
24 Other	122,244	127,903	132,511	143,770	145,779	149,130	149,502	151,888	153,648	155,693	159,315
25 Commercial banks	45,341	46,474	46,664	48,843	49,108	50,395	50,240	51,445	51,564	52,277	53,372
26 Finance companies	38,769	40,049	40,755	42,526	43,247	44,179	43,667	43,892	44,208	44,074	45,083
27 Credit unions	22,512	23,490	24,154	26,459	26,873	27,330	27,540	28,036	28,568	29,115	29,910
28 Retailers	4,424	4,131	3,466	3,249	3,270	3,403	3,357	3,315	3,277	3,247	3,250
29 Savings and loans	7,174	9,622	12,680	16,790	17,230	17,709	17,900	18,266	18,924	19,651	20,437
30 Mutual savings banks	4,024	4,137	4,792	5,903	6,051	6,114	6,798	6,934	7,107	7,329	7,263
	Net change (during period)[4]										
31 **Total**	**1,448**	**18,217**	**13,096**	**5,093**	**4,819**	**5,782**	**4,469**	**6,608**	**5,870**	**6,408**	**10,233**
By major holder											
32 Commercial banks	-7,163	607	4,442	2,713	2,832	3,977	2,029	4,914	3,422	4,025	6,065
33 Finance companies	8,438	13,062	4,504	470	-40	-146	-66	258	-193	-350	1,304
34 Credit unions	-2,475	1,913	1,298	942	912	731	916	712	1,230	1,529	1,453
35 Retailers[2]	329	1,103	651	215	318	537	422	325	355	278	476
36 Savings and loans	1,485	1,682	2,290	437	584	589	364	414	813	868	979
37 Gasoline companies	739	-65	-340	131	58	-31	72	-172	2	2	46
38 Mutual savings banks	95	-85	251	185	155	126	731	156	242	66	-90
By major type of credit											
39 Automobile	477	8,495	4,898	1,709	1,268	1,468	2,106	2,799	326	2,158	3,689
40 Commercial banks	-5,830	-3,455	-9	1,483	1,257	1,568	1,722	2,635	432	1,766	2,807
41 Indirect paper	-3,104	-858	225	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
42 Direct loans	-2,726	-2,597	-234	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
43 Credit unions	-1,184	914	622	451	436	349	428	276	660	734	695
44 Finance companies	7,491	11,033	3,505	-225	-425	-449	-44	-112	-766	-342	187
45 Revolving	1,415	4,467	4,365	1,238	1,427	1,690	505	1,273	2,962	1,868	2,817
46 Commercial banks	-97	3,115	3,808	875	1,040	1,207	18	1,127	2,613	1,568	2,298
47 Retailers	773	1,417	897	232	329	515	414	318	347	298	473
48 Gasoline companies	739	-65	-340	131	58	-31	72	-172	2	2	46
49 Mobile home	483	1,049	609	-30	-64	1	-92	-127	285	285	302
50 Commercial banks	-276	-186	-508	23	-4	39	-15	-112	-85	27	-50
51 Finance companies	355	749	471	-158	-164	166	-104	-93	218	110	156
52 Savings and loans	430	466	633	95	94	120	18	68	141	132	183
53 Credit unions	-25	20	14	10	10	9	9	10	10	16	13
54 Other	-927	4,206	3,224	2,176	2,188	2,623	1,950	2,662	2,298	2,097	3,425
55 Commercial banks	-960	1,133	372	332	539	1,163	304	1,264	463	653	1,010
56 Finance companies	592	1,280	528	853	549	469	82	463	355	-118	961
57 Credit unions	-1,266	975	662	481	466	374	479	426	558	780	745
58 Retailers	-444	-314	-246	-17	-11	22	8	7	8	-20	3
59 Savings and loans	1,056	1,217	1,657	342	490	469	346	346	673	735	796
60 Mutual savings banks	95	-85	251	185	155	126	731	156	242	66	-90

▲ These data have been revised from July 1979 through February 1984.

1. The Board's series cover most short- and intermediate-term credit extended to individuals through regular business channels, usually to finance the purchase of consumer goods and services or to refinance debts incurred for such purposes, and scheduled to be repaid (or with the option of repayment) in two or more installments.

2. Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies.

3. Not reported after December 1982.

4. For 1982 and earlier, net change equals extensions, seasonally adjusted less liquidations, seasonally adjusted. Beginning 1983, net change equals outstandings, seasonally adjusted less outstandings of the previous period, seasonally adjusted.

NOTE: Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to, not seasonally adjusted, $79.4 billion at the end of 1981, $84.5 billion at the end of 1982, and $95.5 billion at the end of 1983.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT

Percent unless noted otherwise

Item	1981	1982	1983	1983		1984				
				Nov	Dec	Jan.	Feb.	Mar	Apr	May
INTEREST RATES										
Commercial banks[1]										
1 48-month new car[2]	16.54	16.83	13.92	13.46	...	...	13.32	...	...	13.53
2 24-month personal	18.09	18.65	16.68	16.39	...	...	16.16	...	...	16.35
3 120-month mobile home[2]	17.45	18.05	15.91	15.47	...	...	15.45	...	...	15.54
4 Credit card	17.78	18.51	18.73	18.75	...	...	18.73	...	...	18.71
Auto finance companies										
5 New car	16.17	16.15	12.58	13.50	13.92	14.18	14.11	14.05	14.06	14.17
6 Used car	20.00	20.75	18.74	18.16	18.06	17.54	17.59	17.52	17.59	17.60
OTHER TERMS[3]										
Maturity (months)										
7 New car	45.4	46.0	45.9	46.3	46.3	46.3	46.4	46.7	47.1	47.7
8 Used car	35.8	34.0	37.9	38.0	37.9	39.5	39.4	39.4	39.5	39.7
Loan-to-value ratio										
9 New car	86.1	85.3	86.0	86	87	88	87	87	88	88
10 Used car	91.8	90.3	92.0	93	92	92	91	92	92	92
Amount financed (dollars)										
11 New car	7,339	8,178	8,787	9,118	9,167	9,099	9,072	9,139	9,190	9,262
12 Used car	4,343	4,746	5,033	5,316	5,401	5,392	5,418	5,474	5,547	5,675

1. Data for midmonth of quarter only.
2. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.
3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; half-yearly data are at seasonally adjusted annual rates.

Transaction category, sector	1978	1979	1980	1981	1982	1983	1981		1982		1983	
							H1	H2	H1	H2	H1	H2
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**369.8**	**386.0**	**343.2**	**377.2**	**395.3**	**523.3**	**392.4**	**362.0**	**356.8**	**434.8**	**504.7**	**541.9**
By sector and instrument												
2 U.S. government	53.7	37.4	79.2	87.4	161.3	186.6	87.8	86.9	106.9	215.5	231.3	141.8
3 Treasury securities	55.1	38.8	79.8	87.8	162.1	186.7	88.3	87.3	108.3	215.9	231.4	141.9
4 Agency issues and mortgages	-1.4	-1.4	-.6	-.5	-.9	-.1	-.5	-.4	-1.4	-.4	-.1	-.1
5 Private domestic nonfinancial sectors	316.2	348.6	264.0	289.8	234.1	336.8	304.6	275.1	249.9	219.3	273.4	400.1
6 Debt capital instruments	199.7	211.2	192.0	158.4	152.4	237.6	179.3	137.5	139.7	166.1	221.7	253.5
7 Tax-exempt obligations	28.4	30.3	30.3	21.9	50.5	52.0	21.1	22.6	41.7	59.4	60.3	43.8
8 Corporate bonds	21.1	17.3	26.7	22.1	18.8	14.9	26.1	18.0	10.8	26.9	21.1	8.6
9 Mortgages	150.2	163.6	135.1	114.5	83.0	170.7	132.0	96.9	87.3	79.9	140.3	201.1
10 Home mortgages	112.2	120.0	96.7	75.9	56.6	110.9	92.6	59.2	55.8	58.6	92.9	128.9
11 Multifamily residential	9.2	7.8	8.8	4.3	1.3	8.9	4.9	3.7	4.2	-1.7	6.3	11.6
12 Commercial	21.7	23.9	20.2	24.6	20.0	48.0	25.2	23.9	21.4	18.6	40.1	55.8
13 Farm	7.2	11.8	9.3	9.7	5.2	2.9	9.3	10.1	5.9	4.4	1.0	4.7
14 Other debt instruments	116.5	137.5	72.0	131.5	81.6	99.2	125.3	137.6	110.1	53.2	51.7	146.7
15 Consumer credit	48.8	45.4	4.9	24.1	18.3	51.3	28.9	19.3	19.3	17.4	35.9	66.6
16 Bank loans n.e.c	37.4	51.2	36.7	54.7	54.4	26.1	45.5	63.9	70.1	38.8	17.3	34.9
17 Open market paper	5.2	11.1	5.7	19.2	-3.3	-1.2	12.0	26.3	6.5	-13.0	-16.3	14.0
18 Other	25.1	29.7	24.8	33.4	12.2	23.0	38.9	28.0	14.3	10.2	14.9	31.1
19 By borrowing sector	316.2	348.6	264.0	289.8	234.1	336.8	304.6	275.1	249.9	219.3	273.4	400.1
20 State and local governments	19.1	20.5	20.3	9.7	36.3	43.7	9.1	10.2	29.3	43.3	50.7	36.7
21 Households	169.4	176.4	117.5	120.6	86.3	166.7	139.8	101.3	87.6	86.1	134.5	199.0
22 Farm	14.6	21.4	14.4	16.3	9.0	3.8	20.1	12.5	9.0	9.1	-.4	7.9
23 Nonfarm noncorporate	32.4	34.4	33.7	39.6	29.8	65.0	39.8	39.5	34.6	24.9	51.4	78.7
24 Corporate	80.6	96.0	78.1	103.7	72.7	57.5	95.8	111.5	89.3	56.0	37.2	77.9
25 Foreign net borrowing in United States	33.8	20.2	27.2	27.2	15.7	17.7	31.9	22.5	12.8	18.6	18.4	17.0
26 Bonds	4.2	3.9	.8	5.4	6.6	3.6	3.3	7.6	2.4	10.8	4.4	2.9
27 Bank loans n.e.c	19.1	2.3	11.5	3.7	-6.2	3.8	3.1	4.2	-5.1	-7.2	14.6	-7.0
28 Open market paper	6.6	11.2	10.1	13.9	10.7	6.0	20.6	7.1	12.5	9.0	-4.6	16.5
29 U.S. government loans	3.9	2.9	4.7	4.2	4.5	4.3	4.9	3.5	3.0	6.0	4.0	4.6
30 **Total domestic plus foreign**	**403.6**	**406.2**	**370.4**	**404.4**	**411.0**	**541.0**	**424.4**	**384.5**	**369.6**	**453.4**	**523.1**	**558.9**
	Financial sectors											
31 **Total net borrowing by financial sectors**	**74.6**	**82.5**	**63.3**	**85.4**	**69.3**	**89.8**	**87.4**	**83.4**	**89.8**	**48.7**	**75.2**	**104.4**
By instrument												
32 U.S. government related	37.1	47.9	44.8	47.4	64.9	67.7	45.2	49.6	61.3	68.4	68.0	67.5
33 Sponsored credit agency securities	23.1	24.3	24.4	30.5	14.9	1.4	28.9	32.1	23.6	6.3	-2.4	5.3
34 Mortgage pool securities	13.6	23.1	19.2	15.0	49.5	66.3	14.9	15.1	37.0	62.1	70.4	62.3
35 Loans from U.S. government	4	6	1.2	1.9	4	.	1.4	2.4	.8	......	......	......
36 Private financial sectors	37.5	34.6	18.5	38.0	4.4	22.0	42.2	33.8	28.5	-19.7	7.2	36.9
37 Corporate bonds	7.5	7.8	7.1	-.8	2.3	17.1	-.3	-1.4	-1.2	5.8	15.4	18.8
38 Mortgages	.1	*	-.1	-.5	.1	*	-.8	-.2	.1	.1	*	*
39 Bank loans n.e.c	2.8	-.4	-.4	2.2	3.2	-1.0	3.2	1.1	5.2	1.2	-4.7	2.6
40 Open market paper	14.6	18.0	4.8	20.9	-2.0	13.0	23.5	18.4	14.0	-18.0	9.3	16.6
41 Loans from Federal Home Loan Banks	12.5	9.2	7.1	16.2	.8	-7.0	16.7	15.8	10.4	-8.8	-12.9	-1.2
By sector												
42 Sponsored credit agencies	23.5	24.8	25.6	32.4	15.3	1.4	30.3	34.5	24.4	6.3	-2.4	5.3
43 Mortgage pools	13.6	23.1	19.2	15.0	49.5	66.3	14.9	15.1	37.0	62.1	70.4	62.3
44 Private financial sectors	37.5	34.6	18.5	38.0	4.4	22.0	42.2	33.8	28.5	-19.7	7.2	36.9
45 Commercial banks	1.3	1.6	.5	.4	1.2	.5	.2	.5	7	1.7	.8	.2
46 Bank affiliates	7.2	6.5	6.9	8.3	1.9	8.6	6.9	9.7	9.7	-5.8	6.1	11.1
47 Savings and loan associations	13.5	12.6	7.4	15.5	-3.0	-4.2	16.8	14.1	9.1	-15.2	-12.8	4.4
48 Finance companies	18.1	16.6	6.3	14.1	4.9	17.7	18.5	9.7	9.5	2	13.7	21.7
49 REITs	-1.4	-1.3	-2.2	.2	.1	.2	.2	.2	1	1	.2	.2
	All sectors											
50 **Total net borrowing**	**478.2**	**488.7**	**433.7**	**489.8**	**480.3**	**630.8**	**511.8**	**467.9**	**459.4**	**502.1**	**598.3**	**663.3**
51 U.S. government securities	90.5	84.8	122.9	133.0	225.9	254.4	131.8	134.3	167.6	284.0	299.4	209.4
52 State and local obligations	28.4	30.3	30.3	21.9	50.5	52.0	21.1	22.6	41.7	59.4	60.3	43.8
53 Corporate and foreign bonds	32.8	29.0	34.6	26.7	27.7	35.6	29.1	24.2	12.0	43.5	40.8	30.3
54 Mortgages	150.2	163.5	134.9	113.9	83.0	170.6	131.1	96.6	87.3	79.8	140.2	201.0
55 Consumer credit	48.8	45.4	4.9	24.1	18.3	51.3	28.9	19.3	19.3	17.4	35.9	66.6
56 Bank loans n.e.c.	59.3	53.0	47.8	60.6	51.4	28.9	51.8	69.3	70.2	32.8	27.2	30.6
57 Open market paper	26.4	40.3	20.6	54.0	5.4	17.8	56.1	51.9	33.0	-22.1	-11.5	47.1
58 Other loans	41.9	42.4	37.8	55.8	17.9	20.2	61.8	49.7	28.4	7.4	6.0	34.5
	External corporate equity funds raised in United States											
59 **Total new share issues**	**1.9**	**-3.8**	**22.2**	**-3.7**	**35.4**	**70.6**	**10.2**	**-17.7**	**23.7**	**47.0**	**87.2**	**54.1**
60 Mutual funds	-.1	.1	5.2	6.8	18.6	34.1	8.1	5.6	13.2	24.0	39.0	29.3
61 All other	1.9	-3.9	17.1	-10.6	16.8	36.5	2.1	-23.2	10.6	23.0	48.2	24.8
62 Nonfinancial corporations	-.1	-7.8	12.9	-11.5	11.4	28.3	9	-23.8	7.0	15.8	38.2	18.4
63 Financial corporations	2.5	3.2	2.1	.9	4.1	4.3	.5	1.2	3.8	4.4	4.3	4.4
64 Foreign shares purchased in United States	-.5	.8	2.1	*	1.3	3.9	.7	-.7	-.2	2.9	5.7	2.1

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1978	1979	1980	1981	1982	1983	1981 H1	1981 H2	1982 H1	1982 H2	1983 H1	1983 H2
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**369.8**	**386.0**	**343.2**	**377.2**	**395.3**	**523.3**	**392.4**	**362.0**	**356.8**	**434.8**	**504.7**	**541.9**
By public agencies and foreign												
2 Total net advances	102.3	75.2	97.0	97.4	109.3	117.2	113.8	81.0	107.9	110.8	129.1	105.2
3 U.S. government securities	36.1	-6.3	15.7	17.2	17.9	27.4	31.2	3.1	17.7	18.2	50.8	4.0
4 Residential mortgages	25.7	35.8	31.7	23.4	61.1	76.0	21.9	25.0	48.1	74.0	80.7	71.3
5 FHLB advances to savings and loans	12.5	9.2	7.1	16.2	8	-7.0	16.7	15.8	10.4	-8.8	-12.9	-1.2
6 Other loans and securities	28.0	36.5	42.4	40.6	29.5	20.8	44.1	37.1	31.7	27.4	10.5	31.2
Total advanced, by sector												
7 U.S. government	17.1	19.0	23.7	24.1	16.7	9.7	27.9	20.3	14.2	19.1	8.2	11.2
8 Sponsored credit agencies	40.3	53.0	45.6	48.2	65.3	68.8	47.2	49.2	62.5	68.1	69.1	68.4
9 Monetary authorities	7.0	7.7	4.5	9.2	9.8	10.9	2.4	16.0	1	19.5	12.0	9.8
10 Foreign	38.0	-4.6	23.2	16.0	17.6	27.8	36.4	-4.4	31.1	4.1	39.9	15.7
Agency and foreign borrowing not in line 1												
11 Sponsored credit agencies and mortgage pools	37.1	47.9	44.8	47.4	64.9	67.7	45.2	49.6	61.3	68.4	68.0	67.5
12 Foreign	33.8	20.2	27.2	27.2	15.7	17.7	31.9	22.5	12.8	18.6	18.4	17.0
Private domestic funds advanced												
13 Total net advances	338.4	379.0	318.2	354.4	366.6	491.6	355.7	353.1	323.0	411.0	461.9	521.2
14 U.S. government securities	54.3	91.1	107.2	115.9	207.9	227.0	100.6	131.1	149.9	265.8	248.6	205.4
15 State and local obligations	28.4	30.3	30.3	21.9	50.5	52.0	21.1	22.6	41.7	59.4	60.3	43.8
16 Corporate and foreign bonds	23.4	18.5	19.3	19.4	15.4	12.7	20.9	17.9	-1.7	32.4	19.9	5.6
17 Residential mortgages	95.6	91.9	73.7	56.7	-3.3	43.8	75.5	37.9	11.7	-17.2	18.4	69.2
18 Other mortgages and loans	149.3	156.3	94.8	156.9	96.8	149.0	154.3	159.5	131.7	62.0	101.9	196.1
19 LESS: Federal Home Loan Bank advances	12.5	9.2	7.1	16.2	.8	-7.0	16.7	15.8	10.4	-8.8	-12.9	-1.2
Private financial intermediation												
20 Credit market funds advanced by private financial institutions	302.3	294.7	262.3	305.2	271.2	373.8	317.3	293.1	272.8	268.9	353.5	394.0
21 Commercial banking	129.0	123.1	101.1	103.6	108.5	132.7	99.6	107.6	109.7	107.1	130.0	135.5
22 Savings institutions	72.8	56.7	54.9	27.2	30.6	133.6	41.5	12.8	29.5	31.0	132.1	135.1
23 Insurance and pension funds	75.0	66.4	74.4	79.3	94.2	103.1	75.3	83.4	95.4	93.0	107.4	98.7
24 Other finance	25.5	48.5	32.0	95.2	37.9	4.4	101.0	89.4	38.1	37.8	-16.0	24.8
25 Sources of funds	302.3	294.7	262.3	305.2	271.2	373.8	317.3	293.1	272.8	268.9	353.5	394.0
26 Private domestic deposits and RPs	141.0	142.0	168.6	211.7	173.4	204.4	213.8	209.6	163.4	182.7	219.7	189.0
27 Credit market borrowing	37.5	34.6	18.5	38.0	4.4	22.0	42.2	33.8	28.5	-19.7	7.2	36.9
28 Other sources	123.8	118.1	75.2	55.5	93.5	147.4	61.3	49.8	80.8	105.9	126.7	168.1
29 Foreign funds	6.5	27.6	-21.7	-8.7	-27.7	22.4	-8.7	-8.7	-30.1	-25.4	-18.0	62.9
30 Treasury balances	6.8	4	-2.6	-1.1	6.1	-5.3	6.5	-8.7	-2.1	14.1	8.8	-19.5
31 Insurance and pension reserves	62.2	49.1	65.4	73.2	85.9	89.8	62.7	83.8	85.4	86.4	93.1	86.6
32 Other, net	48.4	41.0	34.0	-7.9	29.2	40.5	8	-16.7	27.6	30.7	42.8	38.1
Private domestic nonfinancial investors												
33 Direct lending in credit markets	73.6	118.9	74.4	87.2	99.7	139.8	80.6	93.8	78.7	122.4	115.6	164.0
34 U.S. government securities	36.3	61.4	38.3	47.4	58.1	89.6	37.2	57.6	43.1	72.7	88.9	90.2
35 State and local obligations	3.6	9.9	7.0	9.6	30.9	35.9	9.5	9.7	28.4	33.4	48.2	23.5
36 Corporate and foreign bonds	-1.8	5.7	.6	-8.9	-9.4	-3.3	-5.5	-12.4	-26.3	7.4	-19.2	12.6
37 Open market paper	15.6	12.1	-4.3	3.7	-2.0	6.6	-3.3	10.7	6.7	-10.7	-10.1	23.4
38 Other	19.9	29.8	32.9	35.4	22.1	11.0	42.7	28.2	26.8	19.6	7.7	14.3
39 Deposits and currency	152.2	151.4	180.0	221.7	179.4	222.5	222.6	220.7	166.2	192.1	239.9	205.0
40 Currency	9.3	7.9	10.3	9.5	8.4	13.6	8.0	11.0	4.5	12.3	14.1	13.2
41 Checkable deposits	16.2	18.7	5.0	18.1	13.0	21.0	29.8	6.5	6.7	19.1	55.4	-13.4
42 Small time and savings accounts	65.9	59.2	83.1	47.2	137.0	220.8	30.7	63.6	95.1	178.6	300.2	141.4
43 Money market fund shares	6.9	34.4	29.2	107.5	24.7	-44.1	104.1	110.8	39.4	10.0	-84.0	-4.2
44 Large time deposits	44.4	23.0	44.7	36.4	-5.2	-1.9	41.6	31.2	21.2	-31.6	-63.1	59.2
45 Security RPs	7.5	6.6	6.5	2.5	3.8	8.5	7.7	-2.6	1.1	6.6	11.0	6.0
46 Deposits in foreign countries	2.0	1.5	1.1	5	-2.4	4.5	8	2	-1.8	-2.9	6.1	2.8
47 **Total of credit market instruments, deposits and currency**	**225.8**	**270.3**	**254.4**	**308.9**	**279.1**	**362.3**	**303.3**	**314.5**	**244.9**	**314.5**	**355.5**	**369.1**
48 Public holdings as percent of total	25.3	18.5	26.2	24.1	26.6	21.7	26.8	21.1	29.2	24.4	24.7	18.8
49 Private financial intermediation (in percent)	89.3	77.7	82.4	86.1	74.0	76.0	89.2	83.0	84.4	65.4	76.5	75.6
50 Total foreign funds	44.6	23.0	1.5	7.3	-10.2	50.2	27.8	-13.1	1.0	-21.3	21.9	78.6
MEMO: Corporate equities not included above												
51 **Total net issues**	**1.9**	**-3.8**	**22.2**	**-3.7**	**35.4**	**70.6**	**10.2**	**-17.7**	**23.7**	**47.0**	**87.2**	**54.1**
52 Mutual fund shares	-1	1	5.2	6.8	18.6	34.1	8.1	5.6	13.2	24.0	39.0	29.3
53 Other equities	1.9	-3.9	17.1	-10.6	16.8	36.5	2.1	-23.2	10.6	23.0	48.2	24.8
54 Acquisitions by financial institutions	4.5	9.7	16.8	22.1'	27.9	55.3	25.3	18.9	19.3	36.4	68.4	42.3
55 Other net purchases	-2.7	-13.5	5.4	-25.9	7.5	15.3	-15.1	-36.6	4.4	10.6	18.8	11.9

NOTES BY LINE NUMBER.
1. Line 1 of table 1.58.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
26. Line 39 less lines 40 and 46.
27. Excludes equity issues and investment company shares. Includes line 19.
29. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
30. Demand deposits at commercial banks.
31. Excludes net investment of these reserves in corporate equities.
32. Mainly retained earnings and net miscellaneous liabilities.
33. Line 12 less line 20 plus line 27.
34–38. Lines 14–18 less amounts acquired by private finance. Line 38 includes mortgages.
40. Mainly an offset to line 9.
47. Lines 33 plus 39, or line 13 less line 28 plus 40 and 46.
48. Line 2/line 1.
49. Line 20/line 13.
50. Sum of lines 10 and 29.
51, 53. Includes issues by financial institutions.

NOTE. Full statements for sectors and transaction types in flows and in 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	1981	1982	1983	1983 Oct.	1983 Nov.	1983 Dec.	1984 Jan.	1984 Feb.	1984 Mar.	1984 Apr.r	1984 May r	1984 June
1 **Industrial production**	**151.0**	**138.6**	**147.6**	**155.0**	**155.3**	**156.2**	**158.5**	**160.0**	**160.8**	**162.2**	**162.8**	**163.6**
Market groupings												
2 Products, total	150.6	141.8	149.2	155.6	155.8	157.4	159.7	160.4	161.1	162.5	163.3	164.1
3 Final, total	149.5	141.5	147.1	152.7	153.2	155.2	157.5	158.0	158.6	160.2	161.1	162.1
4 Consumer goods	147.9	142.6	151.7	156.9	156.1	157.7	159.5	159.4	160.2r	161.5	162.1	162.7
5 Equipment	151.5	139.8	140.8	147.0	149.1	151.8	154.9	156.1	156.4r	158.3	159.8	161.2
6 Intermediate	154.4	143.3	156.6	166.5	165.5	165.4	167.8	169.0	170.2r	171.1	171.3	171.6
7 Materials	151.6	133.7	145.2	154.0	154.5	154.5	156.6	159.4	160.4r	161.8	162.0	162.9
Industry groupings												
8 Manufacturing	150.4	137.6	148.2	156.2	156.4	156.8	159.5	161.4	162.1r	163.6	164.2	164.8
Capacity utilization (percent)[1]												
9 Manufacturing	79.4	71.1	75.2	78.9	78.8	78.9	80.1	80.9	81.0r	81.6	81.7	81.8
10 Industrial materials industries	80.7	70.1	75.2	79.5	79.6	79.6	80.6	81.9	82.2r	82.7	82.7	82.9
11 Construction contracts (1977 = 100)[2]	111.0	111.0	138.0	139.0	145.0	134.0	150.0	150.0	144.0	145.0	165.0	n.a.
12 Nonagricultural employment, total[3]	138.5	136.2	136.8	138.8	139.3	139.9	140.4	141.1	141.4	142.0	142.4	142.9
13 Goods-producing, total	109.4	102.6	101.5	102.5	103.2	103.8	104.6	105.4	105.5r	106.2	106.6	107.2
14 Manufacturing, total	103.7	96.9	96.0	97.1	97.8	98.4	99.0	99.6	100.1	100.4	100.6	100.9
15 Manufacturing, production-worker	98.0	89.4	88.7	90.4	91.2	91.9	92.5	93.1	93.6	94.0	94.1	94.5
16 Service-producing	154.4	154.6	156.1	158.7	159.1	159.6	160.0	160.7	161.1	161.6	162.1	162.4
17 Personal income, total	386.5	409.3	435.3r	446.4	449.8	453.9	461.4r	464.8r	467.3r	470.0	472.8	
18 Wages and salary disbursements	349.7	367.2	389.8	400.6	401.7	404.2	409.5	411.5	413.0	418.0	420.0	n.a.
19 Manufacturing	287.3	286.2	300.4	310.2	312.8	314.4	320.4	323.3	324.9r	329.2	329.6	
20 Disposable personal income[4]	373.7	397.3	426.3	438.8	442.1	446.2	454.0	457.4r	460.1r	462.7	465.2	
21 Retail sales[5]	330.6	326.0	373.0	385.6	389.3	391.4	407.3	403.0	396.9	410.8	413.0	416.4
Prices[6]												
22 Consumer	272.4	289.1	298.4	302.6	303.1	303.5	305.2	306.6	307.3	308.8	309.7	n.a.
23 Producer finished goods	269.8	280.7	285.2	287.6	286.8	287.2	289.5r	290.6	291.7	291.4	291.5	n.a.

1. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, Department of Commerce, and other sources.
2. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.
3. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.
4. Based on data in *Survey of Current Business* (U.S. Department of Commerce).
5. Based on Bureau of Census data published in *Survey of Current Business*.
6. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

NOTE. Basic data (not index numbers) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 may also be found in the *Survey of Current Business*.

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

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	Output (1967 = 100) 1983 Q3	1983 Q4	1984 Q1	1984 Q2	Capacity (percent of 1967 output) 1983 Q3	1983 Q4	1984 Q1	1984 Q2	Utilization rate (percent) 1983 Q3	1983 Q4	1984 Q1	1984 Q2
1 **Total industry**	**151.8**	**155.5**	**159.8**	**162.9**	**196.4**	**197.3**	**198.4**	**199.7**	**77.3**	**78.8**	**80.5**	**81.5**
2 Mining	116.1	121.0	124.2	124.6	165.4	165.5	165.7	165.9	70.2	73.1	75.0	75.1
3 Utilities	178.2	178.4	179.2	183.5	211.1	212.4	213.8	215.3	84.4	84.0	83.8r	85.2
4 **Manufacturing**	**152.8**	**156.5**	**161.0**	**164.2**	**197.5**	**198.4**	**199.5r**	**201.0**	**77.4**	**78.9**	**80.7**	**81.7**
5 Primary processing	152.8	156.4	160.5	162.7	195.3	195.8	196.5r	197.2	78.3	79.9	81.7r	82.5
6 Advanced processing	152.8	156.1	161.7r	164.7	198.6	199.7	201.0	203.0	76.9	78.2	80.3	81.1
7 **Materials**	**149.9**	**154.3**	**158.8**	**162.2**	**193.4**	**194.0**	**194.7**	**195.9**	**77.5**	**79.6**	**81.6**	**82.8**
8 Durable goods	144.2	150.3	157.6	161.9	196.0	196.5	197.1	198.3	73.6	76.5	79.9	81.6
9 Metal materials	89.3	93.8	97.3r	99.5	139.8	139.6	139.1	138.5	63.9	67.2	70.0r	71.9
10 Nondurable goods	179.1	183.5	183.7	186.7	219.6	220.6	221.8	223.4	81.5	83.2	82.8	83.5
11 Textile, paper, and chemical	188.0	193.2	193.2	196.3	231.6	232.7	234.2	236.2	81.2	83.0	82.5	83.0
12 Paper	162.8	167.4	165.8r	n.a.	166.9	167.7	168.5	n.a.	97.5	99.8	98.4r	n.a.
13 Chemical	227.8	235.0	236.7r	n.a.	298.3	300.1	302.3	n.a.	76.4	78.3	78.3r	n.a.
14 Energy materials	127.4	127.8	131.2	132.8	154.7	155.3	155.8	156.4	82.3	82.3	84.2	84.9

2.11 Continued

Series	Previous cycle[1]		Latest cycle[2]		1983	1983			1984					
	High	Low	High	Low	June	Oct	Nov	Dec	Jan	Feb	Mar	Apr r	May r	June
	Capacity utilization rate (percent)													
15 **Total industry**	**88.4**	**71.1**	**87.3**	**69.6**	**74.8**	**78.7**	**78.7**	**79.0**	**80.1**	**80.7**	**80.9**	**81.4**	**81.5**	**81.7**
16 Mining	91.8	86.0	88.5	69.6	68.1	71.5	73.2	74.7	75.4	74.9	74.7	74.2	75.1	75.9
17 Utilities	94.9	82.0	86.7	79.0	80.8	83.3	83.0	85.7	84.8	82.5	84.0	85.1	84.7	85.8
18 **Manufacturing**	**87.9**	**69.0**	**87.5**	**68.8**	**74.9**	**78.9**	**78.8**	**78.9**	**80.1**	**80.9**	**81.0**	**81.6**	**81.7**	**81.8**
19 Primary processing	93.7	68.2	91.4	66.2	75.7	80.4	80.0	79.2	80.6	82.2	82.2	82.4	82.6	82.5
20 Advanced processing	85.5	69.4	85.9	70.0	74.4	77.9	78.0	78.6	80.0	80.4	80.6r	81.0	81.1	81.2
21 **Materials**	**92.6**	**69.3**	**88.9**	**66.6**	**74.4**	**79.5**	**79.6**	**79.6**	**80.6**	**81.9**	**82.2**	**82.7**	**82.7**	**82.9**
22 Durable goods	91.4	63.5	88.4	59.8	70.0	76.1	76.5	77.0	78.5	80.5	80.7r	81.6	81.5	81.7
23 Metal materials	97.8	68.0	95.4	46.2	61.2	68.0	66.8	66.8	67.3	71.1	71.5r	73.0	71.8	70.8
24 Nondurable goods	94.4	67.4	91.7	70.7	79.6	84.1	83.8	81.6	81.9	83.0	83.6	83.4	83.6	83.6
25 Textile, paper, and chemical	95.1	65.4	92.3	68.6	79.2	84.1	83.7	81.2	81.5	82.8	83.1	82.9	83.1	83.1
26 Paper	99.4	72.4	97.9	86.3	93.1	99.4	101.3	98.8	99.3	99.0	96.8r	98.5	97.0	n.a.
27 Chemical	95.5	64.2	91.3	64.0	75.3	79.7	79.0	76.2	76.7	78.6	79.5r	79.0	79.5	n.a.
28 Energy materials	94.5	84.4	88.9	78.5	78.8	81.4	81.8	83.6	84.4	84.1	84.1	84.7	84.5	85.4

1 Monthly high 1973, monthly low 1975

2 Monthly highs 1978 through 1980, monthly lows 1982.

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1981	1982	1983	1983		1984					
				Nov	Dec	Jan.	Feb	Mar	Apr.	May	June
HOUSEHOLD SURVEY DATA											
1 **Noninstitutional population**[1]	**172,272**	**174,450**	**176,414**	**177,151**	**177,325**	**177,733**	**177,882**	**178,033**	**178,185**	**178,337**	**178,501**
2 Labor force (including Armed Forces)[1]	110,812	112,383	113,749	114,235	114,340	114,415	114,896	115,121	115,461	116,017	116,094
3 Civilian labor force	108,670	110,204	111,550	112,035	112,136	112,215	112,693	112,912	113,245	113,803	113,877
Employment											
4 Nonagricultural industries[2]	97,030	96,125	97,450	99,349	99,585	99,918	100,496	100,859	101,009	101,899	102,344
5 Agriculture	3,368	3,401	3,383	3,257	3,356	3,271	3,395	3,281	3,393	3,389	3,403
Unemployment											
6 Number	8,273	10,678	10,717	9,429	9,195	9,026	8,801	8,772	8,843	8,514	8,130
7 Rate (percent of civilian labor force)	7.6	9.7	9.6	8.4	8.2	8.0	7.8	7.8	7.8	7.5	7.1
8 Not in labor force	61,460	62,067	62,665	62,916	62,985	63,318	62,986	62,912	62,724	62,320	62,407
ESTABLISHMENT SURVEY DATA											
9 **Nonagricultural payroll employment**[3]	**91,156**	**89,596**	**89,986**	**91,688**	**92,026**	**92,391**	**92,846**	**93,058**	**93,449r**	**93,718r**	**94,019**
10 Manufacturing	20,170	18,853	18,678	19,018	19,143	19,254	19,373	19,466	19,530r	19,569r	19,630
11 Mining	1,132	1,143	1,021	967	969	975	978	978	984r	993	997
12 Contract construction	4,176	3,911	3,949	4,073	4,086	4,154	4,226	4,151	4,246r	4,288r	4,363
13 Transportation and public utilities	5,157	5,081	4,943	5,043	5,055	5,095	5,105	5,112	5,129r	5,142r	5,160
14 Trade	20,551	20,401	20,508	21,149	21,228	21,320	21,418	21,493r	21,568	21,635r	21,709
15 Finance	5,301	5,340	5,456	5,530	5,546	5,573	5,593	5,613	5,640	5,661r	5,665
16 Service	20,547	19,064	19,685	20,034	20,130	20,162	20,278	20,378	20,449	20,538r	20,664
17 Government	16,024	15,803	15,747	15,874	15,869	15,858	15,875	15,873	15,903r	15,896r	15,836

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

2. Includes self-employed, unpaid family, and domestic service workers

3 Data include all full- and part-time employees who worked during, 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 March 1983 benchmark and only seasonally adjusted data are available at this time Based on data from *Employment and Earnings* (U.S. Department of Labor)

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted

Grouping	1967 proportion	1983 avg.	1983 June	1983 July	1983 Aug	1983 Sept	1983 Oct	1983 Nov	1983 Dec	1984 Jan.	1984 Feb.	1984 Mar.[r]	1984 Apr	1984 May[p]	1984 June[e]
			Index (1967 = 100)												
MAJOR MARKET															
1 **Total index**	**100.00**	**147.6**	**146.4**	**149.7**	**151.8**	**153.8**	**155.0**	**155.3**	**156.2**	**158.5**	**160.0**	**160.8**	**162.2**	**162.8**	**163.6**
2 Products	60.71	149.2	148.1	150.9	153.2	154.9	155.6	155.8	157.4	159.7	160.4	161.1	162.5	163.3	164.1
3 Final products	47.82	147.1	146.4	149.0	150.7	152.1	152.7	153.2	155.2	157.5	158.0	158.6	160.2	161.1	162.1
4 Consumer goods	27.68	151.7	152.4	154.8	156.3	157.4	156.9	156.1	157.7	159.5	159.4	160.2	161.5	162.1	162.7
5 Equipment	20.14	140.8	138.2	141.0	143.1	144.9	147.0	149.1	151.8	154.9	156.1	156.4	158.3	159.8	161.2
6 Intermediate products	12.89	156.6	154.5	158.1	162.2	165.3	166.5	165.5	165.4	167.8	169.0	170.2	171.1	171.3	171.6
7 Materials	39.29	145.2	143.7	147.8	149.7	152.3	154.0	154.5	154.5	156.6	159.4	160.4	161.8	162.0	162.9
Consumer goods															
8 Durable consumer goods	7.89	147.5	149.2	152.9	154.2	157.4	156.7	155.9	158.6	163.4	162.5	163.1	162.5	162.2	163.2
9 Automotive products	2.83	158.2	160.0	167.0	168.1	172.9	171.3	171.5	178.4	184.5	182.1	184.1	180.9	179.7	182.3
10 Autos and utility vehicles	2.03	134.0	135.4	145.4	147.0	153.1	149.2	149.2	157.8	163.3	162.2	164.1	158.4	155.9	158.9
11 Autos	1.90	117.4	118.3	129.8	132.0	135.0	129.6	129.4	137.4	140.7	140.4	142.4	134.5	132.9	136.2
12 Auto parts and allied goods	.80	219.6	222.6	221.9	221.8	223.1	227.4	228.2	230.7	238.4	232.6	234.7	238.0	239.9	241.4
13 Home goods	5.06	141.4	143.2	144.9	146.4	148.7	148.4	147.2	147.5	151.5	151.5	151.3	152.2	152.4	152.6
14 Appliances, A/C, and TV	1.40	116.4	114.4	116.2	121.2	125.2	129.2	127.0	126.3	136.4	135.1	134.4	136.1	134.7	134.5
15 Appliances and TV	1.33	120.1	118.4	119.7	125.0	129.7	133.3	131.3	130.2	140.0	138.6	138.0	138.8	137.4	
16 Carpeting and furniture	1.07	178.1	185.6	187.3	187.5	186.3	185.5	182.7	184.0	183.1	178.7	180.2	182.2	182.9	.
17 Miscellaneous home goods	2.59	139.9	141.3	143.0	143.2	145.9	143.6	143.4	143.9	146.7	149.1	148.5	148.5	149.4	149.9
18 Nondurable consumer goods	19.79	153.4	153.6	155.6	157.1	157.5	157.1	156.1	157.3	157.9	158.2	159.1	161.1	162.0	162.6
19 Clothing	4.29	.			.	..						..	....	...	...
20 Consumer staples	15.50	163.7	164.3	166.1	168.0	168.0	167.2	165.4	166.0	166.5	166.9	168.0	170.2	171.4	172.4
21 Consumer foods and tobacco	8.33	153.5	155.9	156.6	156.3	154.9	156.0	154.5	155.4	156.5	156.8	157.6	160.3		
22 Nonfood staples	7.17	175.4	174.1	177.2	181.6	183.2	180.3	178.1	178.3	178.2	178.7	180.1	181.7	183.1	184.3
23 Consumer chemical products	2.63	231.0	229.0	233.8	239.7	241.5	238.7	232.4	229.9	231.6	231.9	231.3	233.4	235.0	.
24 Consumer paper products	1.92	132.7	130.1	132.6	137.4	138.2	137.6	136.6	137.2	138.8	140.3	141.8	144.0	144.9	...
25 Consumer energy products	2.62	150.9	151.2	153.2	155.7	157.7	153.0	154.1	156.5	153.4	153.3	156.8	157.3	159.0	....
26 Residential utilities	1.45	173.4	170.5	173.2	179.9	182.8	174.5	175.8	185.2	180.0	172.8	177.7	177.8	..	
Equipment															
27 Business	12.63	153.3	150.2	153.3	156.6	158.8	161.3	164.1	167.3	170.7	171.9	172.1	173.5	175.4	177.0
28 Industrial	6.77	120.4	116.3	119.9	124.3	125.6	126.6	128.6	130.8	133.7	134.6	134.8	135.9	137.9	139.4
29 Building and mining	1.44	159.3	148.7	154.4	159.2	160.8	166.9	175.8	185.3	185.1	182.0	175.2	173.6	181.9	185.2
30 Manufacturing	3.85	107.1	105.0	108.9	113.3	115.0	114.6	114.3	115.1	119.7	120.9	124.2	126.2	126.6	127.6
31 Power	1.47	117.1	114.1	114.6	119.0	118.8	118.5	119.4	118.4	120.0	123.8	122.7	124.1	124.5	125.5
32 Commercial transit, farm	5.86	191.3	189.5	191.9	194.0	196.7	201.3	205.1	209.6	213.3	215.1	215.3	216.9	218.7	220.5
33 Commercial	3.26	273.2	270.9	276.0	277.4	281.2	288.1	292.5	298.9	303.2	305.9	306.9	309.8	312.4	313.9
34 Transit	1.93	95.2	93.2	92.0	95.9	97.6	100.0	103.2	106.0	110.1	110.1	109.2	108.9	110.2	113.2
35 Farm	.67	69.5	70.4	70.8	70.8	71.0	70.9	73.5	73.5	73.6	75.7	75.0	76.0	74.9	.
36 Defense and space	7.51	119.9	118.0	120.4	120.2	121.8	122.9	124.0	125.7	128.3	129.5	130.1	132.8	133.6	134.7
Intermediate products															
37 Construction supplies	6.42	142.5	142.1	145.8	149.0	151.1	152.3	151.6	151.5	155.5	156.6	159.1	159.9	159.7	159.2
38 Business supplies	6.47	170.7	166.8	170.4	175.3	179.3	180.6	179.4	179.3	180.1	181.3	181.3	182.2	182.8	...
39 Commercial energy products	1.14	184.3	181.4	185.2	186.9	190.2	187.0	187.6	188.0	192.1	191.6	187.0	190.0	189.4	
Materials															
40 Durable goods materials	20.35	138.6	137.0	141.1	144.2	147.2	149.4	150.3	151.3	154.6	158.6	159.5	161.6	161.7	162.4
41 Durable consumer parts	4.58	113.6	109.5	115.6	119.9	123.1	124.9	125.0	127.9	131.6	133.1	133.0	133.2	133.5	134.9
42 Equipment parts	5.44	176.4	175.8	180.8	183.6	186.0	188.3	192.5	193.4	198.2	204.0	206.7	210.9	211.6	214.7
43 Durable materials n.e.c	10.34	129.9	128.7	131.5	134.2	137.4	139.8	139.3	139.5	141.8	146.0	146.3	148.2	147.9	147.1
44 Basic metal materials	5.57	90.2	89.6	90.8	93.1	94.5	98.0	97.1	96.9	97.7	103.0	103.0	105.6	103.9	...
45 Nondurable goods materials	10.47	174.5	174.3	177.0	178.0	183.4	185.3	184.8	180.3	181.2	184.1	185.9	186.0	186.7	187.3
46 Textile, paper, and chemical materials	7.62	182.6	182.8	186.1	186.4	192.0	195.4	194.7	189.6	190.5	193.9	195.3	195.5	196.2	197.1
47 Textile materials	1.85	116.2	116.0	119.0	121.5	123.1	124.0	121.9	121.3	119.9	119.9	120.6	119.9	120.0	...
48 Paper materials	1.62	158.2	155.0	161.1	161.8	165.4	166.3	169.8	166.0	167.0	166.8	163.5	166.7	164.4	.
49 Chemical materials	4.15	221.7	223.6	225.9	225.1	233.1	238.7	237.0	229.3	231.3	237.6	241.1	240.5	242.7	..
50 Containers, nondurable	1.70	167.9	166.1	166.5	170.6	179.1	175.9	176.6	173.0	173.5	173.0	176.0	175.7	175.9	
51 Nondurable materials n.e.c	1.14	130.5	129.9	131.3	133.0	132.6	131.9	130.6	129.5	130.5	135.2	137.7	138.5	139.1	..
52 Energy materials	8.48	124.8	121.8	127.7	128.0	126.4	126.3	127.1	130.0	131.3	131.0	131.3	132.3	132.1	133.9
53 Primary energy	4.65	114.7	112.6	115.4	113.9	112.8	114.1	115.5	117.6	119.3	121.3	119.6	119.3	120.2	
54 Converted fuel materials	3.82	137.0	132.9	142.7	145.2	142.8	141.2	141.1	145.1	145.8	142.8	145.4	148.2	146.5	.....
Supplementary groups															
55 Home goods and clothing	9.35	129.9	130.2	132.3	133.3	135.2	135.5	135.9	137.6	140.1	140.3	140.1	141.3	141.2	140.8
56 Energy, total	12.23	135.9	133.6	138.5	139.4	139.0	137.7	138.5	141.1	141.6	141.4	141.9	143.0	143.2	144.9
57 Products	3.76	161.0	160.4	162.9	165.2	167.5	163.3	164.3	166.0	165.1	164.9	166.0	167.2	168.2	
58 Materials	8.48	124.8	121.8	127.7	128.0	126.4	126.3	127.1	130.0	131.3	131.0	131.3	132.3	132.1	133.9

2.13 Continued

Grouping	SIC code	1967 proportion	1983 avg	1983							1984					
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.[r]	Apr	May[p]	June[e]
				Index (1967 = 100)												
Major Industry																
1 Mining and utilities	.....	12.05	142.9	139.6	143.8	146.0	146.5	145.8	147.2	151.5	151.4	148.9	150.4	151.3	151.9	153.9
2 Mining	...	6.36	116.6	112.6	115.0	116.1	117.1	118.3	121.1	123.7	124.8	124.1	123.8	123.1	124.6	126.0
3 Utilities	....	5.69	172.4	169.8	176.0	179.3	179.3	176.5	176.3	182.5	181.0	176.5	180.0	182.9	182.5	185.1
4 Electric	....	3.88	196.0	192.0	200.9	205.4	204.5	200.7	200.2	208.0	206.8	200.0	204.6	207.9	207.0	210.6
5 Manufacturing	..	87.95	148.2	147.4	150.6	152.8	155.1	156.2	156.4	156.8	159.5	161.4	162.1	163.6	164.2	164.8
6 Nondurable	.	35.97	168.1	167.8	170.6	172.9	174.6	175.6	174.8	173.9	175.2	177.2	177.6	179.2	179.9	180.2
7 Durable	.	51.98	134.5	133.2	136.8	138.8	141.6	142.8	143.6	145.0	148.6	150.5	151.4	152.8	153.3	154.1
Mining																
8 Metal	10	.51	80.9	82.9	82.5	80.9	78.7	81.0	84.6	82.3	89.4	97.4	100.0	99.8	99.8	....
9 Coal	11.12	69	136.3	124.6	139.9	141.2	140.5	142.7	144.8	145.2	151.5	163.2	164.0	151.4	153.4	161.0
10 Oil and gas extraction	13	4.40	116.6	112.6	113.9	114.7	116.3	117.3	119.8	123.4	123.1	119.6	118.2	118.6	120.5	121.4
11 Stone and earth minerals	14	75	122.8	121.7	121.2	125.0	126.5	127.4	132.2	133.9	134.8	133.0	135.8	139.4	139.5	...
Nondurable manufactures																
12 Foods	20	8.75	156.4	157.7	159.9	159.3	158.2	157.6	157.1	157.7	159.4	160.0	161.2	163.0	.	
13 Tobacco products	21	67	112.1	120.0	112.9	117.1	112.7	109.1	109.5	112.3	116.4	110.9	111.8	113.3		...
14 Textile mill products	22	2.68	140.8	141.8	146.7	147.4	148.7	148.7	145.8	145.0	143.9	142.3	143.5	141.7	141.5	
15 Apparel products	23	3.31		.	.	....		..				..	....	..		
16 Paper and products	26	3.21	164.3	163.0	165.1	168.6	170.4	171.5	172.1	170.1	172.3	176.6	173.8	173.2	171.8	170.4
17 Printing and publishing	27	4.72	152.5	147.4	152.0	157.8	161.7	162.7	162.0	161.7	163.4	164.8	165.2	165.4	166.5	166.4
18 Chemicals and products	28	7.74	215.0	214.7	218.3	220.3	224.1	228.4	225.6	221.1	221.5	224.8	225.0	228.6	228.9	
19 Petroleum products	29	1.79	120.3	123.0	124.3	123.2	125.1	123.6	125.4	114.4	118.8	127.6	127.0	127.8	129.5	129.1
20 Rubber and plastic products	30	2.24	291.9	293.8	296.1	306.9	310.9	310.8	309.1	314.4	317.2	318.5	323.8	327.0	330.8	....
21 Leather and products	31	.86	61.9	60.1	62.3	64.4	64.2	64.0	63.2	66.0	61.4	63.9	63.9	63.3	64.8	...
Durable manufactures																
22 Ordnance, private and government	19 91	3.64	95.4	93.3	95.2	96.8	98.0	98.8	99.3	99.8	99.7	99.6	100.6	101.4	101.9	102.5
23 Lumber and products	24	1.64	137.2	137.4	141.3	141.6	142.3	141.7	141.0	143.8	146.0	145.6	149.3	151.2	149.5	....
24 Furniture and fixtures	25	1.37	170.5	173.1	175.2	179.0	180.7	181.0	177.5	177.9	183.8	185.6	184.6	186.0	185.9	..
25 Clay, glass, stone products	32	2.74	143.4	141.7	145.8	147.9	151.7	151.9	152.7	153.8	157.8	160.4	160.2	161.3	161.8	
26 Primary metals	33	6.57	85.4	84.8	85.5	87.5	90.6	95.3	92.2	90.4	93.2	98.4	97.5	99.3	97.6	96.1
27 Iron and steel	331.2	4.21	71.5	69.7	71.8	75.1	78.2	84.3	79.2	74.1	80.7	86.0	84.4	84.0	82.9	
28 Fabricated metal products	34	5.93	120.2	118.5	122.7	126.0	127.4	26.9	128.5	129.2	131.7	132.8	134.9	135.8	137.5	138.7
29 Nonelectrical machinery	35	9.15	150.6	149.5	154.2	157.3	158.3	159.2	161.8	164.3	169.5	170.9	171.9	175.2	176.5	178.5
30 Electrical machinery	36	8.05	185.5	182.4	188.3	189.2	195.8	198.4	200.1	201.5	206.2	209.9	212.0	214.2	215.3	216.4
31 *Transportation equipment*	37	9.27	117.8	116.6	119.7	121.1	124.7	125.5	127.3	130.8	134.9	135.2	135.8	134.6	135.4	137.3
32 Motor vehicles and parts	371	4.50	137.1	136.2	142.3	144.3	150.9	150.9	152.9	158.9	166.3	164.4	165.8	161.9	163.0	165.3
33 Aerospace and miscellaneous transportation equipment	372–9	4.77	99.6	98.1	98.5	99.2	100.0	101.6	103.2	104.3	105.3	107.7	107.5	108.8	109.4	110.9
34 Instruments	38	2.11	158.7	156.1	159.3	161.6	163.6	163.0	163.0	164.6	167.8	168.6	169.7	171.8	171.6	172.1
35 Miscellaneous manufactures	39	1.51	146.2	151.0	153.7	153.1	151.7	149.1	148.9	149.3	151.1	152.0	152.3	152.9	153.2	152.9
		Gross value (billions of 1972 dollars, annual rates)														
Major Market[1]																
36 **Products, total**	..	**507.4**	**612.6**	**610.5**	**620.5**	**626.6**	**637.0**	**637.8**	**638.4**	**645.4**	**655.1**	**656.9**	**661.8**	**662.1**	**667.2**	**671.7**
37 Final		390.9	472.6	471.8	478.2	481.8	489.9	490.7	490.8	497.8	505.3	505.0	509.6	509.4	514.9	518.6
38 Consumer goods	.	277.5	328.7	330.4	333.7	336.7	341.6	340.2	338.3	341.9	345.3	345.3	347.7	348.0	350.7	352.6
39 Equipment	...	113.4	144.0	141.4	144.5	145.1	148.4	150.5	152.5	155.9	160.0	159.7	161.9	161.4	164.2	166.0
40 Intermediate	...	116.6	140.0	138.7	142.3	144.8	147.1	147.1	147.6	147.6	149.8	151.9	152.2	152.7	152.3	153.1

1. 1972 dollar value.

2.14 HOUSING AND CONSTRUCTION

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

Item	1981	1982	1983	1983					1984				
				Aug	Sept	Oct	Nov	Dec	Jan.	Feb.r	Mar r	Apr r	May
	Private residential real estate activity (thousands of units)												
NEW UNITS													
1 Permits authorized	986	1,001	1,605	1,671	1,540	1,650	1,649	1,602	1,799	1,902	1,727	1,758	1,735
2 1-family	564	546	902	900	864	905	919	913	989	1,083	974	957	898
3 2-or-more-family	421	454	703	771	676	745	730	689	810	819	753	801	837
4 Started	1,084	1,062	1,703	1,873	1,679	1,672	1,730	1,694	1,980	2,262	1,662	1,990	1,782
5 1-family	705	663	1,068	1,124	1,038	1,017	1,074	1,021	1,301	1,463	1,071	1,191	1,093
6 2-or-more-family	379	400	636	749	641	655	656	673	679	799	591	799	689
7 Under construction, end of period[1]	682	720	1,003	979	991	994	1,011	1,020	1,032	1,033	1,076	1.096	
8 1-family	382	400	524	544	545	542	543	542	552	557	572	584	
9 2-or-more-family	301	320	479	434	446	452	468	478	480	477	496	512	
10 Completed	1,266	1,006	1,391	1,716	1,512	1,567	1,445	1,489	1,606	1,565	1,590	1,625	n.a.
11 1-family	818	631	924	1,029	1,006	1,028	994	986	1,014	1,034	1,034	971	
12 2-or-more-family	447	374	466	687	506	539	451	503	592	531	556	654	
13 Mobile homes shipped	241	240r	295	307	305	308	313	310	314	293	287	287	
Merchant builder activity in 1-family units													
14 Number sold	436	413	622	558	597	624	636	755	681	712	682	640	612
15 Number for sale, end of period[1]	278	255	303	296	299	301	304	300	302	303	321	330	335
Price (thousands of dollars)[2]													
Median													
16 Units sold	68.8	69 3	75.5	76 8	81.0	75.9	75.9	75 9	76.2	79.2	78.5	79.4	80 9
Average													
17 Units sold	83 1	83 8	89 9	91.3	97.8	89.5	91.4	91 7	92 2	94.4	97.8	95.9	101 0
EXISTING UNITS (1-family)													
18 Number sold	2,418	1,991	2,719	2,760	2,770	2,720	2,700	2,850	2,890	2,910	3,020	3,090	3,050
Price of units sold (thousands of dollars)[2]													
19 Median	66 1	67 7	69.8	71.5	69.9	69.8	70.4	69 9	71 3	71 8	72.2	72.5	73 3
20 Average	78.0	80.4	82.5	84.7	82.8	83.0	83.4	82 9	84.8	84 9	85 1	86.1	86.7
	Value of new construction[3] (millions of dollars)r												
CONSTRUCTION													
21 **Total put in place**	**239,112**	**230,068**	**262,167**	**277,965**	**281,725**	**267,930**	**267,017**	**263,867**	**280,897**	**300,355**	**309,744**	**304,952**	**310,399**
22 Private	185,761	179,090	211,369	224,694	229,616	219,164	217,444	213,272	229,972	248,104	254,958	250,620	255,235
23 Residential	86,564	74,808	111,727	126,841	128,573	118,605	113,455	109,706	121,931	137,403	141,087	133,653	132,914
24 Nonresidential, total	99,197	104,282	99,642	97,853	101,043	100,559	103,989	103,566	108,041	110,701	113,871	116,967	122,321
Buildings													
25 Industrial	17,031	17,346	12,863	13,570	12,617	10,363	11,632	12,208	12,872	13,969	14,363	13,705	15,162
26 Commercial	34,243	37,281	35,787	36,404	37,173	37,441	38,132	37,364	41,057	42,076	45,280	47,497	50,396
27 Other	9,543	10,507	11,660	11,839	12,144	12,243	12,028	11,854	12,742	12,999	13,190	13,382	13,706
28 Public utilities and other	38,380	39,148	39,332	36,040	39,109	40,512	42,197	42,140	41,370	41,657	41,038	42,383	43,057
29 Public	53,346	50,977	50,798	53,271	52,109	48,766	49,573	50,596	50,925	52,251	54,786	54,331	55,165
30 Military	1,966	2,205	2,544	2,380	2,630	2,590	3,064	2,898	2,608	2,474	2,872	2,992	2,860
31 Highway	13,599	13,428	14,225	15,675	15,092	14,397	14,059	14,666	14,240	14,993	16,205	16,526	15,999
32 Conservation and development	5,300	5,029	4,822	5,078	4,995	4,041	3,916	4,984	4,319	4,608	4,531	4,537	5,591
33 Other	32,481	30,315	29,207	30,138	29,392	27,738	28,534	28,048	29,758	30,176	31,178	30,276	30,715

1. Not at annual rates
2. Not seasonally adjusted.
3. Value of new construction data in recent periods may not be strictly comparable with data in prior periods because of changes by the Bureau of the Census in its estimating techniques For a description of these changes see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

NOTE Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are those reported to the Census Bureau from 16,000 jurisdictions beginning with 1978.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (at annual rate)				Change from 1 month earlier					Index level May 1984 (1967 = 100)[1]
	1983 May	1984 May	1983 June	1983 Sept.	1983 Dec	1984 Mar	1984 Jan	1984 Feb	1984 Mar	1984 Apr	1984 May	
CONSUMER PRICES[2]												
1 **All items**	**3.5**	**4.2**	**5.4**	**4.5**	**4.0**	**5.0**	**.6**	**.4**	**.2**	**.5**	**.2**	**309.7**
2 Food	2.4	3.1	1.7	1.1	4.3	9.0	1.6	7	−1	0	3	301.4
3 Energy items	4.8	1.1	19.1	3.4	−1.7	−1.4	4	2	2	7	2	426.1
4 All items less food and energy	3.6	5.1	4.2	5.9	4.9	5.1	5	3	4	5	3	299.3
5 Commodities	4.7	4.9	3.2	6.8	4.6	3.4	.2	2	4	6	2	252.5
6 Services	2.6	5.3	4.8	5.2	5.3	5.9	7	4	4	5	4	353.3
PRODUCER PRICES												
7 Finished goods	2.3	2.6	2.6	2.0	1.1	6.0	6	4	5	0	.0	291.5
8 Consumer foods	1	3.7	9	2.5	5.8	17.4	2.6r	6r	8	−6	1.2	272.3
9 Consumer energy	1.4	−3	12.9	−1.3	10.4	−7.2	1.2r	6r	1.2	7	1.5	766.4
10 Other consumer goods	3.3	2.6	2.2	2.7	1.5	4.7	2r	1r	9	1	1	245.5
11 Capital equipment	3.0	2.7	1.7	2.1	1.8	4.3	.2	5	3	3	2	294.3
12 Intermediate materials[3]	0	3.4	2.8	4.0	2.5	2.6	1r	2	5	1	3	325.4
13 Excluding energy	9	3.4	2.8	3.6	4.1	3.5	1r	2	6	1	1	303.7
Crude materials												
14 Foods	2.3	4.2	5.8	15.6	12.1	13.7	2.2r	3.0r	4.2	1.2	2.7	267.2
15 Energy	9	−.5	−5.1	−1.7	−2.3	−1.3	.3r	.1	.8	4	4	786.9
16 Other	1.6	12.1	49.1	16.6	2.4	−9.2	3.4	8	2	2.9	2.6	277.4

1. Not seasonally adjusted.
2. Figures for consumer prices are those for all urban consumers and reflect a rental equivalence measure of homeownership after 1982
3. Excludes intermediate materials for food manufacturing and manufactured animal feeds

SOURCE Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1981	1982	1983	1983				1984
				Q1	Q2	Q3	Q4	Q1p
GROSS NATIONAL PRODUCT								
1 **Total**	**2,954.1**	**3,073.0**	**3,310.5**	**3,171.5**	**3,272.0**	**3,362.2**	**3,436.2**	**3,550.1**
By source								
2 Personal consumption expenditures	1,857.2	1,991.9	2,158.0	2,073.0	2,147.0	2,181.1	2,230.9	2,286.2
3 Durable goods	236.1	244.5	279.4	258.5	277.7	282.8	298.6	315.1
4 Nondurable goods	733.9	761.0	804.1	777.1	799.6	814.8	825.0	843.2
5 Services	887.1	986.4	1,074.5	1,037.4	1,069.7	1,083.5	1,107.3	1,127.9
6 Gross private domestic investment	474.9	414.5	471.9	404.1	450.1	501.1	532.5	604.6
7 Fixed investment	456.5	439.1	478.4	443.5	464.6	492.5	512.8	533.5
8 Nonresidential	352.2	348.3	348.4	332.1	336.3	351.0	374.0	385.7
9 Structures	133.4	141.9	131.1	132.9	127.4	130.9	133.3	140.1
10 Producers' durable equipment	218.8	206.4	217.2	199.3	208.8	220.2	240.7	245.6
11 Residential structures	104.3	90.8	130.0	111.3	128.4	141.5	138.8	147.8
12 Nonfarm	99.8	86.0	124.9	106.7	123.3	136.3	133.5	142.6
13 Change in business inventories	18.4	-24.5	-6.4	-39.4	-14.5	8.5	19.6	71.0
14 Nonfarm	10.9	-23.1	-2.8	-39.0	-10.3	18.4	19.7	50.1
15 Net exports of goods and services	26.3	17.4	-9.0	17.0	-8.5	-18.3	-26.1	-48.2
16 Exports	368.8	347.6	335.4	326.9	327.1	341.1	346.5	358.8
17 Imports	342.5	330.2	344.4	309.9	335.6	359.4	372.6	407.0
18 Government purchases of goods and services	595.7	649.2	689.5	677.4	683.4	698.3	699.0	707.6
19 Federal	229.2	258.7	274.8	273.5	273.7	278.1	274.1	271.9
20 State and local	366.5	390.5	414.7	404.0	409.7	420.2	424.9	435.7
By major type of product								
21 Final sales, total	2,935.6	3,097.5	3,316.9	3,210.9	3,286.6	3,353.7	3,416.6	3,479.1
22 Goods	1,291.8	1,280.8	1,366.5	1,292.2	1,346.8	1,388.9	1,438.2	1,498.3
23 Durable	528.0	500.8	548.7	482.7	536.8	568.9	606.4	617.3
24 Nondurable	763.9	780.1	817.8	809.5	810.0	820.0	831.8	881.0
25 Services	1,374.2	1,511.2	1,635.6	1,588.4	1,623.4	1,651.0	1,679.6	1,715.7
26 Structures	288.0	281.0	308.4	290.9	301.9	322.3	318.5	336.2
27 Change in business inventories	18.4	-24.5	-6.4	-39.4	-14.5	8.5	19.6	71.0
28 Durable goods	3.6	-15.5	-3.9	-38.2	-8.9	13.1	18.3	22.7
29 Nondurable goods	14.8	-9.1	-2.5	-1.2	-5.7	-4.5	1.4	48.3
30 MEMO: **Total GNP in 1972 dollars**	**1,513.8**	**1,485.4**	**1,535.3**	**1,490.1**	**1,525.1**	**1,553.4**	**1,572.5**	**1,609.3**
NATIONAL INCOME								
31 **Total**	**2,373.0**	**2,450.4**	**2,650.2**	**2,528.5**	**2,612.8**	**2,686.9**	**2,772.4**	**2,883.3**
32 Compensation of employees	1,769.2	1,865.7	1,990.2	1,923.7	1,968.7	2,011.8	2,056.6	2,113.4
33 Wages and salaries	1,493.2	1,568.1	1,664.1	1,610.6	1,647.1	1,681.5	1,717.3	1,756.6
34 Government and government enterprises	284.4	306.0	326.2	319.2	323.3	328.4	332.1	339.4
35 Other	1,208.8	1,262.1	1,338.4	1,291.5	1,323.8	1,353.1	1,385.2	1,417.2
36 Supplement to wages and salaries	276.0	297.6	326.1	313.1	321.6	330.3	339.4	356.8
37 Employer contributions for social insurance	132.5	140.9	152.7	148.8	151.5	153.9	156.7	167.9
38 Other labor income	143.5	156.6	173.4	164.3	170.1	176.4	182.7	189.0
39 Proprietors' income[1]	120.2	109.0	128.5	120.6	127.2	126.7	139.4	169.3
40 Business and professional[1]	89.7	87.4	107.6	98.4	106.2	111.2	114.5	121.4
41 Farm[1]	30.5	21.5	20.9	22.2	21.0	15.5	25.0	47.9
42 Rental income of persons[2]	41.4	49.9	54.8	54.1	54.8	53.9	56.2	57.0
43 Corporate profits[1]	192.3	164.8	229.1	181.8	218.2	248.4	268.2	281.6
44 Profits before tax[3]	227.0	174.2	207.5	169.7	203.3	229.1	228.2	244.3
45 Inventory valuation adjustment	-23.6	-8.4	-9.2	-1.7	-10.6	-18.3	-6.3	-12.5
46 Capital consumption adjustment	-11.0	-1.1	30.8	13.9	25.6	37.6	46.2	49.8
47 Net interest	249.9	261.1	247.5	248.3	243.8	246.1	251.9	262.0

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.48.

SOURCE: *Survey of Current Business* (Department of Commerce).

2.17 PERSONAL INCOME AND SAVING

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

Account	1981	1982	1983	1983				1984
				Q1	Q2	Q3	Q4	Q1[r]
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**2,435.0**	**2,578.6**	**2,742.1**	**2,657.7**	**2,713.6**	**2,761.9**	**2,835.2**	**2,926.2**
2 Wage and salary disbursements	1,493.2	1,568.1	1,664.6	1,610.7	1,648.4	1,681.9	1,717.3	1,756.4
3 Commodity-producing industries	509.5	509.2	529.7	508.6	522.2	537.8	550.0	567.2
4 Manufacturing	385.3	383.8	402.8	385.4	397.4	409.2	419.0	433.0
5 Distributive industries	361.6	378.8	397.2	386.4	394.3	398.9	409.3	415.3
6 Service industries	337.7	374.1	411.5	396.4	407.3	416.4	425.8	434.7
7 Government and government enterprises	284.4	306.0	326.2	319.2	324.6	328.8	332.1	339.3
8 Other labor income	143.5	156.6	173.4	164.3	170.1	176.4	182.7	189.0
9 Proprietors' income[1]	120.2	109.0	128.5	120.6	127.2	126.7	139.4	169.3
10 Business and professional[1]	89.7	87.4	107.6	98.4	106.2	111.2	114.5	121.4
11 Farm[1]	30.5	21.5	20.9	22.2	21.0	15.5	25.0	47.9
12 Rental income of persons[2]	41.4	49.9	54.8	54.1	54.8	53.9	56.2	57.0
13 Dividends	62.8	66.4	70.5	68.8	69.3	70.9	72.9	75.1
14 Personal interest income	341.3	366.2	366.3	357.2	357.1	369.9	381.1	396.3
15 Transfer payments	337.2	374.6	403.6	398.5	405.3	402.6	408.1	411.8
16 Old-age survivors, disability, and health insurance benefits	182.0	204.5	222.8	217.4	221.1	223.8	228.8	233.5
17 LESS: Personal contributions for social insurance	104.6	112.0	119.5	116.5	118.6	120.5	122.5	128.7
18 EQUALS: Personal income	2,435.0	2,578.6	2,742.1	2,657.7	2,713.6	2,761.9	2,835.2	2,926.2
19 LESS: Personal tax and nontax payments	387.4	402.1	406.5	401.8	412.6	400.1	411.4	421.3
20 EQUALS: Disposable personal income	2,047.6	2,176.5	2,335.6	2,255.9	2,301.0	2,361.7	2,423.9	2,504.9
21 LESS: Personal outlays	1,912.4	2,051.1	2,222.0	2,134.2	2,209.5	2,245.9	2,298.3	2,356.5
22 EQUALS: Personal saving	135.3	125.4	113.6	121.7	91.5	115.8	125.6	148.4
MEMO								
Per capita (1972 dollars)								
23 Gross national product	6,584.1	6,399.3	6,552.8	6,381.5	6,518.0	6,622.5	6,687.5	6,829.8
24 Personal consumption expenditures	4,161.5	4,179.8	4,316.7	4,225.7	4,319.1	4,331.4	4,389.8	4,449.0
25 Disposable personal income	4,587.0	4,567.0	4,672.0	4,599.0	4,629.0	4,690.0	4,769.0	4,875.0
26 Saving rate (percent)	6.6	5.8	4.9	5.4	4.0	4.9	5.2	5.9
GROSS SAVING								
27 **Gross saving**	**483.8**	**405.8**	**439.6**	**398.5**	**420.6**	**455.4**	**484.0**	**537.6**
28 Gross private saving	509.6	521.6	569.9	541.5	535.0	587.2	615.7	647.8
29 Personal saving	135.3	125.4	113.6	121.7	91.5	115.8	125.6	148.4
30 Undistributed corporate profits[1]	44.8	37.0	78.9	48.9	70.1	89.7	107.0	110.7
31 Corporate inventory valuation adjustment	-23.6	-8.4	-9.2	-1.7	-10.6	18.3	-6.3	-12.5
Capital consumption allowances								
32 Corporate	202.9	222.0	231.6	228.3	229.8	233.1	235.2	238.5
33 Noncorporate	126.6	137.2	145.7	142.6	143.5	148.6	148.0	150.2
34 Wage accruals less disbursements	0	0	0	0	0	0	0	0
35 Government surplus, or deficit (-), national income and product accounts	-26.9	-115.8	-130.2	-142.9	-114.4	-131.8	-131.8	-110.2
36 Federal	-62.2	-147.1	-181.6	-183.3	-166.1	-187.3	-189.8	-170.7
37 State and local	35.3	31.3	51.4	40.4	51.7	55.5	58.1	60.5
38 Capital grants received by the United States, net	1.1	0	0	0	0	0	0	0
39 **Gross investment**	478.9	406.2	437.4	397.4	417.1	457.9	477.1	530.1
40 Gross private domestic	474.9	414.5	471.9	404.1	450.1	501.1	532.5	604.6
41 Net foreign	4.0	-8.3	-34.6	-6.7	-33.0	-43.2	-55.3	-74.5
42 **Statistical discrepancy**	-4.9	.5	-2.3	-1.2	-3.5	2.5	-6.7	-7.5

1. With inventory valuation and capital consumption adjustments
2. With capital consumption adjustment

SOURCE: *Survey of Current Business* (Department of Commerce)

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.[1]

Item credits or debits	1981[r]	1982[r]	1983[r]	1983[r] Q1	1983[r] Q2	1983[r] Q3	1983[r] Q4	1984 Q1[p]
1 Balance on current account	6,294	9,199	-41,563	2,943	9,560	-11,846	-17,213	19,408
2 Not seasonally adjusted				2,332	8,769	-14,498	-15,964	18,360
3 Merchandise trade balance[2]	28,001	-36,469	61,055	-9,277	14,870	17,501	-19,407	-25,641
4 Merchandise exports	237,085	211,198	200,257	49,246	48,745	50,437	51,829	54,164
5 Merchandise imports	-265,086	-247,667	261,312	-58,523	-63,615	67,938	71,236	79,805
6 Military transactions, net	-1,116	195	515	790	53	55	273	-284
7 Investment income, net[3]	34,053	27,802	23,508	5,238	5,978	7,172	5,119	7,619
8 Other service transactions, net	8,191	7,331	4,121	1,879	1,127	681	434	1,050
9 Remittances, pensions, and other transfers	2,382	-2,635	2,590	599	638	665	688	723
10 U S government grants (excluding military)	-4,451	-5,423	-6 060	-974	-1,210	-1,478	-2,398	1,429
11 Change in U S government assets, other than official reserve assets, net (increase,)	5,107	-6,143	-5,013	-1,130	1,251	-1,204	-1,429	1,989
12 Change in U S official reserve assets (increase, -)	-5,175	4,965	-1,196	-787	16	529	953	-657
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	1,823	-1,371	-66	-98	303	209	545	-226
15 Reserve position in International Monetary Fund	2,491	-2,552	4 434	2,139	-212	88	1,996	200
16 Foreign currencies	861	-1,041	3,304	1,450	531	826	498	-231
17 Change in U S private assets abroad (increase, -)[3]	-100,694	-107,790	43,281	-22,447	175	8,548	12,461	3,281
18 Bank-reported claims	-84,175	-111,070	25,391	-18,175	3,894	-2,871	8,239	334
19 Nonbank-reported claims	1,181	6,626	5,333	3,199	230	233	1,671	n a
20 U S purchase of foreign securities, net	-5,714	-8,102	7,676	1,866	-3,257	-1,571	983	244
21 U.S direct investments abroad, net[3]	-9,624	4,756	-4,881	793	232	3,873	1,568	3,191
22 Change in foreign official assets in the United States (increase, +)	5,003	3,318	5,339	252	1,739	-2,703	6,555	2,859
23 U.S Treasury securities	5,019	5,728	6,989	3,012	1,985	611	2,603	269
24 Other U S. government obligations	1,289	694	487	371	170	363	417	-36
25 Other U.S government liabilities[4]	300	382	199	533	434	137	161	185
26 Other U S liabilities reported by U.S. banks	-3,670	1,747	433	1,978	316	1,403	3,498	2,140
27 Other foreign official assets[5]	2,665	-351	1,795	382	-826	-463	124	-599
28 Change in foreign private assets in the United States (increase, +)[3]	76,310	91,863	76,383	16,139	10,714	22,281	27,249	14,662
29 U S bank-reported liabilities	42,128	65,922	49,059	10,244	1,698	14,792	22,325	9,763
30 U S nonbank-reported liabilities	917	-2,383	1,318	-2,337	64	1,311	-228	n a.
31 Foreign private purchases of U S Treasury securities, net	2,946	7,062	8,731	2,924	3,139	995	1,673	1,490
32 Foreign purchases of other U S securities, net	7,171	6,396	8,612	3,003	2,614	1,861	1,134	1,547
33 Foreign direct investments in the United States, net[3]	23,148	14,865	11,299	2,305	3,327	3,322	2,345	1,862
34 Allocation of SDRs	1,093	0	0	0	0	0	0	0
35 Discrepancy	22,275	32,916	9,331	11,420	-1,833	1,491	1,748	13,532
36 Owing to seasonal adjustments				-579	439	2,518	2,657	-172
37 Statistical discrepancy in recorded data before seasonal adjustment	22,275	32,916	9,331	11,999	2,272	4,009	-4,405	13,704
MEMO								
Changes in official assets								
38 U S official reserve assets (increase, -)	-5,175	4,965	1,196	-787	16	529	953	-657
39 Foreign official assets in the United States (increase, +)	5,303	2,936	5,140	281	1,305	2,840	6,394	-3,044
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	13,581	7,291	-8,639	-1,466	-3,482	2,051	1,640	-2,525
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	675	593	205	42	30	49	84	27

1 Seasonal factors are no longer calculated for lines 6, 10, 12–16, 18–20, 22–34, and 38–41

2. Data are on an international accounts (IA) basis Differs from the Census basis data, shown in table 3 11, for reasons of coverage and timing, military exports are excluded from merchandise data and are included in line 6

3. Includes reinvested earnings.

4 Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies

5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments

NOTE Data are from Bureau of Economic Analysis, *Survey of Current Business* (Department of Commerce)

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted

Item	1981	1982	1983	1983 Nov	1983 Dec	1984 Jan	1984 Feb	1984 Mar	1984 Apr	1984 May
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	233,677	212,193	200,486	17,063	17,298	18,326	17,212	17,727	17,521	17,950
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	261,305	243,952	258,048	23,115	22,976	26,586	26,147	26,771	28,368	25,569
3 **Trade balance**	**−27,628**	**−31,759**	**−57,562**	**−6,052**	**−5,678**	**−8,260**	**−8,935**	**−9,044**	**−10,846**	**−7,619**

NOTE The data through 1981 in this table are reported by the Bureau of Census data of a free-alongside-ship (f a s) value basis—that is, value at the port of export Beginning in 1981, foreign trade of the U S Virgin Islands is included in the Census basis trade data, this adjustment has been made for all data shown in the table Beginning with 1982 data, the value of imports are on a customs valuation basis.

The Census basis data differ from merchandise trade data shown in table 3.10, U S International Transactions Summary, for reasons of coverage and timing On the *export side*, the largest adjustments are (1) the addition of exports to Canada not covered in Census statistics, and (2) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3 10, line 6) On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada, and other transactions, military payments are excluded and shown separately as indicated above

SOURCE. FT900 "Summary of U.S. Export and Import Merchandise Trade" (Department of Commerce, Bureau of the Census)

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1980	1981	1982	1983 Nov	1983 Dec.	1984 Jan.	1984 Feb.	1984 Mar	1984 Apr	1984 May
1 **Total**	**26,756**	**30,075**	**33,958**	**33,655**	**33,747**	**33,887**	**34,820**	**34,975**	**34,585**	**34,713**
2 Gold stock, including Exchange Stabilization Fund[1]	11,160	11,151	11,148	11,123	11,121	11,120	11,116	11,111	11,107	11,104
3 Special drawing rights[2,3]	2,610	4,095	5,250	5,735	5,025	5,050	5,320	5,341	5,266	5,513
4 Reserve position in International Monetary Fund[2]	2,852	5,055	7,348	9,883	11,312	11,422	11,707	11,706	11,618	11,666
5 Foreign currencies[4,5]	10,134	9,774	10,212	6,914	6,289	6,295	6,677	6,817	6,594	6,430

1 Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States, see table 3.13 Gold stock is valued at $42.22 per fine troy ounce

2 Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries From July 1974 through December 1980, 16 currencies were used, from January 1981, 5 currencies have been used The U S SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974

3 Includes allocations by the International Monetary Fund of SDRs as follows: $867 million on Jan 1, 1970, $717 million on Jan 1, 1971, $710 million on Jan. 1, 1972, $1,139 million on Jan 1, 1979, $1,152 million on Jan 1, 1980, and $1,093 million on Jan 1, 1981, plus transactions in SDRs

4. Valued at current market exchange rates

5 Includes U S government securities held under repurchase agreement against receipt of foreign currencies in 1979 and 1980.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1980	1981	1982	1983 Dec.	1984 Jan	1984 Feb	1984 Mar	1984 Apr	1984 May	1984 June
1 Deposits	411	505	328	190	251	246	222	345	295	238
Assets held in custody										
2 U.S Treasury securities[1]	102,417	104,680	112,544	117,670	117,076	119,499	116,768	117,808	114,562	117,143
3 Earmarked gold[2]	14,965	14,804	14,716	14,414	14,347	14,291	14,278	14,278	14,268	14,266

1. Marketable U S Treasury bills, notes, and bonds; and nonmarketable U S Treasury securities payable in dollars and in foreign currencies

2. Earmarked gold is valued at $42 22 per fine troy ounce

NOTE Excludes deposits and U S Treasury securities held for international and regional organizations Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1980	1981	1982	1983			1984			
				Oct	Nov	Dec	Jan [r]	Feb [r]	Mar	Apr [p]
						All foreign countries				
1 **Total, all currencies**	**401,135**	**462,847**	**469,712**	**459,327**[r]	**463,830**[r]	**476,146**[r]	**454,759**	**462,561**	**480,627**	**474,296**
2 Claims on United States	28,460	63,743	91,805	102,753[r]	109,714[r]	115,065[r]	111,273	112,765	121,813	120,827
3 Parent bank	20,202	43,267	61,666	69,911[r]	75,724[r]	81,113[r]	76,734	79,416	86,364	85,153
4 Other	8,258	20,476	30,139	32,842	33,990	33,952	34,539	33,349	35,449	35,674
5 Claims on foreigners	354,960	378,954	358,493	338,014[r]	335,666[r]	342,271[r]	324,498	329,920	338,726	333,387
6 Other branches of parent bank	77,019	87,821	91,168	87,551[r]	89,456[r]	92,717[r]	86,928	85,748	90,703	92,898
7 Banks	146,448	150,763	133,752	117,636[r]	114,507[r]	117,581[r]	106,880	110,060	114,200	107,278
8 Public borrowers	28,033	28,197	24,131	25,113[r]	24,282[r]	24,445[r]	24,062	24,589	24,775	24,671
9 Nonbank foreigners	103,460	112,173	109,442	107,714[r]	107,421[r]	107,528[r]	106,628	109,523	109,048	108,540
10 Other assets	17,715	20,150	19,414	18,560[r]	18,450[r]	18,810[r]	18,988	19,876	20,088	20,082
11 **Total payable in U.S. dollars**	**291,798**	**350,735**	**361,982**	**351,916**[r]	**358,567**[r]	**370,935**[r]	**349,099**	**349,998**	**364,567**	**358,738**
12 Claims on United States	27,191	62,142	90,085	100,194[r]	107,218[r]	112,954[r]	109,170	110,520	119,411	118,348
13 Parent bank	19,896	42,721	61,010	68,382[r]	74,202[r]	80,018[r]	75,587	78,187	85,052	83,732
14 Other	7,295	19,421	29,075	31,812	33,016	32,936	33,583	32,333	34,359	34,616
15 Claims on foreigners	255,391	276,937	259,871	241,387[r]	240,916[r]	247,309[r]	229,364	229,016	235,215	230,011
16 Other branches of parent bank	58,541	69,398	73,537	69,332[r]	71,460[r]	75,207[r]	69,064	66,790	70,940	70,152
17 Banks	117,342	122,110	106,447	92,053[r]	90,155[r]	93,257[r]	82,551	84,230	87,764	82,922
18 Public borrowers	23,491	22,877	18,413	18,696[r]	17,778[r]	17,881[r]	17,762	17,996	18,104	17,831
19 Nonbank foreigners	56,017	62,552	61,474	61,306[r]	61,523[r]	60,964[r]	59,987	60,000	58,407	59,106
20 Other assets	9,216	11,656	12,026	10,335[r]	10,433[r]	10,672[r]	10,565	10,462	9,941	10,379
						United Kingdom				
21 **Total, all currencies**	**144,717**	**157,229**	**161,067**	**156,803**	**155,964**	**158,732**	**155,096**	**157,972**	**161,007**	**161,029**
22 Claims on United States	7,509	11,823	27,354	30,853	32,352	34,433	35,632	36,646	38,072	38,418
23 Parent bank	5,275	7,885	23,017	25,507	26,872	29,111	29,757	30,875	32,201	32,855
24 Other	2,234	3,938	4,337	5,346	5,480	5,322	5,875	5,771	5,871	5,563
25 Claims on foreigners	131,142	138,888	127,734	120,660	118,275	119,280	114,287	116,055	118,200	117,643
26 Other branches of parent bank	34,760	41,367	37,000	36,556	35,642	36,565	34,842	33,296	34,617	38,627
27 Banks	58,741	56,315	50,767	43,888	42,683	43,352	40,119	42,300	43,804	39,739
28 Public borrowers	6,688	7,490	6,240	6,280	6,307	5,898	6,063	6,213	6,076	5,990
29 Nonbank foreigners	30,953	33,716	33,727	33,936	33,643	33,465	33,263	34,246	33,703	33,287
30 Other assets	6,066	6,518	5,979	5,290	5,337	5,019	5,177	5,271	4,735	4,968
31 **Total payable in U.S. dollars**	**99,699**	**115,188**	**123,740**	**121,817**	**121,744**	**126,012**	**121,195**	**121,944**	**124,501**	**123,033**
32 Claims on United States	7,116	11,246	26,761	30,095	31,671	33,756	34,915	35,934	37,282	37,588
33 Parent bank	5,229	7,721	22,756	25,084	26,537	28,756	29,412	30,515	31,789	32,453
34 Other	1,887	3,525	4,005	5,011	5,134	5,000	5,503	5,419	5,493	5,135
35 Claims on foreigners	89,723	99,850	92,228	88,253	86,614	88,917	83,161	83,067	84,599	82,638
36 Other branches of parent bank	28,268	35,439	31,648	31,414	30,371	31,838	29,741	28,103	28,723	29,299
37 Banks	42,073	40,703	36,717	31,796	31,158	32,188	28,749	30,158	31,613	29,085
38 Public borrowers	4,911	5,595	4,329	4,346	4,377	4,194	4,356	4,414	4,390	4,304
39 Nonbank foreigners	14,471	18,113	19,534	20,697	20,708	20,697	20,315	20,392	19,873	19,950
40 Other assets	2,860	4,092	4,751	3,469	3,459	3,339	3,119	2,943	2,620	2,807
						Bahamas and Caymans				
41 **Total, all currencies**	**123,837**	**149,108**	**145,156**	**141,557**[r]	**147,457**[r]	**151,532**[r]	**141,573**	**140,198**	**149,165**	**144,505**
42 Claims on United States	17,751	46,546	59,403	66,499[r]	71,563[r]	74,832[r]	70,739	70,706	77,807	75,446
43 Parent bank	12,631	31,643	34,653	40,351[r]	44,614[r]	47,807[r]	43,454	44,474	50,146	47,569
44 Other	5,120	14,903	24,750	26,148	26,949	27,025	27,285	26,232	27,661	27,877
45 Claims on foreigners	101,926	98,057	81,450	71,268	71,995	72,788	66,916	65,609	67,422	65,152
46 Other branches of parent bank	13,342	12,951	18,720	15,817	17,993	17,340	15,989	14,657	15,265	14,811
47 Banks	54,861	55,151	42,699	35,964	35,353	36,767	32,451	32,525	34,295	32,231
48 Public borrowers	12,577	10,010	6,413	6,643	5,890	6,084	5,992	5,956	6,028	5,983
49 Nonbank foreigners	21,146	19,945	13,618	12,844	12,759	12,597	12,484	12,471	11,834	12,127
50 Other assets	4,160	4,505	4,303	3,790	3,899	3,912[r]	3,918	3,883	3,936	3,907
51 **Total payable in U.S. dollars**	**117,654**	**143,743**	**139,605**	**134,930**[r]	**141,041**[r]	**145,086**[r]	**135,161**	**133,826**	**142,653**	**138,105**

3.14 Continued

Liability account	1980	1981	1982	1983 Oct	1983 Nov	1983 Dec	1984 Jan	1984 Feb	1984 Mar	1984 Apr p
					All foreign countries					
52 **Total, all currencies**	**401,135**	**462,847**	**469,712**	**459,327r**	**463,830r**	**476,146r**	**454,759r**	**462,561r**	**480,627**	**474,296**
53 To United States	91,079	137,767	179,015	185,797r	184,402r	187,552r	179,536r	182,575	187,558	183,907
54 Parent bank	39,286	56,344	75,621	85,274r	79,774r	80,530r	77,126r	79,205	77,483	75,487
55 Other banks in United States	14,473	19,197	33,405	27,036	26,202	29,107	26,660	25,644r	28,805	26,810
56 Nonbanks	37,275	62,226	69,989	73,487	78,426	77,915	75,750	77,726r	81,270	81,610
57 To foreigners	295,411	305,630	270,853	254,866r	260,495r	269,275r	256,284r	260,551r	273,029	270,223
58 Other branches of parent bank	75,773	86,396	90,191	84,004	86,792	89,047	82,126	81,834	87,222	90,912
59 Banks	132,116	124,906	96,860	84,542r	88,037r	92,802r	86,566r	89,084r	95,690	90,180
60 Official institutions	32,473	25,997	19,614	19,403	18,377	18,824	19,517	20,499	18,250	17,882
61 Nonbank foreigners	55,049	68,331	64,188	66,917r	67,289r	68,602r	68,075r	69,134r	71,867	71,249
62 Other liabilities	14,690	19,450	19,844	18,664r	18,933r	19,319r	18,939r	19,435r	20,040	20,166
63 **Total payable in U.S. dollars**	**303,281**	**364,447**	**379,270**	**370,369r**	**374,789r**	**387,722r**	**365,804r**	**367,442r**	**381,977**	**374,800**
64 To United States	88,157	134,700	175,528	181,891r	180,406r	183,837r	175,716r	178,260	183,262	179,594
65 Parent bank	37,528	54,492	73,295	82,907r	77,327r	78,328r	74,774r	76,611	74,892	73,061
66 Other banks in United States	14,203	18,883	33,040	26,480	25,711	28,573	26,166	25,077r	28,219	26,223
67 Nonbanks	36,426	61,325	69,193	72,504	77,368	76,936	74,776	76,572r	80,151	80,310
68 To foreigners	206,883	217,602	192,510	179,127r	184,438r	194,038r	181,074r	180,071r	189,490	185,102
69 Other branches of parent bank	58,172	69,299	72,921	66,502	69,457	72,002	65,028	63,480	68,557	69,028
70 Banks	87,497	79,594	57,463	48,273r	52,086r	57,015r	50,606r	50,683r	56,202	50,884
71 Official institutions	24,697	20,288	15,055	14,630	13,453	13,852	14,673	15,835	13,161	13,347
72 Nonbank foreigners	36,517	48,421	47,071	49,722r	49,442r	51,169r	50,767r	50,073r	51,570	51,843
73 Other liabilities	8,241	12,145	11,232	9,351r	9,945r	9,847r	9,014r	9,111r	9,225	10,104
					United Kingdom					
74 **Total, all currencies**	**144,717**	**157,229**	**161,067**	**156,803**	**155,964**	**158,732**	**155,096r**	**157,972r**	**161,007**	**161,029**
75 To United States	21,785	38,022	53,954	60,903	57,095	55,799	55,618r	56,550r	56,344	56,461
76 Parent bank	4,225	5,444	13,091	21,385	17,312	14,021	17,075r	18,307r	15,850	16,246
77 Other banks in United States	5,716	7,502	12,205	10,751	10,176	11,328	10,640	10,570	11,556	10,542
78 Nonbanks	11,844	25,076	28,658	28,767	29,607	30,450	27,903	27,673	28,938	29,673
79 To foreigners	117,438	112,255	99,567	88,727	91,714	95,847	92,268	93,734	96,993	97,056
80 Other branches of parent bank	15,384	16,545	18,361	18,288	18,841	19,038	18,526	17,741	21,477	21,914
81 Banks	56,262	51,336	44,020	35,847	38,888	41,624	38,812	39,548	42,073	40,765
82 Official institutions	21,412	16,517	11,504	10,611	10,071	10,151	10,530	11,531	8,833	9,403
83 Nonbank foreigners	24,380	27,857	25,682	23,981	23,914	25,034	24,400	24,914	24,610	24,974
84 Other liabilities	5,494	6,952	7,546	7,173	7,155	7,086	7,210	7,688	7,670	7,512
85 **Total payable in U.S. dollars**	**103,440**	**120,277**	**130,261**	**128,600**	**127,234**	**131,167**	**126,987r**	**127,622r**	**130,985**	**128,228**
86 To United States	21,080	37,332	53,029	59,824	55,907	54,691	54,535r	55,105r	55,147	55,136
87 Parent bank	4,078	5,350	12,814	21,145	17,094	13,839	16,838r	17,900r	15,606	16,062
88 Other banks in United States	5,626	7,249	12,026	10,523	9,880	11,044	10,406	10,247	11,320	10,292
89 Nonbanks	11,376	24,733	28,189	28,156	28,933	29,808	27,291	26,958	28,221	28,782
90 To foreigners	79,636	79,034	73,477	65,347	68,011	73,279	69,557	69,438	72,776	69,672
91 Other branches of parent bank	10,474	12,048	14,300	14,542	15,044	15,403	14,758	13,956	17,559	14,729
92 Banks	35,388	32,298	28,810	23,136	26,343	29,320	26,386	26,229	28,833	27,296
93 Official institutions	17,024	13,612	9,668	8,742	8,029	8,279	8,594	9,777	6,910	7,650
94 Nonbank foreigners	16,750	21,076	20,699	18,927	18,595	20,277	19,819	19,476	19,474	19,997
95 Other liabilities	2,724	3,911	3,755	3,429	3,316	3,197	2,895	3,079	3,062	3,420
					Bahamas and Caymans					
96 **Total, all currencies**	**123,837**	**149,108**	**145,156**	**141,557r**	**147,457r**	**151,532r**	**141,573r**	**140,198**	**149,165**	**144,505**
97 To United States	59,666	85,759	104,425	104,396r	106,833r	110,831r	104,176r	104,552	109,981	106,672
98 Parent bank	28,181	39,451	47,081	48,481r	46,876r	50,256r	44,884r	44,186	45,398	43,211
99 Other banks in United States	7,379	10,474	18,466	14,322	14,117	15,711	14,401	13,544r	15,636	14,867
100 Nonbanks	24,106	35,834	38,878	41,593	45,840	44,864	44,891	46,822r	48,947	48,594
101 To foreigners	61,218	60,012	38,274	34,782	38,164	38,362	35,157	33,409	36,830	35,502
102 Other branches of parent bank	17,040	20,641	15,796	12,634	15,521	13,376	12,253	11,790	11,980	12,858
103 Banks	29,895	23,202	10,166	9,059	9,618	11,869	9,883	9,351	11,405	9,859
104 Official institutions	4,361	3,498	1,967	1,976	1,624	1,916	2,309	1,870	2,395	1,869
105 Nonbank foreigners	9,922	12,671	10,345	11,113	11,401	11,201	10,712	10,398	11,050	10,916
106 Other liabilities	2,953	3,337	2,457	2,379	2,460	2,339	2,240	2,237	2,354	2,331
107 **Total payable in U.S. dollars**	**119,657**	**145,284**	**141,908**	**137,760r**	**143,804r**	**147,727r**	**137,709r**	**136,517r**	**145,129**	**140,264**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1981	1982	1983		1984				
			Nov	Dec	Jan	Feb	Mar[r]	Apr	May[p]
1 **Total**[1]	**169,735**	**172,718**	**173,860**	**177,859**	**176,239**	**176,867**	**174,952**	**175,348**	**171,252**
By type									
2 Liabilities reported by banks in the United States[2]	26,737	24,989	22,816	25,422	22,768	23,169	23,373	23,834	23,087
3 U.S. Treasury bills and certificates[3]	52,389	46,658	52,558	54,341	55,327	56,084	53,681	53,155	51,035
U.S. Treasury bonds and notes									
4 Marketable	53,186	67,733	68,942	68,541	69,080	69,144	69,628	70,249	69,229
5 Nonmarketable[4]	11,791	8,750	7,250	7,250	7,250	6,600	6,600	6,600	6,600
6 U.S. securities other than U.S. Treasury securities[5]	25,632	24,588	22,294	22,305	21,814	21,870	21,670	21,510	21,301
By area									
7 Western Europe[1]	65,699	61,298	65,648	67,669	66,208	67,925	67,738	69,935	69,307
8 Canada	2,403	2,070	2,665	2,438	2,511	2,329	1,944	1,557	1,261
9 Latin America and Caribbean	6,953	6,057	6,468	6,217	6,443	7,605	6,460	7,468	6,483
10 Asia	91,607	96,034	91,457	92,488	92,181	90,571	90,632	88,540	86,392
11 Africa	1,829	1,350	801	958	1,051	1,067	1,038	941	1,179
12 Other countries[6]	1,244	5,909	6,821	8,089	7,845	7,370	7,140	6,907	6,630

1 Includes the Bank for International Settlements.
2 Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3 Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4 Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.
5 Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.

NOTE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in Foreign Currencies

Millions of dollars, end of period

Item	1980	1981	1982	1983			1984
				June	Sept	Dec	Mar[p]
1 Banks' own liabilities	3,748	3,523	4,844	5,880	5,976	5,205	6,168
2 Banks' own claims	4,206	4,980	7,707	7,862	7,984	7,256	8,992
3 Deposits	2,507	3,398	4,251	3,912	3,061	2,838	4,000
4 Other claims	1,699	1,582	3,456	3,950	4,923	4,418	4,992
5 Claims of banks' domestic customers[1]	962	971	676	684	717	1,059	361

1 Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

NOTE. Data on claims exclude foreign currencies held by U.S. monetary authorities.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars

Millions of dollars, end of period

Holder and type of liability	1980	1981▲	1982	1983		1984				
				Nov	Dec	Jan	Feb	Mar r	Apr	May p
1 **All foreigners**	**205,297**	**243,889**	**307,056**	**351,382**	**369,226**	**358,486**	**368,750**	**377,173**	**380,149**	**393,026**
2 Banks' own liabilities	124,791	163,817	227,089	262,226	278,644	264,478	271,707	284,926	286,960	300,605
3 Demand deposits	23,462	19,631	15,889	17,198	17,594	16,100	16,639	17,466	17,182	17,867
4 Time deposits[1]	15,076	29,039	68,035	84,735	90,098	87,691	91,157	96,462	96,072	102,640
5 Other[2]	17,583	17,647	23,946	22,863	26,100	23,287	23,989	24,485	24,789	23,692
6 Own foreign offices[3]	68,670	97,500	119,219	137,430	144,851	137,401	139,922	146,513	148,917	156,405
7 Banks' custody liabilities[4]	80,506	80,072	79,967	89,156	90,582	94,007	97,043	92,247	93,189	92,422
8 U.S. Treasury bills and certificates[5]	57,595	55,315	55,628	66,746	68,669	71,083	74,277	69,666	69,878	68,502
9 Other negotiable and readily transferable instruments[6]	20,079	18,788	20,636	17,721	17,529	18,063	17,864	18,075	18,703	18,794
10 Other	2,832	5,970	3,702	4,690	4,385	4,862	4,903	4,506	4,608	5,125
11 **Nonmonetary international and regional organizations**[7]	**2,344**	**2,721**	**4,922**	**6,363**	**5,957**	**4,759**	**6,831**	**6,243**	**6,356**	**5,329**
12 Banks' own liabilities	444	638	1,909	4,939	4,632	2,867	2,317	4,047	3,528	2,242
13 Demand deposits	146	262	106	437	297	271	347	414	194	255
14 Time deposits[1]	85	58	1,664	4,079	3,885	2,235	1,611	2,656	2,468	1,638
15 Other[2]	212	318	139	423	449	361	360	977	866	350
16 Banks' custody liabilities[4]	1,900	2,083	3,013	1,424	1,325	1,892	4,514	2,196	2,827	3,087
17 U.S. Treasury bills and certificates	254	541	1,621	484	463	1,045	3,416	1,224	1,759	2,057
18 Other negotiable and readily transferable instruments[6]	1,646	1,542	1,392	939	862	847	1,098	971	1,068	1,030
19 Other	0	0	0	0	0	0	0	0	0	0
20 **Official institutions**[8]	**86,624**	**79,126**	**71,647**	**75,374**	**79,764**	**78,095**	**79,253**	**77,053**	**76,990**	**74,122**
21 Banks' own liabilities	17,826	17,109	16,640	16,673	19,315	16,488	17,512	17,105	17,532	16,728
22 Demand deposits	3,771	2,564	1,899	2,023	1,837	1,753	1,663	1,955	1,786	1,761
23 Time deposits[1]	3,612	4,230	5,528	6,723	7,294	7,286	7,638	6,698	7,465	7,153
24 Other[2]	10,443	10,315	9,212	7,926	10,184	7,449	8,211	8,452	8,282	7,815
25 Banks' custody liabilities[4]	68,798	62,018	55,008	58,701	60,448	61,607	61,741	59,948	59,457	57,394
26 U.S. Treasury bills and certificates[5]	56,243	52,389	46,658	52,558	54,341	55,327	56,084	53,681	53,155	51,035
27 Other negotiable and readily transferable instruments[6]	12,501	9,581	8,321	6,115	6,082	6,257	5,623	6,249	6,287	6,307
28 Other	54	47	28	28	25	23	34	19	15	52
29 **Banks**[9]	**96,415**	**136,008**	**185,881**	**214,010**	**226,485**	**217,907**	**222,844**	**233,424**	**234,727**	**248,679**
30 Banks' own liabilities	90,456	124,312	169,449	192,572	204,945	195,330	200,325	211,040	212,245	225,542
31 Unaffiliated foreign banks	21,786	26,812	50,230	55,142	60,094	57,929	60,403	64,527	63,329	69,137
32 Demand deposits	14,188	11,614	8,675	8,770	8,756	8,151	8,394	8,328	8,793	9,525
33 Time deposits[1]	1,703	8,720	28,386	32,678	36,734	35,036	37,475	41,905	39,597	44,775
34 Other[2]	5,895	6,477	13,169	13,695	14,604	14,743	14,534	14,294	14,938	14,837
35 Own foreign offices[3]	68,670	97,500	119,219	137,430	144,851	137,401	139,922	146,513	148,917	156,405
36 Banks' custody liabilities[4]	5,959	11,696	16,432	21,438	21,540	22,576	22,519	22,384	22,482	23,137
37 U.S. Treasury bills and certificates	623	1,685	5,809	9,967	10,178	10,776	10,756	10,760	10,795	11,168
38 Other negotiable and readily transferable instruments[6]	2,748	4,400	7,857	7,251	7,485	7,416	7,378	7,447	7,594	7,524
39 Other	2,588	5,611	2,766	4,221	3,877	4,384	4,385	4,177	4,092	4,445
40 **Other foreigners**	**19,914**	**26,035**	**44,606**	**55,635**	**57,021**	**57,725**	**59,822**	**60,454**	**62,076**	**64,896**
41 Banks' own liabilities	16,065	21,759	39,092	48,042	49,751	49,793	51,552	52,734	53,654	56,092
42 Demand deposits	5,356	5,191	5,209	5,968	6,703	5,925	6,234	6,770	6,409	6,327
43 Time deposits	9,676	16,030	32,457	41,255	42,185	43,134	44,434	45,203	46,542	49,074
44 Other[2]	1,033	537	1,426	819	863	734	884	761	703	691
45 Banks' custody liabilities[4]	3,849	4,276	5,514	7,593	7,269	7,932	8,270	7,719	8,423	8,804
46 U.S. Treasury bills and certificates	474	699	1,540	3,737	3,686	3,935	4,021	4,001	4,168	4,243
47 Other negotiable and readily transferable instruments[6]	3,185	3,265	3,065	3,415	3,100	3,542	3,764	3,408	3,755	3,933
48 Other	190	312	908	441	483	455	484	311	501	628
49 MEMO Negotiable time certificates of deposit in custody for foreigners	10,745	10,747	14,307	10,385	10,407	10,307	9,416	9,688	10,128	10,625

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."
2. Includes borrowing under repurchase agreements.
3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank.
4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.
5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.
8. Foreign central banks and foreign central governments, and the Bank for International Settlements.
9. Excludes central banks, which are included in "Official institutions."

▲ *Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.*

3.17 Continued

Area and country	1980	1981▲	1982	1983 Nov	1983 Dec.	1984 Jan	1984 Feb	1984 Mar	1984 Apr	1984 May.[p]
1 **Total**	**205,297**	**243,889**	**307,056**	**351,382**	**369,226**	**358,486**	**368,750**	**377,173[r]**	**380,149**	**393,026**
2 **Foreign countries**	**202,953**	**241,168**	**302,134**	**345,019**	**363,269**	**353,726**	**361,918**	**370,931[r]**	**373,793**	**387,697**
3 Europe	90,897	91,275	117,756	130,671	138,006	134,887	140,026	142,406[r]	148,066	150,784
4 Austria	523	596	519	641	585	755	756	861	867	869
5 Belgium-Luxembourg	4,019	4,117	2,517	2,470	2,709	2,972	3,218	3,367	3,587	4,533
6 Denmark	497	333	509	538	466	372	355	285	307	378
7 Finland	455	296	748	375	531	298	398	287	485	405
8 France	12,125	8,486	8,171	8,083	9,441	8,122	10,098	10,728	10,737	12,080
9 Germany	9,973	7,645	5,351	4,337	3,599	3,823	4,582	4,878[r]	5,280	3,987
10 Greece	670	463	537	544	520	513	513	503	528	594
11 Italy	7,572	7,267	5,626	7,824	8,459	7,622	7,648	7,395	7,809	8,272
12 Netherlands	2,441	2,823	3,362	3,701	4,290	4,008	4,210	4,444	4,960	4,996
13 Norway	1,344	1,457	1,567	1,531	1,673	1,481	1,452	1,285	1,847	1,536
14 Portugal	374	354	388	306	373	377	352	403	414	399
15 Spain	1,500	916	1,405	1,534	1,603	1,645	1,664	1,749	1,706	1,663
16 Sweden	1,737	1,545	1,390	1,652	1,799	1,896	1,752	1,838	1,673	1,962
17 Switzerland	16,689	18,716	29,066	30,623	32,117	31,956	32,237	32,237[r]	32,765	32,778
18 Turkey	242	518	296	319	467	334	400	318	335	444
19 United Kingdom	22,680	28,286	48,172	58,437	60,658	61,794	64,411	64,971[r]	68,158	68,487
20 Yugoslavia	681	375	499	552	562	505	477	479	448	511
21 Other Western Europe[1]	6,939	6,541	7,006	6,660	7,493	5,872	4,965	5,738[r]	5,584	6,262
22 U.S.S.R.	68	49	50	27	65	62	74	177	61	53
23 Other Eastern Europe[2]	370	493	576	518	596	482	464	464[r]	510	574
24 Canada	10,031	10,250	12,232	16,369	16,026	16,270	17,679	17,182	16,707	17,450
25 Latin America and Caribbean	53,170	85,223	114,163	134,139	140,033	135,671	138,399	143,255[r]	143,863	152,142
26 Argentina	2,132	2,445	3,578	4,377	4,011	4,303	4,536	4,365	4,616	4,529
27 Bahamas	16,381	34,856	44,744	53,703	55,877	52,314	52,850	58,141[r]	56,930	62,764
28 Bermuda	670	765	1,572	2,582	2,328	2,745	3,165	2,886	3,097	3,308
29 Brazil	1,216	1,568	2,014	4,150	3,158	2,997	3,473	3,723[r]	3,793	3,605
30 British West Indies	12,766	17,794	26,381	30,624	34,431	32,531	32,456	32,677[r]	32,938	33,880
31 Chile	460	664	1,626	1,783	1,842	1,811	1,935	1,876	1,972	1,894
32 Colombia	3,077	2,993	2,594	1,645	1,689	1,584	1,840	1,669[r]	1,814	1,760
33 Cuba	6	9	9	10	8	9	13	8	8	10
34 Ecuador	371	434	455	1,003	1,047	828	826	825	970	882
35 Guatemala	367	479	670	766	788	800	812	815	850	837
36 Jamaica	97	87	126	234	109	113	131	132	131	131
37 Mexico	4,547	7,235	8,377	9,463	10,389	10,994	10,693	10,699	11,189	11,878
38 Netherlands Antilles	413	3,182	3,597	3,941	3,879	3,773	4,503	4,901	4,666	4,397
39 Panama	4,718	4,857	4,805	5,946	5,924	5,586	5,545	5,498	5,482	6,270
40 Peru	403	694	1,147	1,090	1,166	1,130	1,146	1,157	1,179	1,246
41 Uruguay	254	367	759	1,173	1,232	1,278	1,321	1,418	1,330	1,369
42 Venezuela	3,170	4,245	8,417	8,024	8,603	9,313	9,442	8,566	9,076	9,432
43 Other Latin America and Caribbean	2,123	2,548	3,291	3,626	3,551	3,562	3,712	3,899	3,822	3,949
44 Asia	42,420	49,822	48,716	54,278	58,351	56,002	55,293	57,662	54,952	57,256
China										
45 Mainland	49	158	203	183	249	249	168	272	302	391
46 Taiwan	1,662	2,082	2,761	4,063	3,997	4,270	4,291	4,193	4,388	4,361
47 Hong Kong	2,548	3,950	4,465	6,971	6,610	6,196	5,884	6,387	5,447	5,917
48 India	416	385	433	725	464	670	749	687	651	646
49 Indonesia	730	640	857	661	997	1,093	859	753	784	897
50 Israel	883	592	606	808	1,722	786	752	832[r]	708	760
51 Japan	16,281	20,750	16,078	17,138	18,079	17,069	17,615	19,216	18,862	20,563
52 Korea	1,528	2,013	1,692	1,591	1,648	1,614	1,542	1,748	1,409	1,332
53 Philippines	919	874	770	1,012	1,234	1,235	1,280	1,264	1,015	1,130
54 Thailand	464	534	629	569	716	776	622	714	637	729
55 Middle-East oil-exporting countries[3]	14,453	12,992	13,433	12,650	12,960	12,516	11,587	12,197[r]	12,267	11,618
56 Other Asia	2,487	4,853	6,789	7,907	9,676	9,528	9,943	9,398	8,482	8,912
57 Africa	5,187	3,180	3,124	2,694	2,800	2,917	3,070	3,111	3,182	3,140
58 Egypt	485	360	432	589	645	572	568	561	649	698
59 Morocco	33	32	81	96	84	109	138	122	127	132
60 South Africa	288	420	292	389	449	486	502	538	264	329
61 Zaire	57	26	23	32	87	61	66	77	119	124
62 Oil-exporting countries[4]	3,540	1,395	1,280	679	620	869	839	893	1,046	895
63 Other Africa	783	946	1,016	909	917	821	957	920	978	962
64 Other countries	1,247	1,419	6,143	6,868	8,053	7,979	7,451	7,315	7,023	6,925
65 Australia	950	1,223	5,904	6,666	7,857	7,742	7,197	7,095	6,803	6,685
66 All other	297	196	239	202	196	237	255	220	220	240
67 Nonmonetary international and regional organizations	2,344	2,721	4,922	6,363	5,957	4,759	6,831	6,243	6,356	5,329
68 International	1,157	1,661	4,049	5,598	5,273	4,174	6,189	5,426	5,641	4,754
69 Latin American regional	890	710	517	415	419	433	457	451	419	428
70 Other regional[5]	296	350	357	350	265	152	186	366	296	146

1 Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
2 Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4 Comprises Algeria, Gabon, Libya, and Nigeria.
5. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."
▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1980	1981▲	1982	1983		1984				
				Nov.	Dec	Jan	Feb.	Mar	Apr	May p
1 **Total**	**172,592**	**251,589**	**355,705**	**375,118**	**387,710**	**372,146**	**376,875**	**385,029r**	**387,485**	**397,965**
2 **Foreign countries**	**172,514**	**251,533**	**355,636**	**375,048**	**387,547**	**372,081**	**376,711**	**384,879r**	**387,411**	**397,862**
3 Europe	32,108	49,262	85,584	90,243	90,743	90,378	91,293	91,836r	96,206	97,639
4 Austria	236	121	229	395	401	354	414	449	695	454
5 Belgium-Luxembourg	1,621	2,849	5,138	5,548	5,639	5,942	6,182	5,970	6,199	6,452
6 Denmark	127	187	554	1,272	1,275	1,296	1,244	1,283	1,197	1,118
7 Finland	460	546	990	822	1,044	945	952	931	1,021	1,041
8 France	2,958	4,127	7,251	7,942	8,761	7,984	8,314	8,388	8,734	9,012
9 Germany	948	940	1,876	1,256	1,294	1,058	1,047	1,098	1,502	1,110
10 Greece	256	333	452	412	476	508	549	694	830	940
11 Italy	3,364	5,240	7,560	8,459	9,013	7,869	7,904	8,161	8,286	7,840
12 Netherlands	575	682	1,425	1,396	1,302	1,407	1,319	1,309r	2,329	1,787
13 Norway	227	384	572	590	690	652	645	638	705	719
14 Portugal	331	529	950	891	939	954	944	908	1,079	1,141
15 Spain	993	2,095	3,744	3,654	3,573	3,391	3,280	3,347	3,719	3,683
16 Sweden	783	1,205	3,038	3,249	3,358	3,373	3,356	3,528	3,646	2,942
17 Switzerland	1,446	2,213	1,639	2,114	1,856	1,452	1,302	1,447	1,845	1,565
18 Turkey	145	424	560	693	812	795	879	958	1,019	1,004
19 United Kingdom	14,917	23,849	45,781	47,762	46,372	48,488	49,069	48,800r	49,316	52,877
20 Yugoslavia	853	1,225	1,430	1,582	1,673	1,718	1,702	1,706	1,694	1,651
21 Other Western Europe[1]	179	211	368	429	477	493	547	499	655	565
22 U.S.S.R.	281	377	263	173	192	162	169	181	174	154
23 Other Eastern Europe[2]	1,410	1,725	1,762	1,603	1,598	1,537	1,475	1,540r	1,562	1,584
24 Canada	4,810	9,193	13,678	16,382	16,330	15,868	15,984	17,233r	17,065	17,873
25 Latin America and Caribbean	92,992	138,347	187,969	197,785	203,269	193,898	196,869	201,810r	201,371	209,169
26 Argentina	5,689	7,527	10,974	11,899	11,740	11,746	11,751	11,626	11,419	11,034
27 Bahamas	29,419	43,542	56,649	56,131	58,351	52,586	52,761	57,169r	56,764	61,966
28 Bermuda	218	346	603	620	566	644	409	532	772	852
29 Brazil	10,496	16,926	23,271	24,532	24,482	24,826	24,928	25,697r	25,928	25,721
30 British West Indies	15,663	21,981	29,101	32,251	34,921	31,171	33,175	33,157r	33,763	36,262
31 Chile	1,951	3,690	5,513	5,860	6,029	6,163	6,286	6,131	6,051	6,066
32 Colombia	1,752	2,018	3,211	3,734	3,745	3,695	3,536	3,667r	3,649	3,523
33 Cuba	3	3	3	0	0	0	0	0	4	0
34 Ecuador	1,190	1,531	2,062	2,262	2,307	2,367	2,350	2,334	2,335	2,320
35 Guatemala[3]	137	124	124	122	129	189	126	128	129	114
36 Jamaica[3]	36	62	181	210	215	218	219	210	227	241
37 Mexico	12,595	22,439	29,552	33,729	34,710	34,547	34,685	34,593r	34,578	35,140
38 Netherlands Antilles	821	1,076	839	1,186	1,154	971	1,043	1,245r	1,149	1,164
39 Panama	4,974	6,794	10,210	8,336	7,848	7,847	8,794	8,367	7,679	7,892
40 Peru	890	1,218	2,357	2,469	2,536	2,467	2,415	2,453	2,380	2,427
41 Uruguay	137	157	686	903	977	982	908	924	923	886
42 Venezuela	5,438	7,069	10,643	11,086	11,287	11,247	11,183	11,142r	11,107	11,001
43 Other Latin America and Caribbean	1,583	1,844	1,991	2,455	2,271	2,232	2,298	2,436	2,514	2,559
44 Asia	39,078	49,851	60,952	61,286	67,648	62,655	62,623	64,347r	63,015	63,532
China										
45 Mainland	195	107	214	249	292	420	337	364r	428	348
46 Taiwan	2,469	2,461	2,288	1,574	1,908	1,820	1,710	1,657r	1,654	1,574
47 Hong Kong	2,247	4,132	6,787	8,758	8,429	8,129	8,030	7,470	7,940	7,597
48 India	142	123	222	305	330	344	253	337	372	361
49 Indonesia	245	352	348	711	805	853	899	935	911	983
50 Israel	1,172	1,567	2,029	1,817	1,795	1,556	1,478	1,607	1,846	1,821
51 Japan	21,361	26,797	28,379	25,829	30,573	27,333	27,845	28,688r	26,182	27,152
52 Korea	5,697	7,340	9,387	9,629	9,891	9,489	9,513	9,676	10,325	9,550
53 Philippines	989	1,819	2,625	2,427	2,099	2,408	2,357	2,371	2,359	2,382
54 Thailand	876	565	643	867	1,021	1,021	1,035	999r	1,014	1,127
55 Middle East oil-exporting countries[4]	1,432	1,581	3,087	4,276	4,954	4,637	4,264	5,039r	5,097	5,181
56 Other Asia	2,252	3,009	4,943	4,845	5,549	4,646	4,902	5,203r	4,887	5,456
57 Africa	2,377	3,503	5,346	6,830	6,654	6,571	7,226	6,919	6,646	6,709
58 Egypt	151	238	322	692	747	738	712	744	698	633
59 Morocco	223	284	353	461	440	450	481	484	486	558
60 South Africa	370	1,011	2,012	2,892	2,634	2,684	2,928	2,989	2,908	2,974
61 Zaire	94	112	57	37	33	29	16	13	26	28
62 Oil-exporting countries[5]	805	657	801	1,039	1,073	1,037	1,124	1,029	1,000	967
63 Other	734	1,201	1,802	1,709	1,727	1,631	1,964	1,661	1,527	1,550
64 Other countries	1,150	1,376	2,107	2,522	2,904	2,712	2,718	2,734	3,109	2,940
65 Australia	859	1,203	1,713	1,899	2,272	2,105	2,048	2,007	2,489	2,343
66 All other	290	172	394	624	632	607	670	727	620	597
67 Nonmonetary international and regional organizations[6]	78	56	68	70	164	64	164	150	74	103

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.
3. Included in "Other Latin America and Caribbean" through March 1978.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE. Data for period before April 1978 include claims of banks' domestic customers on foreigners.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1980	1981▲	1982	1983		1984				
				Nov	Dec	Jan	Feb	Mar.[r]	Apr	May[p]
1 **Total**	**198,698**	**287,557**	**396,015**	....	**421,653**	....	....	**421,214**	....	....
2 Banks' own claims on foreigners	172,592	251,589	355,705	375,118	387,710	372,146	376,875	385,029	387,485	397,965
3 Foreign public borrowers	20,882	31,260	45,422	56,026	57,255	58,115	57,346	57,731	58,043	57,844
4 Own foreign offices[1]	65,084	96,653	127,293	137,520	144,016	138,377	140,881	146,467	146,122	155,749
5 Unaffiliated foreign banks	50,168	74,704	121,377	118,619	122,779	115,211	116,872	119,496	121,193	122,869
6 Deposits	8,254	23,381	44,223	44,738	46,392	43,092	44,742	45,364	44,229	46,730
7 Other	41,914	51,322	77,153	73,881	76,387	72,119	72,130	74,132	76,964	76,139
8 All other foreigners	36,459	48,972	61,614	62,952	63,661	60,442	61,776	61,335	62,127	61,503
9 Claims of banks' domestic customers[2]	26,106	35,968	40,310	....	33,943		.	36,185		
10 Deposits	885	1,378	2,491	....	2,969		....	3,660		.....
11 Negotiable and readily transferable instruments[3]	15,574	26,352	30,763	.....	25,104	...		25,992		...
12 Outstanding collections and other claims	9,648	8,238	7,056		5,870		..	6,533	..	
13 MEMO Customer liability on acceptances	22,714	29,952	38,153		37,324			36,984	.	.
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[4]	24,468	40,369	42,358[r]	48,672[r]	44,994[r]	44,836[r]	46,979[r]	46,258	47,681	n a

1. *U.S banks*. includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies *Agencies, branches, and majority-owned subsidiaries of foreign banks*· principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank

2 Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

3 Principally negotiable time certificates of deposit and bankers acceptances.

4 Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U S dollars issued by banks abroad For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p 550

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

NOTE. Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area	1980	1981▲	1982	1983			1984
				June	Sept.	Dec	Mar
1 **Total**	**106,748**	**154,590**	**228,150**	**232,704**	**237,162**	**242,933**	**232,612**
By borrower							
2 Maturity of 1 year or less[1]	82,555	116,394	173,917	175,021	176,271	175,970	159,835
3 Foreign public borrowers	9,974	15,142	21,256	23,124	25,479	24,258	20,656
4 All other foreigners	72,581	101,252	152,661	151,897	150,792	151,712	139,179
5 Maturity of over 1 year[1]	24,193	38,197	54,233	57,683	60,891	66,963	72,777
6 Foreign public borrowers	10,152	15,589	23,137	26,455	28,231	32,482	35,825
7 All other foreigners	14,041	22,608	31,095	31,227	32,660	34,481	36,952
By area							
Maturity of 1 year or less[1]							
8 Europe	18,715	28,130	50,500	52,208	53,332	55,550	53,167
9 Canada	2,723	4,662	7,642	7,110	6,642	6,200	6,566
10 Latin America and Caribbean	32,034	48,717	73,291	74,967	76,383	73,997	63,053
11 Asia	26,686	31,485	37,578	35,345	33,890	34,518	31,238
12 Africa	1,757	2,457	3,680	3,854	4,570	4,206	4,472
13 All other[2]	640	943	1,226	1,536	1,454	1,499	1,340
Maturity of over 1 year[1]							
14 Europe	5,118	8,100	11,636	12,289	12,338	13,300	13,068
15 Canada	1,448	1,808	1,931	1,861	1,760	1,857	2,035
16 Latin America and Caribbean	15,075	25,209	35,247	36,730	39,102	43,498	49,047
17 Asia	1,865	1,907	3,185	4,070	4,735	4,838	5,131
18 Africa	507	900	1,494	1,667	1,819	2,278	2,291
19 All other[2]	179	272	740	1,066	1,136	1,191	1,206

1 Remaining time to maturity

2 Includes nonmonetary international and regional organizations.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1]

Billions of dollars, end of period

Area or country	1979	1980	1981	1982 June	1982 Sept	1982 Dec	1983 Mar	1983 June	1983 Sept	1983 Dec	1984 Mar ᵖ
1 **Total**	**303.9**	**352.0**	**415.2**	**435.5**	**438.4**	**438.7**	**441.1**	**437.4**	**428.3**	**434.1**	**430.8**
2 G-10 countries and Switzerland	138.4	162.1	175.5	176.3	175.4	179.7	182.2	176.9	168.3	167.2	165.0
3 Belgium-Luxembourg	11.1	13.0	13.3	14.1	13.6	13.1	13.7	13.3	12.6	12.4	11.0
4 France	11.7	14.1	15.3	16.5	15.8	17.1	17.1	17.1	16.2	16.3	15.9
5 Germany	12.2	12.1	12.9	12.7	12.2	12.7	13.5	12.6	11.6	11.3	11.7
6 Italy	6.4	8.2	9.6	9.0	9.7	10.3	10.2	10.5	10.0	11.4	11.2
7 Netherlands	4.8	4.4	4.0	4.1	3.8	3.6	4.3	4.0	3.6	3.5	3.4
8 Sweden	2.4	2.9	3.7	4.0	4.7	5.0	4.3	4.7	4.9	5.1	5.2
9 Switzerland	4.7	5.0	5.5	5.1	5.1	5.0	4.6	4.8	4.2	4.3	4.2
10 United Kingdom	56.4	67.4	70.1	69.4	70.3	72.1	72.9	70.3	67.4	64.4	63.9
11 Canada	6.3	8.4	10.9	11.4	11.0	10.4	12.5	10.8	9.0	8.3	8.6
12 Japan	22.4	26.5	30.2	29.9	29.3	30.2	29.2	28.7	28.8	30.1	30.0
13 Other developed countries	19.9	21.6	28.4	32.2	32.7	33.7	34.0	34.4	34.2	35.9	35.5
14 Austria	2.0	1.9	1.9	2.1	2.0	1.9	2.1	2.1	1.9	1.9	2.0
15 Denmark	2.2	2.3	2.3	2.6	2.5	2.4	3.3	3.4	3.3	3.4	3.4
16 Finland	1.2	1.4	1.7	1.6	1.8	2.2	2.1	2.1	1.8	2.4	2.1
17 Greece	2.4	2.8	2.8	2.7	2.6	3.0	2.9	2.9	2.9	2.8	3.0
18 Norway	2.3	2.6	3.1	3.2	3.4	3.3	3.3	3.4	3.2	3.3	3.2
19 Portugal	7	6	1.1	1.5	1.6	1.5	1.4	1.4	1.3	1.3	1.1
20 Spain	3.5	4.4	6.6	7.3	7.7	7.5	7.1	7.2	7.2	7.1	7.1
21 Turkey	1.4	1.5	1.4	1.5	1.5	1.4	1.5	1.4	1.5	1.7	1.9
22 Other Western Europe	1.4	1.7	2.1	2.2	2.1	2.3	2.3	2.0	2.1	1.8	1.8
23 South Africa	1.3	1.1	2.8	3.5	3.6	3.7	3.6	3.9	4.7	4.7	4.8
24 Australia	1.3	1.3	2.5	4.0	4.0	4.4	4.6	4.6	4.4	5.5	5.2
25 OPEC countries[2]	22.9	22.7	24.8	26.4	27.3	27.4	28.5	28.3	27.2	28.9	28.5
26 Ecuador	1.7	2.1	2.2	2.4	2.3	2.2	2.2	2.2	2.1	2.2	2.1
27 Venezuela	8.7	9.1	9.9	10.1	10.4	10.5	10.4	10.4	9.8	9.9	9.7
28 Indonesia	1.9	1.8	2.6	2.8	2.9	3.2	3.5	3.2	3.4	3.8	4.0
29 Middle East countries	8.0	6.9	7.5	8.7	9.0	8.7	9.3	9.5	9.1	10.0	9.8
30 African countries	2.6	2.8	2.5	2.5	2.7	2.8	3.0	3.0	2.8	3.0	3.0
31 Non-OPEC developing countries	63.0	77.4	96.3	103.7	104.1	107.1	107.7	108.3	109.1	110.6	111.9
Latin America											
32 Argentina	5.0	7.9	9.4	9.6	9.2	8.9	9.0	9.4	9.5	9.5	9.5
33 Brazil	15.2	16.2	19.1	21.4	22.4	22.9	23.1	22.6	22.9	22.9	24.9
34 Chile	2.5	3.7	5.8	6.4	6.2	6.3	6.0	5.8	6.2	6.4	6.4
35 Colombia	2.2	2.6	2.6	2.6	2.8	3.1	2.9	3.2	3.2	3.2	3.1
36 Mexico	12.0	15.9	21.6	25.2	25.0	24.5	25.1	25.2	25.8	26.0	25.5
37 Peru	1.5	1.8	2.0	2.4	2.6	2.6	2.4	2.6	2.4	2.4	2.3
38 Other Latin America	3.7	3.9	4.1	4.0	4.3	4.0	4.2	4.3	4.2	4.2	4.4
Asia											
China											
39 Mainland	1	2	2	3	2	2	2	2	2	3	4
40 Taiwan	3.4	4.2	5.1	5.0	4.9	5.3	5.1	5.1	5.2	5.3	5.0
41 India	2	3	3	5	5	6	4	5	5	.6	1.0
42 Israel	1.3	1.5	2.1	2.2	1.9	2.3	2.0	2.3	1.7	1.8	1.6
43 Korea (South)	5.4	7.1	9.4	8.9	9.4	10.9	10.9	10.8	10.8	11.3	11.1
44 Malaysia	1.0	1.1	1.7	1.9	1.8	2.1	2.5	2.6	2.8	2.9	2.8
45 Philippines	4.2	5.1	6.0	6.3	6.1	6.3	6.6	6.4	6.2	6.2	6.7
46 Thailand	1.5	1.6	1.5	1.3	1.3	1.6	1.6	1.8	1.7	2.0	1.9
47 Other Asia	5	6	1.0	1.1	1.3	1.1	1.4	1.2	1.0	1.0	9
Africa											
48 Egypt	6	8	1.1	1.3	1.3	1.2	1.1	1.3	1.4	1.5	1.4
49 Morocco	6	7	.7	7	8	7	8	8	8	8	.8
50 Zaire	2	2	2	2	1	1	1	1	1	1	.1
51 Other Africa[3]	1.7	2.1	2.3	2.3	2.2	2.4	2.3	2.2	2.4	2.3	2.2
52 Eastern Europe	7.3	7.4	7.8	6.7	6.3	6.2	5.7	5.7	5.3	5.3	4.9
53 U.S.S.R.	.7	4	6	4	3	3	3	4	2	.2	2
54 Yugoslavia	1.8	2.3	2.5	2.4	2.2	2.2	2.2	2.3	2.3	2.3	2.2
55 Other	4.8	4.6	4.7	3.9	3.8	3.7	3.2	3.0	2.8	2.8	2.5
56 Offshore banking centers	40.4	47.0	63.7	72.1	72.2	66.8	66.2	67.6	67.5	69.2	68.9
57 Bahamas	13.7	13.7	19.0	24.1	21.4	19.0	17.4	19.6	20.5	20.7	23.6
58 Bermuda	8	6	7	7	8	9	1.0	8	8	9	7
59 Cayman Islands and other British West Indies	9.4	10.6	12.4	12.4	13.6	12.9	12.0	12.2	10.6	12.2	10.8
60 Netherlands Antilles	1.2	2.1	3.2	3.0	3.3	3.3	3.1	2.6	4.1	4.2	3.2
61 Panama[4]	4.3	5.4	7.7	7.4	8.1	7.6	7.1	6.6	5.7	6.0	6.3
62 Lebanon	2	2	2	2	1	1	1	1	1	1	1
63 Hong Kong	6.0	8.1	11.8	14.4	15.1	13.9	15.1	14.6	15.1	14.9	14.3
64 Singapore	4.5	5.9	8.7	9.9	9.8	9.2	10.3	11.0	10.5	10.2	9.8
65 Others[5]	4	3	1	1	.0	0	0	0	1	0	.0
66 Miscellaneous and unallocated[6]	11.7	14.0	18.8	18.4	20.4	17.9	16.8	16.1	16.8	17.0	16.2

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (*excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches*).

2. Besides the Organization of Petroleum Exporting Countries shown individually, this group includes other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates) as well as Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

6. *Includes New Zealand, Liberia, and international and regional organizations.*

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type, and area or country	1980	1981	1982	1982	1983			
				Dec.	Mar	June	Sept	Dec
1 **Total**	**29,434**	**28,618**	**25,663r**	**25,663r**	**23,450r**	**22,846r**	**24,762r**	**23,571**
2 Payable in dollars	25,689	24,909	22,470r	22,470r	20,459r	19,922r	21,895r	20,484
3 Payable in foreign currencies	3,745	3,709	3,193	3,193	2,991r	2,924r	2,867	3,087
By type								
4 Financial liabilities	11,330	12,157	11,001r	11,001r	10,996r	11,181r	10,946r	10,383
5 Payable in dollars	8,528	9,499	8,829r	8,829r	8,952r	9,120r	8,976r	8,504
6 Payable in foreign currencies	2,802	2,658	2,172	2,172	2,044r	2,061r	1,971	1,879
7 Commercial liabilities	18,104	16,461	14,662	14,662	12,454	11,665	13,815	13,189
8 Trade payables	12,201	10,818	7,707	7,707	5,627	6,026	7,056	6,496
9 Advance receipts and other liabilities	5,903	5,643	6,955	6,955	6,827	5,640	6,760	6,693
10 Payable in dollars	17,161	15,409	13,641	13,641	11,507	10,802	12,919	11,980
11 Payable in foreign currencies	943	1,052	1,021	1,021	947	864	896	1,208
By area or country								
Financial liabilities								
12 Europe	6,481	6,825	6,438r	6,438r	6,319r	6,337r	6,027r	5,715
13 Belgium-Luxembourg	479	471	557r	557r	459r	482r	379	302
14 France	327	709	731	731	725	756	785	820
15 Germany	582	491	470	470	487	460	454	505
16 Netherlands	681	748	711	711	699	728	730	581
17 Switzerland	354	715	753	753	710r	629r	530	525
18 United Kingdom	3,923	3,565	3,075r	3,075r	3,097r	3,108r	2,992r	2,834
19 Canada	964	963	746	746	733	876r	788	770
20 Latin America and Caribbean	3,136	3,356	2,749r	2,749r	2,787r	2,623r	2,709r	2,541
21 Bahamas	964	1,279	904r	904r	857r	776r	771	749
22 Bermuda	1	7	14	14	18	10	13	13
23 Brazil	23	22	28	28	39	34	32	32
24 British West Indies	1,452	1,241	1,025r	1,025r	1,053r	1,033r	1,023r	896
25 Mexico	99	102	121	121	149	151	185	215
26 Venezuela	81	98	114	114	121	124	117	124
27 Asia	723	976	1,039	1,039	1,124	1,319	1,388r	1,330
28 Japan	644	792	715	715	781	943	957	962
29 Middle East oil-exporting countries[2]	38	75	169	169	168	205	201	170
30 Africa	11	14	17	17	20	17	19	18
31 Oil-exporting countries[3]	1	0	0	0	0	0	0	0
32 All other[4]	15	24	12	12	13	9	15	10
Commercial liabilities								
33 Europe	4,402	3,770	3,649	3,649	3,443	3,368	3,384	3,122
34 Belgium-Luxembourg	90	71	52	52	45	41	47	62
35 France	582	573	597	597	578	617	506	436
36 Germany	679	545	467	467	455	439	461	436
37 Netherlands	219	220	346	346	351	342	243	275
38 Switzerland	499	424	363	363	354	357	448	232
39 United Kingdom	1,209	880	850	850	679	633	786	605
40 Canada	888	897	1,490	1,490	1,433	1,465	1,407	1,827
41 Latin America and Caribbean	1,300	1,044	1,008	1,008	1,066	1024	1,067	1,063
42 Bahamas	8	2	16	16	4	1	1	1
43 Bermuda	75	67	89	89	117	76	76	63
44 Brazil	111	67	60	60	51	49	48	44
45 British West Indies	35	2	32	32	4	22	14	6
46 Mexico	367	340	379	379	355	399	429	491
47 Venezuela	319	276	165	165	198	236	217	166
48 Asia	10,242	9,384	7,160	7,160	5,437	4,799	6,852	6,040
49 Japan	802	1,094	1,226	1,226	1,235	1,236	1,294	1,234
50 Middle East oil-exporting countries[2,5]	8,098	7,008	4,531	4,531	2,803	2,294	4,072	3,498
51 Africa	817	703	704	704	497	492	506	446
52 Oil-exporting countries[3]	517	344	277	277	158	167	204	157
53 All other[4]	456	664	651	651	578	518	600	690

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.
5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

	Type, and area or country	1980	1981	1982	1982	1983			
					Dec	Mar	June	Sept	Dec
1	**Total**	**34,482**	**36,185**	**28,483r**	**28,483r**	**31,230r**	**31,505r**	**31,656**	**33,329**
2	Payable in dollars	31,528	32,582	25,851r	25,851r	28,510r	28,849r	28,780	30,169
3	Payable in foreign currencies	2,955	3,603	2,632r	2,632r	2,720r	2,656r	2,877	3,160
	By type								
4	Financial claims	19,763	21,142	17,501r	17,501r	20,261r	20,896r	20,831	22,299
5	Deposits	14,166	15,081	12,965r	12,965r	15,610r	16,072r	15,987	17,318
6	Payable in dollars	13,381	14,456	12,534r	12,534r	15,130r	15,632r	15,542	16,821
7	Payable in foreign currencies	785	625	430r	430r	480r	439r	445	497
8	Other financial claims	5,597	6,061	4,536	4,536	4,651	4,824r	4,845	4,981
9	Payable in dollars	3,914	3,599	2,895	2,895	3,006	3,226r	3,019	2,919
10	Payable in foreign currencies	1,683	2,462	1,641	1,641	1,645	1,598	1,826	2,062
11	Commercial claims	14,720	15,043	10,982	10,982	10,969	10,609	10,825	11,030
12	Trade receivables	13,960	14,007	9,973	9,973	9,765	9,241	9,526	9,655
13	Advance payments and other claims	759	1,036	1,010	1,010	1,203	1,367	1,299	1,375
14	Payable in dollars	14,233	14,527	10,422	10,422	10,374	9,991	10,219	10,429
15	Payable in foreign currencies	487	516	561	561	595	618	606	601
	By area or country								
	Financial claims								
16	Europe	6,069	4,596	4,868r	4,868r	6,229r	6,847r	6,202	6,423
17	Belgium-Luxembourg	145	43	10	10	58	12	25	37
18	France	298	285	134	134	98	140	135	130
19	Germany	230	224	178	178	127	216r	151	129
20	Netherlands	51	50	97	97	140	136	89	49
21	Switzerland	54	117	107	107	107	37	34	38
22	United Kingdom	4,987	3,546	4,064r	4,064r	5,434r	6,058r	5,547	5,768
23	Canada	5,036	6,755	4,287	4,287	4,613	4,885r	4,958	5,759
24	Latin America and Caribbean	7,811	8,812	7,458r	7,458r	8,527r	8,089r	8,609	9,110
25	Bahamas	3,477	3,650	3,265r	3,265r	3,811r	3,291r	3,389	4,332
26	Bermuda	135	18	32	32	21	92r	62	96
27	Brazil	96	30	62	62	50	48	49	53
28	British West Indies	2,755	3,971	3,171r	3,171r	3,408r	3,447r	3,932	3,509
29	Mexico	208	313	274	274	352	348	315	273
30	Venezuela	137	148	139	139	156	152	137	134
31	Asia	607	758	698	698	712	771r	764	714
32	Japan	189	366	153	153	233	288	257	246
33	Middle East oil-exporting countries[2]	20	37	15	15	18	14	8	4
34	Africa	208	173	158	158	153	154	151	147
35	Oil-exporting countries[3]	26	46	48	48	45	48	45	55
36	All other[4]	32	48	31	31	25	149	148	145
	Commercial claims								
37	Europe	5,544	5,405	3,777	3,777	3,594	3,410	3,349	3,604
38	Belgium-Luxembourg	233	234	150	150	140	144	131	142
39	France	1,129	776	473	473	489	499	486	455
40	Germany	599	561	356	356	424	364	381	346
41	Netherlands	318	299	347	347	309	242	282	332
42	Switzerland	354	431	339	339	227	303	270	295
43	United Kingdom	929	985	808	808	754	739	734	802
44	Canada	914	967	632	632	648	716	788	822
45	Latin America and Caribbean	3,766	3,479	2,521	2,521	2,699	2,722	2,864	2,697
46	Bahamas	21	12	21	21	30	30	15	8
47	Bermuda	108	223	259	259	172	108	242	194
48	Brazil	861	668	258	258	402	512	611	493
49	British West Indies	34	12	12	12	21	21	12	7
50	Mexico	1,102	1,022	774	774	894	956	897	883
51	Venezuela	410	424	351	351	288	273	282	273
52	Asia	3,522	3,959	3,048	3,048	3,128	2,871	2,936	3,045
53	Japan	1,052	1,245	1,047	1,047	1,115	949	1,037	1,091
54	Middle East oil-exporting countries[2]	825	905	751	751	702	700	719	737
55	Africa	653	772	588	588	559	528	562	584
56	Oil-exporting countries[3]	153	152	140	140	131	130	131	139
57	All other[4]	321	461	417	417	342	361	326	277

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1982	1983	1984 Jan.–May	1983 Nov.	1983 Dec	1984 Jan	1984 Feb	1984 Mar	1984 Apr	1984 May^p
	U.S corporate securities									
STOCKS										
1 Foreign purchases	41,881	69,896	27,338	4,853	6,020	5,445	6,234	6,101	4,510	5,048
2 Foreign sales	37,981	64,466	26,904	4,794	5,745	5,798	5,823	5,599	4,189	5,494
3 **Net purchases, or sales (−)**	**3,901**	**5,430**	**434**	**60**	**275**	**−353**	**411**	**502**	**321**	**−446**
4 **Foreign countries**	**3,816**	**5,332**	**474**	**59**	**283**	**−342**	**480**	**470**	**320**	**−454**
5 Europe	2,530	3,999	243	−60	−278	−160	147	329	208	−281
6 France	143	97	−34	−68	−64	−71	−97	−4	38	100
7 Germany	333	1,045	278	53	−51	95	116	151	−43	−40
8 Netherlands	−63	−109	−29	24	13	0	1	32	−15	−47
9 Switzerland	−579	1,325	57	−97	−208	−92	282	3	90	220
10 United Kingdom	3,117	1,818	−89	21	51	−87	−168	125	137	−96
11 Canada	222	1,151	719	−1	183	83	323	300	73	−61
12 Latin America and Caribbean	317	529	288	14	239	124	43	14	25	82
13 Middle East[1]	366	−807	−829	45	13	−361	−44	−197	−58	−168
14 Other Asia	247	394	58	63	122	−48	36	33	66	−28
15 Africa	2	42	8	1	2	5	10	−7	5	4
16 Other countries	131	24	13	−3	1	16	−34	−1	2	6
17 **Nonmonetary international and regional organizations**	**85**	**98**	**−40**	**0**	**−7**	**−11**	**−70**	**32**	**1**	**8**
BONDS[2]										
18 Foreign purchases	21,639	23,976	9,622	2,039	1,661	1,836	2,113	2,200r	1,710	1,763
19 Foreign sales	20,188	23,076	9,012	1,304	1,493	1,775	1,864	2,074r	1,857	1,442
20 **Net purchases, or sales (−)**	**1,451**	**900**	**610**	**735**	**168**	**62**	**248**	**126r**	**−147**	**321**
21 **Foreign countries**	**1,479**	**885**	**558**	**715**	**160**	**72**	**161**	**183r**	**−214**	**355**
22 Europe	2,082	904	224	458	−87	72	51	−15	30	85
23 France	305	−89	−12	−31	−4	−1	−5	−1	−5	0
24 Germany	2,110	286	221	53	−10	−38	−32	117	68	107
25 Netherlands	33	51	24	5	3	3	25	9	−12	1
26 Switzerland	157	632	−43	15	78	12	5	−45	−22	8
27 United Kingdom	−589	438	−126	390	−126	129	101	−58	239	−59
28 Canada	24	123	−106	46	−22	1	−10	−23r	−77	3
29 Latin America and Caribbean	159	100	192	−6	20	9	16	18r	−8	157
30 Middle East[1]	752	1,159	−218	116	42	−26	30	30	−263	11
31 Other Asia	−22	865	465	101	207	18	75	170	102	100
32 Africa	−19	0	0	0	0	−1	0	0	1	0
33 Other countries	7	52	1	0	0	0	−2	3	1	0
34 **Nonmonetary international and regional organizations**	**−28**	**15**	**53**	**20**	**7**	**−11**	**87**	**−57**	**67**	**−34**
	Foreign securities									
35 Stocks, net purchases, or sales (−)	−1,341	−3,867	383	−31	−190	−125	318	144	−18	64
36 Foreign purchases	7,163	13,143	6,631	907	1,126	1,197	1,460	1,575	1,242	1,156
37 Foreign sales	8,504	17,010	6,248	939	1,317	1,323	1,142	1,431	1,260	1,092
38 Bonds, net purchases, or sales (−)	6,631	−3,694	−1,126	173	−689	125	−73	−148r	−399	−631
39 Foreign purchases	27,167	35,669	20,913	3,114	3,072	3,273	3,902	4,760r	3,812	5,165
40 Foreign sales	33,798	39,363	22,039	2,940	3,761	3,148	3,975	4,907r	4,211	5,797
41 **Net purchases, or sales (−), of stocks and bonds**	**−7,972**	**−7,561**	**−743**	**142**	**−879**	**0**	**245**	**−4r**	**−417**	**−567**
42 **Foreign countries**	**−6,806**	**−7,116**	**−961**	**38**	**−719**	**−29**	**213**	**−89r**	**−415**	**−642**
43 Europe	−2,584	−5,713	−2,743	−426	−448	−45	−404	−237r	−537	−1,520
44 Canada	−2,363	1,582	−202	37	−64	−128	184	−108r	−187	38
45 Latin America and Caribbean	336	1,120	1,079	135	17	114	188	49	126	602
46 Asia	1,822	−914	939	158	−81	33	255	220	187	243
47 Africa	−9	141	−47	1	0	−5	−11	−10	−4	−16
48 Other countries	364	166	12	133	−143	2	1	−3	0	12
49 **Nonmonetary international and regional organizations**	**−1,165**	**−445**	**219**	**105**	**−161**	**28**	**32**	**85**	**−2**	**74**

1 Comprises oil-exporting countries as follows Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

2 Includes state and local government securities, and securities of U S government agencies and corporations. Also includes issues of new debt securities sold abroad by U S corporations organized to finance direct investments abroad

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1982	1983	1984 Jan – May	1983 Nov	1983 Dec	1984 Jan	1984 Feb	1984 Mar	1984 Apr	1984 May^p
	Holdings (end of period)[1]									
1 **Estimated total[2]**	**85,220**	**88,940**	....	**89,509**	**88,940**	**89,666**	**90,275**	**89,725^r**	**92,074**	**92,917**
2 Foreign countries[2]	80,637	83,820		83,668	83,820	84,549	84,446	84,447^r	85,472	85,290
3 Europe[2]	29,284	35,537		35,106	35,537	36,049	37,396	37,303^r	37,864	37,876
4 Belgium-Luxembourg	447	16		2	16	33	50	57	91	61
5 Germany[2]	14,841	17,290		17,092	17,290	17,581	18,527	18,834^r	19,201	19,507
6 Netherlands	2,754	3,129		3,048	3,129	3,113	3,052	3,023	3,117	2,979
7 Sweden	677	867		783	867	898	918	965	969	974
8 Switzerland[2]	1,540	1,118		1,064	1,118	1,167	1,206	1,256	1,241	979
9 United Kingdom	6,549	8,524		8,626	8,524	8,723	8,610	8,430	8,434	8,670
10 Other Western Europe	2,476	4,592		4,490	4,592	4,535	5,034	4,740^r	4,809	4,707
11 Eastern Europe	0	0		0	0	0	0	0	0	1
12 Canada	602	1,301		1,225	1,301	1,298	1,310	1,090	1,299	1,308
13 Latin America and Caribbean	1,076	863		914	863	1,426	840	563	572	962
14 Venezuela	188	64		64	64	64	64	64	65	65
15 Other Latin America and Caribbean	656	716		674	716	696	574	504	453	546
16 Netherlands Antilles	232	83		176	83	665	201	6	53	351
17 Asia	49,543	46,000		46,301	46,000	45,664	44,797	45,386^r	45,595	44,977
18 Japan	11,578	13,910		13,600	13,910	14,012	14,351	14,333	14,547	14,871
19 Africa	77	79		79	79	79	78	82	85	88
20 All other	55	40		43	40	33	25	22	58	79
21 Nonmonetary international and regional organizations	4,583	5,120		5,841	5,120	5,117	5,829	5,278^r	6,602	7,627
22 International	4,186	4,404		5,030	4,404	4,467	5,139	4,614	5,936	6,946
23 Latin American regional	6	6		0	6	6	6	6	6	6
	Transactions (net purchases, or sales (–) during period)									
24 **Total[2]**	**14,972**	**3,720**	**3,977**	**–1,422**	**–576**	**726**	**610**	**–550^r**	**2,348**	**843**
25 Foreign countries[2]	16,072	3,183	1,470	615	152	729	103	1^r	1,025	182
26 Official institutions	14,550	806	680	773	401	539	64	476^r	621	1,021
27 Other foreign[2]	1,518	2,381	790	158	554	189	168	475^r	404	840
28 Nonmonetary international and regional organizations	–1,097	531	2,504	808	729	3	712	551^r	1,322	1,024
MEMO Oil-exporting countries										
29 Middle East[3]	7,575	–5,424	2,983	968	60	515	773	46	678	1,063
30 Africa[4]	–552	–1	0	0	0	0	0	0	0	0

1 Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2 *Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.*

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4 Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on June 30, 1984: Per-cent	Rate on June 30, 1984: Month effective	Country	Rate on June 30, 1984: Per-cent	Rate on June 30, 1984: Month effective	Country	Rate on June 30, 1984: Per-cent	Rate on June 30, 1984: Month effective
Austria	4.25	Mar. 1984	France[1]	11.75	May 1984	Norway	8.0	June 1979
Belgium	11.0	Feb. 1984	Germany, Fed. Rep. of	4.5	June 1984	Switzerland	4.0	Mar. 1983
Brazil	49.0	Mar. 1981	Italy	15.5	May 1984	United Kingdom[2]		
Canada	12.36	June 1984	Japan	5.0	Oct. 1983	Venezuela	11.0	May 1983
Denmark	7.0	Oct. 1983	Netherlands	5.0	Sept. 1983			

1 As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.

2 Minimum lending rate suspended as of Aug. 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1981	1982	1983	1983	1984					
				Dec	Jan.	Feb	Mar	Apr	May	June
1 Eurodollars	16.79	12.24	9.57	10.08	9.78	9.91	10.40	10.83	11.53	11.68
2 United Kingdom	13.86	12.21	10.06	9.34	9.40	9.35	8.90	8.84	9.32	9.43
3 Canada	18.84	14.38	9.48	9.83	9.84	9.85	10.40	10.75	11.52	11.86
4 Germany	12.05	8.81	5.73	6.43	6.07	5.91	5.82	5.81	6.08	6.11
5 Switzerland	9.15	5.04	4.11	4.29	3.65	3.47	3.60	3.61	3.83	4.15
6 Netherlands	11.52	8.26	5.58	6.20	6.01	5.95	6.09	6.04	6.05	6.09
7 France	15.28	14.61	12.44	12.16	12.22	12.36	12.53	12.46	12.16	12.23
8 Italy	19.98	19.99	18.95	17.75	17.75	17.40	17.28	17.38	16.80	16.75
9 Belgium	15.28	14.10	10.51	10.50	10.68	11.43	12.02	11.66	11.80	11.90
10 Japan	7.58	6.84	6.49	6.45	6.35	6.34	6.41	6.26	6.24	6.35

NOTE Rates are for 3-month interbank loans except for Canada, finance company paper, Belgium, 3-month Treasury bills, and Japan, Gensaki rate

3.28 FOREIGN EXCHANGE RATES

Currency units per dollar

Country/currency	1981	1982	1983	1984					
				Jan	Feb	Mar	Apr	May	June
1 Australia/dollar[1]	114.95	101.65	90.14	90.60	93.48	95.13	92.31	90.61	88.26
2 Austria/schilling	15.948	17.060	17.968	19.815	19.028	18.285	18.630	19.316	19.226
3 Belgium/franc	37.194	45.780	51.121	57.354	55.279	53.135	54.078	55.925	55.840
4 Brazil/cruzeiro	92.374	179.22	573.27	1022.81	1131.37	1266.64	1387.52	1497.64	1,643.81
5 Canada/dollar	1.1990	1.2344	1.2325	1.2484	1.2480	1.2697	1.2796	1.2944	1.3040
6 China, P.R./yuan	1.7031	1.8978	1.9809	2.0490	2.0628	2.0646	2.0929	2.1866	2.2178
7 Denmark/krone	7.1350	8.3443	9.1483	10.1793	9.8549	9.5175	9.7311	10.0618	10.050
8 Finland/markka	4.3128	4.8086	5.5636	5.9385	5.7892	5.6136	5.6434	5.8115	5.8182
9 France/franc	5.4396	6.5793	7.6203	8.5948	8.3051	8.0022	8.1411	8.4435	8.4181
10 Germany/deutsche mark	2.2631	2.428	2.5539	2.8110	2.6984	2.5973	2.6474	2.7484	2.7397
11 Greece/drachma	n.a.	66.872	87.895	102.601	101.80	102.40	104.89	108.37	108.85
12 Hong Kong/dollar	5.5678	6.0697	7.2569	7.7968	7.7883	7.7942	7.8073	7.8159	7.8131
13 India/rupee	8.6807	9.4846	10.1040	10.7152	10.744	10.714	10.820	11.017	11.064
14 Ireland/pound[1]	161.32	142.05	124.81	110.20	114.21	117.88	115.67	111.75	111.67
15 Israel/shekel	n.a.	24.407	55.865	116.728	130.21	146.40	168.76	191.56	215.06
16 Italy/lira	1138.60	1354.00	1519.30	1706.63	1666.39	1614.17	1638.48	1696.32	1,694.80
17 Japan/yen	220.63	249.06	237.55	233.80	233.60	225.27	225.20	230.48	233.57
18 Malaysia/ringgit	2.3048	2.3395	2.3204	2.3411	2.3363	2.2933	2.2904	2.3029	2.3109
19 Mexico/peso	24.547	72.990	155.01	166.33	168.49	172.93	179.07	198.35	196.54
20 Netherlands/guilder	2.4998	2.6719	2.8543	3.1602	3.0455	2.9326	2.9864	3.0926	3.0882
21 New Zealand/dollar[1]	86.848	75.101	66.790	64.860	65.810	66.714	65.834	64.892	64.205
22 Norway/krone	5.7430	6.4567	7.3012	7.8763	7.6937	7.5028	7.5992	7.8100	7.8162
23 Philippines/peso	7.8113	8.5324	11.0940	14.050	14.050	14.186	14.257	14.262	14.250
24 Portugal/escudo	61.739	80.101	111.610	136.29	135.01	131.70	134.46	139.85	141.83
25 Singapore/dollar	2.1053	2.1406	2.1136	2.1309	2.1279	2.0893	2.0853	2.1006	2.1122
26 South Africa/rand[1]	114.77	92.297	89.85	79.54	81.31	82.10	80.19	78.15	76.49
27 South Korea/won	n.a.	731.93	776.04	800.33	799.06	794.51	796.41	801.54	802.20
28 Spain/peseta	92.396	110.09	143.500	159.832	154.20	149.68	150.26	154.03	154.75
29 Sri Lanka/rupee	18.967	20.756	23.510	25.181	25.270	25.177	25.133	25.161	25.176
30 Sweden/krona	5.0659	6.2838	7.6717	8.1782	7.9976	7.7323	7.8444	8.0782	8.0993
31 Switzerland/franc	1.9674	2.0327	2.1006	2.2380	2.2050	2.1490	2.1913	2.2680	2.2832
32 Taiwan/Dollar	n.a.	n.a.	n.a.	40.202	40.236	40.078	39.784	39.716	39.843
33 Thailand/baht	21.731	23.014	22.991	23.006	23.000	23.004	23.010	23.010	23.010
34 United Kingdom/pound[1]	202.43	174.80	151.59	140.76	144.17	145.57	142.10	138.94	137.70
35 Venezuela/bolivar	4.2781	4.2981	10.6840	13.021	13.023	13.470	14.375	15.661	14.709
MEMO									
United States/dollar[2]	102.94	116.57	125.34	135.07	131.71	128.07	130.01	133.99	134.31

1 Value in U.S. cents.

2 Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland March 1973 = 100. Weights are 1972–76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of the Weighted-Average Exchange Value of the U.S. Dollar. Revision" on p. 700 of the August 1978 BULLETIN.

NOTE Averages of certified noon buying rates in New York for cable tranfers

Guide to Tabular Presentation, Statistical Releases, and Special Tables

Guide to Tabular Presentation

Symbols and Abbreviations

c	Corrected
e	Estimated
p	Preliminary
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
n.a.	Not available
n.e.c.	Not elsewhere classified
IPCs	Individuals, partnerships, and corporations
REITs	Real estate investment trusts
RPs	Repurchase agreements
SMSAs	Standard metropolitan statistical areas
. . . . .	Cell not applicable

General Information

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

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

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

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*The availability of these studies will be announced in a forthcoming BULLETIN.

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U.S. International Transactions in 1983. 4/84.

Index to Statistical Tables

References are to pages A3 through A64 although the prefix "A" is omitted in this index

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FEDERAL RESERVE BANK, branch, or *facility* Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON* 02106	Robert P. Henderson Thomas I. Atkins	Frank E. Morris Robert W. Eisenmenger	
NEW YORK* 10045	John Brademas Gertrude G. Michelson	Anthony M. Solomon Thomas M. Timlen	
Buffalo 14240	M. Jane Dickman		John T. Keane
PHILADELPHIA 19105	Robert M. Landis Nevius M. Curtis	Edward G. Boehne Richard L. Smoot	
CLEVELAND* 44101	William H. Knoell E. Mandell de Windt	Karen N. Horn William H. Hendricks	
Cincinnati 45201	Robert E. Boni		Charles A. Cerino
Pittsburgh 15230	Milton G. Hulme, Jr.		Harold J. Swart
RICHMOND* 23219	William S. Lee Leroy T. Canoles, Jr.	Robert P. Black Jimmie R. Monhollon	
Baltimore 21203	Robert L. Tate		Robert D. McTeer, Jr.
Charlotte 28230	Henry Ponder		Albert D. Tinkelenberg
Culpeper Communications and Records Center 22701			John G. Stoides
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Miami 33152	Sue McCourt Cobb		Patrick K. Barron
Nashville 37203	C. Warren Neel		Jeffrey J. Wells
New Orleans 70161	Sharon A. Perlis		Henry H. Bourgaux
CHICAGO* 60690	Stanton R. Cook Edward F. Brabec	Silas Keehn Daniel M. Doyle	
Detroit 48231	Russell G. Mawby		William C. Conrad
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Little Rock 72203	Sheffield Nelson		John F. Breen
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Los Angeles. 90051	Bruce M. Schwaegler		Richard C. Dunn
Portland 97208	Paul E. Bragdon		Angelo S. Carella
Salt Lake City 84125	Wendell J. Ashton		A. Grant Holman
Seattle 98124	John W. Ellis		Gerald R. Kelly

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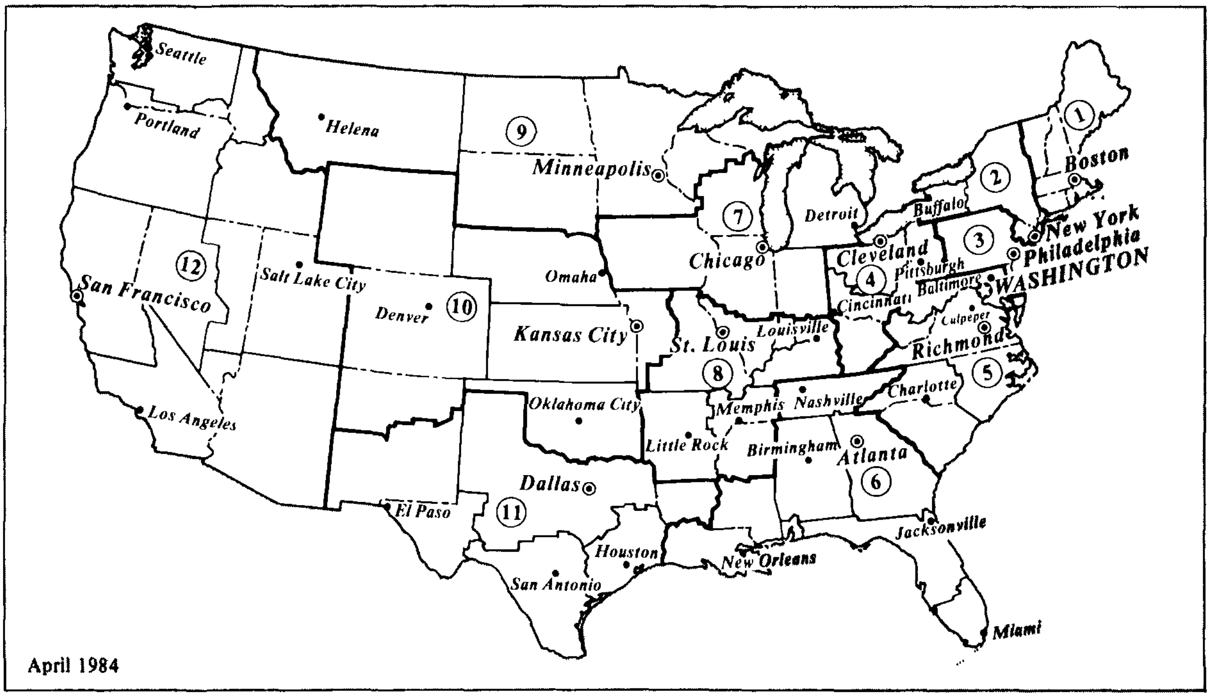
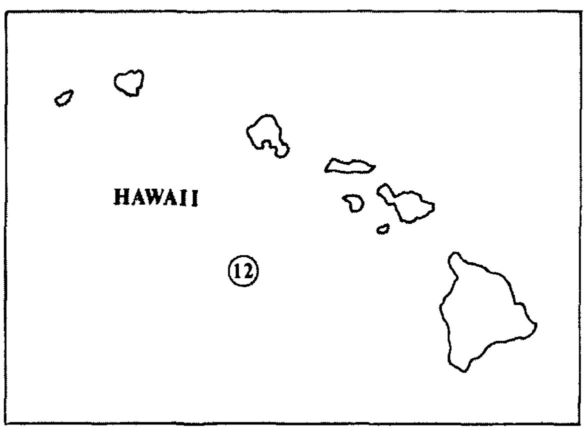
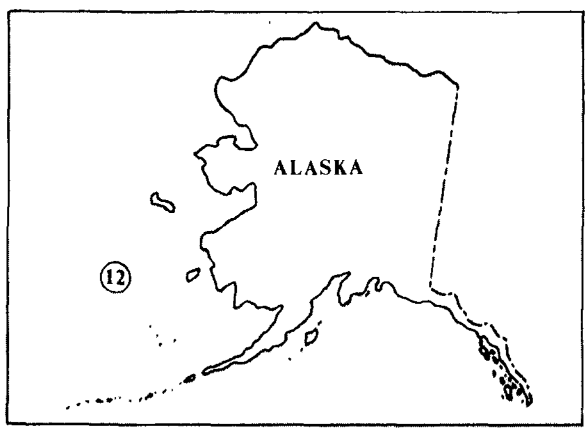
The Federal Reserve System

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